

SUBJECT: IFFIm CHAIR REPORT

Category: For Information

Section A: Overview

1. Executive Summary

- 1.1 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 December 2016.
- 1.2 IFFIm continues to be a valuable tool for Gavi having disbursed over US\$ 2.5 billion since it was implemented in 2006 and its financial position remains strong.
- 1.3 Pledge agreements for Australia, France, and the Netherlands have been finalised in 2017. These pledge agreements now bring the total of IFFIm commitments to US\$ 6.5 billion.
- 1.4 Significant progress has been made in developing potential additional roles for IFFIm to support Gavi's strategic goals.
- 1.5 A draft presentation has been shared with donors in advance of an IFFIm Donors' meeting to be held on 12 June in Geneva. The presentation will be the basis of discussion with donors, the IFFIm Board, the Gavi Secretariat and the World Bank as to which role(s) to prioritise.
- 1.6 The proposed roles are :
 - (a) **Vaccine scale up** to utilise IFFIm's flexible funding capabilities to support Gavi's VIS.
 - (b) **Financial commitments for market shaping** to secure guarantees to support vaccine procurement for market shaping.
 - (c) **Contingent pledges for outbreak response** to be on stand-by and activated upon occurrence of a pre-determined event, such as a disease outbreak to enable rapid deployment of funds.
 - (d) **Cold Chain Equipment Optimisation Platform (CCEOP) support** to provide innovative financing support for CCEOP through themed IFFIm bonds or helping unlock other sources of capital.
- 1.7 Socially responsible investing (SRI) continues to grow and SRI investors are seeking investments that will not only that provide attractive returns, but

also make a social impact. IFFIm is a perfect example of a socially responsible investment and has influenced the development of Social Bond Principles.

- 1.8 The Action Agenda of the Third International Conference on Financing for Development in Addis Ababa recognised the broader application of the International Finance Facility (IFF) model to contribute to the financing of the SDGs. Use of the IFFIm model is being explored in the sanitation/hygiene and education sectors.
- 1.9 The IFFIm Chair's report is attached in the form of a presentation as Annex A.
- 1.10 There are no recommendations to the Board at this time.

Annexes

Annex A: IFFIm Chair report



IFFIm CHAIR REPORT

The International Finance Facility for Immunisation

Gavi Board Meeting

René Karsenti, Chair IFFIm Board of Directors

14-15 June, Geneva, Switzerland





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- 1. Overview**
 - 2. Operational update**
 - 3. Strategic initiatives**
 - 4. Inspiring others**

OVERVIEW

■ Funding Gavi

- IFFIm has funded US\$2.5 billion or ¼ of total Gavi funding from 2006 through March 2017
- Expected proceeds of US\$100 million for 2017 programmes
- Projected proceeds of US\$1.3 billion for the 2016 – 2020 funding period

■ Financial position of IFFIm

- Current commitments of US\$457 million
- AA/Aa1 rating
- Liquidity of US\$1 billion
- Gearing ratio is at 22.9%

OPERATIONAL UPDATE

- **Pledge agreements finalised**
 - Australia, France, the Netherlands
- **Board recruitment and succession planning**
- **IFFIm strategic initiatives: discussions with donors**
 - IFFIm's potential roles to further support Gavi's strategic goals
 - Significant progress in developing and prioritising the roles

IFFIm's STRATEGIC INITIATIVES TO SUPPORT GAVI'S STRATEGIC GOALS

ANNEX A

Gavi's Strategic Goals

- A** The Vaccine Goal
- B** The Systems Goal
- C** The Sustainability Goal
- D** The Market Shaping Goal

IFFIm's Value Proposition

- Flexibility/frontloading of funds
- Predictability of funding
- Large funding capacity
- Access to new funding/capital markets

Strategic Initiative

- 1 Vaccine scale-up
- 2 Financial commitments
- 3 Contingent pledges
- 4 Support CCEOP

Goal

A
D

C
D

A
D

B **C**
D

IFFIm IS INSPIRING OTHERS

- **IFFIm is a perfect example of a socially responsible investment**
 - A model for other socially responsible investments
 - Instrumental in the development of Social Bond Principles: use of proceeds with social objectives
- **Addis Ababa Action Agenda recognised broader application of IFF model**
- **IFFIm model is currently being explored in other social areas**
 - Sanitation/hygiene sector
 - Education sector

Thank You

