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GLOBAL FUND BOARD APPROVES PROPOSALS FOR PHASE 1 OF THE "AFFORDABLEMEDICINES FACILITY - MALARIA" (AMFM) FUNDING STREAM

At its recent meeting in Addis Ababa, the Global Fund Board approved 10 proposals under Phase 1 of a small innovative new funding programme called the "Affordable Medicines Facility – Malaria" (AMFm), which is designed to provide support for interventions promoting and facilitating the use of artemisinin combination therapies (ACT).

The total budget of the approved proposals is \$127 million. Of this amount, the Global Fund estimates that \$98 million will be generated through savings in the approved countries' existing Global Fund malaria grants, and that a further \$11 million will be provided from other sources (i.e., other Global Fund grants, other donor funds and domestic resources). Thus, the total incremental cost to the Global Fund of the approved proposals is \$18 million.

All proposals cover a two-year period. Twelve applications were submitted. Of the 10 approved proposals, five were rated by the Global Fund's Technical Review Panel (TRP) as Category 1 (no issues, or minor issues to be dealt with during negotiations), and another five were rated Category 2 (some clarifications required). The TRP rated two proposals Category 3 (not recommended for funding).

Applications for Phase 1 were on an invitation-only basis. Invitations were extended to 12 CCMs. The countries were selected based on criteria such as having a moderate to high mortality rate, and having previous experience with large scale ACT programmes.

The following table provides more details on the results of the Phase 1 funding process.

Country	Budget (\$)	Incremental cost to the Global Fund (\$) ¹
CATEGORY 1		
Cambodia	10,965,277	9,602,617
Madagascar	2,052,437	1,190,992
Niger	2,113,024	1,701,532
Tanzania (mainland)	12,801,955	NIL
Zanzibar	1,015,469	782,968
Total Category 1	28,948,163	13,278,109
CATEGORY 2		
Ghana	22,079,553	NIL
Kenya	16,571,492	NIL
Nigeria	43,740,110	NIL
Rwanda ²	2,857,752	NIL
Uganda	12,484,998	4,270,305
Total Category 2	97,733,905	4,270,305
Total Recommended for Funding (Categories 1 and 2)	126,682,068	17,548,414

CATEGORY 3 (Not approved)

Benin	4,917,809	3,218,107
Senegal	3,871,837	2,355,821

¹ After re-structuring of existing malaria grants, and savings from other sources.

² Rwanda submitted a total budget of US\$9,796,263. The TRP recommended reducing this to \$2,857,752.

AMFm is an innovative financing mechanism designed to expand access to affordable ACT drugs for malaria. ACT is currently the most effective treatment for malaria, but ACT drugs account for only one in five malaria treatments taken and are provided almost entirely by the public sector. Yet over 60 percent of patients access anti-malarial treatment through the private sector, where ACT drugs make up only five percent of treatments provided. The reason that ACT drugs are not more widely used is that they are more expensive than other treatments.

In November 2008, the Global Fund Board approved the first phase of AMFm, among a small group of countries, to enable lessons to be learned before a global roll-out of the AMFm.

AMFm tries to increase the provision of affordable ACTs in two ways: (1) by reducing the cost of ACT

drugs; and (2) by ensuring that additional activities (called “supporting interventions”) are carried out to assist safe and effective implementation of the AMFm. The proposals that were just approved by the Board consist of these supporting interventions.

With respect to reducing the cost of ACT drugs, the Global Fund has reached agreement with all eligible manufacturers to reduce their ACT sales prices to first-line private sector buyers to the same level as for public sector buyers. This is the first in a two-step process. The second step is an AMFm co-payment to further lower the prices to first-line buyers in all sectors, which will happen when those buyers place orders. First-line buyers include international, regional and national buyers from the public, not-for-profit and private sectors that purchase ACTs directly from the manufacturer, or procurement agents buying on their behalf.

The supporting interventions must include, at a minimum, public awareness campaigns, training and supportive supervision for ACT providers, policy and regulatory measures, pharmacovigilance planning, and programmes to reach poor people and children. Countries are encouraged to add other supporting interventions. For example, the majority of applications to AMFm Phase 1 proposed the introduction or expansion of rapid diagnostic tests to support scale-up, including undertaking operational research where needed to inform scale-up in the private sector. The TRP welcomed this as a sound approach to malaria case management.

The AMFm is hosted by the Global Fund, with some financial support provided by other agencies, including UNITAID, the U.K. Department for International Development (DfID), and the Bill and Melinda Gates Foundation. The Roll Back Malaria Partnership (RBM) provides technical support

It is expected that once the co-payment has been applied, first-line buyers in all sectors will be able to buy ACTs from manufacturers at an average price of about five cents per treatment course. In the private sector, first-line buyers are expected to pass on a high proportion of any savings, so that patients are able to buy ACTs at a price that is competitive with other malaria drugs such as the increasingly ineffective chloroquine, and the undesirable oral artemisinin monotherapies. The idea, therefore, is to increase access to ACT drugs and to displace inappropriate treatments from the market.

The AMFm will not result in separate grant agreements being signed. Rather, funds provided for supporting interventions will be channelled through existing malaria grants. (This will require that the relevant Grant Agreements be amended.)

Invitations to apply for Phase 1 of the AMFm were sent on 20 March 2009. (The invited countries are those listed in the table above.) Applicants were provided with a proposal form and were given a deadline of 1 July 2009. The proposals were reviewed by the TRP in a process that was separate from, but similar to, the review process for proposals under the rounds-based channel.

Phase 1 lasts for two years. It will be independently evaluated before the end of the two-year period. The Global Fund Board has said that the AMFm will be expanded to a full roll-out unless significant failures are observed during Phase 1.

More information on the results of the Phase 1 funding process can be found in the “Report Of The Technical Review Panel And The Secretariat On Applications To The First Phase Of The Affordable Medicines Facility – Malaria (AMFm Phase 1),” Board Document GF/B20/10, which will shortly be available on the Global Fund website under “Board documents” at www.theglobalfund.org/en/board/meetings/twentieth. The Board decision points on the AMFm proposals and Phase 1 of the AMFm can also be found on that site (Decision Points 24 and 25).

General information on the AMFm can be found on the Global Fund website at www.theglobalfund.org/en/amfm. Among the documents available there are “Affordable Medicine Facility – Malaria: FAQs,” and the proposal forms and guidelines used for Phase 1.

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