In Memory of Two of ARC’s Earliest Architects

This report is dedicated to Nancy Roberts and Joseph P. Sullivan. Year after year, their compassion, energy, wisdom, guidance and philanthropy shaped the American Refugee Committee and touched the lives of millions worldwide. ARC owes its very existence to their dedication and generosity. Their passion of purpose will continue to sustain us all.

Integrity

Integrity is found not in words but in actions.

ARC’s mission is to help people who have been affected by conflict and disaster take back control of their lives. We believe in this mission. But we understand that the noblest vision statement in the world is meaningless without results to back it up.

Integrity is more than lofty ideals. It’s how we work that defines us.

We start with a firm commitment to the active participation of the people we serve. Any action we take, any program we start, originates as a need expressed by the local community. And when we begin addressing this need — even in the early stages of an emergency — our first step is to assess how we can maximize community involvement and build local capacity. We find local experts. We form partnerships with local organizations. We hire local people, including refugees and IDPs. Every time. Every place.

Integrity is consistency.

Our second major principle is that we always work with sustainability in mind. All our programs are designed to enhance the self-sufficiency of our partners. We find one of the best ways to do this is to support local leadership. That way we’re not only helping people get what they need in the short term. We’re helping them make the changes necessary to transform their lives and societies according to their own vision. Whether it’s health care, gender-based violence prevention or microenterprise, we help people develop the skills and capacity to provide these services themselves and lead their own communities to a better life.

Integrity is responsibility.

A third principle we work by is a determination to meet the greatest needs of a community. We do what is necessary, not just what is easy or convenient for us. We work in difficult environments — sometimes in the midst of conflict. And we look to where needs aren’t being met. We find the gaps, and we fill them. We specialize in doing what others say can’t be done. Integrity is living by your ideals — even when it’s hard — and making them a reality.

The American Refugee Committee works with refugees, displaced people, and those at risk to help them survive crises and rebuild lives of dignity, health, security and self-sufficiency.

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Dear Friends and Partners,

Every day, ARC provides hope and opportunity for thousands of people whose lives have been laid bare by conflict and natural disaster. ARC works to meet the basic needs of refugees and displaced people while simultaneously addressing complex social issues in order to empower participants and transform communities. We’re not just helping people survive. We’re helping them take back control of their lives.

This principle is the thread that connects all of ARC’s programs — from microenterprise in Liberia to emergency obstetrics in Pakistan. Just as no two communities are identical, neither are any of ARC’s programs. What unites ARC is not what we do. It’s how we work. Our services and methods reflect the culture, environment, and needs of the people we serve — because our programs originate with them.

In 2007, ARC undertook an intensive process of organizational planning that began with the development of the ARC Program Plan. The plan identified ARC’s three key program areas — health care, economic opportunities, and emergency response — and established methods for further developing these sectors.

The Program Plan is part of a new overall Strategic Plan designed to help ARC better serve our constituents by strengthening the quality, impact and scale of our programming. We are committed to designing and implementing first-rate programs and to measuring outcomes to be certain we fulfill our objectives.

The plan also defined the “ARC Approach,” our operational method whose hallmark characteristic is community-based partnership with our constituents. To this end, we work to develop the capacity of local organizations, ensuring that work initiated by ARC can be sustained into the future.

The Program Plan formalizes our commitment to the founding principles of ARC. It represents an extension and a strengthening of the spirit that inspired ARC’s first 13 volunteers, who went to assist Cambodian refugees in camps on the Thai-Cambodian border in 1979. This same spirit continues to inspire our 2,000 employees today — the vast majority of whom are program country nationals.

The needs of refugees and displaced persons worldwide remain acute. ARC is working hard to fulfill its commitment to our clients and to you, our donors, to expend funds well and wisely, creating hope and a more humane world in the midst of all-too-prevalent tragedy.

Your generous support allows the millions of people who rely on ARC programs in Rwanda, Liberia, Uganda, Sierra Leone, South Sudan, Darfur, Thailand, and Pakistan to achieve self-sufficiency. On behalf of the entire ARC community, we extend heartfelt thanks for your support and your vote of confidence in our work.

