
*The William
and Flora
Hewlett
Foundation*

Statement of Purpose

The William and Flora Hewlett Foundation has been making grants since 1966 to help solve social and environmental problems at home and around the world.

“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. Indeed, it was the personal generosity of Mr. Hewlett, who passed away in 2001, and Mrs. Hewlett, who passed away in 1977, that has made the Hewlett Foundation one of the nation’s largest grantmaking foundations, with assets of more than \$5.5 billion as of December 31, 2003.

The Foundation concentrates its resources on activities in conflict resolution, education, environment, performing arts, population, and U.S.–Latin American relations. In addition, the Foundation has initiatives supporting global affairs, neighborhood improvement, and philanthropy.

The Foundation’s work is informed by three fundamental values:

- First, the Hewlett Foundation is concerned primarily with solving social and environmental problems. This requires the staff to define program objectives, grants, and other activities in terms of problems to be solved; to identify indicators of progress and criteria for evaluating success; and to be prepared to stay the course.
- Second, because the solutions to serious problems are seldom known with anything close to certainty, the Foundation must be prepared to experiment and take risks in its philanthropic activities. This, too, entails clear objectives and measures of success, without which staff cannot know how the risk eventuated. It also requires a willingness to acknowledge and to learn from failures.
- Third, grantee institutions—nonprofit organizations and, in some cases, government entities—are essential partners in achieving the Foundation’s mission. This explains the high proportion of the Foundation’s grants budget allocated to general operating support. It further implies our concern not only for the health of individual organizations, but also for the fields in which they operate.

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Update on the Hewlett Foundation's Approach to Philanthropy: The Importance of Strategy

This is a progress report on the Hewlett Foundation's continuing efforts to improve the way we do philanthropy.¹ Its purpose is to make the Foundation's processes more transparent to applicants, grantees, and others who may be interested in our work.

The concepts and practices that underlie foundation grant-making are not fundamentally different from those that inform the work of our grantees. Because readers are likely to be more familiar with the operations of grantee organizations than with their funders, I will begin by focusing on the former—the organizations that do the lion's share of the work of the nonprofit sector. There is another reason for beginning with them: Our success as a funder depends heavily on the success of the organizations we fund, and this requires that we understand how they design and implement their own strategies.

Much of this essay is about strategy. A strategy is never an end in itself, but only a tool to aid an organization in achieving its mission. Underlying that mission is a passion to make the world a better place. A strategy contains the nitty-gritty details to accomplish the mission. Designing, implementing, and monitoring a strategy to improve society or the environment is like planning and embarking on a perilous quest for an elusive goal. It involves lots of slogging, with periods of tedium as well as excitement; moments of fear as well as the satisfaction of being on course; opportunities for unexpected discoveries, both good and bad—and the possibility that you might not get there at all. It is the passion to achieve the mission that provides sustenance in periods of frustration and difficulty. This essay starts from the premise of that passion, and focuses on the relatively unromantic task of designing a strategic plan to achieve the mission that inspires it.

The Strategic Infrastructure of a Nonprofit Organization

The strategic infrastructure of a nonprofit organization consists of:

- An articulation of its *mission*.
- Well-defined *goals* or *outcomes*.
- A *theory of change* or *causal model* outlining each step necessary to achieve those goals.
- A *logic model* or *strategic plan* showing how the organization will

implement the theory of change.

- A description of how the organization will *track progress* as it implements the logic model and how it will *assess success* in achieving its goals.
- A *business plan* showing how the organization will gain and marshal its resources to implement the logic model.

Mission. A mission statement is an evocative encapsulation of the organization's goals—for example, “improving the well-being and life opportunities of teenage girls.” It provides a benchmark for assessing proposed initiatives and for ensuring that changes in the organization's goals are conscious rather than the result of drift.

Goals or outcomes. The test of a well-defined goal is that one can describe it with sufficient clarity so that others, including observers from outside the organization, would be able to assess the extent to which the organization had achieved the goal.

While “improving the well-being and life opportunities of teenage girls” is a fine mission statement, it does not meet the criterion for a well-defined goal: It is too vague for anyone, including the organization's CEO and board, to know whether and to what extent the goal was achieved. Examples of well-defined goals in pursuit of the organization's mission might be “reducing unplanned pregnancies” or “reducing sexually transmitted infections” within the population it serves. The goal would be even better defined if the organization specified targets; but reduction suffices, especially if the organization has some baselines from which it can measure change. A goal is often a positive restatement of a particular *problem* the organization seeks to address (for example, the problem of unplanned pregnancies).

*Theory of change or causal model.*² A theory of change is a comprehensive description of the theory that underlies all or part of an organization's work. For a teen pregnancy prevention program, the essence of the theory of change might be:

- Providing adolescents—boys as well as girls—with comprehensive, medically accurate sexual and reproductive health (SRH) information and services increases their ability to make informed decisions. This leads to the delayed onset of sexual activity and increased use of contraception, which in turn lead to a reduction

in unplanned pregnancies and sexually transmitted infections (STIs).

- Increasing adolescents’ decisionmaking and communication skills and their self-esteem and confidence leads to their having a more positive view of themselves and their futures, to the ability to negotiate sexual relations, and to improved school performance and retention.

As a goal implicitly describes the problem the organization seeks to address, a theory of change or causal model contains an implicit analysis of the causes of, or at least possible solutions to, the problem. In this case, for example, the theory of change assumes that unplanned teen pregnancies are at least partly the result of inadequate information and lack of self-esteem.

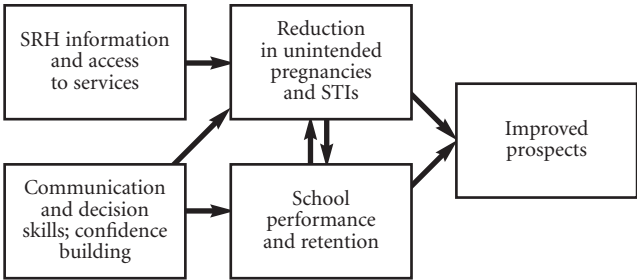


Figure 1. Theory of Change Underlying the Teen Pregnancy Prevention Program

At the very least, the theory of change should be empirically plausible. At best, it should have been previously evaluated by social scientists and shown to be robust.

Logic model or strategic plan. A logic model describes the program’s goals, or intended outcomes, and the steps necessary to achieve them under the theory of change. It consists of inputs, activities, outputs, and outcomes.

The organization’s *inputs* are the funds, human resources, and knowledge necessary to engage in the *activities* or to produce the *outputs* that lead to the intended goals or *outcomes*. Planning a strategy necessarily begins with outcomes and works backward to the inputs, which can only be ascertained after the rest of the logic model has been worked out.

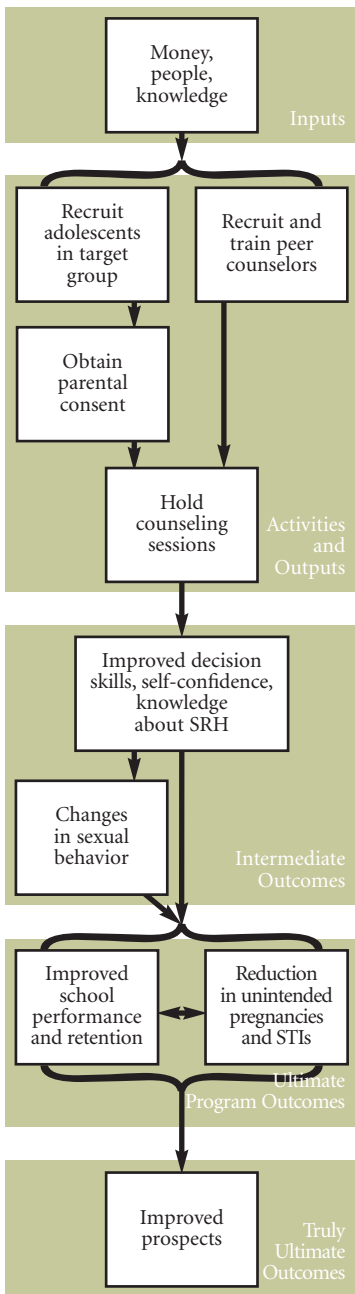


Figure 2. Logic Model for Peer Counseling

The distinction between activities and outputs is unimportant. Activities are ... well ... activities; outputs are more tangible deliverables. In the teen pregnancy example, the organization's activities and outputs include recruiting students and peer counselors, holding counseling sessions and classes, and so forth. While activities and outputs are largely within the organization's control, *outcomes* often are not. Adolescents' becoming knowledgeable about sexual reproductive health is an *intermediate outcome*, while avoiding unplanned pregnancies is an *ultimate outcome*, and having better life opportunities is an even more ultimate outcome (not a technical term).

People sometimes use *strategic plan* as a synonym for the entire logic model, but the term is also often used just to refer to the activities-and-outputs portion—that is, to what the organization plans to *do* to reach the desired outcomes.³

An organization's logic model or strategic plan is not static, but is subject to periodic review and modification when necessary to meet changing conditions.⁴ (Alerting the organization to the need for modification is one of the functions of tracking, discussed immediately below.) It is worth emphasizing, however, that the review and modification of a plan presuppose that the organization already has a plan in place.

Tracking activities, outputs, and outcomes under the logic model. An organization tracks its progress and outcomes in order to obtain the feedback necessary to know whether it is on course, and to make corrections when it is not. In our example, potential problems may range from the individual (whether a counselor or youth has missed an appointment) to the wholesale (whether there is a greater demand for sexual reproductive health services than the current staff can meet). Having drawn up a strategic plan, it is usually easy to identify important indicators of progress to be tracked—for example, the number of counseling appointments kept and missed, and the quality of the sessions.

I use the term *tracking* rather than *evaluation* to make the point that the collection of data indicating progress with

respect to activities and outputs does not require social science studies by outside experts. Rather, it calls for the organization's own personnel to obtain systematic feedback from internal systems. Although designing and implementing those systems can be costly,⁵ tracking progress is essential to managing any effective organization—whether a business, government agency, or nonprofit.

The items tracked may have both quantitative and qualitative indicators, depending on the feedback necessary to keep the program on course and on the data that can reasonably be gathered. It is always worth striving to develop quantitative indicators based on objective data, because they tend to be clear and comparable. But this is not always possible. For example, the success of the teen pregnancy prevention program depends not merely on whether the counselor and youth meet at the appointed time, but on the sessions' success in imparting substantive knowledge or decisionmaking skills. By the same token, a performing arts organization must be concerned with the quality of its productions as well as the size of its audience. And a comprehensive community initiative may have both the objectively evaluable goal of reducing crime rates and the goals of strengthening its residents' subjective sense of trust, community, and well-being.

Much of the qualitative data needed to track the teen pregnancy program can be gained through interviews, tests, and questionnaires. The quality of performing arts presentations is assessable—and assessed—by critics and, in the case of grantees, by their funders' program staff. And community members' sense of well-being can be ascertained by surveys.

Often data of these sorts, though essentially subjective, can be put in quantitative form—just as essay exams are graded. As in the case of intrinsically quantitative data, this lends itself to comparisons—across time, across programs, and across participants. Whether or not the relevant data are ultimately quantifiable, however, tracking progress and success must respond to the program's goals, not vice versa. A system that ignored relevant indicators and goals would not only be worthless, but harmful. (One need only look at the distorting effects of “teaching to the test” on education in American schools today.) In any event, indicators of progress and the achievement of outcomes should be clear enough to be assessable by someone outside the organization.

As one moves from the organization's own activities and outputs to *outcomes*, data collection often becomes more difficult. Consider the intermediate and ultimate outcomes outlined in Figure 2 for the teen pregnancy prevention program. Information about what the participants learned and, perhaps, how this has affected their sexual behavior might be gained from questionnaires—though each set of data has its own difficulties of collection and reliability. Information about school performance requires data from the school district, which may be difficult to obtain for legal or bureaucratic reasons. Tracking *ultimate outcomes*, such as changes in the rates of unplanned pregnancies or sexually transmitted infections, may require the gathering and analysis of data that lie beyond an organization's resources.

Business plan. Having identified a logic model consistent with the theory of change, the organization must ensure that it has the requisite inputs—the human and financial resources to carry out the proposed work. A business plan includes a budget with projected expenses and revenues; it not only describes how the organization's current resources will be mobilized, but also includes fundraising plans to gain any additional resources necessary for the program's operations.

* * *

The articulation of missions and outcomes and the development of theories of change, logic models, and indicators of progress do not occur in a strictly serial sequence, but almost always involve an iterative process. This strikes me as both inevitable and desirable. For example, exploring a theory of change may lead to a better understanding—and even modification—of one's goals; setting out the steps to implement a theory of change may expose weak or incomplete aspects of the theory; and so on.

The teen pregnancy example focuses on a single program of an organization that may have various goals that call for different strategies. For example, our hypothetical organization may have other initiatives intended to improve the well-being of adolescents, such as service-learning and leadership development. As the preceding discussion suggests, each of these should have well-defined goals, with an accompanying theory of change, logic model, indicators of progress, and the like.⁶

All of this may seem like a daunting task for many nonprofit organizations. Nonetheless, I doubt that any aspect of the planning process—from articulating clear goals and a theory of change through developing a logic model and business plan—can reasonably be abbreviated. After all, these are the plans that will guide the organization's core activities. Realistically, though, an organization may have to make compromises with respect to tracking, and focus its efforts on getting feedback on the processes most critical to its success. Also, as the above example indicates, once one moves beyond the organization's own activities and outputs to outcomes, tracking may become vastly more difficult. Yet the organization needs *some* indication of whether it is actually achieving the outcomes it seeks. I will return to this in the discussion of evaluation.

The Foundation's Own Strategic Infrastructure

A foundation's strategic plan starts from its mission and from specific goals that are initially determined by its founder and that may evolve over time through its trustees' decisions. The goals in effect at any time provide the focal point for all of the foundation's philanthropic activities. Like any other organization, once having established a goal, the foundation adopts a theory of change that will plausibly attain the goal, develops a logic model for implementing it, and so on. The main difference in this respect between a foundation and the organizations it supports is that the foundation achieves its goals primarily by making grants.

The programs' strategic plans and grant guidelines. Each of the Hewlett Foundation's programs has a strategic plan that translates its general objectives into quite specific ones, with accompanying logic models and indicators of progress and success. In developing these plans, the program directors consulted widely with the leaders of nonprofit organizations and experts in the field. We then articulated goals that we believe are important and ambitious, and that we have a reasonable chance of attaining. Where possible, we have developed quantitative indicators of progress. The Foundation's Web site contains summaries of the strategic plans as well as the grant guidelines for each program.

Foundation-wide objectives. In addition to particular programmatic goals, the Foundation's work is informed by several pervasive principles and objectives:

- Respecting the expertise and autonomy of the organizations we fund, and ensuring their well-being and sustainability;
- Building sufficient flexibility into our grantmaking to remain open to new ideas from the field—especially ideas about how to implement shared objectives—even as we pursue carefully thought-out strategic plans;
- Developing and disseminating knowledge of value to others in the fields in which we work; and
- Improving the practices of philanthropy and nonprofit capital markets.

The central strategy for achieving the first two objectives is the Foundation's openness to making multiyear renewable grants for general operating support.⁷ This is an especially fruitful approach with respect to organizations whose values, goals, and strategies are well aligned with our own. Thus, almost half of the Hewlett Foundation's grant funds are in the form of general operating support to organizations or their self-defined programs and subsidiaries.⁸

We are working toward the third and fourth objectives by posting documents on the Foundation's Web site that share whatever knowledge we have gained and lessons we have learned in specific fields and in the practice of philanthropy more generally,⁹ and also by grantmaking designed to strengthen the infrastructure of philanthropy and the nonprofit sector.¹⁰

Grants as investments seeking social returns. While the grants budget of the Hewlett Foundation is quite large for private philanthropy—approaching \$300 million in 2004—it pales by comparison to the social and environmental problems that the Foundation seeks to address, which range from air pollution in rapidly growing megacities, to the unmet demand for reproductive health services in developing countries, to inadequate education for many American children. Foundations as a whole account for only a small proportion of philanthropic giving and, of course, constitute an infinitesimal fraction of government expenditures and the business economy.

For a foundation to have any impact thus requires a deep understanding of the environments in which we operate. It requires identifying ways in which—whether through research, education, advocacy, or other means—we can set in motion forces that will have greater and longer-lasting impact than any of our particular grants. It also requires actively collaborating with other foundations and organizations that share our goals. Even then, the complexities of social forces beyond our control, and even beyond our ken, realistically entail that a foundation's reach will often exceed its grasp—that we will often not meet our aspirations.

Under these circumstances, one might be tempted to analogize philanthropy to a trip to Las Vegas. However, because the Hewlett Foundation considers risks in the light of potential social benefits, we tend to think of grants not as gambles, but as investments that seek social returns. The core insight of this metaphor is that the return on investment is a function of both the expected social impact and the likelihood of achieving it. If the Foundation did not take risks, it would never pursue strategies that seek large-scale changes in education, the environment, or economic development. Nor would it invest in new, relatively untested organizations that have great potential. Although no formulas can substitute for good judgment, an underlying model of investment, risk, and return provides the basis for making big bets where success is hardly assured but the social payoff is extraordinarily high.¹¹

To be sure, we understand our work to be more in the nature of a *craft* than science or economics—a craft exercised with care and respect for the organizations, communities, and individuals we work with and affect. But program officers need to make choices, and the investment metaphor reflects the reality that a grant dollar spent on a poorly designed strategy or a low-performing organization is a lost opportunity to

The Strategic Fertilization of Creativity

Progress in the social and natural sciences as well as the arts depends on the creativity of a diverse array of practitioners, scholars, artists, and thinkers. The continual fertilization and development of their ideas cannot be accomplished solely through the targeted funding of specific projects, but requires giving creative individuals the space to pursue their own lights. To this end, the Hewlett Foundation supports universities and other institutions that foster and incubate creativity.

We know that there are inevitable efficiency losses in the short run. Not all thinkers will be industrious, not all of the industrious will be innovative, and not all innovative ideas will be worthwhile. But support for such open-ended creativity has paid off tremendously over time, making the United States one of the foremost centers of innovation in the world. This could not occur through a funder's micromanagement of the creative process, and we regard general operating support for these institutions as among the Hewlett Foundation's most strategic and valuable investments.

support a more effective strategy or organization. Without attempting to quantify social returns, the investment metaphor embodies an *attitude* that presses the staff to use the Foundation's resources as effectively as possible. It is the fact that the social returns we seek, though not quantifiable, are potentially huge by any standards that gives the Foundation staff and Board members the courage to fail.

Making big bets is one thing; taking unnecessary risks is quite another. Therefore, before making a grant, we explicitly assess *strategic risks*, which involve the strength of the theory of change and logic model, including potential breaks in the causal chain, whether attributable to changes in external environment or weaknesses in the underlying theory; and *organizational risks*, which involve factors such as the grantee's management and governance capacity and fiscal health. We review these risks during the grant period and at its conclusion.

Assessing progress, success, and failure. Because our success depends largely on that of our grantees, assessing the Foundation's progress and success builds up from individual grants, to clusters of grants, to an entire program. And thus regular review of our grants is more than a means for monitoring grantee organizations: It provides the information necessary to evaluate our own work. There is no point in talking about taking risks if one cannot find out how they eventuated.

Based on reports from grantees as well as independent evaluations, the program staff regularly reports to the Board on progress against the Foundation's strategic plans and, where appropriate, proposes mid-course corrections. Especially because the Hewlett Foundation is prepared to take significant risks, failures are inevitable. Although we not only hope for the best but work with our grantees to ensure success, failures provide important opportunities to learn and improve our practices.

The Foundation's Processes for Selecting Grantee Organizations and Tracking Their Progress

One reason for beginning this essay with an example from an operating nonprofit organization is that a foundation's due diligence process must start with understanding a grantee's goals and strategies. This is especially true when a foundation is considering a grant

of general operating, or core, support. In that case, the foundation essentially adopts the organization's mission as its own, and thus assesses the organization's strategies much as its own CEO or board would. And this requires that all of the elements of the organization's plans be transparent.

To these ends, the Hewlett Foundation's application form asks a prospective grantee to describe, among other things:

- The particular outcomes the organization seeks to achieve,
- The activities it will conduct to achieve those outcomes,
- How the organization plans to measure progress toward its intended outcomes, using qualitative as well as quantitative indicators, and
- How it will know whether it is actually making a difference.

We ask a prospective grantee to provide this information in its own words and to attach a logic model with indicators of progress, which will also serve as the basis for the organization's reports to the Foundation.

Explaining yourself to others inevitably sharpens your understanding of your own work. Thus, in addition to yielding information essential to the Foundation's grantmaking decisions, the application process has helped some organizations improve their own performance. But some organizations have also found the concepts difficult and the application process unduly arduous.¹² Though we remain confident in the goals that motivate the process, we also know that considerable work remains to be done both to simplify it and to improve organizations' understanding of the underlying concepts. Among other things, we are supporting the development of publicly available, Web-based tools to help organizations apply these concepts to their own goals and strategies.¹³

Though an organization's strategic plan is the starting place for the Foundation's due diligence process, it is not the endpoint. We must assess the organization's capacity to carry out the plan, the quality of its leadership, and its overall vitality. No part of due diligence is formulaic. These aspects of the process call for special qualities of judgment and inevitably require face-to-face meetings. Due diligence is thus among the most complex and nuanced responsibilities of our program staff.

Intuitions About Social Change Are Often Wrong.

“Joan McCord, Who Evaluated Anticrime Efforts, Dies at 73,” by Douglas Martin, New York Times (March 1, 2004):

“Her best-known longitudinal study was her 1978 follow-up on a youth-mentoring program done 30 years earlier in Cambridge and Somerville, Mass. She found that boys at high risk who had been given mentors, health-care services and summer camp fared worse in later life than a similar group of boys who were given nothing special. The 250 boys who got special services were more likely to become criminals, have trouble in their jobs and marriages, and become alcoholics, according to court, hospital and other records noted in her study. A possible reason, Dr. McCord suggested, was that those boys had felt they were given the attention because something was wrong with them, making it a self-fulfilling prophecy. Her theory was that the boys who went to summer camp modeled themselves after camp troublemakers. The counter-intuitive result contradicted the statements of two-thirds of the participants that the program had helped them by giving them better values and keeping them off the streets.”

The Role of Evaluation

Evaluation is an extension of tracking outputs and outcomes under a logic model. Its role is to determine whether implementation of a strategy actually made a difference. The issue is not whether a grantee did what it said it would do, or even whether its indicators of progress were favorable. Rather, the role of evaluation is to determine whether the desired outcomes occurred and whether they resulted from the intervention.¹⁴

Evaluation typically requires using social science methods to assess whether a particular intervention actually caused its putative results or, more broadly, to assess the soundness of the theory of change underlying a strategy. For example, the initial results from a large grant supporting school reform in San Diego show improvements in students' reading skills. To confirm the success of the intervention requires more, however. Thus, we have commissioned studies that require comparing outcomes among the district's schools and with other school districts. Still other research will be required to determine whether the approach has so-called “external validity”—that is, whether it will work elsewhere.

Evaluations of these sorts call for resources beyond the capacity of most nonprofit organizations. Indeed, even a well-endowed foundation could not afford to undertake comprehensive evaluations of all of its work. Yet there is a dilemma here. Although intuitions are often the only realistic starting point for programs designed to bring about social change, many intuitively obvious interventions have turned out to be useless—sometimes even counterproductive. And unless it is implementing a strategy that has been well tested in similar contexts, the organization and its funders cannot know whether the program is making a difference or just spinning its wheels. Thus, we are constantly on the lookout for evidence bearing on the

validity of the theories underlying our work, and, as in San Diego, we selectively support full-scale evaluations of strategies that have the potential for replication and significant impact.

Conclusion

The internal processes described in this essay are works in progress. The Hewlett Foundation takes seriously the idea of being a learning organization, and we hope that our work will improve over time in response to experience and feedback from grantees and other foundations.

