

# **GAVI's experience with Innovative Finance: AMC and IFFIm**

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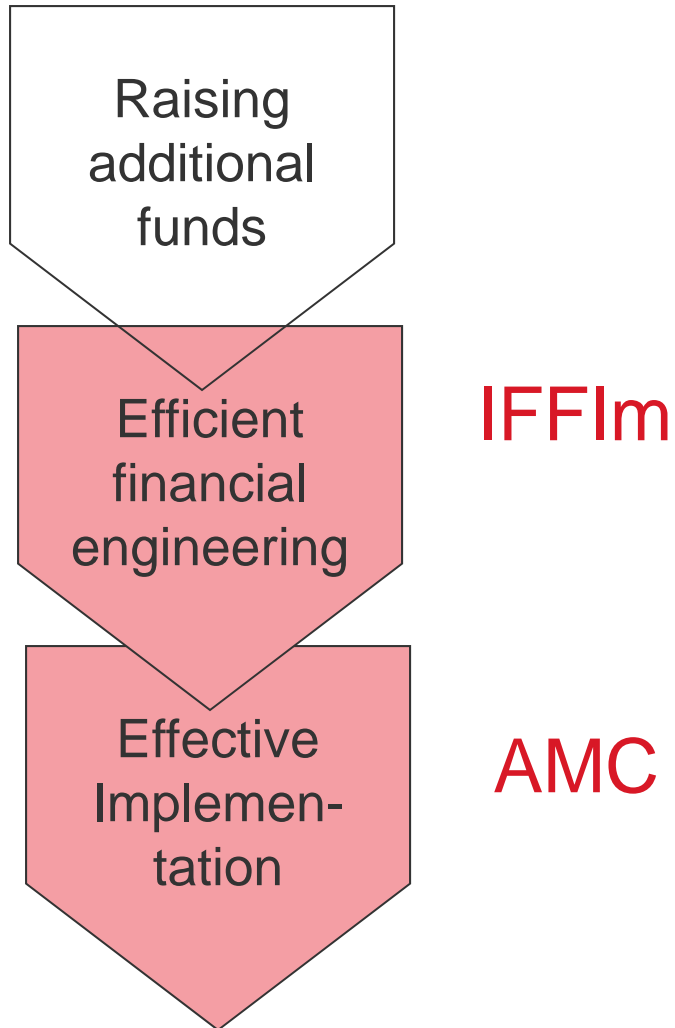
**Advocacy and Public Policy**

Marketplace on Innovative Financial Solutions for Development  
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**10** YEARS  
OF SAVING  
LIVES