Sincerely yours,

Hugh Parmer
President
Holly Myers
Chair, ARC Board of Directors
Hallmarks of ARC’s Health Programs

- Involving the community at all stages of programming and building local capacity: Our programming is guided by local staff, ensuring programs are culturally appropriate and sustainable in the long term. Hundreds of refugees and displaced persons work as ARC community health workers, and in this role meet with community members to address health concerns and provide basic care.

- Through Our Eyes Program: Focused on promoting positive behavior change, this initiative works with refugees and displaced people, using video as a tool to tell stories and create change in communities. Through Our Eyes operates in six countries with partner organization Communication for Change (C4C).

- Gender-Based Violence Partnership Program: This program strengthens local, national, and regional networks of people working to create sustainable means of addressing gender-based violence.

- Encouraging primary and reproductive health programming during all phases of emergencies — from the initial crisis to reconstruction and development: In crisis settings, refugees often have limited access to even the most basic essentials of survival. For ARC, comprehensive reproductive health services in crisis settings is a programming priority — in even the most difficult environments.

- ARC is one of 12 partner organizations of RAISE (Reproductive Health Access, Information, and Services in Emergencies), a major five-year global initiative whose goal is to ensure that comprehensive reproductive health care is offered to conflict-affected populations as routine programming. ARC implements RAISE in Darfur and South Sudan by operating a comprehensive obstetrics unit, building clinics, and improving infrastructure. This initiative provides care to more than 200,000 people in Sudan.

- Employing a rights-based approach in all its work: ARC believes that respect for human rights is the basis for building quality health care programs and provides a broad range of services to protect those rights. As gender-based violence is one of the most important protection concerns in humanitarian emergencies, ARC has developed a toolkit to help field workers address it. The toolkit focuses especially on legal aid, one of the most challenging and overlooked responses to the issue.

With the sudden loss of their homes, displaced people lose access to health care, the protection of their communities, and their entire support systems. Refugee camps often become overcrowded, which can lead to the rapid spread of disease among already vulnerable populations. In these situations, the health of women, children, and their families are at extreme risk.

From the onset of an emergency, ARC provides a broad range of comprehensive health services, ranging from providing clean water and sanitation...to addressing mental health needs...to ensuring that women and girls stay safe from gender-based violence and have access to quality reproductive health care.

ARC views health care as a necessity, not a luxury. ARC uses a rights-based approach whereby all community members have a right to equal access to quality medical care.

**Core Areas of Work**

**Primary Health Care**
- Nutrition
- EPI (expanded program for immunization)
- Treatment for diarrhea, cholera, and acute respiratory infections
- Infectious disease
  - Malaria
  - Tuberculosis (TB)
- Community education and awareness
- Environmental health, water and sanitation, Training and capacity building

**Comprehensive Reproductive Health Care**
- Gender-based violence prevention and response
- Safe motherhood/emergency obstetrics
  - Prevention of mother-to-child transmission (PMTCT)
  - Antenatal and postnatal care
  - Newborn care
- Family planning (temporary and long-term methods and emergency contraception)
- STI/HIV prevention and treatment

**Sustainable solutions creating healthy communities**

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In the future

ARC is a leader in economic opportunities programming for crisis-affected populations. ARC recognizes that even in unstable, low-resource environments, individuals seek out ways to generate income for themselves and their families.

ARC listens to community members, learns about their needs and skills, and tailors economic opportunities programs to each unique situation. For example, ARC microloans often are the only credit options available in refugee camps. These loans — ranging from $30 to $400 — help entrepreneurs start or expand businesses, such as soap making, fish preservation, and blacksmithing. And ARC business training imparts practical skills to those who have had no prior business experience.

ARC’s village savings and loans associations (VSLAs) allow people in low-resource settings, such as camps or remote villages, to save money when formal banking institutions do not exist or offer their services. By pooling savings and giving each other loans, this sustainable solution opens economic opportunities to those who have lost everything. More than 10,000 people participate in ARC’s VSLAs in Thailand, South Sudan, Rwanda, Liberia, and Uganda.

