Section A: Introduction

- This report provides the Board with an overview of the activities of the International Finance Facility for Immunisation (IFFIm) since the last Board meeting in June 2017.
- IFFIm continues to be a valuable tool for Gavi and its financial position remains strong.
- On 9 November, IFFIm successfully issued a US$ 300 million floating rate benchmark bond issuance. The bond was oversubscribed and placed with investors worldwide.
- IFFIm Vaccine Bonds helped pioneer socially responsible investing, and growth in the SRI sector has gained traction in the past years. The Social Bond Principles (“SBP”), adopted in June 2017, recommend a clear process and disclosure for issuers, investors and banks which emphasises transparency, accuracy and integrity of information.
- IFFIm is well-aligned with the SPB allowing Board members it to re-connect with existing investors and reach out to new ones through roadshows and financial conferences.
- The IFFIm Board plans on adopting a diversity statement at its December Board meeting. Beginning in 2018, the Board will work to develop an updated communications strategy and begin recruitment for two board seats.
- Significant progress has been made in developing potential additional roles for IFFIm to support Gavi’s strategic goals.
- At an IFFIm Donors’ meeting on 12 June, IFFIm received feedback on the proposed roles:
  - Financial commitments for market shaping: designated as a priority and development continues.
  - Supporting CCEOP: work will continue on the development of this role in alignment with CCEOP progress and needs while ensuring coordination with the HSIS programme.
- Vaccine scale-up: designated as a future initiative based on Gavi’s timeframe, IFFIm will continue exploration in alignment with the VIS activity and timeline.

- Contingent pledges for outbreak response: this role will be placed on stand-by until Gavi clarifies how it will participate in outbreak response.

- The IFFIm Chair report is attached in the form of a presentation as Annex A.

**Annexes**

Annex A: IFFIm Chair report
IFFIm Chair Report

Gavi Board Meeting

René KARSENTI
Chair, IFFIm Board of Directors
Vientiane, Lao PDR – 30 November 2017
IFFIm Chair Report

AGENDA

Overview
Funding update
Operational update
Strategic initiatives
Social Bond Principles
Overview

- **Funding Gavi**
  - IFFIm has funded one-fifth of total Gavi funding from 2006 through September 2017

- **Expected proceeds**
  - US$950 million for the 2016-2020 funding period
  - Expected proceeds to increase by at least US$350 million in next funding cycle

- **Financial position of IFFIm is strong**
  - Current commitments of US$457 million
  - AA/Aa1 rating
  - Liquidity of US$1.4 billion
  - Actual gearing ratio of 22.0% vs. a maximum leverage ratio of 58.2%

(1) Data as of 30 September 2017
(2) As of 13 November 2017
Funding update

Summary Terms of the Vaccine Bonds

<table>
<thead>
<tr>
<th>Term</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer</td>
<td>International Finance Facility for Immunisation Company (IFFIm)</td>
</tr>
<tr>
<td>Rating</td>
<td>Aa1 / AA / AA</td>
</tr>
<tr>
<td>Format</td>
<td>Reg S registered</td>
</tr>
<tr>
<td>Amount</td>
<td>US$300 million</td>
</tr>
<tr>
<td>Pricing date</td>
<td>9 November 2017</td>
</tr>
<tr>
<td>Maturity date</td>
<td>16 November 2020</td>
</tr>
<tr>
<td>Coupon (s.a.)</td>
<td>3-month $LIBOR +13 bps</td>
</tr>
<tr>
<td>Re-offer price</td>
<td>100%</td>
</tr>
<tr>
<td>Joint lead managers</td>
<td>Citi, Crédit Agricole CIB, Goldman Sachs International</td>
</tr>
</tbody>
</table>

- Three year Floating Rate Note
- IFFIm’s return to the International US$ benchmark market following last year’s successful issuance
- Decision to pre-fund 2018’s funding needs based on:
  - Strong investor demand
  - Expected positive carry
  - Reaffirmation of ratings from Standard & Poor’s and Fitch
  - Visibility in the capital markets
- Orders of over US$ 335 million
  - Bonds oversubscribed and successfully placed with investors around the world
IFFIm in alignment with the Social Bond Principles

- IFFIm’s alignment with Social Bond Principles has a distinct appeal to the growing community of socially responsible investors
- Vaccine Bonds helped pioneer socially responsible investing
- IFFIm offers investors a unique opportunity to combine an attractive financial investment with an exceptional social purpose – generating a positive impact on society
- Advantages for investors:
  - Alignment with Social Bond Principles
  - Measurable impact
  - Attractive risk-adjusted returns
  - Portfolio diversification
Operational update

- **Outreach to investors**
  - Japanese roadshow, International Net Roadshow
  - Speaking roles at conferences in Amsterdam, Tokyo, Bordeaux, London, Paris

- **Board decisions**
  - Formalising IFFIm Board’s diversity principles
  - Developing an updated communications strategy

- **Chair succession and board recruitment**
  - René Karsenti will step down after two terms as IFFIm Board Chair
  - Appointment of Cyrus Ardalan as Chair beginning 1 January 2018
  - Recruitment for board seats in 2018
### IFFIm strategic initiatives

<table>
<thead>
<tr>
<th>INITIATIVE</th>
<th>COMMENTS</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial commitments for market shaping</td>
<td><strong>Purpose</strong>&lt;br&gt;Additional financial tool for Gavi to help secure favourable vaccine pricing and sustainable supply</td>
<td>Active</td>
</tr>
<tr>
<td></td>
<td><strong>IFFIm donors’ guidance</strong>&lt;br&gt;Continue development with high priority</td>
<td></td>
</tr>
<tr>
<td>Supporting CCEOP¹</td>
<td><strong>Purpose</strong>&lt;br&gt;Provide innovative financing support for CCEOP through themed IFFIm bonds or helping unlock other sources of capital</td>
<td>Active</td>
</tr>
<tr>
<td></td>
<td><strong>IFFIm donors’ guidance</strong>&lt;br&gt;Continue development in alignment with CCEOP progress and needs while ensuring close coordination with the HSIS programme</td>
<td></td>
</tr>
<tr>
<td>Vaccine scale-up</td>
<td><strong>Purpose</strong>&lt;br&gt;Utilise IFFIm’s flexible funding capabilities to support Gavi’s VIS²</td>
<td>Future initiative</td>
</tr>
<tr>
<td></td>
<td><strong>IFFIm donors’ guidance</strong>&lt;br&gt;Continue exploration in alignment with the VIS activity and timeline</td>
<td></td>
</tr>
<tr>
<td>Contingent pledges for outbreak response</td>
<td><strong>Purpose</strong>&lt;br&gt;Pledges on stand-by that are activated upon occurrence of a disease outbreak to enable rapid deployment of funds</td>
<td>Standby</td>
</tr>
<tr>
<td></td>
<td><strong>IFFIm donors’ guidance</strong>&lt;br&gt;Place on standby until Gavi clarifies its role on outbreak response</td>
<td></td>
</tr>
</tbody>
</table>

(1) CCEOP: Cold Chain Equipment Optimisation Platform; (2) VIS: Vaccine Investment Strategy
THANK YOU