



**THE WILLIAM
AND FLORA
HEWLETT
FOUNDATION**

ANNUAL REPORT

2007

*THE WILLIAM
AND FLORA
HEWLETT
FOUNDATION*

ABOUT THE FOUNDATION



ABOUT THE FOUNDATION

The William and Flora Hewlett Foundation has made grants since 1967 to support educational and cultural institutions and to help solve serious social and environmental problems.

“Never stifle a generous impulse” was a favorite saying of entrepreneur William R. Hewlett, who established the Hewlett Foundation with his wife, Flora Lamson Hewlett, and their eldest son, Walter B. Hewlett. The Hewlett family’s personal generosity has helped make the Foundation one of the nation’s largest grantmaking institutions, with assets of approximately \$9 billion.

The Foundation has grantmaking programs in education, the environment, global development, performing arts, philanthropy, and population; and it also makes grants to aid disadvantaged communities in the Bay Area. Since its inception, the Hewlett Foundation has made grants of over \$3 billion to thousands of organizations in the San Francisco Bay Area, across the United States, and around the world.

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PRESIDENT'S STATEMENT 2007: THE IMPORTANCE OF DATA

*Paul Brest**

“Numbers matter. Through counting and accounting, data can improve the well-being of people by informing the decisions that affect them; poor, missing, and old data contribute to bad decisions, lack of trust, and lower societal well-being.”

– *The Center for Global Development*¹

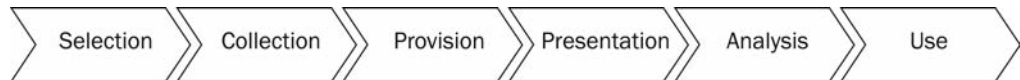
“It is easy to lie with statistics, but easier to lie without them.”

– *Frederick Mosteller*²

Foundations support the development and dissemination of myriad forms of knowledge, ranging from scholarship of no immediately foreseeable use to applied research designed to improve health, education, and the environment. Data, whether quantitative or qualitative, are the atoms and molecules of knowledge. No program to promote or assess progress in any sector of society can succeed without a solid grounding in data.



We think of a data system as involving six stages:



At the end of this essay, I will say a few general words about the role of philanthropy in supporting data systems. First, though, some examples, drawing mainly on the work of the Hewlett Foundation's grantees.

I. DATA SELECTION

The first step in promoting a data system is ascertaining what data policymakers need to make better decisions. Since societies—especially those in the developing world—have limited resources, we cannot hope for exhaustive knowledge. Setting priorities is crucial.

One class of data is universally necessary: governments must know who their citizens and residents are and where and how long they live. In sub-Saharan Africa, fundamental limitations of resources have prevented national governments from collecting reliable demographic data on births, deaths, and migration, let alone data concerning education, government expenditures, and air and water quality. A new Hewlett initiative called Demographic Dynamics for Development (3D) is assessing the state of data in sub-Saharan Africa and the potential role of private philanthropy in helping improve data systems.

Beyond basic demographic information, policymakers must assess where resources devoted to data collection are likely to produce commensurate social improvements. Californians lack reliable data about students' test scores, course completion, and dropout rates. For instance, current data on dropout rates exclude students who leave between middle and high school. But figuring out just which data will best aid educators in improving our schools is a challenge. The Hewlett and Gates Foundations are supporting efforts by state education agencies to determine what information

needs to be collected. The foundations have offered to help pay to develop statewide data on students' educational histories that can follow them from one school to another. Like a medical chart, this will eventually eliminate the costs and inaccuracies of re-collecting information and will ensure that California has a complete picture of each of its students. When combined with other information, it should allow researchers to identify what educational strategies work—and don't work—with the promise of improving children's education outcomes.

From time to time, social scientists step back to question the adequacy of data that were once assumed to be the primary measures of a society's progress. In the last century, economists, including Amartya Sen and Partha Dasgupta, helped establish human-development indicators that captured multidimensional aspects of well-being. Since the turn of the new century, the Hewlett Foundation has supported work by the distinguished labor economist Alan Krueger, Nobel laureate Daniel Kahneman, and other economists and psychologists to study the ways individuals evaluate their well-being, including satisfaction in life, work, and relationships, and the absence of chronic negative emotions. Krueger is seeking to have questions on these issues included in the Bureau of Labor Statistics' American Time Use Survey with the ultimate goal of presenting a more complete picture of American well-being.

With a grant from the Hewlett Foundation, the Organization for Economic Cooperation and Development (OECD) is working on similar efforts at an international level. The OECD aims to complement its current collection of data on quantitative indicators with citizens' qualitative assessments of their well-being. It remains to be seen how useful these sorts of subjective data will be in assessing societal progress and designing policies to promote it. But the Kahneman-Krueger and OECD efforts promise to deepen our understanding of how societies can measure progress.

II. DATA COLLECTION

Essential data are often collected sporadically and improperly, omitting responses from key demographic groups. Non-random sampling biases data and reduces their value for making the generalizations necessary for prudent policymaking. For example, censuses in many developing countries exclude people living in informal slums, even though that's where a large majority of urban residents live. The African Population and Health Research Center in Kenya is working to address this problem by collecting data on health and education in Nairobi's slums; it has the potential to serve as a model for other parts of Africa.

Even data sets that are pulled from a random sample can be distorted in other ways. Agricultural production data from sub-Saharan Africa on supply, demand, projections, and trade are sometimes biased to overstate exports because governments fear domestic political backlash if they report net food imports. And even accurate agricultural data are often out-of-date, making them useless in dynamic markets. Our grantees, including Manobi, the International Fertilizer Development Center, and a Mali-based Michigan State University project are working to collect supply and demand and market and input price data that will help farmers improve crop yields and governments improve agricultural policy.

Like the drunk looking for the lost coin under a streetlight rather than in the dark corner where he lost it, policymakers often favor those data that are easy to collect rather than the most useful. This is true of many assessments of education in developing countries, where the number of students enrolled has been treated as a proxy of success. But (to use an education colloquialism) just getting "butts in seats" hardly ensures that children come out of school better equipped to succeed. That calls

for collecting different information. Pratham, a grantee of a collaborative initiative with the Gates Foundation, is addressing this problem in India through a nationwide survey of children's basic math and reading skills. Pratham's data is collated into an Annual Status of Education Report, which highlights learning outcomes in primary school and aims to stimulate nationwide interest in more effective schooling methodologies.

III. DATA PROVISION

Once data are collected, they must be made available to policymakers and the public.

In some cases, cash-strapped governments lack the resources to preserve data and make them available. For example, longitudinal census data in many sub-Saharan African countries exist only in paper archives and are not only difficult to access but in danger of being lost forever. The 3D initiative endeavors to make such data available for policymakers and researchers.

Costs aside, politicians are sometimes motivated to keep embarrassing information from reaching public scrutiny. Philanthropy can play an important role in supporting systems that make governments more transparent and accountable.

Indeed, this is a key objective of our Global Development Program. Hewlett grantees such as the International Budget Project (IBP) create tools that citizens can use to ensure that their governments are providing them with adequate information. IBP's Open Budget Index rates countries on how accessible domestic budgets are to their citizens. Initially compiled for fifty-nine countries, the Index is expanding to include more countries and to include subnational budgets as well. Armed with comprehensive and practical budget information, and provided the training to interpret them, citizens' organizations can identify reforms needed to strengthen the delivery of public services.

Another grantee, the University of San Diego's Justice in Mexico Project, is working to revamp government-provided data on crime rates. At present the government collects considerable data, but charges the public—and sometimes other sectors of the government—hundreds of dollars to access them. The Project's database will present information on crime, victimization, police, and the judicial system that is timely, accessible, and free—all disaggregated by state and locality. The Project will ultimately use these data to advise Mexican officials on the optimal use of resources to improve the administration of justice. This would be the first time in Mexican history that such comprehensive information will be available to professionals working to protect the public.

The Foundation's support for transparency and accountability in Mexico has already had some unanticipated benefits. Thanks in part to our grantees' efforts, all states and the federal government now have access to information (ATI) laws—the equivalent of U.S. freedom of information laws—that require making data available in a broad range of areas, from government spending to welfare lists to prison files. The Mexican Federal Access to Information Institute piloted a program to make these new laws relevant to poor communities, with some dramatic results:

- ▶ Poor women in the state of Veracruz learned that their names appeared on the lists of beneficiaries for health and housing programs—but they had never received the benefits. Indeed, some people on the list of beneficiaries for Pap smears and mammograms were men. The women entitled to benefits are now pressing for the benefits they supposedly received.
- ▶ Prisoners in a federal penitentiary in the state of Nuevo León—the majority of whom are too poor to have lawyers and are behind bars for petty offenses—used

the law to gain access to their own files. Though the prisoners were initially denied the information, they appealed and, in a precedent-setting ruling, won the right to access information for all prisoners. Once they exercised their right to information, 36 percent were able to show that, under the terms of their sentencing, they were eligible for early release. This has set a new standard of openness for other prisons nationwide, and has enormous potential for reuniting poor families and substantially lowering prison costs.

Unfortunately, despite (or perhaps because of) Mexico's impressive strides toward greater access to information rights, Hewlett grantees and other access to information advocates in the country are facing increasing resistance—and even harassment—from some government authorities, especially at the state and local levels.

The need to increase government transparency is by no means limited to developing countries. For example, until recently, the public could only learn about the recipients of European farm subsidies by piecing together disparate pieces of information obtained through freedom of information requests. Thanks in part to the hard work of the Foundation's grantee, EU Transparency, the European Commission has committed to making farm subsidy data readily available and free online.

I have focused on efforts to bring to light information that governments and businesses would often prefer to keep in the dark. But foundations also help willing participants use technology to overcome barriers to aggregating data. This is the case of the California Cultural Data Project, which seeks to provide comprehensive information about the state's cultural sectors. The Project's website will include information about workers who make their living through the arts, annual arts and culture activities, and revenue generated by arts events. A large enough data set will allow analysis of how the cultural sector affects state and local economies and their residents' quality of life, with the goal of giving philanthropists, policymakers, and citizens a better sense of the arts sector's assets, value, and needs.

IV. DATA PRESENTATION

To be most useful, data must be not only available, but presented in ways that enable citizens, policymakers, and analysts to apply them to the problems at hand. Data presentation has two major aspects: linking and coordinating data sets, and putting information into a platform that's easy to navigate.

Coordinating data sets is a pervasive problem in public education systems. Whether because of cost, negligence, or intention, student and teacher data for California's K–12 education system are not interconnected. Moreover, students' high school records are not linked with their performance in the state's higher education systems, because each institution maintains its own separate database. Indeed, many community colleges do not link data on students' initial test scores with data on their advancement through college, and nothing is known about their progress if they transfer to four-year institutions.

To improve California's schools, we need to know how different educational approaches affect individual students over time. And in order to compare approaches, we need linked data sets. McKinsey & Company and other grantees of our Education Program are working with policymakers in Sacramento to design and implement a high-quality data collection and aggregation system to fix this problem and provide educators and policymakers with the tools they need to improve student learning.

Sometimes the sheer volume of data makes it difficult for citizens and policymakers to assimilate and interpret them. In the face of such information overload, distillation is

essential. The Hewlett Foundation was a charter supporter of The State of the USA (SUSA), which is developing a free Web site of indicators about American society, its economy, and its environment. SUSA works with The National Academies to present data on issues including international trade, education, the labor supply, our national resources, and the state of health care that can be compared across cities, states, and regions. Much thought is going into making the site an easy-to-use tool for evidence-based decisionmaking. Rather than engaging in abstract discussions of the rising problem of obesity, Americans will be able to compare obesity levels in California with those in Nebraska and to see how the problem breaks down by age and gender.

At the international level, our grantees have begun to make budget revenue and expenditure data more accessible. In the planning process for the Foundation's Global Development Program, improving transparency and accountability was among the long-term strategies deemed most likely to improve the income, health, and overall well-being of people living on less than \$2 a day. With our support, the Mexican Institute for Competitiveness (IMCO) is building a data platform for information about state revenues and expenditures that will include two Web-based calculators. One will show how variation in Mexican oil prices affects state revenues. The other will let municipal mayors determine, based on federally mandated budgeting, exactly what proportion of oil revenues their state governments should be providing them.

In other development work, the Hewlett and Gates Foundations are collaborating to promote transparency by international donors. A new project encourages multilateral, national, and philanthropic donors—from the World Bank to China and the United States to the Hewlett Foundation—to post data about their grants to an online database. Though much of this information is published, each donor has its own format—sometimes fairly obscure—and it is difficult to track the resource flows into a particular country. The new system will organize the information to provide policymakers and nonprofit organizations timely and comprehensive access. Eventually, we hope this platform will encourage better use of data in donor decisions and recipient requests—which will enable countries to take greater ownership of their economic development processes. Only with knowledge of the money they have and sound predictions of the money they will receive in the future can governments design and implement long-term strategies for growth.

From RSS feeds and XML tagging to wikis and social networks, technology has dramatically improved the availability and presentation of data. Computer-based GIS (geographic information systems) are increasingly used to overlay social and environmental information on maps of neighborhoods, cities, and regions. For example, Healthy City, a project of our grantee, Advancement Project, provides an information-mapping platform that combines Los Angeles County demographic data with community resource information, showing how citizens' needs do and don't match up to the distribution of preschools, violence prevention centers, and other social service agencies throughout the city. Los Angeles policymakers planning to allocate \$100 million in funding for new preschools were concerned that placing them in certain low-income neighborhoods would be impractical and expensive. Healthy City provided data on the costs of different sites and the populations that would benefit. Residents of one low-income community were able to use this information to convince policymakers that siting the preschools in their neighborhood would be both feasible and cost-effective. Healthy City aspires to create a model of how an interactive data platform can contribute to decisions like this nationwide, to strengthen regional social service sectors and facilitate data-driven city planning.

Healthy City, the California Cultural Data Project, IMCO, and SUSA are just a few examples of how Web 2.0 has affected the ways that people interact with data and, indeed, with the world itself. These are matters of particular interest to the

Foundation's Philanthropy Program³ and Open Educational Resources Initiative, and are of such breadth to be left to another day.

V. DATA ANALYSIS

Sometimes data just speak for themselves. Often, though, further analysis is necessary to translate data into knowledge useful for formulating policy. The Hewlett Foundation supports such analyses in every area of its grantmaking—for example, trying to understand the effect of arts education on students' outcomes and future well-being, or the relationships among population size, poverty, economic growth, and global warming. The Foundation's Global Development Program is funding two initiatives focused on analysis. One is designed to encourage program, or "impact," analysis—analysis of the effects of particular social programs; the other seeks to create the infrastructure for policy analysis in developing countries.

Especially in comparison to the evaluation of domestic programs (which has a tradition going back at least to the Ford Foundation's creation of Manpower Development Resource Corporation), the evaluation of social programs in developing countries has been sporadic and weak. As a founding member of a consortium of donors, we have helped create the International Initiative for Impact Evaluation (3IE) to promote and coordinate evaluation efforts globally. In the words of William Savedoff and Ruth Levine of the Center for Global Development:

For decades, development agencies have disbursed billions of dollars for programs aimed at improving living conditions and reducing poverty; developing countries themselves have spent hundreds of billions more. Yet the shocking fact is that we have relatively little knowledge about the net impact of most of these programs. In the absence of good evidence about what works, political influences dominate, and decisions about the level and type of spending are hard to challenge.

3IE will support high-quality analyses of what interventions do and do not work in international development. It will also act as a research hub, helping policymakers access the most recent and relevant research.

The work of another Hewlett grantee, the Abdul Latif Jameel Poverty Action Lab (J-PAL) at MIT, exemplifies the sort of impact evaluation that the 3IE initiative will support. J-PAL recently conducted a randomized controlled study of Pratham's one-on-one tutoring initiative in India. The results indicated that the program significantly increases students' math and reading test scores, that it works best for those having the most trouble learning, and that it is almost seven times more cost-effective than hiring additional teachers. The initiative is now being implemented in twenty cities and will likely be expanded with the support of philanthropy and donor governments.

Of course, impact evaluations can also show that development initiatives did not achieve their intended outcomes. For example, J-PAL studied a program that subsidized rural women's groups in Kenya with the dual goals of improving women's leadership skills and expanding the services the groups provided to their communities. Contrary to expectation, the study indicated that the increased funding pushed the original women out of the group by attracting younger, more educated, wealthier, and more male participants, with no apparent benefit for the populations funders hoped to help.

Impact evaluations like these have the potential to benefit people beyond those directly served by the evaluated programs. When a program succeeds, funders and

governments can often replicate it, with reason to believe that it will work under similar circumstances in other places.⁴ By the same token, when a program has no impact, funders can reallocate their resources to more promising interventions.

A majority of the universities, think tanks, and specialized organizations that conduct impact and other policy-relevant analysis are located in the United States and Europe. This only reinforces the tendency of international donors to identify research priorities that are not necessarily relevant to a given country context, or are not realistic in light of local political realities and timelines. In general, policies work best when they are designed and implemented by local actors rather than advisors who live in different societies thousands of miles away.

With the aim of establishing strong local research institutions that are able to develop effective working relationships with decisionmakers, the media, and other civil society organizations, the Hewlett Foundation is collaborating with the Canadian International Development Research Centre and other international donors to support a Think Tank Initiative that will provide long-term institutional support to policy research organizations in Africa, South Asia, and Latin America. Through both financial and technical assistance, the Initiative will help equip local think tanks with the resources they need to perform country-specific policy analysis and to provide civil society actors with the unbiased information necessary to participate constructively in policy debates.

VI. DATA USE

All the efforts to improve the collection and presentation of data are for naught—or of purely academic interest—unless they affect the practices and decisions of governments, businesses, and citizens. And absent a norm of using data, there is little incentive to improve its supply.

Yet much policymaking—and not just in developing countries—is more responsive to ideology than to data. For example, the U.S. government has allocated over a billion dollars to abstinence-only sex education programs in the face of robust studies, including a large, federally funded evaluation, showing that such programs do not reduce teenage pregnancy or sexually transmitted diseases. Only recently, as a result of the intensive work of family-planning organizations to educate the legislators, has Congress shown signs of moving toward evidence-based decisionmaking in this highly controversial realm.

Ideological commitments also have diminished the use of data in the environmental regulatory process. Perhaps in reaction to federal regulatory agencies' one-sided use of cost-benefit analysis to deny protections, some environmental advocates have all but abandoned this essential policymaking tool. New York University Law School's new Institute for the Study of Regulation aims to educate organizations and government officials alike about the value and techniques of balanced cost-benefit analysis in designing effective health, safety, and environmental controls.⁵

Here is an example of how basing government policies in sound data analysis can have real impact. At the request of the Chinese government, The Energy Foundation and the International Center on Energy and Transportation helped analyze the costs and benefits of automobile fuel economy standards and develop regulations based on this analysis. The China Automotive Technology and Research Center estimates that in the four years since the regulations were adopted, Chinese drivers, and the world, have saved 1.18 million tons of gasoline.

VII. THE ROLE OF FOUNDATIONS

Reliable, comprehensive data systems are essential to a society's progress. Yet even though the long-term consequences can be enormous, it often takes years or decades for high-quality data systems to translate into better policymaking and improved welfare—and even then the effects may be uncertain and difficult to trace. As with many public goods, market and governance failures leave gaps in the data landscape. Individuals tend to under-invest because they find it difficult to capture the benefits of their investments. Politicians often under-invest because immediately pressing problems get their attention and election cycles don't match the long time horizons necessary for data analysis to pay off.

Foundations have the comparative advantages of seeking social rather than financial returns on their philanthropic investments, of having long time frames, and of not being politically accountable to electorates. Although philanthropy cannot and should not take the place of government in maintaining essential data systems, it can help jump-start them through demonstration projects, advocacy, and other means. Foundations can collaborate with government officials and policymakers and, where appropriate, goad them into action. The Hewlett Foundation's support for data systems has increased in recent years as we have come to appreciate their importance in every area of our concern. If our assessment is correct, these investments will produce significant social returns over time.

* I am grateful for Emily Warren's assistance in writing this essay.

¹ Rachel Nugent and Danielle Kuczynski. "Improving Access and Use of Demographic and Health Data: A roadmap of activities aimed at strengthening the collection, access and use of demographic and related development data, with a focus on Africa." Center for Global Development. 03/2008.

² Frederick Mosteller was the founding chairman of the Harvard statistics department and popularized the discipline's use in medicine, sports, and politics. See "Milestones." Time. July 30, 2006.
<<http://www.time.com/time/magazine/article/0,9171,1220541,00.html?promoid=googlep>> Accessed 08/04/2008.

³ Cite to last president's statement.

⁴ A well-designed impact evaluation study can determine a program's impact in the particular circumstances. Replication to other situations depends on the generalizability or "external validity" of the study, determining which is as much craft as science.

⁵ The Program is directed by Dean Richard L. Revesz, co-author of *Retaking Rationality: How Cost-Benefit Analysis Can Better Protect the Environment and Our Health* (Oxford University Press 2008).

GRANTMAKING

In 2007, The William and Flora Hewlett Foundation awarded a total of \$482,778,000 in grants and disbursed \$422,797,000* in grant and gift payments.

The Hewlett Foundation makes grants to help solve social and environmental problems in the United States and around the world, and to serve disadvantaged communities in the San Francisco Bay Area.

The purpose of this annual report is to articulate what the goals and strategies of our grantmaking programs were for 2007, and to report the extent to which we feel we made progress in achieving our goals.

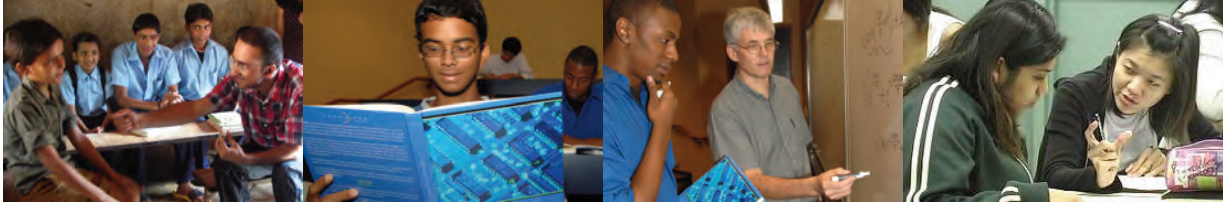
Since its founding in 1966, the Hewlett Foundation has maintained a firm commitment to building and sustaining strong institutions in order to solve difficult social and environmental problems. This requires providing long term support to grantee organizations and whenever possible allowing grantees as much flexibility as possible to spend grant funds to go about their work. Thus the Foundation provides long term, general operating support to a large number of our grantees.

The Foundation concentrates its grantmaking in the following programs:

- ▶ Education
- ▶ Environment
- ▶ Global Development
- ▶ Performing Arts
- ▶ Philanthropy
- ▶ Population

* This number is an estimate and does not include funding from the Gates Foundation for Quality Education in Developing Countries.

EDUCATION



CIVIC ENGAGEMENT FOR THE NEW CENTURY

In the era of MySpace and Facebook, is it possible to get young people to engage on important issues of the day? Absolutely, thanks to organizations like YouthNoise.

YouthNoise is a nonpartisan, nonprofit organization whose Web site is a gathering place and catalyst for activism. As a forum for debate and a rallying place for causes ranging from the arts to animal rights, it welcomes an average of 100,000 visitors ages sixteen through twenty-six each month, from every U.S. state and more than 170 countries.



The Hewlett Foundation's Education Program supports YouthNoise's Right to Learn campaign with a \$1 million grant, enabling California students to voice their concerns about what needs to be changed in the educational system, how to do it, and who can help make it happen. YouthNoise is bringing civic engagement to a new generation.

For more information please visit: <http://www.youthnoise.com/rtl>

FINDING NEW WAYS TO LEARN

After years of worrying that computer play is ruining the next generation, educators may have found an innovative way around the problem, and to help teach foreign languages very effectively.

A new game that Coastline Community College is developing with the support of the Hewlett Foundation provides an innovative model for language instruction in the digital age. Based on the same type of software used in computer games, it makes learning effortless—even fun.



Called the Open Language Learning Initiative, this project combines the effectiveness of speech recognition technology, social networking tools, and continuing, timely feedback to teach language. What the learner sees is *The Forgotten World: Zuka Awakens*, an open-ended, interactive adventure story in the tradition of *Star Wars*.

Designed to help Chinese middle- and high-school students learn English, it challenges users to practice their speaking and listening skills while immersed in the interactive story line. Eventually, game developers hope to expand its use to the learning of other languages.

The development of the project is part of the Hewlett Foundation's broader effort to put high-quality innovative educational content online free of charge. Over the last seven years, the Foundation has spent more than \$80 million to advance the availability of open educational resources.

For more information please visit:

<http://coastline.cccd.edu/>

<http://olli.coastlinelive.com/>

EDUCATION

Supporting quality education worldwide.

Every learner—from the struggling third grader in East Palo Alto to the ambitious university student in sub-Saharan Africa—deserves a high-quality education. That simple but profound conviction drives the Education Program’s grantmaking.

The Program focuses on three basic areas—reforming public education for California students from kindergarten through community college, figuring out the most effective ways to improve classroom achievement, and making high-quality educational material available for free on the Internet.

For those seeking to improve California’s education system, 2007 was not without challenges. Fixing California schools will require sweeping reform to the system. While researchers, the Governor’s education committee, and advocacy groups alike agree that these changes are necessary, such fundamental reform takes time, money, and leadership. Thanks to a groundbreaking series of studies by Foundation grantees in 2007, decisionmakers have a much clearer idea of how to approach education reform.

While the education system obviously needs to change, experts admit that they also need to know more about what works best in the classroom. The Program has identified a few areas of progress in this regard. In our efforts to improve the achievement of students in urban schools, we saw substantial increases in test scores as a result of district-led reforms in San Diego and East Palo Alto. Nevertheless, other less successful examples have led us to continue assessing our strategy for making the greatest difference at the district level. In another bright spot, Foundation-funded studies show that extended school hours significantly help low-income learners. This research has already prompted action at the federal, state, and local levels.

While we understand that a fundamental change in education policy is likely to take many years, the Foundation’s work for open educational resources—the international movement to provide free educational materials on the Internet—has continued to develop rapidly since we helped pioneer the field more than five years ago. In 2007, there was an 87 percent increase in the number of people using free online courses, a 46 percent increase in Web sites offering them, and a 68 percent increase in institutions participating in the OpenCourseWare Consortium—an international collaboration of 170 higher education institutions that produce content for Internet use. All in all, it was a very successful year, and the Foundation is extremely optimistic about the future of this work.

In 2007, the Education Program made grants totaling \$51,702,500.

IMPROVING EDUCATION IN CALIFORNIA

According to the Public Policy Institute of California, the state will face a shortage of college-educated workers by 2020 and will have twice as many high school dropouts than state businesses will be able to employ. Though we hope to improve opportunities for all students to succeed at the highest levels, we focus our investments on students who face the greatest barriers to success: those attending California’s K–12 public schools and community colleges. In particular, our grants are designed to improve the education of low-income students, Latino and African American students, and English

language learners.

To help students who face the greatest obstacles, our investments focus on two areas:

Strengthening California K–12 schools. The Foundation supports improvements in state regulations, policies, and funding that will make the K–12 public school system more effective for all its students.

