



Impact Fund
for Children

Addressing the Aftermath

Bridge Fund accelerates \$1.3 million to Beirut in wake of port explosion.



UNICEF Lebanon
Representative Yukie
Mokuo with children
affected by the explosions
in Karantina Municipal
Park.

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Following the deadly explosion of 2,750 metric tons of ammonium nitrate that convulsed the Port of Beirut, the UNICEF USA Bridge Fund accelerated \$1.3 million to Lebanon for rapid emergency response. The blast killed at least 203 people, injured 6,500 more, and left 300,000 people – including 100,000 children – homeless in Beirut, the largest city

in and capital of Lebanon. Rapidly disbursed cash from the Bridge Fund helped UNICEF immediately tackle mission-critical work to aid and protect children who were displaced and traumatized by the disaster. The most critical needs included the recovery of essential public services, such as schools and health care facilities, and the salvage and restocking of critical medical supplies.

Well before the explosion, Lebanon was enduring multiple humanitarian crises that impacted hundreds of thousands of children. The country had been ravaged by COVID-19, and its pandemic response was hampered by ongoing economic collapse and roiling sociopolitical unrest.

The explosion, which registered a seismic event magnitude of 3.3, decimated thousands of homes and buildings, including dozens of hospitals that were already at or exceeding capacity in treating pandemic patients. Those health care facilities that remained functioning quickly became inundated with the critically injured.

Further, the blast destroyed ten containers of personal protective equipment (PPE) — including hundreds of thousands of gloves, gowns, and masks — only recently procured to buttress the COVID-19 response. Coronavirus cases have spiked since the explosion, infecting 1,000 people in Lebanon each day. In Beirut, the port catastrophe has made it nearly impossible for people to practice safe social distancing and follow proper hand washing protocol.

The COVID-19 and economic crises had created widespread food insecurity among the poor and middle class. Lebanon imports up to 85 percent of its food supply, 60 percent of which comes through, and is stored at, the Port of Beirut, including in the country's largest grain silo. Nearly all of the current stock was destroyed in the conflagration.

Children affected by the explosion face threats to their housing, their education, and their physical and emotional well-being. "The rapid response from the Bridge Fund was critical to our programming. The devastation was incredible, and the bridge funding enabled us to immediately begin reaching affected children and their families with essential basic needs such as safe water and hygiene supplies," said Mary Louise Eagleton,



Mira, 10, had to be driven to the hospital in her father's van, along with several injured neighbors.

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In greater Beirut you have about 600,000 children, and every one of them has been indirectly impacted. Life as they knew it in one split second changed."

—Ted Chaiban, UNICEF Regional Director for the Middle East and North Africa

UNICEF Deputy Representative for Lebanon. "The funding also enabled us to scale up child protection efforts, resulting in the reunion of separated children with their families and the provision of mental health support throughout affected communities."

The Bridge Fund's accelerated grant allowed UNICEF to act swiftly when the port explosion compounded Beirut's already fragile infrastructure and essential services, to support families and communities in rebuilding, and to continue the country's ongoing battle against the COVID-19 pandemic. ●



UNICEF Child Protection Officer Jihad Tala, at the Karantina Municipal Park with children affected by the explosions.

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Ensuring Equitable Access to COVID-19 Vaccines

Jonathan Weiss, Chief of Procurement Services at UNICEF, discusses how UNICEF will lead COVID-19 procurement efforts with Bridge Fund support

Jonathan Weiss is the Chief of Procurement Services in the UNICEF Supply Division. The UNICEF Supply Division is the largest single vaccine buyer in the world, procuring more than 2 billion vaccines annually. Procurement Services (PS) is a strategic programmatic and development platform that allows low- and middle-income governments (and other agencies) to leverage UNICEF's procurement scale and expertise to meet supply needs until their own national public or private systems can absorb that role. It supports an increased reliance on governments' own domestic resources, and the Bridge Fund is a key financing partner in this effort.

How has the global development community come together to support COVID-19 needs?

