

A group of African women and children are gathered in a community setting. Some women are holding books, and one woman in the foreground is clapping. The scene is outdoors, and the women are wearing colorful, patterned clothing. The text "Global ACT Subsidy" is overlaid in the center, and "June 2007" is overlaid below it.

Global ACT Subsidy

June 2007

The problem: the poor have very limited access to affordable and quality ACTs

- Over **one million people die** every year from malaria around world, mostly in Africa. 90% of the people who die are **children under 5 years**
- The most commonly used anti-malarial, chloroquine, is **ineffective** but cheap
- WHO recommends Artemisinin-based Combination Therapies (ACTs) as the most effective anti-malarial medicine but they are:
 - **Unaffordable** compared to chloroquine (10¢ versus at least \$1.00)
 - **Available in very limited numbers** in the private sector (where 60-80% of anti-malarial treatments are obtained)
- There are two additional problems with the current situation:
 - Artemisinin monotherapies are promoting **resistance**
 - **Counterfeits** are filling the gap

Patients suffering from fever seek medicine from both the public and private sectors

Public facilities are not always accessible

30-40% access



Public Health Clinic

Formal private outlets are more widely accessible

40-50% access



Licensed pharmacy

A range of informal outlets are nearly always available

80-95% access



Drug shop

"In coastal Kenya, 87% of rural households live within 1km of a shop, but only 32% within 2 km of a government dispensary or private clinic"

"shops and vendors selling drugs are often a much more convenient source of drugs than public clinics"
C. Goodman (2004)



