1999

War. Hunger. Inequality.


Commitment.

In 1999, Mercy Corps helped make the world stronger and better for those most in need. Our mission remains unshaken — to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities.
Dear Friends and Partners,

The 20th Century ended with a troubling dichotomy at work in the world — on one hand, unprecedented prosperity, on the other, a spiral of war, poverty and oppression. In fact, the final 14 months of the century seemed to bring both aspects into even sharper focus. Western economies boomed, and technological advances created unimaginable new wealth. But in Kosovo, Chechnya, Indonesia and elsewhere, ethnic conflicts wrought havoc and terror. In Honduras, Turkey, Venezuela, and North Korea, natural disasters left millions in desperate need. And for the 1.2 billion people that live on one dollar per day or less, access to food — not the Internet — remained the defining struggle of daily life.

Amid these shock waves of suffering, Mercy Corps delivered more assistance to more people than ever before. In 1999, we provided more than $90 million in humanitarian aid to 4 million people in 25 countries. The value of our programs increased 65 percent, thanks to record support from our network of individual, corporate, foundation and government partners worldwide. Donors who see the wisdom of investing their dollars — their social venture capital — in the most difficult humanitarian situations have clearly demonstrated confidence in the ability of the Mercy Corps family to deliver. This family includes Mercy Corps Scotland (formerly Mercy Corps Europe/Scottish European Aid), our Edinburgh-based headquarters in Europe, and Pax World Service, a leader in educational delegations and peace and social justice projects. Pax, which teamed with Mercy Corps two years ago, is supported by investors in the Pax World Fund Family, the world’s first socially responsible investment fund.

Throughout the year, Mercy Corps sought to not merely respond to disasters, but to expand our role as social entrepreneurs. The world’s pressing needs for emergency relief, livelihood strategies and civil society initiatives require fluid responses and decisive action. We must serve hurting families and shattered communities thoughtfully, yet expeditiously. The margins are thin, the stakes high.

Our advance placement in flashpoints like Kosovo and North Korea, for example, has proven prescient in tackling tough humanitarian crises, and putting Mercy Corps in a leadership position on numerous geographical fronts. In every country where we work, we see ourselves as a bridge of knowledge, resources and ideas — a bridge that must be travelled both ways. We are committed to long-term solutions that tackle problems at the root, pioneer innovative strategies, and build strong, local capacity. With this in mind, we launched new development initiatives in Indonesia, Turkmenistan and Mongolia in 1999.

The gifts entrusted to Mercy Corps unleash a spirit of change and hope in every community where we work. This Annual Report captures that spirit and the sheer determination behind it — those who showed immense courage in the face of inordinate challenges. Each time we participate in the many ways people transcend their misery to change their lives and help others, we emerge better members of the human family, renewed in our commitment to create lasting change, and to make communities more secure, productive and just places.

The other heroes are the staff of Mercy Corps and many other fine organizations who operate on the front lines of suffering, poverty and oppression, day in and day out, often at great personal risk and with few comforts. Their leadership and dedication is highlighted in this Report. Our heartfelt appreciation goes to the “investor” — each donor, partner, volunteer, staff and friend, without whom our global operations are simply not possible. Together, we can celebrate sharing $450 million in assistance with 72 nations over two decades. And together, we must meet the challenges of the new century — to use our creativity and compassion to improve life for people in need around the world.

We are doing the things that matter most.

Dan W. O’Neill
President and Co-Founder

Neal L. Keny-Guyer
Chief Executive Officer
Kosovo — Recovering from Conflict

The plight of the Kosovar refugees shocked us all in 1999. More than 800,000 ethnic Albanians, mostly women, children and the elderly, were forced from their homes — often at gunpoint. As most of the Kosovar refugees returned, they found little remaining of their previous lives. Homes and villages were destroyed, livestock slaughtered. But today, despite ongoing tensions and political uncertainty, Kosovo is a region actively rebuilding itself.

Because Mercy Corps had been working in Kosovo since 1993, when the war began, we were in an excellent position to mobilize quickly and efficiently. Despite the need for immediate emergency relief, we never lost sight of our larger goal in Kosovo — to link all emergency assistance from the outset to long-term economic recovery efforts.

Long before the refugees returned, we recognized that our top priority would be to help Kosovars rebuild their homes and livelihoods. Understanding early on the necessity to form a creative link between the lack of material goods and the economic need to rebuild the nation, Mercy Corps’ Kosovo Small Enterprise Development Program began providing loans to get small businesses up and running as early as October 1999. These loans continue to be repaid in goods and services that further benefit local communities.

Food distribution and security was another issue we linked to long-term planning and strategies. Mercy Corps’ Agriculture Recovery Program provided early support to farmers by replacing livestock and farm equipment, and distributing winter wheat seed for a spring harvest. At the same time, thanks to Mercy Corps’ pre-war Kosovo food distribution network, we were able to begin rapid emergency food relief before most of the residents had returned. This food allocation was quickly supplemented by bakeries that Mercy Corps helped rebuild.

The road back to civil health in Kosovo will be long and arduous. Mercy Corps’ programs — which local communities help design and implement — help ensure that real needs are met and lessen Kosovo’s dependence on outside assistance.

Mercy Corps Programs in Kosovo in 1999

- Mercy Corps pre-positioned 13,000 metric tons of emergency food for distribution inside Kosovo as soon as the war ended. We continue to distribute monthly rations and other emergency supplies to more than 180,000 people.
- Mercy Corps’ Small Enterprise Development Program loaned almost $500,000 to small businesses that produce reconstruction materials or assist the agriculture sector.
- Mercy Corps’ Agriculture Recovery Program helped farmers in western Kosovo address long-term food security by planting winter wheat for a spring harvest. Tractors, greenhouse kits and cow and chicken feed were distributed to more than 50,000 people.
- Mercy Corps’ Kosovo Women’s Health Promotion Project is improving health care services for 8,100 women and infants through community education and partnerships with local health professionals.
C AUGHT IN THE T URM OIL OF W AR

before the war, Muhamet Ramcaj, like his father and grandfather before him, had a successful carpentry business in western Kosovo that supported his family. When the family was forced to flee to Montenegro in April 1999, Muhamet thought he would never see his home and workshop again.

The Ramcaj family lost everything in the war. Home, carpentry tools, the workshop — all gone, and with them went a way to make a living. The only piece that survived was the worktable where Muhamet had learned to make windows and doors.

Muhamet and his sons rebuilt their house where 27 people now live. Eager for himself and his sons to rebuild their business, Muhamet attended a community meeting in the fall of 1999. There he learned about Mercy Corps’ Small Enterprise Development (SED) program.

The innovative SED program helps revitalize local economies and create jobs by providing credit to small Kosovo businesses. With assistance from a Mercy Corps credit officer, Muhamet drew up a business plan and applied for a loan. His repayment terms include both a commitment to manufacture doors and windows for vulnerable families, and cash payments that go directly to a revolving fund financing new SED loans.

Because of Mercy Corps’ SED program, Muhamet and his sons have been able to replace their machines, purchase raw wood and once again manufacture products to sell. Muhamet talks about how the work is progressing, how sales are. He looks at his new wood, purchased with his Mercy Corps loan. Muhamet murmurs thanks to God and then thanks to Mercy Corps. “That is Mercy Corps’ wood,” he says with a smile. “More importantly — that wood is our future.”

M arch 1999 — a day began in Pec/Peja, much like any other for Mercy Corps employee Xhevdet Spahia. Until noise on the street caused him to run to the second floor window. Dozens of policemen were filing out of the station farther down the block. “They’re coming, get ready!” he yelled to some of his relatives. They grabbed their money and documents and fled.

It took the family — along with thousands of other refugees — a full day to reach Albania’s capital, Tirana. Days later, Xhevdet hooked up with Mercy Corps’ relief team and was promoted to senior food monitor, working 20-hour days to get food to a dozen collective centers packed with hungry and distressed refugees.

When the bombing ended in June, Xhevdet returned to Peja at the head of Mercy Corps’ first food convoy into the city. Peja, perhaps the hardest hit during the war, was destroyed beyond imagination. Xhevdet’s home was reduced to rubble. The city was deserted. Xhevdet wandered the strangely quiet streets, past buildings still burning, searching for his father and brother and fearing the worst.

In the late afternoon, he heard a familiar voice call his name. It was his brother — quite alive though haggard with exhaustion, half smiling, half crying, in the empty street.

