



# 2011 ANNUAL REPORT

matondi

thank you

მადლობა

The quick reaction of Mercy Corps in Haiti, Japan, Sudan and other areas is possible because of folks like me, and I am proud of that.

**TERRENCE, NORTH CAROLINA DONOR**



We trust Mercy Corps to help people all over the world when disaster strikes.

**JUNE AND BOB, MAINE DONORS**



I know my gifts are being used to help those in desperate need – not just places highlighted in the news.

**GREG, CALIFORNIA DONOR**



“  
**None of our work would be possible without your generosity. Thank you for partnering with Mercy Corps to make a positive, lasting difference for millions of people who are working hard to improve their lives.**

*Neal Kemp-Taylor*  
 Chief Executive Officer

## THANK YOU FOR YOUR GENEROSITY

In 2011, thanks to your generosity, Mercy Corps was able to help millions of people overcome the hardships that came their way: earthquake and tsunami, conflict and upheaval, drought and famine. Because you care, we brought lifesaving assistance and life-changing support to people who are working hard to lift their families out of the most challenging situations. We invite you to take a few minutes to review these highlights of our work last year – and feel proud of the many ways you are helping the people who need your help most.

*Thank you.*

merci    аярлалаа    ありがとう    asante    thank you





## OUR WORK IN 2011

In 2011 Mercy Corps responded to the Horn of Africa's worst drought in 60 years and the worst natural disaster in Japan's history. We brought lifesaving humanitarian supplies and assistance to help people get through the darkest days of these crises and begin to rebuild their lives. We also provided support to the people of the Middle East and North Africa, where a wave of popular uprisings in several countries – the Arab Awakening – sparked new hope in the hearts of long-repressed people.



In 41 countries, we helped mothers, fathers and children cope with the toughest challenges and become better able to provide for themselves. We partnered with the people we serve to help them recover from disasters and conflicts, secure peace, grow more food, improve their health, educate and protect their children and start businesses.

Each place is, of course, unique. Mercy Corps partners with local people to understand their needs and priorities. We listen to their ideas and work together to develop the most sustainable solutions. We provide the tools and resources, while they provide the energy and determination to build a better life.

Opposite, top: Afghanistan – Andrea Koppel-Pollack/Mercy Corps  
Opposite, bottom: Japan – Christopher Cabatbat/Mercy Corps  
This page: DR Congo – Cassandra Nelson/Mercy Corps

*ju falenderoj*

спасибо

thank you

감사합니다

mèsi

*gracias*

terima kasih

رکشت

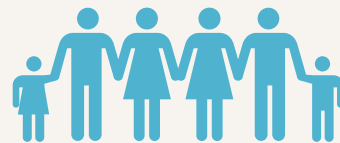


## HOW YOUR SUPPORT CHANGED LIVES IN 2011

### PROVIDED EMERGENCY



TO HELP  
**1.5 MILLION**  
PEOPLE  
survive  
the Horn of Africa's  
worst drought in  
**60 YEARS.**



AIDED **148,000**  
PEOPLE IN JAPAN

as they recovered from the devastating earthquake and tsunami. **We provided emergency supplies, including tents, blankets and water,** helped children with emotional support, sports and art programs, and are now focusing on helping businesses resume operation.

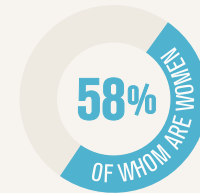
**Delivered critically needed food aid to 290,700 people** – and

helped farmers grow more food – in Congo, Colombia, Ethiopia, Guatemala, Haiti, Niger and Uganda.



We helped hardworking entrepreneurs in impoverished countries to build businesses that support their families.

OUR NETWORK OF  
**9** microfinance  
INSTITUTIONS  
served  
**290,559**  
CLIENTS.



AVERAGE  
LOAN SIZE  
**\$1,237**

### IN SOMALIA



BUILT AND REHABILITATED  
**764 CLASSROOMS**  
FOR CHILDREN 5 TO 13 YEARS OLD  
ALLOWING **41,000 CHILDREN**  
TO ATTEND PRIMARY SCHOOL.

Provided  
**210,000 PEOPLE**  
with access to safe drinking



— and —  
**42,000**  
with access to basic sanitation.



Helped **1.1 MILLION**  
PEOPLE CONTINUE  
TO REBUILD after the  
massive 2010 Haiti earthquake.



## HORN OF AFRICA

The severe drought and food shortages in the Horn of Africa became the world's worst humanitarian crisis, threatening the lives of 13 million people. To help the people of this desperate region, Mercy Corps expanded our existing programs in Ethiopia, Kenya and Somalia. We provided emergency water, food, shelter and medical care to help 1.5 million people survive. We're working to protect the most vulnerable people, restore communities and their livelihoods – and, going forward, to help people strengthen their resilience against future cycles of drought.

