

IFFIm funded vaccines reach the hardest to reach in Afghanistan



Gavri/Asad Zaidi/2013

It has been another painful journey back from the children's hospital for four-year old Akram, a trip the young Afghani boy has made several times in the past two weeks with his mother. Akram was diagnosed with measles, and the disease has made him feeble and tired with a high fever and little appetite.

After a few days in the hospital, Akram is back home and living in quarantine. Measles is highly contagious and could easily spread to his siblings. Like hundreds of thousands of children every year in Afghanistan, Akram had not been vaccinated against it. The International Finance Facility for Immunisation (IFFIm) is helping to make sure Akram's siblings and other children do not suffer the same fate.

"I didn't pay much attention when health workers came and told me about the importance of vaccination," said his mother, Zarghona. "Now I feel so sad when I see my child suffer." She has sworn to get Akram's siblings vaccinated against measles and other diseases as soon as possible.

Akram is fortunate. Doctors detected the disease early, and access to a hospital in Kabul means he is now on the path to recovery. But not all children in Afghanistan recover. Children there are constantly at risk from vaccine-preventable diseases, and many die or are disabled due to measles, tuberculosis, tetanus, diphtheria, polio, hepatitis B, *Haemophilus influenzae* type B (Hib) or pertussis (whooping cough). Most of them are less than a year old.

In 2012, nearly 2,600 children in Afghanistan were diagnosed with measles, all of whom could have fought off the virus if they had been vaccinated.

IFFIm plays vital role in Gavi's replenishment. See page 3.

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Gavi/Akad Zaidi/2013

There are numerous obstacles to vaccinating children throughout the country: A fragile health infrastructure, difficult geographical terrain and continuing conflict have all hindered immunisation efforts. There is also a need for greater public understanding of the importance of immunisation, as well as its safety.

UNICEF — a partner of Gavi, the Vaccine Alliance — is aiding the Ministry of Public Health and responding to these challenges with a strong push to reach children in the country's most vulnerable and inaccessible districts through routine vaccinations.

In 2010, IFFIm began funding pentavalent, giving children in Afghanistan access to a combination of five vaccines in one to protect against

diphtheria, tetanus, whooping cough, hepatitis B and *Haemophilus influenzae* type b (a bacteria that can cause meningitis and pneumonia).

These efforts have contributed to strong progress in improving vaccination programmes against preventable diseases. With support from Gavi, UNICEF and other partners, the Ministry of Public Health expanded outreach and immunisation service delivery from 870 vaccination centres in 2004 to 1,368 in 2012. Around 2,700 healthcare providers are engaged in providing immunisation services across the country.

The results are promising: The number of children who contracted measles plunged almost 85%, from 2,787 reported cases in 2012 to 430 in 2013. Reported cases of pertussis decreased more than 75% from 1,497 in 2012 to 371 in 2013. And tetanus fell by more than a third from 37 reported cases to 24 reported cases in the span of a year.

Back home after a long day in the hospital, Zarghona tries to put four-year-old Akram to bed. "I made a big mistake by not getting my child vaccinated. My son and I have suffered a lot," she says. "I strongly urge parents not to make the mistake I made."

A version of this story was published on 13 May 2013 at www.UNICEF.org

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 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

For further information please contact:

Jonathan Stern
Gavi, the Vaccine Alliance
Tel: +1 202 478 1055
jstern@gavi alliance.org

Derek Warren
World Bank
Tel: +44 20 7592 8402
finance@iff-immunisation.org

IFFIm plays vital role in Gavi's replenishment

Gavi, the Vaccine Alliance is asking donors to contribute significant funding through IFFIm during this replenishment to enable the Alliance to receive approximately 15 percent of funding from IFFIm for the 2016-2020 period. This equals about US\$ 1 billion in new pledges, in addition to forecasted 2016-2020 proceeds from existing pledges.

With strong support from IFFIm, the Vaccine Alliance has helped immunise more than 440 million children and avert 6 million deaths. To continue this momentum from 2016 to 2020, Gavi expects to spend US\$ 9.5 billion in order to immunise an additional 300 million children and help prevent the deaths of an additional 5 million to 6 million lives. Thanks in large part to IFFIm, Gavi will already have US\$ 2 billion available, leaving an additional US\$ 7.5 billion needed to meet country demand for vaccines.

