

Children in Crisis

The Bridge Fund Accelerates \$2 Million for Emergency Response



In the wake of Hurricane Irma, homes and fields in the area of Gaïa, Haiti, were covered with mud, affecting thousands of farming families and children.

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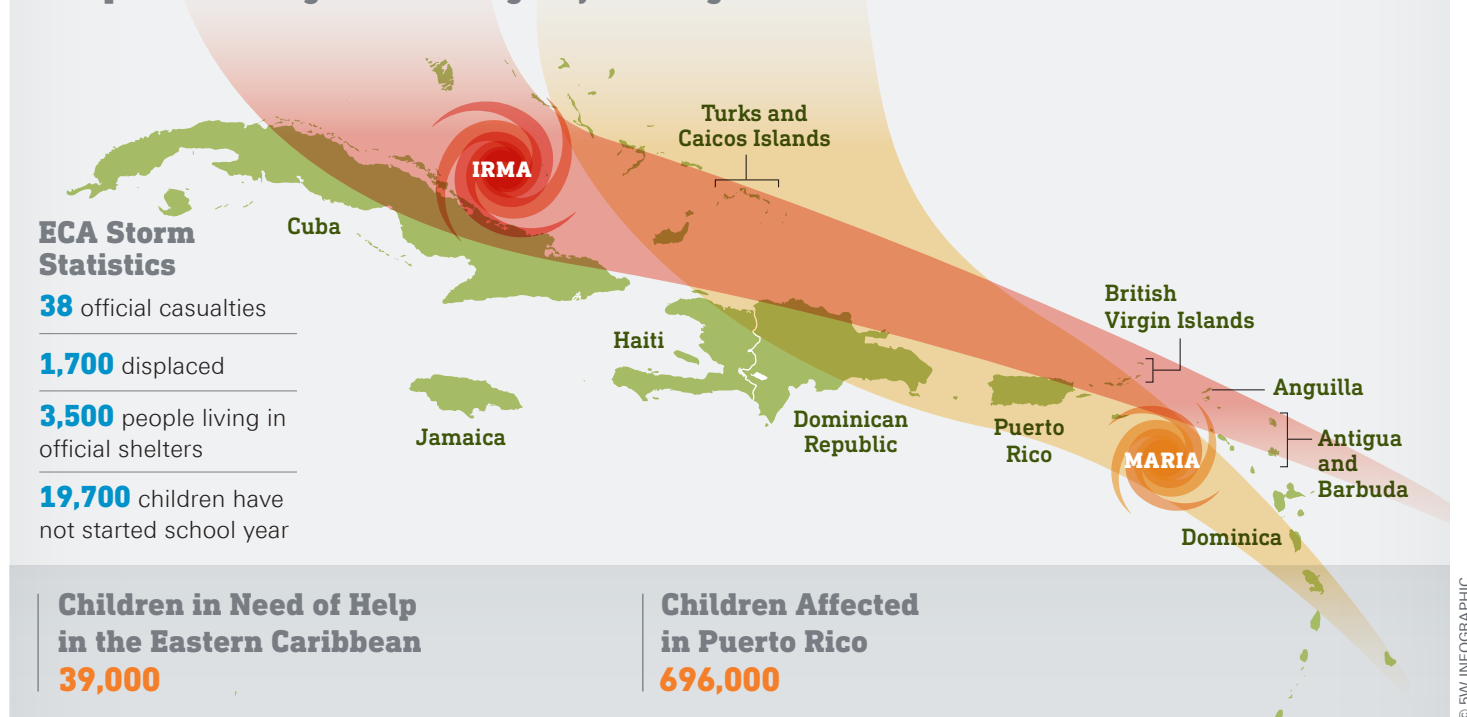
Today, protracted conflict, famine, poverty and forced migration threaten the lives of millions of people and the future of entire nations. Even worse, an extraordinary onslaught of natural disasters this year, including earthquakes in Mexico and hurricanes in Texas and the Caribbean, has tested the world's ability to respond. But — when speed means the difference between life and death — UNICEF has an unparalleled capacity to deliver urgent aid to children and their families quickly and efficiently. Last year, for example,

with decades of experience, UNICEF was able to respond successfully to 344 emergencies in 108 countries.

