

# The Vaccine “Miracle”

Why UNICEF and the UNICEF USA Bridge Fund Support Mass Immunization



During one of the world's largest mass immunization campaigns, students in India show their proof of measles/rubella vaccination.

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Since the UNICEF USA Bridge Fund's founding in 2011, vaccination has been a major priority. In fact, we have accelerated \$189.7 million to support UNICEF's global immunization work. This support continued during Fiscal Year 2018. During the third quarter, we accelerated \$13.8 million for immunization, with a fiscal-year-to-date total of \$26 million.

Much of the Bridge Fund's vaccine activity has involved the fight against polio, but we have also accelerated funding for UNICEF's vaccination campaigns against other deadly diseases including rotavirus and pneumonia. Together, each year, these two infectious agents now kill more children under age five around the world than any other vaccine-preventable causes. They also threaten sustainable development for the world's poorest nations.

Saving children's lives and ensuring their futures helps explain why UNICEF and the Bridge Fund have prioritized vaccination. As Bill Gates noted during World Immunization Week 2018 last month: "Vaccines are a miracle. We have a shared responsibility to ensure that all children, no matter where they live, have a shot at life." But a lot lies behind the vaccine "miracle" Gates refers to.

First, vaccines are one of the most medically efficacious interventions there are. Currently, immunization averts an estimated 2 million to 3 million deaths every year. Global initiatives to eradicate polio and MNT played a big role in that improved statistic. Since 1988, vaccination has slashed polio cases by more than 99 percent, with just 22 cases worldwide at the end of 2017. Similarly, MNT is now endemic in only 15 countries. After it was introduced in 2006, the vaccine for rotavirus (the leading cause of diarrhea-associated hospitalization and death in children under age five) has helped reduce hospitalizations by 90% in both industrialized and developing countries.

As a result, UNICEF and its partners continue to put vaccines at the core of their child survival strategy, immunizing nearly half of the world's children in 2016. Mass immunization also plays a big part in making significant progress for children on SDG 3 (health and well-being) and related SDG 3 targets involving universal immunization and the development of affordable vaccines for low- and middle-income countries.

Vaccines' economic benefits mean they are one of the most cost-effective medical interventions, too. For instance, global

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—Bill Gates, Co-Chair of the  
Bill and Melinda Gates Foundation

polio eradication efforts have saved an estimated \$27 billion in health costs since 1988. A 2016 study by Johns Hopkins University found that for every \$1 spent on vaccines, \$44 is saved, including medical treatment costs, productivity losses and the broader economic impact of illness. Two months ago, a new study sponsored by the Bill and Melinda Gates Foundation suggested that vaccination helps keep children out of poverty and increases healthcare equity, providing the poorest families with the greatest medical benefit.

However, despite the demonstrated impact of vaccines — and the tremendous progress UNICEF and its partners have made — vaccination coverage for the world's children has stalled at about 86 percent. Every day, 15,000 children still die around the world, many from vaccine-preventable diseases. Funding is the major culprit. That's why the Bridge Fund, with the support of our investors and donors, will continue to be a significant partner with UNICEF as it seeks to meet SDG 3 by 2030 and end vaccine-preventable child deaths. ●

A recent mass measles/  
rubella immunization  
campaign in India achieved  
more than 98% coverage,  
including in difficult-to-  
reach areas.



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# The Bridge Fund Accelerates Social Inclusion

UNICEF and Special Olympics team up for Ugandan children with disabilities.

**L**ucy Meyer, a five-time Special Olympics gold medalist, and the 18-year-old spokesperson for UNICEF USA's partnership with Special Olympics, makes a strong case for the social inclusion of the disabled. "I don't think about my disability at all," says Lucy. "Yes, I have cerebral palsy ... But the first time someone called me disabled, I came home saying, 'I am not disabled. I'm LUCY!'"

The challenges she's committed to overcoming aren't small. Worldwide, there are an estimated 93 million children with disabilities, but many countries don't collect reliable disability data. Disabled children are often the poorest, with less opportunity for school and healthcare, and little say in policies that affect them. Their disabilities also make them more vulnerable to abuse and may limit their access to nutrition and emergency assistance.

Since 2011, however, UNICEF and Special Olympics have collaborated in more than 35 countries to highlight the contributions children and teens with disabilities can make to their communities, while integrating them into development strategies and offering sustainable social inclusion.