Although the point may be obvious, it is worth stating that strategy is not a substitute for passion, but its servant. Passion is essential in every aspect of our work. It is what makes those committed to social change go to work early and come home late. But without the capacity to move beyond passion to effective planning and execution, the sector would be left largely with well-meaning efforts that confuse good intentions with effects.

Finally, I should note that this essay itself embodies an implicit theory of change. It assumes that non-profit organizations, including funders, would be more effective in achieving their aims if they developed and implemented strategic plans based on robust theories of change, and if they used indicators of progress under those plans as the basis for managing their day-to-day activities. As with any other theory of change, these assumptions must ultimately meet the tests of evaluation. Evaluation may be a bit tricky here, since it requires comparing the outcomes of organizations that are and are not outcome-oriented, and it may be difficult to get outcome data for those that are not. But difficult does not mean impossible, and we are considering how we might go about this.

“In other studies, she found that some youths counseled by court-appointed volunteers fared worse than those who received no counseling. Her statistical analysis of a program in Australia that provided recreation for troubled adolescents found bad effects. And participants in the Scared Straight program, which takes young offenders from many locales to visit prisons, were arrested more often than a control group, she found. She said that D.A.R.E., the popular nationwide ‘just say no’ drug education program in which law enforcement officers spend time in schools talking about drugs, alcohol and violence, may actually have contributed to drug use, according to her analysis of statistics from the program.”¹⁵

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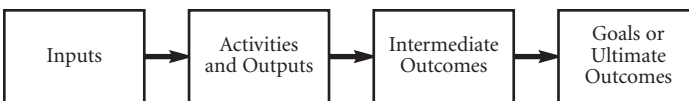
In the meantime, we proceed in the belief that this theory of change is not entirely speculative. There is ample evidence that developing and implementing clear and empirically based strategies to achieve well-defined outcomes has led to success in both the private and public sectors. And though there doubtless are instances in which organizations have achieved good outcomes with little or no strategic planning, it is hard to imagine a plausible theory under which the absence of planning would generally conduce to success.

PAUL BREST
JUNE 2004

Appendix: Glossary

Theory of change or causal model. The explicit or implicit theories about how and why the program will work.¹⁶ A theory of change is a statement that proposes a causal relationship between a program's design and a set of desired outcomes. As shown in Figure 1, a theory of change can be depicted as a flowchart, often with two-way flows and recursion.

Logic model. A description, in the form of a flowchart, of how the organization will implement the theory of change that takes the general form:



- *Inputs* are the organization's human and financial resources.
- *Activities* and *outputs* are what the organization does and delivers.
- *Intermediate outcomes* are results of the organization's activities and outputs—typically not entirely within its control—that must be achieved on the route to its ultimate outcomes.
- *Goals* or *ultimate outcomes* are the end results the organization plans to achieve from the program in question.

Strategic plan. The activities-and-outputs portion of the logic model; what the organization will actually do.

Business plan. A detailed description of how the organization will acquire and marshal the resources to implement the strategic plan.

Tracking progress. Tracking progress requires:

- Identifying significant indicators of the organization's activities, outputs, and intermediate outcomes that are necessary to achieve its goals or ultimate outcomes. Indicators can be qualitative as well as quantitative, but progress should in any case be assessable by someone outside the organization.
- Developing and implementing a system for tracking and providing regular feedback to cognizant staff.

Evaluation. Using social science methods to assess whether a particular intervention actually had an effect or, more broadly, to assess the soundness of the theory of change underlying a strategy for social change.

Notes

¹ It updates the 2001 President's Statement describing the Hewlett Foundation's approach to philanthropy, <http://www.hewlett.org/AboutUs/AnnualReports/annualReport2001.htm>.

² My personal preference is for the simpler and (to my mind) more evocative term "causal model." "Theory of change" is widely used in the nonprofit sector, however, and there is value in using a common vocabulary. The theory of change depicted in Figure 1 is considerably simplified for purposes of illustration; so too is the logic model in Figure 2. Both are also depicted as *linear*, when in fact many models of social change are complexly *recursive*.

³ Each activity described generally in the logic model or strategic plan encompasses a number of more specific steps. Consider, for example, the activities subsumed within "recruit adolescents in the target group," starting with identifying potential participants and persuading them to participate, which itself might involve distributing leaflets, recruiting their teachers or peers, and so on. Even when the activities have been broken into their composite parts, not every detail can be anticipated, and the plan will be subject to additions and mid-course corrections. But the more that can be anticipated—especially in the design of systems—the more likely the program will avoid bumps in the road or serious mishaps.

⁴ Cf. Shona L. Brown and Kathleen M. Eisenhardt, *Competing on the Edge: Strategy as Structured Chaos* (Boston, Mass.: Harvard Business School Press, 1998).

⁵ Indeed, funders should be ready to support their grantees' development of such systems. For example, the Hewlett Foundation made a grant to REDE, a regranter and technical assistance provider for workforce development, to enable the organizations it supports to track the services delivered to individuals and the impact of those services on their lives over time.

⁶ The teen pregnancy program involves the delivery of services. While the particular theories of change and strategies will differ for, say, organizations engaging in community organizing or advocating public policy reform, their effectiveness depends on similar planning processes.

⁷ See the Foundation's 2002 President's Report (<http://www.hewlett.org/AboutUs/AnnualReports/2002AnnReport.htm>); Paul Brest, "Smart Money: Strategic General Operating Support," *Stanford Social Innovation Review* (Winter 2003). Another strategy is to set aside funds for special projects or opportunity grants, which can be used to support start-up ventures as well as long-standing organizations.

⁸ In making a general operating support grant to an organization that has a number of different programs, we are explicit that our funds may be

allocated within the organization as its CEO and board see fit. Nonetheless, we may ask the organization to focus its progress reports on aspects of its work that are most closely linked to the Foundation's own strategic plan.

⁹ See, e.g., <http://www.hewlett.org/Archives/>, which contains the results of research commissioned on children and youth issues.

¹⁰ For example, a grant to the Greater Kansas City Community Foundation supports the development of a Web-based tool that makes available to donors critical information about the organizational and programmatic performance of selected nonprofit organizations.

¹¹ The subject of risk raises three ancillary issues. First, it is often said that foundations play a special role in supporting innovative and hence risky social enterprises—and, indeed, much of the Hewlett Foundation's grants portfolio fits this description. However, there is also a role for supporting the relatively non-risky work of stable organizations. So, our Performing Arts Program supports the San Francisco Symphony as well as “edgy” music groups. Second, we have considered whether our grants should constitute a “diversified portfolio” in terms of risk. The rationales for a diversified portfolio of financial investments—achieving a balance of stability and growth and the advantages of heterogeneity—do not apply directly to grants. Nonetheless, there may be social as well as psychological value in not having all of one's grants be high risk. Third, in view of the discussion of risk and return within programs, one might think of comparing a foundation like Hewlett that has multiple grantmaking objectives with a conglomerate like General Electric, whose central management acts as an internal bank, investing funds in the company's various divisions—e.g., appliances, financial services, aircraft engines—with the goal of netting the greatest financial return on its capital. Even if our Board wished to follow a model like General Electric's, however, it would have no plausible methodology for comparing the social returns from radically different programs. By contrast to financial returns, which are all reducible to a bottom line, social returns differ greatly from one area to another.

¹² See the Center for Effective Philanthropy's Grantee Perception Report (January 2004), <http://www.hewlett.org/AboutUs/Grantee+Perception+Report/>.

¹³ In April 2004, the Board approved a grant for the joint development of Web-based tools by Innovation Network (www.innonet.org) and ActKnowledge (www.actknowledge.org).

¹⁴ Even when the desired outcome occurs, one cannot always be sure that it resulted from the intervention. For example, after New York adopted a “broken windows” strategy for reducing crime, crime rates declined significantly—but they also declined throughout the nation, including cities that had done business as usual. See, e.g., Steven D. Levitt, “Understanding

Why Crime Fell in the 1990s: Four Factors that Explain the Decline and Six That Do Not,” *Journal of Economic Perspectives* (forthcoming). Conversely, it is possible for a good strategy to fail to achieve the desired outcome because of some unforeseeable circumstance that can be guarded against in the future.

¹⁵ As a result of Dr. McCord’s and others’ evaluations of the D.A.R.E. program, the organization completely revised its curriculum. See <http://www.dare.com/home/Curriculum/Default66d2.asp?N=Curriculum&M=10&S=0>.

¹⁶ Carol Weiss, “Nothing as Practical as Good Theory: Exploring Theory-Based Evaluation for Comprehensive Community Initiatives for Children and Families,” in James P. Connell, Anne C. Kubisch, Lisbeth B. Schorr, and Carol H. Weiss, eds., *New Approaches to Evaluating Community Initiatives*, vol. 1, *Concepts, Methods, and Contexts* (1995).

Programs

THE PROGRAM STATEMENTS that follow describe certain specific objectives of The William and Flora Hewlett Foundation. Other goals are general; they underlie all the programs and all the funding choices the Foundation makes.

FIRST, the Foundation has a strong basic commitment to the voluntary, nonprofit sector that lies between industry and government. Institutions and organizations in this category serve purposes very important to our society, and their health and effectiveness are a major concern. Accordingly, the Foundation intends to assist efforts to strengthen their financial base and increase their efficiency.

SECOND, the Foundation also believes that private philanthropy is of great value to society. Support from individuals, businesses, or foundations can supplement government funding and, in some important cases, can provide a benign and fruitful alternative. The Foundation considers the nation's habits of philanthropy, individual and corporate, less healthy than they could be, and therefore will be particularly receptive to proposals that show promise of stimulating private philanthropy.

A GREAT MANY excellent organizations meet both the general criteria suggested here and the specifications set forth in the statements that follow. Competition for the available funds is intense. The Foundation can respond favorably to only a small proportion of the worthwhile proposals it receives.

Conflict Resolution

The Conflict Resolution Program supports organizations that anticipate and respond to domestic and international strife through a variety of means, including preventing and resolving particular disputes; facilitating systemic change in states, organizations, and communities; and promoting dialogue and participation in democratic decisionmaking.

The Program's grantmaking supports the infrastructure in key sectors of the conflict resolution field, with a strong emphasis on knowledge building, including research and evaluation of the effectiveness of conflict resolution techniques. Its elements include:

- Consensus Building, Public Participation, and Policymaking – supporting research and emerging networks of practitioners concerned with consensus-building approaches to complex, multiparty problems and contentious policymaking, and with citizen participation in public decisionmaking;
- Field Infrastructure – with grants to academic institutions and regional and national practitioner organizations, aimed at improving the quality of practice; and
- International Conflict Resolution – supporting a small number of research institutions concerned with international conflict prevention, conflict resolution, and post-conflict peace building; and umbrella organizations dedicated to putting the research results into practice.

In 2003, the Conflict Resolution Program made grants totaling \$8,989,000.

Consensus Building, Public Participation, and Policymaking

The Foundation supports consensus-oriented approaches to policymaking and complex multiparty problem solving, and deliberative citizen participation in public decisionmaking. To further develop the organizational and knowledge-building infrastructure for deliberative democracy, grants were made to AmericaSpeaks for the Deliberative Democracy Consortium, the Topsfield Foundation for the National Coalition for Dialogue and Deliberation, and the Institute of Development Studies to bridge U.S. and international work in this area.

Grants targeted to specific initiatives in public participation and consensus building were made to the Harwood Institute for

Program Guidelines

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Public Innovation, Harvard University, Search for Common Ground, CDR Associates, and the Woodrow Wilson International Center for Scholars. Grants to the National League of Cities and the National Conference of State Legislatures acquainted municipal and state officials with innovative approaches to engage citizens in deliberation on complex policy matters.

Our grantmaking also continued to fund efforts to understand the impact of environmental conflict resolution and to support the development of conflict resolution and collaborative problem-solving capacity at the state level. An additional suite of grants (with Special Projects) to the Public Policy Institute of California, California Policy Reform Network, Viewpoint Learning, and PolicyLink provided for research, outreach, and education to raise the public's and policy leaders' awareness of growth and physical infrastructure-related challenges in California.

Field Infrastructure

The Foundation provides support to leading national conflict resolution membership and support organizations, umbrella organizations representing a wide constituency of groups within a particular sector of the field, and academic institutions. Grants in 2003 included the Association for Conflict Resolution, the American Bar Association's Section of Dispute Resolution, the Institute for the Study of Conflict Transformation, the Policy Consensus Initiative, the California Dispute Resolution Institute at the University of San Francisco, Indiana University's Indiana Conflict Resolution Institute, and George Mason University's Institute for Conflict Analysis and Resolution.

International Conflict Resolution

The Foundation offers support to a small number of academic institutions and policy-oriented centers concerned with international conflict prevention, conflict resolution, and post-conflict peace building. It also supports umbrella organizations that encourage strong evaluation and knowledge building.

Grants were made to support conflict prevention and management work on the ground, including grants to Search for Common Ground, the West Africa Network for Peacebuilding, the

Project on Ethnic Relations, and the Asia Foundation. Theory-building grantees included Stanford University's Center for International Security and Cooperation (CISAC) and the International Peace Academy.

* * *

The William and Flora Hewlett Foundation has played a major role in developing and supporting the conflict resolution field for nearly two decades. During this time, the field has grown and matured and achieved considerable acceptance and self-sufficiency across various areas of practice. While recognizing the continuing value of conflict resolution and peacemaking in the United States and internationally, the Foundation has decided to wind down its support for this area and to deploy its resources to other pressing social issues. The Conflict Resolution Program expects to make final grants by the end of 2004.

Consensus Building, Public Participation, and Policymaking

AMERICASPEAKS

Washington, D.C.

For general support of AmericaSpeaks Deliberative Democracy Consortium \$200,000

ARIZONA SUPREME COURT

Phoenix, Arizona

*For the Dividing the Waters project
(Collaboration with Environment)* 0

CALIFORNIA CENTER FOR REGIONAL LEADERSHIP

San Francisco, California

*For the California 2025 Project
(Collaboration with Special Projects)* 125,000

CDR ASSOCIATES

Boulder, Colorado

For a project on collaborative problem solving 150,000

DC AGENDA SUPPORT CORPORATION

Washington, D.C.

For the Collaboration DC project 325,000

GHK INTERNATIONAL

Columbia, South Carolina

*For a project to measure the effectiveness and environmental contributions of dispute
resolution processes* 200,000

HARVARD UNIVERSITY

Cambridge, Massachusetts

For a research project on the results of civic deliberation 50,000

HARWOOD INSTITUTE FOR PUBLIC INNOVATION

Bethesda, Maryland

*For development of a framework and guide for public engagement by municipal
agencies* 175,000

INSTITUTE OF DEVELOPMENT STUDIES

Brighton, United Kingdom

*For the exchange of information and knowledge on strengthening participation in
local governance* 150,000

KEYSTONE CENTER

Keystone, Colorado

*For an invitational dialogue entitled "Risk, Uncertainty, Safety and the
Precautionary Principle"* 26,500

MERIDIAN INSTITUTE

Dillon, Colorado

*For the Workshop on Assessing Environmental Outcomes of Community-Based
Collaboratives* 15,000

NATIONAL CONFERENCE OF STATE LEGISLATURES

Denver, Colorado

*For a planning project to improve conflict resolution processes and skills in state
legislatures* 40,000

Conflict Resolution: Organizations (by Category)	Grants Authorized 2003
NATIONAL LEAGUE OF CITIES INSTITUTE Washington, D.C. <i>For programs to strengthen municipal democratic local governance</i>	240,000
NORTH BAY CONSENSUS COUNCIL Forestville, California <i>For general support</i>	75,000
POLICYLINK Oakland, California <i>For the California 2025 Project (Collaboration with Special Projects)</i>	65,000
PORTLAND STATE UNIVERSITY, NATIONAL POLICY CONSENSUS CENTER Portland, Oregon <i>For the State Solutions Network</i>	25,000
PUBLIC CONVERSATIONS PROJECT Watertown, Massachusetts <i>For general support</i>	100,000
PUBLIC POLICY INSTITUTE OF CALIFORNIA San Francisco, California <i>For the California 2025 project (Collaboration with Special Projects)</i>	0
SEARCH FOR COMMON GROUND Washington, D.C. <i>For the United States Consensus Council</i>	125,000
TOPSFIELD FOUNDATION Pomfret, Connecticut <i>For general support of the National Coalition for Dialogue and Deliberation</i>	100,000
UNIVERSITY OF COLORADO AT BOULDER, NATURAL RESOURCES LAW CENTER Boulder, Colorado <i>For workshops designed to review and analyze previous mediation attempts to resolve water allocation disputes in the Klamath River Basin</i>	17,000
UNIVERSITY OF COLORADO AT BOULDER, SCHOOL OF LAW Boulder, Colorado <i>For the Natural Resources Law Center (Collaboration with Environment)</i>	0
VIEWPOINT LEARNING La Jolla, California <i>For the ChoiceWork Dialogues on the California Infrastructure project (Collaboration with Special Projects)</i>	100,000
WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS Washington, D.C. <i>For the Latin American Program's Participatory and Deliberative Governance in Mexico: Concepts, Cases, and Consequences project (Collaboration with U.S.–Latin American Relations)</i>	40,000

Field Infrastructure

AMERICAN BAR ASSOCIATION FUND FOR JUSTICE AND EDUCATION Washington, D.C. <i>For general support of the Section of Dispute Resolution</i>	350,000
ASSOCIATION FOR CONFLICT RESOLUTION Washington, D.C. <i>For general support</i>	950,000
CITY UNIVERSITY OF NEW YORK, JOHN JAY COLLEGE OF CRIMINAL JUSTICE New York, New York <i>For the Dispute Resolution Consortium</i>	100,000
GEORGE MASON UNIVERSITY Fairfax, Virginia <i>For the Institute for Conflict Analysis and Resolution</i>	350,000
HOFSTRA UNIVERSITY, SCHOOL OF LAW Hempstead, New York <i>To assess the important and remaining gaps in the knowledge that has been generated by Hewlett Theory Centers</i>	38,500
INDIANA UNIVERSITY, SCHOOL OF PUBLIC AND ENVIRONMENTAL AFFAIRS Bloomington, Indiana <i>For general support of the Indiana Conflict Resolution Institute</i>	200,000
INSTITUTE FOR THE STUDY OF CONFLICT TRANSFORMATION Hempstead, New York <i>For general support</i>	100,000
NATIONAL CONFERENCE ON PEACEMAKING AND CONFLICT RESOLUTION Tucson, Arizona <i>For general support</i>	135,000
NEW COLLEGE OF CALIFORNIA San Francisco, California <i>For general support of the New College of California's Practitioners Research and Scholarship Institute</i>	175,000
POLICY CONSENSUS INITIATIVE Portland, Oregon <i>For general support</i>	700,000
STANFORD UNIVERSITY, SCHOOL OF LAW Stanford, California <i>For the Project on the Evolution of the Conflict Resolution Field</i>	125,000
UNIVERSITY OF COLORADO AT BOULDER, CONFLICT RESEARCH CONSORTIUM Boulder, Colorado <i>For the Intractable Conflict Knowledge Base project</i>	450,000
UNIVERSITY OF SAN FRANCISCO, LEO T. MCCARTHY CENTER FOR PUBLIC SERVICE AND THE COMMON GOOD San Francisco, California <i>For the California Dispute Resolution Institute</i>	150,000

International Conflict Resolution

ALLIANCE FOR CONFLICT TRANSFORMATION

Fairfax, Virginia

For a project entitled "Track One and Track Two: Coordinating Peace-Building Efforts" 50,000

ASIA FOUNDATION

San Francisco, California

For the Conflict Management and Democratic Governance in Asia program 150,000

COLUMBIA UNIVERSITY, SCHOOL OF INTERNATIONAL AND PUBLIC AFFAIRS

New York, New York

For general support of the Center for International Conflict Resolution 200,000

EL COLEGIO DE MÉXICO, CENTRO DE ESTUDIOS DEMOGRÁFICOS Y DE DESARROLLO URBANO

Mexico City, México

For the Centro de Estudios Demográficos y de Desarrollo Urbano to evaluate the impact of BRT corridors and to serve as project advisor to the Mexico City government (Collaboration with Environment, U.S.–Latin American Relations) 25,000

EUROPEAN CENTRE FOR CONFLICT PREVENTION

Utrecht, The Netherlands

For the European Platform for Conflict Prevention and Transformation 200,000

FUND FOR PEACE

Washington, D.C.

For general support 100,000

HENRY L. STIMSON CENTER

Washington, D.C.

For general support (Collaboration with Special Projects) 0

HUMAN RIGHTS WATCH

New York, New York

For general support (Collaboration with Special Projects) 0

INSTITUTE OF WORLD AFFAIRS

Washington, D.C.

For general support 150,000

INTERNATIONAL ALERT

London, England

For general support (Collaboration with Special Projects) 0

INTERNATIONAL CRISIS GROUP

Washington, D.C.

For general support (Collaboration with Special Projects) 0

INTERNATIONAL PEACE ACADEMY

New York, New York

For general support 100,000

Conflict Resolution: Organizations (by Category)	Grants Authorized 2003
KING'S COLLEGE, CENTRE FOR DEFENCE STUDIES NORTH-SOUTH DEFENCE AND SECURITY PROGRAMME London, England <i>For the International Centre for Peace Initiatives</i>	100,000
LAWYERS COMMITTEE FOR HUMAN RIGHTS New York, New York <i>For general support (Collaboration with Special Projects)</i>	0
NEW YORK UNIVERSITY, CENTER ON INTERNATIONAL COOPERATION New York, New York <i>For the Project on International Courts and Tribunals</i>	200,000
PLOWSHARES INSTITUTE Simsbury, Connecticut <i>For the Human Rights, Democracy and Conflict Transformation: Addressing the Roots of Terrorism project</i>	25,000
PROJECT ON ETHNIC RELATIONS Princeton, New Jersey <i>For general support</i>	300,000
RELATIONSHIPS FOUNDATION Cambridge, England <i>For the Inter-Sudanese Consultation on Peace and Justice program</i>	100,000
SEARCH FOR COMMON GROUND Washington, D.C. <i>For general support</i>	400,000
STANFORD UNIVERSITY Stanford, California <i>For support of the "Creating Partners: Understanding the Dynamics of Reconciliation in Northern Ireland" project</i>	100,000
STANFORD UNIVERSITY, CENTER FOR INTERNATIONAL SECURITY AND COOPERATION Stanford, California <i>For the Center for International Security and Cooperation</i>	150,000
STANFORD UNIVERSITY, DEPARTMENT OF COMMUNICATIONS Stanford, California <i>For the Center for Deliberative Democracy (Collaboration with Global Affairs/AIW)</i>	100,000
STANFORD UNIVERSITY, INSTITUTE FOR INTERNATIONAL STUDIES Stanford, California <i>For the Center on Democracy, Development, and the Rule of Law (Collaboration with Global Affairs/AIW)</i>	0
STANFORD UNIVERSITY, STANFORD CENTER ON CONFLICT AND NEGOTIATION Stanford, California <i>For a Middle East consultation on peace implementation (Collaboration with Special Projects)</i>	0

Conflict Resolution: Organizations (by Category)	Grants Authorized 2003
TUFTS UNIVERSITY, FLETCHER SCHOOL OF LAW AND DIPLOMACY Medford, Massachusetts <i>For general support of the Center for Human Rights and Conflict Resolution</i>	100,000
UNITED NATIONS ASSOCIATION OF THE UNITED STATES New York, New York <i>For the U.S./Iran Dialogue on Multilateral Diplomacy and the Management of Global Issues (Collaboration with Global Affairs/AIW)</i>	25,000
UNITED NATIONS DEVELOPMENT PROGRAMME, REGIONAL BUREAU FOR LATIN AMERICA AND THE CARIBBEAN New York, New York <i>For the Democratic Dialogue Project</i>	15,000
UNIVERSITY OF CALIFORNIA AT IRVINE, GLOBAL PEACE AND CONFLICT STUDIES Irvine, California <i>For the Georgian-Abkhaz Peace Building Project</i>	100,000
WEST AFRICA NETWORK FOR PEACEBUILDING Accra, West Africa <i>For general support</i>	100,000

Opportunity

CAPITAL UNIVERSITY Columbus, Ohio <i>For the National Conference of Minority Professionals in Alternative Dispute Resolution</i>	20,000
UNIVERSITY OF SAN FRANCISCO, CALIFORNIA DISPUTE RESOLUTION INSTITUTE San Francisco, California <i>For a California community mediation center conference</i>	12,000

Education

Grants in the Education Program promote long-term institutional or field development, reform, or knowledge creation in five priority areas: improving instruction, California reform, technology, universal basic and secondary education, and opportunity. The Education Program funds policy studies, research, development, demonstrations, evaluations, dissemination, and public engagement to accomplish its objectives.