By accelerating funding after disaster strikes, the UNICEF USA Bridge Fund can enhance the timeliness of UNICEF's emergency response, filling gaps between appeals, pledges or actual grants and immediate need. Bridge Fund donors contribute to a capital pool against which the Bridge Fund can borrow on a revolving basis, while impact investors

Storms' Effect on Eastern Caribbean Area (ECA) and Puerto Rico

Recipients of Bridge Fund Emergency Funding



provide us with low-risk loans in return for high-impact social returns. Like the Bridge Fund itself, our supporters believe that fast funding is the best funding when it comes to emergencies.

Not only is UNICEF on the ground as soon as disasters strike but, in the 157 countries where UNICEF operates programs, it is there beforehand, too. UNICEF pre-positions emergency supplies where they will be needed most, both for rapid response and financial efficiency. A UNICEF study suggests that investment in emergency preparation might save 50 percent in response costs while facilitating more rapid response and saving lives.

Post-emergency recovery, rebuilding and sustainable resilience are core components of UNICEF's strategy, too. UNICEF's "Build Back Better" approach is an example of this systemic approach to resilience, one that UNICEF believes helps ensure children both survive emergencies and thrive in following years. Long after the immediate danger of an emergency has passed, UNICEF works to restore and improve safe water and sanitation, health care systems and schooling, while protecting children from abuse, violence and exploitation.

With country and regional offices in place, UNICEF brings another unique advantage to emergency response: well-established relationships with national, regional and local governments and nongovernmental organizations. Analyzing risks in advance with partners and collaborating on emergency response plans can save lives in a crisis.

Given its expertise and preparation, UNICEF was able to spring rapidly into action when Hurricane Irma, a Category 5 storm, devastated the northeastern Caribbean, starting on

Funds from the UNICEF Bridge Fund were the first to arrive, and it was very significant. The fund accelerated UNICEF's ability to reach 40,000 individuals with immediate relief.

—Aloys Kamuragiye, Emergency Coordinator,
UNICEF's Eastern Caribbean Area Office

September 6, 2017. Initially, 5.8 million people were affected, including more than 350,000 children. As UNICEF USA joined UNICEF in appealing for emergency funding from American donors large and small, the Bridge Fund accelerated \$1 million to UNICEF's Eastern Caribbean Office in advance of any such donations. That meant our acceleration funding was the first funding available to UNICEF's Eastern Caribbean office, and met 40 percent of their need for immediate response.

The Bridge Fund helped UNICEF purchase and deliver essential supplies including blankets, tarpaulins, water purification tablets, jerry cans, and water tanks delivered by air and sea. We also helped accelerate cholera outbreak response, repair of safe water and sanitation (WASH) systems, the creation and monitoring of temporary shelters and safe learning environments, the distribution of UNICEF's renowned "School-in-a-Box" kits, and the provision of technical assistance to governments and partners on health care, nutrition, child protection and WASH programs. ●

The Bridge Fund Speeds Healing

After a Crisis, Psychosocial Support for Children is Critical

After a crisis, children may not only be recovering from injuries or the loss of family and their homes, they may also be deeply scarred by other disruptions in their lives. However, the familiar environment of the classroom can be a locus of comfort and healing. That is why, within 72 hours of an emergency, UNICEF seeks to place children in group educational settings. Learning is one benefit, of course. But, for a child's psychological health and neurological development, a rapid return to normality is essential.

The connection between stress and impaired development in children led UNICEF to develop a culturally and age-appropriate tool kit for psychosocial support to boost resiliency. UNICEF fosters community capacity to support children and families during and after emergencies, while organizing child-friendly spaces where affected communities and children can find support. For children with behavioral issues, who may need extra support, UNICEF provides referrals to appropriate mental health networks.

