

Revolving Financing Expedites COVID-19 Response

Bridge Fund accelerates \$10 million to scale up distribution of life-saving PPE supplies



On April 8, a shipment of emergency supplies, bound for the Democratic Republic of Congo, is loaded at the UNICEF Supply Division warehouse in Copenhagen, Denmark.

UNICEF's unique global scale and speed allows the organization to meet the needs of children in crisis. As early as January, UNICEF began shipping millions of gloves, masks and other personal protective equipment (PPE) for frontline healthcare workers to more than 40 countries experiencing severe outbreaks of COVID-19. In the third quarter UNICEF USA Bridge Fund approved accelerating \$10 million in pre-financing to UNICEF for the

purchase of urgently needed PPE and other supplies for the COVID-19 pandemic (funds were disbursed in the fourth quarter).

(cont'd)

Bridge Fund Names New President

The Bridge Fund is proud to announce that Cristina Shapiro has joined UNICEF USA as the new President of the Impact Fund for Children, which includes the Bridge Fund.

Cristina comes to the Impact Fund from Goldman Sachs, where she led multiple strategic impact investing and philanthropic initiatives over the last nine years.

"What attracted me to UNICEF USA is the potential to grow the Bridge Fund and launch new financial solutions within the Impact Fund that enable the safety, health and well-being of vulnerable children," says Cristina.

She replaces the retired Ed Lloyd, who helped found the Bridge Fund in 2011.

Cristina was born and raised in Mexico and lives in NYC with her husband and three children.

The next issue will feature a full interview with Cristina.

In the meantime, she can be reached at cshapiro@unicefusa.org

Cristina Shapiro // President



Pre-financing of \$10 million is approximately 20% of the Bridge Fund's total available capital. Even more noteworthy, the funding was structured as a revolving facility. As UNICEF receives donations, those dollars will be redirected within UNICEF immediately to purchase additional PPE for COVID-19 healthcare workers, rather than flowing back to the Bridge Fund for re-disbursement. This flexibility multiplies the Bridge Fund's impact on the ongoing pandemic. For example, \$10 million serving as a one-third advance payment on \$30 million of supplies, revolving twice, means that during the term of the facility as much as \$60 million of supplies might ultimately be purchased.

Typically, the UNICEF Supply Division procures and distributes more than 5,000 products to meet UNICEF's programmatic needs and to facilitate rapid response in emergencies. Through a well-honed and highly efficient procurement and distribution network, UNICEF reliably responds to disasters with great dispatch, wherever they occur. UNICEF anticipated that the global COVID-19 outbreak would profoundly strain global logistics, and in February the Supply Division began to preposition stock close to the programs most in peril.

"In the biggest humanitarian warehouse in the world, we have increased our operations to 7 days a week to respond to COVID-19," explains Etleva Kadilli, the director of the UNICEF Supply Division, based in Copenhagen, Denmark.

With special measures in place to protect staff and to mitigate contamination risk, UNICEF has been able to increase the level of supply operations by 34 percent.

—Etleva Kadilli, Director of UNICEF Supply Division

Yet, as the incidence of COVID-19 escalates, so does the on-the-ground duress of healthcare workers, children, and families. Logistics challenges and highly competitive market conditions threaten UNICEF's ability to purchase the volume of PPE masks, gloves, gowns, and other items so urgently required.

In a global crisis of unprecedented magnitude, the Bridge Fund can act as a powerful and agile tool to amplify UNICEF's ability to save and protect the world's most vulnerable children. The \$10 million revolving facility will allow for advance payment to suppliers, expediting procurement to provide immediate protection for medical personnel testing and treating patients for COVID-19. ●



On March 22, a health worker receives medical equipment at the Ministry of Health warehouse in Jakarta. It is the first of two shipments from UNICEF's warehouse in Copenhagen to support Indonesia's health authorities in the response to COVID-19.

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Safe, Affordable and Accessible Maternal Nutrition

Four countries receive \$135,000 for prenatal nutrition interventions



Health centers like this one in Majunga, Madagascar, serve as distribution centers of vital nutrients to pregnant and new mothers.