Strengthening California community colleges. The Foundation makes grants to help students succeed at community colleges by supporting research and advocacy to improve statewide policy and by helping colleges improve their teaching and their ability to track student performance.

2007 Highlights

In 2007, our grantmaking played an important part in improving the prospects for a reformed K–12 finance system with the release of “Getting Down to Facts,” groundbreaking studies on school finance and administration in California. “Getting Down to Facts” consisted of twenty-two studies by more than thirty researchers from the nation’s leading universities and research institutions. The studies were requested by a bipartisan group of state leaders, including Superintendent of Public Instruction Jack O’Connell, Assembly Speaker Fabian Núñez, Senate President Pro Tem Don Perata, Governor Arnold Schwarzenegger’s Committee on Educational Excellence, and former Education Secretary Alan Bersin. Supported by four foundations (the Hewlett Foundation, the Bill & Melinda Gates Foundation, the James Irvine Foundation, and the Stuart Foundation), the study showed that to have an impact on student achievement, new funding must be coupled with major structural reform of the education finance system.

Our grantees advanced our shared goals for strengthening community colleges on several fronts in 2007. In particular, a series of reports by Sacramento State University’s Institute for Higher Education Leadership placed a spotlight on students’ low rates of success, drawing unprecedented notice from community college leaders, state policymakers, and journalists. Among many issues, the reports highlighted the need to improve the way that colleges assess students’ readiness for college to ensure that they are guided into programs in which they can succeed. The Board of Governors asked the colleges to develop a system for assessing every student’s readiness, and key legislative committees, in conjunction with California State University, backed a new program to test high school students before their senior year on their readiness for college work.

In addition, improving the success rates for underprepared students, a primary focus of the Foundation’s grantmaking, has become a top priority for the community college system, as reflected in a new \$33 million developmental education initiative. Practitioners at the eleven colleges that participated in Strengthening Pre-Collegiate Education in Community Colleges (SPECC), our project with the Carnegie Foundation, have become central to many aspects of this effort. They are leading the research on effective practices, participating as mentors for other colleges, and designing a conference on student success rates in which eighty-seven of the 109 colleges in the community college system participated. In a survey, more than 85 percent of SPECC faculty members said they had adopted new teaching strategies and 70 percent reported that their students’ learning had improved.

2008 Goals

- ▶ Use the information from “Getting Down to Facts” and other research to develop policy recommendations and create a bipartisan coalition to advocate for reform
- ▶ Apply what we’ve learned from grantee projects, such as Strengthening Pre-Collegiate Education in Community Colleges, to other colleges
- ▶ Educate policymakers and community college leaders about the role of state policy in improving student success
- ▶ Integrate K–12 and community college grantmaking in the Education Program

IMPROVING ACHIEVEMENT

Urban school students in low-income areas face daunting odds; the achievement gap is so large that it is not until the tenth grade that reading levels in the lowest income schools match fifth grade levels in the highest income schools. Reform efforts often fail to address this gap because they ignore one crucial component: improving classroom instruction. To improve the elements of instruction that directly affect student achievement—teacher and student interactions, time spent in school, and learning content—we concentrate our efforts in these areas:

Identifying effective reform practices that can be used in other school districts. There have been countless attempts to improve achievement, and many have failed. The Program’s goal is to evaluate a variety of projects that are being conducted to determine what works, and to share the results.

Encouraging personalized teaching. Research shows that assessing student progress, then personalizing instruction for students who are having trouble learning, can substantially increase achievement. We are making grants to find out what works best, and to help integrate good teaching practice into teachers’ daily instruction.

Increasing learning time in schools with lower achievement scores. Data suggest that lengthening the school day for low-income students will help them close the gap with middle-income schoolchildren. We are making grants to evaluate the effectiveness of increased class time.

Improving language development in K–3 for low-income students. At the kindergarten level, low-income children have a working vocabulary that is one-third that of middle-income students. By the age of nine, the difference becomes critical when students are expected to read and understand literature, science, math, and social studies textbooks. Our grantees are building a case for changing the curriculum to include intensive language development.

2007 Highlights

In 2007, a number of school districts began experimenting on the best ways to adapt teaching to an individual student’s needs. The Foundation’s early investments have produced examples of how to apply this approach in virtually any classroom. The Foundation also helped support the launch of a new national center, the Center on Continuous Instructional Improvement.

The Foundation is pleased that our early investment in learning about the impact of increasing the school day has gained additional funders. The Broad and Gates foundations announced the extended learning day as one of three parts of their Strong American Schools campaign, and the Broad Foundation has since invested in two of our grantees to support policy and advocacy work on the issue. National attention has led to more examples of the practice being adopted in public schools and to a large number of inquiries from districts and schools seeking help in designing operational plans.

A review of our grants to support changing the way school districts approach instruction in San Diego, Los Angeles, Hayward, Boston, and East Palo Alto proves that a districtwide strategy focused on classroom instruction is feasible and potentially effective: San Diego and East Palo Alto schools have shown substantial increases in test scores that can be attributed to district-led reform. On the other hand, we have found that volatility in a school system—the political and labor contract disputes in Los Angeles and the Hayward Unified School Districts in 2007, for example—makes district-led grants a very risky investment, and we are exploring other ways to reliably improve achievement. We will phase out this grantmaking approach in 2008.

2008 Goals

- ▶ Continue research and development for extended learning time
- ▶ Build the case for changing curriculum in the early grades to enhance language development

OPEN EDUCATIONAL RESOURCES

Open Educational Resources is based on the simple but potentially transformative idea that technology in general and the World Wide Web in particular provide an extraordinary opportunity for everyone to share, use, and reuse information. To make this content available to everyone with access to the Internet, the initiative has concentrated its efforts in three areas:

Sponsoring high-quality open content. By convincing universities and colleges to share content previously held private, we are helping create a large portfolio of free, high-quality educational materials.

Removing barriers to the use of open content. Flexible copyright and licensing systems will make more material available to the public and encourage people to share educational tools and information.

Understanding and stimulating the use of open educational resources. Our priorities include mobilizing a worldwide movement of people and institutions; supporting the preservation and open access of books, photos, video, audio, and text; and demonstrating what freely available, high-quality online content can do to accelerate learning.

2007 Highlights

The Foundation's grantmaking in the field of Open Educational Resources has become

a worldwide movement. With the Foundation's support, and drawing on the talents of its distinguished faculty, Yale University launched Open Yale Courses, which provide all the lectures of select courses on video. Among other milestones in open learning, MIT celebrated the fifth anniversary of its OpenCourseWare (now offering materials from 1,800 courses online, virtually the school's entire curriculum), and European SchoolNet brought together the materials of its many organizations into a virtual repository of K–12 materials.

Our goal of increasing the number of users of OER Commons' global teaching and learning network was surpassed, thanks to the 190,000 unique visitors reported in the first seven months of 2007. Creative Commons issued 60 million licenses that allow authors, scientists, artists, and educators worldwide to more effectively share their work. Creative Commons' open educational resources division, called ccLearn, is creating another licensing portal designed specifically for educators.

Hewlett Foundation-supported work provided many success stories in 2007: Carnegie Mellon's Open Learning Initiative continues to thrive; the United Nations Educational, Scientific and Cultural Organization (UNESCO) has focused its virtual network on open educational resources; and several major research libraries signed on with the Internet Archive's Open Content Alliance.

Other progress in 2007 included a fourfold increase in Chinese translations of openly shared course materials and the introduction of more than 200 Chinese courses on the Web. Also, with the Shuttleworth Foundation and the Open Society Institute, the Foundation cohosted a prominent conference on open educational resources in Cape Town, South Africa.

2008 Goals

- ▶ Create a sustainable infrastructure for open educational resources
- ▶ Continue to support open educational resources in Africa, India, China, and Europe
- ▶ Support the development of the Community College Consortium for Open Educational Resources in the United States
- ▶ Explore ways to set criteria for high-quality content and tools
- ▶ Fund further studies on the use of and demand for open educational resources
- ▶ Develop new research and development projects based on open learning

SERVING BAY AREA COMMUNITIES

Recognizing that a good education is crucial to both economic well-being and the creation of well-rounded citizens, the Foundation supports reform in some of the region's most troubled schools. Our work in East Palo Alto's Ravenswood School District, now its sixth year, is typical. Working through the New Teacher Center at the University of California Santa Cruz, the Foundation's support has improved the quality of education in East Palo Alto and offered a model for use elsewhere. In addition to significantly raising student achievement scores, intense teacher mentoring has improved working conditions and increased the retention rate of teachers from a paltry 25 percent to 85 percent.

EDUCATION

Improving Educational Outcomes in California

ACLU FOUNDATION OF SOUTHERN CALIFORNIA	
Los Angeles, CA	
<i>For monitoring and implementation of the Williams settlement</i>	\$340,000

ADVANCEMENT PROJECT	
Los Angeles, CA	
<i>For general support of Advancement Project’s Education Program</i>	630,000

AMERICAN INSTITUTES FOR RESEARCH	
Washington, DC	
<i>For a study of the implementation of a weighted student formula for allocating education funding in California school districts</i>	340,000
<i>For work on the design and implementation of the Quality Education Investment Act</i>	6,000
<i>For the California Collaborative on District Reform</i>	750,000

BALTIMORE COMMUNITY FOUNDATION	
Baltimore, MD	
<i>For the design of campaigns in three states to engage a broader segment of the public in calling for major improvements and investments in public education</i>	300,000

CABRILLO COLLEGE FOUNDATION	
Aptos, CA	
<i>For general support for an accelerated, intensive bridge program to help under prepared students succeed in higher education and pursue knowledge-based careers</i>	1,000,000

CALIFORNIA BUDGET PROJECT	
Sacramento, CA	
<i>For building capacity to analyze education finance issues</i>	450,000

CALIFORNIA BUSINESS FOR EDUCATION EXCELLENCE	
Sacramento, CA	
<i>For focus groups, public opinion research and development of an education reform agenda</i>	150,000

CALIFORNIA STATE UNIVERSITY AT SACRAMENTO	
Sacramento, CA	
<i>For planning an effort to make the California Department of Education a “broker of expertise” for schools and districts that want information on best practices</i>	200,000

CALIFORNIA STATE UNIVERSITY AT SACRAMENTO Sacramento, CA <i>For general support of the Institute for Higher Education Leadership and Policy</i>	750,000
CALIFORNIA TOMORROW Oakland, CA <i>For organizational development</i>	50,000
CAMPAIGN FOR COLLEGE OPPORTUNITY Oakland, CA <i>For general support</i>	1,000,000
CENTER FOR PUBLIC INTEREST RESEARCH Boston, MA <i>For a project to expand faculty awareness and use of Open Educational Resources</i>	530,000
CIF OF THE SAN FRANCISCO FOUNDATION San Francisco, CA <i>For the California School Funding and Governance Project</i>	575,000
COMMON SENSE CALIFORNIA INSTITUTE Santa Rosa, CA <i>For general support</i>	600,000
COMMONWEALTH CLUB OF CALIFORNIA San Francisco, CA <i>For developing new strategies to engage the media around education reform topics</i> (Collaboration with Philanthropy) <i>For a breakfast roundtable for education writers to inform them about California's state and local data systems to lay the groundwork for conversations about needed reforms</i>	7,500
COMMUNITY COLLEGE LEADERSHIP DEVELOPMENT INITIATIVE San Diego, CA <i>For general support</i>	250,000
COMMUNITY COLLEGE LEAGUE OF CALIFORNIA Sacramento, CA <i>For building a coalition to ensure access to postsecondary education and training needed to support a vibrant economy</i>	250,000
EDSOURCE Mountain View, CA <i>For developing a DVD on California School Finance issues</i>	20,000
EDUCATION TRUST WEST Washington, DC <i>For recruiting an Operations Director</i> (Collaboration with Philanthropy)	

EDVOICE INSTITUTE FOR RESEARCH AND EDUCATION	
Sacramento, CA	
<i>For a technical assistance project on school finance reform</i>	168,000
<i>For general support</i>	660,000
FIGHT CRIME: INVEST IN KIDS	
Washington, DC	
<i>For engaging law enforcement leaders as advocates for education reform</i>	270,000
FIRST AMENDMENT PROJECT	
Oakland, CA	
<i>For a study of the laws governing access to educational data from public agencies in California</i>	8,000
<i>For general support of the Career Ladders Project, a program to help connect disadvantaged and underprepared youth and adults to college and careers</i>	650,000
FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGES	
Sacramento, CA	
<i>For developing an online tool and communications strategy to support the CCC Basic Skills Initiative</i>	150,000
FRESNO COUNTY OFFICE OF EDUCATION	
Fresno, CA	
<i>For the Governor's Committee on Education Excellence</i>	225,000
GRANTMAKERS CONCERNED WITH IMMIGRANTS AND REFUGEES	
Sebastopol, CA	
<i>For a funders' handbook on the role of community colleges in promoting immigrant integration</i>	65,000
HARVARD UNIVERSITY	
Cambridge, MA	
<i>For a study of financial incentives to attract teachers to low-performing schools</i>	130,000
JUSTICE MATTERS INSTITUTE	
San Francisco, CA	
<i>For an executive search</i>	(Collaboration with Philanthropy)
<i>For strategic planning</i>	(Collaboration with Philanthropy)
LOS ANGELES AREA CHAMBER OF COMMERCE FOUNDATION	
Los Angeles, CA	
<i>For developing a statewide network of businesses that advocate for community colleges</i>	325,000

PACIFIC NEWS SERVICE/NEW AMERICA MEDIA San Francisco, CA <i>For organizational restructuring, board development and fund development activities</i>	(Collaboration with Philanthropy)	
PICO CALIFORNIA Sacramento, CA <i>For a coalition of statewide grassroots organizing groups to advance education finance reform in California</i>		1,200,000
PUBLIC ADVOCATES San Francisco, CA <i>For general support of the education program</i>		370,000
PUBLIC POLICY INSTITUTE OF CALIFORNIA San Francisco, CA <i>For the California 2025 project (Collaboration with Special Projects)</i>		300,000
<i>For support of a statewide survey for comprehensive analysis of public attitudes toward California community colleges and the state's higher education system</i>		75,000
RESEARCH AND PLANNING GROUP OF CALIFORNIA COMMUNITY COLLEGES Sacramento, CA <i>For the Strengthening Student Success Conference and related activities to promote success of under-prepared students at community colleges</i>		650,000
<i>For program management system building and strategic planning</i>	(Collaboration with Philanthropy)	
STANFORD UNIVERSITY SCHOOL OF EDUCATION Stanford, CA <i>For general support of the Institute for Research on Education Policy and Practice</i>		190,000
STANFORD UNIVERSITY Stanford, CA <i>For general support for the Institute for Research on Education Policy & Practice</i>		840,000
TEACHERS COLLEGE COLUMBIA UNIVERSITY Hechinger Institute on Education and the Media New York, NY <i>For a fellowship program and related materials to help California journalists deepen their knowledge and coverage of community college issues</i>		130,000
UNIVERSITY OF CALIFORNIA AT SANTA BARBARA Gevirtz Graduate School of Education Santa Barbara, CA <i>For a research effort focused on the high school dropout problem in California</i>		235,000

UNIVERSITY OF CALIFORNIA AT SANTA CRUZ
 Santa Cruz, CA
For a study of the testing and placement of students from immigrant backgrounds in California community colleges and identification of innovative approaches designed to improve student success 435,000

UNIVERSITY OF SOUTHERN CALIFORNIA
 Los Angeles, CA
For developing a communications plan (Collaboration with Philanthropy)

**UNIVERSITY OF SOUTHERN CALIFORNIA
 ROSSIER SCHOOL OF EDUCATION**
 Los Angeles, CA
For development of processes, practices and tools for increasing student transfer rates from community colleges to four-year universities 700,000

VIEWPOINT LEARNING
 San Diego, CA
For a series of Choice Dialogues on options for school finance reform in California 440,000

WESTEd
 San Francisco, CA
For the "Closing the Achievement Gap Initiative" 200,000

YOUTHNOISE
 San Francisco, CA
For general support of the YouthNoise Education program 1,000,000

Improving Achievement

BOSTON PLAN FOR EXCELLENCE
 Boston, MA
For the implementation of formative assessments for reading throughout the Boston Public Schools 300,000

CENTER FOR AMERICAN PROGRESS
 Washington, DC
For convening public discussions and developing policy recommendations in support of expanded learning time in high poverty schools 150,000

COASTLINE COMMUNITY COLLEGE
 Fountain Valley, CA
For planning the development of an online language learning system for teaching English to middle school students 100,000

HAYWARD UNIFIED SCHOOL DISTRICT
 Hayward, CA
For support of work by the Evaluation Design Group 100,000

MASSACHUSETTS 2020

Boston, MA

For establishing a national clearinghouse of information on expanded-time schools

150,000

RAVENSWOOD CITY SCHOOL DISTRICT

East Palo Alto, CA

For strategic planning and fundraising efforts

102,500

STANFORD UNIVERSITY**CENTER FOR RESEARCH ON THE CONTEXT OF TEACHING**

Stanford, CA

For continuing an evaluation of the New Teacher Center's mentoring intervention at Ravenswood City School District

700,000

STANFORD UNIVERSITY

Stanford, CA

For a study of the Institute for Learning's contribution to high school instructional improvement in the Austin Independent School District

200,000

UNIVERSITY OF CALIFORNIA AT SANTA CRUZ

Santa Cruz, CA

For a forum with leading experts in the field of oral language development

100,000

UNIVERSITY OF CHICAGO**CENTER FOR URBAN SCHOOL IMPROVEMENT**

Chicago, IL

For general support of the Information Infrastructure Group

500,000

UNIVERSITY OF PENNSYLVANIA

Philadelphia, PA

For general support of the Center on Continuous Instructional Improvement (CCII)

2,000,000

WESTED

San Francisco, CA

For a statewide study of instructional strategies used in California schools for improving English learners' achievement

500,000

*Open Educational Resources***ACAWIKI**

Fremont, CA

For support of an innovative strategy for producing easily readable summaries of academic paper

50,000

COASTLINE COMMUNITY COLLEGE

Fountain Valley, CA

For development of Chengo, an open online language learning system 2,670,000

COMMITTEE FOR ECONOMIC DEVELOPMENT	
Washington, DC	
<i>For the preparation and dissemination of a study on the effects of openness of digital content and tools on higher education in the U.S.</i>	150,000
COMMONWEALTH OF LEARNING	
Vancouver, British Columbia Canada	
<i>For core support for WikiEducator</i>	100,000
CREATIVE COMMONS	
San Francisco, CA	
<i>For the launch of Learning Commons, a project focused on the use and reuse of educational materials worldwide</i>	500,000
<i>For assessment and improvement of legal department and overall organizational infrastructure</i>	(Collaboration with Philanthropy)
DEVELOPMENT GATEWAY FOUNDATION	
Washington, DC	
<i>For general support</i>	100,000
EDUCATIONAL BROADCASTING CORPORATION	
New York, NY	
<i>For establishing an educational video studio that defines and promotes best practices for open educational video</i>	500,000
<i>For fund development planning</i>	(Collaboration with Philanthropy)
EUROPEAN ASSOCIATION OF DISTANCE TEACHING UNIVERSITIES	
Heerlen Limburg, Netherlands	
<i>For the Multilingual Open Resources for Independent Learning project</i>	75,000
EUROPEAN SCHOOLNET	
Brussels, Belgium	
<i>For an international K 12 OER Network of Excellence</i>	100,000
HARVARD UNIVERSITY	
Cambridge, MA	
<i>For exploring the intersection of open content licenses and Foundation policies</i>	15,000
INSTITUTE FOR THE STUDY OF KNOWLEDGE MANAGEMENT IN EDUCATION	
Half Moon Bay, CA	
<i>For continuing to develop the OER Commons, a website for supporting teachers and learners in using open educational resources</i>	850,000
MASSACHUSETTS INSTITUTE OF TECHNOLOGY	
Cambridge, MA	
<i>For research and an international symposium on Open Learning Games</i>	200,000
<i>For general support of the OpenCourseWare Consortium</i>	1,000,000
<i>For general support of the MIT OpenCourseWare program</i>	3,125,000

NEW MEDIA FOR NONPROFITS

Chicago, IL

*For a planning grant to support expansion of IssueLab,
an online archive of nonprofit research**(Collaboration with Special Projects and Philanthropy)*

33,000

*For expansion of IssueLab, an online archive
of nonprofit research***(Collaboration with Philanthropy)****OPEN LEARNING EXCHANGE**

Cambridge, MA

For developing a model to provide open access to basic education

100,000

OPEN UNIVERSITY

Milton Keynes, United Kingdom

For support of Openlearn

4,450,000

RICE UNIVERSITY

Houston, TX

For general support of the Connexions program

450,000

TEACHERS WITHOUT BORDERS

Seattle, WA

*For development of an Open Educational Resources Initiative
for teachers with Scholastic, Inc.*

500,000

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

Paris, France

*For an international community of practice on Open
Educational Resources*

350,000

UTAH STATE UNIVERSITY

Logan, UT

For the Center for Open and Sustainable Learning

1,800,000

WGBH

Boston, MA

*For promoting open content across the public broadcasting system
and developing new open digital assets in Teachers' Domain*

900,000

YALE UNIVERSITY

New Haven, CT

For organizing the Digital Educational Workshop in Brazil

35,000

*For support of the Open Educational Resources Video**Lecture Project*

2,250,000

Opportunity Grants**ALAMEDA COUNTY OFFICE OF EDUCATION**

Hayward, CA

*For Alliance of Arts Education Learning Leadership evaluation
and general operating support (Collaboration with Performing Arts)*

495,000

CENTER FOR POLICY STUDIES

St. Paul, MN

For a study, conference, and outreach to help develop an expanded national discussion on K-12 education

100,000

CENTER ON BUDGET AND POLICY PRIORITIES

Washington, DC

For general support

(Collaboration with Environment, Special Projects, Population, Performing Arts, and Global Development)

40,000

EDUCATION COMMISSION OF THE STATES

Denver, CO

For strategic planning

(Collaboration with Philanthropy)

EDUCATION SECTOR

Washington, DC

For general support

1,250,000

EDUCATIONAL TESTING SERVICE

Princeton, NJ

For partial support for a study of educational experiences that happen out of school, particularly experiences that supplement learning within school

200,000

HARVARD UNIVERSITY

Cambridge, MA

For support of literacy research on English Learners in urban middle schools

150,000

HIGHER EDUCATION POLICY INSTITUTE

San Jose, CA

For general support

150,000

LEARNING MATTERS

New York, NY

For production of 18 to 20 reports on education issues for The Newshour on PBS, a one-hour documentary, and an update of the First to Worst documentary

1,000,000

NATIONAL ACADEMY OF SCIENCES

Washington, DC

For a workshop about test-based accountability systems

25,000

NATIONAL CENTER ON EDUCATION AND THE ECONOMY

Washington, DC

For support for the dissemination, public discussion, and demonstration of the policies proposed in the National Center's well-received, though controversial, report, "Tough Choices for Tough Times"

250,000

SRI INTERNATIONAL

Center for Education Policy
Menlo Park, CA

For a study on three arts education policy issues: accountability systems, community partnerships and support, and district capacity (Collaboration with Performing Arts)

262,500

STANFORD UNIVERSITY

Stanford, CA

For an evaluation of Education's Opportunity grants

20,000

TEACHING AWARDS TRUST

London, United Kingdom

For a documentary on the importance of and ways to achieve good public education around the globe

200,000

UNIVERSITY OF MICHIGAN**INSTITUTE FOR SOCIAL RESEARCH**

Ann Arbor, MI

For design conferences and preparation of pilot intervention studies to leverage school reforms

165,000

*Serving Bay Area Communities***UNIVERSITY OF CALIFORNIA AT SANTA CRUZ****NEW TEACHER CENTER**

Santa Cruz, CA

For support of Ravenswood City School District's after school and summer programs

1,000,000

UNIVERSITY OF CALIFORNIA AT SANTA CRUZ

Santa Cruz, CA

For renewed support of the New Teacher Center's partnership with the Ravenswood City School District in providing system-wide professional development

3,800,000

ENVIRONMENT



SAVING A GRAND LANDSCAPE

The vision of the Grand Canyon Trust is broad: to protect the Colorado Plateau, a region that includes the world's largest concentration of protected landscapes, with fifty-five national parks, monuments, and wilderness areas from northern Arizona to central Utah.



It is land of inspiring beauty that is endangered by threats from many sides. In addition to mining and oil-drilling interests, off-road vehicle recreation, and encroaching development threaten the region. The Trust sees its task as orchestrating ecology, economy, and the community so all are working for balanced conservation goals. Collaboration is key, but the Trust doesn't shy from advocacy and litigation to protect the irreplaceable.

To date, the Trust has successfully championed measures to reduce mining, grazing, and disruptive air traffic. It also works with other preservation organizations in search of new ways to expand protections, from water conservation plans to measuring the health of vital wildlife habitats and buying land when necessary.

Today, with the help of the Hewlett Foundation, the Grand Canyon Trust is encouraging communities and businesses to work together to foster green building, wind farming, and other sustainable enterprises in the hope that there will be an even more pristine Colorado Plateau a hundred years from now.

For more information please visit:
<http://www.grandcanyontrust.org/>

DRIVING INTO THE FUTURE

The International Council on Clean Transportation is a vital clearinghouse for policymakers on ways to reduce motor-vehicle pollution worldwide.



The Council was created in 2001, when the world's leading motor vehicle experts gathered in Italy to develop plans to dramatically reduce pollution from cars, trucks, buses, and other mobile sources. Today, with the threat of global warming looming ever larger, this Foundation grantee is continuing to develop policy and research needed to speed the transition to cleaner vehicles.

To cite just two of its many activities in 2007, the Council organized a workshop in Vietnam on ways to reduce emissions from motorcycles, a key mode of transportation in that country. And its work is not limited to the land. In San Diego, it organized a two-day conference that gathered maritime industry officials and regulators for an in-depth look at how to curb pollution from large commercial ships. The Council embraces a range of approaches with programs that work to improve fuel quality, reduce vehicle emissions, improve fuel efficiency, and promote efficient transportation systems – all to help the world breathe easier.

For more information please visit:
<http://www.theicct.org/>

ENVIRONMENT

Answering the most significant environmental challenges of our time.

The goals of the Environment Program are to save the great natural landscapes of the North American West; prevent the pollution and global warming that result from the burning of fossil fuels; and build stronger, broader constituencies to protect the environment in California.

In 2007, environmental organizations that received the Foundation's support continued to deliver substantial results. Among them was a final agreement to protect 21 million acres in the Great Bear Rainforest in British Columbia, Canada—the largest intact, coastal temperate rainforest in the world. Grantees also helped prevent the construction of eight large coal-fired power plants in the United States and improved public policy with regard to fuel quality, air pollution, and public transportation in California, China, and Mexico.

In 2007, the Environment Program made grants totaling \$94,820,664.

THE WEST

The vast and majestic North American West faces unprecedented pressures from developers and the coal, timber, oil, and gas industries. As one of the largest funders of environmental organizations in the West, the Hewlett Foundation works to protect the region's public landscapes, which include the largest intact ecosystems in eleven western states, comprising nearly half their total land. The Foundation also strongly supports work to protect private land through public funding.

