



pact

building
local
promise.

Annual Report



FISCAL YEAR 2022





A letter from our leadership

For more than a half century, Pact has been a recognized leader in creating social impact. We do this by supporting local communities, organizations and institutions to realize their dreams and development goals. In October 2021, we enshrined this foundational element of community engagement in a new organizational strategy. Since then, we have demonstrated that our focus on locally led development is more than a statement on paper. It is backed by data and a rigorous methodology to ensure we are following through on our commitment to engaged communities leading their own development.

Across our programming, communities are active participants at every step, from design to implementation to evaluation. In partnership with communities, donors and partners, we provided critical health and economic services to women impacted by the war in Ukraine, and globally we ensured millions of children, adolescent girls and young women have access to key HIV information and services. In the Horn of Africa and the Democratic Republic of Congo, we supported communities to overcome cross-border conflict. We

protected vital natural resources across Africa and southeast Asia. From Cambodia to Colombia, we worked with women to build and grow their businesses. In the pages that follow, you'll see these highlights and more. We are grateful to the communities that put their trust in us, along with our donors and partners, who together make this impact possible.

We hope that you find inspiration from the highlights that follow and join us as we build solutions for human development that are evidence-based, data-driven and owned by the communities we serve.

Warm regards,

Mark Fitzgerald
BOARD CHAIR

Caroline Anstey
PRESIDENT + CEO

Improving access to health and social services

From working toward HIV epidemic control to improving community readiness for Covid-19 vaccination, Pact helped nearly 1.3 million people gain improved access to health and social services last year.



While significant progress has been made over the past few decades in the fight against HIV, there is still much left to do, especially for children and adolescents, and particularly for girls. Last year, the Pact-led ACHIEVE project, funded by USAID, marked [two years of progress toward HIV epidemic control](#). A global effort to reach and sustain HIV epidemic control among pregnant and breastfeeding women, adolescents, infants and children, the project had already served 62,000 orphans and vulnerable children and caregivers, making critical progress in clinical outcomes as well as in HIV prevention. Also through ACHIEVE, Pact is utilizing community-led monitoring, a



powerful tool for supporting local ownership of development solutions. We developed and piloted a community-led monitoring toolkit to strengthen community systems with guidance, while enabling communities to use data to celebrate service successes and identify challenges in a supportive environment to improve services.

Across the world, stigma remains a barrier to HIV care and treatment. In Indonesia, Pact, in partnership with FHI360 through the EpiC project, [expanded trainings of health care workers on HIV stigma](#) into West Java and Banten.

Nearly two years after the Covid-19 pandemic began, communities around the world still grappled with the spread of the disease and its impact. Vaccine access and uptake varied across the world, with countries in the global south having limited access. Based on our work with community health and social welfare systems, [Pact conducted studies on perceptions of Covid-19 and vaccine hesitancy](#)

in Colombia, Eswatini and South Africa, which surfaced how misinformation contributes to vaccine hesitancy, and the communication and logistical challenges that governments must overcome to improve vaccination. These assessments identified opportunities for increasing vaccine acceptance among the communities we serve.





Fostering positive civic engagement and building peace

Societies with more effective governing institutions have been shown to do better in economic growth, human development, social cohesion and more. Last year, nearly 6.3 million citizens participated in Pact-supported initiatives resulting in positive civic and state-society engagement.



One of the main challenges for the exercise of democracy in Latin America and particularly in Colombia is the level of distrust that women and citizens in general have toward government institutions. Through the Vamos Tejiendo project, funded by the U.S. Department of Labor, Pact worked with municipal mayors' offices to [identify the needs and expectations of women regarding](#)

[their access to services](#) and provided technical assistance to the teams that formulate public policies on women and gender to improve their action plans.

Preventing and mitigating violence and building sustainable peace are the first steps toward long-term development, and those efforts are a necessary foundation for economic prosperity, quality public services such as health care and education, improved infrastructure and more. In the Horn of Africa, communities along the Kenya-Ethiopia border are working together to end conflict and build peace with support from the Pact-led SEEK project. Funded

by the European Union Trust Fund for Africa, the project used a conflict systems-based approach to address the multiple causes of conflict in cross-border areas and to promote peace building, conflict management and conflict resolution capacity at the community and cross-border levels. And in the Democratic Republic of Congo, [the USAID-funded Tanganyika Conflict Mitigation and Reconciliation project](#) has built social cohesion, collaboration and trust between the Batwa and the Bantu. Together the Batwa and the Bantu are now fishing, farming and raising animals, to both peoples' benefit.



Building economic resilience

Economic resilience and empowerment are at the core of people's ability to own their future, especially for women, youth and disadvantaged groups. Across the world, nearly 1.5 million people increased their income and savings through Pact's programming last year.



For women across Ukraine, war has devastated their lives and livelihoods. Amid war, Pact's WINGS project (Women Included: Nurturing Growth and Security), funded by Global Affairs Canada, has trained women on starting and growing businesses, including how to develop a business plan. And the project has provided financial support to kickstart their efforts. For [entrepreneurs like Alyona Buriak](#), it has made all the difference.

