



Bridge Fund

Helping Children After Disaster

Bridge Fund accelerates \$500,000 to Indonesia after devastating earthquakes



Tasya Tanita, 9, stands among the ruins of her home in the Talise village of Palu, Indonesia, which was destroyed by the powerful 7.4 magnitude earthquake and tsunami.

© UNICEF/UN02517866/WILANDER

Immediately following a major earthquake that struck the Indonesian island of Sulawesi on September 28, the UNICEF USA Bridge Fund accelerated \$500,000 to UNICEF Indonesia for emergency response efforts. The 7.4 magnitude earthquake, the strongest in a series of recent earthquakes in the region, triggered a deadly tsunami and contributed to the subsequent eruption of a volcano. Resulting landslides and soil liquefaction trapped people in perilous conditions and

demolished entire neighborhoods. The Bridge Fund helped UNICEF rapidly deliver lifesaving services and supplies for children and families affected by these calamitous events.

In natural disasters, responding swiftly means the difference between lives saved or lost. Timely intervention can also mitigate the damage to health, property, services and infrastructure that ensuing recovery work must address.



On October 17, 2018 in Indonesia, a boy carries wood salvaged from the rubble of Belarua, Sulawesi, which was completely destroyed by the earthquake.

© UNICEF/UN0250968/WATSON

The Bridge Fund is an impact investing tool like no other. The \$500,000 that was promptly sent to Indonesia was replenished within 10 days—ready to be disbursed to the next urgent UNICEF need.

The Sulawesi earthquake occurred after a series of earthquakes that began in August on the Indonesian island of Lombok. The sequence of disasters left the country resource-depleted and vulnerable in combating additional crises by the time the tsunami tore through with waves of up to 20 feet. UNICEF was on the ground right away, coordinating resources and information, and delivering urgently needed supplies. To date, more than \$3.7 million worth of supplies, including water, sanitation and hygiene (WASH), shelter, medical care, nutrition, education and child protection services, have been procured.



Aril helps his mother care for four younger siblings.

© UNICEF/UN0250149/VESKA

The crises have displaced more than 211,000 people, many of whom are residing in makeshift settlements whose conditions present great risk for catastrophic disease outbreak. Inadequate shelter, limited access to latrines and safe drinking water, dangerous debris and insufficient lighting pose both health and safety threats to occupants. Children, especially infants and those under age 5, are especially susceptible to malnutrition and illness in these circumstances. UNICEF has made it a priority in our response to sustain a campaign that delivers vaccinations against diseases like measles and rubella, and to procure 150,000 mosquito nets and 150,000 diagnostic kits to prevent and contain malaria.

One third of the earthquake and tsunami victims are children, many of whom have lost family, friends, homes and schools. UNICEF is working with authorities to identify and register missing, unaccompanied and separated children, reuniting seven children with their families thus far. “Many children have lost their loved ones and all things familiar in their lives, and will need help to get back to some sense of normality as quickly as possible,” UNICEF Indonesia’s Amanda Bissex explains. With hundreds of schools destroyed or badly damaged, UNICEF has delivered temporary learning space tents and other supplies enabling thousands of children to continue learning.

The Government of Indonesia is leading the earthquake/tsunami disaster response in Sulawesi and Lombok. In partnership with local and international NGOs, UNICEF’s support comprises a combination of supplies, cash and technical assistance. UNICEF expects to reach 1.4 million Indonesians, including 475,000 children below the age of 18, through this approach, supported through the early intervention of the Bridge Fund. ●

The Power of Sports

The Bridge Fund Accelerates \$784,000 for Sport for Development

Of the 206 million people who live in Brazil, the largest and most populous country in South America, approximately 58 million are under age 18. One in four Brazilian children lives in poverty, and over 2.8 million school-age children are not in school. UNICEF's programming in the country focuses on making equal rights a reality for all children and adolescents—including the right to childhood sport and play.

Since 2014, in collaboration with The Walt Disney Company and ESPN, UNICEF and Instituto Esporte & Esporte & Educação (IEE) have brought the Caravana do Esporte (Sports Caravan) program to some of Brazil's most disadvantaged municipalities. Caravana do Esporte allows public school children between the ages of 4 and 17 to participate in half-day sports and art clinics conducted by former professional athletes. This partnership has used the power of sports to educate and empower nearly 121,000 children and their communities to date. This quarter, the UNICEF USA Bridge Fund accelerated an \$784,000 grant to the field, funded by ESPN, to continue programming without disruption. These funds will enable Caravana do Esporte to reach an additional 24,000 children and adolescents in at least eight Brazilian municipalities and provide peer-education training for 1,200 young people to learn leadership skills through sports.

When the threats of illness, poor nutrition, illiteracy and violence rank high among a nation's social inequalities, the chance to play may seem like a secondary concern. However, UNICEF's Sport for Development work advances the notion that sport and play hold transformative potential for childhood development, health and safety. Engaging in sports provides all children,

regardless of ability, with a wide range of physical, mental and emotional health benefits. Beyond the salutary advantages, sports develop social skills and reinforce core human values like tolerance, inclusion, resilience and fairness that contribute to a child's social development and strengthen communities.

