



Pact ANNUAL REPORT

2008 - 2009

www.pactworld.org

DEAR FRIENDS OF PACT

Educated and motivated people are the world's strongest resource. Pact continues our fundamental work empowering people around the world, assisting more than 12,000 organizations in 59 countries in the key areas of health, the environment, economic empowerment, democracy/governance, and peace building. Those groups in turn reach millions more with vital assistance, partnering with people to improve their lives and build their own capacity to transform their world.

For nearly 40 years, Pact has operated on the firm belief that the best kind of assistance harnesses local knowledge and expertise. We want to leave behind institutions and individuals with the ability to pull themselves and their communities out of poverty, allowing them to define their own future.

We have grown tremendously over the past several years. This is a testament to the confidence our donors have in Pact to deliver on its promise. While scale is important, quality and integrity are imperative. We are redoubling our efforts to monitor and measure our program quality in order to ensure the people we serve are receiving the best support possible, and that we are effective and accountable stewards of the resources entrusted to us on their behalf.

We maintain our commitment in challenging locations such as Sudan, the Democratic Republic of Congo, Myanmar and Zimbabwe. We also fund groups working in Afghanistan and Somalia. Often it is in these environments where we find vast, untapped human potential.

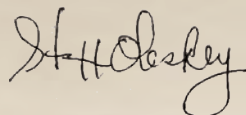
Pact empowers women and young girls through our WORTH program, by acknowledging women's crucial role in local economies and in the well-being of families and communities. Our successful large-scale microfinance project in Myanmar is bringing much-needed economic opportunity to people coping with the aftermath of a major cyclone. Our strong community-based work on the environment will continue to grow as we expand our efforts in biodiversity conservation and bringing local communities into the emerging carbon market.

At our core, Pact continues to believe that building the capacity of others to improve their own lives is the best way to carry out our mission. We will continue to build on a strong tradition of innovative responses to the ever-changing challenges people face.

We hope you continue to learn more about Pact and the difference our organization makes in the lives of people around the world.



Mark Viso
President and CEO
Pact



Stephen Oleskey
Chairman, Board of Directors
Pact



Mark Viso



Stephen H. Oleskey



Pact's mission is to build empowered communities, effective governments and responsible private institutions that give people an opportunity for a better life. We do this by strengthening the capacity of organizations and institutions to be good service providers, represent their stakeholders, network with others for learning and knowledge sharing, and advocate for social, economic and environmental justice. Interdependence, responsible stewardship, inclusion of vulnerable groups, and respect for local ownership and knowledge are core values across all of our programs.



Sarah Newhall

Special Note: In April 2009, Mark Viso became President and CEO of Pact when Sarah Newhall stepped down after nine years of leadership. Pact grew tremendously under Sarah's leadership and vision. Her passion and drive helped make Pact the institution it is today. She has our deepest gratitude and admiration for the fine legacy she has built.

OUR WORK

HEALTH and HIV/AIDS

Pact prevents the global spread of HIV/AIDS while helping to provide services for those already living positively, and to orphans and vulnerable children. Through our global Community REACH program, we work toward our vision of communities united by courage and hope, equipped with strengthened capacity, and energized to lead the fight against HIV/AIDS. Pact also seeks to find new and effective ways to combat diseases, such as malaria and tuberculosis, which prevent communities from thriving.

In **South Africa**, USAID funds Pact's HIV and AIDS umbrella grant management program to support local NGOs working to mitigate the effects of HIV and AIDS through delivery of treatment, care and support. Pact provides sub-partners with extensive on-site mentoring and formal trainings as part of a comprehensive organizational and technical capacity building effort designed to ensure quality results. Pact's Monitoring, Evaluation and Reporting (MER) partner capacity building program is considered a best practice by the US government's Office of the Global AIDS Coordinator.

Pact South Africa's program helped launch similar HIV and AIDS programs throughout Southern Africa (Malawi, Namibia, Swaziland and Lesotho) and still serves as a model framework in the design of Pact HIV/AIDS programs worldwide.

In **Namibia**, Pact provided a broad range of services to nearly 85,000 orphans and vulnerable children (OVC) during the 2008-2009 fiscal year. Pact also worked with the Child Welfare Directorate at the Ministry of Gender Equality and Child Welfare to improve the quality of services offered to these children—including food, shelter, health care and educational support among others—and worked with the Ministry's grantees to ensure OVC service standards were being met.

In **Brazil**, Pact is working in close partnership with local organizations and State and Municipal Health Departments to upgrade and expand HIV testing options, particularly for most-at-risk populations. As part of these efforts, Pact Brazil is piloting the use of alternative testing sites and mobile testing units to reach homosexual men.