In many countries, entrepreneurs are the backbone of the economy, including in Cambodia. But young women entrepreneurs tend to have smaller businesses compared to their male counterparts, who are more

often the leaders of larger businesses. Policies and support networks are often geared toward larger businesses, leaving women behind. Through the WE Act project, funded by USAID, the landscape is changing for the estimated 350,000 young women entrepreneurs across the country. In the first three years of the five-year project, we have [increased the skills of more than 3,500 young women entrepreneurs](#) at different levels through incubators, digital marketing and leadership trainings.

Pact's longstanding livelihoods model, WORTH, is a critical tool for building financial access and incomes around the world. Since its inception in Nepal in 1998, WORTH has reached 1.14 million individuals through more than 48,000 groups across 16 countries. [A formal review of 28 WORTH programs](#) revealed that the program improves individual education and skills, household income and savings behavior and broader community-level outcomes around social cohesion and women's leadership. It is a sustainable and impactful model for economic empowerment, particularly for women and young people.



Protecting the environment and combatting climate change

We work with local communities, governments and civil society so they can develop the necessary skills to manage and responsibly benefit from the natural resources around them, from fish to forests to mineral deposits. Last year, because of Pact's work, more than 2.7 million people benefited from improvements in the management of natural resources.

Across the world, we empower communities to make their own resource management decisions, working within the realities of population pressure, poverty, an increasing demand for energy and natural resources, and the impacts of climate change. In Malawi, [the government assumed control of new technology for biodiversity monitoring in Lake Malawi](#) from the Pact-led REFRESH project, funded by USAID. Environmental degradation and overfishing threaten the future of Lake Malawi, the most biologically diverse lake in the world. The lake provides critical livelihoods and nutrition for much of the country's population. The new equipment and monitoring capabilities will improve service delivery by the Department of Fisheries and ultimately lead to a healthier Lake Malawi.



In southeast Asia, the [Mekong Connections program provided grants to eight civil society groups](#) in Cambodia, Laos, Thailand and Vietnam for community work. The projects build on a history of community action around rivers and ecosystems, and included protecting water-related river ecosystems, combating illegal trade in wildlife, and learning how changes in biodiversity and ecosystems are affecting human health.

And across the Amazon, the Pact-led SCIOA (Strengthening the Capacities of Indigenous Organization in the Amazon) project is increasing Indigenous people's influence in the governance of the Amazon region in order to protect the environment and the rights of Indigenous people. For the small village of Pëlëlu Tëpu in southern Suriname, [they turned to the SCIOA project to improve their skills and knowledge to manage local resources](#), identifying six areas they'd like to improve to successfully manage community projects that had stalled in the past.



Increasing access to clean, affordable energy

Lack of access to reliable, affordable energy presents a significant roadblock to development. Pact is working to end energy poverty and build a future where all people have the knowledge and resources that they need to enjoy the many benefits of clean, modern power. Last year, with Pact's support, more than 98,000 people improved their access to energy.



As the most energy-poor country in Asia, Myanmar has long suffered from an unreliable power grid, and large swathes of the country remain unconnected. Since a political crisis in 2021, families across the country have experienced increasingly frequent and disruptive power cuts, halting businesses, disrupting homes and putting health at risk. Solar energy is one of the most practical solutions. Smart Power Myanmar, funded by the Rockefeller Foundation, is striving to bolster the solar sector by bridging the gap between businesses and banks and collaborating with energy providers and communities to build demand for solar mini-grid power. Since 2018, Smart Power Myanmar has helped to finance more than 60,000 electricity connections, impacted over 300,000 rural lives and unlocked more than US\$32 million in investment and finance for Myanmar's electrification. The project focuses on helping communities to make productive use of power, especially for running businesses and generating income.



Supporting responsible artisanal and small-scale mining

Artisanal and small-scale mining (ASM) provides a vital livelihood for more than 45 million people around the world, often in places with limited livelihood opportunities. Pact brings together government, industry, miners and mining communities to make ASM safer, formal and more productive, while making the most of ASM's contributions to development. Pact's mining programming served nearly 85,000 people in 2022.



One of the most mineral-rich countries in the world, the Democratic Republic of Congo has a vibrant ASM industry, guided by national regulations that govern mining. Yet many artisanal miners are unaware of their rights and responsibilities. With funding from AOC International B.V. and MMD-Monitors & Displays Nederland B.V., [Pact developed a guide for miners that explains key legal aspects of the Congolese Mining Code and Regulation](#). The guide covers all areas of ASM, from the conditions, requirements and limitations to work as an ASM miner to key risks such as mineral fraud and child labor.

Despite laws against child labor, the practice is rampant throughout artisanal mining for a variety of reasons, including poverty. Child labor in mining exposes kids to dangerous conditions, physical injury, mental stress,

disease and disenfranchisement. In DRC, Pact is helping youth to leave the mines by raising awareness of the dangers, strengthening families' economic stability, improving enforcement of child labor bans and teaching youth new trades through apprenticeships. [Through an apprenticeship program](#), we pair older youth with mentors who help them to learn their trade, developing critical skills and experience for life and leaving the dangers of mining behind.

