



pact

building
local
promise.

No 2 (fomu yamwaa)
wa kuZingach'a
Kinjazwa, Samba-
tanifa kwenye
kutumia Simu
Zime-sajih'wa



2021

ANNUAL REPORT



From our leadership

When we look back at 2021, a word that comes to mind is resilience. The global community continued to face enormous challenges. The Covid-19 pandemic went on, with insufficient access to vaccines across much of the developing world. New conflict and insecurity made their mark. Climate change showed us more than ever that no one will be immune to its vast impacts. More people are living in poverty due to the impacts of Covid-19.

Yet Pact, our donors and partners and the communities we serve faced these challenges head on. Together we fought Covid misinformation, built peace in the Horn of Africa, promoted sustainable supply chains to mitigate climate change, and helped entrepreneurs from Africa to Asia build thriving businesses. Pact also celebrated our 50th anniversary, advocated for climate action across the development sector, contributed research and insights to improve our collective impact, and supported local organizations around the world to strengthen their capacity. In the report that follows, you'll see these highlights and many more of our evidence-based, data-driven programming that is changing the development landscape for people around the world.

These achievements, like all of our work, were made possible through partnership. Amid such trying times, we are especially grateful to collaborate with donors, NGOs and local communities that are ready to navigate our world's complexities and overcome any challenge in the name of improving lives. This is the true embodiment of resilience.

Mark Fitzgerald
BOARD CHAIR

Caroline Anstey
PRESIDENT + CEO

THE KINGDOM OF ESWATINI

Health Alert App

Your one-stop app for all your COVID-19 questions!

WhatsApp "HI" to 7943 6585

Then stay alert and keep doing it all!

- Vaccinate
- Wash your hands
- Social distance
- Wear mask
- Avoid indoor gatherings

USAID EpiC UNITED NATIONS PEPPAR

To help development practitioners manage projects in a way that enables ethical adaptation as the problem, context or project needs shift, Pact released a [practical toolkit for adaptive management](#).



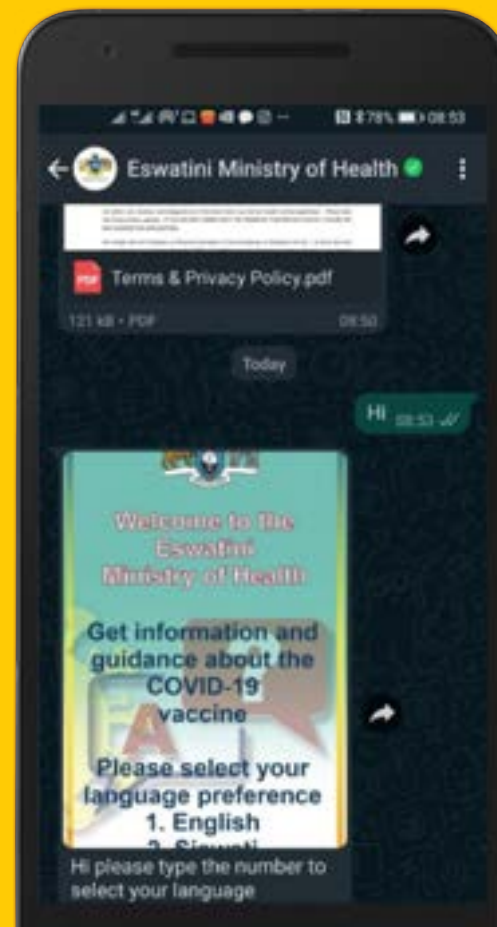
Protecting the rights of marginalized groups in South America

Pact expanded its efforts to protect the rights of migrants, women laborers and indigenous communities across South America. Through [Conectando Caminos por los Derechos](#), Pact supported Colombia's efforts to prevent and respond to human rights violations, particularly among Venezuelan migrants, Colombian returnees and receptor communities,

increasing community cohesion and citizen security. Through [Vamos Tejiendo](#), we empowered women and girls working in the cut flower and panela sectors to reduce their vulnerability to labor violations. And across the Amazon region, we [built the capacity of indigenous organizations](#) to protect indigenous rights and land.

Fighting Covid-19 misinformation and vaccine hesitancy

Pact built on its long history of helping the people of Eswatini to overcome health challenges with a [new mobile app](#) to fight Covid-19 misinformation and vaccine hesitancy. With funding from USAID, Pact created the Health Alert app, which works through the popular messaging app WhatsApp. Users can text "Hi" to Health Alert's number, click a link or scan a QR code to instantly access accurate Covid information, register to get vaccinated and ask questions that are answered through the app by a trained health worker. The app was created in partnership with Eswatini's Ministry of Health.



2 New members joined Pact's executive team.

Using energy productively in Myanmar

Smart Power Myanmar, a Pact project, released [a key report](#) on the agriculture-energy nexus with useful guidance on prioritizing energy access investments into agriculture value chains in Myanmar and beyond. The first-of-its-kind report offers tools for evaluating agricultural processes along the entire value chain continuum, outlines opportunities for strategically investing in energy access, and shares best practice, geospatial data, on-ground surveys and market information for three economically significant value chains in Myanmar.



Pact partnered with [Entreprise Générale du Cobalt and Trafigura](#) in a landmark agreement to transform the artisanal and small-scale cobalt mining sector in the Democratic Republic of Congo.



With funding from the European Union, Pact [expanded our peacebuilding work](#) to address violent conflict in the border areas between Kenya and Ethiopia.



