

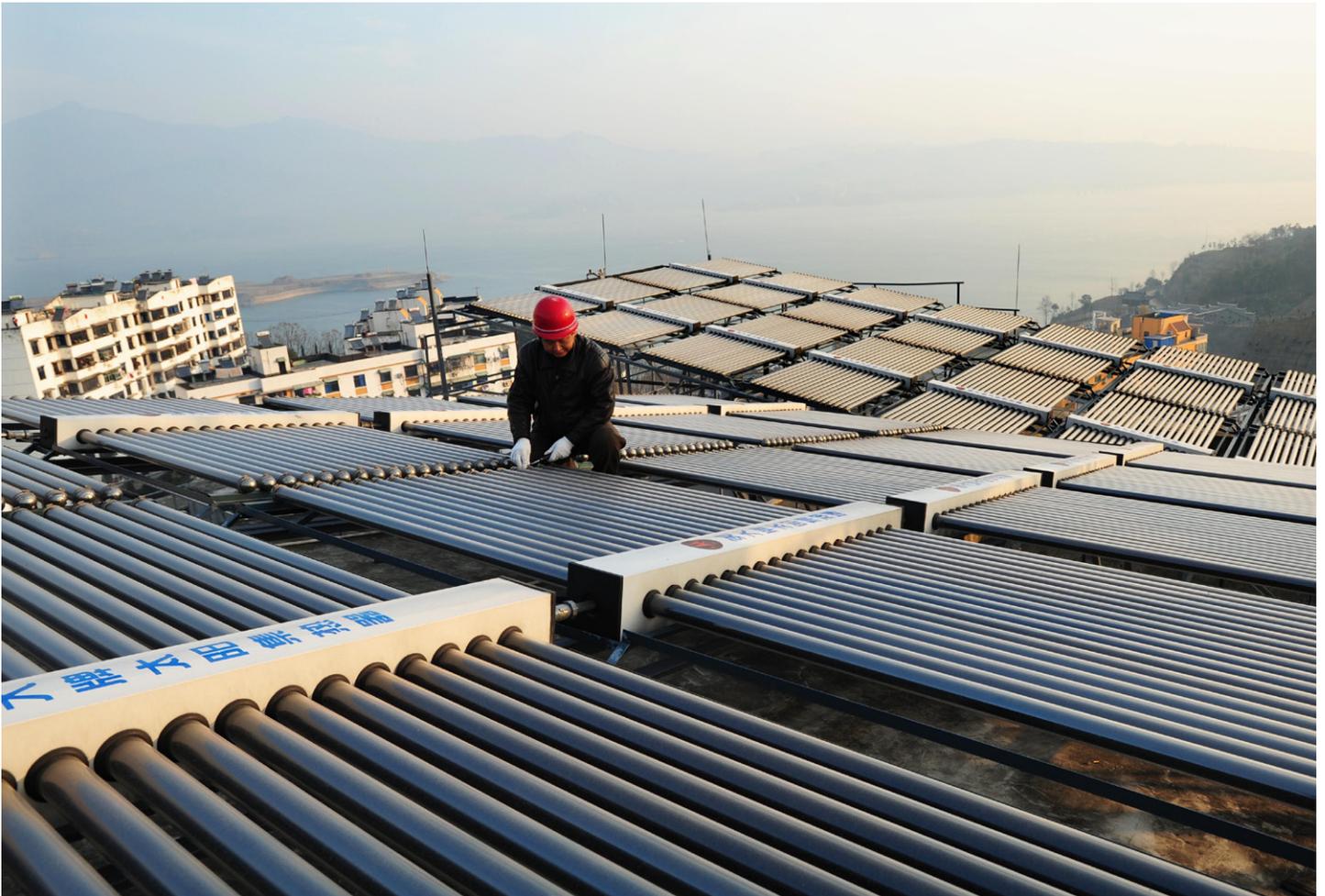


Rockefeller  
Brothers Fund

Philanthropy for an Interdependent World

# 2009 Annual Review

*The Climate for U.S.–China Cooperation*



# About the Annual Review

*The RBF Annual Review is an online publication of the Rockefeller Brothers Fund. As a reflection of our commitment to accountability, transparency, and sustainability, it was created in 2010 to replace the printed versions of the annual and statistical reviews of the Fund. It provides readers with annual highlights of the Fund’s programs, grantmaking, and finances. Each year, the annual review focuses on an issue central to the Fund’s mission. This year’s cover story centers on the RBF’s Southern China program’s efforts to build understanding and facilitate cooperation between the United States and China in pursuing effective policy and action on energy and climate challenges. With China and the United States accounting for 40 percent of global greenhouse gas emissions, the stability of Earth’s climate depends on cooperation between the two countries. And be sure to listen to the two Southern China slidecasts. Included is a discussion with Richard Rockefeller, chair; Wendy O’Neill, trustee; and Stephen Heintz, president of the Rockefeller Brothers Fund about the Rockefeller family’s history in China, and the evolution of the Fund’s Southern China program. The final slidecast features Shenyu Belsky, director of the Fund’s Southern China program, and two RBF grantees—Ma Jun of the Institute for Public and Environmental Affairs and Alex Wang of the Natural Resources Defense Council, Inc.—discussing the importance of environmental information disclosure.*