Program Guidelines

The Program started 2003 with an approved plan that set out four strategic components and an “opportunity” component. The five components, which span K-12 and post-secondary education, are:

- Increasing student achievement by systematically improving instruction in urban school systems and community college classrooms;
- Using information technology to increase access to high-quality academic content;
- Improving the quality and equality of California schools and community colleges;
- Supporting strategies to provide effective universal basic and secondary education (UBASE) in developing nations, in collaboration with the Population and U.S.–Latin American Relations (USLAR) programs; and
- Opportunity grants initiated by the Foundation that support the goals of the Education Program but that do not fit into one of the other four categories. In particular, the Foundation may make selective grants that strive to ensure the quality of institutions of higher education.

In 2003, the Education Program made grants totaling \$29,634,500.

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The goals for 2003 were to increase the effectiveness of our grantmaking (1) by working closely with our grantees and ensuring quality evaluations; (2) through field-building efforts such as forming networks of grantees and other experts; (3) by forming collaborations with other foundations and key private and public organizations; and (4) by awarding grants that help determine the key next steps in each strategic area. One by-product of these efforts has been insights into ways that we might refine and focus our strategic priorities.

Improving Instruction in Urban Sites

Over the past decade or two, education experts have learned an extraordinary amount about how to improve instruction in the classroom. One promising approach involves the use of systematic and frequent data to inform teachers and students about how well students are learning the content and skills that they are being taught. Substantially improving student performance—bringing almost all students to challenging standards of achievement, whether at the second grade or community college level—appears to require that teachers have the data, skills, and opportunities necessary to continuously improve their instruction. For the past three years, the Foundation has systematically explored how best to improve instruction in inner city schools. Our strategies have included grants for research, evaluation, tool development, major demonstrations in urban centers, and knowledge dissemination.

In 2003, in addition to large prior commitments to the San Diego School District and Bay Area School Reform Consortium (BASRC), the Foundation focused on a number of relatively low-budget activities. We also explored funding new districts, particularly in the San Francisco Bay Area, for significant demonstrations. Finally, we continued efforts to build knowledge about instructional reform internationally through our work with the Organisation for Economic Co-operation and Development (OECD), examining formative assessment in a number of OECD-member countries, and with a recent grant to the Aspen Institute to work on instructional reform in secondary schools.

Using Information Technology to Increase Access to High-Quality Academic Content

The Foundation's primary goal in this component is to use information technology to help equalize the distribution of high-quality knowledge and educational opportunities for individuals, faculty, and institutions within the United States and throughout the world. The primary focus is on creating exemplars of academic content that are free and accessible to all on the Web. A secondary focus has been to provide funding for research and development of innovative technology to support classroom instruction and to teach reading and

mathematics, especially for non-English-speaking students in U.S. schools.

The Program's grant to MIT OpenCourseWare (OCW), our earliest and largest grant in the open content area, successfully launched its 500th online course in 2003. The impact in the developing world has been particularly impressive. For example, OCW staff and others were invited to a special meeting with 100 Chinese universities in Beijing in September, and faculty of Iraqi universities intend to examine OCW content to re-calibrate their teaching and research. Other open content grantees such as Carnegie Mellon, UC Berkeley, Rice, and Harvard continue to make strong progress on the development of exemplary content. To understand better how open content is being used, we developed grants with OECD, UNESCO, and UC Berkeley to examine the factors that support or inhibit use at the individual user level.

During 2003, the Education Program extended the scope of its open content work by funding networks among and between entrepreneurs and grantees, and by encouraging projects that move beyond the creation and dissemination of content to address impediments to use and adaptation of the content by local users. In March, the Hewlett Foundation brought together our open content grantees and other technology innovators to explore ways to collaborate and improve upon this work. As a direct result of that meeting, the Education Program made a number of additional open content-related grants.

We have also begun to explore how an open content strategy might best be initiated at the community college level. In April, the Education Program convened representatives of the California community college system to discuss how technology might be used to address issues of access. In the K-12 arena, the online mathematics curriculum of the Dana Center at the University of Texas continues to be of the highest quality, with demand increasing rapidly. The Foundation initiated and co-funded the North American Council of Online Learning, an organization of states and provinces formed to provide leadership and promote quality K-12 online teaching and learning. Technology-based peer-to-peer communities are another area we began to explore in 2003.

Improving the Quality and Equality of California Schools and Community Colleges

K-12 education reform. Building on prior work, the Education Program set two short-term goals for 2003: (1) to achieve greater coordination and collaboration among existing grantees, and (2) to partner with other grantmakers in new investments that extend the reach of existing research to new audiences.

In mid-March, we convened all grantees in the California portfolio for a two-day meeting aimed at building stronger networks, with the goal of promoting stronger grantee collaboration on research and policy development projects. In addition to field building, we made great strides in extending the reach of the research by partnering with the Rockefeller Foundation to bring new grassroots advocacy organizations into our California portfolio. Another new area in the California portfolio this year focused on efforts to develop school finance “adequacy” models that link revenue and resource allocation decisions to the student performance standards that schools must meet.

California community colleges. The focus on California community colleges was new in 2003. As with our work in K-12 reform, the community college work has three strands: (1) promoting research and public awareness about the status of California community colleges; (2) improving the quality of traditional academic instruction; and (3) promoting student access to high-quality academic content through new technologies.

Work began on the first strand with grants to build a public awareness network that would bring information about the condition and challenges facing California community colleges to targeted policy and stakeholder audiences. The first set of grants went to the Community College League of California (including the California Business Roundtable and the Mexican American Legal Defense and Education Fund) and to California Tomorrow.

UBASE (Universal Basic and Secondary Education)

UBASE is a collaborative effort with the U.S.–Latin American Relations and Population programs and the Global Affairs Initiative.

The Education Program collaborated with the Population Program on the renewal of a very successful grant to the Council on Foreign Relations to develop effective policies for global education finance and to engage U.S. and international donors in supporting education in poor countries. The Education Program also provided seed funding for a small nonprofit company using a technology-based strategy to provide educational services in Afghanistan.

Opportunity

The Foundation continues to award a small number of grants in two important areas. One small cluster addresses issues related to the Supreme Court ruling on affirmative action and especially on how colleges and universities with diverse student bodies can have productive and integrated social and academic environments. The other area is the improvement of the quality and nature of education and other social science research and evaluation. During the past year, we provided funds for some analysis and development work at the National Research Council in this area, as well as for two randomized trial evaluations in important education areas.

Improving Instruction

AMERICAN INSTITUTES FOR RESEARCH

Washington, D.C.

For a planning grant to prepare for a study of the instructional reform efforts in San Diego

\$106,500

ASPEN INSTITUTE, PROGRAM ON EDUCATION

Washington, D.C.

For the Program on Education in a Changing Society to support policy dialogues and analysis focused on improving instruction and student outcomes in American high schools

450,000

BAY AREA SCHOOL REFORM COLLABORATIVE

San Francisco, California

For the Hewlett-Annenberg Challenge for school reform in the Bay Area

5,000,000

KNOWLEDGE IS POWER PROGRAM

San Francisco, California

For support of the San Francisco Bay Academy

20,000

MANPOWER DEMONSTRATION RESEARCH CORPORATION

New York, New York

For a series of conferences focused on what has been learned from high school reform efforts

100,000

NEWSCHOOLS VENTURE FUND

San Francisco, California

For the NewSchools Performance Accelerator Fund

1,500,000

PUBLIC POLICY INSTITUTE OF CALIFORNIA

San Francisco, California

For a study on the effect of the San Diego school reforms on student reading achievement

175,000

RAND CORPORATION

Santa Monica, California

For the enhancement and completion of an investigation of alternative accountability models in public education

10,000

RAVENSWOOD CITY SCHOOL DISTRICT

East Palo Alto, California

For an analysis of the District's financial health and human resources capability

200,000

SAN DIEGO STATE UNIVERSITY FOUNDATION, SAN DIEGO UNIFIED SCHOOL DISTRICT

San Diego, California

For academic reform initiatives in the San Diego Unified School District

6,000,000

UNIVERSITY OF CALIFORNIA, OFFICE OF THE PRESIDENT

Oakland, California

To produce and publish a survey and review of available instructional technology designed to support teaching of English and reading skills to young English language learners

105,000

Education: Organizations (by Category)	Grants Authorized 2003
UNIVERSITY OF CALIFORNIA AT SANTA CRUZ, NEW TEACHER CENTER Santa Cruz, California <i>For new teacher and principal support and mentoring to improve the quality of instruction in two of Ravenswood School District's lowest-performing schools</i>	300,000
<i>Technology</i>	
ALEXANDRIA ARCHIVE INSTITUTE San Francisco, California <i>For the dissemination of openly available structured archaeological data worldwide via the Internet</i>	125,000
BRANDEIS UNIVERSITY, COMPUTER SCIENCE DEPARTMENT Waltham, Massachusetts <i>For the development of a peer-to-peer technology-based learning communities project for young learners</i>	150,000
CAST Wakefield, Massachusetts <i>For the Thinking Reader for English Language Learners project</i>	150,000
COUNCIL OF INDEPENDENT COLLEGES Washington, D.C. <i>For a project titled "Technological Change and the Transformation of the Liberal Arts College Library"</i>	200,000
CREATIVE COMMONS Stanford, California <i>For general support</i>	1,000,000
INSTITUTE FOR THE STUDY OF KNOWLEDGE MANAGEMENT IN EDUCATION Half Moon Bay, California <i>For research on the availability and quality of technology-based academic content for potential use by community colleges, with emphasis on whether high-quality materials exist for the basic skills and developmental courses</i>	35,000
INTERNET ARCHIVE San Francisco, California <i>For the expansion of, and access to, open available collections of educational and historical online materials</i>	1,000,000
JAMES BURKE INSTITUTE FOR EDUCATIONAL INNOVATION San Jose, California <i>For the support of interface accessibility and use testing of the Knowledge Web database</i>	40,000
MASSACHUSETTS INSTITUTE OF TECHNOLOGY Cambridge, Massachusetts <i>For support of the MIT OpenCourseWare project</i>	1,700,000
MONTEREY INSTITUTE FOR TECHNOLOGY AND EDUCATION Monterey, California <i>For a feasibility study to develop a repository that makes high-quality course content available to secondary schools and students across the nation</i>	200,000

Education: Organizations (by Category)	Grants Authorized 2003
ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT Paris, France <i>For E-learning case studies in post-secondary education and training</i>	200,000
UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION, INFORMATION SOCIETY DIVISION Paris, France <i>For support of UNESCO's INFOYOUTH Programme, to develop a portal to provide open access to materials and tutoring needed to prepare Palestinian students for the high school exit exam</i> <i>For studying the use of open content educational resources in developing countries</i>	30,000 130,000
UNIVERSITY OF CALIFORNIA, OFFICE OF THE PRESIDENT Oakland, California <i>For the development of tools to permit broader access to the world's leading libraries and other cultural institutions around the world</i>	1,000,000
UNIVERSITY OF CALIFORNIA AT BERKELEY Berkeley, California <i>For the Center for Studies in Higher Education to study the use of Web-based collections of open academic content</i>	250,000
UNIVERSITY OF MAURITIUS Réduit, Mauritius <i>For the International Conference on Open and Online Learning (ICOOL)</i>	40,000
UNIVERSITY OF TEXAS AT AUSTIN Austin, Texas <i>For development and dissemination of an effective technology-based program for secondary school mathematics</i>	370,000
UNIVERSITY OF WASHINGTON, CENTER FOR AMERICAN POLITICS AND PUBLIC POLICY Seattle, Washington <i>For preparation of two educational computer simulations—of the legislative process and of elections—for widespread, open use</i>	50,000
UNIVERSITY OF WISCONSIN, ACADEMIC ADL CO-LAB Madison, Wisconsin <i>For an analysis of national and international repository initiatives and governing support to explore opportunities to coordinate among collections</i>	26,000
UTAH STATE UNIVERSITY Logan, Utah <i>For the Open Learning Support and EduCommons projects to build software to create informal learning communities and to enable collaboration on the development of open educational content</i>	915,000
 California Reform	
CALIFORNIA DEPARTMENT OF EDUCATION Sacramento, California <i>For general support of California Department of Education's launch of the Quality Education Commission</i>	250,000

Education: Organizations (by Category)	Grants Authorized 2003
CALIFORNIA TOMORROW Oakland, California <i>For dissemination of a research project on the experience of students of color and immigrants in the California community colleges</i>	600,000
CALIFORNIANS FOR JUSTICE EDUCATION FUND Oakland, California <i>For general support</i>	260,000
CENTER ON EDUCATION POLICY Washington, D.C. <i>For a West Coast seminar on testing and accountability issues for education writers and broadcast journalists</i>	90,000
CITY UNIVERSITY OF NEW YORK New York, New York <i>For planning activities for a series of coordinated studies in California and Texas on improving instruction and assessment of Latino students and English language learners</i>	10,000
COMMUNITY COLLEGE LEAGUE OF CALIFORNIA Sacramento, California <i>For the Campaign for College Opportunity</i>	450,000
ECONOMIC POLICY INSTITUTE Washington, D.C. <i>For the development of a national model for estimating adequacy in school finance</i>	225,000
EDSOURCE Palo Alto, California <i>For general support</i>	500,000
HARVARD UNIVERSITY Cambridge, Massachusetts <i>For the Civil Rights Project to provide partial support for a policy development conference in Sacramento on higher education opportunity in California</i>	18,000
LEAGUE OF WOMEN VOTERS OF CALIFORNIA EDUCATION FUND Sacramento, California <i>For voter education and outreach work related to public schooling (pre-K through community colleges) in California</i>	150,000
RAND CORPORATION Santa Monica, California <i>For the acquisition, preservation, and analysis of archival data from California's past statewide testing programs</i>	22,000
STANFORD UNIVERSITY, SCHOOL OF EDUCATION Stanford, California <i>For the Performance Assessment for California Teachers project</i>	150,000
SYRACUSE UNIVERSITY Syracuse, New York <i>For inclusion of California community colleges in a nationwide longitudinal study of how innovative instructional programs affect the long-term retention and success of at-risk college students</i>	120,000

Education: Organizations (by Category)	Grants Authorized 2003
UNIVERSITY OF CALIFORNIA AT BERKELEY, SCHOOL OF EDUCATION Berkeley, California <i>For general support of the University of California at Berkeley's Policy Analysis for California Education</i>	660,000
UNIVERSITY OF CALIFORNIA AT BERKELEY, SCHOOL OF EDUCATION Berkeley, California <i>For general support of the University of California at Berkeley's Policy Analysis for California Education</i>	100,000
UNIVERSITY OF CALIFORNIA AT LOS ANGELES, INSTITUTE FOR DEMOCRACY, EDUCATION AND ACCESS Los Angeles, California <i>For the California Campaign for Educational Equity and Opportunity</i>	600,000
UNIVERSITY OF CALIFORNIA AT SANTA CRUZ, NEW TEACHER CENTER Santa Cruz, California <i>For general support of the University of California at Santa Cruz's New Teacher Center</i>	300,000
 <i>Universal Basic and Secondary Education(UBASE)</i> 	
COUNCIL ON FOREIGN RELATIONS, CENTER FOR UNIVERSAL EDUCATION Washington, D.C. <i>For the Center for Universal Education and its universal primary education programs (Collaboration with Population)</i>	360,000
 <i>Opportunity</i> 	
BUILDING ENGINEERING AND SCIENCE TALENT San Diego, California <i>For work in mobilizing business and political support for pre-K-12 programs that work effectively to develop the math and science talent of students from groups under-represented in science and engineering jobs</i>	115,000
BUSH FOUNDATION Saint Paul, Minnesota <i>For the support of historically black private colleges and universities</i>	900,000
CORPORATION FOR THE ADVANCEMENT OF POLICY EVALUATION Washington, D.C. <i>For an evaluation of the Teach for America program, in collaboration with Mathematica Policy Research, Inc.</i>	150,000
COUNCIL FOR AID TO EDUCATION New York, New York <i>For the Collegiate Learning Assessment Initiative</i>	150,000
CULTURAL INITIATIVES SILICON VALLEY San Jose, California <i>For general support (Collaboration with Performing Arts)</i>	150,000
FAMILIES INVESTED IN RESPONSIBLE MEDIA San Francisco, California <i>For general support</i>	75,000

Education: Organizations (by Category)	Grants Authorized 2003
HARVARD UNIVERSITY, GRADUATE SCHOOL OF EDUCATION Cambridge, Massachusetts <i>To widely disseminate knowledge and strategies from a multiyear study of colleges and universities with diverse student bodies that have created productive and integrated social and academic environments</i>	100,000
JULIA MORGAN CENTER FOR THE ARTS Berkeley, California <i>For the Lincoln Center Institute program (Collaboration with Performing Arts)</i>	75,000
MICHIGAN STATE UNIVERSITY, COLLEGE OF EDUCATION East Lansing, Michigan <i>For a policy and research summit conference of the Asia-Pacific Economic Cooperation (APEC)</i>	65,000
NATIONAL ACADEMY OF SCIENCES, DIVISION OF BEHAVIORAL AND SOCIAL SCIENCES AND EDUCATION Washington, D.C. <i>For support of a project to begin the launch of the Strategic Education Research Partnership (SERP)</i>	100,000
PRINCETON UNIVERSITY, OFFICE OF POPULATION RESEARCH Princeton, New Jersey <i>For a study of the Texas Higher Education Opportunity Project (Collaboration with Special Projects)</i>	125,000
PUBLIC POLICY INSTITUTE OF CALIFORNIA San Francisco, California <i>For a study on the intergenerational integration of immigrants in California (Collaboration with Special Projects, U.S.–Latin American Relations, Population, Children and Youth)</i>	25,000
SAN FRANCISCO FOUNDATION COMMUNITY INITIATIVE FUNDS, FOUNDATION CONSORTIUM FOR CALIFORNIA’S CHILDREN & YOUTH San Francisco, California <i>For continuing membership in and for general support of the Foundation Consortium for California’s Children and Youth</i>	200,000
STANFORD UNIVERSITY Stanford, California <i>For research to examine brain plasticity underlining effective remedial reading interventions with children who struggle to read</i>	237,000
UNIVERSITY OF CALIFORNIA AT MERCED Merced, California <i>For the planning and development of technology applications which build connections between UC Merced and other local education institutions, and the development of approaches to promote cross-disciplinary research and exemplary teaching in the University</i>	600,000
UNIVERSITY OF SOUTHERN CALIFORNIA, PEW HISPANIC CENTER Los Angeles, California <i>For a two-day meeting of grantmakers and elected officials focused on the K-16 education of Hispanic children and youth in the United States</i>	50,000

**Education:
Organizations
(by Category)**

**Grants
Authorized
2003**

YOUNG AUDIENCES

New York, New York

*For the Arts for Learning Web site evaluation
(Collaboration with Performing Arts)*

75,000

Environment

The Environment Program at the Hewlett Foundation is working to respond to some of the most significant environmental challenges of our time. The program has two broad goals: to save the great ecosystems of the North American West and to reduce the environmental impacts of fossil fuel energy systems by promoting energy efficiency and renewable energy sources.

Program Guidelines

Protecting Western Lands

The lands and waters of the North American West are among the country's—and indeed, the world's—greatest natural resources. Yet the environment of the West is threatened by energy development, timbering, motorized recreational vehicles, and rapid population growth. At the same time, many of the traditional businesses—notably ranching and farming—that have served as custodians for open space are under great economic pressures. The goals of the Hewlett Foundation's work in the West are to protect its great open spaces and important ecosystems, and to promote productive collaboration among a broad range of people committed to building an environmentally sustainable West. The Foundation is pursuing a six-part response, using strategies appropriate to the objectives:

- **Private Land Conservation: Public Finance and Ranchland and Farmland Protection** – The Foundation supports organizations that help build public support for land protection and acquisition, and that maintain viable ranching and farming.
- **Western Water Reform** – The Foundation supports efforts to reform federal and western state water law to ensure that enough water is available to keep natural systems intact.
- **Fossil Fuel Development** – The Foundation supports organizations working to ensure that energy development in the West complies with strong environmental standards.
- **Wilderness Areas** – The Foundation supports groups working within their communities to permanently protect the vast tracts of wilderness areas in the West, both in the United States and Canada.
- **Off-Road Vehicle Use** – The Foundation supports organizations working to develop basic environmental standards for off-road vehicle use on public lands.

- **New Environmental Constituencies** – The Foundation supports efforts to develop environmental science and public affairs capacities in communities not traditionally associated with conservation efforts. These constituencies may include people of color in California, hunters and anglers, Native Americans and First Nations, and ranchers and farmers.

Energy

Inefficient use of energy is at the heart of the most difficult domestic and global environmental problems, including acid rain, urban air pollution, global climate change, nuclear waste, and oil spills. The Foundation pursues the reduction of energy waste and the promotion of renewable energy through the following three strategies:

- **National Energy Policy** – The Foundation supports efforts to bolster scientific and political support for a new, visionary U.S. energy policy.
- **Western Energy Policy** – The Foundation supports efforts to build a clean-energy plan for the West, aimed at promoting renewable energy and utility energy efficiency programs and at reducing unnecessary conventional power plant development. The Energy Foundation will administer Hewlett’s work in this area.
- **Transforming Cars and Trucks: Sustainable Mobility** – The Foundation supports efforts in the United States, China, Mexico, and Brazil to encourage more efficient, lower-polluting cars and trucks. The U.S.- and China-related work is conducted through the Energy Foundation. The Hewlett Foundation’s Environment and U.S.–Latin American Relations Programs work collaboratively on efforts in Mexico and Brazil.

In 2003, the Environment Program made grants totaling \$29,671,500.

The West

The Hewlett Foundation has supported environmental protection in the West for years. The lands in the West are vast and majestic, but fragile, and today they face unprecedented development pressures.

*Program
Report*

The Foundation is continuing the traditions of the program in strengthening the western environmental movement through capacity building, general support, and multiyear grants. We have made significant investments in the environmental infrastructure in the West—in regional groups, media grants, journalism, and research. And we are expressly focusing on building the capacity of environmental organizations to ensure that they have the ability to reach out to diverse and new populations, and that their work, messages, and goals are meaningful to a broad public.

The Environment Program's work in fossil fuel development focuses on two strategies: promoting the use of best practices for energy development and the protection of the most environmentally sensitive lands in the West. In pursuing these goals, grantees are helping to both broaden and deepen the energy debate. Grantees in the Rocky Mountain Energy Campaign are finding common cause with ranchers, recreationalists, hunters, and anglers, all aimed at creating new partnerships for the environment. We are also supporting new science and analysis to help improve the quality of the debate. For example, a Hewlett-funded study by RAND has helped to develop a new methodology for determining where and when energy development is appropriate on public lands; this study has received positive attention from Congress, industry, and environmental organizations.

The water focus is on two key venues: the reform of state water law in western states and the reform of the operation of hydropower facilities through the Federal Energy Regulatory Commission (FERC). The Program's support of the Western Water Project of Trout Unlimited helps to expand the legal ability to create and use instream flow rights to protect critical habitat and important fisheries. We also support the Hydropower Reform Coalition (HRC) to work with agencies and dam owners to craft creative solutions that reflect the public's demand for healthy, vibrant rivers that support fish, wildlife, and recreation, as well as clean and renewable electrical power.