# Innovative Financing

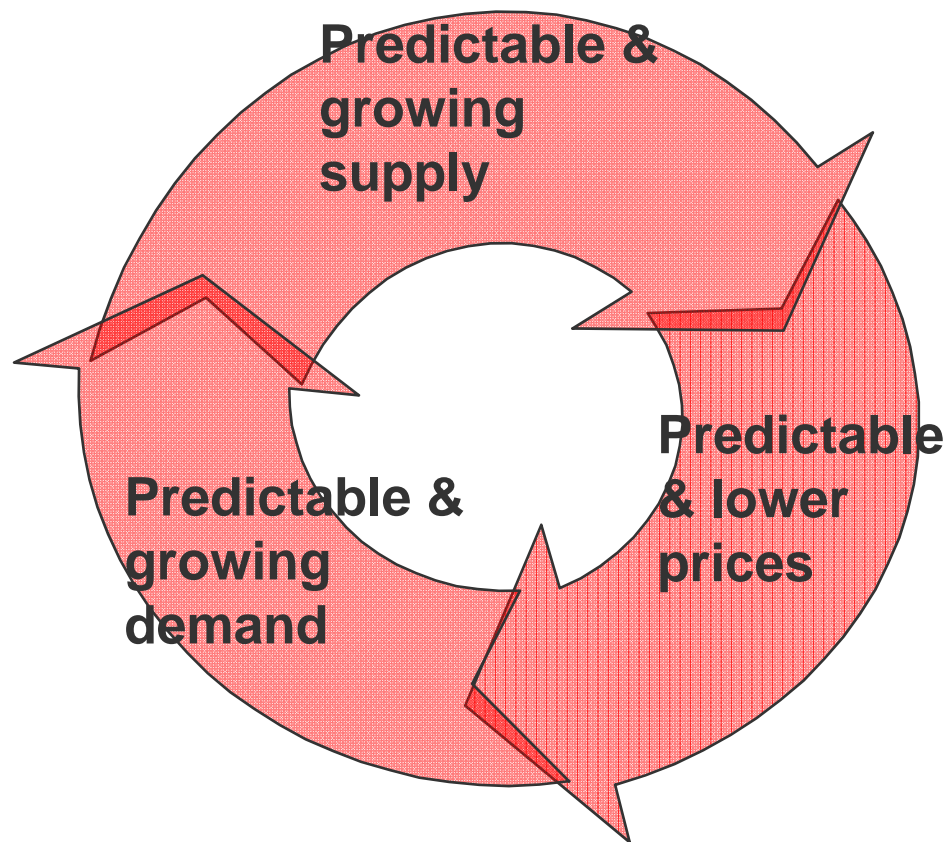


# GAVI's Innovative Finance

- The **International Finance Facility for Immunisation (IFFIm)** converts long-term government pledges into immediately-available cash resources by issuing bonds on the capital markets.
- The **Advance Market Commitment (AMC)** accelerates the development and manufacture of vaccines for developing countries at prices they can afford.

# AMC for vaccines

1. Ensures sufficient returns on investment for increased capacity needed for developing country production (or R&D)
2. Accelerates price decline & enhances prices predictability for recipients
3. Leads to predictable & growing demand



# AMCs: needs-driven affordable vaccines

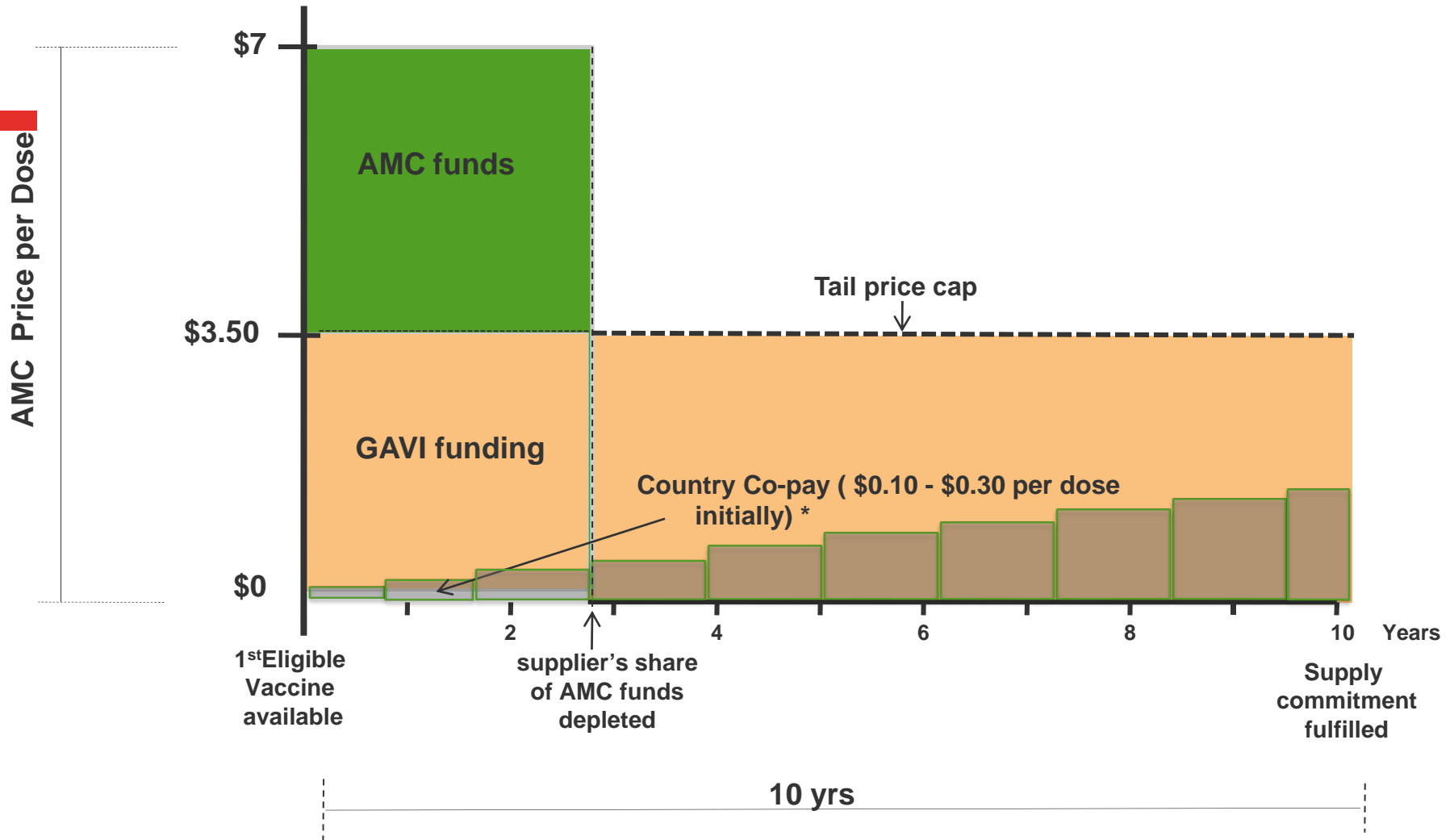
## Accelerated manufacture and delivery of vaccines:

