



ANNUAL REPORT 2014

this is what



a promise

looks like...



sought.

made.

kept.

shared.

our vision...

our vision is a world where those who are poor and marginalized exercise their voice, discover and build their own solutions and take ownership of their future.

our word...



At Pact, our promise is to measurably transform people's lives for the better. In nearly 30 countries, more than 3,000 Pact staff work side by side with poor and marginalized communities to help them discover and implement their own solutions.

Because how we keep our promise matters. Development programs imposed on communities simply cannot accomplish meaningful, lasting change. Local, integrated solutions designed in partnership with the people we serve are Pact's hallmark. They're the reason we were able to make significant strides in the past year toward achieving a world where all people exercise their voice and own their future.

In 2014, Pact and its partners helped:

More than 2.4 million people gain better **access to health and social services**.

A total of 547,487 people with limited livelihood choices to **increase their net income and savings** — the vast majority of them women.

Nearly 120,000 people to benefit from **better natural resource management**, improving more than 1.5 million hectares of ecosystem.

Around the world, Pact is building local promise.

This is what that promise looks like.

Mark Viso
CEO + President

Nancy Murphy
2014 Board Chair



promises...

sought

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kept

shared

supporting government-citizen interaction

Pact's governance programs prove citizen participation, knowledge exchange and advocacy are powerful tools for positive changing institutions. We have worked with stakeholders to shift policies on issues such as anti-corruption and public information and have empowered civil society organizations to have greater influence on legislation.

ukraine

Setting the stage for reforms

The importance of Pact's governance work in Ukraine took center stage on Nov. 21, 2013. With funding from the U.S. Agency for International Development, Pact launched the UNITER project in 2008 to strengthen pro-reform Ukrainian civil society organizations pushing for democratic gains. Improving the capacity of local organizations is a Pact signature. The capacity development model we use around the world begins with a thorough assessment of an organization's abilities. Pact then provides what's needed to improve deficiencies – combining technical training, funding for additional staff and operations, and hands-on guidance on developing and implementing programs. In Ukraine, Pact provided vital mentorship to organizations fighting government corruption and promoting democracy, transparency, European integration and the idea that ordinary Ukrainians could create the change they desired. On Nov. 21, 2013, Pact was hosting a conference in Kiev with local partner organizations when news broke that Ukraine's government had decreed it would not pursue a key agreement with the European Union. Within hours, thousands of people were in Kiev's central square, demonstrating in the rain. Organizations that Pact mentored helped set the stage for what happened that day, and they played a critical part in achieving the reforms that followed. Several Ukrainians who held roles in those organizations are now members of the new parliament. Today, Pact's local partners remain key players in reform efforts.

promises...

sought

south sudan

Building peace and justice amid civil war

Like nearly everything in the world's newest country, Pact's work in South Sudan changed dramatically when civil war broke out in late 2013. The violence is estimated to have killed tens of thousands of South Sudanese and displaced roughly 2 million. Pact's peace-building work and our Access to Justice program, which is establishing the rule of law and stability, have only become more critical. In response to the crisis, Pact opened its first legal aid clinic inside a civilian protection camp, where residents can obtain free legal assistance, help mediating disagreements and other vital services. Through education campaigns and legal aid clinics, Pact is protecting the rights of women and children and promoting the peaceful resolution of disputes. We're bringing together members of opposing ethnic groups and assisting people displaced by the violence.

nigeria

Building peace

In Nigeria, Pact's PROMOT program is helping to prevent mother-to-child HIV transmissions. Two years after its launch, PROMOT has tested more than 45,000 pregnant women for HIV and reached more than 180,000 people with HIV prevention messages.



promises...

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local solutions

Pact's promises are fulfilled in partnership with local communities. Our integrated approach to building the capacity of local organizations, developing good governance and cultivating markets is carried out by individuals who adapt our expertise to their own environments and challenges.

In partnership, Pact's promises become promises kept.

around the world

Empowering women to own their future

In countries around the world, from Myanmar to Tanzania, Pact continues to empower women using WORTH, our signature, award-winning savings group model. By combining literacy training, community banking and microbusiness development support, WORTH enables women to become entrepreneurs, family providers, social activists and leaders in their communities. In 2014, nearly 550,000 people increased their net income and savings because of Pact's work – the vast majority of them women. WORTH groups launched years ago that now receive no outside support continue to thrive. In Ingel, a village in central Myanmar, WORTH members are paying their success forward. Two years after Pact launched savings groups there, members started their own charity. They recently purchased an ambulance, which they're using to provide free service to people in need in Ingel and nearby villages. Besides funding the ambulance and its maintenance, WORTH members are donating their time as attendants who care for patients during transport.

promises...

