



IMPACT FUND
FOR CHILDREN

QUARTERLY ACTIVITY REPORT



© UNICEF/UN0845707/AHMED

September 30, 2023

TRANSFORMATIVE CHILD-LENS INVESTING FRAMEWORK HAS LAUNCHED

Children are one third of our world and all of our future. Child-lens investing ensures we consider these uniquely vulnerable, yet powerful stakeholders in investment decisions.

Imagine a world where *The State of the World's Children*, UNICEF's flagship report, becomes a barometer of success for the public and private sectors. A world where investors answer a rallying call to eliminate child poverty by 2050 – just as “Net Zero by 2050” advocates bold climate action. A world in which every S&P 500 corporate sustainability report dedicates attention to impacts on children. A world where every child survives and thrives, living up to their full potential and growing into adults who shape their communities and

economies for the better. That is UNICEF's vision for child-lens investing (CLI).

Childhood is a powerful engine of equity, prosperity and possibility, yet more than 1 billion children remain deprived of education, food, health care, housing, safe access to water and sanitation and other basic services. Investments in these children are investments in tomorrow's workers, consumers, citizens and decision-makers. CLI is an approach in which investors intentionally consider child-relevant



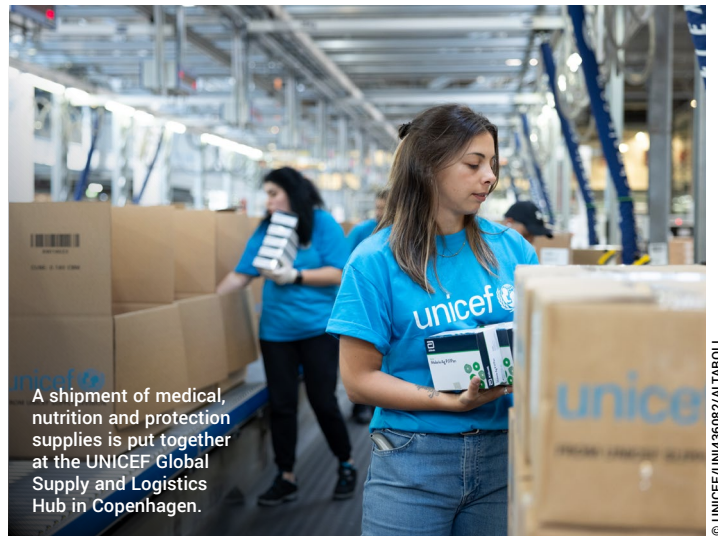
A UNICEF staff member meets with a mother in White Nile, Sudan, as part of a program to deliver life-saving supplies to treat malnutrition and measles in communities.

© UNICEF/UNI430042/MOHAMMDEEN

factors to advance positive child outcomes while minimizing child harm, regardless of theme, geography or sector. The Impact Fund for Children, in partnership with UNICEF, launched the Child-Lens Investing Framework (CLIF) in October 2023 to introduce the concept of CLI to the market.

To develop the CLIF, UNICEF didn't start from zero. The framework is built on lessons learned from other investment lenses and includes a child metrics bank of data from existing responsible investing standards and frameworks. The findings show that latent demand and disaggregated supply for CLI solutions already exist, indicating an emerging but coalescing field. What was missing was a shared understanding of *how* investors could consider child-related outcomes at scale and a dynamic framework focusing on the whole child – recognizing that broader social systems surrounding and supporting children affect their well-being.

After the launch, the Impact Fund for Children and UNICEF attended the Global Impact Investing Network (GIIN) Investor Forum and SOCAP23 to introduce investors, market leaders, academics, regulators and entrepreneurs to the framework



and affirm the importance of investing in children. The team focused on the cross-cutting impact to be achieved when we view children as the “golden thread” running through all themes.