Unfortunately, Hurricane Harvey's multi-day, record-breaking rainfall and flooding damaged 200 educational facilities and left 100 more inaccessible, preventing more than 1 million children in the Houston area from starting school and dissipating stress in the safety of the classroom. UNICEF USA, in partnership with local organizations and experts from UNICEF, mobilized so that the most vulnerable children in Houston could rapidly return to the classroom.

UNICEF and UNICEF USA advised local authorities to help reach the most vulnerable children in the aftermath of the storm. Support included training educators to identify and respond to signs of distress among children, and help traumatized children get the support they need. In addition — as part of the Bridge Fund's accelerated funding after Hurricane Harvey — UNICEF USA is supporting Rice University's Baker Institute for Public Policy and other local partners to train more than 2,200 parents and caregivers of children under the age of 6 in an age-appropriate, psychosocial support curriculum, developed by the National Child Traumatic Stress Network.



After Hurricane Harvey slams into Texas, hundreds of residents of Twin Oaks Village, near Houston, struggle to reach dry land.

© GETTY IMAGES

Trauma is as destructive as floodwater. It can freeze a child's brain and keep her locked in survival mode for life, stunting neurological development.

—Lisa Szarkowski, Vice President, Humanitarian Emergencies and Executive Communications, UNICEF USA

In turn, these parents and caregivers, trained to recognize signs of trauma and stress, will reach at least 3,375 young children with an evidence-based, mental health intervention. The Bridge Fund's accelerated funding supported a timely enhancement of parental and caregiver capacity. This funding is helping the youngest and most vulnerable children cope with upheaval, ensuring they can return to a normal childhood free of the disabling neurological complications of stress as quickly as possible. ●

First Money To Houston From UNICEF USA

Hurricane Harvey, one of the worst natural disasters in U.S. history, caused record rainfall and flooding in the greater Houston area, home to three million children. UNICEF USA made use of UNICEF's technical expertise in emergency response to identify the strategy that would most effectively address vulnerable children's needs.

The Bridge Fund accelerated the first of UNICEF USA's funding deployed to Houston to support emergency relief for marginalized children and their families. For those dependent on hourly wage earners, household incomes were threatened. UNICEF USA funded a local partner that was able to provide 100 families, in its refugee resettlement care program, with significant rental assistance. UNICEF USA also ensured essential medical services and supplies were available in clinics serving low-income and immigrant communities, including 1,200 vulnerable children. ●

Teaming Up for Puerto Rico

New York State, UNICEF, UNICEF USA, UPS and the Bridge Fund Join Forces

Hurricane Maria wreaked unprecedented damage after it struck Puerto Rico on September 20. It leveled homes and crops, flooded roads and destroyed the island's energy grid, depriving approximately 3.4 million people of electricity. Among many other things, that meant drinking water could not be pumped. Puerto Rico's Governor, Ricardo A. Rosselló, announced the island was on the brink of a "humanitarian crisis," and predicted a long recovery.

The needs of children and their families were unprecedented, too. As Caryl M. Stern, President and CEO of UNICEF USA explained, "The devastation in Puerto Rico demands that we all play a role in responding, and UNICEF USA remains committed to its mission to put children first — here and around the world." So, UNICEF USA joined with Governor Cuomo and New York State, our long-time partner UPS and others to quickly deliver emergency supplies to Puerto Rico.

Because speed and efficiency were paramount, the Bridge Fund stepped in, too. Safe water is essential to avoid disease

outbreaks and keep young children healthy in the aftermath of a disaster. Equally important is good hygiene. By accelerating funds before UNICEF USA received sufficient gifts from American donors, the Bridge Fund enabled UNICEF USA to rapidly purchase 12,000 hygiene kits from the Supply Division. These kits provided 60,000 vulnerable children and families in Puerto Rico with basic hygiene necessities for 30 days. Each kit serves a family of five — two adults and three children. Hygiene kits include water containers, buckets, soap, water purification tablets and other essentials.

