Section A: Introduction

- This report provides the Board with an overview of the activities of the International Finance Facility for Immunisation (IFFIm) since the Board last met in November 2018.
- IFFIm is recognised as a pioneer in socially responsible investing - a proven innovative financing mechanism with strong donor support.
- Its financial position remains strong and it has capacity to continue to finance Gavi 4.0 and support Gavi 5.0.
- As an innovative financing mechanism, IFFIm provides frontloading of donor pledges and flexible financing for Gavi.
- IFFIm continues to have excellent access to global capital markets to finance Gavi programmes.
- Two significant financings so far this year – a Norwegian Kroner transaction to frontload Norway’s pledge to CEPI (Coalition for Epidemic Preparedness Innovations) and a sukuk private placement with the Islamic Development Bank.
- IFFIm is currently exploring a number of initiatives to enhance its role is supporting Gavi.

Annexes

Annex A: IFFIm Chair report
IFFIm Chair’s report

Gavi Board meeting

Cyrus Ardalan
Chair, IFFIm Board of Directors
Geneva, 26-27 June 2019

Treasury manager:
IFFIm’s financial position remains strong
- Available funding for programmes: US$ 1.9 billion
- Short-term investments: around US$ 1 billion
- Strong credit rating (AA/Aa1/AA)

Substantial capacity to finance Gavi 4.0 and support Gavi 5.0

IFFIm’s impact since inception significant
- Highest rating by DFID (A+)
- Frontloading
- Flexible and predictable
- Financing strategic investments
IFFIm’s innovative frontloading mechanism and flexible financing is a catalyst for saving lives

Use of IFFIm’s funds

- Routine immunisation: 65%
- Health systems strengthening: 21%
- Strategic investments: 14%

Total disbursements USD 2,579

Examples of IFFIm’s impact

- Frontloading, or using the capital markets to bring forward donor funding, accelerated the vaccination of at least **80 million children** with DTP3

- IFFIm’s flexible and predictable funding provided more than **USD 360 million** to **37 countries** through Gavi’s health systems strengthening support

- IFFIm made strategic investments worth over **USD 500 million** to provide catalytic funding to efforts to combat measles, yellow fever, polio and tetanus

Note: Data as of 31 March 2019
IFFIm’s access to capital markets

- IFFIm has excellent access to capital markets strong
  - Attractive terms
  - Multiple markets
  - Growing interest in Socially Responsible Investing
- Two significant financings completed in 2019
  - CEPI
  - IsDB

Social / Sustainability Bonds: A growing market over the last years (public and private transactions)

Source: Crédit Agricole CIB as 24 April 24 2019
CEPI: an important new initiative

- Gavi Board approved CEPI as a Gavi programme
- IFFIm used to frontload Norwegian pledge to CEPI
  - Governance arrangements completed
  - Roadshow for a NOK bond completed
  - A successful NOK transaction placed
- Norwegian pledge successfully and efficiently frontloaded
Islamic Development Bank: important and growing partnership

- IFFIm completed US$ 50 million private placement with the ISDB
  - Sukuk format
  - Attractive terms
  - Further diversification of funding to important socially responsible investor
- Underpins an important and growing partnership between Gavi and the IsDB
  - OIC member states key constituent for Gavi programmes
  - MOU between Gavi and IsDB

Gavi’s record of delivery in saving lives through immunisation is a perfect fit with the IsDB’s priority to deliver impactful public health investments. By working in collaborative partnerships such as this, we can accelerate progress towards the UN Sustainable Development Goals. That’s why we are very pleased to support IFFIm’s sukuk and extend our relationship with Gavi.

Dr. Bandar Hajjar
President, Islamic Development Bank
Key IFFIm 2019 strategic initiatives

- **Operational**
  - Complete guarantee to support market shaping
  - Position IFFIm in Gavi 5.0 replenishment
  - IFFIm towards 2030

- **Financial**
  - Management of swap exposure
  - Enhanced flexibility on receiving pledges
  - Refining risk management framework
THANK YOU