



PRESS RELEASE

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International Finance Facility for Immunisation Issues Inaugural Bonds

Proceeds Will be Used to Scale Up GAVI Alliance, Boost Vaccine Use and Improve Health Systems to Save Lives of Millions of Poorest Children

London, 7, November 2006. Efforts to immunise children in the poorest countries of the world received a large boost as the International Finance Facility for Immunisation (IFFIm) issued its inaugural bonds today. The bonds are rated AAA/Aaa/AAA.

IFFIm is a new international development institution designed to accelerate the availability of funds to be used for health and immunisation programmes through the GAVI Alliance (GAVI) in 70 of the poorest countries around the world.

GAVI's success in the past five years has led six European nations: the United Kingdom, France, Italy, Norway, Spain and Sweden to make legally-binding commitments to IFFIm. **Using those commitments, IFFIm anticipates raising US\$4 billion over the next ten years in the international capital markets to support GAVI's health and immunisation programmes in developing countries, helping to save as many as 10 million lives.**

By investing the majority of IFFIm resources up front—"frontloading"—this innovative funding institution will significantly increase the flow of aid to ensure reliable and predictable funding for immunisation programmes and health systems. **The new funds will enable the GAVI Alliance to build on its successes and immunise more than 500 million children against vaccine preventable diseases before 2015.**

In announcing the issuance, Gordon Brown, the Chancellor of the Exchequer said: "Millions of people campaigned to Make Poverty History last year, and now we can say to them all: we are delivering on the promises we made, your hopes are becoming a reality, and millions of young children's lives will be saved as a result."

"IFFIm represents a unique approach to financing for development. This is the first time that bonds are issued to finance a specific objective related to health and immunisation. The creation of IFFIm provides investors with an opportunity to participate in the scaling up of a highly successful public-private collaboration that is focused on saving and improving the lives of the world's youngest and most vulnerable citizens," said Alan Gillespie, Chair of IFFIm.

“In addition we are being given the opportunity to demonstrate a new way of funding international development, addressing the seemingly intractable problems of poor nations with a tried and true financing model from the capital markets,” he added.

GAVI has demonstrated that the effectiveness of development assistance depends on making the funds targeted and in building flexibility into the process.

“Since its inception, GAVI and its partners have helped to save more than 1.7 million lives,” said GAVI Alliance Executive Secretary, Julian Lob-Levyt. I must recognize the extraordinary commitment of the donor countries and partners who have enabled this progress and who are supporting IFFIm.”

The job is far from over, though: more than 27 million children still go without immunisation every year. As a result, illnesses from preventable diseases in developing countries are nine times higher than in the richest countries.

“Even with IFFIm resources, there is still a large funding shortfall of US\$ 11-15 billion over the next ten years to achieve 90% immunisation coverage in GAVI partner countries. If we could fund this shortfall, we could save an additional ten million lives over the next decade,” Lob-Levyt added.

“The launch of the IFFIm is an exciting and important step. Every bond sold will make it possible to immunise more children and save more lives,” said Bill Gates, co-chair of the Bill & Melinda Gates Foundation, which has pledged \$1.5 billion to GAVI. “I congratulate the U.K., France, Italy, Norway, Spain, and Sweden for backing this initiative and Gordon Brown for taking IFFIm from idea to reality.”

The proceeds from the first bonds will provide an immediate funding boost to GAVI’s immunisation programmes. More specifically, the funds will be used to:

- **Support New Vaccines**
Eligible countries will be able to procure under-used and newly licensed vaccines to combat the diseases that cause a significant proportion of child mortality.
- **Strengthen Immunisation Services**
Scaling up coverage of immunisation in the poorest countries will require substantial investments in the health systems that deliver vaccines. Countries will be able to use IFFIm’s resources to alleviate these system-wide barriers and potentially lead to a more comprehensive provision of health services.
- **Fund Measles and Tetanus Campaigns**
To drive mortality down quickly, supplemental immunisation activities will be funded in the countries where the need is greatest, such as mass campaigns for immunisation against measles and tetanus. These campaigns will be designed and executed with the additional goal of strengthening routine health and immunisation services.
- **Create a Polio Vaccine Stockpile**
Once the world is declared to be polio-free, a stockpile of oral polio vaccine will be required to serve as an “insurance policy” against any future recurrence or outbreak. GAVI will provide the funding needed to ensure that adequate supplies of the vaccine are available.

The GAVI Alliance

An alliance of all the major stakeholders in immunisation, the GAVI Alliance includes among its partners developing country and donor governments, the World Health Organization (WHO), UNICEF, the World Bank, the vaccine industry in both industrialised and developing countries, research and technical agencies, NGOs, and the Bill & Melinda Gates Foundation. It is estimated that more than 1.7 million early deaths will have been prevented as a result of support by GAVI up to the end of 2005.

GAVI's efforts are critical to achieving the Millennium Development Goal on child health, which calls for reducing childhood mortality by two-thirds by 2015. Of the more than 10 million children who die before reaching their fifth birthday every year, 2.5 million die from diseases that could be prevented with currently available or new vaccines.

www.gavialliance.org

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