That “golden thread” is this: Any and all investment impacts children, directly or indirectly. The CLIF asks investors to evaluate the intentional and unintentional effects that their choices, across all thematic areas, have on children. Absent a framework, those impacts can go unrecognized. Unfortunately, today, nearly 1 in 10 children is subjected to child labor worldwide. More than 1 billion children are touched by global business supply chains directly or indirectly, and a framework and toolkit can support investors to better understand the effects of supply chains on children. But the framework is not just to reduce harm, it calls on investors to drive more intentionality for positive child outcomes. For example, knowing stable housing is conducive to educational



Raghad, 12, in her classroom at the UNICEF-rehabilitated Al-Nashabyieh primary school for girls in Syria.

THE FUTURE OF CLI

UNICEF created child-lens investing to make a bold leap toward a future in which:

- Child well-being considerations in investment strategies become an industry standard.
- Increased capital flows to child-inclusive or child-centered strategies.
- CLI practices are woven into all classes of investment – whether they be public or private.



Children’s needs too often go overlooked in investing because children are not economic agents in financial systems.”

CRISTINA SHAPIRO

PRESIDENT, UNICEF USA IMPACT FUND FOR CHILDREN

outcomes, a potential child-lens in affordable housing could measure truancy rates or grade attainment for school-aged children and that data could be used to refine strategies to maximize education outcomes.

The framework provides examples of how real-life investors are currently addressing urgent challenges that children are facing globally through a child-lens approach. Let’s say you

are a microfinance investor in India – you could be considered a child-lens investor. At 430 million, the world’s largest child population is in India. They are also among the world’s poorest children, with 38% identified as lacking access to basic needs like safe water, nutritious foods and quality education. Beyond the child need, approximately 190 million people remain unbanked in India – limiting Indian families’ ability to safely save and build wealth, borrow, make payments and manage risks to meet their children’s current needs and resource their futures. Meanwhile, India’s \$31 billion FinTech market is the third largest in the world. Addressing this challenge presents clear opportunity for investors, and for families and their children.

An investor in an emerging market might consider the effects of climate change on children, an estimated 80% of whom are affected by at least one extreme climate event annually. Last year, climate disasters resulted in more than \$300 billion in global losses, with only 6% covered by insurance in emerging economies. Annual global capital expenditures on decarbonization technologies and



Chikondi, 9, a student from Mwabvi Primary School in Malawi, receives his Typhoid vaccine.

© UNICEF/UN0845461



Children collect water from a UNICEF-supported tap, located in the heart of their village in Afghanistan. UNICEF supports construction of solar-powered water systems, which pump clean, safe water directly to communities.

© UNICEF/UNI418633/BIDEL

renewables are estimated to account for more than \$800 billion by 2030 – presenting insurers the potential to generate \$10–\$15 billion in insurance premiums from capital expenditures alone.

All 17 2030 Sustainable Development Goals (SDGs) touch children’s lives. Right now, we face a \$4.2 trillion annual SDG funding gap that philanthropy alone cannot close. Investors have a singular power to sway markets and the future. Through the CLIF and its newly released companion, the Child-Lens Investing Framework Private Equity and Debt Investor Toolkit, impact investors can evaluate their current strategies and portfolio companies to see whether they meet specific CLI goals and identify changes needed to meet CLI’s positive aims.

To move toward a dynamic CLI ecosystem, we invite you to reflect on the need, applicability and feasibility of CLI in current and future investment strategies and then take action. Whether applying the framework in part or in whole or channeling new money to child-focused strategies, adopting a CLI approach now will yield positive child outcomes and a better future for us all. UNICEF and the Impact Fund for Children will continue to incorporate market feedback into the CLIF and seek ways to facilitate market growth with data and sector-specific guidance.

The CLIF asks all investors to make an audacious bet on the well-being of present and future generations by becoming child-lens investors.

Read more about the **Child-Lens Investing Framework** in [ImpactAlpha](#) and [Devex](#).

LEARN MORE

This month, UNICEF and the Impact Fund for Children launched the [Child-Lens Investor Toolkit](#) to help investors adopt the framework. Alongside this, we have developed a [Child-Lens Risk Due Diligence Questionnaire](#) and a [Child-Lens Metrics Bank](#) to support implementation and supplement the [Child-Lens Investing Framework](#).