# THE CLIMATE FOR U.S.–CHINA COOPERATION

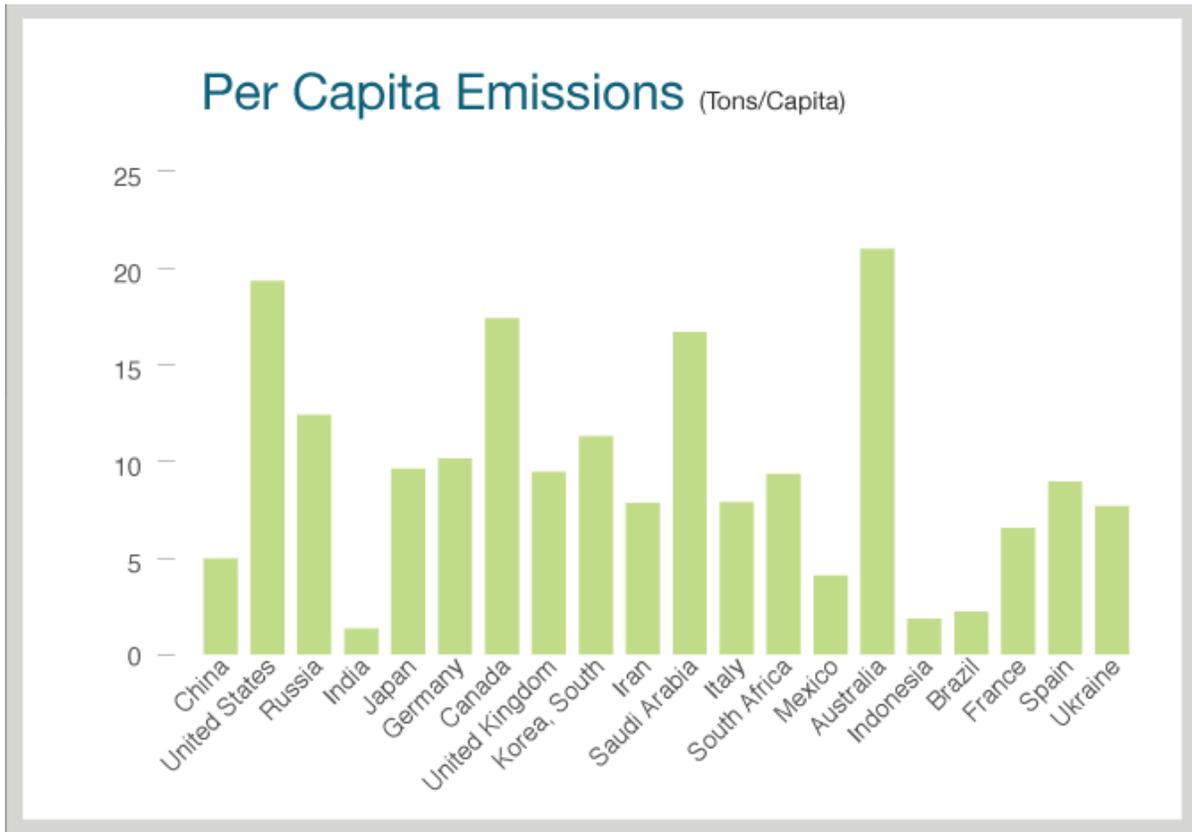
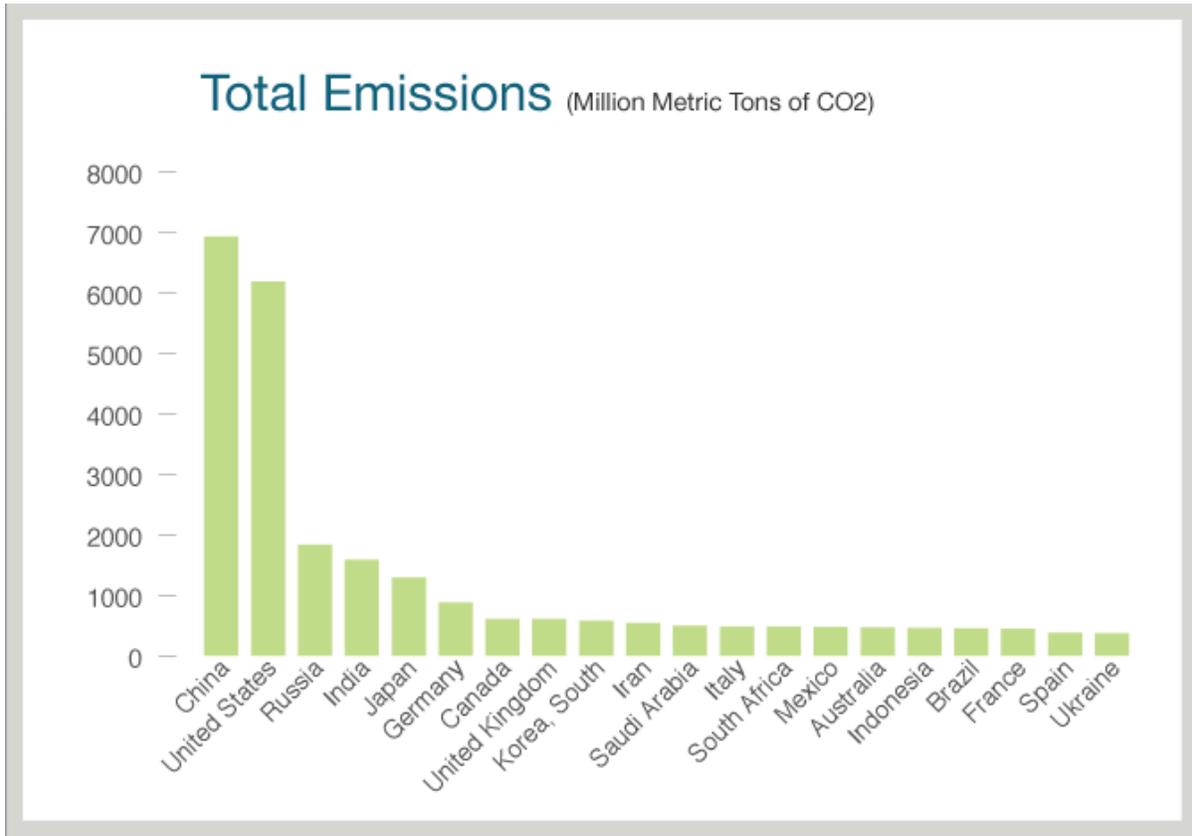
*by William Chandler*

