

**SUBJECT:** IFFIM CHAIR REPORT

**Category:** For Information

### **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 in 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

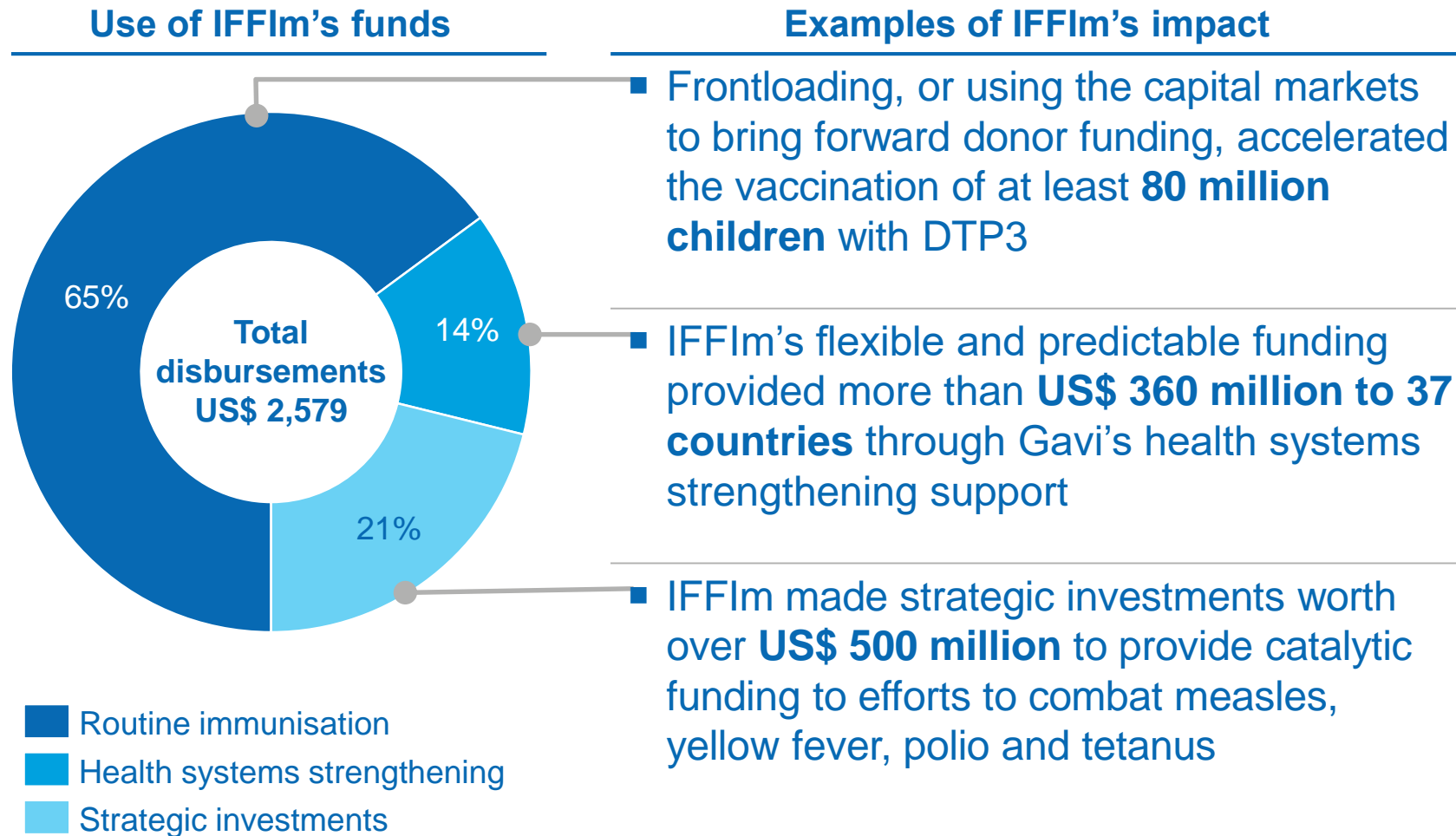
- **IFFIm's financial position remains strong**
  - Available funding for programmes: US\$ 1.9 billion
  - Short-term investments: around US\$ 1 billion
  - Strong credit rating (AA/Aa1/AA)
- **Substantial capacity to finance Gavi 4.0 and support Gavi 5.0**
- **IFFIm's impact since inception significant**
  - 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

Annex A

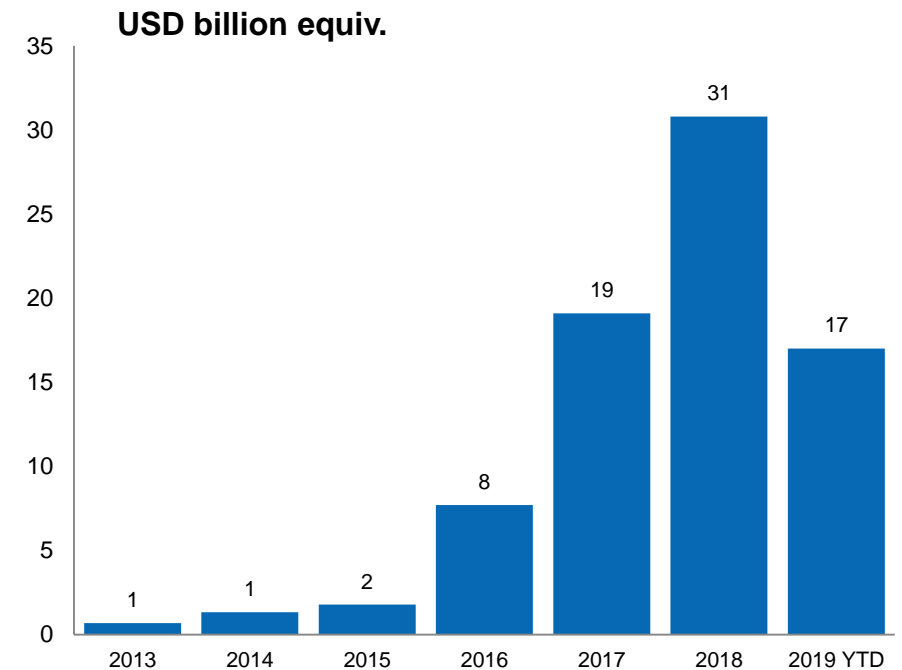


Note: Data as of 31 March 2019

# 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

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*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 please 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

Treasury manager:



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