This quarter, to speed up the launch of a one-year UNICEF/ Special Olympics project in four districts in Uganda — the Bridge Fund has pre-financed a generous \$100,000 grant from the Morris Braun Foundation. This grant, which will help empower more than 400 children — with and without disabilities — was facilitated by Barbara Chyette and Denise Chyette Larsen, committed supporters of UNICEF USA. The Bridge Fund's acceleration will kick-start programming to improve opportunities for children with disabilities. Activities will include teacher/coach training; community outreach to raise awareness about disabilities; and family health forums that empower parents and caregivers. Inspired by the principle that training and playing together fosters friendship and understanding, the project will culminate in a sports competition for children (with and without disabilities) between the ages of 6 and 19.

In addition to helping those directly involved, this project incorporates Ugandan District Education offices and Uganda's Kyambogo University, too, offering the country a potential model as it affirms the rights of children with disabilities — enshrined in two different international U.N. agreements. The Bridge Fund's acceleration will also help promote two Sustainable Development Goals, one involving educational access and the other equity.



Children with intellectual disabilities join a Special Olympics Thailand sports competition to promote social inclusion and child development.

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We've seen how UNICEF's unequalled deep relationships with host governments and other service agencies make lasting change in the lives of so many children.

—Jamie Meyer, mother of Lucy Meyer, UNICEF USA's Spokesperson for Children with Disabilities

As Jamie Meyer, Lucy Meyer's mother, says of the UNICEF/ Special Olympics partnerships she's observed with her daughter: "We've seen how UNICEF's unequalled deep relationships with host governments and other service agencies make lasting change in the lives of so many children." ●

# Four Things You Should Know About the SDGs

UNICEF's Shannon O'Shea Links SDG 2030 Progress and Social Impact Investing.

## 1 What are the SDGs?

Simply put, the SDGs are “the ultimate to-do list” for all of us. They will require governments and UN agencies, civil society, the private sector, academia, children, teens and the public at large to be involved. (Learn more about the SDGs at [bit.ly/2L0hQQf](http://bit.ly/2L0hQQf).)

## 2 What are the socio-economic benefits of the SDGs?

Children are the future workforce, consumers, advocates, and guardians of our world. Investing in children isn't only a moral imperative, it's also an investment in economic growth, as a growing body of research suggests.

For example, the Copenhagen Consensus Think Tank reports that increased access to early education in Africa provides a \$33 return for every dollar spent. The Independent Expert Group on Global Nutrition relates that ensuring adequate early childhood nutrition leads to 20 percent higher hourly earnings and 48 percent higher wages. In addition, well-nourished children of both genders become adults who are 33 percent more likely to escape poverty, and women are 10 percent more likely to own their own businesses. Reducing child deaths by five percent among under-educated mothers can boost per capita GDP nearly eight percent 10 years later, according to Erasmus University's International Institute of Social Studies.

## 3 How is UNICEF uniquely positioned to promote SDG 2030 progress for children?

Because UNICEF works in 190 countries and territories, we are uniquely positioned to promote and monitor SDG progress for children. The custodian or co-custodian for 17 SDG indicators related to children, UNICEF is an SDG monitoring leader. We work with UN country teams on planning and SDG data collection, identifying data gaps and developing baseline assessments.

In Kenya, for example, UNICEF co-chairs the UN SDG group, which helps guide the Kenyan government's SDG implementation. In addition, UNICEF — together with other UN agencies — helps train Kenyan ministries on how SDGs affect children, inform national policy decisions and shape government budgets.

Through innovations like UNICEF's U-Report, we are also leveraging tools like mobile phones to collect sentiment/qualitative data from young people on whether the SDGs are translating into real improvements in their lives and communities.



I'm passionate about the SDGs because I firmly believe they involve existential issues for our planet.

—Shannon O'Shea, Agenda 2030 Partnerships Manager and Team Leader, UNICEF

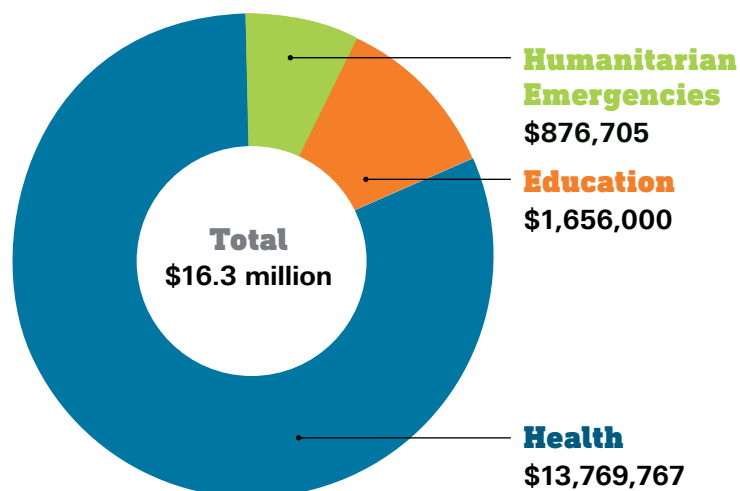
## 4 How can UNICEF USA Bridge Fund supporters play a role in SDG progress?

