



pact

building
local
promise.

Balancing the Scales

2019 ANNUAL REPORT



“What we are most proud of is how our programming has helped balance the scales for those facing poverty and marginalization.”

In Indonesia, Pact has helped local organizations build their capacity to respond to HIV and AIDS.



a letter from our leadership

Pact has long been known for our focus on local communities. Although we've expanded into new countries and practice areas over the years, our cornerstone has always been finding solutions in partnership with those we serve, helping them to build the skills, knowledge and tools necessary to take on development challenges on their own.

This is the heart of building community resilience. When solutions to poverty and marginalization are locally developed and led, communities are better equipped to overcome future problems, too. The recent Covid-19 pandemic is an important example. Around the world, we've helped communities build capacity to face health and economic crises. Now they are bringing that capacity to bear to meet a challenge we never could have predicted.

We think of this as balancing the scales. Wherever possible, shifting power and resources to those we serve. In addition to incorporating capacity development into all of our programming, we are using participatory methods to design our efforts in

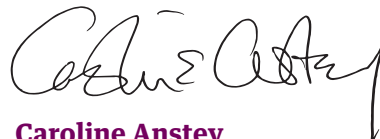
partnership with communities. To bolster this approach, in July, we added four new members to our board who represent our local partners.

In the pages that follow, we share some of what we accomplished in 2019, in the areas of peacebuilding, environmental protection, women's economic empowerment and more. What we are most proud of, though, is how this programming has helped balance the scales for those facing poverty and marginalization. This is the thread that brings all of Pact's work together.



Mark Fitzgerald

BOARD CHAIR



Caroline Anstey

PRESIDENT + CEO

Balancing the scales



Pact's governance work helped build peace, democracy and justice across continents in 2019, putting more power in the hands of local communities and citizens.



Building peace in the Horn of Africa

Peace, stability and rule of law are among the most basic conditions that local communities need to successfully tackle development challenges. In the Horn of Africa – in Ethiopia, Kenya and Somalia – Pact works to give communities that chance. In partnership with the European Union Trust Fund for Africa and USAID, last year we helped build lasting systems for managing and resolving cross-border conflict, addressing root causes, engaging those most vulnerable to taking part in violence, and strengthening the capacity of local organizations to maintain peace. For the first time, Pact expanded into Somaliland, where we are increasing access to legal aid services and building awareness about legal and human rights, especially among marginalized groups.

Lamu, Kenya

Strengthening democracy in eastern Europe

In 2019, Pact and our partners made strides in fostering democratic governance that is transparent and accountable to its citizenry. Our ENGAGE project advanced reforms across Ukraine, building demand for fundamental European values and strengthening the capacity of local civil society organizations that are fighting against corruption and for effective public services, an informed, engaged populace and human rights. We placed a special focus on increasing inclusion of the LGBTQ community, people with disabilities and people who are internally displaced. In nearby Belarus, Pact's programming helped to build civic engagement, positive social change and the availability and influence of objective information.



Kateryna Zarembo is deputy director of New Europe Center, a Pact partner in Kiev that conducts research, advocacy and outreach to promote European governance and civil society standards and practices in Ukraine.



Andrii Bogdanovych is chairman and founder of Foundation.101, which works to protect the rights and freedoms of Ukrainians through social change, with a focus on IT solutions, data and performance evaluations of public officials. With Pact's support, Foundation.101 launched an app called The Punisher, through which Ukrainians can easily report problems of public concern, such as unfinished or poorly done public projects, requests for bribes by civil servants and more.

Scaling the gaps



Addressing inequality and lack of agency, Pact partnered with local communities to bridge gaps to quality health services, effective, equitable natural resource management and more.

Protecting communities by protecting the environment

Recognizing the crucial role that a healthy environment plays in all of our lives, Pact grew its work in this area last year, balancing the scales for those most affected by environmental challenges. Building on our success in helping communities restore fisheries and adapt to climate change in Malawi, we launched a new project that is conserving the freshwater biodiversity of Lake Malawi, with the goal of reaching sustainably managed fisheries

by 2024. In Madagascar, one of the world's highest priority countries for biodiversity conservation, Pact is empowering local communities to lead the way in the management of their ecologically, culturally and economically valuable natural resources. In Southeast Asia, we made critical progress in helping agriculture and forestry businesses improve their sustainable commodity production and manage environmental risks.

Cambodia Teak is restoring an area in western Cambodia to productive use. With its fast-growth techniques, the company can achieve up to four times more carbon sequestration than traditional practices. USAID Green Invest Asia, implemented by Pact, is supporting Cambodia Teak with capital matchmaking and investment-readiness counsel.





