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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 an overview of the activities of IFFIm's support to date for Gavi's 2021 - 2025 strategic period and expected future capacity.
- IFFIm has reviewed administrative aspects of its operations including the United Kingdom's annual rating of IFFIm as A+, Fitch's revised outlook to stable, and recruitment for the IFFIm Board.
- The IFFIm Board, in consultation with Gavi and the World Bank (IFFIm's Treasury Manager), are discussing the best approach to the replenishment for the Gavi 6.0 strategic period.
- As part of continued efforts to maximise IFFIm's strategic value for Gavi, several enhancements have been made to IFFIm in recent years. IFFIm continues to be a valuable tool in Gavi's financial toolkit, and its flexible model will be critical in the Gavi 6.0 strategic period.
- Annexed hereto, is the IFFIm Chair Report to be presented and discussed during the forthcoming Gavi Board meeting.

### **Annex**

**Annex:** IFFIm Chair Report

# IFFIM CHAIR REPORT

BOARD MEETING  
**Kenneth Lay**  
6 June 2024  
Geneva Switzerland

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

**IFFIm**

**Gavi**  
The Vaccine Alliance



Annex A

 **THE WORLD BANK**  
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# IFFIm contribution to Gavi's funding requirements

Annex A

- 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 Q1 2024**, IFFIm has provided **US\$ 2.5 billion**
  - US\$ 1.5 billion for core funding
  - US\$ 975 million for COVAX AMC
- The **remaining capacity** for the period is **US\$ 655 million**
- IFFIm has provided c. 16% of Gavi resources to countries since 2006

# Recent news and activities

- UK Foreign, Commonwealth and Development Office (FCDO) annual review rated IFFIm A+
- IFFIm's rating outlook revised to stable from negative by Fitch
- Board Recruitment and succession planning
  - IFFIm has 8 board positions
  - Hassatou N'Sele and Ingrid van Wees renewed for second terms
  - Additional recruitment is underway
- Donors' meeting in March
  - Operational update
  - Dialogue on approach to replenishment

# Recent enhancements support Gavi's mission <sup>Annex A</sup>

- Arrangement to support CEPI
  - Frontloaded grants from Norway, Italy, and Spain to accelerate vaccine development, including COVID-19
- COVAX AMC backstop arrangement
  - IFFIm provided a US\$ 200 million backstop for the COVAX AMC Cost-Sharing Mechanism that boosted COVID-19 vaccine coverage in AMC countries
- IFFIm backed Letter of Credit Facility for market shaping
  - Developed with EIB and UNICEF, the Letter of Credit Facility is designed to enable Gavi to make long-term commitments to UNICEF for vaccine contracts without cash pre-payment
  - Approved by the Gavi Alliance Board, the EIB Letter of Credit Facility can support current programmatic goals and bridge to the Gavi 6.0 strategic period
- The IFFIm Contingent Financing Mechanism (CFM), under development, would form part of Gavi's Day Zero Financing Facility
  - Under the CFM, donors would sign contingent grants now that can be rapidly activated in a future pandemic
  - Allows Gavi to have assured resources significantly faster than what occurred in the past
  - Requires IFFIm to have a sufficient asset base and will depend on outcome of replenishment

# IFFIm's flexible model is critical to Gavi in 6.0

Annex A

- Introduce and scale up vaccines
  - IFFIm frontloads long-term donor pledges to accelerate the delivery of life saving vaccines
- Strengthen health systems to increase equity in immunisation
  - Since 2006, IFFIm has funded almost US\$ 500 million for HSIS
- Improve programmatic and financial sustainability of immunisation programmes
  - IFFIm's long-term funding profile provides stability for implementing countries
- Ensure healthy sustainable markets
  - IFFIm's support strengthens Gavi's ability to make long-term commitments, in some cases without payment upfront, encouraging more vaccine production and reducing prices
- Contributing to global health security
  - IFFIm's surge financing was key during the COVID-19 pandemic and a contingent financing mechanism is under development

# IFFIm's replenishment is integral to Gavi 6.0

- IFFIm is a long-term, predictable and flexible funding source for Gavi
  - Funds are available when needed and not only when pledges are paid
- IFFIm has proven it is an effective tool to accelerate vaccine scale up
  - The 6.0 strategic period will see the introduction of malaria and hexavalent vaccines as part of its largest portfolio to date
- IFFIm provides donors with an efficient and cost-effective way to support Gavi
  - Especially helpful in an increasingly challenging geopolitical and economic environment
- IFFIm needs to be replenished to provide funding for the 6.0 strategic period
  - The majority of existing donors' pledges will be completed by 2030
  - Without adequate new pledges, IFFIm will not be able to efficiently access the capital markets

# Thank you