

2017

ANNUAL REPORT



TOGETHER, WE RISE

Every day, people around the world step up to daunting challenges. Mothers walk miles to find food for their children. Refugees flee conflict, determined to create new lives in unfamiliar places. Families work together to rebuild after disaster.

With your support, Mercy Corps is there to help people rise above crisis and emerge stronger.

In more than 40 countries, we connect people with opportunities to break through and lead the way forward for their families and their communities.

FREEAL, 15, AND HER FAMILY rely on fuel and supplies from Mercy Corps distributions after fleeing their home in Mosul, Iraq.

COVER: In Somalia, Mercy Corps is providing lifesaving relief to people displaced by drought and conflict.



Dear friend of Mercy Corps,

Nothing compares to the confluence of global crises we are witnessing. From Syria to South Sudan, Afghanistan to Nigeria, we see tens of millions of people forced to embark on a long, grueling search for safety. And, for the first time in decades, we see a rise in global hunger—last night, 815 million men, women and children went to bed hungry. In today's world, it's easy to see the impossible.

At Mercy Corps, we pride ourselves on seeing beyond tough challenges and discovering what is possible. And thanks to your partnership and support, we have helped people rise above—and move beyond—crisis. Together, we provided food to millions of people in the hardest-to-reach parts of the world—and helped farmers produce more crops and earn more income. Together, we connected thousands of families to emergency cash—and infused \$46 million into local economies.

Because of you, all of this, and much more, is possible. Thank you for your commitment to building a better world.

Onward,

A handwritten signature in black ink, appearing to read "Neal Keny-Guyer".

Neal Keny-Guyer, Chief Executive Officer

THANK YOU

Because of you, we're helping families around the world fight hunger, escape violent conflict, recover from disaster and build brighter futures.

On the following pages, meet a few of the people—like Enkh and his daughters seen here—who see new possibilities for a better life because of your generosity.

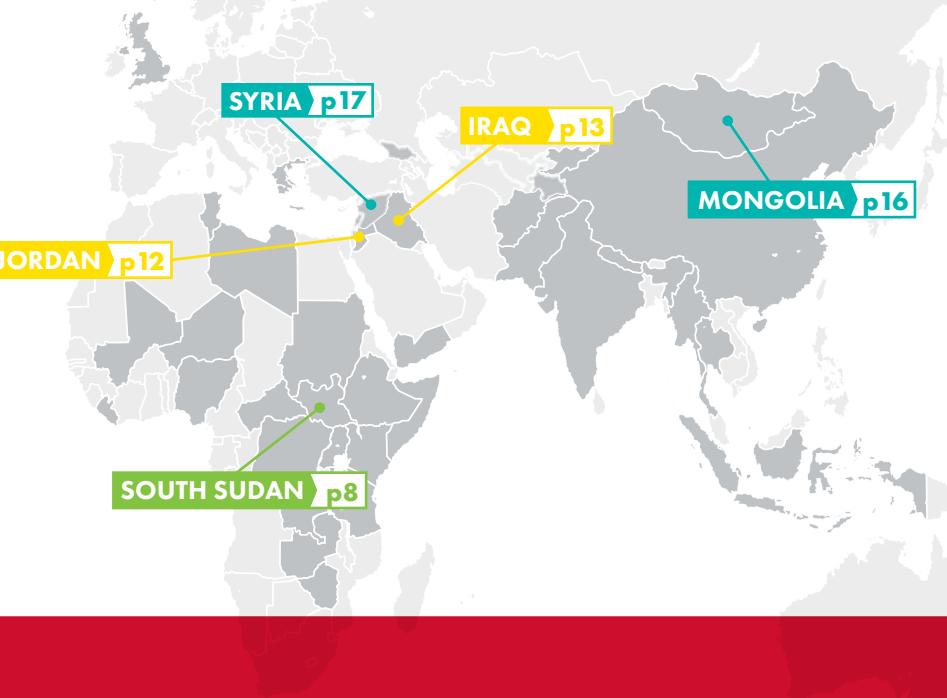
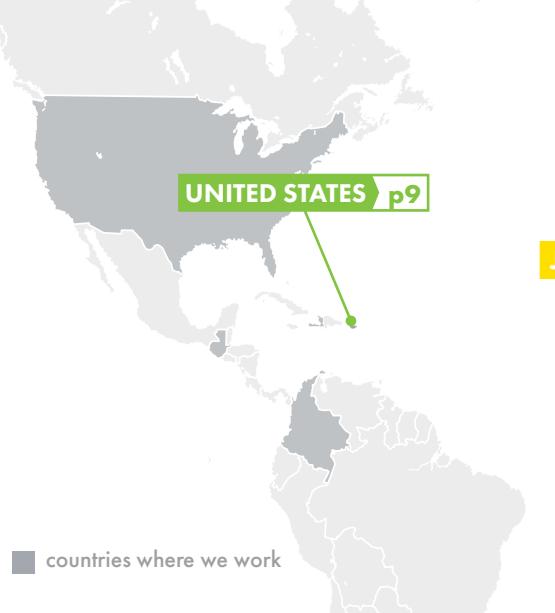
Learn more about what we're accomplishing together: mercycorps.org/AR2017