The program also trains community leaders and educators to apply its principles long after the caravan has left town. While the children immerse themselves in the joys and lessons of play, educators and municipal authorities attend training sessions designed to integrate sports and arts education with lessons on core values like teamwork, leadership and respect. Caravana do Esporte has trained 7,079 teachers, school managers and local authorities in sports and arts as education and empowerment tools, and will reach another 1,600 over the next year.

Through the generous support of and partnership with Disney and ESPN, UNICEF Brazil and IEE are making transformational change for children in Brazil and supporting progress toward the Sustainable Development Goals pertaining to health and well-being and access to quality education.

The Bridge Fund is proud to accelerate investment in child development and education through Caravana do Esporte to help Brazilian youth reach their full potential. "Sports are life. For many children, Sports Caravans can inspire them to have a better future," says Diogo Silva, a taekwondo master and Olympic athlete from Brazil. Silva teaches at the clinics and affirms their impact. "I know that sports have the power to transform children's lives and help them realize their goals." ●

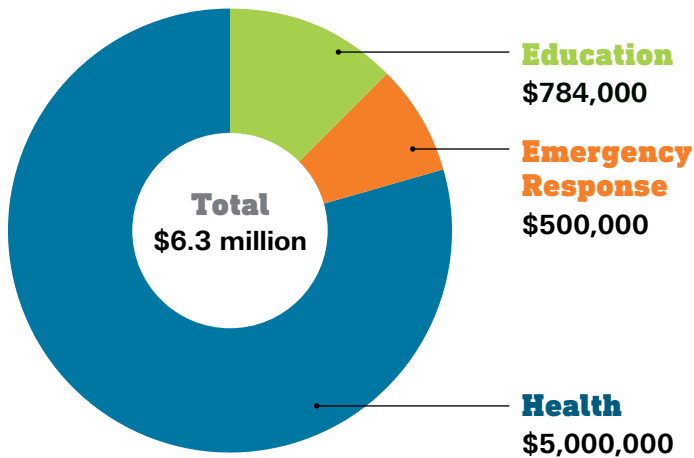


Children learning to play basketball from a Brazilian Olympian at a Caravana do Esporte event

Quarterly Program Activity: \$6,284,000

During the third quarter of Fiscal Year 2019 (FY 2019), we completed three transactions totaling \$6,284,000.

Quarterly Activity by Sector



Quarterly Activity by Geographic Reach

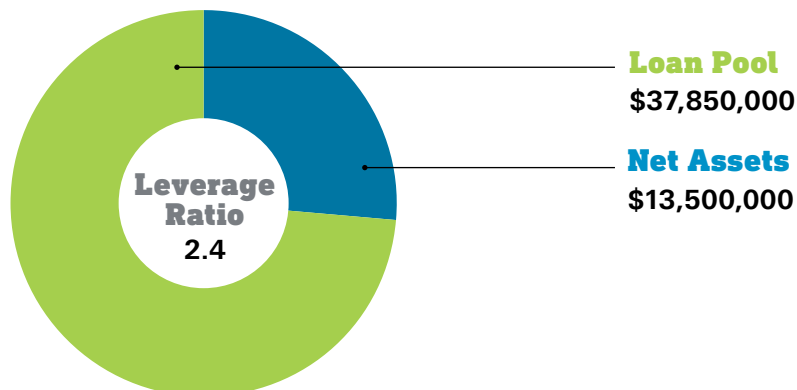
Health	\$5,000,000
East Asia and the Pacific	\$442,227
Eastern and Southern Africa	\$2,616,992
West and Central Africa	\$1,940,781
Education	\$784,000
Latin America and the Caribbean	\$784,000
Emergency Response	\$500,000
East Asia and the Pacific	\$500,000
Total	\$6,284,000

Vaccine Procurement Pre-Financed by UNICEF Supply Division

Diseases Protected Against	Doses	Children Targeted
Polio	7,849,000	5,886,750
Measles and rubella	4,587,000	3,440,250
Tuberculosis	1,473,200	1,104,900
Tetanus	1,456,500	1,092,375
Diphtheria, whooping cough and tetanus	337,700	253,275
Yellow Fever	230,350	172,763
Totals	15,933,750	11,950,313

To estimate the number of children that will benefit from the VII vaccine procurement program, vaccine wastage rates must be taken into account (for both open and closed vials). Vaccine wastage rates vary by vaccine type, number of doses per vial and across national contexts. Assuming an average wastage rate of 25 percent, the above pre-financing could potentially reach 12 million children. Additionally, please note that for full immunization against some diseases, more than one vaccination may be necessary.

Bridge Fund Capitalization



Current Capitalization



as of September 30, 2018

\$13.4 million in net assets provides a first-loss equity pool for investors, as \$37.85 million in investor's loans are disbursed throughout the year.

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 two goals and five targets. We have reported progress in the table below.

