



40 Years

ANNUAL REPORT 2010

[www.pactworld.org](http://www.pactworld.org)



Dear friends of Pact,

For nearly forty years, Pact has been driven by a passion for developing the capacity of others to discover and build their own solutions, and take ownership over their own future.

This passion has been unflagging. Over our nearly four decades, we have had failures and successes; we have learned from both. We have learned what works, and what to avoid; have discovered what is important, meaningful and lasting; and recognized how we best add value and make distinctive contributions to those we serve. This last year, we brought that hard-earned wisdom to bear as we refreshed our vision of a better world and our role in shaping that future. We crafted a new mission and strategy for the organization that is both evolutionary and revolutionary, affirming our core strengths and building on our past successes, while introducing new areas for exploration, challenge, and growth.

Our new mission and strategy is a fundamental promise, both to ourselves and, more importantly, to those we serve. It is a promise not to rest until we turn our abundant passion into practical reality. It is a promise to consistently employ our core values to work in partnership, achieve results, and build locally owned solutions. It is a commitment to enable systemic solutions that allow those who are vulnerable and poor to be healthier, earn a dignified living, and benefit from the sustainable use of the natural resources around them. It represents a deep commitment to our uniquely integrated approach as the best opportunity for effecting lasting positive change: strengthening local capacity, forging effective governance systems and structures, and transforming the economic power of businesses and markets into a force for development.

Pact has enabled over 12,000 local organizations, in over 60 countries, to deliver the products and services that help people make a better life for themselves and their community. This capacity helped Yewognesh, a poor mother of three in Woliso, Ethiopia, build a successful business, feed her children, and send each of them to school. She now gives back — not only is she a volunteer caring for twenty orphans and training outreach workers, her oldest daughter also does the same. It is this example of individual and collective change that inspires Pact to do more.

Pact will celebrate its fortieth anniversary next year. With the maturity that comes from nearly forty years of experience, and the energy flowing from our new vision and direction, Pact is fully committed to make a meaningful impact in the lives of others and to help change the world around us.

We invite you to partner with Pact in our journey as we jointly discover new and exciting ways to make a difference in the lives of those we serve.



**Mark Viso**  
President and CEO, Pact



**Stephen Olesky**  
Chairman, Board of Directors, Pact



**Mark Viso**



**Stephen Olesky**



**1971** PACT (Private Agencies Cooperating Together) is founded as a membership organization for U.S. private voluntary organizations. PACT's mandate under Executive Director Robert O'Brien is to bring its members together to empower local organizations and attain sustainable development.

## PACT *Offices*

WASHINGTON, DC

EL SALVADOR



## PACT BOARD OF *Directors*

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Principal, Ignite Capital Advisors

**David Wilson**  
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**1986** PACT wins its first projects directly  
funded by USAID missions.



# STRATEGIC PLAN *Elements*

Our new strategic plan sets a clear direction founded on a passion for results, informed by our successes and failures, and strengthened by our core expertise.

Rather than focus on single issues we will help our partners weave the tapestry of a healthy community: strong, transparent institutions; ownership and participation in decisions about health, livelihoods, security, and local resources; and access to opportunities and objective information.

Pact's reach is broad but strategic, and our focus is systemic change. We work with a wide range and variety of partners among the most vulnerable as well as their representatives in government, business and industry, civil-society organizations, and health and educational systems. Together we create networks and build constituencies around issues in order to find the best solutions in the appropriate context.

## Strategic Plan 2010-2014

**Our vision:** A world where those who are poor and marginalized exercise their voice, build their own solutions, and take ownership over their future.

### Our Values

#### *Pact: A promise*

People are at the center of our values. We believe that effective stewardship leads to trust and that trust is the foundation for change.

**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.

### Our Purpose

Pact enables systemic solutions that allow those who are poor and marginalized to earn a dignified living, be healthy, and take part in the benefits nature provides.