The final step in the rapid response process involved UPS. It generously mobilized several planes to deliver the hygiene kits the Bridge Fund helped purchase — and 1,000 pallets of safe water from Governor Cuomo's New York State effort. In coordination with the Governor's teams, and nonprofit partners on the ground, these supplies were ultimately delivered to more than 11 designated humanitarian supply distribution centers in Puerto Rico and played an important role in alleviating Hurricane Maria's immediate impact. ●



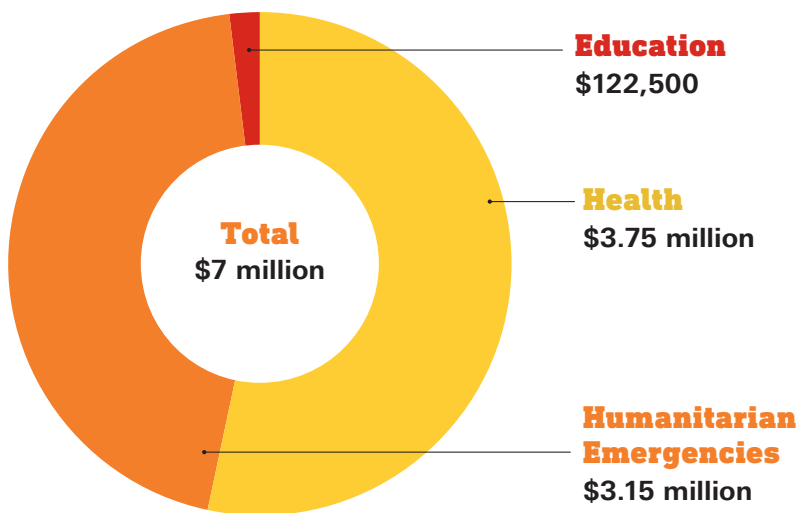
Kendall Ortiz and Damian Orta received a Family Hygiene and Dignity Kit in storm-damaged Humacao, Puerto Rico.

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Quarterly Program Activity: \$7 million

During the first quarter of Fiscal Year 2018 (FY 2018), we completed five transactions totaling \$7,025,441.

Quarterly Activity by Sector



Quarterly Activity by Geographic Reach

Health	\$3,746,903
Eastern and Southern Africa	\$2,900,600
West and Central Africa	\$849,303
Humanitarian Emergencies	\$3,153,038
North America	\$1,902,941
Middle East and North Africa	\$1,250,097
Education	\$122,500
Multi-region	\$122,500
Total	\$7,025,441

Vaccine Procurement through UNICEF's Vaccine Independence Initiative Program July 1–September 30, 2017

Vaccines	Doses	Children Targeted
BCG vaccine for tuberculosis	4,678,600	3,508,950
Measles and rubella vaccines	3,424,000	2,568,000
Oral polio vaccine	7,224,000	5,418,000
Tetanus and diphtheria vaccines	5,366,500	3,274,875
Totals	20,693,100	14,769,825

New Investments

During the first quarter of FY 2018, we raised

\$660,000

in new investments from:

Futures Without Violence

Linda S. Murchison

Current Capitalization

Available Capital	\$37.5 million
Loan Pool	\$27.5 million
Line of Credit	\$10 million
Net Assets	\$13.4 million

\$13.4 million in net assets provides a first-loss equity pool for investors as a \$27.5 million loan pool and \$10 million line of credit are disbursed throughout the year. There was no draw on the line of credit in FY 2018 Q1, resulting in a total leverage ratio of 2.0 for the quarter.

