



2009 ANNUAL REPORT

From Crisis to Opportunity

A Message From Our Leadership Team

IN 2009, Mercy Corps helped millions of families – through their own hard work – transform hunger and poverty into new hope for their children.

We provided life-changing support to poor families who have been hit especially hard by the global economic crisis that has touched us all. We also responded to disasters in Pakistan, Sri Lanka, Indonesia and the Samoan Islands.

At the beginning of 2010, we were among the first agencies on the ground after the devastating Haiti earthquake, and we are committed to Haiti's long-term recovery. We are helping shattered communities rebuild through initiatives that lay the foundation for stability and future prosperity.

In other countries where poverty, hunger and conflict hinder human potential, Mercy Corps continued to partner with the people we serve to grow more food, deliver clean water, educate children, increase community participation, prevent disease and start businesses that improve the standard of living for families and communities. Our innovative programs reached 16.7 million people in more than 40 countries.

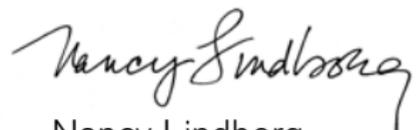
We are pleased to share these highlights of our work in 2009. They are your stories too. It is your support that enables us to help millions of people arise from crisis and chaos, to change their lives for the better. Thank you.

Cover: Indonesia – Thatcher Cook for Mercy Corps

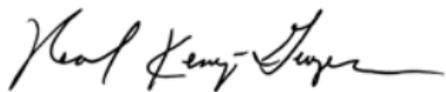
Right: Zimbabwe – Robert Maroni/Mercy Corps; Portland, Oregon – Craig Alness for Mercy Corps;

Sudan – Mercy Corps Sudan

Your generosity in 2009 was inspiring. As we renew our commitment to help people turn crisis into opportunity, we wish to express our deep gratitude for your steadfast support. Thank you.



Nancy Lindborg
President



Neal Keny-Guyer
Chief Executive Officer



Linda Mason
Chair of the Board of Directors



How Your Support Changes Lives

In 2009, Mercy Corps provided vital assistance to 16.7 million people in more than 40 countries. Your generous support is improving life for families and children around the world. Thank you.

- Mercy Corps is helping 2,206,000 people in 14 countries combat the **global food crisis** through innovative programs that feed hungry people now – while making longer-term investments to prevent future food shortages.
- Mercy Corps helps hardworking entrepreneurs in impoverished countries build businesses that support their families. Our network of **microfinance institutions** in 11 countries serves 270,500 clients – 65 percent of whom are women.
- In the Central African Republic, one of the poorest countries in the world, Mercy Corps has educated 110,000 people in healthy **hygiene practices** and is providing 100,000 people with access to **clean water** while also teaching communities to maintain and manage water supplies.
- Mercy Corps helped 1 million farming families in 30 countries increase their productivity, **raise incomes** and adopt more **environmentally sound** practices. Our agriculture projects reach out to underserved people, with 70 percent of participants belonging to marginalized groups, including **women and youth**.



Women Lift Entire Communities

Mercy Corps has seen the power of women who succeed, whether in school or farming or business. Successful women improve their own health and well-being – and also provide food, education and health care to their families. Ultimately, their progress benefits the entire community. That's why Mercy Corps is fighting hunger and poverty by investing in women. We invite you to meet four women who are transforming their lives.



SRI LANKA

Kanthi Doubles Her Crop

Kanthi is a widow who relies on the harvest – and a small shop – to sustain herself and her two daughters.

Since attending a Mercy Corps training to learn intensive rice cultivation, Kanthi has doubled her yield. Now she can send her children to school and repair her home. She feels good about feeding her children the nutritious organic rice. And she saves money by using it as seed for next year's crop.

Kanthi is just one woman, but she's making a big difference in her community. In a country that has had to import rice, its staple food, she is demonstrating the benefits of intensive cultivation so others can learn, grow more rice and flourish as she has.

CONGO

Dafroza Constructs Cookstoves

When rebels attacked her village, Dafroza fled with her six children. Now residing in a displacement camp, she's literally saving lives. Women who venture from camp to forage for firewood are greatly at risk of attack. Mercy Corps taught Dafroza to construct cookstoves, using mud, sand, water and rocks, that consume half the wood traditional campfires require. Now she's teaching other women how to make fuel-efficient stoves.

In a place where violence and humiliation are rampant, and handouts the norm, women cherish the dignity that comes from solving a problem. Dafroza and her friends are proud to build stoves that make it easier for women to cook for their families, help save Congo's ravaged forests and, most importantly, keep daughters, mothers, sisters and friends safe.





INDONESIA

Nurhayati Rebuilds Her Life

Nurhayati survived the Indian Ocean tsunami because she was gathering firewood in the hills when it struck. Her own children, and many relatives and neighbors, did not.

