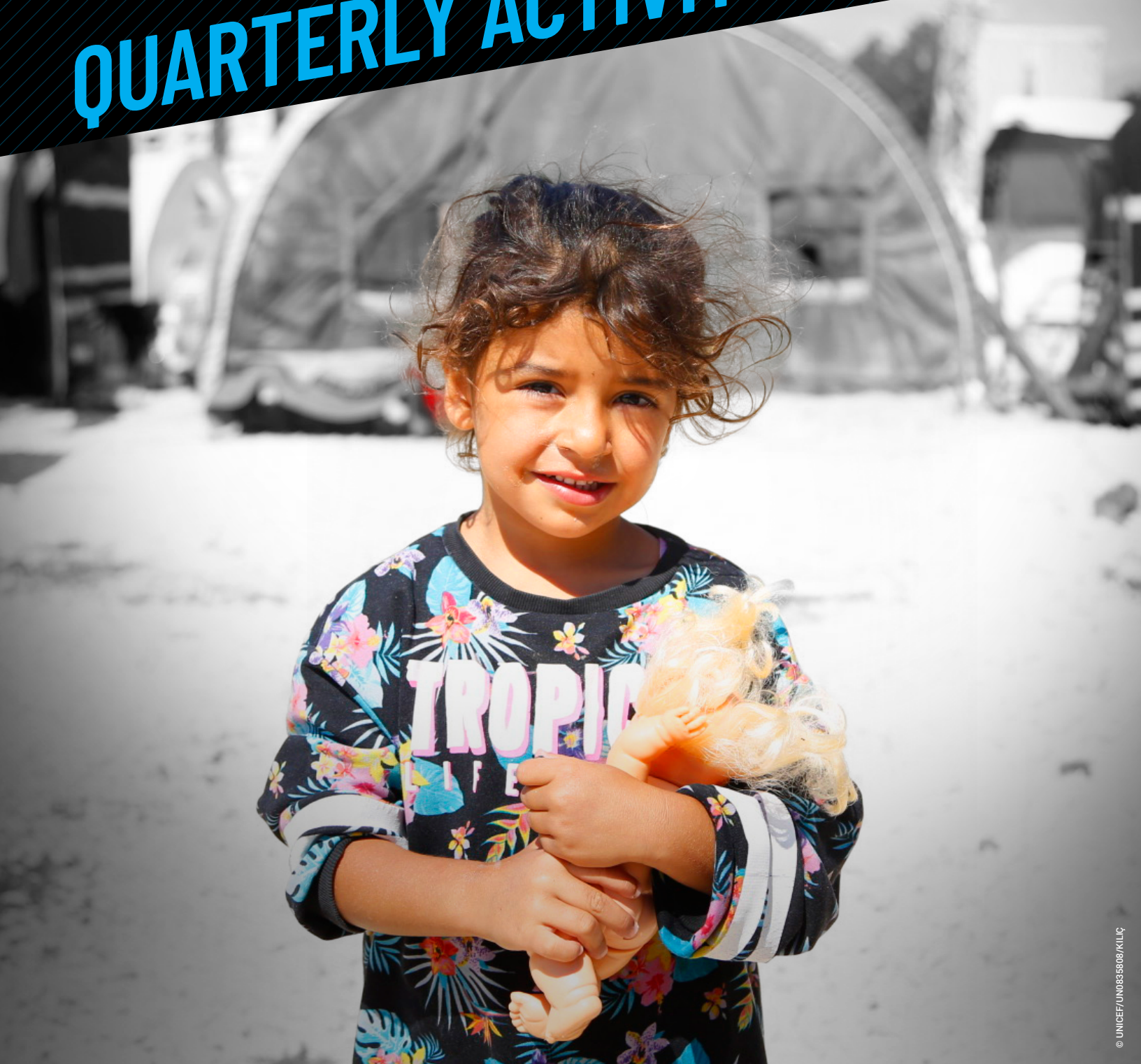




IMPACT FUND
FOR CHILDREN

QUARTERLY ACTIVITY REPORT



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March 31, 2023

ACCELERATED FUNDS HELP MILLIONS OF CHILDREN IN SYRIA AND TÜRKIYE

Just one day after catastrophic earthquakes struck in February, the UNICEF USA Bridge Fund dispatched the first of three crucial funding rounds to hasten UNICEF's emergency response.

