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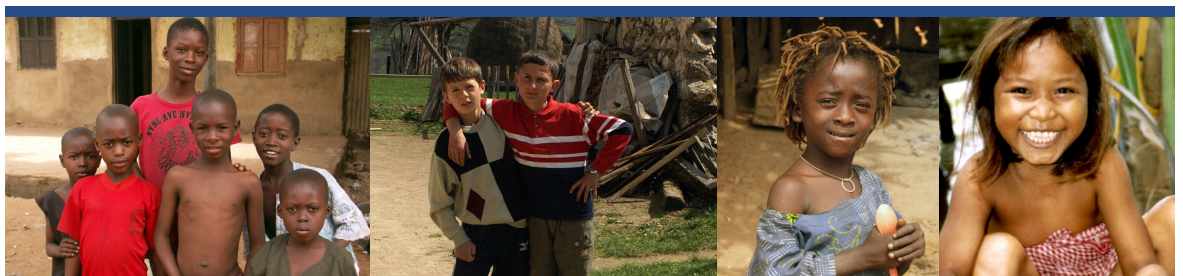


2008 ANNUAL REPORT



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Partners for Development



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IMPACT

SOME REPRESENTATIVE IMPACTS:

70% REDUCTION IN REPORTED MALARIA CASES IN KOH KONG PROVINCE, CAMBODIA. MORE THAN 24,000 MICRO LOANS, TOTALLING OVER \$1.5 MILLION IN NIGERIA. CARE PROVIDED TO 3,646 PEOPLE LIVING WITH HIV/AIDS. 17 MARKET ROADS AND 50 CULVERTS BENEFITING 600,000 NIGERIANS. ESTABLISHED 15.4 HECTARES OF RASPBERRY PLANTATIONS, PRODUCING \$34,000 IN INCOME FOR LOCAL FARMERS IN BOSNIA AND HERZEGOVINA.

LETTER

In the midst of global economic challenges in 2008, Partners for Development expanded its work supporting sustainable improvements amongst vulnerable populations:

- **Opened a program in Tanzania** focused on enhancing economic opportunity via the alternative fuel of Jatropa oil and on improving food security and nutrition.
- **Expanded malaria prevention** and education work into western Cambodia via partnerships with the University Research Corporation and the Cambodian Ministry of Health.
- **Initiated activities in Nigeria's** politically volatile **Delta region** through a large agreement with the U.S. Centers for Disease Control & Prevention that assists thousands of HIV positive individuals with antiretroviral therapy.
- **Embarked on additional reproductive health (RH)** work in Nigeria through support from the David & Lucile Packard Foundation and also began to integrate with that RH work an additional \$1.5M in loan capital for micro-enterprise development.
- **Continued to support small enterprise development** and strengthening of the veterinary sector in Bosnia & Herzegovina.

Our 2008 Annual Report highlights this work further, none of which could have been achieved without the considerable talents and extraordinary dedication of many people, including our own staff, volunteers, Board members, local community residents, staff from partner organizations, and of course our many financial supporters. Especially during this recession, we greatly appreciate general unrestricted donations that we have seen help leverage support many times over in restricted grants.

Again, thank you for your interest in and support of Partners for Development.

Sincerely,

Jack Marrkand
Executive Director

MISSION STATEMENT

Partners for Development's (PFD) mission is to work with vulnerable and underserved populations in developing countries to improve quality of life.

BOARD of TRUSTEES

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Jack Marrkand | *Executive Director, Non-Voting Trustee*

NIGERIA

PFD's program in Nigeria began in 2000 with a poverty alleviation focus in the four central and northern states of **Bauchi, Benue, Kaduna** and **Nassarawa**. Since then, PFD has built capacity of over 20 local partners to offer integrated micro-finance, reproductive health and agricultural enterprise development programs, including improved marketing access in those four states. In 2008, PFD expanded its scope of activities by adding a comprehensive package of care and support for People Living with HIV/AIDs in **Delta and Akwa Ibom** states.