IFFIm and other innovative finance activities — core to the Gavi business model — have helped Gavi not only to get more money for health, but also more health for the money, says Gavi CEO Dr Seth Berkley. Between 2006 and 2013, IFFIm accounted for approximately one-third of Gavi funding, and IFFIm's predictable, flexible financing has helped to nearly double Gavi programme spending. "IFFIm will continue to help Gavi operate with increased efficiency and effectiveness through 2020," adds Berkley. If IFFIm is not fully replenished, Gavi will have much more limited access to the IFFIm funds that enable it to support vaccine market shaping and immunisation programmes.

Indeed, if IFFIm is replenished, then the Vaccine Alliance will be in a much stronger position to respond to new opportunities that may arise — such as vaccine breakthroughs. A pledge to IFFIm may be of particular interest to current donors that prefer to make a long-term commitment spread across many years, while at the same time supporting an immediate impact on global immunisation.

"IFFIm is an extraordinary tool to face long-term needs at a time of important budget constraints," explains Anne-Marie Descôtes, who provided comments during Gavi's replenishment launch meeting in Brussels in May. Descôtes is Director-General for Globalization, Development and Partnerships for the French Ministry of Foreign Affairs and International Development. "Aid money should not go up and down like a yo-yo. We should be able to ensure sustainable funding."

IFFIm also presents an attractive option to new donors, particularly G20 and other middle-income countries. Pledging to IFFIm would allow these governments to support the pressing global health agenda, even as they make contributions in yearly installments. New donors would diversify IFFIm's donor portfolio and, in turn, reduce its donor concentration risk. This would also provide a way to expand Gavi's overall donor base, as new donors, with limited near-term resources, would be able to contribute via long-term pledges to IFFIm.

"I want to shed light on the existence of this tool because it is a means to do more," adds Descôtes. "I encourage other countries to become IFFIm donors as well."

"IFFIm donors have the potential to accelerate the impact of Gavi's lifesaving work, and we appeal to them to support IFFIm generously, if possible," says Gavi Chair Dagfinn Høybråten. "The GAVI business model depends on this long-term funding. IFFIm allows donors to spread commitments over many years and have an immediate impact on global immunisation at the same time."



Gavi/Bernal Revert/2014

Gavi CEO Seth Berkley at Replenishment Launch Meeting, 16 May 2014.

Immunisation in Nigeria: mobilising a

The man with the megaphone calls for mothers and fathers to bring their children for vaccinations. The message is a tinny monotone, repetitive, not unlike a call to prayer.

This town announcer is 62-year-old Saleh Karamami, who shares his surname with the village. He makes his rounds, hustling the villagers out of bed. He grabs the occasional unaccompanied child who is too close to oncoming traffic and shepherds him or her across the street safely to be immunised.

Karamami ward is in Gabasawa local government area of Kano State, northwest Nigeria. It is about an hour's drive from the ancient city of Kano, a sprawling metropolis. It is the first day of the national integrated measles campaign. The government of Nigeria, through the National Primary Health Care Development Agency, is leading the exercise, supported by Gavi, the Vaccine Alliance; UNICEF; WHO; Lions Clubs International; and other partners.

UNICEF has been raising awareness for two weeks. Activities have included producing and broadcasting radio jingles, advocacy with key influencers to support the campaign and community mobilisation through volunteers, religious leaders, ward heads and town announcers like Mr. Karamami. He's done his rounds several times before today.

Understanding IFFIm's impact

"Here in Nigeria, there have been a lot of changes over the last five to 10 years," explains Dr. Emekah Mamah, a family physician and medical director of NISA Premier Hospital in Abuja. "Government policies have created an enabling environment that is helping ensure that children are immunised."

Since 2001, Gavi has committed more than US \$640 million in vaccine support for Nigeria. IFFIm funds have gone toward purchasing yellow fever vaccines, as well as pentavalent, a single shot that protects against *Haemophilus influenzae* type b (Hib), diphtheria, tetanus, pertussis and hepatitis B.

