



for every child

FAST Fund for UNICEF

A catalytic investment to help battle COVID-19



COVID-19 impacts children everywhere

Operating at a global scale, UNICEF is uniquely qualified to tackle the challenge of getting Personal Protective Equipment (PPE) to healthcare workers treating those affected by COVID-19. For decades, UNICEF's Supply Division has responded to major crises and disasters around the world, efficiently delivering humanitarian aid to vulnerable people in their time of need.

UNICEF USA and its Impact Fund for Children are working in partnership to help UNICEF to buy critical PPE at scale through the FAST Fund.

By investing in the FAST Fund, which is used to guarantee up-front payments made by UNICEF for COVID-19 supplies, impact investors and philanthropic donors will save many lives by providing the essential accelerator capital UNICEF needs to purchase life-saving PPE.



Impact of Your Investment

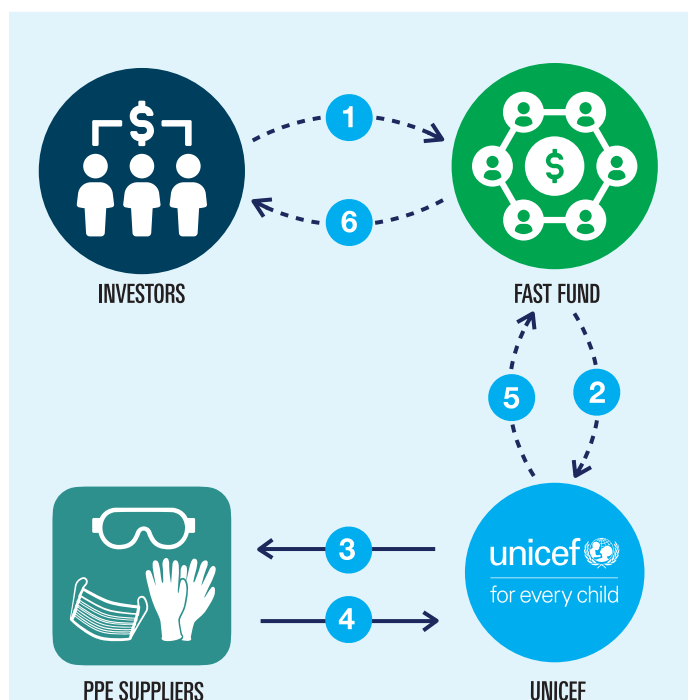
With each \$100,000 investment, UNICEF can secure up to \$1.8 million of supplies, protecting up to 12,400 healthcare workers.

- **\$1,800,000** is based upon 33% advance payment for supplies (covered by a FAST Fund guarantee), recycled six times (supplies delivered within 30-60 days, allowing six recyclings of the guarantee within a year).
- **12,800** healthcare workers – forecasted number of healthcare workers provided with PPE, based upon UNICEF's supply pricing.

How You Can Invest

	Philanthropic Donation	Recoverable Grant
Minimum Size	None	\$50,000
Impact	<p>Your donation is used to support guarantees to UNICEF for COVID-19 PPE.</p> <p>When the FAST Fund is no longer needed, your donation will continue as permanent support for the Impact Fund for Children, which provides financing for UNICEF, leveraging every \$1 of donations 3.5 times.</p>	<p>Your recoverable grant is used to support guarantees to UNICEF for COVID-19 PPE.</p> <p>After 18 months, your recoverable grant will be paid back to you from funds available in the FAST Fund. You may elect to transform your recoverable grant into a permanent donation to the Impact Fund for Children.</p>
Who Can Invest	Individuals Foundations Corporations	Individuals Foundations Donor-Advised Funds

Recoverable Grants



A recoverable grant is similar to a loan that would be automatically forgiven if the conditions for repayment have not been met. In this case, the condition is that no guarantees have been drawn down to cover UNICEF's losses.

- Investor provides a recoverable grant for the FAST Fund.
- FAST Fund provides guarantees for UNICEF transactions with PPE suppliers.
- UNICEF advances funds to PPE suppliers to lock in urgent orders.
- PPE suppliers send critical PPE to UNICEF for distribution to over 90 impacted countries.
- When PPE is delivered to UNICEF, FAST Fund guarantees are released.
- After 18 months, FAST Fund returns recoverable grant to the investor, unless guarantees have been drawn down.

After 18 months, the FAST Fund will use its available funds to return recoverable grants to investors (unless they elect to transform therecoverable grants can be rolled over to the Impact Fund for Children). If any funds have been transferred out to cover UNICEF's losses due to a failed procurement, the FAST Fund may have to return less than the full amount of recoverable grants received. The FAST Fund seeks to reduce this risk by following a rigorous underwriting process.

Fund Information

The FAST Fund is a *Guaranty Facility* securing UNICEF's advance payments under contracts protecting UNICEF while allowing suppliers to receive funds to begin production.