Quarterly Program Impact

FY 2018 First Quarter Highlights

- More than **14 million** children provided with lifesaving vaccines
- More than **105,000** children and individuals provided with emergency response interventions
- More than **60,000** children faced with trauma following natural disaster or conflict provided with psychosocial support
- **40,000** refugees provided with winter clothing to protect them from harsh, cold conditions

Transactions	Inputs	Outputs	Outcomes
UNICEF Vaccine Independence Initiative (VII) \$5,000,000 Kenya, Chad, Niger, Iraq, Lebanon	Investment for the UNICEF Supply Division's VII	<ul style="list-style-type: none"> ● 20.7 million doses of various lifesaving vaccines purchased (see VII procurement stats on page 5) ● \$1.5 million of winter clothes for refugees in Iraq and Lebanon 	<ul style="list-style-type: none"> ● Lifesaving vaccines reach more than 14 million children faster, reducing childhood mortality and improving children's health and immunity ● Nearly 40,000 refugees kept warm and safe during winter
Adolescent Kits ("Kits") \$122,500	Pre-position Kits at UNICEF country offices	Global distribution of 1,000 kits, including guidance, tools and supplies to engage adolescents and enable them to recover from trauma by expressing themselves through art	50,000 children and adolescents receive psychosocial support during emergencies.
Hurricane Harvey Relief \$523,753 Houston, Texas (United States)	<ul style="list-style-type: none"> ● \$100,000 of emergency rental assistance ● \$265,000 in medical services and supplies ● \$158,000 in socio-emotional training for child care professionals 	<ul style="list-style-type: none"> ● 100 refugee families remain in their homes ● 1,200 children and 400 adults, including refugees, immigrants and low-income families, provided with medical care and assistance required for recovery ● 3,375 children under the age of 6 provided with psychosocial support 	<ul style="list-style-type: none"> ● Protection for the most vulnerable populations in Houston affected by Hurricane Harvey ● Fostering resilience among the most marginalized communities in Houston and helping them return to normalcy
Hurricane Irma Relief \$1,000,000 Eastern Caribbean	Provided the first emergency response funds received by UNICEF Eastern Caribbean Islands Area following Hurricane Irma	<ul style="list-style-type: none"> ● 11,000 children received psychosocial support and/or access to child-safe spaces ● 17,000 people regained access to safe water ● 12,000 school children were equipped with critical pedagogical and recreational materials 	Protection and support of children affected by Hurricane Irma in the Eastern Caribbean region
Hurricane Maria Relief \$379,187 Puerto Rico (United States)	Procurement of Hygiene Kits, each including water containers, buckets, soap, water purification tablets and other supplies	12,000 hygiene kits from UNICEF to provide 60,000 vulnerable children and families in Puerto Rico with basic hygiene necessities for 30 days	Children and their families kept clean and healthy, protecting them from waterborne disease

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	\$26,089,352
Contributions Receivable	\$15,503,075
Total Assets	\$41,529,427

Liabilities

Grants Payable	\$158,293
Loans Payable	\$27,500,000
Accrued Interest Expense	\$441,204
Total Liabilities	\$28,099,497

Net Assets	\$13,492,930
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Total Liabilities and Net Assets	\$41,529,427
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*As of September 30, 2017

Covenant Calculation

Leverage Ratio	Loan Goal	Actual
Debt : Net Assets	Maximum 3.5 : 1	2.0 : 1

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

Revenue

Contributions Revenue	\$7,025,441
Investment and Interest Income	\$239,960
Total Revenue	\$7,265,401

Expenses

Grants to UNICEF and other NGO's	\$7,025,441
Interest Expense and Bank Fees	\$193,089
Total Expenses	\$7,218,530

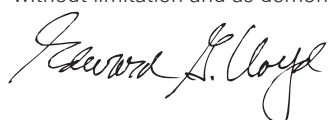
Net Income	(\$46,871)
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Net Assets – Beginning	\$13,446,059
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Net Assets – Ending	\$13,492,930
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* For the three months ended September 30, 2017

We certify that as of the quarter ending September 30, 2017, 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: November 15, 2017

To learn more,
please visit our website at
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