

BRIDGE FUND

QUARTERLY ACTIVITY REPORT • SEPTEMBER 30, 2015



Fighting Malaria

Achieving a Millennium Development Goal

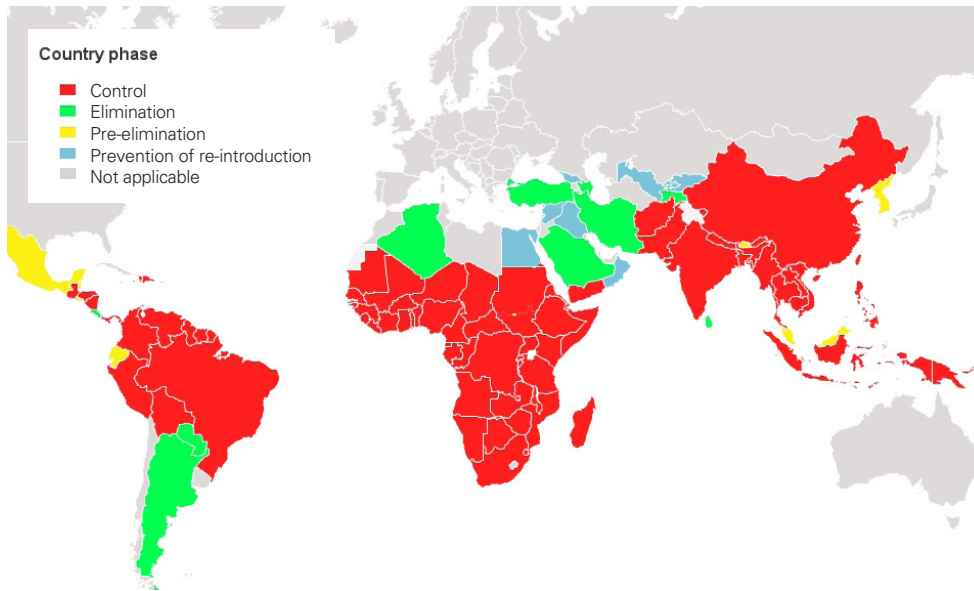
In 2001, global leaders noted that efforts to combat malaria were failing. One million people died from malaria that year – a number that had been increasing over the previous two decades. Malaria was identified as a serious health problem. And, at a meeting of the United Nations General Assembly that same year, a pledge was made to halt and reverse the incidence of malaria by 2015.

Inspiringly, the world achieved this target as delivery of core malaria interventions underwent unprecedented growth. Over the past 15 years, the rate of new malaria infections declined 37 percent and the global malaria death rate fell by 60 percent. The

Millennium Development Goal 6C, to halt and begin to reverse the incidence of malaria by 2015, was realized.

Still, it is estimated that 214 million people worldwide will be infected with malaria this year and more than 400,000 will die from it. Going forward, the World Health Assembly has adopted a 15-year roadmap for malaria control. The strategy sets ambitious global targets and milestones, including a 90 percent global reduction in malaria mortality and incidence by 2030. The funding required to achieve these strategies is estimated to be \$8.7 billion by 2030. If resources can be secured and programs implemented, malaria can become a thing of the past. [CONTINUED →](#)

COUNTRY STAGE OF MALARIA ELIMINATION



©2015 GLOBAL MALARIA MAPPER

UNICEF Denmark and the Bridge Fund Unite in the Fight

In support of the continued efforts to eliminate malaria, the Bridge Fund has joined UNICEF Denmark to accelerate a partial pledge of \$1.3 million from the Danish retailer Bestseller. This grant will allow UNICEF to procure and deliver LLINs, ACTs and RDTs for Angola, the Democratic Republic of the Congo and Kenya before the rainy seasons begin. These countries are all highly endemic for malaria, which is a significant cause of ill health – especially among children under five years of age. These countries also have some of the largest malaria treatment and diagnosis coverage gaps when compared to other countries, hence the greatest need.

This transaction represents the first opportunity for the Bridge Fund to work with another UNICEF National Committee (NatCom) in accelerating a donor pledge. Like the U.S. Fund, many NatComs enjoy long, productive and stable relationships with foundations, corporations and major gifts donors in their respective countries. Working with other NatComs creates the potential to broaden our effectiveness in helping UNICEF to address critical issues like malaria in communities in need around the globe.