OUR MISSION

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

WE WORK IN MORE THAN 40 COUNTRIES AROUND THE WORLD.

Learn about the impact we're making now, thanks to your support.



IN 2017, MERCY CORPS...



Reached nearly **22 million people**—three-quarters of whom are women, children, and young people under 25.



Connected more than **1 million people** to cash during emergencies, infusing more than **\$46 million** into local economies.



EMPOWERING COMMUNITIES TO TRIUMPH OVER CRISIS

A COMMUNITY CELEBRATES at a parade in Panyijiar County, South Sudan. Mercy Corps provided hot meals to more than 2,000 children in the county's schools last year, helping them survive through dire food shortages and encouraging more children to stay in school during the crisis.

In the face of famine and disaster, we're helping people push beyond survival and see a brighter future.



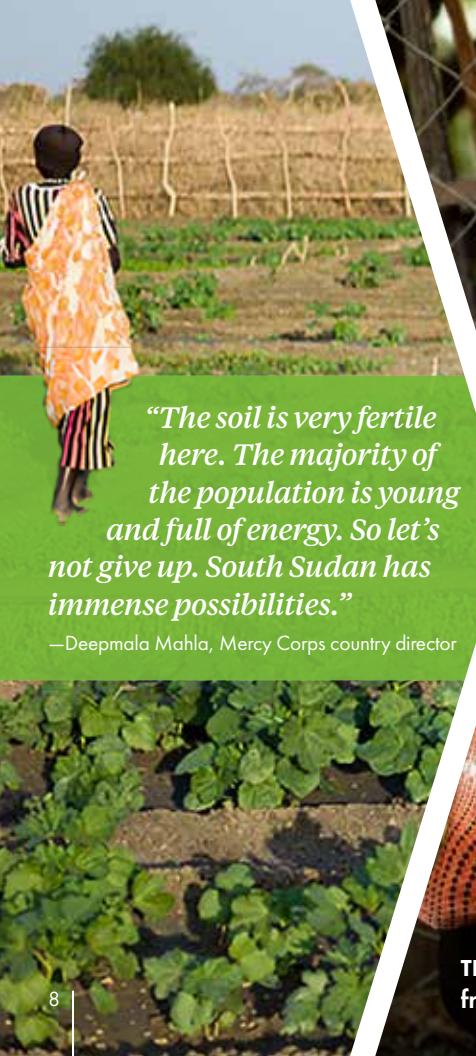
Overcoming a crisis demands big thinking and bold action. We move quickly to meet urgent needs, providing emergency food, supplies and cash. And we also look deeper, at the root causes of each crisis and the possibilities for long-term change.

In the bleakest scenarios—famine, disaster, violent conflict—we look for ways to make the biggest impact.

We train farmers to grow hardier crops. We help families who have lost their homes get the resources they need to survive today and rebuild stronger. We help children stay in school, where they can get nutritious meals and prepare for a brighter future.