When back-to-back earthquakes convulsed southern Türkiye and northern Syria on February 6, the UNICEF USA Bridge Fund accelerated a total of \$2.5 million in the critical days and weeks that followed to facilitate UNICEF's rapid emergency response. Without the Bridge Fund's acceleration, UNICEF's humanitarian action for Turkish and Syrian children and families in the earthquakes' immediate aftermath would have been measurably diminished. The funds helped UNICEF swiftly deliver lifesaving services and supplies to children and

families affected by these fatal events, which have left more than 50,000 dead and millions of children in need of humanitarian aid.

The initial 7.8-magnitude earthquake struck in the early morning as children and families slept, devastating the region and damaging and destroying homes, displacing millions of people. The catastrophe was further compounded by a 7.5-magnitude aftershock and hundreds of smaller aftershocks.



Sema Hosta, of UNICEF Türkiye, plays with children at a temporary accommodation shelter in Hatay.

© UNICEF/UN0895852/KILIC

One day after the earthquakes, the Bridge Fund accelerated \$500,000 for emergency response in Syria, where children already live under a precarious cease-fire after more than a decade of conflict and crisis. The initial grant was soon followed by two additional \$1 million disbursements to both Syria and Türkiye. All three funding tranches have been replenished by funds raised in response to UNICEF's Syria and Türkiye earthquake appeal. The accelerated funds went toward providing emergency assistance to children and families in Syria and Türkiye after the earthquakes, with a primary focus on water, sanitation and hygiene (WASH), child protection services, nutrition and education.

Immediately following the quakes, UNICEF worked with local governments to identify the greatest areas of need, supporting government search and rescue efforts, and distributing hygiene kits, blankets and warm clothing. In addition to affecting hundreds of thousands of homes, the earthquakes caused widespread damage to schools and essential infrastructure, including WASH facilities.



UNICEF USA President and CEO Michael J. Nyenhuis meets children affected by the February earthquakes.

© UNICEF/UN0826485

When their WASH systems were destroyed or contaminated, Syrian families needed supplies that would have been delayed without ready emergency funding. In northwest Syria, UNICEF distributed 22,236 hygiene kits, supporting 114,825 affected people. In Türkiye, UNICEF also reached around 258,000 people, including approximately 148,000 children, with critical hygiene supplies.



Twenty-five UNICEF-supported mobile health clinics, including one in Kafer Jalis, provide services to children after 67 health facilities across the area were damaged or destroyed.

© UNICEF/UN0825682/FRICKER



It is not enough to simply provide immediate relief – we must commit to standing with these families for the long haul, helping them to regain a sense of stability and hope. By providing access to essential services, like safe water, health care and psychosocial support, we can help children and families heal from the awful experiences they have endured so they can begin to rebuild their lives.”

CATHERINE RUSSELL

UNICEF EXECUTIVE DIRECTOR



These were the most powerful earthquakes to hit the region in almost 100 years and came at the worst possible time for vulnerable children and families in the affected areas.”

JAMES ELDER

UNICEF SPOKESPERSON

The timing of the catastrophe was dire. In mid-winter, newly displaced families faced the possibility of bitterly cold weather without shelter, winter clothing, blankets and electric heaters. Nearly 3 million children in Syria were already displaced prior to the earthquakes. Conditions in temporary shelters and refugee camps pose significant risk of cholera and acute watery diarrhea outbreaks. Children, especially those under age 5, are especially susceptible to malnutrition and illness living in such circumstances. UNICEF supported 19,781 children under 5 with nutrition preventative and curative

services in the earthquake affected areas in Idleb and Aleppo. In Aleppo and Lattakia, a total of 203,900 people were reached by UNICEF with critical health supplies.