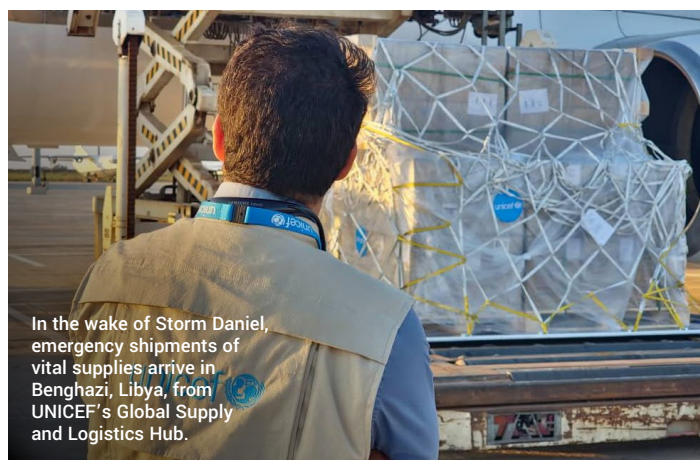


Q1 ACTIVITY SPOTLIGHTS

From critical vaccines and life-saving treatments to emergency aid, the Bridge Fund delivers.

Bridge Fund Accelerates Humanitarian Assistance in Libya

Catastrophic flooding in Libya, unleashed by September's Storm Daniel, displaced more than 16,000 children and wreaked destruction on the country's infrastructure. In the immediate aftermath, the Bridge Fund accelerated \$500,000 to enable UNICEF's rapid response. The funds supported critical health and water, sanitation and hygiene (WASH) interventions in northeastern Libya.



In the wake of Storm Daniel, emergency shipments of vital supplies arrive in Benghazi, Libya, from UNICEF's Global Supply and Logistics Hub.

© UNICEF/UN43707/ALTABOLI

Health Response

Roughly half of the funds, \$230,000, supported the health and nutrition response, including the scale-up of three mobile health and nutrition teams, the procurement of medicines and other supplies, and health care assistance for children and women. Through the expedited response, 900 children received primary health care services and consultations were provided to 500 women and mothers.

WASH Response

Accelerated funds went toward the provision of hygiene kits to help promote actions that prevent the outbreak of acute watery diarrhea (AWD), a leading killer of young children, focused in the flood-ravaged cities of Derna and Albayda. The Bridge Fund's impact enabled the distribution of more than 5,000 WASH and dignity kits. The kits contain equipment and supplies – like buckets to store safe water, soap and laundry detergent – to address a family's water and sanitation needs for one month.

Investments in UNICEF Supply Division-Administered Funds

- In the 6 months ending on June 30, 2023, VII reached approximately 56 million children faster with **75 million doses of routine vaccines**, reducing child mortality and improving children's health and immunity.^{1,2}
- As of September 30, 2023, the RUTF Supplier Advance Payment Window has enabled a cumulative \$148 million in purchase orders to date, translating to a six- to eight-week course of treatment for **~3.2 million children**.³

1. At the end of June 2023, the Bridge Fund increased investment in the VII by an additional \$10 million, bringing the total amount invested to \$20 million as of 9/30/2023. VII activity reports are released biannually – so the data referenced here relates to the Bridge Fund's first \$10 million investment and outputs and outcomes represent total activity for the VII in the 6 months ended June 30, 2023. As of June 30, 2023, the Bridge Fund comprised 10.3% of the total VII capital base after its second \$10 million investment and represents a portion of total activity.

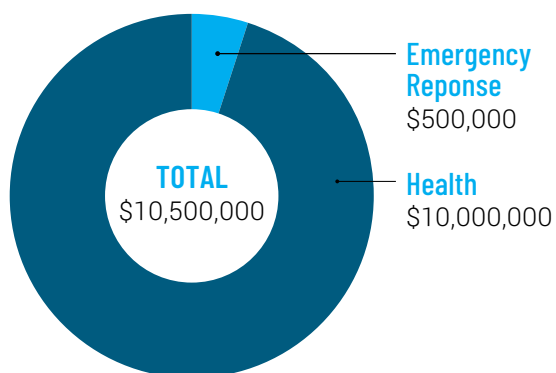
2. To estimate the number of children who will benefit from vaccine procurements, vaccine wastage rates must be included. Vaccine wastage rates vary by vaccine type, number of doses per vial and local health care systems and social conditions. In addition, full immunization against some diseases may require more than one vaccination per child. Thus, there is not a one-to-one correspondence between vaccine doses procured and children reached. Assumed 25% wastage rate for reported figures.