The Access to COVID-19 Tools Accelerator ("ACT-A") is a groundbreaking global collaboration to accelerate the development, production and equitable access to COVID-19 tests, treatments and vaccines. COVAX, the vaccine pillar of ACT-A, aims to accelerate the development and manufacturing of COVID-19 vaccines and guarantee fair and equitable access for every country in the world. The goal of COVAX is to provide doses for approximately 20 percent of each country's population, focusing on health care workers and the most vulnerable groups. The COVAX facility will fund the COVID-19 vaccine costs for 92 low- and middle-income economies with an additional 90+ middle- and higher-income economies potentially accessing the support of the system while financing the vaccines from their own domestic resources.

What is UNICEF's role in ACT-A and how is Procurement Services preparing?

UNICEF is engaging in all pillars of the ACT-A. For COVAX, the vaccine pillar of ACT-A, UNICEF has two roles: first, as the lead procurement agency (along with PAHO); and second, as the procurement coordinator, including for those countries who will be self-procuring through the COVAX facility (i.e., countries that arrange their own purchase and deliveries of allocated supplies). Consequently, UNICEF will lead the procurement and supply of COVID-19 vaccines in the world's largest and fastest operation of its kind with the potential to double UNICEF's annual vaccine procurement volumes. Critical preparatory work is underway for country readiness, in collaboration with national governments, including mapping and installing cold chain equipment capacity needed to ensure that vaccines are stored and transported within required temperature ranges. UNICEF is also one of the primary procurement agencies for the ACT-A Diagnostics and Therapeutics pillars. And we must continue to stay focused on the uninterrupted availability of all essential health supplies and

services (for example, routine immunization, HIV and other testing), even if they are not directly identified as part of ACT-A. A strong and functioning health system provides the foundation of the overall response.

What do you envision the need for flexible financing to be?

While the systems are still being designed, UNICEF anticipates that there will be a continued need for bridge financing, which is likely to come in quick succession and with high intensity to match the timing for when vaccine supplies become available and are shipped to the countries. Given their higher GNI per capita, many self-financing governments will not qualify for donor support via COVAX, and we expect that these countries will likely have substantial prefinancing needs. There are also other commodities, such as cold chain equipment and safe injection equipment, whereby in-country availability will front-run any delivery of vaccines in order to ensure proper country readiness. UNICEF will likely pursue a similar "envelope" prefinancing structure that was provided by the Bridge Fund at the onset of the pandemic for the procurement of PPE and other first-wave commodities. Separately, the pandemic has delayed funding availability toward non-COVID-related priorities (such as rolling out HIV/Point-of-Care testing, and polio activities) elevating the need for bridge funding to assure the uninterrupted availability of essential supplies, regardless of temporary cash flow gaps. ●



An Airbus plane carrying 9 tons of UNICEF medical supplies arrives in Tocumen International Airport, Panama, to continue supporting the response against COVID-19 in the region.

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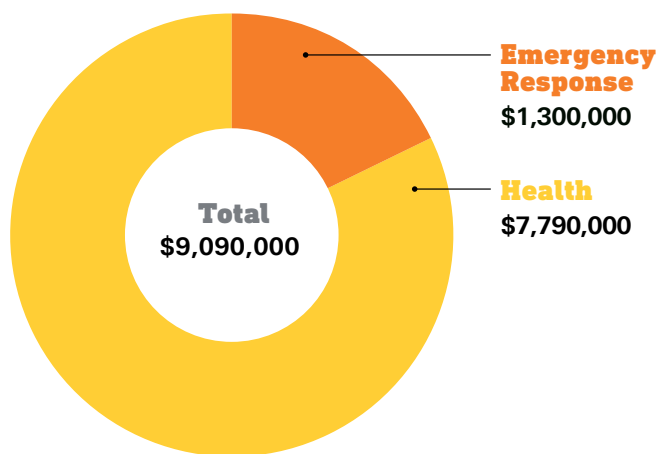
Quarterly Program Activity

During the first quarter of Fiscal Year 2021, the Bridge Fund completed three new transactions for a total amount of **\$9.1 million**.

