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Subject	IFFIm Chair Report
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Category	For Information
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### **Overview**

- This report provides the Board with (1) an overview of IFFIm's work to-date supporting Gavi's 2021 - 2025 strategic period and (2) a summary of anticipated future capacity.
- IFFIm continues to be a valuable instrument in Gavi's financial toolkit. Its flexible model will be critical in the Gavi 6.0 strategic period, enabling Gavi and donors to reliably deliver on Gavi's ambitious goals for 2026-2030.
- IFFIm raised US\$ 1 billion in October 2024 through its most recent bond issue. This is IFFIm's largest single issue since its inaugural bond in 2006, and the order book was four times oversubscribed.
- IFFIm has continued to receive an A+ rating from its largest donor – the United Kingdom – in its periodic review of the effectiveness and efficiency of the initiative in which it participates.
- Governance and administration priorities are on track, with new directors onboarded and the special adviser to the IFFIm board recruited. Framing IFFIm's 2025 strategy for the transition to Gavi 6.0 continues.
- Annexed hereto, is the IFFIm Chair Report to be presented and discussed during the forthcoming Gavi Board meeting.

### **Annex**

#### **Annex A: IFFIm Chair Report**

# IFFIM CHAIR REPORT

BOARD MEETING

**Kenneth Lay**

4-5 December 2024, Bali, Indonesia

[gavi.org](https://gavi.org)



Annex A



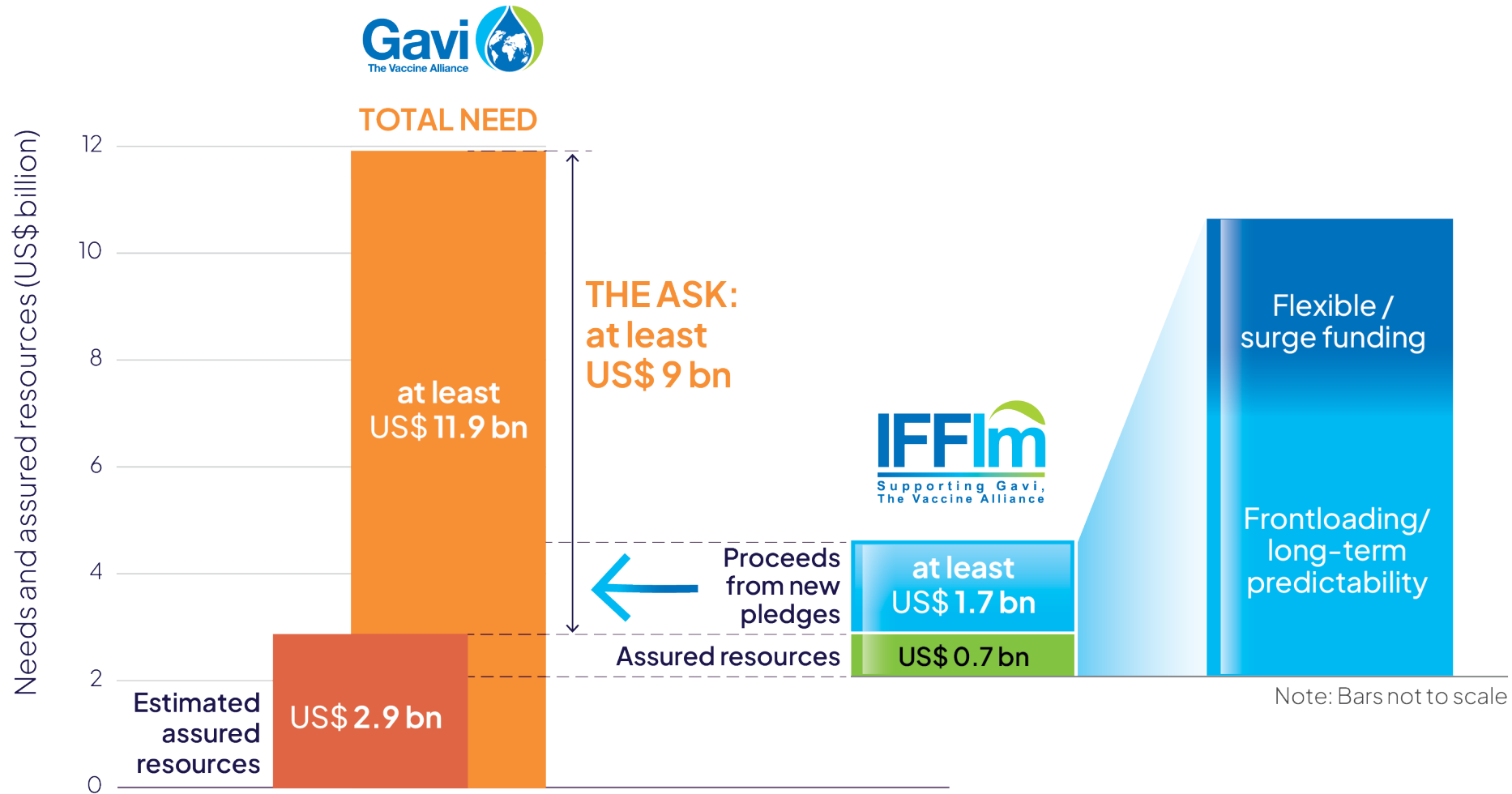
# IFFIm contribution to Gavi's funding requirements and impact <sup>Annex A</sup>