3. One carton of Ready-to-Use Therapeutic Food contains 150 packets, enough for one six- to eight-week course of treatment to restore the health of one severely malnourished child.

QUARTERLY PROGRAM ACTIVITY

During the first quarter of Fiscal Year 2024, the Bridge Fund completed two new transactions for a total amount of \$10.5 million.

Quarterly Activity by Sector



Quarterly Activity by Geographic Reach

HEALTH	\$10,000,000
Multiregional	\$10,000,000
EMERGENCY RESPONSE	\$500,000
Middle East and North Africa	\$500,000
TOTAL	\$10,500,000

The Bridge Fund's SDG Impact

The Bridge Fund is committed to using the 2030 Sustainable Development Goals (SDGs) as a framework for our impact reporting, connecting each quarter's activity to the SDG target it supports.

SDG	CHALLENGE	BRIDGE FUND IMPACT
<p>Good Health and Well-Being</p> <p>SDG 3</p>  <p>Ensure healthy lives and promote well-being for all at all ages</p> <p>You can find detailed targets for SDG 3 by clicking on the link here</p>	<p>In the last 12 months, ~27 countries have been affected by circulating vaccine-derived poliovirus (cVDPV) outbreaks. Countries responding to cVDPV outbreaks face multiple challenges in implementing effective responses including delays in outbreak detection, receipt of vaccines and competing public health priorities.</p>	<p>\$10,000,000 accelerated to countries affected by circulating vaccine-derived poliovirus (cVDPV) outbreaks to curb the spread and provide immediate implementation of quality polio outbreak response activities, including social mobilization and vaccine management.</p>

