



IMPACT FUND
FOR CHILDREN

QUARTERLY ACTIVITY REPORT



March 31, 2022

THE BRIDGE FUND RUSHED EMERGENCY AID TO UKRAINE

To meet the needs of a population suddenly in flight, UNICEF USA's Bridge Fund accelerated humanitarian response for children and families caught in Ukraine's brutal war.

Life changed overnight for the children of Ukraine. On February 23, 2022, with the threat of war looming, Ukraine declared a nationwide state of emergency. The following day, as the war in Ukraine swung into full force, heavy fighting and explosions damaged civilian infrastructure across the country, including hospitals and schools. Homes were destroyed and the first casualties were reported. Parents desperate to save their children began streaming toward the border, leaving life as they knew it behind.

To meet the sudden and enormous needs of a population in flight, UNICEF and other humanitarian organizations leapt into action. On the ground in Ukraine since 1997, Ukraine scaled up emergency response operations in 2014 to address the needs of children during the protracted crisis in eastern Ukraine. Rapidly mobilizing additional resources and procuring emergency supplies require immediate, flexible funding – and that's exactly why UNICEF USA's Bridge Fund was created.



18-month-old Sashko sits with his mother, Kateryna, 27, at UNICEF's "Spilno" Child Spot to get advice on necessary childhood vaccination.

© UNICEF/UN0632243/PIDHAYNA

Within weeks of the dramatic escalation of the war, the Bridge Fund provided a total of \$15.2 million in urgently needed capital to expedite UNICEF’s humanitarian response in Ukraine. Bridge funding was available at a critical time when millions of children and their families were displaced or fleeing the country and in immediate need of safe water, health care and protection.

At the end of February, UNHCR, the UN Refugee Agency, estimated that more than 500,000 people – half of them children – had fled into neighboring countries, principally Poland, Romania, Moldova and Hungary. By April 10, just six weeks after the start of the war, an estimated 7.1 million people were displaced inside Ukraine and more than 50 percent of displaced households included children. 4.5 million people, more than 90 percent of whom are women and children, had fled the country. This type of escalation required quick and flexible bridge funding while fundraising initiatives were underway.



The number of children on the move is staggering, an indication of how desperate the situation is for children and families in Ukraine has become.”

AFSHAN KHAN

UNICEF REGIONAL DIRECTOR
FOR EUROPE AND CENTRAL ASIA

As a result of UNICEF’s immediate response, a six-truck convoy carrying an estimated 70 tons of crucial medical supplies shipped from UNICEF’s Global Supply and Logistics Hub in Copenhagen arrived in Lviv on March 5. The trucks contained badly needed first aid kits, midwifery kits, emergency surgical equipment and resuscitation kits bound for 100 hospitals across five conflict-affected areas.

“In the next week or so, it’s going to get mad busy, and that’s a good thing,” said Warehouse Assistant Fergal Crum, working on surge detail in Ukraine from UNICEF’s Supply Division in Copenhagen in early



Warehouse Assistant Fergal Crum working on surge detail in Ukraine from UNICEF’s Supply Division.

© UNICEF/UN0608248/MOSKALIU

March 2022. “We’ve got to get the stuff in, receive it and get it dispatched. So that’s the main thing – get it to the people who need it.”

To provide critical support for mothers and children arriving in Romania and other host countries, UNICEF and UNHCR, together with local authorities and partners, have set up a network of Blue Dot centers along key travel routes. Designed as family support hubs, the Blue Dots provide respite, guidance and information, along with child protection services – including family tracing and reunification – for children who are traveling alone or who have become separated from their caregivers.



In Medyka, Poland, Agnieszka Sochon, UNICEF Communication Specialist, and Ivana Chapcakova, Child Protection Specialist, inside a Blue Dot tent.

© UNICEF/UN0624211/KORTA



Yulia and her children fled their home in Kharkiv, Ukraine, amid heavy shelling. They are now refugees, along with 4.5 million others who have left Ukraine as of April 10, 2022.

