



2011
annual
report

promises kept

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Local solutions

Our success comes from solutions created with the people we serve.



Partnerships

Partnerships deepen our impact and promote empowerment.



Results

Our work must transform lives and make them measurably better. How that change occurs is as important as the change itself.

Every Pact promise evolves from core values rooted in improving the lives of those who partner with us.



Our goals

Vulnerable people access the **health** products, services and information they need to enjoy a healthy life.

People with limited **livelihood** choices gain the resources needed to become income-secure.

Resource-dependent communities gain lasting benefit from the sustainable use of the **natural resources** around them.

note of hope

Pact is passionate about fulfilling its promises to help people around the world exercise their voice, build local solutions and own their own future.

In 2011, that passion resulted in practical advancements that improved millions of lives, more than any other year in our more than four decades of work. Here, you'll read examples of Pact's passion at work and learn how we both delivered on our promises in more than two dozen countries and helped set free the promise that lies within those we served.

Our pursuit of local solutions includes working with more than 11,000 local partners. At right, see how our commitment to partnership, local solutions and results manifests itself in promises kept.

In partnership,

Stephen Oleskey
board chair

Mark Viso
president & CEO

Dear friends,

I am writing to you from Namibia, where, as Permanent Secretary for the Ministry of Gender Equality and Child Welfare, I have worked with Pact to help Namibian children grow and thrive. When Pact recently came to my office carrying a bag that said, "Pact: Building Local Promise," I told them, "I can vouch for this!"

"[Pact kept their] promise to Namibia's public service and to our children."

Pact has kept its promise to my ministry. Although Namibia is among the highest-ranked countries in the African Report on Child Wellbeing, we are also a country where almost two in five homes care for an orphan or foster child. So when I joined the ministry, I faced the question: How could we better care for children? Pact helped me set up feasible plans to achieve the country's vision and implement clear ways of tracking progress. This year, our ministry became one among the first to create performance agreements for our civil servants, and the Office of the Prime Minister called us an example for the rest of government to follow.

One of the things I appreciate about Pact is that you come to us and ask what our priorities are. The solutions came from us, and you kept your promise to Namibia's public service and to our children.



A handwritten signature in black ink, appearing to read "SA".

Ms. Sirkka Ausiku, Permanent Secretary

Namibia Ministry of Local Government, Housing and Rural Development since 2012
Permanent Secretary, Namibia Ministry of Gender Equality and Child Welfare, 2004-2012



*In 2011,
Pact
launched
a new
strategy.*



Pact's strategy supports our vision of a world where those who are poor and marginalized discover and build their own solutions and take ownership of their future. Strategic goals focus on helping vulnerable people access all they need to enjoy *healthy lives*, gain the resources they need to be *income-secure* and gain lasting benefit from the sustainable use of the *natural resources* around them.

The hallmark of Pact's work is its integrated, holistic approach to transforming lives through strengthening local capacity, forging effective governance systems and transforming markets into a force for development.



our approach

capacity development



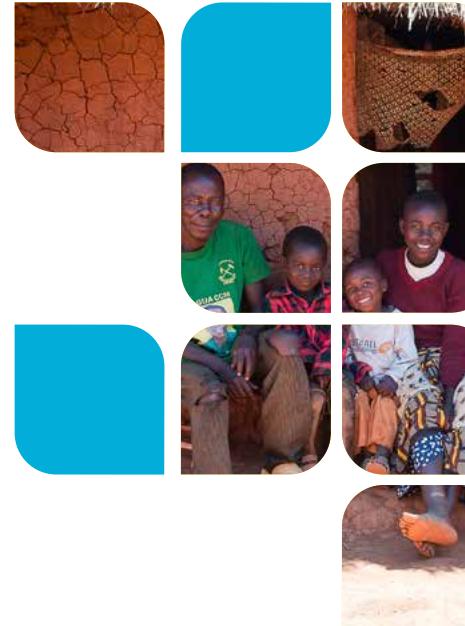
promise kept

6,129

organizations assisted
by Pact improved the
quality of their
services in 2011.

