The International Finance Facility for Immunization (IFFIm) involves the innovative approach of securitizing foreign aid flows. It has issued about US$4 billion in bonds since 2006, backed by commitments by sovereign governments to provide annual grants over a period of years. These funds finance vaccination and immunization programs in some 70 developing countries. While the IFFIm has worked well to immunize over 800,000 people, scaling it up to fund education, climate change and other development initiatives in poor countries could prove quite challenging, especially because several donor countries that participated in IFFIm are now facing financial problems of their own. Likely downgrades in their sovereign credit ratings also pose a new risk to aid securitization. Securitization of future multilateral aid or south-south credit flows could also be a possibility, though some major implementation problems will have to be overcome.

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