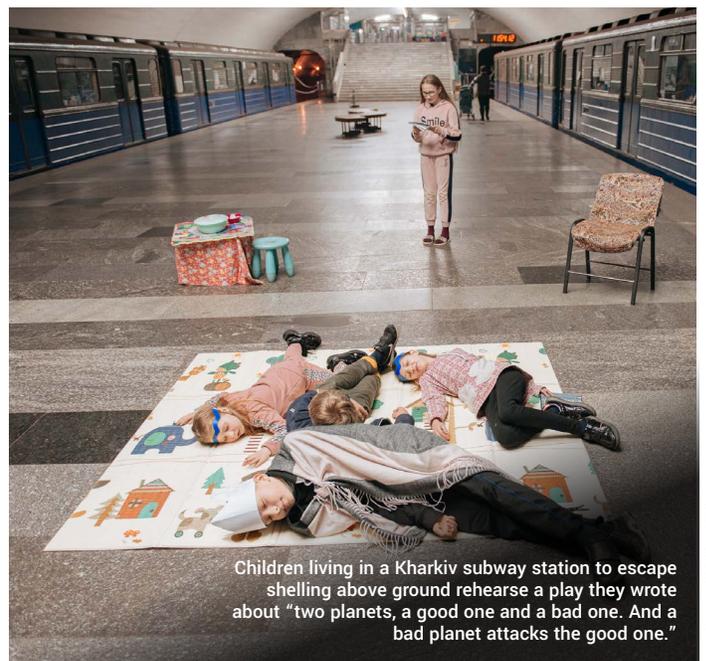
© UNICEF/JUN060867/FLIPPOY

It took Yulia, a mother from Kharkiv, seven days to reach the Polish border with her 1-year-old daughter and 9-year-old son. They packed their bags in 10 minutes and rushed out of their home as shells exploded, raining down shrapnel. "I decided to leave the house and our whole life with only one goal," she said. "To save the children and survive."

Meanwhile, babies kept being born in Ukraine even as the war raged on, and UNICEF rushed support to hospitals where staff risked their lives to protect fragile newborns. Across the country, damage to the water network and power outages left families without access to safe water, so humanitarian organizations working with the water, sanitation and hygiene (WASH) inter-agency cluster, led by UNICEF, worked to provide communities with bottled water, truck in water, and repair damaged systems.

To aid children traumatized by the war, UNICEF and partners rushed to scale up education and psychosocial support programs. In Kharkiv, where thousands fled into the underground metro system to escape gunfire and shelling on the streets above, UNICEF supported volunteers who set up children's spaces in subway stations, and led classes and activities to keep children active and engaged.

As the war in Ukraine escalates, the needs are great and mounting steadily. UNICEF will continue to work in partnership with other agencies to reach vulnerable children and families in Ukraine and in refugee-hosting countries with critical support. Wherever children are caught in crisis, UNICEF will be there to help, and the Bridge Fund will be ready to expedite support for crucial relief efforts.



Children living in a Kharkiv subway station to escape shelling above ground rehearse a play they wrote about "two planets, a good one and a bad one. And a bad planet attacks the good one."

© UNICEF/JUN0618574/PASHKINA

HONORING ANTHONY PANTALEONI'S LEGACY, AN INFLUENTIAL BRIDGE FUND SUPPORTER

The Impact Fund for Children honors the life of Anthony “Tony” Pantaleoni, a dedicated advocate for the world’s children.

The Impact Fund for Children honors the life of Anthony “Tony” Pantaleoni, a dedicated advocate for the world’s children. Tony made tremendous contributions to UNICEF over the course of his life. He was a longstanding member of the UNICEF USA National Board, including five years as its chairman.

As board chair, Tony was an early advocate of the Bridge Fund. When first conceived, the fund’s premise – establishing a pooled debt fund to enable expedited access to UNICEF programs and lifesaving supplies when time matters most – was a novel one, and not entirely without risk. Tony swiftly grasped its promise and understood how it could provide a much-needed solution to close timing gaps between funding commitments and delivery of cash to UNICEF.