As an innovative financing tool, the UNICEF USA Bridge Fund offers tremendous opportunities for the private sector to partner with UNICEF and foster SDG progress. From accelerating funding for social inclusion and pre-financing vaccine procurement to strengthening educational systems, the Bridge Fund offers a powerful public-private partnership with demonstrated social impact for children. ●

# Quarterly Program Activity: \$16,302,472

During the third quarter of Fiscal Year 2018 (FY 2018), we completed five transactions totaling \$16,302,472.

## Quarterly Activity by Sector



## Quarterly Activity by Geographic Reach

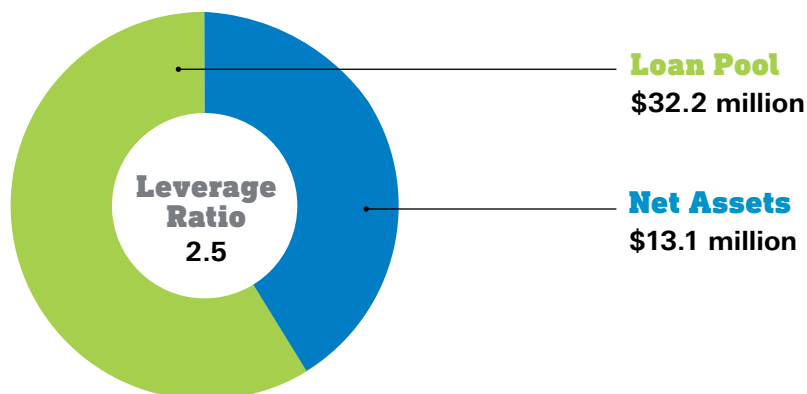
|   |                     |
|---|---------------------|
| <b>Humanitarian Emergencies</b>                                       | <b>\$876,705</b>    |
| South Asia  | \$876,705           |
| <b>Education</b>  | <b>\$1,656,000</b>  |
| Middle East and North Africa  | \$1,313,000         |
| Eastern and Southern Africa   | \$98,000            |
| Global  | \$245,000           |
| <b>Health</b>   | <b>\$13,769,767</b> |
| West and Central Africa   | \$9,758,463         |
| South Asia  | \$2,291,099         |
| Central and Eastern Europe and the Commonwealth of Independent States | \$1,720,205         |
| <b>Total</b>  | <b>\$16,302,472</b> |

## Vaccine Procurement Pre-Financed by UNICEF Supply Division

(Data includes both VII accelerations and other Bridge Fund vaccine activity)

| Vaccines   | Doses             | Children Targeted |
|--|-------------------|-------------------|
| Oral polio vaccine                                     | 57,258,000        | 42,943,500        |
| BCG vaccine for tuberculosis                           | 212,000           | 159,000           |
| TT vaccine for maternal and neonatal tetanus           | 417,000           | 312,750           |
| Measles and rubella vaccines                           | 383,000           | 287,250           |
| DPT vaccine for diphtheria, whooping cough and tetanus | 208,600           | 156,450           |
| HPV vaccine (can prevent cervical/rectal cancer)       | 8,500             | 6,375             |
| <b>Totals</b>  | <b>58,487,100</b> | <b>43,865,325</b> |

## Bridge Fund Capitalization



## Current Capitalization




as of March 31, 2018

\$13.1 million in net assets provides a first-loss equity pool for investors as \$27.15 million in cash loans and a \$10 million line of credit are disbursed throughout the year. There was a \$5 million draw on the line of credit in FY 2018 Q3, resulting in a total leverage ratio of 2.5 for the quarter.

# Bridge Fund's SDG Impact

The Bridge Fund is committed to using the Sustainable Development Goals 2030 (SDGs) as a framework for our impact reporting, connecting each quarter's activity to the SDG goals and targets it contributes to. This quarter, Bridge Fund activity spanned three goals and seven targets. We have reported progress in the table below, organized by Bridge Fund program sector.