We accomplish this by strengthening local capacity, forging effective governance systems, and transforming markets into a force for development.

### 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 be income secure.
- Resource dependent communities gain lasting benefit from the sustainable use of the natural resources around them.



**1991** PACT moves its headquarters from New York City to Washington, D.C.

**1992** PACT dissolves its membership and establishes itself as an independent non-profit under CEO Lou Mitchell.

## RESULTS ON THE GROUND: *Impact*

### Livelihoods

Pact's market-based livelihoods development approach uses a variety of tools and techniques to assess and develop a market for local products, improve the capacity of local production, and strengthen supply channels. The rural poor in Myanmar have very little access to loans and other working capital. The Sustainable Livelihoods through Microfinance for the Poor project has provided access to microfinance services and stimulated a variety of small businesses. Nearly \$50 million worth of loans has been issued with a 99.9% repayment rate over the life of the project. Currently there are over 387,000 members in more than 6,400 villages. Community organizations constitute the institutional foundation for long-term sustainability of this successful program.

WORTH, Pact's award-winning women's empowerment program, builds on a platform of microfinance to also provide financial literacy, behavior change messages about health, and mobilizes community resources for a range of goals. Incorporating WORTH into programs for orphans and vulnerable children in Tanzania has allowed mothers and other caregivers access to capital and training with which they've built businesses and generated income for their families. Group activities also provide a platform for HIV prevention knowledge and skills.



### Health

Pact has been implementing health programs for two decades, with a focus on creating systemic change to tackle health challenges at the local level. The Community REACH program alone reached millions of people during its just ended eight years of impact:

- 116,000 orphans and vulnerable children received care and support
- 126,000 people received counseling and testing
- 3.3 million people benefited from HIV prevention messages

Results:

- Decreased transmission of HIV
- Better care and longer lives for those living with HIV and AIDS
- Strengthened, community-based HIV and AIDS programs and responses.

South Africa's HIV prevalence rate is approximately 17%. Pact's Umbrella Grants Management program integrates rigorous grants management with capacity development in a country with well-developed institutions and resources. The result has been rapid growth in the scale and reach of our partners' HIV and AIDS services, and a corresponding ability to use funds effectively and efficiently.

While China's HIV prevalence is 0.1% nationwide, the prevalence among injecting drug users is much higher, up to 15%. China is the first country in Asia to initiate a large-scale response to HIV in drug users, but stigma is strong and the program requires individuals to register. Pact works closely with Xingcheng, a small telecoms company whose management and staff are mostly former drug users, to create a model of work-based rehabilitation, support, and treatment that can be replicated in other

**1996** Pact celebrates its 25th anniversary and launches Pactworld.org; PBS broadcasts a 30-minute special on Pact's literacy work in Nepal; Pact CEO Sarah Newhall testifies before the Asia and Pacific Subcommittee of the House International Relations Committee.

**1998** Pact Institute is created to incubate innovative new programs.



businesses across the country. The Xingcheng program includes combined work and rehab performance reviews, rehab agreements, personal mentoring, and referrals to medical treatment. Only 5% of participants have relapsed into drug use and the program earned praise in the Chinese government's 2010 anti-narcotics report.

## Environment

The Ustyurt Plateau is a temperate desert and ecologically unique, lying between the Caspian and Aral seas. Change in land use management resulting from the breakdown of the Soviet Union, indiscriminate development of extractive industries and high unemployment underlie the key threats to the landscape's sensitive ecosystem.

SCAPES, The Sustainable Conservation Approaches in Priority Ecosystems program, is the largest global conservation program funded by USAID. Pact and its partners Fauna & Flora International, BirdLife International, and ACIDI/VOCA are using a threats-based approach to landscape conservation in the Ustyurt Plateau, developing new adaptive tools and creating programs to achieve financial, social, economic, and ecological sustainability.