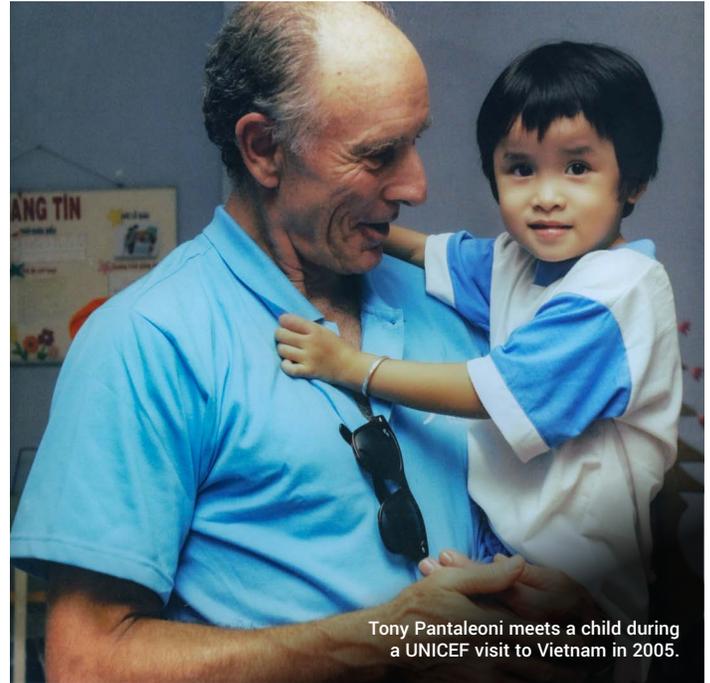
Edward Lloyd, former UNICEF USA Chief Financial Officer and inaugural Impact Fund for Children President, recalled that in early discussions of the Bridge Fund, “The idea of using discounted debt to benefit children lit up his face; it really excited Tony.” Tony’s championing of the fund to other board members was critical, and he dedicated much of his time to move the Bridge Fund forward. Lending his prestige, acumen and vision to the project was par for the course for the former board chair.



My family chose the Bridge Fund to honor my father’s memory, so that his legacy could live on, helping generations after generations of children.”

TÉA LEONI

UNICEF AMBASSADOR AND
UNICEF USA NATIONAL BOARD MEMBER



Tony Pantaleoni meets a child during a UNICEF visit to Vietnam in 2005.

© UNICEF

To honor Tony’s legacy, his family is announcing a matching campaign that aims to achieve more than \$1.2 million in grants for the Bridge Fund to establish the Tony Pantaleoni Memorial Fund. Every \$1.00 of grants can leverage up to \$3.50 in loan funds, providing an immediate and long-term multiplier as loan funds are rapidly deployed, reimbursed and deployed again.

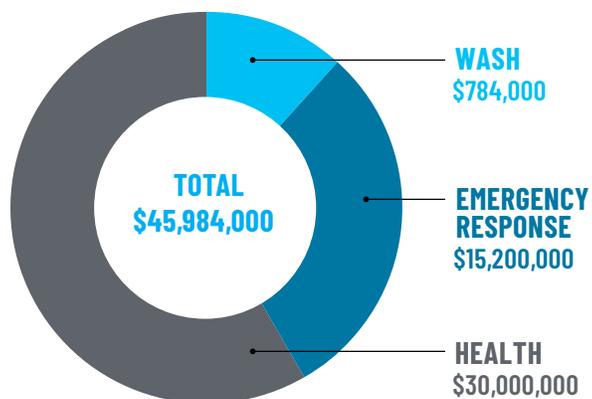
The campaign will kick off this Father’s Day to celebrate Tony as a father and grandfather and in recognition of Tony’s everlasting impact. Grants will be matched by the Pantaleoni family, up to \$610,000, and will be used by the Bridge Fund to ensure UNICEF can provide lifesaving assistance for children when time matters most.

“UNICEF USA is proud to commemorate Tony’s legacy in this manner. It captures his endless commitment to UNICEF’s mission. His compassionate spirit will continue to make the world a more equitable place for children.” says Michael J. Nyenhuis, President and CEO, UNICEF USA.

QUARTERLY PROGRAM ACTIVITY

During the third quarter of Fiscal Year 2022, the Bridge Fund completed five new transactions for a total amount of \$46 million.

