IFFIm report

René Karsenti
Chair, IFFIm Board

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GAVI Board Meeting
Washington DC
13 June 2012
Significant events in first half of 2012

- S&P downgrade
- Return to capital markets
- IFFIm donor workshop
- Changes to the IFFIm Board
IFFIm continues to work for GAVI…

- Decouples timing of donor inflows from programmatic needs
- Provides long-term visibility
- Cost-effective
- Creates long-term relationship among stakeholders
- Fits GAVI’s business model:
  - Includes long-term resources
  - Comes from an increasing variety of sources
  - Provides predictability and flexibility to enable GAVI to optimise use of resources

“IFFIm has delivered… The model is clearly robust.”

Independent evaluation of IFFIm by HLSP, July 2011
…as the numbers attest

- US$ 6.3 bn pledged to IFFIm by donors
- US$ 3.7 bn raised by IFFIm in the capital markets
- US$ 0.9 bn received by IFFIm from donors
- US$ 2.8 bn of programmes approved by IFFIm (3+ times leverage)
- US$ 2 bn disbursed from GFA to GAVI

Excludes pledges from Brazil and the UK made at GAVI’s pledging conference on 13 June 2011. As of June 2012, these pledges are being finalised and documented.
S&P and Moody’s reaffirm their ratings for IFFIm

- Reaffirmed AA+ by S&P in May
  - January drop from AAA due to S&P decision to downgrade several Eurozone countries
- Still triple-A rated by Moody’s and Fitch
- Moody’s reaffirmed Aaa in June
- S&P downgrade has no immediate impact on GAVI programmes
- Amending legal agreements to prepare for the possibility of further downgrade
June 2012 issuance: IFFIm continues to fund itself effectively

- Continued attractive market access demonstrated
  - Net proceeds US$ 98.4m
  - Avg. maturity 6.8 years
  - 3-month US$ LIBOR +14.6 bps
  - Donor composite: US$ LIBOR + 66 bps
  - HSBC-managed (9 distributors)
23 April donor workshop:
IFFIm’s role in GAVI’s long-term funding strategy

- Positive sentiment about IFFIm
- Frontloading, predictability, legally binding commitments and flexibility are powerful attributes of IFFIm in GAVI’s business model
- Attractive to various types of donors for different reasons
- IFFIm and GAVI will continue dialogue with donors on additional support
Changes to the IFFIm Board

- New Chair René Karsenti appointed in February 2012
  - Background in both capital markets and development finance
  - Current president of International Capital Market Association (ICMA)
- Chair Alan Gillespie and director Arunma Oteh resigned in early 2012
- John Cummins and Dayanath Jayasuriya will resign by rotation at end-2012
- Search process underway to fill three IFFIm Board seats
International Finance Facility for Immunisation