More than **70%** of Nigeria's population of over 144 million live in dire poverty. **One child in five** does not survive to their 5th birthday and child malnutrition rates approach 25%. PFD helps to combat poverty through an approach that integrates various program activities and achieves economies of scale. For example, credit officers meet monthly with borrowers as part of the micro-finance methodology and can take advantage of these sessions to communicate health related information. Increased income resulting from the micro-finance and business skills development program enables more women to afford health services.



REPRODUCTIVE HEALTH

PFD began implementing community-based reproductive health programs funded by The David and Lucile Packard Foundation in 2001. Since then, PFD has built capacity of 15 local NGOs to integrate family planning and reproductive health activities with micro-finance services reaching over **30,000 borrowers**. Facility-based services include counseling related to safe motherhood (ante and postnatal health care and delivery services by trained midwives). Project accomplishments after the addition of facility-based service include provision of contraceptives to **over 4,000 women**, **1,300 deliveries** attended by a skilled midwife, and provision of antenatal counseling to over **5,000 women**.

FACES OF IMPACT: MICRO-CREDIT

Helen Dauda is a widow. Prior to receiving a small loan in the PFD program she had little income. She was responsible for paying her children's school fees, feeding them and making sure they got the medicine they needed. "The loan was life saving." She now runs her own business processing soybeans and worries less about her income.

Monika Luka is a farmer. Thanks to the loan she received she has the opportunity to better plan her crop and expand her farm. Ms. Luka now believes that her farm will produce more than in previous years.

Talata Kassa is the newest member of a loan group. She not only has to take care of herself but also her aging parents and young siblings. Thanks to the loan and training, her business of selling cooked fish has grown. She says the additional income "has filled her life with blessings."

Hanato Yorhanna was one of the first in her village to receive a loan. It has allowed her to diversify. She went from being a food vendor to a "complete business woman" who farms, processes and sells her products. Before her pre-loan training she had few skills. Now she is proud to expand her business.



MICRO-CREDIT AND BUSINESS SKILLS TRAINING

The program, implemented through local partners enables rural households to access small loans, which mainstream financial services will generally not provide. PFD and its 16 local partners have provided such loans to over **30,000** borrowers, about **90%** of whom are women. These loans enable the borrowers to expand their agricultural production or processing and trading activities. The increased income resulting from these activities helps households improve their living conditions, including health and education opportunities.



BUSINESS DEVELOPMENT SERVICES

With support from the World Bank in 2008 and in partnership with Fantsuam Foundation in Kaduna State, PFD has been implementing a business development services (BDS) program for small, and medium enterprises (MSMEs). The program aims to improve productivity, sales, profit and therefore increase employment opportunities for agricultural producers and processors using the Nigerian Agricultural Enterprise Curriculum, which PFD helped to pilot. Within three months of program implementation, PFD had trained over **170 small enterprises** representing about 50% of its annual target.



COUNSELING, CARE & ANTIRETROVIRAL MENTORING PROGRAM

Starting in August 2008 with funding from the Centers for Disease Control and the Presidents Emergency Program for AIDS Relief (PEPFAR), PFD and Daughter's of Charity began a comprehensive package of care for **People Living with HIV/AIDS** in Delta and Akwa Ibom states. The targets for the first year of this program are to reach 10,000 people with HIV/AIDS prevention messages, 7,000 people with HIV testing and counseling, 600 people with antiretroviral (ARV) drugs and other treatments, 180 pregnant women with ARV prophylaxis to prevent transmission of HIV/AIDS to unborn children, and care for 200 orphans and other vulnerable children.

FOCUS ON: ORPHANS AND VULNERABLE CHILDREN

As is the case unfortunately in many countries, Nigeria – by far Africa's most populous nation with over 140 million people – has been severely hit by the AIDS epidemic. Most tragically, a staggering **1.8 million children** in Nigeria have become orphans as a consequence of AIDS.