*That's three times the
number of Starbucks
locations in Europe.*

Our promise: People contribute to positive social change.



Pact engaged in capacity development before it even had a name. For four decades, Pact has improved the institutional capacity of local governments, non-governmental and civil society organizations, by helping to build internal systems, expand networks, better measure results of their work and participating in community leadership. Our approach couples rigorous grants management with flexible solutions, empowering local groups to respond to community needs.

For the past nine years, Pact has helped develop the capacity of 100 local partners in southern Sudan to administer peace-building and clean-water programs. These partners formed a strong, self-sustaining foundation for the new country of **South Sudan that emerged in 2011. An estimated 1.5 million people in South Sudan have benefited from the work of Pact and its partners.**





our approach

governance



promise kept
505

Pact-supported initiatives resulted in positive state-society engagement in 2011.

Our promise: A social and political environment emerges that allows people to grasp opportunities, make decisions for themselves and thrive.

Pact's governance programs prove citizen participation, knowledge exchange and advocacy are powerful tools for positive change in 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. By galvanizing communities for change, we vastly improve government services for those who are underserved.



A Pact platform that united civil society organizations, activists and journalists in **Ukraine** helped to force passage of a new, groundbreaking law: the Law on Access to Public Information. Passed in January 2011, the legislation obliges the Government of Ukraine to publish information and provide answers to citizens' informational requests within five days. By fostering government transparency and granting more rights and freedoms to citizens and organizations, the law guarantees Ukrainians a more democratic future.





our approach

markets



promise kept

In 2011, businesses or markets played a positive role in
15
Pact projects.

Our promise: Markets serve as a powerful force for development.



Pact strengthens local economies by assessing and developing markets for local products, improving production capacity and strengthening supply channels. We transform markets to benefit local communities and encourage the safe and sustainable extraction of natural resources. We work with communities, civil society, government institutions and other stakeholders to safeguard natural resources, and we establish markets that ensure safe, non-exploitative practices, particularly in the mining and forestry sectors.

In 2011, Pact implemented a groundbreaking project to ensure a conflict-free supply chain from small mines in Central Africa to their corporate buyers throughout the world. The project known as iTSCI — or the ITRI Tin Supply Chain Initiative — profiles artisanal mines based on their miners, production, payments, security, history of any human rights abuses and more. Minerals are tagged with unique numbers so buyers can distinguish legitimate mines from “conflict” mines. Working with the governments of the **Democratic Republic of the Congo** and **Rwanda**, which would both otherwise be subject to trade embargoes, as well as with industry, donors, local partners and civil society, Pact has implemented the project in hundreds of mines and has helped some 45,000 artisanal miners earn a living through access to international mineral markets.





our impact

health

promise kept

Pact's health programs enabled
4,041,332
people to access improved
health services in 2011 .

*That's more than
the entire population
of Johannesburg,
South Africa.*

Our promise: Vulnerable people access the necessary care to enjoy a healthy life.

Pact tackles health challenges locally and systemically. We support community-based organizations through grants and technical, organizational and institutional capacity-building that enables them to develop and sustain quality health services, products and information that help prevent, treat and mitigate HIV/AIDS and other diseases. At the same time, we engage with stakeholders to create a policy environment supportive of solutions to formidable public health challenges.



Pact marked 20 years in **Madagascar** this past December, with cause to celebrate. In 2011, more than 200,000 people at high risk of contracting tuberculosis or malaria accessed improved health services. Our tuberculosis program in Madagascar targets those in penitentiaries and mining zones, while our malaria program focuses on prevention among pregnant women and young children.



our impact:

livelihoods



promise kept
351,999

people engaged in Pact's
livelihood programs
increased their net
income in 2011.

Our promise: People with limited livelihoods gain the resources needed to be income secure.