FY 2019 Q1 Bridge Fund Activity by Program Sector

Sustainable Development Goal	SDG Targets	Bridge Fund Progress
 <p>Goal 3 Ensure healthy lives and promote well-being for all at all ages</p>	<p>3.2 End preventable deaths of newborns and children under 5 years of age</p> <p>3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases, and combat hepatitis, waterborne diseases and other communicable diseases</p> <p>3.4 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>3.8 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"> ● Approximately 12 million children vaccinated against disease ● Vaccination against the following communicable diseases: polio, tuberculosis, measles, rubella, diphtheria and whooping cough ● Vaccination against non-communicable diseases tetanus and yellow fever ● Promote access to safe, affordable vaccines for children globally
 <p>Goal 10 Reduce inequality within and among countries</p>	<p>10.1 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"> ● Sports programming in Brazil allows children and communities to learn through sports about participation, inclusion and citizenship to reduce gender disparities, increase the participation of disabled children, and create greater appreciation and inclusion of racial and ethnic diversity throughout Brazil

Quarterly Program Impact

FY 2019 First Quarter Highlights

- **16 million** doses of essential vaccines, pre-financed to reach an estimated **12 million** children
- **1.5 million** people affected by earthquake and tsunami in Indonesia protected with emergency relief
- **1,200** adolescents taught about inclusion and citizenship through sports in Brazil

Transactions	Inputs	Outputs	Outcomes
UNICEF Vaccine Independence Initiative (VII) \$5 million Kenya, Chad, Niger, Pacific Island Countries, Cape Verde, Republic of Congo, Angola	Flexible financing for UNICEF Supply Division's VII, a pre-financing program that fast-tracks lifesaving commodities to children around the world.	15.9 million lifesaving vaccine doses pre-financed as itemized on page 4.	Lifesaving vaccines reach approximately 12 million children faster, reducing child mortality and improving children's health and immunity.
Earthquake and Tsunami Response in Indonesia \$500,000 Indonesia	Accelerated disaster relief for families and children affected by the 2018 earthquake and tsunami in Indonesia.	Immediate relief needs including evacuation and management of injured, medical and health services including referral services, water and sanitation, food and non-food items and emergency shelter.	Protection of up to 1.5 million people and children affected by the aftermath of the earthquake and tsunami.
Sporting events as Advocacy for Children's Rights \$784,000 Brazil	Sports for development program that promotes and advocates for the right of every child to play, Caravana do Esporte.	<ul style="list-style-type: none"> ● At least 8 Caravana do Esporte events completed, directly reaching 24,000 children and adolescents. ● At least 1,600 teachers and community leaders trained in using sports, arts and music as educational tools. ● At least 1,200 adolescents trained in educational sports and leadership skills. 	<ul style="list-style-type: none"> ● Catalyze a local movement for sports education to reduce gender disparities, increase participation of disabled children, and create greater appreciation and inclusion of racial and ethnic diversity. ● Strengthen the skill set and capacities of the most vulnerable municipalities to develop and implement integrated public policies that promote safe and inclusive sports and child rights. ● Raise the visibility of sports for development as a powerful tool for youth education and empowerments.

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	\$18,959,978
Contributions Receivable	27,875,444
Total Assets	\$46,835,422

Liabilities

Loans Payable	\$32,850,000
Accrued Interest Expense	\$457,447
Total Liabilities	\$33,307,447

Net Assets	\$13,527,975
-------------------	---------------------

Total Liabilities and Net Assets	\$46,835,422
-----------------------------------------	---------------------

*As of September 30, 2018

Covenant Calculation

Leverage Ratio	Loan Goal	Actual
Debt: Net Assets	Maximum 3.5 : 1	2.4 : 1

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

Revenue

Contributions Revenue	\$5,831,500
Investment and Interest Income	\$288,000
Total Revenue	\$6,119,500

Expenses

Program Activity	
Grants to UNICEF and Other NGOs**	\$5,831,500
Interest Expense	\$211,524
Total Expenses	\$6,043,024

Net Income	\$76,476
-------------------	-----------------

Net Assets – Beginning	\$13,451,499
-------------------------------	---------------------

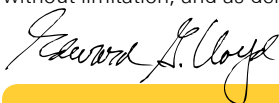
Net Assets – Ending	\$13,527,975
----------------------------	---------------------

* For the three months ended September 30, 2018

** Please note, programmatic activity for Q1 as reported as \$6,284,000 takes into account two factors:

- \$500,000 – the UNICEF emergency response for Indonesia was officially completed on October 2nd
- (\$47,500) – a grant to UNICEF this quarter is the last tranche of a transaction reported in full on the FY17 Q3 statement for the UNICEF Rwanda health sector

We certify that as of the quarter ending September 30, 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: September 30, 2018

To learn more, please visit our website
at unicefusa.org/bridgefund or contact:

Edward G. Lloyd
Chief Operating Officer and
Chief Financial Officer
elloyd@unicefusa.org
212-922-2557

Erin Egan
Director, Bridge Fund Operations
eeegan@unicefusa.org
212-922-2571