The Program's wilderness work is currently focused on western Canada—on the Great Bear Rainforest (British Columbia coast) and the Western Boreal Forest (British Columbia, Yukon, and the Northwest Territories). The opportunities for large-scale wilderness protection in Canada are enormous, as they may result in some of

the largest networks of protected areas in all of North America. The scale (hundreds of millions of acres), the biological significance, the time-limited opportunity, the imagination, foresight, and commitment of the Canadian environmental organizations, the commitment of Canada's indigenous peoples (First Nations) to sustainability, and the continued strength of the American dollar all provide compelling rationales for continued work in Canada.

With strong commitments to the Trust for Public Land and the Nature Conservancy, the Foundation continues to support technical assistance for public finance strategies. The work of our grantees, the Trust for Public Land and the Nature Conservancy, is critical and opportune, as many cities, counties, and states continue to look for opportunities to protect and provide for open space and new parks.

We also have a special focus in California, which is undergoing a vast demographic shift, aimed at building an infrastructure for environmental concerns among California's growing but still under-represented populations in the L.A. basin and the Central Valley.

Energy

Energy and global warming have been called the chief environmental concerns of our time. Energy problems are solvable at reasonable cost, but not without much greater support from key decisionmakers.

The energy grantmaking at the Foundation has three elements. Work on national energy policy is under way at the National Commission on Energy Policy, a bipartisan effort to develop long-term energy strategies for the nation. Grants managed by the Energy Foundation supported appliance standards, building codes, and research and development. This work led to a new standard for air conditioner efficiency that will reduce U.S. electricity needs by the equivalent of 155 power plants.

The Foundation is also supporting work in the western United States aimed at increasing energy efficiency and expanding the use of commercial renewable energy. This package of grants, also managed by the Energy Foundation, has helped California and New Mexico adopt renewable portfolio standards, and has led several states to expand their energy efficiency work.

Health Benefits of the New Diesel Standards

The particulate matter (PM) air quality improvements expected from this proposal produce major benefits to human health and welfare. By the year 2030, this proposed rule would annually prevent all of the following:

- 9,600 premature deaths
- 16,000 nonfatal heart attacks
- 5,700 cases of chronic bronchitis
- 8,300 hospital admissions
- 14,000 acute bronchitis attacks in children
- 260,000 respiratory symptoms in children (related to PM)
- Nearly 1 million lost work days among adults
- 6 million days where adults have to restrict their activities due to respiratory symptoms

In monetary terms, EPA estimates annual benefits to be about \$81 billion in 2030 when the program is fully phased in.

The largest component of energy grantmaking is aimed at transforming vehicles to make them much cleaner and more efficient. Cars and trucks produce a dominant share of the world's urban air pollution. New technologies can cut such emissions, but they will not prosper in the marketplace without intelligent, focused public policy. Foundations, academics, and nonprofits can be a cohesive force that provides the analysis and impetus for this work. The Foundation's goal is to reduce the impact of vehicle emissions on local air quality and global climate change. The Foundation focuses on helping the best leading-edge technologies achieve commercial success in the United States, China, Brazil, and Mexico.

In 2003, the Foundation supported a network of organizations undertaking research and education concerning the health impacts and clean-up potential of heavy diesel engines used in construction, agriculture, and industry. After a review of scientific studies and a series of public hearings, the Environmental Protection Agency drafted a rule for reducing pollution from this "non-road" machinery. The rule will reduce pollution from new machinery by more than 90 percent compared with pre-standard equipment. The total impact is summarized in the accompanying EPA figures.

Transportation in Brazil. The Program's work in Brazil is focused on the city and state of São Paulo. Our grantees are working with the state EPA to help them develop an air emissions inventory, build a new clean air act, and accelerate the introduction of clean fuels and stricter tailpipe standards. The Foundation is also supporting the Associação o Nacional de Transportes Públicos (ANTP) to build a cohesive framework for expanding Bus Rapid Transit (BRT), and is also supporting the deployment and extensive testing of a new generation of gas/electric hybrid buses for São Paulo.

Mexico. Work in Mexico has similar goals to that in Brazil. The Foundation is supporting the analysis of fuel and tailpipe standards, and other pollution control strategies undertaken by a new organization under the direction of Mario Molina, a Nobel Prize laureate in chemistry. Design of a Bus Rapid Transit corridor on Insurgentes, a major avenue in Mexico City, is under way by the Center for Sustainable Transportation (CST). And we have complementary grants to a half-dozen NGOs in the city to work on social, environmental, and economic aspects of environmental clean-up in Mexico City.

China. Transportation-related environmental grantmaking in China began five years ago, in a program supported by the Packard Foundation and managed by the Energy Foundation. Two years ago, the Hewlett Foundation joined, with the goal of expanding the efforts in the transportation sector. Analysis by the Energy Foundation's grantees in China is likely to lead to the adoption in China of fuel efficiency standards that will save, cumulatively by 2030, over 1.6 billion barrels of oil, and over \$100 billion in energy imports. These standards are the first for a developing nation. Energy Foundation grantees are also working on fuel quality and tailpipe standards, and on the design of Bus Rapid Transit systems.

Environment: Organizations (by Category)	Grants Authorized 2003
<i>The West</i>	
ALASKA CONSERVATION FOUNDATION Anchorage, Alaska <i>For general support of the Alaska Conservation Foundation's environmental regranting program</i>	\$300,000
AMERICAN RIVERS Washington, D.C. <i>For general support of American Rivers Hydropower Reform Coalition's Running Rivers West Campaign</i>	900,000
ARIZONA SUPREME COURT Phoenix, Arizona <i>For the Dividing the Waters project (Collaboration with Conflict Resolution)</i>	225,000
ARTS OF PEACE, MAINSTREAM MEDIA PROJECT Arcata, California <i>For the Western States Environmental Media Project</i>	200,000
BAY INSTITUTE OF SAN FRANCISCO Novato, California <i>For general support</i>	125,000
CALIFORNIA LEAGUE OF CONSERVATION VOTERS EDUCATION FUND Los Angeles, California <i>For general support</i>	25,000
CANADIAN PARKS AND WILDERNESS SOCIETY, BRITISH COLUMBIA CHAPTER Vancouver, British Columbia, Canada <i>For general support of Canadian Parks and Wilderness Society, for a land use and conservation plan for the Kaska Nation territory</i>	400,000
CENTER FOR RESOURCE ECONOMICS Washington, D.C. <i>For Island Press</i>	200,000
COLLINS CENTER FOR PUBLIC POLICY Miami, Florida <i>For the Funders' Network for Smart Growth and Livable Communities</i>	70,000
COLORADO ENVIRONMENTAL COALITION Denver, Colorado <i>For the Colorado Water Caucus's sustainable water campaign</i>	200,000
COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION Portland, Oregon <i>For participation in the Federal Energy Regulatory Commission relicensing proceedings in the Columbia River Basin</i>	150,000
COMMUNITY PARTNERS Los Angeles, California <i>For the California Environmental Rights Alliance project</i>	35,000

Environment: Organizations (by Category)	Grants Authorized 2003
ECOFLIGHT Aspen, Colorado <i>For general support</i>	150,000
ENVIRONMENTAL LAW INSTITUTE Washington, D.C. <i>For general support of Environmental Law Institute's Endangered Environmental Laws program</i>	250,000
ENVIRONMENTAL WORKING GROUP Washington, D.C. <i>For general support</i>	300,000
GREAT VALLEY CENTER Modesto, California <i>For general support (Collaboration with Special Projects)</i>	300,000
INSTITUTES FOR JOURNALISM AND NATURAL RESOURCES Missoula, Montana <i>For general support</i>	200,000
LAND INSTITUTE Salina, Kansas <i>For general support</i>	75,000
MEDIA RESOURCE GROUP, A NONPROFIT CORPORATION San Francisco, California <i>For general support of Media Resource Group, a Nonprofit Corporation's development and implementation of a strategic communications plan for the Western Energy Campaign</i>	170,000
NATIONAL ENVIRONMENTAL TRUST Washington, D.C. <i>For general support of the National Environmental Trust's environmental defense public education campaign</i>	750,000
NATIONAL PARKS AND CONSERVATION ASSOCIATION Washington, D.C. <i>For general support of the National Parks and Conservation Association's Enhancing Cultural Diversity program and for the California Organizing project</i>	300,000
NATURAL RESOURCES DEFENSE COUNCIL San Francisco, California <i>For general support of the Natural Resources Defense Council's energy, land, and water programs</i>	1,050,000
NATURE CONSERVANCY Anchorage, Alaska <i>For general support of the Nature Conservancy's Building a Conservation Ethic in the Western United States project</i>	750,000
NEW YORK BOTANICAL GARDEN Bronx, New York <i>For general support of New York Botanical Garden's Intermountain Flora project</i>	50,000

Environment: Organizations (by Category)	Grants Authorized 2003
NORTHERN PLAINS RESOURCE COUNCIL Billings, Montana <i>For a coal bed methane water treatment and reinjection study</i>	100,000
ONE THOUSAND FRIENDS OF OREGON Portland, Oregon <i>For a collaboration among environmentalists and ranchers on strategies to conserve Oregon rangeland and protect biodiversity</i>	75,000
ONE THOUSAND FRIENDS OF WASHINGTON Seattle, Washington <i>For general support</i>	100,000
PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT AND SECURITY Oakland, California <i>For general support of the Pacific Institute for Studies in Development, Environment and Security's Environmental Justice Coalition for Water</i>	600,000
PARTNERSHIP PROJECT Washington, D.C. <i>For a project to expand the Partnership's email list and an effort to bring new voices into the environmental movement through targeted mailings</i>	750,000
PLANNING AND CONSERVATION LEAGUE FOUNDATION Sacramento, California <i>For the project entitled "California's Resource Bonds and Social Equity"</i>	75,000
PUBLIC COUNSEL OF THE ROCKIES Aspen, Colorado <i>For the Western Mobilization Project</i>	500,000
ROCKEFELLER FAMILY FUND New York, New York <i>For the Environmental Grantmakers Association</i>	70,000
ROCKEFELLER FAMILY FUND New York, New York <i>For the Environmental Integrity project</i>	200,000
SIERRA CLUB San Francisco, California <i>For the Colorado New Constituencies project</i>	175,000
SOCIETY OF ENVIRONMENTAL JOURNALISTS Jenkintown, Pennsylvania <i>For general support (Collaboration with Population)</i>	200,000
SONORAN INSTITUTE Tucson, Arizona <i>For general support</i>	100,000
SOUTHERN UTAH WILDERNESS ALLIANCE Salt Lake City, Utah <i>For general support of the Southern Utah Wilderness Alliance's Campaign to Build Capacity in Rural Utah program</i>	200,000

Environment: Organizations (by Category)	Grants Authorized 2003
TIDES CENTER Washington, D.C. <i>For the California Air Resources Board air quality fellowship for emerging community leaders</i>	100,000
TROUT UNLIMITED Boulder, Colorado <i>For general support of Trout Unlimited's Western Water project</i>	2,000,000
UNIVERSITY OF COLORADO AT BOULDER, DEPARTMENT OF GEOGRAPHY Boulder, Colorado <i>For the Center of the American West</i>	230,000
UNIVERSITY OF COLORADO AT BOULDER, SCHOOL OF LAW Boulder, Colorado <i>For the Natural Resources Law Center (Collaboration with Conflict Resolution)</i>	200,000
UNIVERSITY OF MONTANA Missoula, Montana <i>For the Center for the Rocky Mountain West</i>	55,000
WESTERN GOVERNORS' ASSOCIATION Denver, Colorado <i>For a project entitled "Coal Bed Methane Development—Best Practices"</i>	60,000
WESTERN RESOURCE ADVOCATES Boulder, Colorado <i>For general support of the Western Resource Advocates' Rocky Mountain Energy Campaign</i>	230,000
WESTERN RESOURCE ADVOCATES Boulder, Colorado <i>For review of a strategic plan for the Lands Program</i>	14,000
WILDERNESS SOCIETY Washington, D.C. <i>For general support of the Wilderness Society's campaign to save lands managed by the Bureau of Land Management</i>	1,000,000
 <i>Energy</i>	
ASIAN DEVELOPMENT BANK Metro Manila, Philippines <i>For the Clean Air Initiative for Asian Cities' Oil Dialogue on Cleaner Fuels in Asia</i>	100,000
ASPEN GLOBAL CHANGE INSTITUTE Aspen, Colorado <i>For general support</i>	150,000
ASSOCIAÇÃO NACIONAL DE TRANSPORTES PÚBLICOS São Paulo, Brazil <i>For general support of Associação Nacional de Transportes Públicos' transportation program planning (Collaboration with U.S.–Latin American Relations)</i>	0

Environment: Organizations (by Category)	Grants Authorized 2003
ASSOCIAÇÃO NACIONAL DE TRANSPORTES PÚBLICOS São Paulo, Brazil <i>For the promotion of bus rapid transit systems in São Paulo (Collaboration with U.S.–Latin American Relations)</i>	488,000
BREAKTHROUGH TECHNOLOGIES INSTITUTE Washington, D.C. <i>For general support of Breakthrough Technologies Institute’s exploration of new methods and policies to reduce air pollution</i>	600,000
CALIFORNIA AIR RESOURCES BOARD Sacramento, California <i>For the third annual Haagen-Smit Symposia</i>	10,000
CALSTART Pasadena, California <i>For general support of CALSTART’s program on hybrid technology in heavy-duty vehicles</i>	300,000
CENTRO INTERDISCIPLINARIO DE BIODIVERSIDAD Y AMBIENTE Mexico City, México <i>To support the work of the Center for Sustainable Transport (Collaboration with U.S.–Latin American Relations)</i>	250,000
CENTRO MEXICANO DE DERECHO AMBIENTAL Mexico City, México <i>For work on public transportation policy (Collaboration with U.S.–Latin American Relations)</i>	50,000
CLEAN AIR TASK FORCE Boston, Massachusetts <i>For general support</i>	500,000
COALITION FOR CLEAN AIR Los Angeles, California <i>For general support</i>	525,000
COMPANHIA DE TECNOLOGIA DE SANEAMENTO AMBIENTAL São Paulo, Brazil <i>For transportation projects in São Paulo (Collaboration with U.S.–Latin American Relations)</i>	125,000
EL COLEGIO DE MÉXICO, CENTRO DE ESTUDIOS DEMOGRÁFICOS Y DE DESARROLLO URBANO Mexico City, México <i>For the Centro de Estudios Demográficos y de Desarrollo Urbano to evaluate the impact of BRT corridors and to serve as project advisor to the Mexico City government (Collaboration with Conflict Resolution, U.S.–Latin American Relations)</i>	150,000
ELETRA INDUSTRIAL São Paulo, Brazil <i>For the manufacture of fifteen hybrid buses to be tested in the city of São Paulo (Collaboration with U.S.–Latin American Relations)</i>	320,000

Environment: Organizations (by Category)	Grants Authorized 2003
ENERGY FOUNDATION San Francisco, California <i>For convening Canadian experts and NGOs on energy issues and for managerial support of Hewlett Foundation Canada energy grants</i>	80,000
ENERGY FOUNDATION San Francisco, California <i>For general support of the Energy Foundation's promotion of clean energy policies in the United States</i>	1,500,000
ENERGY FOUNDATION San Francisco, California <i>For general support of the Energy Foundation's China Transportation program</i>	2,000,000
ENERGY FOUNDATION San Francisco, California <i>For general support</i>	2,000,000
ENERGY FOUNDATION San Francisco, California <i>For general support of the Energy Foundation's promotion of advanced technology vehicles in the United States</i>	1,500,000
ENVIRONMENTAL DEFENSE New York, New York <i>For general support of Environmental Defense's partnership with the Alliance for Environmental Innovation and Federal Express to develop and commercialize a low-emission, fuel-efficient hybrid delivery fleet</i>	400,000
FUNDACIÓN MÉXICO-ESTADOS UNIDOS PARA LA CIENCIA Mexico City, México <i>For the Air Quality Network (Collaboration with U.S.-Latin American Relations)</i>	100,000
GAIA FOUNDATION FOR EARTH EDUCATION Drayton Valley, Alberta, Canada <i>For general support of Gaia's Foundation for Earth Education, the Canadian implementation of the Kyoto Protocol, to be performed by the Pembina Institute</i>	180,000
GLOBAL ENVIRONMENT AND TECHNOLOGY FOUNDATION Arlington, Virginia <i>For general support of the Global Environmental and Technology Foundation's Center for Energy and Climate Solutions</i>	50,000
HEALTH EFFECTS INSTITUTE Boston, Massachusetts <i>For the Science to Inform Worldwide Transport and Air Quality Decisions initiative (Collaboration with U.S.-Latin American Relations)</i>	100,000
INSTITUTE FOR AMERICA'S FUTURE Washington, D.C. <i>For general support of the Institute for America's Future Apollo Project for Good Jobs and Energy Independence</i>	125,000

Environment: Organizations (by Category)	Grants Authorized 2003
INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY New York, New York <i>For general support of the Institute for Transportation and Development Policy's sustainable transportation initiatives in Mexico City, São Paulo, Rio de Janeiro, Beijing, and Shanghai (Collaboration with U.S.–Latin American Relations)</i>	200,000
INTERNATIONAL ENERGY AGENCY Paris, France <i>For the Chinese and Spanish translation and marketing of a publication entitled "Bus Systems for the Future: Achieving Sustainable Transport Worldwide"</i>	26,000
INTERNATIONAL SUSTAINABLE SYSTEMS RESEARCH CENTER Diamond Bar, California <i>For the improvement of the air quality management process in Mexico City project (Collaboration with U.S.–Latin American Relations)</i>	0
INTERNATIONAL SUSTAINABLE SYSTEMS RESEARCH CENTER Diamond Bar, California <i>For a program to develop sustainable policies for on-road vehicles and key mobile source inventories in developing countries (Collaboration with U.S.–Latin American Relations)</i>	177,500
LAWRENCE BERKELEY NATIONAL LAB Berkeley, California <i>For studies examining how safety and fuel economy can be simultaneously improved in the United States auto fleet</i>	185,000
NATURAL RESOURCES DEFENSE COUNCIL San Francisco, California <i>For general support of the Natural Resources Defense Council's Clean Vehicles and Fuels Project (Collaboration with U.S.–Latin American Relations)</i>	300,000
NORTHEAST STATES CENTER FOR A CLEAN AIR FUTURE Boston, Massachusetts <i>For general support of the Northeast States Center for a Clean Air Future's program to combat vehicular air pollution</i>	1,200,000
POLLUTION PROBE Toronto, Ontario, Canada <i>For general support of Pollution Probe's implementing the Kyoto Protocol in Canada</i>	120,000
PRESENCIA CIUDADANA MEXICANA Mexico City, México <i>For work on public transportation policy (Collaboration with U.S.–Latin American Relations)</i>	100,000
PRINCETON UNIVERSITY, PRINCETON ENVIRONMENTAL INSTITUTE Princeton, New Jersey <i>For general support of Princeton University's Energy Systems/Policy Analysis group</i>	400,000
REGULATORY ASSISTANCE PROJECT Gardiner, Maine <i>For special assistance to the California Public Utilities Commission</i>	75,000

Environment: Organizations (by Category)	Grants Authorized 2003
RESOURCES FOR THE FUTURE Washington, D.C. <i>For a workshop on public policy, learning-by-doing, and endogenous technological progress</i>	31,000
ROCKY MOUNTAIN INSTITUTE Snowmass, Colorado <i>For general support of the Rocky Mountain Institute's Energy Program</i>	250,000
SIERRA CLUB OF CANADA Ottawa, Ontario, Canada <i>For general support of the Sierra Club of Canada's implementing the Kyoto Protocol in Canada</i>	120,000
SURFACE TRANSPORTATION POLICY PROJECT Washington, D.C. <i>For general support of the Surface Transportation Policy Project's California Transportation Education Campaign</i>	150,000
UNION OF CONCERNED SCIENTISTS Cambridge, Massachusetts <i>For general support of the Union of Concerned Scientists' Clean Vehicles SUV Media Campaign</i>	200,000
UNION OF CONCERNED SCIENTISTS Cambridge, Massachusetts <i>For general support of the Union of Concerned Scientists' analysis of climate change in California to support state-based action to reduce global warming emissions</i>	150,000
UNION OF CONCERNED SCIENTISTS Cambridge, Massachusetts <i>For the Restoring Scientific Integrity project (Collaboration with Population)</i>	100,000
UNIVERSIDADE DE SÃO PAULO, INSTITUTO ELETROTECNICO E ENERGIA São Paulo, Brazil <i>For on-road testing of the hybrid bus fleet (Collaboration with U.S.–Latin American Relations)</i>	15,000
UNIVERSITY OF CALIFORNIA AT DAVIS, INSTITUTE OF TRANSPORTATION STUDIES Davis, California <i>For the Ninth Biennial Conference on Transportation Energy and Environmental Policy</i>	10,000
WORLD RESOURCES INSTITUTE Washington, D.C. <i>For general support of World Resources Institute's Center for Transport and Environment in Mexico City (Collaboration with U.S.–Latin American Relations)</i>	50,000

Performing Arts

Program Guidelines

The Performing Arts Program at the William and Flora Hewlett Foundation is founded on the premise that the experience, understanding, and appreciation of artistic expression give value, meaning, and enjoyment to people's lives.

The Performing Arts Program's mission is to support artistic expression and its enjoyment through grantmaking aimed at supporting high-quality, high-performing San Francisco Bay Area organizations, and to achieve this through the following broad objectives:

- Stimulating increased access to and participation in the arts;
- Increasing exposure to and understanding of diverse cultural expressions;
- Enhancing opportunities for creative expression for both artists and audiences; and
- Promoting long-term organizational health.

In order to reach these objectives, the Performing Arts Program has a strategy that includes:

- Long-term investment through ongoing, multiyear operating support with the shared goal of artistic/programmatic vitality and organizational health;
- Use of mutually agreed-upon, individually tailored incentives, when needed, to leverage organizational change such as staff development, cash reserve, and challenge grants to enhance the stability of arts organizations;
- Addressing the challenges and opportunities that a fluctuating, highly competitive Bay Area real estate market has created for arts organizations that need affordable administrative, rehearsal, and performance space;
- A leadership role and participation in regional or national initiatives that affect Bay Area arts organizations and the field; and
- Research and promulgation of field-wide best practices.

The program's geographic focus is the nine counties that border San Francisco Bay, with additional limited funding in Santa Cruz and Monterey counties.

Organizations working in dance, film and media, music, musical theater, opera, and theater are eligible for consideration. Within these disciplines, the program supports the following types of orga-

nizations: performing companies, presenting organizations, service organizations, training and participation programs, and national and nonresident organizations that serve Bay Area artists and audiences.

In 2003, the Performing Arts Program made grants totaling \$16,228,400.

From its beginnings in 1966, with a grant to the San Francisco Symphony, through 2003, the Hewlett Foundation has awarded 1,478 grants, totaling more than \$134.4 million, to arts organizations in the Bay Area and nationally. Both the scale of the funding and the singular nature of multiyear general operating support have made the Hewlett Foundation a key investor in the region's cultural life. In fact, since 2002, the Hewlett Foundation has been the Bay Area's largest foundation funder of the arts. The Foundation also has led efforts to establish more comprehensive financial criteria and analysis of applicants in the grantmaking process.

The Performing Arts Program's primary strategy is to make general operating support grants, usually three years in duration. In any one year, 75 to 85 percent of the Performing Arts Program docket consists of organizations receiving ongoing multiyear operating support. The remaining percentage is typically designated for support of new organizations or initiatives. In 2003, the Performing Arts Program made 110 grants totaling \$16,228,400 that ranged from \$10,000 through \$3,000,000, with a median grant amount of \$75,000.

Our commitment to creating more affordable space continued in 2003 with a significant \$3 million grant to the Northern California Community Loan Fund. This grant will support facility initiatives of Bay Area performing arts organizations. To date, the program has awarded a total of \$7.2 million in grants that will help to support the creation of 100,000–250,000 square feet of new rehearsal, performance, and office space for the performing arts over the next several years.

