



Rockefeller
Brothers Fund



Philanthropy for an Interdependent World

ROCKEFELLER BROTHERS FUND, INC.

437 Madison Avenue, 37th Floor
New York, New York 10022-7001

Telephone: 212.812.4200

Fax: 212.812.4299

www.rbf.org

**POCANTICO CONFERENCE CENTER OF
THE ROCKEFELLER BROTHERS FUND**

200 Lake Road
Pocantico Hills, New York 10591-1599

Telephone: 914.524.6500

Fax: 914.524.6550

Rockefeller Brothers Fund



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Board of Trustees

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New York, NY 10111

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New York, NY 10112

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New York, NY 10112

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1740 Massachusetts Avenue, NW
Washington, DC 20036-1984

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Tufts University
Medford, MA 02155

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Rockefeller Brothers Fund
437 Madison Avenue, 37th Floor
New York, NY 10022-7001

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333 East 45th Street
New York, NY 10017

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New York, NY 10036

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New York, NY 10112

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30 Rockefeller Plaza, Room 5600
New York, NY 10112

Steven C. Rockefeller

Chair, Rockefeller Brothers Fund
30 Rockefeller Plaza, Room 5600
New York, NY 10112

Valerie Rockefeller Wayne²

51 West 81st Street
New York, NY 10024

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Vice Chairman
Deutsche Asset Management
345 Park Avenue, 25th Floor
New York, NY 10154

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American International Group
70 Pine Street, 18th Floor
New York, NY 10270

Tadataka Yamada, M.D.

Chairman
Research and Development
GlaxoSmithKline
Post Office Box 1539
King of Prussia, PA 19406

¹ Until June 5, 2003

² As of June 5, 2003



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30 Rockefeller Plaza, Room 5600
New York, NY 10112

Laurance S. Rockefeller¹

30 Rockefeller Plaza, Room 5600
New York, NY 10112

¹ Deceased, July 11, 2004

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Finance Committee Members

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1133 Connecticut Avenue, N.W.
Washington, DC 20036

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Butler Capital Corporation
745 Fifth Avenue, Suite 1702
New York, NY 10151

David J. Callard

President
Wand Partners, Inc.
630 Fifth Avenue, Suite 2435
New York, NY 10111

Stephen B. Heintz

EX-OFFICIO
President
Rockefeller Brothers Fund
437 Madison Avenue, 37th Floor
New York, NY 10022-7001

James E. Moltz

Vice Chairman
International Strategy and Investment, Inc
535 Madison Avenue
New York, NY 10022

Timothy O'Neill*

Managing Director
Goldman Sachs & Co.
85 Broad Street, 4th Floor
New York, NY 10004

Frank E. Richardson*

Chairman
F. E. Richardson & Co., Inc.
245 Park Avenue, 41st Floor
New York, NY 10167

Steven C. Rockefeller

EX-OFFICIO
Chair, Rockefeller Brothers Fund
30 Rockefeller Plaza, Room 5600
New York, NY 10112

Robert B. Taylor

Senior Vice President for
Finance and Administration
Colonial Williamsburg Foundation
Post Office Box 1776
Williamsburg, VA 23187-1776

Edmond D. Villani, CHAIR

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Deutsche Asset Management
345 Park Avenue, 25th Floor
New York, NY 10154

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*As of March 11, 2004

In Memoriam: Laurance S. Rockefeller

1910–2004

Laurance S. Rockefeller, one of the five founding trustees of the Rockefeller Brothers Fund, died on July 11, 2004. He served as a trustee of the Fund for forty-two years, from 1940 until 1982, and as its president and later chairman for twenty-two years, longer than any other leader in the Fund's history.

Laurance Rockefeller had a profound influence on the development of the RBF. The scope, style, and substance of the Fund's philanthropy today continue in directions that were established under his leadership of the board. It was during his term of office, against a background of general purpose grants to a wide range of civic and cultural institutions, that a series of what were known as "special program" grants for experimental or new undertakings evolved into three distinct, focused programs, the precursors to today's Program Architecture. By 1980, when his brother David succeeded him as Chairman, the Fund had grown to become a major American foundation with New York City, National, and International programs. Also under his leadership the RBF board expanded to include a number of the sons and daughters of its founders as well as a larger number of trustees who were not members of the Rockefeller family.

Intellectually curious and adventuresome, he brought the same qualities that distinguished his personal philanthropy and his business ventures, to his leadership of the Fund. That environmental concerns have been a strong and consistent theme in the Fund's grantmaking for more than half a century is due, in large measure, to his life-long commitment to wilderness, recreation, and environmental conservation. In 1967, Lady Bird Johnson labeled him "America's leading conservationist." He was farsighted in his view of public needs and creative in devising ways to meet them. Through the creation of RockResorts, for example, he demonstrated the untapped possibilities of combining conservation

with commerce, and he advocated for partnerships between government agencies such as the national parks and private sector organizations, both business and nonprofit. Although he did not use the term "sustainable development," the title of one of the Fund's four current programs, he was among the first leaders of the environmental movement to recognize the need to find productive and satisfying ways of living without exhausting nonrenewable resources. When the chairmanship of the Fund passed to his brother David Rockefeller, former RBF president William Dietel wrote of Laurance: "In the truths of ecology he found an imperative, an ethic, that requires us to treat the land, water, and air as links in a vital chain upon which life depends. He believes that an understanding of this balance of nature can help move us ... to a larger appreciation of the wholeness of life. Under such an environmental ethic, we would employ our physical as well as mental and spiritual capacities to the fullest in the quest for a greater sense of harmony and purpose."

It is this ethic that continues to inspire and inform the Fund's ongoing efforts to support environmental stewardship that is ecologically based, economically sound, socially just, culturally appropriate, and consistent with intergenerational equity. In his leadership of the Fund, as in all of his endeavors, Laurance Rockefeller combined a venturesome, inquisitive mind and spirit with deep personal commitment. The example he set endures in the work of the trustees and staff of the Rockefeller Brothers Fund. ■



Message from the Chair

Reflections on 2003

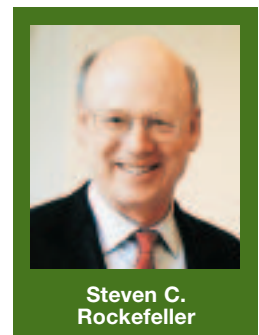
On July 11, 2004 Laurance S. Rockefeller died at the age of 94. In the course of his long life, he became an innovative leader in the fields of business, venture capital, environmental conservation, health care, and philanthropy. Laurance was a founder of the RBF, a trustee for 42 years, and the Fund's president and later chairman for 22 years from 1958 to 1980. He led the RBF to make what has become a long-term commitment to environmental protection and sustainable development. His interest in spiritual and ethical values, mastery of the art of creative grantmaking, and strong commitment to New York City and the Hudson River valley all had a lasting impact on the development of the Fund's programs. Laurance remained actively engaged in a wide range of philanthropic initiatives until the very end of his long life. All of us associated with the RBF deeply appreciate the inspired leadership he provided the Fund. His passing is a great loss.



After two and one half years of strategic planning by the board of trustees and staff, the RBF introduced and implemented in 2003 a new program architecture together with a new logo and tag line — "philanthropy for an interdependent world." The Fund now manages four major programs in Democratic Practice, Sustainable Development, Peace and Security, and Human Advancement. These four programs involve grantmaking that addresses needs and challenges in the United States and other regions and at the global level. Special attention is given to three places that have been designated RBF Pivotal Places: New York City, Serbia and Montenegro, and South Africa. A fourth Pivotal Place initiative in Southern China is

scheduled for implementation in 2004–2005. In addition, having adopted in 2002 a new performance evaluation and compensation system, the trustees and staff focused in 2003 on developing new systems for assessing the effectiveness of the Fund's grantmaking, the performance of the board, and the institution's performance as a whole. These and other highlights of the year are discussed more fully below.

In general, 2003 was a very good year for investors, and



the RBF endowment experienced a total return of 24.9 percent, ending the year with a market value of \$680,000,000. This reflected a recovery of almost half of what had been lost in the two previous years during a time of economic recession and declining market values. The growth in the Fund's resources made possible a modest increase in the annual grants budget. In 2003 the Fund made 276 new grants totaling roughly \$20,700,000. The average grant size was \$73,000. Grants were made for from one to three years. Over three-fourths of the RBF's grantees were US organizations but a number of these are active outside the United States, some globally. Roughly two-thirds of the Fund's grants provide program support and one-third is for general operating support. Half the Fund's grant budget was devoted to the Sustainable Development program and Pivotal Place: New York City. Sixty conferences and meetings took place at the RBF Pocantico Conference Center, approximately one-third of which the Fund organized or sponsored.

As the world becomes increasingly interdependent and problem solving requires effective regional and global partnerships, the RBF has worked to promote cooperative engagement with other nations and peoples in U.S. international relations and in its own philanthropic programs. Two initiatives undertaken in 2003 by two different RBF programs are good examples of the Fund's approach.

Global warming is one of the most serious problems facing humanity, especially if one takes a long-range view. The scientific evidence makes it increasingly clear that greenhouse gas (GHG) emissions generated by human patterns of production and consumption are the major factor causing climate change. For over a decade, the RBF has given concentrated attention to this issue within the framework of its Sustainable Development (formerly Sustainable Resource Use) program. In 2003, Michael Northrop, the RBF program officer who directs the Fund's Sustainable Development grant making, spent ten months in Europe with the support of the RBF and German Marshall Fund investigating European responses to global warming and building an international network of corporations and governments committed to reducing their GHG emissions.

At a time when the federal government in Washington has turned its back on the Kyoto Climate Agreement and has failed to provide leadership in developing an alternative approach, Northrop discovered that there are many promising GHG initiatives organized by other national and local governments (including a number of state governments in the U.S.) and by corporations. One concern in Washington has been that serious efforts to reduce GHG emissions will harm the economy. Northrop, however, found that in Australia, Canada, Europe, and the U.S., there are many governments and corporations voluntarily reducing GHG emissions far in excess of the requirements of Kyoto, and these reductions are proving to be cost-effective and profitable. Following a conference of leading GHG reducers organized by Northrop, a decision was made by the participants to form a new NGO that would serve as a network of reducers, share the lessons learned, and endeavor to instill in the public debate on global warming a new sense of hope and a will to act. There are practical solutions to global warming that are beneficial economically as well as ecologically and socially—this is the message. Early in 2004, a network of over 120 reducers formally organized themselves as The Climate Group with a secretariat based in London. For more on The Climate Group, see www.theclimategroup.org.

Another example of the RBF's efforts to promote international understanding and cooperation has been its support of and involvement in a Track II diplomatic dialogue with Iran organized by the United Nations Association-USA. Since the end of the Cold War, the threat of nuclear proliferation has emerged as a major problem facing the international community, and this problem is made especially urgent given the widespread use of terrorism by radical Islamic fundamentalists. In this regard, there is deep concern that Iran as well as North Korea may be actively pursuing a nuclear weapons program. Iran also exerts an important influence on the Israeli/Palestinian conflict. The U.S. and Iran have not had formal diplomatic relations since the hostage crisis of 1979 and as a result of its continued opposition to current Iranian policies, the U.S. government has chosen not to enter into official negotiations with Iran. In the absence of any



RBF Board Chair Steven C. Rockefeller and President Stephen B. Heintz

intergovernmental dialogue, UNA-USA with support from the RBF Peace and Security program has conducted a series of off-the-record meetings involving influential Americans and Iranians, including former government officials and diplomats, scholars, nuclear weapons experts, and business leaders. By the end of 2003 five meetings had been held at a neutral location in Europe. The U.S. State Department and National Security Council are kept informed as are the key centers of power in Tehran. In the absence of official negotiations, these dialogues offer an important venue for high level discussions among Iranians and Americans and an exploration of ways to improve relations between our two nations, reduce tensions, and prevent a dangerous confrontation on the international stage.

A Foundation Performance Assessment Committee, chaired by Richard Rockefeller, undertook the task of devising new systems for evaluating the performance

of the RBF. The recommendations of the Committee, which were adopted by the board, are designed to promote a culture of self-assessment and learning at the Fund. They include creation of a "Statistical Review of RBF Operations" to be prepared at the conclusion of each fiscal year and to be distributed to the trustees at their March board meeting. Certain parts of the 2003 Statistical Review are included in this Annual Report. Considering that this type of information may be of interest to other foundations and the larger public, the RBF hopes that other foundations will share similar information about their operations. In addition, the trustees directed the Fund's program officers to clarify the core objectives in each grant recommendation in order to sharpen understanding of the grant's purpose and to facilitate future monitoring and evaluation. The trustees also adopted a recommendation that staff prepare every two years a report for the board on each major area of grantmaking that discusses goals, priorities,

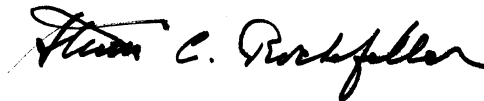
accomplishments, and lessons learned. The work of the Committee on Foundation Performance Assessment led the board of trustees to undertake, with the help of a consultant, a self-assessment of the board's functioning and effectiveness. The board found the self-assessment process instructive and has committed itself to repeat the procedure every two or three years. The RBF staff will assess the quality of its internal interactions and organizational effectiveness in 2005.

After reflecting on the fact that many people today remain productive and effective well into their seventies, and in some cases into their eighties, the board voted to increase the mandatory retirement age for trustees from 72 to 75. The board may invite a retired trustee to continue to serve the Fund as an advisory trustee when there are compelling reasons to do so. Advisory trustees are encouraged to attend board meetings, but they do not have voting rights. The Fund currently has four advisory trustees.

I would like to thank Stephen Heintz, the RBF president, and the Fund's staff for the extraordinary commitment they have made to implementation of the new program architecture and to managing operations in accordance with the highest

professional and ethical standards. I also thank the trustees for their dedication to the mission and goals of the Fund. The Finance Committee chaired by Ed Villani, the Audit Committee chaired by Jessica Einhorn, and the Foundation Performance Assessment Committee chaired by Richard Rockefeller have all skillfully managed complex challenges this past year. In addition, the Executive Committee provided valuable assistance to the president in connection with a year-long, careful review and revision of the Fund's retirement benefit programs.

In conclusion, in our interdependent and insecure world, the need and opportunity for creative philanthropic grantmaking has never been greater, and the RBF will continue to strive to fulfill the visionary aspirations set for the Fund by Laurance S. Rockefeller and the other founders. ■



Steven C. Rockefeller
Chair

Message from the President

2003 in Review and Reflections on Philanthropy & Democracy

I hope readers will find this 2003 Annual Report both informative and interesting, but I confess as I write this essay, that it is quite a challenge in a document of this kind to present a summary that adequately captures the breadth and depth of the Fund's activities. In the pages of this essay, I can only highlight a few of the key developments of 2003. I also want to share some reflections about the role of foundations in democratic society, and our own responsibilities with regard to transparency, accountability and effective governance.

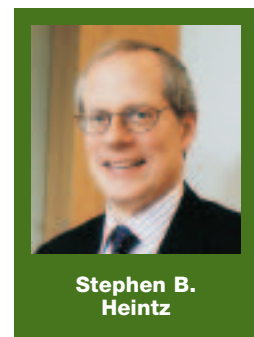
2003: A Biodiversity Conservation Milestone, Early Efforts on Islam, and A Challenging Initiative in South Africa

As noted in our chairman's essay, starting January 1st 2003, the RBF began operating with the framework of a substantially restructured program architecture which we believe is responsive to urgent contemporary global issues and reflects our commitment to achieving significant impact in the fields in which we work. A chart summarizing our program architecture can be found on page 22. This new structure provides continuity with goals and activities pursued by the Fund for much of our sixty-four year history while also charting some important new directions for our work. Three examples help illuminate this continuum of continuity and innovation.

Starting in 1993, under the leadership of Program Officer Michael Northrop, the RBF has helped catalyze what has become an extraordinary philanthropic initiative to conserve terrestrial biodiversity through the development and spread of sustainable forestry practices. Conserving "coastal temperate rainforests" has been one important focus

of RBF's work. These forests are home to thousand year-old aboriginal First Nation communities, large and centuries-old trees and the greatest concentrations of biodiversity found in temperate latitudes. Economic pressures on these lands are considerable as their forests and watersheds offer some of the most productive timberlands and costal fisheries on Earth.

The Fund has focused particular attention on British Columbia where twenty-five percent of Earth's remaining pristine coastal temperate rainforests is found. With support from the RBF and several other foundation partners, environmental NGOs were able to participate in a province-wide land use planning process and negotiations that culminated in 1997 with an agreement to conserve some 15 million acres of B.C. forest. As these negotiations proceeded, RBF turned its sights to a 21 million acre northern coastal region in the province that is about the



same size as Washington State. After five years of protracted battling and negotiation, environmental NGOs, the provincial government, First Nations and timber companies reached an historic agreement in 2001 to conserve more than two million acres of the most biologically important tracts in the region and to establish a framework for addressing the remaining acreage. Over the last two years, the RBF has participated in further negotiations that have produced a plan, endorsed by government, logging companies, conservation organizations, and the indigenous communities to protect the entire 21 million acre area. This agreement will conserve some 4 million acres of the most ecologically important areas in permanent wilderness, and provide financial and technical assistance to efforts to develop a diverse, conservation-based economy that benefits local communities throughout the coastal region.

A new fund of some \$120 million in public and private funds is needed to support the implementation of this ambitious plan. \$60 million is being sought from foundations and other private donors, and the provincial and national governments are being asked to contribute a like amount. In June 2003, the RBF joined four other foundations¹ in committing lead gifts totaling \$9 million to kick off this unprecedented capital campaign. While a great deal of work remains to be done, the effort to create the Coast Opportunities Fund to protect this magnificent and ecologically invaluable landscape offers an opportunity to establish a model of sustainable development of truly global significance.

While assuring continuity in certain areas, like our work on forest conservation, the new RBF program

¹ The Flora and William Hewlett, David & Lucile Packard, Gordon and Betty Moore, and Wilburforce foundations.

architecture also addresses topics which are entirely new for the Fund. Among these is our interest in contributing to greater mutual understanding between Muslim and Western societies, now a specific goal of our Peace and Security Program. With considerable humility and ready acknowledgement of our own inexperience in this complex field, the RBF began grantmaking in this area at the end of 2002. The program guidelines we published at the start of 2003 express our belief that "the tensions that currently characterize this relationship seem to be rooted, at least in part, in profound misunderstanding and lack of communication." Our guidelines also

make clear that our early activities in this field are purposefully exploratory as we pursue opportunities in several directions in order to expand our knowledge and network of partners.

During 2003, our grantmaking included support for several promising initiatives, including a broad ongoing dialogue between "thought-leaders" from Muslim and non-Muslim societies, a focused program of U.S. policy-maker education, an examination of the role of religion in foreign policy, efforts to promote education in the U.S. about Islam, through the media and on college and

university campuses, and specific attention focused on a particular case of troubled Islamic-Western relations, that of Iran and the United States. Our first-year grants totaling \$860,000 represented approximately 34 percent of new Peace and Security grants approved in 2003.

In a memo to RBF trustees reviewing these early activities, Program Officer Priscilla Lewis noted that "profound mistrust and understanding – on both sides of the relationship – create tensions that feed and are fed by the rise of extremist ideologies in some parts of the Muslim world." At the same time, "mistrust and misunderstanding also compound the

While a great deal of work remains to be done, the effort to create the Coast Opportunities Fund to protect this magnificent and ecologically invaluable landscape offers an opportunity to establish a model of sustainable development of truly global significance.

West's frequent failure to engage with the Islamic world in ways that are convincingly and consistently responsive to the needs of Muslim societies." The Fund's evolving work in this complex field is based on our view that the tensions between the Islamic world and the West are not only destabilizing in their own right, but if they are left unaddressed, they will undermine prospects for cooperative international problem-solving across a range of critical global issues. The Fund's staff and trustees will continue to explore Islamic-Western relations through a fairly wide spectrum of grantmaking, convening, and related activities. Looking ahead, we seek to support initiatives to promote intra-Islamic dialogue and we will also look for appropriate opportunities to support indigenous efforts of liberalization within Islamic societies. We expect to crystallize our focus and refine our strategies by early 2005, but as we continue this process of "learning by doing," one conclusion is already clear: the RBF will remain engaged in these issues for many years to come.

Along a continuum of continuity and change, the Fund's work in South Africa demonstrates good measures of both. The RBF has been active in South Africa since the mid-1960s when the Fund supported a high-level exchange program that gave leaders of South Africa and the United States the opportunity to establish dialogue on critical issues. During the '70s and '80s, the RBF turned its attention to the problems of refugees fleeing the oppressive conditions of apartheid and efforts in the country to defend human rights and support "the struggle." In 1990, the Fund initiated a program in South Africa devoted to improvements in basic education for preschool and primary school-aged children and for adults with little or no formal education.

In 2001, the RBF focused attention on South Africa's new struggle: the fight against the devastating HIV/AIDS pandemic. Today there are some 5 million active AIDS cases in South Africa, more than in any other country. Some 25 percent of the adult population is estimated to be HIV positive and as mortality increases, millions of orphans are left as additional victims of the pandemic. Under our new program architecture, South Africa has been

designated an RBF "pivotal place" – one of four places² of disproportionate regional or global significance where the Fund is now working on grantmaking that cuts across our four program areas: Democratic Practice, Sustainable Development, Peace & Security, and Human Advancement.

After considerable consultation in South Africa led by Program Officer Nancy Muirhead, the RBF incorporated a third goal into our guidelines for grantmaking in this pivotal place. While continuing to fund projects that promote systemic improvements in basic education and efforts to assist orphans and other vulnerable children in achieving their full potential as individuals and as members of society, the RBF is now encouraging efforts to understand the linkages between HIV/AIDS and sustainable development, democratic practice, and peace and security – i.e. to understand the pandemic as a broad societal issue in South Africa.

As a first step, the RBF and the Health, Economics and HIV/AIDS Research Division (HEARD) of the University of KwaZulu-Natal jointly convened a workshop of South African researchers in Durban in October 2003 to discuss the pandemic as a broad societal issue. The workshop revealed that this is a new, challenging and underdeveloped field of research. At the same time, participants at the workshop confirmed the critical need for empirical and applied research to guide policy development and service delivery. There is also a serious need to support capacity-building for this type of research, both by helping to increase the number of qualified young researchers, particularly black South Africans, and strengthening the necessary institutional infrastructure. As is often the case, considerable effort will be required to overcome professional tensions between academic and policy researchers and to promote projects that draw on the skills, capacities and perspectives of each.

In the months following this workshop, the Fund made an initial set of grants to support rigorous research into the linkages between HIV/AIDS and issues of democratic practice, peace and security and

² The other three are: New York City, a globally significant mega-city; Serbia & Montenegro (including Kosovo), Europe's region of persistent ethnic tension; and Southern China, a pivotal region in the pivotal country of Asia.

sustainable development in South Africa. As we continue to learn from this research, we will also seek to fund new models of intervention designed to ameliorate the broad societal impacts of the pandemic. It is likely that this multi-disciplinary work will become a central and high priority focus of the RBF's grantmaking in South Africa in the years ahead.



The examples I have highlighted above, drawn from three of our areas of work, are matched by creative grantmaking and significant impact in the other four: Democratic Practice, Culpeper Human Advancement, New York City, and Serbia & Montenegro. As our chair notes in his essay and the data presented in the Overview of RBF Programs section of this report (page 23) makes clear, 2003 was a productive year in all areas of the Fund's grantmaking, convening, and administrative activities. I am grateful for the opportunity to work with an exceptionally talented staff and board of trustees who devote enormous energy, intellect, and vision to the life of this foundation. In particular, I want to pay tribute to the men and women who perform administrative and managerial functions at the Fund. Although their work is far less visible than that of our outstanding program staff, it is no less critical to our efforts to make the RBF a "center of philanthropic excellence."

