

IFFIm Report

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Chair, IFFIm Board



***GAVI Board Meeting
Dar es Salaam, Tanzania
5 December 2012***



THE WORLD BANK

International Finance Facility for Immunisation

IFFIm Board's goals

- Navigate IFFIm credit rating challenges
 - Operate as non-triple A issuer
- Enhance IFFIm's funding sources
 - Advocate for and promote IFFIm at capital markets conferences
 - Promote investor awareness in socially responsible investments such as vaccine bonds
- Expand and diversify IFFIm donor base
 - Seek support from new and existing donors as part of GAVI's next replenishment effort

Significant events in second half of 2012

- Summer 2012 issuances
- Meetings in Japan
- IFFIm and polio eradication
- Ratings
- Retirement of the GFA
- New Board members appointed



GAVI/2011/Jason Ray

Meetings in Japan: IFFIm highlighted as socially responsible investment

- High level meetings with investment banking partners
 - Daiwa, HSBC, JP Morgan, Mitsubishi
 - Introduction of new IFFIm Chair
 - Discuss future issuances
- Met with UK, French embassies
- IFFIm highlighted at a forum on public-private partnerships
- NHK World TV highlights vaccine bonds in global news feature

Appeal for Vaccine Bonds



Oct. 12 on Air

2012 IFFIm support to GAVI

- 2012 Q1-3 IFFIm support to GAVI was US\$ 150m
 - Core GAVI vaccines: US\$ 141m
 - Health Systems Strengthening: US\$ 3m
 - Investment cases: US\$ 4m
 - Vaccine introduction grants: US\$ 2m
- IFFIm gearing ratio:
 - Current ratio is 43%
 - Current limit is 69.6%



IFFIm's credit ratings

IFFIm is rated triple A by two of the three major rating agencies and AA+ by the third. If IFFIm loses one of its two triple A ratings, approvals of new funding to GAVI would be suspended.

Risk mitigant	Status
Change donor ratings requirement	Consultations with donors and the IFFIm Board are complete. Agreement obtained to amend the triple A rating requirement to double A, allowing IFFIm to continue approving new GAVI programmes.
Timely donor payments	Timely donor payments critical to strong ratings: Late donor payments are reported to rating agencies and can negatively impact IFFIm's rating.

Retirement of the GFA

- GAVI, IFFIm and GFA Boards have all approved removing GFA from IFFIm structure
- Consultations with donors and the World Bank completed
- Objective: Sign legal agreements to separate GFA from IFFIm by year-end
- GFA expected to wind down by April 2013
- André Prost, GFA Board member, has joined IFFIm as a special advisor on immunisation issues

New IFFIm Board members

- Three appointments to the IFFIm Board, scheduled to join 1 January 2013
 - **Cyrus Ardalan**, vice chairman of Barclays, formerly with BNP Paribas and the World Bank Treasury
 - **Christopher Egerton-Warburton**, founder of Lion's Head Global Partners and former Goldman Sachs executive, where he helped conceive and launch IFFIm
 - **Marcus Fedder**, co-founder and partner of Agora Microfinance Partners and former treasurer of the EBRD
 - They replace John Cummins and Dayanath Jayasuriya, who rotate off the Board end-2012 and mid-2013 respectively, and Arunma Oteh, whose term ended Dec 2011
- Expansion by up to two further members contemplated

2013 Market preview

- IFFIm will probably look to raise around US\$800m – 900m (US\$ 406m of bonds will mature), and we will look potentially in:
 - Japanese uridashi market and/or
 - UK Sterling market and/or
 - US Floating Rate Note market



WHO/Jim Holmes

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