S&P Global Ratings

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Research Update:

IFFIm 'AA/A-1+' Ratings Affirmed, Outlook Remains Stable

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Primary Contact

Alexis Smith-juvelis
Englewood
1-212-438-0639
alexis.smith-juvelis
@spglobal.com

Secondary Contact

Lisa M Schineller, PhD
New York
1-212-438-7352
lisa.schineller
@spglobal.com

Overview

- IFFIm's purpose is to provide funding to Gavi, the Vaccine Alliance, for immunization and other programs related to Gavi's mission and we expect it will continue to play an important role on the global stage.
- As it enters the Gavi 6.0 replenishment and strategy cycle, IFFIm plans to scale up delivery of high-impact, expensive vaccines with support from its highly rated donor base, which includes Canada, Norway, and the U.K.
- We affirmed our 'AA/A-1+' long- and short-term issuer credit ratings on IFFIm.
- The stable outlook reflects our view that IFFIm's donor support and innovative vaccine financing model remain sufficiently robust to offset potential pressure on debt service coverage from changes in grant receivables' credit quality or increased debt issuance.

Rating Action

On Dec. 15, 2025, S&P Global Ratings affirmed its 'AA' long-term and 'A-1+' short-term issuer credit ratings on the International Finance Facility for Immunisation (IFFIm). The outlook remains stable.

Outlook

The stable outlook reflects support from highly rated donors. We think this support limits downside risks that could diminish the credit quality of IFFIm's grant receivables over the next two years and weigh on its debt service coverage ratio. We also assume this support will continue with upcoming new pledges from existing members, amid reliance on IFFIm as the strategy for Gavi 6.0 takes effect.

Downside scenario

We could lower the ratings on IFFIm in the next two years if:

- We were to lower our sovereign credit ratings on its highly rated donors;
- IFFIm increased its debt outstanding absent additional donor pledges;
- Highly rated contributors delayed donor grants; or
- We ceased to view sovereign credit ratings as proxies for the credit quality of donor pledges due to political events.

Upside scenario

We could raise the ratings over the next two years if we were to raise the ratings on IFFIm's highly rated donors, especially the U.K., or if additional pledges from 'AAA' rated donors supported a stronger debt service coverage ratio.

Rationale

We affirmed our ratings on IFFIm based on our view of the strong commitment its highly rated donors made to support its mandate of immunization programs in the world's poorest countries. We also considered the risks stemming from the creditworthiness of its main donor countries in relation to debt IFFIm incurred based on these commitments.

In Gavi's replenishment for the 2026-2030 period, IFFIm has received written confirmation from Australia, Canada, Italy, Spain and the UK committing to US$767 million in new pledges, as part of the US$8.3 billion in total pledges for GAVI's sixth replenishment cycle, which in our view, signals IFFIm's continued policy importance.

The U.K. ('AA') remains IFFIm's single largest donor, accounting for 45% of future pledges from 2025 onwards, including the recent commitment of $409 million as part of the new strategic cycle. Meanwhile, Norway ('AAA') accounts for 14% of future pledges and is the second largest donor. Since last year, we no longer account for pledges from 'A+' rated France--the fifth-largest donor, with 6% of future inflows--because it's rated lower than IFFIm, as well as 'A+' rated Spain the third largest donor, with 9% of future pledges.

Canada ('AAA') became IFFIm's 11th donor in February 2023. It pledged C$125 million for 2023-2030, and an additional US$73 million was announced during 2025, representing 4% of remaining inflows from 2025 onward. While this amount is comparatively small, Canada's contributions expand IFFIm's 'AAA' rated donor base and reinforce the value ascribed to IFFIm's innovative financing model.

We consider the credit quality of pledges from the U.K. and other highly rated countries to be material to IFFIm's credit quality. We calculate a point-in-time debt service coverage ratio, which anchors our rating, by dividing total remaining pledges at a specified stress level by total outstanding debt. We also evaluate the availability of cash on the balance sheet to cover upcoming debt redemptions. We then develop a forward-looking view for the next two years by estimating additional debt issuance. Our estimated coverage ratio includes only pledges from contributors rated at the same level as IFFIm or higher (that is, currently 'AA' or above).

As of year-end 2024, IFFIm's total outstanding debt was US$2.9 billion, compared with US$1.9 billion in 2023. IFFIm placed a US$1.0 billion three-year bond in October 2024 to cover US$832.5 million due in amortization in 2025, and to fund Gavi, followed by two bond issuances in 2025 totaling US$650 million. IFFIm expects it could issue around US$1 billion in 2026. We estimate its stressed debt service coverage ratio will be around 1.2x for 2025-2027, considering current pledge commitments and new pledge commitments that have been committed and unsigned, as well as available liquid assets.

IFFIm, an innovative financial tool, has issued a variety of debt instruments against future donor pledges to provide annual grants over two decades to Gavi, the Vaccine Alliance--a public-private partnership whose partners include:

- The World Health Organization (WHO),
- UNICEF,
- International Bank for Reconstruction and Development (IBRD, commonly referred to as the World Bank),
- The Bill & Melinda Gates Foundation,
- Governments of both developing and industrialized countries,
- Research and health institutes,
- Vaccine producers, and
- Civil society organizations.