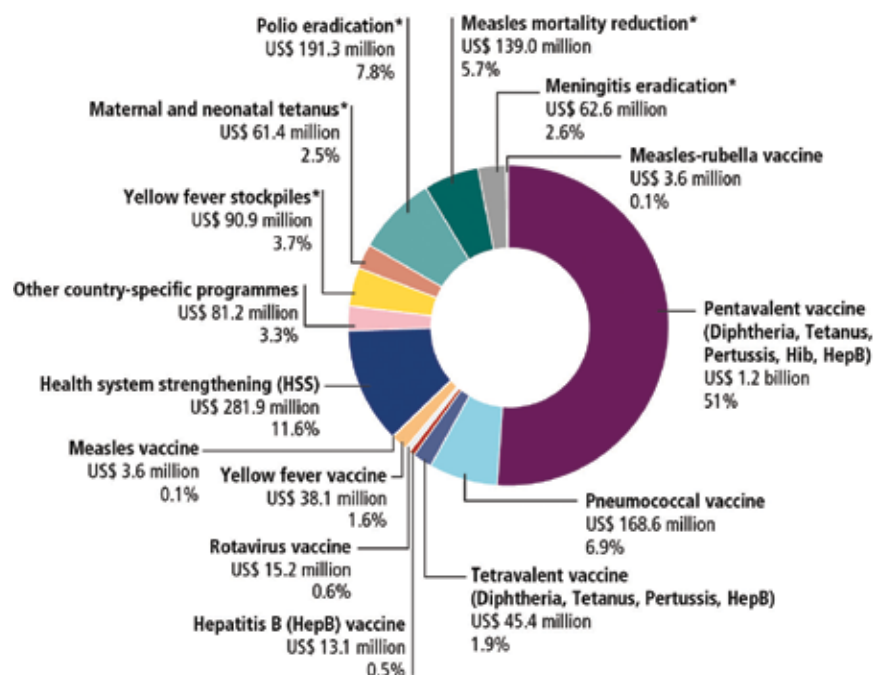
"IFFIm is an essential component of Gavi's funding model," explains Arunma Oteh, a former IFFIm board member and Director General of Nigeria's Securities and Exchange Commission. "In order for countries like Nigeria to scale up their immunisation programmes, they need long-term, predictable funding. IFFIm is able to provide that."

In addition to funding vaccines, nearly half of IFFIm funds in Nigeria during the past five years have been put toward health system strengthening and immunisation services support, helping integrate health care delivery and support,

Gavi programmes funded by IFFIm

As of July 2014, IFFIm had disbursed US\$ 2.44 billion to support vaccine purchase and delivery to 70 developing countries. This is nearly double the amount that would have been possible had Gavi, the Vaccine Alliance not had access to the market based on IFFIm donor pledges.

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.



GAVI disbursements of IFFIm funds
2006 to July 2014: US\$ 2.44 billion

nation for child survival, with the help of IFFIm

improve access to care and promote innovative ways of reaching the hardest to reach.

“Immunisation is Africa’s future,” said Dr. Mamah. “Prevention, as we know, is often better than cure. And we know that immunisation is the way to go to help further this course in trying to get the average African child to a healthy, productive age.”

Back in Karamami province, despite Mr. Karamami’s efforts, only 20 children have been vaccinated by 9:40 a.m. The target for day one at Karamami ward is for 250 measles immunisations and for 320 oral polio vaccine doses. Mr. Karamami is urged to intensify his announcements.

Sweating under the heat of the late morning sun, this town announcer is something of a vaccination veteran. He’s played the role a couple of times for other immunisation campaigns.

He is more than happy to oblige. “People know me and listen to me,” he says. “They entrust their children to me.”

Measles is one of the leading illnesses of children under five years old in Nigeria. In the first three quarters of 2013, nearly 50,000 children were affected by the disease nationwide.

Most of the children that Mr. Karamami helps to cross the road safely to the immunisation post fit into this category. The campaign aims to rapidly immunise all children under five in the country. Nearly 30 million children are targeted.

UNICEF representative Jean Gough leads the monitoring in Borno state. “Our intention is to support the health teams, make sure that the children are all vaccinated and make sure that fear that the health workers are facing when they go out is removed,” she says.

Results will vary from one immunisation post to another. Since Mr. Karamami stepped up his efforts, there has been a gradual increase in visits to his ward. By the end of the day, it will have reached its full target.

If Mr. Karamami’s success is repeated across the nation, the millions of children targeted will be reached. And there is hope that the town announcer’s efforts will be rewarded with a decline in measles cases in Nigeria.

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“Immunisation is Africa’s future.”

— Dr. Emekah Mamah



How an investment banker put his skills to work in global health

One of the most distinctive features of IFFIm is its ability to make an almost immediate impact on global health by using the capital markets to, basically, move money through time to when it is needed most. Sean Carney brought skills in both finance and development with him in 2009 when he became an IFFIm board member, with a career in investment banking and a family dedicated to helping others. He stepped down from the board on 30 June.