In 2007, we made western conservation grants in five strategic areas:

Preserving wilderness. The Foundation supports community organizations in the United States and Canada that are working to permanently protect the last remaining wild spaces in the West.

The Foundation's work in Canada's Great Bear Rainforest and the Boreal forests has resulted in tremendous conservation gains. An extremely important site for biodiversity protection, Great Bear now has five million acres designated as wilderness and 16 million acres managed for sustainability rather than extraction of resources—the result of more than a decade of work and investment by foundations and conservation groups.

Supporting public finance for conservation of private land. The Program relies on two strategies to help land trusts expand their scale: increase the public funds available for private conservation, and enable western land trusts to make better use of new public and private funding. In 2007, our grantees helped generate more than \$380 million in new public funding for land conservation in the West.

Western water reform. To ensure that enough water is available to keep natural ecosystems intact, the Program supports efforts to reform state water laws in the West and improve the operation of dams that are subject to review by the Federal Energy Regulatory Commission. The interventions of our grantees in dam relicensing hearings before the FERC helped increase river water flows and protect 400 miles of fish spawning habitat.

Supporting responsible energy development. Governors from Montana to New Mexico are calling for the protection of special places that should be off limits to oil and gas developers. Despite difficult challenges such as record-setting numbers of new oil and gas permits on public lands, our grantees made substantial progress with state policymakers. New laws provide for more rigorous oversight of wastewater reclamation and reduce damage to private property as a result of the exercising of mineral and drilling rights.

In early 2007, the largest energy utility in Texas, TXU Corporation, announced that it would cancel construction of eight proposed coal-fired power plants, fight for a cap on carbon emissions, and make significant new investments in energy efficiency and renewable energy. This unprecedented decision was the result of the work of many Foundation grantees and involved an integrated strategy of community organizing, administrative and judicial advocacy, research, and public education. This landmark decision will ensure that we avoid over 100 million tons of carbon dioxide emissions a year.

Also in 2007, five western states (Arizona, New Mexico, California, Oregon, and Washington) formed the Western Climate Initiative and agreed to set an aggressive regional climate target based on carbon reductions that will be the equivalent of removing 44 million new cars from the road.

Engaging a broader range of constituencies in environmental protection. In 2007, we continued our grantmaking aimed at strengthening environmental leadership among groups that have been historically underrepresented in environmental policymaking—particularly Latinos, African Americans, and Asians. Foundation grantees helped secure a landmark plan to drastically reduce air pollution from diesel trucks at the Los Angeles and Long Beach ports. This will result in an 85 percent drop in truck-related pollution and significantly reduce pollution-related health risks for nearby residents, whose rate of respiratory disease is far greater than the general population's.

Grantees working in the San Joaquin Valley helped strengthen rules to reduce emissions that create ozone. The effort also helped the Central Valley's environmental community more effectively inform public decisionmaking on clean-air policy.

2008 Goals

- ▶ Gain additional partners for the initiative among medical, labor, and faith groups
- ▶ Protect 43 million acres of Boreal forest wilderness
- ▶ Designate four new wilderness areas in the western United States
- ▶ Begin crafting an agreement among timber, fishing, and environmental interests on management of the Tongass National Forest
- ▶ Raise \$300 million in public funding for conservation of private land
- ▶ Strengthen rules governing the use of off-road vehicles on public lands
- ▶ Help raise funding for the Clean Truck Plan and the other key Clean Air Action Plan strategies in the Los Angeles area
- ▶ Support the passage of strict emissions regulations for diesel trucks in California

- ▶ Secure strong environmental protections for oil and gas development areas, especially in Colorado, Wyoming, and New Mexico.
- ▶ Help the Western Climate Initiative develop a registry to track greenhouse gas emissions
- ▶ Develop standards to ensure that a growing percentage of statewide electricity comes from renewable sources
- ▶ Block or delay the construction of conventional coal plants and promote clean alternatives
- ▶ Expand energy-efficiency standards to more states throughout the country

NATIONAL ENERGY POLICY AND CLIMATE CHANGE

The Foundation is committed to helping solve the greatest challenge of our generation—global climate change. This is an international problem, and as one of the world’s largest emitters of greenhouse gases, the United States must lead the way.

The Foundation therefore supports organizations that are developing national policies to meet our energy and transportation needs while reducing carbon emissions. We have also supported a host of international efforts to help other nations address the problem.

In 2007, we made energy and climate change grants in four strategic areas:

Supporting a responsible U.S. National Energy Policy. The momentum toward an enlightened U.S. national energy policy is unmistakable. In late 2007, President Bush signed an energy bill that by 2030 will reduce by 800 million tons the amount of carbon dioxide emitted. It is the largest energy-saving measure in U.S. history. Our grantees supported this landmark action by providing the outstanding technical work underpinning its key provisions, and by working with dozens of constituencies—from religious leaders to military officials—to build support for a strong energy efficiency policy.

Supporting International Climate Change Policy. China and Mexico have announced ambitious plans for dealing with climate change, and Brazil is not far behind; the latter’s plan will deal with the serious problem of higher carbon emissions caused by deforestation in the Amazon. Foundation grantees are working closely with teams in each of these countries to further refine strategies to deal with global climate change.

In a less well known but no less important development, the Foundation also funded work to increase the climate benefits of the Montreal Protocol, the 1987 agreement to repair the hole in the ozone layer by reducing the use of commercial chemicals that deplete it. Based on data from a recent study that shows the treaty will have avoided the creation of nearly eleven gigatons of carbon dioxide a year by 2010, several countries have proposed that the treaty be adjusted to maximize climate change benefits. In September 2007, the Montreal signatories agreed to make the necessary adjustments to the Protocol to maximize the treaty’s carbon reduction potential. Initial estimates show this landmark agreement will result in a reduction of up to 25 gigatons of carbon dioxide equivalent by 2030.

Promoting Sustainable City Development in China. China’s rapid development is having a profound effect on global climate. Unless China incorporates sophisticated

city planning and design, energy efficiency, and enforceable regulations, the possibility of significantly reducing the threat of global warming will be slim.

In 2007, the Foundation launched the China Sustainable Cities Initiative, which provides technical assistance to help China on the path to sustainable development. The first round of projects is designed to help with quality public transportation, green building design, and sustainable urban development.

Encouraging clean transportation. The Foundation continues working to ensure that transportation policies around the world call for the most advanced, cleanest technologies available for vehicle construction and encourage public transportation use as a first choice. The result will be a reduction in pollution and congestion—both of which are a drag on the environment and the world economy.

The U.S. Supreme Court's 2007 decision that the Environmental Protection Agency has the jurisdiction to regulate carbon dioxide as a pollutant was a watershed event, brought about with the help of Foundation grantees—especially the Natural Resources Defense Council and the Sierra Club.

In 2007, California adopted a low-carbon fuels standard that required reductions in carbon throughout the entire production chain—the first of its kind anywhere in the world. Foundation grantees helped generate these policies, with the International Council on Clean Transportation, a key grantee, supplying technical, economic, and regulatory analyses.

While the Environment Program continues to support low-carbon fuels, we have had to adjust our support for biofuels over the past year. Since 2002, the Program has supported the development of U.S. biofuels for two main reasons. First, biofuels are considered carbon neutral—absorbing the same amount of carbon while growing as they release when burned—making them a clean alternative to traditional fuels. Second, because these crops grow in the United States, they represent a real opportunity to reduce dependence on foreign oil. However, recent research has called into question the true carbon balance of biofuels—especially corn ethanol. Converting unused lands into fuel crops may release a significant amount of carbon, creating a “carbon debt” even before biofuel crops begin to grow. There are also growing concerns that shifting food crops to fuel production may induce indirect land use changes that, in aggregate, increase global carbon emissions. Finally, the shift of corn crops away from the food supply chain may have contributed to a global spike in food prices. Given these unanticipated complications with biofuels, and the uncertainties they generate, the Program is taking a step back to invest in additional science to understand the true carbon impact of biofuels. We are also working with the Global Development Program to ensure that future fuel stocks do not adversely affect world food supplies.

Chinese leaders set out to retrofit 2,000 buses with high-quality pollution filters and build two more Bus Rapid Transit lines in time for the 2008 Olympics. China also adopted strong emissions standards nationwide, and large cities like Beijing and Guangzhou expect to adopt even stricter standards in the near future. Grant support to The Energy Foundation helped make these gains possible.

A reorganization of Brazil's Environment Ministry delayed progress on clean vehicles and fuels in that country. The national oil company, Petrobras, and Brazilian auto manufacturers expressed the need to delay new tighter emissions and fuel quality

standards. Grantees spent much of the year arguing to keep the current timeline by demonstrating the ill-effects of vehicle emissions on human health and conducting a poll showing that Brazilians are concerned about vehicle pollution. Grantees are now working with regulators to resolve the impasse.

2008 Goals

- ▶ Provide technical support for the development of U.S. climate change policy
- ▶ Increase the number of economic sectors participating in cap-and-trade programs that create financial incentives for emission reductions
- ▶ Continue support of California's greenhouse gas standards for automobiles
- ▶ Evaluate all Bus Rapid Transit grants in Mexico, Brazil, and China
- ▶ Promote clean vehicle and fuel standards in Mexico, Brazil, and China
- ▶ Support policies that reduce the use of private vehicles and increase funding for public transportation
- ▶ Promote a federal low-carbon fuels standard in the United States

SERVING BAY AREA COMMUNITIES

Poor communities often have fewer neighborhood parks, a fact that the Foundation's Environment Program works to correct through grants to the Trust for Public Land. The Trust's Bay Area Parks for People Program works to refurbish urban parks throughout the Bay Area, typically engaging the surrounding community in the process.

ENVIRONMENT

Canadian Wilderness

SIERRA CLUB OF BRITISH COLUMBIA

Victoria, British Columbia Canada

For the Great Bear Rainforest campaign \$350,000

TIDES CANADA FOUNDATION

Vancouver, British Columbia Canada

For the Coast Opportunities Foundation Fund 3,378,987

For the Coast Opportunities Foundation Donor Advised Fund 3,434,245

For the Ecosystem-Based Management Implementation Donor Advised Fund 3,956,632

TIDES FOUNDATION

San Francisco, CA

For the Rainforest Solutions Project 350,000

For the Spirit Bear Fund 750,000

For short term support to allow start-up and implementation plans to proceed on the Great Bear Project 1,000,000

China Sustainable

ENERGY FOUNDATION

San Francisco, CA

For the China Sustainable Cities Initiative 1,200,000

For the China Sustainable Cities Initiative 3,435,800

PORTLAND STATE UNIVERSITY

School of Urban Studies and Planning

Portland, OR

For general support of a training program for Chinese urban planners 200,000

Climate Change

BIPARTISAN POLICY CENTER

Washington, DC

For labor, agricultural and transportation policy studies on climate change 4,250,000

For a project to engage new constituencies in the national climate change debate 485,000

CALIFORNIA CLIMATE ACTION REGISTRY

Los Angeles, CA

For The Climate Registry 50,000

CENTER FOR GLOBAL DEVELOPMENT

Washington, DC

For research on how population growth impacts greenhouse gas emissions (Collaboration with Population) 150,000

CENTRO DE DERECHOS HUMANOS Y MEDIO AMBIENTE Córdoba, Argentina <i>For promoting changes to the Montreal Protocol and work on the Sea of Cortez</i>	25,000
CLEAN AIR COOL PLANET Portsmouth, NH <i>For the New Hampshire Global Warming Education Project</i>	100,000
ENERGY FOUNDATION San Francisco, CA <i>For the National Campaign to Stop Expansion of Coal-Fired Power Generation</i>	4,000,000
GOVERNORS' ETHANOL COALITION Lincoln, NE <i>To develop strategies to ensure that biomass vehicle fuels rely on low-carbon technologies</i>	250,000
NATIONAL AUDUBON SOCIETY New York, NY <i>For the Mobilizing the Audubon Network to Combat Global Warming project</i>	195,000
NATIONAL RELIGIOUS PARTNERSHIP FOR THE ENVIRONMENT Amherst, MA <i>For support of NRPE's programs on global climate change</i>	600,000
NATURE CONSERVANCY Arlington, VA <i>For support of TNC's multi state climate change education and outreach project</i>	300,000
NORTHEAST STATES FOR COORDINATED AIR USE MANAGEMENT Boston, MA <i>For The Climate Registry</i>	200,000
OCEAN FOUNDATION Washington, DC <i>For the Making a Difference from the Frontline project</i>	100,000
PEW CHARITABLE TRUSTS Philadelphia, PA <i>For support of mandatory limits on carbon emissions and fuel efficiency standards in the US</i>	3,000,000
ROCKEFELLER FAMILY FUND New York, NY <i>For the National Security and Climate Change project</i>	350,000
SECURING AMERICA'S FUTURE ENERGY FOUNDATION Washington, DC <i>For general support</i>	300,000

UNION OF CONCERNED SCIENTISTS Cambridge, MA <i>For the Clean Vehicles Program's Fuel Economy Media Project</i>	250,000
UNIVERSITY CORPORATION FOR ATMOSPHERIC RESEARCH INSTITUTE FOR THE STUDY OF SOCIETY AND ENVIRONMENT Boulder, CO <i>For a project on Population and Climate Change (Collaboration with Population)</i>	77,500
YALE UNIVERSITY New Haven, CT <i>For general support of YaleEnvironment Online</i>	700,000
<i>Energy</i>	
ASSOCIAÇÃO O ECO Rio de Janeiro RJ, Brazil <i>For support of the São Paulo office which is dedicated to reporting on urban air pollution issues</i>	225,000
BIPARTISAN POLICY CENTER Washington, DC <i>For general support</i>	2,000,000
BONNEVILLE ENVIRONMENTAL FOUNDATION Portland, OR <i>For efforts to minimize the carbon footprint</i>	135,000
BREAKTHROUGH TECHNOLOGIES INSTITUTE Washington, DC <i>For the Clean Air Initiative for Latin American Cities (CAI LAC) project</i>	200,000
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES Sacramento, CA <i>For general support</i>	300,000
CENTRO DE TRANSPORTE SUSTENTABLE DE MEXICO Mexico City, Mexico <i>For general support</i>	250,000
CENTRO MEXICANO DE DERECHO AMBIENTAL Mexico City, México <i>For general support of the Union de Científicos Comprometidos con la Sociedad</i>	200,000
<i>For presenting the Mexican NGO presence at the Montreal Protocol negotiations</i>	50,000
COLECTIVO ECOLOGISTA JALISCO Zapopan, Jalisco Mexico <i>For general support</i>	200,000

ECOJUSTICE CANADA SOCIETY	
Vancouver, British Columbia Canada	
<i>For reducing the environmental impacts of oil and gas development in Northern Canada</i>	125,000
ENERGY FOUNDATION	
San Francisco, CA	
<i>For general support</i>	4,000,000
<i>For general support</i>	6,000,000
<i>For general support of the Energy Foundation's Western Power Campaign</i>	2,300,000
<i>For general support</i>	2,000,000
<i>For general support of the China Sustainable Energy Program</i>	2,000,000
<i>For general support of the Energy Foundation's U.S. Transportation program</i>	1,500,000
ENVIRONMENTAL DEFENSE	
Oakland, CA	
<i>For a project with the Chinese State Environmental Protection Administration to improve the effectiveness of environmental policy in China</i>	200,000
<i>For a program to improve energy efficiency and reduce greenhouse gas emissions in car and truck fleets</i>	400,000
ENVIRONMENTAL LAW AND POLICY CENTER	
Chicago, IL	
<i>For support of the clean energy development project</i>	200,000
FUNDAÇÃO DE APOIO À UNIVERSIDADE DE SÃO PAULO	
São Paulo, Brazil	
<i>For support of research on climate change and alternative fuels in Brazil</i>	160,000
<i>For a field study of vehicle pollution in major Brazilian cities</i>	120,000
GLOBAL ENVIRONMENT AND TECHNOLOGY FOUNDATION	
Arlington, VA	
<i>For general support of the Center for Energy and Climate Solutions</i>	300,000
GOVERNORS' ETHANOL COALITION	
Lincoln, NE	
<i>For implementation of the Ethanol from Biomass Governors' recommendations</i>	250,000
HARVARD UNIVERSITY	
Cambridge, MA	
<i>For the Energy Technology Innovation Policy project</i>	565,000

INSTITUTE FOR GOVERNANCE AND SUSTAINABLE DEVELOPMENT

Washington, DC

<i>For work on adjusting the Montreal Protocol to maximize the Protocol's climate change benefits</i>	200,000
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<i>For work on adjusting the Montreal Protocol to maximize the Protocol's climate change benefits</i>	300,000
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INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

New York, NY

<i>For general support</i>	900,000
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<i>For translation and publication of a Bus Rapid Transit system manual</i>	200,000
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INSTITUTES FOR JOURNALISM AND NATURAL RESOURCES

Missoula, MT

<i>For general support</i>	675,000
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INSTITUTO DE ENERGIA E MEIO AMBIENTE

Sao Paulo, Brazil

<i>For general support</i>	400,000
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<i>For general support</i>	450,000
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INTERNATIONAL COUNCIL ON CLEAN TRANSPORTATION

Washington, DC

<i>For general support</i>	3,400,000
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<i>For a vehicle survey along the Mexico border</i>	30,000
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INTERNATIONAL DOCUMENTARY ASSOCIATION

Los Angeles, CA

<i>For preliminary work on a series on the environment in China</i>	25,000
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INTERNATIONAL SUSTAINABLE SYSTEMS RESEARCH CENTER

Diamond Bar, CA

<i>For initial work on air quality plans for select cities in Latin America</i>	100,000
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LOCAL GOVERNMENT COMMISSION

Sacramento, CA

<i>For developing smart growth strategies for California</i>	135,000
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NATURAL RESOURCES DEFENSE COUNCIL

San Francisco, CA

<i>For building public support for clean locomotives</i>	20,000
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<i>For legal defense of California's clean car standards and related initiatives</i>	400,000
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NORTHEAST STATES CENTER FOR A CLEAN AIR FUTURE

Boston, MA

<i>For assessing the viability of a low carbon fuel standard in the Northeast</i>	200,000
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<i>For Canadian Strategic Greenhouse Gas projects</i>	340,000
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PEMBINA FOUNDATION FOR ENVIRONMENTAL RESEARCH AND EDUCATION Drayton Valley, Alberta Canada <i>For general support of the Pembina Institute's Kyoto Protocol in Canada implementation program</i>	500,000
PRESENCIA CIUDADANA MEXICANA Mexico City, México <i>For work on public transportation policy</i>	320,000
PRINCETON UNIVERSITY PRINCETON ENVIRONMENTAL INSTITUTE Princeton, NJ <i>For general program support of Princeton University's Energy Systems/Policy Analysis group</i>	400,000
RESOURCE MEDIA San Francisco, CA <i>For general support</i>	3,000,000
RESOURCES LEGACY FUND Sacramento, CA <i>For ensuring the effective expenditure of conservation-related public bond funds</i>	200,000
ROSTROS Y VOCES Mexico City, Mexico <i>For general support of the flood relief program (Collaboration with Special Projects and Global Development)</i>	25,000
SIERRA CLUB OF CANADA Ottawa, Ontario Canada <i>For general support of CAFE Canada program</i>	125,000
SMART GROWTH AMERICA Washington, DC <i>For a study of the connection between urban development, motor vehicle use and carbon emissions</i>	70,000
STATE OF COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT Denver, CO <i>For clean energy development in Colorado</i>	200,000
TIDES CENTER Washington, DC <i>For the CPUC (California Public Utilities Commission) Communications Fellow</i>	18,500
<i>For the CPUC (California Public Utilities Commission) Communications Fellow</i>	164,000
<i>For the CPUC (California Public Utilities Commission) Communications Fellow</i>	23,000

UNION OF CONCERNED SCIENTISTS

Cambridge, MA

*For the Restoring Scientific Integrity project
(Collaboration with Population)*

300,000

UNIVERSITY OF CALIFORNIA AT BERKELEY

Berkeley, CA

*For developing criteria for prioritizing expenditures for a
sustainable future
(Collaboration with Special Projects)*

50,000

UNIVERSITY OF CALIFORNIA AT DAVIS

Davis, CA

For research on the current worldwide auto fleet and future trends

24,000

UNIVERSITY OF SOUTHERN CALIFORNIA

Department of Geography

Los Angeles, CA

*For a framework to assess environmental justice aspects of California
climate change policies*

60,000

UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY

Salt Lake City, UT

For the Utah Greenhouse Gas Policy Initiative

200,000

WOODS HOLE RESEARCH CENTER

Woods Hole, MA

*For work on climate change mitigation strategies in China, India,
and Brazil*

200,000

YALE UNIVERSITY

New Haven, CT

For the development of YaleEnvironment Online

200,000

*Other***CENTER ON BUDGET AND POLICY PRIORITIES**

Washington, DC

*For general support**(Collaboration with Special Projects, Education, Population,
Performing Arts, and Global Development)*

100,000

SIERRA CLUB OF BRITISH COLUMBIA

Victoria, British Columbia Canada

*For strategic planning and staff
communications training**(Collaboration with Philanthropy)*

Regional

FRESNO REGIONAL FOUNDATION

Fresno, CA

For teen pregnancy prevention, air quality, and overall capacity building (Collaboration with Population and Philanthropy)

200,000

OUTWARD BOUND

Garrison, NY

For the Bay Area Outward Bound Center

100,000

For the Bay Area Outward Bound Urban Center

100,000

TEAM UP FOR YOUTH

Oakland, CA

For general support

200,000

TRIPS FOR KIDS

San Rafael, CA

For general support

100,000

TRUST FOR PUBLIC LAND

San Francisco, CA

For general support of the Parks for People Bay Area Program

500,000

West

ALASKA CONSERVATION FOUNDATION

Anchorage, AK

For the Tongass Permanent Protection Campaign Project

575,000

ALASKA WILDERNESS LEAGUE

Washington, DC

For work in the Tongass National Forest and the Western Arctic

250,000

AMERICAN BAR ASSOCIATION/SECTION OF ENVIRONMENT, ENERGY AND RESOURCES

Chicago, IL

For support of the ABA Diversity Fellowship in Environmental Law Program

35,000

AMERICAN RIVERS

Washington, DC

For general support of American Rivers' Hydropower Reform Coalition

2,250,000

ARABELLA LEGACY FUND

Washington, DC

For general support for the Creation Care Fund

390,000

For general support of the Responsible Trails America program

500,000

ARIZONA CENTER FOR LAW IN THE PUBLIC INTEREST

Phoenix, AZ

For advancing energy efficiency and renewable energy issues in Arizona

100,000

CATHOLIC CHARITIES, DIOCESE OF STOCKTON Stockton, CA <i>For the Environmental Justice Project</i>	60,000
CENTER FOR COMMUNITY ACTION AND ENVIRONMENTAL JUSTICE Riverside, CA <i>For general support of the Goods Movement, Air Quality and Development Campaign programs</i>	150,000
COALITION FOR CLEAN AIR Los Angeles, CA <i>For general support</i>	2,700,000
<i>For staff search consulting services</i>	25,000
<i>For enlisting a communications consultant for media strategy and outreach related to Central Valley air pollution work</i>	24,000
<i>For communications work on the Achieving Clean Air in the San Joaquin Valley report</i>	15,000
<i>For an Environmental Health Fellowship</i>	250,000
COFEM Los Angeles, CA <i>For general support of the Health and Environment Program</i>	100,000
COLORADO CONSERVATION TRUST Boulder, CO <i>For the Western Rangeland Trusts Capacity Building Project</i>	660,000
<i>For the Agricultural Land Trust Assessment Project</i>	100,000
COLORADO ENVIRONMENTAL COALITION Denver, CO <i>For the Colorado Water Caucus' sustainable water campaign</i>	200,000
COMMUNITIES FOR A BETTER ENVIRONMENT Huntington Park, CA <i>For a planning grant for work on air pollution from the ports</i>	30,000
COMMUNITY PARTNERS Los Angeles, CA <i>For general support of the California Environmental Rights Alliance</i>	43,000
CONSULTATIVE GROUP ON BIOLOGICAL DIVERSITY San Francisco, CA <i>For the Health and Environmental Funders Network Project</i>	30,000
DEFENDERS OF WILDLIFE Washington, DC <i>For the Federal Lands Conservation Portfolio project</i>	500,000
<i>For help in protecting the Endangered Species Act</i>	130,000
ECOFLIGHT Aspen, CO <i>For general support</i>	150,000

ENVIRONMENTAL DEFENSE

Oakland, CA

For the Western In-Stream Flow Incentives Project 200,000*For the Clean Air for Life Campaign* 100,000**ENVIRONMENTAL JUSTICE COALITION FOR WATER**

Oakland, CA

For management restructuring (Collaboration with Philanthropy)*For general support* 300,000**ENVIRONMENTAL WORKING GROUP**

Washington, DC

For general support of the Natural Resource program 65,000**FRESNO METRO MINISTRY**

Fresno, CA

For general support of the Environmental Health Program 180,000*For strategic planning and leadership transition planning* (Collaboration with Philanthropy)**FRESNO MADERA MEDICAL SOCIETY**

Fresno, CA

For general support of the Air Quality program 150,000**GREENBELT ALLIANCE**

San Francisco, CA

For a new Executive Director search (Collaboration with Philanthropy)**HEADWATERS ECONOMICS**

Bozeman, MT

For general support 200,000**HIGH COUNTRY NEWS**

Paonia, CO

For general support 350,000**INTERNATIONAL CENTER FOR JOURNALISTS**

Washington, DC

For general support of the Fellowship Program 55,000**INTERNATIONAL SUSTAINABLE SYSTEMS RESEARCH CENTER**

Diamond Bar, CA

For technical analysis on air pollution in the San Joaquin Valley 50,000*For investigating the best approaches to reduce levels of air pollution in the San Joaquin Valley* 67,000**ISLAND PRESS CENTER FOR RESOURCE ECONOMICS**

Washington, DC

For general support of the Center for Resource Economics' Island Press 300,000

LABOR/COMMUNITY STRATEGY CENTER Los Angeles, CA <i>For transportation consulting services to increase staff's analytical capability</i>	(Collaboration with Philanthropy)
LATINO CAUCUS FOUNDATION Los Angeles, CA <i>For the "Right To Breathe Clean Air" Policy Summit</i>	65,000
LATINO ISSUES FORUM San Francisco, CA <i>For general support of the Sustainable Development Program</i>	100,000
LIBERTY HILL FOUNDATION Santa Monica, CA <i>For general support of the Environmental Justice Fund and Technical Assistance Program</i>	94,000
LOS ANGELES ALLIANCE FOR A NEW ECONOMY Los Angeles, CA <i>For the Coalition for Clean and Safe Ports project</i>	50,000
MURIE CENTER Moose, WY <i>For organizational restructuring and to develop a marketing plan</i>	(Collaboration with Philanthropy)
NATIONAL AUDUBON SOCIETY New York, NY <i>For support of the Regional Integrated Sagebrush Campaign project</i>	400,000
<i>For a campaign to ensure a viable population of sage-grouse and to protect their ecosystem</i>	75,000
<i>For the Tongass National Forest project</i>	50,000
<i>For the Tongass National Forest project</i>	75,000
NATIONAL CONSERVATION SYSTEM FOUNDATION Durango, CO <i>For general support</i>	200,000
NATIONAL PARKS AND CONSERVATION ASSOCIATION Washington, DC <i>For strategic planning and media strategy for the Crown of the Continent initiative</i>	(Collaboration with Philanthropy)
NATIONAL WILDLIFE REFUGE ASSOCIATION Washington, DC <i>For engaging new constituencies in five Western states</i>	200,000

