

Providing Safe Water for All

Bridge Fund accelerates \$270,000 to scale up “Water for Guinea”



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In February 2019, the UNICEF USA Bridge Fund accelerated \$270,000 to scale up “Water for Guinea,” an innovative program that develops cost-effective water points in the country’s many underserved rural areas. The bridge funding ensured that a program with proven results could quickly expand to increase sustainable access to safe water in a country where one-third of the population lacks this necessity—a basic human right—before a regularly scheduled grant arrived.

Water for Guinea exemplifies UNICEF’s efforts to address the critical global need in the water, sanitation and hygiene (WASH)

sector. A staggering 844 million people in the world—one in nine—do not have clean water close to home, and 2.3 billion—nearly one in three—lack a toilet at home.

Clean water, basic toilets and good hygiene practices are all essential to the survival and development of children. Water- and sanitation-related diseases are one of the leading causes of death for children under 5. Every day, more than 800 children die from preventable diseases, like diarrhea, caused by unsafe water and inadequate sanitation and hygiene.



Good school hygiene facilities encourage girls' attendance.

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Contaminated water drawn from sources shared by animals and people can sicken or kill many children. Improper handling and storage of water in the household, in schools and in health care facilities can also make water unsafe. In rural areas, where many communities practice open defecation, contact with human waste further imperils the most vulnerable.

Water is about equity. It's about rights. In Guinea, a third of the people don't have access to this basic right.

—Marc Rubin, UNICEF Representative in Guinea.

The work of collecting water exacts a severe toll on child development and gender equity. In eight of ten homes without running water, girls spend hours every day collecting it, limiting their access to education and employment. In Guinea's rural towns and villages, for example, safe water sources are scarce and far apart. Children and women rise early each day and walk several miles, with few passable roads along the way, to collect water from rivers and waterholes. In too many countries, the long journey to collect water often prevents children from attending school, and puts girls at risk of violence and abduction. Further, the scarcity of latrines commonly causes girls to drop out of school when they begin menstruating.

United Nations Sustainable Development Goal (SDG) 6 calls for universal, sustainable and equitable access to safe drinking water, sanitation and hygiene by 2030. This ambitious target will require substantial investment, but such investments are very

cost-effective. According to the World Health Organization (WHO), every dollar invested in water and sanitation returns \$4.3 through reduced health care costs and benefits such as reduced pollution, workplace productivity, increased school attendance, and greater dignity and safety.



"We can't imagine our lives without water," say two Syrian boys from a refugee camp in Iraq.

© UNICEF/UN0203985/JEEL O

The U.N. Conference on Trade and Development has found significant annual SDG funding shortfalls in sectors crucial to children's survival and futures, including a gap of \$260 billion for WASH programs. This creates a compelling opportunity for impact investors and innovative financing models to help close the gap. Yet, in the Global Impact Investing Network 2018 annual survey of impact investors, with \$228 billion in assets under management, only 4 percent of these assets were allocated to the WASH sector.

For SDG 6, UNICEF acts as co-custodian, alongside WHO, of metrics for three related WASH objectives: (i) the proportion of the population using safely managed drinking water; (ii) safely managed sanitation services; and (iii) a hand-washing facility with soap and water. The World Bank estimates that capital investments of \$114 billion must be made between now and 2030 to achieve these objectives—which doesn't include the costs of operating and maintaining WASH infrastructure. That is why UNICEF and the Bridge Fund work with donors and investors who seek to make an impact in both project design and financing.

In 2014, for example, UNICEF partnered with the AJA Charitable Foundation to test the feasibility of developing cost-effective water points in underserved areas of Guinea. "The goal of investing in the pilot project was to see if we could deliver water to the most people in the least expensive way in a manner that could be replicated," says Andrew J. Astrachan, President, AJA Charitable Foundation. The plan relied on low-cost manual drilling technology and tools that could be brought into remote regions without heavy and expensive trucks and machinery. It also equipped and trained small- and medium-sized enterprises in Guinea to drill under the technical supervision of



Rohingya refugee children use a hand-pump in a camp in Myanmar.