Xhevdet continues to work for Mercy Corps’ new Small Enterprise Development program. He is helping all kinds of businesses, from paint and glue production to sofa manufacturing, get started and provide jobs and services to the community. In this way, he’s helping rebuild his homeland.

Xhevdet won’t talk about his own long-term plans. He saw those plans vanish that sunny morning in March 1999. Xhevdet has dreams, but holds on to them tightly, having learned that everything can change in an instant.

Kosovo

M UHAMMET’S ST ORY

BEFORE THE W AR,
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THOUGHT HE WOULD NEVER SEE HIS HOME AND WORKSHOP AGAIN.

THE RAMCAJ FAMILY LOST EVERYTHING IN THE WAR. HOME, CARPENTRY TOOLS, THE WORKSHOP — ALL GONE, AND WITH THEM WENT A WAY TO MAKE A LIVING. THE ONLY PIECE THAT SURVIVED WAS THE WORKTABLE WHERE MUHAMET HAD LEARNED TO MAKE WINDOWS AND DOORS.

MUHAMET AND HIS SONS REBUILT THEIR HOUSE WHERE 27 PEOPLE NOW LIVE. EAGER FOR HIMSELF AND HIS SONS TO REBUILD THEIR BUSINESS, MUHAMET ATTENDED A COMMUNITY MEETING IN THE FALL OF 1999. THERE HE LEARNED ABOUT MERCY CORPS’ SMALL ENTERPRISE DEVELOPMENT (SED) PROGRAM.

THE INNOVATIVE SED PROGRAM HELPS REVITALIZE LOCAL ECONOMIES AND CREATE JOBS BY PROVIDING CREDIT TO SMALL KOSOVO BUSINESSES. WITH ASSISTANCE FROM A MERCY CORPS CREDIT OFFICER, MUHAMET DREW UP A BUSINESS PLAN AND APPLIED FOR A LOAN. HIS REPAYMENT TERMS INCLUDE BOTH A COMMITMENT TO MANUFACTURE DOORS AND WINDOWS FOR VULNERABLE FAMILIES, AND CASH PAYMENTS THAT GO DIRECTLY TO A REVOLVING FUND FINANCING NEW SED LOANS.

BECAUSE OF MERCY CORPS’ SED PROGRAM, MUHAMET AND HIS SONS HAVE BEEN ABLE TO REPLACE THEIR MACHINES, PURCHASE RAW WOOD AND ONCE AGAIN MANUFACTURE PRODUCTS TO SELL. MUHAMET TALKS ABOUT HOW THE WORK IS PROGRESSING, HOW SALES ARE. HE LOOKS AT HIS NEW WOOD, PURCHASED WITH HIS MERCY CORPS LOAN. MUHAMET MURMURS THANKS TO GOD AND THEN THANKS TO MERCY CORPS. “THAT IS MERCY CORPS’ WOOD,” HE SAYS WITH A SMILE. “MORE IMPORTANTLY — THAT WOOD IS OUR FUTURE.”

XHEVDET’S ST ORY

A DAY BEGAN IN PEC/PEJA, MUCH LIKE ANY OTHER FOR MERCY CORPS EMPLOYEE XHEVDET SPAHIA. UNTIL NOISE ON THE STREET CAUSED HIM TO RUN TO THE SECOND FLOOR WINDOW. DOZENS OF POLICEMEN WERE FILING OUT OF THE STATION FARTHER DOWN THE BLOCK. “THEM S COMING, GET READY!” HE YELLED TO SOME OF HIS RELATIVES. THEY GRABBED THEIR MONEY AND DOCUMENTS AND FLEED.

IT TOOK THE FAMILY — ALONG WITH THOUSANDS OF OTHER REFUGEES — A FULL DAY TO REACH ALBANIA’S CAPITAL, TIRANA. DAYS LATER, XHEVDET HOOKED UP WITH MERCY CORPS’ RELIEF TEAM AND WAS PROMOTED TO SENIOR FOOD MONITOR, WORKING 20-HOUR DAYS TO GET FOOD TO A DOZEN COLLECTIVE CENTERS PACKED WITH HUNGRY AND DISTRESSED REFUGEES.

WHEN THE BOMBING ENDED IN JUNE, XHEVDET RETURNED TO PEJA AT THE HEAD OF MERCY CORPS’ FIRST FOOD CONVOY INTO THE CITY. PEJA, PERHAPS THE HARDEST HIT DURING THE WAR, WAS DESTROYED BEYOND IMAGINATION. XHEVDET’S HOME WAS REDUCED TO RUBBLE. THE CITY WAS DESERTED. XHEVDET WANDERED THE STRANGELY QUIET STREETS, PASS BUILDINGS STILL BURNING, SEARCHING FOR HIS FATHER AND BROTHER AND FEARING THE WORST.

IN THE LATE AFTERNOON, HE HEARD A FAMILIAR VOICE CALL HIS NAME. IT WAS HIS BROTHER — QUITE ALIVE THOUGH HAGGARD WITH EXHAUSTION, HALF SMILING, HALF CRYING, IN THE EMPTY STREET.

XHEVDET CONTINUES TO WORK FOR MERCY CORPS’ NEW SMALL ENTERPRISE DEVELOPMENT PROGRAM. HE IS HELPING ALL KINDS OF BUSINESSES, FROM PAINT AND GLUE PRODUCTION TO SOFA MANUFACTURING, GET STARTED AND PROVIDE JOBS AND SERVICES TO THE COMMUNITY. IN THIS WAY, HE’S HELPING REBUILD HIS HOMELAND.

B UT XHEVDET WON’T TALK ABOUT HIS OWN LONG-TERM PLANS. HE SAW THOSE PLANS VANISH THAT SUNNY MORNING IN MARCH 1999. XHEVDET HAS DREAMS, BUT HOLDS ON TO THEM TIGHTLY, HAVING LEARNED THAT EVERYTHING CAN CHANGE IN AN INSTANT.

MUHAMMET’S S TORY

CAUGHT IN THE T URM OIL OF W AR

XHEVDET’S S TORY

MERCY CORPS PROGRAMS IN KOSOVO IN 1999

MERCY CORPS PRE-POSITIONED 13,000 METRIC TONS OF EMERGENCY FOOD FOR DISTRIBUTION INSIDE KOSOVO AS SOON AS THE WAR ENDED. WE CONTINUE TO DISTRIBUTE MONTHLY RATIONS AND OTHER EMERGENCY SUPPLIES TO MORE THAN 180,000 PEOPLE.

MERCY CORPS’ SMALL ENTERPRISE DEVELOPMENT PROGRAM LOANED ALMOST $500,000 TO SMALL BUSINESSES THAT PRODUCE RECONSTRUCTION MATERIALS OR ASSIST THE AGRICULTURE SECTOR.

MERCY CORPS’ AGRICULTURE RECOVERY PROGRAM HELPED FARMERS IN WESTERN KOSOVO ADDRESS LONG-TERM FOOD SECURITY BY PLANTING WINTER WHEAT FOR A SPRING HARVEST. TRACTORS, GREENHOUSE KITS AND COW AND CHICKEN FEED WERE DISTRIBUTED TO MORE THAN 50,000 PEOPLE.

MERCY CORPS’ KOSOVO WOMEN’S HEALTH PROMOTION PROJECT IS IMPROVING HEALTH CARE SERVICES FOR 83,000 WOMEN AND INFANTS THROUGH COMMUNITY EDUCATION AND PARTNERSHIPS WITH LOCAL HEALTH PROFESSIONALS.

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Lebanon – The Dynamics of Change

Lebanon’s ethnically diverse history dates back some 5,000 years. The country has a strong tradition of flourishing, multicultural social movements, which often cut across religious and political lines. But in the 1970s and 80s, a brutal civil war split the Muslim and Christian communities. Thousands died, and the country’s infrastructure was left in ruins.

Mercy Corps has worked with rural communities in Lebanon to create a healthy and sustainable environment since 1995. Given Lebanon’s rich civic culture, Mercy Corps introduced innovative, long-term development plans based on a “cluster” model. This approach entails grouping programs in specific geographical areas in need of similar infrastructure rehabilitation, instead of initiating projects one at a time.

Mercy Corps solicits input and recommendations directly from the communities involved in the cluster projects. People of different ethnicities and religions play an active role in both planning and implementing program activities such as agricultural improvement, school and road construction, and providing training to increase economic opportunities. The cluster projects are also partially funded by the participants, ensuring both the projects’ initial success and their long-term continuation after Mercy Corps withdraws.

