



**IMPACT FUND**  
**FOR CHILDREN**

# QUARTERLY ACTIVITY REPORT



December 31, 2021

# BRIDGE FUND ACCELERATES URGENT AID TO AFGHANISTAN

At a make-or-break moment, with winter coming and one in two children under 5 at risk of acute malnutrition, the Bridge Fund turned pledges into reality, fueling UNICEF's ongoing emergency response to a nation in crisis.

In the autumn of 2021, as an already dire situation in Afghanistan deepened, **UNICEF rushed to scale up lifesaving aid and preposition emergency supplies for children and families.** Winter was fast approaching, unemployment was rising and 56 percent of the nation's children were experiencing the effects of multidimensional poverty: poor health, lack of education and inadequate living standards. More than half the population — 23 million — faced acute hunger, with nearly 9 million one step away from famine.

Political and socioeconomic turmoil was pushing families ever closer to the edge. Humanitarians warned that donor pledges and commitments urgently needed to be fulfilled before it was too late.

**This call to turn pledges into reality is why the UNICEF USA Bridge Fund exists.** Time is a matter of life and death in Afghanistan, and the Bridge Fund is all about speed.



Children peer out from their family's tent in the Shaydayee camp for internally displaced persons in Herat Province, Afghanistan. "I cannot afford to buy bread and clothes for my children," says Sher Ahmad, the children's father.

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## The Bridge Fund was created to turn donor pledges into reality, without delay

Since October, the Bridge Fund **has accelerated \$9.1 million of UNICEF USA fundraising to Afghanistan** to ensure all committed funding reaches those in need as quickly as possible. This figure represents roughly 86 percent of all UNICEF USA fundraising for humanitarian relief in Afghanistan since the escalation of the crisis.

Money advanced by the Bridge Fund has been essential to help meet the most urgent needs of children and families struggling to survive in what has become one of the worst humanitarian crises of our time. At the time of the bridge request, the following time-sensitive risks shaped UNICEF priorities:

- **1 million children at risk of dying from malnutrition:**  
Essential nutrition treatments, medicines and supplies to protect 1 million children at risk of dying from severe acute malnutrition
- **Threat of disease outbreaks:**  
Curb severe outbreaks of measles and acute watery diarrhea; and resume polio, measles and COVID-19 immunization
- **Severe drought:**  
Strengthen and expand water, sanitation and hygiene (WASH) infrastructure and intervention to combat a severe drought affecting the country – in which 70 percent of the population lives in rural areas dependent on agriculture – and reduce COVID-19 transmission
- **Violence against children:**  
Critical prevention and response services to children affected by violence, abuse, neglect and exploitation
- **Education system on the brink of collapse:**  
New community-based education classes, application of safe and secure school guidelines, and provision of safe water and hygiene facilities in schools
- **Crippling onset of winter:**  
Provide families with critical winter kits containing flour, rice, blankets, tarpaulin, jerry cans, warm winter clothes and buckets to carry water



**The expedited funds enabled UNICEF teams to forge ahead with emergency aid for children living on the brink of catastrophe, strengthening services and reaching across program areas.** As a result of all of UNICEF's humanitarian response efforts beyond just the Bridge Fund, during the month of November, UNICEF was able to provide critical primary health care services, including immunization, through health facilities and mobile health and nutrition teams; vaccinated nearly 105,000 children under 5 against measles; and supported a polio immunization campaign that reached 8.5 million children, including more than 2 million children living in previously inaccessible areas.



**As I continue meeting mothers, every single one tells me the same story: In the last few months, her husband has lost his job; the family has been plunged into poverty; they have no savings; it's winter and their children are getting sicker. Most upsetting is this: they have no hope that things will improve. They are despairing. How I wish the global community would rally to prevent this crisis rather than treat it. ”**

**SAM MORT**

UNICEF AFGHANISTAN CHIEF OF COMMUNICATION

## Shoring up critical systems and providing lifesaving services remain urgent priorities

That same month, **UNICEF was able to treat 37,437 children suffering from severe acute malnutrition**; provided more than 22,000 people with access to safe water, including through water trucking; and distributed cash and winter clothes to families living in the provinces with the highest poverty rate and most severe winter conditions.

