

ARTEMISININ CONFERENCE 2011

Hanoi, 2nd & 3rd November

A2S2 Update and Progress Report

Contents

1. **Why A2S2?**
2. **Meeting Industry Needs**
3. **A2S2 Project Outcomes To Date**
4. **Mid Term Review**
5. **Next Steps**
6. **Proposed Industry Association**

1. Why A2S2?

Need to:

- Increase supply of Artemisinin to meet increased ACT demand and funding in 2010-2011
- Overcome industry mistrust of existing ACT market forecasts and make stakeholders aware of rising demand, e.g. AMFm
- Improve industry communication and improve market intelligence
- Support artemisinin extractors who could not access funds to meet increased production needs
- Encourage longer term contracts between extractors and their buyers
- Support viable artemisinin prices which encourage production, but result in affordable artemisinin
- Eradicate production of artemisinin mono-therapies

2. Meeting Industry Needs

A2S2, Phase 1 - July 2009 to Dec 2011, involved:

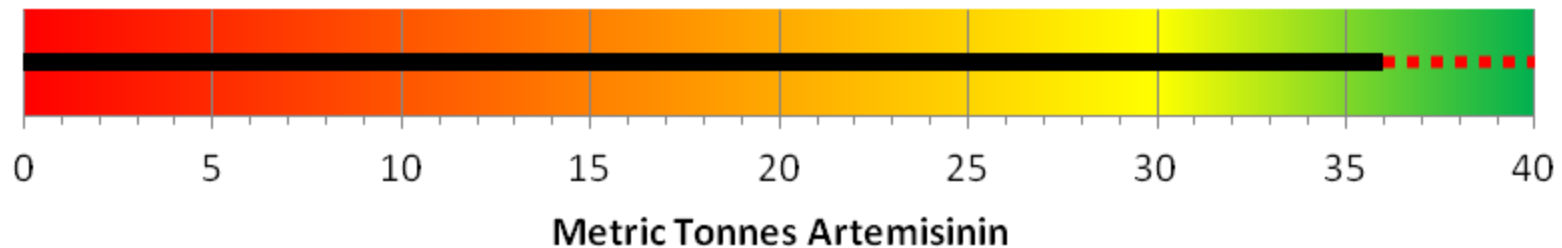
- Introduction of a loan facility (US\$ 8m) for extractors who are contracted to supply approved API/ACT manufacturers
- Regular visits to/discussions with, extractors and API/ACT manufacturers to increase communication and market intelligence
- Close collaboration with ACT market forecasting programmes
- Development of website (www.a2s2.org) and quarterly newsletter to share market and industry intelligence (where non-confidential)
- Regular updates on artemisinin production costs and on artemisinin buying prices
- Close involvement with the annual Artemisinin Conference

3. A2S2 Project Outcomes To Date

- **Loan support to four extractors who otherwise would not have been able to afford to meet the 'additional' needs of the market**
- **Regular visits by technical experts (JP&MC) to main producing regions with gathered intelligence (where not confidential) shared with the 'industry'**
- **Dissemination through regular personal contact, presentations at RBM meetings/Artemisinin Conferences and through A2S2 website/newsletter**
- **Promotion of closer links between artemisinin extractors and API/ACT buyers and the development of longer term contracts**
- **Identification and dissemination of 'global' artemisinin production costs**

3. A2S2 Project Outcomes To Date

- With loans totaling an amount of 36MT of additional, contracted artemisinin, A2S2 is close to meeting its target of 40 MT for the first Phase of A2S2



A2S2 is confident of reaching its target by the end of 2011.

4. Mid Term Review

- **A2S2 Mid-Term review** (Dalberg on behalf of UNITAID) involving extensive discussions with industry and stakeholders
- Outcome very positive and supported A2S2's continuing existence
- **Unforeseen difficulties** identified and recommendations made:
 - Issues with lending in China due to changes in (interpretation of) gov regulations: *no change but the situation constantly under review*
 - Improve dissemination of gathered market intelligence: *A2S2 website now improved and quarterly newsletter introduced*
 - Industry need for more technical initiatives to improve efficiencies: *A2S2 Phase 2 extension includes a technical assistance programme*
 - Need for A2S2 exit strategy: *proposed 'Industry' Association to assume market intelligence/communication activities, post A2S2*

5. Next Steps

A2S2 is proposing to continue its support to the industry over the next (critical) 2 years by:

- **Continuing to lend to extractors who cannot access other commercial (or competitive) funds - using repayments from previous loans**
- **Continuing to promote closer links between the extractors and API/ACT buyers and the development of longer term contracts**
- **Supporting artemisinin extractors to identify and work with local financial institutions/banks to encourage more local lending**
- **Continuing the dissemination of market intelligence through the A2S2 website, newsletter, presentations and personal contact**
- **Introducing a technical assistance programme: in-country seminars, followed up with visits by technical experts to interested extractors**
- **Assisting the development of an Artemisinin/API/ACT Industry Association which will ultimately be self supporting**

6. Proposed Industry Association

Suggested aims of the Association are to:

- Represent its members and ensure efficient communication throughout its membership
- Continue artemisinin/ACT market intelligence activities and forward forecasting to help ensure supply meets demand
- Continue to improve longer term contract links between artemisinin extractors and API/ACT buyers and links to financial providers
- Continue the dissemination of technical information and links to providers
- Provide information on the continued introduction of semi-synthetic and synthetic artemisinin and the development of new compounds
- To continue to support the elimination of mono-therapies, substandard and counterfeit drugs

A2S2 - Assured Artemisinin Supply System

Thank you!