Last year, we helped **1.2 million farmers** increase their production, feed their families and boost their incomes.



The soil is very fertile here. The majority of the population is young and full of energy. So let's not give up. South Sudan has immense possibilities.

—Deepmala Mahla, Mercy Corps country director



THULNAATH'S HOME WAS BURNED in an attack on her village in 2015. Emergency cash from Mercy Corps helps her buy food for her children and send them back to school.

BREAKING FREE OF FAMINE'S GRIP

Thulnaath, a mother in South Sudan, spends hours each day searching for food for her two young children. But food is so scarce that most days they only eat once.

"When the child is crying and you have no food to give, it hurts you as a mother," she says.

More than 20 million people in South Sudan, Somalia, northeastern Nigeria and Yemen are at immediate risk of famine as a result of ongoing conflict, economic instability and drought. The situation is extremely dire in South Sudan, where the United Nations formally declared famine in February 2017—the world's first in six years. Although the area is technically no longer experiencing famine, the threat is still imminent.

Mercy Corps has responded with support for the most vulnerable South Sudanese families in some of the least accessible

areas of the country. We know that overcoming famine requires more than providing meals, so we're working to help local families grow and store their own food to provide nourishment now and through the lean season.

In 2017, we provided kits to help families fish and grow their own produce, and we delivered hot meals to more than 10,000 schoolchildren across South Sudan. We also provided emergency cash assistance to help families like Thulnaath's buy what they need when they need it and support their families through the crisis.

"I am going to buy some small foods, plus salt, shoes for the child, a pen and exercise book for the child," she says.



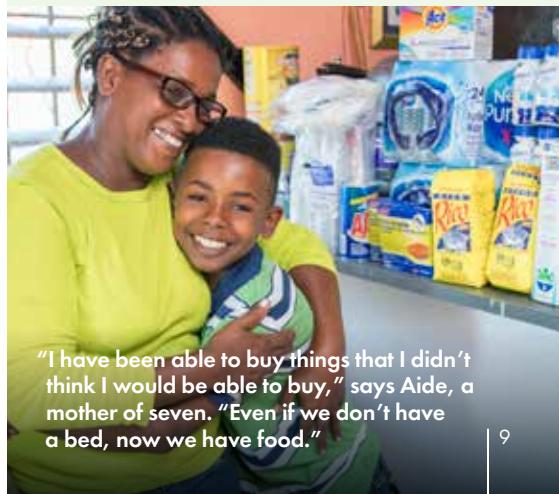
Last year, Mercy Corps provided cash transfers to help more than **7,500 families** buy food and emergency supplies to survive the lean season in South Sudan.

RELIEF SPARKS RECOVERY

In September 2017, Hurricane Maria plowed across Puerto Rico, demolishing homes and leaving thousands of people without clean water, food and electricity.

Mercy Corps mobilized to help, delivering more than 25,000 meals, solar lanterns, water filters and nearly \$300,000 in emergency cash to help people buy essential supplies.

Now we're investing in Puerto Rico's long-term recovery, installing solar energy systems at key locations and creating resilience hubs to prepare communities for the future and support small farmers as they get back on their feet.



"I have been able to buy things that I didn't think I would be able to buy," says Aide, a mother of seven. "Even if we don't have a bed, now we have food."



We're working with local governments to influence policies that impact millions and help create more just, equitable societies.

SPARKING —AND SPREADING—POSITIVE CHANGE

MARWA AND HER FAMILY fled violence in their hometown and now live in a displacement camp in Syria. Mercy Corps provides families in the camp with basic supplies, including mattresses, blankets and cooking sets.



Violent conflict and political unrest can change the course of a family's life in an instant. Forced to flee their homes, refugees face a new reality without the support systems and comforts many people take for granted.

We're working within refugee camps and host communities to help families live safe, productive lives with the dignity they deserve.

We help families access safe shelter, education and the means to make a living today. And we advocate for long-term solutions and policies that create opportunities for a better tomorrow.



Last year our response to the global refugee crisis made a difference for more than **3.8 million refugees** and host community members in 24 countries.