In addition, **UNICEF helped more than 238,000 out-of-school children**, including 124,554 girls, gain access to education in 7,604 community-based education classes. WASH and hygiene interventions to prevent COVID-19 and cholera were implemented in 736 public schools, reaching 351,352 students and at least 100,000 students received teaching and learning materials.

Families struggling to heat their homes and keep their children warm received blankets and heavy-duty tarpaulins. **UNICEF short-term humanitarian cash transfer payments were rapidly expanded to give families flexible purchasing power to meet their most immediate needs:** food for the children, critical medicines and fuel to heat their homes.

There is much more work to be done. Plummeting temperatures will make the next few months particularly brutal for Afghanistan's children.

**UNICEF's Afghanistan appeal – its largest ever for a single country – remains significantly underfunded, and a gap of \$49 million remains.** Every child deserves a fair chance – and with critical support from donors, UNICEF will continue to deliver lifesaving interventions to treat children and provide other vital services and efforts to ensure continuity and prevent the collapse of critical systems.



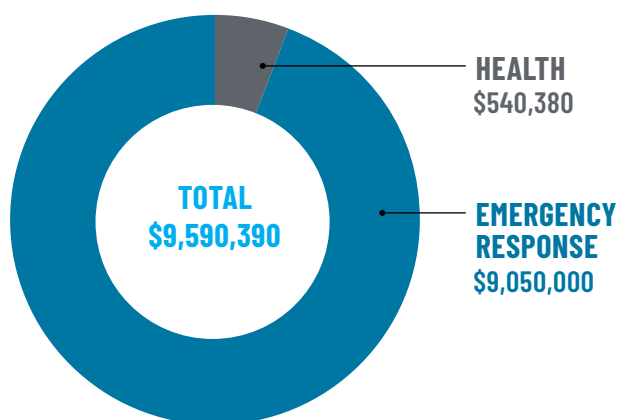
A child at the Guzara District Hospital in Herat Province, where UNICEF-supported Female Mobile Vaccinators hold daily awareness sessions on the importance of polio vaccinations. Afghanistan and Pakistan are the only two remaining countries where polio remains endemic.

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# QUARTERLY PROGRAM ACTIVITY

During the second quarter of Fiscal Year 2022, the Bridge Fund completed five new transactions for a total amount of \$9.6 million.

## Quarterly Activity by Sector





## Quarterly Activity by Geographic Reach

HEALTH	\$ 540,380
Global	\$ 540,380
EMERGENCY RESPONSE	\$9,050,000
South Asia	\$9,050,000
<b>TOTAL</b>	<b>\$9,590,380</b>

## The 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 target it supports.

SUSTAINABLE DEVELOPMENT GOAL	BRIDGE FUND PROGRESS THIS QUARTER
<div><b>2</b> ZERO HUNGER</div> <div><b>SDG 2</b></div> <div>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</div> <div>You can find detailed targets for SDG 2 by clicking on the link <a href="#">here</a>.</div>	<ul style="list-style-type: none"><li>Global child malnutrition and wasting prioritized as a critical area for aid funding of the Canadian government</li></ul>
<div><b>3</b> GOOD HEALTH AND WELL-BEING</div> <div><b>SDG 3</b></div> <div>Ensure healthy lives and promote well-being for all ages</div> <div>You can find detailed targets for SDG 3 by clicking on the link <a href="#">here</a>.</div>	<ul style="list-style-type: none"><li>Adolescents develop key competencies and skills to cope with stressful circumstances, build healthy relationships and engage positively with their communities</li><li>Increased advocacy and communications for equitable access to vaccines and health services through continuation of global health program</li></ul>



