



IMPACT FUND
FOR CHILDREN

QUARTERLY ACTIVITY REPORT



September 30, 2021

AFTER A DEVASTATING EARTHQUAKE, UNICEF USA BRIDGE FUND MOBILIZES TO HELP HAITI'S CHILDREN

Haiti was already reeling from COVID-19 and rising insecurity when a powerful earthquake struck the southwestern part of the country early in the morning on August 14, 2021.

"I thought the earthquake was the end of the world," said 10-year-old **Beland**, in L'Asile, Haiti. "I almost died. My mother almost died too." More than 2,200 people lost their lives and over 12,700 were injured in the 7.2 magnitude quake. Hospitals, schools and homes collapsed, leaving around 650,000 people – including about 260,000 children – in urgent need of humanitarian assistance.

With the enormity of the crisis still unfolding, UNICEF and partners rushed to help families in need, trucking in safe drinking water, delivering emergency supplies and providing health care.

When disaster strikes, time is of the essence. Rapid, flexible funds are vital to relief efforts. That's where UNICEF USA's Bridge Fund comes in – the Bridge



Children receiving their schoolbags on the first day of school

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Putting children back in classrooms is perhaps the best way to make sure they – and their families and communities – can recover.”

BRUNO MAES

UNICEF REPRESENTATIVE IN HAITI

Fund was created to fast-track funding to the field for urgent program needs. Just four days after the quake, the Bridge Fund had accelerated \$500,000 to help UNICEF procure essential supplies to get children back to school.

The earthquake damaged or destroyed more than 906 schools in the southwest, just weeks before the new school year was scheduled to begin. UNICEF worked with Haiti’s Ministry of Education to support teachers and open Child-Friendly Spaces where children could go to learn and play. The accelerated funding from the Bridge Fund allowed the UNICEF country office to purchase educational materials and recreational supplies to help 100,000 children resume their education – and their childhood.

The deadly earthquake destroyed or damaged over 906 schools in the southwest region of Haiti

BRIDGE FUNDING HELPED TO PURCHASE EDUCATION SUPPLIES FOR 100,000 STUDENTS IN THESE EARTHQUAKE-AFFECTED AREAS



UNICEF staff working at the school construction field

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In the wake of a crisis, school provides children with a reassuring sense of normalcy, a protective learning environment and a safe place to play. “The latest calamity comes on top of two years that saw children out of school for months at a time due to political or security challenges and the COVID-19 pandemic,” said Bruno Maes, UNICEF Representative in Haiti. “Putting children back in classrooms is perhaps the best way to make sure they – and their families and communities – can recover.”

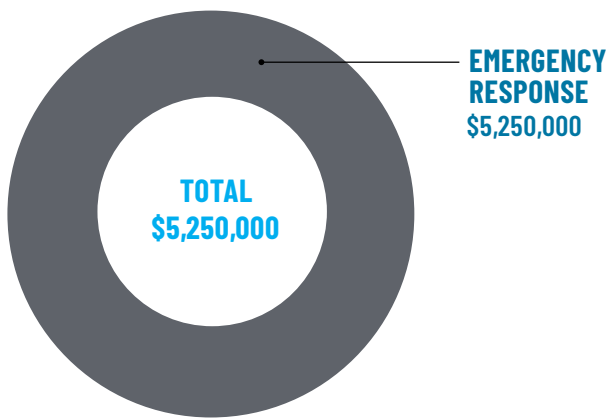
By October 4, children in southwestern Haiti had begun to return to class in the three earthquake-stricken departments: South, Grand’Anse and Nippes. Students who were still recovering from the fresh trauma of the quake excitedly opened their UNICEF backpacks filled with school supplies. Teachers unpacked School-in-a-Box kits loaded with the learning materials they needed to help kids get back on track.

“The extent of the damage to the school buildings is worse than we thought,” said Maes. “Repairing or rebuilding these schools will take time and resources. However, with or without schools, learning and teaching must continue. The longer children wait, the more difficult it will be to get them back to school.”

QUARTERLY PROGRAM ACTIVITY

During the first quarter of Fiscal Year 2022, the Bridge Fund completed two new transactions for a total amount of \$5.3 million.

Quarterly Activity by Sector



BRIDGE FUND REMAINS CRITICAL PARTNER IN FIGHT TO END THE PANDEMIC

The Bridge Fund is committed to minimizing delays for COVID-19 supplies and vaccines and ensuring equitable distribution around the world.