made

international development

New partnership to advocate integrated approach

In May 2014, Pact launched Locus, a landmark initiative dedicated to a more sustainable, equitable and richer development model. Along with our Locus partners – Africa Capacity Alliance, Aga Khan Foundation USA, FHI 360, IRC and SNV USA – we are focused on a common goal: eliminating extreme poverty. But how we achieve our results is just as important as the results themselves. We believe in genuine partnerships across geographies and sectors; a shared framework for measurement and open data; local solutions and local ownership as both the means and the end; and an integrated approach rather than various siloed projects. Through shared research and learning, we hope to discover the most effective means to support the people we serve and change the way funders think about development outcomes. This is the promise we've made to poor and marginalized people around the world who seek a better tomorrow.



colombia

Fighting child labor

In April 2014, Pact launched a new initiative to reduce child labor in Colombia's mines. With funding from the U.S. Department of Labor, the Somos Tesoro project – "We are Treasure" in Spanish – is benefitting children and families in coal and gold mining communities in the country's Boyacá and Antioquia regions. Mining is dangerous, backbreaking work that prevents children from going to school, making it more likely that their own kids will end up in mines. By first examining why children take part in mining, Pact is addressing the problem's root causes, including economic instability, limited educational opportunities and weak child protection policies. With the Colombian government and local partner organizations, Pact is improving schools and promoting attendance, giving families new livelihood options, strengthening laws, formalizing the small-scale mining sector and bringing health and safety standards to mines. In addition to helping thousands of children, Somos Tesoro is benefitting Colombia's adult miners, teachers, educational institutions and local governments and economies. Pact is also working to reduce child labor in tin mines in the Democratic Republic of Congo.



vietnam

New hope in Mekong

This year Pact expanded its Mekong Vitality project in Vietnam, which is building the livelihoods of thousands of women. Launched with support from the Coca-Cola Foundation, this year the partnership grew to include the U.S. Agency for International Development. With this mix of public and private funding, Pact is incorporating mobile technology and advanced business training into Mekong Vitality.



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integrated approach

One of Pact's three core values is partnership. Partnership deepens Pact's impact and promotes empowerment. At Pact, partnership flourishes at many levels but most importantly at the local level. Significant improvement in peoples' lives can occur only with the help of those who live beside them, and lasting results call for local partners who know their communities' challenges, are personally invested in their solutions and are trusted by those they assist.

africa's great lakes region

Making strides for artisanal miners

In Africa's Great Lakes region, Pact continues to work with governments and industry to assure tin, tantalum and tungsten – the 3Ts – as conflict-free. The 3Ts traceability and due diligence system that Pact implements, known as iTSCi, remains the only one in the region that meets international standards. In 2014, we helped expand the system to hundreds of new mines, including many that were once thought too remote or too insecure to be reached. By the end of the fiscal year, the iTSCi system had been implemented at more than 1,000 mine sites in the Democratic Republic of Congo, Rwanda and Burundi, safeguarding the livelihood of tens of thousands of artisanal miners. In addition to our traceability work, we're making health, safety, education and human rights improvements in artisanal and small-scale mining communities around the world. In rural Ethiopia, we're reducing poverty, increasing economic opportunities for women and supporting environmental rehabilitation of mines. In Madagascar, we're providing scholarships and education programs to boost school retention rates and empower children. Across Africa, we're helping governments develop national strategies for artisanal mining and improve transparency and human rights protections.

promises...

kept



tanzania

Serving most vulnerable children

In Tanzania, Pact's Pamoja Tuwalee program is improving the lives of the country's most vulnerable children. Using an integrated approach, we've reached more than 100,000 children with key health, nutrition, education and protection services, and we're building the capacity of local authorities, families and community organizations to meet children's needs.



measuring our mission

It's not enough to transform lives for the better. Pact seeks to make them measurably better. To measure our progress, we compile data at the local and national levels that summarize the outcomes of our worldwide programming.

Every year, Pact publishes Measuring Pact's Mission, reporting on each of Pact's impact areas and approaches, globally and nationally.

worldwide

Changing the way the sector evaluates local partners

A proven leader in capacity development, Pact strengthens local organizations around the world – from government agencies to nonprofits that are improving health, promoting democracy and protecting children. Drawing on this expertise, Pact in 2014 launched the Capacity Solutions Platform, an innovative online tool that allows development, government and community organizations to track and measure capacity development results. Originally developed as an instrument for global capacity development within Pact, the CSP – now available to everyone – is changing the way the sector evaluates progress in strengthening local partner organizations. Besides reliably and quickly processing Cloud-stored data to inform programming decisions, the CSP is promoting shared measurement and analysis methods and greater data sharing among organizations. Measurement tools available through the CSP include Pact's signature Organizational Performance Index, Organizational Capacity Assessment and Organizational Network Analysis. The CSP is accessible from any device in English, Russian, Ukrainian and French.

promises...

sought

made

kept

shared



A promise is a commitment. I promise to assist our partners showcase the great work they are doing in their localities through monitoring.