The Role and Responsibilities of Foundations in Democratic Societies

I am mindful of the hubris inherent in many expressions of American exceptionalism. Nevertheless, I think an objective case can be made that America's philanthropic culture — comprising individual charitable giving and institutional philanthropy — is truly distinctive. Although the data is imperfect, what we may call "the philanthropic

economy" in the United States far outpaces that of any other society.³ It should be noted that by far the largest segment of the philanthropic economy is the aggregate of individual charitable giving: Americans gave more than \$240.7 billion to charitable causes in 2003, mostly to educational and religious organizations. Of this, the majority of giving was from individuals, who gave \$183.7 billion. Institutional philanthropy — including private, family, community, and corporate foundations — provided \$29.7 billion in the same year.

Philanthropy is also deeply entwined in our democratic history and traditions. Writing in 1831, Alexis de Tocqueville first documented the distinctly American tradition of civil society when he wrote that "Americans of all ages, all stages of life, and all types of disposition are forever forming associations." In America, Tocqueville found a society of joiners and a rich mosaic of clubs, associations, and organizations created and managed through volunteerism, individual leadership, and collective effort.

Even in the years before the Revolutionary War, citizens in the American colonies were giving their funds as well as their time to what we now refer to as civil society organizations. Perhaps the most well known example is that of Benjamin Franklin, who founded, funded, and solicited contributions for any number of eighteenth century NGOs, including a library society, a hospital, a university, and the colonies' first volunteer militia. The Philadelphia printer's extraordinary

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³The philanthropic economy is the sum total of all charitable giving by individuals and private, family, community and corporate foundations. Between 1995 and 2000, Americans contributed an amount equal to 1.01% of U.S. GDP to private philanthropy. This is compared to .28% in France, .62% in the U.K., .14% in Japan, and .13% in Germany. These figures are from the Johns Hopkins Comparative Nonprofit Sector Project and exclude donations to religious congregations.

contributions as social entrepreneur are wonderfully captured in Walter Isaacson's excellent 2003 Franklin biography. Isaacson quotes Franklin's own expression of the simple but powerful philosophy that guided him in these remarkable efforts: "The good men may do separately," Franklin wrote, "is small compared to what they may do collectively." Thousands of Franklin's fellow citizens proved him right. Two hundred and thirty years later, America's 1.4 million civil society organizations rely on nearly 65,000 foundations and millions of individual donors, for financial support.

Philanthropy has been a powerful force throughout U.S. history, growing out of our democratic values of participation, engagement, and responsibility. Philanthropy has provided a means through which Americans are able to reconcile two distinctively American social traits: our fervent individualism and our equally passionate communalism. The impact has been enormous.

Two other books published during 2003 effectively make this case. In *American Creed*, scholar Kathleen McCarthy demonstrates that even in the decades between the Revolutionary and Civil Wars, philanthropy, including individual giving and voluntarism, was not only critical to the strengthening of democratic political culture but also contributed significantly to the nation's economic growth as well. "It is not possible," McCarthy writes, "to understand the meaning of American democracy without understanding civil society. Nor is it possible to understand civil society without understanding the role of nonprofit organizations and the philanthropy that sustains them."

Claire Gaudiani, in *The Greater Good*, goes even further. She argues that philanthropy⁴ has saved American capitalism. "Citizen generosity," Gaudiani

⁴ Gaudiani defines philanthropy as generosity devoted to social investment rather than charity.

says, "has, for almost two hundred years, created a social environment where capitalism could flourish without destroying democracy." In Gaudiani's view, the ingredients of this unique social environment include religion and spirituality; health and quality of life; arts and culture; education and upward mobility; the natural environment; and international peace and security.

This statement is made even more powerful by Gaudiani's carefully documented assertion that philanthropy did not intervene only at one grand moment of crisis. Instead, she writes, "generosity has saved capitalism over many, many decades, like a smart, kind friend watches out for a somewhat intemperate but gifted colleague, advising him throughout his life on the need for self-restraint and better judgment."

While there remains a great need for continued and continuous rigorous research, numerous studies have been written examining the impact of philanthropy on various fields – from health care, to

education, the environment, and arts and culture. Like all human endeavors, philanthropy has had its share of disappointments, failures, and missed opportunity. These stories should be studied as fully and carefully as success stories, but I believe that on balance, the evidence will show that philanthropy has been and remains a distinctive and invaluable loom of America's social fabric. It is also a guarantor of our democracy.

I believe that philanthropy (including institutional and individual giving) strengthens democracy in three fundamental ways. First, philanthropy provides the means for the self-organization of society. Philanthropy sustains local initiative and collective action. It promotes pluralism and participation in problem-solving. Through support for the arts and culture, philanthropy gives expression to the

Philanthropy has provided a means through which Americans are able to reconcile two distinctively American social traits: our fervent individualism and our equally passionate communalism. The impact has been enormous.

creativity of the human spirit and the richness of human diversity. Through voluntary activities and work in the non-profit sector, citizens learn the “habits of the heart” that form the democratic political culture essential to sustain effective formal mechanisms and institutions of democratic governance.

Second, philanthropy provides venture capital for social experimentation and change. Philanthropy supports research, new thinking, idea generation, and experimentation. The “independent sector” (comprised of nongovernmental organizations, community-based organizations, and foundations) takes on challenges that the public and private sectors simply can’t or won’t. Civil society organizations are able to take risks that are economically unacceptable to business and politically unacceptable to government. Countless innovations pioneered in the independent sector have subsequently been adopted as public policy. Numerous models of service delivery that are standard practice today were devised, tested, and improved over many years in philanthropically supported experimentation. NGO advocacy campaigns induce reluctant governments to adopt policy reforms and force improvements in business practices.

The third role of philanthropy in democratic societies is to preserve a unique space between the for-profit sector and that which must be the realm of government. Clearly the private sector is efficient at producing private goods. Government is best when it focuses on providing and managing public goods. Philanthropy and the non-profit, non-governmental sector can help fulfill the common good. A vibrant third sector, sustained by philanthropy, provides a fulcrum for balancing government and the free market. This middle ground is an essential arena for promoting additional checks and balances in our society. Only independent organizations can serve as watchdogs of both government and business. At the same time, philanthropy can also create and sustain creative and productive partnerships across and among the three sectors – partnerships that draw on the unique strengths of each to advance the common good.

Given philanthropy’s unique and invaluable role in American democracy – a quasi-private, quasi-public stance with a shared responsibility for the common good – it is essential that we apply democratic principles and practice to philanthropy – especially institutional philanthropy. Foundations and other philanthropies are a form of public trust – we exist, in large measure, because the tax code offers incentives to encourage the public use of private wealth. As public trusts, foundations must be publicly accountable. We need to exemplify the very best in governance: inclusive, participatory, and transparent decision-making and operations, while also upholding the highest ethical standards. We need to re-examine our practices continuously as societal conditions and legal norms change and as new exemplary practices evolve.

Foundation boards should be comprised of trustees who are competent, knowledgeable, and able to provide effective oversight of all areas of foundation activity from grantmaking to asset management, from external relations to internal operations. Private and community foundation boards should also be representative of the rich diversity and pluralism of American society. And as families invite independent experts to join their foundation boards, they too should seek to be representative of the communities they serve.

Foundations should operate with maximum transparency. By-laws, policies, and procedures should be published and available for public review. Decision-making must be transparent and participatory, with ample opportunity for debate, discussion and dissent. Foundations should also maintain full and publicly available records of decisions on grants and other key matters of foundation business. Archives of important records will provide invaluable research materials as journalists and scholars seek to evaluate the impact of philanthropy in society. Technology can be used to enhance transparency – digital storage and the worldwide web, for example, offer extraordinarily powerful new tools for enhancing organizational transparency.

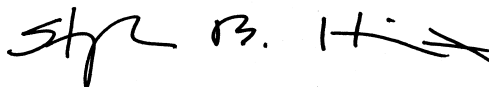
MESSAGE FROM THE PRESIDENT

I believe that foundations should work to involve the grantee community in the design and evaluation of grants programs and review of overall foundation practices. A number of foundations, including the RBF, sponsor regular meetings with NGO leaders to seek feedback and solicit ideas. In the last few years, foundations have turned to third-party organizations like the Center for Effective Philanthropy to survey the grantee community on an anonymous basis to solicit commentary about foundation practice. Efforts like these can only improve foundation performance while they also reinforce foundation accountability.

In recent months, journalists across the country have documented sloppy management practices, inadequate transparency, questionable judgment, and serious ethical lapses in a small number of American foundations, charities, and other non-profit organizations. The U.S. Senate Finance Committee has launched a series of hearings and will consider the need for legislative action. While some of the press accounts exaggerate the seriousness, scale, or extent of these problems, it is nevertheless clear that foundations have some distance to travel to fully live up to the very best standards of sound and ethical management and democratic practice. In recognition of this challenge, the foundation community is devoting new energy to discussion of these issues and action to improve philanthropic practice. The Council on Foundations and the Independent Sector, two

large associations serving the field, have elevated these issues to the top of their agendas. In a related effort, a group of foundation chief executives have drafted a statement of governance principles which a number of foundations boards, including RBF's, have formally endorsed, even as we recognize we may still have work to do in some areas. This statement can be found on the RBF web site (www.rbf.org).

Philanthropy is a powerful and important part of our democratic society. It nurtures and reinforces our democratic culture, strengthens our democratic processes and institutions, and provides a productive channel for the generous civic impulse of our citizens. These roles are critical to the health of our democracy. But if philanthropy is to best serve democracy, foundations must live by democratic principles and practices. In our aspiration to be a center of philanthropic excellence, the staff and board of the Rockefeller Brothers Fund will continuously examine our own practices and strive to exemplify the best of democratic philanthropy. ■



Stephen B. Heintz
President

About the Rockefeller Brothers Fund

The Rockefeller Brothers Fund was established in 1940 as a vehicle through which the five sons and daughter of John D. Rockefeller, Jr., could share a source of philanthropic advice and coordinate their charitable efforts to better effect. John D. Rockefeller, Jr., made a substantial gift to the Fund in 1951, enabling the RBF's endowment and program of grants to grow substantially. In 1960, the Fund received a major bequest from his estate. Together, these gifts constitute the original endowment of the foundation.



The Rockefeller brothers and sister in Seal Harbor, Maine, 1960. From left to right: John D. Rockefeller 3rd, Winthrop Rockefeller, Abby Rockefeller Mauzé, Laurance S. Rockefeller, David Rockefeller, Nelson A. Rockefeller.

ABOUT THE ROCKEFELLER BROTHERS FUND

In 1952, the founders began to include on the board of the Fund trustees who were not members of the Rockefeller family. In 1958, the first of a number of daughters and sons of the founders joined the board, and the first of their children became trustees in 1992. Since the establishment of the Fund, three generations of family members have served as trustees. Beginning with John D. Rockefeller 3rd, who served as president from the inception of the Fund until 1956, seven presidents have distinguished the Fund through their vision and leadership. These presidents, along with the other trustees, officers, and staff, have ensured that the RBF remains dedicated to the philanthropic ideals of the Rockefeller family. The presidents include Nelson A. Rockefeller, 1956–1958; Laurance S. Rockefeller, 1958–1968; Dana S. Creel, 1968–1975; William M. Dietel, 1975–1987; Colin G. Campbell, 1988–2000; and the RBF's current president, Stephen B. Heintz, who assumed office in February 2001.

On July 1, 1999, the Charles E. Culpeper Foundation of Stamford, Connecticut, merged with the RBF, bringing the Fund's total assets to approximately \$680,000,000. Shortly after the merger, the Fund initiated a strategic review process designed to systemically evaluate all of its programs in light of the opportunities before humanity—both global and local—at the dawn of the 21st century. This extensive and complex process has led to the integration of some programs and the phasing out and scaling back of others. As part of this effort, the RBF's current program architecture (see page 22) came into effect on January 1, 2003. ■

RBF PROGRAM STATEMENT

The Rockefeller Brothers Fund promotes social change that contributes to a more just, sustainable, and peaceful world. Through its grantmaking, the Fund supports efforts to expand knowledge, clarify values and critical choices, nurture creative expression, and shape public policy. The Fund's programs are intended to develop leaders, strengthen institutions, engage citizens, build community, and foster partnerships that include government, business, and civil society. Respect for cultural diversity and ecological integrity pervades the Fund's activities.

As an institutional citizen of an interdependent world, the Fund is active globally, nationally, and locally in its home city of New York. Grant programs are organized around four themes: Democratic Practice; Sustainable Development; Peace and Security; and Human Advancement. The Fund recognizes that progress in each of these program areas is often interconnected with developments in the others. As a private foundation, the Fund strives to promote philanthropic excellence and to enhance the effectiveness of the nonprofit sector.

As specified in the guidelines for each grant program, the Fund supports activities at the global level and in North America and East Asia. In addition, the Fund pursues cross-programmatic grantmaking in several RBF pivotal places, selected for their extraordinary regional or global significance and for their special importance with regard to the Fund's substantive concerns. In these RBF pivotal places, the Fund pursues strategies that advance two or more of its programmatic interests, as determined by a careful assessment of local needs and priorities. The Fund currently focuses on three pivotal places: New York City, South Africa, and Serbia and Montenegro. In March 2004, the RBF designated Southern China a new pivotal place in Asia.

The Pocantico Conference Center of the Rockefeller Brothers Fund is located at the heart of the Rockefeller estate outside New York City and was created when the Fund leased the area from the National Trust for Historic Preservation in 1991. The conference center provides a unique setting where the RBF and other nonprofit organizations and public sector institutions can bring together people of diverse backgrounds and perspectives to engage critical issues, reach new levels of understanding, and develop creative solutions to pressing problems.

In the years since its founding in 1940, the Fund has developed a distinctive style of grantmaking that is reflected in the following characteristics:

- **Long View.** Grantmaking is primarily concerned with fundamental problems and is designed to contribute to the achievement of long-term goals and to make a lasting impact.
- **Commitment.** Extended commitments are frequently made to specific issues and geographic regions and even to particular grantees.
- **Synergy.** Rather than considering opportunities on a stand-alone basis, the Fund looks for connections among the activities it supports and the themes it pursues, both within and across program areas and in specific geographic locations.
- **Initiative.** The Fund initiates or participates in the development of many of the projects that it supports.
- **Engagement.** In addition to providing financial support, the Fund often works closely with grantee organizations to help strengthen their capacity and advance their work.
- **Collaboration.** The Fund actively seeks opportunities to collaborate with other funders.
- **Convening.** The Fund devotes time and resources, including the use of its Pocantico Conference Center, to convening groups of diverse stakeholders and encouraging collaboration among government agencies, corporations, and nongovernmental organizations.

RBF Program Architecture – 2003

RBF Mission: Helping to build a more just, sustainable, and peaceful world

Democratic Practice	Sustainable Development	Peace and Security	Culpeper Human Advancement
WHAT	WHAT	WHAT	WHAT
<ul style="list-style-type: none"> • Civic Engagement • Effective Governance • Transparency and Accountability • Access and Inclusion 	<ul style="list-style-type: none"> • Forest Ecosystems • Marine Ecosystems • Global Warming • Sustainable Communities 	<ul style="list-style-type: none"> • Responsible U.S. Global Engagement • Dialogue with Islam 	<ul style="list-style-type: none"> • Arts and Culture • Education • Leadership • Health
Pocantico Conference Center (Conferences and Meetings • Public Visitation • Stewardship of Pocantico Historic Area)			
WHERE	WHERE	WHERE	WHERE
<ul style="list-style-type: none"> • United States • Global 	<ul style="list-style-type: none"> • United States and British Columbia • East Asia • Global 	<ul style="list-style-type: none"> • United States • Global 	<ul style="list-style-type: none"> • United States • Asia (Magsaysay Awards and Asian Cultural Council)
RBF Pivotal Places: New York City, South Africa, and Serbia and Montenegro (The Fund will implement a Pivotal Place initiative in Southern China in 2004–2005.)			

Overview of RBF Programs

Excluding expenditures for investment management and taxes, the Fund's philanthropic spending in 2003 totaled \$30,349,194. A breakdown appears in the accompanying chart.

Grant payments accounted for 65.4 percent of the total. The Fund made 494 such payments during the year.

Direct charitable activity represented an additional 11.6 percent. This includes operation of the Pocantico Conference Center, the costs of charitable projects

undertaken directly rather than through grants, various forms of technical assistance provided to grantees and other nonprofit organizations, and service by Fund staff on boards or advisory committees of such other organizations.

Finally, grant and program management was 10.6 percent of the total, and general management 12.3 percent.

Additional summary information about the Fund's grantmaking and Pocantico programs in 2003 follows.

Philanthropic Expenditures 2003

GRANT PAYMENTS MADE IN 2003

Democratic Practice	\$2,980,400
Sustainable Development	\$5,880,914
Peace and Security	\$1,880,500
Culpeper Human Advancement	\$2,481,579
RBF Pivotal Places	
New York City	\$4,221,000
South Africa	\$1,360,000
Serbia and Montenegro	\$450,000
Special Initiatives*	\$500,000
Staff Grantmaking Fund	\$100,000
Subtotal Grant Payments	\$19,854,393

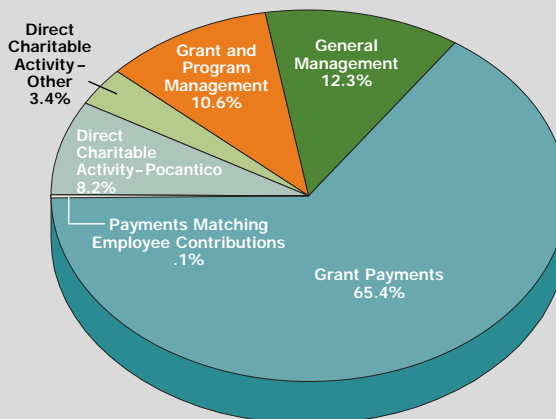
Payments Matching	
Employee Contributions	\$28,684
Direct Charitable Activity - Pocantico**	\$2,494,690
Direct Charitable Activity - Other***	\$1,016,586
Grant and Program Management	\$3,228,827
General Management	\$3,726,014
Total Philanthropic Expenditures	\$30,349,194

* Includes grant payments to the Trust for Civil Society in Central and Eastern Europe

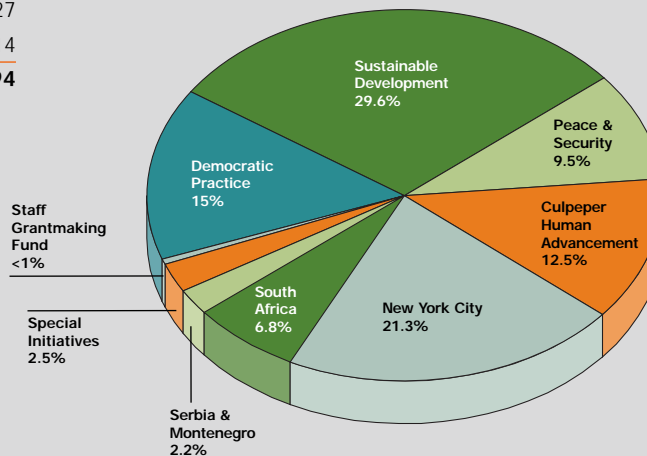
** Includes preservation and public visitation programs at the Pocantico Historic Area, and conferences at the Pocantico Conference Center

*** Includes administration and operation of the RBF Fellowships for Students of Color Entering the Teaching Profession and technical assistance and other support provided to grantee organizations

TOTAL PHILANTHROPIC EXPENDITURES



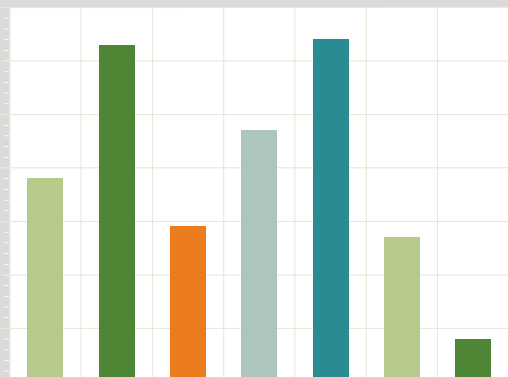
GRANT PAYMENTS



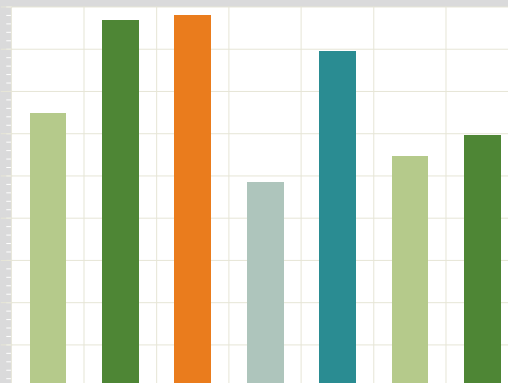
2003 Grantmaking

276 Grants Approved Totalling \$20,721,213

Number of Grants



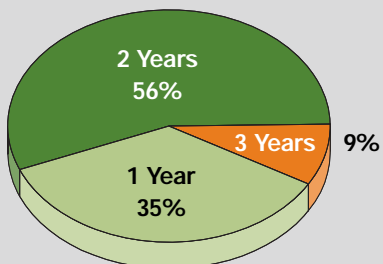
Average Size of Grant



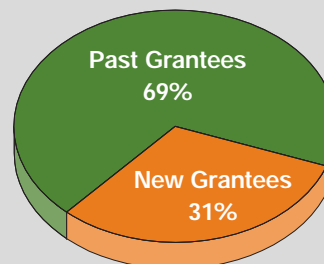
Note on Pie Charts: All percentage figures are expressed in terms of new funds appropriated.

Length of Grant Term

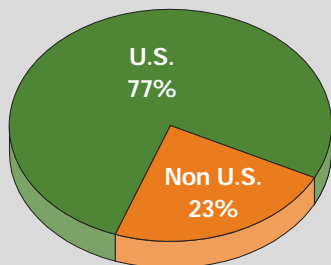
Excludes Fellows grants and grant for British Columbia initiative



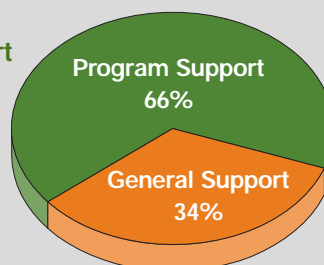
New vs. Past Grantee



U.S. vs. Non-U.S. Grantees



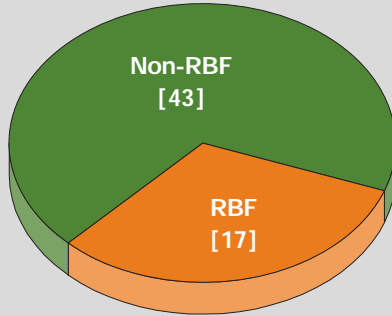
General vs. Program Support



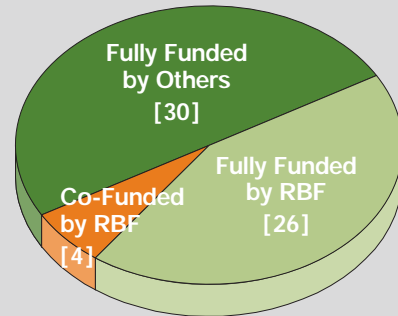
2003 Pocantico Programs

Conferences Total Conferences & Meetings: 60 Total Participants: 1,640

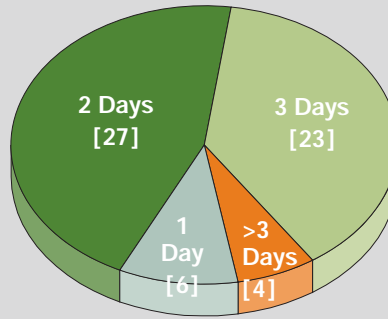
Number of Events by Organizer



Number of Events by Funding Source



Duration of Events



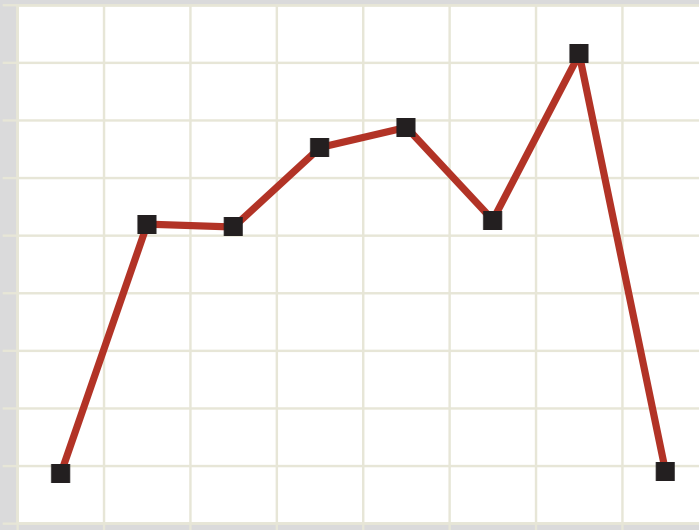
Pocantico Historic Area

Public Access

38,949 Visitors

Visitation season:
April 26 – November 7, 2003

VISITORS





Agenda

- Welcome and Introductions
- Challenges Facing Lower Manhattan
- Hopes and Concerns
- Six Concept Plans
- Creating the Memorial
- Rebuilding Lives
- What Happens From Here

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- Challenges Facing Lower Manhattan
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TYPE

Democratic Practice

For democracy to flourish and deliver on its promises—including political participation, human rights, access to justice, a good education, an improved quality of life, a healthy environment, and personal security—citizens must become more engaged, empowered, and assertive, and institutions of governance must become more inclusive, transparent, and responsive.

