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Dear UNITAID Board member,

I am writing to you because Médecins Sans Frontières (MSF) is very concerned about the risk of shortages of artemisinin starting material (the raw material extracted from *Artemisia* plants) that puts the global scale-up of artemisinin-based combination therapy (ACT) treatment at risk.

We think that the *Artemisia revolving fund proposal* before you this week is an opportunity for UNITAID to make a fundamental contribution to ensuring that ACT products are available as the global scale-up begins gaining speed.

MSF is treating about 1.2 million patients with confirmed malaria a year. We are supportive of the various attempts to scale-up malaria treatment more widely but we also know, from previous experience, how critical drug supply is. MSF has already spoken out on this issue, calling for an artemisinin starting material project when we experienced artemisinin and ACT shortages in 2004-2005.

Current best estimates, based on available stocks and current planting efforts, demonstrate that there will be a shortfall of about 40 tons of artemisinin starting material in 2010 to produce the expected 240 million treatments needed.¹ Taking into account that it takes about 14 months from the planting of *Artemisia annua* to the availability of the finished product, the availability in 2010 depends on what is being planted by farmers in the next weeks and months.

We believe that market forces will not resolve the short-term artemisinin supply problem. Because it is extracted from plants, the supply of artemisinin is impacted by the highly volatile market of food crops which affect farmers' decisions of whether or not to plant *Artemisia annua*.

Experts indicate that not enough *Artemisia* is currently being planted to secure starting material needs in 2010. Main artemisinin extractors are now stating that they did not receive clear signals or orders and will not extend their planting commitments. Some finished product makers are claiming that shortages will not be a problem but there might

be a fatal confusion, as has happened historically in this market, between theoretical capacity to produce and binding commitment to do so. By the time tenders are issued for

¹ Technical paper to ensure sustainable API supply to meet global ACT demand. Drafting Members: A. Bosman (WHO), H. den Besten (IDA Solutions), M. Cutler (FSC), J. Pilloy (OTECI), I. Singh (CHAI), J. Van Erps (RBM Secretariat), P. Yadav (MIT). Discussed at RBM/PSM WG meeting on 9 December 2008

the Global Fund, the Affordable Medicines Facility for malaria (AMFm) and the other program purchases, it will be too late to secure starting material supply.

While there are reasons to believe that increased demand stimulated by increased donor funding and the launch of the AMFm will lead to long-term stabilization of the market, this will likely take two to three years. As the artemisinin market is not mature today it needs some stabilization and support.

We therefore welcome and strongly support the proposal of a revolving fund that has been made to UNITAID to provide a 60% advance payment of the expected shortfall (at a fair price) to eligible extractors to stimulate increased planting at this critical time. We understand that this is a temporary mechanism and that there is limited financial risk as most of the USD 9 million could even be recuperated after a two-year period.

Stabilizing the artemisinin market appears to be within UNITAID's mission; and we therefore urge UNITAID board members to support the current proposal and carefully weigh the risks of not acting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tido von Schoen-Angerer', written in a cursive style.

Tido von Schoen-Angerer, MD
Executive Director
Campaign for Access to Essential Medicines
Médecins Sans Frontières International

CC:

Dr Jorge Bermudez, Executive Secretary, UNITAID