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Extrême hunger and malnutrition remain barriers to sustainable development, trapping people in a wretched cycle of disease and poverty. Maternal and child undernutrition cause 45 percent of all deaths in children under the age of five in low- and middle-income countries, where diets insufficient in micronutrients are all too prevalent. In pregnant women, these deficiencies worsen, leading to low birth rates, premature delivery, and a higher risk of physical developmental delays for the child.

Joining forces, UNICEF, the United Nations University, and WHO developed a multiple-micronutrient supplement (MMS) tablet that contains one recommended daily allowance of key vitamins and minerals.

The Bridge Fund accelerated \$135,000 to bridge part of a multimillion dollar grant to UNICEF to help scale up the procurement and shipping of micronutrients. The funding will provide 183,000 pregnant women in four countries with a six-month supply of MMS. ●

Bangladesh, Burkina Faso, Madagascar, and Tanzania

Four countries received prenatal nutrition interventions

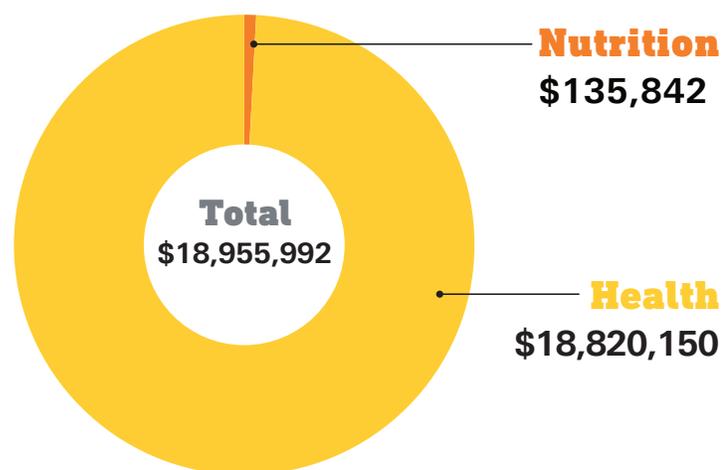
SDG 3: The Bridge Fund Focuses on Good Health and Well-Being

UN SDG 3 declares that ensuring the health and promoting the well-being of people at all ages is essential to sustainable development. No child should die from a preventable cause, and vaccines have proven to be one of the most medically efficacious interventions against deadly disease. Since 2011, the Bridge Fund has accelerated over \$300 million for UNICEF immunization campaigns, contributing to the continuing global reduction in child mortality and offering social impact investors the opportunity to help save children's lives. ●

Quarterly Program Activity: \$18,955,992

During the third quarter of Fiscal Year 2020 (FY 2020), we completed seven new transactions (\$13,955,992), and are reporting the impact of the Bridge Fund's outstanding \$5,000,000 investment in UNICEF's Vaccine Independence Initiative, for total impact of \$18,955,992.

Quarterly Activity by Sector



Quarterly Activity by Geographic Reach

Health		\$18,643,750
East Asia and the Pacific		\$11,190
Eastern and Southern Africa		\$432,805
Europe and Central Asia		\$43,160
Global		\$13,697,650
Middle East and North Africa		\$1,010,129
South Asia		\$2,020,238
West and Central Africa		\$1,604,978
Nutrition		\$135,842
Global		\$135,842
Total		\$18,955,992

Bridge Fund Pre-Financing of UNICEF Supply Division's Vaccine Procurement

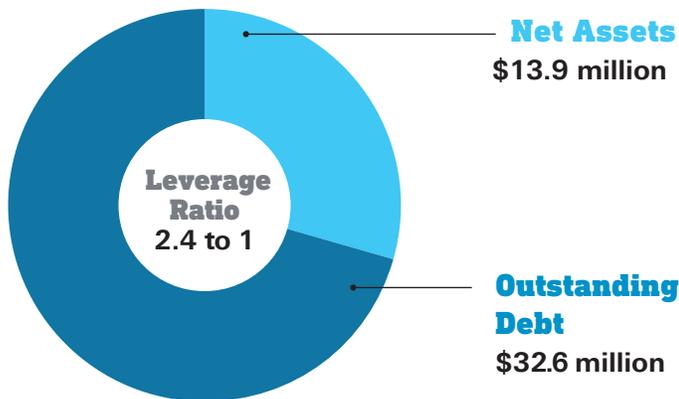
Vaccines purchased through the UNICEF VII program from July 2019 – December 2019 and additional Bridge Fund Q3 transactions