The Ustyurt Plateau is a 102,000 square mile transboundary landscape shared between Uzbekistan and Kazakhstan. Our work includes landscape conservation that addresses threats to biodiversity and supports policy changes to develop environmentally responsible laws and practices. The Saiga Antelope is a keystone species in the Ustyurt and has decreased in numbers precipitously in the past two decades. Threatened with widespread poaching to supply Saiga horn to an illegal international market, the project is reinforcing local protection and enforcing international wildlife trade laws.



## Pact's PICASO Program Holds Prosperous Future in Ethiopia

My name is Yewognesh Negatu and I live in Ethiopia. Though we were happy, my family was struggling. I was unemployed and my husband's small salary was not enough to send all three of our daughters to school. I knew the importance of an education, having worked hard to finish school and earn my teaching certificate despite being orphaned at a young age. I didn't want my daughters to miss out.

Then one day, social workers from Pact's PICASO program came to our house to register children who could not afford school. PICASO is a program that helps orphans and vulnerable children by providing food, education, shelter, and other support. Because of Pact my other school-age daughter would finally have the opportunity to get an education. Little did I realize this would be an opportunity for me as well.

After my daughter started school, they invited mothers for a training on income generation and helped us form a savings and credit cooperative. With the money I borrowed and training in food preparation provided by Pact's partner Maedot, I started a business selling cookies for school children. That business grew into a small restaurant, and now after five years we are running three popular restaurants. We have even received a contract to feed 1,000 children daily at their non-formal basic education center.

I promised myself I'd share my success by volunteering with the PICASO program. I am now responsible for twenty orphans. I check in with them every week, help them with their studies, share their sorrows and happiness, take them to the medical center if they are sick, and distribute school books and uniforms. My eldest daughter is also an active, committed volunteer responsible for another twenty children. She learned the importance of serving our community from me, and I am very proud of her.

Pact has made such a difference in our lives. Not only have I realized my ambition to see my children well educated, I am so happy to be earning income and providing happiness to orphans who need my care.



**2001** Pact takes its HIV and AIDS work global with USAID awards for Community REACH and Civil Society Strengthening programs; Worth magazine recognizes Pact as one of the 100 American non-profits "most likely to save the world."





## INTEGRATED *Approach*

### Capacity Development

A core element of Pact's development approach for four decades, capacity development aims to improve the institutional capacity of local civil-society organizations no matter what their particular goal. Our tools and services include but are not limited to strategic planning, financial management, organizational development, network strengthening, and effective advocacy. For example our Local Governance Barometer has been replicated in many places to assess the capacity and strength of local governments to respond to its citizens and to address gaps. In Madagascar, we are considered a leader in developing innovative tools to map access and combat corruption and child labor. Pact's support to our partners has improved their program quality, access, and sustainability to male and transgender sex workers in the Greater Mekong Region, reaching over 14,000 last year alone with prevention activities, health care, and livelihoods initiatives.

### Governance

In Cambodia, decades of centralization resulted in a lack of state accountability and government responsiveness to its citizens. Pact's Local Administration and Reform Project, begun in 2005, has resulted in noticeable policy shifts by national, provincial, and district officials on issues such as anti-corruption, public information, outreach, and prioritizing citizen's



### In SWING Program, "We Are One Family"

Bangkok is the home base for Pact's HIV prevention program in the Greater Mekong Region. In Bangkok alone, more than 30% of men who have sex with men (MSM) are currently living with HIV — a clear public health emergency — but discrimination has traditionally prevented many MSM and other sex workers from accessing the needed prevention services. Pact, in partnership with local community-based organizations such as SWING (Service Workers in Groups), reaches out to this underserved group.

Pact counsels and guides SWING's efforts to help sex workers live healthier, safer lives and teaches others to treat them with respect and dignity. Pact also provides financial support and organizational development. SWING founder, Surang Janyam, credits Pact's mentorship for helping SWING to "walk strongly in the right direction."

