Cyrus Ardalan
Chair, IFFIm Board of Directors
Delhi, 4-5 December 2019
IFFIm Chair Report

AGENDA

Benefits of IFFIm
IFFIm support for the Gavi 2021-2025 Investment Opportunity
IFFIm’s place in Gavi’s replenishment
IFFIm resources
Replenishing IFFIm
Concluding comments
Benefits of IFFIm

- IFFIm has made a significant contribution to Gavi and IFFIm’s donors
- For Gavi
  - Funding to scale up vaccine programmes
  - Flexibility
  - Market shaping
- For donors
  - Managing budgetary impact using an alternative to direct funding
  - Allowing flexibility to utilise funds as needed through front loading
  - Having an innovative and adaptable financial mechanism with multiple applicability: CEPI, guarantees
  - Hedging long-term currency risk
IFFIm support for the Gavi 2021-2025 Investment Opportunity

- IFFIm is projected to provide Gavi with US$ 1.47 billion for the 2021-2025 period

- IFFIm’s value added is its ability to provide financial flexibility

- This flexibility allows Gavi to respond when needs materialise
IFFIm’s place in Gavi’s replenishment

- Gavi’s anticipated need for flexible spending in the 2021-2025 period is US$ 2.5 - 3 billion
- Time-flexible spending is best matched by equally flexible financing commitments

$2.5 – 3 billion

- Campaign operational costs: 14%
- Provision for strategic initiatives: 14%
- Ebola: 5%
- Malaria: 3%
- Vaccine introduction grants: 2%
- Flexible vaccine programmes: 62%
- Flexible vaccines programmes: 62%
IFFIm resources

IFFIm resources will be nearly exhausted by the end of the 2021-2025 period
Replenishing IFFIm

- Incremental pledges of a minimum of US$ 500 million and up to US$ 1 billion over 10 years recommended
  - Provide Gavi resources to meet the higher end of the flexible spending needs (US$ 3 billion)
  - Maintain operational continuity

<table>
<thead>
<tr>
<th>New pledges</th>
<th>Estimated amount available to Gavi</th>
<th>Capital markets efficiency decreased</th>
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<tbody>
<tr>
<td></td>
<td>2021-2025</td>
<td>2026-2030</td>
</tr>
<tr>
<td>No replenishment</td>
<td>1.5 billion</td>
<td>0.1 billion</td>
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<tr>
<td>US$500 million</td>
<td>1.9 billion</td>
<td>0.2 billion</td>
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<tr>
<td>US$1 billion</td>
<td>2.2 billion</td>
<td>0.3 billion</td>
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Concluding comments

- IFFIm continues to play a significant role in Gavi’s 2021-2025 Investment Opportunity
- However, with a diminished asset base from around 2024, IFFIm may not have efficient access to the capital markets
- Similarly, IFFIm’s financial strength may be significantly compromised and its sustainability could be called into question
- Long-term pledges of US$ 500 million to US$ 1 billion would match IFFIm’s financial flexibility with Gavi programmes that require flexible resources and would enable IFFIm to remain relevant for Gavi post 5.0
THANK YOU