In **Myanmar**, Pact's Strengthening Community Response to Disease (SCR) program resulted in 20,000 newly constructed or renovated fly-proof latrines. This sanitation initiative, along with other measures, has helped drastically reduce cases of chronic diarrhea and tuberculosis. Furthermore, many of the staff doctors in this program were mobilized for recovery efforts in more than 700 villages during the devastating aftermath of Cyclone Nargis.

In the HIV/AIDS field alone, Pact helped provide **2.3 million people** with HIV/AIDS programming and assistance:

- **1.5 million youth** received community prevention messaging
- **535,335 orphans and vulnerable children** were provided essential services
- **180,000 people** were tested and received the results
- **36,000 pregnant women** were given antiretrovirals to prevent transmissions to the child

DEMOCRACY and GOVERNANCE

Pact helps to create an enabling environment for effective governance, resulting in linkages between government, private business and civil society at national, regional and local levels. We assist our partners to establish legal frameworks to protect and promote civil society, increase citizen participation, improve institutional and financial viability of civil society organizations (CSOs), enhance the free flow of information, and strengthen democratic political culture.

In **Belarus**, Pact addresses the impact of fragmented civil society on a constituency living in a restrictive political environment. We supported the establishment and development of several key local organizations that now serve as communication and knowledge-sharing platforms in their respective fields.

In **Tanzania**, Pact's Public Expenditure Tracking System (PETS) program brings communities together to hold local leaders accountable. PETS has enabled Tanzanians to locate missing medicine, open clinics, provide water sources, improve sanitation, and in several cases, to bring corrupt local government officials to court, see cases go to trial and watch these officials face jail sentences.

Through our Civic Advocacy for Reform and Stability (CARS) program, Pact's technical assistance helps civil society partners in the **Kyrgyz Republic** encourage citizen action and effectively promote democratic

reforms. Informative media programming reinforces this work through two branded programs: "El Kanesh" on television and "Asman" on the radio.

In **Madagascar**, Pact developed the Local Governance Barometer (LGB) to objectively measure the strengths and weaknesses of local administrations. Five rural and urban communities recently hired Pact Madagascar, using their own budgets, to help them uncover governance issues in the health and education sectors. Government, civil society and the private sectors collaborated to make changes, demonstrating rapid positive impact in the delivery of health and education services.

PEACE BUILDING

Pact's peace building work aims to create or support the necessary conditions for sustained peace. We do so by strengthening viable political, socioeconomic and cultural institutions so that they can mediate conflict. Pact's work gives special emphasis to citizen participation and empowered civil society, combined with high quality, up-to-date conflict analysis that allows us to adjust programming as needed in rapidly changing environments.

Part of Pact's PEACE II project is "peace dividends," or projects that highlight the benefits of maintaining peaceful relationships, in the form of infrastructure along the **Kenya-Somalia** border to relieve pressure on communities sharing limited resources. Pact's method of engaging





local stakeholders in a fair and transparent process for selecting contractors has reduced violence and changed the way local government, non-governmental organizations and the private sector do business with local communities.

Pact **Sudan** organizes youth and traditional leaders' conferences, women's forums and youth exchange visits in the Three Areas of Abyei, South Kordofan and Blue Nile states. These activities are aimed at addressing long term root causes of conflict, with the ultimate goal of calming threats to the Comprehensive Peace Agreement.

ENVIRONMENT and NATURAL RESOURCE MANAGEMENT

Pact is scaling up our environmental and natural resource management portfolio, and is in the early stages of a new biodiversity program. Our approach puts local communities at the center, and by enabling them to manage natural resources and improve their own livelihoods, ensures sustainability and lasting conservation.

The Community Forestry Partnership (CFP) in **Cambodia** is the country's first Reducing Emissions from Deforestation and Degradation (REDD) project. The CFP will provide vital resources and livelihood opportunities to the 52 participating villages—comprising of almost 65,000 hectares of vital forest in the Oddar Meanchey province along the Cambodia-Thailand border. The project seeks to sequester more than 8.5 million tons of CO₂ over the next thirty years while protecting critical forests that provide for the communities and wildlife that depends on them.

A major component of Pact work's in **Democratic Republic of Congo** relates to natural resource extraction, such as minerals and timber. Pact focuses on building bridges between competing resource actors: Government, large-scale companies, artisanal miners and loggers, civil society, traditional leaders, and other community interest groups. Pact applies a variety of tools such as land use mapping, participatory planning, conflict and risk assessment, and organizational capacity assessments.

