

IFFIm Update

Washington, DC
3 June 2009



THE WORLD BANK

Innovative Financing for Health Development

- Airline Solidarity Levy
- Project Red
- Carbon trading permits

- AMC
- Debt2Health

- IFFIm

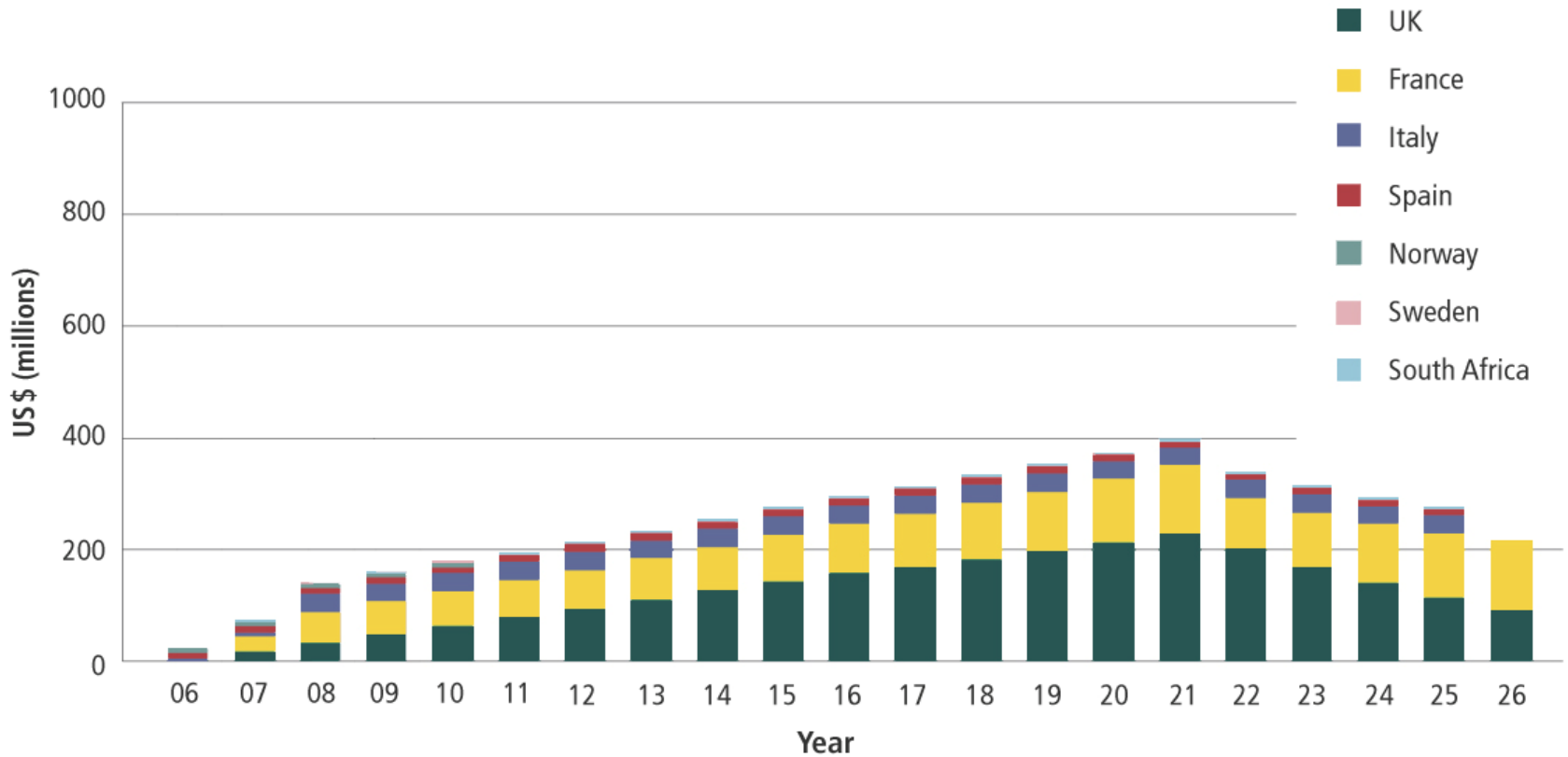
Private sources

Public sources