Mercy Corps’ commitment to the fundamentals of civil society principles extends throughout all our programs in post-war Lebanon. We recently held a Civil Society Empowerment Workshop designed to teach participants negotiation skills and conflict resolution. The result has been a monthly gathering of workers in the poor suburbs of Beirut to discuss issues directly affecting their lives — health, family, livelihood. Step by step, individual by individual, they are creating lasting democratic change. In this way, Mercy Corps is enabling Lebanese women and men, Muslims and Christians, to have a voice in the processes that shape their lives.

Mercy Corps Programs in Lebanon in 1999

- In 1999, through a regional approach called clustering, Mercy Corps improved 580 acres of agricultural land, installed sewage systems and constructed schools and roads throughout Lebanon, benefiting 14,600 families.
- Mercy Corps received major support to link civil society initiatives to sustainable development throughout Lebanon.
- Mercy Corps’ four-year Reconstruction and Expanded Economic Opportunities Program helps create a healthy, sustainable rural environment, enabling Lebanese farmers to stay on their land.
- Mercy Corps’ Integrated Livelihood Demonstration Parks provide training in new agricultural techniques that farmers can replicate on their own land.
Lebanon

Said Zaher is the Special Projects Manager in Mercy Corps' Beirut office. He is married with four children. He also supports his mother, who lives in Southern Lebanon. Said, who has a degree in agricultural engineering, oversees Mercy Corps' reconstruction projects in the Akkar area. He works hard and is meticulous; it shows in the success of his projects. Said meets with local village committees to promote community participation at all stages of project implementation, helping to ensure the sustainability of Mercy Corps' development efforts.

What initially drew Said to work for Mercy Corps was the common goal of promoting civil society initiatives and grassroots organizing to Lebanon’s varied social groups. During the 13-year civil war in Lebanon, Said’s work as a development specialist gave him a unique perspective. He was involved in many facets of grassroots community development and devised a new civic philosophy — utilizing the capacities of young people for voluntary community work.

Said is now putting his rich experience to work in rural areas where no other humanitarian organization has worked. These communities also had no prior experience with group civic work. Said’s respectful approach, effective negotiation skills and reputation as a man of great personal integrity are embraced by both fellow staff members and constituents.

Said’s hopes for Lebanon are lasting peace, true democracy and the fulfillment of real developmental goals that meet communities’ needs. He feels an inner peace when he is serving his country, and feels he can best do that through working with Mercy Corps.

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Lebanon

R adwa Kassar and her husband live in the town of Bebnine in Lebanon in an old two-room house with no kitchen or bathroom. They have nine children aged two to 17. Eleven mattresses are kept in a pile and pulled out for sleeping at night. Radwa’s husband often cannot find work, and does not earn enough to support the family.

Radwa became involved with Mercy Corps’ Basic Living Skills Program in 1998. The program empowers rural women through civil society initiatives, and addresses issues of health, nutrition, child care, and social and family relations. Mercy Corps also offers legal education regarding women’s civic rights and responsibilities.

Mercy Corps has provided new opportunities for Radwa. She now considers herself a person worthy of respect, an unusual notion for many women in rural Lebanon. She is currently sharing what she has learned with other women in Bebnine. Radwa believes she is entitled to her own ideas — and has a right to voice them. Self-esteem is important. But does it pay the bills? In this case, yes. Her practical skills and newfound confidence are enabling Radwa to gain employment and contribute to her family’s income. She looks forward to working at the Bebnine Ladies Cooperative, which will begin operations soon, thanks to Mercy Corps’ support.

Radwa’s daughter also participates in a Mercy Corps program, training to become a nurse’s aid. We are gratified to be able to offer Radwa, her daughter and other Lebanese women and their families an opportunity to pursue economic betterment and a more meaningful life.

RADWA’S STORY

SAID’S STORY

A Life Worth Living

Commitment in Action
Mercy Corps has two U.S. microenterprise programs, both located in Portland, Oregon, home to our international headquarters.

The Refugee/Immigrant Self-Employment (RISE) project was launched in 1998 to help political refugees and legal immigrants increase their economic self-sufficiency. By bringing together social service agencies, commercial banks and private businesses in innovative collaboration, refugees and immigrants in Portland can learn how to begin or expand a small business.

RISE’s seven-week Basic Business Training course focuses on how to create and implement business plans, obtain financing and understand legal requirements. In addition, one-on-one assistance is offered by RISE staff and community volunteers, which includes mentoring and free counseling from legal and tax specialists.

RISE also helps refugees and immigrants access capital through Mercy Corps’ Portland Entrepreneur Initiative loans, or by working with a RISE commercial banking partner for a larger loan request. This is very helpful to refugees and immigrants because they often lack access to credit and face language and cultural barriers.

Mercy Corps’ Portland Entrepreneur Initiative (PEI) began in late 1999, and provides microenterprise training and small business loans to low-income, women and minority entrepreneurs. PEI offers credit and technical assistance to participants with viable business plans, and brings together community development organizations, banks and businesses to respond to their needs.

PEI is currently the only lender in Portland that provides start-up business loans of under $25,000 to participants who would not ordinarily qualify for commercial banking loans. PEI also helps participants become “bankable,” offering assistance with stabilizing credit, organizing and maintaining business plans, and providing referrals and mentoring services.

These two U.S. programs enable Mercy Corps to give back to the Portland, Oregon, community. We are grateful to be able to assist RISE and PEI participants as they move towards economic self-sufficiency.

Mercy Corps’ RISE Basic Business Training class participants, Portland, Oregon

United States — Microenterprise in Action

Quotes from RISE participants:

- “RISE taught me how to register for a license, buy insurance and helped with my understanding of taxes.”
  Stanislav Moukhtarov, Uzbekistan immigrant

- “I learned how to start and manage a business, plus how to keep things legal.”
  Tigist E. Abe, Ethiopian immigrant

- “I found out more how a business is run, how careful you have to be about the financial part of the business.”
  Yelena Martinez, Kyrgyzstan immigrant

- “I understand more about accounting and business planning.”
  Tatyaeva Zorgaevady, Russian immigrant

- “I feel more secure in what I am doing like taxes, payroll, etc.”
  Irena Aspidov, Kyrgyzstan immigrant
like many Vietnamese refugees, Thu Nguyên Vo lived through much of Vietnam’s turbulent history. When he first arrived in Portland as a refugee in 1996, he had to start all over. In Vietnam, he ran a small photo processing business out of his home. In America, he found work inspecting tiles.

In the evenings, Thu would ask himself, “how can I have my own business and do what I love?” His first step was purchasing a Konica Nice Print photo processing system. It needed some repair, so Thu worked on the ten-year-old machine at night. “Sometimes I would try to sleep,” he said. “But in my mind I was still figuring out how to fix the photo developer.”

Finally, the machine was ready for use. But now Thu had new questions: How do I reach customers? What licenses and permits do I need? How do I work with banks? In Vietnam, he understood business laws and regulations. In a new country with a new language, it seemed an impenetrable mystery.

But help was closer than he thought. He saw an ad for RISE’s Basic Business Training class in a local Vietnamese newspaper and decided to enroll. In addition to the class presentations, Thu received one-on-one assistance at RISE. He obtained help in contacting Oregon’s Small Business Development Center and the Portland Licensing Bureau, and assistance in filling out appropriate licensing and zoning forms.

Thu cannot hide his joy at once again working for himself and running his own business — Pacific Photo Lab. He will soon face a difficult yet gratifying decision — whether to move his thriving new business out of his basement. We at Mercy Corps are pleased to have been able to assist Thu in his return to the work he loves.

Yung Lee was born in South Korea, but grew up in Uganda and New York. He earned an M.B.A. from New York University and joined the Peace Corps in 1994 to live and work overseas. His Peace Corps tenure in Albania and work for a humanitarian organization in Bosnia fulfilled Yung’s personal interest in discovering how former communist countries rebuild after a systemic collapse.

Yung serves as Project Manager of both RISE and PEI. For these small but growing Mercy Corps U.S. programs, that means managing staff, teaching finances for the RISE Basic Business Training classes, providing one-on-one technical assistance to immigrants, refugees, women and minorities, and conducting community outreach presentations. Yung also participates in fundraising for RISE and PEI, and project proposal writing.

Yung was attracted to Mercy Corps for several reasons. He was favorably impressed by Mercy Corps’ commitment to giving back to the community where it is headquartered. Working for Mercy Corps also satisfies Yung’s desire to assist varied groups of people, and allows him to pursue his interest in microenterprise programs.

Yung finds it rewarding to help budding entrepreneurs start or expand their businesses, and he enjoys the diversity of the clients at RISE and PEI — participants from 35 countries as well as minority and low-income Americans.