NATURE CONSERVANCY

Arlington, VA

For the Tongass Futures Roundtable Project 225,000*For general support of the Coastal Forests Program* 1,050,000*For the Utah Conservation Ethic Initiative* 300,000*For general support of The Nature Conservancy's Oregon Program* 250,000**NEW YORK BOTANICAL GARDEN**

Bronx, NY

For general support of the New York Botanical Garden's Intermountain Flora program 225,000**PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT AND SECURITY**

Oakland, CA

For fund development (Collaboration with Philanthropy)**PACIFIC NEWS SERVICE/NEW AMERICA MEDIA**

San Francisco, CA

For the A Green Beat for Ethnic Media Plan 30,000**PACOIMA BEAUTIFUL**

Pacoima, CA

For general support 50,000**PEW CHARITABLE TRUSTS**

Philadelphia, PA

For protection of U.S. Wilderness in the West 750,000**PHYSICIANS FOR SOCIAL RESPONSIBILITY LOS ANGELES CHAPTER**

Los Angeles, CA

For general support of the Environmental Health Program 60,000*For Board Development* (Collaboration with Philanthropy)**PROJECT ON GOVERNMENT OVERSIGHT**

Washington, DC

For the Energy and Natural Resources Investigations project 150,000**PUBLIC POLICY INSTITUTE OF CALIFORNIA**

San Francisco, CA

For a greater sampling of Central Valley residents in 2007 Statewide Survey 35,000**RADIO BILINGUE**

Fresno, CA

For general support of the Environmental Affairs Desk program 60,000**SAVE OUR WILD SALMON COALITION**

Seattle, WA

For a Utility Outreach and global warming project 150,000

SOCIAL AND ENVIRONMENTAL ENTREPRENEURS

Malibu, CA

For the East Yard Communities for Environmental Justice project 110,000**SOUTHEAST ALASKA CONSERVATION COUNCIL**

Juneau, AK

For the Tongass National Forest Permanent Protection Campaign 300,000**THEODORE ROOSEVELT CONSERVATION PARTNERSHIP**

Washington, DC

For the Sportsmen for Responsible Energy Development project 250,000*For support of a campaign on federal energy development* 150,000**TIDES CANADA FOUNDATION**

Vancouver, British Columbia Canada

For the Oil and Gas Fund project 1,500,000**TRUST FOR PUBLIC LAND**

San Francisco, CA

*For the Crown of the Continent**Conservation Project* (Collaboration with Special Projects)**UNIVERSITY OF SOUTHERN CALIFORNIA**

Los Angeles, CA

*For the Trade, Health, and Environment Impact Project**"Moving Forward" Conference* 10,000**VIRGINIA ORGANIZING PROJECT**

Charlottesville, VA

*For Environmental Health Sciences' media and**communications programs* 250,000**WESTERN GOVERNORS' ASSOCIATION**

Denver, CO

For the Wildlife Corridors Initiative 170,000*For a report on clean energy* 50,000**WESTERN LANDS PROJECT**

Seattle, WA

For general support 100,000**WESTERN ORGANIZATION OF RESOURCE COUNCILS**

Billings, MT

For general support for the WORC Education Program 500,000**WESTERN RESOURCE ADVOCATES**

Boulder, CO

*For general support of the Western Resource Advocates' Rocky**Mountain Energy Campaign* 1,000,000*For the oil shale project* 200,000

WILDERNESS SOCIETY

Washington, DC

For general support of the Wilderness Society's campaign to save lands managed by the Bureau of Land Management Plan

1,800,000

For the Summit 2007: Diverse Partners in Environmental Progress conference

10,000

WILDLIFE CONSERVATION SOCIETY

Bronx, NY

For support of the Path of the Pronghorn project

200,000

WILLIAM C. VELASQUEZ INSTITUTE

San Antonio, TX

For general support

20,000

GLOBAL DEVELOPMENT



FIGHTING POVERTY WITH LITERACY

Sixty million children in India receive help in reading, writing, and basic math from the nonprofit organization Pratham, thanks to a new partnership that the Hewlett and Bill & Melinda Gates foundations launched in 2007.

A \$9.1 million grant from the two foundations to Pratham is supporting its Read India initiative, which is working with ten Indian state governments to ensure that four million children between the ages of six and fourteen achieve basic mastery of reading and math by the end of 2009.



The program is an important non-governmental contribution to India's efforts to end the cycle of poverty perpetuated by illiteracy and poor education. It is estimated that 50 percent of the children in India cannot read at a minimum level. The initiative already has shown significant gains in reading and math skills among participating students. And, just as important, there are signs that Pratham's emphasis on literacy is raising it as a priority of the national government.

The grant to Pratham was the first that the Hewlett Foundation awarded through the partnership with the Gates Foundation to improve the quality of education in primary and secondary schools in selected developing countries. This Hewlett Foundation initiative is committed to making a series of grants with \$60 million committed by the two Foundations.

For more information please visit:

<http://www.pratham.org/>

ENGAGING AMERICANS IN THE WORLD

At the Center for U.S. Global Engagement, experts in international relations promote what they call "smart power"—the use of diplomacy and international aid—as a way for America to bolster its place in the world and help make it a better place.



Through its web site, at meetings, and with the dissemination of information, the nonpartisan Center works to improve the use of this power to advance global health, economic prosperity, and international cooperation. For Hewlett, all this is a means to the end of reducing global poverty by reforming foreign aid.

The Center brings together unlikely allies—from business leaders to non-governmental aid organizations to retired military leaders—to share ideas with policy makers about ways to modernize foreign aid. On the eve of the 2008 presidential election, its web site also worked to create public interest in these issues by supplying extensive information about each candidate's foreign-policy positions.

For more information please visit:

<http://www.usglobalengagement.org/>

GLOBAL DEVELOPMENT

Promoting equitable growth in the developing world.

Over 2.7 billion people—40 percent of the world's population—live in extreme poverty, surviving on less than \$2 a day. To help improve their lives, the Global Development Program makes grants to eliminate barriers to equitable growth in developing nations. It does this by focusing on three goals: ensuring that public and private development funds are used more effectively and transparently to provide basic services, promoting quality education for children in developing countries, and helping the world's poorest farmers. Our challenge in 2007 was to develop an investment strategy to achieve these goals, which built upon the lessons from the Program's first two years of exploratory grantmaking.

Foundation grantees made progress on several fronts in 2007 and had particular success in Mexico, where an important constitutional reform passed, guaranteeing citizens' access to government information at the federal, state, and local levels. For example, organizations that serve the poor are using information about public finances to better advocate on behalf of vulnerable populations.

To help small farmers in developing countries, the Program's grantmaking focused on reducing trade barriers, making important agricultural products such as fertilizer more accessible, improving access to information about prices and market trends, and ensuring that investments in infrastructure respond to the needs of the rural poor.

The year also marked the beginning of significant grantmaking in a joint initiative with the Education and Population programs. That initiative, Quality Education in Developing Countries, included the launch of three large projects in partnership with the Bill & Melinda Gates Foundation to improve primary and secondary education in sub-Saharan Africa and South Asia.

In 2007, the Global Development Program made grants totaling \$97,331,804.

TRANSPARENCY AND ACCOUNTABILITY

Basic public services in developing countries can be improved if both citizens and policymakers can track development funds to make sure they are spent effectively. To make the flow of funds more transparent, the Program concentrated on the following areas in 2007:

Ensuring that revenues from extractive industries and foreign aid reach the public. In resource-rich developing countries, our grantees continue to tackle the serious issue of corruption and public mismanagement of revenues generated by the mining, gas, and oil industries. And together with the Gates Foundation, we are supporting efforts to improve the transparency of development aid as it flows from international donors.

Improving public spending through budget transparency, expenditure tracking, and evaluation of public services. The Transparency and Accountability Project, a Foundation-supported organization, awarded grants to six independent monitoring groups for projects to improve budget transparency and accountability in their countries. Two other key partners—Revenue Watch Institute and the International Budget Project—are expanding their operations, attracting new donors, and building strong networks of watchdog groups in developing countries. We have also worked closely with the Gates Foundation and other partners to establish a new international organization that will support independent evaluation of development programs to

determine which activities are most effective in improving the livelihood and well-being of the world's poor.

Continuing efforts to make public finances in Mexico more transparent and trackable. The historic constitutional reform to guarantee public access to information in Mexico was an important milestone, although effective implementation remains a key challenge. In another significant 2007 transparency achievement, Mexico's state oil company agreed to make public information about its payments to government entities. Until now, these payments have been untrackable, discretionary, and notoriously vulnerable to corruption.

2008 Goals

- ▶ Support the Revenue Watch Institute's development of new international accounting standards for extractive industries
- ▶ Secure an agreement on a coordinated strategy for U.S. aid reform among global development advocacy groups
- ▶ Support the completion and distribution of the Transparency and Accountability Project's signature report on improving the accountability of public spending in developing countries
- ▶ Continue support of the International Budget Project's work to make budget information more accessible and increase oversight by budget watchdog groups around the world
- ▶ Recruit additional donors to match Foundation funds for the International Initiative on Impact Evaluation
- ▶ Increase the public's access to information about government budgets in Mexico and provide budget analysis training to nonprofit organizations

AGRICULTURAL MARKETS

In 2007, the Hewlett Foundation began making grants to build a broad coalition in support of reforming agricultural policy in the United States. The Program began focusing on the market conditions that affect farmers in poor countries, particularly in East and West Africa, and directed its grantmaking in the following areas:

Improving market incentives. Tariffs, agricultural subsidies, and other forms of trade protection can have a devastating effect on poor farmers from developing countries. In 2007, the Foundation supported a coalition of nongovernmental organizations and business groups working to advance U.S. policies that would be fairer to farmers in developing countries. While efforts to improve U.S. policies failed due to the complicated politics of the issue, the effort raised public awareness of the need for reform. Nearly 200 editorials calling for fairer farm policy appeared in U.S. newspapers, and the coalition of advocates continues to grow.

The World Trade Organization's on-again, off-again round of negotiations to topple barriers to free trade between rich and poor countries, dubbed the Doha Round, was relaunched in 2007—but quickly bogged down. Although the Foundation brought together key players from developed and developing countries to find ways to break the impasse, it does not appear that the talks will successfully conclude in 2008.

Foundation grantees are helping drive reform of the European Union's Common Agricultural Policy. In 2007, one such grantee, EU Transparency, published data on

subsidy payments to more than a dozen member states. The ensuing publicity helped persuade the European Commission to agree to publish farm subsidy data on its Web site, beginning in 2009. Our grantmaking also established a network of fifty research institutions in Latin America and Southeast Asia to collaborate on market and trade analysis, created training programs for trade policy analysts in six developing countries, and paired two dozen trade analysts from developing countries with experts from the developed world.

Ensuring that new infrastructure serves the needs of the poor. The Foundation is making grants to ensure that the interests of African farmers and rural communities are taken into account when governments make decisions about where and how to invest in new roads, bridges, and schools. This grantmaking effort will also connect farmers to business opportunities in the food-supply chain and provide mechanisms for transparency and accountability in decisionmaking around infrastructure investments.

2008 Goals

- ▶ Support organizations that are working to reform U.S. and E.U. agricultural and trade policies on biofuel imports from developing countries
- ▶ Support research into World Trade Organization cases against countries whose trade policies hurt the agricultural economy in poor countries
- ▶ Expand a project to strengthen regional agricultural information to farmers in West Africa
- ▶ Support efforts to advance policies that will open regional markets to farmers in Africa
- ▶ Support efforts to expand regional markets for trade in fertilizer in East Africa

QUALITY EDUCATION IN DEVELOPING COUNTRIES

In 2007, the Foundation launched a new partnership with the Bill & Melinda Gates Foundation to improve education at primary and secondary schools in the developing world. In the first round of grantmaking, we selected three grantees to significantly improve learning for schoolchildren in developing countries. To that end, we are focusing on two goals:

Improving quality in the classroom. We are supporting demonstration projects and impact evaluations that focus on the quality of classroom teaching and educational results. In 2007, we made three grants, the first to the Indian educational organization Pratham, for a nationwide project called Read India. Early response to the project suggests not only that approximately four million children in ten Indian states will learn more in 2008, but also that other states will be inspired to seek ways to improve student learning. The two other grants, to ActionAid and FUNDAEC, aim to improve learning by focusing on improved teaching methods.

Improving funding and management practices. It is just as important to make sure that aid to education focuses on improving quality in the classroom and that funds allocated to education actually reach the intended schools. Our grantmaking strategy thus pays particular attention to improving funding where it will make the most difference, and to improving the transparency of aid.

Since 2000, Hewlett Foundation grantees have helped quadruple aid for education in developing countries, and they continue to work to make sure aid is used effectively. While 2007 did not bring significant increases in such aid, we did not see backsliding, and we hope to see strong support in future years.

Thanks in large part to our grantee Transparency International, the issues of transparency and accountability in education financing received more attention in 2007. The organization's Education Watch project is monitoring seven countries in Africa to make sure education funding is properly used.

2008 Goals

- ▶ Produce measurable results in basic educational skills for two million children in India
- ▶ Identify the most effective techniques to assess competency in literacy, math, and critical thinking
- ▶ Select and begin support to countries and organizations in East and West Africa that are developing successful models to improve the quality of classroom education
- ▶ Evaluate independent research to identify what determines quality in primary and secondary education
- ▶ Expand transparency and accountability work to include the monitoring of students' progress so that parents can determine the quality of their children's education

THINK TANKS INITIATIVE

The purpose of the Think Tanks Initiative is to strengthen a select group of promising policy research institutes in developing countries and support their work to develop high-quality research to improve public policy in those countries.

Early in 2007, after consulting widely with researchers and policymakers throughout the developing world, the Foundation entered into a partnership with the International Development Research Centre to implement this new grantmaking initiative. The Initiative will provide four-year institutional support grants, in addition to ongoing assistance to improve research quality, links to policymakers, and other aspects of organizational performance.

2008 Goals

- ▶ Launch the Initiative and hold the first meeting of its international advisory group
- ▶ Involve at least one other major funder as a partner in the Initiative
- ▶ Participate in the selection of approximately twenty think tanks to be funded in East and West Africa

GLOBAL DEVELOPMENT

Agricultural Trade Barriers

AGRICULTURAL COMMODITY EXCHANGE FOR AFRICA

Kanengo, Lilongwe 4 Malawi

For general support

\$80,000

BREAD FOR THE WORLD INSTITUTE

Washington, DC

For developing a communications strategy

(Collaboration with Philanthropy)

CENTER FOR RURAL AFFAIRS

Lyons, NE

For activities to advance rural development programs as alternatives to trade distorting subsidies

35,000

CORPORATE COUNCIL ON AFRICA

Washington, DC

For designing an agribusiness program for business schools in African universities

50,000

ENVIRONMENTAL DEFENSE

Oakland, CA

For a project to analyze how proposed reforms for the U.S. farm bill reauthorization in 2007 will affect commodity prices and market opportunities for farmers in developing countries

200,000

EU TRANSPARENCY

London, United Kingdom

For Farmsubsidy.org, a network of researchers, journalists, and activists pressing for more transparency about EU's farm subsidies and their impacts

240,000

FARMWORKER JUSTICE

Washington, DC

For activities to engage farmworkers in the public policy debates on the 2007 farm bill and America's agricultural subsidy programs

18,000

GERMAN MARSHALL FUND OF THE UNITED STATES

Washington, DC

For general support to the Economic Policy Program

2,500,000

GLOBALWORKS FOUNDATION

Washington, DC

For the Trade, Aid and Security Coalition to organize a series of roundtables, public meetings, and small meetings with opinion leaders on U.S. trade and poverty policies that affect developing countries

165,000

INTERNATIONAL CENTRE FOR TRADE AND SUSTAINABLE DEVELOPMENT

Geneva, Switzerland

For communications planning and the creation of an evaluation system

(Collaboration with Philanthropy)

INTERNATIONAL FERTILIZER DEVELOPMENT CENTER

Muscle Shoals, AL

*For strategic planning**(Collaboration with Philanthropy)**For a project to strengthen regional trade for agricultural fertilizer and seeds in Africa*

1,500,000

For the Market Information Systems and Trader Organizations project in West Africa

300,000

INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE

Washington, DC

For an analysis of multilateral agricultural trade rules and the creation of an international policy analysis network

497,000

INTERNATIONAL SENIOR LAWYERS PROJECT

New York, NY

For a program to train Rwandan government officials on international trade agreement negotiating skills

55,000

MICHIGAN STATE UNIVERSITY**DEPARTMENT OF AGRICULTURAL ECONOMICS**

East Lansing, MI

For a project to expand regional agricultural trade in West Africa

400,000

MICHIGAN STATE UNIVERSITY

East Lansing, MI

For general support of the Partnership to Cut Hunger and Poverty in Africa program

800,000

OXFAM AMERICA

Boston, MA

For general support of the Make Trade Fair campaign program

2,400,000

SALZBURG SEMINAR

Middlebury, VT

For a seminar to identify the biggest obstacles in the Doha Round deadlock and ideas to achieve a resolution

269,000

WASHINGTON STATE UNIVERSITY

Pullman, WA

For the International Agricultural Trade Research Consortium to produce research on issues of trade, development and poverty alleviation

225,000

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Washington, DC

For a report designed to reposition public debate on core issues affecting trade and agricultural policy

214,000

WORLD BANK

Washington, DC

For the 2008 World Development Report

300,000

*Knowledge Infrastructure***AMERICA ABROAD MEDIA**

Washington, DC

For AAM's public radio programming, particularly its international affairs program, America Abroad

600,000

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

Washington, DC

For distribution of Foreign Policy magazine to journalists, editors and producers of news programs

300,000

CENTER FOR GLOBAL DEVELOPMENT

Washington, DC

For general support

3,600,000

EDUCATIONAL BROADCASTING CORPORATION

New York, NY

For Wide Angle, a PBS documentary series on international topics

750,000

For continued support of Wide Angle, a PBS documentary series on international topics

500,000

INDEPENDENT TELEVISION SERVICE

San Francisco, CA

For the International Media Development Fund

2,000,000

INSTITUCIÓN RENACE ABP

Monterrey, Nuevo Leon, Mexico

For general support to the National Network for Oral Trials in Mexico program

200,000

JOHNS HOPKINS UNIVERSITY

Baltimore, MD

For the International Reporting Project

300,000

For continued support of the International Reporting Project

300,000

LINK MEDIA

San Francisco, CA

*For an executive search firm to recruit a Chief Executive Officer**(Collaboration with Philanthropy)**For the Global Pulse News Service Project*

2,000,000

PEW RESEARCH CENTER

Washington, DC

*For the Global Attitudes Project, a survey of international public opinion on a variety of topics**(Collaboration with Special Projects)*

250,000

PUBLIC RADIO INTERNATIONAL

Minneapolis, MN

For the Global Resource Service 250,000**TIDES CENTER**

Washington, DC

For Editors' World 200,000**TIDES FOUNDATION**

San Francisco, CA

For general support of the Connect US initiative, a pooled grantmaking fund to support a network of organizations advocating for responsible U.S. global engagement 2,000,000*For Connect US to help its grantees develop evaluation plans to assess their impact* (Collaboration with Philanthropy)**UNIVERSITY OF GEORGIA**

Athens, GA

For creation of a training module on NewsU to help media organizations better cover global issues 106,000**WGBH**

Boston, MA

For Frontline World, a public television news magazine series on global affairs 750,000*For continued support of Frontline World, a public television news magazine series on global affairs* 500,000**WORLD SECURITY INSTITUTE**

Washington, DC

For support of the weekly public affairs television program, "Foreign Exchange with Fareed Zakaria" (Collaboration with Special Projects) 250,000**YALE UNIVERSITY****YALE CENTER FOR THE STUDY OF GLOBALIZATION**

New Haven, CT

For general support to the Center for the Study of Globalization (Collaboration with Special Projects)*Official Development Assistance***CENTER FOR AMERICAN PROGRESS**

Washington, DC

For an effort to improve U.S. development assistance policies in order to ensure the foreign policy goal of "sustainable security" 600,000**CENTER FOR U.S. GLOBAL ENGAGEMENT**

Washington, DC

For general support 1,200,000

FRITZ INSTITUTE San Francisco, CA <i>For disseminating a model to increase the effectiveness of African humanitarian organizations</i>	50,000
INITIATIVE FOR GLOBAL DEVELOPMENT Seattle, WA <i>For general support</i> <i>For the development of a strategic plan with the new Board of Directors</i>	800,000 (Collaboration with Philanthropy)
MASSACHUSETTS INSTITUTE OF TECHNOLOGY Cambridge, MA <i>For an impact evaluation in Uttar Pradesh, India to assess the efficacy of interventions to improve governance and accountability in developing countries</i>	49,984
OVERSEAS DEVELOPMENT INSTITUTE CENTRE FOR AID AND PUBLIC EXPENDITURE London, United Kingdom <i>For a project to engage Southern research organizations in the debate about reforms to the international aid system</i>	150,000
SAVE THE CHILDREN Westport, CT <i>For planning a program of research & advocacy to promote improvements to U.S. development assistance</i>	197,500
<i>Quality Education in Developing Countries</i>	
ACADEMY FOR EDUCATIONAL DEVELOPMENT Washington, DC <i>For general support of the Basic Education Coalition</i> <i>For development of a strategy to expand and diversify the Basic Education Coalition's funding base</i>	500,000 (Collaboration with Philanthropy)
ACTIONAID USA* Washington, DC <i>For a planning project to improve teaching and parents' monitoring of school performance</i>	1,033,000
FUNDACIÓN PARA LA APLICACIÓN Y ENSEÑANZA DE LAS CIENCIAS* Cali, Columbia <i>For launching the Preparation for Social Action program and building capacity in 3 African countries</i>	1,950,000
GLOBAL CAMPAIGN FOR EDUCATION Brussels, Belgium <i>For general support</i>	450,000

INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH

Egmore, Chennai India

For J PAL South Asia to conduct the planning phase for an impact evaluation of Pratham's Read India 90,000

For J PAL South Asia to conduct an impact evaluation of Pratham's Read India 1,225,000

INTERNATIONAL RESCUE COMMITTEE

New York, NY

For the Women's Commission to develop policy guidelines for teacher compensation and retention 60,000

PRATHAM MUMBAI EDUCATION INITIATIVE*

Houston, TX

For Read India, a nationwide project to improve students' literacy and numeracy skills 9,114,000

TRANSPARENCY INTERNATIONAL

Berlin, Germany

For developing an Education Watch project that will increase public accountability and transparency in the education sector 100,000

For implementation of the Education Watch project in seven African countries 1,512,000

UNIVERSITY OF CALIFORNIA AT BERKELEY**SCIENTIFIC EVALUATION FOR GLOBAL ACTION**

Berkeley, CA

For SEGA to evaluate FUNDAEC's Tutorial Learning System in Honduras for expansion to Africa 1,280,000

*Special Opportunities***AMERICAN UNIVERSITY IN CAIRO**

Cairo, Egypt

For general support of the John D. Gerhart Center for Philanthropy and Civic Engagement at the American University in Cairo (Collaboration with Population and Philanthropy) 100,000

CENTER ON BUDGET AND POLICY PRIORITIES

Washington, DC

For general support (Collaboration with Environment, Special Projects, Education, Population, and Performing Arts) 25,000

ROSTROS Y VOCES

Mexico City, Mexico

For general support of the flood relief program (Collaboration with Environment and Special Projects) 25,000

Think Tanks

AFRICAN CENTER FOR ECONOMIC TRANSFORMATION Washington, DC <i>For general support</i>	200,000
AMERICAN UNIVERSITY OF BEIRUT Beirut, Lebanon <i>For planning a project to strengthen the role and increase the impact of think tanks and research institutes in the Middle East</i>	12,000
HARVARD UNIVERSITY Department of Government Cambridge, MA <i>For a project in Ghana to upgrade the quality of policy analysis in the field of development</i>	564,300
INTERNATIONAL DEVELOPMENT RESEARCH CENTRE Ottawa, Ontario, Canada <i>For general support of the Think Tanks Program</i>	40,000,000

Transparency and Accountability

ARTICLE 19 London, United Kingdom <i>For organization decentralization and strategic planning</i>	(Collaboration with Philanthropy)
CARTER CENTER Atlanta, GA <i>For an international conference on public access to government information</i>	75,000
CENTER FOR GLOBAL DEVELOPMENT Washington, DC <i>For the International Initiative for Impact Evaluation (3IE)</i>	2,000,000
CENTRO DE INVESTIGACIÓN Y DOCENCIA ECONÓMICAS Delegación Alvaro Obregón, México <i>For general support of CIDE's Legal Studies Division</i>	450,000
CENTRO DE INVESTIGACIONES Y ESTUDIOS SUPERIORES EN ANTROPOLOGIA SOCIAL, OCCIDENTE Guadalajara, Jalisco, México <i>For an impact evaluation of Oportunidades on the economic prospects of program scholarship graduates</i>	300,000
CENTRO INTERNACIONAL DE ESTUDIOS DE TRANSPARENCIA Y ACCESO A LA INFORMACIÓN Mexico City, Mexico <i>For general support</i>	200,000

CENTRO MEXICANO DE DERECHO AMBIENTAL Mexico City, México <i>For general support of CEMDA's litigation program</i>	200,000
CONSEJO CIUDADANO DEL PREMIO NACIONAL DE PERIODISMO Mexico City, Mexico <i>For strategic planning</i> <i>For general support</i>	(Collaboration with Philanthropy) 150,000
DEVELOPMENT INITIATIVES Wells, Somerset, United Kingdom <i>For a project to improve access to high quality, timely information on aid flows</i>	1,200,000
FUNDAR, CENTRO DE ANÁLISIS E INVESTIGACIÓN Mexico City, Mexico <i>For general support</i>	150,000
GESOC, AGENCIA PARA EL DESARROLLO Mexico City, Mexico <i>For analyzing government proposals to implement performance-based public spending policies in Mexico</i>	150,000
INSTITUTO MEXICANO PARA LA COMPETITIVIDAD Mexico City, Mexico <i>For developing an index of state budget discretionality in Mexico</i>	200,000
INSTITUTO TECNOLÓGICO AUTÓNOMO DE MÉXICO Mexico City, México <i>For improving the enabling environment for philanthropy in Mexico</i>	175,000
LOCALIS Queretaro, Mexico <i>For producing budget information for local authorities and citizens in some municipalities in Mexico</i>	120,000
NATIONAL SECURITY ARCHIVE FUND Washington, DC <i>For general support of the National Security Archive's Mexico project</i>	620,000
REVENUE WATCH INSTITUTE New York, NY <i>For general support</i>	4,000,000
SIN FRONTERAS, I.A.P. Mexico City, México <i>For a project to use access-to-information and budget data to promote government accountability on migration-related programs in Mexico</i>	200,000

SONORA CIUDADANA	
Hermosillo, Sonora, Mexico	
<i>For general support</i>	85,000
<i>For strategic planning and to refine communications strategy</i>	(Collaboration with Philanthropy)

TRANSPARENCIA MEXICANA	
Mexico City, Mexico	
<i>For general support</i>	200,000

UNIVERSITY OF CALIFORNIA AT SANTA CRUZ	
Santa Cruz, CA	
<i>For a project entitled "Putting Mexico's Information Disclosure Reforms into Practice: A Rural Civil Society Strategy"</i>	425,000

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS	
Washington, DC	
<i>For a publication on the impact of how the U.S. promotes global development in the 21st century</i>	40,020

* Quality Education in Developing Countries includes funding provided by the Gates Foundation, a partner in the project.