Quarterly Activity by Sector



Quarterly Activity by Geographic Reach

WASH	\$784,000
Latin America and Caribbean	\$784,000
EMERGENCY RESPONSE	\$15,200,000
Eastern Europe and Central Asia	\$15,200,000
HEALTH	\$30,000,000
Global	\$30,000,000
TOTAL	\$45,984,000

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
 <p>Good Health and Well-being SDG 3</p> <p>Ensure healthy lives and promote well-being for all ages</p> <p>You can find detailed targets for SDG 3 by clicking on the link here.</p>	<ul style="list-style-type: none"> Continuing progress toward polio eradication by accelerating procurement of oral polio vaccine stockpiles Increasing access to routine immunizations for vulnerable children around the world in order to help end epidemics of communicable diseases
 <p>Clean Water and Sanitation SDG 6</p> <p>Ensure access to water and sanitation for all</p> <p>You can find detailed targets for SDG 6 by clicking on the link here.</p>	<ul style="list-style-type: none"> Ensuring that children and their families have access to safe water by accelerating the rebuilding of WASH infrastructure in Haiti following a 7.2-magnitude earthquake in August 2021

QUARTERLY PROGRAM IMPACT

Third Quarter FY 2022 Highlights

- **\$15M** accelerated for provision of the most urgent, lifesaving needs for children and their families affected by the war in Ukraine
- Expedited the supply of **620 million oral polio vaccines** targeting 465 million children
- Fast-tracked **\$748K** to Haiti to ensure safe drinking water, improved hygiene practices and sanitation facilities are available in health centers and schools

TRANSACTIONS	INPUTS	OUTPUTS	OUTCOMES
<p>Pre-financing for oral polio vaccine stockpiles</p> <p>\$30,000,000</p> <p>Global</p> <p>4 MONTHS BRIDGED¹</p>	<p>Accelerated \$30M to ensure sufficient stocks of oral polio vaccines are in place for future outbreaks</p>	<ul style="list-style-type: none"> • Accelerated the supply of 619.7M doses of novel monovalent oral polio vaccine type 2 (nOPV2) for the global stockpile² • Ensured outbreak response capacity could be maintained 	<ul style="list-style-type: none"> • Accelerated supply of the newest, most promising polio vaccine targeting approximately 464.8M children³ • Enabled rapid access of vaccines for countries experiencing type-2 polio epidemics • Mitigated COVID-19-driven setbacks following suspension of polio campaigns globally
<p>Accelerated emergency response in Ukraine⁴</p> <p>\$15,200,000</p> <p>Eastern Europe and Central Asia</p> <p><1 MONTH BRIDGED</p>	<p>\$15.2M accelerated for provision of the most urgent, lifesaving needs for families affected by the escalating war in Ukraine</p>	<ul style="list-style-type: none"> • Ramping up efforts to meet needs for safe water, health care, education and protection • Prepositioning health, hygiene and emergency education supplies • Working with municipalities to ensure that there is immediate help for children and families • Supporting mobile teams providing psychosocial care to children 	<ul style="list-style-type: none"> • Lifesaving medical supplies reached hundreds of thousands of people through hospitals and maternity homes • Families whose water supply services were disrupted received safe drinking water, and those in temporary shelters received supplies such as hygiene and dignity kits • Thousands of children received psychosocial support through provision of educational and recreational supplies

See footnotes on next page. Continued on next page.



Impact Fund for Children Selected to the ImpactAssets 50 List for the Eighth Consecutive Year

The Bridge Fund was selected as an Emeritus Impact Manager for the ImpactAssets 50 (IA 50) [2022 list](#). The IA 50 recognizes managers who have demonstrated a consistent ability to generate positive impact and resilience within the impact investing market. We thank our investors and donors who have contributed to this inclusion.