In addition to this core strategy, the Performing Arts Program supports initiatives that test new ideas and ways to create, disseminate, and fund the arts as well as build knowledge on key issues. For instance, inspired by a recent RAND report on trends and challenges facing the performing arts field, the Hewlett Foundation funded the

Program Report

Cultural Dynamics Project, an initiative to begin to map the national arts ecosystem. The nonprofit arts field is a highly decentralized sector where activities are typically organized around a discipline (music, dance, film, etc.) or function (presenting organizations, management assistance providers) or urgent issues (advocacy around saving the California Arts Council). This project would help us to better understand the arts and culture system, gain greater insight on the ways in which the nonprofit and for-profit arts sectors work and interact, and identify areas for new and/or deeper philanthropic investment. In the fall of 2003, the Cultural Dynamics Project brought together arts leaders from the academic, policy, practitioner, and funding sectors to conduct the initial mapping. Plans are to issue the meeting results in a white paper and explore the possibility of conducting a more comprehensive mapping.

In 2003, the Performing Arts Program began work on a joint regional initiative with the San Francisco and Packard Foundations centered on individual artists. As a result of an Urban Institute study conducted in 2000 and partially funded by the Hewlett Foundation, the Ford Foundation made a \$20 million, ten-year commitment to launch a nationwide initiative to increase support and visibility on issues affecting individual artists. Using the Urban Institute study, the Hewlett Foundation hosted a number of conversations with artists, managers, and community leaders about the most critical issues facing Bay Area artists. Concurrently, a yearlong survey is being conducted to provide a more current understanding of the infrastructure supporting Bay Area artists, and the gaps in that infrastructure. Survey results will be shared with the field and used for future grantmaking, and may lead to more collaborative efforts by community leaders, funders, and artists to increase support for individual artists.

Dance

ABHINAYA DANCE COMPANY OF SAN JOSE

San Jose, California

For general support

\$20,000

AXIS DANCE COMPANY

Oakland, California

For general support

90,000

CHINESE CULTURAL PRODUCTIONS

San Francisco, California

For general support

90,000

DANCE THROUGH TIME

San Francisco, California

For general support

30,000

DANCE/USA

Washington, D.C.

For general support

120,000

GAMELAN SEKAR JAYA

El Cerrito, California

For general support

80,000

JACOB'S PILLOW DANCE FESTIVAL

Lee, Massachusetts

For Bay Area artists participation

150,000

JOE GOODE PERFORMANCE GROUP

San Francisco, California

For general support

120,000

JOSÉ LIMÓN DANCE FOUNDATION

New York, New York

For Limón West

40,000

MARGARET JENKINS DANCE COMPANY

San Francisco, California

For general support

150,000

OAKLAND BALLET

Oakland, California

For relocation and refurbishment of its new offices, studios, and warehouse

40,000

OAKLAND BALLET

Oakland, California

For general support

450,000

OBERLIN DANCE COLLECTIVE

San Francisco, California

For general support and to enhance programming in new, expanded facilities

300,000

SMUIN BALLETS/SF

San Francisco, California

For general support

150,000

Performing Arts: Organizations (by Category)	Grants Authorized 2003
ZACCHO SF San Francisco, California <i>For general support</i>	120,000
ZOHAR DANCE COMPANY Palo Alto, California <i>For general support</i>	15,000
 <i>Film and Video</i>	
BAY AREA VIDEO COALITION San Francisco, California <i>For general support</i>	20,000
CALIFORNIA FILM INSTITUTE Mill Valley, California <i>For general support</i>	90,000
FILM ARTS FOUNDATION San Francisco, California <i>For the Ninth Street Media Consortium capital campaign</i> <i>For staff development and capacity building for the Ninth Street Media Consortium capital campaign</i> <i>For completion of a film documentary on the life of composer Lou Harrison</i>	1,000,000 250,000 42,000
NATIONAL ALLIANCE FOR MEDIA ARTS AND CULTURE San Francisco, California <i>For general support</i>	90,000
SAN FRANCISCO JEWISH FILM FESTIVAL San Francisco, California <i>For general support</i>	90,000
 <i>Music</i>	
AMERICAN BACH SOLOISTS San Francisco, California <i>For general support and strategic planning</i> <i>For general support</i>	80,000 10,000
ASSOCIATION OF CALIFORNIA SYMPHONY ORCHESTRAS Sacramento, California <i>For general support</i> <i>For general support</i>	36,000 20,000
BERKELEY SYMPHONY ORCHESTRA Berkeley, California <i>For strategic planning</i>	4,500
CABRILLO MUSIC FESTIVAL Santa Cruz, California <i>For general support</i>	150,000

Performing Arts: Organizations (by Category)	Grants Authorized 2003
CARMEL BACH FESTIVAL Carmel by the Sea, California <i>For general support</i>	200,000
CAZADERO PERFORMING ARTS CAMP Berkeley, California <i>For critical facilities needs</i>	25,000
CHAMBER MUSIC AMERICA New York, New York <i>For general support</i>	75,000
COMMUNITY MUSIC CENTER San Francisco, California <i>For general support</i>	255,000
COMMUNITY SCHOOL OF MUSIC AND ARTS Mountain View, California <i>For general support</i> <i>For the construction of the Center for Music and Arts Education</i>	225,000 1,000,000
CYPRESS PERFORMING ARTS ASSOCIATION San Francisco, California <i>For general support</i>	40,000
CYPRESS PERFORMING ARTS ASSOCIATION San Francisco, California <i>For a residency program at San Jose State University</i>	20,000
EAST BAY CENTER FOR THE PERFORMING ARTS Richmond, California <i>For general support</i>	40,000
IVES STRING QUARTET Palo Alto, California <i>For general support</i>	25,000
KITKA Oakland, California <i>For general support</i>	60,000
KRONOS PERFORMING ARTS ASSOCIATION San Francisco, California <i>For general support</i>	225,000
LOS CENZONTLES MEXICAN ARTS CENTER San Pablo, California <i>For general support</i>	20,000
MENLO SCHOOL Atherton, California <i>For general support of Menlo School's Music@Menlo program (Collaboration with Special Projects)</i>	150,000

Performing Arts: Organizations (by Category)	Grants Authorized 2003
MIDSUMMER MOZART San Francisco, California <i>For general support</i>	80,000
NAPA VALLEY SYMPHONY ASSOCIATION Napa, California <i>For general support and for short-term facility needs</i>	170,000
PIEDMONT CHOIRS Piedmont, California <i>For general support</i>	75,000
RAGAZZI: THE PENINSULA BOYS' CHORUS San Mateo, California <i>For general support</i>	75,000
SAN FRANCISCO CONTEMPORARY MUSIC PLAYERS San Francisco, California <i>For general support</i>	135,000
SAN FRANCISCO SYMPHONY San Francisco, California <i>For general support</i>	700,000
SANTA CRUZ COUNTY SYMPHONY ASSOCIATION Santa Cruz, California <i>For general support</i> <i>For general support</i>	60,000 25,000
SANTA ROSA SYMPHONY Santa Rosa, California <i>For general support</i>	25,000
SONOS HANDBELL ENSEMBLE Berkeley, California <i>For general support</i>	45,000
STANFORD UNIVERSITY, DEPARTMENT OF MUSIC Stanford, California <i>For the St. Lawrence String Quartet to hire an administrator (Collaboration with Special Projects)</i>	90,000
UNIVERSITY OF CALIFORNIA AT BERKELEY, YOUNG MUSICIANS PROGRAM Berkeley, California <i>For general support</i>	300,000
WOMEN'S PHILHARMONIC San Francisco, California <i>For general support</i>	60,000

Opera and Music Theater

AMERICAN MUSICAL THEATRE OF SAN JOSE San Jose, California <i>For general support</i>	90,000
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Performing Arts: Organizations (by Category)	Grants Authorized 2003
BROADWAY BY THE BAY San Mateo, California <i>For general support</i>	60,000
FESTIVAL OPERA ASSOCIATION Walnut Creek, California <i>For general support</i>	25,000
LAMPLIGHTERS OPERA WEST FOUNDATION San Francisco, California <i>For general support</i>	150,000
POCKET OPERA San Francisco, California <i>For general support</i>	105,000
SAN FRANCISCO OPERA ASSOCIATION San Francisco, California <i>For transitional costs related to the implementation of a new business model (Collaboration with Special Projects)</i>	375,000
SAN JOSE CHILDREN'S MUSICAL THEATER San Jose, California <i>For general support</i>	225,000
WEST BAY OPERA ASSOCIATION Palo Alto, California <i>For the elimination of the deficit and rebuilding of the cash reserve fund</i>	50,000

Other Performing Arts

CULTURAL INITIATIVES SILICON VALLEY San Jose, California <i>For general support (Collaboration with Education)</i>	125,000
JULIA MORGAN CENTER FOR THE ARTS Berkeley, California <i>For the Lincoln Center Institute program (Collaboration with Education)</i>	75,000
PERFORMING ARTS WORKSHOP San Francisco, California <i>For general support</i>	30,000

Supporting Services

AMERICAN COMPOSERS FORUM Saint Paul, Minnesota <i>For the San Francisco Bay Area chapter</i>	100,000
ARTS COUNCIL SILICON VALLEY San Jose, California <i>For the Knight Foundation's post-Magic of Music project</i>	25,000

Performing Arts: Organizations (by Category)	Grants Authorized 2003
ASSOCIATION OF AMERICAN CULTURES Yuma, Arizona <i>For Open Dialog IX, a symposium on cultural diversity in the arts</i>	10,000
CALIFORNIA ASSEMBLY OF LOCAL ARTS AGENCIES San Francisco, California <i>For scholarships to Northern California arts organizations to attend the Arts Marketing Institute's statewide conference</i>	10,000
CALIFORNIA ASSEMBLY OF LOCAL ARTS AGENCIES San Francisco, California <i>For general support</i>	25,000
CALIFORNIA ASSEMBLY OF LOCAL ARTS AGENCIES San Francisco, California <i>For the Arts Marketing Institute</i>	20,000
CREATIVE CAPITAL FOUNDATION New York, New York <i>For general support of Creative Capital Foundation's regranting to individual artists in California</i>	250,000
CULTURAL ARTS COUNCIL OF SONOMA COUNTY Santa Rosa, California <i>For countywide mapping of arts organizations and a needs assessment</i>	40,000
CULTURAL COUNCIL OF SANTA CRUZ COUNTY Santa Cruz, California <i>For general support</i>	20,000
EIGHTY LANGTON STREET/NEW LANGTON ARTS San Francisco, California <i>For general support</i>	15,000
EXPLORATORIUM San Francisco, California <i>For the inclusion of performing artists in its interactive science exhibitions and outreach</i>	35,000
GRANTMAKERS IN THE ARTS Seattle, Washington <i>For general support</i>	75,000
INTERSECTION FOR THE ARTS San Francisco, California <i>For general support</i>	20,000
NATIONAL ARTS STRATEGIES Washington, D.C. <i>For the Cultural Dynamics Project</i>	25,900
NONPROFIT FINANCE FUND New York, New York <i>For the Bay Area Cultural Facilities Fund</i>	75,000
NOONTIME CONCERTS San Francisco, California <i>For general support and for a challenge grant</i>	10,000

Performing Arts: Organizations (by Category)	Grants Authorized 2003
NORTHERN CALIFORNIA COMMUNITY LOAN FUND San Francisco, California <i>For the Nonprofit Space Capital Fund for the development of critically needed arts and cultural facility space within the Bay Area</i>	3,000,000
SAN FRANCISCO FOUNDATION San Francisco, California <i>For a research study on Bay Area artists and a workshop series on facility leasing, purchase, and management issues</i>	15,000
SAN FRANCISCO PERFORMANCES San Francisco, California <i>For general support</i> <i>For general support</i>	400,000 30,000
UNIVERSITY OF CALIFORNIA AT BERKELEY, CAL PERFORMANCES Berkeley, California <i>For general support</i>	435,000
YOUNG AUDIENCES New York, New York <i>For the Arts for Learning Web site evaluation (Collaboration with Education)</i>	75,000
YOUNG AUDIENCES OF THE BAY AREA San Francisco, California <i>For infrastructure assessment</i>	20,000
 <i>Theater</i>	
AMERICAN CONSERVATORY THEATER San Francisco, California <i>For general support</i>	450,000
AURORA THEATRE COMPANY Berkeley, California <i>For general support</i>	75,000
BERKELEY REPERTORY THEATRE Berkeley, California <i>For general support</i>	75,000
BRAVA! FOR WOMEN IN THE ARTS San Francisco, California <i>For general support</i>	25,000
CALIFORNIA SHAKESPEARE FESTIVAL Berkeley, California <i>For general support</i>	225,000
MAGIC THEATRE San Francisco, California <i>For general support</i>	180,000

Performing Arts: Organizations (by Category)	Grants Authorized 2003
MARIN SHAKESPEARE COMPANY San Rafael, California <i>For general support</i>	75,000
SAN JOSE MULTICULTURAL ARTISTS GUILD San Jose, California <i>For general support</i>	40,000
SAN JOSE REPERTORY THEATRE San Jose, California <i>For elimination of accumulated debt and to establish a permanent cash reserve</i>	100,000
SAN JOSE REPERTORY THEATRE San Jose, California <i>For general support</i>	375,000
SEW PRODUCTIONS/LORRAINE HANSBERRY THEATRE San Francisco, California <i>For general support</i>	75,000
SEW PRODUCTIONS/LORRAINE HANSBERRY THEATRE San Francisco, California <i>For marketing and development staff salaries</i>	40,000
SHADOWLIGHT PRODUCTIONS San Francisco, California <i>For general support</i>	45,000
SHAKESPEARE SAN FRANCISCO San Francisco, California <i>For general support</i>	30,000
SHAKESPEARE SAN FRANCISCO San Francisco, California <i>For deficit reduction</i>	30,000
TEATRO VISION San Jose, California <i>For general support</i>	35,000
THE.ART.RE.GRÜP, THE LAB San Francisco, California <i>For general support</i>	75,000
THICK DESCRIPTION San Francisco, California <i>For general support</i>	25,000
UNIVERSITY OF CALIFORNIA AT SANTA CRUZ Santa Cruz, California <i>For general support of Shakespeare Santa Cruz</i>	40,000
WILLOWS THEATRE COMPANY Concord, California <i>For general support</i>	105,000

**Performing Arts:
Organizations
(by Category)**

**Grants
Authorized
2003**

Z SPACE STUDIO
San Francisco, California
For general support

20,000

Population

Rapid population growth in developing countries continues to be a significant global problem, hindering advances in human welfare, health, personal freedom, and efforts to safeguard the environment. Despite the impact that organized family planning programs have had in reducing fertility and improving reproductive health, world population growth remains at about 80 million annually, and high rates of maternal mortality and sexually transmitted diseases undermine health in poor countries. The Population Program seeks to help reduce population growth in high-fertility regions by assisting individuals and couples to attain access to high-quality family planning and reproductive health information, services, and technologies so they may voluntarily determine the number and timing of pregnancies, and to increase the safety of those pregnancies for mother and child.

The Population Program seeks to attain its ends through:

- Research and educational activities that inform policymakers about the importance of population issues and the relevance of demographic change to other aspects of human welfare, and efforts to expand the availability of financial resources to address population issues;
- Programs that address neglected issues relating to delivery of services, such as providing a full range of reproductive health information and services to young people and other traditionally underserved groups, and maintaining a secure supply of contraceptives to developing countries;
- The study and implementation of human development activities and interventions that affect fertility, such as programs that enhance women's status, welfare, and educational opportunities—promoting universal access to basic and secondary education figures prominently in this work; and
- Applied research and field testing needed to speed the development and availability of promising methods of fertility regulation.

Most of the Program's work focuses on developing countries, though U.S. population issues are also of concern.

In 2003, the Population Program made grants totaling \$31,099,000.

Program Guidelines

Educational Activities

Around thirty grants in this area were awarded in 2003, comprising 30 percent of the year's grants budget. One-quarter of these grants were focused on the United States, which remains the largest source of population assistance globally. The environmental groups that advocate for international family planning issues—Sierra Club, Izaak Walton League of America, National Audubon Society, and National Wildlife Federation—all received renewals in 2003. The Foundation renewed its commitment to the United Nations Population Fund's (UNFPA) advocacy unit this year to publicize the positive contributions of UNFPA's family planning and reproductive health programs to global health and development.

Grants to the Funders Network on Population, Reproductive Health and Rights, the Africa Grantmakers Affinity Group, and Grantmakers Concerned with Immigrants and Refugees were renewed in 2003. The Foundation also joined Funders Concerned About AIDS, which is affiliated with the Council on Foundations.

Increasing Access

Twelve grants in 2003 (35 percent of the 2003 budget) went to organizations that develop the knowledge and techniques needed to improve the quality and effectiveness of family planning programs. Large general support grants went to core institutions in the field that have received decades-long support from the Foundation, such as the International Planned Parenthood Federation and IPAS. In addition, we continued to focus on underfunded areas of service delivery.

Training

The training portfolio currently supports forty-three training programs, twenty-six in the United States and seventeen overseas. In 2003, twelve training grants amounting to nearly \$3 million were recommended for renewal. Despite the large number of grants, the training category comprises only 10 percent of the Population Program's budget.

Program Report

Research

A strong grounding in evidence and data has served the population field very well in the past decades. Our portfolio reflects this value of evidence-based work, with forty-four open grants totaling almost \$25 million devoted to the research cluster of the Population Program. The largest portion of the research portfolio is invested in social science research relating to population, including more than \$13 million in twenty grants. In 2003, the Foundation invested more than \$7 million in nine grants for contraceptive research and development.

The arrival of the new Population Program Director, Sara Seims, at the end of 2003 provides an opportunity to review the portfolio and grantmaking priorities for the coming years.

Enhancing Commitment to Address Population Issues

ASSOCIAÇÃO PARA O PLANEAMENTO DA FAMILIA Lisbon, Portugal <i>For general support</i>	\$100,000
CENTER FOR HEALTH AND GENDER EQUITY Takoma Park, Maryland <i>For general support</i>	250,000
CENTER FOR THE ADVANCEMENT OF WOMEN New York, New York <i>For public opinion research</i>	125,000
COMMUNICATIONS CONSORTIUM MEDIA CENTER Washington, D.C. <i>For the Global Population, Health and Development Program</i>	600,000
COMUNICACIÓN E INFORMACIÓN DE LA MUJER Mexico City, México <i>For general support</i>	120,000
COUNCIL ON FOREIGN RELATIONS, CENTER FOR UNIVERSAL EDUCATION Washington, D.C. <i>For the Center for Universal Education and its universal primary education programs (Collaboration with Education)</i>	360,000
DANISH FAMILY PLANNING ASSOCIATION Copenhagen, Denmark <i>For advocacy activities around the ICPD agenda</i>	200,000
DEUTSCHE STIFTUNG WELTBEVÖLKERUNG Hannover, Germany <i>For general support</i>	1,000,000
FUNDERS NETWORK ON POPULATION REPRODUCTIVE HEALTH AND RIGHTS Takoma Park, Maryland <i>For general support</i>	450,000
GLOBAL FUND FOR WOMEN San Francisco, California <i>For general support of Global Fund for Women's family planning and reproductive health program</i>	250,000
GRUPO DE INFORMACIÓN EN REPRODUCCIÓN ELEGIDA Coyoacan, México <i>For general support</i>	500,000
INTERNATIONAL PLANNED PARENTHOOD FEDERATION London, England <i>For the European Network</i>	475,000
INTERNATIONAL PLANNED PARENTHOOD FEDERATION, AFRICA REGION Nairobi, Kenya <i>For regional advocacy activities</i>	500,000

Population: Organizations (by Category)	Grants Authorized 2003
IZAAK WALTON LEAGUE OF AMERICA Gaithersburg, Maryland <i>For general support of Izaak Walton League of America's Sustainability Education program</i>	150,000
JOHNS HOPKINS UNIVERSITY, SCHOOL OF HYGIENE AND PUBLIC HEALTH Washington, D.C. <i>For the Center for Communications Programs</i>	250,000
MANAGEMENT SCIENCES FOR HEALTH Boston, Massachusetts <i>For general support of Management Sciences for Health's Japanese Education and Advocacy Program</i>	100,000
MS. FOUNDATION FOR WOMEN New York, New York <i>For the Reproductive Rights Coalition and Organizing Fund</i>	400,000
NATIONAL AUDUBON SOCIETY Anchorage, Alaska <i>For general support of the National Audubon Society's Population and Habitat Campaign</i>	300,000
NATIONAL FAMILY PLANNING AND REPRODUCTIVE HEALTH ASSOCIATION Washington, D.C. <i>For general support</i>	1,500,000
NATIONAL PARTNERSHIP FOR WOMEN AND FAMILIES Washington, D.C. <i>For general support</i>	75,000
NATIONAL PARTNERSHIP FOR WOMEN AND FAMILIES Washington, D.C. <i>For general support</i>	99,000
NATIONAL WILDLIFE FEDERATION Washington, D.C. <i>For general support of the National Wildlife Federation's Population and Environment Program</i>	150,000
PARLIAMENTARIANS FOR GLOBAL ACTION New York, New York <i>For the Sustainable Development and Population Program</i>	100,000
PARTNERS IN POPULATION AND DEVELOPMENT Mohakhali, Dhaka, Bangladesh <i>For general support</i>	200,000
POPULATION CONCERN London, United Kingdom <i>For general support</i>	100,000
PUBLIC HEALTH INSTITUTE Oakland, California <i>For advocacy in population and development issues in Ethiopia</i>	50,000

Population: Organizations (by Category)	Grants Authorized 2003
REFUGEES INTERNATIONAL Washington, D.C. <i>For general support</i>	75,000
REPRODUCTIVE HEALTH TECHNOLOGIES PROJECT Washington, D.C. <i>For communications research</i>	150,000
SCENARIOSUSA New York, New York <i>For general support</i>	100,000
SEXUALITY INFORMATION AND EDUCATION COUNCIL OF THE UNITED STATES New York, New York <i>For general support</i>	1,000,000
SIERRA CLUB San Francisco, California <i>For general support of the Sierra Club's Global Population and Environment Program</i>	250,000
SOCIETY OF ENVIRONMENTAL JOURNALISTS Jenkintown, Pennsylvania <i>For general support (Collaboration with Environment)</i>	80,000
THIRD WAVE FOUNDATION New York, New York <i>For youth leadership activities</i>	35,000
TIDES CENTER Washington, D.C. <i>For the Center for Environment and Population</i>	150,000
TIDES CENTER Washington, D.C. <i>For the Africa Grantmakers Affinity Group</i>	50,000
UNITED NATIONS FOUNDATION Washington, D.C. <i>For general support of the United Nations Foundation's Population Fund</i>	500,000
VÄESTÖLIITTO, THE FAMILY FEDERATION OF FINLAND Helsinki, Finland <i>For general support</i>	500,000
WOMEN'S LINK WORLDWIDE Northfield, Vermont <i>For general support</i>	75,000
WOMEN'S LINK WORLDWIDE Northfield, Vermont <i>For general support</i>	75,000
WORLDWATCH INSTITUTE Washington, D.C. <i>For general support</i>	350,000