During a disaster, children’s psychological health can suffer or worsen. More than 3.7 million Syrian children, the majority of whom have lived most if not all their lives in uncertainty, experienced additional trauma because of the earthquakes. UNICEF’s response in Türkiye also included psychosocial support to affected children and families, setting up temporary learning and child-friendly spaces, to hasten a return to learning and play. UNICEF and partners reached more than 55,000 children with essential Child Protection services and supplies, including psychological first aid and recreational activities.

The Bridge Fund’s early intervention allowed UNICEF to act quickly when the earthquakes jolted Türkiye and Syria and upended the lives of millions of vulnerable children. Recovery and rebuilding after the strongest earthquakes in the region in more than 100 years will require long-term intervention and support. While UNICEF fundraises to meet a combined appeal for both countries of \$370 million, the accelerated funds have helped to mitigate the disaster’s impact through delivery of crucial supplies and support.



UNICEF staff visiting students in a UNICEF-supported tent classroom in Hatay, Türkiye.

© UNICEF/UN0835847/KLIC

INTRODUCING THE CHILD-LENS INVESTING FRAMEWORK

The Impact Fund for Children has completed a critical milestone in driving forward its public and private market strategies to align and augment greater amounts of investment capital to children’s well-being.

Children make up a third of our world and all of our future, yet half are unable to access basic needs like safe water and nutritious foods. **If children bear the brunt of our world’s problems, why aren’t they centered in our investment solutions?** Right now, 1.8 billion young people stand on the brink of adulthood. Underinvestment in these youth will have serious financial costs to our society, whereas strategic investment will have outsized returns.

In response to this question, the Impact Fund for Children has partnered with UNICEF’s Innovative Finance Hub and impact investment consultant, Tidelive, to launch the development of a child-focused investment lens. Child-lens investing provides an unprecedented opportunity to unleash the immense power of financial markets and the ingenuity of wealth creators to consider children in decision-making.

WHAT IS CHILD-LENS INVESTING?

The child lens is an investing approach through which investors intentionally consider child-related factors to advance positive child outcomes while also minimizing child harm.

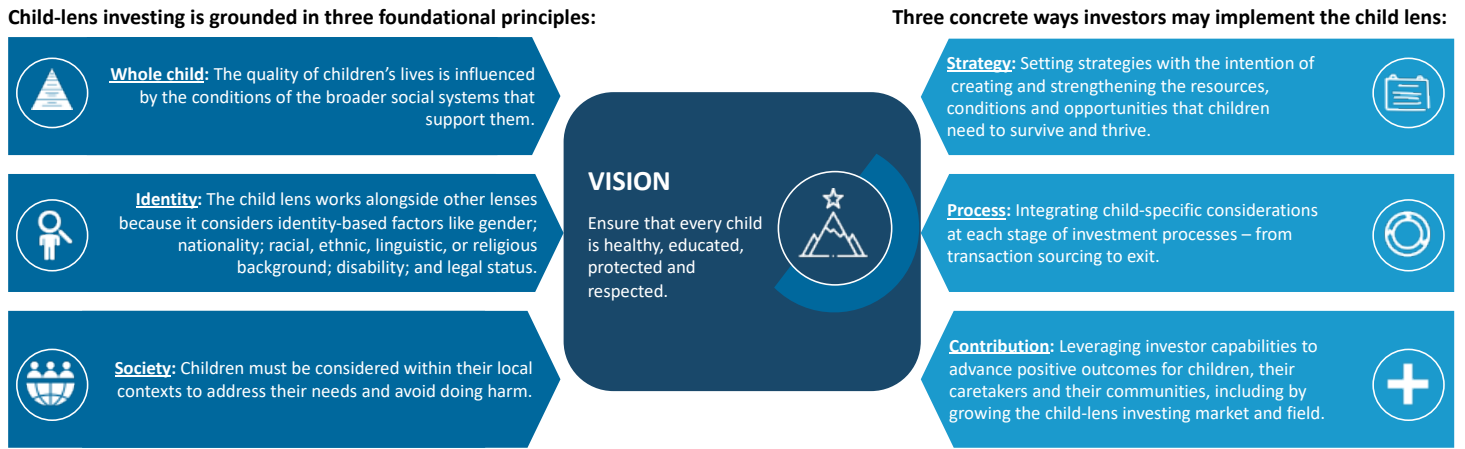
The Child-Lens Investing Framework is inclusive of stakeholders on both ends of the investment process: those driving change and those impacted. At its core, the child lens will take the well-being of all children into account – inclusive of background, identity and local contexts. The framework also defines an emergent taxonomy to organize existing relevant strategies that span all asset classes, themes and geographies.

