

With IFFIm support, 5-in-1 vaccine in all 73 Gavi countries



Gavi/Mike Pflanz/2014

The five-in-one pentavalent vaccine is now being used in all countries supported by Gavi; now the race is on to increase coverage of the vaccine, which protects children against five life-threatening diseases.

Gavi's success in rolling out pentavalent globally is due in large part to funding from IFFIm. Since 2006, US\$ 1.29 billion in IFFIm funding has been spent to support the introduction of the pentavalent vaccine in 61 Gavi countries.

Pentavalent, which protects against diphtheria, tetanus and pertussis (DTP) as well as hepatitis B and *Haemophilus influenzae* type b (Hib), was first introduced with Gavi support in Kenya in 2001. South Sudan became the 73rd and final Gavi-supported country to introduce the vaccine in 2014.

Globally, the Vaccine Alliance estimates that more than 230 million children in the 73 poorest

countries of the world will have benefitted from the pentavalent vaccine by the end of 2015.

"We are at the end of the first chapter in a compelling story," said Dr Seth Berkley, Gavi CEO. "Little more than a decade ago pentavalent was only available on the private market in the world's poorest countries and therefore out of the question for the overwhelming majority of children. Today, thanks to leadership from countries and determination and expertise across the Alliance, we are seeing children in the world's poorest countries being protected on a daily basis with this important vaccine."

IFFIm makes debut in the Islamic finance market. See page 3

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Gavi/Mike Pfanz2014

The successful introduction of pentavalent in all Gavi countries underlines the dramatic impact of Gavi's work in increasing access to life-saving technologies. Vaccine Alliance partners — implementing and donor countries, WHO, UNICEF, the World Bank, the Gates Foundation, civil society organisations and technical experts — worked together to achieve this milestone in public health.

By bringing together demand from countries and predictable financing from donors, the Alliance was able to create a sustainable market for pentavalent. Vaccine manufacturers, including some from developing countries, have responded with huge increases in production capacity to ensure secure supplies of the vaccine leading to increased competition which enables Gavi to purchase the vaccine for as little as US\$ 1.19 per dose.

Introducing pentavalent in the world's 73 poorest countries marks the completion of stage one of Gavi's work to increase access to the vaccine. The main challenge for stage two will be to support countries to increase coverage levels by making it available to children no matter where they live.

Alliance partners are working to increase pentavalent coverage levels from 53% at the end of 2013 to 77% by the end of 2015. Gavi aims to support further increases in coverage through its 2016-2020 strategy.

Success in three key countries — India, Indonesia and Nigeria — that account for 35 million new births each year will be central to achieving planned increases in coverage.

With US\$ 55.8 million in support from IFFIm for pentavalent since 2011, India is on the road to success. In November, the country began a two-phase process to scale up pentavalent nationally. During phase one, 12 additional states rolled out the vaccine. By December and the end of phase one, two-thirds of infants born in India each year had access to the vaccine. Phase two will take place over the course of 2015, with the introduction of the 5-in-1 vaccine in the 16 remaining Indian states.

Indonesia also rapidly increased access to the vaccine early in 2015. Nigeria has low coverage rates with large regional disparities but Gavi is working with the country to improve coverage in the coming years.

"As an Alliance we have clearly demonstrated how new vaccine technology can be taken to scale globally in the world's poorest countries," added Dr Berkley. "Our next challenge is to support some of the world's largest countries to expand and strengthen their programmes to ensure they are reaching every child."

What is IFFIm?

The International Finance Facility for Immunisation (IFFIm) was initiated in 2006 to rapidly accelerate the availability and predictability of funds for immunisation. IFFIm uses government pledges to support the issuance of "Vaccine Bonds" sold to institutional and individual investors. The money supports vaccine programmes of the Gavi, the Vaccine Alliance, a public-private partnership which works to save children's lives and protect people's health by increasing access to immunisation in developing countries. The World Bank is IFFIm's treasury manager. IFFIm's donors comprise the United Kingdom, France, Italy, Spain, Australia, the Netherlands, Sweden, Norway and South Africa. Brazil has committed to become IFFIm's tenth donor.