Paradoxically, while there has been a dramatic increase over the past two decades in the number of countries with democratic systems of government and additional countries are on the democratic path, the frequent failure of new and established democracies alike to deliver on democracy's promises has undermined commitment to democratic practices around the world. In addition, as globalization progresses, the decisions of transnational institutions such as multilateral organizations, multinational corporations, international financial institutions, and global civil society groups take on increased significance. Yet these decisions are often made with inadequate inclusiveness, accountability, and transparency and may in fact preempt or distort legitimate national decisionmaking processes.

In order to address these challenges, democracy must be widened and deepened locally and globally. The Fund's Democratic Practice program focuses on four goals, two of which are pursued largely in the United States, and two of which focus primarily on transnational institutions.

In addition, the Fund may pursue one or more of these program themes in a limited number of RBF “pivotal places,” based on a careful assessment of local needs and priorities. Recognizing that there is no single model of effective democratic practice, the Fund will emphasize flexibility and adaptability to different contexts.

GOAL

Encouraging Civic Engagement

In the United States, the Fund seeks to empower individuals and encourage nonprofit and other civil society organizations, including philanthropy, to advance constructive social change through participation in democratic decision making and social movements.

STRATEGIES

- Identifying and supporting new ways to foster civic engagement, including innovative models and programs that catalyze the civic energy of young people.
- Encouraging and assisting a broad range of civil society organizations to move toward a stronger and more explicit engagement with public policy related to constructive social change.

GOAL

Fostering Effective Governance

In the United States, the RBF works to strengthen the institutions and practices of democratic governance, with special concern for leadership and public administration that is informed, responsive, honest and that delivers sustainable social improvement.

STRATEGIES

- Improving the capacities and performance of selected state and local governments.
- Supporting exemplary programs that enhance the effectiveness and responsiveness of the federal government.

GOAL

Enhancing Access and Promoting Inclusive Participation

Globally, the Fund aims to expand participation and effective representation in the political and policymaking processes of transnational institutions.

STRATEGIES

- Broadening the inclusiveness of transnational organizations by increasing the involvement of those communities, nongovernmental organizations, and governments that have a legitimate interest in their decision-making.
- Enhancing the capacity of individuals, nongovernmental organizations, and governments to participate effectively in the decision-making processes of transnational organizations. The Fund is particularly interested to ensure that voices representing developing countries can make themselves heard in transnational fora.

GOAL

Ensuring Transparency and Accountability

Globally, the RBF seeks to increase transparency and accountability in transnational decision-making that affects the quality of people's lives and the integrity of the natural environment.

STRATEGIES

- Advancing efforts to conceptualize and implement a vision for democratic transnational decision-making.
- Encouraging reforms within specific transnational institutions.
- Promoting open and candid exchange of information and perspectives among the growing number of actors who participate in the development and implementation of transnational policy.

2003 Democratic Practice Grants

Encouraging Civic Engagement

ALLIANCE FOR CHILDREN AND FAMILIES, INC.
Milwaukee, WI \$17,800

For a series of focus groups to explore the engagement of nonprofit agencies in public policy.

AMERICA SPEAKS, INC.
Washington, DC \$150,000 over 2 years

To its Democracy Lab project and to internal capacity-building.

CHARITY LOBBYING IN THE PUBLIC INTEREST
Washington, D.C \$60,000 over 2 years

For general support.

COUNCIL FOR EXCELLENCE IN GOVERNMENT, THE
Washington, DC \$15,000

For the Campaign for Young Voters program of its Center for Democracy and Citizenship.

THE DEMOCRACY COLLABORATIVE FOUNDATION, INC.
College Park, MD \$200,000 over 2 years

For general support of its programs.

DEMOS: A NETWORK FOR IDEAS & ACTION
New York, NY \$30,000

To its Democracy Program.

INDEPENDENT SECTOR
Washington, DC \$75,000

To its Exploratory Project on Human Services and Social Change, an effort to grow a movement of human service agency personnel and organizations committed to changing public policy through increased democratic participation.

JOHNS HOPKINS UNIVERSITY
Baltimore, MD \$120,000 over 2 years

To the Listening Post Project of its Institute for Policy Studies.

NEW YORK LAW SCHOOL
New York, NY \$80,000 over 2 years

To the development of the Interactive Democracy Inventory of the School's Democracy Design Workshop.

RIGHT QUESTION PROJECT, INC.
Cambridge, MA \$150,000 over 2 years
 To its project, Seizing Existing Opportunities to Expand Democratic Practice: The Right Question Project Educational Strategy and the Promise of Microdemocracy.

UNIVERSITY OF MARYLAND COLLEGE PARK FOUNDATION, INC.
College Park, MD \$25,000
 For the project, CivWorld Citizens Campaign for Democracy, of the Foundation's Democracy Collaboration program.

Fostering Effective Governance

PARTNERSHIP FOR PUBLIC SERVICE, INC.
Washington, DC \$30,000
 To its research project, Inspiring a New Generation to Government Service: Understanding the Communications Challenge.

SEARCH FOR COMMON GROUND
Washington, DC \$75,000
 To its National Consensus Initiative.

Enhancing Access and Promoting Inclusive Participation

SOUTH CENTRE
Geneva, Switzerland \$200,000 over 2 years
 To its Trade Program.

Ensuring Transparency and Accountability

CENTER FOR ECONOMIC AND POLICY RESEARCH
Washington, DC \$150,000 over 2 years
 For general support of its research on global economic development trends.

CONSUMER'S CHOICE COUNCIL
Washington, DC \$25,000
 Toward the creation and publication of four case studies to demonstrate the benefits for developed and developing countries of eco-labeling programs.

ECOLOGISTS LINKED FOR ORGANIZING GRASSROOTS INITIATIVES AND ACTION
Middlebury, VT \$75,000
 For its work on international standard-setting, particularly regarding greenhouse gas inventory accounting.

FERN FOUNDATION
Moreton-in-Marsh, United Kingdom \$25,000
 For efforts to establish a "space" for ethical certification and labeling.

FOCUS ON THE GLOBAL SOUTH
Bangkok, Thailand \$150,000 over 3 years
 For two programs: reforming international financial institutions, and democratizing the global trading regime.

INTERNATIONAL FORUM ON GLOBALIZATION
San Francisco, CA \$150,000 over 2 years
 To its work to develop and communicate an alternative positive vision for globalization.

TUFTS COLLEGE, TRUSTEES OF
Medford, MA \$150,000 over 2 years
 To a project to research and distribute information on the impacts of the North American Free Trade Agreement.

Other

PLOWSHARES INSTITUTE, INC.
Simsbury, CT \$25,000
 For its work on conflict prevention and human rights training with the Indonesian Ministry of Justice and Human Rights, and with the Center for Conflict Resolution at the University of Cape Town in South Africa.

THIRD RECONSTRUCTION INSTITUTE
Chapel Hill, NC \$10,500
 For its project, Freedom Summer 2004.

Memberships

CENTER FOR EFFECTIVE PHILANTHROPY, INC., THE
Cambridge, MA \$60,000 over 2 years
 For general support.

CIVICUS: WORLD ALLIANCE FOR CITIZEN PARTICIPATION
Washington, DC \$9,500
 For general support in 2004.

COUNCIL ON FOUNDATIONS, INC.
Washington, DC \$39,600
 For general support in 2004.

GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS
Washington, DC \$4,250
 For general support in 2004.

INDEPENDENT SECTOR
Washington, DC \$12,200
 For general support in 2004.

NEW YORK REGIONAL ASSOCIATION OF GRANTMAKERS
New York, NY \$12,450
 For general support in 2004.

NONPROFIT COORDINATING COMMITTEE OF NEW YORK, INC.
New York, NY \$20,000
 For general support.

SPONSORS FOR EDUCATIONAL OPPORTUNITY
New York, NY \$10,000
 To its Career Program in Philanthropy.

Phase-out of Previous Nonprofit Sector Program

BBB WISE GIVING ALLIANCE
Arlington, VA \$50,000 over 2 years
 For general support.

BIG SKY INSTITUTE FOR THE ADVANCEMENT OF NONPROFITS
Helena, Montana \$15,000
 To its Philanthropic Divide project.

CIVIC EXCHANGE LIMITED
Hong Kong, China \$18,000
 To its program of research on and outreach to Guangdong-based NGOs, including a networking conference of Guangdong's NGOs to address civil society development themes.

GEORGE WASHINGTON UNIVERSITY
Washington, DC \$75,000 over 3 years
 To a special program of development in the Latino nonprofit sector.

INDEPENDENT SECTOR
Washington, DC \$60,000 over 2 years
 To its Electronic Data Initiative for Nonprofits.

INSTITUTE FOR GLOBAL ETHICS, THE
Camden, ME \$60,000
 To its program, Ethical Decision Making: A Dissemination Program of Ethics Training and Consulting for Nonprofits.

THE INTERCHURCH CENTER
New York, NY \$25,000
 For a conference on multi-tenant, nonprofit buildings.

THIRD SECTOR NEW ENGLAND, INC.
Boston, MA \$20,000
 Toward the cost of the special partnerships coordinator position for its Nonprofit Quarterly publication.



Sustainable Development

Human activity is causing the depletion of essential resources, global warming, rapid loss of biodiversity, and accelerating degradation of Earth's life support systems. These developments threaten the livelihoods, health, and security of people in all nations and cultures as well as the well being of the greater community of life. The RBF's sustainable development grantmaking endeavors to address these challenges by supporting environmental stewardship that is ecologically based, economically sound, socially just, culturally appropriate, and consistent with intergenerational equity. The Fund encourages government, business, and civil society to work collaboratively on environmental conservation and to make it an integral part of all development planning and activity. Recognizing the global nature of many environmental problems, the Fund also promotes international cooperation in addressing these challenges.

Some of the Fund's sustainable development strategies are pursued at the global level, while others are pursued primarily in North America and East Asia; the Russian Far East is also the focus of a modest program of grantmaking. In addition, sustainable development is a theme that may be identified for attention in one or more of the Fund's "pivotal places," based on an assessment of local needs and priorities. In all regions where the RBF is engaged in sustainable development grantmaking, it monitors the social and environmental effects of development programs and fiscal policies that are associated with global economic integration and seeks to integrate activities across geographic areas to promote maximum impact.

GOAL: COMBATING GLOBAL WARMING

In the United States and globally, the Fund supports strategies to combat global warming and seeks to contribute to international cooperation on this issue.

STRATEGIES

- Advancing cost-effective energy efficiency and renewable energy-based approaches to reducing greenhouse gas emissions.
- Building public and policymaker understanding of the threat of global warming and support for a range of actions to address this problem.
- Supporting efforts to strengthen and advance coordinated international action and policy, which are particularly critical to the mitigation of global warming.

GOAL: PROTECTING ECOSYSTEMS AND CONSERVING BIODIVERSITY

The Fund seeks to conserve terrestrial and marine biodiversity by protecting and restoring ecosystems and by fostering sustainable communities that pursue locally-appropriate development strategies.

STRATEGIES:

- Supporting the conservation and sustainable use of remaining intact blocks of coastal temperate rainforest lands, especially in British Columbia.
- Globally, promoting sustainable forest management practices that maintain healthy forest ecosystems and protect communities that are culturally and economically dependent on them.
- In the United States and British Columbia, supporting the reform of unsustainable fishery management practices.
- In the Russian Far East, supporting efforts to protect Pacific Salmon, a "keynote species," by encouraging terrestrial and marine conservation programs that link the health of open ocean ecosystems to that of forest watersheds.

2003 Sustainable Development Grants

Combating Global Warming

CENTER FOR CLEAN AIR POLICY
Washington, DC \$150,000 over 2 years
 To its efforts to help U.S. states reduce their greenhouse gas emissions.

CENTER FOR CLEAN AIR POLICY
Washington, DC \$25,000
 For the expenses of an international meeting of leading greenhouse gas reducers in The Hague, Netherlands.

CERES, INC.
Boston, MA \$25,000
 For its Institutional Investor Summit on Climate Risk, held in New York on November 21, 2003.

CLEAN AIR-COOL PLANET, INC.,
 A NORTHEAST ALLIANCE
Portsmouth, NH \$100,000 over 2 years
 To its efforts to encourage public and private entities throughout New England to reduce greenhouse gas emissions.

CLEAN ENERGY GROUP
Montpelier, VT \$100,000
 To its management of the Clean Energy Funds Network.

CLIMATE INSTITUTE
Washington, DC \$200,000 over 2 years
 To its efforts to encourage small island nations to become clean energy countries.

ENVIRONMENTAL RESOURCES MANAGEMENT
London, United Kingdom \$16,270
 For the development of a business plan for a secretariat organization for the Conference of the Reducers.

INSTITUTE FOR POLICY STUDIES
Washington, DC \$50,000 over 2 years
 To its project, the Chesapeake Climate Action Network, which builds public support in Maryland for a greenhouse gas action plan.

INTERNATIONAL COUNCIL FOR
 LOCAL ENVIRONMENTAL INITIATIVES
Berkeley, CA \$100,000 over 3 years
 To its efforts to encourage more cities and counties to adopt greenhouse gas reduction plans.

NATIONAL ENVIRONMENTAL TRUST
Washington, DC \$400,000 over 2 years
 To its Global Warming Public Education Campaign.

TIDES CENTER
San Francisco, CA \$50,000
 To its Regeneration Project, which encourages faith-based communities to reduce greenhouse gas emissions.

TUFTS COLLEGE, TRUSTEES OF
Medford, MA \$50,000
 To its efforts to reduce greenhouse gas emissions at Tufts and other universities.

WWF-UK
Surrey, United Kingdom \$400,000
 To the rapid startup of a new project dedicated to advancing efforts globally to reduce greenhouse gas emissions.

Protecting Ecosystems and Conserving Biodiversity

AMERICAN LANDS ALLIANCE
Washington, DC \$75,000
 Continued support for two projects: an Internet information clearinghouse on coastal temperate rainforest conservation; and a project to build support for FSC certification among grassroots forest advocates.

BELLAGIO FORUM
Osnabrueck, Germany \$5,000
 For general support.

COAST OPPORTUNITIES FUND
Vancouver, Canada \$1,000,000 over 4 years
 To its capital campaign for the long term conservation and sustainable management of coastal British Columbia.

ECOTRUST CANADA
Vancouver, Canada \$300,000 over 2 years
 For its program on sustainable enterprise development in the coastal region of British Columbia.

ENVIRONMENTAL MEDIA SERVICES
Washington, DC \$25,000
 General support for its work to inform and educate the media, public, and policy makers about the environment.

FOREST ETHICS

San Francisco, CA \$5,000

To its efforts to enhance the capacity of the Heiltsuk Nation to work effectively with environmental organizations to conserve the Great Bear Rainforest.

FOREST ETHICS

San Francisco, CA \$120,000 over 2 years

To its efforts to encourage corporate consumers to purchase Chilean forest products that come from sustainably managed sources.

GREENPEACE FUND

Washington, DC \$100,000 over 2 years

To its efforts to encourage corporate demand for sustainably managed forest products in North America and Europe.

GULF OF MAINE LOBSTER FOUNDATION

Kennebunk, ME \$5,000

For its participation in the Atlantic States Marine Fisheries Commission.

INSTITUTE FOR AGRICULTURE AND TRADE POLICY

Minneapolis, MN \$150,000 over 2 years

To its efforts to encourage sustainable management of private forest lands in the U.S.

INTERNATIONAL FORUM ON GLOBALIZATION

San Francisco, CA \$10,000

To the costs of participation by indigenous peoples and rural forest organizations at preparatory meetings in advance of the World Trade Organization's Ministerial in Cancun, Mexico, September 10-14, 2003.

PINCHOT INSTITUTE FOR CONSERVATION

Washington, DC \$25,000

For its efforts to facilitate the certification of forests in the State of Washington.

PUBLIC INTEREST PROJECTS

New York, NY \$7,500

For an assessment of the forest product industry's efforts to develop and brand its forest certification system in the marketplace.

RAINFOREST ACTION NETWORK

San Francisco, CA \$200,000 over 2 years

To its efforts to encourage corporate demand for sustainably managed forest products in North America.

SEAWEB

Washington, DC \$150,000 over 2 years

To its work on sustainable salmon aquaculture.

U.S. WORKING GROUP, INC.

Washington, DC \$200,000 over 2 years

To its efforts to increase public visibility of Forest Stewardship Council (FSC) certification.

YALE UNIVERSITY

New Haven, CT \$10,000

For promotion of *Red Sky at Morning: America and the Crisis of the Global Environment*, a new book written by Gus Speth, Dean of the Yale School of Forestry & Environmental Studies.

Russian Far East**PACIFIC ENVIRONMENT AND RESOURCES CENTER**

Oakland, CA \$700,000 over 2 years

\$350,000 for environmental conservation work in the Russian Far East; and \$350,000 for the further institutional development of seven environmental NGOs in the Russian Far East.

WILD SALMON CENTER

Portland, OR \$100,000 over 2 years

To its Western Pacific salmon conservation program.

Central and Eastern Europe ***CLEAN AIR ACTION GROUP**

Budapest, Hungary \$25,000

For furniture and other infrastructure needs.

THE CENTRE SOS PRAGUE

Prague, Czech Republic \$25,000

For general support.

CZECH ENVIRONMENTAL PARTNERSHIP FOUNDATION

Brno, Czech Republic \$50,000

To its Central European Greenways program.

FRIENDS OF THE CARPATHIAN FOUNDATION - UNITED STATES

Washington, DC \$50,000

To its endowment campaign.

* The RBF completed its grantmaking in Central and Eastern Europe in 2003. Going forward, grantmaking in Europe will be pursued through the RBF Pivotal Place strategy in Serbia and Montenegro.

SUSTAINABLE DEVELOPMENT

FOUNDATION FOR THE DEVELOPMENT OF POLISH AGRICULTURE

Warsaw, Poland \$75,000
For the purchase of office space and for its periodic report on rural life.

FOUNDATION FOR THE DEVELOPMENT OF POLISH AGRICULTURE

Warsaw, Poland \$4,160
For the purchase of office space.

GERMAN MARSHALL FUND OF THE U.S.

Washington, DC \$50,000
Toward the establishment and operation of the Bulgarian Environmental Partnership Foundation.

GREEN FEDERATION

Cracow, Poland \$15,000
To its sustainable transportation and anti-sprawl campaign.

INSTITUTE FOR SUSTAINABLE DEVELOPMENT

Warsaw, Poland \$30,000
For a project to promote environmentally friendly jobs in Poland and other countries in Central and Eastern Europe.

INSTITUTE FOR SUSTAINABLE DEVELOPMENT

Warsaw, Poland \$20,000
For a project to organize a network of sustainable development think tanks in Central and Eastern Europe.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

New York, NY \$22,000
To its efforts to strengthen the capacity of NGOs to address priority challenges in sustainable development.

INTERNATIONAL HOUSE, NEW YORK

New York, NY \$35,000
To its McLaine Central and Eastern European Leadership Program.

RURAL ORGANIZATION FOR COMMUNITY ACTIVITIES

Banska Bystrica, Slovakia \$25,000
To its reserve fund.

SLOVAK ENVIRONMENTAL PARTNERSHIP FOUNDATION

Banska Bystrica, Slovakia \$15,000
To its Partnership for Public Spaces program.

East Asia*

ACTIONAID USA

Washington, DC \$10,000
To the work of its China office on the WTO Agriculture Agreement.

CULTURE AND ENVIRONMENT PRESERVATION ASSOCIATION

Phnom Penh, Cambodia \$50,000 over 2 years
For general support.

DUTA AWAM FOUNDATION

Solo, Indonesia \$60,000 over 2 years
To its Farmer Participatory Monitoring Projects.

ECOLOGISTS LINKED FOR ORGANIZING GRASSROOTS INITIATIVES AND ACTION

Middlebury, VT \$15,000
For its work on international standards-making in China.

ENERGY PROBE RESEARCH FOUNDATION

Toronto, Canada \$3,000
To a study on energy markets in the lower Mekong.

ENERGY PROBE RESEARCH FOUNDATION

Toronto, Canada \$80,000 over 2 years
To the Mekong program of Probe International.

ENVIRONMENTAL LEGAL ASSISTANCE CENTER

Cebu, Philippines \$120,000 over 2 years
To its Local Environmental Governance project.

GREENPEACE FUND

Washington, DC \$150,000 over 2 years
To its work on sustainable agriculture in China.

INDONESIAN FORUM ON GLOBALIZATION

Surakarta, Indonesia \$50,000
For its work on water sector issues in Indonesia.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

New York, NY \$25,000
For its work on sustainable transport in Guangzhou, China.

* In March 2004, the RBF decided to concentrate all new grantmaking in Asia on Southern China. Grantmaking guidelines for activity in this new RBF Pivotal Place are being developed.

MEKONG WATCH JAPAN*Tokyo, Japan*

\$150,000 over 2 years

For general support.

NATIONAL UNIVERSITY OF LAOS*Vientiane, Laos*

\$45,000 over 2 years

To its Community-Based Natural Resource Management Capacity Development initiative.

NGO FORUM ON ADB, INC.*Quezon City, Philippines*

\$100,000 over 2 years

For general support of its work on Mekong basin development issues.

PRINCETON-IN-ASIA*Princeton, NJ*

\$4,600

For a Princeton-in-Asia intern to work with the Pesticide Eco-Alternatives Center, an RBF grantee in Kunming, China.

SYDNEY, UNIVERSITY OF*Sydney, Australia*

\$150,000 over 2 years

For general support of its Australian Mekong Resource Center.

TIDES CENTER*San Francisco, CA*

\$12,400

For the Asia Pacific Environmental Exchange's work on participatory planning and ecological economics in Puerto Princessa, Philippines.

YUNNAN PARTICIPATORY WATERSHED MANAGEMENT RESEARCH AND PROMOTION CENTER*Kunming, China*

\$60,000 over 2 years

To its work on Participatory Social Impact Assessment.