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 and the moment funding becomes available.

We Have the Tools We Need to End Malaria

Over the next 15 years, the Sustainable Development Goals (SDGs) will build on the Millennium Development Goals in the battle against malaria. The elimination of malaria is key in achieving most of the SDGs, including No Poverty, Good Health & Well-Being, Quality Education, Clean Water & Sanitation, and Climate Actions- goals 1, 3, 4, 6 and 13, respectively.

There are simple and effective ways to fight and control malaria. A first line of defense includes insecticide-treated nets (ITNs) and Long-Lasting Insecticidal Nets (LLINs), which are very effective in the prevention of malaria. The benefits of at least 60 percent of a community's population sleeping under treated mosquito nets extend beyond the individual to the wider community, even those not using a net, due to the mass killing of mosquitos.

Treatment of malaria has been successful with the introduction of antimalarial drugs known as Artemisinin-based combination therapies (ACTs). A three-day course of ACTs can eliminate the malaria parasite in

all ages. Global malaria policy requires that everyone with a suspected case of malaria be diagnosed prior to receiving treatment with ACTs. This is best achieved through the use of rapid diagnostic tests (RDTs), which can quickly detect the presence of malaria parasites in the blood. Ensuring that all populations have access to RDTs will help safeguard that patients are treated with the right medications for their condition, whether that is malaria, pneumonia or diarrhea, all of which have similar symptoms.

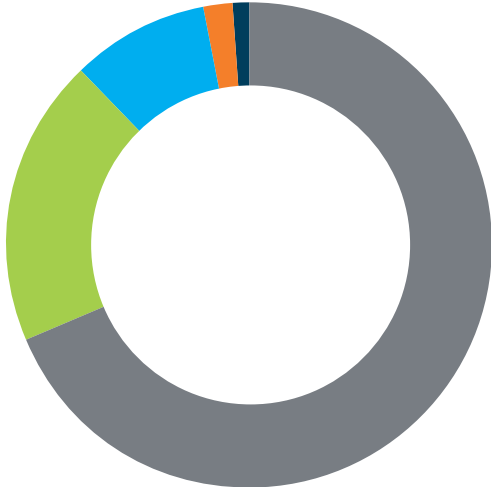
Protecting pregnant women is also crucial in the fight against malaria, particularly for infants. Malaria is a major cause of anemia in pregnant women that contributes to maternal death at delivery due to hemorrhaging. Anemia also causes stillbirths, preterm births and low birth-weight, increasing neonatal deaths. In Africa, 10,000 women and 200,000 infants under a year old are estimated to die annually as a result of malaria infection during pregnancy. Strategies to prevent malaria during pregnancy include the use of ITNs, as well as receiving Intermittent Preventive Treatment (IPT) during antenatal care visits. ■

The Bridge Fund's Activity Tops \$100 Million

This quarter marks a milestone achievement as historic Bridge Fund transactions exceeded \$100 million in program activity. The Bridge Fund's revolving pool of capital has rotated more than three times, on average, while Bridge Fund equity has been leveraged by a factor of ten. These resources have been deployed to speed millions of lifesaving commodities to children in need, including therapeutic food, educational materials, emergency supplies, essential medicines and

vaccines to support the elimination of maternal and neonatal tetanus and polio.

The Bridge Fund's focus on polio eradication efforts, particularly in Nigeria, have been especially productive. Through campaigns totaling more than \$19 million, more than 95 million children were vaccinated. And Nigeria was declared polio free this summer. The focus areas of cumulative Bridge Fund activity are reflected in the chart to the right. ■



- Worldwide Polio
- Nigeria Polio
- Health and Nutrition
- Education
- Emergencies



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Rotary Foundation Relationship

Since 2013, the Bridge Fund has accelerated more than \$47 million in Rotary grants to UNICEF, part of its \$138 million pledge to the Global Polio Eradication Initiative.

As a result, UNICEF has been able to continue its lifesaving work of polio eradication without delay in 17 countries — mostly in Africa, but also in Afghanistan and Pakistan, the remaining polio-endemic countries.