- **\$4.75M OF DONOR COMMITMENTS BRIDGED TO DELIVER COVID-19 SUPPLIES 2 MONTHS SOONER.** Immediate bridge funding helps UNICEF get COVID-19 vaccines into arms quicker, ultimately preventing deaths, reducing transmission and mitigating risk of mutations.

COVID-19 RESPONSE ACCELERATED THROUGH VII*

- **\$43.2M IN COVID-19 SUPPLIES FOR SELF-FINANCING COUNTRIES.** COVID-19 vaccines, immunization supplies, personal protective equipment (PPE), diagnostics and oxygen concentrators were accelerated to 39 countries.
- **\$147.8M IN SPECIAL CONTRACTS TO SECURE ACCESS TO COVID-19 SUPPLIES.** Special contracts ensure equitable distribution of COVID-19 supplies by securing vaccine supply up front in a competitive market, enabling countries to gain access to the vaccine even if they can't immediately secure funding to purchase it.

*The Vaccine Independence Initiative (VII) is a revolving fund, managed by the UNICEF Supply Division, that provides low- and middle-income countries with flexible financing, allowing for the timely procurement of essential commodities and the required technical support for forecasting and budgeting. The Bridge Fund's \$10M allocation comprises 6.8% of the fund, and activities listed represent bi-annual activity of the entire fund between January 1, 2021 and June 30, 2021.

Quarterly Activity by Geographic Reach

EMERGENCY RESPONSE	\$5,250,000
Global	\$4,750,000
Latin America and the Caribbean	\$ 500,000
TOTAL	\$5,250,000

The Bridge Fund's SDG Impact

GOAL



Good Health and Well-Being

SDG 3

Ensure healthy lives and promote well-being for all at all ages

You can find detailed targets for SDG 3 by clicking on the link [here](#).

BRIDGE FUND PROGRESS THIS QUARTER

In Q1 FY22, the Bridge Fund helped to advance progress towards SDG 3 through its existing \$10 million investment in the VII

- Increased access to routine immunizations for vulnerable children around the world, helping to end epidemics of communicable diseases

QUARTERLY PROGRAM IMPACT

First Quarter FY 2022 Highlights

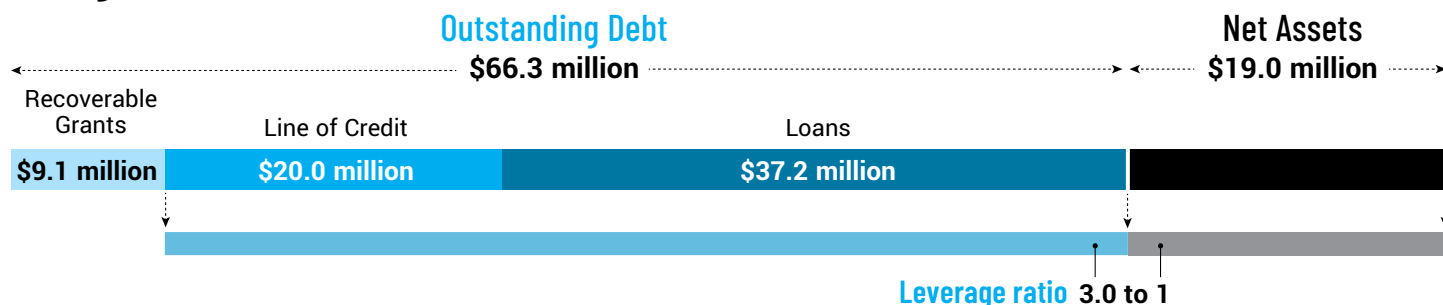
- **\$500K accelerated to help Haiti's children** resume education after deadly earthquake
- **\$4.75M of COVID-19 fundraising** fast-tracked by 2 months