Pact improves access to credit for thousands of underserved individuals in Africa and Asia, stimulating small businesses and offering opportunity where it hadn't before existed.

Through our livelihood programs, people become financially literate, and the community organizations which we work become the institutional foundation for sustained economic security.



Our livelihood programs have taught us that people are entrepreneurial and resilient and that women-centered, savings-led microfinance programs can transform and activate local economies. In **Myanmar**, our microfinance programs have served hundreds of thousands of borrowers, with 99 percent repaying their loans on time. Pact and its partners in Myanmar have helped 2.5 million people over the past 14 years build better incomes and improve their access to quality health care, education and improved nutrition.





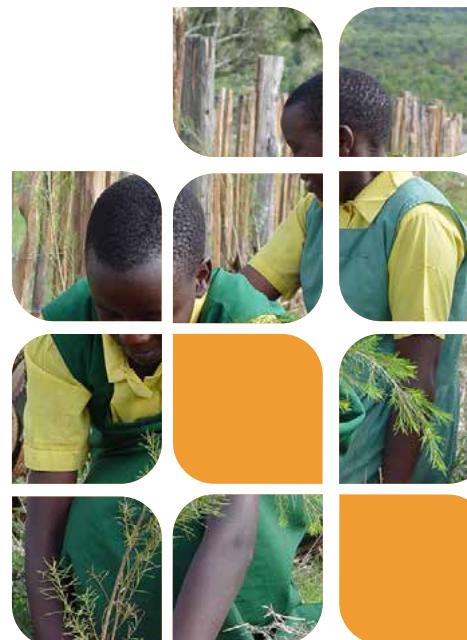
our impact

natural resource management



Our promise: Resource-dependent communities gain lasting benefit from the sustainable use of the natural resources around them.

Pact taps local knowledge and mobilizes communities to protect and sustain natural resources. We develop new and adaptive tools and create innovative programs to achieve social, economic and ecological sustainability. We address threats to biodiversity, and support policies that drive environmentally responsible laws and practices.



The Pact-led Reduced Emissions from Deforestation and Degradation (REDD+) project in **Cambodia** is part of a global initiative that rewards communities financially for managing and sustaining their forests. In the first REDD+ project in Cambodia's Oddar Meanchey province, an estimated 8.3 million metric tons of carbon dioxide will be sequestered over the next 30 years. The project will sell carbon credits on behalf of the Cambodian government, generating income for local communities in Oddar Meanchey and ensuring sustainability—of both the local economy and community forests.