In West Africa, Sierra Leone has a burgeoning artisanal and small-scale gold mining (ASGM) sector, but it is largely informal and associated with a range of serious social and environmental challenges, including mercury use. Pact is helping get the government of Sierra Leone's National Action Plan on ASGM off the ground with support from BMZ

through GIZ. In 2022, Pact supported an ambitious group of miners to register with the Tonkolili District Council as the country's first formal ASGM association, the Bolaneh Gold Miners and Traders Association. It is an important first step in the formalization process, critical for adopting better mining methods.





Developing capacity worldwide

Pact supports the capacities of individuals, community groups, civil society and governments so they can translate hopes and ideas into new and lasting realities. Capacity development is a cornerstone of engaged communities and lasting development impact. In 2022, 883 partner organizations measurably improved their performance with Pact's support.

Local organizations are on the frontlines of confronting a multitude of issues in their communities. Strong, capable organizations that can effectively craft agendas, plan for change and take effective action leads to better impact for those most in need. In Colombia, strengthening local organizations is helping to stop child labor in the country's gold mining communities. [Utilizing a Collective Impact approach](#), we strengthened individual organizations as well as organized them into networks to collectively address child labor in their communities. An independent final evaluation of the U.S. Department of Labor-funded Pilares project found that civil society organizations had built their capacity to address child labor and other unacceptable working conditions due to the Pilares project.

In addition to strengthening individual organizations, we also work to strengthen health and social systems. For example, [in Tanzania, we're collaborating with](#)

[key government agencies to improve their resources and performance](#), bolstering key areas of policy development, social welfare workforce development, public sector planning and finance, information management systems and coordination and networking mechanisms. This work is deeply connected to quality, comprehensive and sustainable service delivery for those impacted by HIV in the country.

Working in Somalia and the autonomous region of Somaliland, the Pact-led Expanding

Access to Justice project is increasing awareness and general knowledge of legal rights, human rights and options for recourse, especially for marginalized groups. Capacity development has been a key tool in this effort. The project responds to citizens' needs by supporting civil society and government justice actors in sustainably improving the quality and scope of legal aid services. By strengthening these local groups and individuals, Expanding Access to Justice is making lasting impact despite complex conditions.



consolidated financial report

Consolidated Balance Sheets

September 30, 2022

Assets	2022
Cash and cash equivalents	\$ 72,731,871
Investments	2,871,051
Federal grants receivable	4,097,726
Other grants receivable	1,789,429
Advances and other receivables	1,365,639
Prepaid expenses and deposits	1,655,887
Notes receivable	156,370
Loan portfolio, net of loan loss reserve	181,067,609
Property and equipment, net	2,657,767
Total Current Assets	\$ 268,393,349
Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 23,100,471
Beneficiary savings and reserved funds	70,579,046
Net returns on loans, reinvested earnings	176,533
Notes payable	49,344,863
Refundable advances – federal	3,984,555
Refundable advances – other	5,601,027
Deferred rent	5,475,173
Total Liabilities	\$ 158,261,668
Commitments and contingencies	
Net assets without donor restrictions	109,281,947
Net assets with donor restrictions	849,734
Total Net Assets	\$ 110,131,681
Total Liabilities and Net Assets	\$ 268,393,349

Consolidated Statements of Activities

Years Ended September 30, 2022

Support and revenue	2022
Grants and contracts	\$ 162,454,926
Contributions	188,262
Microfinance loan activities	59,501,061
Fee income on microfinance loans	6,665,931
Investment income, net	(500,156)
Other revenue	373,747
Total Support and Revenue	\$ 228,683,771
Expenses	
Total program services	\$ 140,345,495
Supporting services	
Management and general	82,054,520
Fundraising	1,417
Total supporting services	\$ 82,055,937
Total expenses	\$ 222,401,432
Change in net assets before other gains and losses	\$ 6,282,339
Other gains and losses:	
Unrealized foreign exchange gain (loss)	191,892
Bad debt expense	(41,479,178)
Change in net assets	\$ (35,004,947)
Net assets:	
Beginning	\$ 145,136,628
Ending	\$ 110,131,681

The financial records of Pact, Inc. and affiliates are audited annually by an independent firm of certified public accountants. The financial records for 2022 were audited by Grant Thornton LLP.

Financial reports are available at pactworld.org.

supporters

3M	Global Fund to Fight AIDS, Tuberculosis & Malaria	Stichting Aids Fonds
AOC International B.V.	IKEA	Tiffany and Company
Apple	International Center for Living Aquatic Resources	Trafigura
Brilliant Earth Foundation	International Tin Association	Trafigura Foundation
British Council	JDE	U.K. Department for International Development
Chevron Corporation	London Metals Exchange	U.K. Foreign, Commonwealth and Development Office
Coca Cola Foundation	Lowell Mineral Exploration	United Nations Children's Fund
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