Gavi, the Vaccine Alliance is a public-private partnership committed to saving children's lives and protecting people's

health by increasing access to immunisation in poor countries. The Vaccine Alliance brings together developing country and donor governments, the World Health Organization, UNICEF, the World Bank, the vaccine industry, technical agencies, civil society, the Bill & Melinda Gates Foundation and other private sector partners. Gavi is funded by governments (Australia, Canada, Denmark, France, Germany, India, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Republic of Korea, Russia, South Africa, Spain, Sweden, United Kingdom, and United States), the European Commission, the OPEC Fund for International Development (OFID), the Bill & Melinda Gates Foundation, and His Highness Sheikh Mohamed bin Zayed Al Nahyan, as well as private and corporate partners (Absolute Return for Kids, Anglo American plc., the A&A Foundation, The Children's Investment Fund Foundation, Comic Relief, the ELMA Vaccines and Immunization Foundation, JP Morgan, "la Caixa" Foundation, LDS Charities, Lions Club International Foundation, and Vodafone). www.gavi.org



The World Bank is a global development cooperative owned by 188 member countries.

Its purpose is to help its members achieve equitable and sustainable economic growth in their national economies and to find effective solutions to pressing regional and global problems in economic development and environmental sustainability. The World Bank is also the treasury manager for IFFIm. In that capacity, the World Bank, as IFFIm's agent, manages IFFIm's finances according to prudent policies and standards. This includes IFFIm's funding strategy and its implementation in the capital markets, rating agency and investor outreach, hedging transactions and investment management. The World Bank also coordinates with IFFIm's donors and manages their pledges and payments as well as IFFIm's disbursements for immunisation and health programmes through Gavi, the Vaccine Alliance. www.worldbank.org

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IFFIm makes debut in the Islamic finance market

As part of a global movement toward more socially responsible investing, IFFIm accessed the Islamic finance market, issuing its inaugural sukuk on 27 November 2014. The issuance raised US\$ 500 million to accelerate the availability of funds for immunisation programmes and health system strengthening through Gavi, the Vaccine Alliance.

“One of the main objectives of IFFIm’s funding program from the beginning has been to build a diverse investor base,” said Michael Bennett, head of derivatives and structured finance at the World Bank’s treasury department. “Investor diversification is a sound risk management practice for any issuer. In IFFIm’s case, investor diversification is also important because it means wider communication about Gavi’s life-saving work.”

Prior to November, IFFIm was largely unknown to sukuk investors. The World Bank, IFFIm’s treasury manager, coordinated extensive investor education in partnership with the IFFIm Board and the Gavi secretariat in areas where sukuk is a popular investment opportunity.

In order to reach the widest possible audience of sukuk investors, the World Bank built a lead manager group that represented most of the major jurisdictions for sukuk — National Bank of Abu Dhabi (UAE), Barwa Bank (Qatar), CIMB (Malaysia) and NCB (Saudi Arabia), as well a global bank — Standard Chartered.

“This issuance is testament to the growing interest among international issuers to tap the Islamic investment pool and the rising demand by both Islamic and conventional investors to

subscribe to high-quality sukuk,” said Afaq Khan, CEO Islamic Banking at Standard Chartered Bank. “We are honoured to be associated with this transaction as part of our continuous efforts to drive the development of the global Islamic finance industry and to support the noble cause of the International Finance Facility for Immunisation Company and Gavi in saving children’s lives in the world’s poorest countries.”

Mirza Saeed Arshad, Vice President of Union National Bank, noted that the IFFIm sukuk inspired his bank to partner with “great people doing great work” to reduce global inequities and help people live longer, healthier lives.

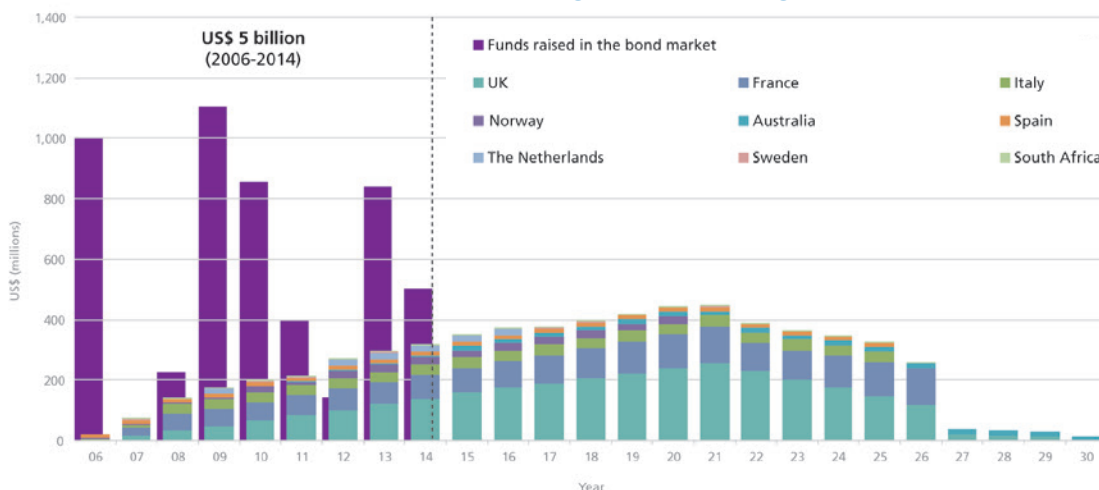
“We are glad we contributed in finding funding solutions that can change the future prospects of billions of people, some of them the most vulnerable — and it can do the same for billions more if we make the choice of repeating and spreading the message,” said Arshad. “We are convinced that as we learn more about the impact on lives these solutions have had, we and others would want to do more, not less. We are drawn in for life.”

