



IMPACT FUND
FOR CHILDREN

QUARTERLY ACTIVITY REPORT



December 31, 2023

ACCELERATING CRITICAL AID TO GAZA

How the Bridge Fund helped UNICEF respond to the urgent needs of children caught in a rapidly expanding humanitarian crisis in the Gaza Strip.

The humanitarian crisis in Gaza, following the deadly attack on Israel on October 7, 2023, has put Gaza's 1.1 million children at great risk. During emergencies, expedited funding is crucial; delivery delays can be a matter of life and death. UNICEF's Bridge Fund – an innovative investment tool that can accelerate funding in rapidly unfolding crises – was created precisely for critical moments like this.

On October 20, 2023, the Bridge Fund disbursed its first accelerated funding grant to mobilize initial relief efforts and hasten the delivery of lifesaving supplies to help children trapped in a war zone. Early funding, including the accelerated funds, gave UNICEF the ability to plan to scale up humanitarian response. UNICEF was able to quickly mobilize initial relief efforts, such as prepositioning supplies in Egypt, including bottled water and dignity kits.

By the end of November, with water and sanitation conditions deteriorating rapidly and the majority of Gaza's hospitals no longer functioning, the total amount advanced by the Bridge Fund would reach more than \$3.7 million – all used to rush desperately needed aid to children caught in a spiraling humanitarian crisis.

UNICEF prepositioned supplies in Egypt

On October 21, 2023, the first convoy of trucks loaded with urgently needed humanitarian supplies from UNICEF and partners rolled through the Rafah crossing from Egypt into southern Gaza, including more than 44,000 bottles of drinking water, enough for 22,000 people for one day. In less than two



People, including children, wait in a long line to receive a small amount of food in the city of Rafah, southern Gaza Strip.

© UNICEF/UNI495565/ZAGOUT



UNICEF delivered lifesaving medical supplies to help meet the basic needs of Al-Nasr Hospital in Khan Younis.

© UNICEF/UNI46002/EL BABA

Rapid response is essential to save children's lives

In late November, a six-day humanitarian pause offered a brief respite from bombardment to the 1.8 million displaced people, half of them children, living in overcrowded camps with little protection from the elements and winter just around the corner.

During that window, funding available in November, including funding expedited by the Bridge Fund, helped UNICEF scale up response and have additional supplies cross into the Gaza Strip, including safe water for drinking and domestic use, nutrition supplies, blankets, tents, warm clothes, emergency health kits, and education and recreation materials.

Amid the ongoing crisis, UNICEF continues to call for an immediate and long-lasting humanitarian ceasefire, safe and unrestricted humanitarian access to and within Gaza, the immediate, safe and unconditional release of all hostages, and an end to any grave violations against all children, including killing and maiming of children.

The Bridge Fund stands at the ready to accelerate capital to support UNICEF's response. Wherever and whenever children require emergency aid, UNICEF will be there to help, and rapid response mechanisms like the Bridge Fund will continue to play a crucial part in meeting their most pressing needs.

weeks, despite a slow and unpredictable inspection process at the border, the Bridge Fund's accelerated capital contributed to UNICEF's ability to move 34 trucks from Egypt into Gaza, delivering water, medicines, medical supplies and other essentials.

Working under the constant threat of air strikes, UNICEF and partners continued to deliver for the children of Gaza. By November 2, 2023, UNICEF had reached more than 1 million people, including 560,000 children, with access to water for drinking and domestic needs, delivered medical supplies to Ministry of Health partners, benefitting 164,000 people, and provided child protection services to 3,500 children affected by conflict-related violence.



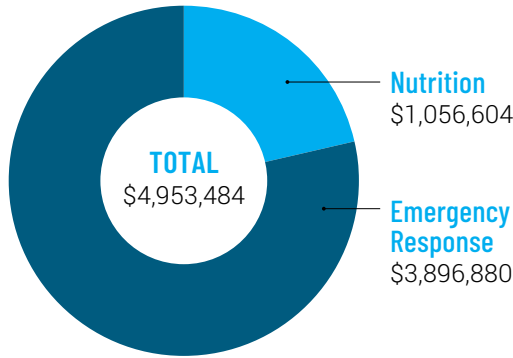
UNICEF delivers 4,000 blankets to European and Nasser hospitals in the southern Gaza Strip.

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QUARTERLY PROGRAM ACTIVITY

During the second quarter of Fiscal Year 2024, the Bridge Fund completed seven new transactions for a total amount of \$4.95 million.