Even in the most difficult operating environments, ARC emphasizes quality programming with measurable results. In Sierra Leone, ARC provides loans to more than 16,000 people through an institution that ARC initiated, Finance Salone. Ninety-seven percent of these clients are paying back their loans on schedule. ARC’s Liberty Finance in Liberia lends to about 5,500 clients, 90 percent of whom are women. In South Sudan, ARC has partnered with Micro-Africa Limited, a microfinance company based in Uganda, to establish Finance Sudan. This institution currently serves about 1,000 clients, more than half of whom are women. Both Liberty Finance and Finance Sudan have on-time repayment rates higher than 90 percent.

Investing in the most at-risk: ARC targets its financial services toward the most at-risk people in a community. In conflict and post-conflict settings, women are at increased risk of violence and often are the sole providers for their families. More than 75 percent of ARC microfinance and business training participants are women. ARC business programs also target returning refugees, the elderly, children who are heads of household, widows, and people living with HIV.

Working in conflict-affected environments: ARC emphasizes the importance of helping people restore their livelihoods — even in conflict areas. For example, ARC works with displaced farmers in Darfur, Sudan, to help them resume farming in more stable areas. ARC distributed seeds to 3,000 Darfuri families in 2007.

ARC was the first INGO to create microfinance institutions in Sierra Leone and Liberia after their civil wars ended, and both remain the largest microfinance institutions in their countries. Finance Sudan is one of only three microfinance institutions operating in that still unstable region. ARC’s microfinance institutions now serve a total of more than 23,000 clients.

Developing community-based and sustainable programs: ARC programs are driven by community needs and are designed to be sustainable. In refugee camps, where the transient nature of the camp and isolation from the local economy make building sustainable institutions extremely difficult, ARC focuses on providing business training skills and self-managed savings services. Because these institutions serve poorer segments of society, who traditionally have been denied access to financial services, they have the power to rebuild individual lives, whole communities and entire economies from the ground up. They enable individuals to provide for themselves and send their children to school, which will have a positive impact on communities for generations to come.

Hallmarks of ARC’s Economic Opportunities Programs

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Core Areas of Work

- Microfinancial Services
  - Microfinance institution-building programs in post-conflict environments
  - Village savings and loans
  - Stepped training and lending programs
- Microenterprise Development
  - Sustainable business training and literacy programs
  - Market development for managing more profitable businesses
  - Value-chain interventions that support economic revitalization
  - Economic development programs targeting at-risk youth

Above: Many participants in ARC’s economic opportunities programs receive small loans or grants to open small businesses.
Our constituents let us know what they need most, and we work with them to develop ways to help them get it. The most common requests are for health care and the opportunity to make a decent living. In response, ARC has made special investments in health and economic opportunities programs. On the next few pages, you’ll read about how ARC works in these areas. You’ll also get a snapshot of each of our country programs: what they’ve accomplished in the past year and what’s in store for the future. Our programs are as diverse as the people we serve, but they all work together for the same goal: helping people take back control of their lives.

Who We Serve | Where We Work
---|---
Darfur | In refugee camps and in towns and villages in the Nyala-Gereida and Nyala-Tullus corridors of Darfur
Liberia | Bong, Lofa, Nimba, Margibi and Montserrado counties
Pakistan | District Bagh in Azad Jammu and Kashmir, Balochistan Province, and Sindh Province
Rwanda | Refugee camps at Gihembe, Kiziba and Nyabiheke
Sierra Leone | Bo, Central, Freetown, Kailahun, Kambia, Kerema, Kono, Lumley, Portloko, and Wellington
South Sudan | Kajo Keji, Magwi, and Yei counties in southern Sudan
Thailand | Seven refugee camps and seven provinces along the Thai-Myanmar border
Uganda | IDP camps and communities in Gulu & Amuru Districts

ARC’s programs are built from the ground up.
In 2007, ARC’s work in Darfur, Sudan continued to be challenged by the intensifying conflict in the region. In October, rebel forces attacked an African Union base near the ARC health clinic in the Gereida refugee camp, killing 10 peacekeepers. This incident was followed by a spate of carjacking and other violent attacks on the humanitarian community, though ARC employees remained unharmed.