IFFIm’s inaugural sukuk transaction has been praised widely, receiving the prize for “Achievement in Transformational Finance” from the Financial Times. The sukuk was also named “Social Impact Deal of the Year” by Islamic Finance News, “Best Supranational Sukuk” by EMEA Finance magazine and received Euromoney magazine’s first award for “Innovation in Islamic Finance.”

“These accolades are a testament to the innovative and very important work IFFIm does

to raise money for Gavi. We hope this sukuk will pave the way for more socially responsible investing in the Islamic market,” said IFFIm Chair René Karsenti. “Everyone involved in this landmark transaction is thrilled that the proceeds will support much needed immunisation and health system strengthening services in our world’s poorest countries.”

IFFIm issues bonds based on long-term pledges



*Note: Only includes pledges that have been signed. At the Berlin pledging conference on 27 January 2015, France and the Netherlands made additional pledges to IFFIm of US\$180 million and US\$72 million, respectively. Australia has also committed to direct 15% of their new A\$250mm pledge for 2016-2020 through IFFIm. Once finalised, these pledges will bring the total amount of donor commitments to IFFIm up to –US\$6.5 billion.

IFFIm-funded vaccines protect children in Niger from leading causes of death

Niger has joined a growing list of countries to introduce vaccines against both pneumococcal disease and rotavirus nationally, in a move that will significantly reduce child mortality.

With the vaccine introductions, nearly a million children will receive protection against these two diseases, the leading vaccine-preventable causes of pneumonia and diarrhoea. Pneumonia and diarrhoea are the leading causes of child death in Niger, accounting for more than one in three deaths of children under five.

Ensuring a country's health system is able to introduce two vaccines simultaneously requires considerable commitment and planning. Niger became the fourth country globally to have achieved this goal with support from Gavi, following Ghana, Tanzania and Burkina Faso. Significant funding for the dual vaccine launch in Niger was provided by IFFIm. Nearly US\$ 3 million in IFFIm funds supported the purchase of pneumococcal vaccines in 2014, while almost US\$ 400,000 was spent on rotavirus vaccines in Niger.

Dr. Seth Berkley, CEO of Gavi, remarked on the impact of the dual vaccine launch, saying it will "not only save the lives of children, but also significantly reduce the health and economic burden rotavirus and pneumonia bring, thereby helping to reduce poverty and promote economic growth in Niger."

In total, IFFIm has provided US\$ 198 million toward Gavi's pneumococcal vaccine programme since 2006. More than three dozen countries on three continents have received IFFIm support for pneumococcal vaccines, which will help prevent more than 1.5 million deaths by 2020.



Gavi/Adrian Brooks/2013

IFFIm is playing a major role, alongside another one of Gavi's innovative finance programmes, the pneumococcal Advance Market Commitment (AMC). Under the AMC, donors pledge funding as an incentive to vaccine makers to scale up production for developing countries, which then can plan programmes while paying a fraction of the price charged in wealthy countries. Through this collaboration, IFFIm, the AMC and Gavi are helping to defeat the leading vaccine-preventable killer of young children.

Pneumonia alone kills more children than AIDS, malaria and measles combined, with almost two million children globally dying each year. Rotavirus vaccines will also make a dramatic difference to the health of Niger's population, targeting the most common cause of severe and fatal diarrhoea in young children worldwide, which in Africa claims the lives of some 600 children under five every day.

These two vaccine introductions will help Niger play its part in the 2025 integrated Global Action Plan for the Prevention and Control of Pneumonia and Diarrhoea, which aims to see childhood deaths due to pneumonia and diarrhoea eliminated by 2025.