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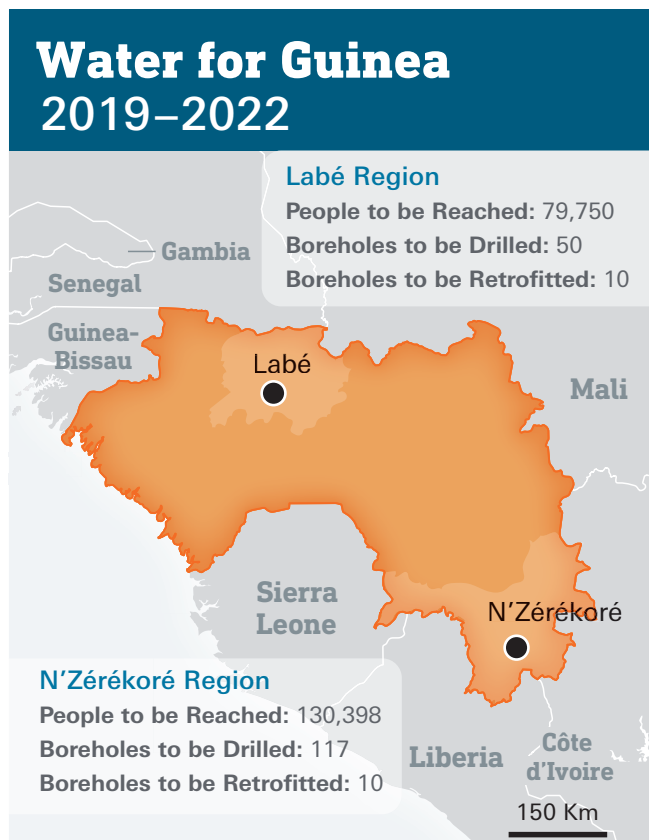
Even more important than the wells themselves is the fact that we have proven overwhelmingly the compelling economics of manually drilling for water to serve smaller, remote communities.

—Andrew Astrachan

the country's water ministry. This approach also empowered communities, through the establishment of local water committees, to operate and maintain their water stations and meet future demand.

The pilot validated UNICEF's cost-effective model of building skills and private sector capacity for manual drilling. Its success has positioned Water for Guinea to achieve its goal of 10,000 water points by 2030. A four-year expansion of Water for Guinea will serve the Nzérékoré and Labé regions with 200 new boreholes. In 20 townships, existing boreholes will be retrofitted with solar-powered pumping systems. These systems are affordable, scalable, environmentally sustainable and climate smart, and are among many innovative approaches UNICEF has been exploring to increase access to safe water.

Water for Guinea's scale up will deliver sustainable clean water to an estimated 210,038 Guineans. To meet the SDG 6 goal of providing clean water and sanitation for all by 2030, the world must make even greater investments in WASH projects. By accelerating grants to UNICEF, the UNICEF USA Bridge Fund enables both donors and social impact investors to help address monumental—and growing—funding gaps in the SDGs. When it comes to water, children and families don't have time to wait. ●



Transcending Trauma Through Expression

The Bridge Fund Helps Invest in Adolescents' Potential

Lower infant mortality rates, high maternal fertility rates and advances in human rights mean that more children are surviving to adolescence than ever before. By 2030, the global population of adolescents and young people will reach two billion. With almost 200 million 12- to 17-year-olds currently deprived of school, many will not receive the education, training or life skills required for productive employment unless the world invests in their futures.

Nearly one quarter of the world's children today live in areas affected by conflict and disaster. They urgently need humanitarian assistance. As of 2016, 28 million children had been forced from home. Almost one in ten children live in areas suffering from armed conflicts, and more than 400 million live in extreme poverty. In these circumstances, the transition from childhood to adulthood is perilous. Adolescents can become victims of violence, be recruited into militias or trafficked, suffer illness and injury, or be forced to leave school to support their families. They live under enormous emotional, physical and psychological stress, but few humanitarian programs and policies target their specific needs.

The UNICEF Adolescent Kit for Expression and Innovation (the "Kit") program fills an unmet need among adolescents for psychosocial support, skill-building and community engagement in times of crisis. The initiative provides adolescents—children between the ages of 10 and 18—with the skills to process trauma, to express their feelings and to propose new ways forward together. Incorporating principles from art therapy and other psychosocial support fields, each Kit contains supplies, tools and guidance to lead as many as 50 participants in exercises to heal, play, create and collaborate. When given a

voice, children come up with powerful solutions to the problems and conflicts that can disrupt their development, violate their rights and limit their opportunities.