We at Mercy Corps value Yung’s commitment to these very important programs in our hometown.

Yung’s Story

Thu’s Story

Quotes from RISE participants:

“RISE taught me how to register for a license, buy insurance and helped with my understanding of taxes.”

Hamid Mkhtari, Uzbekistan immigrant

“I learned how to start and manage a business, plus how to keep things legal.”

Tajrat E. Abii, Ethiopian immigrant

“I found out more how a business is run, how careful you have to be about the financial part of the business.”

Yekine Maritino, Kyrgyzstan immigrant

“I understand more about accounting and business planning.”

Pavlyna Zagorsky, Russian immigrant

“I feel more secure in what I am doing like taxes, payroll, etc.”

Irena Aapirin, Kyrgyzstan immigrant
Afghanistan — Relief and Rehabilitation

Few agencies were working in rural southern Afghanistan — a Taliban stronghold — in the late 1980s. Few are there today. When Mercy Corps first began work in Afghanistan in 1986, we located our office in Quetta, Pakistan, in order to serve southern Afghan citizens and Afghan refugees in Baluchistan, Pakistan.

Afghanistan was then in the midst of a ten-year Soviet military occupation, followed by an eight-year civil war. As the Afghan infrastructure was laid to waste, three million people — one-third of the population — were displaced or fled to neighboring Pakistan. The need for health care for those who remained in Afghanistan, as well as those who fled, became overwhelming.

Hazarjuft Hospital, constructed by Mercy Corps, is located in southern Helmand province in Afghanistan. We ensure that women and girls have full access to medical care and health services by employing female medical staff. Currently the only full service, local hospital in the area, Hazarjuft Hospital provides inpatient and outpatient services, emergency care, ambulance service and an outreach vaccination program to its affiliated basic health units.

Community involvement lies at the heart of all Mercy Corps’ health services programs. Our basic health units in Baluchistan, Pakistan, involve Afghan refugees in organizing themselves as they build awareness of health-related problems and disseminate health information. Participants help support the health units through a fee collection system and revolving pharmaceutical fund.

Mercy Corps has also worked to repair the devastated southern Afghan infrastructure in exchange for reduced poppy production. With local government support, we have repaired underground irrigation waterways, roadways and wells.

As more refugees return to Afghanistan, Mercy Corps will continue to focus on improving health care and ensuring full access for women, while partnering with communities to improve agriculture, rebuild basic infrastructure and return the country to self-reliance.

Mercy Corps Programs in Afghanistan in 1999

- Mercy Corps created a system of hospitals, clinics and rural basic health units that provide maternal/child health care to more than 370,000 women and children in Afghanistan and Afghan refugee villages in Baluchistan, Pakistan.
- Mercy Corps helped more than 155,000 farmers produce more food through training in soil conservation, planting and harvesting methods, farm management and marketing.
- Mercy Corps distributed more than 120,000 fruit trees and other non-opium crops to more than 850 farmers, providing an economic alternative to poppy harvests.
- Mercy Corps distributed 340 metric tons of improved varieties of agricultural seeds to 22,400 people.
Afghanistan

Dr. Yasmin Hamidi has worked as a Community Development Coordinator for Mercy Corps since 1997. She was born and brought up in Kabul, Afghanistan, the daughter of an air force pilot and a teacher. Educated abroad, Dr. Yasmin, as she is called, returned to Kabul in 1991, but was forced to flee when the government fell in 1992. She has not yet returned home.

Dr. Yasmin is responsible for most of the work Mercy Corps does in health education and community development. She travels into Afghanistan to monitor health projects and gather information about women’s situations and access to services there.

“I know that through Mercy Corps I can especially help in the social development of women,” Dr. Yasmin says. “Few people want to be frank with women, or even with men, about issues concerning sexual health and abuse and their everyday lives. This work strengthens my relationship with the community and develops me as a person.”

It is not easy for a woman to work in this environment. On her way to a project site in late 1998, Dr. Yasmin’s vehicle was hijacked. Armed men kidnapped Yasmin, her driver and another female colleague. Eventually, they were dumped in the desert to find their own way back to the main road.

On a more regular basis, Dr. Yasmin has to deal with the suspicions of male colleagues regarding her respectability as a professional woman. Yet despite the hardships, she keeps on. “Someday, I want to go back to live in Afghanistan. I hope there will be peace, and we can eradicate all prejudice, whether it be ethnic, tribal or political.”

YASMIN’S STORY

BIBI’S STORY

Saranan is a refugee village in Pakistan. In the physical rehabilitation room at Mercy Corps’ basic health unit there, a covered head rises to reveal a young face with a huge smile. This is Bibi Lal. She is 15 years old, she thinks.

With Bibi Lal is her sister, four-year-old Bibi Hawa. Bibi Hawa suffers from hydrocephalus and cerebral palsy. She has delayed growth and development and can neither walk nor speak.

Before they became refugees, Bibi Lal, Bibi Hawa and their family had flocks of sheep and earned a decent living in Afghanistan. But they had to leave everything behind and flee when the fighting began.

Since then, an accident has left the girls’ father unable to work. Bibi Lal, her mother and younger sisters spin wool to make ends meet. In addition, Bibi Lal attends a home-based school for girls and brings Bibi Hawa to the health unit every day for physical therapy.

In the clinic, Bibi Lal squats on a mattress and exercises her sister’s legs. Bibi Lal explains, as she coaxes her sister to smile. “Before we started coming here, my sister could not move. With physical therapy, she has changed. Now she can sit up. She recognizes people, her eyesight has improved — and she laughs.”

Mercy Corps physiotherapists have taught Bibi Lal how to correctly exercise her sister. Without these daily exercises, Bibi Hawa would have no control over her limbs and her mental and physical state would deteriorate.

Bibi Lal picks up her sister and cuddles her. “Day by day, Bibi Hawa is getting better,” she says. Their session done for the day, Bibi Lal envelops Bibi Hawa in her own chadar, and they leave.

Bibi’s Story

A Doctor’s Dedication

Mercy Corps Programs in Afghanistan in 1999

- Mercy Corps created a system of hospitals, clinics and rural basic health units that provide maternal/child health care to more than 370,000 women and children in Afghanistan and refugee villages in Baluchistan, Pakistan.
- Mercy Corps helped more than 105,000 farmers produce more food through training in soil conservation, planting and harvesting methods, farm management and marketing.
- Mercy Corps distributed more than 130,000 fruit trees and other non-opium crops to more than 850 farmers, providing an economic alternative to poppy harvests.
- Mercy Corps distributed 540 metric tons of improved varieties of agricultural seeds to 22,400 people.
For centuries, Bosnia-Herzegovina has been a land where empires, cultures and religions overlap — sometimes peacefully, sometimes with terrible bloodshed. In 1992, as Yugoslavia collapsed, war and ethnic cleansing engulfed Bosnia, leaving 250,000 people dead and more than two million displaced from their homes. In addition, Mercy Corps’ Two-Way Minority Return and Multi-Ethnic Community Restoration Project works to integrate people back into their primary communities, reinforcing those neighborhoods’ original multi-ethnic composition.

But simply rebuilding houses and schools and providing loans is not enough. All the progress achieved could be destroyed in a few days if war broke out again. With that in mind, Mercy Corps integrated civil society principles into our programs to help give citizens a voice and to bridge gaps between ethnic groups. Our Bosnian Women’s Initiative facilitates dialogue and cooperation among women from all ethnic groups, while building the capacity of local women’s associations.

Mercy Corps’ powerful mixture of engineering, economic development and community regeneration programs provide workable alternatives to people devastated by conflict and strife. Our local team consists of Croat, Bosnian and Serb professionals of all faiths — a living embodiment of Mercy Corps’ principles in action. Mercy Corps’ long-term goals in Bosnia are to help communities rebuild, re-establish village economies, increase local food production and increase independence from humanitarian assistance. Ultimately, we hope to spin off these programs into successful local organizations — and leave Bosnia a peaceful, more democratic society.
Bosnia

I
n 1992, Zina Halilovic was forced to evacuate from her town of Modrica, Bosnia. This is her story.

"Before the war, my husband, baby son and I had a good life. Not especially luxurious, but stable and secure."

"Then the war came and changed everything.

"Soldiers were everywhere. Armored personnel carriers were in the streets. It was horrifying, a nightmare. I stayed until there was no electricity, food or water and we simply had to get out. All I took were my baby, his diapers and his bottle.

