In 2010, the UN General Assembly recognized safe drinking water and good sanitation as a basic human right. Why enshrine safe water and sanitation in a formal resolution? The answer is sobering. Lack of safe water and adequate sanitation, coupled with poor hygiene, cause preventable, diarrhea-related diseases, killing more than 800 children under five every day. In a vicious cycle, repeated diarrhea or intestinal worms can cause malnutrition, stunting and irreversible physical and cognitive damage. In 2014, 159 million children under five (or 1 in 4 children worldwide) were stunted. Other water- and sanitation-related illnesses — including cholera, malaria, trachoma, schistosomiasis, worm infestations and guinea worm disease — sicken or weaken millions of children.

Poor sanitation and hygiene affect educational outcomes, too. In addition to the physical and cognitive damage from diseases caused by tainted water, which reduces school performance...
and attendance, many children — particularly girls — can’t go to school because they lack decent sanitation facilities, including gender-segregated toilets. Adolescent girls need a clean and private space to manage their menstrual hygiene with privacy and dignity. And many children — mostly girls — miss school because they spend hours every day collecting water.

The economic damage from unsafe water and inadequate sanitation can be severe, too. Globally, women and children spend around 200 million hours every day to collect water. Poor farmers and wage earners are less productive due to illness, health systems are overwhelmed, economic output suffers and sustainable development is impossible. If all countries could provide access to basic, low-cost water and sanitation, the world would save approximately $263 billion a year. If everyone in the world had such access, the reduction in diarrhea-related diseases alone would save $11.6 billion in health costs, and generate $5.6 billion in labor spending.

Despite Progress, Ongoing Need

To ensure all children can access clean water, sanitation and hygiene — and enjoy the health, educational and economic benefits they bring — UNICEF’s WASH program (see sidebar above) works with families, other NGO’s and governments in more than 100 countries around the world. Over the last 15 years, under UNICEF’s leadership, WASH has helped enhance conditions for millions worldwide. Today, 91 percent of the world’s population has access to clean drinking water, and 68 percent use improved sanitation.

But millions of children in poor and rural communities still lack clean water, adequate sanitation and an understanding of basic hygiene. In fact, according to the latest UNICEF and World Health Organization estimates, 663 million people don’t have access to clean water, 2.4 billion people don’t have access to improved sanitation and 946 million people defecate in the open.

UNICEF’s Global Water, Sanitation and Hygiene Programs (WASH)

Emphasizing innovation and infrastructure resistant to climate change, UNICEF has developed comprehensive global WASH programs that are interdependent.

For example, without toilets, water sources become contaminated; without clean water, basic hygiene isn’t possible.

UNICEF’s safe water program focuses on access for children, water quality and the appropriate siting of safe water sources. For sanitation, UNICEF focuses on community-led initiatives to build, maintain and use basic toilets, including the separation of human waste from contact with people and ending the practice of “open defecation.” UNICEF’s hygiene program nurtures simple, but powerful hygiene, especially hand washing with soap.

UNICEF in Action

The Amazon watershed, known in Brazil as the “Legal Amazon,” contains the most extensive river system in the world, extending from the Peruvian Andes to the Atlantic coast. More than 24 million Brazilians, belonging to more than 170 ethnicities, inhabit the region. Because it contains 59 percent of Brazil’s land mass, but only 12.34 percent of its population, the region is sparsely settled and often hard to reach. Unfortunately, access to safe water and sanitation in the Legal Amazon ranks among the worst in Brazil. The region’s residents also receive little education about the importance...
of water quality and hygiene.

Despite Brazil’s strong economic growth in the last few decades, extreme poverty, food insecurity, child mortality and poor education remain challenges in the Legal Amazon. The country’s recent plunge into recession has further impeded progress. Current census data indicates that about 70 percent of children under seven in the region are from impoverished families living in inadequate housing with highly risky environmental conditions. Only 11 percent of these children have sewage or rainwater collector systems or septic tanks connected to sewers, while 35 percent use rudimentary pits and 35 percent use open, hand-dug wells. These conditions result in high degrees of preventable diseases, contributing to high morbidity and mortality. The World Health Organization has reported that 88 percent of diarrheal diseases in Brazil result from unsafe water supply, inadequate sanitation and poor hygiene.

UNICEF is partnering with the Kimberly-Clark Corporation to help inform officials and families in 300 municipalities in the Legal Amazon about effective WASH strategies to improve public policy involving clean water and sanitation, with the potential to reach more than 5 million children and adolescents. The Bridge Fund has accelerated $200,000 to UNICEF Brazil so that this work can begin immediately and rapidly achieve meaningful reductions in disease, morbidity and mortality among children.

UNICEF offers education to displaced Syrian children in the midst of a severe, ongoing crisis.