The Adolescent Kit program also plays a role in UNICEF's new global partnership, called Generation Unlimited. To help achieve Sustainable Development Goals by 2030, this initiative seeks urgent investment in education, training and age-appropriate employment to support the world's most vulnerable adolescents. Generation Unlimited aims to address the demographic "youth bulge" by increasing youth employment, which helps foster economic growth and social and political stability.

In March 2019, the UNICEF USA Bridge Fund accelerated a \$180,000 installment of a \$360,000 pledge to the UNICEF Adolescent Kit program. The transaction is the fourth acceleration of a pledge from the Charles Engelhard Foundation Art-in-a-Box grant and helps UNICEF to pre-position 1,000 kits in UNICEF Country Offices, which will benefit as many as 50,000 adolescents. Having reached more than 130,000 adolescents in 14 countries since 2017, UNICEF plans to scale up distribution of the Adolescent Kit for 20 to 25 new countries over the next two years. The program will train UNICEF Country Offices and partners to adapt the Kit for different situations including emergencies, protracted conflicts and extreme poverty.

The time to invest in the global adolescent population is now. The UNICEF USA Bridge Fund accelerates support for programs like the Adolescent Kit to harness the energy and creativity of the world's teens and help empower them to build their own brighter futures. ●

Prolonged exposure to violence, fear and uncertainty can have a catastrophic impact on children...

—Henrietta H. Fore,
UNICEF Executive Director



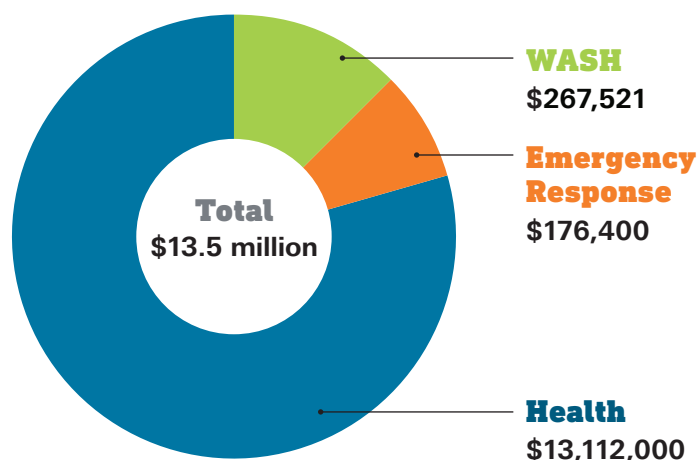
Central American teens use the Kit to make art about their dangerous journeys north.

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Quarterly Program Activity: \$13,555,921

During the third quarter of Fiscal Year 2019 (FY 2019), we completed four transactions totaling \$13,555,921.

Quarterly Activity by Sector



Quarterly Activity by Geographic Reach

Health	\$13,112,000
West and Central Africa	\$2,896,929
CEE/CIS*	\$737,650
Eastern and Southern Africa	\$428,907
East Asia and the Pacific	\$349,353
South Asia	\$336,757
Middle East and North Africa	\$250,404
Global	\$8,112,000
WASH	\$267,521
West and Central Africa	\$267,521
Emergency Response	\$176,400
Global	\$176,400
Total	\$13,555,921

*Central and Eastern Europe and the Commonwealth of Independent States

Bridge Fund Pre-Financing of UNICEF Supply Division's Vaccine Procurement*

Vaccines for:	Doses	Children Targeted
Polio	74,145,400	55,609,050
Tetanus	5,765,260	4,323,945
Tuberculosis	4,647,000	3,485,250
Yellow Fever	4,597,638	3,448,228
Diphtheria	4,255,660	3,191,745
Measles	3,828,998	2,871,748
Pneumococcal Pneumonia	3,781,948	2,836,461
Rubella	3,400,300	2,550,225
Meningitis	732,000	549,000
Rotavirus	115,500	86,625
Hepatitis B	4,500	3,375
Totals	105,274,204	78,955,653

*To estimate the number of children that will benefit from vaccine procurements, vaccine wastage rates must be included (for both open and closed vials). Vaccine wastage rates vary by vaccine type, number of doses per vial, and local healthcare 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. Taking into account these two contingencies, the pre-financed vaccines doses specified above might reach up to 79 million children.