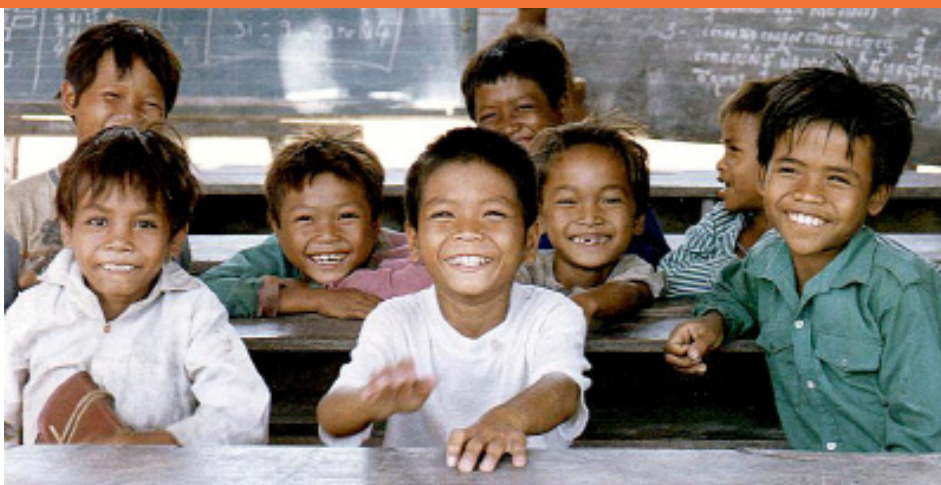
Amongst other activities in Nigeria, PFD implements an HIV/AIDS prevention and treatment program in the country's politically volatile Niger Delta area. This program includes support for **200 orphans and vulnerable children** who have either lost parents to HIV/AIDS or are otherwise affected by the disease. Nearly three quarters of these children – who range in age from infants to age 17– are in poor health and their caretakers have very limited financial resources.

The children living in these circumstances are more likely to be malnourished, receive less education, and face heightened discrimination. PFD helps by supporting some of their basic medical and educational needs such as school books and clothing, and treatment of illnesses. Since many of the children have suffered recent loss or experienced marginalization, with the help of community volunteers, PFD is also organizing after-school clubs for vulnerable children so they can gain confidence building “life-skills” training in a fun environment.

PFD wants to help many more similarly affected children beyond the 200 now supported through our current funding. More specifically, with more resources we could reach out to more children and provide them with school books, clothing, medicines and health care treatment as well as psychological and social support in the form of after-school clubs.

DONATE:

A donation of **\$50** would enable PFD to provide one child with basic educational materials (books and school clothes). A donation of **\$200** would enable PFD to carry out a “life skills” training program for 10 children.



FOCUS ON: MALARIA WEEK

MARCH 26-28TH, 2008

For the past several years, PFD has orchestrated **Malaria Week**, a highly successful collaborative event involving community members, children and government officials working towards malaria prevention and education. This year's events in Kratie Province included children's drama performances, net distribution, rapid response malaria testing, and malaria education videos. With a large turn-out of **1,400** villagers, 59% of the villages in the province attended and over **1,600 bed nets** were distributed. This approach is now being replicated in other provinces of Cambodia.

REPRODUCTIVE HEALTH AND HIV/AIDS

In addition to malaria control and prevention PFD has focused on a number of reproductive health initiatives in Cambodia. Since 2004, PFD's United Nations Fund for Population Activities (UNFPA)-funded Youth Friendly Sexual and Reproductive Health Program has been increasing access to high-quality reproductive health information and services for young people (aged 10-24 yrs) in peri-urban areas of Kratie province. Working in close collaboration with the Kratie Provincial Health Department, local schools and Health Centers, PFD helped establish four Youth Centers, where trained Youth Peer Educators (YPE)



provide information on reproductive and sexual health issues, HIV/AIDS, and risk behaviors. The peer educators link clients with Health Center staff who provide services including birth spacing, confidential testing for HIV, sexually transmitted infections, confidential counseling and referral to treatment. PFD participates in regular program review meetings with UNFPA, Provincial Health Department staff, and with local and international NGOs (Reproductive Health Alliance of Cambodia and CARE).



Malaria Week aimed at reducing the parasite population before the high transmission rainy season in remote areas.