TRANSACTIONS	INPUTS	OUTPUTS	OUTCOMES
<p>Expedited Water, Sanitation & Hygiene (WASH) emergency response in Haiti</p> <p>\$784,000</p> <p>Latin America and Caribbean</p> <p>7 MONTHS BRIDGED</p>	<p>Accelerated \$784K to ensure WASH emergency response continued seamlessly following an earthquake in August 2021</p>	<ul style="list-style-type: none"> Expedited access to safe drinking water and improved hygiene practices and sanitation facilities in health centers and schools Increased water storage capacity and repairs of water supply infrastructures sooner Earlier provision of portable handwashing devices, soap and critical hygiene supplies Increased community awareness around COVID-19 prevention and hand hygiene through Risk Communication and Community Engagement (RCCE) 	<ul style="list-style-type: none"> Reached more than 23,220 students, teachers, patients and health workers with access to safe drinking water, improved hygiene practices and sanitation facilities, and COVID-19 prevention

UNICEF SUPPLY DIVISION VACCINE INDEPENDENCE INITIATIVE (VII) HIGHLIGHTS
Annual activity between January 1, 2021 and December 31, 2021

<p>Supply Division VII⁵</p> <p>\$10,000,000</p> <p>Global</p>	<p>VII capital base as of December 31, 2021: \$234.7 million</p> <p>Bridge Fund composition of total VII capital base: 4.3%</p>	<ul style="list-style-type: none"> \$53.7 million for procurement of vaccines and supplies for Kenya, Pacific Islands, Niger and others through VII pre-financings \$309.1 million of COVID-19 supplies enabled through VII pre-financings \$286.2 million in special contracts to secure timely access to approximately 2.3 billion units of COVID-19-related supplies and vaccines 	<ul style="list-style-type: none"> Reached approximately 110 million children faster with 147 million doses of routine vaccines, reducing child mortality and improving children’s health and immunity³ Accelerated and increased the equitable supply of COVID-19 protective gear, medical supplies and vaccines
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¹ Funding was disbursed in three separate tranches of \$10 million. 4 months bridged represents the weighted average of the three tranches.

² Bridge funding represents 63% of total pre-financing needs for the oral polio vaccine stockpile (\$30M of \$48M total). Vaccine doses reported represent the total amount needed for the stockpile, of which the Bridge Fund represents a portion.

³To estimate the number of children that will benefit from vaccine procurements, vaccine wastage rates must be included. Vaccine wastage rates vary by vaccine type, number of doses per vial and local health care 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. Assumed 25% wastage rate for reported figures.

⁴ Outcomes reported represent the total impact of UNICEF’s overall humanitarian response in Ukraine. The Bridge Fund represents a portion of UNICEF’s larger pool of humanitarian funding.

⁵ The Bridge Fund’s \$10 million has been outstanding in the VII since August 2020, and revolves through the year based on the volume of VII activity. The September 30, 2021 activity report included bi-annual VII activity for the period between January 1, 2021 and June 30, 2021. The impact figures in this report represent total activity for the 2021 calendar year, which was \$649 million. As of December 31, 2021, the Bridge Fund comprised 4.3% of the total VII capital base and represents a portion of total activity.

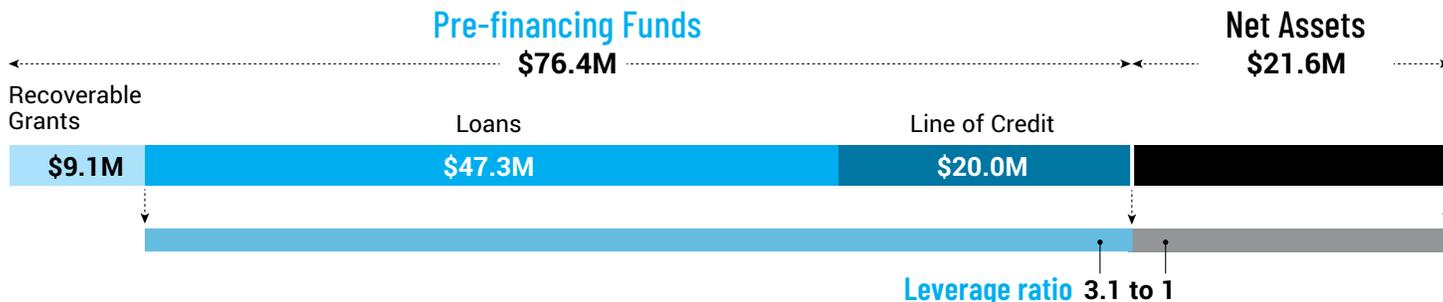


Thank you, Steve Eaton.