Gavi was at the center of the international response to the COVID-19 pandemic, coordinating COVAX with the Coalition for Epidemic Preparedness Innovations (CEPI), WHO, and UNICEF by launching the COVAX facility. The COVAX facility is a global risk-sharing mechanism for pooled procurement and equitable distribution of COVID-19 vaccines.

Gavi has also used IFFIm's front-loading capability to support its program for CEPI, a global public-private partnership whose mission is to accelerate the development of vaccines against emerging infectious diseases and enable equitable access to these vaccines.

In Gavi's previous replenishment cycle for 2021-2025, donors pledged the equivalent of US$937 million to IFFIm as part of the US$8.8 billion in total pledges for Gavi's strategic goal to support the immunization of 300 million children. It further leveraged its unused capacity to support Gavi's efforts to research, develop, and deploy COVID-19 vaccines via COVAX AMC. Disbursements from IFFIm to Gavi peaked at US$1.2 billion in 2021 in response to the COVID-19 pandemic and have moderated to $366 million in 2024, and an estimated $440 million in 2025.

IFFIm was founded in 2006 with US$4 billion pledged over 20 years by six sovereign donors. As of December 2025, donors' pledges increased to US$9.878 billion, of which US$3.8 billion will be paid from 2025 to 2040.

Donors' pledges can be reduced based on how many Gavi-eligible recipient countries have protracted arrears to the IMF. Sudan cleared its arrears to the IMF in May 2021, and Somalia cleared its arrears in March 2020. No countries are in arrears as of Dec. 10, 2025.

We determine support for IFFIm by evaluating the support of its strongest contributors. Apart from the U.K., which contributes 45% of support (assuming recent pledge commitments), highly rated contributors include Australia, Canada, Norway, the Netherlands, and Sweden (all rated 'AAA'), which together account for 32% of the contributions IFFIm is to receive from 2025 onward. The third-largest donor is Spain (rated ‘A+'), which provides 9% of the total estimated remaining inflows into IFFIm. Other lower-rated contributors are Italy (8%), France (6%), Brazil (0.3%), and South Africa (0.1%).

To measure IFFIm's risk-adjusted leverage, we calculate the coverage of the outstanding debt by total remaining pledges from 'AAA' and 'AA' rated sovereigns under a severe stress scenario and include cash and liquidity balances. We estimate this ratio was 1.2x as of Dec. 31, 2025, similar to the year prior, with the inclusion of estimated flows from new pledges. If we exclude the committed but unsigned commitments, the debt service coverage ratio remains above 1x in 2025 and throughout the projection horizon.

IFFIm has its own leverage ratio to manage credit risk and protect the facility from insolvency that is calculated and presented to the board quarterly by IBRD. It includes a leverage ratio limit, which limits net financial obligations to the present value of scheduled payments from grantors. The limit was 74.7% as of June 2025, versus 73.5% as of year-end 2024.

Leverage rose in line with Gavi's increased usage of IFFIm in the aftermath of the COVID-19 pandemic and as it ends its current 2021-2025 strategic period, with the actual ratio at 62% as of October 2025, up from from 55.1% as of December 2024, and 54.3% in December 2023.

We use our sovereign ratings as proxies for the credit quality of donor pledges, given we understand the pledges are legal obligations of the sovereigns. Moreover, we consider that IFFIm retains policy importance for its biggest donors, supporting global vaccinations through Gavi.

As of December 2025, there were no delays in donor pledges. IFFIm has previously had payment delays from several contributors, typically from donors rated lower than IFFIm. We consider these rare delays to be administrative and not reflect the contributors' ability or willingness to support IFFIm.

IFFIm also incurs rollover risk because its debt financing is for shorter tenors than its receivable pledges. To allay part of this funding risk, IFFIm maintains minimum liquidity equivalent to its cumulative contracted debt service payments for the next 12 months. In addition, management can stop disbursements if the 12 months' debt service is not covered. IBRD recalculates and resets this limit quarterly.

As of year-end 2024 and 2023, the minimum liquidity requirements were US$925 million and US$118 million, respectively, calculated as the equivalent cumulative contracted debt service payments for the next 12 months. IFFIm's liquid assets totaled US$1.5 billion in 2024 and US$529 million in 2023. IFFIm remains compliant with its policy.

In April 2025, IFFIm increased the three-year fixed rate US$1 billion bond it issued in October 2024, by US$ 250 million. This is IFFIM's single largest bond since its inaugural one in 2006, followed by a £300 million, three-year bond in June, bringing total issuance since inception to more than US$ 0 billion.

Related Criteria

- Criteria | Governments | General: Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology, Oct. 13, 2025
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Supranationals Edition 2025: Comparative Data For Multilateral Lending Institutions, Oct. 14, 2025

- Introduction To Supranationals Special Edition 2025 , Oct. 14, 2025
- IFFIm 'AA/A-1+' Ratings Affirmed On Upcoming Replenishment Cycle; Outlook Remains Stable, Dec. 13, 2024,
- IFFIm Outlook Revised To Stable From Negative On Solid Donor Support And Creditworthiness; 'AA/A-1+' Ratings Affirmed, Dec. 20, 2023

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see "Related Criteria"). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Rating Component Scores above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see "Related Criteria").

Ratings List

Ratings List	
Ratings Affirmed	
International Finance Facility for Immunisation	
Sovereign Credit Rating	
Foreign Currency	AA/Stable/A-1+
Senior Unsecured	AA

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.