Born in Vancouver and raised in Edmonton, Alberta, Canada, “I grew up with a vision of adding to the social fabric in some way. My family was particularly that way,” explains Carney, whose father was a university professor and civil servant and whose mother was a school teacher. Among his three siblings is Mark Carney, Governor of the Bank of England.

Carney studied economics at Harvard University, focused on development issues in sub-Saharan Africa and Asia. He pursued a career in investment banking, received a law degree from the University of Chicago and eventually moved to London, where he spent the majority of his career at Merrill Lynch and HSBC. But Carney’s interest in global aid remained, and throughout his career, nearly a third of his work was in the developing world.

Then in 2009, he took the full plunge into global development, joining the Children’s Investment Fund Foundation (CIFF), a UK-based charity that also is a donor to Gavi, the Vaccine Alliance. Around the same time, he applied for his seat on the IFFIm Board. For Carney, each of these opportunities presented a perfect marriage between his work in finance and his interest in contributing to a greater social good.

“Gavi is an exciting development project, and I could help to support that work using my financial background,” said Carney. “There is not a lot of value that someone in finance can add to the vaccine side. It is a very nice way to feel like you are actually contributing, rather than just watching.”



Sean Carney

As chair of IFFIm’s Audit Committee, Carney saw the stresses and strains that IFFIm was put under as its credit rating was downgraded. “Through good partnership with Gavi, donors, the World Bank and investors, we have met many challenges with some interesting and practical solutions,” he explains. “This has allowed IFFIm to continue to be a major source of funds for vaccination efforts.”

Seeing the work of Gavi in action has been the most fulfilling experience for Carney during his time with IFFIm. Field trips with Gavi brought him to Vietnam and Bangladesh, where he saw dozens of young children in health clinics receive Gavi-funded vaccines.

“When you actually see the product, a vaccine being delivered to a baby in some remote part of a country, it is just a fascinating experience,” he recalls. “I would encourage any of the donors or any of the investors or anyone who needs more encouragement to support Gavi to try to get out on one of those trips, because it makes it all worthwhile and it makes Gavi a very easy cause to support.”

IFFIm Benefits Gavi

Gavi, the Vaccine Alliance has received many benefits from IFFIm over the past eight years. Now, Gavi is once again leveraging one of IFFIm’s key benefits — the flexibility to draw down funds precisely when they are needed — by readjusting its forecast for IFFIm proceeds for the following business cycles. This decision came about when the Vaccine Alliance entered its replenishment phase and determined that the most efficient, beneficial way IFFIm could help Gavi was by deferring a portion of IFFIm funds from the current period to the next funding cycle of 2016-2020. Because of this shift, Gavi will be able to fully utilise IFFIm up to its maximum capacity, given the current level of commitments from donors, precisely at the time when Gavi’s spending is expected to peak. The end result is a revised forecast of IFFIm proceeds of US \$1.03 billion for 2016-2020, up from the previous forecast of \$850 million for the same period.

Vaccine Bonds: saving lives and generating returns for investors

When it comes to investing, many people just think about the bottom line. But today's investor has the ability to consider both their financial return and the social good of an investment simultaneously, and many do.

Take IFFIm as an example. Since 2006, IFFIm has used long-term donor pledges to support the issuance of Vaccine Bonds in the capital markets, and has thereby raised US\$ 4.5 billion from investors, enabling Gavi, the Vaccine Alliance to vaccinate millions of additional children and proving that the capital markets have the power to save lives.

"IFFIm is a highly-rated borrower that fits our investment needs in terms of credit quality and maturity at a fair price," says Urs Thomann, an IFFIm investor and Head of Treasury at Eurofima. "In addition, the funds will be used to vaccinate children around the world, which is an excellent purpose."

Socially responsible investing (SRI), often called impact investing, sustainable investing or ethical investing, is on the rise. In the United States alone, the number of investment funds incorporating social, environmental or corporate governance into their practises had net assets of US\$ 202 billion in 2007. Net assets increased to US\$ 1 trillion in 2012, according to US SIF, the Forum for Sustainable and Responsible Investment.

Many investors find SRI appealing because it allows them to avoid controversial companies and instead seek investments in companies with the best environmental and social practices. These investors want to have an impact on the economy by financing companies whose products offer solutions to issues of sustainable development.

