



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Media statement

Daiwa Securities Group has announced an inaugural issuance of Vaccine Bonds under the International Finance Facility for Immunisation (IFFIm), the GAVI Alliance and the World Bank's Global Debt Issuance Programme.

The IFFIm is a donor initiative created to accelerate the availability of predictable, long-term funds for health and immunisation programmes. The IFFIm's financial base consists of grant payments from donors on the basis of which the IFFIm issues AAA/Aaa/AAA-rated bonds in the international capital markets. It is an "innovative source of financing" arising from the need to identify better financial and technical cooperation to support the attainment of the Millennium Development Goals.

The terms of the Rand denominated bond were preset at a coupon of 9,9 percent. The bond is currently in the process of being marketed by retail branches of Daiwa Securities to Japanese retail investors exclusively. After assessing demand for the bond, the amount to be placed was capped at R1,7 billion. The bond will be settled on 18 March 2008, with a maturity date of 18 March 2010 and will be listed on the Luxembourg Stock Exchange.

The bond issue is the single largest Rand denominated issuance in the Uridashi market (Foreign Currency denominated bonds issued in the Japanese retail market) to date and highlights the demand that exists for Rand assets, despite the current levels of volatility experienced by capital markets.

South Africa is one of eight donors to the IFFIm and this support demonstrates the political will by emerging economies to address the problems of global poverty. Funds raised through the IFFIm's Vaccine Bonds will accelerate the availability of funds for health and immunisation programmes in 70 of the poorest countries around the world, many of which are in Africa.

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