Bridge Fund's SDG Impact

The Bridge Fund is committed to using the Sustainable Development Goals 2030 (SDGs) as a framework for our impact reporting, connecting each quarter's activity to the SDG targets it contributes to. This quarter, Bridge Fund activity spanned two goals – SDG 3: “Good Health and Well-Being” and SDG 6: “Clean Water and Sanitation” – and eight related targets. We have reported progress in the table below.

You can find detailed targets for the SDGs on the following links for SDG 3 and 6

<https://sustainabledevelopment.un.org/sdg3>

<https://sustainabledevelopment.un.org/sdg6>

Sustainable Development Goal	Bridge Fund Progress This Quarter
 <p>Goal 3</p> <p>“Ensure healthy lives and promote well-being for all at all ages”</p>	<ul style="list-style-type: none"> ● Approximately 79 million children vaccinated against disease ● Vaccination against the following communicable diseases: polio, tuberculosis, measles, rubella, diphtheria and whooping cough ● Vaccination against noncommunicable diseases: tetanus and yellow fever ● Promote access to safe, affordable vaccines for children globally
 <p>Goal 6</p> <p>“Ensure availability and sustainable management of water and sanitation for all”</p>	<ul style="list-style-type: none"> ● 45 water sources improved and operable in Guinea (five retrofitted boreholes, 40 new boreholes) ● Empower rural communities to adopt good hygiene practices by promoting behavioral change through community mobilization ● Continued dialogue with government on importance of investing in safe water sources ● water committees (to ensure local empowerment and system sustainability) established in each village



A girl drinks water in a Laotian village.

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Quarterly Program Impact

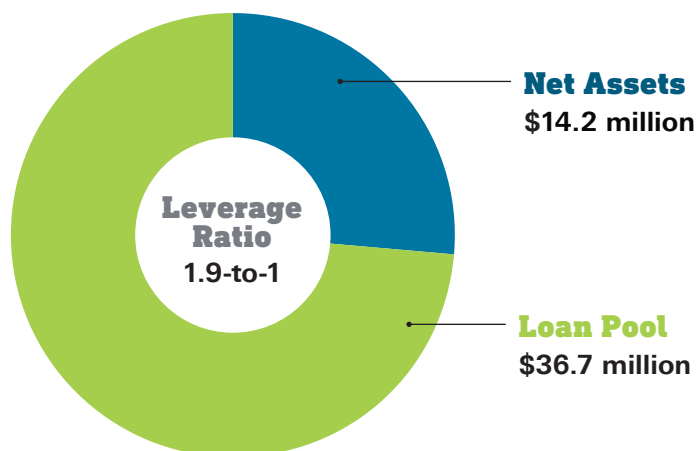
FY 2019 Third Quarter Highlights

- **105 million** lifesaving vaccines procured to target **79 million** children
- **Cost-effective**, safe water systems expand access to **safe water for Guinea**
 - Community-based water committees established to help manage and sustain water systems
 - Gender equity targets call for half of each village's water committees to be women
- **50,000** adolescents in emergency and conflict situations provided with emotional and mental health support

Transactions	Inputs	Outputs	Outcomes
World Health Organization Type 2 Oral Polio Vaccine Stockpile ("mOPV2") levels maintained \$8,112,000 Global 4 MONTHS BRIDGED	\$8.1 million accelerated toward a procurement need for mOPV2 stockpile	60 million doses of mOPV2, from bulk to finished product, to be available by June 2019	<ul style="list-style-type: none"> ● Maintain sufficient levels of the mOPV2 stockpile for immediate use in future outbreaks ● Arrest Type 2 polio outbreaks in affected regions ● Reach approximately 45 million children with lifesaving vaccines
UNICEF Vaccine Independence Initiative (VII) \$5 million 13 Countries 6 MONTHS BRIDGED	Flexible financing for UNICEF Supply Division's VII, a pre-financing program that fast-tracks lifesaving commodities to children around the world	45 million lifesaving vaccine doses pre-financed	Reach approximately 34 million children faster with lifesaving vaccines, reducing child mortality and improving children's health and immunity
"Water for Guinea" Sustainable Water Project \$267,521 (of a \$1 million budget for first year of project) Guinea 8 MONTHS BRIDGED	Drilling of new – and rehabilitation of existing – boreholes, community empowerment, and capacity building	<ul style="list-style-type: none"> ● 45 water sources improved and operable (five retrofitted boreholes, 40 new boreholes) ● Water committees established in each village ● Continued dialogue with government on importance of investing in safe water sources 	<ul style="list-style-type: none"> ● Scale up access to safe water for rural communities/villages through innovative, low-cost technology options ● Empower rural communities to adopt good hygiene practices ● Strengthen community-based management of water facilities and water supply infrastructure
Adolescent Kits for Expression and Innovation (the "Kits") \$176,400 Global 4 MONTHS BRIDGED	1,000 Kits (reaching 50 adolescents per Kit) for pre-positioning at UNICEF Country Offices	<ul style="list-style-type: none"> ● Distribution of 1,000 Kits for UNICEF Country Office programs. ● Awareness-raising activities, and/or planning and training workshops on using the Kits 	<ul style="list-style-type: none"> ● Provide 50,000 adolescents with the emotional and mental health support they need to regain a sense of normalcy in their lives during natural disasters, conflict, or in refugee/migrant camps