Peace and Security

Rapidly increasing global interdependence brings with it new threats and vulnerabilities as well as new choices and opportunities. The promotion of security in such a globalized world depends on the willingness and ability of governments, citizens, corporations, and civil society organizations to contribute to the creation of a safe, equitable, and just global community. The preservation of peace in this globalized world requires a commitment to shared goals and principles and the establishment of cooperative and mutually respectful relationships among nations, societies, and diverse cultural traditions. Ultimately, the requirements of global peace and security are also the requirements of national security.

Given the speed and scope of globalization processes today, there is an urgent need to find ways of aligning the interests of states, communities, and private sector actors with global interests. Because the policies and actions of the United States often make the difference between success and failure in efforts to realize the benefits and mitigate the dangers of globalization, it is especially important to ensure that the content, style, and tone of U.S. global engagement reflect the reality and implications of global interdependence.

The Fund's Peace and Security program focuses on two objectives related to these broad themes. The first builds on past RBF grantmaking designed to enhance American public and policymaker understanding of global interdependence. The second, which aims to help ease destabilizing tensions between Muslim and Western worlds, represents a new and exploratory direction for the Fund.

GOAL

Promoting Responsible U.S. Global Engagement

The RBF supports efforts to articulate and implement a positive vision of the United States' role in creating a better and safer world for all people and for the diversity of life on Earth.

STRATEGIES

- Encouraging broad public dialogue and debate on America's role in the world and on the values and principles that should shape it.
- Facilitating the development and adoption of a foreign policy framework for the United States that addresses the perils and promise of interdependence in a manner that is farsighted and integrated, principled and constructive, consultative and collaborative.

GOAL

Mutual Understanding Between Muslim and Western Societies

The long history of relationship between Islam and the West has included eras of fruitful interaction as well as periods of conflict. The tensions that currently characterize this relationship seem to be rooted, at least in part, in profound misunderstanding and lack of communication. Such tensions, while not unprecedented, are made particularly dangerous by features of today's interdependent world – the rapid pace of change, the interconnectedness of issues, the complex impact of globalization, and the juxtaposition of great wealth and extreme poverty. Left unaddressed, this strained relationship will undermine international attempts to resolve conflicts and ameliorate conditions that threaten regional and global security. Progress toward a relationship of mutual respect and understanding, on the other hand, would enhance the prospects for identifying shared goals and pursuing cooperative endeavors.

The Fund is beginning to explore and support a small number of efforts to contribute to the improvement of communication and understanding between Muslim and Western societies, including the United States. Such efforts may involve facilitating the direct and candid exchange of views among opinion leaders; promoting dialogue among policymakers; and educating policymakers and the public about themes and issues that have a significant bearing on Muslim-Western relationships.

STRATEGIES

- The RBF is currently developing specific strategies to advance this goal.

2003 Peace and Security Grants

U.S. Global Engagement

ASIA SOCIETY
New York, NY \$50,000

Toward communications research for its Asia and International Studies in the Schools Initiative.

BENTON FOUNDATION
Washington, DC \$100,000

For its project, OneWorld U.S.

BETTER WORLD FUND
Washington, DC \$35,000

To its project, The People Speak: America Debates its Role in the World.

THE BROOKINGS INSTITUTION
Washington, DC \$75,000

To its initiative on American foreign policy in an age of globalization.

CENTER FOR AMERICAN PROGRESS
Washington, DC \$150,000

To its Foreign Policy department.

THE CIRCLE FOUNDATION, INC.
Washington, DC \$150,000

To a project, Improving Policymakers' Understanding of U.S. Public Opinion on America's Role in the Post-September 11th World, which is being carried out by the Foundation's Center on Policy Attitudes.

COUNCIL ON FOREIGN RELATIONS, INC.
New York, NY \$25,000

To a Council Policy Initiative that will debate the 2002 National Security Strategy.

GLOBAL EDUCATION ASSOCIATES
New York, NY \$24,500

To develop, publish, disseminate, and train facilitators for group utilization of a new 48-page Guide to Global Citizenship.

GLOBAL JUSTICE, INC.
Washington, DC \$75,000

For the development of its communications strategies and for core support of its efforts to advance a vision of responsible and effective U.S. global leadership through student advocacy.

GREATER WASHINGTON EDUCATIONAL TELECOMMUNICATIONS ASSOCIATION, INC.
Arlington, VA \$100,000 over 2 years

For its By the People: America in the World project.

NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE U.S.A.
New York, NY \$75,000

To a pilot project to enlarge and mobilize the faith-based constituency for responsible U.S. global leadership.

NATIONAL PEACE CORPS ASSOCIATION
Washington, DC \$150,000 over 2 years

To its advocacy and public policy education program, with a special focus on climate change and energy policy.

ORION SOCIETY
Great Barrington, MA \$60,000

To its Thoughts on America Initiative.

PLOUGHSHARES FUND, INC.
San Francisco, CA \$40,000 over 2 years

For its project, the Peace and Security Funders Group.

PUBLIC RADIO INTERNATIONAL, INC.
Minneapolis, MN \$125,000

To the Global Resources Desk of its daily global news program, The World.

HERBERT SCOVILLE, JR. PEACE FELLOWSHIP PROGRAM
Washington, DC \$10,000

Toward the support of six fellows in 2004.

HENRY L. STIMSON CENTER, THE
Washington, DC \$150,000 over 2 years

To its Security for a New Century project.

TIDES FOUNDATION
San Francisco, CA \$250,000

To a donor-advised fund to support activities of the NGO Working Group on Cooperative Global Engagement.

WORLD AFFAIRS COUNCIL OF NORTHERN CALIFORNIA
San Francisco, CA \$11,000

For its role in helping to organize and sponsor a West Coast meeting in support of the Communicator's Handbook on Talking Responsible U.S. Global Engagement.

Greater Understanding Between Muslim and Western Societies

AMERICAN UNIVERSITY OF BEIRUT
New York, NY \$75,000

To its fellowship program to promote understanding between the United States and the Islamic world.

ASPEN INSTITUTE, INC.
Washington, DC \$100,000 over 2 years

To the Political Islam project of its Congressional Program.

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE
Washington, DC \$150,000 over 2 years

To an initiative of its Democracy and Rule of Law Project on political reform in the Middle East.

INSTITUTE FOR INTERNATIONAL MEDIATION AND CONFLICT RESOLUTION
Washington, DC \$10,000

For Hope Not Hate, a joint initiative of Americans for Informed Democracy and the Dialogues project of the New School University's World Policy Institute.

LINK MEDIA, INC.
San Rafael, CA \$300,000 over 2 years

To Link TV programming that informs Americans about Islamic culture and political issues.

NEW SCHOOL UNIVERSITY
New York, NY \$100,000

To the Dialogues project of its World Policy Institute.

PACIFIC COUNCIL ON INTERNATIONAL POLICY
Los Angeles, CA \$75,000 over 2 years

To its project, Religion and American International Policy: Enhancing Muslim- Western Dialogue.

UNITED NATIONS ASSOCIATION OF THE UNITED STATES OF AMERICA, INC.
New York, NY \$50,000

To its U.S.-Iran Dialogue on Multilateral Diplomacy & The Management of Global Issues.

Other

FRIENDS OF WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS, INC.
New York, NY \$15,000

For the production of a progress report to the UN Secretary-General on the role of civil society in implementing the United Nations Millennium Declaration in advance of the opening of the UN General Assembly in September 2003.

HUMAN RIGHTS WATCH, INC.
New York, NY \$25,000

For emergency support for research and advocacy in the event of war in Iraq.



Charles E. Culpeper Human Advancement

Systemic social change is often required to enhance the lives and promote the well-being of individuals and to conserve ecosystems, but individual aspiration, growth, expression, and action are also necessary to fundamental social change.

For this reason, the Fund complements its commitment to systemic change with a commitment to human advancement and the fulfillment of individual potential – by supporting arts and culture, working to improve the quality of education, recognizing and encouraging individual leadership, and helping to mitigate the impact of health threats that undermine human advancement on a nation- or region-wide scale.

These themes will be pursued, based on a careful assessment of local needs and priorities, largely in designated RBF “pivotal places,” where the Fund is already active.

The Human Advancement program is named after Charles E. Culpeper to honor the legacy and achievements of his foundation, which was established in 1940, for the “betterment of humanity.” The Charles E. Culpeper Foundation and the RBF merged in July 1999.

ARTS AND CULTURE

Art creates beauty, invites discovery, stimulates reflection, and generates self-knowledge. Engagement with the arts promotes deeper understanding of human experience among diverse communities. The Fund’s support for arts and culture currently takes the following forms:

- In **New York City**, one of the RBF’s pivotal places, the Fund seeks to foster an environment in which artists can flourish, and to help sustain small and midsize cultural organizations, particularly those that are community-based and/or culturally specific.
- In **Serbia/Montenegro**, another RBF pivotal place, the Fund uses a variety of strategies, including support of cultural activities, to advance efforts to grapple with issues of identity and nationality as a prerequisite for ethnic and national reconciliation.
- The RBF provides annual support to the **Asian Cultural Council (ACC)**, which was established by John D. Rockefeller III in 1963 and became affiliated with the

RBF in 1991. The ACC funds cultural exchange in the visual and performing arts between the United States and the countries of Asia through individual fellowships to artists, scholars, and specialists from Asia undertaking research, study, and creative exploration in the United States. Grants are also made to Americans pursuing similar work in Asia, to cultural institutions involved in particularly significant exchange projects, and to activities that encourage regional dialogue and cooperation within Asia

EDUCATION

The role of education in human advancement is universally recognized. Good schools and inspiring teachers bring meaning and value to students’ lives, nurture their aspirations, and help them acquire the skills they need to achieve their goals and realize their potential. Good schools teach respect for all people and for the diversity of life on Earth; they develop young people’s confidence and capacity for civic leadership, and are an essential component of strong communities. Inspiring teachers are catalysts for improvement in their schools and often become leaders for change in the larger community as well.

Based on these convictions, the RBF seeks to improve education in the following ways:

- In **New York City**, one of the RBF’s designated pivotal places, the Fund seeks to promote civic responsibility for school improvement, strengthen constituencies for effective public education, and create opportunities for young people to grow through active engagement with their communities.
- At a time of profound demographic shifts in communities and classrooms, the **Rockefeller Brothers Fund Fellowships for Students of Color Entering the Teaching Profession** assists outstanding students of color from selected U.S. colleges and universities to pursue graduate studies and begin teaching in public schools. The RBF also furthers the professional development of Fellows after they have begun their careers in teaching.
- In **South Africa**, another RBF pivotal place, the Fund seeks to improve the quality and accessibility of basic education for children and adults in the areas of early childhood development and primary education.

LEADERSHIP

No government, acting alone, can solve the problems or enhance the opportunities that globalization creates. Much the same may be said of individuals: Teamwork and partnership are essential to building social movements and promoting systemic change. But the role of individual leaders in imagining alternatives, inspiring hope, and galvanizing collective action is also crucial. This belief informs all of the RBF's grantmaking, and is the specific impetus for the Fund's involvement with the Ramon Magsaysay Awards program in the Philippines:

■ The Ramon Magsaysay Awards were established in the late 1950s by members of the Rockefeller family to honor individuals and organizations in Asia whose civic contributions and leadership "exemplify the greatness of spirit, integrity, and devotion to freedom of Ramon Magsaysay," former president of the Philippines who died tragically in an airplane crash. Often regarded as the Nobel Prizes of Asia, these awards are presented in six categories: government service; public service; community leadership; international understanding; journalism, literature, and creative communication arts; and emergent leadership. Up to six awards of \$50,000 each are given annually by the board of trustees of the Ramon Magsaysay Award Foundation, which is headquartered in Manila and receives significant support from the RBF.

■ The Rockefeller Brothers Fund Fellowships for Students of Color Entering the Teaching Profession, while primarily designed to improve public education (please see above), also nurture individual leadership.

HEALTH

In some regions of the world, infectious disease prevents the realization of individual potential and undermines the family, community, and institutional supports on which human advancement depends. At the same time, positive change cannot occur at the ground level unless we encourage the professional development of medical practitioners and support new approaches to medicine. The RBF is actively engaged on both counts.

■ In South Africa, an RBF pivotal place, the Fund has responded to the HIV/AIDS pandemic by supporting efforts to assist orphans and vulnerable children in achieving their full potential as individuals and as constructive members of society.

■ In the United States, the Charles E. Culpeper Scholarships in Medical Science works to provide medical schools or equivalent U.S. educational institutions with up to three years of support, including salary and core research expenses, on behalf of carefully selected physicians of high potential achievement who are committed to careers in academic medicine. The Charles E. Culpeper Biomedical Pilot Initiative seeks to encourage the creation of promising new approaches to the challenges facing the health care field.

2003 Charles E. Culpeper Human Advancement Grants

Arts and Culture

ASIAN CULTURAL COUNCIL, INC.
New York, NY \$200,000
 To the organization's activities in 2003: \$100,000 designated for unrestricted grantmaking; and \$100,000 designated for general operating expenses.

Education

[See page 47 for a description of the RBF Fellowships for Students of Color Entering the Teaching Profession.]

Leadership

RAMON MAGSAYSAY AWARD FOUNDATION
Manila, Philippines \$150,000
 To the stipends for the 2003 Ramon Magsaysay Awards.

ASIAN CULTURAL COUNCIL

The Asian Cultural Council (ACC) is a publicly supported operating foundation that has been affiliated with the Rockefeller Brothers Fund since 1991. It was founded in 1963 by John D. Rockefeller 3rd to support cultural exchange in the visual and performing arts between the United States and the countries of Asia.

With funding from a broad range of donors, both in the U.S. and Asia, the ACC provides individual fellowship grants to, primarily, Asian artists, scholars, students, and specialists for study, research, travel, and creative work in the United States and in other Asian countries. Some grants are also made to Americans for similar activities in Asia, as well as to cultural institutions for projects of particular importance to Asian-American exchange. In addition, the ACC awards a small number of grants each year to assist regional exchange activities in Asia.

In 2003, the ACC awarded \$1,515,000 in grants to fund 123 fellowships and other exchange projects. Through its 40 year history, the organization has supported more than 4,000 individuals from Asia and the U.S.

The ACC maintains representative offices in Tokyo, Hong Kong, Taipei, and Manila, where funds are raised from local donors to finance grants to individuals and institutions in those regions.

In 2003, the Rockefeller Brothers Fund awarded a grant of \$200,000 to the ACC: \$100,000 for general operating expenses, and \$100,000 for the Council's grants program. ■

For further information about the ACC, visit www.asianculturalcouncil.org or contact its staff at 437 Madison Avenue, 37th Floor, New York, NY 10022-7001.



Amiel Roldan, artist from the Philippines, works with American printmaker Lisa Mackie in her studio in New York.

RAMON MAGSAYSAY AWARD FOUNDATION

With encouragement and financial support from members of the Rockefeller family and the RBF, the Ramon Magsaysay Award Foundation (RMAF) was established in 1957 as a memorial to Ramon Magsaysay, the third president of the Republic of the Philippines, who died that year, during his presidency, in an airplane accident. From the RMAF's inception, its signature program has been the Ramon Magsaysay Awards, a set of awards presented annually to recognize achievement consistent with the ideals of public service that characterized the life of Ramon Magsaysay. The awards are given to people and organizations working in Asia on behalf of Asians.

From 1958 (the first year of the program) through 2000, there were five award categories: Government Service; Community Leadership; Public Service; Journalism, Literature, and Creative Communication Arts; and Peace and International Understanding. In 2001, the RMAF added a sixth, Emergent Leadership, to recognize promising younger individuals whose work is significant but not yet mature enough to qualify them for the award in any of the five established categories. The trustees of the RMAF select the awardees following a long-established nomination and investigation process. The awards are conferred, usually by the President of the Philippines, in a ceremony in Manila on August 31, Magsaysay's birthday. Since 1958, 221 individuals and 15 organizations from more than 20 countries in Asia have received the award.

The award stipend is \$50,000 for each of the five original categories. Toward this amount, the RMAF provides \$20,000 and the RBF \$30,000. The RBF contribution is paid from the RMAF Fund, a separate fund of the RBF endowment, which also finances efforts to maintain a thorough historical record of the awards and make information about awardees available to audiences in Asia and elsewhere.

The names and citations for the 2003 Awardees follow:

James Michael Lyngdoh, India's Chief Election Commissioner (Government Service): For his convincing validation of free and fair elections as the foundation and best hope for secular democracy in strife-torn India.

Dr. Gao Yaojie, retired Chinese gynecologist (Public Service): For her fervent personal crusade to confront the AIDS crisis in China and to address it humanely.



Ramon Magsaysay

Shantha Sinha, Secretary of the Mamidipudi Venkatarangaiya Foundation (Community Leadership): For guiding the people of Andhra Pradesh to end the scourge of child labor and send all of their children to school.

Sheila Coronel, founder and executive director of the Philippine Center for Investigative Journalism (Journalism, Literature, and Creative Communication Arts): For leading a groundbreaking collaborative effort to develop investigative journalism as a critical component of democratic discourse in the Philippines.

Dr. Tetsu Nakamura, Japanese medical doctor (Peace and International Understanding): For his passionate commitment to ease the pains of war, disease and calamity among refugees and the mountain poor of the Afghanistan-Pakistan borderlands.

Seiei Toyama, Japanese soil agriculturist and environmentalist (Peace and International Understanding): For his twenty-year crusade to green the deserts of China in a spirit of solidarity and peace.

Aniceto Guterres Lopes, chairperson of East Timor's Commission for Reception, Truth and Reconciliation (Emergent Leadership): For his courageous stand for justice and the rule of law during East Timor's turbulent passage to nationhood.

PROGRAM FOR ASIAN PROJECTS

The Program for Asian Projects was established in 1987 at the conclusion of an assembly in Bangkok that brought together more than 100 Ramon Magsaysay Awardees. The program provides financial support for projects that individual Awardees or groups of Awardees undertake in order to further the work that earned them the Ramon Magsaysay Award. The program is administered by the RMAF and steered by an Asian Board of Advisers composed of both Awardees and representatives of the Foundation. Working closely with RMAF staff, the Board of Advisers reviews and evaluates requests for support that Awardees submit and then recommends grant actions to the RBF trustees for their final approval. ■

Further information about the Ramon Magsaysay Awards and the Program for Asian Projects can be found on the RMAF website, at www.rmaf.org.ph.

RBF FELLOWSHIPS FOR STUDENTS OF COLOR ENTERING THE TEACHING PROFESSION

In 1992, the Rockefeller Brothers Fund established the *Fellowships for Students of Color Entering the Teaching Profession* in order to help narrow the gap between the increasing number of students of color in public schools across the United States and the proportionately smaller number of teachers of color. Since that time, the Fund has awarded fellowships to 225 talented and accomplished college students with a commitment to public education. The overwhelming majority of the Fellows remain in the education field. Many teach in urban and rural schools districts. About one-half have been in the classroom five or more years.

Fellows receive up to \$22,100 over a five-year period that begins after their junior year of college and ends when they have completed three years of public school teaching. During the summer following their junior year, Fellows receive grants of \$2,500 to undertake special projects related to teaching. Upon graduation from college, grants of \$12,000 to \$16,000 are available for full-time graduate work in education. Fellows who incur debt in financing their graduate education are entitled to loan repayment assistance of up to \$1,200 annually for each of the first three years that they teach in public schools.

In addition, the RBF provides a modest stipend for a mentor – a member of the college faculty or staff whom the Fellow selects to advise the summer project and to provide guidance during the Fellow's senior year, especially in the selection of an appropriate graduate education program. Finally, the Fund creates opportunities for Fellows to come together occasionally during the period of their fellowship in order to have shared enrichment experiences and to provide support and encouragement to each another.

Candidates for the fellowship are drawn from 28 colleges and universities that have demonstrated a commitment to the education of students of color and to the improvement of teaching in America's public schools. Interested students majoring in the arts and sciences apply during their junior year. Each participating institution may nominate up to three students annually. A complete list of the participating institutions can be found on the Fund's web site: www.rbf.org.

A committee of educational professionals, including school administrators, faculty from graduate teacher training programs, and alumni RBF Fellows, interviews finalists and recommends candidates to the RBF. Up to 25 fellowships are awarded each year. Fellows are selected on the basis of their potential to become exceptional teachers, as evidenced by high academic performance, strong written and oral communications skills, and a deep commitment to education and public service. ■

2003 CLASS OF RBF FELLOWS

Danielle Alvarado • *Southwest Texas State University*
 Migdalia Archiniegas • *Wellesley College*
 Jessica Cain • *Wellesley College*
 Cecelia Diaz • *University of California, Riverside*
 Rabiah Harris • *Howard University*
 Nicole Hughes • *Spelman College*
 Salema Jenkins • *Wellesley College*
 Pei Pei Liu • *Swarthmore College*
 Roxane Lopez • *Southwest Texas State University*
 Maya Martin • *University of Pennsylvania*
 Diamond Moore • *Pomona College*
 Arpita Parikh • *Swarthmore College*
 Anny Peña • *Pace University*
 Juan Perez • *University of St. Thomas*
 Emilene Rodriguez • *Pace University*
 Vanessa Ruiz • *Mount St. Mary's College*
 Luis Sáenz • *University of St. Thomas*
 Miriam Salgado • *Mount St. Mary's College*
 Katrina Sapeg • *Pace University*
 Rajaa Shakir • *Swarthmore College*
 Simona Simpson • *Howard University*
 Emily Steele • *Pomona College*
 Marci Woods • *Duke University*
 Linda Yeh • *Brown University*
 Jaclyn Zapanta • *Mount St. Mary's College*

Health*

**Charles E. Culpeper
Scholarships in Medical Science**

LELAND STANFORD JUNIOR UNIVERSITY,
BOARD OF TRUSTEES OF
Stanford, CA \$324,000 over 3 years
For the research of Ajay Chawla, MD, PhD, concerning
metabolic processes that influence the rate of tissue
damage associated with aging.

PRESIDENT AND FELLOWS OF HARVARD COLLEGE
Boston, MA \$324,000 over 3 years
For the research of Cammie F. Lesser, MD, PhD,
concerning the mechanisms that tuberculosis bacteria
use to manipulate infection-fighting cells in host
organisms.

UNIVERSITY OF TEXAS SYSTEM
Dallas, TX \$324,000 over 3 years
For the research of Christine Kim Garcia, MD, PhD,
concerning genetic factors that contribute to
susceptibility and resistance to emphysema among
smokers.

Charles E. Culpeper Biomedical Pilot Initiative

CENTER FOR BLOOD RESEARCH, INC
Boston, MA \$25,000
For the research of Natalie S. Barteneva, MC, PhD,
entitled, "A Cassette of Diode Lasers for Fluorescent
Resonance Energy Transfer (FRET)-Analysis."

CLEMSON UNIVERSITY
Clemson, SC \$24,633
For the research of James C. Morris, PhD, entitled,
"Use of an RNA Interference-based Genomic Library to
Identify Genes Required for Host-specific Surface
Protein Expression in the African Trypanosome."

GENERAL HOSPITAL CORPORATION
Boston, MA \$25,000
For the research of Eleftherios Mylonakis, MD, entitled,
"Use of the Caenorhabditis Elegans Model for the
Study of Fungal Pathogenesis."

* Effective April 1, 2004, the Charles E. Culpeper Scholarships in
Medical Science and the Charles E. Culpeper Biomedical Pilot
Initiative are administered by the Goldman Philanthropic
Partnerships (www.goldmanpartnerships.org).

MEDICAL COLLEGE OF WISCONSIN
Milwaukee, WI \$24,984
For the research of Maya Sieber-Blum, PhD, entitled,
"Determining Whether Hair Follicles in Adult Mice
Contain Stem Cells."

NORTHWESTERN UNIVERSITY
Evanston, IL \$12,500
For the research of Ilya Koltover, PhD, entitled,
"A Biomimetic, Self-contained Drug Delivery System."