Despite this tenuous situation, ARC’s practices of working with local communities and hiring local staff enabled us to continue working in Darfur even as other agencies withdrew from the field. We helped diffuse some of the tribal conflict over resources by building water yards, boreholes and wells that brought water to more than 100,000 people.

Latrine construction and hygiene education in homes, clinics and schools improved waste disposal and hygiene practices for 45,000 people, including school children.

We continued working to improve the health of local residents by supporting 14 community health clinics and the Gereida Camp clinic. ARC provided comprehensive primary health care services, including reproductive health, nutrition and health education for over 200,000 war-affected people, particularly women and children.

By distributing seeds and tools, ARC helped 6,000 households improve food production. In conjunction with the nutrition program, many households improved their diets by participating in a vegetable gardening program.

During 2008, we will use your support to continue providing:• basic primary health care services, including treatment of minor ailments, nutrition and health education, and immunizations;• reproductive health services, including gender-based violence prevention and response;• increased access to water through the drilling/rehabilitation of boreholes, hand-dug wells and construction of water yards;• general sanitation and good hygiene practices;• and supporting vulnerable households with quality seeds and tools.

We sincerely appreciate the generosity and compassion of all the supporters of the Darfur program. Many individuals and organizations have invested in the future of Darfur through ARC, and we will continue to do all we can to help this dream of peace become reality.

Emmanuel Kailic | Director | Nyala, Darfur, Sudan

2008 will mark the fifth anniversary of the end of Liberia’s devastating civil war. The country is embracing peace and has made incredible progress.

But ARC’s work in Liberia is far from over. The vast majority of refugees who fled to neighboring countries have now returned to Liberia and are in real need of support, sustainable employment and a way out of poverty.

Our four programs — gender-based violence prevention and response, community development and empowerment, income generation, and microfinance — were designed to help stabilize war-affected communities and support long-term reintegration of returning refugees.

In the past year, our pioneering gender-based violence prevention team has strengthened the referral process for survivors of domestic violence and physical abuse. We have had three rape perpetrators convicted—a real achievement in a country where three out of every four women have witnessed abuse. We hope that in the coming months, more and more survivors will have the power and the confidence to access their rights in terms of judicial protection, legal aid, availability of health care and counseling.

For returning refugees, life in the war-torn countryside can be especially tough. In 2007, ARC distributed 120 pairs of sheep and goats to rural villages and restored wells in more than 40 vulnerable communities.

We were able to rehabilitate the auditorium of one of the largest high schools in the country, enabling 2,000 students to take crucial university entrance exams.

More than 4,000 Liberians have benefited from ARC’s business literacy and training program. We have been able to provide start-up loans and grants for thousands of the most vulnerable returning refugees, enabling them to support their families, stand tall with pride, and look towards a brighter future. We have provided microloans to more than 3,700 active entrepreneurs to enable them to grow and diversify their businesses, and we hope to more than triple this in the coming year.

We couldn’t have done this and much more without the support of all our partners. Thank you.

Paula Nawrocki | Director | Monrovia, Liberia
Pakistan

and Response

Gender-Based Violence  Prevention & Response

Water and Sanitation Services

Agricultural Livelihoods Support

Small Infrastructure Reconstruction

Primary Health Care

Reproductive Health Care

The Pakistan team faced a hard-hitting challenge following Cyclone Yemyin in June. The storm caused widespread flooding in Balochistan and Sindh provinces, affecting more than 2 million people. ARC Pakistan put together a fast, effective, and professional response to help 76,400 people through provision of shelter, clean drinking water, and comprehensive primary and reproductive health care services.

