Polio was once a disease feared worldwide, striking suddenly and paralyzing hundreds of thousands of children every year. With the introduction of effective vaccines in industrialized countries in the 1950s and 1960s, polio was brought under control and practically eliminated. But as late as the 1970s, polio was still prevalent in developing countries. Routine immunizations were introduced worldwide, which helped control the disease in many developing countries. However, in 1988, when the Global Polio Eradication Initiative (GPEI) was launched, polio was still paralyzing over 350,000 children annually. Since then, more than 10 billion doses of oral polio vaccine (OPV) have been administered preventing an estimated 13 million polio cases, and bringing the incidence of polio down by 99% globally.

Tackling the last 1% of polio cases has proven difficult due to conflict, political instability, and hard-to-reach populations in the last remaining polio-endemic countries. Thus, in 2013 the GPEI launched a comprehensive and ambitious plan: the Polio Eradication and the Endgame Strategic Plan, which outlines measures for eliminating polio in its last strongholds and for maintaining a polio-free world. The next phase of this strategy is called the Switch.
The Switch
In the next phase of the global fight to end polio, known as the Switch, the health community will work with Afghanistan, Pakistan and developing countries to transition from the use of the current trivalent oral polio vaccine (tOPV), which contains antigens for poliovirus types 1, 2, and 3, to bivalent OPV (bOPV) containing only types 1 and 3 (see figure above). Since the last case of type 2 poliovirus was reported in 1999, continued use of tOPV could allow the type 2 component in that vaccine to mutate into a stronger virus and cause an outbreak.

In contrast, polio-free countries have started using Inactivated Polio Vaccine (IPV). IPV is not recommended for routine use in polio-endemic countries or in developing countries at risk of poliovirus importations. Once polio has been completely eradicated, the world must stop using OPV to prevent re-establishment of transmission due to vaccine-derived polioviruses.

The Switch is scheduled for April, when 145 countries will phase in the use of bOPV. UNICEF’s Supply Division is managing all bOPV purchase orders. In support of this effort, the Bridge Fund has made $5 million available to pre-finance the procurement of bOPV for countries which are unable to deliver their pre-financing funds in time. To date, this bridge has helped procure 20 million doses of the new vaccine to be delivered in time for the Switch.

Why polio?
The Bridge Fund has committed 87% of its program activity to polio eradication efforts. This represents the acceleration of 187 million polio vaccines for 150 million children. But, polio immunization campaigns are more than just a vehicle to eradicate polio. They are also critical conduits for delivering other health services to children. Vitamin A capsules are often given along with polio drops. In post-Taliban Afghanistan, polio vaccinators have supported the country's first birth registration campaign. Health systems and facilities strengthened by polio eradication efforts have also been used to conduct measles immunization campaigns. Finally, community education work funded by polio donors has boosted basic health and hygiene awareness in the world's poorest communities.

Helping Foundations Have Greater Impact
Fiscal management policies at foundations can impact philanthropic missions. Sometimes, policy dictates that a foundation pay large pledges over several years, instead of in one lump sum. Since UNICEF cannot begin a program or procure commodities until the whole of a donor’s pledge is in hand, the Bridge Fund can accelerate funding to maximize the impact of a foundation’s multi-year pledge.

Over the past few months, two family foundations have seen the value in using the Bridge Fund as a tool to optimize impact by accelerating multi-year pledges to UNICEF. These bridged contributions facilitated the continuity of the UNICEF programs they supported and allowed the foundations to realize the full impact of their donations.

The U.S. Fund for UNICEF Bridge Fund is an innovative financial tool created by the U.S. Fund for UNICEF to speed lifesaving assistance to children in need. The Bridge Fund provides UNICEF with flexible capital to react immediately when supplies are needed, reducing or eliminating timing gaps between the start of a crisis and the moment funding becomes available.
BRIDGE FUND INVESTORS

**Nancy and Hal Kurkowski**
Nancy and Hal Kurkowski recently increased their investment in the Bridge Fund by $50,000 for a 5-year term, bringing their total investment to $300,000. Their interest in the Bridge Fund began in 2013, when their initial investment of $250,000 was made. However, UNICEF has been a part of Nancy Kurkowski’s life since childhood, when her parents were missionaries in central Africa. Nancy also has been a member of the U.S. Fund for UNICEF, North Texas Board of Directors since 2009. Hal Kurkowski is in the semiconductor business. They are excited about the opportunity to support UNICEF’s work in this additional way.

