

UNICEF Bridge Fund

Quarterly Activity Report

WINTER
2015



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UNICEF Supply Division Field Visit

UNICEF operates the world's largest humanitarian warehouse, equipped to meet the basic needs of 250,000 people for three weeks. This is the heart of UNICEF's Supply Division, which dispatches goods through hubs in Dubai, Panama and Shanghai to children in need all over the world. In October 2014, Bridge Fund supporters, joined Gabriella Morris and Edward Lloyd of the U.S. Fund for UNICEF on a trip to Supply Division headquarters in Copenhagen to see how the Bridge Fund puts their contributions to work.

A highlight of the trip, the Supply Division's warehouse is the size of three football fields and has a storage capacity of 36,000 pallets. In the loading bays, eight robot cranes are used to move the pallets. Joining the packing line, our Bridge Fund supporters boxed up community health kits for emergency response and learned that 34 members of the packing team are available for emergency deployment worldwide.

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TRANSACTION ACTIVITY

Nigeria

Nigeria remains one of three countries with endemic polio transmission. In May 2014, the government of Nigeria and the Japanese International Cooperation Agency (JICA) signed an agreement for JICA to provide \$77 million for oral polio vaccines (OPV) procurement scheduled to be carried out in 2014, and for which procurement needs to commence on September 2014. In order to avoid interruption of OPV activities, the agreement authorized retroactive financing of all OPV procurement after August 2014.

In October, UNICEF requested the Bridge Fund to accelerate funding for OPV procurement in Nigeria while they awaited release of funds from JICA. The Bridge Fund accelerated \$3M to bridge funding for a December polio

immunization campaign, and an additional \$2M to bridge the upcoming January campaign. Both are short-term bridges which are expected to be replenished by February. This funding enabled Nigeria to place purchase orders with enough lead time to conduct the planned polio immunization campaigns as scheduled.

Continued Commitment to Polio Eradication

In December, the Bridge Fund accelerated \$4 million to UNICEF for polio eradication activities in Ethiopia, Afghanistan, Niger and Sudan. This funding provided cash to bridge a grant from Rotary International, which



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traditionally makes half of the grant funds available immediately and reimburses UNICEF with the rest after UNICEF provides proof of expenditure. Acceleration of this funding will enable UNICEF to continue its polio eradication work uninterrupted, without the need to tap limited unrestricted sources for interim funding.

OPV Update

In 2013, the Bridge Fund guaranteed \$17 million worth of procurement for OPV to one of UNICEF's largest suppliers. The guarantee provides \$3 million to \$5 million of OPV purchases by UNICEF each year from 2013 through 2016. As of December 31, 2014, the UNICEF had met its procurements goal through the end of 2014, leaving a remaining outstanding guarantee of \$6.6 million from the original \$17 million.



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NEW INVESTMENTS

Bill and Cindee Dietz

Bill and Cindee Dietz of Grayslake, IL, made a \$100,000 net worth contribution to the Bridge Fund in November following a field visit to UNICEF Supply Division in Copenhagen. They previously made a \$500,000 loan last year. Bill is a member of the U.S. Fund for UNICEF's Midwest Regional Board and serves on the region's Message of Hope Gala committee.

Prudential Financial, Inc.

Prudential Financial, Inc. provided a new loan of \$6 million in October to the UNICEF Bridge Fund which helped to get critical supplies to the field for UNICEF's response to the Ebola Crisis. Prudential Financial provided the initial capital support for the Bridge Fund's loan pool and is the Fund's largest investor, helping to accelerate funding for lifesaving commodities to children around the world.

NEW SUPPORTERS

Anonymous

The Bridge Fund received an investment of \$250,000 from an anonymous trust in November 2014. The trust has demonstrated a growing interest and commitment to the field of impact investing and this is their first loan to the Bridge Fund.

IRIS Reporting

Below is a summary of the impact of our transactions over the past quarter using IRIS (Impact Reporting and Investment Standards) to reflect the social, environmental and financial impact of our work.

IRIS ID	METRIC	TOTAL Q3
OD7481	Sector Activities	■ Health
OD6247	Social Impact Objectives	■ Disease-specific prevention and mitigation ■ Health improvement
PD5752	Target Beneficiary Demographic	■ Women ■ Minority ■ Children and Adolescents
PD2541	Target Beneficiary Socioeconomics	■ Poor ■ Very Poor
PD1516	Product/Service Detailed Type	■ Healthcare products ■ Pharmaceuticals/Medications
PD2587	Country Names	■ Afghanistan ■ Chad ■ Ethiopia ■ Niger ■ Nigeria
PI1945	Number of children and adolescents who were clients	2,100,000

The 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.

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	\$ 14,708,463
Contributions Receivable	\$ 32,022,110
Total Assets	\$ 46,730,573

LIABILITIES

Loans Payable	\$ 34,100,000
Accrued Interest Expense	\$ 54,905

Total Liabilities **\$ 34,154,905**

Net Assets **\$ 12,575,668**

TOTAL LIABILITIES & NET ASSETS **\$ 46,730,573**

as of December 31, 2014*

Covenant Calculation

LEVERAGE RATIO

Debt : Net Assets

LOAN GOAL

Maximum 3.5 : 1

ACTUAL

2.7 : 1

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

REVENUE

Contributions Revenue	\$ 24,597,786
Investment & Interest Income	\$ 128,287
Total Revenue	\$ 24,726,073

EXPENSES

Grants to UNICEF	\$ 20,097,786
Interest Expense	\$ 368,760
Total Expense	\$ 20,466,546

Net Income **\$ 4,259,527**

Net Assets – Beginning **\$ 8,316,141**

Net Assets – Ending **\$ 12,575,668**

for the six months ended December 31, 2014*

We certify that as of the quarter ending December 31, 2014 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: 2/13/15

For more information on the Bridge Fund, please contact:

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