- Donors commit funds for new vaccines at pre-agreed price
- Donor funds give manufacturers incentive to invest in R&D of new vaccines
- Vaccines must meet stringent criteria and be requested by developing countries
- Manufacturers legally commit to supplying vaccines at lower price over the long term
- Long-term price paid by beneficiary countries and GAVI

# How the pneumococcal AMC pilot works:

- Italy, UK, Canada, Russia, Norway, the Bill & Melinda Gates Foundation commit to supporting pneumococcal vaccine market with US\$ 1.5 billion
- Manufacturers agree to supply set quantities of the vaccine for 10 years
- As GAVI-eligible countries demand the vaccine, companies receive US\$ 7 per dose (AMC price)
- Companies ensure supply of remaining doses at \$3.50 per dose or less (tail price cap)

# Pneumococcal AMC funding sources



\* Co-financing levels will be in line with the applicable GAVI co-financing policy.

# IFFIm provides immediate funding to GAVI

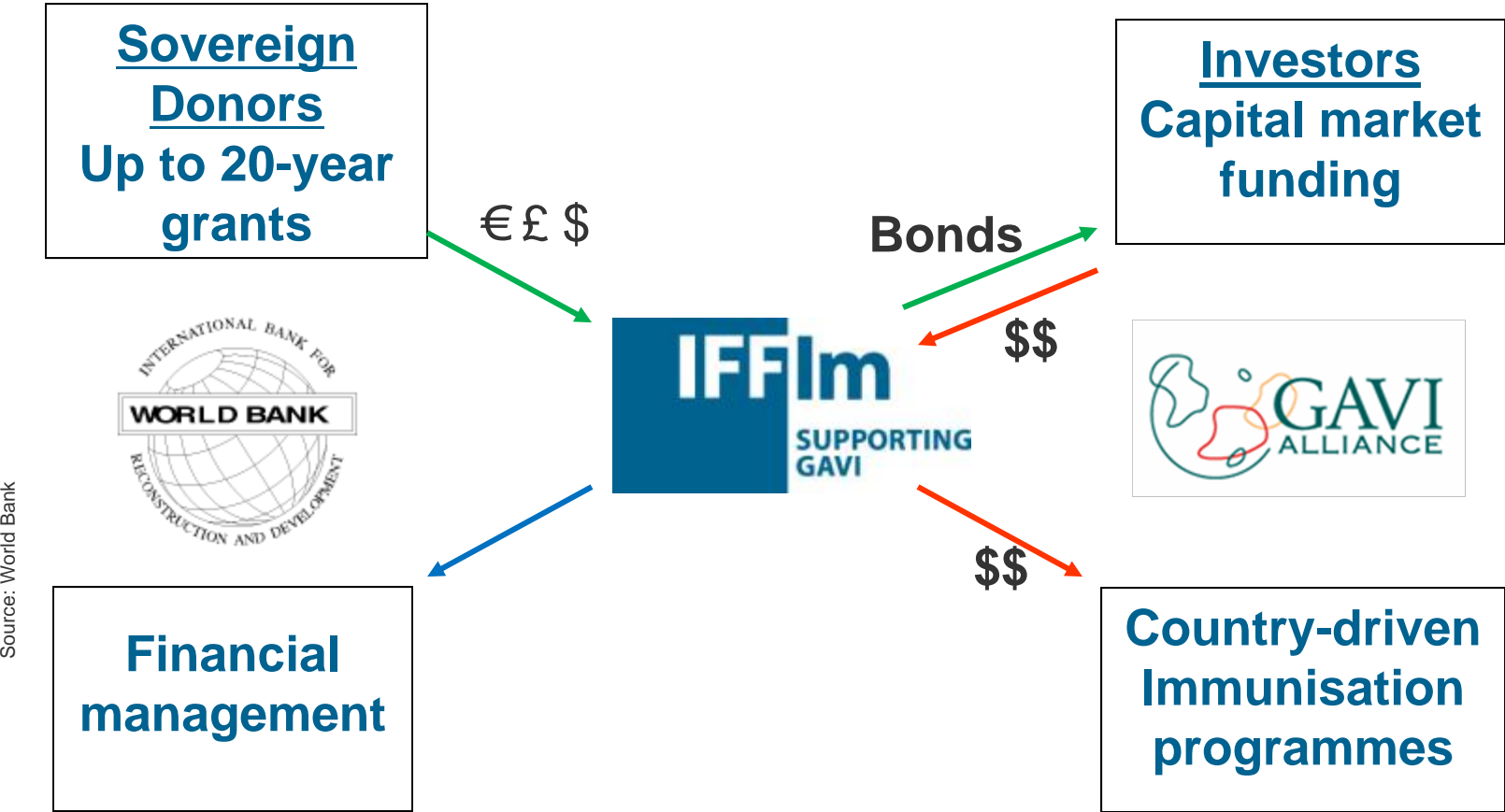
“**Frontloading**”, or providing the funds up-front for immunisation, can prevent and reduce the disease burden rapidly, thereby saving more lives.