As our valued supporters, we welcome you to join the emerging child-lens investing ecosystem to ensure that every child is healthy, educated, protected and respected.



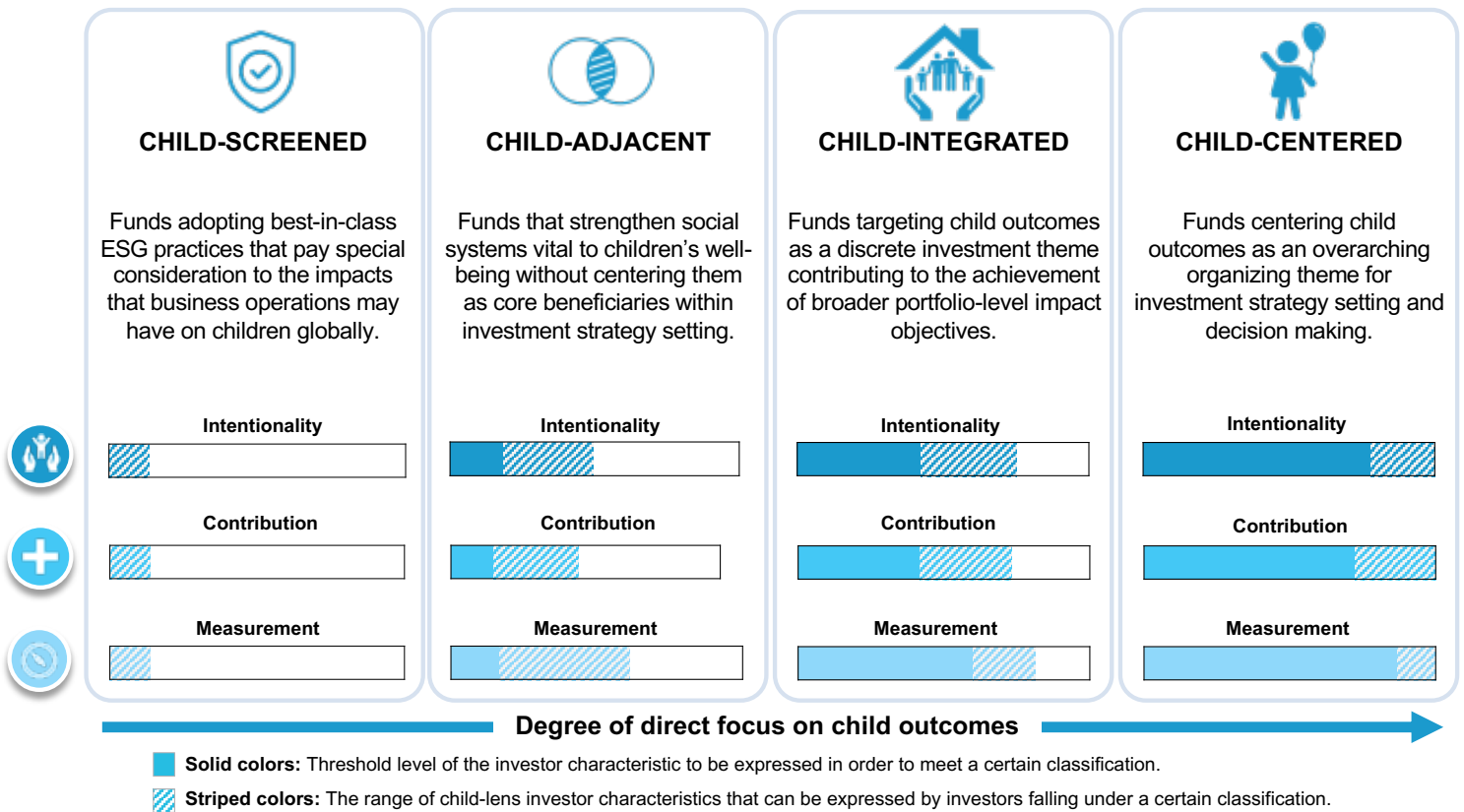
Learn more at unicefusa.org/impact-fund-for-children