"Prevention is almost always better than treatment and vaccines are at the forefront of the fight to protect children against pneumonia," said Dr Berkley. "Although record numbers of children are receiving vaccines that protect them from the leading causes of pneumonia, there is still more to be done. We are committed to further expanding access to vaccines as part of an integrated approach to pneumonia prevention and control."



Gavi/Adrian Brooks/2013

IFFIm helps make vaccines more affordable

In general, when vaccine prices are lower, more children can be immunised with a set amount of resources. Achieving low and sustainable vaccine prices for Gavi-eligible countries has always been part of the Vaccine Alliance strategy, ensuring the financial sustainability of vaccines once countries transition from Gavi support.

By aggregating country demand for new vaccines and pooling predictable financing from donors, Gavi has transformed the global vaccine market. Long-term funding commitments provide the secure basis for countries to adopt vaccine programmes, and for manufacturers to make new investments in production capacity. Greater demand attracts more suppliers and increases healthy competition, resulting in lower prices and a more stable supply of appropriate vaccines.

In 2006, IFFIm was designed as a vehicle to frontload international aid for immunisation programmes. This frontloading capability has been a key feature of the facility, increasing

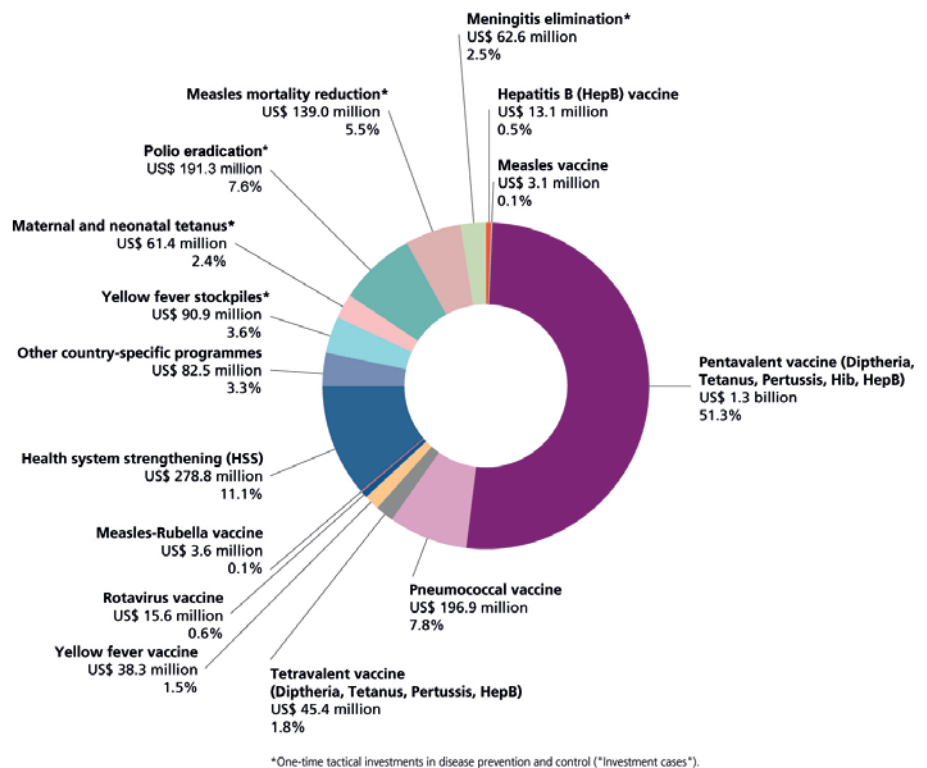
Gavi's operational efficiency and providing the organisation with the flexibility to use funds when they are needed most. This innovative instrument has also delivered several other important benefits to Gavi. Through its predictable and flexible funding, IFFIm has been able to support Gavi's long-term market shaping activities, while allowing Gavi to more efficiently provide funds when needed for vaccine and immunisation programmes in Gavi-supported countries.

IFFIm addresses not only the constraints of high vaccine prices and irregular supplies by frontloading resources, it also provides predictable resource flows that help to increase market volumes, attract new investment in vaccine research and production, and improve market stability. In this way, IFFIm has helped Gavi save lives faster and at a lower overall cost than funding solely through traditional aid programs.

Gavi programmes funded by IFFIm

As of July 2015, IFFIm had disbursed over US\$ 2.5 billion to support vaccine purchase and delivery to 70 developing countries. This has accounted for approximately one third of Gavi's programme funding over the same period.