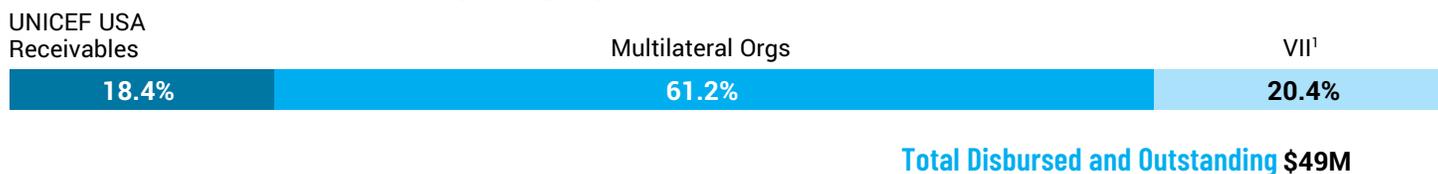
This quarter, the UNICEF USA Impact Fund for Children announced the departure of Steve Eaton from its board of directors. Since joining in 2018, Steve has provided his expertise, time and unwavering support, and his contributions were essential to the Impact Fund’s success. The Impact Fund team and board would like to thank Steve for these significant contributions and wish him all the best in his future endeavors.

IMPACT FUND CAPITALIZATION AND PORTFOLIO BREAKDOWN

Bridge Fund Current Debt and Net Assets



Portfolio Breakdown by Repayment Source



1. The Vaccine Independence Initiative (VII) is a revolving fund, managed by the UNICEF Supply Division. The Bridge Fund's \$10M allocation to the VII comprises 4.3% of the fund. VII pre-financing receivables are from third-party multilaterals and sovereign governments.

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.

In Q3 FY22, one transaction was categorized as Low-Medium Watch:

\$653K of total \$1.4M pre-financing is currently delayed due to internal approval processes within Education Above all Foundation's Educate a Child Program ("EAC"). No risk of non-payment. (Accelerated funding for EAC, a program supporting out-of-school children in Syria.)

Bridge Fund Q3 Fundraising

Loans	\$10,000,000
Net Worth Donations	\$1,201,024
TOTAL	\$11,201,024

New Bridge Fund Capital

Elena Marimo Berk and Derek Drummond
 Stefan Findel and Susan Cummings Findel
 The Sobrato Family Foundation
 Deborah Hart and William Goodykoontz
 Anonymous

FINANCIAL INFORMATION

UNICEF USA Impact Fund for Children Inc.

Statement of Financial Position (unaudited) for the 9 months ended March 31, 2022

ASSETS

Cash and Investments	\$47,310,708
Contributions Receivable	\$51,153,411
Total Assets	\$98,464,119

LIABILITIES

Recoverable Grants Payable	\$9,117,521
Loans Payable	\$67,250,000
Grants Payable NGO-PFP Grants from UNICEF	\$142,500
Accrued Interest and Other Liabilities	\$318,5297
Total Liabilities	\$76,828,318
Net Assets	\$21,635,801
TOTAL LIABILITIES AND NET ASSETS	\$98,464,119

COVENANT CALCULATION*

Leverage Ratio	Maximum	Actual
Loans Payable: Net Assets	3.5 : 1	3.1 : 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 9 months ended March 31, 2022

REVENUE

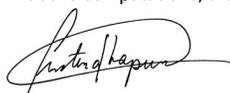
Contributions Revenue	\$76,077,177
Investment and Interest Income	(\$458,856)
Total Revenue	\$75,618,321

EXPENSES

Program Services	
Grants to UNICEF and Other NGOs	\$70,682,317
Program Expenses (including interest expense)	\$1,438,819
Management and General	\$98,325
Fundraising	\$144,921
Total Expenses	\$72,364,382

Net Income	\$3,253,939
Net Assets – Beginning	\$18,381,862
Net Assets – Ending	\$21,635,801

We certify that, as of the quarter ending March 31, 2022, 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: March 31, 2022

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

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