One of the team’s greatest achievements was the reconstruction of a 300-year-old Karez water system, which had been completely destroyed in the floods. The Karez, a two-kilometer underground channel, now delivers water to more than 18,000 people in the city of Kharan.

We are determined to continue our interventions in the earthquake- and cyclone-affected areas. The team is especially excited to provide constituents with maternal and neonatal health care services in 2008.

We could not succeed without our donors’ continuous support and their heartfelt solidarity with the people we serve. Thanks to everyone who came together to make our achievements possible. We are proud of what we have accomplished and aim high for improvement!

Louise Paterson | Director | Islamabad, Pakistan

ARC reached 200,000 people during this intervention and always gave special focus to marginalized groups, including disabled people and children. In 2007, ARC completed its rehabilitation and reconstruction activities in Bagh. In 2008, ARC continues to build the capacity of Pakistani health professionals to provide much needed, high-quality clinical services in the earthquake-affected area.

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Louise Paterson | Director | Islamabad, Pakistan

ARC has been working with Afghan refugees in the Balochistan region of Pakistan since 2002. Many of these refugees left Afghanistan 20 years ago during the Soviet invasion. Some crossed the border when a four-year drought threatened them with starvation. Still others fled the Taliban regime or the renewed violence following September 11.

ARC is the primary source of health care for 98,000 of these refugees and members of the surrounding community. ARC provides primary and reproductive health care, emergency obstetrics, HIV/AIDS awareness programs, gender-based violence prevention services, community health education, and youth club outreach in Balochistan.

After the 7.6-magnitude earthquake of October 2005, ARC launched an emergency response in Bagh, one of the hardest-hit areas of the country. ARC provided emergency shelter, food, water, sanitation, community development, and health services, including reproductive health care and emergency obstetrics.

Last year we wrote to bring you up to date on our accomplishments for 2006 and to share our challenges and goals for 2007. We were very hopeful that this year we would be able to report that the repatriation process had begun to help the more than 40,000 refugees living in our camps to resettle to their homes in the Democratic Republic of the Congo.

Sadly, this is not the case.

In fact, one of the greatest challenges we have faced in the past year has been the urgent need to respond to the increased flow of refugees across the Democratic Republic of the Congo/Rwanda border as a result of continuing violence and insecurity in eastern DRC.

In response to this crisis, ARC Rwanda undertook a major expansion of Nyabiheke Camp at the beginning of August, building new shelters and other infrastructure. Three weeks later, convoys began to arrive, and by mid-September the camp had received 1,645 new refugees.

Then in October, with the camp already at the limit of its capacity, we were faced with the need to accommodate an additional 3,000 refugees from the DRC. On October 17, the government of Rwanda allocated land for expansion, and construction commenced the next day. The convoys again began to arrive one week later, and the capacity of the additional land was reached at the end of November.

Unfortunately, the situation in the DRC has not improved, and transit centers at the DRC border are now again full to capacity. Our ongoing negotiations with UNHCR and local authorities are aimed at expanding Nyabiheke Camp to up to twice its present size.

We continue to work in partnership with refugees in the key sectors of shelter provision, water, sanitation, health care, supplemental nutritional feeding, HIV/AIDS, and gender-based violence services.

In addition to these activities, 2007 was a year of significant growth for the ARC Rwanda Income Generation Program, an initiative that provides small grants and training for refugees to assist them in starting small businesses in the camps. Since the inception of the program in 2004, the IGP community has grown to over 500 groups — more than 1,800 people — who now operate an impressive array of businesses.

In 2008, the Income Generation Program initiated a second activity, Voluntary Savings and Lending Associations (VSLAs). VSLAs are self-managed groups that provide loans and other financial services to their members. After just three months of operation, we have more than 75 new groups actively saving and lending.

As long as eastern Congo remains unstable and in conflict, the camps in Rwanda will remain, and our committed staff will continue to provide essential services and support to the refugees who live in them.