Earth's future depends on the United States and China acting to curb greenhouse gas emissions. These two countries together account for over 40 percent of global emissions. Yet, both countries remain reluctant to commit to binding climate action, and attempts to find agreement between them veer between useful cooperation on clean energy technology and finger pointing in global climate talks.

Differences in stages of economic development cause diverging points of view. American policymakers foresee rapid Chinese growth engulfing any U.S. emissions reductions. This perspective hardened recently when China surpassed the United States to become the world's largest source of greenhouse gases, releasing over 7 billion tons of carbon dioxide per year. With Chinese coal-fired power generation surging 10 percent last year and car sales exceeding 16 million, the scale and speed of China's energy development increasingly influences U.S. climate politics.



**With China and the U.S. accounting for 40 percent of global greenhouse gas emissions, the stability of the Earth's climate depends on the cooperation between the two countries.**



Chinese policymakers in turn argue that cutting Chinese emissions would restrict energy for basic needs and unfairly limit Chinese development. They point out that American per capita carbon dioxide emissions remain five times higher than Chinese emissions, and that since the industrial revolution the United States has released over a trillion tons of carbon dioxide from fossil fuel combustion, four times that of China. Chinese experts insist that China remains a developing country, with hundreds of millions of people aspiring to leave behind hardscrabble lives.

Equity requires acknowledging that rich countries caused most of the climate problem and should take immediate steps to address the problem. Climate science suggests that avoiding catastrophic climate change will also require all countries to do all they can to reduce emissions. Stabilizing the climate requires cutting greenhouse gas emissions all the way to zero in this century. Dealing with this reality requires at a minimum that China and the United States move forward urgently on emissions mitigation.



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## OFF THE TRACKS

Chinese leaders spent several years preparing for the 2009 Copenhagen climate summit. They realized they had to reduce their emissions footprint. Chinese economic growth and trade surpluses, reflecting the accelerating shift of manufacturing to China, made China vulnerable to the charge that it was enticing developed nations' industry with weak pollution control policies. Moreover, the Chinese scientific community shared the international consensus that the threat of climate change was real, change was already underway, and that the resulting sea level rise and drought

and increase in severe storms would directly harm the Chinese people. China's president Hu Jintao and premier Wen Jiabao recognized that it was in China's best interest to be proactive at the Copenhagen summit.

China's leaders thus went to Copenhagen with a significant—if short-term—commitment to curb emissions growth. They pledged to cut the amount of greenhouse gas produced per unit of economic output by 40–45 percent by 2020, thinking that their offer would insulate them from criticism as climate “free riders,” and might even be warmly welcomed. China was, after all, acknowledging the threat of climate change for the first time and offering to do something about it. That the target would permit growth in Chinese carbon emissions until 2020 disappointed activists who wanted more aggressive global action. But, in fairness, no country has ever achieved for so long a period the high rate of reduction in emissions intensity offered by the Chinese negotiators. Achieving the target would, according to emissions scenarios published by the Intergovernmental Panel on Climate Change, maintain the chance of holding warming to less than two degrees Celsius. China's offer was consistent with the notion that developing country emissions could increase in the near term as long as they were slowed as much as possible and then cut thereafter, perhaps beginning as soon as 2025.

The United States went to Copenhagen with a seemingly weak hand. President Obama had pledged to cut U.S. emissions by 17 percent from the 2005 level by the year 2020. But the Congress, controlled by his own party, had failed to enact legislation to ensure that the U.S. Copenhagen commitment could be met. Nevertheless, the President and his negotiating team convinced much of the world community that the United States, which had dramatically failed to meet the commitment it made during the negotiations resulting in the 1997 Kyoto Protocol, this time was serious.





## THE COPENHAGEN ACCORD

U.S. climate negotiators, meanwhile, objected to the Chinese Copenhagen commitment because it would not, under the Framework Convention, be “binding.” It is easy to underestimate—and sometimes hard to grasp—the symbolic importance of this issue. Negotiators, after all, acknowledge that the Kyoto Protocol, though supposedly binding, has no meaningful penalty for non-compliance and that no one is proposing enforceable penalties for non-compliance in any successor agreement. Whether the agreements then are “legally binding” seems somewhat arcane. To the practical-minded, a better approach would be for countries to make serious commitments to curb emissions and commit to enforce them domestically. Real action would trump a symbolic, unenforceable agreement.