Bridge Fund Q1 Fundraising

Net Worth Donations	\$67,137
TOTAL	\$67,137

New Bridge Fund Capital

Anonymous Supporters
Glen and Anita Baptist

QUARTERLY PROGRAM IMPACT

First Quarter Fiscal Year 2024

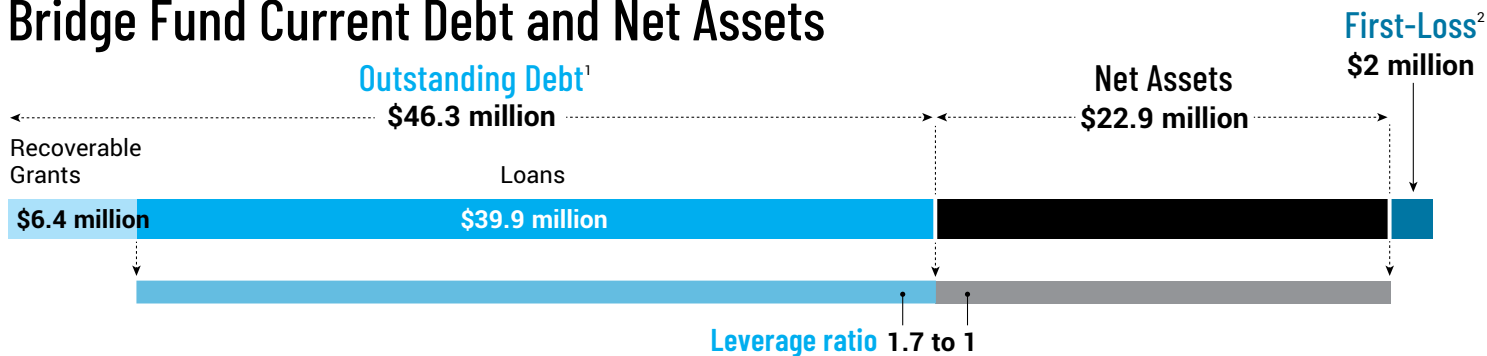
TRANSACTIONS	INPUTS	OUTPUTS	OUTCOMES
<p>Accelerated funding to provide urgently needed humanitarian assistance to flood-affected populations in Libya</p> <p>\$500,000</p> <p>Middle East & North Africa</p>	<p>Accelerated \$500,000 for emergency response to the flooding in Libya, providing supplies and services to address urgent health and WASH needs</p>	<ul style="list-style-type: none"> HEALTH: Funds supported the procurement of essential medicines, made it possible to reach 900 children with primary health care services and assisted 500 women and mothers with emergency consultations. The funds also supported the scale-up of three mobile health and nutrition teams WASH: More than 5,000 dignity kits were distributed to prevent outbreaks of cholera and acute watery diarrhea, which is a leading cause of death for children under five 	<p>Rapid response leads to improved health and hygiene for the thousands of people affected by the devastating floods in Libya</p>
<1 MONTH BRIDGED			
<p>Immediate implementation of polio outbreak response activities</p> <p>\$10,000,000</p> <p>Multiregional</p>	<p>Accelerated \$10M to address circulating vaccine-derived poliovirus (cVDPV) outbreaks and prevent further spread</p>	<p>Funds supported polio outbreak response, including community engagement, social mobilization and vaccine management – all which are crucial to stemming the current outbreaks</p>	<p>Improved health for children affected by multiregional polio outbreaks and progress toward the global eradication of polio</p>
<1 MONTH BRIDGED			
UNICEF SUPPLY DIVISION VACCINE INDEPENDENCE INITIATIVE (VII) HIGHLIGHTS			
Biannual Reporting: Activity between January 1, 2023 and June 30, 2023			
<p>Supply Division VII¹</p> <p>\$10,000,000</p> <p>Global</p>	<ul style="list-style-type: none"> VII capital base as of June 30, 2023: \$194.7 million Bridge Fund composition of total VII capital base: 10.3% 	<ul style="list-style-type: none"> \$16.8 million for procurement of vaccines and immunization supplies for the Democratic Republic of the Congo, Kenya, Chad, the Pacific Islands and others through VII pre-financings \$33.5 million of ad hoc pre-financings addressing one-off temporary cash flow timing issues for supplies like vaccines, syringes, safety boxes and Ready-to-Use Therapeutic Food \$64.5 million in special contracts to secure timely access to approximately 2.3 million cartons of Ready-to-Use Therapeutic Food 	<ul style="list-style-type: none"> Reached approximately 56 million children faster with 75 million doses of routine vaccines, reducing child mortality and improving children's health and immunity² Accelerated and increased the equitable supply of medical supplies, vaccines and Ready-to-Use Therapeutic Food

1. At the end of June 2023, the Bridge Fund increased investment in the VII by an additional \$10 million, bringing the total amount invested to \$20 million as of 9/30/2023. VII activity reports are released biannually – so the data referenced here relates to the Bridge Fund's first \$10 million investment and outputs and outcomes represent total activity for the VII in the 6 months ended June 30, 2023. As of June 30, 2023, the Bridge Fund comprised 10.3% of the total VII capital base after its second \$10 million investment and represents a portion of total activity.

2. To estimate the number of children who will benefit from vaccine procurements, vaccine wastage rates must be included. Vaccine wastage rates vary by vaccine type, number of doses per vial and local health care systems and social conditions. In addition, full immunization against some diseases may require more than one vaccination per child. Thus, there is not a one-to-one correspondence between vaccine doses procured and children reached. Assumed 25% wastage rate for reported figures.

IMPACT FUND CAPITALIZATION AND PORTFOLIO BREAKDOWN

Bridge Fund Current Debt and Net Assets



Portfolio Breakdown by Repayment Source



1. The Bridge Fund has a \$20 million line of credit. As of September 30, 2023, zero dollars were drawn.
2. In FY23, the Bridge Fund received a \$2 million permanent donation that functions as a fully loss-absorbing guarantee for Bridge Fund transactions. This will provide first-loss protection for transactions like the \$15 million RUTF Supplier Advance Payment Window.
3. Strategic Investments in Flexible Funding represents Bridge Fund cash advances made for fundraising strategies of UNICEF National Committees identified to produce net-new philanthropic revenue.
4. The RUTF Window represents a \$15 million catalytic contribution to a facility administered by the UNICEF Supply Division, which solves malnutrition treatment supply chain issues by enabling advance payments for Ready-to-Use Therapeutic Food ("RUTF") suppliers to help them increase capacity and meet demand.
5. The **Vaccine Independence Initiative (VII)** is a revolving fund, managed by the UNICEF Supply Division. VII pre-financing receivables are from third-party multilaterals and sovereign governments.