FY 2021 First-Quarter Highlights

- **\$1.3 million in rapid emergency response** for Lebanon following explosions in Beirut
- **191.6 million vaccines** procured to target **143.7 million children**, driving progress forward to SDG 3, Good Health and Well Being*

Quarterly Activity by Sector



Quarterly Activity by Geographic Reach

| | |
|------------------------------|--------------------|
| Health | \$7,790,000 |
| Multiregion | \$7,790,000 |
| Emergency Response | \$1,300,000 |
| Middle East and North Africa | \$1,300,000 |
| Total | \$9,090,000 |

*Please note, the vaccine totals and children targeted numbers include full VII activity. See page 5 for further VII information.

| Transactions | Inputs | Outputs | Outcomes |
|--|--|---|--|
| World Health Organization Oral Polio Vaccine Stockpile ("mOPV2") \$6,240,000 Global 5 months bridged | \$6.24 million accelerated toward a procurement need for mOPV2 | <ul style="list-style-type: none"> ● The production, warehousing and supply of 50 million doses of mOPV2, targeting 37.5 million children ● Outbreak response capacity maintained | <ul style="list-style-type: none"> ● Rapid access of vaccines for countries experiencing epidemics ● Continued progress toward polio eradication |
| UNICEF Vaccine Independence Initiative (VII) \$1,550,000 Multiregion | Flexible financing for UNICEF Supply Division's VII, a prefinancing program that fast-tracks lifesaving commodities to children around the world | <ul style="list-style-type: none"> ● Timely procurement, delivery and distribution of essential commodities ● 142 million vaccines prefinanced, targeting 106 million children | Allows for lifesaving, essential health supplies to reach children faster, increasing children's health and immunity and reducing childhood mortality |
| Emergency relief following explosions in Beirut \$1,300,000 Lebanon 2 months bridged | Disaster relief funds for Lebanon focused on the well-being and safety of children and their families | <ul style="list-style-type: none"> ● Provision of safe water and sanitation ● Reunification of children with their families, establishment of child-friendly centers and psychosocial support | <ul style="list-style-type: none"> ● Protection of children and their families ● Support for families and communities to rebuild ● Continuity of COVID-19 response activities |

Vaccine Independence Initiative

We are proud to announce that effective this quarter, the Bridge Fund now has an aggregate \$10 million, three-year investment in UNICEF Supply Division's Vaccine Independence Initiative (VII). The VII is a revolving fund that provides low- and middle-income countries with flexible financing, allowing for the timely procurement of essential commodities and the required technical support for forecasting and budgeting. As of September 30, 2020, VII total capital pool was \$146.7 million, in which the Bridge Fund represents 7%. The VII targets short-term pre-financings with a three-year fund revolver of 1.9. In turn, the Bridge Fund anticipates our \$10 million investment will enable \$19 million in impact in FY21 and will report on annual impact at the close of FY21. Please see impact highlights below for the September 2020 VII impact report.

VII Impact Summary

The Bridge Fund will continue to report on VII impact biannually. Below impact data is for reporting period January 2020 – June 2020. Impact represents total VII activity in which the Bridge Fund was, on average, 10% of the total capital pool.

Highlights

- **\$108 million** in total prefinancing activity supporting 21 low- and middle-income countries
- **141.6 million vaccines** purchased, to target **106.2 million children**
- **\$46.4 million** of PPE procured and other COVID-19 supplies such as diagnostics and therapeutics
- **Top vaccines prefinanced** to protect children against **polio, measles and rubella, tetanus and diphtheria, tuberculosis, and rotavirus**

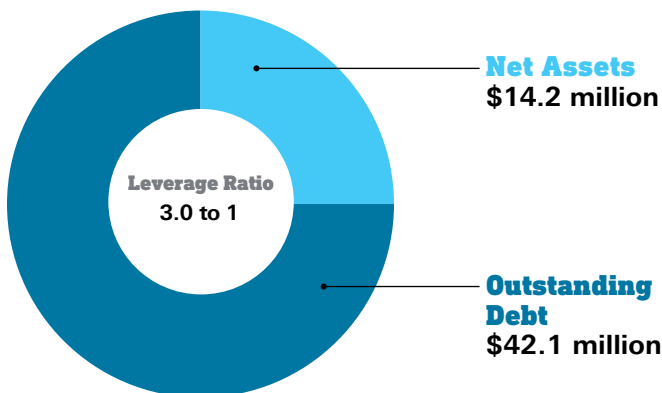
To estimate the number of children that will benefit from vaccine procurements, vaccine wastage rates must be included. Vaccine wastage rates vary by vaccine type, number of doses per vial, and local health care systems and social conditions. In addition, full immunization against some diseases may require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