A related disagreement involved the transparency and credibility of progress toward mitigation goals once they were set. Many international observers are skeptical that Chinese monitoring, reporting, and verification methods for emissions mitigation efforts can be made more credible. While this skepticism is inherent in international relations, it is made worse by known inconsistencies in the Chinese data system. For example, China in 2005 set a goal of cutting energy used per unit of economic output by 20 percent before the end of 2010. The official estimate of progress toward the goal in 2009 was revised upward from about 9 to more than 14 percent. Though the higher level of progress is considered plausible by experts, it is very hard for outsiders to evaluate its validity.

By the close of the Copenhagen climate summit, Chinese negotiators were denounced by the Western press for having intentionally wrecked the negotiations. They were then derided in Chinese circles for having capitulated to President Obama by signing onto the Copenhagen Accord. High-level negotiators for both countries left Denmark with hard feelings and the sense that U.S.-China climate cooperation had nearly gone off the rails. There was real danger that if this key relationship were damaged, the world would lose a decade in fighting climate change.



Residents wear masks while exercising in a park in Linfen, in China's Shanxi province on December 9, 2009, regarded as one of the two cities with the worst air pollution in the world.

The U.S.–China climate relationship remains tenuous. American policymakers express frustration that China regards the Copenhagen Accord as merely political in nature and not the basis for on-going negotiations toward a binding agreement. Similarly, it is difficult for some to understand American intentions for emissions mitigation given Congress' failure to pass climate legislation.

One positive note is the willingness of American and Chinese officials to use off-the-record “Track II” dialogues to get beyond past misunderstandings. One on-going effort (sponsored by the blue moon fund and the Rockefeller Brothers Fund) began even before the election of President Barack Obama. Such efforts helped officials get beyond the seemingly endless routine of “You first!” “No, after you!” on climate action, and they made it easier for officials to agree on clean energy cooperation and to prepare for Copenhagen. After the near train wreck of Copenhagen, a group of Chinese and Americans revived this Track II climate dialogue in an effort to overcome fundamental misunderstandings and maintain momentum in climate cooperation. The combined efforts of groups involved in this and many other efforts are contributing both to better American understanding of what China is doing in mitigation and better Chinese understanding of why verification is important to policymakers.

## NEXT STEPS

The climate challenge staggers the imagination both technically and institutionally. In the not-so-distant future, developed countries must begin deep cuts in their emissions while China and other developing countries must slow growth in, cap, and eventually begin to cut their own greenhouse gas emissions. A global climate policy, if it is to work, must eventually be truly binding and include enforcement mechanisms for all countries. Incremental steps, though short of perfection, will help persuade governments and their citizens that the costs of climate action are manageable and worthwhile. Several steps can be taken to increase confidence and trust both officially and outside official channels. The most promising of these include:

- Increasing the transparency and credibility of China's energy intensity reduction policies, and clarifying how the United States will meet its Copenhagen target.
- Identifying opportunities jointly to provide emissions mitigation assistance to developing countries, including human capacity building at the sub-national level.
- Boosting joint energy research and development efforts.
- Removing artificial barriers to the flow of financing to clean energy projects.

Strikingly, given the urgency of climate action, resources have been meager for energy science and technology cooperation between China and the United States. But increasingly, officials and NGO leaders are exploring the possibilities for science and technology cooperation in three priority areas: deployment of best practice technologies, innovation in new technologies, and agreements to prevent either country from gaining an unfair advantage.

Research collaboration would enable the United States and China to build on each other's strengths. For example, American laboratories rank among the world's most innovative. But to remain competitive, technology companies must have access to the marketplace. Feedback from factories and projects to the laboratory is known to be essential for innovation. And because China is far outpacing the rest of the world in economic growth, research and development must be directly connected to the Chinese market. Innovation everywhere is dependent upon investors being able to capture the benefits of the innovations they sponsor. Both Chinese and American innovators would benefit from a stronger system for ensuring that the benefits of research are shared fairly among participants.

More urgently, deployment of existing carbon emissions reduction technologies requires breaking down market barriers. Business leaders could help by working with both governments to accelerate the adoption of existing mitigation measures. Joint policy initiatives to provide tax breaks for investment and impose tax penalties on high-carbon energy would reduce the risk that either country would take advantage of goals and measures set by the other. One helpful effort matches innovative states to Chinese provincial governments, which are unprepared and under-resourced for implementing China's Copenhagen commitment.<sup>1</sup>

Experiments in bilateral cooperation could benefit other countries as well. China and the United States could develop packages of policies and measures, test them for efficacy, correct them, and share them—particularly with other rapidly developing nations, such as India.

This set of activities comprises an effort in which Chinese and Americans at all levels—in and outside the two governments—can participate.

<sup>1</sup> The Global Environmental Institute and Center for Climate Strategies recently organized a foundation-funded study tour to introduce Chinese provincial climate policy leaders to their counterparts in New York, Pennsylvania, Maryland, and Washington, D.C.