Portfolio Breakdown by Loan Watch Category

Delays occur in the Bridge Fund portfolio due to the nature of the business. The outstanding portfolio is actively monitored and diligent cash flow management policies mitigate effects on the portfolio.

100% Low Watch



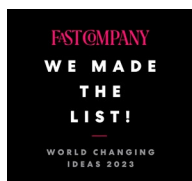
Low Watch: Performance as expected.

All Bridge Fund outstanding transactions are categorized as Low Watch as of September 30, 2023.



Impact Fund for Children's Ninth Consecutive Year on the ImpactAssets 50 List

The Bridge Fund was selected as an Emeritus Impact Manager for the ImpactAssets 50 (IA 50) [2023 list](#). The IA 50 recognizes managers who have demonstrated a consistent ability to generate positive impact and resilience within the impact investing market. We thank all who have contributed to this inclusion.



Bridge Fund's Response Has Been Listed as a Winner in the Rapid Response Category of Fast Company's 2023 World Changing Ideas Awards

The Bridge Fund's response to the Horn of Africa malnutrition crisis has been selected as an honorable mention in the "Enduring Impact: 15+ Years in Business" category and was chosen as the winner of the "Rapid Response" category. Read more about our investment in the battle against malnutrition in our [Q2 2023 quarterly report](#).

FINANCIAL INFORMATION

UNICEF USA Impact Fund for Children Inc.

Statement of Financial Position (unaudited) for the 3 months ended September 30, 2023

ASSETS

Cash and Investments	\$34,301,364
Contributions Receivable	\$35,404,527
Total Assets	\$69,705,891

LIABILITIES

Recoverable Grants Payable	\$6,375,000
Loans Payable	\$39,925,000
Accrued Interest and Other Liabilities	\$494,758
Total Liabilities	\$46,794,758
Net Assets*	\$22,911,133
TOTAL LIABILITIES AND NET ASSETS	\$69,705,891

COVENANT CALCULATION**

Leverage Ratio	Maximum	Actual
Debt: Net Assets	3.5 : 1	1.7 : 1

*As of September 30, 2023.

**Recoverable grants up to \$10 million are excluded from the 3.5:1 debt-to-equity ratio. As reported here, loans payable only includes cash loans and the line of credit.

Statement of Activities (unaudited) for the 3 months ended September 30, 2023

REVENUE

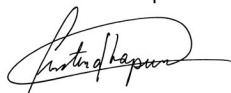
Contributions Revenue	\$12,687,373
Investment and Interest Income (Loss)	(\$356,759)
Total Revenue	\$12,330,614

EXPENSES

Program Services	
Grants to UNICEF and Other NGOs	\$11,088,000
Program Expenses	\$514,089
Management and General	\$19,908
Fundraising	\$66,320
Total Expenses	\$11,688,317

Net Income	\$642,297
Net Assets – Beginning	\$22,268,836
Net Assets – Ending	\$22,911,133

We certify that, as of the quarter ending September 30, 2023, there exists no default or Event of Default (as such term is defined in the Loan Agreement), and we are in compliance with the covenants set forth in Sections 4.1 and 4.4 and in Article V of the Loan Agreement, including without limitation and as demonstrated in the above computations, the financial covenants set forth in Sections 5.2 and 5.5 of the Loan Agreement.



Cristina Shapiro, President, Impact Fund for Children Inc.
Dated: September 30, 2023

To learn more, please visit our website at unicefusa.org/impact-fund-for-children or contact:

Cristina Shapiro, President
UNICEF USA Impact Fund for Children
cshapiro@unicefusa.org 212-922-2556

Erin Egan, Managing Director
UNICEF USA Impact Fund for Children
eeegan@unicefusa.org 212-922-2571



IMPACT FUND
FOR CHILDREN