"At the age of 40 days, my little son became a refugee. We would not return to Bosnia until he was six.

"We wandered for years — first Tuzla, then Croatia, on to Hungary, finally settling in Germany. But I longed to return to Bosnia.

"In 1997 we finally came back. I immediately joined the Women of Modrica Association to do something — anything — to help my country begin to rebuild. But it was really only when Mercy Corps' Bosnian Women’s Initiative began that things started to move forward.

"Mercy Corps helped by providing funds to buy computers that all three Modrican ethnic groups — Bosnians, Croats and Serbs — would use together.

"It was clear that our aim was reconciliation. People who had not seen each other for years met again at the computer training. Friendships that had been torn apart were re-established. People of all ethnic backgrounds began visiting each other again.

"This country does have a future — all barriers created during the war can and will be removed. But without the support and guidance of Mercy Corps, this project would not have been possible."

A REMARKABLE WOMAN

Trained as a civil engineer, Alenka Savic has worked for Mercy Corps since 1994. Alenka began working with Mercy Corps on our infrastructure programs, and is now our Bosnian Women’s Initiative Manager. Alenka is widowed and has two teenaged children.

Alenka was the moving force behind the original proposal for the Initiative, which has placed Mercy Corps at the forefront of reconciliation work in Bosnia. Her enthusiasm, drive and love for her work has really driven the success of the Initiative. Alenka is a remarkable woman who gives far more than she receives as she works with Bosnian women of all ethnic backgrounds.

Alenka’s war years were spent in Tuzla, which was caught in the middle of the hostilities. Fighting occurred the entire time. There was frequent shelling in Tuzla, and the streets were dangerous. Alenka cared for her family and survived as best she could. Often the town could not be supplied with food, water, clothing and other items. She provided for her family by gathering firewood and carrying water daily from nearby springs to her home. The safety of her children was paramount.

Throughout all these hardships, Alenka points out, most of the local people helped each other regardless of their ethnic background, and did the utmost to share the meager supplies they did have.

Alenka’s views on the future of her country reflect a realism that comes only from living through a civil war.

"This country does have a future — all barriers created during the war can and will be removed. But without the support and guidance of Mercy Corps, this project would not have been possible."

CREATING COMMUNITY

Mercy Corps Programs in Bosnia in 1999

- Mercy Corps’ multi-ethnic local Bosnian team maintains offices throughout the country, enabling our staff to be at the center of our areas of operations; this is critical in earning the trust of communities still recovering from war.
- Mercy Corps’ Bosnian Women’s Initiative (BWI) funds programs that assist women in Bosnia to lay the foundations of reconciliation and help provide for their families.
- Mercy Corps distributed more than 3,400 microcredit loans worth over $10 million to Bosnia entrepreneurs.
- In the last four years, Mercy Corps made repairs to over 4,000 houses and 80 collective centers, and we reconnected water systems and power lines in over 80 villages, towns and cities.

ZINA’S STORY

Mercy Corps Programs

ALENKA’S STORY

2002

2003
Civil Society — Grassroots Democracy at Work

We believe that only by incorporating civil society initiatives into relief and development programs can we assist people in building secure, productive and just communities.

In Honduras, a local citizens’ group engages in political lobbying and creates a process to hold elected officials accountable.

The Gobi News, Mercy Corps’ new business journal in Mongolia, provides farmers and cashmere herders with access to invaluable market information for the first time. Women in Bosnia come together in the spirit of peace and reconciliation. And in Lebanon, a poor farmer’s wife in a rural village realizes she has the right to voice her opinions.

In countries around the world, Mercy Corps’ programs help people fulfill mutual goals, become involved with their communities and governments, and take part in their economic betterment — civil society in action.

Since the late 1980s, Mercy Corps has been a leader in fostering and implementing civil society initiatives. An essential part of our organizational mandate, civil society covers a broad spectrum of interventions — promoting participatory government, strengthening local community groups and the private sector, and facilitating relations between all three societal segments.

Integrated within every Mercy Corps program are three principles that characterize successful civil society initiatives:

- Freedom of expression and assembly, access to accurate information, and access to those in power are pre-requisites for effective citizen participation in governance and community decision making.
- A transparent, public system of clear laws that apply equally to all, help ensure government accountability to all segments of society.
- Attitudes of tolerance, trust and respect for human rights are essential in order for communities to mitigate conflict and create peaceful change.

Government, the private sector and citizen associations — all are critical actors in the creation of a civil society. Mercy Corps’ civil society initiatives evolved out of our founders’ commitment to justice, equality and human rights — a commitment that remains stronger than ever as we head into the 21st Century.

“Mercy Corps started in the U.S. Agency for International Development’s Child Survival Grants Program in 1997, with no prior child survival experience. Now, the organization is an active and respected voice on child survival issues in the international community. Mercy Corps exemplifies what the USAID Child Survival Grants Program is all about — mobilizing one project to strengthen worldwide health efforts.”

Jobs, Income and Economic Security

We believe that economic vitality is a critical aspect of community stability, and that access to market rate loans can jump start local economies, foster entrepreneurs, increase household income and create jobs.

Mercy Corps considers economic development activities, including strong microenterprise programs, an institutional priority. Each year, Mercy Corps implements programs that disburse millions of dollars in loans to individuals and cooperative groups worldwide, often into revolving funds that enable the programs to continue into the future. Most importantly, each loan has the potential to dramatically change lives. A successful business means steady jobs and income for the owners and those they hire. Families can invest in better health care, shelter and education for their children.

In the transitional environments in which we work, often the most immediate priority is repair of the community, particularly restoration of economic health. Rather than focusing on poverty- alleviation, Mercy Corps’ microenterprise programs frequently concentrate on job creation via micro, small and medium sized business growth. By supporting local production, stimulating local communities, keeping goods and services affordable and helping to lessen dependence on imports, Mercy Corps contributes to communities’ overall economic and civic health.

In keeping with Mercy Corps’ commitment to introduce civil society initiatives into all our development practices, we consider progress on legal reforms, increased advocacy efforts, and the removal of regulatory barriers to economic development fundamental to achieving success.

Mercy Corps operates microcredit programs in the United States, Mongolia, Central Asia, the Balkans and Central America. We also provide a training program for women in Lebanon seeking to increase their economic self-sufficiency through self-employment.

Bringing the Future to Children and Families

We believe that access to professional health services and information is a basic human right.

At Mercy Corps, we regard adequate public health services to be key in building vital, robust and secure communities. Our health initiatives encompass a combination of emergency interventions and long-term development. In any given situation, there may be dual needs for both short-term intervention, such as emergency medical assistance, as well as long-term, community-based approaches to health education and disease prevention.

Mercy Corps’ Kosovo Women’s Health Promotion Project illustrates the twofold nature of our health care programming. The initial aim was to meet the immediate, urgent need for maternal and child health care after the war in Kosovo destroyed much of the region’s health care system. At the same time, we saw an opportunity to achieve long-term health benefits through community outreach efforts that teach women about health risks. Ultimately, 81,000 women and children in the Peja region of Western Kosovo will benefit from this project.

Mercy Corps’ four-year child survival project in Honduras both strengthens rural health services and provides community-based health education for mothers and other caretakers of young children. This project works to reduce immediate illness and death among 35,000 mothers and children in 162 rural communities by preventing pneumonia and diarrhea, while also educating caregivers about good nutrition and child-spacing.

Mercy Corps’ public health care programs currently reach more than 650,000 beneficiaries in Kosovo, Honduras, Montenegro, Azerbaijan, North Korea, Turkey and Pakistan/ Afghanistan. Our focus on health services continues to grow as our programs expand and new health needs are identified.

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At Senokos, we designed and implemented a Social Mobilization Program that enabled refugees to participate in making camp-wide decisions through democratically elected camp representatives. This program not only gave people a voice, but taught negotiation and awareness skills that will last long after the refugees have returned home.

In 1999, Mercy Corps also provided emergency assistance to people in North Korea, Albania, Macedonia, Kosovo, Montenegro, Turkey, Chechnya, Ingushetia and Venezuela.

Material Aid — Partners in Hope
We believe it is necessary to assist those in acute need with essential food, medicines and supplies before they can begin to move towards self-reliance and productivity.

No one can hope to achieve self-sufficiency if they are starving and homeless. Mercy Corps’ material aid program — the distribution of food, clothing, blankets, medicines and medical supplies, agricultural supplies and building materials — is an important part of our relief and development strategy. We meet immediate needs while laying the groundwork for private enterprise, health, education and civil society programs that will lead to economic independence.