Population: Organizations (by Category)	Grants Authorized 2003
<i>Research</i>	
ACADEMY FOR EDUCATIONAL DEVELOPMENT Washington, D.C. <i>For the Empowerment of Women Research program</i>	150,000
ALAN GUTTMACHER INSTITUTE New York, New York <i>For general support</i>	2,000,000
CENTER FOR GLOBAL DEVELOPMENT Washington, D.C. <i>For research and policy analysis of foreign assistance and aid delivery programs and for a project on access to basic education (Collaboration with Global Affairs/AIW)</i>	0
CENTER FOR GLOBAL DEVELOPMENT Washington, D.C. <i>For a mapping project to document existing multilateral overseas development assistance programs (Collaboration with Global Affairs/AIW)</i>	200,000
COLUMBIA UNIVERSITY New York, New York <i>For the Millennium Project</i>	500,000
<i>For general support of Columbia University's contraceptive research and training in the Division of Prevention and Ambulatory Care, Department of Obstetrics and Gynecology</i>	360,000
GEORGETOWN UNIVERSITY, INSTITUTE FOR THE STUDY OF INTERNATIONAL MIGRATION Washington, D.C. <i>For general support of Georgetown University's Institute for the Study of International Migration (Collaboration with U.S.–Latin American Relations)</i>	200,000
GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA SECRETARIAT Geneva, Switzerland <i>For general support of the Global Fund to Fight AIDS, Tuberculosis and Malaria Secretariat's Strategic Information and Measurement Unit</i>	200,000
INTERNATIONAL CENTER FOR RESEARCH ON WOMEN Washington, D.C. <i>For general support</i>	225,000
PHILLIBER RESEARCH ASSOCIATES Accord, New York <i>For research on campus organizing efforts</i>	25,000
POPULATION COUNCIL New York, New York <i>For the contraceptive development program</i>	800,000

Population: Organizations (by Category)	Grants Authorized 2003
PUBLIC POLICY INSTITUTE OF CALIFORNIA San Francisco, California <i>For a study on the intergenerational integration of immigrants in California (Collaboration with Special Projects, Education, U.S.–Latin American Relations, Children and Youth)</i>	25,000
UNION OF CONCERNED SCIENTISTS Cambridge, Massachusetts <i>For the Restoring Scientific Integrity project (Collaboration with Environment)</i>	100,000
UNIVERSITY OF CALIFORNIA AT SAN DIEGO La Jolla, California <i>For general support of the University of California at San Deigo’s Center for Comparative Immigration Studies (Collaboration with U.S.–Latin American Relations)</i>	150,000
UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO, CENTER FOR REPRODUCTIVE HEALTH RESEARCH AND POLICY San Francisco, California <i>For general support of the University of California at San Francisco’s assessment on the status of publicly supported family planning and other reproductive health services for the poor in the United States (Collaboration with Special Projects)</i>	0
<h3 style="color: #808000;"><i>Improved Implementation of Family Planning and Reproductive Health Services</i></h3>	
AFRICAN MEDICAL AND RESEARCH FOUNDATION New York, New York <i>For reproductive health initiatives in Africa</i>	150,000
CENTRE FOR DEVELOPMENT AND POPULATION ACTIVITIES Washington, D.C. <i>For general support</i>	300,000
DKT INTERNATIONAL Washington, D.C. <i>For programs in Brazil</i>	500,000
FRONTERAS UNIDAS PRO SALUD ASOCIACIÓN CIVIL Tijuana, Baja California, México <i>For general support</i>	300,000
FUNDACIÓN MEXICANA PARA LA PLANEACIÓN FAMILIAR Mexico City, México <i>For general support</i>	350,000
INTERNATIONAL PLANNED PARENTHOOD FEDERATION London, England <i>For general support</i>	1,000,000
INTERNATIONAL PLANNED PARENTHOOD FEDERATION, WESTERN HEMISPHERE REGION New York, New York <i>For general support</i>	1,500,000

Population: Organizations (by Category)	Grants Authorized 2003
IPAS Chapel Hill, North Carolina <i>For general support</i>	3,500,000
NATIONAL ABORTION FEDERATION Washington, D.C. <i>For general support</i>	750,000
PATH Seattle, Washington <i>For expansion of the emergency contraception program</i>	900,000
PLANNED PARENTHOOD OF NEW YORK CITY New York, New York <i>For general support of Planned Parenthood of New York City's Margaret Sanger Center International</i>	150,000
POPULATION COUNCIL New York, New York <i>For emergency contraception programs in Africa</i>	400,000
POPULATION SERVICES INTERNATIONAL Washington, D.C. <i>For social marketing of emergency contraception in India</i>	1,200,000
PUBLIC HEALTH INSTITUTE Oakland, California <i>For general support of the Public Health Institute's Pharmacy Access Partnership</i>	250,000

Special Opportunities

NATIONAL CENTER FOR HUMAN RIGHTS EDUCATION Atlanta, Georgia <i>For the SisterSong Women of Color Reproductive Health and Sexual Rights National Conference</i>	10,000
PLANET 21 London, United Kingdom <i>For the People and the Planet Web site</i>	50,000
RAKS THAI FOUNDATION Bangkok, Thailand <i>For support of the Second Asia-Pacific Conference on Reproductive and Sexual Health</i>	50,000
UNION FOR AFRICAN POPULATION STUDIES Dakar-Ponty, Sénégal <i>For the Fourth African Population Conference</i>	25,000

Training

AMERICAN MEDICAL WOMEN'S ASSOCIATION Alexandria, Virginia <i>For the Reproductive Health Initiative</i>	500,000
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Population: Organizations (by Category)	Grants Authorized 2003
AMERICAN UNIVERSITY IN CAIRO Cairo, Egypt <i>For general support of American University in Cairo's Social Research Center</i>	150,000
BROWN UNIVERSITY Providence, Rhode Island <i>For general support of Brown University's Population Studies and Training Center</i>	350,000
COMMONWEALTH MEDICAL TRUST London, England <i>For reproductive health activities in developing countries</i>	150,000
INTERNATIONAL UNION FOR THE SCIENTIFIC STUDY OF POPULATION Paris, France <i>For general support</i>	75,000
SAN MIGUEL CASA San Miguel de Allende, Guanajuato, México <i>For support of the CASA School of Professional Midwifery</i>	100,000
TULANE UNIVERSITY, DEPARTMENT OF INTERNATIONAL HEALTH AND DEVELOPMENT New Orleans, Louisiana <i>For general support of Tulane University's family planning and reproductive health program</i>	300,000
UNIVERSIDADE FEDERAL DE MINAS GERAIS Minas Gerais, Brazil <i>For general support of Universidad Federal de Minas Gerais's Center for Development and Regional Planning</i>	250,000
UNIVERSITY OF CALIFORNIA AT BERKELEY, DEPARTMENT OF DEMOGRAPHY Berkeley, California <i>For general support of the University of California at Berkeley's Department of Demography</i>	300,000
UNIVERSITY OF CALIFORNIA AT BERKELEY, SCHOOL OF PUBLIC HEALTH Berkeley, California <i>For general support of the University of California at Berkeley's School of Public Health</i>	150,000
UNIVERSITY OF TEXAS AT AUSTIN Austin, Texas <i>For the Population Research Center</i>	360,000
WORLD BANK, HEALTH AND POPULATION PROGRAM Washington, D.C. <i>For general support of the World Bank Institute's Learning Program on Population, Reproductive Health and Health Sector Reform</i>	300,000

U.S.–Latin American Relations

Among the most important strategic challenges facing the United States and Latin America in the twenty-first century will be the ongoing economic, social, and environmental integration of the hemisphere. The U.S.–Latin American Relations Program (USLAR) works in collaboration with the Foundation’s other programs to strengthen the institutional capacity of Latin American organizations to address the pressing issues in environment, population, and education in Mexico and Brazil.

Program Guidelines

Environment

The Environment component of the USLAR Program works to ensure policies that balance Latin America’s need for economic growth with the enlightened stewardship of natural resources for future generations. It addresses problems involving water, transportation, air quality, and threats to natural resources.

Population and Education

The Population and Education component of the USLAR Program works to strengthen independent organizations in Mexico concerned with family planning, universal basic and secondary education, and migration.

Special Initiatives Related to Democratic Consolidation

This component focuses on improving Mexico’s legal training and citizens’ access to the judicial system.

In 2003, the U.S.–Latin American Relations Program made grants totaling \$9,321,100.

Program Report

Forty-eight percent of the total grants budget went to organizations in Mexico or whose primary focus was Mexico. Thirty-eight percent of grant funds went to organizations in Brazil. The remaining 14 percent went to grants in Chile and Argentina. Grant funds were distributed among the three program components as follows: Environment, 49 percent; Special Initiatives Related to Democratic Consolidation, 22 percent; Population and Education, 7 percent.

During 2003, program staff engaged in a planning process to focus the Program’s development issues on Mexico. Work on air

quality, energy, and transportation policy will continue in both Mexico and Brazil. Please see the Foundation Web site for the most up-to-date information regarding the grantmaking priorities of the USLAR program.

Environment

Transportation and air quality policy in Mexico City and São Paulo. The objective in this subcomponent is to reduce greenhouse gases, reduce conventional pollutants, and promote more efficient and equitable mobility options through changes in fuel- and vehicle-efficiency standards and public transportation policy.

In 2003, the USLAR program increased its collaboration with the Environment program to improve air quality and public transportation in Mexico and Brazil. In Mexico, the Program initiated support for the first major bus rapid transit corridor to be built in Mexico City. The corridor itself will run along the major thoroughfare Avenida Insurgentes, cut travel times in half, and increase passenger comfort and access.

In São Paulo, USLAR helped fund the purchase of a fleet of fifteen hybrid buses, designed and manufactured in Brazil. The fleet is now in operation and being tested against equivalent diesel buses for performance, fuel consumption, maintenance, and emissions. If all goes well, the results will help increase the demand for hybrid buses throughout Latin America.

U.S.-Mexican border water. The objective in this area has been to promote effective management of freshwater resources in order to increase the availability of water to underserved urban communities and ecosystems in the Paso del Norte region. The Foundation's work in this area was completed in 2003.

National forests in the Brazilian Amazon. The objective has been to reduce illegal logging through the creation of national forests and closely linked wood certification, purchasing, and marketing practices. In 2003, the Foundation made a series of final grants to the key Brazilian organizations working in this area.

Special Initiatives Related to Democratic Consolidation

Legal training and administration of justice. Our objective is to improve problem-based curricula in selected Mexican law schools and to advance policy research on the issues of judicial independence, efficiency, and access to the administration of justice.

One of the highlights of 2003 for the USLAR program was the work of the CIDE-SPILS initiative. This project seeks to revolutionize the way law school curriculum is taught in Mexico. The program is training a new generation of Mexican lawyers through a method of teaching that is more interactive, participatory, and experiential, utilizing case studies and oral arguments. In a recent external evaluation, the reviewer wrote that this program "... is possibly the most innovative legal education reform attempted in the world in decades."

Border

MASCARENAS FOUNDATION

El Paso, Texas

For regional regranting programs

\$300,000

Environment

ASSOCIAÇÃO NACIONAL DE TRANSPORTES PÚBLICOS

São Paulo, Brazil

*For the promotion of bus rapid transit systems in São Paulo
(Collaboration with Environment)*

488,000

ASSOCIAÇÃO NACIONAL DE TRANSPORTES PÚBLICOS

São Paulo, Brazil

*For general support of Associação Nacional de Transportes Públicos' transportation
program planning
(Collaboration with Environment)*

40,000

BUSINESS FOR SOCIAL RESPONSIBILITY

San Francisco, California

For the EMPRESA initiative in Latin America

150,000

**CALIFORNIA STATE UNIVERSITY AT NORTHRIDGE, DEPARTMENT OF
ANTHROPOLOGY**

Northridge, California

*For the Heritage Conservation in Baja California Sur project conducted in
collaboration with the Universidad Autónoma de Baja California Sur*

150,000

CENTRO BRASILEIRO DE ANÁLISE E PLANEJAMENTO

São Paulo, Brazil

For environment programs

150,000

CENTRO INTERDISCIPLINARIO DE BIODIVERSIDAD Y AMBIENTE

Mexico City, México

*To support the work of the Center for Sustainable Transport
(Collaboration with Environment)*

250,000

CENTRO MEXICANO DE DERECHO AMBIENTAL

Mexico City, México

*For work on public transportation policy
(Collaboration with Environment)*

50,000

COMPANHIA DE TECNOLOGIA DE SANEAMENTO AMBIENTAL

São Paulo, Brazil

*For transportation projects in São Paulo
(Collaboration with Environment)*

125,000

COMPANHIA DE TECNOLOGIA DE SANEAMENTO AMBIENTAL

São Paulo, Brazil

For additional emissions and noise testing on a hybrid and diesel bus

35,000

U.S.–Latin American Relations: Organizations (by Category)	Grants Authorized 2003
EL COLEGIO DE MÉXICO CENTRO DE ESTUDIOS DEMOGRÁFICOS Y DE DESARROLLO URBANO Mexico City, México <i>For the Centro de Estudios Demográficos y de Desarrollo Urbano to evaluate the impact of BRT corridors and to serve as project advisor to the Mexico City government (Collaboration with Conflict Resolution, Environment)</i>	150,000
ELETRA INDUSTRIAL São Paulo, Brazil <i>For the manufacture of fifteen hybrid buses to be tested in the city of São Paulo (Collaboration with Environment)</i>	280,000
FUNDACIÓN MÉXICO–ESTADOS UNIDOS PARA LA CIENCIA Mexico City, México <i>For the Air Quality Network (Collaboration with Environment)</i>	100,000
HEALTH EFFECTS INSTITUTE Boston, Massachusetts <i>For the Science to Inform Worldwide Transport and Air Quality Decisions initiative (Collaboration with Environment)</i>	100,000
INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY New York, New York <i>For general support of the Institute for Transportation and Development Policy’s sustainable transportation initiatives in Mexico City, São Paulo, Rio de Janeiro, Beijing, and Shanghai (Collaboration with Environment)</i>	200,000
INSTITUTO DE MANEJO E CERTIFICAÇÃO FLORESTAL E AGRICOLA Piracicaba, SP, Brazil <i>To support work on sustainable forest management in the Brazilian Amazon</i>	200,000
INSTITUTO DE PESQUISA AMBIENTAL DA AMAZONIA Belém–Pará, Brazil <i>For general support of a program working on the expansion of national forest networks in the Amazon</i>	200,000
INSTITUTO DO HOMEM E MEIO AMBIENTE DA AMAZÔNIA Ananindeua, Para, Brazil <i>For general support</i>	400,000
INSTITUTO ETHOS DE EMPRESAS E RESPONSABILIDADE SOCIAL São Paulo, Brazil <i>For general support of the Instituto Ethos de Empresas e Responsabilidade Social’s work on Amazon deforestation and certified-timber issues</i>	200,000
INTERNATIONAL SUSTAINABLE SYSTEMS RESEARCH CENTER Diamond Bar, California <i>For a program to develop sustainable policies for on-road vehicles and key mobile source inventories in developing countries (Collaboration with Environment)</i>	177,500
INTERNATIONAL SUSTAINABLE SYSTEMS RESEARCH CENTER Diamond Bar, California <i>For the improvement of the air quality management process in Mexico City project (Collaboration with Environment)</i>	360,000

U.S.–Latin American Relations: Organizations (by Category)	Grants Authorized 2003
NATURAL RESOURCES DEFENSE COUNCIL San Francisco, California <i>For general support of the Natural Resources Defense Council's Clean Vehicles and Fuels Project (Collaboration with Environment)</i>	200,000
NEW MEXICO STATE UNIVERSITY, WATER RESOURCES RESEARCH INSTITUTE Las Cruces, New Mexico <i>For the Paso del Norte Water Task Force</i>	255,300
PRESENCIA CIUDADANA MEXICANA Mexico City, México <i>For work on public transportation policy (Collaboration with Environment)</i>	100,000
UNIVERSIDAD AUTÓNOMA DE BAJA CALIFORNIA SUR La Paz, Baja California Sur, México <i>For the Heritage Conservation in Baja California Sur project conducted in collaboration with California State University, Northridge</i>	150,000
UNIVERSIDADE DE SÃO PAULO São Paulo, Brazil <i>For the hiring of a project coordinator for the hybrid bus project</i>	80,000
UNIVERSIDADE DE SÃO PAULO, INSTITUTO ELETROTECNICO E ENERGIA São Paulo, Brazil <i>For on-road testing of the hybrid bus fleet (Collaboration with Environment)</i>	0
UNIVERSITY OF CALIFORNIA AT BERKELEY Berkeley, California <i>For general support of the University of California at Berkeley's Richard and Rhoda Goldman School of Public Policy's program to train local environmental authorities in Mexico</i>	75,000
WOODS HOLE RESEARCH CENTER Woods Hole, Massachusetts <i>For general support of the Woods Hole Research Center's program working on the expansion of national forests in the Amazon</i>	200,000
WORLD RESOURCES INSTITUTE Washington, D.C. <i>For general support of World Resources Institute's Center for Transport and Environment in Mexico City (Collaboration with Environment)</i>	50,000
<i>Other or Exploratory</i>	
INSTITUTO TECNOLÓGICO AUTÓNOMO DE MÉXICO Mexico City, México <i>For the Philanthropy and the Development of Civil Society in Mexico project (Collaboration with Global Affairs/AIW)</i>	150,000

Policy Studies

AMIGOS DA TERRA–AMAZÔNIA BRASILEIRA

São Paulo, Brazil

For general support of Amigos da Terra – Amazônia Brasileira’s work on forest management in the Brazilian Amazon

200,000

CENTRO DE INVESTIGACIÓN PARA EL DESARROLLO, ASOCIACIÓN CIVIL

Mexico City, México

For general support

200,000

LATIN AMERICAN STUDIES ASSOCIATION

Pittsburgh, Pennsylvania

For the October 2004 Congress

75,000

STANFORD UNIVERSITY

Stanford, California

For the Social Science History Institute

155,300

UNIVERSIDAD ALBERTO HURTADO

Santiago, Chile

For general support of Universidad Alberto Hurtado’s ILADES Center

150,000

UNIVERSIDAD DIEGO PORTALES

Santiago, Chile

For general support of Universidad Diego Portales’ work on judicial reform

200,000

UNIVERSIDADE CANDIDO MENDES

Centro Rio de Janeiro, Brazil

For the Centro de Estudos de Segurança e Cidadania

200,000

Legal Education and the Administration of Justice

CALIFORNIA WESTERN SCHOOL OF LAW, MCGILL CENTER FOR CREATIVE PROBLEM SOLVING

San Diego, California

For general support of California Western School of Law’s program on judicial reform in Latin America

300,000

CENTRO DE INVESTIGACIÓN Y DOCENCIA ECONÓMICAS

Delegación Alvaro Obregón, México

For a collaborative project with the Stanford Program in International Legal Studies

600,000

FUNDACIÓN PARA EL CAMBIO DEMOCRÁTICO

Buenos Aires, Argentina

For general support

150,000

PROYECTO ACCESO

Providencia, Santiago, Chile

For criminal procedure reform in Chile

300,000

UNIVERSITY OF CALIFORNIA AT SAN DIEGO, CENTER FOR U.S.–MEXICAN STUDIES

La Jolla, California

For general support of the University of California at San Diego Center’s work on the administration of justice in Mexico

200,000

**U.S.–Latin American Relations:
Organizations
(by Category)**

**Grants
Authorized
2003**

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Washington, D.C.

*For the Latin American Program's Participatory and Deliberative Governance in Mexico: Concepts, Cases, and Consequences project
(Collaboration with Conflict Resolution)*

0

Population and Migration

**GEORGETOWN UNIVERSITY, INSTITUTE FOR THE STUDY OF INTERNATIONAL
MIGRATION**

Washington, D.C.

*For general support of Georgetown University's Institute for the Study of International Migration
(Collaboration with Population)*

150,000

PUBLIC POLICY INSTITUTE OF CALIFORNIA

San Francisco, California

*For a study on the intergenerational integration of immigrants in California
(Collaboration with Special Projects, Education, Population, Children and Youth)*

50,000

UNIVERSITY OF CALIFORNIA AT SAN DIEGO

La Jolla, California

*For general support of the University of California at San Diego's Center for Comparative Immigration Studies
(Collaboration with Population)*

150,000

Social Development

CARE BRASIL, CARE-BRAZIL

São Paulo, Brazil

For general support

200,000

CENTRO DE INVESTIGACIÓN Y DOCENCIA ECONÓMICAS

Delegación Alvaro Obregón, México

For a comprehensive evaluation of the Ford-Hewlett-MacArthur Social Science Scholarship Program for Mexico

25,000

INSTITUTO DE DESARROLLO ECONÓMICO Y SOCIAL

Buenos Aires, Argentina

For general support

100,000

Training

UNIVERSITY OF PITTSBURGH, CENTER FOR LATIN AMERICAN STUDIES

Pittsburgh, Pennsylvania

For general support

100,000

U.S.–Latin American Relations

EL COLEGIO DE MÉXICO

Mexico City, México

For general support of El Colegio de México's Centro de Relaciones Internacionales

50,000

**U.S.-Latin American Relations:
Organizations
(by Category)**

**Grants
Authorized
2003**

**INSTITUTO TECNOLÓGICO AUTÓNOMO DE MÉXICO, INTERNATIONAL STUDIES
DEPARTMENT**

Mexico City, México

For the U.S.-Mexican Futures Forum

200,000

UNIVERSIDAD DE LAS AMÉRICAS, PUEBLA

Cholula, Puebla, México

For general support of Universidad de las Américas, Puebla's North American master's degree program

100,000

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Washington, D.C.

For general support of the Woodrow Wilson International Center for Scholars Latin American Program

100,000

Special Projects

Although most grantmaking takes place in the Programs, the Hewlett Foundation also makes grants that fall under the category of Special Projects. These grants allow the Foundation to make grants that may not fall within the guidelines of a specific program but that respond flexibly to unanticipated problems and opportunities, incubate new initiatives, or complement grants within a program.

In addition, this grant area houses three initiatives: Global Affairs, Neighborhood Improvement, and Philanthropy.

Here are some examples of 2003 Special Projects funding:

- A grant to the American Enterprise Institute to draft a constitutional amendment to provide for the continuity of Congress in the event that, because of a terrorist attack or otherwise, many members were unable to carry out their representative responsibilities.
- Grants to the Community Working Group to build a homeless shelter in Palo Alto.
- A grant to the National Lewis and Clark Bicentennial Commemoration.
- A number of grants to Western universities under the Engineering Schools of the West Initiative.
- A grant to the Public Policy Institute of California for research addressing California's long-term infrastructure requirements.
- Grants to the Resources Legacy Fund for the restoration and stewardship of the Cargill salt ponds in San Francisco Bay.

In 2003, Special Projects made grants totaling \$30,683,863. This total does not include grants made within the three Initiatives, whose guidelines and grant totals follow.