In 2010, the SWING team reached a total of 5,700 male sex workers, and brought 63% of the total male sex worker population of Bangkok and Pattaya together for education on preventing HIV and sexually transmitted infections. SWING staff go to the bars where sex workers and MSM can be found, using creative techniques to raise awareness. SWING recently hosted a street fashion show where the outfits were made entirely of condoms. Staff then distributed condoms and information about HIV and AIDS to the gathering crowds. "I feel at home here," said one sex worker, "And when I come here I meet friends. I feel like we are one family."



**2002** Pact adopts Corporate Community Engagement policy, after Pact works with The Coca-Cola Foundation Indonesia to transform four libraries into alternative education centers where children can develop reading, writing, and communications skills.

**2002** Pact establishes six platform areas: peace building, democracy and governance, HIV and AIDS, microfinance and livelihoods, natural resource management, and equity and empowerment of vulnerable groups.

concerns. Councilors have accepted social development over political party agendas as an appropriate goal for project planning purposes, and they are demonstrating greater ownership over project implementation due to more successful outreach activities. In Kyrgyzstan, under the Civil Advocacy for Reform and Stability Program, 15 civil-society organizations have influenced changes in 20 legislative and policy actions taken by the government on several issues ranging from land reform to anti-corruption to rights of the elderly. Sustainability is ensured by the establishment of citizen committees and monitoring commissions. In the Zimbabwean city of Bulawayo where the city council has been crippled by a lack of resources, the “Work for Zimbabwe” program has galvanized communities to improve municipal services, support the council, and hold it to high standards of service delivery. Our programs prove that where institutions are weak, citizen participation, knowledge exchange, and advocacy are powerful tools for positive change.

## Access to Markets

In the past year, Pact broke new ground with its Signature Programs. The purpose of Pact’s Mines to Markets program is to maximize the positive and mitigate the negative impact of extractive industries. In partnership with ITRI, a tin users association, we are implementing a “bag and tag” program which traces minerals back to their original “conflict free” status in the Democratic Republic of Congo, Rwanda, and elsewhere in the Great Lakes Region.

Pact is pioneering a Reduced Emissions from Deforestation and Degradation (REDD+) program with the Royal Government of Cambodia’s forestry administration. Working with community forestry groups, Pact is establishing safeguards to protect forestland from fire, illegal logging, and other threats.



**2005** Pact demonstrates a new competency working with the extractive industry, leading to the eventual establishment of the Mines to Markets signature program; the Local Governance Barometer is created to facilitate progress toward good governance.



## Freedom of the Press Inspirational in Belarus

Gantsevichi District in the Brest Region of Belarus has no active civil-society organizations or political parties. Up to 60% of the population is rural, and small villages are widely dispersed among forests and swamps. It is not what one typically expects from a hot spot of civil activism and political opinion — but that's exactly what the area is thanks to one small, independent newspaper.

Petr Guzaevski, founder of the Gantsavitski Chas newspaper, believes that access to information is a path to social change. Though Petr was arrested after releasing the first issue of what began as a homemade newsletter, the community embraced the only independent news source in the district. And just as Petr understood, readers were not content to simply read about problems: they want to solve them.

Poised to grow his role as newspaper editor into that of civic leader, Petr participated in Pact's Leadership Fellows program to learn more effective ways of engaging his fellow citizens. Petr successfully advocated for the expansion of a local hospital's ambulance fleet, and helped local residents advocate for government-funded housing repairs. Pact then issued a Community and Media Development Fund grant to Gantsavitski Chas to help build staff qualifications, enhance the system of independent dissemination of news in the region, and increase quality.

Today, with Pact's support, Gantsavitski Chas is thriving in Brest. Citizens see Petr as an inspirational problem solver who has boldly and professionally tackled issues ranging from human rights to housing to social services. More importantly, citizens are inspired to find solutions themselves and empowered to work alongside political authorities to defend and maintain their rights.