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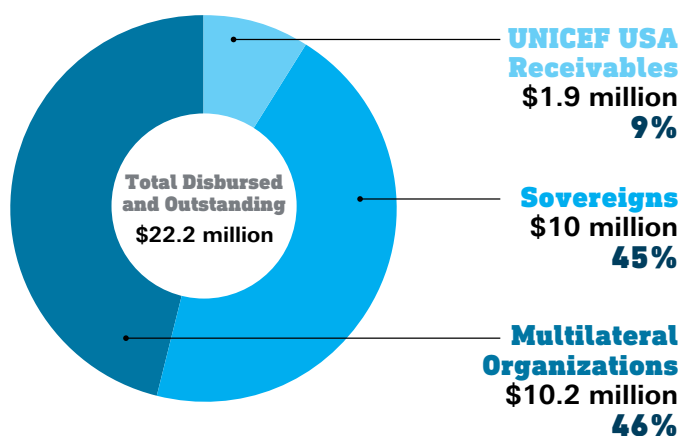
Impact Fund Capitalization and Portfolio Breakdown

Bridge Fund Current Capitalization



*As of September 30, 2020, \$14.2 million in net assets provides a first loss equity pool for investors. At the close of FY 2021 Q1, the Bridge Fund had \$42.1 million of outstanding debt, including \$3.7 million of recoverable grants, resulting in a leverage ratio of 3.0 to 1.

Bridge Fund Portfolio Breakdown by Repayment Source



As of September 30, 2020, \$22.2 million of \$50.1 million capital pool is disbursed and outstanding.

Fast Fund Capitalization and Portfolio

Fast Fund Support

| | |
|--|--------------------|
| Guarantees Outstanding | \$0 million |
| Guarantees Enabled and Successfully Released | \$2.5 million |
| COVID Supplies Enabled | \$16.4 million |
| Current Capitalization | \$3 million |

The \$3 million remains available to fund future guarantees. However, given stabilization of the PPE marketplace, there is not an immediate guarantee request expected.

Bridge Fund Q1 Fundraising

New Bridge Fund Support

| | |
|---------------------|---------------|
| Recoverable Grants | \$3.7 million |
| Net-Worth Donations | \$100,000 |



New Bridge Fund support:

AJA Foundation

Pooja Bhandari and Caesar Sengupta

G. Barrie Landry

Gloria Principe and John O'Farrell

John A. Sobrato

Kin Bing Wu

Financial Information

Bridge Fund of UNICEF USA Impact Fund for Children, Inc.

Statement of Financial Position (unaudited) As of September 30, 2020

Assets

| | |
|--------------------------|---------------------|
| Cash and Investments | \$34,817,329 |
| Contributions Receivable | \$22,160,864 |
| Total Assets | \$56,978,193 |

Liabilities

| | |
|--------------------------|---------------------|
| Loans Payable | \$42,067,521 |
| Accrued Interest Expense | \$672,600 |
| Total Liabilities | \$42,740,121 |
| Net Assets | \$14,238,072 |

Total Liabilities and Net Assets **\$56,978,193**

Covenant Calculation

| Leverage Ratio | Loan Goal | Actual |
|-------------------|-----------------|---------|
| Debt : Net Assets | Maximum 3.5 : 1 | 3.0 : 1 |

Statement of Activities (unaudited) For the three months ended September 30, 2020

Revenue

| | |
|--------------------------------|--------------------|
| Contributions Revenue | \$9,182,640 |
| Investment and Interest Income | \$413,632 |
| Total Revenue | \$9,596,272 |

Expenses

| | |
|----------------------------------|--------------------|
| Program Services | |
| Grants to UNICEF and other NGOs* | \$8,834,640 |
| Interest Expense | \$422,679 |
| Management and General | \$28,000 |
| Fundraising | \$50,000 |
| Total Expenses | \$9,335,319 |

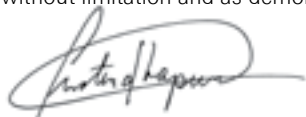
Net Income **\$260,953**

Net Assets – Beginning **\$13,977,119**

Net Assets – Ending **\$14,238,072**

*Grant of \$255,359.64 issued in a prior period was not used and returned by UNICEF, resulting in a reduction of the current quarter's revenue and grant expense to \$8.8M

We certify that as of the quarter ending September 30, 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*, Impact Fund for Children, Inc. Dated: September 30, 2020

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

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