SCHOOL HEALTH EDUCATION (SHE): IMPACT

In collaboration with Provincial Education Offices in Kratie, Stung Treng and Koh Kong, PFD created the School Health Education program with a curriculum aimed at improving knowledge on malaria transmission and prevention. Based on the **Child to Child Methodology**, the program enables school children to become peer educators in their communities and disseminate key messages to siblings, parents and the community through a range of games, songs, activities and community theater. SHE provides a complement to the health promotion work of village volunteers. The role-play developed with school teachers and children and performed during community events (**Malaria Week**, **World Malaria Day**) has experienced huge success both in the communities and among health and government counterparts. This program and approach is now considered for replication and potential scale-up in Cambodia.

PARTNERS FOR DEVELOPMENT CAMBODIA (PFDC)

To further support local capacity building, in 2008 PFD created **Partners for Development Cambodia (PFDC)**, a Cambodian non-governmental organization, affiliated with, but independent from PFD. PFDC began operations in September 2008 and is focusing on malaria control and prevention with children and teachers at primary schools in Kratie, Stung Treng and Koh Kong provinces. PFDC's work has improved knowledge on malaria for over **26,000** children in grades 3-5 through malaria-focused **School Health Education (SHE)** classroom sessions and extracurricular activities such as community theatre performances.

BOSNIA & HERZEGOVINA

The 1992-95 war in Bosnia & Herzegovina (BiH) resulted in widespread death and destruction and the displacement of close to two million people within and outside the country. Since the 1995 Dayton Peace Accords, significant reconstruction has been achieved, but unemployment rates remain high.

The BiH government has identified the **agriculture sector** as a priority for development activities. For the past several years, PFD has therefore been implementing integrated agricultural activities that seek to develop **local capacity and improve economic opportunities** for households and communities.

VETERINARY SECTOR

In 2008, PFD/BiH completed the ground-work for a modern **border veterinary inspection post** at Raca border crossing into Serbia. Construction started in late 2008 and will be completed in 2009. At this post, the State Veterinary Office will inspect animals and products of animal origin entering and exiting the country.

PFD BiH provided technical assistance to the State Veterinary Office by developing and publishing ten manuals on border veterinary control. These and other technical documentation led to the development of **strategic plan legislation, regulation and operational procedures** which are necessary for the border veterinary post to operate in compliance with EU requirements.



MICRO-CREDIT SECTOR

To support the agricultural sector, PFD developed partnerships with four credit institutions to administer agricultural micro-credit. The agricultural credit program provided micro-loans to over **1,300 beneficiaries** in the Upper Vrbas region, increasing market access by expanding usage and ownership of agricultural machinery. Loans also helped address other sectors such as vegetable and fruit production, medicinal and aromatic herbs collection, and land expansion. One of these four credit institutions, **ProCredit Bank**, recently opened a branch office in Bugojno, the center of Upper Vrbas region, positioning it to better serve the continuing needs of the project farmers.

PHASES OF CONSTRUCTION: BORDER VETERINARY INSPECTION POST AT RACA

1



Site survey with country program director, Paul Warmka.

3



Construction starts with the digging of the foundation by heavy equipment.

2



The chalk lines mark the facility which, when completed, will occupy over 10,000 sq. feet.

4



FINAL STAGES



The border inspection post will be completed in 2009.

MICRO-CREDIT FARMERS ORGANIZATION

Under its credit program, PFD made significant contributions to strengthening local and private agricultural entities in the Upper Vrbas region of Central Bosnia. The project achieved these results by supporting the development of the **Independent Farmers Association (IFA)**, which organized individual farmers for the joint purchasing of inputs and selling of outputs; liaised and lobbied local policy makers on agriculture related issues; and organized education on production, harvest, marketing and other technical areas such as the growing technology of fruits and vegetables, the trimming of fruit, etc. In addition, the project fostered regular cooperation and collaboration with different small and medium enterprises (MSMEs) in order to provide benefits for association members.

MICRO-CREDIT : MARKET ACCESS

In 2008, PFD supported the organized cultivation and purchasing of wild herbs and natural products. The collection and purchase of medicinal herbs, mushrooms and forest products in the Upper Vrbas region primarily benefits people living in rural areas. Approximately **380 families** in the Upper Vrbas region participate in this economic activity every season. Apart from a few other small-scale agricultural activities, the collection of wild-grown non-timber forest products is the only source of income for the **40% of the local population** that is not formally employed.