IFFIm has been instrumental in helping Gavi fund breakthrough vaccines quickly and securely. For instance, IFFIm financed more than 90% of Gavi's promised payment to UNICEF to secure initial doses of pentavalent, a single shot of which immunises against five infectious diseases: diphtheria, tetanus, pertussis, haemophilus influenzae type B (Hib) and hepatitis B.



Donors pledge support for Gavi and IFFIm in Berlin

Hundreds of millions of children living in the world's poorest countries will receive life-saving vaccines as a result of record-breaking financial commitments made at the Gavi Pledging Conference on 27 January, hosted in Berlin by German Federal Chancellor Angela Merkel.

The new pledges to Gavi, the Vaccine Alliance, totalling US\$ 7.5 billion, will enable countries to immunise an additional 300 million children, saving 5 to 6 million lives and providing economic benefits of between US\$ 80 and US\$ 100 billion for developing countries through productivity gains and savings in treatment and transportation costs and caretaker wages.

IFFIm received new pledges totalling US\$ 252 million at the conference. These pledges are in addition to the US\$ 1.2 billion of expected proceeds from IFFIm to Gavi for the 2016 to 2020 period resulting from existing commitments of its nine donors: Australia, France, Italy, the Netherlands, Norway, Spain, South Africa, Sweden and the United Kingdom.

Following the pledging conference, Australia committed approximately US\$ 30 million to IFFIm, 15 percent of the country's total pledge to Gavi for the 2016 to 2020 period.

"Since IFFIm's establishment in 2006, it has proven to be a reliable and substantial contributor to Gavi's impact and sustainability," said Blair Exell, First Assistant Secretary, Development Policy Division for Australia's Department of Trade and Foreign Affairs. "IFFIm is a great example of the innovation Australia has committed to support through its aid program. By leveraging funds from capital markets IFFIm donors' US\$1.85 billion of contributions to IFFIm has resulted in US\$ 2.5 billion in proceeds for Gavi. IFFIm's ability to generate long-term and sustainable funding also enables Gavi to secure better prices for vaccines. In short, contributing Australian aid funding to IFFIm has made our aid reach further and deliver greater impact through immunisation."

IFFIm plays a crucial role in supporting Gavi. Backed by long-term, legally-binding pledges, IFFIm raises funding through the issuance of Vaccine Bonds in the international capital markets. This provides long-term funding visibility and flexibility for Gavi to rapidly accelerate the immunisation of children in developing countries.

At the Pledging Conference, France increased its long-term pledge to IFFIm by US\$ 180 million,



adding to its existing US\$ 1.72 billion pledge over 20 years. The Netherlands increased its long-term pledge by US\$ 72 million and by four years, adding to its US\$ 114 million, 8-year pledge.

Angela Merkel, Chancellor of Germany, at Gavi's Replenishment Conference

"The Netherlands is a strong supporter of Gavi. We firmly believe in the Gavi business model and its market-shaping and co-financing principles. Its effective public-private partnerships and innovative approaches make it an example for others," said Lilianne Ploumen, Minister for Foreign Trade and Development Cooperation for the Netherlands. "Gavi can be proud of its role in having over half a billion children immunized. By increasing our commitment to IFFIm, we are able to ensure sustainable funding for this lifesaving work."

The Pledging Conference, which was opened by Germany's Federal Minister of Economic Cooperation and Development, Gerd Müller, saw unprecedented engagement from donors, with many deciding to double or even triple their commitments to support Gavi in what will be its highest period of financial need.

In her statement at the conference, the first event of Germany's G7 presidency, Chancellor Merkel noted: "There is a long way still to go but today's conference is an important milestone in the work of Gavi for the next few years to come. Please let us not fail, let us not lose courage but continue to put all our efforts into this wonderful work and thank all of those who are committed to this goal."

IFFIm's role in rebuilding health in Ebola affected countries

“As IFFIm demonstrates, impact investments can be transformative during difficult budgetary times, providing a critical source of effective aid for global development.”

*René Karsenti,
Chair of the IFFIm
Board of Directors*

Gavi and its Vaccine Alliance partners have worked tirelessly to increase vaccination rates since 2000, immunising over half a billion children, including in some of the most remote areas of the world. But with the emergence of Ebola in May 2014, progress in West Africa has been significantly derailed.

Health services were re-directed to address the outbreak, and vaccine coverage levels in Liberia, Sierra Leone and Guinea, the three countries most affected by Ebola, have dropped between 20 and 40 percent. As a result, the number of measles outbreaks and related deaths in the region has increased sharply. Gavi is working with Alliance partners in the affected areas to ensure that, wherever possible, vaccination programmes continue and recovery plans are in place.

