

## P4M Economic Case Study

### *Background Information*

#### ***Poppy for Medicine projects: lost-cost, high impact economic development initiatives***

Building on the June 2007 release of The Senlis Council's *Poppy for Medicine* project model, this Economic Case Study provides detailed information on the economics of producing morphine in small medicine factories in Afghan communities, through *Poppy for Medicine* projects. Small morphine producing factories, located in Afghan district centres, would be able to inexpensively manufacture morphine for sale at prices significantly below the current retail price for morphine in many countries. With a nominal start-up cost, a small medicine factory would not only provide jobs and secure incomes for hundreds of Afghans; it would trigger economic growth and diversification in the regions within which the *Poppy for Medicine* projects are located.

#### ***Local medicine factories enhance security of Poppy for Medicine projects***

An important security feature of the *Poppy for Medicine* project model is the **local** transformation of raw poppy materials into morphine medicines **immediately** after the harvest period. This Case Study is based on a model scenario in which a medicine factory has the capacity to process into morphine three metric tons of raw poppy materials - the quantity that could be produced by ten model *Poppy for Medicine* project communities, each with twenty small farms of less than 0.4 hectares – within the two month period following the poppy crop harvest.<sup>1</sup>

#### ***Diversifying Afghanistan's economy: extending the Poppy for Medicine project model***

Under the *Poppy for Medicine* project model, the manufacture of morphine medicines will occupy less than a quarter of a factory's operational time each year, leaving the factories available to add value to other agricultural products cultivated in the region throughout the rest of the year. Initial research suggests that it may be possible to extend the *Poppy for Medicine* project model to produce other plant-based medicines suited to the Afghan context, such as the malaria medicine Artemisinin.

#### ***Local production of affordable malaria medicines***

The production of malaria medicines would be particularly suitable in the context of *Poppy for Medicine* projects, as the crop cycle of artemisia, the plant from which Artemisinin is extracted, is complementary to the poppy crop cycle. In addition, as with morphine, there is an extensive global need for affordable supplies of malaria medicines that Afghan medicine production projects could help to meet.

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<sup>1</sup> The model scenario presented in this Case Study is designed to shed light on the potential economic impact that the production of medicinal products would have on the communities and regions within which *Poppy for Medicine* projects would be implemented. As such, this model is for descriptive purposes only, and an actual *Poppy for Medicine* project implemented in Afghanistan may differ significantly.