## FY 2018 Q3 Bridge Fund Activity by Program Sector

| Sustainable Development Goal   | SDG Targets  | Bridge Fund Progress   |
|--|--|--|
|  <p><b>Goal 3</b></p> <p>Ensure healthy lives and promote well-being for all at all ages</p>                                | <p><b>3.2</b> End preventable deaths of newborns and children under 5 years of age</p> <p><b>3.3</b> By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, waterborne diseases and other communicable diseases</p> <p><b>3.4</b> By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment, and promote mental health and well-being</p> <p><b>3.8</b> Achieve universal health coverage, access to quality healthcare services, and access to safe, effective, quality and affordable essential medicines and vaccines for all</p> | <ul style="list-style-type: none"> <li>As estimated 44 million children immunized against disease</li> <li>Vaccination against the following communicable diseases: polio, tuberculosis, measles, rubella, diphtheria, whooping cough and HPV</li> <li>Vaccination against non-communicable disease of maternal and neonatal tetanus</li> <li>Promote access to safe, affordable vaccines for children globally</li> </ul> |
|  <p><b>Goal 4</b></p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities</p> | <p><b>4.1</b> Ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes</p> <p><b>4.5</b> Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p>   | <ul style="list-style-type: none"> <li>95,000 Syrian children, deprived of school, provided with a self-learning curriculum that is equitable, accessible and has consistent progression between grade levels</li> </ul>   |
|  <p><b>Goal 10</b></p> <p>Reduce inequality within and among countries</p>  | <p><b>10.2</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>   | <ul style="list-style-type: none"> <li>400 children targeted with Unified Sports programming to support inclusion and promote awareness for children with disabilities</li> </ul>  |



# Quarterly Program Impact

## FY 2018 Third Quarter Highlights

- 58 million doses of essential vaccines, pre-financed to protect an estimated **44 million** children
- **2.8 million** Rohingya refugees provided with emergency relief
- **400** children with and without disabilities in Uganda empowered by socially inclusive sports programming

| Transactions  | Inputs   | Outputs   | Outcomes   |
|---|--|---|--|
| <b>Two World Bank Funded polio campaigns, totalling \$9.6 million</b><br>April 2018 and May 2018<br>Nigeria                 | \$9,646,472 accelerated for bOPV procurements  | 56.9 million bOPV doses to reach roughly 60 million individuals   | <ul style="list-style-type: none"> <li>● An estimated 43 million children targeted for routine immunization</li> <li>● Continued progress towards polio eradication in Nigeria</li> </ul>  |
| <b>UNICEF Vaccine Independence Initiative (VII)<sup>1</sup> \$5 million</b><br>Uzbekistan, DRC, Bhutan, Nigeria, Bangladesh | Flexible financing for UNICEF Supply Division's VII, a pre-financing program that fast-tracks lifesaving commodities to children around the world. | <ul style="list-style-type: none"> <li>● Emergency support for Rohingya refugees in Bangladesh</li> <li>● 45,300 Education Kits for 1.8 million children</li> <li>● 97,693 Hygiene and Sanitation Kits for 97,700 families</li> <li>● Therapeutic food cartons to treat 3,650 children</li> <li>● 1.6 million lifesaving vaccine doses purchased (see VII vaccine procurement stats on page 5)</li> </ul> | <ul style="list-style-type: none"> <li>● Protection for the vulnerable Rohingya populations providing access to education and keeping children and families clean and healthy</li> <li>● Lifesaving vaccines reach more than 1.2 million children faster, reducing child mortality and improving children's health and immunity</li> </ul> |
| <b>Educate a Child<sup>2</sup> – Support for Syrian children deprived of school \$1.3 million</b><br>Syria                  | \$1.3 million accelerated to allow programming to continue seamlessly in Syria and remain on track to meet year-one program targets                | <ul style="list-style-type: none"> <li>● Delivery of self-learning materials and school support kits to besieged regions of Syria</li> <li>● Creation of 300 safe learning spaces and provision psychosocial/resilience support</li> </ul>  | <ul style="list-style-type: none"> <li>● 95,000 children, deprived of school, provided with a self-learning curriculum that is equitable, accessible, and has consistent progression between grade levels</li> </ul>   |
| <b>Adolescent Kits<sup>3</sup> ("Kits") \$245,000</b><br>Global   | \$245,000 accelerated to pre-position kits at UNICEF country offices   | Global distribution of 1,000 kits, including guidance, tools and supplies to engage adolescents and enable them to recover from trauma by expressing themselves through art   | <ul style="list-style-type: none"> <li>● 50,000 children and adolescents receive psychosocial support during emergencies</li> </ul>  |
| <b>UNICEF / Special Olympics partnership program \$98,000</b><br>Uganda   | \$98,000 accelerated to expedite Special Olympics/ UNICEF programming in Uganda  | <ul style="list-style-type: none"> <li>● Training of teachers, coaches, and children with and without disabilities on Unified Sports programs</li> <li>● Host annual competition for 400 children and adolescents, with and without intellectual disabilities, between the ages of 6 and 19 in four selected Ugandan districts.</li> </ul>  | <ul style="list-style-type: none"> <li>● Raise awareness for children with disabilities, reducing stigma and social exclusion</li> <li>● Empower children with disabilities by providing equal access to social and educational opportunities through sports within schools and communities</li> </ul>                                     |