Pact will soon begin a new biodiversity project in the Ustyurt Plateau—an area encompassing the **Uzbekistan–Kazakhstan** border—funded by

the USAID Sustainable Conservation Approaches in Priority Ecosystems (SCAPES) Leader with Associates (LWA) Cooperative Agreement. The award was made late in the fiscal year and marks a major step Pact's increased commitment to the environment.

LIVELIHOODS

Pact's livelihoods efforts focus on encouraging savings, microenterprise development, and linking communities with markets to generate income.

In **Myanmar**, Pact operates the largest microfinance project in the country, assisting more than 73,000 borrowing groups. Much-needed capital makes its way into the community to provide income generating opportunities for people living in harsh economic and political environments. Pact has more than 1,200 staff in Myanmar to carry out our program.

In **Vietnam**, Pact supports people living with HIV and their caregivers to harness market forces to improve their livelihoods – and thus their health and welfare. We support pilots in group production and microenterprise financed through both micro-loans and micro-grants. Some of the business activities include motorcycle repair, a prominent city-center flower shop, envelope manufacturers, garment production, sundry stalls, and animal husbandry.

EDUCATION and EMPOWERMENT

In all of Pact's work, we strive to empower individuals, communities and organizations with the knowledge and resources necessary to better their own circumstances.

WORTH, a women's empowerment program currently operating in nine countries, teaches women to be good bankers as well as responsible borrowers. WORTH women report a host of benefits to joining the program including access to capital, literacy, and increased standing in the community.

In **Ethiopia**, Girls' Empowerment Through Sexual Exploitation Termination (GET SET) project assists girls at risk of sexual exploitation and abuse in their communities and schools. As part of the program's two-pronged approach of working with the girls themselves and the institutional structures that support them, GET SET has provided physical and verbal self-defense training to 77 female students in Gambella region since it began in April 2008.



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Packard Foundation
Population Services International
Replan
Salvation Army World Service
Tenke Fungurume Mining
Wildlife Conservation Society
Winrock
World Wildlife Fund
Vanguard Charitable Endowment Program

PUBLIC AND PRIVATE

The Global Fund to Fight AIDS, Tuberculosis and Malaria

*Pact also thanks the more than **12,000 local organizations** with which we partner around the world.*