Ethiopia – Bija Guttoff/Mercy Corps



## Sahane's Story

**Mercy Corps' mobile health clinics helped 46,500 malnourished children survive the drought in the Horn of Africa. Sahane was one of them.**

When Istohil Sheik Ahmed Abdi brought 9-month-old Sahane to the Mercy Corps mobile clinic in her area, she hoped to learn why her son was so weak. The baby cried constantly, was vomiting and refused to nurse. He had a high fever.

Istohil and her family live as pastoralists, relying on their animals for milk and income. The drought had killed all their livestock except one camel. They were so poor that Sahane had no clothes. He weighed less than 7 pounds.

The Mercy Corps team quickly examined Sahane and told Istohil she needed to accompany her son to our stabilization center in Gashamo, where the sickest babies are taken in for a few days of intensive care. The goal is to get them strong enough to survive and benefit from further treatment.

Istohil dropped everything and traveled with Sahane to the stabilization center in a Mercy Corps vehicle. There he received fortified milk, antibiotics, vitamins,

deworming medication and, eventually, Plumpy'nut, a high-protein therapeutic paste made from peanuts.

One week later, Sahane had gained almost a pound. His mom was pleased with his progress. "I am very thankful to Mercy Corps," she said. "I lost hope that he would survive, and you have saved my child. You gave my baby a second life, and I feel more love for him than ever before."



## ARAB AWAKENING

Mercy Corps is responding to the unprecedented awakening in the Middle East and North Africa. During this period of political and social upheaval, we're working in Egypt, Libya, Tunisia and Yemen to respond to humanitarian needs, support the transition to more democratic societies, teach conflict management and boost economic development. We're promoting civic engagement and comforting children traumatized by conflict. We're teaching young people job and leadership skills – and helping them connect to their peers around the world so they can work together to make positive contributions to their communities.

Libya – Cassandra Nelson/Mercy Corps

## JAPAN

After the massive 9.0 earthquake and tsunami devastated coastal areas of northeastern Japan, Mercy Corps responded. Working with our local partner agency Peace Winds Japan, we brought relief and recovery to people whose homes were flattened or swept away and who were forced to take refuge in shelters. In the weeks after the disaster, our team focused on providing relief items – food, water, clothes, blankets, tents, tarps, heaters and school and hygiene supplies – to survivors. Our projects helped support 148,000 people. Once their immediate needs were met, our team shifted its focus to helping people restart small businesses and local industries, like fishing. We also helped children heal from the trauma through art, play and sports.

Japan – Christopher Cabatbat/Mercy Corps



# MERCY CORPS FINANCIAL STATEMENT

You can find our complete financial statement at [mercycorps.org/financials](http://mercycorps.org/financials)

## Audited U.S. Financial Summary

Mercy Corps Consolidated U.S. Operations: Condensed Summary of Support, Revenue and Expenses (in U.S. dollars) for the year ending June 30, 2011

	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>						
Public Support and Revenue	209,533,979	---	209,533,979			
Private Support and Revenue	30,540,569	29,617,121	60,157,690			
Other Revenue	31,751,087	5,500	31,756,587			
Released from Restriction	31,311,314	(31,311,314)	---			
<b>Total Support and Revenue</b>	<b>303,136,949</b>	<b>(1,688,693)</b>	<b>301,448,256</b>			
<b>Non-Operating Revenue and Expenses, Net</b>				<b>1,328,547</b>	<b>---</b>	<b>1,328,547</b>
<b>Total Expenditures</b>				<b>294,816,030</b>	<b>---</b>	<b>294,816,030</b>
<b>Change in Net Assets</b>				<b>8,320,919</b>	<b>(1,688,693)</b>	<b>6,632,226</b>

## Expenditures

### Program Services

Humanitarian Assistance - Relief	65,695,304	-	65,695,304
Humanitarian Assistance - Recovery	42,647,217	-	42,647,217
Livelihood/Economic Development	81,624,330	-	81,624,330
Civil Society	47,973,805	-	47,973,805
Health	17,841,230	-	17,841,230
<b>Subtotal: Program Services</b>	<b>255,781,886</b>	<b>-</b>	<b>255,781,886</b>

### Support Services

General and Administration	27,664,414	-	27,664,414
Resource Development	10,041,183	-	10,041,183
<b>Subtotal: Support Services</b>	<b>37,705,597</b>	<b>-</b>	<b>37,705,597</b>

## Condensed Statement of Financial Position

	June 30, 2011	U.S.	U.S. and Global
<b>Total Assets</b>		<b>230,198,748</b>	<b>250,392,996</b>
<b>Total Liabilities</b>		<b>143,748,116</b>	<b>160,656,407</b>
<b>Net Assets</b>			
Unrestricted		52,933,308	54,786,876
Temporarily Restricted		33,497,324	34,929,713
Permanently Restricted		20,000	20,000
<b>Total Net Assets</b>		<b>86,450,632</b>	<b>89,736,589</b>
<b>Total Liabilities and Net Assets</b>		<b>230,198,748</b>	<b>250,392,996</b>

