

SUBJECT: IFFIM CHAIR REPORT

Category: For Information

Section A: Introduction

- This report provides an overview of IFFIm’s contribution to Gavi in the 2016-2020 strategic period and the outlook on 2021-2025 activity.
- IFFIm’s financing model has proven well-suited to the current environment, which calls for flexibility and the means to provide surge financing.
- IFFIm is a valuable tool for Gavi to finance both COVAX AMC activities and Gavi’s core programmes.
- IFFIm executed a US\$ 750 million bond in April 2021 that was well received by the capital markets.
- Investor interest in IFFIm continues to grow, especially among those looking to invest in social or sustainable sectors.
- The IFFIm Board is actively recruiting new members and expects to appoint at least three new board members before the end of the year.
- The IFFIm Chair report is attached in the form of a presentation as Annex A.

Annexes

Annex A: IFFIm Chair report



IFFIm Chair report

Gavi Board meeting

Kenneth Lay

Chair, IFFIm Board of Directors

23-24 June 2021

Treasury manager:



Gavi 4.0: IFFIm contribution to Gavi's funding requirements

- In the period 2016-2020, IFFIm contributed US\$ 872 million¹ to Gavi programmes
 - Funding available when Gavi needed it, adapted to other forms of pledges
 - Provided assured resources for 2021-2025
- Expanded swap capacity
 - Addressed the constraints on non-USD bond transactions and pledges
- IFFIm, Gavi and the World Bank continued to monitor risk
 - No material risks
 - Risk framework reported quarterly

¹ includes CEPI

IFFIm has proven well-suited to current environment

- IFFIm has the flexibility to provide surge funding when needed
 - IFFIm transferred over US\$ 1.2 billion to Gavi since January 2021 for Gavi 5.0 and COVAX AMC programmes
- Donors have pledged c. US\$ 2.4 billion¹ from 2021 through 2035
- IFFIm has the capacity to frontload these new resources as outlined in the financial forecast and remain within its leverage ratio limit
 - Increased activity will require additional swap capacity; the World Bank is actively addressing ongoing requirements with Gavi and the IFFIm Board
- Programme approval capacity extended by US\$ 6 billion
 - Allows IFFIm to make the planned transfers to Gavi core and COVAX AMC through the next strategic period

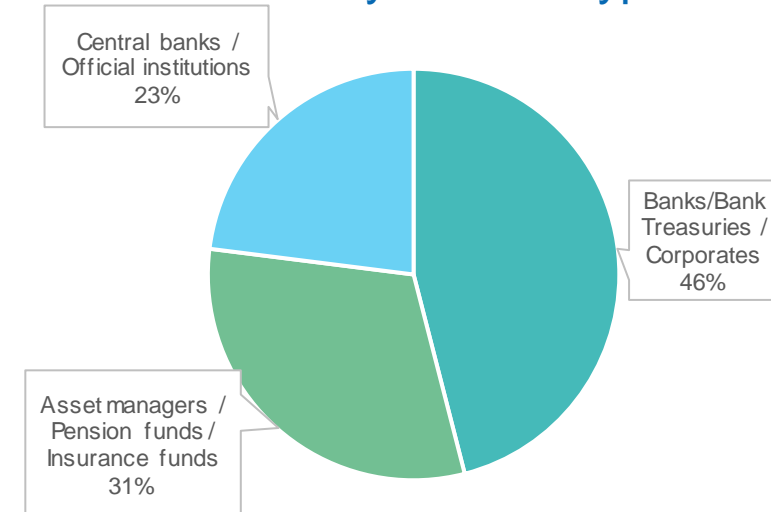
Innovation grounded in the IFFIm model

- IFFIm is a pioneer in innovative finance for “global public goods”
 - Periodic future commitments by sovereigns support up-front borrowing
 - Interest from socially responsible investors continues to grow for a “pure play” opportunity such as IFFIm
- In consultation with donors, IFFIm is developing new ways to support Gavi
 - Guarantee to support market shaping
 - The IFFIm Board is considering the potential for its market standing to support related initiatives

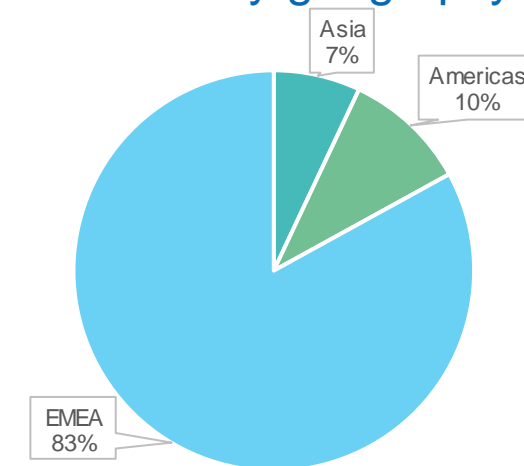
Substantial and sustainable funding to Gavi

- April bond issuance raised US\$ 750 million
 - Priced at a highly competitive yield level
 - Oversubscribed with more than US\$ 1 billion in orders
- Strong demand for social bonds by investors
 - IFFIm maintains AA rating
 - Treasury management by World Bank
- Exploring other markets outside US\$
 - Diversify issue portfolio
 - Likely to issue additional bonds in 2021

Allocation by investor type



Allocation by geography



Governance update

- Actively recruiting new board members
- At least three board members to be appointed by the end of the year
- Plans to expand the board to recruit and diversify the talent base and enhance capacity to respond to a rapidly evolving situation



THANK YOU

Treasury manager:



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with number 5857343. Registered
as a charity with number 1115413.