This work included:

- Delivering vaccines to and vaccinating millions
- Increasing community awareness and education

- Improving supply chain management
- Maintaining polio-free status throughout Africa
- Preparing countries for the switch from tOPV to bOPV
- Organizing outbreak-response teams
- Supporting research

The Bridge Fund culminates a productive relationship with the Rotary Foundation this quarter, while its funding relationship with UNICEF continues. ■

NEW BRIDGE FUND DONOR AND INVESTOR

Gschneider Stock Donation

Dr. Karl and Mrs. Melba Gschneider made a gift of more than a quarter million dollars to the Bridge Fund in July 2015. Since 1980, the couple from Iowa has supported the U.S. Fund for UNICEF and was motivated to make this transformational gift to the Bridge Fund via a retirement account.

GPD Charitable Trust Loan

John DeBlasio, of Chicago, Illinois, and GPD Charitable Trust, made a \$300,000 loan to the Bridge Fund in August 2015. While Mr. DeBlasio's philanthropy focuses on at-risk youth and promoting democracy worldwide, he recognized the opportunity to further the impact of the trust by investing in the Bridge Fund.

Quarterly Program Activity

The Bridge Fund completed three transactions in the quarter ending September 30, 2015 – the first of our fiscal year 2016 – totaling more than \$10 million. The transactions and their impact are listed below.

TRANSACTION	INPUTS	OUTPUTS	OUTCOMES
Nigeria Oral Polio Vaccines (OPV) & JICA	\$5.4 million and procurement of 30 million OPV	Manufacture of 30 million OPV doses in time for September 2015 campaign	24M children under five vaccinated against polio; continued progress to polio eradication in Nigeria
Kiwanis Maternal and Neonatal Tetanus (MNT) Eliminate Initiative	\$3.5 million; cold chain maintenance facilities; delivery and administration of tetanus shots	In Chad and Kenya, 2M women of reproductive age (WRA) receive third and final round of immunization. In Pakistan, 2.2M WRA begin series. Promotion of sanitary conditions for deliveries and cord care	4M WRA fully immunized or start immunization series at low cost per series (\$1.80); potentially 4M newborns safely delivered, spared contracting tetanus; lower mortality rates among newborns and their mothers; step closer to elimination of tetanus
UNICEF Denmark Malaria Initiative	\$2.66 million (\$1.33M bridged) and procurement of malaria-fighting commodities	224K Long-Lasting Insecticidal Nets, 22K Rapid Diagnostic Tests and 3M antimalarial medications manufactured	Successful distribution of malaria-fighting commodities to Angola, the DRC and Kenya before the rainy season; more efficient and cost-effective logistics, improved pricing and acceleration of program

CAPITALIZATION

Loans \$34.5 million **Grants** \$12.9 million

Cumulative Program Activity (Since 2012) \$101.4 million

IMPACT METRICS

We use IRIS (Impact Reporting and Investment Standards) to reflect the social and environmental impact of the Bridge Fund's work. Please visit our web page at unicefusa.org/unicef-bridge-fund to see the latest IRIS metrics.



ImpactAssets 50

For the second year in a row, the U.S. Fund for UNICEF Bridge Fund was chosen as one of the top 50 impact funds by ImpactAssets. To read more about ImpactAssets 50 and the Bridge Fund's designation, please go to this link:

http://www.impactassets.org/ia50_new/fund.php?id=a01E000000ZpTmilAF

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	\$ 26,290,700
Contributions Receivable	21,752,431
Total Assets	48,043,131

LIABILITIES

Loans Payable	34,500,000
Accrued Interest Expense	584,192
Total Liabilities	35,084,192

Net Assets

Total Liabilities & Net Assets

*as of September 30, 2015

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

REVENUE

Contributions Revenue	\$ 11,021,866
Investment & Interest Income	(136,929)
Total Revenue	10,884,937

EXPENSES

Grants to UNICEF	10,236,600
Interest Expense	213,753
Total Expense	10,450,353

Net Income

Net Assets – Beginning

Net Assets – Ending

*for the three months ending September 30, 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 September 30, 2015, 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.

 Dated: 9/30/15
Edward G. Lloyd
Chief Operating Officer and Chief Financial Officer

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

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