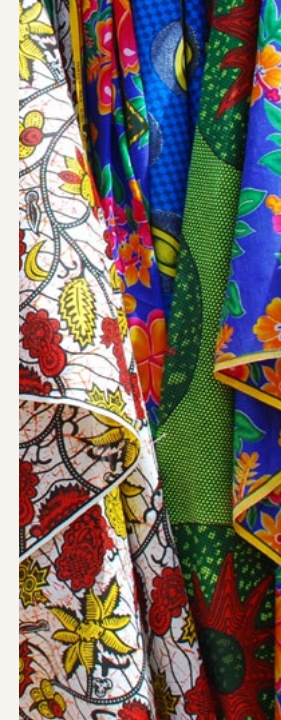
## Global Financial Summary

Mercy Corps U.S. and Global Partners: Support, Revenue and Expenses (in U.S. dollars) for the year ending June 30, 2011

	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>			
Mercy Corps Scotland	2,648,552	37,229,810	39,878,362
Mercy Corps U.S.	257,487,248	29,622,621	287,109,869
Mercy Corps U.S. Material Aid	14,338,387	---	14,338,387
Released from Restriction, Net	30,769,418	(30,769,418)	---
<b>Total Support and Revenue</b>	<b>305,243,605</b>	<b>36,083,013</b>	<b>341,326,618</b>
<b>Expenditures</b>			
<b>Program</b>			
Mercy Corps Scotland	1,825,956	37,438,728	39,264,684
Mercy Corps U.S.	255,781,886	---	255,781,886
<b>Total Program</b>	<b>257,607,842</b>	<b>37,438,728</b>	<b>295,046,570</b>
<b>Support Services</b>			
General and Administration	27,869,231	---	27,869,231
Resource Development	10,356,625	9,046	10,365,670
<b>Total Support Services</b>	<b>38,225,856</b>	<b>9,046</b>	<b>38,234,902</b>
<b>Non-Operating</b>	<b>459,230</b>	<b>(8,952)</b>	<b>450,278</b>
<b>Total Expenditures</b>	<b>296,292,928</b>	<b>37,438,822</b>	<b>333,731,750</b>
<b>Net</b>	<b>8,950,677</b>	<b>(1,355,809)</b>	<b>7,594,868</b>

## BOARD OF DIRECTORS

Linda Mason, *Chair*  
 Robert D. Newell, *Treasurer*  
 Anita Bekenstein  
 Scott Brown  
 Gun Denhart  
 Phyllis Dobyns  
 Jock Encombe  
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 Rick Little  
 Mike Maerz  
 David Mahoney  
 Daniel W. O'Neill  
 Dana Priest  
 Henry P. Vigil  
 Melissa Waggener Zorkin




## OUR MISSION

Mercy Corps exists to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities.

## USING YOUR GIFTS WISELY

### Efficient and Accountable

Over the last five years, we have used 88 percent of our resources for programs that help people in need around the world.

 = Humanitarian programs: 88%  
= Fundraising and administration: 12%

### How You Can Change Lives

Your support makes a life-changing difference to families in need. Please call us at 888.842.0842 or visit [mercycorps.org](http://mercycorps.org) to make a financial contribution.

### Charity Navigator

Mercy Corps received four out of four stars from Charity Navigator, the premier American charity evaluator, for our responsible stewardship of donor funds.



## WORLDWIDE PROGRAMS

Afghanistan // Central African Republic // China // Colombia // Democratic Republic of the Congo // Egypt  
Ethiopia // Georgia // Guatemala // Haiti // India // Indonesia // Iraq // Japan // Jordan // Kenya // Kosovo  
Kyrgyzstan // Lebanon // Liberia // Libya // Mongolia // Myanmar // Nepal // Niger // North Korea (DPRK)  
Pakistan // Philippines // Somalia // South Sudan // Sudan // Syria // Tajikistan // Timor-Leste // Tunisia  
Uganda // United States // West Bank and Gaza // Yemen // Zimbabwe

Front cover: Ethiopia – Chip Carter/Mercy Corps; Back cover: Nepal – Miguel Samper for Mercy Corps  
Front inside cover (clockwise from bottom left): Central African Republic – Cassandra Nelson/Mercy Corps;  
Afghanistan – Cassandra Nelson/Mercy Corps; Guatemala – Jamie Grant for Mercy Corps  
This page: Ethiopia – Thatcher Cook for Mercy Corps

Thank you Mercy Corps!  
You brought us through  
the drought and up to  
the rainy season.

MINHAI, KENYA  
BENEFICIARY







## Contact Us

### Global Headquarters

45 SW Ankeny Street  
Portland, OR 97204  
800.292.3355 tel  
info@mercycorps.org  
mercycorps.org

### European Headquarters

40 Sciennes  
Edinburgh EH9 1NJ  
Scotland, UK  
+44(0)131.662.5160 tel  
info@mercycorps.org.uk  
mercycorps.org.uk



### Mixed Sources

Product group from well-managed  
forests, controlled sources and  
recycled wood or fiber  
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