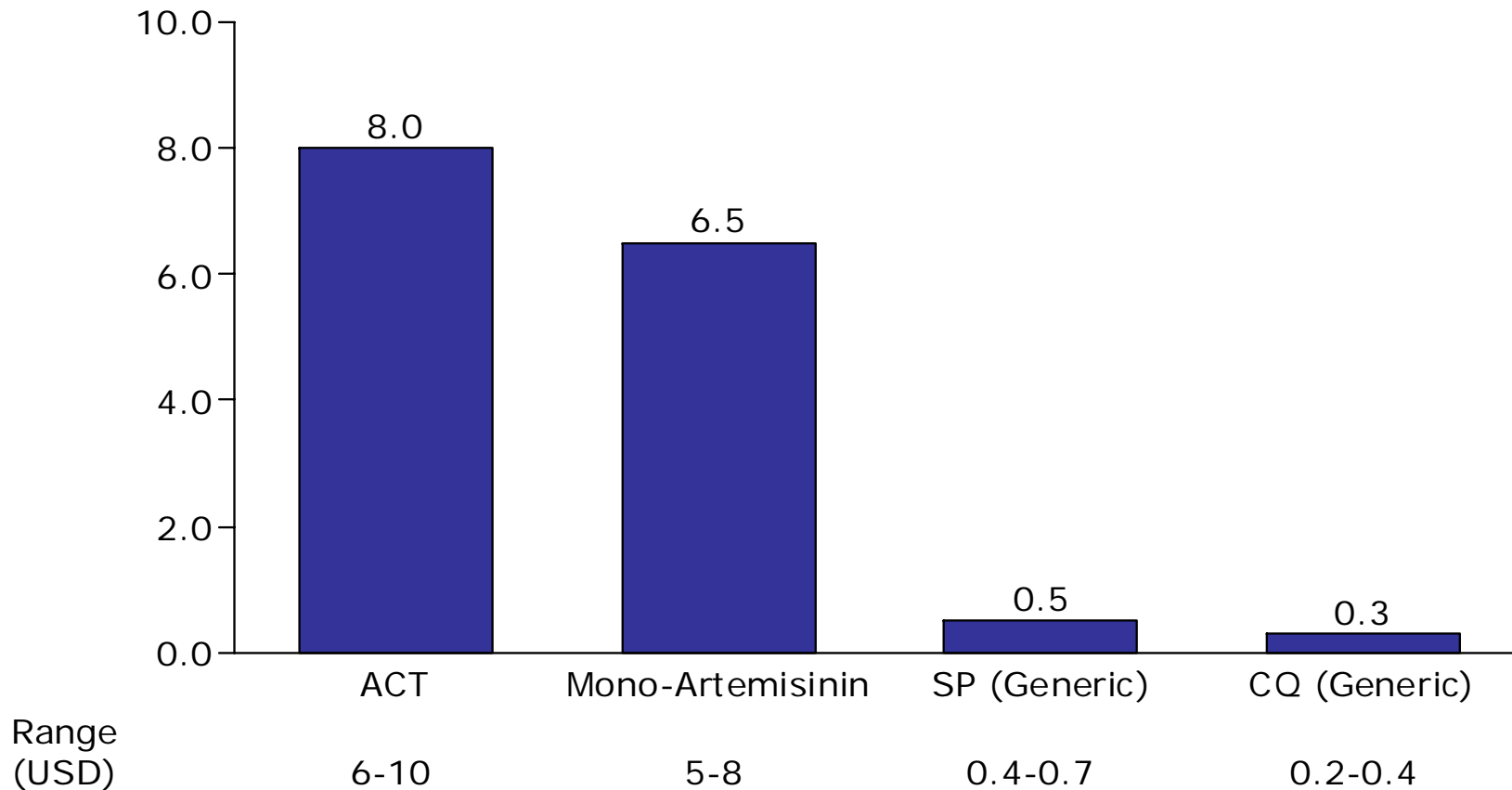
Licensed pharmacy



Drug seller

ACT prices are too high for most in the private sector – cheaper alternatives are ineffective

Average Prices (USD)



Note: Ranges indicate variance across countries and products excluding outliers; N (observations): (ACT, 222); (AMT, 227); (CQ, 37); (SP, 118). Source: Dalberg field research (Kenya, Uganda, BF, Cameroon), Observations by World Bank and Research International (Nigeria). Smaller pricing observations were also performed in Ghana, Rwanda, Burundi, Niger and Zambia), but due to low n not included. SP and CQ data complemented with HAI and IOM observations

The proposed solution: a Global ACT Access Facility

- Lower factory-gate **price** quickly to encourage uptake of ACTs
- Enable introduction into **private sector market**
- **Delay resistance** by undercutting the price of artemisinin monotherapies
- **Undermine counterfeit** market
- Improve **predictability** and **sustainability** for public sector and for manufacturers