# QUARTERLY PROGRAM IMPACT

## Second Quarter FY 2022 Highlights

- **\$9.1M** in lifesaving supplies and services accelerated to Afghanistan amid deteriorating humanitarian situation with more than half of the population facing acute hunger and winter fast approaching
- **\$127K** to ensure mental health support and tools were immediately available to adolescents to help them cope with impacts of COVID-19 and other emergencies



Waleed (left) and Rafi (right) returning to their rental house in Kabul with the winterization kit distributed by UNICEF Afghanistan. "I have to find a way to feed my family and keep them warm in winter," says Waleed, whose father is ill and jobless.

© UNICEF/UN0581131/FAZEL

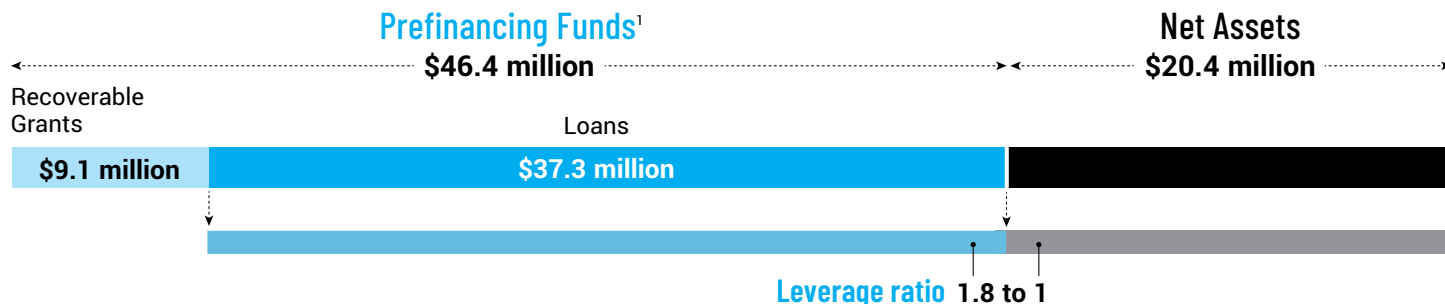
TRANSACTIONS	INPUTS	OUTPUTS	OUTCOMES
<p><b>Prefinancing for immediate emergency response in Afghanistan<sup>1</sup></b></p> <p><b>\$9,050,000</b></p> <p>Tranche 1: \$500,000 Tranche 2: \$8,550,000</p> <p>South Asia</p> <p>Tranche 1: 1.7 MONTHS BRIDGED<sup>2</sup></p> <p>Tranche 2: &lt; 1 MONTH BRIDGED</p>	<p>\$9.1M accelerated for provision of urgent, lifesaving supplies and services amid a rapidly deteriorating humanitarian situation and ahead of the fast-approaching winter</p>	<ul style="list-style-type: none"> <li>Provision of essential nutrition treatments, medicines and supplies for use by mobile health and nutrition teams</li> <li>Critical WASH infrastructure and supplies provided to combat a severe drought and reduce COVID-19 transmission</li> <li>Winter kits and cash transfers provided for vulnerable children and their families</li> <li>New community-based education classes made available for an increasing number of out-of-school children</li> </ul>	<ul style="list-style-type: none"> <li>Thousands of women and children received routine immunization and Maternal, Newborn, and Child Health (MNCH) services</li> <li>Populations in the worst drought-affected areas received adequate amounts of safe water for drinking, cooking and washing</li> <li>Families living in informal settlements were able to sustain themselves through the crippling winter months</li> <li>Hundreds of thousands of children have been able to resume education</li> </ul>
<p><b>Prefinancing for procurement of adolescent kits for expression and innovation</b></p> <p><b>\$127,000</b></p> <p>Global</p> <p>4 MONTHS BRIDGED</p>	<p>\$127K accelerated for rapid delivery of kits to children and adolescents</p>	<ul style="list-style-type: none"> <li>Accelerated access to packages with tools and supplies supporting mental health for adolescents critical to support coping with the effects of the COVID-19 pandemic</li> <li>Accelerated the transformation of kits into digitized format to increase accessibility</li> </ul>	<ul style="list-style-type: none"> <li>Kits distributed to thousands of children and adolescents as quickly as possible to support mental health and help them cope with the primary and secondary impacts of the COVID-19 pandemic alongside other emergencies</li> </ul>
<p><b>Prefinancing for program promoting equitable access to health services</b></p> <p><b>\$381,000</b></p> <p>Global</p> <p>2 MONTHS BRIDGED</p>	<p>\$381K accelerated to ensure continuity of health advocacy program activities</p>	<ul style="list-style-type: none"> <li>Uninterrupted and rapid implementation of global health advocacy and communications in 2022</li> <li>Mitigation of program delays allowed UNICEF to undertake time-sensitive and urgent activities to address effects of COVID-19 and future health crises</li> </ul>	<ul style="list-style-type: none"> <li>Increased advocacy and communications capacity to ensure equitable access to health services and vaccines at a critical time during the COVID-19 pandemic</li> </ul>
<p><b>Prefinancing to support nutrition advocacy campaigns that highlight malnutrition/wasting</b></p> <p><b>\$31,980</b></p> <p>Global</p> <p>3 MONTHS BRIDGED</p>	<p>\$32K accelerated at critical time for advocacy campaigns carried out by UNICEF Canada focused on eliminating child mortality from wasting</p>	<ul style="list-style-type: none"> <li>Delays avoided for key advocacy events during critical time leading up to Canadian government election period and ahead of the Tokyo Nutrition for Growth Summit</li> <li>Secured participation of 13 Canadian civil society organizations to launch UNICEF Canada's nutrition advocacy campaign and mobilized nearly 600 Canadians to take action</li> </ul>	<ul style="list-style-type: none"> <li>Prioritized the Canadian government's attention to end global malnutrition and eliminate child mortality from wasting</li> <li>The government of Canada indicated a commitment to increasing Canada's foreign assistance budget each year</li> </ul>