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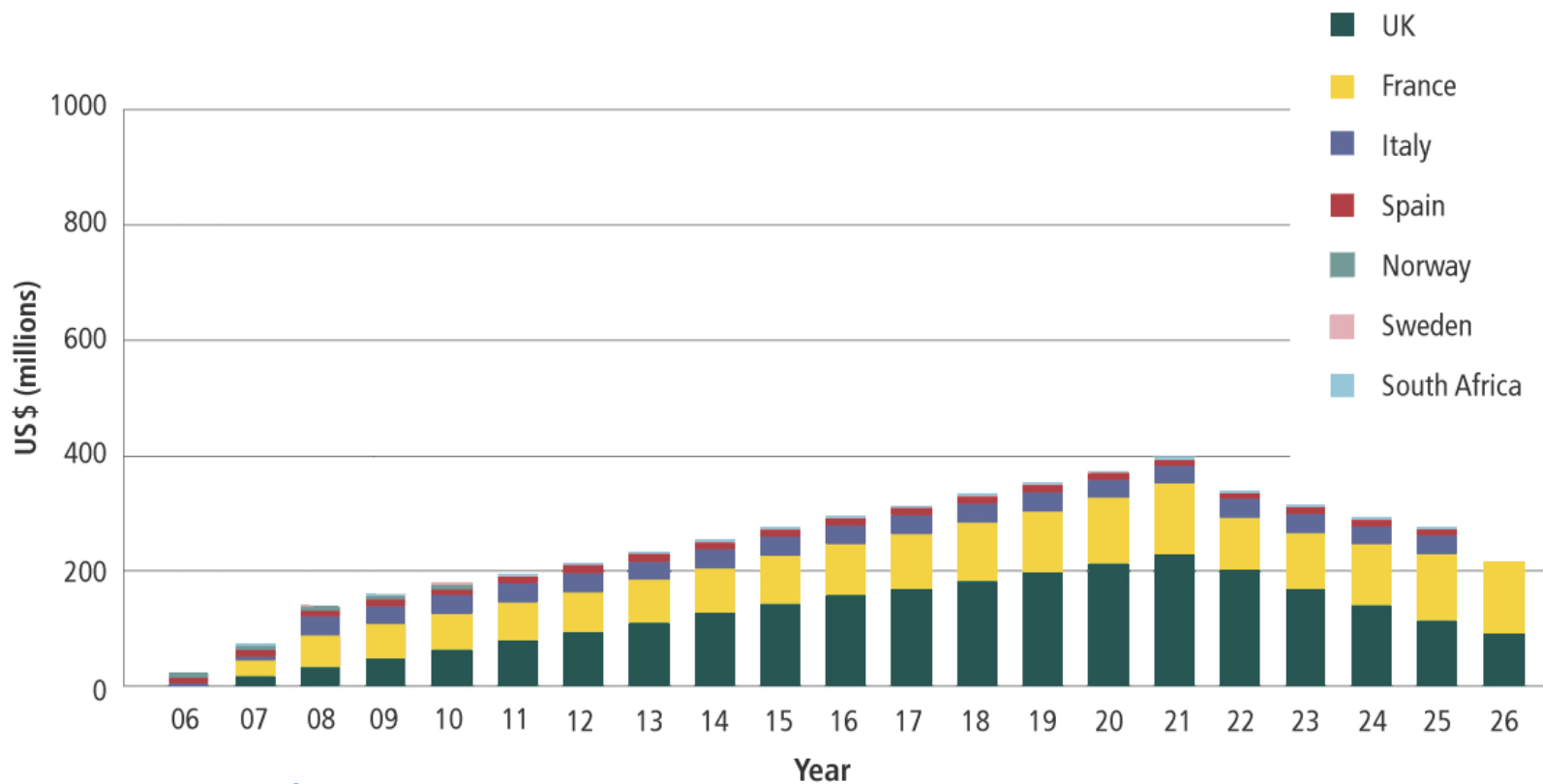