"It's the best place for a child to be—in school ... to feel equal with the other children and not less than them, and to have opportunities in the future."

—Haleema, a Syrian refugee and teacher at the Zaatari refugee camp.



WITH A PROPERLY FITTING DESK, Malak can participate in class along with her peers. Her reading, writing and math skills have improved, and she now aspires to be a teacher herself.

A SEAT FOR EVERY STUDENT

After fleeing conflict in Syria, 15-year-old Malak arrived at Zaatari, a sprawling camp in the Jordanian desert that's home to 80,000 other refugees. For the next two years, she couldn't attend school.

At just under 2 feet tall, Malak has a combination of health conditions, including dwarfism and severe scoliosis. The camp's school didn't have the facilities or resources she needed in the classroom, so along with losing her home, she lost her chance to learn alongside her peers.

Mercy Corps' inclusive education program changed that.

We worked with the school to enroll Malak and provided a custom-fitted desk so she could attend class with other students. We also paired her with a teacher, Haleema, for physical therapy and one-on-one support to help Malak catch up on the years of school she had missed.

"I learn lots of math, and I learn how to read and how to multiply numbers," Malak says. "It is helping me be on the same level as my classmates."

At Mercy Corps' equipment repair shop in Zaatari, Syrian refugees with backgrounds in carpentry and blacksmithing participate in our cash-for-work program, repairing and customizing wheelchairs, desks, walkers, hearing aids, eyeglasses and other equipment for students with disabilities.

Mercy Corps is also working with Jordan's Ministry of Education and Higher Council for Persons with Disabilities to establish a national policy for inclusive education that would guarantee equal access for students with disabilities.



We helped more than **8,000 children with disabilities** access formal education in Jordan last year.

THE LIFELINE SURVIVORS NEED MOST

The battle to liberate Mosul, Iraq, reduced much of the city to rubble. Nearly 1 million people were forced from their homes, and an estimated 40,000 people were killed.

Mercy Corps has been responding with emergency cash, helping more than 30,000 people pay for medicine, food, clothing and shelter as they rebuild their lives.

Cash is a powerful way to provide direct support to families and infuse funds into local economies. Cash also helps families maintain dignity, enabling them to choose what they need, when they need it. That's why we're leading the way, advocating for cash in crisis response around the world.



"This cash saved us," says Faiza, a mother supporting her extended family in a temporary home.



TRANSFORMING LIVES WITH NEW TOOLS AND TRAINING

LUCY, AN ENTREPRENEUR IN KENYA, participated in a Mercy Corps youth program and now owns several small businesses and employs seven people.

We connect talented, hardworking people around the world to innovations that help them leap forward using their own skills.

No two challenges or communities are alike. To set real change in motion, we spend time listening and learning to get to the heart of a problem.

Then, we act.

We collaborate with local leaders, private organizations and local governments. We forge long-term partnerships and invest in new technology. We equip families, farmers and entrepreneurs with resources to solve the real-world problems they face and unlock new opportunities for success.



Today, Mercy Corps programs are modernizing and improving agriculture **across 27 countries**.



“Before, it was very difficult and not easy for us to get information. We would look at the sky and make predictions ourselves.”

—Baigalmaa, a nomadic herder in Mongolia



ALTAN NARAN AND HER HUSBAND lost more than half their livestock in the winter of 2009. Now they receive text-message forecasts that help them protect their livestock and livelihoods.

FORECAST FOR A BRIGHTER FUTURE

Rural Mongolia is one of the most remote and challenging places on earth to live, with tough terrain and extreme climate swings. Nomadic herders rely on the land to graze their animals, leaving home for weeks at a time, unsure how or when the weather might take a turn for the worse.

During the “dzud,” a weather phenomenon in which summer drought gives way to an intense winter, temperatures can plunge to 50 degrees below zero. Animals undernourished from the drought often freeze to death or die of starvation. A single dzud can wipe out an entire herd and, with it, the herder’s primary source of food and income.