While third-party guarantees are typically provided by banks acting on behalf of suppliers, promising to reimburse UNICEF in case of nondelivery of supplies, the COVID-19 crisis has made such guarantees difficult or impossible to secure in a timely manner. The deployment of the FAST Fund enables UNICEF to compete in this market, facilitating urgent procurements worth multiples of the fund capital.

Fund Term

The fund term is 18 months. We anticipate markets returning to normal conditions within 18 months.

Target Fund Size

\$3 million (minimum). The greater the fund, the more assistance we can provide to UNICEF.



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Guaranty Use

The FAST Fund will only be used to facilitate the purchase of COVID-19 supplies such as personal protective gear and oxygen concentrators. A guaranty will be put in place only when suppliers are unwilling or unable to provide a third-party guaranty or letter of credit.

Underwriting Process

1. Detailed due diligence process undertaken by UNICEF, which typically includes:
 - a. Review of supplier contract and amount of required advance payment
 - b. Review of UNICEF history with the supplier
 - c. Review of financial information about the supplier
 - d. Reputational review of supplier
 - e. Oversight of standard disbursement process (bank account verification, etc.)
2. Scrutiny and approvals of contracts by multiple financial and contracting authorities at UNICEF.
3. Review and approval of guaranty request by the Impact Fund for Children Board and the CEO of UNICEF USA.

Risk Mitigation

While UNICEF has rarely experienced a default by a supplier with whom it has entered a contract with advance payment, there is a possibility guarantees may be drawn and not recovered. If a shipment is late, or fails to meet specifications, the supplier is expected to remedy the defects or return the advance payment. UNICEF is required to pursue its standard remedies if a supplier defaults.

Reporting

Quarterly and annual reports of all FAST Fund activity and impact.

To invest, donate or learn more, contact:

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Recoverable Grants for the FAST Fund are not a security; neither UNICEF USA nor the Impact Fund for Children are registered as investment advisors or broker/dealers, and participation in the FAST Fund may not be available to residents of all states.

FAQs

1. Why does UNICEF need a guarantee to purchase supplies – don't they have the funds in hand to buy these goods?

The global market for PPE has become hyper-competitive as governments and healthcare providers are racing to buy up scarce supplies, UNICEF is being asked to pay for production in advance, and suppliers are unable or unwilling to provide normal financial guarantees for advance payments. To reduce risk and enable UNICEF to secure PPE at scale, UNICEF needs a dedicated fund to ensure against financial losses that could occur in these transactions.

2. How fast is the FAST Fund?

Guarantee requests will be turned around within two business days.

3. What is the size of the FAST Fund and how much procurement of PPE will it support?

We are setting a minimum fundraising target of \$3 million, projected to facilitate \$54 million of purchases by UNICEF over a one year period; UNICEF will be purchasing hundreds of millions of dollars or more of PPE over the course of the next year, so there is no upper limit to the size of the FAST Fund.

4. What happens if there are losses – how much will I lose?

Recoverable grants will be fully repaid as long as there are no losses due to a call on the guarantees. If there is a call on the guarantees and UNICEF is unable to recover the funds, investors will share in the losses on a pro rata basis, meaning you will share in the losses based on your share of the total amount of recoverable grants in the FAST Fund.

5. Why is the term of recoverable grants 18 months if the FAST Fund will only cover guarantees issued during a one-year period?

If a guarantee is issued on the last day of the one-year term of the guarantee facility, it can take 30 to 60 days for the supplies to arrive, and then if there are delays, and remedies are worked out with the supplier, that can also take time; 18 months maximizes the likelihood of full repayment of recoverable grants.

6. Why should I invest in a fund that will benefit low- and middle-income countries?

The United States is experiencing overcrowded hospitals, a shortage of ventilators, and a lack of PPE that challenge our healthcare system's ability to care for people affected by COVID-19. The same suffering exists in low- and middle-income countries, where critical resources were scarce even before the COVID-19 crisis. By protecting vulnerable populations around the world from COVID-19, we can prevent devastating health and economic consequences that will eventually affect all of us, regardless of where we live.

7. What is the Impact Fund for Children and how is it related to the UNICEF USA and the FAST Fund?

The Impact Fund for Children is an affiliate of UNICEF USA (the nonprofit equivalent of a subsidiary); the FAST Fund is a segregated fund within the Impact Fund for Children.

8. How is the FAST Fund different from the Bridge Fund?

The FAST Fund provides guarantees to support the purchases of PPE and other supplies for COVID-19; UNICEF provides the cash for the up-front payment for such supplies.

When individual, corporate or other donors, or multilateral organizations such as the World Bank, commit donations over a period of time, the Bridge Fund supplies the cash up front to accelerate UNICEF's ability to buy supplies or fund programs, and is reimbursed by UNICEF when the committed donations are paid.