PFD's direct support to improving market access in the Upper Vrbas region through the collection and purchasing of **Wild Herb and Natural Products** concluded with the 2007 season. However, PFD incorporated a sustainability mechanism into the project by linking the purchasing stations to small private Bosnian firms. PFD's support in 2008 was related to support in linking companies with the market, as well as providing information about the need for produce certification and where and how to obtain it. To preserve the resource base, the project emphasized sustainable collection and harvesting practices and the cultivation of domesticated fruits and berries. PFD developed an "atlas" of medicinal and aromatic herbs and wild berries that stresses sustainable harvest practices. In addition, plants that are endangered are specially noted. This atlas has been distributed widely to collectors throughout the region.



A woman farmer displays her IFA membership card.

MICRO-CREDIT : ORGANIZED CULTIVATION

PFD assisted 81 farmers in the Upper Vrbas region to establish **15.4 hectares of raspberry plantations**. A partnership between PFD and UPI Bank provided agricultural micro-credit to support these plantations. The first harvest of the initial 32 farms produced over 40 metric tons of **first-class raspberries**. This earned the farmers approximately US\$39,500.

The year 2008, has been the most successful year for the raspberry farmers. The presence of a larger number of buyers increased the competition which, in turn, put upward pressure on the price of berries. The farmers harvested **130 metric tons of raspberries**. The average price received from the buyers was \$2.50 per kilo or well over **\$ 325,000** production value of 130 MT.



AGRICULTURE POLICY AND INSTITUTIONAL SUPPORT

PFD has been involved in a number of farmer support programs including:

Agriculture Extension: PFD supported agriculture extension services for IFA members who were cultivating raspberries. PFD also helped farmers establish plantations and provided ongoing support throughout the growing seasons. As a means of promoting the sustainability of the raspberry cultivation, PFD developed a raspberry producer's manual that identified steps necessary for establishing raspberry plantations.

It also identifies and addresses some of the diseases and other general issues related to harvesting.

Agriculture Sector Coordination: PFD's activities in co-operation with IFA in 2008 also focused on "information exchange" in order to inform clients, individual farmers, various service providers and MSMEs on latest tenders.



FINANCIALS



GELMAN, ROSENBERG & FREEDMAN CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Partners for Development
Silver Spring, Maryland

We have audited the accompanying statements of financial position of Partners for Development (PFD) as of December 31, 2008 and 2007, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of PFD's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PFD as of December 31, 2008 and 2007, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 28, 2009 on our consideration of PFD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

July 28, 2009

Gelman Rosenberg & Freedman

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS'
PRIVATE COMPANIES PRACTICE SECTION