global partners



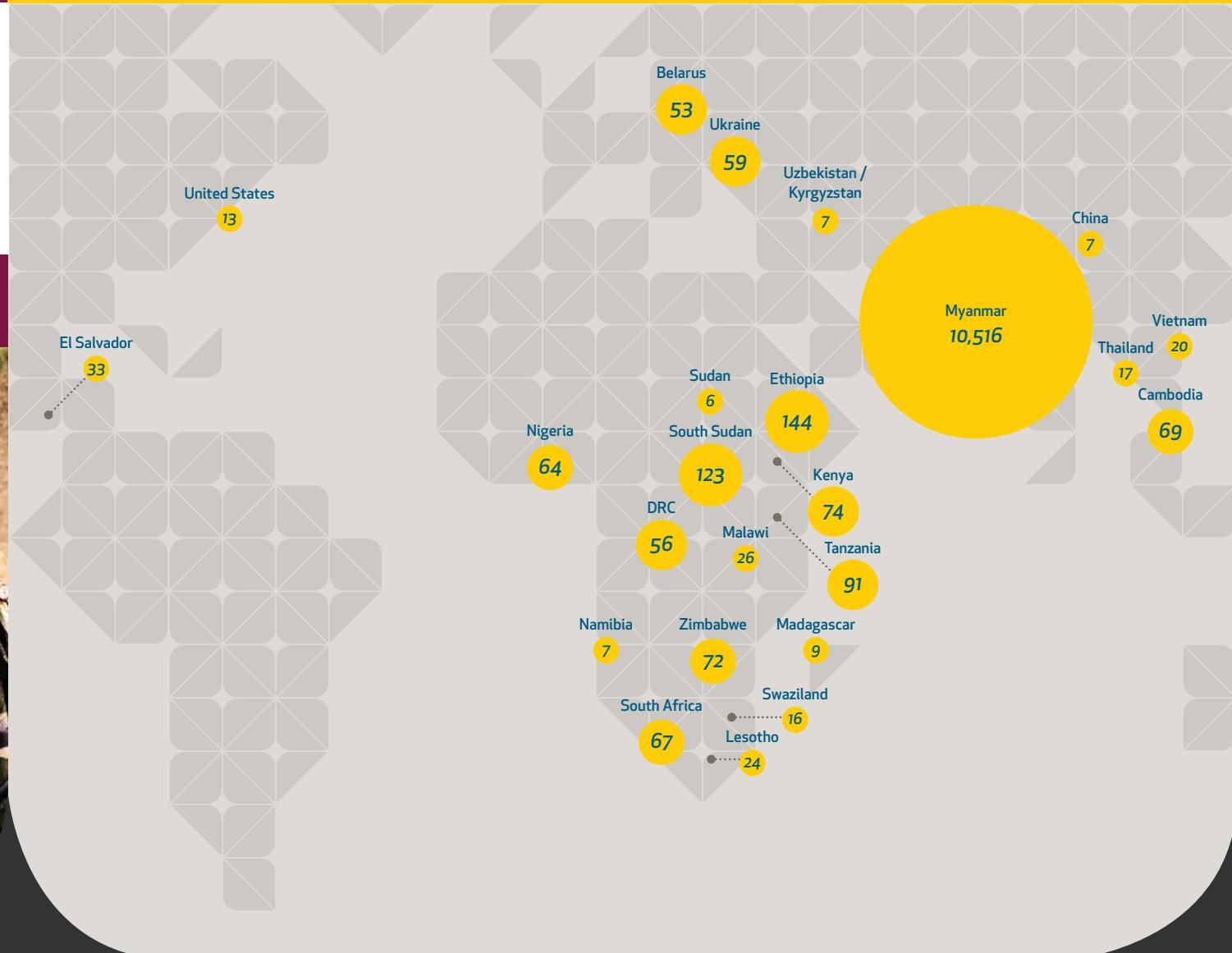
AngloGold Ashanti, Ltd	Deutsche Gesellschaft fur Internationale Zesamenarbeit (GIZ)	National AIDS Management Center (NAMc)	UN Office for the Coordination of Humanitarian Affairs (OCHA)
AusAID	The Development Bank of South Africa Limited	Nike Foundation	United Nations Office on Drugs and Crime (UNODC)
Bill and Melinda Gates Foundation	The European Commission	Oak Foundation	United Nations Office for Project Services (UNOPS)
British Foreign and Commonwealth Office (FCO)	Embassy of Finland	Oyu Tolgoi	USAID
Cambodian Civil Society Partnership (CCSP)	Global Fund To Fight AIDS, Tuberculosis and Malaria	Rockefeller Foundation	US Department of Labor
Camfed	Global Fund To Fight AIDS, Tuberculosis and Malaria passed-through VUSTA	Royal Danish Embassy (RDE)	US Department of State
Channel Research SPRL	Government of Southern Sudan (GOSS)	Royal Norwegian Ministry of Foreign Affairs	Wal-Mart
Chevron Corporation	Humanity United	Swedish International Development Cooperation Agency (SIDA)	Wellspring Advisors, LLC
Danish International Development Agency (DANIDA)	International Development Association passed-through The Asia Foundation	Tenke Fungurume Mining (TFM)	The World Bank Group
Danish Ministry of Foreign Affairs (DMFA)	International Tin Research Institute (ITRI)	United Nations Children's Fund (UNICEF)	
Department for International Development (DFID)		United Nations Development Programme (UNDP)	

This list includes partners of Pact, Inc. affiliates. Every attempt has been made to ensure the accuracy of this list.
If you find an error or omission, please contact ebyrd@pactworld.org.

local partners



Pact worked with more than 11,000 community-based organizations and other local partners.