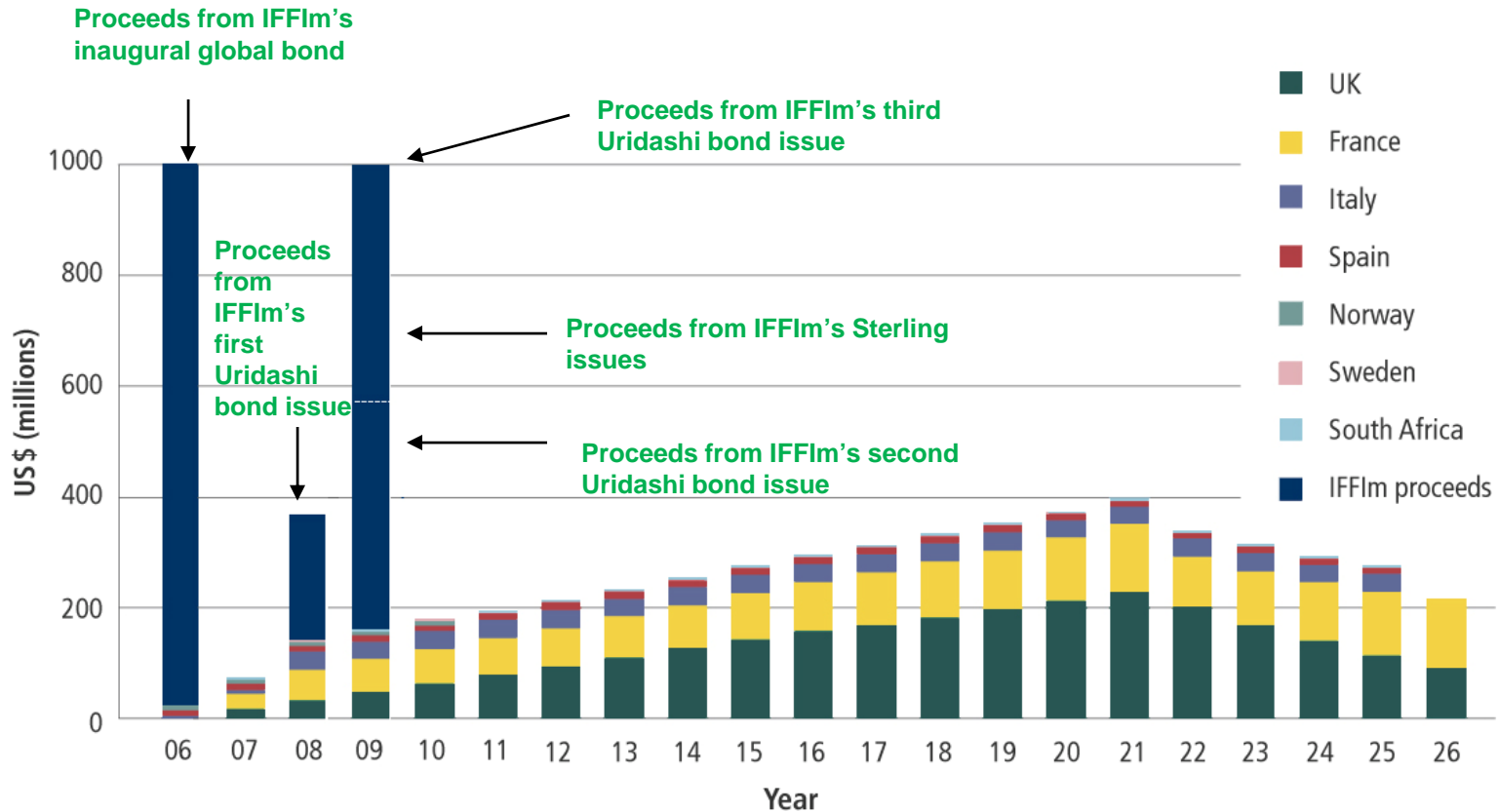
Public-private sources

IFFIm's Contributions From Donors

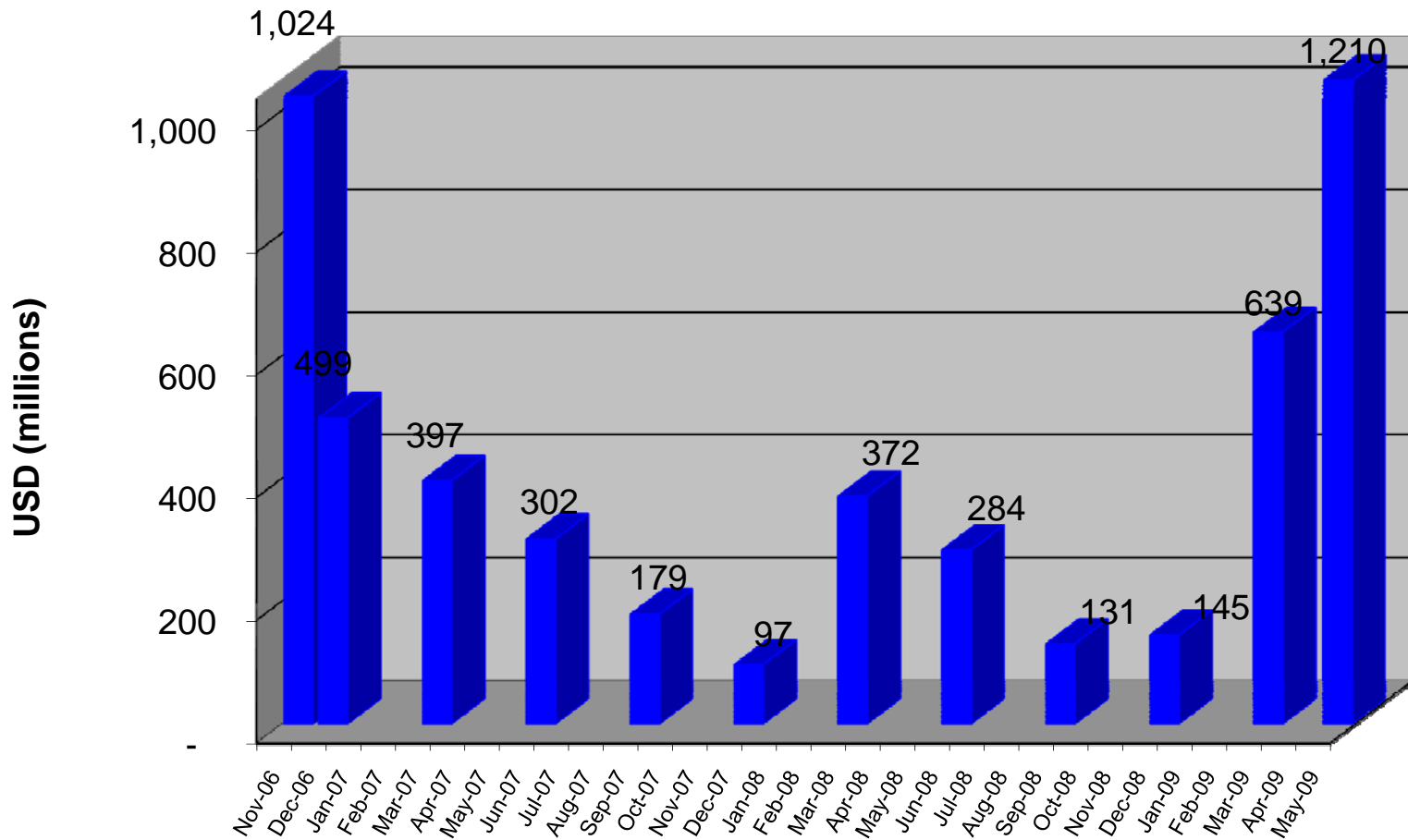
(US\$ million)