Quarterly Activity by Sector




Quarterly Activity by Geographic Reach

EMERGENCY RESPONSE	\$3,896,880
Middle East and North Africa	\$3,706,800
Latin America and the Caribbean	\$190,080
NUTRITION	\$1,056,604
West and Central Africa	\$1,056,604
TOTAL	\$4,953,484

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	CHALLENGES ADDRESSED	BRIDGE FUND PROGRESS THIS QUARTER
<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>The Democratic Republic of Congo (DRC) is among the countries with the highest rate of stunting in the world due to diseases, such as malaria, diarrhea and acute respiratory infections, poor knowledge of nutrition and limited access to nutritious diets.</p>	<p>\$1,056,604 accelerated to support the launch of malnutrition programming in the DRC, including the procurement of material and micronutrients, the provision of nutrition and feeding training for communities and health care workers, and the establishment of early childhood stimulation centers.</p>



Byamungu, 3, has his brachial perimeter measured by a UNICEF-supported community relay in Bagira, South Kivu province, Democratic Republic of Congo.

© UNICEF/UNI496219/MAZINGE

Bridge Fund Q2 Fundraising

Recoverable Grants	\$250,000
Net Worth Donations	\$8,229
Drawable Loans	\$10,000,000
TOTAL	\$10,258,229

New Bridge Fund Capital

Claudine and Michael Ferrante
JPMorgan Chase & Co.



JPMorgan Chase supports UNICEF USA's Impact Fund for Children through a \$10 million loan, which will assist UNICEF in providing faster and more impactful assistance to communities in need. Financial innovations such as this fund can address social challenges that are the hallmark of UNICEF's work."

SHUMAN CHAKRABARTY

HEAD OF IMPACT FINANCE AND ADVISORY, JPMORGAN CHASE



UNICEF staff carry supplies to a gathering point in Madani, Sudan, hosting displaced children and families.

© UNICEF/UNI416735/MOHAMMEDIEN

QUARTERLY PROGRAM IMPACT

Second Quarter Fiscal Year 2024

TRANSACTIONS	INPUTS	OUTPUTS	OUTCOMES
<p>Accelerated capital to provide emergency assistance to children and families in Gaza</p> <p>\$3,706,800</p> <p>Middle East and North Africa</p> <p>1 MONTH BRIDGED¹</p>	<p>The Bridge Fund's accelerations supported UNICEF in actively prepositioning emergency supplies and services ahead of border openings in October and the "humanitarian pause" in November</p>	<ul style="list-style-type: none"> Provision of emergency assistance to children and families in Gaza across WASH, health, nutrition, child protection, education and social protection In addition to providing lifesaving supplies, UNICEF established child friendly spaces and primary health care centers, and educated children on explosive weapons-related risk 	<p>Increased safety of women and children in Gaza and enabled early procurement of lifesaving supplies and support for essential services</p>
<p>Fast-tracked funds for malnutrition programming in the Democratic Republic of Congo (DRC)</p> <p>\$1,056,604</p> <p>West and Central Africa</p> <p>6 MONTHS BRIDGED</p>	<p>Fast-tracked \$1,056,604 to support the launch of malnutrition programming in the DRC</p>	<ul style="list-style-type: none"> Funds supported purchase of malnutrition supplements and supplies for children, adolescent girls and pregnant women Funds also helped provide feeding and nutrition training for 500 health personnel and 1,000 community health workers 	<p>Reduced the number of children suffering from severe wasting and stunting and increased adoption of positive breastfeeding, feeding and care practices</p>
<p>Accelerated funds to provide emergency assistance in Mexico after Hurricane Otis</p> <p>\$190,080</p> <p>Latin America and the Caribbean</p> <p>4 MONTHS BRIDGED</p>	<p>Emergency assistance to families on the Guerrero coast</p>	<ul style="list-style-type: none"> Provision of emergency assistance, such as critical hygiene items and cleaning disinfectant kits, and the deployment of a team of social workers 	<p>Increased safety and improved health outcomes of women and children on the Guerrero coast to drive a quicker sense of normalcy for children</p>
<p>UNICEF SUPPLY DIVISION READY-TO-USE THERAPEUTIC FOOD (RUTF) SUPPLIER ADVANCE PAYMENT WINDOW</p> <p>Activity between October 1, 2023 and December 31, 2023</p>			
<p>Supply Division RUTF Supplier Advance Payment Window²</p> <p>\$15,000,000</p> <p>Global</p>	<ul style="list-style-type: none"> Executed advance payments in Q2 FY24: \$4.9M Bridge Fund composition of drawn RUTF Window capital as of December 31, 2023: 27.3% 	<ul style="list-style-type: none"> \$4.9M in advance payments have enabled \$13.9M in RUTF purchase orders, which translates to ~401,000 RUTF cartons and a six- to eight-week course of treatment for children³ 	<p>Reached approximately 401,000 children faster with ~401,000 cartons of RUTF, improving child health and nutrition outcomes³</p>

1. One month represents the weighted average of five separate accelerations made to Gaza in October and November 2023, totaling to \$3,706,800.

2. As of December 31, 2023, the Bridge Fund's invested capital in the RUTF Supplier Advance Payment Window, originally disbursed in December 2022, totaled \$15M. As of December 31, 2023, the Bridge Fund's investment comprised 27.3% of the drawn RUTF Window capital and represents a portion of the outcomes and outputs listed, which describe total activity for the RUTF Window in Q2 FY24. To date, the window has enabled a cumulative \$161.9M in RUTF purchase orders, translating to the provision of 3.6M cartons of RUTF, which is equivalent to a six- to eight-week course of treatment for ~3.6M children.