<sup>1</sup> Outcomes reported represent the total impact of UNICEF's overall humanitarian response in Afghanistan. The Bridge Fund represents a portion of UNICEF's larger pool of humanitarian funding.

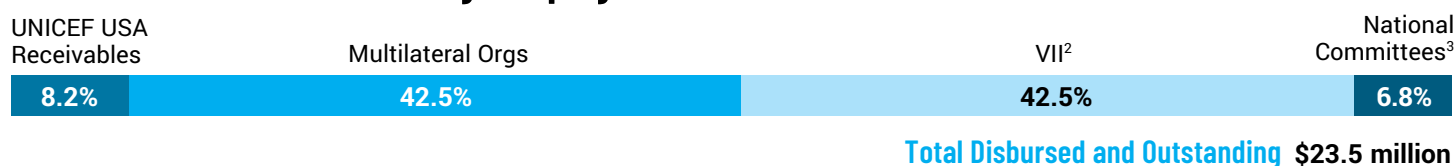
<sup>2</sup> Represents the weighted average of the first tranche of \$500K. \$463K was reimbursed in 1.5 months, and the remaining \$36.5K has a projected tenure of 6 months.

# IMPACT FUND CAPITALIZATION AND PORTFOLIO BREAKDOWN

## Bridge Fund Current Debt and Net Assets



## Portfolio Breakdown by Repayment Source



1. The Bridge Fund has a \$20 million line of credit. As of December 31, 2021, zero dollars were drawn.

2. The Vaccine Independence Initiative (VII) is a revolving fund, managed by the UNICEF Supply Division. The Bridge Fund's \$10M allocation to the VII comprised 6.8% of the fund as of June 30, 2021. VII prefinancing receivables are from third-party multilaterals and sovereign governments.