At first, Nurhayati could not imagine returning to her village. But Mercy Corps paid workers to clear debris and set up displacement camps where survivors received shelter materials, bedding and cooking supplies. Soon, she and others began rebuilding their homes from bare foundations.

Mercy Corps helped villagers organize a women's group and worked with local banks to improve access to loans. Five years later, businesses are up and running. Mercy Corps is now helping farmers double their rice harvest so they can earn higher incomes and better feed their families.

CENTRAL AFRICAN REPUBLIC

Fatou Starts A Business

To help her struggling family, Fatou was eager to start her own business. But she lacked capital.

So when Mercy Corps started a Village Savings and Loan Association (VSLA) in her community, she discussed the idea with her husband and decided to join. Fatou obtained a loan, purchased corn flour and sugar, and now sells the staples. With her income she feeds her family, sends her children to school and pays for their clothing and health care.

Now Fatou is encouraging other women to share their business ideas with their husbands, join community groups like the VSLA, and benefit from the credit and support they offer. She wants to see her friends become economically independent, as she has, to help their families prosper.



Change Starts Here

Thanks to the generosity of our campaign donors, we opened our new global headquarters in Portland, Oregon, a facility that lets us work even more efficiently. You can visit our Action Centers in Portland and New York City to learn more about global poverty and hunger and discover new ways to join our work to end them.





Mercy Corps Mission

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

How We Work

Mercy Corps helps people in the world's toughest places turn the crises of natural disaster, poverty and conflict into opportunities for progress. After meeting the most urgent needs, we begin working to help families recover and gain long-term stability and prosperity. Driven by local needs, our programs provide communities with the tools and support they need to transform their own lives. Our worldwide team of 3,700 professionals is improving the lives of 16.7 million people in more than 40 countries. For more information visit mercycorps.org.

Audited U.S. Financial Summary

Mercy Corps U.S. Operations: Condensed Summary of Support, Revenue and Expenditures (in U.S. Dollars)

	FY 2009	FY 2008		FY 2009	FY 2008
Support and Revenue			Support Services		
Government and Organizational Support	131,233,615	92,566,189	General and Administration	17,276,284	17,088,020
Private Support			Resource Development	8,316,288	10,685,425
Contributions	24,690,837	33,909,794	Subtotal: Support Services	25,592,572	27,773,445
Grants	30,243,683	31,680,116	Total Expenditures	197,588,364	203,210,377
Material Aid	8,905,875	59,707,215	Change in Net Assets	(666,953)	20,201,246
Other Revenue	1,847,401	5,548,309	Balance Sheet		
Subtotal: Private Support	65,687,796	130,845,434		June 30, 2009	June 30, 2008
Total Support and Revenue	196,921,411	223,411,623	Total Assets	162,668,730	132,138,741
Expenditures			Total Liabilities	98,151,393	66,954,451
Program Services			Net Assets		
Humanitarian Assistance - Relief	75,037,943	80,906,437	Unrestricted	22,568,961	23,846,402
Humanitarian Assistance - Recovery	14,136,497	27,992,530	Temporarily Restricted	41,928,376	41,337,888
Livelihood/Economic Development	38,685,998	36,393,225	Permanently Restricted	20,000	
Civil Society	31,530,281	19,320,531	Total Net Assets	64,517,337	65,184,290
Health	12,605,073	10,824,209	Total Liabilities and Net Assets	162,668,730	132,138,741
Subtotal: Program Services	171,995,792	175,436,932			

Global Financial Summary

Mercy Corps U.S. and Global Partners:
Support, Revenue and Expenditures (in U.S. Dollars)

	FY 2009	FY 2008
Support and Revenue		
Proyecto Aldea Global	3,839,127	2,554,509
Mercy Corps Scotland	34,392,195	29,182,552
Mercy Corps U.S.	161,917,276	160,335,951
Mercy Corps U.S. Material Aid	35,004,135	63,075,672
Total Support and Revenue	235,152,733	255,148,684
Expenditures		
Program		
Proyecto Aldea Global	3,081,484	2,637,883
Mercy Corps Scotland	32,422,023	24,583,110
Mercy Corps U.S.	171,995,792	175,436,932
Total Program	207,499,299	202,657,925
Support Services		
General and Administration	19,145,351	19,144,522
Resource Development	8,576,218	11,227,580
Total Support Services	27,721,569	30,372,102
Total Expenditures	235,220,868	233,030,027
Change in Net Assets	(68,135)	22,118,657

Using Your Gifts Wisely

Efficient and Accountable

Over the last five years, we have used 88 percent of our resources for programs that help people in need around the world. You can obtain a copy of our complete financial statement at mercycorps.org/financials.

■ = Humanitarian programs: 88%

■ = Fundraising and administration: 12%



How You Can Change Lives

Your support makes a life-changing difference to families in need. Please call us at 888.842.0842 or visit mercycorps.org to make a financial contribution.