SWAZILAND
SIPHEPHILO MARUNDZA

I believe in the power of evidence to demonstrate our sincere commitment to enabling the poor and marginalized exercise their voices and fully participate in building local solutions. My promise is therefore to demonstrate how we walk our talk through ensuring good

SWAZILAND
DAISY KISYOMBE



My professional activities are guided by a deep personal sense of mission, driven by my belief that Pact's work is critical to the agenda of

SWAZILAND
THOBILE MIGHONTA

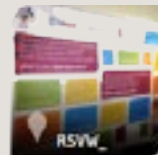
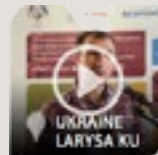
I promise to meet or exceed...

SWAZILAND
NELSINE CINDZI

Thanks to everyone who has posted to Pact's new Promise Wall! Make...

PACTWORLD

A promise is a commitment. I promise to assist our partners showcase the great work they are doing in their localities through



I PROMISE to support communities in risk assessment and natural resource management for the sake of the current and generation



‘there’s power in a single promise... Transformation in millions of them.’

Pact continues to diversify our funding sources. This year we forged new partnerships with corporations, foundations and individuals. Our Building Local Promise Fund is growing, thanks in part to the launch of Pact's new digital Promise Wall.

**what does your
#pactpromise
look like?**

Visit pactworld.org/promisewall to make your promise.

consolidated statement of activities

Statement of Financial Position

as of September 30, 2014

Assets	2014
Cash And Cash Equivalents	\$ 38,604,729
Investments	\$3,336,554
Federal Grants Receivable	\$3,490,873
Other Grants Receivable	\$2,148,463
Advances And Other Receivables	\$3,610,534
Prepaid Expenses And Deposits	\$2,011,698
Loan Portfolio, Net Of Loan Loss Reserve	\$111,938,262
Due From Related Party	\$1,822
Property And Equipment, net	\$4,906,573
Total Assets	\$170,049,508
Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 7,854,549
Beneficiary savings and reserved funds	\$36,964,487
Net returns on loans, reinvested earnings	\$771,086
Refundable advances – federal	\$5,767,059
Refundable advances – other	\$14,566,654
Client Loan Funds	\$12,931,615
Deferred Rent	\$1,635,286
Total Liabilities	\$80,490,736
Unrestricted – Pact, Inc.	\$5,740,731
Unrestricted – Pact Institute, Inc.	\$2,760,096
Unrestricted – Pact Global Microfinance Fund	\$81,057,945
Total Net Assets	\$89,558,772
Total Liabilities and Net Assets	\$170,049,508

The financial records of Pact, Inc. and affiliates are audited annually by an independent firm of certified public accountants. The financial records for 2014 were audited by McGladrey, LLP.

Audit reports are available at Pact, Inc..

Statement of Activities

for the year ending September 30, 2014

Support and Revenue	2014
Grants and contracts	\$ 129,310,468
Contributions	\$344,483
Microfinance loan activities	\$27,479,728
Fee income on microfinance loans	\$123,085
Investment income, net	\$199,628
Other revenue	\$47,572
Net Loss on Loans	(\$584,263)
Asset Transfer from Donor Ended Projects	\$68,478,223
Total Support and Revenue	\$225,398,924
Expenses	
Program services	\$ 127,859,303
Management and general	\$18,326,442
Unrestricted general expenses	\$1,210,231
Fundraising	\$220,646
Total Expenses	\$147,616,622
Change in net assets	\$77,782,302
Net assets:	
Beginning	\$11,776,470
Ending	\$89,558,772

partners

Hand in hand with partners, Pact tackles poverty through a unique brand of international development—one that approaches poverty from all angles. The intrinsic value of Pact’s approach is the ability to work across technical areas to design holistic programs that squarely address multiple, interwoven factors associated with poverty and marginalization. For people to truly lift themselves out of poverty, they need to earn a decent living, be healthy and take part in the benefits that nature provides. This integrated approach is customized in every community in which Pact works. In the Pact model, communities set their own priorities, devise the best solution to their challenges with Pact’s guidance and assistance, and enjoy a brighter tomorrow as a result of their own accomplishment.

supporters

Australian Agency for International Development	Oak Foundation
Bill & Melinda Gates Foundation	Omidyar Foundation
Carnegie Corporation	Oyu Tolgoi
Chevron Corporation	QIT Madagascar Minerals
Coca-Cola Foundation	Results for Development Institute
Danish International Development Agency	Rockefeller Foundation
Danish Ministry of Foreign Affairs	Royal Norwegian Ministry of Foreign Affairs
Dutch Ministry of Foreign Affairs	South Africa Limited
Embassy of Finland	Swedish International Development Cooperation Agency
European Commission	UK Department for International Development
European Union	United Nations Children’s Fund
General Electric Foundation	United Nations Development Program
The Global Fund to Fight AIDS, Tuberculosis, and Malaria	U.N. Organization for the Coordination of Humanitarian Affairs
Hilton Foundation	U.S. Agency for International Development
Humanity United	U.S. Department of Labor
IMA World Health	U.S. Department of State
International Organization of Migration	Wellspring Advisors LLC
ITRI	The World Bank
MasterCard Foundation	
MSI	

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