ARTEMISININ CONFERENCE 2010
Madagascar, 12 – 14 October 2010

PROGRESS AND STATUS
OF
A2S2

www.A2S2.org
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1. Introduction - General concepts

- A2S2 was launched for an initial period of 2 years aiming to facilitate support to contracts for additional Artemisia and artemisinin production i.e. to meet the increased ACT needs resulting from the introduction of AMFm and Global Fund initiatives.

- It was launched, with the support of UNITAID, in July 2009, following the discussions at the WHO/MMV Artemisinin Conference in Guilin, in 2008, where the first concern for artemisinin shortages was identified.

- The A2S2 initiative will only support extractors or API producers supplying to ACT manufacturers, whose ACT products are eligible by WHO/UNICEF and GFTAM: presently including Ajanta, Cipla, Novartis, IPCA, Sanofi Aventis, Guilin, Strides.

- The A2S2 initiative therefore aims to develop sustainable artemisinin production through securing long term contracts between the ACT manufacturer and their artemisinin supplier(s).
1. Introduction - General concepts

- The A2S2 finance facility offers a pre-financing mechanism to the extractor, whereby up to a maximum of 60% of the sales contract between the extractor and the eligible ACT manufacturer can be financed.

- The A2S2 initiative is open to extractors from all growing regions i.e. China, Vietnam, India and Africa (including Madagascar) and other regions in the future.

- The financing contract is managed by Triodos Bank through their Sustainable Trade Fund, with technical support from the other A2S2 partners.
1. Introduction - Organisational structure

- UNITAID Secretariat
- i+solutions
- Project Management Group
  - Triodos
  - Artepal
  - FSC
- Project Advisory Group
  - GMP
  - RBM
  - MSF
2. Additional supply of artemisinin under A2S2

<table>
<thead>
<tr>
<th>CONTRACTS FINALISED</th>
<th>Volume</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACT A</td>
<td>6MT</td>
<td>Signed.</td>
</tr>
<tr>
<td>CONTRACT B</td>
<td>10MT</td>
<td>Agreed and signed.</td>
</tr>
<tr>
<td>CONTRACT C</td>
<td>10MT</td>
<td>Due diligence completed. Pre-approval phase.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>CONTRACTS PENDING</th>
<th>Volume</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACT D</td>
<td>1MT</td>
<td>In discussion, for Oct plantings.</td>
</tr>
<tr>
<td>CONTRACT E</td>
<td>3MT</td>
<td>In discussion. Confirmation of contract expected in September 2010.</td>
</tr>
<tr>
<td>CONTRACT F</td>
<td>3.2 MT</td>
<td>In discussion.</td>
</tr>
<tr>
<td>CONTRACT G</td>
<td></td>
<td>In discussions with eligible ACT manufacturer.</td>
</tr>
<tr>
<td>CONTRACT H</td>
<td></td>
<td>Meeting held in July re A2S2 support for late 2010 plantings.</td>
</tr>
</tbody>
</table>
# 2. Additional supply of artemisinin under A2S2, without specific financing arrangements

<table>
<thead>
<tr>
<th>CONTRACTS FACILITATED</th>
<th>Volume</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACT I</td>
<td>6MT</td>
<td>2010 supply contract for 6MT agreed in Jan/Feb 2010</td>
</tr>
<tr>
<td>CONTRACT J</td>
<td>1-2MT</td>
<td>Supply agreement initially agreed for 1-2MT through A2S2 ‘support’ in May 2010 (1\textsuperscript{st} time this extractor has supplied an approved ACT manufacturer direct).</td>
</tr>
<tr>
<td>CONTRACT K</td>
<td>0.5MT</td>
<td>Around 500kg</td>
</tr>
<tr>
<td>CONTRACT L</td>
<td>10MT</td>
<td>The additional 10MT initially planned for disbursement, but the contract cancelled due to signing delays, was only made possible by the involvement of A2S2.</td>
</tr>
</tbody>
</table>
A2S2 - Assured Artemisinin Supply System

3. Market intelligence figures - recap

2010, for 2011 Use

- Estimated global production: 90 - 105 MT
- Estimated content: 0.45 – 0.80 %
- Estimated tons/ha: 1 – 2.5 MT leaves per ha
- Estimated global costs for leaves: 800 – 1200 USD per MT
- Estimated global costs for production: 340 – 400 USD per kg
3. Market intelligence figures - recap

Based on yesterday’s presentations (from Jacques Pilloy and BCG), and with our current knowledge, we assume the following gaps/shortages:

2010 – no visible gap (due to the unknown stocks from trade)

2011 – estimated 25 MT gap since production in 2010 is not sufficient to cover next years requirements (depending on stocks and final yields)

2012 – not available yet, depending on planting in 2011
4. Next steps

Time for discussion:
What actions are required to fill in the gaps and to reduce the estimated artemisinin shortages? We need to hear your views.

- What is expected from A2S2 for the future and how can it be improved?
- What are the latest needs of the industry?
- What other mechanisms could be introduced?
- Is there a continuing need for A2S2 types of support?

Please complete the confidential Questionnaire which we will distribute after this presentation and kindly put it in the box on the Registration Table.
Thank you.

Comments / questions?