**Shahriar Shahida**
Shahriar Shahida recently agreed to make an investment in the Bridge Fund through a $150,000 loan for a term of 3 years. Mr. Shahida has been supporting the U.S. Fund for UNICEF for over a decade, responding to both humanitarian emergencies and supporting the general fund. His longstanding passion for international development and the protection of children inspired him to become more involved with his philanthropic commitments, and he was drawn to the Bridge Fund’s innovative program.

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### Quarterly Program Activity

The Bridge Fund completed three transactions in the quarter ending December 31, 2015, totaling $6.5 million. The transactions and their impact are outlined below.

<table>
<thead>
<tr>
<th>TRANSACTION</th>
<th>INPUTS</th>
<th>OUTPUTS</th>
<th>OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adolescent Kits for Expression and Innovation (aka “Art in a Box”)</td>
<td>$225K and 1000 Art-in-a-Box kits (reaching 50 children per kit)</td>
<td>&gt; Awareness-raising activities &gt; Art-in-a-Box training workshops to help in emergencies, protracted crises, or other low resource environments &gt; Distribution of 1000 kits for Country Office</td>
<td>&gt; 50K children and adolescents get the emotional and mental health support needed to regain sense of normalcy during trying times &gt; Greater global awareness of the Art-in-a-Box kit’s ability to help children and thus, greater use of kits in emergency or conflict situations</td>
</tr>
<tr>
<td>OPV Switch (from trivalent OPV to bivalent OPV)</td>
<td>$5M and procure vaccine supply for global Switch in April 2016</td>
<td>Up to 59M doses of bOPV delivered to 42 countries to vaccinate up to 47M children</td>
<td>&gt; Successful, on-time Switch &gt; Another step closer to polio eradication</td>
</tr>
<tr>
<td>Uganda - Community and District Empowerment Scale-up (CODES)</td>
<td>$1.26M; capacity-building to scale-up effective interventions for pneumonia and diarrhea issues</td>
<td>Assess resources needed &gt; Develop evidence-based intervention plans &gt; Implement locally-appropriate solutions &gt; Community involvement in on-going assessment</td>
<td>&gt; Health plans at district level improved and issues prioritized to improve demand for services &gt; Increased and higher quality coverage interventions &gt; Reduction in morbidity and mortality for children due to pneumonia and diarrhea</td>
</tr>
</tbody>
</table>

### CAPITALIZATION

- **Loans** $34.5 million  
  - **Grants** $12.9 million  
  - **Fiscal Year 2016 Program Activity** $16.7 million  
  - **Cumulative Program Activity** (Since 2012) $108 million

### IMPACT METRICS

We use IRIS (Impact Reporting and Investment Standards) to reflect the social and environmental impact of the Bridge Fund’s work. Please visit our web page at [unicefusa.org/unicef-bridge-fund](http://unicefusa.org/unicef-bridge-fund) to see the latest IRIS metrics.
**FINANCIAL INFORMATION** U.S. Fund for UNICEF In-Kind Assistance Corporation

USF-IKAC operates for the benefit of and to perform specific functions for the U.S. Fund for charitable and educational purposes.

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

**ASSETS**
- Cash and Investments ........................................... $ 23,627,140
- Contributions Receivable ....................................... 23,881,264
- Total Assets ......................................................... 47,508,404

**LIABILITIES**
- Loans Payable ....................................................... 34,500,000
- Accrued Interest Payable ......................................... 59,359
- Total Liabilities .................................................... 34,559,359

- Net Assets .......................................................... 12,949,045
- Total Liabilities & Net Assets .................................. 47,508,404

*as of December 31, 2015

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

**REVENUE**
- Contributions Revenue .......................................... $ 17,573,961
- Investment Income ................................................. 615
- Total Revenue ....................................................... 17,574,576

**EXPENSES**
- Grants to UNICEF .................................................. 16,721,195
- Interest Expense ..................................................... 428,691
- Total Expense ....................................................... 17,149,886

- Net Income .......................................................... 424,690
- Net Assets – Beginning ............................................ 12,524,355
- Net Assets – Ending ............................................... 12,949,045

*for the six months ending December 31, 2015

**Covenant Calculation**

<table>
<thead>
<tr>
<th>LEVERAGE RATIO</th>
<th>LOAN GOAL</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt : Net Assets</td>
<td>Maximum 3.5 : 1</td>
<td>2.7 : 1</td>
</tr>
</tbody>
</table>

We certify that as of the quarter ending December 31, 2015, 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.

FOR MORE INFORMATION ABOUT THE U.S. FUND FOR UNICEF BRIDGE FUND, PLEASE CONTACT:

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Edward G. Lloyd  
Chief Operating Officer and Chief Financial Officer

Dated: 12/31/15