Estimates are that more than four million Syrians — half of them children — have fled their country due to ongoing conflict that began nearly five years ago. Parents are risking their lives and the lives of their children to take perilous journeys because they have no other option and see no future for themselves or their families in Syria. There are also over 12 million internally displaced Syrians, half of whom are also children, who need humanitarian aid. Three million of these displaced children can’t go to school due to violence, destruction of their schools and insecurity.

UNICEF has responded to this multi-faceted and complex emergency by providing protection, access to essential services, and humanitarian relief. In addition, through UNICEF’s Educate a Child program, 6,000 displaced Syrian children have returned to school and are regaining a sense of normalcy. The Elbert H, Evelyn J and Karen H. Waldron Charitable Foundation has pledged a grant to ensure that these 6,000 children remain in school. The Bridge Fund accelerated the second installment of the foundation’s pledge to maintain the continuity of this vital program.
Quarterly Program Activity
The Bridge Fund completed the two transactions in the quarter ending March 31, 2016, totaling $250,000. The transactions and their impact are listed below.

<table>
<thead>
<tr>
<th>TRANSACTIONS</th>
<th>INPUTS</th>
<th>OUTPUTS</th>
<th>OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waldron Charitable Foundation</td>
<td>$50,000 for education programs in Syria</td>
<td>Support and educational supplies will be provided to displaced children in Syria</td>
<td>6,000 displaced children will be able to remain in school</td>
</tr>
<tr>
<td>Kimberly-Clark Corporation WASH</td>
<td>$200,000 from each of Kimberly-Clark Corporation and Kimberly-Clark Brazil for WASH programs in the Legal Amazon</td>
<td>Three hundred municipalities in the Legal Amazon engaged in best practices in enforcing the right of access of clean drinking water and safe sanitation for children and adolescents.</td>
<td>Improved health outcomes for over 5 million children and adolescents:  *Improved water supply reducing morbidity between 6 and 21%;  *Improved sanitation reducing mortality by 32%  *Improved hygiene reducing diarrheal diseases up to 45%  *Improved water quality for homes reducing disease 35 to 39%</td>
</tr>
</tbody>
</table>

**CAPITALIZATION**
- Loans $34.7 million
- Grants $12.9 million
- Fiscal Year 2016 Program Activity $16.9 million
- Cumulative Program Activity (Since 2012) $114.6 million

**IMPACT METRICS**
We use IRIS to reflect the social and environmental impact of the Bridge Fund’s work. Please visit our web page at unicefusa.org/unicef-bria-fund to see the latest IRIS metrics.

The U.S. Fund for UNICEF Bridge Fund is an innovative financial tool created by the U.S. Fund for UNICEF to speed lifesaving assistance to children in need. The Bridge Fund provides UNICEF with flexible capital to react immediately when supplies are needed, reducing or eliminating timing gaps between the start of a crisis or project and the moment funding becomes available.
FINANCIAL INFORMATION
U.S. Fund for UNICEF In-Kind Assistance Corporation

USF-IKAC operates for the benefit of and to perform specific functions for the U.S. Fund for charitable and educational purposes.

Bridge Fund Program (Segment) Statement of Financial Position (unaudited)*

**ASSETS**

Cash and Investments .................................................. $ 28,821,991
Contributions Receivable ................................................. 19,177,264
Total Assets ...................................................................... 47,999,160

**LIABILITIES**

Loans Payable .................................................................. 34,700,000
Accrued Interest Expense ................................................. 229,729
Total Liabilities ................................................................. 34,929,729

Net Assets ......................................................................... 13,069,431
Total Liabilities & Net Assets ........................................... 47,999,160

*as of March 31, 2016

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

**REVENUE**

Contributions Revenue ..................................................... $ 17,573,961
Investment & Interest Income ........................................... 336,371
Total Revenue .................................................................. 17,910,332

**EXPENSES**

Grants to UNICEF .............................................................. 16,721,195
Interest Expense ............................................................... 644,061
Total Expense .................................................................. 17,365,256

Net Income ........................................................................ 545,076
Net Assets – Beginning .................................................... 12,524,355
Net Assets – Ending ............................................................ 13,069,431

*for the nine months ending March 31, 2015

Covenant Calculation

**LEVERAGE RATIO**

Debt : Net Assets

**LOAN GOAL**

Maximum 3.5 : 1

**ACTUAL**

2.7 : 1

We certify that as of the quarter ending March 31, 2016, 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
Chief Operating Officer and Chief Financial Officer
elloyd@unicefusa.org
(212) 922-2557

FOR MORE INFORMATION ABOUT THE U.S. FUND FOR UNICEF BRIDGE FUND, PLEASE CONTACT:

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(212) 922-2579

Dated: May 16, 2016

Edward G. Lloyd
Chief Operating Officer and Chief Financial Officer