Special Projects: Organizations (by Category)	Grants Authorized 2003
AMERICAN ACADEMY OF ARTS AND SCIENCES Cambridge, Massachusetts <i>For the hiring of a Director of Development</i>	\$301,363
AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH Washington, D.C. <i>For the Continuity of Government Commission</i>	50,000
CALIFORNIA CENTER FOR REGIONAL LEADERSHIP San Francisco, California <i>For the California 2025 Project (Collaboration with Conflict Resolution)</i>	0
CENTER FOR ADVANCED STUDY IN THE BEHAVIORAL SCIENCES Stanford, California <i>For general support</i>	1,100,000
CHRONICLE SEASON OF SHARING FUND San Francisco, California <i>For general support</i>	50,000
CLASSICS FOR KIDS FOUNDATION Bozeman, Montana <i>For a matching challenge grant</i>	25,000
COLORADO SCHOOL OF MINES, DIVISION OF ENGINEERING Golden, Colorado <i>For the Engineering Schools of the West Initiative</i>	1,167,000
COMMUNITY FOUNDATION SILICON VALLEY San Jose, California <i>For the Palo Alto Weekly Holiday Fund</i>	25,000
COMMUNITY WORKING GROUP Palo Alto, California <i>For a capital campaign to build the Opportunity Center of the Midpeninsula in Palo Alto</i>	500,000
EDUCATIONAL BROADCASTING CORPORATION New York, New York <i>For support of the television program "BBC World News" (Collaboration with Global Affairs/AIW)</i>	100,000
ENVIRONMENTAL-ABORIGINAL GUARDIANSHIP THROUGH LAW AND EDUCATION Surry, British Columbia, Canada <i>For general support of Environmental-Aboriginal Guardianship through Law and Education's Haida Aboriginal Nation title case</i>	400,000
GREAT VALLEY CENTER Modesto, California <i>For general support (Collaboration with Environment)</i>	300,000
HENRY L. STIMSON CENTER Washington, D.C. <i>For general support (Collaboration with Conflict Resolution)</i>	200,000

Special Projects: Organizations (by Category)	Grants Authorized 2003
HUMAN RIGHTS WATCH New York, New York <i>For general support (Collaboration with Conflict Resolution)</i>	200,000
INTERNATIONAL ALERT London, England <i>For general support (Collaboration with Conflict Resolution)</i>	100,000
INTERNATIONAL CRISIS GROUP Washington, D.C. <i>For general support (Collaboration with Conflict Resolution)</i>	400,000
ITHAKA New York, New York <i>For general support</i>	2,500,000
KCET Los Angeles, California <i>For a one-hour Recall Special on the public television series “California Connected”</i>	135,000
KCET Los Angeles, California <i>For “California Connected,” a collaborative public television series produced by KCET, KPBS, KQED, and KVIE on the changes that are transforming California</i>	1,500,000
LAWYERS COMMITTEE FOR HUMAN RIGHTS New York, New York <i>For general support (Collaboration with Conflict Resolution)</i>	100,000
MENLO SCHOOL Atherton, California <i>For general support of the Menlo School’s Music@Menlo program (Collaboration with Performing Arts)</i>	150,000
NATIONAL ACADEMY OF SCIENCES, POLICY AND GLOBAL AFFAIRS DIVISION Washington, D.C. <i>For a study entitled “Science and Technology in the National Interest: Ensuring the Best Presidential and Advisory Committee Appointments—3rd Edition”</i>	200,000
NATIONAL LEWIS AND CLARK BICENTENNIAL COUNCIL St. Louis, Missouri <i>For general support</i>	2,000,000
NEW YORK UNIVERSITY New York, New York <i>For a study on the valuation of human lives in the context of the cost-benefit analysis of environmental regulation</i>	75,000
NORTHERN ARIZONA UNIVERSITY, COLLEGE OF ENGINEERING AND TECHNOLOGY Flagstaff, Arizona <i>For the Engineering Schools of the West Initiative</i>	1,138,000

Special Projects: Organizations (by Category)	Grants Authorized 2003
PENINSULA COMMUNITY FOUNDATION San Mateo, California <i>For the 2003–2004 Holiday Fund</i>	25,000
POLICYLINK Oakland, California <i>For the California 2025 Project (Collaboration with Conflict Resolution)</i>	10,000
PRINCETON UNIVERSITY, OFFICE OF POPULATION RESEARCH Princeton, New Jersey <i>For a study of the Texas Higher Education Opportunity Project (Collaboration with Education)</i>	125,000
PUBLIC POLICY INSTITUTE OF CALIFORNIA San Francisco, California <i>For a study on the intergenerational integration of immigrants in California (Collaboration with Education, U.S.–Latin American Relations, Population, Children and Youth)</i>	50,000
PUBLIC POLICY INSTITUTE OF CALIFORNIA San Francisco, California <i>A planning grant for a project addressing California’s long-term infrastructure requirements</i>	100,000
PUBLIC POLICY INSTITUTE OF CALIFORNIA San Francisco, California <i>For the California 2025 project (Collaboration with Conflict Resolution)</i>	900,000
QUEST SCHOLARS PROGRAM Stanford, California <i>For recruitment of a new director for the QuestBridge initiative</i>	100,000
RESOURCES LEGACY FUND Sacramento, California <i>For the purchase, restoration, and stewardship of the Cargill salt ponds in San Francisco Bay</i>	6,400,000
RESOURCES LEGACY FUND Sacramento, California <i>For the restoration and stewardship of the Cargill salt ponds in San Francisco Bay</i>	5,135,000
RESOURCES LEGACY FUND Sacramento, California <i>For stewardship activities associated with acquisition of Cargill salt ponds in the South Bay and in Napa County</i>	180,000
SALZBURG SEMINAR Middlebury, Vermont <i>For general support</i>	150,000
SAN FRANCISCO FOUNDATION San Francisco, California <i>For a planning grant for West Oakland Initiative’s Core Focus Programs—Succeeding in School and Beyond</i>	75,000

Special Projects: Organizations (by Category)	Grants Authorized 2003
SAN FRANCISCO FOUNDATION San Francisco, California <i>For the West Oakland Initiative's Community Commitments/Continuing Programs project</i>	350,000
SAN FRANCISCO OPERA ASSOCIATION San Francisco, California <i>For transitional costs related to the implementation of a new business model (Collaboration with Performing Arts)</i>	375,000
SAN JOSE MERCURY NEWS WISH BOOK FUND San Jose, California <i>For general support</i>	20,000
STANFORD UNIVERSITY, DEPARTMENT OF MUSIC Stanford, California <i>For the St. Lawrence String Quartet to hire an administrator (Collaboration with Performing Arts)</i>	90,000
STANFORD UNIVERSITY, STANFORD CENTER ON CONFLICT AND NEGOTIATION Stanford, California <i>For a Middle East consultation on peace implementation (Collaboration with Conflict Resolution)</i>	12,500
STATENET Sacramento, California <i>For a business plan process for the future of California Journal</i>	20,000
TIDES CANADA FOUNDATION Vancouver, British Columbia, Canada <i>For the Rainforest Solutions Project</i>	1,115,000
TIDES CENTER Washington, D.C. <i>For the Rainforest Solutions Project</i>	85,000
UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO, CENTER FOR REPRODUCTIVE HEALTH RESEARCH AND POLICY San Francisco, California <i>For general support of the University of California at San Francisco's assessment on the status of publicly supported family planning and other reproductive health services for the poor in the United States (Collaboration with Population)</i>	100,000
UNIVERSITY OF NEVADA AT RENO, COLLEGE OF ENGINEERING Reno, Nevada <i>For the Engineering Schools of the West Initiative</i>	1,150,000
UNIVERSITY OF WYOMING, COLLEGE OF ENGINEERING Laramie, Wyoming <i>For the Engineering Schools of the West Initiative</i>	1,150,000
VIEWPOINT LEARNING La Jolla, California <i>For the ChoiceWork Dialogues on the California Infrastructure project (Collaboration with Conflict Resolution)</i>	0

**Special Projects:
Organizations
(by Category)**

**Grants
Authorized
2003**

YALE UNIVERSITY

New Haven, Connecticut

For the Culture and Civilization of China, a multi-volume series of art books jointly published by Yale University Press and the Beijing-based China International Publishing Group

250,000

Special Projects

Global Affairs Initiative

In October 2002, the Board built on the previous year's work in *Americans in the World* (AIW) to approve the launch in 2003 of a three-year initiative in Global Affairs. The purpose of this exploratory initiative is to identify ways in which the Foundation can address changing global realities, and the challenges facing the developing world in particular.

Areas of Exploration

In 2003, the Global Affairs Initiative conducted exploratory grant-making that addressed a number of substantive topics, specifically:

- Stimulating research and policy analysis, in which the Foundation seeks to expand the knowledge and analysis of development and security issues internationally, thereby adding greater depth to international policy debates;
- Informing the American public about global affairs, specifically by incorporating more foreign voices within existing news and public affairs outlets;
- Supporting philanthropy in developing nations, where the Foundation might play a role in encouraging the development of professionalized philanthropy *within* other countries;
- Rethinking foreign aid through the support of independent research on issues of aid effectiveness, experimentation in delivery systems, and donor accountability, and in connecting this research to policy reform efforts; and
- Dismantling agricultural trade barriers, given the dependence upon agriculture for poor people's livelihood in many developing countries.

In 2003, the Global Affairs Initiative made grants totaling \$15,174,000.

Many of the Foundation's programs touch directly upon problems in the developing world: the need for reproductive health services, for basic education, for non-polluting transportation systems in expanding urban environments, and for security. Developing country governments bear the primary responsibility for meeting the social and economic needs of their people. And sustainable development occurs only if those governments can build and maintain institutions that ensure effective governance. They must enforce

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contracts and the rule of law, provide security and other public goods, and practice sound environmental and economic management. However, in an increasingly interdependent world, these processes are not bounded by national borders: people emigrate and send remittances home; trade in goods and services links national growth to international market conditions and other countries' trade policies; emissions from one country affect air quality in others; insurgencies in one country spill over into neighbors' territories; and terrorists choose targets unconstrained by geographic boundaries. This means that policies in industrialized countries affect the options available in the developing world, and vice versa.

It is that complex relationship that smashed into the American consciousness on September 11, 2001. Since then, we have been reminded of the impact of events, even in seemingly remote regions of the world, on the security of U.S. citizens and U.S. national interests. The blurring distinction between domestic and foreign policy has further pushed concerns about international development and security to the top of our national agenda. Nevertheless, we would be foolish to think we could affect so broad an agenda without focusing our efforts on a few strategies and issues. In its approach to philanthropy, the Hewlett Foundation has endeavored to identify and solve specific problems, and to do this in a way that creates institutions' ongoing ability to address issues as they evolve.

Stimulating Research and Policy Analysis

The Hewlett Foundation has long provided core institutional support to organizations to conduct independent analysis and research in areas of interest to the Foundation. We have supported the most promising and productive institutions doing work to develop intellectual frameworks for understanding the relationship between U.S. foreign policy, global governance, and specific development outcomes—the Brookings Institution, Carnegie Endowment for International Peace, Council on Foreign Relations, Stanford's Institute for International Studies Center for Democracy, Development and the Rule of Law, and Yale's Center for the Study of Globalization. In supporting these organizations we seek to expand the knowledge and analysis of development and security issues internationally, adding greater depth to international policy

debates. Because the analysis of global development and security issues is largely dominated by American and European institutions and thinkers, we are exploring the most effective ways to leverage the expertise of the best of these institutions by connecting them to counterpart institutions in the developing world, and offering selective support to those institutions.

Informing Americans About Global Affairs

While research and policy analysis are critically important, it is no less important to inform American citizens and policymakers about global matters and America's global responsibilities. Unfiltered foreign perspectives remain relatively rare in U.S. media. Through our grants to organizations like National Public Radio, the Foundation looked to enhance coverage of global issues within the U.S. by bringing more foreign perspectives directly to American audiences and readers through existing media channels. We also supported the development of international public affairs programs on PBS, like *Wide Angle* and *Frontline World*.

Building Indigenous, or In-Country, Philanthropy

The Hewlett Foundation has long maintained an interest in strengthening nonprofit organizations and promoting philanthropy. Through support for projects like the Global Philanthropy Forum's *Conference on Borderless Giving*, the Foundation also has encouraged American philanthropists to donate to international causes. In addition, the Foundation has begun to play a role in encouraging the development of professionalized philanthropy *within* other countries. The impact of indigenous philanthropy is potentially far-reaching. Foreign-funded projects often lack local control and buy-in and are subject to the vagaries of international donors' interests. Our work in indigenous philanthropy will take place largely within particular countries, and specifically where the Foundation has grantmaking partnerships with on-the-ground organizations. In 2003, with the U.S.–Latin American Relations Program, we funded a project to bring several organizations together to craft a collaborative strategy with the goal of strengthening and expanding philanthropy in Mexico through research and the cultivation of local leadership.

Particular Policy Issues for the Coming Years: The Development Agenda

There is an opportunity to multiply the impact of our dollars in almost all of the Foundation's program areas if we can promote sustainable economic growth in developing regions of the world. In the present geopolitical circumstances, we believe the Foundation could focus usefully on two levers: (1) increasing the amount and effectiveness of foreign aid, and (2) reducing the barriers to market access in the United States (and possibly the European Union) for developing country agricultural producers.

Rethinking Foreign Aid

Current events have pushed concerns about improving foreign aid delivery systems to the forefront of the U.S. foreign policy agenda for the first time in decades. Because it has no vested interests, the Foundation can play a useful role in supporting independent research on issues of aid effectiveness, experimentation in delivery systems and donor accountability, and in connecting this research to policy reform efforts. With grants to InterAction and the Center for Global Development, we began grantmaking to advance these goals in 2003.

Dismantling Agricultural Trade Barriers

With 70 percent of the world's poor living in rural areas and a large majority dependent upon agriculture for their livelihoods, trade in agriculture matters a lot for raising incomes in the developing world. And although many of the gains from trade would come from trade reforms within the developing world, it is clear that greater access to markets in industrialized countries and a reduction of farm subsidies in wealthy nations could greatly increase the opportunities of agricultural producers in developing countries. Agriculture continues to be one of the most protected sectors in the industrialized world. In 2003, the Hewlett Foundation co-hosted with the Rockefeller Foundation a meeting of policy experts, academic economists, policymakers from the developed and developing worlds and from multilateral institutions, and representatives from affected sectors to identify a research, policy, and advocacy agenda in this area for the next several years.

Global Affairs Initiative

AMERICAN UNIVERSITY OF BEIRUT

Beirut, Lebanon

For an exchange program called “Promoting Understanding Between the United States and the Islamic World,” which brings Islamic scholars to U.S. institutions of higher education

\$500,000

ASPEN INSTITUTE

Washington, D.C.

For the Congressional Program

750,000

ASPEN INSTITUTE, ASPEN STRATEGY GROUP

Washington, D.C.

For support of the Aspen Strategy Group to convene expert meetings to develop an agenda addressing two aspects of American foreign policy toward the Middle East and the transatlantic relationship

75,000

BETTER WORLD FUND

Washington, D.C.

For the Energy Future Coalition’s research project to assess the opportunities for shifting agricultural subsidies to bioenergy to reduce the impact of American farm subsidies on developing country agricultural producers

150,000

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

Washington, D.C.

For the research and policy agenda of the Endowment’s Global Policy Program

1,000,000

CENTER FOR DEFENSE INFORMATION

Washington, D.C.

For Superpower: Global Affairs Television

100,000

CENTER FOR GLOBAL DEVELOPMENT

Washington, D.C.

For research and policy analysis of foreign assistance and aid delivery programs and for a project on access to basic education (Collaboration with Population)

1,400,000

CENTER FOR GLOBAL DEVELOPMENT

Washington, D.C.

For a mapping project to document existing multilateral overseas development assistance programs (Collaboration with Population)

40,000

EDUCATIONAL BROADCASTING CORPORATION

New York, New York

For seasons two and three of “Wide Angle,” a PBS documentary series

1,000,000

EDUCATIONAL BROADCASTING CORPORATION

New York, New York

For support of the television program “BBC World News” (Collaboration with Special Projects)

0

EURASIA FOUNDATION

Washington, D.C.

For the Russian Social Investment Initiative

248,000

Global Affairs: Organizations (by Category)	Grants Authorized 2003
FILMAID INTERNATIONAL New York, New York <i>For general support</i>	200,000
GREATER WASHINGTON EDUCATIONAL TELECOMMUNICATIONS ASSOCIATION Arlington, Virginia <i>For the continuation of the By The People project</i>	3,500,000
INSTITUTO TECNOLÓGICO AUTÓNOMO DE MÉXICO Mexico City, México <i>For the Philanthropy and the Development of Civil Society in Mexico project (Collaboration with U.S.–Latin American Relations)</i>	150,000
INTERACTION AMERICAN COUNCIL FOR VOLUNTARY INTERNATIONAL ACTION Washington, D.C. <i>For enhancing development and aid effectiveness</i>	600,000
LINK MEDIA San Rafael, California <i>For World Link TV for production of its Mosaic program and operating costs for the channel</i>	1,400,000
NATIONAL PUBLIC RADIO Washington, D.C. <i>For bringing more international perspectives to NPR’s news programming</i>	1,000,000
NETAID New York, New York <i>For a two-phase research and analysis project to gain an improved understanding of how to engage Americans on international development issues</i>	50,000
SOUTHERN CENTER FOR INTERNATIONAL STUDIES Atlanta, Georgia <i>For production of “The Angry World: International News Coverage in America”</i>	80,000
STANFORD UNIVERSITY, DEPARTMENT OF COMMUNICATIONS Stanford, California <i>For the Center for Deliberative Democracy (Collaboration with Conflict Resolution)</i>	150,000
STANFORD UNIVERSITY, INSTITUTE FOR INTERNATIONAL STUDIES Stanford, California <i>For the Center on Democracy, Development, and the Rule of Law (Collaboration with Conflict Resolution)</i>	700,000
TIDES FOUNDATION San Francisco, California <i>For support of public education and research activities of the CONNECT U.S. Fund and Network</i>	1,000,000
UNITED NATIONS ASSOCIATION OF THE UNITED STATES New York, New York <i>For the U.S./Iran Dialogue on Multilateral Diplomacy and the Management of Global Issues (Collaboration with Conflict Resolution)</i>	75,000

**Global Affairs:
Organizations
(by Category)**

**Grants
Authorized
2003**

UNIVERSITY OF PENNSYLVANIA, CENTER FOR SCHOOL STUDY COUNCIL
Philadelphia, Pennsylvania

*For an informed high school dialogue pilot project in partnership with the
By the People project*

6,000

WGBH

Boston, Massachusetts

*For the second and third seasons of Frontline World, a public television series on
global affairs*

1,000,000

Special Projects

Neighborhood Improvement Initiative

The Neighborhood Improvement Initiative (NII) has assisted three low-income communities in the Bay Area in achieving lasting physical, economic, and social improvements in their neighborhoods. The three NII sites are the Mayfair Improvement Initiative, San Jose (MII); One East Palo Alto, East Palo Alto (OEPA); and the 7th Street McClymonds Corridor, Oakland.

Program Guidelines

The NII's theory of change is that sustainable improvements in lower-income communities will result from residents being actively involved in community planning and decisionmaking processes, guided by a comprehensive, coordinated multiyear strategy to address conditions that impair the quality of life in these communities.

The NII's theory of change contains five key assumptions:

- That effective and sustainable community revitalization requires that residents have direct control over planning for and management of the distribution of resources in their community;
- That building community-based organization (CBO) capacity is central to the success of sustainable community revitalization efforts;
- That the effectiveness and long-term sustainability of community revitalization in low-income communities requires the involvement of all key stakeholders who have an ongoing interest in the neighborhood, such as appointed and elected officials, government agencies, businesses, and so on;
- That improved coordination and effectiveness of programs and services, in addition to expanded public and private sector investments in low-income areas, will improve the quality of neighborhood conditions; and
- That a multiyear strategy aimed at neighborhood improvement is essential to success.

The work of the Neighborhood Improvement Initiative is based on the idea that the most effective way to promote and sustain neighborhood revitalization is to work with the community to address the interconnected problems of unemployment, deteriorating physical infrastructure, and the limited supply of affordable housing.

The NII pursues its objectives through supporting a range of component activities, which include:

- Coordinated and effective programs and services that improve the quality of life of residents;
- Improved operational and financial capacity of community-based organizations to carry out neighborhood projects;
- Improved capacity of Bay Area community foundations to support neighborhood revitalization;
- Increased resident involvement in neighborhood planning and improvement efforts;
- Increased public- and private-sector investment in the neighborhoods; and
- Improved neighborhood-level outcomes, including but not limited to financial self-sufficiency, educational attainment, physical blight, and crime and safety.

In 2003, NII made grants totaling \$1,865,000.

Mayfair Improvement Initiative

Founded in 1996, the Mayfair Improvement Initiative was designed to improve the physical, economic, and social conditions in the east San Jose neighborhood of Mayfair. With more than seventy-five projects launched since its inception, the Mayfair Initiative has historically focused its work on six priorities:

- Youth prepared for success;
- Access to economic opportunity;
- Available quality housing;
- Strong resident leaders;
- Healthy community; and
- Secure and safe community.

Substantial project progress is evident in the areas of neighborhood infrastructure development, health outreach and education, and elected leadership positions.

Physical neighborhood infrastructure improvements include the repair of sidewalks, curbs, and gutters, the installation of streetlights, and the San Jose City Council's adoption of the \$5 million Mayfair Strong Neighborhoods Initiative ten-year plan to guide municipal government investment of redevelopment funds in Mayfair. Key health care results under the prior grant include the enrollment of 264 children in state-sponsored health insurance pro-

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grams, the provision of dental screenings for 700 children, and the provision of health screenings for 550 residents.

Increasingly, residents have risen to leadership positions outside of Mayfair, including seats on the Santa Clara County Housing and Community Development Citizens' Advisory Committee, Alum Rock School Board, City of San Jose Early Care and Education Commission, and the Strong Neighborhoods Initiative implementation committee.

Last year the Hewlett Foundation's investment in the Mayfair Initiative leveraged \$587,156 of additional commitments.

One East Palo Alto

The hub and coordinating body for the Hewlett Foundation NII in East Palo Alto is an intermediary organization called One East Palo Alto (OEPA). OEPA consists of a 5-member staff, 17-member resident board, 150 resident members, and over 20 regional and local partnering agencies. OEPA and its partners guide and implement strategies aimed at raising the literacy levels of elementary school children, lowering drug crime, and increasing resident incomes and assets. The Hewlett Foundation makes investments in OEPA, its partners, and its resident constituencies to further their comprehensive and coordinated goals.

In 2003, OEPA brokered services with the successful job training agency, OICW, resulting in fifty trained EPA residents employed in jobs paying \$12 an hour on average. OEPA also brokered services with the EPA-based small business developer, Start Up, resulting in training for forty residents as a means of increasing incomes and assets for ten residents (full results will be reported by September 2004).

Literacy is among OEPA's most important work. OEPA contracted with research partner Applied Survey Research to study after-school literacy programs in the Ravenswood School District. As a result of the study findings, OEPA began partnerships with the public library's QUEST Learning Center program to demonstrate an effective after-school literacy program model for the district.

Responding to the need for increased parental involvement in their children's education in the Ravenswood School District, OEPA nurtured a new parent organization, Nuestra Casa, to run a Parent

Leadership institute and teach English as a Second Language in partnership with Cañada Community College. Latino parents in particular have a difficult time communicating with predominantly monolingual English-speaking teachers (as the majority of EPA Latino parents speak little to no English) and have difficulty helping their children directly with homework. In 2003, Nuestra Casa improved fifty parents' skills in English language, parenting, and leadership.

OEPA was awarded a three-year, \$800,000 grant from the Peninsula Community Foundation (PCF) in August 2003 to further its work in literacy and leadership development.

During 2003, the Hewlett Foundation and the Peninsula Community Foundation agreed to place the management and oversight of One East Palo Alto within the Hewlett Foundation.

7th Street McClymonds Corridor

With the goal of providing the most effective support to the residents of West Oakland, in 2003 the Hewlett Foundation and the San Francisco Foundation replaced the 7th Street McClymonds NII with an initiative focused primarily on improving outcomes for students in the McClymonds High School.

Transition in Management

Cindy Ho and Kris Palmer will continue to manage the Mayfair and One East Palo Alto sites, reporting to the Foundation president, after the January 2004 retirement of Alvertha Penny, Director of the Neighborhood Improvement Initiative.

Neighborhood Improvement Initiative

COMMUNITY DEVELOPMENT INSTITUTE

East Palo Alto, California

For the One East Palo Alto Neighborhood Improvement Initiative \$665,000

COMMUNITY FOUNDATION SILICON VALLEY

San Jose, California

For the management of the Mayfair Improvement Initiative 200,000

EAST PALO ALTO MICRO BUSINESS INITIATIVE

East Palo Alto, California

For the Entrepreneurship Training and Small Business Development Initiative 50,000

MAYFAIR IMPROVEMENT INITIATIVE

San Jose, California

For general support of the Initiative 750,000

OPPORTUNITIES INDUSTRIALIZATION CENTER WEST

Menlo Park, California

For the One East Palo Alto Neighborhood Improvement Initiative 165,000

SAN MATEO COUNTY LIBRARY JOINT POWERS AUTHORITY

San Mateo, California

For the QUEST Learning Center to develop curricula for the after-school literacy programs in East Palo Alto 35,000

Special Projects Philanthropy Initiative

a key objective of our work at the Hewlett Foundation is to encourage and develop the field of philanthropy. We believe that private philanthropy is of great value to society. The Hewlett Foundation's Philanthropy Initiative is a central part of that commitment.

In 2003, the Philanthropy Initiative made grants totaling \$2,398,000.