THE QUEENS MEDICAL CENTER
Honolulu, HI \$24,825
For the research of Helen Turner, PhD, entitled,
"Mast Cell TRPV2 as a Novel Target for Intervention in
Heat-Damaged Tissue."

RESEARCH FOUNDATION OF
THE CITY UNIVERSITY OF NEW YORK
Flushing, NY \$25,000
For the research of Jeffrey Steiner, PhD and Paul
Gottlieb, PhD, entitled, "Complexity Issues in the
Modeling of the Transport of Aerosol Aggregates."

RUTGERS-THE STATE UNIVERSITY OF NEW JERSEY
Brunswick, NJ \$24,000
For the research of Jody Hey, PhD, entitled, "Natural
Selection and the Genetic Components of Disease in
Modern Human Populations."

VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
Blacksburg, VA \$25,000
For the research of Aaron S. Goldstein, PhD, entitled,
"Micron-Scale Substrate Topographies for Contact
Guidance and Bone Tissue Engineering."

REGENTS OF THE UNIVERSITY OF CALIFORNIA
La Jolla, CA \$20,223
For the research of Sean A. McGhee, MD, at the
University of California, San Diego, entitled, "Newborn
Screening for Severe Combined Immunodeficiency."

REGENTS OF THE UNIVERSITY OF CALIFORNIA
La Jolla, CA \$25,000
For the research of Matthew A. Spear, MD, at the
University of California, San Diego, entitled,
"Functional Phage Display for Signal Transduction
Based Ligand/Receptor Discovery in Living Cells."

REGENTS OF THE UNIVERSITY OF CALIFORNIA
La Jolla, CA \$25,000

For the research of Sharon L. Reed, MD, at the University of California, San Diego, entitled, "A New Direction for Structure-based Discovery of Novel Therapeutic Agents for Toxoplasmosis."

UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION
Lexington, KY \$25,000

For the research of Ahmed El-Ghannam, PhD, entitled, "Synthesis and Characterization of Silica-Calcium Phosphate Composite for Bone Tissue Regeneration."

UNIVERSITY OF VERMONT AND
 STATE AGRICULTURAL COLLEGE
Burlington, VT \$25,000

For the research of Kevin Foley, PhD, entitled, "Novel Aminopropiophenones as Appetite Suppressants."

UNIVERSITY OF WISCONSIN
Madison, WI \$24,967

For the research of David J. Beebe, PhD, entitled, "Development of Macromolecular Crowded Environment on Microfluidic Platform for Protein Binding Studies."

YALE UNIVERSITY
New Haven, CT \$24,840

For the research of Robert D. Beech, MD, PhD, entitled, "Possible Role of Olfactory Bulb Neurogenesis in Social Interaction and Negative Symptoms in Schizophrenia: A Transgenic Mouse Model."



Pivotal Places

The Fund pursues its four program interests—Democratic Practice, Sustainable Development, Peace and Security, and Human Advancement—in a variety of geographic contexts. In addition, the Fund has identified several specific locations on which to concentrate cross-programmatic grantmaking attention.

The Fund refers to these as RBF pivotal places—sub-national areas, nation-states, or cross-border regions which have special importance with regard to the Fund's substantive concerns and whose future will have disproportionate significance for the future of a surrounding region, an ecosystem, or, indeed, the globe. While many places in the world may be considered pivotal, the selection of RBF pivotal places is guided by both the Fund's program interests and grantmaking history.

These are places where the Fund judges that because of its experience, knowledge, and program interests, its grantmaking could be particularly effective. The Fund's engagement in these places is multidisciplinary, involving two or more RBF program interests, and generally long-term. It is also responsive to local needs and priorities; indeed, the Fund may pursue its broad programmatic goals in different ways within each RBF pivotal place.

Pivotal Places: Serbia and Montenegro

Improving conditions in Serbia and Montenegro would have a favorable impact on the entire Balkan region, while stasis or regression there could threaten the stability of the region and possibly of Europe as a whole. Serbia and Montenegro's nascent democracies and efforts at ethnic reconciliation represent important opportunities and difficult challenges for the future, as does the need for economic development that respects ecological integrity.

Several of the Fund's program interests are reflected in the RBF's grantmaking guidelines for Serbia and Montenegro as a pivotal place.

DEMOCRATIC PRACTICE

GOAL: The RBF works to strengthen the institutions of effective governance.

STRATEGIES

- Supporting the capacities and performance of governmental institutions.
- Promoting a deeper understanding of the role of nongovernmental organizations in democratic society.
- Creating conditions for effective relationships between government and civil society institutions.

SUSTAINABLE DEVELOPMENT

GOAL: The RBF supports efforts to build sustainable communities.

STRATEGIES

- Encouraging local economic development that is environmentally sustainable.
- Promoting transparent and inclusive decision making about community development.
- Fostering the growth of indigenous philanthropy.

PEACE AND SECURITY & HUMAN ADVANCEMENT

GOAL: Using a variety of strategies, including support of cultural activities, the RBF advances efforts to grapple with issues of identity and nationality, as a prerequisite for ethnic and national reconciliation and an essential foundation for the further consolidation of democracy.

STRATEGY

- The RBF is currently developing specific strategies to advance this goal.

**2003 Pivotal Places:
Serbia and Montenegro Grants**

Democratic Practice

COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK,
TRUSTEES OF
New York, NY \$150,000 over 2 years
To the Advocacy NGO Development Project of the
university’s Public Interest Law Initiative.

Sustainable Development

INSTITUTE FOR SUSTAINABLE COMMUNITIES
Montpelier, VT \$50,000
To a community and youth action project in Serbia.

UNITED NATIONS
New York, NY \$113,600
To the United Nations Development Programme for its
project to strengthen the capacity of the Ministry of
Human and Minority Rights of the State Union of Serbia
and Montenegro.

UNITED NATIONS
New York, NY \$29,000
To the United Nations Development Programme for a
sustainable tourism project in Montenegro.

UNITED NATIONS
New York, NY \$25,000
For a sustainable tourism project that advances the
concept of an “ecological/sustainable state” for
Montenegro.

Peace and Security & Human Advancement

CENTER FOR REGIONALISM
Novi Sad, Serbia \$75,000
To establish a small grants program that will support
projects involving multiethnic groups in Serbia and
Kosovo.

MULTIETHNIC CHILDREN AND YOUTH PEACE CENTRE
Mitrovica, Kosovo \$10,000
For its multiethnic magazine project.

TRAIL ASSOCIATION (UDRUZENJE TRAG)
Nis, Serbia \$25,000
For the youth winter camp, In the Name of Our Future.

Pivotal Places: New York City

The Fund has been active in New York City since the RBF's founding there in 1940. New York City's extraordinarily diverse population, its economic prominence, and its cultural vitality combine to make the city pivotal to the future of its region, the nation, and the world. New York City has the potential to be a model 21st-century urban community that nourishes neighborhoods and civic life, supports individual achievement and artistic expression, generates widely shared prosperity, and preserves and enhances its built and natural environments. Linked as it is to the region, the nation, and the world, New York City can become a beacon of excellence and a force for positive change both within and well beyond its boundaries.

Three of the Fund's four program interests are reflected in the RBF's engagement with New York City as an RBF pivotal place.

DEMOCRATIC PRACTICE

GOAL: The Fund seeks to improve the quality of life in disadvantaged neighborhoods.

STRATEGIES

- Supporting initiatives that address locally identified priorities and build local leadership.
- Encouraging collaboration among local institutions and across sectors.

SUSTAINABLE DEVELOPMENT

GOAL: The RBF assists community-based initiatives that encourage respect and care for the natural and built environment and that enhance or reclaim public space in order to improve the safety, the aesthetic quality, and the spiritual and community life of New York City neighborhoods.

HUMAN ADVANCEMENT: EDUCATION

GOAL: The Fund seeks to promote civic responsibility for school improvement, strengthen constituencies for effective public education, and create opportunities for young people to grow through active engagement with their communities.

HUMAN ADVANCEMENT: ARTS AND CULTURE

GOAL: The Fund will foster an environment in which artists and the creative process can flourish.

STRATEGY

- Supporting organizations that assist individual artists and the creative process, provide infrastructure to sustain the artistic life, and offer additional opportunities to artists for developing skills complementary to their creative talents.

GOAL: The RBF will work to sustain and advance small and mid-size cultural organizations, particularly those that are community based and/or culturally specific.

STRATEGIES

- Supporting core operations by providing non-renewable, two-year general operating grants of up to \$50,000 per year, as a source of stable funding and added vitality in the immediate term.
- Strengthening long-term financial viability by providing endowment grants and cash reserve grants of up to \$250,000 to organizations that demonstrate the potential for long-term leadership and excellence in the presentation of creative work to the broadest possible audiences.
- Enhancing institutional leadership through competitive awards to arts and cultural organizations for innovative, team-based leadership conferences designed to strengthen long-range organizational management and governance. The Fund's Pocantico Conference Center will host representatives from selected organizations (including senior management, artistic leadership, and board members) for one- or two-day conferences on issues of institutional advancement. Each selected organization will receive a grant of up to \$15,000 to cover the costs of the leadership conference, including the participation of professional consultants, advisors, or facilitators. Following completion of a leadership conference, the Fund may make an additional award of up to \$25,000 to support the participating organization's efforts to implement some aspect(s) of what was learned through the conference.

**2003 Pivotal Places:
New York City Grants**

Democratic Practice

AQUINAS HOUSING CORPORATION
Bronx, NY \$15,000
For its Job Readiness and Computer Learning Center.

INTERFAITH CENTER OF NEW YORK INC.
New York, NY \$35,000
To its Social Justice and Religions of New York 2003 series of Rabbi Marshall T. Meyer Working Retreats on Social Justice.

JEWISH FUND FOR JUSTICE, INC.
New York, NY \$100,000
To the Funders Collaborative on Youth Organizing.

NEW WORLD FOUNDATION
New York, NY \$50,000
To its New York Civic Participation Project.

**NORTHWEST BRONX
COMMUNITY & CLERGY COALITION**
Bronx, NY \$35,000
For its youth organizing project, Sistas and Brothas United.

UPROSE, INC.
Brooklyn, NY \$35,000
For its youth organizing project, Youth Justice.

YOUTH MINISTRIES FOR PEACE & JUSTICE, INC.
Bronx, NY \$50,000
For its RIVER (Reaching and Including Youth Voices for Environmental Rights) Team youth organizing project.

Sustainable Development

ARCHITECTURE RESEARCH INSTITUTE, INC.
New York, NY \$25,000
For its project Rebuild Downtown Our Town.

BRONX COUNCIL ON THE ARTS, INC.
Bronx, NY \$150,000 over 2 years
To a project to identify community stakeholders and engage in a planning process to further develop the Cultural Corridor hub in the South Bronx and the potential for community revitalization.

FRIENDS OF HUDSON RIVER PARK, INC.
New York, NY \$50,000
To its efforts to ensure completion of the Hudson River Park.

MUNICIPAL ART SOCIETY OF NEW YORK
New York, NY \$15,000
To launch a second phase of Imagine New York.

MUNICIPAL ART SOCIETY OF NEW YORK
New York, NY \$50,000
To the Blue Links and East River Rising campaigns of its Metropolitan Waterfront Alliance project.

NATIONAL PARK FOUNDATION
Washington, DC \$300,000 over 3 years
To the New York Harbor Parks Project.

NEW YORK RESTORATION PROJECT
New York, NY \$50,000
For a planning study and analysis for the rehabilitation of Roberto Clemente State Park.

NYC 2012, INC.
New York, NY \$300,000 over 2 years
To begin implementation of Olympic Plan X for the 2012 Olympic Games.

PRATT INSTITUTE
Brooklyn, NY \$250,000 over 2 years
To its Center for Community and Environmental Development for a special institutional development initiative.

PRATT INSTITUTE
Brooklyn, NY \$10,000
To its Center for Community and Environmental Development, to help defray the costs of community participation in a study tour to four European cities, and to help with the printing and dissemination of a report documenting the trip and lessons learned.

PRATT INSTITUTE
Brooklyn, NY \$100,000
To its New Partners for Community Revitalization brownfields initiative.

QUEENS MUSEUM OF ART*Queens, NY* \$150,000 over 2 years

To establish and market a weekend trolley route through Flushing Meadows Corona Park and the surrounding Tri-Communities of Corona, East Elmhurst, and Jackson Heights.

REGIONAL PLAN ASSOCIATION, INC.*New York, NY* \$300,000 over 2 years

To its Civic Alliance to Rebuild Downtown.

TRUST FOR PUBLIC LAND*New York, NY* \$100,000 over 2 years

To its Williamsburg greenprinting project, a community planning and visioning process for the Greenpoint, Brooklyn waterfront and adjacent areas.

Human Advancement: Education**APPLESEED FOUNDATION INC.***Washington, DC* \$60,000

To the pilot phase of a program with the New York City Department of Education.

DONORSCHOOSE INC.*Bronx, NY* \$100,000 over 2 years

To its Internet-based community grantmaking project in public schools.

INNER FORCE ECONOMIC DEVELOPMENT CORP.*Brooklyn, NY* \$100,000 over 2 years

To its academic and support programs for students and parents in Bedford-Stuyvesant, Brooklyn.

**NORTHWEST BRONX
COMMUNITY & CLERGY COALITION***Bronx, NY* \$75,000

To its parent and community organizing for school reform and to a feasibility study for the creation of a new educational entity to support the local school district.

Human Advancement: Arts and Culture**ASSOCIATION OF HISPANIC ARTS, INC.***New York, NY* \$50,000 over 2 years

For general operating support.

BATTERY DANCE CORPORATION*New York, NY* \$70,000 over 2 years

For general operating support.

BROOKLYN WATERFRONT ARTISTS COALITION, INC.*Brooklyn, NY* \$50,000 over 2 years

For general operating support.

CUBAN ARTISTS FUND, INC.*New York, NY* \$70,000 over 2 years

For general operating support.

CUNNINGHAM DANCE FOUNDATION, INC.*New York, NY* \$100,000 over 2 years

For general operating support.

EDUCATIONAL BROADCASTING CORPORATION*New York, NY* \$25,000

To fund MetroArts/Thirteen for a week of arts and cultural programming focused on lower Manhattan cultural organizations.

EXIT ART — THE FIRST WORLD, INC.*New York, NY* \$100,000 over 2 years

For general operating support.

HALEAKALA, INC.*New York, NY* \$100,000 over 2 years

For general operating support.

INTERNATIONAL ARTS RELATIONS, INC.*New York, NY* \$70,000 over 2 years

For general operating support.

LOWER MANHATTAN CULTURAL COUNCIL, INC.*New York, NY* \$15,000

To the costs for its Leadership Conference at the Pocantico Conference Center.

LOWER MANHATTAN CULTURAL COUNCIL, INC.*New York, NY* \$25,000

To its organizational expansion.

MARTHA GRAHAM CENTER OF CONTEMPORARY DANCE, INC.
New York, NY \$100,000 over 2 years
 For general operating support.

MAYI FILIPINO THEATRE ENSEMBLE, INC
New York, NY \$70,000 over 2 years
 For general operating support.

NEW MUSEUM OF CONTEMPORARY ART
New York, NY \$100,000 over 2 years
 To the programming of its Media Lounge.

NEW YORK FOUNDATION FOR THE ARTS, INC.
New York, NY \$75,000
 To its Artists' Fellowships program.

NEW YORK PUBLIC LIBRARY, ASTOR, LENOX & TILDEN FOUNDATIONS
New York, NY \$250,000 over 2 years
 For endowment for the collections of its Schomberg Center for Research in Black Culture in the name of Charles E. Culpeper.

NEW YORK STUDIO SCHOOL OF DRAWING, PAINTING, & SCULPTURE, INC.
New York, NY \$70,000 over 2 years
 For general operating support.

THE NEW PROFESSIONAL THEATRE, INC.
New York, NY \$15,000
 To the costs for its Leadership Conference at the Pocantico Conference Center.

THE NEW PROFESSIONAL THEATRE, INC.
New York, NY \$25,000
 To implementation of its strategic plan.

NYC & COMPANY FOUNDATION, INC.
New York, NY \$25,000
 To its CultureFest, a public program supporting the non-profit cultural community in New York City.

PAUL TAYLOR DANCE FOUNDATION, INC.
New York, NY \$150,000 over 2 years
 For cash reserves.

PLAYWRIGHTS HORIZONS, INC.
New York, NY \$200,000 over 2 years
 For endowment in the name of Charles E. Culpeper.

PREMIERE COMMISSION, INC.
New York, NY \$25,000
 To joint commission projects with the Chamber Society of Lincoln Center and the Concert Arts Guild.

RESEARCH FOUNDATION OF THE CITY UNIVERSITY OF NEW YORK
New York, NY \$70,000 over 2 years
 For general operating support of the Centro de Estudios Puertoriquenos located at Hunter College.

ROCKEFELLER PHILANTHROPY ADVISORS
New York, NY \$25,000
 For a planning process for a Museum of Freedom to be developed and constructed in lower Manhattan near the site of the World Trade Center.

SHOTGUN PRODUCTIONS, INC.
New York, NY \$50,000 over 2 years
 For general operating support.

SPANISH THEATRE REPERTORY COMPANY, LTD.
New York, NY \$250,000 over 2 years
 For endowment in the name of Charles E. Culpeper.

STEPHEN PETRONIO DANCE COMPANY
New York, NY \$70,000 over 2 years
 For general operating support.

TRIPLE CANDIE, INC.
New York, NY \$50,000 over 2 years
 For general operating support.

WORKS AND PROCESS, INC.
New York, NY \$100,000 over 2 years
 For general operating support.

WORLD MUSIC PRODUCTIONS
Brooklyn, NY \$70,000 over 2 years
 For general operating support.

STAFF GRANTMAKING FUND

Established in 2002, the **Staff Grantmaking Fund** (SGF) provides all members of the RBF staff with the opportunity to be grantmakers and thereby experience firsthand the core work of the foundation. The fund's annual budget of \$100,000 finances grants that are consistent with the overall mission of the RBF and that receive the same degree of due diligence as all other program commitments. Staff who wish to participate decide upon a theme for the grantmaking each year, research and evaluate specific programs and projects that align with that theme, and make final grant recommendations to the president for approval.

During the second year of this initiative, the staff committee decided to focus on opportunities in New York City that would benefit children and youth within the framework of the Charles E. Culpeper Human Advancement Program. Participating staff endeavored to find at least a few such opportunities that would assist communities that were especially affected by the tragic events of September 11, 2001. Doing so would establish a link between grantmaking in 2003 and grantmaking in the initial year of the fund's operation.

2003 Grants

Upon the recommendation of the Staff Grantmaking Fund Committee, the president of the RBF authorized the following six grants:

MANHATTAN YOUTH RECREATION AND RESOURCES, INC.
New York, NY \$7,500
 Toward the cost of a strategic planning retreat at the Pocantico Conference Center.

SUSTAINABILITY EDUCATION CENTER
New York, NY \$15,000
 Toward the cost of a full-time program director for its BEES (Business and Entrepreneurship Education for Sustainability) program.

MAKE THE ROAD BY WALKING
Brooklyn, NY \$20,000
 Toward the cost of a full-time organizer for the Bushwick Student Union.

SALVADORI CENTER FOR THE BUILT ENVIRONMENT
 New York, NY \$25,000

Toward the cost of the Salvadori Middle School Program's project, Remembrance, Reflecting, Rethinking and Rebuilding.

SEVENTH AVENUE MENNONITE CHURCH - HEAD START PROGRAM
 Bronx, NY \$20,500

To prepare and equip a multi-purpose play area.

HARLEM CHILDREN'S ZONE
 New York, NY \$12,000

For SMART (Shaping Minds Around Reading and Technology), a computer assisted literacy program in under-performing schools in Central Harlem.

Committee Members

Jacqueline Basile
Director, Human Resources [Facilitator]

Lydia Brown
Administrative Assistant

Aimee Ducey
Assistant Curator, Pocantico Programs

Bridget Massay
Executive Assistant

Kimberly Miller
Assistant Director, Operations, Pocantico Programs

Helen Morton
Administrative Assistant

Charisse Turner
Accountant

Pivotal Places: South Africa

The Rockefeller Brothers Fund has been engaged in grantmaking in South Africa since the mid-1960s. The Fund's initial focus was on promoting human rights and supporting the anti-apartheid movement; more recently, the Fund has focused on improving basic education and assisting children affected by the devastating HIV/AIDS pandemic – both are critical challenges that must be addressed if South Africa is to reach its full potential. The success of South Africa's political and economic transformation is pivotal to the future of all of Southern Africa. Indeed, South Africa is and will continue to be pivotal to the development and stability of the entire continent.

The Fund will continue to support human advancement through its work to improve basic education and to meet the developmental needs of orphans and vulnerable children. In addition, the RBF is exploring linkages between HIV/AIDS and the Fund's other substantive concerns: democratic practice, sustainable development, and peace and security. While the Fund recognizes the critical importance of HIV/AIDS education, prevention, and treatment, many other donors are active in these fields. The RBF seeks to complement these efforts by contributing to the development of integrated responses to the broad societal impacts of the pandemic.

HUMAN ADVANCEMENT: EDUCATION

GOAL: The Fund seeks to improve the quality and accessibility of basic education for children in the areas of early childhood development and primary learning.

STRATEGIES

- Supporting the introduction and evaluation of promising basic education models.
- Advancing the development of primary school teachers.
- Strengthening the institutional capacity of nonprofit organizations, university programs, and government agencies in the field of basic education.
- Assisting nonprofit organizations with basic education projects to integrate a concern for HIV/AIDS within their work.

HUMAN ADVANCEMENT: HEALTH

GOAL: In response to the HIV/AIDS pandemic, the RBF supports efforts to assist orphans and vulnerable children in achieving their full potential as individuals and as members of society.

STRATEGIES:

- Encouraging the development and evaluation of innovative models of care, education, and support for orphans and vulnerable children.
- Strengthening the institutional capacity of nonprofit organizations, university programs, and government agencies working with orphans and vulnerable children.
- Supporting targeted social science research that will improve the understanding and effectiveness of work related to orphans and vulnerable children.

SUSTAINABLE DEVELOPMENT, DEMOCRATIC PRACTICE & PEACE AND SECURITY

GOAL: The Fund will support a small number of efforts to improve understanding of the linkages between HIV/AIDS and sustainable development, democratic practice, and peace and security issues in South Africa, and promote integrated responses to the broad societal impacts of the HIV/AIDS pandemic.

STRATEGIES

- Supporting and disseminating research to improve understanding of linkages between HIV/AIDS and sustainable development, democratic practice, and peace and security.
- Strengthening the capacity of nonprofit organizations, university programs, and government agencies working on linkages between HIV/AIDS and these three issues, including the facilitation of cross-sectoral communication and collaboration.
- In a limited way, facilitating the introduction and evaluation of promising models of responses to the linkages between HIV/AIDS and these three core issues of RBF concern.

2003 Pivotal Places: South Africa Grants

Human Advancement: Education

UNIVERSITY OF NATAL
Durban, South Africa \$31,000

For an assessment of RBF-funded projects in South Africa that link literacy and development, to be undertaken by the university's School of Community Development and Adult Learning.

Human Advancement: Health

ABC ULWAZI
Johannesburg, South Africa \$100,000 over 2 years
To its project, Real Children are Living Here.

ASSOCIATION FOR TRAINING AND RESOURCES IN EARLY EDUCATION
Durban, South Africa \$140,000 over 2 years
To its work focused on orphans and vulnerable young children in KwaZulu-Natal.

CATHOLIC EDUCATION TRUST
Johannesburg, South Africa \$10,000
To a new scholarship program for secondary school orphan girls in South Africa established by the Catholic Institute of Education.

GLOBAL COMMUNITY INITIATIVES, INC.
Plainfield, VT \$40,000 over 2 years
To its CityCycle Project.

GLOBAL COMMUNITY INITIATIVES, INC.
Plainfield, VT \$10,000
To its CityCycle Project.

