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International Finance Facility for Immunisation Downgraded To 'AA+'; Outlook Negative

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- Standard & Poor's Ratings Services downgraded three of the International Finance Facility for Immunisation's (IFFIm) grantor countries--France, Spain, and Italy--on Jan. 13, 2012.
- In addition, the outlook on another of IFFIm's grantors--the Netherlands--was revised to negative.
- As a result, we have lowered the issuer credit rating on IFFIm to 'AA+' from 'AAA'.
- The outlook is negative to reflect the negative outlook on France, IFFIm's second-largest grantor, and several other grantors.

NEW YORK (Standard & Poor's) Jan. 17, 2012--Standard & Poor's Ratings Services said today that it lowered its credit rating on the International Finance Facility for Immunisation (IFFIm) to 'AA+' from 'AAA'. Standard & Poor's removed this rating from CreditWatch, where it was placed on Dec. 6, 2011, with negative implications. The outlook is negative.

"This action is the result of the Jan. 13, 2012, downgrade of the long-term sovereign credit ratings on France (to AA+/Negative from AAA/Watch Neg), Italy (to BBB+/Negative from A/Watch Neg), and Spain (to A/Negative from AA-/Watch Neg)," said Standard & Poor's credit analyst Larry Hays. (All ratings are long-term foreign-currency sovereign credit ratings.) "These countries account for nearly 39% of the grants IFFIm is scheduled to receive in 2012 through 2030." In addition, the outlook on the Netherlands, another IFFIm grantor, was revised to negative.

"Our ratings and outlook on IFFIm reflect the underlying ratings on the grantor governments," Mr. Hays explained. They also rest on the assumption that the donors' pledges are nearly as certain to be paid as the debt service on their public bonds. "When the ratings or outlooks on the larger and most highly rated governments change, or if we have reason to believe that the ability or willingness of the highest-rated donors to make their contributions has become less certain, we could lower the rating on IFFIm," Mr. Hays added. Given the link between the ratings on IFFIm's most creditworthy grantors, further downgrades of highly-rated grantors could result in a further downgrade.

Established in 2006, IFFIm is registered as a U.K. charity. Its purpose is to accelerate the funding of the immunization and vaccine procurement programs of the GAVI Alliance, a public-private partnership. It does this by borrowing in the capital markets on the basis of grants to be received from donor governments over as many as 20 years, the proceeds of which will service the IFFIm's debt. More than 50 of the world's poorest countries are eligible to receive funds raised by IFFIm.

RELATED CRITERIA AND RESEARCH

- [Criteria For Rating Multilateral Aid Agencies](#), July 6, 2009

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