Bridge Fund Capitalization

Quarterly Activity by Sector



Current Capitalization

as of March 31, 2019

\$14.2 million in net assets provides a first-loss equity pool for investors, as \$36.7 million in capital is disbursed throughout the year. \$10 million of the capital pool is a Line of Credit. At the close of FY 2019 Q3, there was no funding drawn against the Line of Credit, resulting in Loans Payable of \$26.7 million and a leverage ratio of 1.9-to-1.

New First-Loss Equity Grants

We would like to thank the following two generous donors who made grants to our First-Loss Equity Pool this quarter.

\$100,000 – Catalyst
PARTNERS

\$50,000 – Anonymous

Donors may contribute to the Bridge Fund's First-Lost Equity Pool. Their contributions to the Bridge Fund are permanent grants that help build our capital structure and provide collateral for our loan pool.

Your donations to the First-Loss Equity Pool have a financial impact beyond the amount of your gift, too. That's because the Bridge Fund can borrow up to 3.5 times the amount of the total capital in the First-Loss Equity Pool, enabling us to accelerate more lifesaving funding to children.

New Opportunity To Invest In Children

Bridge Fund partners with CapShift for Donor-Advised Funds.

Donor-advised funds (DAFs) have earmarked more than \$110 billion in largely untapped resources ready to fuel positive change. That's why the UNICEF USA Bridge Fund is proud to announce that you can now select it as a DAF impact investment option via CapShift, a leading impact investing intermediary. Working with Fidelity Charitable and other DAF sponsors, CapShift's mission is to put more DAF money to work for social good.

Through a comprehensive website – tailored for sponsors, donors, wealth managers and capital seekers – CapShift empowers participants to discover, execute and monitor impact investments seamlessly. By partnering with CapShift, the Bridge Fund seeks to welcome new supporters who want to invest in the future of the most vulnerable via UNICEF, the world's leading humanitarian organization for children.

Other sector experts working with CapShift include Habitat for Humanity, LISC, Microvest and the W.K. Kellogg Foundation. CapShift investors include the F.B. Heron Foundation, the Omidyar Network, leading community development financial institutions (CDFIs) and pioneering impact investing families.

For more information on how you can use CapShift to manage your DAFs to help children, please contact Erin Egan, Senior Director for Bridge Fund Operations by email at eeegan@unicefusa.org or by phone at 212-922-2571.

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	\$24,689,440
Contributions Receivable	16,446,781
Total Assets	\$41,136,221

Liabilities

Loans Payable	\$26,700,000
Accrued Interest Expense	\$262,517
Total Liabilities	\$26,962,517
Net Assets	\$14,173,704
Total Liabilities and Net Assets	\$41,136,221

*As of March 31, 2019

Covenant Calculation

Leverage Ratio	Loan Goal	Actual
Debt: Net Assets	Maximum 3.5 : 1	1.9 : 1

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

Revenue

Contributions Revenue	\$29,896,261
Investment and Interest Income	\$656,833
Total Revenue	\$30,553,094

Expenses

Program Services	
Grants to UNICEF and Other NGOs	\$29,196,261
Interest Expense	\$634,628
Total Expenses	\$29,830,889

Net Income	\$722,205
Net Assets – Beginning	\$13,451,499
Net Assets – Ending	\$14,173,704

* For the nine months ended March 31, 2019

We certify that as of the quarter ending March 31, 2019, 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, Interim President, U.S. Fund for UNICEF In-Kind Assistance Corporation Dated: March 31, 2019

To learn more, please visit our website
at unicefusa.org/bridgefund or contact:

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