GOD'S GOLDEN ACRE
Cato Ridge, South Africa \$10,000
To general support.

GOD'S GOLDEN ACRE
Cato Ridge, South Africa \$100,000 over 2 years
To the expansion of its administrative and organizational capacity.

IKAMVA LABANTU
Cape Town, South Africa \$100,000 over 2 years
To its Ithemba Labantwana project.

INSTITUTE OF NATURAL RESOURCES
Msunduzi, South Africa \$94,000 over 2 years
To its African Roots Project.

NURTURING ORPHANS OF AIDS FOR HUMANITY
Durban, South Africa \$10,000
To help establish a resource center for orphans and vulnerable children in Eshowe, KwaZulu-Natal.

NURTURING ORPHANS OF AIDS FOR HUMANITY
Durban, South Africa \$70,000 over 2 years
To an institutional development initiative.

RESOURCES AIMED AT THE PREVENTION OF CHILD ABUSE AND NEGLECT
Cape Town, South Africa \$85,000 over 2 years
To its teacher-training project focused on preventing child abuse and supporting orphans and vulnerable children.

ROB SMETHERHAM BEREAVEMENT SERVICE FOR CHILDREN
Pietermaritzburg, South Africa \$10,000
To general support.

SPENCE-CHAPIN SERVICES TO FAMILIES AND CHILDREN
New York, NY \$22,000
For a study trip that will bring eight senior South African government and NGO leaders from the adoption field to New York to learn about international best practices in domestic adoption, inter-country adoption, and group and foster care for orphans.

UNITED NATIONS ASSOCIATION OF THE UNITED STATES OF AMERICA, INC.
New York, NY \$140,000 over 2 years
To its project, ABCs for Africa's Orphans.

UNIVERSITY OF CAPE TOWN
Cape Town, South Africa \$39,000
To projects of its Children's Institute to disseminate and facilitate the implementation of recommendations for health and social services to meet the needs of orphans and vulnerable children; and to strengthen schools as hubs of care and support for orphans and vulnerable children.

WESTERN CAPE NETWORKING HIV/AIDS COMMUNITY OF SOUTH AFRICA
Cape Town, South Africa \$50,000 over 2 years
To its project, Children's HIV/AIDS Network.

WORLD VISION, INC.
Washington, D.C. \$10,000
 For its Leaders of Tomorrow Project in Okhahlamba, KwaZulu-Natal.

ZIZANANI INDEPENDENT WOMEN AND YOUTH PROJECT
Northriding, South Africa \$15,000
 To general support.

Sustainable Development, Democratic Practice & Peace and Security

CENTRE FOR POLICY STUDIES
Doornfontein, South Africa \$89,000 over 2 years
 For a research project on local government and HIV/AIDS.

INSTITUTE FOR DEMOCRACY IN SOUTH AFRICA
Pretoria, South Africa \$60,000
 To its project on the impact of HIV/AIDS on electoral processes in South Africa.

RHODES UNIVERSITY
Grahamstown, South Africa \$145,000 over 3 years
 To a research project of its Department of Environmental Sciences that will focus on the links between biodiversity, sustainable rural livelihoods, and HIV/AIDS in South Africa.

UNIVERSITY OF NATAL
Durban, South Africa \$15,000
 For the workshop, HIV/AIDS, Democracy, and Development in South Africa, organized by the university's Health, Economics and AIDS Research Division.

UNIVERSITY OF NATAL
Durban, South Africa \$62,000
 Toward the position of a democracy and governance research fellow in the university's Health, Economics and HIV/AIDS Research Division.



Pocantico Programs

Located 20 miles north of Manhattan in the Pocantico Historic Area – the heart of the Rockefeller family estate in Westchester County, New York – the Pocantico Conference Center is situated on 86 acres of gardens and woodlands overlooking the Hudson River. The historic area, leased by the Fund from the National Trust for Historic Preservation in 1991, includes the estate’s original Coach Barn (which has been converted into a fully equipped meeting facility) and Kykuit, the home of John D. Rockefeller, as well as the surrounding formal gardens and sculpture collections.

GOALS

- To extend the reach of the RBF’s grantmaking programs through conferences and meetings that address central concerns of the Fund;
- To provide public access to the Pocantico Historic Area through a program of public visitation; and
- To act as steward of the Pocantico Historic Area by carrying out maintenance, restoration, and conservation projects on behalf of the National Trust for Historic Preservation.

POCANTICO CONFERENCE CENTER

Since its opening in April 1994, the Pocantico Conference Center has both complemented and extended the impact of the Fund’s grantmaking programs. The mission of the Conference Center is to provide a setting where nonprofit organizations and public-sector institutions can bring together people of diverse backgrounds and perspectives to engage critical issues related to the Rockefeller Brothers Fund philanthropic program, leading to new levels of understanding and creative resolution of problems.

Programs for conferences are designed by RBF staff, grantees, and/or outside groups whose objectives are consistent with those of the Fund. Programs are selected based on five criteria:

- The direct and strong relationship of the conference to the RBF’s program objectives;
- The diversity of perspectives, range of opinions, and breadth of experience that will be represented;
- The involvement of skilled, experienced conference leaders, organizers, or facilitators;
- The clarity of conference objectives, of the agenda that will accomplish those objectives and, as appropriate, of the steps to be taken following the conference; and
- The demonstrated added value of having the Pocantico Conference Center as the site of the meeting.

Since its opening in 1994, the Conference Center has hosted 482 meetings with 13,223 attendees. In 2003, there were 60 conferences, meetings, and retreats. Of these, 17 were convened or co-convened by RBF program staff, and 18 were organized by outside organizations that had not previously held meetings at Pocantico. Conferences addressed a wide range of topics that have a direct relationship to the current program interests of the Fund.

PUBLIC ACCESS

In leasing the Pocantico Historic Area from the National Trust for Historic Preservation, the RBF assumed the responsibility of providing public access to the property. To enable the public to visit the Historic Area, the Fund has contracted with Historic Hudson Valley, a nonprofit organization that owns and interprets five sites in the Hudson River Valley. Tours are conducted between late April and early November. In 2003, approximately 39,000 visitors toured Kykuit, its galleries and gardens, and the carriage and automobile collections in the Coach Barn. A new Grand Tour featuring the second floor balcony was introduced in 2003.

STEWARDSHIP

The RBF'S stewardship of the Pocantico Historic Area includes overseeing the maintenance, care, conservation, and restoration of the historic buildings, gardens and collections of decorative and fine art at Kykuit and in the Coach Barn. The spring Pocantico Forum, "A Perspective on the Collections," presented to the local community the history, installation, and conservation of some of the sculptures in the collection. Also, application was made in December to the American Association of Museums Accreditation Program.

2003 Pocantico Conferences

CONSULTATION ON CORPORATE GOVERNANCE AND SUSTAINABILITY
January 13–14, 2003

Sponsored by the Coalition for Environmentally Responsible Economies

The Coalition for Environmentally Responsible Economies (CERES), an association of activist and investor groups working for greater corporate accountability, convened a consultative group to explore possibilities for greater collaboration between those concerned with good corporate governance and those working for greater corporate responsibility toward the environment and human welfare.

AFRICA-AMERICA INSTITUTE 50TH ANNIVERSARY PROGRAM AND PLANNING RETREAT
January 21, 2003

Sponsored by the Africa-America Institute

The Africa-America Institute's board and management team met to reflect on AAI's 50th Anniversary Program and plan for the institute's future needs.

THE TRUST FOR CIVIL SOCIETY IN CENTRAL AND EASTERN EUROPE BOARD RETREAT
January 22–23, 2003

Sponsored by The Trust for Civil Society in Central and Eastern Europe

The board of the Trust for Civil Society in Central and Eastern Europe met to reflect on what has been achieved during the organization's initial two years of operation; to discuss how board and staff dynamics might be improved in order to benefit the Trust in future years; and to develop an organizational work plan for 2003.

PROMOTING RESPONSIBLE U.S. GLOBAL LEADERSHIP
January 24–26, 2003

Sponsored by the Rockefeller Brothers Fund

The RBF hosted an influential group of advocates and experts in three issue areas – energy policy, proliferation of nuclear and other weapons of mass destruction, and human development – to solicit input and guidance on "Principles for Responsible, Effective U.S. Global Leadership," a document that the Fund has been developing on the general content, style, and tone of U.S. engagement with global affairs.

THE FULBRIGHT NEW CENTURY SCHOLARS PROGRAM ORIENTATION AND GOAL SETTING MEETING
February 12–16, 2003

Sponsored by the Rockefeller Brothers Fund

Organized by the Council for International Exchange of Scholars, an affiliate of the Institute of International Education, this meeting brought together a group of 30 multinational and multidisciplinary scholars to examine the theme, Addressing Sectarian, Ethnic and Cultural Conflict within and across National Borders.

NEW YORK STATE COUNCIL FOR THE ARTS ELECTRONIC MEDIA AND FILM PROGRAM PROFESSIONAL DEVELOPMENT RETREAT
February 26–27, 2003

Sponsored by Experimental Television Center

Fifteen media arts professionals, representing a range of organizations, gathered to discuss new digital delivery systems for exhibition and film and to inform policy development and future funding guidelines for the Electronic Media and Film Program of the New York State Council on the Arts.

EAST SIDE HOUSE SETTLEMENT BOARD RETREAT
March 1, 2003

Sponsored by East Side House Settlement

The board of directors of East Side House Settlement, which provides a broad array of social and educational services to residents of the Mott Haven section of the South Bronx, met to refresh the mission of the organization and to lay the groundwork for the development of a vision statement.

BUILDING A DIALOGUE BETWEEN THE MUSLIM AND NON-MUSLIM WORLDS

March 10 – 11, 2003

Sponsored by the Rockefeller Brothers Fund

The EastWest Institute convened 30 senior specialists—Muslim and non-Muslim policymakers, academics, journalists, and civic leaders—for a policy-oriented retreat to explore strategies for nurturing more effective dialogue between Muslim and non-Muslim societies.

NATIONAL TRUST FOR HISTORIC PRESERVATION SITE DIRECTORS MEETING

March 12–14, 2003

Sponsored by the Rockefeller Brothers Fund

Directors of the 21 National Trust historic sites gathered for their semiannual meeting, together with officials from the Trust's headquarters office, to discuss issues of mutual interest.

DORIS DUKE CHARITABLE FOUNDATION SENIOR STAFF RETREAT

March 20 – 21, 2003

Sponsored by the Doris Duke Charitable Foundation

Senior staff of the Doris Duke Charitable Foundation held a strategic planning retreat to sharpen the staff's vision for the Foundation's grant programs and properties for the next five years in advance of a meeting of the Foundation's trustees in May.

TOWARD A NEW SOCIAL CONTRACT IN RUSSIA

April 7–8, 2003

Sponsored by the Rockefeller Brothers Fund

The Washington, D.C.-based Eurasia Foundation convened a group of 20 individuals, representing corporations, governments, and philanthropic organizations in Russia, Europe, and the U.S., to discuss plans for a new independent grantmaking foundation in Russia dedicated to supporting the development of a robust civil society.

ACADEMY OF ENVIRONMENTAL LAW PREPARATORY MEETING

April 13-16, 2003

Sponsored by the International Union for the Conservation of Nature and Natural Resources (IUCN), the Gilbert Kerlin Fund, and Pace University School of Law

In advance of an official launch event in November 2003 in China, the IUCN convened an international group of 30 university-based environmental law professors to refine plans for the new IUCN Academy of Environmental Law, a global professional society dedicated to advancing the field of environmental law.

LOWER MANHATTAN CULTURAL COUNCIL (LMCC) LEADERSHIP RETREAT

April 21–22, 2003

Sponsored by the LMCC with a grant from the Rockefeller Brothers Fund

The Lower Manhattan Cultural Council brought together a group of its trustees and staff to discuss the organization's mission and program objectives relative to the needs of artists and arts groups in Lower Manhattan.

THE FOUNDATION CENTER'S PLANNING RETREAT AND BOARD MEETING

April 24–25, 2003

Sponsored by the Rockefeller Brothers Fund

The Foundation Center's retreat allowed trustees and senior staff to have an in-depth, facilitated discussion as part of a strategic planning process that will culminate in the adoption of a three-year plan to take the Center through its 50th anniversary.

RESPONSIBLE U.S. LEADERSHIP ON ENERGY POLICY

April 27–29, 2003

Sponsored by the Rockefeller Brothers Fund

This meeting brought together a small group of individuals who are involved with major initiatives to build support among Americans for an environmentally sound energy future for the U.S.

WILDLIFE TRUST BOARD AND STAFF RETREAT

May 1–3, 2003

Sponsored by Wildlife Trust

Wildlife Trust board and staff members met to discuss achievements and lesson learned from the past five years and to develop plans for strategic initiatives intended to refine positioning statements, streamline operations, augment fund raising, define benchmarks for success for alliances with institutional partners, and craft a sound business plan.

UN SECURITY COUNCIL RETREAT

May 9–10, 2003

Sponsored by the Rockefeller Brothers Fund

The 15 members of the United Nations Security Council joined the Secretary-General and 12 members of his staff for discussions about new challenges to international peace and security, including civil wars and “complex emergencies”, proliferation of weapons of mass destruction, international terrorism, and organized crime.

COMMUNITY TOURISM SUMMIT

May 13–15, 2003

Sponsored by the Rockefeller Brothers Fund

Organized by BEST (Business Enterprises for Sustainable Travel) and The National Geographic Sustainable Tourism Initiative, the International Community Tourism Summit brought together 30 community tourism leaders from rural and urban communities in South Africa, Jamaica, Lithuania, Serbia and Montenegro, and the U.S. to advance the emerging field of community tourism.

HIGH PERFORMANCE BUILDING INITIATIVE SUMMIT

May 19–20, 2003

Sponsored by the Rockefeller Brothers Fund

This meeting was a strategy session for the High Performance Building Initiative, which aims to move the “high performance” building approach (also referred to as “smart” or “green” building) into the mainstream of real estate development, construction and management in New York State, with special emphasis on New York City.

JOURNALISTS TALK ABOUT GREEN CITIES

May 21 – 22, 2003

Sponsored by the Institute for Urban Design

In cooperation with the Lincoln Institute, the Institute for Urban Design brought together a group of 20 journalists from newspapers around the U.S. to discuss case studies of green urban design from Phoenix, Chicago, Dallas, Philadelphia, New York, and other cities.

FEASIBLE ADDITIONAL SOURCES OF FINANCE FOR DEVELOPMENT

May 29 – 31, 2003

Sponsored by the International Labour Organization; Finance for Development Office of the United Nations Department of Social and Economic Affairs; Carnegie Council on Ethics and International Affairs; and Friedrich Ebert Stiftung

The conference examined the feasibility and desirability of recent proposals for increasing current levels of international development assistance.

GLOBAL STRATEGIC PLANNING CONFERENCE ON DEMOCRACY EDUCATION

June 8 – 10, 2003

Sponsored by the American Forum for Global Education and Council for a Community of Democracies

The task of developing a global strategic plan for democracy education was the subject of this conference, which brought together 35 educators and representatives of civil society and the public sector from thirteen countries (India, Indonesia, Tunisia, Nigeria, Senegal, Ghana, South Africa, Chile, Mexico, Poland, Russia, Latvia and the U.S.), as well as officials of the World Bank, UNESCO, the United Nations Development Programme, and the Organization of American States.

CONSORTIUM ON ENVIRONMENTAL TEACHING AND LEARNING IN HIGHER EDUCATION

June 17 – 19, 2003

Sponsored by Center for Resource Economics/Island Press

Composed primarily of deans and faculty from institutions of higher education across the U.S., the Consortium met to discuss specific tools and techniques for conveying solid, interdisciplinary knowledge while also fostering the problem-solving, communications, and leadership skills necessary to tackle today’s environmental problems.

POCANTICO FORUM

The Pocantico Forum is a semi-annual lecture series designed for the local community with the goal of providing information on a wide range of issues and topics that reflect the broad program objectives of the Rockefeller Brothers Fund. Descriptions of the two Forum events held in 2003 follow.



**A PERSPECTIVE ON THE COLLECTION'S
SCULPTURE IN THE LANDSCAPE:
HISTORY, SITING, AND CONSERVATION**
May 20, 2003

Sponsored by the Rockefeller Brothers Fund

The seventh Pocantico Forum featured Cynthia B. Altman, curator of the collections, who presented five of the major works of twentieth-century sculpture found in the gardens of Kykuit.

**THE ORION SOCIETY'S
FORGOTTEN LANGUAGE TOUR**
November 6, 2003

Sponsored by the Rockefeller Brothers Fund

Eighty-six guests from the local Pocantico community gathered to hear readings by poet Pattiann Rogers and essayist Scott Russell Sanders that addressed the broad theme of the relationship between the health of human communities and that of the natural environment.

CONFERENCE OF STATE ENVIRONMENTAL OFFICIALS
June 23 – 24, 2003

Sponsored by the Rockefeller Family Fund

Recognizing a need for states to identify and pursue innovative approaches to protect the environment, the Rockefeller Family Fund, with the assistance of its newly established Environmental Integrity Project, hosted a conference that brought together state officials and experts in the field of environmental law and economics to share their experiences and discuss new ways to achieve the common goal of reducing air and water pollution.

NONPROFIT ACADEMIC CENTERS COUNCIL RETREAT
June 25 – 27, 2003

Sponsored by Nonprofit Academic Centers Council

The Nonprofit Academic Centers Council convened a retreat of its membership to address three current program initiatives: (1) the preparation of curriculum guidelines for graduate degrees in philanthropy, nonprofit management, and nonprofit sector studies; (2) the crafting of guidelines for ensuring quality in nonprofit management programs; and (3) an assessment of the knowledge base of the field of nonprofit management education in order to identify gaps in the available literature and define areas in which additional research is needed to support curriculum development.

**TRILATERAL COMMISSION
BOARD AND EXECUTIVE COMMITTEE MEETING**
July 7 – 8, 2003

Sponsored by The Trilateral Commission

The trustees, life trustees, and executive committee members of the Trilateral Commission (North America) held their annual meeting.

WOMEN'S VOICES IN FAMILY PHILANTHROPY
July 10-12, 2003

Sponsored by the National Center for Family Philanthropy

The purpose of this meeting was to support and enhance the leadership role of the participants, who are women playing important roles in family philanthropic institutions.

BETTER BOARDS II: FUNDRAISING
July 17 – 19, 2003

Sponsored by the National Trust for Historic Preservation

The National Trust gathered 29 representatives of five historic preservation organizations for a workshop to educate and inspire board members to work more effectively on behalf of their statewide or local nonprofit preservation organizations, with a specific emphasis on fundraising.

**THE NEW PROFESSIONAL THEATRE
LEADERSHIP RETREAT**
July 21 – 22, 2003

Sponsored by The New Professional Theatre with a grant from the Rockefeller Brothers Fund

The New Professional Theatre convened a group of its trustees and senior staff and, with assistance from invited experts, reviewed the organization's strategic plan and discussed a range of issues, including leadership, finances, and board responsibilities.

**INTERNATIONAL COALITION OF
HISTORIC SITE MUSEUMS OF CONSCIENCE
BIENNIAL CONFERENCE**
July 24 – 29, 2003

Sponsored by the Rockefeller Brothers Fund and the International Coalition of Historic Site Museums of Conscience

Begun in 1998 as an informal network of like-minded historic site museums, the International Coalition of Historic Site Museums of Conscience organized a meeting of representatives of fourteen member sites in Africa, the Americas, Asia, and Europe to share insights on how historic sites can serve as venues for democratic dialogue on difficult issues such as genocide, racism, poverty, and totalitarianism.

**NEW CHALLENGES AND OPPORTUNITIES IN THE
TAIWAN STRAIT: DEFINING AMERICA'S ROLE**
August 8 – 10, 2003

Sponsored by the Rockefeller Brothers Fund and the National Committee on U.S.-China Relations

The National Committee on United States-China Relations convened representatives of the U.S. academic, government, business, and defense communities in order to discuss developments in the People's Republic of China, Taiwan and United States that are relevant to cross-Strait relations and to U.S. policy toward this region.

ALLIANCE FOR DOWNTOWN NEW YORK RETREAT
August 13, 2003

Sponsored by the Alliance for Downtown New York

This strategic planning meeting considered challenges and opportunities for the organization in the context of redevelopment initiatives in Lower Manhattan.

**JOINT LEADERSHIP MEETING ON
NONPROFIT INFRASTRUCTURE**
August 14 – 15, 2003

Sponsored by the Rockefeller Brothers Fund

Leaders of national, nonprofit sector infrastructure organizations and representatives of foundations that fund those organizations met to discuss the state of the nonprofit sector in the U.S. and the strengths, weaknesses, and needs of key infrastructure organizations in a changing funding and operating environment.

**STUDENT AND YOUTH SUMMIT ON
US GLOBAL ENGAGEMENT**
September 12 – 14, 2003

Sponsored by Global Justice with a grant from the Rockefeller Brothers Fund

The summit brought together leaders from student and youth organizations that are dedicated to education and advocacy about U.S. global engagement to exchange experiences and plan joint projects and other collaborative initiatives.

**BALTIC-AMERICAN PARTNERSHIP FUND
STRATEGY RETREAT**

September 15 – 16, 2003

Sponsored by the Baltic-American Partnership Fund

Baltic-American Partnership Fund directors, staff, and partners in Estonia, Latvia and Lithuania met to discuss priorities for the Fund during the remaining years of its life, as well as strategies for evaluating the organization's efforts to nurture the development of civil society in the Baltic States.

**STRENGTHENING ANALYTICAL CAPACITY
AT THE UNITED NATIONS**
September 18 – 19, 2003

Sponsored by the Conflict Prevention and Peace Forum of the Social Science Research Council and the United Nations Department for Political Affairs

Part of a larger project on knowledge management within the United Nations Secretariat, the meeting brought together representatives of different departments in the Secretariat and of external research institutions to discuss (1) in-house needs for information and analysis, and (2) the UN's relationship with external research partners.

ONEVOICE COUNCIL OF EXPERTS MEETING
September 21 – 25, 2003

Sponsored by the Rockefeller Brothers Fund

A group of Palestinian and Israeli experts met to discuss the obstacles and requirements for peace in the Middle East and to develop specific proposals on a range of issues, including the character of the two states, security, and reconciliation.

BUILDING VALUE TOGETHER
October 14 – 15, 2003

Sponsored by the Rockefeller Brothers Fund

Independent Sector convened a group of 27 foundation, nonprofit and academic leaders to discuss new ways in which foundations and nonprofits are collaborating to achieve mutually desirable outcomes and to develop a plan of action for encouraging more foundations and nonprofit organizations to consider such approaches.

**HANDBOOK TASK FORCE:
PROMOTING RESPONSIBLE, EFFECTIVE
U.S. GLOBAL ENGAGEMENT**

October 17 – 19, 2003 and October 24 – 26, 2003

Sponsored by the Rockefeller Brothers Fund

These two meetings were part of an RBF-led process to produce a concise, user-friendly, nonpartisan handbook for communicators who are interested in encouraging responsible and effective U.S. engagement in global affairs.

CAMBRIDGE COLLEGE BOARD RETREAT
October 20-22, 2003

Sponsored by Cambridge College

The Cambridge College board of trustees and senior staff met to review and discuss the College's new strategic plan entitled, "Vision 2010."

FUTURE OF ENVIRONMENTALLY RESPONSIBLE ENERGY SYSTEMS IN DEVELOPING NATIONS

October 27 – 29, 2003

Sponsored by the Rockefeller Brothers Fund and Winrock International

The purpose of this meeting was to craft a strategic approach that will help foundations, nonprofits, private firms, and government agencies to work together more effectively to enable the infrastructure for sustainable energy futures in developing countries.

CROSS-AGE COLLABORATION FOR SOCIAL JUSTICE
October 31 – November 2, 2003

Sponsored by the Rockefeller Brothers Fund; Emerging Practitioners in Philanthropy; and LISTEN, Inc.