## Individual Success Through Community Strength

Mya Lay Khine and her husband are both HIV-positive. When she first received the news, she was "shocked beyond console." Even her parents turned their back on her, and though she was able to get treatment and stay healthy, the emotional toll was heavy. That began to change when Mya Lay Khine and her friends formed the "Shwe Yaung Eain Met" WORTH women's empowerment group and received training from Pact staff to help them save and earn money. After a few months with the group, Mya Lay Khine began a small retail business selling tea leaves, as well as raising chickens in her backyard for additional income. She is now supporting her children and her parents. Perhaps the greatest achievement is Mya Lay Khine's feeling of self-worth. Working and earning her own income has helped Mya Lay Khine feel "like a normal person again." With the trust and support of her fellow WORTH women, Mya Lay Khine now faces the future with joy and confidence.

**2008** Pact takes on Cambodia's first Reducing Emissions from Deforestation and Degradation (REDD+) program; Staff doctors in Myanmar mobilize for recovery efforts in more than 700 villages in Myanmar during the devastating aftermath of Cyclone Nargis.

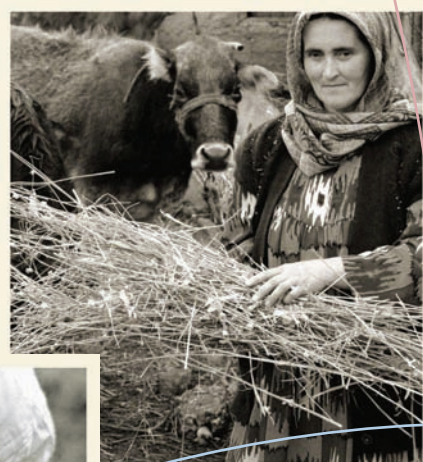
**2011** PACT'S 40<sup>th</sup> ANNIVERSARY



# 40

Pact was founded 40 years ago with an age-old truism in mind: with a little knowledge and a few resources, people anywhere can find ways to tackle and solve their own challenges. Throughout history, people have found ways to work together, make compromises, and learn and share, despite wars, injustices, and crises. In the years following World War II, broad support for reconstruction efforts, a refined concept of human development, and a belief in self-determination inspired the growth of international development; what Harry Truman in his seminal 1949 address called “a program of development based on the concept of democratic fair dealing.” From these trends and movements Pact was born.

In 1971, a number of non-governmental organizations, including some of the most well-known in the field, banded together to form Private Agencies Collaborating Together (PACT) with the express and stated purpose of “providing greater resources, broader opportunities, and better means for enabling people to meet their own needs through improved self-help capabilities and to improve social and economic conditions.” Today, the practice of capacity development is the basis of some of the most significant accomplishments in our field. Pact, as we are known today, has been an influential voice in human development for 40 years.





# FINANCIAL *Statement*

## Audited Financial Statements

Assets	2010
Cash & Cash Equivalents	23,239,962
Agency Transactions-Micro Finance	
Loans Receivable	41,161,691
Advances and Grants Receivables	34,032,357
Other Assets	4,494,558
<b>TOTAL ASSETS</b>	<b>102,928,568</b>

Liabilities and Net Assets	
Accounts Payable and Accruals	7,625,789
Agency Transactions-Micro Finance	
Loans Receivable	41,161,691
Refundable Advances	50,204,109
<i>Total Liabilities</i>	<i>98,991,589</i>
Unrestricted Net Assets	3,936,979
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>102,928,568</b>

## Statement of Activities

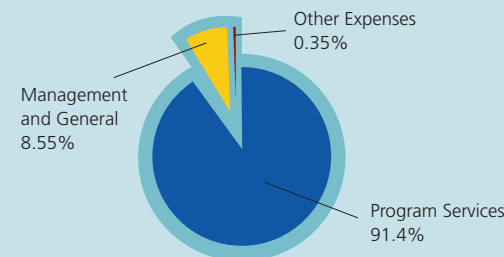
Fiscal Year ending September 30, 2010

Support and Revenue	2010
Grants and Contracts	203,906,743
Investment Income	151,818
Contributions	319,340
Other Revenue	327,958
<b>TOTAL SUPPORT AND REVENUE</b>	<b>204,705,859</b>