Pact

Statement of Financial Position
as of September 30, 2011

consolidated financials

Expenses



Statement of Financial Position

as of September 30, 2011

Assets	2011
Cash and Investments	20,834,940
Agency Fund-Micro Finance Operations	57,494,925
Advances and Grants Receivables	24,545,778
Other Assets	4,496,046
Total Assets	\$107,371,689
Liabilities and Net Assets	
Accounts Payable and Accruals	7,862,698
Agency Fund-Micro Finance Operations	57,494,925
Refundable Advances	38,539,902
Total Liabilities	\$103,897,525
Unrestricted Net Assets	3,474,164
Temporary Restricted	
Total Net Assets	3,474,164
Total Liabilities and Net Assets	\$107,371,689

Statement of Activities

for the year ended September 30, 2011

Support and Revenue	2011
Grants and Contracts	195,443,006
Investment Income (losses)	(117,111)
Contributions	248,903
Other Revenue	119,337
Total Support and Revenue	\$195,694,135
Expenses	
Program Services	177,912,583
Management and General	17,910,620
Other Expenses	333,747
Total Expenses	\$196,156,950

The financial records of Pact, Inc. and affiliates are audited annually by an independent firm of certified public accountants. The financial records for 2011 were audited by McGladrey, LLP. These financial statements should be read in conjunction with accompanying footnotes. Audit reports are available at Pact, Inc. at 1828 L Street, NW, Suite 300, Washington DC, 20036.

Stephen H. Oleskey

Chair

Partner, WilmerHale LLP

Dr. M. Lyndon Haviland

Vice-Chair

President, Lyndon Haviland & Co., LLC

Kevin Bonderud

Communications/Public Affairs Consultant

James Bernard

Worldwide Director of Microsoft's Partners in Learning Program

Samantha Carey

Partner, CTPartners

Ana Rita Gonzalez

President and CEO of Policy Wisdom

John R. Grimes

Vice President for Institutional Advancement at Cook Inlet Tribal Council

Dr. Nancy J. Hafkin

Director, Knowledge Working

Bernhard H. Liese

Chair of the Department of International Health at Georgetown University School of Nursing & Health Studies

Delia Marshall

Senior Portfolio Manager with BNY Mellon

Mina Mauerstein-Bail

Co-President, Sirleaf Market Women's Fund

Mark Minelli

President and CEO, Minelli, Inc.

Kevin P. Mitchell

Director of Internal Audit, BreitBurn Energy

Nancy Murphy

Executive Vice President at Grantmakers for Effective Organizations

James J. Nowicki

Executive Director at JPMorgan

Pamela Roussos

Business and Marketing Strategy Consultant

Frank Sims

Retired Corporate VP, Cargill

Dr. Eva T. Thorne

Meyer and Walter Jaffe Assistant Professor of Politics at Brandeis University Partner, Deutch Consulting

David A. Wilson

Partner, Thompson Hine's Business Litigation practice group

board of directors

October 1, 2010 - September 30, 2011



our brand



Pact is not just our name. It's a powerful symbol for who we are.

Pact is a promise.

Pact is a promise of a better tomorrow for all those who are poor and marginalized. In FY2011, we began work on expressing that promise in a more powerful and memorable way.

What emerged was a visualization of that promise through an organic mosaic whose composition of interconnected pieces creates a greater whole. It evokes the cascading impact of Pact's work: Global change through local solutions.

This is what a promise looks like.





pact

building
local
promise.

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