FINANCIALS

SUMMARY OF AUDITED FINANCIAL STATEMENT AS OF DECEMBER 31, 2008

REVENUE AND SUPPORT

Grants | \$9,111,950

Contributions | \$15,225

In-Kind | \$35,770

Interest | \$273,864

Other | \$321,599

Total Revenue and Support | **\$9,758,408**

COUNTRY PROGRAM EXPENDITURES IN 2008

EXPENSES

Programs

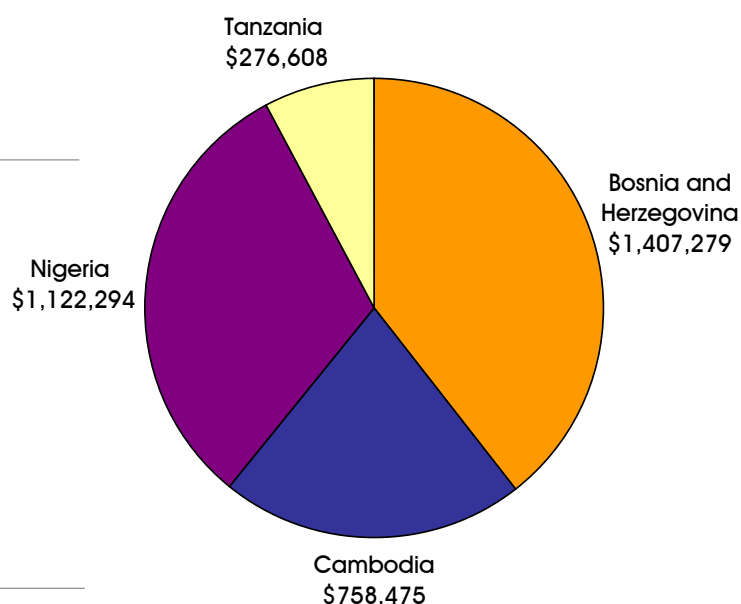
Bosnia and Herzegovina | \$1,407,279

Cambodia | \$758,475

Nigeria | \$1,122,294

Tanzania | \$276,608

General and Administrative | \$522,104



OTHER ITEMS

Exchange Rate (Loss) Gain | **(\$449,069)**

Changes in Net Assets | **\$5,222,579**

Net Assets in Beginning of Year | **\$8,468,970**

DONATE

Partners for Development seeks support from individuals and organizations in order to improve quality of life in developing countries. PFD is approved as a not-for-profit corporation under Section 501(c)3 of the U.S. Internal Revenue Service code, and all donations to PFD are therefore deductible as permitted by law.

Thank you for your generous support!

NEW PROGRAM: TANZANIA

Through support from the United States Department of Agriculture (USDA), Partners for Development and local Tanzanian partners have embarked on a multi-year, income diversification and food-security project in **Tanzania** from 2009-2011. This program will directly benefit **31,250** small-holder farmers in 11 to 13 regions of Tanzania.

The project has two main objectives. First, to diversify and increase the household incomes of targeted small-holder

farmer families through: a) training in the cultivation and processing of **Jatropha curcas**, commonly referred to as "**jatropha**" b) and by creating market linkages with buyers of jatropha seed and oil. Second, to improve food security and nutrition of Jatropha farmers and their households through community nutrition education campaigns and technical assistance in household food production.



PARTNERSHIPS

CAMBODIA:

National Malaria Center (CNM)
Ministry of Health
Ministry of Education, Youth and Sport
Cambodia Rural Development Team (CRDT)
MEDiCAM
Nomad Recherche et Soutien International (RSI)
University Research Corporation (URC)

NIGERIA:

Anglican Diocesan Development Service

Catholic Women's Organization (CWO)
Center for Peace and Rural Development
Country Women's Cooperative Union
Development Exchange Center (DEC)
Ecumenical Commission for Justice and Peace
Family Health Care Initiative (FAHCI)
Development Exchange Center (DEC)
Ecumenical Commission for Justice and Peace
Family Health Care Initiative (FAHCI)
Fantsuam Foundation
Gerewa Foundation
Health and Development Organization (HADO)
Lift Above Poverty Organization (LAPO)
National Association for Women and Youth Culture
Methodist Health Services
Methodist Women Association

Nogu u Kristu u ken Sudan hen Tiv Health Services
Ohonyeta Care Group (OCAG)
OSA Foundation
Otia Development Foundation(ODF)
Primary Health Care (PHC)
Project Agape
Rahama Women's Group (RAHAMA)
Women in Nigeria (WIN)
Wurno Kowonaka
Young Men's Christian Association (YMCA)

BOSNIA:

Action for Enterprise (AFE)
Bugojno Municipalities
Central Bosnia Regional Development Agency (REZ)
Independent Farmers Association of Upper Vrbas
Indirect Taxation Authority BiH
KLAS, Ltd.
Lider MCO (Micro-Credit Organization)
Microfin MCO
ProCredit Bank
State Veterinary Office BiH
UPI Bank
Upper Vrbas and other Bosnian Municipalities

RECENT SUPPORTERS

Australian Agency for International Development
Canadian International Development Agency
Centers for Disease Control and Prevention
The David and Lucile Packard Foundation
Jane Freeman
Global Fund to Fight HIV/AIDS, TB and Malaria
Margaret and Thomas Hansch
Anthony and Gillian Mark
Kim Marrkand

Margaret and Paul Marrkand
The McKnight Foundation
Harry and Ruth Montague
Netherlands Embassy of Nigeria
PFD Board of Trustees
Charlie Puttkammer
United Nations Fund for Population Activities (UNFPA)
U.S. Agency for International Development (USAID)

CONTACTS

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