Hundreds of thousands of children, elderly, handicapped and other disadvantaged persons have benefited from Mercy Corps’ material aid programs. Donors include governments, businesses, religious organizations and local humanitarian organizations that trust Mercy Corps to efficiently distribute aid to those who need it most.

Since 1980, Mercy Corps has distributed over $224 million worth of in-kind goods — including more than $37.5 million in 1999 — to countries in Central and Southeast Asia, Central and South America, the Middle East, the Balkans and Africa.

“Mercy Corps started in the U.S. Agency for International Development’s Child Survival Grants Program in 1997, with no prior child survival experience. Now, the organization is an active and respected voice on child survival issues in the international community. Mercy Corps exemplifies what the USAID Child Survival Grants Program is all about — mobilizing one project to strengthen worldwide health efforts.”

Where We Work

In 1999, the global resources of Mercy Corps and its partners totaled nearly $92 million. We managed 25 ongoing worldwide programs and delivered material aid to another ten countries, assisting 4 million people in need. This map shows where we work, as well as the headquarters of the partners that form the Mercy Corps family.

Worldwide Programs

East Asia
1. North Korea
2. The Philippines
3. Mongolia
4. Indonesia
5. Russia

Balkans
6. Bosnia-Herzegovina
7. Macedonia
8. Montenegro
9. Albania
10. Kosovo

Central and South Asia
11. Afghanistan
12. Kazakhstan
13. Kyrgyzstan
14. Pakistan
15. Tajikistan
16. Uzbekistan
17. Turkmenistan

Americas
18. Honduras
19. Nicaragua
20. United States
21. Venezuela

Middle East/Caucasus
22. Azerbaijan
23. Lebanon
24. Turkey
25. Ingushetia/Chechnya

The Mercy Corps Family

26. Mercy Corps (Portland, OR, U.S.A.)
27. Mercy Corps Scotland (Edinburgh, Scotland)
29. Mercy Corps Seattle (Bellevue, WA, U.S.A.)
30. Proyecto Aldea Global (Tiquisate, Honduras)
31. Proyecto Aldea Global Jinotega (Jinotega, Nicaragua)
32. MerciPhil Development Foundation (Manila, Philippines)

Material Aid

Mercy Corps provided material aid to the following ten countries. At present, we have no ongoing development programs in these countries.

- Colombia
- Cuba
- Dominican Republic
- Eritrea
- Ethiopia
- Guatemala
- Iraq
- Mexico
- South Africa
- Venezuela
Program Profiles

For more than two decades, Mercy Corps has reached out to save lives and empower people. We believe that humanitarian aid should be an investment in long-term development, rather than a one-time distribution of resources. To that end, we specialize in assisting countries in transition or plagued by civil, religious and ethnic strife. We help poor families find lasting solutions to poverty so they can break the cycle of dependence and increase their living standards. And we help lay the foundation for building dynamic communities where citizens participate, governments are accountable, and change happens peacefully.

In 1999, we launched new initiatives in Indonesia, Turkmenistan and Mongolia, and continued operations in 22 other countries around the world. The summaries that follow paint a picture of Mercy Corps’ development programs in action.

East Asia

North Korea — In 1999, Mercy Corps continued humanitarian efforts in North Korea, providing food and medical aid, agricultural rehabilitation and education/advocacy, and increasing interaction between North Korea and the United States. By providing seeds and fertilizers, Mercy Corps is supporting long-term agricultural rehabilitation in a nation now in its fourth year of critical food shortages. Mercy Corps also shipped $8.5 million worth of medical supplies and 120 metric tons of rice in 1999. In addition, under the leadership of Vice Presidents Ells Culver and Nancy Lindborg, Mercy Corps played a leadership role in the U.S. Private Volunteer Organization Consortium, a coalition of American aid agencies that monitored the distribution of 100,000 metric tons of U.S. government food commodities in 1999.

The Northeast Asia Project, a new Mercy Corps initiative directed by Dr. Ken Quinones, addresses the underlying causes of the humanitarian crisis. By encouraging North Korea to engage the world community on a broader basis, we hope to facilitate more sustainable development programs that will ultimately contribute to the nation’s economic revitalization.

Russia — Mercy Corps initiated the Assistance to Russian Orphans Program in Russia’s Far East in 1999. In collaboration with The European Children’s Trust and World Association of Children and Parents, this project supports local partner agencies in providing social services that enable Russian families to keep current and future children at home, and trains orphans in life skills. The number of orphans and abandoned children has increased to 600,000 during Russia’s difficult transition.

Indonesia — Economic collapse and political turmoil in Indonesia in 1998 caused nearly half the population to fall below the poverty line, and the ensuing social upheaval has seriously threatened the country’s stability. All Mercy Corps’ Indonesia programs address this reality, by integrating fundamental principles of a healthy civil society. Our initiatives are inclusive and adaptable and strengthen the capacity of citizens to identify and take action to alleviate the root causes of social problems. We also encourage nonviolent political and social solutions in Indonesia’s troubled provinces.

In 1999, Mercy Corps began a $3.5 million emergency food program that includes food-for-work projects in East and West Jakarta, as well as distributions to institutions and individuals unable to participate in food-for-work activities. Mercy Corps also began a $6.2 million program designed to increase food security for 500,000 Indonesians by

“Mercy Corps is a fresh and exciting humanitarian organization. It provides top quality emergency relief and development programs in an effective, cost-efficient manner. Mercy Corps’ record of achievement is truly outstanding.”

U.S. Senator Ron Wyden

Indonesian girls take shelter under a rice basket

Give someone a fish, they eat for a day.

Teach someone to fish, they eat for a lifetime.

But even teaching is not enough — everyone must have access to the pond.
Central and South Asia

Central and South Asia

Fergana Valley Regional Initiative —
Mercy Corps’ offices in the Central Asian Republics of Uzbekistan, Tajikistan and Kyrgyzstan are cooperating to identify the needs of communities in the Fergana Valley. This densely populated and fertile valley has been the center of ethnic and religious tensions since 1989. By working on tangible, community-oriented activities, Mercy Corps’ initiative will focus on a pro-active, regional and preventive approach in this area where every indicator is present for current and future conflict.

Afghanistan/Pakistan — Please see page 16.

Kazakhstan — Mercy Corps has been providing microcredit to small businesses and associations in Kazakhstan since 1992. In 1999, Mercy Corps began developing a local partner agency in Kazakhstan called “Asia Credit.” Mercy Corps partners with the United Nations Development Program and the Central Asian American Enterprise Fund (CAAEF), implementing small microcredit programs that focus on women, private farmers and entrepreneurs. Mercy Corps helps fund the microcredit programs through monetization of commodities in local markets.

Kyrgyzstan — When the Soviet Union collapsed, many former Central Asian states were left in disarray. With little history of civil and business law, commercial lending practices, community non-profit enterprises or private health care, Kyrgyzstan could easily have fallen into civil disruption.

Since 1994, Mercy Corps has engaged in a diverse array of activities in Kyrgyzstan, such as economic development, agricultural development, infrastructure repair and rehabilitation, large-scale engineering works, food distribution and food-for-work programs.

More than 139,000 people benefited in 1999, and through our partnership with the U.S. Department of Agriculture, Mercy Corps’ Women’s Microcredit Project boasts a 100 percent repayment rate. We’ve also collaborated on a microcredit project with CAAEF that has disbursed 443 loans for a total of $2,128,050.

Tajikistan — Mercy Corps expanded relief and development operations to three satellite offices outside the capital of Dushanbe in 1999, benefiting more than 200,000 people. Mercy Corps’ initiative will focus on a holistic approach in this area where every indicator is present for current and future conflict.

Mongolia — In 1999, Mercy Corps launched a five-year program to spur economic growth and develop a strong civil society in the vast Gobi region. The Gobi Regional Economic Initiative has started its own microenterprise lending institution to increase access to credit and to publish a business newspaper to provide accurate and timely information to entrepreneurs, farmers, cashmere herders and others. Mercy Corps also assists communities and herder associations to advocate for reform in Mongolian tax laws, a free press and changes in the banking system. Our partners in The Gobi Initiative are Associates in Rural Development, Inc., Pact and Land O’Lakes.

Philippines — MerciPhil, an affiliate of Mercy Corps, was created in 1991 and operates out of three regional offices in Bicol, Zamboales and Laguna Provinces. The agency has a unique blend of microenterprise, sustainable agriculture, health reform and economic improvement programs which benefit more than 6,000 families, plus numerous farmers’ cooperatives and villages. MerciPhil beneficiaries are low-income farm families, women, entrepreneurs and the urban poor.