## ABOUT THE PROJECT

These Track II dialogues are supported by the blue moon fund and the Rockefeller Brothers Fund.

### About the Author

**William Chandler** prepared this article as an external scholar with the Carnegie Endowment for International Peace. He is president of Transition Energy International and research director of the Energy Transition Research Institute.

### Southern China Program Team

The program director who carries responsibility for the Southern China portion of the Rockefeller Brothers Fund's Pivotal Places program is **Shenyu G. Belsky**. **Doreen Wang** provides administrative support for this program.

### Southern China Slidecasts

The 2009 online annual review features two narrated photo slide shows about Southern China. The first is a discussion with Richard G. Rockefeller, chair; Wendy O'Neill, trustee; and Stephen B. Heintz, president of the Rockefeller Brothers Fund about the Rockefeller family's history in China, and the evolution of the Fund's Southern China program.

The second slidecast features Shenyu Belsky, director of the Fund's Southern China program, and two RBF grantees—Ma Jun of the Institute for Public and Environmental Affairs and Alex Wang of the Natural Resources Defense Council, Inc.—discussing the importance of environmental information disclosure.

Please visit [rbf.org/about/annual-reviews-2000-2009](http://rbf.org/about/annual-reviews-2000-2009) to view the slidecasts.

#### SOUTHERN CHINA SLIDECASTS



Grantees Work on Environmental Disclosure



Rockefeller Family in China: Then and Now

## About the Rockefeller Brothers Fund



The Rockefeller Brothers Fund was created in 1940 by the sons of John D. Rockefeller Jr. Pictured (left to right): John D. 3rd, Winthrop, Abby, Laurance, David and Nelson.

Founded in 1940, the Rockefeller Brothers Fund advances social change that contributes to a more just, sustainable, and peaceful world. The RBF's grantmaking is organized around three themes: Democratic Practice, Sustainable Development, and Peace and Security. Though the Fund pursues its three program interests in a variety of geographic contexts, it has identified several specific locations on which to concentrate crossprogrammatic attention.

The Fund refers to these as "RBF pivotal places": subnational areas, nationstates, or crossborder regions that 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 the world. The Fund currently works in three pivotal places: New York City, Western Balkans, and Southern China. The Rockefeller Brothers Fund is a private, family foundation helping to build social change that contributes to a more just, sustainable, and peaceful world. It was created in 1940 by the sons of John D. Rockefeller, Jr.—John 3rd, Nelson, Winthrop, Laurance, and David—as a vehicle by which they could share advice and research on charitable activities and coordinate their philanthropic efforts to better effect. John D. Rockefeller, Jr. made a substantial gift to the Fund in 1951, and in 1960 the Fund received a major bequest from his estate. Together, these constitute the original endowment of the 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 with 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 \$670 million. Shortly after the merger, the Fund initiated a strategic review process designed to systemically evaluate all 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 or scaling back of others. As part of this effort, the RBF's current program architecture came into effect on January 1, 2003.

## Program Statement

The Rockefeller Brothers Fund advances 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 three themes: Democratic Practice; Sustainable Development; and Peace and Security. The Fund recognizes that achievement of 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 in a variety of geographic contexts. It also has identified several specific locations on which to concentrate crossprogrammatic attention. The Fund refers to these as "RBF pivotal places": subnational areas, nationstates, or crossborder 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 the world. The Fund currently works in three pivotal places: New York City, Southern China, and Western Balkans.

The Pocantico 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 longterm 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 standalone 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.

## ROCKEFELLER BROTHERS FUND 2009 ANNUAL REVIEW

*An Annual Review of Activities and Operations*

- **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 Center, to convening groups of diverse stakeholders and encouraging collaboration among government agencies, corporations, and nongovernmental organizations.

The goals and strategies in each of our programs are implemented through a variety of approaches to grantmaking. In some programs, as is noted in the guidelines, the Fund proactively identifies grantee partners and thus has limited ability to respond to unsolicited proposals. Grantseekers are encouraged to study the guidelines closely.

### RBF Program Overview

The Rockefeller Brothers Fund's grantmaking is organized around three themes: Democratic Practice, Sustainable Development, and Peace and Security; and three pivotal places: New York City, Southern China, and the Western Balkans. In 2009, spending was \$53,325,544, representing an increase of 11 percent from 2008. Spending refers to expenditures that count toward satisfying the minimum distribution requirement, and includes grants, program-related expenses, administration, and core operating and maintenance costs of The Pocantico Center. Spending on grantmaking and administration at the Fund's headquarters, and operations in Southern China and the Western Balkans accounted for 92 percent of total program spending and The Pocantico Center for 8 percent.

### 2007–2009 TOTAL SPENDING

	2007	2008	2009
Grants Paid	\$ 30,151,664	\$ 34,128,098	\$ 31,191,649
Program Related Expenditures	\$ 382,413	\$ 884,644	\$ 890,483
Administration*	\$ 7,124,135	\$ 8,350,000	\$ 9,043,996
Pocantico Conferences	\$ 306,788	\$ 255,886	\$ 266,136
Subtotal, Program Spending	\$ 37,965,000	\$ 43,618,628	\$ 41,392,264
Core Pocantico Operations	\$ 3,660,000	\$ 4,392,000	\$ 3,933,280
Capitalized Expenses Related to Green Buildout & Office Relocation	—	—	\$ 8,000,000
<b>Grand Total, Program Spending</b>	<b>\$ 41,625,000</b>	<b>\$ 48,010,628</b>	<b>\$ 53,325,544</b>

\* Includes direct charitable activity and program-related administrative costs; excludes investment, green buildout, and move related expense. For the complete annual summary of the Rockefeller Brothers Fund's activities, please check out RBF Quick Facts.