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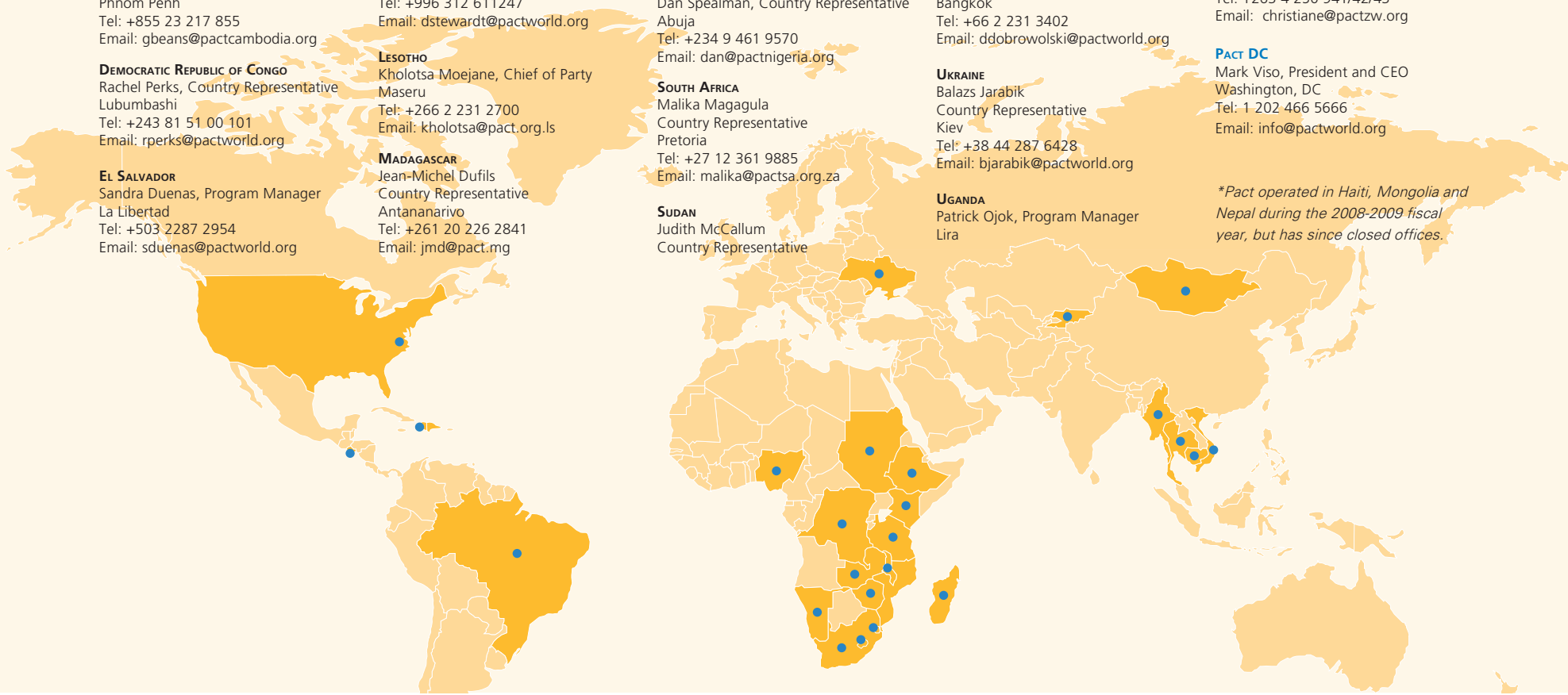
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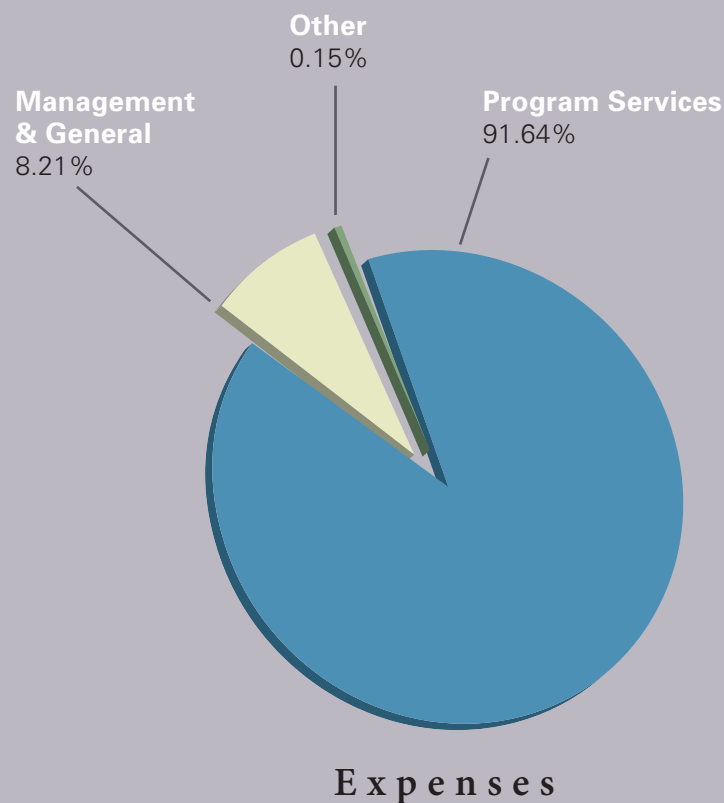
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**Pact operated in Haiti, Mongolia and Nepal during the 2008-2009 fiscal year, but has since closed offices.*



FINANCIAL STATEMENT



Statement of Financial Position as of September 30, 2008

Assets	2008
Cash and Cash Equivalents	15,193,593
Advances and Grants Receivable	30,657,647
Other Assets	1,237,985
TOTAL ASSETS	47,089,225
Liabilities and Net Assets	
Accounts Payable and Accruals	5,700,459
Refundable Advances	37,171,283
TOTAL LIABILITIES	42,871,742
Unrestricted Net Assets	4,061,121
Temporary Restricted	156,362
Total Net Assets	4,217,483
TOTAL LIABILITIES AND NET ASSETS	47,089,225

Statement of Activities for the Fiscal Year Ended September 30, 2008

Support and Revenue	2008
Grants and Contracts	152,820,724
Investment Income	-518,883
Contributions	218,869
Other Revenue	75,355
TOTAL SUPPORT AND REVENUE	152,596,065
Expenses	
Program Services	140,097,562
Management and General	12,550,298
Other Expenses	225,417
TOTAL EXPENSES	152,873,277
Change in Net Assets	-277,212

The financial records of Pact, Inc. are audited annually by an independent firm of certified public accountants. The financial records for 2008 were audited by McGladrey & Pullen, LLP. A complete set of financial statements are available on request .



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