This retreat brought together a cross-section of community organizers, researchers, and funders from three generations to share learning from their respective work and to discuss the meaning and value of making lifelong commitments to social activism.

ARTSTOR POLICY RETREAT
November 4 – 5, 2003

Sponsored by the Andrew W. Mellon Foundation

ARTstor Inc., an initiative that uses digital technology to enhance scholarship, teaching, and learning in the arts, held a policy retreat to assess its progress to date, discuss a variety of operating issues, and sharpen its objectives for the period ahead.

ARTFUL ADVOCACY: BUILDING A NEW MOVEMENT FOR RESPONSIBLE U.S. GLOBAL ENGAGEMENT
November 7 – 9, 2003

Sponsored by the Rockefeller Brothers Fund, the Orion Society, and the Nathan Cummings Foundation

This meeting brought together 24 influential thinkers and writers from the political, religious, philanthropic, and grassroots sectors to reflect upon how Americans view global issues and to discuss how America's role in an interdependent world might be communicated more effectively to the general public.

INTERNATIONAL CENTER FOR TRANSITIONAL JUSTICE PROGRAM STAFF RETREAT

November 11 – 12, 2003

Sponsored by the Rockefeller Brothers Fund

Staff of the International Center for Transitional Justice gathered to review the status of the organization's efforts in the 20 countries in which it is active, explore possibilities for achieving greater impact across these geographic involvements, and develop more formal systems for documenting and evaluating the outcomes of the center's work.

STATE-BUILDING AND THE UNITED NATIONS
November 14 – 16, 2003

Sponsored by the International Peace Academy

This meeting brought together a group of scholars, senior representatives of the United Nations, and diplomats from key UN member states to discuss the past experience of and possible future roles for the United Nations in state-building initiatives and to craft a plan for a two-year research project at IPA on this topic.

CLEAN ENERGY INITIATIVE: HOW FOUNDATIONS, STATE FUNDS AND SOCIAL INVESTORS COULD PURSUE JOINT INVESTMENTS

November 18 – 20, 2003

Sponsored by the Rockefeller Brothers Fund

Representatives of state-based clean energy funds met with foundation officials and international and domestic private investors to discuss options for collaborating more effectively in order to advance the commercialization and deployment of clean energy technologies both in the U.S. and abroad.

HANDBOOK TASK FORCE
"TALKING U.S. GLOBAL LEADERSHIP"
November 21 – 23, 2003

Sponsored by the Rockefeller Brothers Fund

This was another meeting of the group of experts that has assisted the RBF with the Handbook for Communicators project (see description of October 17-19 and October 24-26 meetings above).

**EARTH CHARTER INDICATORS
ADVISORY BOARD MEETING**

December 3 – 5, 2003

Sponsored by the Rockefeller Brothers Fund

The World Resources Institute convened a group of people to provide guidance on how to develop a useful and effective set of indicators and a software tool to help communities assess progress toward implementing the Earth Charter principles.

UNA-USA BOARD RETREAT

December 15, 2003

Sponsored by the Rockefeller Brothers Fund

The board of directors of the United Nations Association of the United States of America, Inc.—the nation's largest grassroots foreign policy organization—focused its annual retreat on board engagement, institutional development, and program planning.

The Grantmaking Process

HOW TO APPLY FOR A GRANT

To qualify, a prospective RBF grantee in the United States must be an organization that is either tax-exempt or seeking support for a project that would qualify as educational or charitable. A prospective foreign grantee must satisfy an RBF determination that it would qualify, if incorporated in the United States, as a tax-exempt organization or that a project for which support is sought would qualify in the United States as educational or charitable. A grantee must also be engaged in work that fits within the Fund's guidelines.

A preliminary letter of inquiry to the Fund is recommended for most program areas. (Please visit www.rbf.org for grantmaking guidelines.) Such a letter need not exceed two or three pages in length and should include a succinct description of the project or organization for which support is being sought and its relationship to the Fund's program, information about the principal staff members involved, a synopsis of the budget, and an indication of the amount requested from the Fund. Letters of inquiry are accepted in English only and should be addressed to Benjamin R. Shute, Jr., Secretary, at the offices of the Fund. There are no application forms, and the review of inquiries is ongoing throughout the year. Please note that separate application guidelines and deadlines exist for New York City arts and culture grantmaking and for the RBF Fellowships for Students of Color Entering the Teaching Profession.

Although the RBF has made substantial gifts to organizations and programs in which it has considerable interest, most grants are between \$25,000 and \$300,000, and are often payable over more than one year but typically not more than three. In 2003, the average grant was around \$73,000 and payable over a period of about two years.

THE GRANTMAKING PROCESS

Each letter of inquiry to the RBF is reviewed by one or more members of the staff, who try to notify applicants promptly if their plans do not fit the current program guidelines or budgetary limitations. If a project is taken up for grant consideration, staff members will ask for additional information, including a detailed proposal, and almost certainly for a meeting with the principal organizers of the project.

A detailed proposal, when requested, is expected to include a complete description of the purpose of the project or organization; the background and research that have led to the development of the proposal; the methods by which the project is to be carried out; the qualifications and experience of the project's or organization's principal staff members; a detailed, carefully prepared, and realistic budget; and a list of those who serve as board members or advisers to the project. Attached to each proposal from a U.S.-based organization must be a copy of the organization's tax exemption notice and classification from the Internal Revenue Service, dated after 1969, and a copy of its most recent financial statements, preferably audited.

Grants are awarded by the trustees, who meet quarterly.

Fund grantees are required to submit financial and narrative reports at specified intervals and at the end of each grant period. In addition, RBF staff members follow projects throughout the life of the grant and evaluate the project at the end of the period. The evaluations become part of the Fund's permanent records.

ADDITIONAL INFORMATION

The Rockefeller Brothers Fund maintains a website at www.rbf.org that includes information about the Fund's program guidelines, descriptions of recent grants, and a list of publications, many of which are available online.

For additional general information, annual reports, and publication requests, please e-mail info@rbf.org. To obtain a copy of our program guidelines, please visit www.rbf.org or e-mail guidelines@rbf.org. For grant-related inquiries only, please e-mail grants@rbf.org.

Management and Operations

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Executive Vice President's Report

Recovering from a Challenging Period

The Fund's financial position recovered strongly in 2003 from the steady decline in investment assets that began in the second half of 2000 and continued through 2002. Last year was the first year since 1999 when the foundation's investment return was sufficient to finance spending on grants and administration.

The market value of the Fund's investment assets at December 31, 2003 was \$680,000,000. This compares very favorably with the size of the portfolio at the beginning of the year (\$572,000,000), though it's worth noting that the year-end figure is essentially identical to the value of the endowment that resulted from the merger of the RBF and the Charles E. Culpeper Foundation in July 1999 (\$683,000,000).

The Fund's total investment return for 2003 was 24.9 percent. This tracked closely the return of the blended market index that we use for performance assessment. It was also solidly in the second quartile of returns for the two universes of other foundations and endowments that we look to regularly for peer comparisons. Throughout the year, the Fund maintained an asset allocation of approximately 80 percent equities and 20 percent fixed income securities, though steps were taken during the year to continue to diversify the foundation's equity exposure and to add to the private investments allocation.

Expenditures in support of the Fund's philanthropic work during 2003 totaled \$30,349,194. This includes all grant and administrative spending but not investment-related expenses and taxes. Approximately 92 percent of this amount finances the foundation's grants program, which is directed by staff based in New York City. The remaining 8 percent is devoted to maintenance, public visitation, and conferencing activity at the Pocantico Historic Area in

Tarrytown, New York. A detailed breakdown of these expenditures can be found on page 23.

When investment-related expenses and taxes are added to philanthropic expenditures, the resulting spending rate for 2003 was 6.05 percent, using an approach where spending is expressed as a percentage of total investment assets at the beginning of the year. If spending is calculated alternatively as a percentage of the average market value of assets during the year, the rate for last year was 5.65 percent.

Last year we continued to focus significant time and attention on the structure of the Fund's administrative expenses. Given prevailing financial market conditions, we remain cautious about the prospects for growing total spending in the years ahead and, for that reason, aim to manage as prudently as possible the slice of the total budget pie that is devoted to administration. The major initiative that we undertook in this area last year was a comprehensive review and redesign of the retirement income and health benefits available to RBF employees. It was a challenging and difficult project, but the outcome of it should add to the Fund's grantmaking capacity in future years.



William F.
McCalpin

The other major initiative in 2003 to mention here was noted in the Chairman's essay at the beginning of this volume, namely the collaborative effort involving trustees and staff to develop a more formal approach for the Fund to use to assess the effectiveness of its work. It was a stimulating process of discovery and discussion that followed naturally on the crafting of a revised framework for RBF grantmaking during 2002. The actions recommended by the Foundation Performance Assessment Committee, which are now being implemented, will improve the capture of information and reflection about the Fund's grantmaking experience; enable more regular dialogue internally about progress toward priority philanthropic goals and objectives; and allow the RBF to contribute in its own way to broader debate within the foundation community on matters of performance and effectiveness.

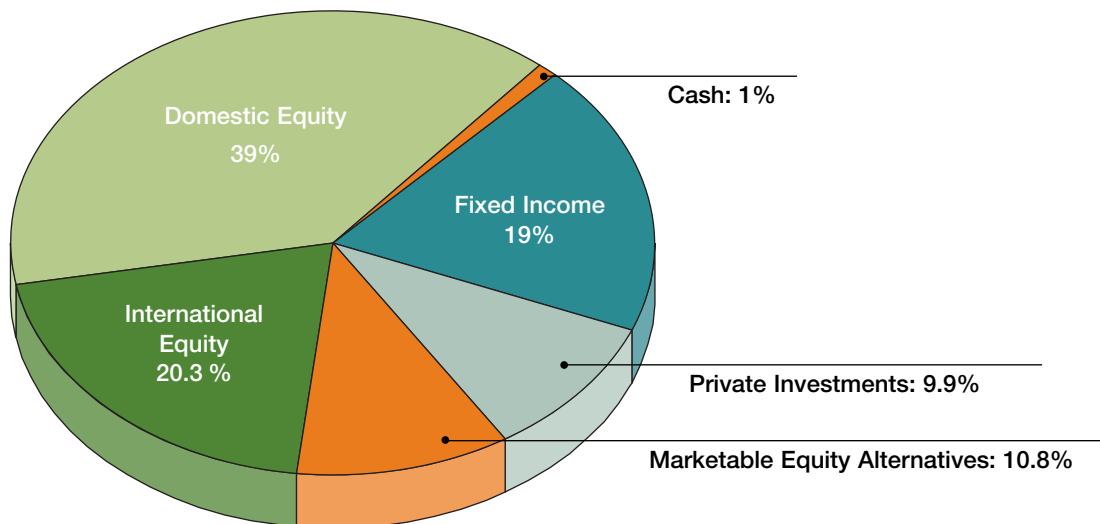
The recovery of the Fund's investment portfolio during the first full year of grantmaking under the redesigned program architecture was especially welcome. It made possible an increase of \$3.4 million

in the grants budget for 2004 which, happily, reverses the decline in annual grantmaking that began in 2001. It may be some time before the RBF returns to the level of grantmaking that prevailed in 2000, but at least we are now moving toward, rather than away from, that target. The additional funds in the 2004 grants budget will be particularly helpful in some of the newer areas of RBF programming where experience gained during 2003 has revealed opportunities for productive use of more grant dollars.

William F. McCalpin

William F. McCalpin
Executive Vice President

RBF Asset Allocation*



* As of December 31, 2003

Financial Report

Report of Independent Auditors

TO THE BOARD OF TRUSTEES OF THE ROCKEFELLER BROTHERS FUND, INC.

We have audited the accompanying combined statement of financial position of the Rockefeller Brothers Fund, Inc. and Affiliate (the Fund) as of December 31, 2003, and the related combined statements of activities and cash flows for the year then ended. These combined financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The accompanying combined financial statements of the Fund as of December 31, 2002, were audited by other auditors, whose report dated May 21, 2003 expressed an unqualified opinion on those combined statements.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Rockefeller Brothers Fund, Inc. and Affiliate as of December 31, 2003, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The schedule of functional expenses (Schedule I) is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2003 basic combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2003 basic combined financial statements taken as a whole.

KPMG LLP
New York, New York
April 30, 2004

ROCKEFELLER BROTHERS FUND, INC. AND AFFILIATE COMBINED STATEMENTS OF FINANCIAL POSITION

December 31, 2003 and 2002

	Principal Fund	Pocantico Fund	Pocantico II Fund	Ramon Magsaysay Award Foundation Fund	Asian Projects Fund	2003 RBF Funds	2002 RBF Funds
ASSETS							
Cash	\$1,123,731	\$1,051	\$-	\$-	\$-	\$1,124,782	\$2,203,471
Accounts receivable	907,127	-	-	-	-	907,127	530,213
Contributions receivable	-	-	13,694,872	-	-	13,694,872	-
Interest and dividends receivable	1,002,587	140,236	-	9,704	8,875	1,161,402	1,469,700
Due from brokers and dealers	351,062	240,028	22,557	19,096	16,587	649,330	15,967,664
Investments, at fair value	613,823,770	59,134,105	9,227	3,825,220	3,499,949	680,292,271	588,481,025
Program-related investments:							
Program mortgage loans	2,060,009	-	-	-	-	2,060,009	2,198,000
Real estate	510,000	-	-	-	-	510,000	510,000
Prepaid expenses	175,303	-	-	-	-	175,303	1,123,683
Fixed assets, net	2,246,086	6,860,340	-	-	-	9,106,426	10,099,920
Interfund	<1,033,539>	<1,059,844>	2,627,110	<333,999>	<199,728>	-	-
Total assets	<u>\$621,166,136</u>	<u>\$65,315,916</u>	<u>\$16,353,766</u>	<u>\$3,520,021</u>	<u>\$3,325,683</u>	<u>\$709,681,522</u>	<u>\$622,583,676</u>

See accompanying notes to combined financial statements

COMBINED STATEMENTS OF FINANCIAL POSITION

(continued)

	2003 Asian Cultural Council, Inc.	2002 Asian Cultural Council, Inc.	Combined Total 2003	Combined Total 2002
ASSETS				
Cash	\$169,609	\$342,626	\$1,294,391	\$2,546,097
Accounts receivable	67,414	90,402	974,541	620,615
Contributions receivable	403,250	272,025	14,098,122	272,025
Interest and dividends receivable	99,671	137,718	1,261,073	1,607,418
Due from brokers and dealers	-	965,343	649,330	16,933,007
Investments, at fair value	33,755,498	28,363,025	714,047,769	616,844,050
Program-related investments:				
Program mortgage loans	-	-	2,060,009	2,198,000
Real estate	-	-	510,000	510,000
Prepaid expenses	-	1,378	175,303	1,125,061
Fixed assets, net	26,066	30,645	9,132,492	10,130,565
Interfund	-	-	-	-
Total assets	<u>\$34,521,508</u>	<u>\$30,203,162</u>	<u>\$744,203,030</u>	<u>\$652,786,838</u>

ROCKEFELLER BROTHERS FUND, INC. AND AFFILIATE COMBINED STATEMENTS OF FINANCIAL POSITION

December 31, 2003 and 2002

	Principal Fund	Pocantico Fund	Pocantico II Fund	Ramon Magsaysay Award Foundation Fund	Asian Projects Fund	2003 RBF Funds	2002 RBF Funds
LIABILITIES AND NET ASSETS							
Liabilities:							
Accounts payable and accrued liabilities	\$3,374,286	\$133,833	\$5,720	\$1,923	\$1,844	\$3,517,606	\$2,471,884
Due to brokers and dealers	702,207	328,435	–	22,198	23,903	1,076,743	33,222,764
Grants payable	15,703,998	50,000	–	31,000	–	15,784,998	15,377,693
Deferred taxes payable	2,074,799	–	–	–	–	2,074,799	–
Total liabilities	21,855,290	512,268	5,720	55,121	25,747	22,454,146	51,072,341
Commitments							
Net assets:							
Unrestricted	599,310,846	64,803,648	–	3,464,900	3,299,936	670,879,330	571,511,335
Temporarily Restricted	–	–	8,453,046	–	–	8,453,046	–
Permanently Restricted	–	–	7,895,000	–	–	7,895,000	–
Total net assets	599,310,846	64,803,648	16,348,046	3,464,900	3,299,936	687,227,376	571,511,335
Total liabilities and net assets	\$621,166,136	\$65,315,916	\$16,353,766	\$3,520,021	\$3,325,683	\$709,681,522	\$622,583,676

See accompanying notes to combined financial statements

COMBINED STATEMENTS OF FINANCIAL POSITION

(continued)

	2003 Asian Cultural Council, Inc.	2002 Asian Cultural Council, Inc.	Combined Total 2003	Combined Total 2002
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued liabilities	\$934,272	\$630,964	\$4,451,878	\$3,102,848
Due to brokers and dealers	1,000,000	946,541	2,076,743	34,169,305
Grants payable	802,229	606,579	16,587,227	15,984,272
Deferred taxes payable	—	—	2,074,799	—
Total liabilities	<u>2,736,501</u>	<u>2,184,084</u>	<u>25,190,647</u>	<u>53,256,425</u>
Commitments				
Net assets:				
Unrestricted	15,638,038	12,867,882	686,517,368	584,379,217
Temporarily Restricted	1,315,056	319,283	9,768,102	319,283
Permanently Restricted	14,831,913	14,831,913	22,726,913	14,831,913
Total net assets	<u>31,785,007</u>	<u>28,019,078</u>	<u>719,012,383</u>	<u>599,530,413</u>
Total liabilities and net assets	<u>\$34,521,508</u>	<u>\$30,203,162</u>	<u>\$744,203,030</u>	<u>\$652,786,838</u>

ROCKEFELLER BROTHERS FUND, INC. AND AFFILIATE COMBINED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2003 and 2002

	Principal Fund	Pocantico Fund	Pocantico II Fund	Ramon Magsaysay Award Foundation Fund	Asian Projects Fund	2003 RBF Funds	2002 RBF Funds
CHANGES IN UNRESTRICTED NET ASSETS:							
OPERATING REVENUES							
Dividend income	\$5,460,794	\$520,596	–	\$31,551	\$29,124	\$6,042,065	\$5,442,109
Interest income	3,460,150	328,622	–	19,916	18,384	3,827,072	5,724,987
Other income	643,367	4,769	–	289	267	648,692	659,687
Contributions	51,000	–	–	–	–	51,000	293,544
Net assets released from restrictions	–	–	\$12,384	–	–	12,384	–
Transfer of net assets	–	–	<1,721,033>	–	–	<1,721,033>	–
	9,615,311	853,987	<1,708,649>	51,756	47,775	8,860,180	12,120,327
OPERATING EXPENSES							
Direct charitable activities	1,293,635	2,833,088	–	–	–	4,126,723	4,017,081
Program and grant management	23,424,184	–	–	152,889	53,380	23,630,453	21,458,836
Investment management	3,196,683	360,983	12,384	15,333	14,153	3,599,536	3,728,763
General management	3,591,134	539,274	–	–	–	4,130,408	3,602,421
Federal excise and other taxes	2,759,702	–	–	–	–	2,759,702	237,331
	34,265,338	3,733,345	12,384	168,222	67,533	38,246,822	33,044,432
<Deficiency> of operating revenues over operating expenses	<\$24,650,027>	<\$2,879,358>	<\$1,721,033>	<\$116,466>	<\$19,758>	<\$29,386,642>	<\$20,924,105>

See accompanying notes to combined financial statements

COMBINED STATEMENTS OF ACTIVITIES

(continued)

	2003 Asian Cultural Council, Inc.	2002 Asian Cultural Council, Inc.	Combined Total 2003	Combined Total 2002
CHANGES IN UNRESTRICTED NET ASSETS:				
OPERATING REVENUES				
Dividend income	\$165,903	\$158,223	\$6,207,968	\$5,600,332
Interest income	238,854	368,238	4,065,926	6,093,225
Other income	84,257	104,473	732,949	764,160
Contributions	602,145	551,097	653,145	844,641
Net assets released from restrictions	1,503,992	1,604,941	1,516,376	1,604,941
Transfer of net assets	-	-	<1,721,033>	-
	2,595,151	2,786,972	11,455,331	14,907,299
OPERATING EXPENSES				
Direct charitable activities	-	-	4,126,723	4,017,081
Program and grant management	2,744,991	3,170,099	26,375,444	24,628,935
Investment management	191,477	240,046	3,791,013	3,968,809
General management	711,671	711,742	4,842,079	4,314,163
Federal excise and other taxes	26,056	37,965	2,785,758	275,296
	3,674,195	4,159,852	41,921,017	37,204,284
<Deficiency> of operating revenues over operating expenses	<\$1,079,044>	<\$1,372,880>	<\$30,465,686>	<\$ 22,296,985>

ROCKEFELLER BROTHERS FUND, INC. AND AFFILIATE COMBINED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2003 and 2002

	Principal Fund	Pocantico Fund	Pocantico II Fund	Ramon Magsaysay Award Foundation Fund	Asian Projects Fund	2003 RBF Funds	2002 RBF Funds
NON-OPERATING ACTIVITIES							
Net realized gain/loss from securities sales	\$22,623,965	\$2,156,818	–	\$130,716	\$120,661	\$25,032,160	<\$ 40,450,012>
Unrealized gain/loss on investments	94,724,222	9,030,376	–	547,296	505,195	104,807,089	<18,708,115>
Minimum pension liability	<1,084,612>	–	–	–	–	<1,084,612>	–
	116,263,575	11,187,194	–	678,012	625,856	128,754,637	<59,158,127>
Increase/decrease in unrestricted net assets	91,613,548	8,307,836	<1,721,033>	561,546	606,098	99,367,995	<80,082,232>
Changes in temporarily restricted net assets:							
Dividend income	–	–	25,484	–	–	25,484	–
Interest income	–	–	16,086	–	–	16,086	–
Other income	–	–	233	–	–	233	–
Contributions	–	–	8,000,000	–	–	8,000,000	–
Net realized and unrealized gain/loss on investments	–	–	547,627	–	–	547,627	–
Net assets released from restrictions	–	–	<12,384>	–	–	<12,384>	–
Transfer of net assets	–	–	<124,000>	–	–	<124,000>	–
Increase in temporarily restricted net assets	–	–	8,453,046	–	–	8,453,046	–
Changes in permanently restricted net assets:							
Contributions	–	–	6,049,967	–	–	6,049,967	–
Transfer of net assets	–	–	1,845,033	–	–	1,845,033	–
Increase in permanently restricted net assets	–	–	7,895,000	–	–	7,895,000	–
Increase/decrease in net assets	91,613,548	8,307,836	14,627,013	561,546	606,098	115,716,041	<80,082,232>
NET ASSETS							
beginning of year	507,697,298	56,495,812	1,721,033	2,903,354	2,693,838	571,511,335	651,593,567
NET ASSETS							
end of year	\$599,310,846	\$64,803,648	\$16,348,046	\$3,464,900	\$3,299,936	\$687,227,376	\$571,511,335

See accompanying notes to combined financial statements

COMBINED STATEMENTS OF ACTIVITIES

(continued)