Figure 1: Child-Lens Investing: Principles, Vision and Elements



This taxonomy ranges from child-screened investors – those promoting positive child outcomes through practices that minimize the negative impact of business operations on children – to child-centered investors – those who organize their strategies around the attainment of child outcomes.

Figure 2: The Taxonomy of Child-Lens Investors



With this paper and accompanying investor toolkit, we invite you to lend your talents to help shape this emerging field. We invite you to learn about the child lens, review the framework and toolkit, and send us any feedback that you may have.

BRIDGE FUND WINS

The Bridge Fund completes a chapter in its fight against polio

The UNICEF USA Bridge Fund has been a critical partner for the fight to eradicate polio since its inception, accelerating \$286 million of capital to date across vaccine procurement and distribution. In 2015, type 2 wild polio was declared officially eradicated. While now out of circulation, a global stockpile of the type 2 vaccine must be maintained to mitigate the risk of another outbreak. Since 2016, the Bridge Fund has helped accelerate \$105 million in financial commitments and vaccine procurement for the World Health Organization stockpile, granting the ability to dispatch vaccines immediately should the need arise.

Now, we are excited to announce that changes to the overall procurement process have reduced the administrative delays and challenges – eliminating the regular, ongoing need for bridge funding. At the close of the third quarter of FY23, the Bridge Fund has received no demand for stockpile prefinancing compared to the nearly \$30 million that was disbursed by this point in FY22. Though the fund stands ready to support future stockpile needs, procurement funds for the vaccine stockpile are expected to flow as needed

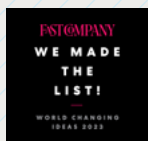
and funding and procurement volumes are forecasted to remain at the same levels.

This new development serves as an important milestone in UNICEF's continued fight on the front lines of polio eradication. Though the Bridge Fund is a critical tool for UNICEF, it is always our hope that longer-term or better fitting solutions can be made to reduce timing gaps. We thank our investors and donors for the critical work you've made possible to support this stockpile. With this change comes the opportunity to direct resources to other needs and initiatives that can positively impact the lives of children around the globe.



© UNICEF/UN082639/MAHMOUD

Fast Company Honors the Bridge Fund



The Bridge Fund's response to the Horn of Africa malnutrition crisis has been selected as a winner of the "Rapid Response" category and as an honorable mention in the "Enduring Impact: 15+ Years in Business" category of *Fast Company's* 2023 World Changing Ideas awards. Read more about our investment in the battle against malnutrition in our [last quarterly report](#) and in [Fast Company's article](#).