Promoting improved working conditions for artisanal miners

In partnership with the World Bank, Pact published [a critical report](#) showing that better working conditions can improve productivity, health and safety for more than 44 million artisanal and small-scale miners across 80 countries. The report includes practical information on how stakeholders can maximize small-scale mining's contributions to the achievement of the Sustainable Development Goals, and it helps close the significant gap in global data about a livelihood that directly supports three times as many people around the world as it did 20 years ago. Despite their significant contribution to major global mineral supply chains, the report notes that artisanal miners remain some of the world's most marginalized workers.



As the impacts of Covid continued, Pact President & CEO Caroline Anstey outlined [how NGOs can build back greener](#) and tackle the climate agenda from the inside out.



40
countries where Pact continued to support communities in responding to Covid-19.



Supporting a key global industry to reduce its carbon footprint

Through USAID Green Invest Asia, private sector leaders signed [the coconut industry's first global Sustainable Coconut Charter](#). The agreement was designed to improve farmer livelihoods, lessen the carbon footprint of coconuts and boost supply to meet rising global demand, with founding signatories including AAK, Barry

Callebaut, FrieslandCampina, Harmless Harvest Thailand, Nestlé and Unilever. The charter outlines focus areas, principles and sustainability program goals in coconut supply chains. One key challenge that signatories will take on together is how to sustainably replant millions of coconut palms that are no longer producing coconuts.

Graduating local partners to direct USAID funding



For decades, Pact has worked to [develop the capacity of local organizations](#) around the world so that they are well equipped and resourced to solve development challenges in their own communities. We support our local partners as they explore their strengths and weaknesses using proven assessment tools, and then we jointly create action plans to strengthen their performance. A

pinnacle achievement is taking Pact out of the equation by strengthening a local organization to the point that it is qualified to win funding directly from international aid agencies such as USAID and continue on effectively without Pact's support. This is key to sustainable development, and in 2021, we successfully "graduated" 23 local organizations around the world.

In 2021, Pact released its 10th annual global impact report, *Measuring Pact's Mission*. The report details agency-level metrics across all of our work globally.



50 years Pact has been building local promise.

2 new countries in western Africa where Pact expanded our mining work.



Pact teamed up with Wing Bank and Boost Capital, two digital financial services companies, to provide [affordable financial services and products](#) to Cambodia's underserved young women entrepreneurs.

Helping Ethiopians cope with Covid-19, climate change

Pact launched the [Cash for Community Cohesion project](#) in Ethiopia with funding from GIZ to help communities face recent shocks caused by Covid-19, deadly floods and surging desert locust. The program provides cash assistance that households are using to meet their most pressing needs. Cash assistance also provides critical injections into the economy that creates returns for local traders and small businesses. The effort also offers employment opportunities for mobile populations and host communities in select border areas in Kenya and Ethiopia, with a focus on skilled and semi-skilled people, especially youth and women. Additionally, Pact is working to increase social cohesion by engaging communities in activities that progress their common goals.



USAID awarded Pact Civil Society and Media - Strengthened Together and Advancing in New Directions, two regional programs that aim to strengthen independent media and civil society around the world.



120 West African young entrepreneurs who participated in an innovation contest co-hosted by Pact to identify solutions to Covid-19 challenges.

1,500 respondents who contributed to Pact's research on the impact of federalism on social accountability in Nepal's health sector.



As Covid vaccines rolled out around the world, Pact released the [first study on community readiness and preparedness for the Covid-19 vaccine in Colombia](#).

financial report

Consolidated Statements of Financial Position September 30, 2021

Assets	2021
Cash and cash equivalents	\$ 98,566,568
Investments	3,392,488
Federal grants receivable	4,346,358
Other grants receivable	1,511,886
Advances and other receivables	11,186,679
Prepaid expenses and deposits	2,214,616
Notes receivable	156,370
Loan portfolio, net of loan loss reserve	259,987,976
Property and equipment, net	3,409,815
Total Assets	\$ 384,772,756
Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 38,972,588
Beneficiary savings and reserved funds	83,876,081
Net returns on loans, reinvested earnings	176,533
Notes payable	96,897,510
Refundable advances – federal	7,295,605
Refundable advances – other	7,301,811
Deferred rent	5,116,000
Total Liabilities	\$ 239,636,128
Without donor restrictions – Pact, Inc.	17,293,561
Without donor restrictions – Pact UK	291,083
Without donor restrictions – Pact Global Microfinance Fund	127,551,984
Total Net Assets	\$ 145,136,628
Total Liabilities and Net Assets	\$ 384,772,756

Consolidated Statements of Activities Year Ended September 30, 2021

Support and revenue	2021
Grants and contracts	\$ 178,599,192
Contributions	61,600
Microfinance loan activities	96,756,091
Fee income on microfinance loans	7,484,955
Investment gain (loss)	461,642
Other revenue	647,054
Net return on loans	6,329,109
Total Support and Revenue	\$ 290,339,643
Expenses	
Total program services	\$ 158,286,182
Supporting services	
Management and general	80,420,034
Fundraising	17,462
Total supporting services	\$ 80,437,496
Total expenses	\$ 238,723,678
Change in net assets before other gains and losses	\$ 51,615,965
Other gains and (losses):	
Unrealized foreign exchange loss	(73,760,781)
Bad debt expense	(42,494,345)
Change in net assets	\$ (64,639,161)
Net assets (all without donor restrictions):	
Beginning	\$ 209,775,789
Ending	\$ 145,136,628

The financial records of Pact, Inc. and affiliates are audited annually by an independent firm of certified public accountants. The financial records for 2021 were audited by Grant Thornton LLP.

Financial reports are available at pactworld.org.

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