Disease Protected Against	Doses	Children Targeted
Polio	113,785,120	85,522,000
Tuberculosis	8,328,000	6,246,000
Measles and Rubella	23,331,702	17,498,776
Measles	2,053,000	1,539,750
Tetanus	7,217,400	5,413,050
Diphtheria, Tetanus, Pertussis, Hepatitis B, Hib	1,863,850	1,397,888
Hepatitis B	7,200	5,400
Yellow Fever	569,300	426,975
Rotavirus	280,500	210,375
Totals	157,436,072	118,260,214

*To estimate the number of children that 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 healthcare 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. Taking into account these two contingencies, the pre-financed vaccine doses specified above might reach up to 118 million children.

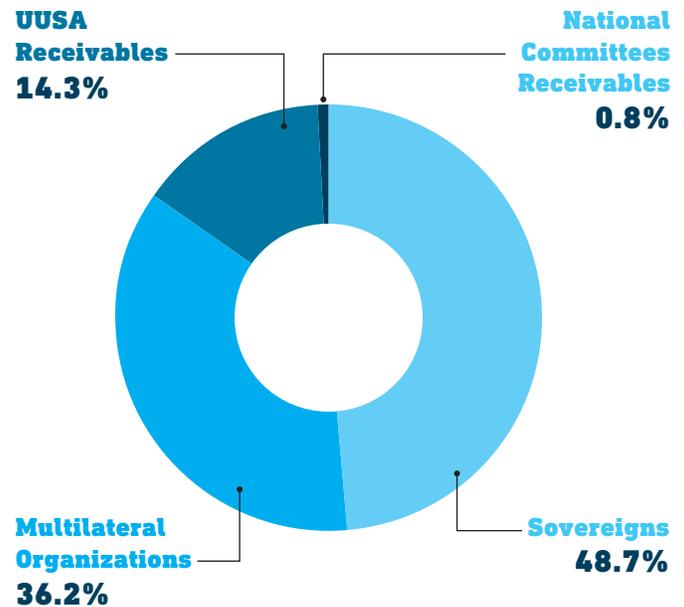
Bridge Fund Current Debt and Net Assets

as of March 31, 2020



\$13.9 million in net assets provides a first-loss equity pool for investors. At the end of the third fiscal quarter, the Bridge Fund had \$32.6 million of outstanding debt, resulting in a leverage ratio of 2.4 to 1.

Portfolio Breakdown by Payment Source



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 target it supports. You can find detailed targets for the SDGs, including SDG 3, by clicking the link [here](#).

Sustainable Development Goal	SDG Targets	Bridge Fund Progress
 <p>3 GOOD HEALTH AND WELL-BEING</p> <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>3.8 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 118 million children vaccinated against disease 183,000 pregnant women in four countries to receive 6 months' micronutrient supplementation Limiting human-to-human transmission and mitigating the impact of the COVID-19 outbreak on the health system and affected communities

Quarterly Program Impact

FY 2020 Third Quarter Highlights

- **157 million** lifesaving vaccines procured to target 118 million children
- **525,000 adolescents** in conflict situations provided with emotional and mental health support