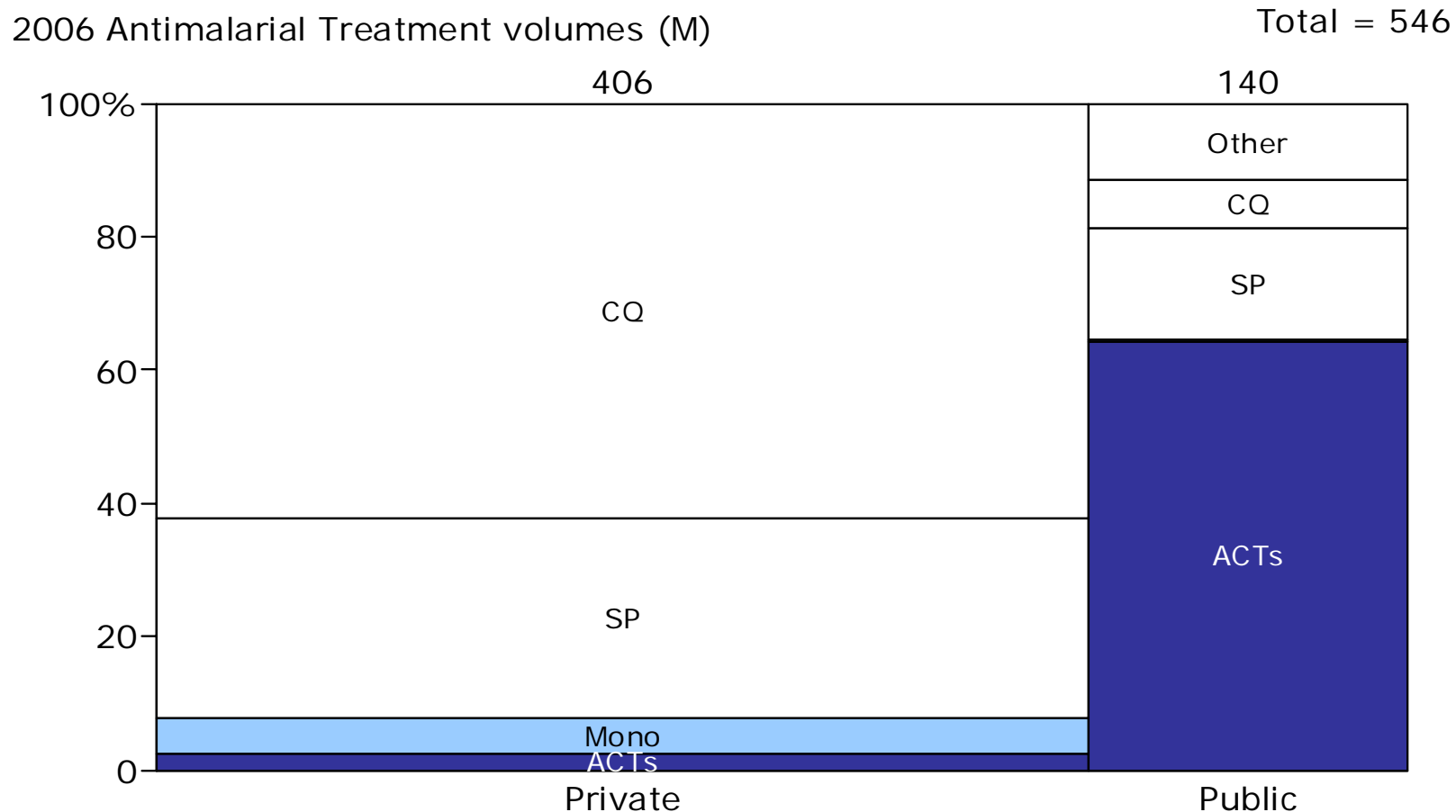


Public health clinic



Pharmacy

The goal is to increase the availability of ACTs across all sectors



Note: Estimates of actual malaria treatments (vs. fever) are between 25%(BCG) and 40%(WHO). Other category includes MQ, AQ, etc.. P. Vivax treatment included (90M CQ treatments). ACT numbers updated after manufacturer interviews from 82M (WHO) to 90M public sector, and from 8M to 10M in private sector. Source: Biosynthetic Artemisinin Roll-Out Strategy, BCG/Institute for One World Health, Dalberg

Private sector channels exist for cheaper less effective drugs (CQ, SP) –need to be used for ACTs