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.

IMPACT FUND FOR CHILDREN IN THE MEDIA

Child-Lens Investing Continues to Drive Conversation in the Media

Since its publication, the [Child-Lens Investing Framework](#) has continued to spark discussions about the importance of investing in the well-being of children industry-wide. It has been written about in several publications and has been featured as a topic at investing conferences, including GIIN's 2023 Impact Forum, SOCAP23, the Financial Times Future of Asset Management North America conference, the Financial Times Moral Money Summit (Americas) and Tideline's Compass Series on Navigating Impact Lenses.

READ MORE ABOUT CHILD-LENS INVESTING

Devex: [Child-Lens Investing: A New Field Aims to Link Money to Impact on Kids](#)

Ethic: [15 Minutes With Michael Nyenhuis, President and CEO of UNICEF USA](#)

ImpactAlpha: [Child Lens: UNICEF Leads Investors to See Their Investments Through Children's Eyes](#)

ImpactAlpha Podcasts: [There's a New Impact Lens in Town](#)

New Private Markets: [Child-Lens Impact Investing Is Here](#)



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.

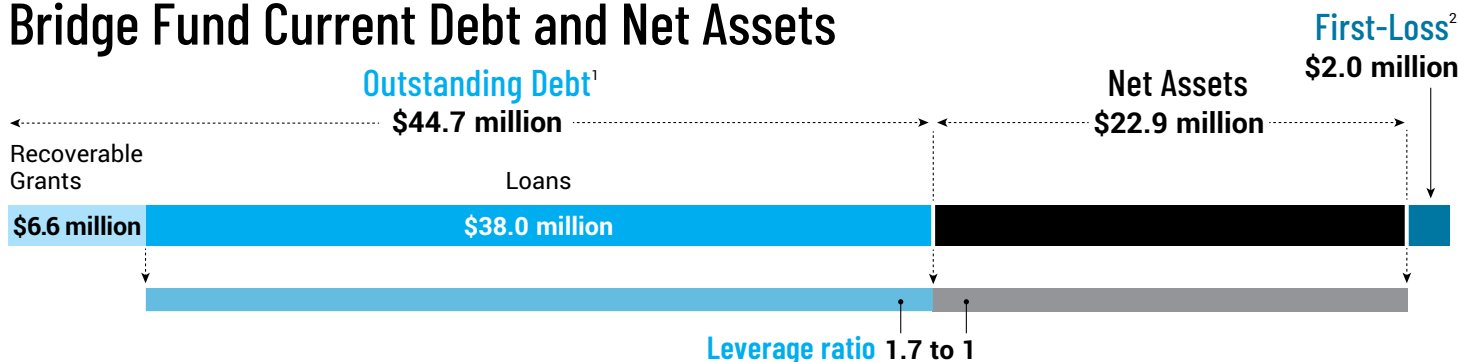


Bridge Fund's Response Has Been Listed as a Winner in the Rapid Response Category of Fast Company's 2023 World Changing Ideas Awards

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](#).

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 and \$10 million in drawable loans. As of December 31, 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. 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.

Note: In Q2 FY24, JPMorgan Chase & Co. provided the Bridge Fund with a \$10 million loan to be drawn over the coming year. When drawn, capital from this commitment will appear in the "Loans" category in future reporting. As of the end of Q2, zero dollars were drawn.

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 December 31, 2023.

FINANCIAL INFORMATION

UNICEF USA Impact Fund for Children Inc.

Statement of Financial Position (unaudited) for the 6 months ended December 31, 2023

ASSETS

Cash and Investments	\$31,805,195
Contributions Receivable	\$36,094,284
Total Assets	\$67,899,479

LIABILITIES

Recoverable Grants Payable	\$6,625,000
Loans Payable	\$38,025,000
Accrued Interest and Other Liabilities	\$344,639
Total Liabilities	\$44,994,639
Net Assets*	\$22,904,840
TOTAL LIABILITIES AND NET ASSETS	\$67,899,479

COVENANT CALCULATION**

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

*As of December 31, 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 6 months ended December 31, 2023

REVENUE

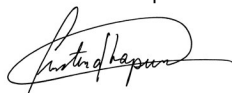
Contributions Revenue	\$16,053,636
Investment and Interest Income (Loss)	\$1,524,281
Total Revenue	\$17,577,917

EXPENSES

Program Services	
Grants to UNICEF and Other NGOs	\$15,851,404
Program Expenses	\$933,996
Management and General	\$39,026
Fundraising	\$117,487
Total Expenses	\$16,941,913

Net Income	\$636,004
Net Assets – Beginning	\$22,268,836
Net Assets – Ending	\$22,904,840

We certify that, as of the quarter ending December 31, 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: December 31, 2023

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

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IMPACT FUND
FOR **CHILDREN**