Better Business Bureau

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



Worldwide Programs

Africa

Central African Republic,
Democratic Republic of the Congo,
Ethiopia, Kenya, Liberia, Niger,
Somalia, Sudan, Uganda, Zimbabwe

Americas

Colombia, Guatemala, Haiti,
Honduras, Nicaragua, United States

Asia

Afghanistan, China, India,
Indonesia, Mongolia, Myanmar, Nepal,
North Korea (Democratic People's Republic of Korea),
Pakistan, Philippines, Sri Lanka, Timor-Leste

Balkans

Bosnia and Herzegovina, Kosovo

Caucasus/Central Asia

Georgia, Kazakhstan, Kyrgyzstan, Tajikistan

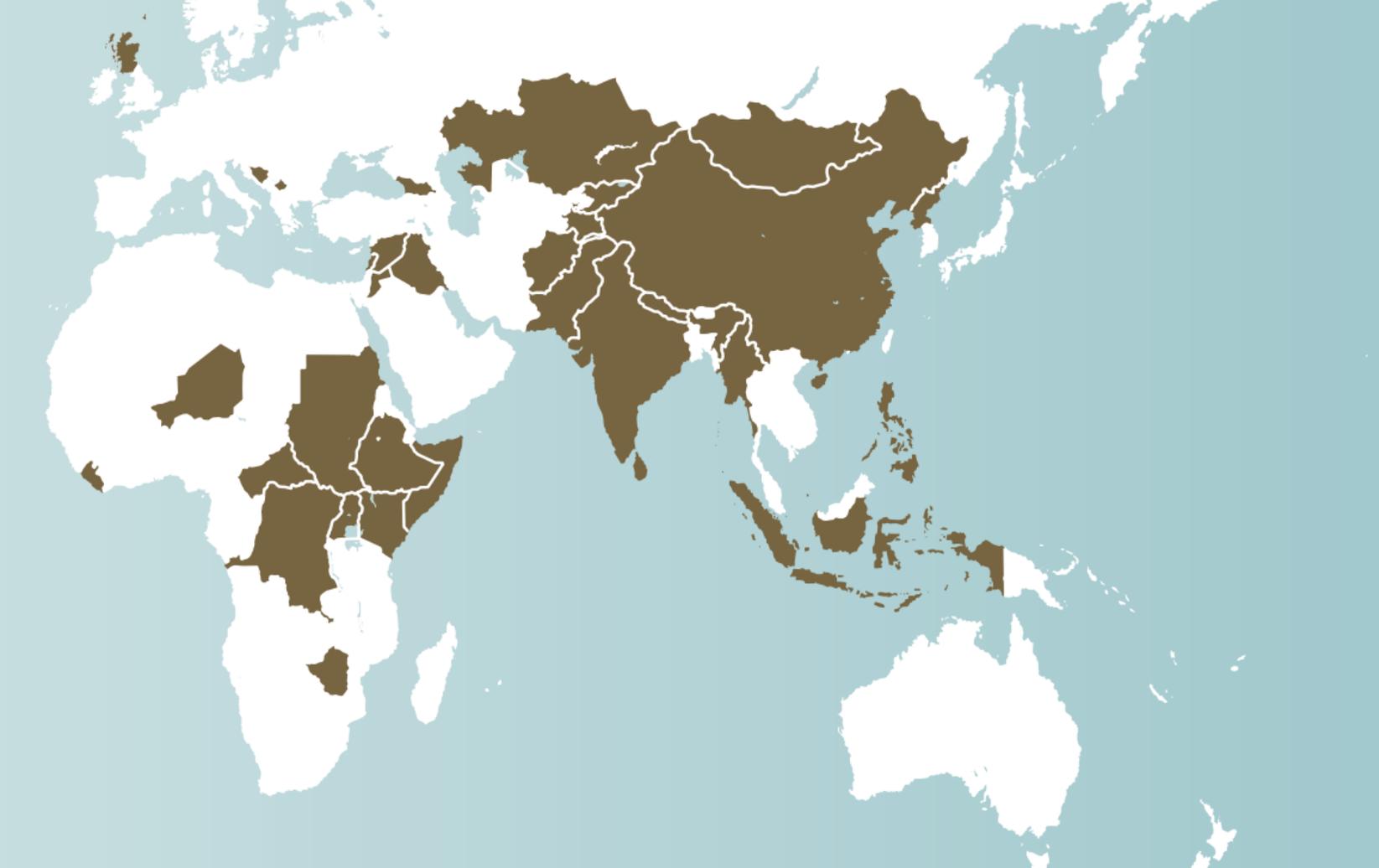
Middle East

Iraq, Jordan, Lebanon, Syria,
West Bank and Gaza



We invite you to visit our Action Centers
in New York City and Portland, Oregon.





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Global Headquarters

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

European Headquarters

40 Sciennes
Edinburgh EH9 1NJ
Scotland, UK
44.131.662.5160 tel
info@mercycorps.org.uk
mercycorps.org.uk

Afghanistan – Miguel Samper for Mercy Corps

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