## DEMOCRATIC PRACTICE

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### TOTAL GRANTS AWARDED: \$ 5,709,735

Global Governance: Increase Access/Participation in Global Governance	\$	1,648,500
Global Governance: Ensuring Transparency/Accountability	\$	1,485,000
Other	\$	30,000
U.S.: Encouraging Civic Engagement	\$	1,396,250
U.S.: Fostering Effective Governance	\$	1,149,985
<b>Total Grants Awarded</b>	<b>\$</b>	<b>5,709,735</b>

### TOTAL GRANTS PAID: \$ 6,273,735

Global Governance: Increase Access/Participation in Global Governance	\$	1,868,500
Global Governance: Ensuring Transparency/Accountability	\$	1,104,800
Other	\$	30,000
U.S.: Encouraging Civic Engagement	\$	1,590,750
U.S.: Fostering Effective Governance	\$	1,679,685
<b>Total Grants Paid</b>	<b>\$</b>	<b>6,273,735</b>

The Democratic Practice program seeks to strengthen the vitality of democracy in the United States and in global governance. The program's core ideas—that for democracy to flourish and deliver on its promises its citizens must be engaged, empowered, and assertive, and institutions of governance must be inclusive, transparent, accountable, and responsive—provide a frame for the Fund's Democratic Practice work in the United States and in global governance.

The RBF's democratic practice grantmaking moved from four goals in 2009 to two goals that focus on strengthening the vitality of democracy in the United States and in global governance.

Democratic Practice guidelines were revised during the course of 2009. Please visit [rbf.org](http://rbf.org) for the current program guidelines.

## PEACE AND SECURITY

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TOTAL GRANTS AWARDED: \$ 3,009,500

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Respect/Understanding between Muslim and Western societies	\$	760,000
Other	\$	172,000
Approaches to U.S. Global Engagement	\$	2,077,500
<b>Total Grants Awarded</b>	<b>\$</b>	<b>3,009,500</b>

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TOTAL GRANTS PAID: \$ 3,494,354

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Respect/Understanding between Muslim and Western societies	\$	1,032,354
Other	\$	172,000
Approaches to U.S. Global Engagement	\$	2,290,000
<b>Total Grants Paid</b>	<b>\$</b>	<b>3,494,354</b>

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The Peace and Security program reflects the Fund's longstanding recognition of the complexities and possibilities that arise from global interdependence, and its enduring commitment to helping create the conditions for lasting peace in which justice and democratic governance prevail and sustainable development paths lead to shared prosperity in societies worldwide.

**New program guidelines will be announced in March 2011. Please visit [rbf.org](http://rbf.org) for the current program guidelines.**

## SUSTAINABLE DEVELOPMENT

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TOTAL GRANTS AWARDED: \$ 9,193,880

Protecting Ecosystems/Conserving Biodiversity	\$	150,000
Other	\$	0
Approaches to U.S. Global Engagement	\$	9,043,880
<b>Total Grants Awarded</b>	<b>\$</b>	<b>9,193,880</b>

TOTAL GRANTS PAID: \$ 8,924,560

Protecting Ecosystems/Conserving Biodiversity	\$	290,000
Other	\$	603,370
Approaches to U.S. Global Engagement	\$	8,031,190
<b>Total Grants Paid</b>	<b>\$</b>	<b>8,924,560</b>

The Sustainable Development program advances global stewardship that is ecologically based, economically sound, socially just, culturally appropriate, and consistent with intergenerational equity. Human activity is causing global warming, rapid loss of biodiversity, and accelerating degradation of Earth's life support systems. With the recognition that the impact of unchecked climate change threatens all other conservation efforts, the program focuses its grant-making on advancing solutions to climate change.

**New program guidelines will be available in January 2011. Please visit [rbf.org](http://rbf.org) for the current program guidelines.**

## PIVOTAL PLACE: NEW YORK CITY

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TOTAL GRANTS AWARDED: \$ 4,405,600

Building Capacity in Cultural Organizations	\$	2,035,600
Building Sustainable Communities	\$	875,000
Supporting the Creative Process	\$	540,000
Encouraging Civic Engagement	\$	955,000
Improving Public Schools	\$	0
<b>Total Grants Awarded</b>	<b>\$</b>	<b>4,405,600</b>

TOTAL GRANTS PAID: \$ 4,277,320

Building Capacity in Cultural Organizations	\$	1,670,700
Building Sustainable Communities	\$	875,000
Supporting the Creative Process	\$	690,000
Encouraging Civic Engagement	\$	751,620
Improving Public Schools	\$	290,000
<b>Total Grants Paid</b>	<b>\$</b>	<b>4,277,320</b>

New York City has the potential to be a model 21st century sustainable urban community that cultivates civic life and the natural environment, encourages immigrant civic and political participation, supports individual achievement and artistic expression, and generates widely shared prosperity. The Fund's New York City program aims to support the city's efforts to be a force for positive change both within and beyond its borders.