PERFORMING ARTS



PIED PIPERS TO SELF ESTEEM AND MUSIC

Learning to play an instrument is a path to self-expression and self-esteem. Since 1984, Rhythmic Concepts Inc. has set hundreds of kids on the road to musical mastery with Jazz Camp West, an intensive summer retreat sheltered amid the towering redwoods of the Santa Cruz Mountains.



With professional artists leading the way, kids ages ten to fourteen learn everything from jazz and funk instrumentals to gospel and blues singing and more. At the same time, the campers, who come from diverse backgrounds, learn how to bridge differences by building a community through music. Of course, Jazz Camp West also means swimming, nature hikes, and evening campfires. The Hewlett Foundation's support provides scholarships for those who might otherwise find summer camp a faraway place.

The Oakland-based Rhythmic Concepts has also launched other avenues for creativity: the Oakland Interfaith Gospel Choir, the Oakland Jazz Choir, an annual musical tribute to Dr. Martin Luther King Jr., the Oakland Children's Community Choir, and RhythmVoice.

For more information please visit: <http://www.jazzcampwest.com/>

TELLING STORIES, CONNECTING GENERATIONS

Among the most powerful ways to connect people is through a story. At StageBridge, the oldest theater company in the U.S. featuring older people, those stories come to the stage and the classroom to bridge the generation gap and foster positive attitudes toward aging.



Based in Oakland, StageBridge offers theater productions, storytelling in the schools, acting classes, and writing contests for children among other activities. The programs serve the dual purpose of bolstering the vitality of older Americans while breaking down stereotypes among the young about aging.

And the benefits seem to extend far further. An independent assessment of a Stagebridge storytelling program found that the elementary school students who participated in it significantly outperformed a control group in listening comprehension.

For more information please visit: <http://www.stagebridge.org/>

PERFORMING ARTS

Encouraging artistic expression and its enjoyment.

The Foundation's Performing Arts Program embraces the region's rich cultural diversity, from the traditional to the cutting edge. In 2007, grants ranged from the San Francisco Ballet to the Tibetan Association of Northern California, to symphony and jazz orchestras from Santa Rosa to Carmel. Since its inception in 1966, more than \$232 million has been granted to 459 organizations in theater, dance, music, opera, musical theater, film, and video.

Now the largest funder of Bay Area arts organizations, the Hewlett Foundation is also a long-term investor. By giving multiyear operating support to high-quality performing arts groups, we promote three essential goals: artistic vitality, community engagement, and organizational health.

Recognizing that appreciation of the arts begins early in life, in 2007 the Program continued its work to promote arts education in public schools. Research commissioned by the Foundation provided policymakers with information about California schools' failure to meet state standards for teaching the arts and about how to remedy the problem.

In 2007, the Performing Arts Program made grants totaling \$18,539,000.

ARTS ORGANIZATIONS AND AUDIENCES

The San Francisco Bay Area is home to approximately 1,000 performing arts organizations that reflect Northern California's amazing demographic and cultural diversity. In 2007, the Performing Arts Program continued to support a broad array of quality programs and organizations to increase exposure to, and understanding of, this rich variety of art forms. Our 2007 grants focused on:

- ▶ Increasing support for the arts in under-represented communities
- ▶ Expanding opportunities in the arts for young people
- ▶ Broadening the aesthetic diversity of performing arts grantees
- ▶ Creating opportunities for artists to develop new work
- ▶ Supporting artists and organizations working to preserve indigenous art forms

The Performing Arts Program makes grants to ensure that residents throughout the nine-county San Francisco Bay Area and neighboring Santa Cruz and Monterey counties can find meaningful, high-quality cultural experiences close to home. In 2007, the Program made grants to seventeen new cultural organizations, including organizations in Contra Costa and Napa counties. Among other new grantees were a multidisciplinary arts organization housed in a renovated 1920s movie theater in economically depressed Antioch, a contemporary opera company in Oakland, and a storytelling program for elders at the nation's longest-running senior theater company, also in Oakland.

The Program is committed to funding organizations that provide more cultural experiences to young people, giving them opportunities to learn and build a stronger future for the arts. In 2007, we made a number of new grants in this area—including media arts and aerial dance, and a grant to Larkin Street Youth Services that gives homeless and runaway young people a chance to participate in the performing arts.

We are also committed to supporting organizations that reflect a diverse cultural approach to the arts; many of our grantees present indigenous work by artists who have immigrated to the Bay Area from around the world. In 2007, we added support for two organizations that broaden the region's cultural offerings: Dimension Performing Arts presents work from China and Taiwan, and Golden Thread Productions, a theater company, explores Middle Eastern cultures. A Hewlett Foundation grant enabled Golden Thread to present its tenth anniversary season, the ReOrient Festival that promoted both new and established artists from the Middle East.

Developing new works often requires years of effort and substantial financial support. In 2007, the Foundation continued its partnerships with the Gerbode Foundation and the Walter and Elise Haas Fund's Creative Work Fund to ensure that more of the region's artists have the freedom to create. We also continued our support for CounterPULSE and Intersection for the Arts, which offer low-cost performances in intimate settings for audiences who want to see the new and unusual.

2008 Goals

- ▶ Continue to increase aesthetic and geographic diversity in the arts
- ▶ Find more opportunities for young people to participate in the arts
- ▶ Conduct a yearlong review of the Performing Arts Program
- ▶ Continue partnerships with the Walter and Elise Haas Fund's Creative Work Fund and the Gerbode Foundation to support the creation of new works at artist residency programs and other venues

SPACE AND INFRASTRUCTURE

Regardless of their size, in order to thrive, performing arts organizations need spaces they can call home, and they need access to information about how they are doing. The Performing Arts Program worked to address both these needs in 2007. The Program funded four projects that added 36,650 square feet of new performing arts space in the San Francisco Bay Area, with plans for 252,000 square feet of additional performing arts space for twelve projects by 2013.

In 2007, a number of foundations collaborated in planning the California launch of the Cultural Data Project, a national effort of the Pew Charitable Trusts to create standardized databases of information about nonprofit cultural organizations. Working in partnership with the James Irvine Foundation and other California funders, the Program will involve 2,000 nonprofit arts organizations in California, for the first time providing vital information about their performance and contributions to the state's economy, among other useful data. It also aims to streamline requests for funding by creating a single, standard application that would be used by participating donor organizations.

2008 Goals

- ▶ Continue support for the creation of additional performing arts rehearsal and performance spaces throughout the Bay Area
- ▶ Launch the California Cultural Data Project and support its adoption by all California nonprofit cultural organizations

ARTS EDUCATION

Only systemic reforms in state and local policy will ensure that every California public school student receives a high-quality arts education. State guidelines call for all K–12 students to receive instruction in theater, music, dance, and visual arts, but that is rarely achieved. In 2007, the Foundation continued to make grants in support of arts education in the classroom by:

Commissioning and disseminating arts education research. We supported research that described the current state of arts education in California and subsequent studies that examined obstacles to providing arts instruction to all public school students in grades K–12. The Foundation-commissioned study by SRI International, *An Unfinished Canvas*, received wide attention in the media in 2007. Based on the finding that most elementary, middle, and high school students in California public schools are not receiving quality education in the arts, the study made recommendations that will serve as the basis for our future work in the field. It also uncovered obstacles to reform that we are continuing to research.

Promoting change through advocacy. The Program made grants to help new coalitions advocate for arts education for all California schoolchildren. The Hewlett Foundation supported a task force to create a plan to include comprehensive arts education in current efforts to reform the public schools. The task force, chaired by state education officials, comprises policymakers and representatives from the state’s major educational organizations. It held a series of meetings in spring 2007 to develop priorities that include school-district assessments, a statewide program to build consistent curricula, and ways to raise awareness of the value of arts education in California.

2008 Goals

- ▶ Develop a five- to ten-year arts education initiative to inform state policy so all K–12 students in California public schools receive art instruction in the disciplines called for in state standards: dance, music, theater, and the visual arts
- ▶ Strengthen advocacy for arts education by conducting research on policy and instruction, and increasing public reporting on the status of arts education in schools
- ▶ Launch local efforts to improve educators’ ability to teach the arts

SERVING BAY AREA COMMUNITIES

The arts offer another rich means to intervene to change young lives. At Larkin Street Youth Services in San Francisco’s Tenderloin neighborhood, staffers work to divert homeless and runaway youths from sex work, drugs, and crime. With Hewlett support, Larkin Street has developed a performing arts program that provides homeless youth with the opportunity to gain confidence in their creativity, exit street life, and make the transition to adult independence. In a very different setting, Los Cenzontles Mexican Arts Center in San Pablo, which emphasizes serving youth, provides education in a variety of Mexican art forms, sponsors cultural exchanges between the United States and Mexico, and develops community awareness of Mexican heritage through the arts. The Foundation supports Los Cenzontles with multiyear general operating funds and in its work to help develop long-range plans to serve more people.

PERFORMING ARTS

Access and Participation

AMERICAN COMPOSERS FORUM Saint Paul, MN <i>For support of a podcast series called Measure for Measure: New Music, New Thoughts, featuring Bay Area musicians, promoters, and educators doing innovative work in California</i>	\$10,000
ARTS COUNCIL NAPA VALLEY Napa, CA <i>For creation of a cultural plan for Napa County</i>	25,000
ARTS COUNCIL SILICON VALLEY San Jose, CA <i>For general support of the regranting program</i>	450,000
<i>For general support of the Arts Council Silicon Valley Artsopolis Marketing Partnership</i>	390,000
BALLET SAN JOSE SILICON VALLEY San Jose, CA <i>For general support</i>	150,000
BERKELEY SYMPHONY ORCHESTRA Berkeley, CA <i>For costs related to a music director search</i>	60,000
BERNARD OSHER MARIN JEWISH COMMUNITY CENTER San Rafael, CA <i>For general support of the CenterStage program</i>	120,000
CALIFORNIA SYMPHONY ORCHESTRA Walnut Creek, CA <i>For general support</i>	225,000
CAZADERO PERFORMING ARTS CAMP Berkeley, CA <i>For general support</i>	90,000
CIRCUS CENTER San Francisco, CA <i>For strategic planning</i>	54,000
<i>For general support</i>	180,000
CULTURAL ARTS COUNCIL OF SONOMA COUNTY Santa Rosa, CA <i>For general support</i>	80,000
<i>For general support</i>	100,000

DANCE PALACE Point Reyes Station, CA <i>For general support of the performing arts program</i>	60,000
DANCERS GROUP San Francisco, CA <i>For general support of the Bay Area National Dance Week</i>	90,000
DIABLO REGIONAL ARTS ASSOCIATION Walnut Creek, CA <i>For general support</i>	120,000
EARPLAY San Francisco, CA <i>For general support</i>	30,000
EAST BAY CENTER FOR THE PERFORMING ARTS Richmond, CA <i>For predevelopment costs associated with the Winters Building Revitalization Project</i>	61,000
EASTSIDE ARTS ALLIANCE Oakland, CA <i>For general support</i>	120,000
EL CAMPANIL THEATRE PRESERVATION FUND Antioch, CA <i>For general support</i>	120,000
FESTIVAL OPERA ASSOCIATION Walnut Creek, CA <i>For general support</i>	165,000
FLYAWAY PRODUCTIONS San Francisco, CA <i>For general support of the 2008 Flyaway Art and Advocacy summer program</i>	20,000
FORT MASON FOUNDATION San Francisco, CA <i>For general support of the Cowell Theater's In Performance Series</i>	90,000
FREMONT SYMPHONY ORCHESTRA Fremont, CA <i>For general support</i>	90,000
GRANTMAKERS IN THE ARTS Seattle, WA <i>For the 2007 Arts and Education Weekend</i>	25,000

LARKIN STREET YOUTH CENTER San Francisco, CA <i>For general support of the Youth Arts Program</i>	360,000
MARIN SYMPHONY ASSOCIATION San Rafael, CA <i>For general support</i>	165,000
MONTALVO ASSOCIATION Saratoga, CA <i>For general support of the performing arts program</i>	570,000
MONTEREY JAZZ FESTIVAL Monterey, CA <i>For general support</i>	195,000
NEW CENTURY CHAMBER ORCHESTRA San Francisco, CA <i>For general support</i>	150,000
OAKLAND INTERFAITH GOSPEL CHOIR Oakland, CA <i>For general support</i>	90,000
OAKLAND OPERA THEATER Oakland, CA <i>For general support</i>	60,000
OAKLAND YOUTH CHORUS Oakland, CA <i>For general support</i>	150,000
OBERLIN DANCE COLLECTIVE San Francisco, CA <i>For general support</i>	750,000
PACIFIC CHAMBER SYMPHONY San Francisco, CA <i>For general support</i>	20,000
PALO ALTO CHAMBER ORCHESTRA Palo Alto, CA <i>For general support</i>	90,000
RHYTHMIC CONCEPTS Oakland, CA <i>For general support</i>	90,000
SAN DOMENICO SCHOOL San Anselmo, CA <i>For general support of the Virtuoso program</i>	135,000

SAN FRANCISCO BOYS CHORUS San Francisco, CA <i>For general support</i>	100,000
SAN FRANCISCO CINEMATHEQUE San Francisco, CA <i>For general support</i> <i>For strategic planning and staff professional development</i>	120,000 17,000
SAN FRANCISCO EARLY MUSIC SOCIETY Berkeley, CA <i>For general support</i>	90,000
SAN FRANCISCO GIRLS CHORUS San Francisco, CA <i>For general support</i>	195,000
SAN FRANCISCO MIME TROUPE San Francisco, CA <i>For general support</i>	165,000
SAN FRANCISCO MUSEUM OF MODERN ART San Francisco, CA <i>For support to expand the contemporary vernacular performing arts program</i>	200,000
SAN FRANCISCO OPERA ASSOCIATION San Francisco, CA <i>For general support</i>	750,000
SAN FRANCISCO PERFORMANCES San Francisco, CA <i>For the Cash Reserve Fund</i>	100,000
SANTA ROSA SYMPHONY Santa Rosa, CA <i>For general support</i>	195,000
STANFORD JAZZ WORKSHOP Stanford, CA <i>For general support</i>	165,000
STANFORD UNIVERSITY STANFORD LIVELY ARTS Stanford, CA <i>For general support of the Stanford Lively Arts program</i>	150,000
THEATRE BAY AREA San Francisco, CA <i>For general support</i>	300,000

UNIVERSITY OF CALIFORNIA AT BERKELEY
 Berkeley, CA
For general support of the Pacific Film Archive 210,000

UNIVERSITY OF CALIFORNIA AT SANTA CRUZ
SHAKESPEARE SANTA CRUZ
 Santa Cruz, CA
For an executive search consultant to facilitate the search for a new artistic director 2,000

WEST BAY OPERA ASSOCIATION
 Palo Alto, CA
For general support 175,000

ZEROONE
 San Jose, CA
For production of ZeroOne San Jose: An International Festival of Art on the Edge 225,000

Creative Expression for Artists

BAY AREA VIDEO COALITION
 San Francisco, CA
For general support 200,000
For a strategic planning process (Collaboration with Philanthropy)

CARNEGIE HALL
 New York, NY
For an evaluation of The Academy program (Collaboration with Special Projects)

COUNTERPULSE
 San Francisco, CA
For general support 120,000

CREATIVE CAPITAL FOUNDATION
 New York, NY
For regranting to individual artists in the San Francisco Bay Area 375,000

DANCERS GROUP
 San Francisco, CA
For general support of the Stephen Pelton Dance Theater 24,000

EXIT THEATRE
 San Francisco, CA
For general support 150,000

INTERSECTION FOR THE ARTS
 San Francisco, CA
For general support 180,000
For strategic planning and facilities assessment (Collaboration with Philanthropy)

MAGIC THEATRE San Francisco, CA <i>For an executive search</i>	(Collaboration with Philanthropy)
MAGNIFICAT! San Francisco, CA <i>For general support</i>	50,000
OPERA SAN JOSE San Jose, CA <i>For general support</i>	390,000
OTHER MINDS San Francisco, CA <i>For general support</i>	180,000
PAUL DRESHER ENSEMBLE San Francisco, CA <i>For general support</i>	165,000
PLAYGROUND San Francisco, CA <i>For general support</i>	20,000
PLAYWRIGHTS FOUNDATION San Francisco, CA <i>For general support</i>	30,000
THEATRE BAY AREA San Francisco, CA <i>For general support of CAH, the Creative Assistance for the Small and Hungry regranting program</i>	170,000
<i>For general support of CAH, the Creative Assistance for the Small and Hungry regranting program</i>	225,000
WALLACE ALEXANDER GERBODE FOUNDATION San Francisco, CA <i>For general support of a regranting program to support young California performing artists</i>	712,500
WALTER AND ELISE HAAS FUND San Francisco, CA <i>For general support of the Creative Work Fund</i>	765,000
YOUTH SPEAKS San Francisco, CA <i>For hiring a strategic planning consultant</i>	10,000
Z SPACE STUDIO San Francisco, CA <i>For general support</i>	15,000

Diverse Cultural Expression

ABHINAYA DANCE COMPANY OF SAN JOSE San Jose, CA <i>For general support</i>	105,000
ALI AKBAR COLLEGE OF MUSIC San Rafael, CA <i>For general support</i>	165,000
BRAVA! FOR WOMEN IN THE ARTS San Francisco, CA <i>For general support</i>	35,000
CENTER FOR ASIAN AMERICAN MEDIA San Francisco, CA <i>For general support</i>	150,000
CHHANDAM CHITRESH DAS DANCE COMPANY San Francisco, CA <i>For fund development</i>	
CROSSPULSE Oakland, CA <i>For general support</i>	36,000
DIMENSION PERFORMING ARTS San Jose, CA <i>For general support</i>	80,000
ETHIOPIAN COMMUNITY SERVICES San Jose, CA <i>For support of the Ethiopian Millennium Festival</i>	50,000
FRAMELINE San Francisco, CA <i>For strategic planning</i> <i>For general support</i>	45,000 150,000
GOLDEN THREAD PRODUCTIONS San Francisco, CA <i>For general support</i>	30,000
HORIZONS FOUNDATION San Francisco, CA <i>For general support of a performing arts regranting program</i>	30,000
KITKA Oakland, CA <i>For strategic planning</i>	(Collaboration with Philanthropy)

LOS CENZONTLES MEXICAN ARTS CENTER	
San Pablo, CA	
<i>For general support</i>	135,000
<i>For capacity building efforts</i>	250,000
NA LEI HULU I KA WEKIU HULA HALAU	
San Francisco, CA	
<i>For general support</i>	105,000
STAGEBRIDGE	
Oakland, CA	
<i>For general support of Old Voices – New Stories, a performing arts training and development program</i>	40,000
THEATREWORKS	
Palo Alto, CA	
<i>For general support</i>	300,000
<i>Long Term Organizational Health</i>	
AMERICAN COMPOSERS FORUM OF SAN FRANCISCO	
San Francisco, CA	
<i>For general support</i>	150,000
AMERICAN SYMPHONY ORCHESTRA LEAGUE	
New York, NY	
<i>For general support of programs in the San Francisco Bay Area</i>	25,000
ARCHITECTURAL FOUNDATION OF SAN FRANCISCO	
San Francisco, CA	
<i>For the Build San Francisco program's expansion to include performing arts spaces</i>	90,000
ASSOCIATION OF PERFORMING ARTS PRESENTERS	
Washington, DC	
<i>For general support of Bay Area activities</i>	35,000
CALIFORNIA LAWYERS FOR THE ARTS	
San Francisco, CA	
<i>For general support of Bay Area activities</i>	40,000
CENTER ON BUDGET AND POLICY PRIORITIES	
Washington, DC	
<i>For general support</i>	
<i>(Collaboration with Environment, Special Projects, Education, Population, and Global Development)</i>	60,000
CHORUS AMERICA	
Washington, DC	
<i>For general support of San Francisco Bay Area programs</i>	150,000

FILM ARTS FOUNDATION

San Francisco, CA

For general support

160,000

For general support of the Teaching Intermedia Literacy Tools education program

150,000

MEET THE COMPOSER

New York, NY

For general support for San Francisco Bay Area activities

120,000

NINTH STREET MEDIA CONSORTIUM

San Francisco, CA

For general support

150,000

OPERA AMERICA

New York, NY

For the San Francisco Bay Area Initiative

40,000

PEW CHARITABLE TRUSTS

Philadelphia, PA

For development, launching and licensing of the Cultural Data Project in California

500,000

STANFORD JAZZ WORKSHOP

Stanford, CA

For strategic planning

20,000

THEATRE COMMUNICATIONS GROUP

New York, NY

For general support of its Bay Area fund

100,000

*Space***INTERSECTION FOR THE ARTS**

San Francisco, CA

For facility purchase and renovation

200,000

OBERLIN DANCE COLLECTIVE

San Francisco, CA

*For facility renovation and construction, and theater rental subsidies (Collaboration with Special Projects)***SHOTGUN PLAYERS**

Berkeley, CA

For funds to install solar power at its facility

20,000

TANNERY ARTS CENTER

Santa Cruz, CA

For general support

500,000

Arts Education

ALAMEDA COUNTY OFFICE OF EDUCATION

Hayward, CA

*For Alliance of Arts Education Learning Leadership
evaluation and general operating support
(Collaboration with Education)*

495,000

CIF OF THE SAN FRANCISCO FOUNDATION

San Francisco, CA

*For the San Francisco Arts Commission for the Art Education
Funders' Collaborative*

50,000

COUNTY EDUCATION FOUNDATION OF SANTA CLARA COUNTY

San Jose, CA

For general support of the Visual and Performing Arts program

450,000

PERFORMING ARTS WORKSHOP

San Francisco, CA

For development of a strategic plan

(Collaboration with Philanthropy)

For capacity building

150,000

For general support

225,000

SRI INTERNATIONAL**CENTER FOR EDUCATION POLICY**

Menlo Park, CA

*For a study on three arts education policy issues: accountability
systems, community partnerships and support, and district capacity
(Collaboration with Education)*

262,500

PHILANTHROPY



LEARNING TO MAKE GIVING GO FARTHER

Philanthropy is an old practice but a young field. People have engaged in it in some form for centuries, but it's only in the last twenty-odd years that organizations have emerged with the mission of improving it.

Today, one of the leaders in that effort is the Stanford Social Innovation Review, which operates with major support from the Hewlett Foundation. The quarterly publication and Web site, products of the Stanford Graduate School of Business's Center for Social Innovation, are clearinghouses for discussion and debate about the issues facing philanthropy and the nonprofit sector in the new century.



Striking a balance between theory and practice, the Review shares the new research about philanthropic practices, but also offers features like “Ask an Expert,” which provides experts to answer practical questions from people working in the field. Blogs and podcasts encourage exchanges of ideas. Participants come from academia, business, and the nonprofit world.

For more information please visit: <http://www.ssireview.org/>

BRINGING BUSINESS SAVVY TO PHILANTHROPY

The organization Social Venture Partners had a new vision for philanthropy: translate the working methods of venture capitalists to the task of making the world a better place.

Partners agree to commit at least \$5,000 each and several years of their time to invest in promising nonprofit groups in their community. They share expertise in marketing, finance, technology, strategic planning, and human resources management to the task of making the nonprofit stronger.



Since its start in Seattle in 2001, Social Venture Partners has spread to twenty-four cities in the United States, Canada, and Japan and, with the support of the Hewlett Foundation, created an international organization to coordinate activities.

Since its inception, the organization reports that its members have: increased their own charitable giving by 25 percent; done more research about giving with an emphasis on long-term results; and increased their level of civic engagement in their communities.

For more information please visit: <http://www.svpi.org/>

PHILANTHROPY

Enriching the field of philanthropy.

The practice of philanthropy continues to evolve rapidly, with profound implications for organizations—from local teen pregnancy prevention programs to global institutions working to combat climate change. The immense wealth created in recent years has led to an explosion of multimillion dollar gifts, while at the same time philanthropy is being democratized by large numbers of Internet users making small gifts whose combined impact could eventually equal that of individual wealthy donors. The impact of the Internet on charitable funding cannot be overstated. In 2007, online giving rose to more than \$2.5 billion, up from \$300 million in 2005.

In 2007, the Foundation hired the global consulting firm McKinsey & Company to analyze whether it is possible to create a more efficient marketplace for information about nonprofit organizations, and if so, how we could do it. McKinsey's analysis revealed a lack of accessibility to existing data, the enormous potential of partnering with financial institutions, and the need to support a host of organizations to advance this goal. The Foundation expects to publish the conclusions of the McKinsey project in 2008.

These changes are driving philanthropy's evolution, even as it remains a personal practice rooted in the values of individual donors.

Promoting greater understanding of strategic philanthropy—setting clear objectives, designing and implementing effective strategies, and measuring progress—requires new ways of communicating with donors. We believe that if the world's funders can be joined with the world's most effective nonprofits, society will be far better positioned to address complex problems like poverty and climate change.

Acting on that belief, the Foundation's Philanthropy Program sets its sights on improving three areas: the practice of philanthropy, the organizational effectiveness of our grantees, and the effectiveness of the Foundation's own grantmaking.

In 2007, the Philanthropy Program made grants totaling \$8,449,800.

PRACTICE OF PHILANTHROPY

Information available to donors to help them make smart decisions about their giving is scarce, unreliable, and often only loosely related to the actual social impact that nonprofits achieve. Individuals and foundations donate more than \$300 billion each year to nonprofit organizations in the United States alone. And yet, there are few places for donors to get useful information about which organizations are most effective in a given field. To help donors make smarter decisions and direct their resources to the most effective organizations, the Foundation has devised three strategies to improve the practice of philanthropy:

Improving the marketplace for effective philanthropy. Our premise is that, all other things being equal, the more information donors have about whether organizations are making a difference, the more funding strong organizations will receive. The Foundation has spent several years, with mixed results, trying to develop systems to help donors assess whether an organization is achieving its stated goals. For example, the DonorEdge initiative of the Greater Kansas City Community Foundation provides detailed information about the goals, strategies, and results of nonprofits in the Kansas City area. Local donors are then able to use this information to inform their giving decisions.

Supporting institutions that educate donors. Educating individuals and Foundation staff about planning, evaluation, and other effective philanthropic practices will help them make wiser decisions about funding. The Foundation-funded program The Philanthropy Workshop West is widely recognized as one of the best donor education programs in the country. In 2007, it completed its sixth year of training donors to be more effective grantmakers. The Philanthropy Workshop West is now exploring ways that it might reach larger numbers of potential philanthropists.