Transactions	Inputs	Outputs	Outcomes
<p>Acceleration of Oral Polio vaccines in high risk areas \$122,500 Afghanistan 15 months bridged</p>	<p>\$122.5K Accelerated toward a total \$1.25M procurement</p>	<ul style="list-style-type: none"> ● 7,089,120 polio vaccines purchased for 5.5 million children under 5-years-old 	<ul style="list-style-type: none"> ● Continued progress towards global polio eradication ● Further UNICEF's mission to realize children's right to survival and good health
<p>Adolescent Kits for Expression and Innovation \$176,400 Global 6 months bridged</p>	<p>500 Kits (reaching 50 adolescents per kit)</p>	<ul style="list-style-type: none"> ● Distribution of 500 Kits for UNICEF Country Office programs ● Conduct awareness-raising activities, and/or planning and training workshops on the Kits 	<ul style="list-style-type: none"> ● 25,000 children and adolescents will get the emotional and mental health support they need to regain a sense of normalcy in their lives during natural disasters, conflict, or in refugee/migrant camps
<p>World Health Organization Oral Polio Vaccine Stockpile levels maintained \$10,000,000 Global 2 months bridged</p>	<p>\$10 million, disbursed through two transactions, accelerated toward a procurement need for mOPV2</p>	<ul style="list-style-type: none"> ● The production, warehousing, and supply of 90 million doses of mOPV2 for inclusion into the Global stockpile 	<ul style="list-style-type: none"> ● Sufficient levels of the mOPV2 stockpile for immediate use for future outbreaks are maintained
<p>UNICEF Vaccine Independence Initiative (VII) \$5,000,000 (revolving, first tranche) \$3,450,000 (second tranche) Global 36 months bridged</p>	<p>Flexible financing for UNICEF Supply Division's VII</p>	<p>Outputs for July 2019 – December 2019 reporting period: 60.3 million lifesaving vaccine doses pre-financed</p>	<p>Outcomes for July 2019 – December 2019 reporting period: Reach approximately 45 million children faster with lifesaving vaccines, reducing child mortality and improving children's health and immunity</p>
<p>COVID-19 Response \$71,250 Global 2 months bridged</p>	<p>Accelerate the COVID-19 response</p>	<ul style="list-style-type: none"> ● Facilitate risk communication and community engagement activities ● Provide critical hygiene and medical supplies for health care and education structures 	<ul style="list-style-type: none"> ● Support UNICEF's global coronavirus appeal and ensure the flexibility to respond to the emergency as needed.
<p>Multiple Micronutrient Supplements for pregnant women \$135,842 Bangladesh, Burkina Faso, Madagascar and Tanzania 14 months bridged</p>	<p>\$135,842 accelerated toward a full procurement need of \$305,748 across three years</p>	<ul style="list-style-type: none"> ● 183,000 pregnant women in four countries to receive 6 months' micronutrient supplementation 	<ul style="list-style-type: none"> ● Support the scale up of MMS use among pregnant women in countries with high malnutrition burdens ● Support the implementation of UNICEF's Strategic Plan 2018-2021 for Maternal and Child Nutrition

*Transactions are in chronological order, except for the \$5 million existing allocation of VII to UNICEF Supply Division.

Financial Information

UNICEF USA Impact Fund for Children Inc.

Statement of Financial Position (unaudited)*

Assets

Cash and Investments	\$18,826,265
Contributions Receivable	\$27,946,373
Total Assets	\$46,772,638

Liabilities

Loans Payable	\$32,600,000
Accrued Interest Expense	\$312,518
Total Liabilities	\$32,912,518

Net Assets	\$13,860,120
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Total Liabilities and Net Assets	\$46,772,638
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*As of March 31, 2020

Covenant Calculation

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

Statement of Activities (unaudited)*

Revenue

Contributions Revenue	\$28,006,806
Investment and Interest Income	(\$286,591)
Total Revenue	\$27,720,215

Expenses

Program Services	
Grants to UNICEF and other NGOs	\$27,026,806
Program Expenses	\$670,522
Total Expenses	\$27,697,328

Net Income	\$22,877
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Net Assets – Beginning	\$13,837,233
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Net Assets – Ending	\$13,860,120
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*For the three months ended March 31, 2020

I certify that as of the quarter ending March 31, 2020, 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 of the Impact Fund for Children & UNICEF Bridge Fund* Dated: March 31, 2020

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

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