<sup>1</sup> The Vaccine Independence Initiative started at UNICEF as a program to pre-finance vaccines. Subsequently, it has been expanded to accelerate procurement of all essential commodities.

<sup>2</sup> The Bridge Fund accelerated \$2.5 million to launch this project in Q2. Now, \$1.3 million in bridge financing is required to keep the project on track to meet the same one-year outcome targets. The total project budget is \$21 million, and outcomes reported represent total project goals.

<sup>3</sup> The Bridge Fund accelerated \$122,500 to fast-track Adolescent Kits to UNICEF Country Offices in Q1. This \$245,000 is the remaining pledge commitment for this program. The total \$500,000 budget will provide a minimum of 1,000 kits to reach 50,000 children and adolescents, and outcomes reported represent total project goals.

# Financial Information

## U.S. Fund for UNICEF In-Kind Assistance Corporation

### UNICEF Bridge Fund Program (Segment) Statement of Financial Position (unaudited)\*

#### Assets

|                          |                     |
|--------------------------|---------------------|
| Cash and Investments     | \$18,486,161        |
| Contributions Receivable | \$28,057,833        |
| <b>Total Assets</b>      | <b>\$46,543,994</b> |

#### Liabilities

|                          |                     |
|--------------------------|---------------------|
| Loans Payable            | \$33,150,000        |
| Accrued Interest Expense | \$251,087           |
| <b>Total Liabilities</b> | <b>\$33,401,087</b> |
| <b>Net Assets</b>        | <b>\$13,142,907</b> |

#### **Total Liabilities and Net Assets** **\$46,543,994**

\*As of March 31, 2018

### Covenant Calculation

| Leverage Ratio    | Loan Goal       | Actual  |
|-------------------|-----------------|---------|
| Debt : Net Assets | Maximum 3.5 : 1 | 2.5 : 1 |

### UNICEF Bridge Fund Program (Segment) Statement of Activities (unaudited)\*

#### Revenue

|                                |                     |
|--------------------------------|---------------------|
| Contributions Revenue          | \$32,328,141        |
| Investment and Interest Income | \$248,316           |
| <b>Total Revenue</b>           | <b>\$32,576,457</b> |

#### Expenses

|                                   |                     |
|-----------------------------------|---------------------|
| Program Activity                  |                     |
| Grants to UNICEF and other NGOs** | \$31,948,953        |
| Program Expenses                  | \$379,187           |
| Interest Expense and Bank Fees    | \$551,469           |
| <b>Total Expenses</b>             | <b>\$32,879,609</b> |

#### **Net Income** **(\$303,152)**

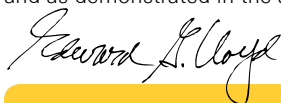
#### **Net Assets – Beginning** **\$13,446,059**

#### **Net Assets – Ending** **\$13,142,907**

\* For the nine months ended March 31, 2018

\*\* Financials reflect cumulative Bridge Fund activity. For FY 2018 Q3, the Bridge Fund disbursed \$16,802,472. Please note, \$16,302,472 is completed program activity for Q3 while \$500,000 is an amendment to a previously reported Q2 transaction for maternal and neonatal tetanus programming in Guinea that increased its disbursement from \$1 million to \$1.5 million. Impact for this transaction was fully reported on the previous quarterly report.

We certify that as of the quarter ending March 31, 2018, 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.



Edward G. Lloyd, Chief Operating Officer and Chief Financial Officer Dated: March 31, 2018

To learn more,  
please visit our website at  
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