Developing and sharing knowledge about philanthropy. High-impact philanthropy requires gathering and disseminating knowledge about the field. Our grantee, the Stanford Social Innovation Review, publishes major studies and important debates about philanthropy. Its editorial quality and influence in the field remain strong.

2007 Highlights

Our grant to the Forum of Regional Associations of Grantmakers extended staff training, financial support, and evaluation assistance to foundations nationwide. This network works with some thirty-two philanthropic associations representing close to 4,000 foundations.

In many communities, United Way is the most important philanthropic intermediary. Nationally, it distributes over \$4 billion each year to nonprofits, mainly to direct service organizations. Although United Way has traditionally concentrated its efforts more on raising this money than on disbursing it strategically, an increasing number of its branches are seeking to change this orientation. In 2006 we made a grant to United Way of Silicon Valley to explore how to support its staff in adopting best practices of planning, measurement, and evaluation.

2008 Goals

- ▶ Share the findings from McKinsey's research on the nonprofit information marketplace. Create a new Web site to capture and share feedback from nonprofit leaders as well as from banks, financial advisors, search engine companies, and social networking sites
- ▶ Collaborate with financial institutions to study donor needs and behavior
- ▶ Support The Philanthropy Workshop West in executing its new strategic plan

ORGANIZATIONAL EFFECTIVENESS

The Organizational Effectiveness program, which began in 2004, strengthens the ability of the Foundation's grantees to improve their performance and impact. By providing an array of relatively small grants (\$15,000–\$70,000), we are helping key grantees across all our programs hire consultants, carry out strategic planning and development, and work on evaluation systems and strategic communications.

In 2007, the Program supported forty-five organizational effectiveness projects, up from thirty-two in 2006. Highlights in 2007 included a grant to Justice Matters Institute to develop a three-year strategic plan for promoting educational equity in California schools, a grant to Synergos to measure the impact of its Senior Fellows Program on poverty and equity issues, and funding for the International Community of Women Living with HIV/AIDS for a review of its organizational structure and

resources. The Foundation also hosted its third annual Communications Academy, a four-day training program designed to strengthen grantees' communications skills.

2008 Goals

- ▶ Provide more robust guidelines and reference resources for staff and grantees
- ▶ Improve our own staff's ability to assess the organizational health of our grantees
- ▶ Incorporate what we have learned about organizational capacity-building into the Foundation's grantmaking

HEWLETT FOUNDATION EFFECTIVENESS

In addition to making grants that improve the practice of philanthropy and the organizational health of grantees, the Philanthropy Program works with the President, Vice President, and Program staff to improve the overall effectiveness of our own philanthropy, focusing on planning, strategy, and evaluation.

In 2007, the Foundation worked closely with two consulting firms—FSG Social Impact Advisors and the Redstone Strategy Group—to improve our ability to get useful feedback about our results. FSG helped the Foundation assess the way it learns from grantees' reports. They found, for example, that while we have relatively clear strategies, we do not always gather the right information at the right time to help us make better mid-course decisions.

Redstone worked with our Global Development Program to focus its strategy and determine which indicators of progress it needed to track. In 2008, Redstone will work with the Population and Environment Programs on similar projects.

2008 Goals

- ▶ Partner with Redstone Strategy Group to improve the clarity of programs' strategies and evaluation systems. Work with Redstone to publish a document describing a model of how grantmakers can estimate the likely impact of a grant or program
- ▶ Clarify what information we need when grantees report their results to the Foundation. Look for ways to reduce the reporting burden on grantees
- ▶ Refine the tools used by the Foundation's staff to report to the Board on annual progress toward long-term goals

PHILANTHROPY

Marketplace for Effective Philanthropy

GLOBALGIVING FOUNDATION
 Washington, DC
For general support \$600,000

KEYSTONE ACCOUNTABILITY
 London, United Kingdom
For general support of the Pursuit of Excellence program 400,000

MCKINSEY & COMPANY
 London, United Kingdom
For research about the online giving marketplace 280,000

NATIONAL CHARITABLE NETWORK
 Seattle, WA
For a project to explore partnerships with banks to promote impact oriented online giving 50,000

PHILANTHROPIC RESEARCH
 Williamsburg, VA
For general support of Guidestar 200,000

RENSSELAERVILLE INSTITUTE
 Rensselaerville, NY
For project support to create an interactive workbook to assist practitioners with outcome thinking 100,000

Education and Support of Donors

ASSOCIATION OF SMALL FOUNDATIONS
 Washington, DC
For an evaluation initiative with the goal of raising Association of Small Foundations' impact 230,000

GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS
 Washington, DC
For general operating support 150,000

HUMAN INTERACTION RESEARCH INSTITUTE
 Encino, CA
For a research project into the beliefs and motivations of philanthropic advisors 50,000

NORTHERN CALIFORNIA GRANTMAKERS
 San Francisco, CA
For general operating support 100,000

SOCIAL VENTURE PARTNERS INTERNATIONAL

Seattle, WA

For general operating support

300,000

*Knowledge about Philanthropy***ALLIANCE PUBLISHING TRUST**

London, United Kingdom

For increased dissemination of the December 2007 issue on measuring impact

10,000

AMERICAN UNIVERSITY IN CAIRO

Cairo, Egypt

For general support of the John D. Gerhart Center for Philanthropy and Civic Engagement at the American University in Cairo (Collaboration with Population and Global Development)

100,000

BRIDGESPAN GROUP

Boston, MA

For support of the Chapter 2 initiative

1,500,000

CENTER FOR EFFECTIVE PHILANTHROPY

Cambridge, MA

For general operating support (Collaboration with Special Projects)

500,000

DUKE UNIVERSITY

Durham, NC

For general support of the Duke Foundation Research Program

600,000

NEW MEDIA FOR NONPROFITS

Chicago, IL

For a planning grant to support expansion of IssueLab, an online archive of nonprofit research (Collaboration with Special Projects and Education)

34,000

For expansion of IssueLab, an online archive of nonprofit research (Collaboration with Education)

150,000

For expansion of IssueLab, an online archive of nonprofit research

50,000

STANFORD UNIVERSITY – GRADUATE SCHOOL OF BUSINESS

Stanford, CA

For the Stanford Social Innovation Review

400,000

*Organizational Effectiveness***ACADEMY FOR EDUCATIONAL DEVELOPMENT**

Washington, DC

For development of a strategy to expand and diversify the Basic Education Coalition's funding base (Collaboration with Global Development)

30,000

ARTICLE 19	
London, England United Kingdom	
<i>For organization decentralization and strategic planning (Collaboration with Global Development)</i>	40,000
<hr/>	
BAY AREA VIDEO COALITION	
San Francisco, CA	
<i>For a strategic planning process (Collaboration with Performing Arts)</i>	35,000
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BAYVIEW HUNTERS POINT FOUNDATION	
San Francisco, CA	
<i>For the development of a fundraising plan for Third Street Youth Center and Clinic (Collaboration with Population)</i>	15,000
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BREAD FOR THE WORLD INSTITUTE	
Washington, DC	
<i>For developing a communications strategy (Collaboration with Global Development)</i>	65,000
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CATHOLICS FOR A FREE CHOICE	
Washington, DC	
<i>For strategic planning (Collaboration with Population)</i>	30,000
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CENTER FOR HEALTH AND GENDER EQUITY	
Takoma Park, MD	
<i>For an organizational assessment and strategic planning process (Collaboration with Population)</i>	30,000
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CHHANDAM CHITRESH DAS DANCE COMPANY	
San Francisco, CA	
<i>For fund development (Collaboration with Performing Arts)</i>	32,000
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COMMONWEALTH CLUB OF CALIFORNIA	
San Francisco, CA	
<i>For developing new strategies to engage the media around education reform topics (Collaboration with Education)</i>	30,000
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COMMUNICATIONS LEADERSHIP INSTITUTE	
Washington, DC	
<i>For support to the SPIN Project for consulting, training and coaching Hewlett grantees</i>	188,200
<i>For Phase II of the California Policymaker Outreach Project</i>	190,000
<i>For the 2007 Leadership Development program</i>	154,000
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COMMUNITY PARTNERS	
Los Angeles, CA	
<i>For CLRJ's organizational infrastructure planning and development (Collaboration with Population)</i>	22,000

CONSEJO CIUDADANO DEL PREMIO NACIONAL DE PERIODISMO Mexico City, Mexico <i>For strategic planning</i> <i>(Collaboration with Global Development)</i>	13,000
CREATIVE COMMONS San Francisco, CA <i>For assessment and improvement of legal department</i> <i>and overall organizational infrastructure</i> <i>(Collaboration with Education)</i>	25,000
EDUCATION COMMISSION OF THE STATES Denver, CO <i>For strategic planning</i> <i>(Collaboration with Education)</i>	50,000
EDUCATION TRUST – WEST Washington, DC <i>For recruiting an Operations Director</i> <i>(Collaboration with Education)</i>	50,000
EDUCATIONAL BROADCASTING CORPORATION New York, NY <i>For fund development planning</i> <i>(Collaboration with Education)</i>	42,000
ENVIRONMENTAL JUSTICE COALITION FOR WATER Oakland, CA <i>For management restructuring</i> <i>(Collaboration with Environment)</i>	15,000
FAMILY CARE INTERNATIONAL New York, NY <i>For ICEC's strategic planning</i> <i>(Collaboration with Population)</i>	28,000
FORENINGEN SEX AND SAMFUND Copenhagen, Denmark <i>For leadership training, fundraising,</i> <i>and communications strategy development</i> <i>(Collaboration with Population)</i>	30,000
FRESNO METRO MINISTRY Fresno, CA <i>For strategic planning and leadership transition planning</i> <i>(Collaboration with Environment)</i>	40,000
GLOBAL AIDS ALLIANCE Washington, DC <i>For strategic planning</i> <i>(Collaboration with Population)</i>	30,000

GREATER KANSAS CITY COMMUNITY FOUNDATION	
Kansas City, MO	
<i>For a marketing plan and communications strategy to educate the community about the nonprofit sector</i>	20,000

GREENBELT ALLIANCE	
San Francisco, CA	
<i>For a new Executive Director search (Collaboration with Environment)</i>	60,000

INITIATIVE FOR GLOBAL DEVELOPMENT	
Seattle, WA	
<i>For the development of a strategic plan with the new Board of Directors (Collaboration with Global Development)</i>	35,000

INTERNATIONAL CENTRE FOR TRADE AND SUSTAINABLE DEVELOPMENT	
Geneva, Switzerland	
<i>For communications planning and the creation of an evaluation system (Collaboration with Global Development)</i>	50,000

INTERNATIONAL COMMUNITY OF WOMEN LIVING WITH HIV/AIDS	
London, United Kingdom	
<i>For human resources assessment and capacity building (Collaboration with Population)</i>	30,000

INTERNATIONAL FERTILIZER DEVELOPMENT CENTER	
Muscle Shoals, AL	
<i>For strategic planning (Collaboration with Global Development)</i>	25,000

INTERSECTION FOR THE ARTS	
San Francisco, CA	
<i>For strategic planning and facilities assessment (Collaboration with Performing Arts)</i>	60,600

IPAS	
Chapel Hill, NC	
<i>To develop an implementation plan for its strategic plan (Collaboration with Population)</i>	30,000

JUSTICE MATTERS INSTITUTE	
San Francisco, CA	
<i>For strategic planning (Collaboration with Education)</i>	20,000
<i>For an executive search (Collaboration with Education)</i>	20,000

KITKA

Oakland, CA

*For strategic planning**(Collaboration with Performing Arts)*

25,000

LABOR/COMMUNITY STRATEGY CENTER

Los Angeles, CA

*For transportation consulting services**to increase staff's analytical capability**(Collaboration with Environment)*

20,000

LINK MEDIA

San Francisco, CA

*For an executive search firm to recruit a Chief Executive Officer**(Collaboration with Global Development)*

75,000

MAGIC THEATRE

San Francisco, CA

*For an executive search**(Collaboration with Performing Arts)*

29,000

MEDICAL STUDENTS FOR CHOICE

Philadelphia, PA

*For a diversity training initiative**(Collaboration with Population)*

23,000

MURIE CENTER

Moose, WY

*For organizational restructuring and to develop a marketing plan**(Collaboration with Environment)*

15,000

NATIONAL ABORTION FEDERATION

Washington, DC

*For evaluating, enhancing and expanding fundraising efforts**(Collaboration with Population)*

30,000

NATIONAL CENTER FOR FAMILY PHILANTHROPY

Washington, DC

For developing a branding strategy

50,000

NATIONAL FAMILY PLANNING AND REPRODUCTIVE HEALTH ASSOCIATION

Washington, DC

*For strategic planning and organizational assessment**(Collaboration with Population)*

30,000

NATIONAL PARKS AND CONSERVATION ASSOCIATION

Washington, DC

*For strategic planning and media strategy**for the Crown of the Continent initiative**(Collaboration with Environment)*

50,000

<p>PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT AND SECURITY Oakland, CA <i>For fund development</i> (Collaboration with Environment)</p>	<p>30,000</p>
<p>PACIFIC NEWS SERVICE/NEW AMERICA MEDIA San Francisco, CA <i>For organizational restructuring, board development</i> <i>and fund development activities</i> (Collaboration with Education)</p>	<p>30,000</p>
<p>PATHFINDER INTERNATIONAL Watertown, MA <i>For strategic planning</i> (Collaboration with Population)</p>	<p>57,000</p>
<p>PERFORMING ARTS WORKSHOP San Francisco, CA <i>For development of a strategic plan</i> (Collaboration with Performing Arts)</p>	<p>30,000</p>
<p>PHYSICIANS FOR SOCIAL RESPONSIBILITY LOS ANGELES CHAPTER Los Angeles, CA <i>For Board Development</i> (Collaboration with Environment)</p>	<p>10,000</p>
<p>PLANNED PARENTHOOD FEDERATION OF AMERICA New York, NY <i>For strategic planning</i> (Collaboration with Population)</p>	<p>30,000</p>
<p>POPULATION ASSOCIATION OF AMERICA Silver Spring, MD <i>For planning and launching a challenge grant campaign</i> (Collaboration with Population)</p>	<p>25,000</p>
<p>RESEARCH AND PLANNING GROUP OF CALIFORNIA COMMUNITY COLLEGES Sacramento, CA <i>For program management system building and strategic planning</i> (Collaboration with Education)</p>	<p>40,000</p>
<p>SIERRA CLUB OF BRITISH COLUMBIA Victoria, British Columbia Canada <i>For strategic planning and staff communications training</i> (Collaboration with Environment)</p>	<p>35,000</p>
<p>SONORA CIUDADANA Hermosillo, Sonora Mexico <i>For strategic planning and to refine communications strategy</i> (Collaboration with Global Development)</p>	<p>17,000</p>

SYNERGOS INSTITUTE New York, NY <i>For an evaluation system for the Senior Fellows program</i>	30,000
TIDES FOUNDATION San Francisco, CA <i>For Connect US to help its grantees develop evaluation plans to assess their impact (Collaboration with Global Development)</i>	60,000
UNIVERSITY OF SOUTHERN CALIFORNIA Los Angeles, CA <i>For developing a communications plan (Collaboration with Education)</i>	35,000
WOMEN'S FOUNDATION San Francisco, CA <i>For the Capacity Building Program (Collaboration with Population)</i>	30,000
<i>Other General Philanthropy Grants</i>	
CHRONICLE SEASON OF SHARING FUND San Francisco, CA <i>For general support</i>	50,000
FRESNO REGIONAL FOUNDATION Fresno, CA <i>For teen pregnancy prevention, air quality, and overall capacity building (Collaboration with Environment, and Population)</i>	150,000
HISPANIC FOUNDATION OF SILICON VALLEY San Jose, CA <i>For strategic planning</i>	35,000
SAN JOSE MERCURY NEWS WISH BOOK FUND San Jose, CA <i>For general support</i>	20,000
SILICON VALLEY COMMUNITY FOUNDATION San Mateo, CA <i>For general support of the 2007-2008 Holiday Fund</i>	50,000

POPULATION



GETTING THE FACTS TO TEENS AND BEYOND

The National Campaign to Prevent Teen and Unplanned Pregnancy addresses two of the most important of choices young people must make—when to have sex, and how to be safe. Too often a taboo topic for conversation, sex and its consequences can be seen in the hundreds of thousands of unplanned babies who are born each year. They are statistically more likely to suffer a cascade of life-altering challenges: developmental delays, lower grades, higher high school drop-out rates, lower college attendance rates, lower paying jobs, and higher rates of divorce.



The Hewlett Foundation has supported the National Campaign's work with an \$18 million, three-year grant to expand its goals to include women in their twenties, who account for the largest portion of each year's 1.3 million abortions.

The newly broadened campaign has already begun communicate with teens and twenty-somethings about how to prevent unplanned pregnancies. Through its Media Advisory Group, the National Campaign has developed partnerships with more than 100 major media leaders and works with every major television broadcast network and with many of the top cable networks to weave prevention messages into the content of their work.

For more information please visit:
<http://www.thenationalcampaign.org/>

MARKETING GOOD HEALTH FOR ALL

Population Services International (PSI), one of the world's largest nonprofit social marketing organizations, uses the tools of the business world to help provide reproductive health services to the world's poor.



Active in more than sixty developing countries, PSI uses such business techniques as market research, focus groups, and study of distribution systems to harness the laws of supply and demand to meet reproductive health care needs.

Their goal is to ensure that these offerings become self-sustaining, rather than dependent on charitable donations.

The key is in asking questions, listening well, and applying lessons from the business world. When PSI staffers took family planning products into Zambia, for instance, they talked to locals about the best brand name, price, and marketing tools. Their work makes sure those products will be reliably available through local businesses, so sales and distribution can go on long after the nonprofit that initially supplied them has left.

For more information please visit:
<http://www.psi.org/>

POPULATION

Improving the lives of people around the world through good family planning and reproductive health.

The Population Program makes grants to help stabilize global population at levels that will promote social and economic well-being and protect the environment, and to enhance the reproductive health and rights of individuals.

There were two particularly notable developments in 2007 that bode well for 2008. There was an increased recognition in sub-Saharan Africa that providing family-planning and reproductive-health services are critical components to reducing poverty in that region. Also, African ministers of health launched official plans to secure universal access to comprehensive family planning and to reproductive health and rights throughout the continent.

In 2007, the Population Program made grants totaling \$53,649,557.

INTERNATIONAL ACCESS TO FAMILY PLANNING AND REPRODUCTIVE HEALTH

The developing world faces daunting challenges in reproductive health, perhaps most acutely in sub-Saharan Africa. There, high fertility rates, a lack of reproductive rights, and heavy demand for contraceptive services have prompted us to expand our programs. We also work to encourage donors and national governments to support advocacy, training, research, and services for those who need them most. In 2007, the Program focused on three strategies:

Improving the choices of contraceptive methods for more people. Our goal in 2007 was to increase the number of clients able to take advantage of high-quality family planning and safe abortion services, and grantees were overwhelmingly successful in achieving it. Visits to health-care providers for contraception increased by 20 percent over the previous year, to 30 million, and more than 6,500 health professionals received clinical training in safe abortion care, up from 4,000 the previous year. Grantees also launched a nationwide campaign in Kenya to increase familiarity with and use of emergency contraception.

Fostering policies and laws that endorse family planning. In 2007, the Foundation supported research in Kenya to help clients transition from emergency contraception to the regular use of contraception, and made a grant to the Dutch organization Oxfam Novib to encourage the use of a new generation of female condoms.

The Program's grantees had broad success in advancing sound family planning policy, including leading a public debate in Kenya concerning abortion laws, and working with government officials to revitalize Rwanda's family-planning program.

Strengthening the connections between programs that provide family planning and reproductive health services and those that provide HIV/AIDS services. It seems appropriate that the services that help protect people against sexually transmitted diseases like HIV/AIDS should also address the broader issue of good reproductive health. Surprisingly, these services are rarely linked. Clients seeking HIV/AIDS treatment seldom receive information about family planning or other sexual health issues.

Two demonstration projects—in Mozambique and South Africa—were set up to test the distribution of reproductive-health information and services to HIV/AIDS clients.

Foundation grantees are working to develop programs that meet family-planning and reproductive-health needs within major international HIV/AIDS funding mechanisms, including the President's Emergency Plan for AIDS Relief and The Global Fund.

All of our efforts are directed toward addressing the root causes of problems that prevent women from being able to obtain the quality family-planning and reproductive-health services that they want and need. We fund activities that are sustainable and that can be expanded by governments and other large funders. It is in these two areas that we face our greatest challenges. The Foundation recognizes that our efforts alone are not sufficient. African governments, with support from other international funders, must take the lead in pushing good policies and practices. While some African countries are demonstrating this leadership and some funders are fulfilling their commitments to supporting family planning and reproductive health, we acknowledge that other countries have fallen short.

2008 Goals

- ▶ Increase general knowledge and use of contraceptive methods among men and women of reproductive age, including emergency contraception, intrauterine devices, and female condoms
- ▶ Train health professionals to provide a greater range of contraceptives to clients
- ▶ Advance policies that will expand access to legal and safe abortion services
- ▶ Encourage more sub-Saharan countries to join the regional initiative of Partners in Population and Development, an intergovernmental organization that promotes population issues as well as family planning and reproductive health
- ▶ Expand contraceptive services by emphasizing the connection between family planning and reproductive health and HIV/AIDS

TRAINING, RESEARCH, AND ADVOCACY

In any field, sound policy demands solid research and effective advocacy. The population sciences are no different. The Program pays particular attention to supporting high-quality research and making sure that decisionmakers use it to improve reproductive health and development policy. In 2007, the Program focused on the following three areas:

Stimulating research on the economic impact of population dynamics and reproductive health. In 2007, the Program supported an intensive study on the impact of population dynamics and reproductive health on economic growth and poverty reduction. The community of development economists and demographers who conducted the research will share the results of these studies with relevant policymakers around the world. In 2007, the African Economics Research Consortium launched its first research studies on population dynamics and economic development in twelve African nations.

Training the next generation of population scientists. The Foundation continued to address the shortage of African specialists in population sciences in Africa. Our partnerships with six African training institutions have had an inspiring impact—these centers of learning have revamped their curricula, and scholars are returning to produce much-needed research. Applications for training are on the rise, and faculty living abroad are returning home to teach. We are also working with three universities in Africa and two in North America to create a network of French-language training

programs in the population sciences—an extremely important need in French-speaking West Africa.

Advocating to improve the use of data to guide reproductive-health and development policies. As it now stands, African scholars and policymakers are unable to use some basic information necessary to their research because the data are inaccessible for technological, political, or other reasons—or because the data they need are not collected in user-friendly ways. In 2007, the Program launched an eighteen-month exploratory initiative called Demographic Dynamics for Development. This initiative plans to expand access to demographic and related data for policymaking in development. Grantees conducted a series of advisory sessions in 2007 and selected four countries to serve as case studies.

2008 Goals

- ▶ Share new research on the economic impact of population dynamics and reproductive health from the World Bank, Harvard, and grantees funded through Foundation research competitions
- ▶ Expand grantmaking to advocates of improved international family planning and reproductive health funding and policies
- ▶ Continue to support the training of the next generation of population scientists
- ▶ Examine the link between the work of the Demographic Dynamics for Development initiative and the Foundation's Global Development Program's parallel work in research, advocacy, and development aid

FAMILY PLANNING AND REPRODUCTIVE HEALTH IN THE UNITED STATES

The rates of abortion, sexually transmitted infections, and teen pregnancy in the United States are among the highest of all industrialized countries. In fact, almost half of the 6.3 million pregnancies in the United States each year are unintended. The burden of poor reproductive health falls particularly hard on those with low incomes, teens, and women of color. The Foundation makes grants in three areas to address these problems:

Supporting effective family-planning policies. The Foundation supports changes in policy to increase the availability of reproductive-health services through such means as expanding scientifically accurate sex education in schools and increasing federal funding for Title X and Medicaid.

According to an analysis by the Guttmacher Institute, a Foundation grantee, expanding federal funding to Medicaid for family planning would significantly reduce unplanned pregnancies and abortions, and result in a net savings in federal spending as well.

As a result of this research, legislation has been introduced in the Senate to adopt this strategy. While the legislation is still working its way through Congress, we are confident that the independent research of our grantees will help improve public policy on this issue.

The effective regranteeing of the Ms. Foundation, another Hewlett grantee, to state coalitions, contributed to the decisions in three states to reject federal funds for abstinence-only-until-marriage sex-education programs, bringing to nine the total that have rejected the funds. Abstinence-only-until-marriage programs have been shown to

be ineffective in reducing teen pregnancy. In 2007, two states—Colorado and Washington—passed bills mandating sex education in schools.

Supporting access to information and services. Opinion polls continue to show strong public support for a wide array of reproductive services and health information.

Thanks in part to the success of Foundation grantees, sixty U.S. medical schools now use curricula that provide reproductive health education; sales of emergency contraception have doubled since the Food and Drug Administration authorized over-the-counter emergency contraception for adults in 2006; and fourteen states now require hospitals to provide women with information about emergency contraception.

Engaging new constituencies to broaden support for family planning and reproductive health. Our grantees are helping low-income communities of color advocate for better family-planning and reproductive-health services through policy briefings. They are also conducting and disseminating research, hosting conferences, and training activists to get their message out.

In 2007, we funded two Latina reproductive-health organizations to conduct research that can be used to advance their public education and advocacy efforts.

2008 Goals

- ▶ Encourage four additional states to reject federal abstinence-only-until-marriage funds and promote the reduction of federal abstinence-only-until-marriage appropriations
- ▶ Support grantees that continue to work to increase family planning through Medicaid and Title X
- ▶ Continue advocacy against state-level restrictions on safe abortion services
- ▶ Promote the requirement that hospitals provide information about emergency contraception to sexual-assault survivors
- ▶ Support research about the reproductive health needs of Latinas and increase the number of activists recruited by organizations that serve women of color

SPECIAL INITIATIVE TO REDUCE UNPLANNED PREGNANCY

More than one in four sexually active women in the United States has an unintended pregnancy each year, and approximately half of these pregnancies result in abortions. In 2007, the Foundation launched a multiyear initiative to reduce unplanned pregnancies and the need for abortion.

In early 2007, the Foundation made a large grant to the National Campaign to Prevent Teen Pregnancy, now the National Campaign to Prevent Teen and Unplanned Pregnancy, which expanded its mission to address the problem of unplanned pregnancies in women over twenty. The National Campaign, as it is commonly known, kicked off this work in late 2007 with a symposium that brought together policymakers, youths, scientists, and others to discuss the issue and plan a nationwide advocacy campaign to begin in 2008.

2008 Goals

- ▶ Evaluate the work of the National Campaign to Prevent Teen and Unplanned Pregnancy during the early stages of its expanded mission and make any necessary

corrections in strategy

- ▶ Research barriers to the use of intrauterine contraceptives
- ▶ Launch an advisory group focused on new media and how it might be used to reduce unplanned pregnancy
- ▶ Through media campaigns and other outreach, help women in their twenties better understand the impact of unplanned pregnancies
- ▶ Improve family-planning programs that serve teens

SERVING BAY AREA COMMUNITIES

The Foundation's Population Program makes grants in the San Francisco Bay Area and California's Central Valley in order to reduce teen pregnancy—particularly in disadvantaged communities. In San Francisco's Bayview Hunters Point neighborhood, one Foundation grantee, the 3rd Street Youth Center and Clinic, goes beyond pregnancy counseling to give local kids a full-service medical clinic as well as a safe place to just hang out. In California's Central Valley, a fast-growing region with the state's highest teen pregnancy rates, the Foundation supports the Fresno Regional Foundation in its work to expand services to prevent teen pregnancy.