Celebrating Our Ninth Year on the ImpactAssets 50 List



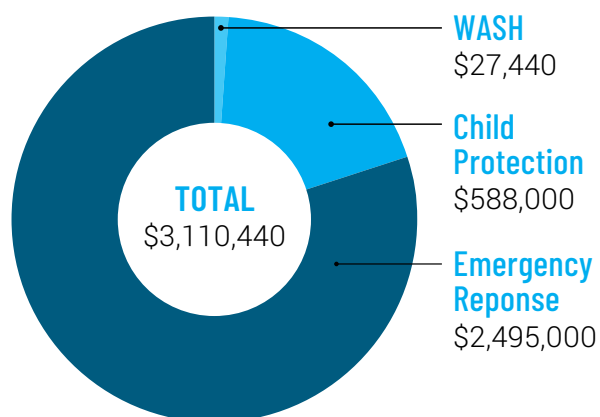
The Bridge Fund was selected as an Emeritus Impact Manager for the ImpactAssets 50 (IA 50) [2023 list](#). This is the Impact Fund for Children's ninth consecutive year on the list. The IA 50 recognizes managers who have demonstrated a consistent ability to generate positive impact and resilience within the impact investing market. We thank our investors and donors who have contributed to this inclusion.

WATCH NOW: [A new animated video](#) that serves as a new visual way to explain the Bridge Fund's operations, rapid response and impact.

QUARTERLY PROGRAM ACTIVITY

During the third quarter of Fiscal Year 2023, the Bridge Fund completed five new transactions for a total amount of \$3.1 million.

Quarterly Activity by Sector






Quarterly Activity by Geographic Reach

WASH	\$27,440
East Asia & the Pacific	\$27,440
CHILD PROTECTION	\$588,000
Asia & Africa	\$588,000
EMERGENCY RESPONSE	\$2,495,000
Middle East & North Africa	\$1,735,000
Eastern Europe & Central Asia	\$760,000
TOTAL	\$3,110,440

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>5 GENDER EQUALITY</p> <p>Gender Equality</p> <p>SDG 5</p> <p>Achieve gender equality and empower all women and girls</p> <p>You can find detailed targets for SDG 5 by clicking on the link here.</p>	<p>\$588,000 accelerated to combat the practice of child marriage by offering adolescent girls skills development, increased resources and opportunities, and legal and political action</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Good Health and Well-Being</p> <p>SDG 3</p> <p>Ensure healthy lives and promote well-being for all at all ages</p> <p>You can find detailed targets for SDG 3 by clicking on the link here.</p>	<p>\$2,495,000 accelerated to Syria and Türkiye to provide emergency assistance to children and families affected by the devastating earthquakes, with initial focus on water, sanitation and hygiene (WASH), child protection services, nutrition and education</p>
 <p>6 CLEAN WATER AND SANITATION</p> <p>Clean Water and Sanitation</p> <p>SDG 6</p> <p>Ensure availability and sustainable management of water and sanitation for all</p> <p>You can find detailed targets for SDG 6 by clicking on the link here.</p>	<p>\$27,440 accelerated to prevent delays in programming for the Duke-UNICEF Innovation Accelerator, which aims to build capacity of social entrepreneurs to scale local innovations in water, sanitation and hygiene.</p>

QUARTERLY PROGRAM IMPACT

Third Quarter FY 2023 Highlights

- **\$2,495,000** accelerated to support emergency response efforts in Syria and Türkiye after the devastating earthquakes and aftershocks.
- Reached **76 million** children by expediting the supply of routine vaccines through investment in the Vaccine Independence Initiative (VII).