Mercy Corps is pioneering a way to transform life for Mongolia’s herders and prevent devastating losses. Because 95 percent of rural Mongolians use mobile phones, we built an on-demand weather forecasting system that alerts herders to weather conditions up to six days in advance.



So far, on-demand weather forecasting has helped **30,000 people** in 15 provinces make lifesaving decisions for their communities and livestock.

A NEW OPPORTUNITY FOR GROWTH

In Syria, Abu Goubran grows fruit and vegetables on a local landowner’s property.

Mercy Corps connected the two, creating a unique partnership with broad benefits.

Abu Goubran gets to do what he loves, the landowner gets benefits from healthier yields, and both benefit from the opportunity amid the conflict that has impacted much of the country.

Mercy Corps also provided the area’s first greenhouse, which Abu Goubran uses to teach local farmers new techniques that generate 10 times more produce.



“I am an artist,” he says. “I have a gift inside me, which is agriculture.”

USING YOUR GIFTS WISELY

Mercy Corps is efficient and accountable.

Over the past five years, we have used 87 percent of our resources for programs that help people in need around the world.

CHARITYWATCH

Mercy Corps is a "Top-Rated" charity and recipient of an "A" rating.

BETTER BUSINESS BUREAU

Mercy Corps meets all 20 standards of the Better Business Bureau Wise Giving Alliance for charity accountability.

CHARITY NAVIGATOR

Charity Navigator gives Mercy Corps four stars, its highest rating, for transparency and accountability.

GUIDESTAR

Mercy Corps was recognized for its transparency with a Gold Seal on our GuideStar Nonprofit Profile.



MORE WAYS TO GET INVOLVED



BECOME A PARTNER IN MERCY
Establish a monthly gift to help spark lasting change.
mercycorps.org/monthly

2017 FINANCIAL STATEMENT SUMMARY

You can find our complete financial statement at mercycorps.org/financials.

Audited Global Financial Summary

Mercy Corps Consolidated Operations: Condensed Summary of Support, Revenue and Expenses (in thousands of U.S. dollars) for the year ending June 30, 2017.

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Support and Revenue			
Public Support and Revenue	287,724	—	287,724
Private Support and Multilateral Revenue	139,256	8,420	147,676
Other Revenue	25,176	—	25,176
Released From Restriction	12,296	(12,296)	—
Total Support and Revenue	464,452	(3,876)	460,576
EXPENDITURES—Program Services			
Humanitarian Assistance—Relief	139,876	—	139,876
Humanitarian Assistance—Recovery	46,699	—	46,699
Livelihood/Economic Development	124,292	—	124,292
Civil Society	50,210	—	50,210
Health	31,318	—	31,318
Subtotal: Program Services	392,395	—	392,395
EXPENDITURES—Support Services			
General and Administration	44,963	—	44,963
Resource Development	18,003	—	18,003
Subtotal: Support Services	62,966	—	62,966
Total Expenditures	455,361	—	455,361
UNRESTRICTED TEMPORARILY RESTRICTED TOTAL			
Change in Net Assets From Operations	9,091	(3,876)	5,215
Nonoperating Gain	2,025	—	2,025
Change in Net Assets	11,116	(3,876)	7,240
Net Assets at Beginning of Year	77,544	21,071	98,615
Net Assets at End of Year	88,660	17,195	105,855

Condensed Statement of Financial Position

Total Assets	315,931
Total Liabilities	210,076
Net Assets	
Unrestricted	88,660
Temporarily Restricted	17,195
Total Net Assets	105,855
Total Liabilities and Net Assets	315,931

INSPIRE YOUR COMMUNITY

Lead your own fundraising campaign, or host an event to help transform lives around the world.
mercycorps.org/fundraising



SPEAK UP

Sign a petition and let your government representatives know that you believe in a better world for all.
mercycorps.org/advocacy





Powered by the belief that a better world is possible, Mercy Corps partners to put bold solutions into action—helping people triumph over adversity and build stronger communities from within.



You can help save and transform lives

Support our work and help families in need—like Bayoa and her son. Call us at **888.842.0842** or visit mercycorps.org to make a gift or learn about including Mercy Corps in your will.

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