POPULATION

International Access to Family Planning and Reproductive Health

CENTRE FOR DEVELOPMENT AND POPULATION ACTIVITIES

Washington, DC

For efforts to strengthen linkages between HIV/AIDS and family planning and reproductive health activities

\$300,000

COLUMBIA UNIVERSITY

New York, NY

For general support of Columbia University's Division of Family Planning and Preventative Services at the Department of Obstetrics and Gynecology

360,000

DKT INTERNATIONAL

Washington, DC

For general operating support

1,425,000

EASTERN VIRGINIA MEDICAL SCHOOL

Arlington, VA

For research on emergency contraception to be conducted by CONRAD

120,000

ENGENDERHEALTH

New York, NY

For general operating support

1,500,000

FAMILY CARE INTERNATIONAL

New York, NY

For general operating support of the International Consortium for Emergency Contraception program

200,000

For ICEC's strategic planning

(Collaboration with Philanthropy)

For the Women Deliver global conference

50,000

GLOBAL AIDS ALLIANCE

Washington, DC

For strategic planning

(Collaboration with Philanthropy)

For general operating support

250,000

GYNIVITY HEALTH PROJECTS

New York, NY

For a project to introduce and expand reproductive health technologies

500,000

IBIS REPRODUCTIVE HEALTH

Cambridge, MA

For general operating support

500,000

INNOVATIONS FOR POVERTY ACTION

New Haven, CT

For a study of effective school based HIV/AIDS prevention in resource-poor settings

250,000

INTERNATIONAL COMMUNITY OF WOMEN LIVING WITH HIV/AIDS

London, United Kingdom

*For human resources assessment
and capacity building**(Collaboration with Philanthropy)***INTERNATIONAL HIV/AIDS ALLIANCE**

Brighton, United Kingdom

*For efforts to strengthen linkages between HIV/AIDS
and sexual and reproductive health activities*

450,000

IPAS

Chapel Hill, NC

For general operating support

3,750,000

For advocacy work in Mozambique

150,000

*To develop an implementation plan
for its strategic plan**(Collaboration with Philanthropy)***LIVERPOOL VCT, CARE AND TREATMENT**

Nairobi, Kenya

*For strengthening linkages between SRH
& HIV/AIDS services in sexual violence programs*

325,000

MARIE STOPES INTERNATIONAL

London, England United Kingdom

For research on social franchising

300,000

OXFAM GB

Cowley, Oxford United Kingdom

For support of sexual and reproductive health and HIV/AIDS activities

500,000

OXFAM NOVIB

The Hague, The Netherlands

*For a project to promote universal access to an affordable
and safe female condom*

175,000

PATH

Seattle, WA

*For general operating support of PATH's
Reproductive Health Strategic Program*

1,500,000

PATHFINDER INTERNATIONAL

Watertown, MA

*For strategic planning**(Collaboration with Philanthropy)**For general operating support*

2,000,000

RAISING VOICES

Kampala, Uganda

For general operating support

200,000

REPRODUCTIVE HEALTH MATTERS

London, England United Kingdom

For general operating support

345,000

REPRODUCTIVE HEALTH RESEARCH UNIT

Durban, South Africa

For the Ilembe Reproductive Health Service Integration Model

1,000,000

TIDES FOUNDATION

San Francisco, CA

For regranting HIV/AIDS and family planning/reproductive health programs and research

1,155,000

WORLD HEALTH ORGANIZATION

Geneva, Switzerland

For general support of the Special Programme of Research, Development and Research Training in Human Reproduction

825,000

*Training, Research, and Advocacy***ACTION CANADA FOR POPULATION AND DEVELOPMENT**

Ottawa, Canada

For general operating support

300,000

AUSTRALIAN REPRODUCTIVE HEALTH ALLIANCE

Deakin West, Australia

For general operating support

100,000

CARE

Atlanta, GA

For general operating support

125,000

CENTER FOR GLOBAL DEVELOPMENT

Washington, DC

For research on how population growth impacts greenhouse gas emissions (Collaboration with Environment)

150,000

CENTER FOR HEALTH AND GENDER EQUITY

Takoma Park, MD

For general operating support

150,000

*For an organizational assessment**and strategic planning process**(Collaboration with Philanthropy)***CENTER ON BUDGET AND POLICY PRIORITIES**

Washington, DC

*For general support**(Collaboration with Environment, Special Projects, Education, Performing Arts, and Global Development)*

50,000

CHEIKH ANTA DIOP UNIVERSITY**TRAINING AND RESEARCH INSTITUTE FOR POPULATION AND REPRODUCTIVE HEALTH**

Dakar-Fann, Senegal

For designing and completing a strategic planning process

50,000

COMMUNICATIONS CONSORTIUM MEDIA CENTER

Washington, DC

For general operating support

300,000

CORNELL UNIVERSITY DEVELOPMENT SOCIOLOGY AND DEMOGRAPHY Ithaca, NY <i>For demographic training, research and policy dissemination in sub-Saharan Africa</i>	300,000
FORENINGEN SEX AND SAMFUND Copenhagen, Denmark <i>For leadership training, fundraising, and communications strategy development</i>	(Collaboration with Philanthropy)
INSTITUTE OF INTERNATIONAL EDUCATION New York, NY <i>For support of Fellowships in Population, Reproductive Health, and Economic Development</i>	1,500,000
INTERNATIONAL HEALTH ECONOMICS ASSOCIATION Philadelphia, PA <i>For support of the iHEA 6th World Congress of Health Economics</i>	50,000
INTERNATIONAL UNION FOR THE SCIENTIFIC STUDY OF POPULATION Paris, France <i>For general operating support</i>	700,000
IZAAK WALTON LEAGUE OF AMERICA Gaithersburg, MD <i>For general operating support of the Izaak Walton League of America's Sustainability Education program</i>	75,000
JAPANESE ORGANIZATION FOR INTERNATIONAL COOPERATION IN FAMILY PLANNING Tokyo, Japan <i>For general operating support</i>	450,000
NATIONAL AUDUBON SOCIETY New York, NY <i>For general operating support of the National Audubon Society's Population and Habitat program</i>	100,000
NETHERLANDS ORGANISATION FOR SCIENTIFIC RESEARCH The Hague, The Netherlands <i>For general support of the joint WOTRO-Hewlett Population, Reproductive Health and Economic Development Research Programme</i>	1,300,000
PENNSYLVANIA STATE UNIVERSITY University Park, PA <i>For collaborative work with the Regional Institute for Population Studies (RIPS) in Ghana</i>	300,000
POPULATION ASSOCIATION OF AMERICA Silver Spring, MD <i>For planning and launching a challenge grant campaign</i>	(Collaboration with Philanthropy)

POPULATION COUNCIL New York, NY <i>For general operating support</i>	4,500,000
POPULATION REFERENCE BUREAU Washington, DC <i>For general operating support</i>	1,500,000
SIERRA CLUB San Francisco, CA <i>For general operating support of the Sierra Club's Global Population and Environment Program</i>	75,000
TIDES FOUNDATION San Francisco, CA <i>For the population and reproductive health advocacy incentive fund</i>	3,254,500
UNION FOR AFRICAN POPULATION STUDIES Accra, Ghana <i>For general operating support</i>	300,000
UNION OF CONCERNED SCIENTISTS Cambridge, MA <i>For the Restoring Scientific Integrity project (Collaboration with Environment)</i>	150,000
UNIVERSITY CORPORATION FOR ATMOSPHERIC RESEARCH INSTITUTE FOR THE STUDY OF SOCIETY AND ENVIRONMENT Boulder, CO <i>For a project on Population and Climate Change (Collaboration with Environment)</i>	77,500
UNIVERSITY OF GHANA Legon, Ghana <i>For support for the University of Ghana's training of population studies scholars</i>	450,000
UNIVERSITY OF THE WITWATERSRAND Johannesburg, South Africa <i>For an assessment of financial and related management systems at the Health and Poverty Division</i>	30,000
WOMENS EDGE COALITION Washington, DC <i>For general operating support</i>	75,000
WORLD POPULATION FOUNDATION Utrecht, Netherlands <i>For general operating support</i>	800,000

Family Planning and Reproductive Health in the U.S.

ASSOCIATION OF REPRODUCTIVE HEALTH PROFESSIONALS

Washington, DC

*For ARHP activities including the Emergency Contraception
Hotline and Website*

440,000

CATHOLICS FOR A FREE CHOICE

Washington, DC

For strategic planning

(Collaboration with Philanthropy)

CENTER FOR REPRODUCTIVE RIGHTS

New York, NY

For general operating support

2,250,000

COLUMBIA UNIVERSITY

New York, NY

For the Contraceptive Risk Index and the Pregnancy Risk Index project

100,000

COLUMBIA UNIVERSITY**HEILBRUNN DEPARTMENT OF POPULATION AND FAMILY HEALTH**

New York, NY

*For a project to explore new ways
to frame reproductive health and rights*

50,000

COMMUNITY PARTNERS

Los Angeles, CA

*For the California Latinas for Reproductive
Justice organizational infrastructure planning
and development*

(Collaboration with Philanthropy)

COMMUNITY PARTNERS**CALIFORNIA LATINAS FOR REPRODUCTIVE JUSTICE**

Los Angeles, CA

For policy-relevant research on Latina reproductive health issues

170,000

FAMILY VIOLENCE PREVENTION FUND

San Francisco, CA

For efforts linking violence prevention and reproductive health issues

800,000

GUTTMACHER INSTITUTE

New York, NY

For general operating support

2,000,000

MEDICAL STUDENTS FOR CHOICE

Philadelphia, PA

*For a diversity training initiative
For general operating support*

(Collaboration with Philanthropy)

675,000

MS. FOUNDATION FOR WOMEN

New York, NY

For support of grantmaking and networking activities around comprehensive sexuality education

500,000

NATIONAL ABORTION FEDERATION

Washington, DC

*For general operating support
For evaluating, enhancing and expanding fundraising efforts*

850,000

(Collaboration with Philanthropy)

NATIONAL FAMILY PLANNING AND REPRODUCTIVE HEALTH ASSOCIATION

Washington, DC

For strategic planning and organizational assessment

(Collaboration with Philanthropy)

NATIONAL LATINA INSTITUTE FOR REPRODUCTIVE HEALTH

New York, NY

For policy-relevant research on Latina reproductive health issues

230,000

PHYSICIANS FOR REPRODUCTIVE CHOICE AND HEALTH

New York, NY

For general operating support

500,000

PLANNED PARENTHOOD FEDERATION OF AMERICA

New York, NY

*For strategic planning
For general operating support*

(Collaboration with Philanthropy)

3,000,000

PUBLIC HEALTH INSTITUTE

Oakland, CA

For general operating support of the Public Health Institute's Pharmacy Access Partnership

500,000

WOMEN'S FOUNDATION

San Francisco, CA

For the Capacity Building Program

(Collaboration with Philanthropy)

*Special Initiative to Reduce Unplanned Pregnancy***BROOKINGS INSTITUTION**

Washington, DC

For support of the special initiative to reduce unwanted pregnancy and abortion

1,000,000

GUTTMACHER INSTITUTE

New York, NY

For support of a series of interrelated analyses on IUD use in the United States

100,000

INSTITUTE FOR AMERICAN VALUES New York, NY <i>For engaging new stakeholders and developing strategies to reduce abortion and unwanted pregnancy</i>	155,000
PUBLIC HEALTH INSTITUTE Oakland, CA <i>For technical assistance for reductions in unintended pregnancy</i>	230,000
UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO BIXBY CENTER FOR REPRODUCTIVE HEALTH RESEARCH AND POLICY San Francisco, CA <i>For a research project to reduce unintended pregnancy and the need for abortion in the United States through promotion of long-acting reversible contraception (the LARC Project)</i>	1,850,000
<i>Opportunity Grants</i>	
AMERICAN UNIVERSITY IN CAIRO Cairo, Egypt <i>For general support of the John D. Gerhart Center for Philanthropy and Civic Engagement at the American University in Cairo (Collaboration with Global Development and Philanthropy)</i>	100,000
PARTNERS IN POPULATION AND DEVELOPMENT Kampala, Uganda <i>For general operating support</i>	500,000
PUBLIC CONVERSATIONS PROJECT Watertown, MA <i>For a consultative project to support the National Campaign for the Prevention of Teen Pregnancy in an initiative to reduce unintended pregnancies and abortions in the United States</i>	100,000
SMITH COLLEGE Northampton, MA <i>For support of a website to complete the Population and Reproductive Health Oral History Project</i>	10,057
SERVING BAY AREA COMMUNITIES Bayview Hunters Point Foundation San Francisco, CA <i>For the development of a fundraising plan for the Third Street Youth Center and Clinic</i> (Collaboration with Philanthropy)	
FRESNO REGIONAL FOUNDATION Fresno, CA <i>For teen pregnancy prevention, air quality, and overall capacity building (Collaboration with Environment and Philanthropy)</i>	1,055,000

PLANNED PARENTHOOD MAR MONTE

San Jose, CA

*For general support of the Teen Services program***500,000**

SAN FRANCISCO STATE UNIVERSITY

San Francisco, CA

*For a research project to identify strategic directions for teen pregnancy prevention in California's Central Valley***45,000**

SPECIAL PROJECTS AND THE EXTRAORDINARY RESERVE



SPECIAL PROJECTS AND THE EXTRAORDINARY RESERVE

Meeting exceptional needs.

Although most of the Foundation's grantmaking takes place within programs, the Foundation values the ability to respond to unanticipated problems and opportunities. Therefore our Board of Directors has established an annual Special Projects budget, for which the President serves as the program officer, and an Extraordinary Reserve that is typically used for special grants of considerable size.

The large majority of Special Projects and Extraordinary Reserve grants respond to opportunities that do not come within any of the programs' guidelines. Some of them also fit into categories, as described below.

Hosting initiatives that might (or might not) eventually become part of the Foundation's program structure. An exploratory initiative on nuclear nonproliferation began with the grant to Stanford University for support of the conference *Toward a World Free of Nuclear Weapons*.

Supplementing program budgets when unexpected opportunities arise. The grant to the Oberlin Dance Collective to renovate its facilities was made in collaboration with the Performing Arts Program.

Supporting selected national media organizations. This category included grants to National Public Radio and to the Greater Washington Educational Telecommunications Association for support of *The NewsHour* with Jim Lehrer.

Supporting social science research that informs the Foundation's strategic pursuit of its goals. We made grants to Harvard University to support applying insights from behavioral economics to improving the lives of the world's poorest people, and we continued to fund work at Princeton University by Daniel Kahneman, Alan Krueger, and their colleagues on the measurement of well-being.

Supporting think tanks and related institutions, some of which are especially concerned with international relations. This included Special Project grants to Human Rights Watch, International Crisis Group, and Pacific Council on International Policy, plus a grant from the Extraordinary Reserve for the China Law Center at Yale Law School.

Supporting key academic and cultural institutions. This included an Extraordinary Reserve matching grant to the University of California at Berkeley for endowed faculty chairs, and a grant to the Center for Advanced Study in the Behavioral Sciences.

Supporting evidence-based policymaking and common values. This included support of the Brookings Institution, Heritage Foundation, New America Foundation, and Public Agenda Foundation toward a responsible U.S. fiscal policy, and grants to the Center for Governmental Studies and the Commonwealth Club of California to launch an initiative (now called *California Forward*) for governance and fiscal reform in California.

In 2007, Special Projects made grants totaling \$159,069,100.

SPECIAL PROJECTS AND THE EXTRAORDINARY RESERVE

AMERICAN BAR ASSOCIATION FUND FOR JUSTICE AND EDUCATION SECTION OF ADMINISTRATIVE LAW AND REGULATORY PRACTICE Washington, DC <i>For the Committee on the Status & Future of Federal E Rulemaking</i>	\$27,500
BROOKINGS INSTITUTION Washington, DC <i>For the Opportunity 08 project</i>	250,000
BROOKINGS INSTITUTION Washington, DC <i>For the Budgeting for National Priorities project</i>	450,000
CARNEGIE HALL New York, NY <i>For an evaluation of The Academy program (Collaboration with Performing Arts)</i>	216,000
CARNEGIE MELLON UNIVERSITY Pittsburgh, PA <i>For research on the "The Critical Link between Tangibility and Generosity"</i>	111,000
CENTER FOR ADVANCED STUDY IN THE BEHAVIORAL SCIENCES Stanford, CA <i>For endowment support</i>	10,000,000
CENTER FOR EFFECTIVE PHILANTHROPY Cambridge, MA <i>For general operating support (Collaboration with Philanthropy)</i>	500,000
CENTER FOR GOVERNMENTAL STUDIES Los Angeles, CA <i>For the Campaign for California's Future project</i>	77,000
CENTER ON BUDGET AND POLICY PRIORITIES Washington, DC <i>For general support (Collaboration with Environment, Education, Population, Performing Arts, and Global Development)</i>	225,000
COMMONWEALTH CLUB OF CALIFORNIA San Francisco, CA <i>For a campaign for governance and fiscal reforms to ensure a prosperous future for California</i>	6,000,000
COMMUNICATIONS NETWORK Naperville, IL <i>For general support</i>	50,000

CONSENSUS BUILDING INSTITUTE

Cambridge, MA

*For the Project on U.S. Engagement with
the Global Muslim Community*

200,000

*For the third phase of the project on U.S. engagement
with the Global Muslim Community*

300,000

DEMOCRACY COALITION PROJECT

Washington, DC

*For costs for experts to attend a conference on Community
of Democracies in Mali*

6,000

DEMOS

New York, NY

For support of the CivWorld Initiative's Paradigm Project

50,000

FOCUS PROJECT

Washington, DC

For the OMB Watch regulatory reform project

200,000

FRITZ INSTITUTE

San Francisco, CA

*For support of the second phase of the Bay Area Disaster
Preparedness Initiative*

1,000,000

GEORGE WASHINGTON UNIVERSITY**LAW SCHOOL**

Washington, DC

For the Institute for Constitutional Studies endowment

100,000

GREATER WASHINGTON EDUCATIONAL TELECOMMUNICATIONS ASSOCIATION

Arlington, VA

For general support of The NewsHour with Jim Lehrer

1,000,000

GREEN MEDIA TOOLSHED

Washington, DC

For general support of the Netcentric Campaigns MediaHub

50,000

HARVARD UNIVERSITY – INSTITUTE FOR QUANTITATIVE SOCIAL SCIENCES

Cambridge, MA

For general support of the Policy Design Initiative

750,000

HERITAGE FOUNDATION

Washington, DC

For the Budget and Entitlement Reform Project

450,000

HOPE STREET GROUP

Los Angeles, CA

For general support

750,000

HUMAN RIGHTS WATCH

New York, NY

For general support

400,000

INDEPENDENT SECTOR

Washington, DC

For support of the Panel on the Nonprofit Sector's Ethics and Accountability Initiative

150,000

INTERNATIONAL CRISIS GROUP

Washington, DC

For general support

400,000

LEON AND SYLVIA PANETTA INSTITUTE FOR PUBLIC POLICY

Seaside, CA

For general support

50,000

NATIONAL ACADEMY OF SCIENCES

Washington, DC

For creation of the Division of Behavioral and Social Sciences and Education Venture Fund

300,000

For continued development of the Key National Indicators Initiative and the public launch of the State of the USA

2,000,000

NATIONAL PUBLIC RADIO

Washington, DC

For general support

900,000

NEW AMERICA FOUNDATION

Washington, DC

For support of the Committee for a Responsible Federal Budget's Bipartisan Budget Reform Project

250,000

NEW MEDIA FOR NONPROFITS

Chicago, IL

For a planning grant to support expansion of IssueLab, an online archive of nonprofit research (Collaboration with Education and Philanthropy)

33,000

OBERLIN DANCE COLLECTIVE

San Francisco, CA

For facility renovation and construction, and theater rental subsidies (Collaboration with Performing Arts)

2,000,000

PACIFIC COUNCIL ON INTERNATIONAL POLICY

Los Angeles, CA

For general operating support

750,000

PEW RESEARCH CENTER

Washington, DC

For the Global Attitudes Project, a survey of international public opinion on a variety of topics (Collaboration with Global Development)

250,000

PRINCETON UNIVERSITY Princeton, NJ <i>For a conference and publication of a book on international comparisons of well being</i>	100,000
PUBLIC AGENDA FOUNDATION New York, NY <i>For the Facing Up to the Nation's Finances Initiative</i>	500,000
PUBLIC POLICY INSTITUTE OF CALIFORNIA San Francisco, CA <i>For the California 2025 project (Collaboration with Education)</i>	250,000
<i>For PPIC's institutional development</i>	100,000
QUEST SCHOLARS PROGRAM Stanford, CA <i>For general support of the QuestBridge program</i>	65,000
ROBERTS ENTERPRISE DEVELOPMENT FUND San Francisco, CA <i>For general support</i>	1,000,000
ROSTROS Y VOCES Mexico City, Mexico <i>For general support of the flood relief program (Collaboration with Environment and Global Development)</i>	50,000
SCIENTISTS AND ENGINEERS FOR AMERICA Washington, DC <i>For general operating support</i>	300,000
SOLPATH San Francisco, CA <i>For a feasibility study of a grants management system</i>	100,000
STANFORD UNIVERSITY STANFORD CRIMINAL JUSTICE CENTER Stanford, CA <i>For the Stanford Conference on Race, Inequality and Incarceration</i>	25,000
STANFORD UNIVERSITY CENTER FOR INTERNATIONAL SECURITY AND COOPERATION Stanford, CA <i>For the Managing Global Insecurity project</i>	500,000
STANFORD UNIVERSITY Stanford, CA <i>For support of the October 2007 conference of the Toward a World Free of Nuclear Weapons project</i>	250,000

TRUST FOR PUBLIC LAND San Francisco, CA <i>For the Crown of the Continent Conservation Project (Collaboration with Environment)</i>	1,000,000
<hr/>	
UNITED NATIONS ASSOCIATION OF THE UNITED STATES New York, NY <i>For a project on Track 2 diplomacy with Iran</i>	50,000
<hr/>	
UNIVERSITY OF CALIFORNIA AT BERKELEY Berkeley, CA <i>For developing criteria for prioritizing expenditures for a sustainable future (Collaboration with Environment)</i>	150,000
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UNIVERSITY OF CALIFORNIA, BERKELEY FOUNDATION Berkeley, CA <i>For a challenge grant to endow 100 faculty chairs For the creation of an in-house investment company</i>	110,000,000 3,000,000
<hr/>	
UNIVERSITY OF PENNSYLVANIA Philadelphia, PA <i>For a follow-up study on behavioral economics and individuals' behavior with respect to their health</i>	100,000
<hr/>	
UNIVERSITY OF PENNSYLVANIA SCHOOL OF MEDICINE AND THE WHARTON SCHOOL Philadelphia, PA <i>For a study on the application of behavioral economics to improve individuals' behavior with respect to their health</i>	33,600
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WORLD SECURITY INSTITUTE Washington, DC <i>For support of the weekly public affairs television program, "Foreign Exchange with Fareed Zakaria" (Collaboration with Global Development)</i>	250,000
<hr/>	
YALE UNIVERSITY YALE CENTER FOR THE STUDY OF GLOBALIZATION New Haven, CT <i>For general support to the Center for the Study of Globalization (Collaboration with Global Development)</i>	1,000,000
<hr/>	
YALE UNIVERSITY YALE LAW SCHOOL New Haven, CT <i>For general support of the China Law Center of Yale Law School</i>	10,000,000

SERVING BAY AREA COMMUNITIES AND BEYOND



PUTTING TEENAGE MOTHERS ON THE ROAD TO SUCCESS

As Rosario Rocha rolls through her tough West Sacramento neighborhood, it's as though she is recalling someone else's childhood world: the drugs and prostitutes, the school yard violence—and pregnancy in high school.

Today, at twenty-two, Rocha has a vision of the world that ranges far beyond those stifling confines to college, a career, and someday her own house in another part of town. At six, her daughter Megan is as confident a first grader as you're likely to meet, as busy as the offspring of any baby boomer.



In large measure, Rocha credits her transformation to finding a program called Teen Success, a project of Planned Parenthood Mar Monte supported by grants from the Hewlett Foundation. The support is part of the Foundation's larger commitment to Planned Parenthood Mar Monte to support teen services, which also include clinics, and the work it does to teach sex education in schools and community settings.

The organization, typical of Hewlett's commitment to improving life in the Bay Area and surrounding region, serves close to 300,000 people annually.

For more information please visit:

<http://www.plannedparenthood.org/mar-monte/teen-success-program-3482.htm>
<http://www.plannedparenthood.org/mar-monte/>

BRINGING THE BUCOLIC BACK TO THE CITY

The little playground on Potrero Hill in San Francisco was well past its prime. The equipment was outdated and the foliage so over grown that passersby couldn't see in, raising public worries about safety. As a result, it was often deserted.



The staff at the Trust for Public Land saw opportunity. Working with a grant from the Hewlett Foundation, the Trust's Parks for People program in 2007 reached out to the neighborhood to engage them in renovating the half-acre space, which sits between a prosperous neighborhood and a public housing development.

"A big part of what we did was to figure out how this playground could become a bridge between the two communities and an opportunity to celebrate all the neighborhoods of Potrero Hill," says Tim Wirth, the program's director.

Today, with the trees trimmed, the park offers a magnificent view of the bay below. Public art made by neighbor students grace its walkways and benches. And the two new play areas team with toddlers and older children. The Trust's work building community by renovating urban parks throughout the Bay Area is typical of the Foundation's commitment to the region.

*For more information please visit: **<http://www.tpl.org/>***

SERVING BAY AREA COMMUNITIES AND BEYOND

William and Flora Hewlett had a deep and abiding commitment to the community in which they lived. Today, their Foundation provides operating support to a range of vital nonprofit organizations that offer services to disadvantaged communities in the Bay Area and Central Valley.

Drawing from the expertise of its Education, Performing Arts, Environment, and Population programs, the Foundation makes grants directly and through intermediaries to address some of the region's most pressing social problems. Here's a sampling:

Recognizing that a good education is crucial to both economic well-being and the creation of well-rounded citizens, the Foundation supports reform in some of the region's most troubled schools. Our work in East Palo Alto's Ravenswood School District, now its sixth year, is typical. Working through the New Teacher Center at the University of California Santa Cruz, the Foundation's support has improved the quality of education in East Palo Alto and offered a model for use elsewhere. In addition to significantly raising student achievement scores, intense teacher mentoring has improved working conditions and increased the retention rate of teachers from a paltry 25 percent to 85 percent.