"Companies and foundations — like IFFIm — are successfully enhancing the model of how global development is achieved," says René Karsenti, Chair of the IFFIm Board of Directors. "They are proof that innovative finance tools can impact a whole range of challenges during difficult times."

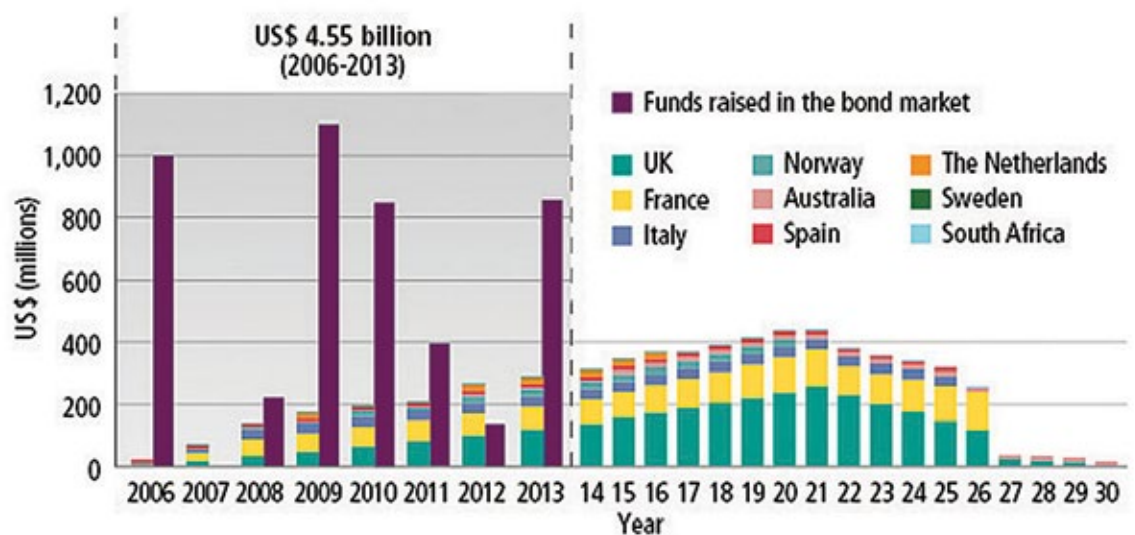
But an investment that qualifies as responsible or sustainable for one investor may not qualify as such for the next. SRI is not an exact science, and no standards or performance indicators exist to monitor these types of investments.

"Eager investors are still waiting for the social bond market to really take off," suggests Emmanuelle Ostiari, SRI Analyst at MIROVA-Natixis Asset Management. "No studies have been done, but one could make an educated guess that defining and, especially, evaluating social projects is more complex than describing or categorising renewable energy programs."

One thing is clear, however: an investment in IFFIm's Vaccine Bonds offers investors opportunities that make financial sense, but

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IFFIm issues bonds based on long-term donor pledges



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also generate tangible social benefits. IFFIm has allowed Gavi to nearly double its spending on immunisation programmes. With the support of IFFIm, Gavi will help countries vaccinate an additional 300 million children from 2016 to 2020.

IFFIm's annual funding of Gavi depends on the demand for vaccines in partner countries. Over the past eight years, IFFIm has issued 28 bonds, ranging from larger, more liquid issues, to smaller bonds. These bonds are sold to retail and institutional investors.

"IFFIm represents a unique approach to financing for development, and Intesa Sanpaolo Group — as a responsible actor of the economic, social and cultural growth — is pleased to grant its support to this relevant initiative," says a spokesperson in external relations. "We are proud of joining a new way of funding international development through IFFIm for Gavi programmes."

Vaccine Bonds provide a portfolio diversification opportunity with attractive risk adjusted returns in a socially responsible investment. IFFIm's inaugural uridashi bond was included among the market's 25 most influential transactions, and IFFIm has been cited positively as "SRI Innovation of the Decade" by mtn-i, the news analytics provider.

"For us, this is the perfect high social-impact investment," says Benjamin Bailey, Fixed Income Manager at Praxis Mutual Funds. "You're helping immunise millions of children through an investment that fits comfortably in our mutual fund portfolio. What could be better than that?"

Gavi/Oliver Asselin/2012



Gavi/Oliver Asselin/2012

Innovative finance tools like IFFIm can "impact a whole range of challenges during difficult times."

— René Karsenti, Chair of the IFFIm Board of Directors