

International Finance Facility for Immunization

Vaccine Bond Gains Strong Support During Pandemic

Case Study

The Client The International Finance Facility for Immunization (IFFIm) enables private investors and government donors to work together to deliver a greater and faster impact on global health.

The Challenge IFFIm has a unique financing model for global health built on partnerships. It receives long-term, legally binding pledges from donor countries and, with the World Bank acting as treasury manager, turns these pledges into bonds. The money raised via Vaccine Bonds provides immediate funding for Gavi, the Vaccine Alliance.

IFFIm wanted to raise new funds to support Gavi's mission to accelerate the availability of life-saving vaccines for the world's most vulnerable children. As well as funding for its core immunization programs, it intended to use the proceeds to develop and distribute COVID-19 vaccines around the world, with a particular focus on the poorest countries.

The Solution Citi acted as a lead manager for IFFIm's three-year, \$500 million Vaccine Bond, which is fully compliant with the International Capital Market Association's Social Bond Principles. The transaction drew strong demand from global investors with books three times oversubscribed (resulting in total demand of \$1.5 billion), which facilitated competitive pricing. The bond, which was IFFIm's first USD benchmark bond in more than three years, came with a re-offer price of 99.821%, and carries a semi-annual coupon of 0.375%. The reception among investors indicates that IFFIm bonds are seen as a unique way of gaining attractive financial returns while generating a positive impact on society.

The Result IFFIm raised cost effective financing that enabled it to support Gavi's efforts to distribute a future COVID-19 vaccine equitably as well as supporting its existing vaccination programs. The proceeds also give Gavi greater flexibility, allowing it to respond to unexpected challenges. At the same time, the Vaccine Bond ensured that Gavi has predictable funding; that means public health officials can plan vaccination campaigns in advance, which increases their effectiveness. Forward planning strengthens local health systems and results in healthier populations overall, a crucial building block for a successful economy.