

# IFFIm AND CEPI

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BOARD MEETING

**Marie-Ange Saraka-Yao**

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# Gavi could assist Norway in frontloading its contribution to CEPI via IFFIm

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- The Coalition for Epidemic Preparedness Innovations (CEPI) is a non-profit association that provides financing for research and development into new vaccines for vaccine preventable diseases of epidemic proportions for which no vaccines are currently available.
- Norway has made a pledge to CEPI that spans 2022-2025. It is looking to make it available for disbursement to CEPI in 2019. To that end, it is proposed that the Norway pledge to CEPI is funded through Gavi via IFFIm to allow for its frontloading (the “CEPI Arrangement”).

▶ **The CEPI Arrangement does not constitute a precedent for Gavi to support research and development of vaccines**

# The CEPI Arrangement would be an efficient solution to address Norway's request

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- IFFIm was proposed as candidate to execute this transaction for the following reasons:
  - IFFIm is an innovative finance mechanism designed to frontload grants made by donors to fund immunisation;
  - Gavi has used IFFIm in the past to frontload funds for immunisation-related programmes that are not managed by Gavi itself (e.g. GPEI);
  - As a donor to both Gavi and IFFIm, Norway would strengthen IFFIm's capital base and IFFIm's position as an innovative financing solution for global health by using it for this transaction, both of which would likely be positively received by credit rating agencies, potentially improving IFFIm's overall operations;
  - Complementarity exists between Gavi and CEPI as the two are contributing to two different elements of the value chain to bring new vaccines to developing countries.

# The proposed transaction would be fully funded by Norway and would be cost-neutral to Gavi

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- If approved, the transaction would proceed as follows:
  - Norway makes available through IFFIm the funding for the proposed support to CEPI (i.e. Norway signs an IFFIm grant agreement with Gavi)
  - IFFIm frontloads the Norway pledge through the issuance of a bond
  - The amount of money that can be frontloaded will be dependent upon the prevailing market conditions at the time of the transaction
  - The amount of funding allocated to the CEPI programme will equal the amount frontloaded through this transaction minus any cost associated with the CEPI Arrangement (e.g. transaction costs)

▶ **The Secretariat will take all necessary actions to make this transaction cost-neutral to Gavi, including an arrangement and process for recovery of related Secretariat costs**

# Both the AFC and the IFFIm Board provided guidance on the CEPI Arrangement

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- The Gavi Audit and Finance Committee (AFC) noted that the CEPI Arrangement would not have any material adverse impact on Gavi's finances and operations.
- The IFFIm Board expressed support for the CEPI Arrangement.
- The Secretariat received guidance to ensure that the arrangement is cost-neutral to Gavi, that it is applicable within Gavi's and IFFIm's legal frameworks, that appropriate monitoring and oversight on CEPI is performed and that the transaction is confirmed as feasible by the World Bank.

# Recommendation (1/2)

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The Gavi Alliance Board is invited to consider Gavi supporting the Coalition for Epidemic Preparedness Innovation (CEPI) subject to funds being made available by the Kingdom of Norway and disbursed via IFFIm (the CEPI Arrangement) and, if it deems appropriate, to:

- a) **Approve** the CEPI Arrangement;
- b) **Note** that the CEPI Arrangement will be considered as a Gavi Non Country-Specific Programme consistent with IFFIm's requirements;

# Recommendation (2/2)

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- c) **Note** further that the CEPI Arrangement does not constitute a precedent for Gavi to fund research and development; and
- d) **Request** that the Secretariat puts in place the necessary measures to implement the CEPI Arrangement with IFFIm, CEPI and the Government of Norway, taking into account the guidance provided by Gavi's Audit and Finance Committee.

# THANK YOU

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