TRANSACTIONS	INPUTS	OUTPUTS	OUTCOMES
<p>Prefinancing to ensure continuity of ending child marriage program efforts</p> <p>\$588,000</p> <p>Asia & Africa (12 priority countries)</p> <p>~1 YEAR BRIDGED</p>	<p>Accelerated \$588,000 to ensure that the Global Programme to End Child Marriage could receive funds to reach program goals before the program completes at the end of 2024</p>	<p>Accelerated impact for the Global Programme to End Child Marriage, which prevents girls from marrying too young and supports those already married girls</p>	<p>Adolescent girls fully enjoy their childhood free from the risk of child marriage and experience healthier, safer and more empowered life transitions</p>
<p>Accelerated emergency response in Syria and Türkiye¹</p> <p>\$2,495,000</p> <p>Middle East & North Africa/ Eastern Europe & Central Asia</p> <p><1 MONTH BRIDGED</p>	<p>Accelerated \$2.5M, through three tranches, to provide vulnerable populations emergency assistance in response to the 7.8-magnitude earthquake and aftershocks</p>	<p>Provision of emergency assistance to children and families in Syria and Türkiye with an initial focus on water, sanitation and hygiene (WASH), child protection services, nutrition and education</p>	<ul style="list-style-type: none"> • UNICEF reached around 258,000 people in Türkiye and around 114,825 people in Northwest Syria with critical hygiene supplies. • UNICEF reached a total of 203,900 people with health supplies in Aleppo and Lattakia • UNICEF and partners have reached more than 55,000 children with essential Child Protection services and supplies, including psychological first aid and recreational activities
<p>Prefinancing to prevent delays in Duke-UNICEF Innovation Accelerator programming</p> <p>\$27,440</p> <p>East Asia & the Pacific</p> <p>6 MONTHS BRIDGED</p>	<p>Accelerated \$27,440 to ensure payment and continuation of work of a WASH consultant for the Duke-UNICEF Innovation Accelerator</p>	<p>Ensures continuation of programming of the accelerator, which is aimed at capacitating small cohorts of social entrepreneurs in East Asia and the Pacific to scale up successful local innovations in water, sanitation and hygiene</p>	<p>Impact of the accelerator is maximized, and UNICEF is able to further support improving the lives of children, particularly the most vulnerable</p>

UNICEF SUPPLY DIVISION VACCINE INDEPENDENCE INITIATIVE (VII) HIGHLIGHTS

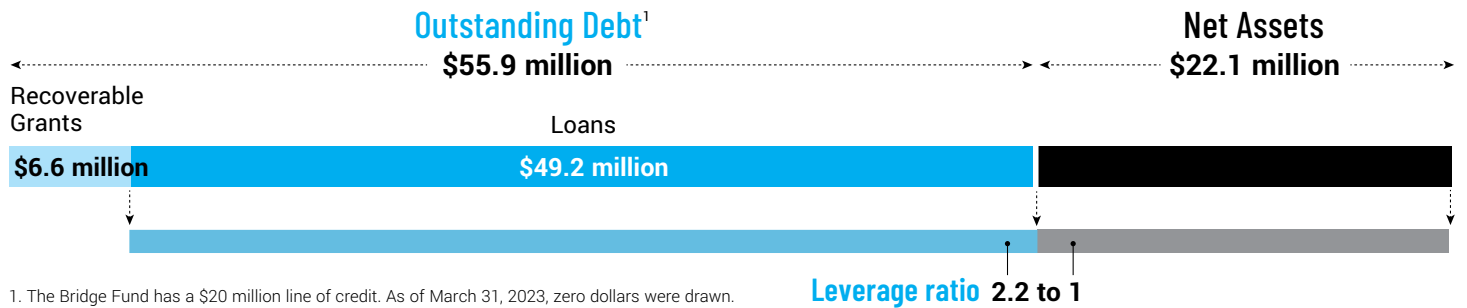
Activity between January 1, 2022 and December 31, 2022

<p>Supply Division VII²</p> <p>\$10,000,000</p> <p>Global</p>	<ul style="list-style-type: none"> • VII capital base as of December 31, 2022: \$185.2 million • Bridge Fund composition of total VII capital base: 5.4% 	<ul style="list-style-type: none"> • \$90.8 million for procurement of vaccines and supplies for the Democratic Republic of the Congo, Kenya, the Pacific Islands and others through VII prefinancings • \$48.2 million of COVID-19 supplies and vaccines enabled through VII prefinancings • \$85.6 million in special contracts to secure timely access to approximately 2.1 million cartons of Ready-to-Use-Therapeutic Food 	<ul style="list-style-type: none"> • Reached approximately 76 million children faster with 102 million doses of routine vaccines, reducing child mortality and improving children's health and immunity³ • Accelerated and increased the equitable supply of medical supplies, vaccines and Ready-to-Use-Therapeutic Food
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1. Outputs and outcomes reported represent the total impact of UNICEF's overall humanitarian response. The Bridge Fund represents a portion of UNICEF's larger pool of humanitarian funding.
 2. The Bridge Fund has a \$10 million investment in the VII. Outputs and outcomes represent total activity for the VII in the 12 months ended December 31, 2022. As of March 31, 2023, the Bridge Fund comprised 5.4% of the total VII capital base and represents a portion of total activity.
 3. 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. Assumed 25% wastage rate for reported figures.