- In the **2021-2025** period IFFIm has the capacity to provide **US\$ 3.2 billion** for core programmes and COVAX Advance Market Commitment (AMC) support
  - US\$ 2.2 billion for core funding
  - US\$ 975 million for COVAX AMC
- **Through November 2024**, IFFIm has provided **US\$ 2.8 billion**
  - US\$ 1.8 billion for core funding
  - US\$ 975 million for COVAX AMC
- **Assured resources** for the Gavi 6.0 period are **US\$ 655 million**
- **IFFIm has provided c. 17% of Gavi resources** to countries since 2006
  - Frontloaded resources resulted in 142 million children being immunised ahead of the receipt of donor contributions

# IFFIm's model is critical for Gavi to meet 6.0 goals

- **IFFIm provides flexible and reliable funding**, essential for countries and manufacturers
  - Frontloading model provides immediate funding to support Gavi's widest vaccine portfolio to date, to include high-impact vaccines
  - Critical to immunising > 500 million children, including those in vulnerable communities
  - Long-term pledges strengthen vaccine market shaping power to encourage innovation and reduce prices across 50% of its portfolio
  - IFFIm's Letter of Credit Facility will enhance Gavi's vaccine procurement efficiency
- **IFFIm also provides capacity for surge funding** to ensure Gavi can respond rapidly to unexpected events when needed
  - To strengthen global health security and protect against pandemics
  - To fund vaccine stockpiles and fund strategic partnerships, like CEPI for vaccine R&D
- **A fully replenished IFFIm** will help Gavi achieve its ambitious Gavi 6.0 goals

# IFFIm's replenishment is integral to Gavi 6.0



Note: Gavi's total need and ask are based on the Gavi 6.0 Investment Opportunity.

# IFFIm: a solution for donors to make an immediate impact

- **IFFIm provides Gavi with flexibility** to use donor funding when needed the most
  - Donors allocate contributions in alignment with the particulars of their respective fiscal and budgetary policies, and Gavi accesses these funds based on the needs at hand
  - Donor contribution timelines do not compromise IFFIm's flexibility to fund Gavi
- **IFFIm offers EU donors a useful opportunity** to charge their pledges against their sovereign budgets when paid
  - Contributions are not charged against budgets when committed; a sound and flexible fiscal management tool for donors
- **IFFIm is a good value for the money**
  - IFFIm disburses 98% of available resources to Gavi programmes
  - Raises funding at a similar average cost of its donors
  - An efficient method to fund Gavi in times of crisis – COVID-19, Ebola, CEPI
- **IFFIm Board members are available to donors** to answer questions or provide additional information

# Where do we go from here

- **Broadening** the donor base
- **Diversifying** the financial toolkit
- **Establishing** the contingent financing mechanism
- **Providing** cost-effective funding for countries transitioning from Gavi

IFFIm's well-established franchise can continue offering donors a highly efficient way to address key issues in global public health



# October bond issue

- **US\$ 1 billion bond** is largest issuance size since IFFIm's inaugural bond in 2006
  - Coupon rate (interest paid to investors) 4.125%
  - Priced at 20.7 bps over the reference US Treasury
- **Demand exceeded US\$ 4 billion** in orders
  - IFFIm's largest order book to date

**GlobalCapital**

*"During the pandemic, there was increased need for IFFIm, World Bank and Gavi to do more. So, IFFIm came to the market with a sizable transaction, and we saw a lot of new investors in the book." – Andrea Dore, World Bank*



*Vaccine bonds have proven popular as more socially conscious investors seek out investments directly linked to immunisation efforts and which are backed by IFFIm's double-A credit rating.*



# Recent news and activities

- **IFFIm rated A+** for the sixth year by UK FCDO
- **Three new board members**
  - Rachel Turner: Career with DFID/FCDO including Former Director for International Finance and Director for East Africa
  - Eila Kreivi: Former Director and Chief Sustainable Finance Advisor at EIB and current Board member of Finnvera, a state-owned special financing company in Finland
  - Jeffrey Diehl: Former Vice Chairman at HSBC and current COO and Compliance Officer of Coalition for Green Capital
- **Joint technical briefing session** with Gavi Audit and Finance Committee in October
  - Detailed presentation to the Gavi AFC on the IFFIm-Gavi-World Bank partnership
  - IFFIm's evolving role supporting Gavi

# Recent news and activities

- **2025 strategy session**
  - Annual session with IFFIm Board members, Gavi Secretariat and World Bank, as IFFIm's Treasury Manager
  - Set out planning for 2025 strategic deliverables with a focus on identifying efficiencies in the model and other ways IFFIm can contribute to Gavi beyond usual funding
- **Credit ratings**
  - Moody's: affirmed Aa1/stable rating
  - Fitch: following the revision of France's rating outlook, affirmed AA- rating of IFFIm and revised its outlook to negative (AA-/negative)
  - Standard and Poor's: annual meeting to be held in December 2024, current rating AA/stable

# Thank you