The Ebola outbreak has highlighted the role that strong health systems play in preventing and responding to epidemics. In addition to its immunisation programmes, Gavi provides support for health systems, improving access to care and promoting innovative ways to reach the hardest to reach children. From 2007 to summer of 2014, Gavi supported Guinea, Liberia, Nigeria, Senegal and Sierra Leone with over \$US 50 million in Health System Strengthening (HSS) support, the vast majority of which was funded by IFFIm. Health systems investments include training

health care workers, improving the capacity of health facilities, providing essential equipment and engaging communities. These investments contribute to the Ebola response.

In order to bring the Ebola affected countries back to health, Gavi plans to double the funding ceilings for HSS grants, allowing each country to tailor its recovery plans for immunisation systems as the Ebola crisis subsides.

In addition to providing critical health system support, IFFIm may also prove to be a vital resource when an Ebola vaccine becomes available. In December 2014, Gavi authorized up to US\$ 300 million to procure vaccines and immunise at-risk populations in affected countries once a viable vaccine is available. A single Ebola vaccine is currently in stage III clinical trials.

“I am delighted that Gavi set up a funding mechanism for Ebola vaccines,” said Annick Girardin, France’s Secretary of State for Development and Francophonie, at the Gavi Pledging Conference in Berlin in January. “It shows how down-to-earth and practical Gavi is. It is also very important to ensure continuity of health care in the countries affected. There will be enormous catch-up needed in immunisation of children. I know that Gavi will step up to the plate. The Ebola crisis also underlines that there is a need to reinforce health care infrastructure and health care systems. That is at the heart of tackling these challenges and Gavi is already working on this front.”

IFFIm has been identified as a potential source of funding for addressing the immediate financing needs of an Ebola vaccine. Looking toward the future, this may be a good avenue for IFFIm to consider more broadly, as it moves beyond the stage of solely being a front-loading mechanism for Gavi resources, and can be seen as an option for flexible financing of unforeseen or urgent needs.

“As IFFIm demonstrates, impact investments can be transformative during difficult budgetary times, providing a critical source of effective aid for global development,” notes Rene Karsenti, IFFIm Board Chair. “When questions emerge about how the global community could finance important, life-saving work, such as an Ebola vaccine — keep in mind that there are already real-world solutions available.”



Gavi/Olivier Asselin/2009

IFFIm Board welcomes Fatimatou Zahra Diop

"I have a female perspective. I am here to shake the men up!" says Fatimatou Zahra Diop, IFFIm's newly appointed Board Member and currently the only female member of the Board.

Born and raised in Dakar, Senegal, Diop is no stranger to being the only woman at the table. She is the only girl in a family with four brothers. Her mother was a midwife, a health care worker who gave her a unique perspective on the importance of maternal and child health from a young age.

Diop studied economics at the University of Dakar and went on to a long and varied career at the Central Bank of West African States (BCEAO), where she became the first female National Director and Secretary-General of the Bank. As Secretary-General, she was responsible for the coordination and successful management of the BCEAO in its eight member countries as well as offices in Dakar and Paris.

After more than 30 years at the Bank, Diop retired in September 2014, hoping to use her financial know-how to do some good for Senegal and Africa at large. "I didn't want to be in a bank again," explains Diop. "I wanted to make myself helpful and useful."

In retirement, Diop co-founded Afrivac, a public-private partnership which strengthens African budgets so they can self-finance their

immunisation programmes. She currently serves as Vice President of Afrivac's Board of Directors.



"The IFFIm Board has made a wonderful selection in appointing Fatimatou Zahra Diop," said Awa-Marie Coll-Seck, Minister of Health of Senegal and Gavi Board Member. "She had an extraordinary impact as Secretary-General of BCEAO, and as a co-founder of Afrivac, she has demonstrated a passion to ensure all children receive basic vaccinations."

Diop believes her experience in the public sector will make her an asset to the IFFIm team. "As a Central Banker, my best practice is a bit different from that of the other members of the Board because most of them come from the private sector," says Diop, who hopes that her work with IFFIm will present exciting opportunities to address unique challenges.

"I will be the only African on the Board and perhaps I can bring a field perspective," notes Diop. "I am living in a Gavi country and I know the different problems we are facing. When you go in the streets in my country, you meet many young girls and boys with diseases that could have been prevented by vaccines."



Gavi/PATH/Ricky Shryock/2009

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IFFIm Board Member*

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