Expenses	
Program Services	186,959,388
Management and General	17,155,956
Other Expenses	697,048
<b>TOTAL EXPENSES</b>	<b>204,812,392</b>

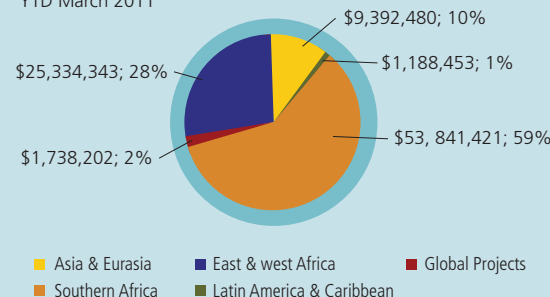
## Expenses

As of September 30, 2010



## Program Portfolio Expenses by Region

YTD March 2011



## PARTNERS

### PUBLIC

African Development Fund  
 Australian Agency for International Development (AusAID)  
 British Embassy  
 British Foreign and Commonwealth Office (FCO)  
 Centers for Disease Control and Prevention  
 Danish Embassy  
 Danish International Development Agency (DANIDA)  
 Department of Foreign Affairs and International Trade, Canada (DFAIT)  
 Department for International Development (DFID, UK)  
 Embassy of Finland  
 The European Commission  
 European Union  
 Global Fund to Fight AIDS, Tuberculosis, and Malaria  
 Government of Southern Sudan  
 Ministry of Foreign Affairs of Denmark  
 National Committee for Sub-National Democratic Development Secretariat (NCDDDS)  
 Royal Danish Embassy  
 Royal Norwegian Ministry of Foreign Affairs  
 Swedish International Development Cooperation Agency (SIDA)  
 United Nations International Labour Organization (ILO)  
 United Nations Office for the Coordination of Humanitarian Affairs (OCHA)  
 United Nations Children's Fund (UNICEF)  
 United Nations Development Programme (UNDP)  
 United Nations Office on Drugs and Crime (UNODC)  
 United Nations Office for Project Services (UNOPS)  
 United Nations World Food Programme (WFP)

U.S. Agency for International Development (USAID)  
 U.S. Department of Labor  
 U.S. Department of State  
 World Bank Group

### PRIVATE and NON-PROFIT

AED  
 amfAR  
 AngloGold Ashanti, Ltd  
 Anvil Mining  
 ARK UK  
 The Asia Foundation  
 BMZ  
 Camfed International  
 Channel Research SPRL  
 Chevron Corporation  
 DAI  
 DanChurchAid  
 David and Lucile Packard Foundation  
 East-West Management Institute, Inc.  
 Family Health International  
 Fondation Ensemble  
 Ford Foundation  
 Futures Group International, LLC  
 Humanity United  
 The International Center for Research on Women (ICRW)  
 Institute for Global Environmental Strategies  
 International Tin Research Institute, Ltd

IUCN National Committee of the Netherlands  
 Johns Hopkins University  
 LIFT  
 Management Systems International  
 National Democratic Institute  
 Nike Foundation  
 Non-Timber Forest Exchange Programme  
 Oak Foundation  
 Open Society Forum  
 Oyu Tolgoi  
 Rio Tinto  
 The Rockefeller Foundation  
 RTI International  
 Synergy Global Consulting, Ltd  
 Tenke Fungurume Mining (TFM)  
 Unocal Myanmar Offshore Co., Ltd  
 Vanguard Charitable Endowment Program  
 Walmart  
 Wellspring Advisors, LLC  
 Wildlife Conservation Society  
 William J. Clinton Foundation  
 Winrock  
 World Wide Fund for Nature  
 World Wildlife Fund (WWF)  
 WWF Central Africa Regional Programme Office (CARPO)



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