TRANSACTIONS	INPUTS	OUTPUTS	OUTCOMES
<p>Prefinancing to help Haitian children resume education after earthquake</p> <p>\$500,000</p> <p>Latin America and the Caribbean</p> <p>2 MONTHS BRIDGED</p>	<p>\$500K accelerated to help children resume education after deadly earthquake destroyed or damaged over 906 schools</p>	<ul style="list-style-type: none"> • Accelerated educational materials and recreational supplies for children affected by the earthquake • School-in-a-Box kits loaded with learning materials and backpacks filled with school supplies were available to children earlier 	<ul style="list-style-type: none"> • 100,000 children received school supplies to help them resume their education and their childhood • Minimized further disruptions to children's education caused by political or security challenges and the COVID-19 pandemic
<p>Prefinancing for UNICEF USA's End the Pandemic Campaign</p> <p>\$4,750,000</p> <p>Global</p> <p>2 MONTHS BRIDGED</p>	<p>\$4.75M accelerated towards urgent procurement and programs for COVID-19 pandemic response</p>	<ul style="list-style-type: none"> • Prepared low-income countries for delivery of COVID-19 vaccines • Ensured equitable and on-time distribution of COVID-19 vaccines and supplies 	<ul style="list-style-type: none"> • Enabled COVID-19 vaccines to get into arms quicker, preventing deaths, reducing the spread of COVID-19 and mitigating risk of mutations
<p>UNICEF SUPPLY DIVISION VACCINE INDEPENDENCE INITIATIVE (VII) HIGHLIGHTS</p> <p>Bi-annual activity between January 1, 2021 and June 30, 2021</p>			
<p>Supply Division VII</p> <p>\$10,000,000</p> <p>Global</p>	<p>VII capital base as of June 30, 2021: \$147.7 million</p> <p>Bridge Fund composition of total VII capital base: 6.8%</p>	<ul style="list-style-type: none"> • \$36.0 million for procurement of vaccines and supplies for Kenya, Pacific Islands, Niger and others through VII pre-financings • \$43.2 million of COVID-19 supplies enabled through VII pre-financings • \$147.8 million in special contracts to secure timely access to 860 million units of COVID-19 related supplies and vaccines 	<ul style="list-style-type: none"> • Reached 76 million children faster with 102 million doses of routine vaccines, reducing child mortality and improving children's health and immunity¹ • Accelerated and increased the equitable supply of COVID-19 protective gear, medical supplies and vaccines

¹ To 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.

IMPACT FUND CAPITALIZATION AND PORTFOLIO BREAKDOWN

Bridge Fund Current Debt and Net Assets



Portfolio Breakdown by Repayment Source



Total Disbursed and Outstanding \$44.1 million

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 6.8% of the fund. VII prefinancing receivables are from third party multilaterals and sovereign governments.

2. 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

The Bridge Fund is introducing portfolio watch reporting in FY22. 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 Q1 FY22, two transactions were categorized as Low-Medium Watch:

- **\$10M** pre-financing for World Bank receivable overdue due to administrative delays from beneficiary country of Nigeria. No risk of non-payment. (Procurement of Cold Chain in Nigeria.)
- **\$98k** pre-financing of fundraising campaign delayed as fundraising slower than anticipated. Repayment officially restructured for March 2022 as of October 30. No risk of non-payment. (Accelerated re-opening of Early Childhood Center in Rwanda.)

Bridge Fund Q1 Fundraising

Loans	\$3,850,000
Recoverable Grants	\$600,000
Net-Worth Donations	\$472,544
TOTAL	\$4,922,544

New Bridge Fund Capital

Deborah Hart and William Goodykoontz
 Laura Fenton
 Sandra and Lawrence Post
 Sisters of St. Francis
 Sudip Thakor
 Anonymous

FINANCIAL INFORMATION

UNICEF USA Impact Fund for Children Inc.

Statement of Financial Position (unaudited) for the 3 months ended September 30, 2021

ASSETS

Cash and Investments	\$24,181,900
Contributions Receivable	\$61,720,242
Total Assets	\$85,902,142

LIABILITIES

Recoverable Grants Payable	\$9,067,520
Loans Payable	\$57,200,000
Accrued Interest and Other Liabilities	\$676,335
Total Liabilities	\$66,943,855
Net Assets	\$18,958,287
TOTAL LIABILITIES AND NET ASSETS	\$85,902,142

COVENANT CALCULATION*

Leverage Ratio	Maximum	Actual
Loans Payable: Net Assets	3.5 : 1	3.0 : 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 3 months ended September 30, 2021

REVENUE

Contributions Revenue	\$15,621,101
Investment and Interest Income	(7,366)
Total Revenue	\$15,613,735

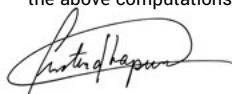
EXPENSES

Program Services	
Grants to UNICEF and Other NGOs ¹	\$14,509,937
Program Expenses (including interest expense)	\$455,711
Management and General	\$21,927
Fundraising	\$49,734
Total Expenses	\$15,037,309

Net Income	\$576,426
Net Assets – Beginning	\$18,381,861
Net Assets – Ending	\$18,958,287

1. Includes a \$9.8 million activity reported in Q3 FY21 but revenue and grant recognized in Q1 FY22 due to timing of the recognition of revenue in UUSA for these specific bridged transactions.

We certify that, as of the quarter ending September 30, 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: September 30, 2021

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

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