Capital Markets Activities

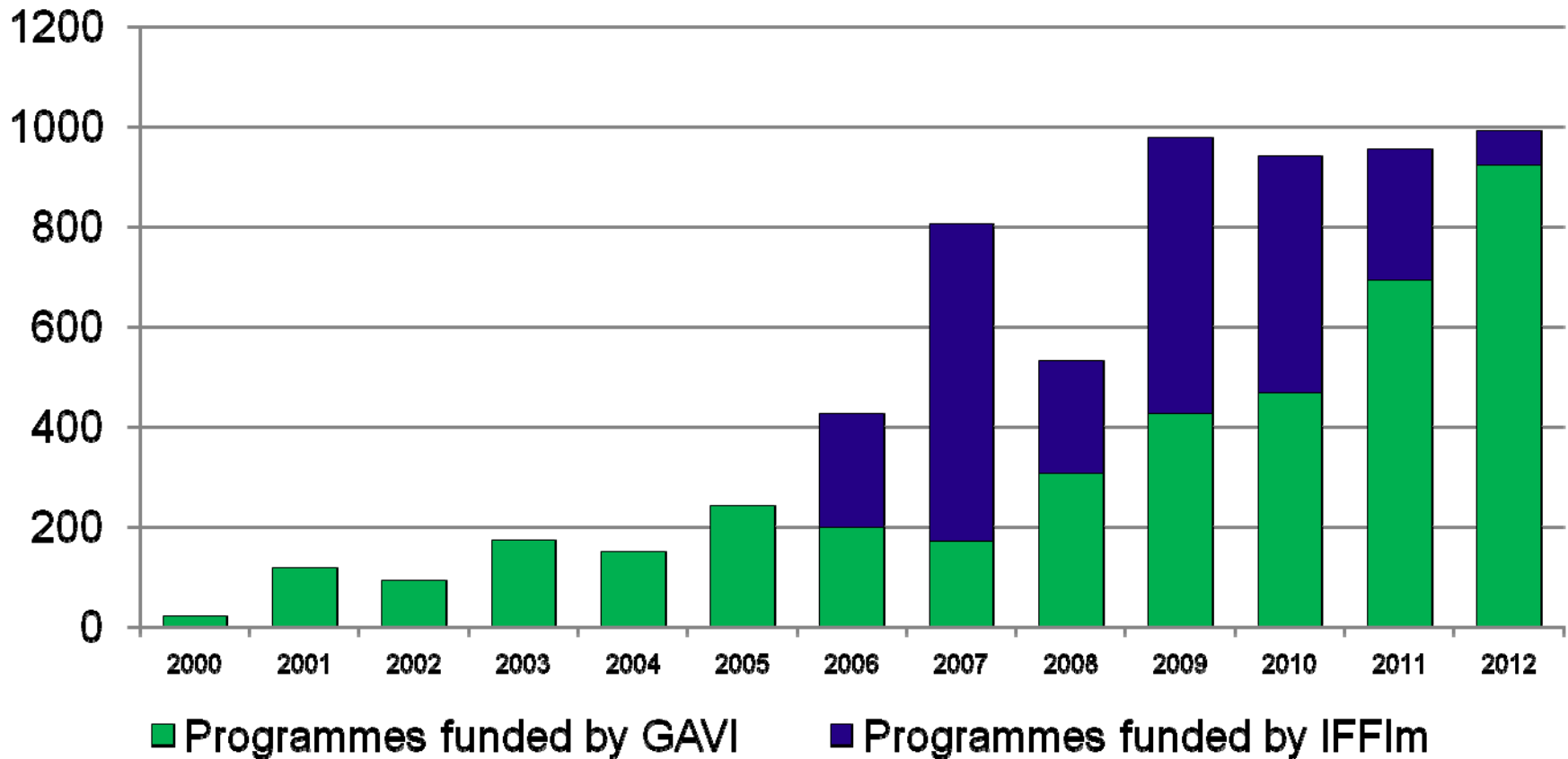


IFFIm Cash Balances



IFFIm Contributions to GAVI

(US\$ million)



IFFilm Fundraising: 2009 to date

Japan Retail

- Daiwa (3 tranche) \$429 million
- Mitsubishi (2 tranche) \$143 million

\$572 million

UK Sterling

- Retail £ 16 million \$ 24 million
- Institutional £250 million \$376 million

\$400 million

Total funds raised: \$972 million

Refinancing: \$223 million

Net New Proceeds: \$750 million

IFFIm's Financial Leverage

- **Inflows from Donor grant payments
(to May 31, 2009) \$346 million**
- **Inflows from Capital Markets borrowings
\$ 2.2 billion**

Leverage Effect:	6.5 x 1
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Effects of the Financial Crisis on IFFIm

Positive

- Interest rates very low: reduced debt payments
- Investor flight to quality benefits IFFIm (credit)
- Investor interest in bonds which “make a difference” (ethical character)

Effects of the Financial Crisis on IFFIm

Negative

- **Borrowing spreads widened**
- **Investment income reduced**
- **Possible French/Euro transaction postponed**
- **Sterling retail placement smaller than expected**
- **“AAA” rating, with “negative outlook”, from S&P**
- **Some Donor outreach discussions gone cold**

IFFIm Donor Expansion

- **The Netherlands joins IFFIm with €80 million pledge over 8 years**
- **Announced today in Washington and The Hague**

IFFIm Board Renewal

- **Didier Cherpitel**
- **Sean Carney**

Advocacy

- **Media, press, conferences, seminars**
 - **to sell IFFIm bonds**
 - **to promote GAVI**
 - **to reach new Donors**
 - **to defend innovative financing**

Innovation in the Financial Markets

- **Discredited... out of fashion (“keep it simple”)**
- **Ratings, leverage, securitization all under scrutiny**
- **Governments need to appreciate the role of innovation in expanding ODA**
 - **requires imagination**
 - **requires policy flexibility**
 - **requires public-private collaboration**
- **The 2008-9 “bail out” of the western banking system (“extraordinary measures for extraordinary times”) begs an equivalent extraordinary commitment to ODA funding**

Task Force on Innovative Financing for Health Systems

Recommendation 3:

Paris, May 30, 2009

“Expand the use of the International Finance Facility for Immunisation and other approaches to ensure predictability”

- Three questions:
 - Who “owns” IFFIm? (IFF)
 - Who are the beneficiaries of a new IFFIm?
 - How will a new IFFIm be funded?