Future conflict.

Turkmenistan — In 1999, administering a microcredit program in partnership with CAAEF, designed to support the transition to a market economy. The program targets entrepreneurs involved in pre-existing businesses and provides loans to individuals and groups needing capital to make their enterprises more successful. Additionally, Mercy Corps has partnered with a local organization, the Small and Medium Enterprise Development Agency, to provide technical assistance and business training.

Uzbekistan — Like Kyrgyzstan, Uzbekistan is a Central Asian state cast adrift after the collapse of the former Soviet Union. Mercy Corps began work there in 1994, focusing on microenterprise loans and strengthening business law and commercial lending practices. In 1999, Mercy Corps launched an institutional-strengthening and microcredit program that encourages the formation of independent, cooperative farmer groups provides technical assistance, and extends short-term loans to farmers, farmer groups and women. And as the Bukhurin Institutional Strengthening and Microcredit Program enters its fourth lending cycle, the credit fund boasts a 100 percent repayment rate, proving that agricultural lending can be successful in Uzbekistan’s heavily regulated economy.
Azerbaijan — Clinics, youth centers and microfuture plans include mobile medical program serves 26,000 people, and Mercy Corps currently works with blankets and winterized tents. Lies prepare for the harsh weather

Middle East/Caucasus

Turkey — In 1999, Mercy Corps provided emergency aid to thousands of earthquake survivors. By responding immediately to the devastating August earthquake, Mercy Corps was positioned to mobilize local resources during the second, smaller earthquake in November. In addition, as winter arrived and thousands remained homeless, we helped families prepare for the harsh weather with blankets and winterized tents. Mercy Corps currently works with local officials to provide public health for those still homeless. Our program serves 26,000 people, and future plans include mobile medical clinics, youth centers and microenterprise development.

Azerbaijan — More than 450,000 displaced persons, refugees and vulnerable people receive shelter, health care, microenterprise assistance and other aid as part of the program Mercy Corps manages in Azerbaijan. The Azerbaijan Humanitarian Assistance Program is a large umbrella grant funded by the U.S. Agency for International Development (USAID). Mercy Corps’ role is to develop, in close consultation with USAID, the humanitarian program strategy, to solicit proposals from — and to select — implementing partners, and to help ensure overall programming excellence. New initiatives started in 1999 include a strong focus on sustainable community health care and general development, community organization and mobilization, and microcredit and business advisory services. Project participants include refugees and a sizable population affected by the war with Armenia, including women, children and the elderly.

Lebanon — Please see page 8.

Ingushetia/Chechnya — War between Russian troops and separatists in Chechnya resumed in 1999, causing 250,000 Chechens to flee to neighboring Ingushetia. Mercy Corps was one of the few relief organizations early on the scene, providing emergency food, medicine and blankets to 10,000 people and potable water to 2,500 refugees.

The Balkans

Albania — Hundreds of thousands of Kosovar refugees fled to Albania during the NATO air strikes in the spring of 1999. Partnering with the United Nations High Commission for Refugees and the World Food Programme, Mercy Corps provided food and supplies to more than 40,000 beneficiaries in the Skhodra prefecture, and managed the Blace border transit camp. At the height of the war, Mercy Corps provided 25,000 meals to Kosovar refugees in Albania and 10,000 loaves of bread per day at 13 camps. Mercy Corps also successfully completed the rehabilitation of two schools and a children’s cultural center. Future plans in Albania include long-term programs for economic recovery and civil society development.

Bosnia-Herzegovina — Please see page 20.

Kosovo — Please see page 4.

Macedonia — During the NATO-Serbia conflict, Mercy Corps established a camp at Senokos providing food and shelter to more than 8,000 Kosovar refugees. Over six months, Mercy Corps provided food, blankets, clothing and shelter supplies to 75,000 Kosovar refugees and host families in Macedonia. The flood of refugees overwhelmed Macedonia and left behind significant environmental damage. Mercy Corps continues to assist Macedonian host families and other vulnerable groups, promoting local supply purchases to invigorate the economy.

Montenegro — In 1999, Mercy Corps continued providing bulk food to more than 40,000 Kosovar refugees and host families in Montenegro. With local partner agency Alter Modus, we are implementing a microlending program. Mercy Corps also instituted the Roma Community Health and Hygiene Awareness Program, which provides critical information on hygiene, disease prevention and nutrition to refugees from the underserved Roma ethnic group.

The United States — Please see page 12.

Venezuela — Devastating floods killed thousands and left many more homeless just before Christmas, 1999. Mercy Corps responded with emergency relief shipments and now is working with a local partner agency, Asociacion Civil Servicio de Apoyo Local (SOCSAL), to improve water and sanitation, health care, school rehabilitation and psychosocial services. The Venezuela Disaster Recovery Project supports leadership training and community organizations, thereby strengthening Venezuela’s civil society sector.

Kosovo

During the NATO-Serbia conflict, Mercy Corps established a camp at Senokos providing food and shelter to more than 8,000 Kosovar refugees. Over six months, Mercy Corps provided food, blankets, clothing and shelter supplies to 75,000 Kosovar refugees and host families in Macedonia. The flood of refugees overwhelmed Macedonia and left behind significant environmental damage. Mercy Corps continues to assist Macedonian host families and other vulnerable groups, promoting local supply purchases to invigorate the economy.

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Americas

Honduras — In the year following Hurricane Mitch, Mercy Corps and its local affiliate, Proyecto Aldea Global (PAG), helped 314,000 people in 300 communities with food, medical aid and reconstruction of rural roads, community water systems, and health centers. Twenty thousand people are employed under Mercy Corps/PAG’s food-for-work program, and our child survival project is helping mothers raise healthier children. Mercy Corps also has a civil society program in Honduras. In fact, the areas where Mercy Corps/PAG had implemented civil society programs recovered better and faster than other communities because people were trained to identify their needs, communicate them to local governments and advocate for action.

Nicaragua — In 1999, with local partner agency Proyecto Aldea Global Jinotega (PAGINO), Mercy Corps provided critical emergency and reconstruction assistance after Hurricane Mitch. Mercy Corps/PAGINO also launched a civil society strengthening program to foster community participation in local development.

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No single entity can meet the challenges of global disaster, poverty and oppression alone. This year, we are proud to honor the organizations that make up the Mercy Corps family. These special relationships are essential as we pursue our commitment to alleviating global suffering and poverty.

To you, our Mercy Corps supporters, compassion knows no borders. From Kosovo to North Korea, Uzbekistan to Mongolia, your generosity was overwhelming in 1999. Without each one of you, our work would simply not be possible.

As we pause to honor our many dedicated partners, we would like to renew our commitment to share mercy, justice and compassion around the world. With your help, we will continue to work to overcome hate, violence, poverty and despair.

Together, we are doing the things that matter most.

Thank you.

Acknowledgements

Mercy Corps Scotland (formerly Mercy Corps Europe/Scottish European Aid)

Scottish European Aid was founded in 1990 to assist children in Romanian orphanages. In 1992, Scottish European Aid started work in Bosnia, assisting in economic development and infrastructure rehabilitation. Scottish European Aid soon became a respected United Nations partner. Mercy Corps Europe was founded in 1993, initiating economic development programs in Central Asia. In 1996, the two organizations merged, ultimately becoming Mercy Corps Scotland.

The effect of the merger was to incorporate Scottish European Aid’s large Bosnia program into Mercy Corps’ work, and increase the range of geographical areas where Scottish European Aid’s experience and resources could be put to use. As the Edinburgh-based European headquarters of the Mercy Corps family, Mercy Corps Scotland is able to reach far more people in need throughout the world than would have been possible had Scottish European Aid and Mercy Corps not affiliated.

PAX World Service

After frequent work together overseas, Pax World Service formally affiliated with Mercy Corps in January 1998. With Mercy Corps’ emphasis on civil society initiatives and Pax’s interest in peace and reconciliation, the merger enhances both agencies’ commitment to advancing equality and social justice around the world.

Among its many humanitarian assets, Pax brings to Mercy Corps its expertise in mounting worldwide delegations and tours to promote international understanding. Citizen diplomacy groups in the Middle East, Cuba and other lands have proved such a resounding success that Mercy Corps’ countries in the Balkans and elsewhere will soon be added to the delegation roster.

The Mercy Corps/Pax merger also augments a unique relationship with the Pax World Fund Family’s socially responsible mutual funds. Pax World Fund shareholders are able to designate a portion of their investments to Pax World Service, helping to increase Mercy Corps/Pax’s support for those most in need worldwide.