	2003 Asian Cultural Council, Inc.	2002 Asian Cultural Council, Inc.	Combined Total 2003	Combined Total 2002
NON-OPERATING ACTIVITIES				
Net realized gain/<loss> from securities sales	\$972,882	<\$2,339,739>	\$26,005,042	<\$42,789,751>
Unrealized gain/<loss> on investments	2,876,318	<3,409,755>	107,683,407	<22,117,870>
Minimum pension liability	-	-	<1,084,612>	-
	3,849,200	<5,749,494>	132,603,837	<64,907,621>
Increase/<decrease> in unrestricted net assets	2,770,156	<7,122,374>	102,138,151	<87,204,606>
Changes in temporarily restricted net assets:				
Dividend income	64,518	57,047	90,002	57,047
Interest income	92,887	132,766	108,973	132,766
Other income	-	-	233	-
Contributions	845,449	729,454	8,845,449	729,454
Net realized and unrealized gain/<loss> on investments	1,496,911	<2,072,947>	2,044,538	<2,072,947>
Net assets released from restrictions	<1,503,992>	<1,604,941>	<1,516,376>	<1,604,941>
Transfer of net assets	-	-	<124,000>	-
Increase/<decrease> in temporarily restricted net assets	995,773	<2,758,621>	9,448,819	<2,758,621>
Changes in permanently restricted net assets:				
Contributions	-	-	6,049,967	-
Transfer of net assets	-	-	1,845,033	-
Increase in permanently restricted net assets	-	-	7,895,000	-
Increase/<decrease> in net assets	3,765,929	<9,880,995>	119,481,970	<89,963,227>
NET ASSETS				
beginning of year	28,019,078	37,900,073	599,530,413	689,493,640
NET ASSETS				
end of year	\$31,785,007	\$28,019,078	\$719,012,383	\$599,530,413

ROCKEFELLER BROTHERS FUND, INC. AND AFFILIATE COMBINED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2003 and 2002

	2003	2002
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase/<decrease> in net assets	\$119,481,970	<\$89,963,227>
Adjustments to reconcile increase/<decrease> in net assets to net cash used in operating activities:		
Net realized and unrealized <gain>/loss on investments	<135,732,987>	66,980,568
Depreciation and amortization	1,253,131	1,260,148
Contributions for permanent endowment	<5,826,097>	-
Increase/<decrease> in accounts receivable	<353,926>	<270,386>
Increase/<decrease> in contributions receivable	<8,000,000>	1,212,575
Increase/<decrease> in interest and dividends receivable	346,345	1,082,859
Increase/<decrease> in prepaid expenses	949,758	<122,060>
Increase/<decrease> in grants payable	602,955	<5,149,499>
Increase/<decrease> in accounts payable and accrued liabilities	1,349,029	<147,577>
Increase/<decrease> in deferred taxes payable	2,074,799	<10,853>
Net cash used in operating activities	<23,855,023>	<25,127,452>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	546,540,484	756,057,343
Purchases of investments	<508,011,216>	<736,658,794>
Increase/<decrease> due from brokers and dealers	16,283,677	<16,235,176>
Increase/<decrease> in due to brokers and dealers	<32,092,562>	24,096,248
Reductions of program-related investment	137,991	142,000
Purchases of fixed assets	<255,057>	<689,096>
Net cash provided by investing activities	22,603,317	26,712,525
Net increase/<decrease> in cash	<1,251,706>	1,585,073
Cash at beginning of year	2,546,097	961,024
Cash at end of year	\$1,294,391	\$2,546,097

See accompanying notes to combined financial statements

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2003 and 2002

1. Organizations and purpose

Rockefeller Brothers Fund, Inc. ("the Fund") is a not-for-profit, charitable corporation existing under the New York State not-for-profit corporation law and is classified as a private foundation as defined in the Internal Revenue Code. In 1999, the Fund merged with the Charles E. Culpeper Foundation ("Culpeper"), a private, grantmaking corporation founded in New York. Under the terms of the merger, the Fund received all of the assets of Culpeper with a fair value of approximately \$212,000,000, consisting principally of investments, cash and cash equivalents. In addition, four members of Culpeper's Board of Trustees were elected to the Fund's Board of Trustees. The Fund's principal purpose is to make grants to local, national, and overseas philanthropic organizations. The Fund also provides fellowships for students of color entering the teaching profession and scholarships for medical science and biomedical research.

The Board of Trustees has established the following special purpose funds. Funding of these special purpose funds has come from transfers from the Principal Fund as well as donor contributions.

Pocantico Fund: For the preservation, maintenance and operation of the Pocantico Historic Area at Pocantico Hills, New York, as a conference center and an historic park benefiting the public.

Pocantico II Fund: For the perpetual maintenance of the Playhouse parcel at the Pocantico Historic Area when ownership of that parcel passes to a charitable organization.

Ramon Magsaysay Award Foundation Fund: To support the Ramon Magsaysay Awards and other activities of the Ramon Magsaysay Award Foundation, Inc.

Asian Projects Fund: Income to be used for a period of twenty years from inception in 1987 for special projects which exemplify the spirit of the Ramon Magsaysay Awards and Asian program concerns of the Fund.

Asian Cultural Council, Inc. ("ACC") is a not-for-profit, charitable corporation existing under the New York State not-for-profit corporation law and has been determined to be a publicly supported organization as defined in the Internal Revenue Code. ACC provides fellowship awards to Asian and American individuals in the visual and performing arts, and also awards grants to cultural institutions engaged in international exchange projects. The Fund is the sole member of ACC.

2. Summary of significant accounting policies

The financial statements of the Fund and ACC have been prepared on the accrual basis. The significant accounting policies followed are described below:

Principles of Combination: The financial statements of the Fund include ACC of which it is the sole member. The accompanying combined statements of financial position and combined statements

of activities separately break out the special purpose funds and ACC. All significant interfund balances and transactions are eliminated in combination.

The Fund considers net realized gains and losses from securities sales, unrealized gains and losses on investments, and minimum pension liability to be non-operating activities.

Investments: Investments in marketable securities are carried at quoted market prices. Unrealized gains or losses are determined using quoted market prices at the respective balance sheet dates. Realized gains or losses from sales of securities are determined on a specific identification basis as of the trade date. Security costs are determined on a first-in first-out basis.

Investments in limited partnerships are reported at fair value on the basis of the Fund's equity in the net assets of such partnerships as determined by the general partners. In certain instances, portions of the underlying investment portfolios of the limited partnerships contain non-marketable or thinly traded investments which have been recorded at fair value as determined by management of the limited partnerships. As of December 31, 2003 and 2002, approximately \$190,500,000 and \$127,330,000, respectively, of the Fund's investments in limited partnerships were recorded at fair value as determined by the funds' management or their designee, which might differ significantly from the market value that would have been used had a readily available market for the investment existed.

Investments of the Principal Fund, Pocantico Fund, Pocantico II Fund, Ramon Magsaysay Award Foundation Fund, and Asian Projects Fund are pooled; interest and dividend income and realized and unrealized gains or losses are allocated to each fund using the unitized investment method.

Grants payable: Grants are recorded at the time of approval by the trustees and notification to the recipient. The Fund and ACC estimate that the grants payable balance as of December 31, 2003 will be paid as follows:

2004:	.....	\$11,142,185
2005:	.....	\$4,520,242
2006:	.....	\$837,200
2007:	.....	\$58,800
2008:	.....	\$28,800
Total:	.....	\$16,587,227

The net present value of grants payable is not materially different from amounts committed to be paid.

Tax status: The Fund is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a "private foundation." Provision has been made for the Federal excise tax on investment income.

ACC is exempt from Federal income tax under Section 501(c)(3) of the

Internal Revenue Code, and has been determined to be a publicly supported organization.

Fixed assets: The Fund capitalizes fixed assets which include leasehold improvements, furniture and fixtures, and office equipment. Depreciation and amortization of the fixed assets are provided over the following estimated useful service lives: leasehold improvements: life of lease; office equipment: 7 years; computer equipment: 5 years; computer software: 3 years. Fixed assets are presented net of accumulated depreciation and amortization of approximately \$11,542,000 and \$10,289,000, respectively, at December 31, 2003 and 2002.

Contributions: Contributions, including unconditional promises to give, are recognized in the period received.

Functional expenses: The Fund and ACC report expenses on a functional basis, with all expenses charged either to a particular program or supporting service. Direct charitable activities and program and grant management comprise the Fund and ACC's program related expenses and investment management and general management comprise the supporting activity expenses. Overhead expenses, including occupancy, telephone, and insurance, are allocated to functional areas based upon space used or actual usage, if specifically identifiable. The allocation of salary and related expenses for management and supervision of program service functions are made by management based on the estimated time spent by executives in the various program service functions. ACC incurred fundraising expenses of approximately \$77,000 and \$66,000 for the years ended December 31, 2003 and 2002, respectively.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant estimates relate to investments. Actual results could differ from those estimates.

Basis of presentation: Net assets and revenues, expenses, gains, losses, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Fund and changes therein are classified and reported as follows:

Unrestricted net assets represent resources over which the Board of Trustees has full discretion with respect to use.

Temporarily restricted net assets represent expendable resources which have been time or purpose restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions.

Permanently restricted net assets represent contributions and other gifts which require that the corpus be maintained intact and that only the income be used as designated by the donor. Depending upon the donor's designation, such income is reflected in the combined statements of activities as either temporarily restricted or unrestricted income.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are recorded as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Reclassifications: Certain amounts in 2002 have been reclassified to conform with the 2003 presentation.

3. Investments

Fair value of investments at December 31, 2003 and 2002 are summarized as follows:

	<u>Dec. 31, 2003</u>	<u>Dec. 31, 2002</u>
	Fair Value	Fair Value
Short-term investments	\$25,640,984	\$23,396,017
Stocks	413,355,049	329,626,601
Bonds	83,625,682	89,743,893
Limited partnerships	191,412,034	174,078,789
Foreign currency fluctuations	14,020	<1,250>
	<u>\$714,047,769</u>	<u>\$616,844,050</u>

Through a certain investment manager, the Fund purchases and sells warrants, exchange-traded options and financial futures contracts. As of December 31, 2003, there were no such transactions outstanding. The Fund's exposure to these instruments totaled approximately \$10,300,000 at December 31, 2002.

As a result of its investing strategies, the Fund is a party to a variety of financial instruments. These financial instruments may include fixed income, and foreign currency futures and options contracts, foreign currency forwards, and interest rate cap and floor contracts. Much of the Fund's off-balance-sheet exposure represents strategies that are designed to reduce the interest rate and market risk inherent in portions of the Fund's investment program. Changes in the market values of these financial instruments are recognized currently in the combined statements of activities.

Financial instruments such as those described above involve, to varying degrees, elements of market risk and credit risk in excess of the amounts recorded on the combined balance sheets. Market risk represents the potential loss the Fund faces due to the decrease in the value of financial instruments. Credit risk represents the maximum potential loss the Fund faces due to possible non-performance by obligors and counterparties of the terms of their contracts.

Management does not anticipate that losses, if any, resulting from its market or credit risks would materially affect the financial position and operations of the Fund.

4. Program-Related Investments

The Fund's program-related investments have limited or no marketability. These investments and real estate are stated at the lower of cost or estimated fair value. The Fund's real estate has been leased rent-free to a not-for-profit organization under the terms of an agreement which expires in the year 2056.

In February 1994, the Fund entered into a loan agreement with the Ramon Magsaysay Award Foundation ("RMAF") which authorized RMAF to borrow up to three million dollars during the period the loan commenced through December 31, 1995. The underlying promissory

note initially charged interest on the unpaid principal at the rate of 6 percent per year; such interest accrued beginning January 1, 1995. In 1999, the interest rate was reduced to 3 percent for the remaining term of the loan. Payment of principal of \$120,000 and related interest is to be made annually over the term of the loan and on December 31, 2019, the outstanding balance will be payable in full. The Fund had loaned RMAF the full amount authorized as of December 31, 1995 and received the appropriate repayments of principal and interest in the years ended December 31, 1995 through 2003.

5. Pension plan

The Fund and ACC participate in the Retirement Income Plan for Employees of Rockefeller Brothers Fund, Inc., et al. ("the Plan"), a noncontributory defined benefit plan covering substantially all its

employees. Effective December 31, 2003, the Plan was frozen. The following table sets forth the Plan's funded status and amounts recognized in the financial statements at December 31, 2003 and 2002 and for the years then ended:

Actuarial present value of benefit obligations:	2003	2002
Accumulated benefit obligation	\$7,095,637	\$5,557,096
Projected benefit obligation for services rendered to date	\$7,095,637	\$7,340,285
Plan assets at fair value	6,228,141	4,409,502
Funded status	<867,496>	<2,930,783>
Unrecognized prior service cost	-	367,197
Unrecognized net loss	1,163,804	3,399,135
Unamortized transitional net asset	<79,192>	<98,991>
Additional minimum pension liability adjustment	<1,084,612>	-
Pension liability	<\$867,496>	\$736,558
Net pension cost included the following components:		
Service cost—benefits earned during period	\$517,592	\$433,528
Interest cost on projected benefit obligation	465,021	438,324
Actual return on plan assets	<363,686>	<457,939>
Net amortization and deferral	171,987	55,819
Additional curtailment loss	340,638	-
Net periodic pension cost	<u>\$1,131,552</u>	<u>\$469,732</u>

The weighted-average discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 6.75 percent and 3.5 percent in 2003 and 2002, respectively. The expected long-term rate of return on assets was 8.5 percent in 2003. Because the accumulated benefit

obligation exceeds the fair value of plan assets at December 31, 2003, an additional minimum pension liability adjustment of \$1,084,612 has been recorded. Contributions of \$612,000 and \$623,000 were made to the Plan in 2003 and 2002, respectively.

6. Postretirement healthcare benefits

In addition to providing pension benefits, the Fund provides certain healthcare benefits for retired employees. Substantially all of the Fund's and ACC's employees may become eligible for these benefits if they reach age 55 while employed by the Fund and have accumulated at least five years of service. Such benefits are provided through an insurance company.

The following table sets forth the plan's status as of December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Accumulated postretirement benefit obligation ("APBO")	\$2,850,670	\$2,165,530
Unrecognized net loss	<730,445>	<207,306>
Accrued postretirement benefit cost	<u>\$2,120,225</u>	<u>\$1,958,224</u>

The net periodic postretirement benefit cost included the following components:

	<u>2003</u>	<u>2002</u>
Service cost	\$140,096	\$132,879
Interest cost	152,352	138,270
Amortization of unrecognized loss	<5,375>	<5,886>
Net periodic postretirement benefit cost	<u>\$287,073</u>	<u>\$265,263</u>

Actual retiree premiums paid by the Fund and ACC during 2003 and 2002 amounted to \$174,000 and \$ 129,000, respectively.

The discount rate assumed in determining the APBO was 6.25 percent in 2003 and 6.75 percent in 2002. The medical cost trend rates assumed were 10.0 percent and declining to 6.0 percent over a five-year period for 2003 and 2002. Increasing the assumed medical cost trend rate by one percent each year would result in increases in both the APBO and the net periodic postretirement cost of approximately \$478,000 and \$66,000 in 2003 and \$407,000 and \$65,000 in 2002, respectively.

7. Related party transactions

The Fund paid Rockefeller and Co., Inc., fees of approximately \$61,000 in 2003 and \$64,000 in 2002, respectively, for the management of the Fund's qualified pension plans and other services. The Fund was reimbursed approximately \$490,000 in 2003 and \$493,000 in 2002, for the fair value of certain expenses, including accounting and occupancy, by the Rockefeller Family Fund, Inc. The Fund was also reimbursed \$590,000 and \$9,000 in 2003 and \$541,000 and \$8,000 in 2002 for the fair value of certain expenses, including accounting and occupancy, by ACC and the David Rockefeller Fund, respectively. The Fund received reimbursement for the fair value of certain expenses, including accounting, occupancy, capital expenditures and employee benefits, in 2003 and 2002 in the amounts of \$826,000 and \$1,145,000, respectively, from Rockefeller Philanthropy Advisors.

The Fund paid fees of approximately \$1,160,000 in 2003 and \$1,150,000 in 2002 for maintenance of the Pocantico properties to Greenrock Corporation, which is wholly owned by Rockefeller family members.

8. Federal taxes

As a private foundation, the Fund is assessed an excise tax by the Internal Revenue Code. The provision for federal excise tax consists of a current provision on realized net investment income and a deferred provision on unrealized appreciation of investments. This tax is generally equal to 2 percent; however, it is reduced to 1 percent if a foundation meets certain distribution requirements under Section 4940(e) of the Internal Revenue Code. For 2003, the Fund expects to pay the full tax rate and provided for excise taxes at the rate of 2 percent in the amount of \$690,000. For 2002, the Fund provided for excise taxes at the rate of 1 percent in the amount of \$240,000.

9. Commitments

The Fund, together with its affiliates, occupies office facilities which provide for annual minimum rental commitments excluding escalation as follows:

<u>Fiscal Year</u>	
2004–2006:	\$1,931,000
2007:	\$1,945,000
2008:	\$1,745,324
2009–2012:	\$1,765,000

On January 1, 1998, the Fund entered into a new lease agreement and relocated its offices in June 1998. The terms of the leases for the Fund's offices expire in December, 2012 with one five-year renewal option. Portions of this additional space have been subleased through 2012. Under the terms of its merger agreement with the Charles E. Culpeper Foundation, the Fund assumed the liability for Culpeper's office space through 2007. This space was subleased in 1999 for the years 2000 through 2007.

On January 1, 1992, the Fund entered into a formal arrangement with the National Trust for Historic Preservation in the United States, whereby the Fund assumes the costs associated with maintenance and operations of the Pocantico Historic Area, including all utilities, real estate and other taxes, and impositions assessed against the property. In 2003 and 2002, these costs aggregated approximately \$1,617,000 and \$1,623,000, respectively. Under the same agreement, the Fund agreed to conduct a program of public visitation of the Pocantico Historic Area. Historic Hudson Valley was engaged by the Fund to operate this program on its behalf. The public visitation program commenced in April 1994.

Pursuant to its limited partnership agreements, the Fund is committed to contribute approximately \$46,000,000 as of December 31, 2003, in additional capital over the next five years. Unpaid commitments at December 31, 2002, were \$52,000,000.

SCHEDULE I: SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended December 31, 2003
(with Summarized Financial Information for the Year Ended December 31, 2002)

	<u>Direct Charitable Activities</u>			Program and Grant Management	Investment Management	General Management	2003 RBF Funds	2002 RBF Funds
	General Programs	Pocantico Fund	Subtotal					
SALARIES AND EMPLOYEE BENEFITS								
Salaries	\$400,363	\$338,902	\$739,265	\$1,171,649	\$212,655	\$1,348,982	\$3,472,551	\$3,619,002
Employee benefits	258,226	133,086	391,311	755,690	129,555	829,784	2,106,341	1,569,691
	658,589	471,988	1,130,576	1,927,339	342,210	2,178,766	5,578,892	5,188,693
OTHER EXPENSES								
Grants awarded	–	–	–	20,253,510	–	–	20,253,510	17,897,576
Fellowship and leadership– program expenses	143,240	–	143,240	–	–	–	143,240	179,429
Federal excise and other taxes	–	–	–	–	–	2,759,702	2,759,702	237,331
Consultants' fees	–	–	–	256,493	20,703	174,316	451,512	311,297
Investment services	–	–	–	–	3,014,180	–	3,014,180	3,249,413
Legal, audit and professional fees	–	22,739	22,739	27,567	16,315	177,261	243,882	177,805
Travel	14,761	15,924	30,685	241,619	10,420	12,194	294,918	384,037
Rent and electricity	126,689	–	126,689	517,537	80,865	622,660	1,347,751	1,211,445
Program conferences and events	240,791	–	240,791	–	–	–	240,791	260,351
Facilities maintenance and operations	–	1,617,272	1,617,272	–	–	–	1,617,272	1,623,173
Telephone, facsimile and internet	6,668	15,044	21,713	27,241	5,592	38,649	93,194	104,274
General office expenses	66,640	110,932	177,573	209,929	34,701	278,351	700,553	807,270
Publications	–	–	–	21,102	–	243,816	264,918	163,734
Fundraising expenses	–	–	–	–	–	–	–	–
Depreciation and amortization	36,258	579,189	615,446	148,116	74,550	404,394	1,242,507	1,248,604
	<u>\$1,293,635</u>	<u>\$2,833,088</u>	<u>\$4,126,723</u>	<u>\$23,630,453</u>	<u>\$3,599,536</u>	<u>\$6,890,110</u>	<u>\$38,246,822</u>	<u>\$33,044,432</u>

SCHEDULE I: SCHEDULE OF FUNCTIONAL EXPENSES

(continued)

	2003 Asian Cultural Council, Inc.	2002 Asian Cultural Council, Inc.	Combined Total 2003	Combined Total 2002
SALARIES AND EMPLOYEE BENEFITS				
Salaries	\$878,149	\$741,576	\$4,350,700	\$4,360,578
Employee benefits	366,959	366,863	2,473,300	1,936,554
	1,245,108	1,108,439	6,824,000	6,297,132
OTHER EXPENSES				
Grants awarded	1,300,872	1,626,453	21,554,382	19,524,029
Fellowship and leadership program expenses	-	-	143,240	179,429
Federal excise and other taxes	26,056	37,965	2,785,758	275,296
Consultants' fees	170,242	194,847	621,754	506,144
Investment services	191,477	240,046	3,205,657	3,489,459
Legal, audit and professional fees	246,354	213,863	490,236	391,668
Travel	38,712	77,377	333,630	461,414
Rent and electricity	188,603	192,387	1,536,354	1,403,832
Program conferences and events	44,842	174,905	285,633	435,256
Facilities maintenance and operations	18,422	25,874	1,635,694	1,649,047
Telephone, facsimile and internet	13,950	20,540	107,144	124,814
General office expenses	89,692	141,053	790,245	948,323
Publications	12,385	29,028	277,303	192,762
Fundraising expenses	76,856	65,531	76,856	65,531
Depreciation and amortization	10,624	11,544	1,253,131	1,260,148
	\$3,674,195	\$4,159,852	\$41,921,017	\$37,204,284

RBF Staff

Cynthia Altman
Curator

Miriam Añeses
Director, Fellows Program

Jacqueline Basile
Director, Human Resources

Harry Bates, Jr.
Mailroom Coordinator

Lydia Brown
Administrative Assistant

Judith Clark
Associate Director,
Pocantico Programs

Regina Creegan
Administrator,
Pocantico Programs

Leah D'Angelo
Assistant Comptroller

Aimée Ducey
Curatorial Assistant

Ernestine Faulkner
Kitchen Coordinator

Grant Garrison
Special Assistant to the President

Charles Granquist
Director, Pocantico Programs

Stephen Heintz
President

Leona Hewitt
Receptionist

Teresa Jeanpierre
Administrative Assistant

Cathryn Jones
Human Resources Associate

Anisa Kamadoli¹
Communications Officer

Julie Lesser
Administrative Assistant

Priscilla Lewis
Program Officer

Jacklyn Lloyd
Office Manager

Bridget Massay
Executive Assistant

A. Heather Masters
Grants Manager

Josephine Mathes
Information Technologies
Associate

William McCalpin
Executive Vice President and
Chief Operating Officer

Marjorie Messinger²
Administrative Assistant

Kimberly Miller
Assistant Director, Operations,
Pocantico Programs

Maria Monteiro
Housekeeper

William Moody
Program Officer

Helen Morton
Administrative Assistant

Nancy Muirhead
Assistant Secretary and
Program Officer

Gary Nickerson
Director, Information
Technologies

Michael Northrop
Program Officer

Nelita O'Connor
Financial Manager

Charlotte Patton³
Administrative Assistant

Elida Reyes
Head Housekeeper

Mark Rice⁴
Accountant

Peter Riggs⁵
Program Officer

Ben Rodriguez-Cubeñas
Program Officer

Benjamin Shute, Jr.
Secretary and Program Officer

Robert Stone
Administrative Assistant

Derrick Strachan⁶
Accountant

Joan Sullivan
Records Administrator

Charisse Turner
Accountant

Geraldine Watson
Comptroller

Boris Wessely
Treasurer

The RBF gratefully acknowledges those staff members who departed in 2003 for their years of service to the Fund.

¹ Until September 12, 2003

² Until July 22, 2003

³ As of September 29, 2003

⁴ Until July 10, 2003

⁵ Until December 31, 2003

⁶ Until December 31, 2003