The Foundation models effective philanthropic practices in its core program areas. In addition, the Foundation works to strengthen the infrastructure of the philanthropic and nonprofit sectors. Specifically, the Philanthropy Initiative within Special Projects aims to increase the flow of philanthropic capital to high-performing nonprofit organizations—organizations that clearly articulate their goals and strategies for achieving them, evaluate progress, and actually make significant progress toward their goals.

The Philanthropy Initiative is premised on the belief that greater transparency and accountability of nonprofit organizations would result in more philanthropic capital flowing to effective organizations. Thus, a pervasive strategy is to improve the marketplace in which institutional and individual funders can identify and support nonprofit organizations. This requires improving the quantity and quality of information readily available within the sector—for example, information about the objectives and performance of nonprofit organizations, including foundations.

We pursue the Philanthropy Initiative's goals through three strategies: 1) developing standards to gauge and promote the effectiveness of nonprofits; 2) educating donors about strategic philanthropy; and 3) establishing market mechanisms to provide donors with opportunities to support high-performing nonprofit organizations.

Developing Standards

The Hewlett Foundation supports the development of frameworks, methodologies, and, ultimately, standards by which to gauge the effectiveness of nonprofit organizations. Through the Foundation's common grant application as well as the Philanthropy Initiative, we encourage nonprofits to articulate clear objectives and indicators of progress toward those objectives. We seek to equip both practition-

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ers and funders with knowledge that can inform effective management of nonprofits and advance the achievement of their objectives. In 2003, for example, we supported the Urban Institute Center on Nonprofits and Philanthropy to develop a practical classification of standard performance measures for nonprofit organizations. We funded the Center for Effective Philanthropy to produce a “Grantee Perception Report,” which brought to our attention feedback from our grantees on the Foundation’s performance. Our data have become part of a national data set against which other foundations will be compared. We also supported Duke University’s Terry Sanford Institute of Public Policy to create the first ongoing university-based research and teaching institution focused on measuring the social impact of foundations.

Educating Donors

The Foundation promotes the practice of strategic philanthropy by encouraging and educating donors to set clear objectives and measures of success; to consider grants in terms of effectiveness, risk, and potential return; to assess grantee organizations’ capacity to achieve specified objectives and help strengthen their capacity; and to assess the organizations’ and funders’ progress toward shared objectives. In 2003, for example, we continued support for The Foundation Incubator’s programs to promote effective philanthropy at new and established foundations through workshops, mentoring, expert referrals, and collaborative grantmaking.

Establishing Market Mechanisms

The Foundation supports the development of facilitative mechanisms, including Internet-based platforms, which match funders with high-performing nonprofit organizations. In 2003, for example, we supported Greater Kansas City Community Foundation’s development and application of DonorEdge, a Web-based mechanism for gathering, measuring, and reporting information about nonprofit organizations.

Many grants within this Initiative have been made in collaboration with other funders including the Ford, Kellogg, Omidyar, Skoll, Packard, Rockefeller, TOSA, and Surdna Foundations and Atlantic Philanthropic Services. We believe that effective collabora-

tion among funders is a critical way to leverage resources. In addition to grantmaking, the Foundation is committed to disseminating the knowledge gained in its programs and to participating in field-wide organizations, seminars, and workshops.

Philanthropy Initiative

<p>CENTER FOR EFFECTIVE PHILANTHROPY Cambridge, Massachusetts <i>For the Grantee Perception Report</i></p>	\$31,000
<p>DUKE UNIVERSITY, CENTER FOR ETHICS AND PUBLIC POLICY Durham, North Carolina <i>For general support of Duke University's Program of Research and Teaching on Strategic Choice-Making by Foundations and the Measurement of the Social Impact of Foundations' Grantmaking</i></p>	500,000
<p>FOUNDATION CENTER New York, New York <i>For development of the Foundation Center Online</i></p>	100,000
<p>FOUNDATION INCUBATOR Palo Alto, California <i>For lease buyout assistance</i></p>	1,000,000
<p>GREATER KANSAS CITY COMMUNITY FOUNDATION Kansas City, Missouri <i>For the DonorEdge project</i></p>	147,000
<p>INDEPENDENT SECTOR Washington, D.C. <i>For the project entitled "Building Value Together"</i></p>	100,000
<p>PHILANTHROPIX PARTNERS San Francisco, California <i>For general support</i></p>	200,000
<p>TIDES CENTER Washington, D.C. <i>For the New Visions Philanthropic Research and Development project</i></p>	20,000
<p>URBAN INSTITUTE Washington, D.C. <i>For a project to create a framework to measure nonprofit performance</i></p>	300,000

Special Projects

Children and Youth

Over the past two years, the Hewlett Foundation has explored a range of possible approaches to improving services and outcomes for highly disadvantaged youth, in particular those aged 14 to 24. As part of that process, the Foundation commissioned a number of papers examining issues related to improving outcomes for children and youth. The experts we consulted provided valuable insights into the demographics of young people at risk, the effectiveness of past policies and programs, and the potential for innovation and improvement in the field. Due to changes in available resources, the Foundation will not be establishing a new youth program at this time. We hope, however, that the research and analysis commissioned to inform our exploratory process may prove useful to those currently working on youth development issues.

In 2003, the Foundation made grants in this area totaling \$1,971,653.

Children and Youth

CHILD TRENDS

Washington, D.C.

For an annual report featuring key social indicators of the well-being of young adults ages 18 to 24 and for implementation of a media and public policy communications strategy

\$40,000

CHILD TRENDS

Washington, D.C.

For preparation of a report on indicators regarding the well-being of youth between the ages of 14 and 24

20,000

COALITION OF COMMUNITY FOUNDATIONS FOR YOUTH

Basehor, Kansas

For the creation of a focus within the community foundation field on young people between the ages of 14 and 24

50,000

ELLA BAKER CENTER FOR HUMAN RIGHTS

San Francisco, California

For the Search for Solutions program

50,000

FAMILY VIOLENCE PREVENTION FUND

San Francisco, California

For the costs of printing and distributing a report commissioned by the Hewlett Foundation

3,000

FUND FOR PUBLIC SCHOOLS

Long Island City, New York

For development of a strategic action plan for transforming education for disconnected youth in New York City

100,000

NATIONAL INDIAN CHILD WELFARE ASSOCIATION

Portland, Oregon

For general support

200,000

NATIONAL LEAGUE OF CITIES INSTITUTE, INSTITUTE FOR YOUTH, EDUCATION AND FAMILIES

Washington, D.C.

For a disconnected youth research initiative

250,000

POLICYLINK

Oakland, California

For the costs of distribution of a report commissioned by the Hewlett Foundation

6,653

PUBLIC POLICY INSTITUTE OF CALIFORNIA

San Francisco, California

For a study on the intergenerational integration of immigrants in California (Collaboration with Special Projects, Education, U.S.–Latin American Relations, Population)

50,000

STANFORD UNIVERSITY

Stanford, California

For a project to improve the well-being of disconnected youth

800,000

Children and Youth: Organizations (by Category)	Grants Authorized 2003
URBAN INSTITUTE Washington, D.C. <i>For the Disconnected Young Men project</i>	202,000
W. HAYWOOD BURNS INSTITUTE San Francisco, California <i>For the Community Justice Network for Youth</i>	200,000

Advice to Applicants

Thank you very much for your interest in The William and Flora Hewlett Foundation. We ask that all organizations interested in applying for a grant carefully read the information available on the Foundation's Web site (www.hewlett.org) about the Foundation's programs and priority areas. Please refer to the Foundation's General Program overview or proceed directly to guidelines for a particular program.

We have the following guidelines:

The Foundation makes grants to nonprofit charitable organizations classified as 501(c)(3) public charities by the Internal Revenue Service. The Foundation does not make grants to individuals.

The Foundation normally does not make grants intended to support basic research, capital construction funds, endowment, general fundraising drives, fundraising events, or debt reduction. It does not make grants intended to support candidates for political office, to influence legislation, or to support sectarian or religious purposes.

If, after review of our priorities, you believe your objectives fit within the guidelines of a particular program, you should complete the Letter of Inquiry form in the relevant program section of the Foundation's Web site for initial review. (For example, if you are interested in an Education Program grant, go to www.hewlett.org, click on "Education," and then click on "Guidelines for Grant-seekers." There you will find the link to the Letter of Inquiry.)

After your letter of inquiry is received and reviewed, you may be invited to submit an application. Please do not submit a full proposal until you are invited to do so.

After careful consideration of your letter, our program staff will contact you to let you know whether to submit a full proposal. Please note that a request to submit a proposal does not guarantee funding, but rather is a second step in the review process. If invited, you will be asked to complete a proposal using our Common Format.

Grants are awarded on the basis of merit, educational importance, relevance to program goals, and cost-effectiveness.

Financial Statements

THE WILLIAM AND FLORA HEWLETT FOUNDATION

REPORT OF INDEPENDENT AUDITORS

*To the Board of Directors of
The William and Flora Hewlett Foundation*

In our opinion, the accompanying statements of financial position and the related statements of activities and changes in net assets and of cash flows present fairly, in all material respects, the financial position of The William and Flora Hewlett Foundation (“the Foundation”) at December 31, 2003 and 2002, 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 audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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

SAN FRANCISCO, CALIFORNIA
MARCH 4, 2004

Statements of Financial Position
(Dollars in Thousands)

	December 31	
	2003	2002
ASSETS		
Investments, at fair value		
Hewlett-Packard and Agilent common stock	\$ 215,575	\$ 593,323
Other public domestic equities	1,890,357	1,383,270
Public international equities	1,243,001	733,164
Private equities	748,426	585,032
Fixed income	1,236,770	1,047,245
Cash equivalents	186,429	209,114
Net receivable (payable) from unsettled securities purchases and sales	73,361	(100,002)
Other	11,176	(33,955)
Total investments	<u>5,605,095</u>	<u>4,417,191</u>
Cash	149	193
Collateral under securities loan agreement	217,691	123,196
Federal excise tax refundable	-	2,690
Program-related investment	832	2,000
Prepaid expenses and other assets	3,127	583
Distribution receivable from Hewlett Trust	325,777	548,268
Fixed assets, net of accumulated depreciation & amortization	37,692	39,272
	<u>\$ 6,190,363</u>	<u>\$ 5,133,393</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 7,703	\$ 4,884
Payable under securities loan agreement	217,691	123,196
Federal excise tax payable currently	226	-
Deferred federal excise tax	5,167	-
Grants payable	142,022	152,555
Gift payable, net of discount	269,897	331,248
Total liabilities	<u>642,706</u>	<u>611,883</u>
Commitments (Note 3)		
Unrestricted net assets	5,221,835	3,973,242
Temporarily restricted net assets	325,822	548,268
	<u>5,547,657</u>	<u>4,521,510</u>
	<u>\$ 6,190,363</u>	<u>\$ 5,133,393</u>

See accompanying notes to the financial statements on pp. 100–106.

*Statements of Activities and
Changes in Net Assets
(Dollars in Thousands)*

	Year Ended December 31	
	2003	2002
UNRESTRICTED NET ASSETS		
Net investment revenues and losses:		
Interest, dividends and other	\$ 126,159	\$ 94,202
Gain (loss) on investment portfolio	1,005,583	(448,032)
Investment management expense	(20,347)	(11,563)
Net investment income (loss)	<u>1,111,395</u>	<u>(365,393)</u>
Net federal excise tax expense on		
net investment income (loss) (Note 8)	(6,237)	(953)
Net investment revenues (losses)	<u>1,105,158</u>	<u>(366,346)</u>
Expenses:		
Grants awarded, net of cancellations	(176,199)	(173,660)
Change in gift discount (Note 7)	(14,921)	(15,572)
Direct and other charitable activities	(3,761)	(3,193)
Administrative expenses	(14,987)	(14,366)
Excess (deficit) of income over expenses before		
net assets released from time restriction	895,290	(573,137)
Net assets released from time restriction (Note 4)	<u>353,303</u>	<u>999,973</u>
Change in unrestricted net assets	<u>1,248,593</u>	<u>426,836</u>
TEMPORARILY RESTRICTED NET ASSETS		
Temporarily restricted revenues:		
Contributions	130,857	(364,902)
Net assets released from time restriction	(353,303)	(999,973)
Change in temporarily restricted net assets	<u>(222,446)</u>	<u>(1,364,875)</u>
Change in total net assets	<u>1,026,147</u>	<u>(938,039)</u>
Net assets at beginning of year	<u>4,521,510</u>	<u>5,459,549</u>
Net assets at end of year	<u>\$ 5,547,657</u>	<u>\$ 4,521,510</u>

See accompanying notes to the financial statements on pp. 100–106.

Statements of Cash Flows
(Dollars in Thousands)

	Year Ended December 31	
	2003	2002
Cash flows used in operating activities:		
Interest and dividends received	\$ 123,443	\$ 92,386
Cash received (paid) for federal excise tax	1,846	(1,938)
Cash paid to suppliers and employees	(29,482)	(25,362)
Cash contributions received	73	25,000
Grants and gift paid	(249,732)	(168,214)
Net cash used in operating activities	<u>(153,852)</u>	<u>(78,128)</u>
Cash flows from investing activities:		
Purchases of equipment	(336)	(2,400)
Building and land improvements	(84)	(13,734)
Program-related investment	-	(2,000)
Cash received from partnership distributions	71,521	49,039
Proceeds from sale of investments	9,304,200	6,809,265
Purchase of investments	(9,221,493)	(6,762,788)
Net cash from investing activities	<u>153,808</u>	<u>77,382</u>
Net decrease in cash	(44)	(746)
Cash at beginning of year	193	939
Cash at end of year	<u>\$ 149</u>	<u>\$ 193</u>

See accompanying notes to the financial statements on pp. 100–106.

Statements of Cash Flows
(Dollars in Thousands)

	Year Ended December 31	
	2003	2002
Reconciliation of change in net assets to net cash used in operating activities:		
Change in total net assets	\$ 1,026,147	\$ (938,039)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization of property and equipment	2,000	1,429
Amortization of discount on gift payable	14,921	15,572
Unrealized loss on program-related investment	1,168	-
Net unrealized and realized (gains) losses on investments	(1,005,583)	448,032
Increase in deferred federal excise tax	5,167	-
Changes in operating assets and liabilities:		
Decrease (increase) in interest and dividends receivable	3,409	(3,922)
Decrease (increase) in federal excise tax	2,916	(985)
(Increase) decrease in prepaid expenses and other assets	(2,544)	14
(Increase) decrease in distribution receivable from Hewlett Trust	(130,739)	389,902
Increase in accounts payable and accrued liabilities	2,819	1,230
(Decrease) increase in grants payable	(10,533)	8,639
Decrease in gift payable	(63,000)	-
Net cash used in operating activities	<u>\$ (153,852)</u>	<u>\$ (78,128)</u>
Supplemental data for non-cash activities:		
Stock contributions received from Hewlett Trust	<u>\$ 353,230</u>	<u>\$ 974,973</u>
Stock contributions made	<u>\$ (13,272)</u>	<u>\$ (21,252)</u>
Fixed assets additions, not yet paid, included in accounts payable and accrued liabilities	<u>\$</u>	<u>\$ 22</u>

See accompanying notes to the financial statements on pp. 100–106.

Notes to Financial Statements
December 31, 2003 and 2002
(Dollars in Thousands)

NOTE 1

The Organization

The William and Flora Hewlett Foundation (the "Foundation") is a private foundation incorporated in 1966 as a nonprofit charitable organization. The Foundation's grantmaking activities are concentrated in the seven program areas of conflict resolution, education, environment, performing arts, population, global affairs, and U.S.-Latin American relations. More detailed information regarding the Foundation's charitable activities can be obtained from the Foundation's Web site at www.hewlett.org, or by requesting a copy of its annual report.

NOTE 2

*Significant
Accounting Policies*

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

Cash. Cash consists of a commercial demand deposit account.

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, 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 swaps, which gain exposure to domestic equities in a leveraged form, are traded with a counterparty and are valued at the payment to be made or received at each month end. Covered call contracts which are not traded on exchanges are valued using the Black Scholes option model. 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 include securities of companies that may not be immediately liquid, such as venture capital, buyout firms, and real estate. 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. Investments donated to the Foundation are initially recorded at market value on the date of the gift.

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.

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.

Grants. Grants are accrued when awarded by the Foundation.

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 and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of investment activity and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications. Certain reclassifications have been made to the 2002 balances to conform with the 2003 presentation. These reclassifications had no effect on the change in net assets in 2002 or total net assets at December 31, 2002.

NOTE 3
Investments

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, 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 and commingled funds, which have separate arrangements appropriate 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. Realized and unrealized gains and losses on investments are reflected in the Statements of Activities and Changes in Net Assets.

Approximately 13 percent of the Foundation's investments at December 31, 2003 and 2002, were invested with various limited partnerships that invest in the securities of companies that may not be 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, 2003, the

Foundation is committed to contribute approximately \$578,234 in additional capital in future years to various partnerships.

The gain (loss) on the Foundation's investment portfolio consists of the following:

	<u>2003</u>	<u>2002</u>
Net realized gain (loss)	\$ (271,180)	\$ (88,382)
Net unrealized gain (loss)	1,276,763	(359,650)
	<u>\$ 1,005,583</u>	<u>\$ (448,032)</u>

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; (2) covered call options may be sold to enhance yield on major equity positions; (3) futures and swap contracts may be used to equitize excess cash positions, rebalance asset categories within the portfolio, or to rapidly increase or decrease exposure to specific investment positions in anticipation of subsequent cash trades; and (4) futures contracts 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, 2003 and 2002, was \$144,910 and \$317,901, respectively. The value of cash held at brokers as collateral for variation margin was \$10,106 at December 31, 2003.

Certain of the Foundation's managers sell securities forward. At December 31, 2003 and 2002, the liability for these forward sales (stated at market value) was \$6,244 and \$932, respectively, and the proceeds received with respect to these at December 31, 2003 and 2002, were \$5,828 and \$877, respectively.

Premiums received with respect to open options contracts at December 31, 2003 and 2002, are \$4,035 and \$14,377, respectively.

Other investment assets of \$11,176 and (\$33,955) at December 31, 2003 and 2002, respectively, consist of a parcel of land held for investment purposes, receivables for interest and dividends, and certain derivatives held at fair market value. At December 31, 2003 and 2002, these derivatives included swap contracts, futures contracts, foreign exchange contracts, and put and call options, as shown in the table below.

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, 2003 and 2002, are summarized in the following table. This table excludes exposures relating to derivatives held indirectly through commingled funds.

DERIVATIVE FINANCIAL INSTRUMENTS	<u>2003</u>	<u>2002</u>
	Fair Value (in thousands)	Fair Value (in thousands)
<i>Equity contracts to manage desired asset mix:</i>		
Swap contracts		
Assets (Liabilities)	\$ 10,466	\$ (8,753)
Forward sales		
Liabilities	\$ (6,244)	\$ (932)
Call options		
Liabilities	\$ (16,075)	\$ (39,025)
<i>Fixed income contracts to manage portfolio duration and asset allocation:</i>		
Futures contracts		
Assets (Liabilities)	\$ 228	\$ (35)
Put and call options		
Liabilities	\$ (90)	\$ (278)
<i>Foreign currency contracts:</i>		
Forward contracts		
Unrealized gain on currency contracts	\$ 2,869	\$ 2,573
Unrealized loss on currency contracts	\$ (1,816)	\$ (1,440)

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, and floating rate notes. Income earned on these transactions is included in net investment income (loss) in the Statements of Activities and Changes in Net Assets. The market value of securities on loan at December 31, 2003 and 2002, was \$210,583 and \$120,461, respectively. The value of the collateral received at December 31, 2003 and 2002, aggregated \$217,691 and \$123,196, respectively, of which \$217,530 and \$120,287, respectively, was received in cash and was invested in accordance with the investment guidelines. The remainder of the collateral, \$161 at December 31, 2003, and \$2,909 at December 31, 2002, was received in the form of securities and letters of credit.

At December 31, 2003, the net receivable (payable) from unsettled securities transactions includes a receivable from brokers of \$122,207 and a payable to brokers of \$48,846. At December 31, 2002, the net receivable (payable) from unsettled securities transactions included a receivable from brokers of \$17,318 and a payable to brokers of \$117,320.

The Foundation held 4.0 million shares of Hewlett-Packard Company ("Hewlett-Packard") stock with a market price of \$22.97 per share at December 31, 2003. At December 31, 2002, the Foundation held 29.0 million shares with a market price of \$17.36 per share. During 2003, the Foundation received 9.5 million shares of Hewlett-Packard stock and reduced its Hewlett-Packard stock holdings by 34.5 million shares by sale or transfer. The Foundation held 4.25 million shares of Agilent Company ("Agilent") stock with a market price of \$29.24 per share at December 31, 2003. At December 31, 2002, the Foundation held 5.0 million shares with a market price of \$17.96. During 2003, the Foundation received 8.05 million shares of Agilent stock and reduced its Agilent stock holdings by 8.8 million shares by sale.

NOTE 4
*Distributions
Receivable from the
William R. Hewlett
Trust*

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 is entitled to receive the trust assets remaining after distribution of certain specific gifts to members of Mr. Hewlett's family and payment of debts, expenses of administration, and federal and state estate taxes. The Trust is expected to be fully distributed during 2004.

The receivable from the Trust, which was \$548,268 at December 31, 2002, is adjusted for contributions during 2003 and also for changes in market value. The change in market value was approximately \$130,812. During 2003 the Foundation received Hewlett-Packard and Agilent stocks valued at \$339,298 and other assets valued at \$14,005 from the Trust, totaling \$353,303. At December 31, 2003, the estimated fair market value of the remaining assets to be distrib-

uted to the Foundation by the Trust was \$325,777. These assets consist almost entirely of Hewlett-Packard and Agilent common stock and are reflected in the financial statements as temporarily restricted net assets due to the fact that they are to be received in the future. The fair market value of the distributions receivable will fluctuate with changes in the share price of Hewlett-Packard and Agilent stock and as the Trust receives income and pays expenses.

NOTE 5
Fixed Assets

Fixed assets consist of the following at December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Furniture and fixtures	\$ 4,565	\$ 4,569
Computer and office equipment	2,625	1,727
Building, land lease, and land improvements	<u>33,914</u>	<u>34,552</u>
	41,104	40,848
Less accumulated depreciation and amortization	<u>(3,412)</u>	<u>(1,576)</u>
	<u>\$ 37,692</u>	<u>\$ 39,272</u>

NOTE 6
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, 2003, are payable as follows:

<u>Year Payable</u>	<u>Amount</u>
2004	\$ 124,936
2005	13,962
2006 and thereafter	<u>3,124</u>
	<u>\$ 142,022</u>

NOTE 7
Gift Payable

The Foundation pledged a gift of \$400,000 in April of 2001 to Stanford University for the School of Humanities and Sciences and for the undergraduate education program. The gift will be paid over a period of seven years and is discounted to a net present value as of December 31, 2003, using risk-free rates ranging from 4.3% to 5.1%. Payments of \$76,272 were made in 2003, including \$13,272 paid in stock. During 2002 the Foundation made payments of stock valued at \$21,252.

Gift payable, net of discount, at December 31, 2003 and 2002, is as follows:

	<u>2003</u>	<u>2002</u>
Gift payable	\$ 302,476	\$ 378,748
Less unamortized discount	<u>(32,579)</u>	<u>(47,500)</u>
Gift payable, net of discount	<u>\$ 269,897</u>	<u>\$ 331,248</u>

NOTE 8
Federal Excise 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. 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 both 2003 and 2002. Each year, current federal excise tax is levied on interest and dividend income of the Foundation; excise tax is not reduced by net investment losses. At December 31, 2003, deferred federal excise tax is provided at 1.33%, which is the average effective rate expected to be paid on unrealized gains on investments. At December 31, 2002, there was no liability recorded for deferred federal excise taxes, due to the overall unrealized loss on the Foundation's investment portfolio.

The expense for federal excise tax is as follows:

	<u>2003</u>	<u>2002</u>
Current	\$ 1,070	\$ 953
Deferred	<u>5,167</u>	<u>-0-</u>
	<u>\$ 6,237</u>	<u>\$ 953</u>

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