Other Mercy Corps Family Members

As always, we will continue to seek out relationships with local organizations in the field, emulating our existing successful partnerships with Proyecto Aldea Global (PAG) in Honduras, Proyecto Aldea Global Jinotepe (PAGINO) in Nicaragua, and MerciPhil in the Philippines.
**Telling the Mercy Corps Story — A Special Tribute**

The worst of times often brings out the best in people. In 1999, donors around the world responded with overwhelming generosity to Hurricane Mitch survivors in Central America, the Kosovo refugee crisis, the earthquake in Turkey and other disasters. Mercy Corps’ central role in each crisis put us in the spotlight as never before. The New York Times, The Washington Post, National Public Radio (NPR), Public Broadcasting Service (PBS) and all major television networks interviewed Mercy Corps staff in 1999. Here are some highlights from a year of tragedy and triumph.

**A Generous Spirit**
Mercy Corps tripled its private fundraising in 1999 as donors responded to the immense human needs around the world. Individuals, foundations, corporations, religious groups and organizations donated $8.2 million in fiscal year 1999 — by far the largest total in the organization’s history.

**Northwest Television Stations Lead Kosovo Campaign**
When the crisis in Kosovo hit, Seattle’s KING 5 and Portland’s KOIN television stations rallied to the cause. KING 5 News sent its popular anchor, Jean Enersen, to Albania and Macedonia to cover the story. KOIN News Channel #8 sent Larry Shoop, an award-winning reporter. The news coverage, plus numerous airings centered on the Mission of Mercy theme, resulted in nearly $700,000 in gifts from donors across the region. Both stations are owned by the Belo Corporation, and sister stations in Spokane and Boise, and the Northwest Cable News Network also took part.

**Yahool!**
Mercy Corps’ online presence received a huge boost in 1999 when Yahool!, the most popular portal site on the web, donated more than $1 million in free banner advertising space during the crisis in Turkey. Traffic on the Mercy Corps website tripled overnight, and tens of thousands of dollars in gifts poured in.

**Ellsworth Culver Named Co-Founder**

**PFBS Features “Heroes of Hope”**

**CBS News/’Heroes of Hope” The Visionaries, the award-winning television series on PBS, produced a one-hour special report featuring Mercy Corps’ relief team in Kosovo. The documentary, titled Heroes of Hope, aired in more than 100 cities across the United States. The filmmakers accompanied Mercy Corps staff as they led the first food convoy back into Kosovo, capturing dramatic footage of burning villages and returning refugees. To order a copy, please call 1-800-292-3355, ext. 250.

**Mercy Corps’ tripled its private fundraising in 1999 as donors responded to the immense human needs around the world.**

**Volunteers in Action**
More than 200 volunteers and interns donated more than 6,600 hours of hard work and commitment to Mercy Corps in 1999, saving the organization tens of thousands of dollars — and providing immeasurable energy during a year filled with crises. Volunteers worked in every area of Mercy Corps’ operations in Portland, from fundraising and finance to Mercy Corps’ efforts in North Korea and throughout Northeast Asia, and responds to global emergencies when needed.

**“I have seen the inspiring work of Mercy Corps up close, under war conditions, helping refugees in extraordinarily challenging circumstances. Mercy Corps delivers high impact aid in humanitarian crises and in long-term development programs for disadvantaged people. I am very proud to be on the Mercy Corps team!”**

**Margaret Larson**

**Mercy Corps Corporation**

**Dr. Landrum Bolling**

**Dr. Landrum Bolling, Mercy Corps’ Director at Large, has put “citizen diplomacy” into action for more than 50 years as a journalist, author, university president and scholar.**

**Yahoo!**

**Mercy Corps’ online presence received a huge boost in 1999 when Yahool!, the most popular portal site on the web, donated more than $1 million in free banner advertising space during the crisis in Turkey. Traffic on the Mercy Corps website tripled overnight, and tens of thousands of dollars in gifts poured in.**

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Partners in Mercy

This year, Mercy Corps is pleased to honor our Partners in Mercy, who put their faith into action with generous gifts each month to help children and families in need.

More than 2,000 Partners in Mercy provide Mercy Corps with a predictable flow of private income to help us respond aggressively to disasters around the world, as well as implement longer-term projects that help people to help themselves.

The number of Partners has doubled in just four years as more donors find monthly giving the most convenient way to alleviate the suffering and poverty we encounter as we strengthen communities worldwide.

John Michael Talbott

John Michael Talbott is the world’s leading Catholic recording artist and Founder and Minister General of the Sisters and Brothers of Charity Marian community in Eugene, Oregon. No other individual has done so much for so many around the world, in partnership with Mercy Corps.

Founders Circle

Founders Circle members number 147, and give $2,500 or more annually. The Founders Circle Honorary Chair is Pat Boone — a humanitarian and philanthropist whose fulfilling career and personal life demonstrate an authentic, living faith.

Good Samaritan Society

Founded in 1998, the Good Samaritan Society has 716 members who annually give between $1,000 and $2,499.
Mercy Corps International — Stewardship Record

The resources of Mercy Corps’ global operations totaled nearly $92 million in fiscal year 1999 — the highest total in the organization’s 21-year history and nearly double the amount from fiscal year 1998. Significant growth in material aid, government grants, private funding and activities by all members of the Mercy Corps family enabled us to provide more relief and development assistance than ever before.

At the same time, even as Mercy Corps grew and expanded, we cut our overhead from 6.3 percent to 5.7 percent. Ensuring that resources are wisely spent is the cornerstone of our work.

Our Resources Were Spent

Who We Are
Mercy Corps exists to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities. Our 900 staff, volunteers and partners worldwide provide food, shelter, health care and economic opportunity to over 4 million people in 25 developing and emerging countries. In 1999, our global resources totaled nearly $92 million. Since 1979, we have provided more than $450 million in assistance to people in 72 nations.

Our Vision
Mercy Corps envisions a world in which acts of compassion overcome hate, violence, poverty and despair — a world where children experience a caring family, a nurturing community, a clean environment, love and the opportunity to fulfill their God-given potential.

Your Role
Your support can make a crucial and enduring difference in the life of a poor family. More than 94 percent of our resources go directly to programs that assist people in need. When you give a dollar to Mercy Corps, your gift is “leveraged.” We combine your gift with donated medical supplies, food, commodities and grants from governments, foundations and charities to multiply your donation more than 19 times. We call this “high-value giving.” There are many ways to put your ideals into action through Mercy Corps.

Contact us at 1-800-292-3355, ext. 250 for more information.

Giving monthly through our Partners in Mercy program.

Making a Corps Mercies Corporate, Church or Organizational Partner.

Making gifts of stock or real estate.

Including Mercy Corps in your will.

Socially responsible giving and travel opportunities through Pax World Service.

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Audited Financial Summary
Condensed Summary of Support, Revenue and Expenses for Mercy Corps’ global operations

Total Support and Revenue $ 91,976,741 $ 57,058,631 $ 38,020,680

Expenditures
Programs
Affiliate Expenditures $ 1,400,000 $ 729,569 $ 571,475
Projects: Africa/Latin America $ 13,964,000 $ 12,623,979 $ 5,896,024
Philex Development Funds, Inc. $ 220,000 $ 428,000 $ 370,179
Mercy Corps U.S. $ 32,495,145 $ 30,020,349 $ 14,331,454
Total Program $ 85,802,944 $ 52,979,007 $ 24,189,455

Support Services
General & Administration $ 2,733,634 $ 2,370,025 $ 1,118,715
Resource Development $ 2,421,643 $ 1,221,120 $ 1,118,715
Total Support Services $ 5,155,277 $ 3,591,145 $ 2,958,900

Total Expenses $ 75,374,221 $ 43,148,604 $ 31,121,579
NET $ 16,591,540 $ 13,907,027 $ 8,949,101

OURCES

Total Global Support Services 5.7% = I = Total Global Program 94.3% = II = Total Global Support Services 5.7%

Global Financial Summary
Revenue and Expenditures of Mercy Corps’ global operations

Affiliate Revenue $ 1,400,000 $ 729,569 $ 571,475
Projects: Africa/Latin America $ 13,964,000 $ 12,623,979 $ 5,896,024
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At the same time, even as Mercy Corps grew and expanded, we cut our overhead from 6.3 percent to 5.7 percent. Ensuring that resources are wisely spent is the cornerstone of our work, vision and strategy for future growth.

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