The arts offer another rich means to intervene to change young lives. At Larkin Street Youth Services in San Francisco's Tenderloin neighborhood, staffers work to divert homeless and runaway youths from sex work, drugs, and crime. With Hewlett support, Larkin Street has developed a performing arts program that provides homeless youth with the opportunity to gain confidence in their creativity, exit street life, and make the transition to adult independence. In a very different setting, Los Cenzontles Mexican Arts Center in San Pablo, which emphasizes serving youth, provides education in a variety of Mexican art forms, sponsors cultural exchanges between the United States and Mexico, and develops community awareness of Mexican heritage through the arts. The Foundation supports Los Cenzontles with multiyear general operating funds and in its work to help develop long-range plans to serve more people.

Poor communities often have fewer neighborhood parks, a fact that the Foundation's Environment Program works to correct through grants to the Trust for Public Land. The Trust's Bay Area Parks for People Program works to refurbish urban parks throughout the Bay Area, typically engaging the surrounding community in the process.

The Foundation's Population Program makes grants in the San Francisco Bay Area and California's Central Valley in order to reduce teen pregnancy—particularly in disadvantaged communities. In San Francisco's Bayview Hunters Point neighborhood, one Foundation grantee, the 3rd Street Youth Center and Clinic, goes beyond pregnancy counseling to give local kids a full-service medical clinic as well as a safe place to just hang out. In California's Central Valley, a fast-growing region with the state's highest teen pregnancy rates, the Foundation supports the Fresno Regional Foundation in its work to expand services to prevent teen pregnancy.

In short, the Hewlett family's founding commitment to community continues to find fresh expression across the region as it helps to solve a host of social problems.

The William and Flora Hewlett Foundation

**Financial Statements
December 31, 2007 and 2006**

Report of Independent Auditors

To The Board of Directors of
The William and Flora Hewlett Foundation:

In our opinion, the accompanying statement of financial position and the related statements of activities, changes in net assets and cash flows present fairly, in all material respects, the financial position of The William and Flora Hewlett Foundation (the "Foundation") at December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

March 7, 2008

The William and Flora Hewlett Foundation
Statements of Financial Position
December 31, 2007 and 2006
(dollars in thousands)

	December 31,	
	2007	2006
Assets		
Cash	\$ 5,820	\$ 4,478
Investments, at fair value (Note 3)	9,195,759	8,268,826
Collateral under securities lending agreement	22,721	179,346
Prepaid expenses and other assets	2,496	4,456
Receivables (Note 4)	25,660	30,086
Fixed assets, net of accumulated depreciation and amortization	32,461	33,573
	<u>\$ 9,284,917</u>	<u>\$ 8,520,765</u>
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 30,925	\$ 15,967
Line of credit	90,000	-
Accrued post-retirement health care benefit	3,135	3,620
Payable under securities lending agreement	22,721	179,346
Federal excise tax payable currently	795	1,334
Deferred federal excise tax	20,643	17,596
Grants payable (Note 7)	242,786	193,727
Gift payable, net of discount (Note 8)	86,221	88,476
Total liabilities	497,226	500,066
Commitments (Note 3)		
Unrestricted net assets	8,759,347	7,980,613
Temporarily restricted net assets	28,344	40,086
Total net assets	<u>8,787,691</u>	<u>8,020,699</u>
	<u>\$ 9,284,917</u>	<u>\$ 8,520,765</u>

See accompanying notes to the financial statements.

The William and Flora Hewlett Foundation
Statements of Activities and Changes in Net Assets
December 31, 2007 and 2006
(dollars in thousands)

	Year Ended December 31,	
	2007	2006
Unrestricted Net Assets:		
Net investment revenues and gains:		
Interest, dividends and other	\$ 198,893	\$ 163,619
Gain on investment portfolio	1,131,314	1,291,749
Investment management expense	<u>(27,977)</u>	<u>(31,019)</u>
Net investment income	1,302,230	1,424,349
Tax expense on net investment income (Note 10)	<u>(28,497)</u>	<u>(27,547)</u>
Net investment revenues	<u>1,273,733</u>	<u>1,396,802</u>
Expenses:		
Grants and gift awarded, net of cancellations	(482,778)	(287,087)
Change in gift discount (Note 8)	9,779	(5,108)
Direct and other charitable activities	(12,346)	(6,118)
Administrative expenses	<u>(21,799)</u>	<u>(18,970)</u>
Total expenses	<u>(507,144)</u>	<u>(317,283)</u>
Income over expenses before net assets released from time restriction	766,589	1,079,519
Net assets released from time restriction	<u>12,145</u>	<u>41</u>
Change in unrestricted net assets	<u>778,734</u>	<u>1,079,560</u>
Temporarily Restricted Net Assets:		
Change in temporarily restricted net assets:		
Change in value	403	10
Gates Foundation contribution	-	40,000
Net assets released from time restriction	<u>(12,145)</u>	<u>(41)</u>
Net change in temporarily restricted net assets	<u>(11,742)</u>	<u>39,969</u>
Change in total net assets	766,992	1,119,529
Net assets at beginning of year	<u>8,020,699</u>	<u>6,901,170</u>
Net assets at end of year	<u>\$ 8,787,691</u>	<u>\$ 8,020,699</u>

See accompanying notes to the financial statements.

The William and Flora Hewlett Foundation
Statements of Cash Flows
December 31, 2007 and 2006
(dollars in thousands)

	Year Ended December 31,	
	2007	2006
Cash flows used in operating activities:		
Interest and dividends received	\$ 194,825	\$ 162,450
Cash paid for federal excise tax	(8,439)	(12,951)
Cash paid to suppliers and employees	(43,926)	(51,258)
Cash contributions (paid) received	(12,145)	10,041
Grants and gifts paid	(426,195)	(209,942)
Net cash used in operating activities	<u>(295,880)</u>	<u>(101,660)</u>
Cash flows from investing activities:		
Purchases of fixed assets	(1,176)	(194)
Proceeds from sale of fixed assets	-	2
Cash received from partnership distributions	413,735	409,797
Proceeds from sale of investments	23,632,749	20,023,221
Purchase of investments	(23,838,086)	(20,331,394)
Net cash from investing activities	<u>207,222</u>	<u>101,432</u>
Cash flows from financing activities:		
Cash received from line of credit	90,000	-
Net cash from financing activities	<u>90,000</u>	<u>-</u>
Net increase (decrease) in cash	1,342	(228)
Cash at beginning of year	4,478	4,706
Cash at end of year	<u>\$ 5,820</u>	<u>\$ 4,478</u>

See accompanying notes to the financial statements.

The William and Flora Hewlett Foundation
Statements of Cash Flows, continued
December 31, 2007 and 2006
(dollars in thousands)

	Year Ended December 31,	
	2007	2006
Reconciliation of change in net assets to net cash used in operating activities:		
Change in total net assets	\$ 766,992	\$ 1,119,529
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization on fixed assets	1,763	1,734
Loss on disposal of fixed assets	525	-
Loss on sale of fixed assets	-	1
Change in value on gift payable	(9,779)	5,108
Net unrealized and realized gain on investments	(1,131,314)	(1,291,749)
Increase in deferred federal excise tax	3,047	7,820
(Decrease) increase in accrued post-retirement health care benefit	(485)	408
Decrease (increase) in value of Trust receivable	38	(10)
Changes in operating assets and liabilities:		
(Increase) in interest and dividends receivable	(4,055)	(1,152)
(Decrease) increase in federal excise tax	(539)	4,533
Decrease in prepaid expenses and other assets	1,960	303
Decrease (increase) in Gates and other receivable	4,426	(29,959)
Increase in accounts payable and accrued liabilities	14,958	4,629
Increase in grants payable	49,059	77,145
Increase in gift payable	7,524	-
Net cash used in operating activities	<u>\$ (295,880)</u>	<u>\$ (101,660)</u>
Supplemental data for non-cash activities:		
Stock contributions received from Hewlett Trust	<u>\$ -</u>	<u>\$ 1</u>

See accompanying notes to the financial statements.

The William and Flora Hewlett Foundation
Notes to Financial Statements
December 31, 2007 and 2006
(dollars in thousands)

1. The Organization

The William and Flora Hewlett Foundation (the “Foundation”) is a private foundation incorporated in 1966 as a non-profit charitable organization. The Foundation’s grantmaking activities are concentrated in the program areas of education, environment, performing arts, population and global development. More detailed information regarding the Foundation’s charitable activities can be obtained from the Foundation’s website at www.hewlett.org.

2. Significant Accounting Policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Investments

Investments in stocks and bonds which are listed on national securities exchanges, quoted on NASDAQ or on the over-the-counter market are valued at the last reported sale price, or in the absence of a recorded sale, at the value between the most recent bid and asked prices. Futures, forwards, swaps and options which are traded on exchanges are valued at the last reported sale price or, if they are traded over-the-counter, at the most recent bid price. Index and credit swaps, which gain exposure to equities and fixed income securities in a leveraged form, are traded with a counterparty and are valued at each month end. Equity swaps are valued based on the last reported price of the relevant index or ETF. Fixed income swaps are valued at the last reported sale price, or in the absence of a recorded sale, at the value between the most recent bid and asked prices. Short-term investments are valued at amortized cost, which approximates market value. Since there is no readily available market for investments in limited partnerships, such investments are valued at amounts reported to the Foundation by the general partners of such entities. The investments of these limited partnerships, such as venture capital, buyout firms and real estate partnerships, include securities of companies that may not be immediately liquid. Accordingly, their values are based upon guidelines established by the general partners. The December 31 valuation of certain of the investments in limited partnerships are based upon the value determined by each partnership’s general partner as of September 30 and adjusted for cash flows that occurred during the quarter ended December 31. Management believes this method provides a reasonable estimate of fair value. These values may differ significantly from values that would have been used had a readily available market existed for such investments, and the differences could be material to the change in net assets of the Foundation.

Investment transactions are recorded on trade date. Realized gains and losses on sales of investments are determined on the specific identification basis.

Foreign currency amounts are translated into U.S. dollars based upon exchange rates as of December 31. Transactions in foreign currencies are translated into U.S. dollars at the exchange rate prevailing on the transaction date.

Cash equivalents consist of money market mutual funds and foreign currency held for investment purposes.

The William and Flora Hewlett Foundation
Notes to Financial Statements
December 31, 2007 and 2006
(dollars in thousands)

Cash

Cash consists of funds held in commercial interest-bearing accounts, for operating expenses.

Fixed Assets

Fixed assets are recorded at cost and depreciated using the straight-line basis over their estimated useful lives. The headquarters building and associated fixtures are generally depreciated using the straight-line basis over ten to fifty years. Furniture and computer and office equipment are depreciated over estimated useful lives of three to ten years.

Net Asset Classification

The Foundation's activities and related assets and liabilities are classified as unrestricted and temporarily restricted according to the terms of the various contributions. The Foundation has no permanently restricted net assets.

Unrestricted balances consist of funds undesignated and currently available for all Foundation activities. Temporarily restricted balances consist of funds available for support of the Foundation's activities, which are expendable only for purposes specified by the donor or within a specified period.

The net assets included in the temporarily restricted class at December 31, 2007 relate to a donor-restricted contribution for which the requirements have not yet been met.

Grants

Grants are accrued when awarded by the Foundation.

Administrative Expenses

Administrative expenses represent those expenses incurred in managing programs funded by the William and Flora Hewlett Foundation. Expenses associated with managing programs funded by other organizations are reimbursed at the time they are incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2006 balances to conform to the 2007 presentation of tax expenses. In 2007, the Foundation further clarified its tax expense categories. These reclassifications had no effect on the change in net assets in 2006 or total net assets at December 31, 2006.

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3. Investments

The Foundation's investment portfolio, at December 31 consists of the following:

	<u>2007</u>	<u>2006</u>
Investments, at fair value		
Hewlett-Packard and Agilent common stock	\$ 445,565	\$ 465,334
Global equities	3,550,037	3,560,392
Private equities, real assets and absolute return	3,101,210	2,199,475
Fixed income	3,191,410	2,557,830
Net payable on forward fixed income transactions	(1,093,621)	(849,271)
Cash equivalents	141,882	331,399
Net (payable) receivable from unsettled securities purchases and sales	(165,183)	2,960
Other	24,459	707
Total	<u>\$ 9,195,759</u>	<u>\$ 8,268,826</u>

The investment goal of the Foundation is to maintain or grow its asset size and spending power in real (inflation adjusted) terms with risk at a level appropriate to the Foundation's program objectives. The Foundation diversifies its investments among various financial instruments and asset categories, and uses multiple investment strategies. As a general practice, except for the Foundation's holdings in Hewlett-Packard and Agilent stock and certain index swaps, all financial assets of the Foundation are managed by external investment management firms selected by the Foundation. All financial assets of the Foundation are held in custody by a major commercial bank, except for assets invested with partnerships, commingled funds, the overlay swaps and the covered call program, which have separate arrangements related to their legal structure.

The majority of the Foundation's assets are invested in equities, which are listed on national exchanges, quoted on NASDAQ, or in the over-the-counter market; treasury and agency bonds of the U.S. government; and investment grade corporate bonds for which active trading markets exist. Net realized and unrealized gains and losses on investments are reflected in the Statements of Activities and Changes in Net Assets.

Global equities include those held directly by the Foundation and those held in commingled entities including partnerships and trusts. At December 31, 2007 and 2006, global equities held in partnerships and trusts were \$1,448,262 and \$1,183,621.

The gain on the Foundation's investment portfolio for the years ended December 31, 2007 and 2006 consists of the following:

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	<u>2007</u>	<u>2006</u>
Net realized gain	\$ 669,230	\$ 797,387
Net unrealized gain	<u>462,084</u>	<u>494,362</u>
	<u>\$1,131,314</u>	<u>\$1,291,749</u>

Approximately 34 percent of the Foundation's investments at December 31, 2007 were invested with various limited partnerships that invest in the securities of companies that are not immediately liquid, such as venture capital and buyout firms, and in real estate limited partnerships or private REITs that have investments in various types of properties. As of December 31, 2007 the Foundation is committed to contribute approximately \$2,036,226 in additional capital in future years to various partnerships.

Investment securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of the Foundation's investments and total net assets balance could fluctuate materially.

The investments of the Foundation include a variety of financial instruments involving contractual commitments for future settlements, including futures, swaps, forwards and options which are exchange traded or are executed over-the-counter. Some investment managers retained by the Foundation have been authorized to use certain financial derivative instruments in a manner set forth by either the Foundation's written investment policy, specific manager guidelines or partnership/fund agreement documents. Specifically, financial derivative instruments may be used for the following purposes: (1) currency forward contracts and options may be used to hedge nondollar exposure in foreign investments, or to take positions in managed currency portfolios; (2) futures and swap contracts may be used to rebalance asset categories within the portfolio or to manage market exposures in managed portfolios; and (3) futures contracts, swaps and options may be used to hedge or leverage positions in managed portfolios. Financial derivative instruments are recorded at fair value in the Statements of Financial Position with changes in fair value reflected in the Statements of Activities and Changes in Net Assets.

The total value of investments pledged with respect to options and futures contracts at December 31, 2007 and 2006 was \$14,884 and \$8,391 respectively. The value of restricted cash held at brokers as collateral for variation margin at December 31, 2007 and 2006 was \$10,941 and \$10,099 respectively.

Certain of the Foundation's managers purchase or sell fixed income securities on a delayed delivery or forward settled basis. These transactions involve a commitment by the Foundation to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period, from about 1 to 3 months. When purchasing a security on a delayed delivery basis, the Foundation assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and reflects such fluctuations in its net assets. The manager may dispose of or renegotiate a delayed delivery transaction after it is entered into, and may sell the

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securities before they are delivered, which may result in a capital gain or loss. At December 31, 2007 and 2006 the net liability for these forward purchases and sales was \$1,093,621 and \$849,271 respectively.

Premiums received with respect to open options contracts at December 31, 2007 and 2006 were \$5,908 and \$1,631, respectively.

Other investment assets of \$24,459 and \$707 at December 31, 2007 and 2006, respectively, consist of receivables for interest and dividends and certain derivatives held at fair market value. At December 31, 2007 and 2006 these derivatives included swap contracts, futures contracts, foreign exchange contracts, covered call options and put and call options, as shown in the table on the following page.

In the opinion of the Foundation's management, the use of financial derivative instruments in its investment program is appropriate and customary for the investment strategies employed. Using those instruments reduces certain investment risks and may add value to the portfolio. The instruments themselves, however, do involve investment and counterparty risk in amounts greater than what are reflected in the Foundation's financial statements. Management does not anticipate that losses, if any, from such instruments would materially affect the financial position of the Foundation.

Fair values of the Foundation's derivative financial instruments at December 31, 2007 and 2006 are summarized in the following table. This table excludes exposures relating to derivatives held indirectly through commingled funds.

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Derivative Financial Instruments	December 31	
	2007 Fair Value (in thousands)	2006 Fair Value (in thousands)
- Equity contracts:		
Futures and swap contracts		
Assets	\$ 190	\$ 4,896
Put and call options:		
Assets / (Liabilities)	\$ 698	\$ (40)
Covered call options:		
Liabilities	\$ (1,145)	\$ (1,477)
- Fixed income contracts:		
Futures and swap contracts		
Assets / (Liabilities)	\$ (6,723)	\$ 371
Put and call options:		
Liabilities	\$ (667)	\$ (738)
Forward net purchases and sales		
Liabilities	\$ (1,093,621)	\$ (849,271)
- Foreign currency contracts:		
Forward contracts		
Unrealized gain on currency contracts	\$ 40,100	\$ 19,537
Unrealized loss on currency contracts	\$ (23,618)	\$ (31,890)

The Foundation's custodian maintains a securities lending program on behalf of the Foundation, and maintains collateral at all times in excess of the value of the securities on loan. Investment of this collateral is in accordance with specified guidelines; these investments include A1-rated commercial paper, repurchase agreements, asset backed securities, certificates of deposit and floating rate notes. Income earned on these transactions is included in net investment revenue in the Statements of Activities and Changes in Net Assets. The value of securities on loan at December 31, 2007 and 2006 was \$21,430 and \$171,038 respectively. The value of the collateral received at December 31, 2007 and 2006 aggregated \$22,721 and \$179,346 respectively, of which \$22,721 and \$179,346 respectively, was received in cash and was invested in accordance with the investment guidelines.

At December 31, 2007, the net receivable from unsettled securities purchases and sales includes a receivable from brokers of \$462,826 and a payable to brokers of \$628,009. At December 31, 2006, the net receivable from unsettled securities purchases and sales included a receivable from brokers of \$177,984 and a payable to brokers of \$175,024.

The Foundation held 5.3 million shares of Hewlett-Packard Company ("Hewlett-Packard") stock with a market price of \$50.48 per share at December 31, 2007. At December 31, 2006, the

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Foundation held 7.1 million shares with a market price of \$41.19 per share. The Foundation held 4.8 million shares of Agilent Company (“Agilent”) stock with a market price of \$36.74 per share at December 31, 2007. At December 31, 2006, the Foundation held 4.8 million shares of Agilent stock with a market price of \$34.85. At December 31, 2006, the Foundation held 98 thousand shares of Verigy with a market price of \$17.75 per share; Verigy was a 2006 spin-off from Agilent. During 2007, all Verigy shares were sold.

4. Receivables

In 2006 the Foundation entered into an agreement with the Bill and Melinda Gates Foundation to administer a program charged with improving quality education in developing countries. In addition to reimbursing associated administrative expenses, the Bill and Melinda Gates Foundation pledged \$40,000 over five years to the William and Flora Hewlett Foundation to do grant-making in this area; this contribution was reported as a change in temporarily restricted net assets during 2006. \$10,000 of this pledge was received during 2006, and \$4,340 was received during 2007. \$25,660 is reported as a receivable at December 31, 2007.

Upon the death of William R. Hewlett on January 12, 2001, the Foundation became the residuary beneficiary of the William R. Hewlett Revocable Trust (“the Trust”) and was entitled to receive the trust assets remaining after payment of expenses of administration and federal and state estate taxes. The Trust was fully distributed during 2007. The receivable from the Trust was \$86 at December 31, 2006. During 2007, the Trust incurred expenses of \$38, and the final distribution from the Trust was \$48 of cash.

The Foundation is also the residuary beneficiary of the Hewlett Marital Trust. As of December 31, 2007, the assets which the Foundation is entitled to receive are not material and cannot be reasonably estimated.

5. Fixed Assets

Fixed assets consist of the following at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Building, land lease and land improvements	\$ 34,277	\$ 34,013
Furniture and fixtures	4,654	4,793
Computer and office equipment	<u>3,274</u>	<u>3,346</u>
	42,205	42,151
Less accumulated depreciation and amortization	<u>(9,744)</u>	<u>(8,578)</u>
	<u><u>\$ 32,461</u></u>	<u><u>\$ 33,573</u></u>

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6. Postretirement Healthcare Benefit

The Foundation implemented Statement of Financial Accounting Standards (SFAS) No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" effective January 1, 2004. Effective January 1, 2007 the Foundation adopted Statement No. 158 of the Financial Accounting Standards Board, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" and recognizes the accumulated liability for its postretirement healthcare benefit obligation.

The incremental effect of adopting SFAS 158 is as follows:

	<u>Before Application</u>	<u>SFAS 158 Adjustment</u>	<u>After Application</u>
Consolidated financial statements:			
Accrued post retirement benefit costs	\$ 4,194	\$ (1,059)	\$ 3,135
Total liabilities	4,194	(1,059)	3,135
Total net assets	0	0	0
Change in net assets		1,059	1,059
Cumulative effect of change in accounting principle:			
Unrecognized net actuarial gain		(1,059)	(1,059)
Unrecognized prior service cost		0	0
	<u>\$ 0</u>	<u>\$ (1,059)</u>	<u>\$ (1,059)</u>

The changes in accumulated postretirement healthcare benefit obligation, plan assets, and the amounts recognized in the financial statements are as follows:

	<u>2007</u>	<u>2006</u>
Change in accumulated postretirement healthcare benefit obligation (APBO):		
Accumulated postretirement benefit obligation as of January 1	\$ 2,928	\$ 2,552
Service cost	465	358
Interest cost	192	158
Actuarial gain	(423)	(101)
Benefits paid by employer	<u>(27)</u>	<u>(39)</u>
Accumulated postretirement benefit obligation as of December 31	3,135	2,928
Unrecognized: Net gain	<u>0</u>	<u>693</u>
Accrued postretirement benefit cost as of December 31	<u>\$ 3,135</u>	<u>\$ 3,620</u>

By Foundation policy, the postretirement healthcare benefit plan is not funded.

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	<u>2007</u>	<u>2006</u>
Change in plan assets:		
Fair value of plan assets as of January 1	\$ 0	\$ 0
Actual return on plan assets		
Company contributions	27	39
Participants contributions		
Benefits paid	(27)	(39)
Fair value of plan assets, December 31	<u>\$ 0</u>	<u>\$ 0</u>

Amount recognized in Statement of Financial Position as of December 31:		
Accrued postretirement healthcare benefit cost as of December 31	\$ 3,135	\$ 3,620
Assets	0	0
Net amount recognized	<u>\$ 3,135</u>	<u>\$ 3,620</u>

Amounts included in unrestricted net assets:		
Unrecognized prior service cost	\$ 0	\$ 0
Unrecognized net gain	(1,059)	(693)
Net gain included in unrestricted net assets	<u>\$ (1,059)</u>	<u>\$ (693)</u>

Net periodic postretirement healthcare benefit cost:		
Service cost	\$ 465	\$ 358
Interest cost	192	158
Expected return on plan assets		
Amortization of prior service cost		
Amortization of unrecognized net gain	(57)	(70)
Net periodic postretirement healthcare benefit cost:	<u>\$ 600</u>	<u>\$ 446</u>

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The prior service cost and net actuarial gain expected to be amortized from change in net assets to net periodic benefit expense over the next fiscal year are as follows:

Net actuarial gain	\$ (93)
Prior service cost	0

Actuarial assumptions:

The weighted average discount rate assumptions used for the postretirement healthcare benefit plan are shown below:

	<u>2007</u>	<u>2006</u>
Discount rate to determine benefit obligations	6.50%	5.75%
Discount rate to determine the net periodic benefit cost	5.75%	5.50%

To determine the accumulated postretirement healthcare benefit obligation as of December 31, 2007, a 12% annual rate of increase in per capita costs of covered health care was assumed for 2007-2008, declining gradually to 6% by 2013 and remaining at this rate thereafter.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. Increasing the health care cost trend rate by 1% in each future year would increase the accumulated postretirement healthcare benefit obligation by \$589, and the aggregate annual service and interest cost by \$119. Decreasing the health care cost trend rate by 1% in each future year would decrease the accumulated postretirement healthcare benefit obligation by \$408, and the aggregate annual service and interest cost by \$91.

Expected contributions:

The Foundation expects to contribute \$52 in postretirement healthcare benefits during the fiscal year ending December 31, 2008.

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Expected benefit payments:

The following benefit payments, which reflect expected future service, are expected to be paid for the fiscal years ending December 31:

<u>Fiscal Year</u>	<u>Expected Benefit Payments</u>
2008	\$ 52
2009	47
2010	72
2011	87
2012	144
2013-2017 (Aggregate)	1,370

7. Grants Payable

Grant requests are recorded as grants payable when they are awarded. Some of the grants are payable in installments, generally over a three-year period. Grants authorized but unpaid at December 31, 2007 are payable as follows:

<u>Year Payable</u>	<u>Amount</u>
2008	\$ 167,375
2009	53,645
2010 and thereafter	21,766
	<u>\$ 242,786</u>

8. Gift Payable

The Foundation pledged a gift of \$113,000 in August of 2007 to University of California, Berkeley for a challenge grant to endow 100 faculty chairs and for support of an in-house investment organization. The gift will be paid over a period of seven years and was discounted to a net present value as of December 31, 2007 using a discount rate of 4.39 %. Payment of \$17,000 was made in 2007. The final payment is expected to be made in 2013.

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The gift payable, net of discount, at December 31, 2007 is as follows:

	<u>2007</u>
Gift payable	\$ 96,000
Less unamortized discount	<u>(9,779)</u>
Gift payable, net of discount	<u>\$ 86,221</u>

9. Credit Facility

The Foundation has a collateralized revolving line of credit (“LOC”) of \$90,000 with BNY Mellon Bank. This LOC note does not have an expiration date. At December 31, 2007, the Foundation had a \$90,000 outstanding balance on the LOC. The interest rate on the LOC is variable and is indexed to the one month London Interbank Offered Rate (“Libor”).

10. Federal Excise and Unrelated Business Income Tax

The William and Flora Hewlett Foundation is a private foundation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Private foundations are subject to a federal excise tax on net investment income and may reduce their federal excise tax rate from 2% to 1% by exceeding a certain payout target for the year. The Foundation qualified for the 1% tax rate in 2007. Each year, current federal excise tax is levied on interest and dividend income and net realized gains of the Foundation; net investment losses do not reduce investment income. At December 31, 2007 and 2006, deferred federal excise tax is provided at 1.33%, which is the average effective rate expected to be paid on unrealized gains on investments. The income from certain investments is subject to unrelated business income tax.

The expense for federal excise tax is as follows:

	<u>2007</u>	<u>2006</u>
Current	\$ 7,900	\$ 17,484
Deferred	<u>3,047</u>	<u>7,820</u>
	<u>\$ 10,947</u>	<u>\$ 25,304</u>

The expense for unrelated business income tax is as follows:

<u>\$ 17,555</u>	<u>\$ 2,205</u>
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