New York City guidelines were revised in 2009 and 2010. Please visit [rbf.org](http://rbf.org) for the current program guidelines.

## **PIVOTAL PLACE: SOUTHERN CHINA**

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### TOTAL GRANTS AWARDED: \$ 1,678,500

Environment and Human Health	\$	738,500
Sustainable Energy Use	\$	662,000
Community Leadership to Support Sustainable Development	\$	278,000
<b>Total Grants Awarded</b>	<b>\$</b>	<b>1,678,500</b>

### TOTAL GRANTS PAID: \$ 2,959,900

Environment and Human Health	\$	1,413,500
Sustainable Energy Use	\$	1,142,000
Community Leadership to Support Sustainable Development	\$	404,400
<b>Total Grants Paid</b>	<b>\$</b>	<b>2,959,900</b>

Southern China's rapid development has been accompanied by profound challenges including environmental degradation and growing disparities between rich and poor, urban and rural which, if not addressed, threaten the sustainability of development in the region, the country, and the world. The Chinese government and people have been responding vigorously to these complex challenges. The RBF's grantmaking seeks to assist these efforts.

Please visit [rbf.org](http://rbf.org) for the current program guidelines.

## PIVOTAL PLACE: WESTERN BALKANS

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### TOTAL GRANTS AWARDED: \$ 2,553,210

Sustainable Urban and Rural Communities	\$	356,210
Citizens Engaged in Building Democracy	\$	1,585,000
Other	\$	145,000
Performance Accountability and Transparency	\$	467,000
<b>Total Grants Awarded</b>	<b>\$</b>	<b>2,553,210</b>

### TOTAL GRANTS PAID: \$ 2,115,000

Sustainable Urban and Rural Communities	\$	2,115,000
Citizens Engaged in Building Democracy	\$	1,326,790
Other	\$	170,000
Performance Accountability and Transparency	\$	277,000
<b>Total Grants Paid</b>	<b>\$</b>	<b>2,115,000</b>

The countries of the Western Balkans are working to realize their European integration aspirations, as accession brings with it the promise of stability and rule of law—necessary prerequisites for longterm peace, prosperity, and democracy. The Fund’s work in the Balkans, and especially in Serbia, Montenegro, and Kosovo, gives special attention to democratic practice and sustainable development requirements.

Please visit [rbf.org](http://rbf.org) for the current program guidelines.

## THE POCANTICO CENTER

The Pocantico Center is located 20 miles north of Manhattan in the Pocantico Historic Area and is managed by the Rockefeller Brothers Fund as part of its agreement with the National Trust for Historic Preservation. It serves the common good locally, nationally, and globally in creative and innovative ways that are consistent with Rockefeller family philanthropic traditions and that furthers the missions and reflects the values of the Rockefeller Brothers Fund and the National Trust for Historic Preservation. In 2009, The Pocantico Center hosted 54 conferences and meetings, and 12 public programs. In addition, 34,463 people visited the Pocantico Historic area in 2009.

	2007	2008	2009
Conferences	36	26	31
Meetings	16	32	17
RBF Board Meetings/Staff Meetings	5	5	6
Pocantico Conferences	36	26	31
Public Programs	36	26	31
<b>Totals</b>	<b>36</b>	<b>26</b>	<b>31</b>

## THE POCANTICO CENTER 2009 PUBLIC PROGRAMS

### Pocantico Forum: How Many Species Will Survive The 21st Century

*February 27, 2009*

Dr. Peter Raven, president of the Missouri Botanical Garden and Professor of Botany at Washington University spoke about the causes and effects of species decline on our planet's future. He urged the redoubling of our efforts for sustainability not only to preserve biodiversity but also to assure social justice.

### Tea Ceremonies In The Japanese Garden

*May 16, June 19, October 24, 2009*

Tea ceremony in Japan dates back to the 16th Century, when tea master Sen no Rikyu perfected the "way of tea." Today there are at least three schools of tea founded by Sen no Rikyu's three greatgrandsons. In 2009, the Japanese Tea House at Pocantico hosted ceremonies by masters of each of three schools: Urasenke, Mushakoji, and Enshu.

## **Teachers and Writers Prose Reading**

*June 9, 2009*

As the name suggests, Teachers and Writers creates partnerships between professional writers and teachers to implement creative writing programs for young people. Their two annual Fellowships are directly supported by an RBF grant and offer support to early-career writers. T&W Fellows, Jenny Williams and Christina Olivares did a public reading of excerpts from their recent works.

## **Cave Canem Poetry Reading**

*July 15, 2009*

Fellow Christopher Stackhouse read a selection of his poems in the Rose Garden at Kykuit. Cave Canem (Beware the Dog) is the home for black poetry and is a fellowship of over 300 African American poets and still growing. This was the second year that the Pocantico Center hosted a residency for Cave Canem fellows.

## **Ifetayo Cultural Arts Academy's Youth Ensemble**

*August 4, 2009*

The Ifetayo Cultural Arts Academy's Youth ensemble program provides opportunity for youth in the Brooklyn area to receive the highest level of artistic training and support from the community to develop a voice for social change. The ensemble showcased their talents with a thought provoking original production and a postperformance discussion.