3. National Committees are independent local nongovernmental organizations in industrialized countries that work to raise funds for UNICEF. UNICEF USA is a National Committee in a global network of 32 other similar organizations. This category captures disbursements against funding sources raised in those National Committees outside of UNICEF USA.

## Portfolio Breakdown by Loan Watch Category

Delays occur in the Bridge Fund portfolio due to the nature of the business. The outstanding portfolio is actively monitored and diligent cash flow management policies mitigate effects on the portfolio.



**Low Watch:** Performance as expected.

**Low-Medium Watch:** Delays, but not elevated risk of repayment.

**Medium Watch:** Elevated risk of full or partial repayment.

**High Watch:** Active deals are in workout mode or already defaulted.

**At the end of Q2 FY22, one transaction was categorized as Low-Medium Watch:**

**\$10M** prefinancing for World Bank receivable overdue due to administrative delays from beneficiary country of Nigeria. No risk of non-payment; the Bridge Fund received confirmation that the Government of Nigeria approved payment to UNICEF and expects \$10M to be repaid imminently which will reduce Low-Medium Watch to 0%. The \$10M prefinancing comprises 42.5% of the total \$23.5 million disbursed and outstanding at the end of Q2 FY22 compared to 22.7% of the \$44.1 million disbursed and outstanding at the end of Q1 FY22.

### Bridge Fund Q2 Fundraising

Loans	\$100,000
Net Worth Donations	\$1,475,992
<b>TOTAL</b>	<b>\$1,575,992</b>

### New Bridge Fund Capital

Anonymous Donors (2)  
Jennifer Paradis Behle and Tim Behle  
Bradley Belt  
Sheilah and Matt Burnham  
Fidelity Charitable Trustees Philanthropy Fund  
Stefan Findel and Susan Cummings Findel  
Nicole and Shahriar Shahida



# FINANCIAL INFORMATION

## UNICEF USA Impact Fund for Children Inc.

### Statement of Financial Position (unaudited) for the 6 months ended December 31, 2021

#### ASSETS

Cash and Investments	\$42,996,202
Contributions Receivable	\$23,897,523
<b>Total Assets</b>	<b>\$66,893,725</b>

#### LIABILITIES

Recoverable Grants Payable	\$9,067,521
Loans Payable	\$37,300,000
Accrued Interest and Other Liabilities	\$91,924
<b>Total Liabilities</b>	<b>\$46,459,445</b>
<b>Net Assets</b>	<b>\$20,434,280</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$66,893,725</b>

### COVENANT CALCULATION\*

Leverage Ratio	Maximum	Actual
Loans Payable: Net Assets	3.5 : 1	1.8 : 1

\*Recoverable grants up to \$10 million are excluded from the 3.5:1 debt-to-equity ratio. As reported here, loans payable only includes cash loans and the line of credit.

### Statement of Activities (unaudited) for the 6 months ended December 31, 2021

#### REVENUE

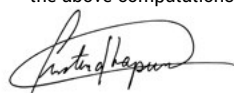
Contributions Revenue	\$27,328,647
Investment and Interest Income	\$365,709
<b>Total Revenue</b>	<b>\$27,694,356</b>

#### EXPENSES

Program Services	
Grants to UNICEF and Other NGOs	\$24,563,828
Program Expenses (including interest expense)	\$927,973
Management and General	\$46,297
Fundraising	\$103,840
<b>Total Expenses</b>	<b>\$25,641,938</b>

<b>Net Income</b>	<b>\$2,052,418</b>
<b>Net Assets – Beginning</b>	<b>\$18,381,862</b>
<b>Net Assets – Ending</b>	<b>\$20,434,280</b>

We certify that, as of the quarter ending December 31, 2021, 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.



Cristina Shapiro, President, Impact Fund for Children Inc.  
Dated: December 31, 2021

To learn more, please visit our website at [unicefusa.org/impact-fund-for-children](https://unicefusa.org/impact-fund-for-children) or contact:

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