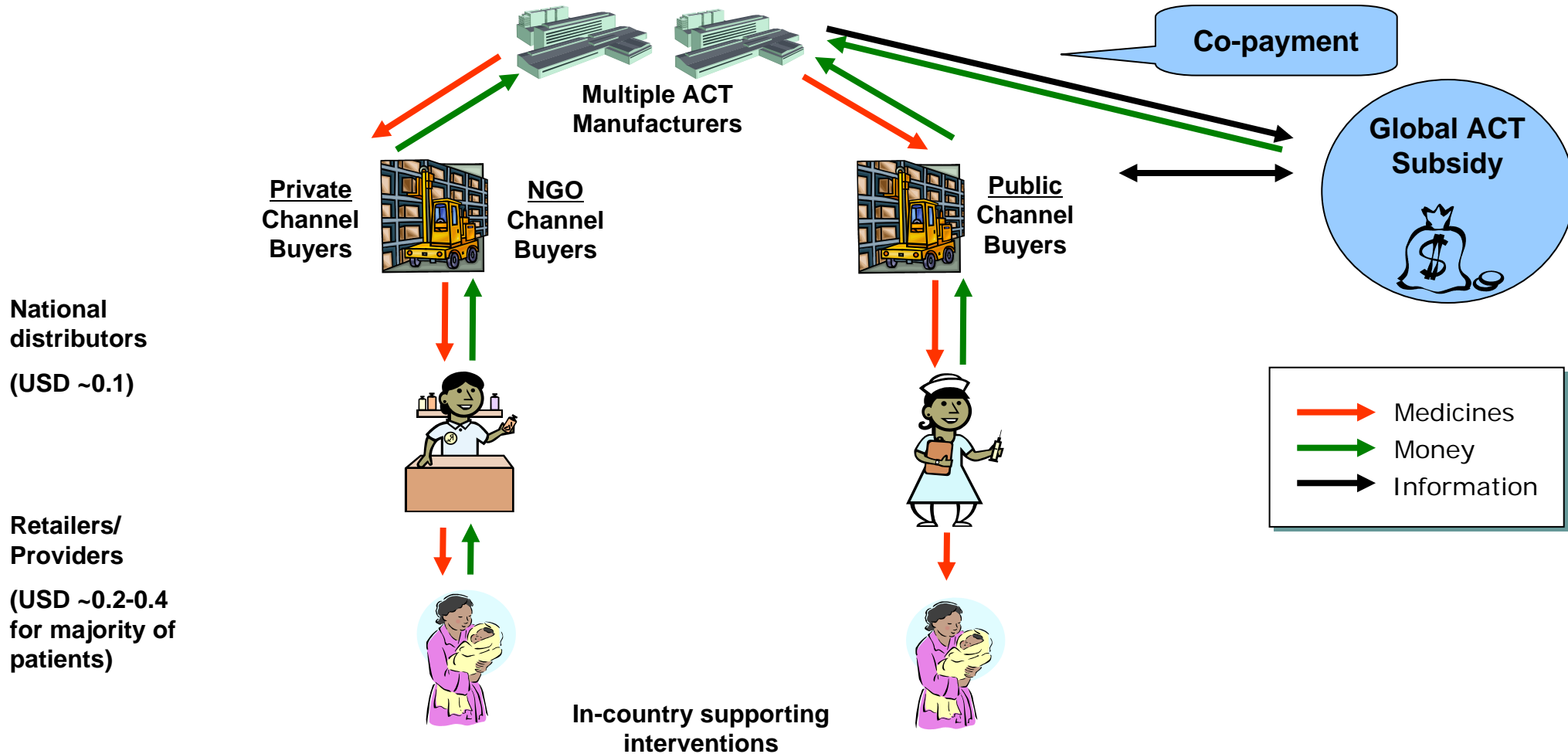
Imports - Wholesale



Retail – Drug shops & Pharmacies



The Global ACT Access Facility will offer ACTs to first-line buyers through existing channels



What the Global ACT Access Facility will not do

The Global ACT Access Facility **will not**:

- Subsidize raw material suppliers
- Subsidize manufacturers
- Subsidize only middle class patients
- Limit competition
- Discourage innovation
- Undermine country ownership

What the Global ACT Access Facility will do

The goal is **equitable access to affordable ACTs** for patients through:

- Existing channels – public, NGO **and** private sector
- Co-payment of purchases of ACTs at the factory gate
- Via a simple facility which ensures a competitive bidding process
- With clear eligibility criteria for products, suppliers and buyers
- It will require USD 250-300 million to finance co-payment of ACTs
- Essential supporting interventions to promote responsible introduction will be funded separately
- Target date for public announcement: November 2007