# How IFFIm works



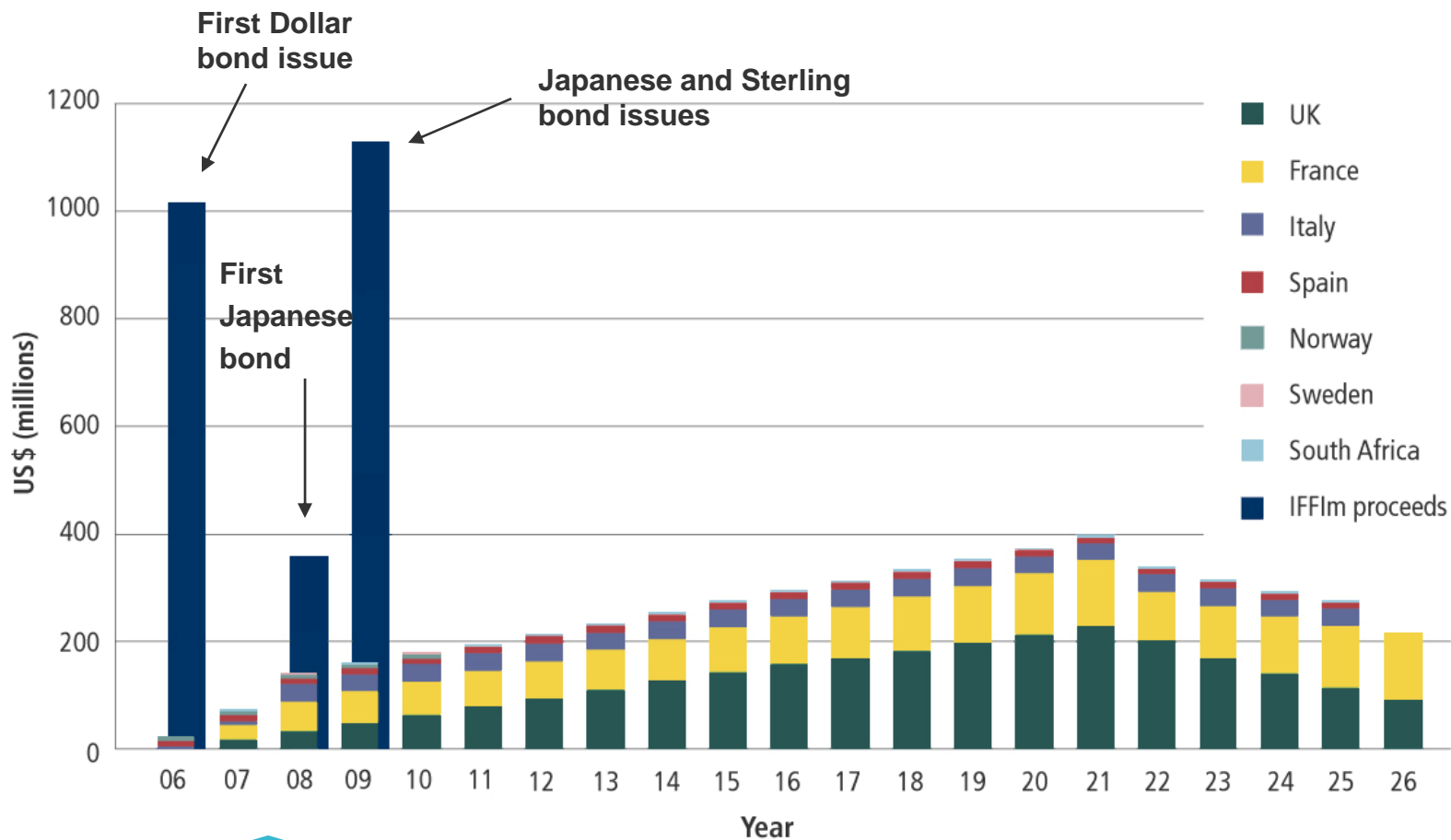
IFFIm's goal: provide US\$4 billion upfront for immunisation, 2006- 2015