## **Page 73 Play Reading**

*August 12, 2009*

Actors read scenes from plays by Laura Jacquin and Cori Thomas. Page 73 supports early career playwrights through various programs including the Pocantico Center residency and the production of readings like this one at the Center. These readings help the writer in the development process of their new works.

## **Pocantico Forum: Meet the Pocantico Partners**

*November 11, 2009*

The five nonprofit organizations founded by members of the Rockefeller family: Historic Hudson Valley, The Pocantico Center, The Rockefeller Archive Center, Rockefeller State Park Preserve, and Stone Barns Center for Food and Agriculture have come together to create the Pocantico Partners. This intellectual partnership was formed to share the innovative work of these organizations with the surrounding communities.

## **Kykuit Visitation Program**

*May 9–November 8, 2009*

Kykuit welcomed 33,463 visitors in 2009 which was a slight increase over 2008. The tour program is operated in collaboration with Historic Hudson Valley.

## **Pocantico Hills School Garden Project**

*All Year*

The school program is in its second year with the third and fourth grades of the Pocantico Hills Central School District and uses the garden for crosscurriculum teaching using the greenhouse and raised beds at the Pocantico Center. Students planted, grew, cooked and ate vegetables to share schoolwide for two events: a salad day and a soup day.

ROCKEFELLER BROTHERS FUND 2009 ANNUAL REVIEW

An Annual Review of Activities and Operations

## FINANCIAL REPORT

### Statements of Financial Position

December 31, 2008 and 2009

The Fund's financial statements are audited by KPMG LLP. A full set of the audited version of these financial statements will be available in the Finance and Reporting section of our Web site.

	PRINCIPAL FUND	POCANTICO FUND	POCANTICO II FUND	RAMON MAGSAYSAY AWARD FOUNDATION FUND	2009 RBF FUNDS	2008 RBF FUNDS
Cash and cash equivalents	\$ 727,849	\$ 1,051	–	–	\$ 728,900	\$ 61,583
Accounts receivable	\$ 1,475,110	–	–	–	\$ 1,475,110	\$ 2,096,216
Contributions receivable	–	–	\$ 13,539,872	–	\$ 13,539,872	\$ 13,539,872
Interest and dividends receivable	\$ 42,455	\$ 49,384	–	\$ 4,726	\$ 96,565	\$ 424,685
Due from brokers and dealers, nets	–	–	–	–	–	\$ 19,579,166
Investments	\$ 636,485,129	\$ 60,935,553	(\$ 18,933)	\$ 4,002,108	\$ 701,403,857	\$ 620,179,908
<b>PROGRAM RELATED INVESTMENTS:</b>						
Program mortgage loans						\$ 1,485,000
Real estate	\$ 510,000	–	–	–	\$ 510,000	\$ 510,000
Prepaid Expenses	\$ 5,114	–	–	–	\$ 5,114	\$ 40,562
Fixed assets, net	\$ 8,356,788	\$ 3,147,175	–	–	\$ 11,503,963	\$ 5,764,433
Interfund	(\$ 1,822,662)	(\$ 1,585,118)	4,139,254	(\$ 731,474)	–	–
<b>Total assets</b>	<b>\$ 645,779,783</b>	<b>\$ 62,548,045</b>	<b>\$ 17,660,193</b>	<b>\$ 3,275,360</b>	<b>\$ 729,263,381</b>	<b>\$ 663,781,425</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES:</b>						
Accounts payable and accrued liabilities	\$ 4,280,797	\$ 1,088,494	–	–	\$ 5,369,291	\$ 5,050,645
Due to brokers and dealers, net	\$ 309,935	\$ 92,452	\$ 10,073	\$ 188	\$ 412,648	–
Grants payable	\$ 12,883,305	–	–	\$ 2,004	\$ 12,885,309	\$ 16,907,498
Due from brokers and dealers, nets	\$ 727,849	\$ 1,051	–	–	\$ 728,900	\$ 61,583
Deferred taxes payable	\$ 399,471	\$ 37,697	\$ 2,696	\$ 2,077	\$ 441,941	–
<b>Total liabilities</b>	<b>\$ 17,873,508</b>	<b>\$ 1,218,643</b>	<b>\$ 12,769</b>	<b>\$ 4,269</b>	<b>\$ 19,109,18</b>	<b>\$ 21,958,143</b>
<b>COMMITMENTS</b>						
<b>NET ASSETS:</b>						
Unrestricted	\$ 627,756,275	\$ 61,329,402	–	\$ 3,271,091	\$ 692,356,768	\$ 624,859,525
Temporarily restricted	\$ 150,000	–	\$ 9,752,424	–	\$ 9,902,424	\$ 9,068,757
Permanently restricted	–	–	\$ 7,895,000	–	\$ 7,895,000	\$ 7,895,000
Total net assets	\$ 627,906,275	\$ 61,329,402	\$ 17,647,424	\$ 3,271,091	\$ 710,154,192	\$ 641,823,282
<b>Total liabilities and net assets</b>	<b>\$ 645,779,783</b>	<b>\$ 62,548,045</b>	<b>\$ 17,660,193</b>	<b>\$ 3,275,360</b>	<b>\$ 729,263,381</b>	<b>\$ 663,781,425</b>

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*on design, New York City, [www.ond.com](http://www.ond.com)*

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*Forum One Communications, [www.forumone.com](http://www.forumone.com)*

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