Forging resilience to overcome HIV

Across Africa and beyond, Pact continued to balance the scales for communities most affected by the AIDS epidemic. With USAID, we launched a new global program that is working to reach and sustain HIV epidemic control among pregnant and breastfeeding women, adolescents, infants and children. Already at work in Burundi, the Dominican Republic, South Sudan and Nigeria, the effort will reach many more countries over the next five years. In Zambia, Indonesia and Lesotho, Pact bolstered local capacity to respond to HIV, and in South Africa and Eswatini, our programming increased testing, treatment and prevention among vulnerable youth.



Mareisisi Koete sees the impact of HIV every day in her community of Butha-Buthe, Lesotho. As a community worker for a local Pact partner, she educates people about the disease and connects them with prevention, testing and treatment services.

Scaling up

Leveraging our expertise in economic empowerment, Pact helped communities gain knowledge and tools to grow seeds of opportunity to overcome poverty and marginalization.

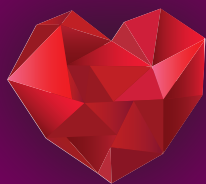
Empowering women entrepreneurs

Pact continued in 2019 to scale livelihoods programming that serves women, who experience greater poverty than men and dedicate more of their income to their families. Two decades after launching our economic empowerment and entrepreneurship program WORTH, we reached a special milestone: More than 1 million women have now taken part, learning to save money, start businesses and protect their families from economic shocks. In Tanzania,

Moyo Gems, our pioneering program to empower women gemstone miners, held its inaugural Market Day, where many participants earned fair prices for their labor for the first time. In Cambodia, Pact worked hand in hand with young women entrepreneurs to help them gain the knowledge and resources they need to be business and civic leaders and overcome social barriers that in the past have kept Cambodian women in traditional roles.



Leakhena owns and operates Carino Cambodia, a local clothing company. Through Pact's Women Entrepreneurs Act project, she is gaining skills and resources to keep her business strong.



Raheli (at right) is a tourmaline and sapphire miner in Tanzania's Umba Valley. She lives with three of her grandchildren and uses her mining income to help pay for their schooling. In May 2019, she took part in Moyo Gems' first Market Day, selling her tourmalines for a fair price.

financial report

Consolidated Balance Sheets

September 30, 2019

Assets	2019
Cash and cash equivalents	\$ 45,873,273
Investments	5,391,343
Federal grants receivable	6,781,484
Other grants receivable	2,915,982
Advances and other receivables	1,852,855
Prepaid expenses and deposits	2,561,311
Notes receivable	371,975
Loan portfolio, net of loan loss reserve	273,385,965
Property and equipment, net	2,707,097
Total Assets	\$ 341,841,285

Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 14,760,821
Beneficiary savings and reserved funds	108,576,235
Net returns on loans, reinvested earnings	8,153,783
Notes payable	56,826,116
Refundable advances – federal	3,212,794
Refundable advances – other	9,131,766
Client loan funds	-
Deferred rent	1,514,956
Total Liabilities	\$ 202,176,471

Without donor restrictions – Pact, Inc.	7,267,507
Without donor restrictions – Pact, Institute, Inc.	5,398,411
Without donor restrictions – Pact UK	329,553
Without donor restrictions – Pact Global Microfinance Fund	126,757,657
Without donor restrictions – Pact Global	(43,630)
Without donor restrictions – Pact Ventures	(44,684)
Total Net Assets	\$ 139,664,814
Total Liabilities and Net Assets	\$ 341,841,285

Consolidated Statements of Activities

Years Ended September 30, 2019

Support and revenue	2019
Grants and contracts	\$ 148,220,741
Contributions	10,789
Microfinance loan activities	68,518,178
Fee income on microfinance loans	879,125
Investment income, net	(555,713)
Other revenue	418,155
Net gain on loans	506,737
Total Support and Revenue	\$ 217,998,012

Expenses

Program services	\$ 126,886,523
Supporting services	
Management and general expense	26,159,928
Unrestricted general expense	40,352,823
Fundraising	10,387
Total supporting services	\$ 66,523,138
Total expenses	\$ 193,409,661

Change in net assets before other gains and losses **\$ 24,588,351**

Other gains and losses:

 Unrealized foreign exchange gain (loss) 1,025,046

Change in net assets **\$ 25,613,397**

Net assets (all without donor restrictions):

Beginning **\$ 114,051,417**

Ending **\$ 139,664,814**

The financial records of Pact, Inc. and affiliates are audited annually by an independent firm of certified public accountants. The financial records for 2019 were audited by RSM US LLP.

Financial reports are available at pactworld.org.

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FRONT COVER: **A young boy stands while his height is measured as part of a Pact program to combat stunting in Tanzania.**

BACK COVER: **A processor sets fish out to dry in Malawi, where Pact helps local communities manage lake resources responsibly.**

Board and Leadership lists are current as of publication. For the most current information, visit pactworld.org.

PHOTO CREDITS: Brian Clark, Maggie Dougherty, Michael Goima and Mpho Ntsamo for Pact, Barry Flaming for GIA.



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