# International Finance Facility for Immunisation (IFFIm): Long-term donor contributions



**\$393 million 2006-09**

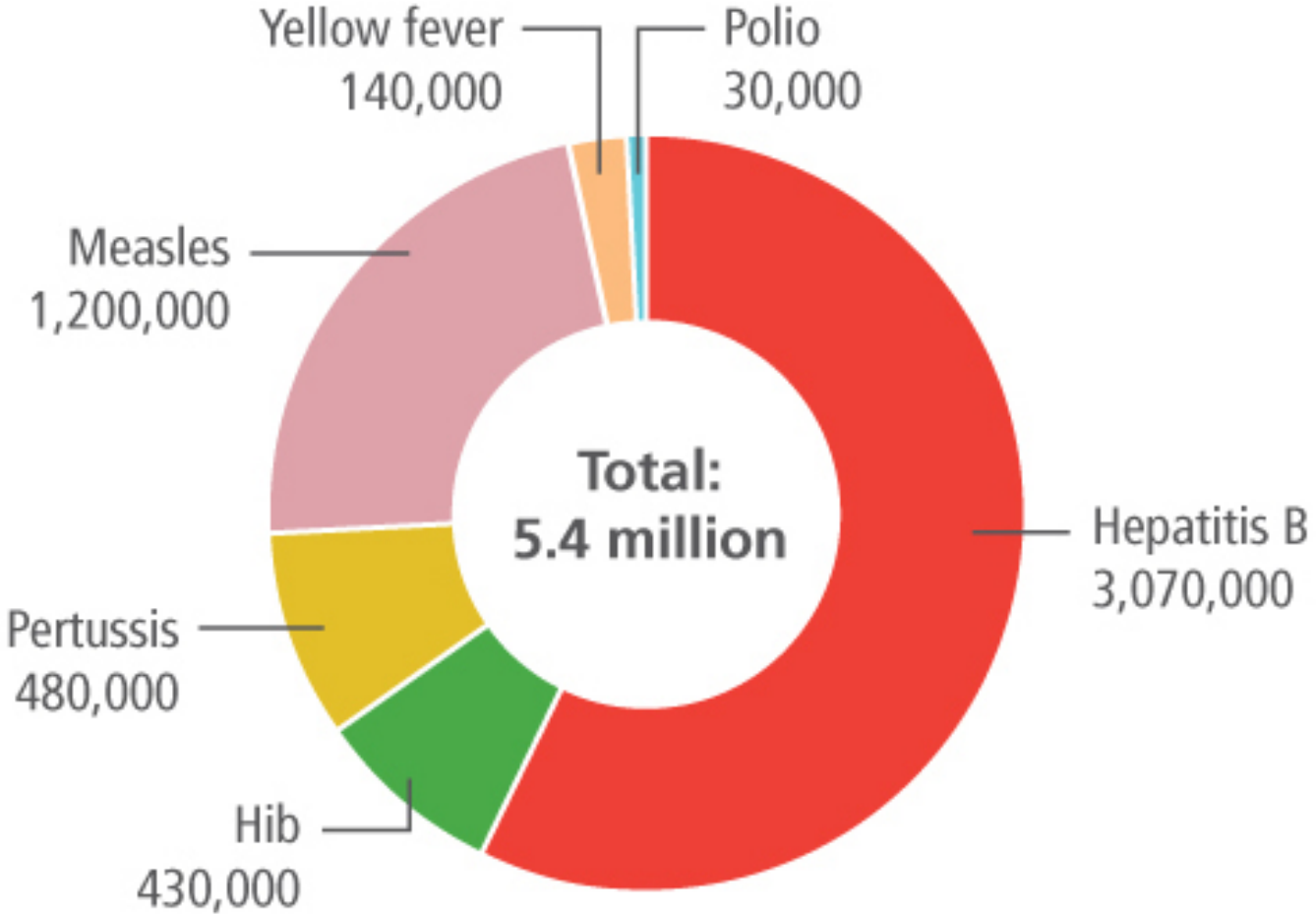
# Financial value of frontloading



**\$2.3 billion 2006-09**

# GAVI impact – future deaths averted

(at December 2009)





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