IMPACT FUND CAPITALIZATION AND PORTFOLIO BREAKDOWN

Bridge Fund Current Debt and Net Assets



Portfolio Breakdown by Repayment Source



Total Disbursed and Outstanding \$29.3 million

- 2. The Ready-to-Use Therapeutic Food (RUTF) Window represents a \$15 million catalytic contribution to a facility administered by the UNICEF Supply Division, which solves malnutrition treatment supply chain issues by enabling advance payments for ready-to-use therapeutic food ("RUTF") suppliers to help them increase capacity and meet demand.
- 3. The **Vaccine Independence Initiative (VII)** is a revolving fund, managed by the UNICEF Supply Division. VII prefinancing receivables are from third-party multilaterals and sovereign governments.
- 4. Future Fundraising represents Bridge Fund cash advances made for fundraising strategies of UNICEF National Committees identified to produce net-new philanthropic revenue.

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.

100% Low Watch



Low Watch: Performance as expected.

All Bridge Fund outstanding transactions are categorized as Low Watch as of March 31, 2023.

Bridge Fund Q3 Fundraising

Loans and Recoverable Grants	\$1,275,000
Gross Donations	\$610,203
TOTAL	\$1,885,203

New Bridge Fund Capital

Elena Marimo Berk and Derek Drummond	The Ken Olivier and Angela Nomellini Charitable Fund
The Alison Carlson Trust	Sandra and Lawrence Post
Ms. Deborah Hart and Dr. William Goodykoontz	Bernard Taylor, Sr.

We exceeded the \$1.2M match goal ahead of deadline for the Tony Pantaleoni Memorial Fund with a total of **\$1.4M** raised to date.¹

1. Total committed includes the corpus of the match.

FINANCIAL INFORMATION

UNICEF USA Impact Fund for Children Inc.

Statement of Financial Position (unaudited) for the 9 months ended March 31, 2023

ASSETS

Cash and Investments	\$49,411,539
Contributions Receivable	\$28,899,904
Total Assets	\$78,311,443

LIABILITIES

Recoverable Grants Payable	\$6,625,000
Loans Payable	\$49,225,000
Grants Payable NGO-PFP Grants from UNICEF	\$103,500
Accrued Interest and Other Liabilities	\$295,696
Total Liabilities	\$56,249,196
Net Assets*	\$22,062,247
TOTAL LIABILITIES AND NET ASSETS	\$78,311,443

COVENANT CALCULATION**

Leverage Ratio	Maximum	Actual
Loans Payable: Net Assets	3.5 : 1	2.2 : 1

*Inclusive of discount for long-term receivables.

**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, 2023

REVENUE

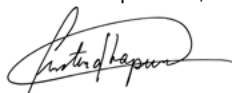
Contributions Revenue	\$5,868,692
Investment and Interest Income	606,923
Total Revenue	\$6,475,615

EXPENSES

Program Services	
Grants to UNICEF and Other NGOs	\$4,624,654
Program Expenses (including interest expense)	\$1,528,151
Management and General	\$90,189
Fundraising	\$142,232
Total Expenses	\$6,385,226

Net Income	\$90,389
Net Assets – Beginning	\$21,971,858
Net Assets – Ending	\$22,062,247

We certify that, as of the quarter ending March 31, 2023, 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, 2023

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

Cristina Shapiro, President
UNICEF USA Impact Fund for Children
cshapiro@unicefusa.org 212-922-2556

Erin Egan, Managing Director
UNICEF USA Impact Fund for Children
eeegan@unicefusa.org 212-922-2571



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