Barry Wheeler | Director | Kigali, Rwanda
Sierra Leone:

I write to you from Sierra Leone, a country that is emerging from one of the world’s most brutal civil conflicts in recent history. The 11-year civil war caused the displacement of more than 1 million people and the death of tens of thousands from fighting, disease, and starvation. The conflict destroyed the country’s infrastructure, laying waste to transportation, communication, and social systems.

Sierra Leone was already a poor country when the war began in 1991. Over the next decade, much of its formal economy was destroyed due to the conflict. Combined with losses in social services, the economic collapse had a disastrous effect on living standards, making Sierra Leone the poorest country in the world for the last five years.

The few commercial banks that survived the civil war focus mainly on providing services to wealthier segments of society. With few formal financial services providers, who have outlets only in the capital city, Sierra Leoneans look to informal mechanisms for gaining access to credit or savings.

The hopes and dreams of many for a better life were fulfilled by Finance Salone, a wholly owned subsidiary of ARC and a leading microfinance institution. Finance Salone has developed innovative loan products targeting the rural poor who have been neglected by the banks.

Finance Salone has been able to expand outreach to eight out of the 12 districts of Sierra Leone. With a network of nine branches and seven sub-offices, Finance Salone was able to disburse more than 16,000 loans, totaling US $5.5 million in 2007.

Most Finance Salone clients are small-scale traders. They buy and sell used and new clothes, building materials, fruits and vegetables, farm equipment, and miscellaneous retail items. Others work as barbers, hairdressers, restaurateurs, motorbike taxi drivers, carpenters, and metalworkers.

Your contributions and support have helped create employment and economically empower thousands of Sierra Leoneans. You also have helped inspire a culture of savings and wealth creation, thereby giving them their trust, and now I have put my children through school and can pay for their health care when they are sick. I built a shop, and right now I have even built a house. My house has five rooms, a parlor and an inside bathroom. Before I started borrowing, I lived in a one-room shack.”

Thank you for making a difference in the lives of our clients.

Benjamin A. Noballa | Chief Executive Officer | Finance Salone Limited

South Sudan:

The year 2007 was a memorable one for the ARC South Sudan team. We relocated our office from Kampala to Juba, the capital of South Sudan. The move places us closer to communities here, who have survived years of war and hardship, and allows us to involve them in all aspects of our work, from the planning stage to the implementation of activities.

We have strengthened our programs to provide safe drinking water and much-needed basic health services. Previously, people in some communities had to walk more than 15 kilometers to be treated for malaria or even to collect four gallons of water.

By drilling boreholes and wells, rehabilitating water sources, and training community water technicians, ARC has made safe drinking water available close to the homes of many people in South Sudan. We also provide health care services in clinics and hospitals, support local health departments, and train local health workers, midwives, laboratory technicians, and nurses.

ARC helps refugee families who have recently returned home, supporting them in taking advantage of economic opportunities that will make them self-sufficient. Many families have established small businesses through their village savings and loan associations. Finance Sudan, an ARC microfinance institution, now has nearly 1,000 clients, nearly all of whom are paying back their loans on time.

With the help of local community members, we educated 180,000 people on gender-based violence and HIV/AIDS in 2007 and helped them build support mechanisms for survivors. Community members are now aware of HIV/AIDS and how to prevent it, and those living with the disease are receiving support from members of their community.

We continue to count on your support for 2008 and beyond as the situation here remains fragile. Many more refugees are arriving back home daily, and they are returning to communities that have no schools, hospitals, water and other basic services.

ARC is committed to working side-by-side with the people of South Sudan to help them cope with the harsh conditions in their homeland. This commitment is shared by all of our staff members, some of whom come from war-torn countries and have been beneficiaries of the same kinds of programs ARC is implementing here.

Gayah Kezele | Director | Juba, Sudan

Chief Executive Officer

Finance Salone Limited

Credit and Savings Services to Conflict-affected People, Focusing on the Rural Poor
It’s been a wonderful year for ARC Thailand. Our community partners have survived conflict and everyday crises. Now we’re helping them rebuild their lives with dignity, improved health, and security.

We expanded our programs last year to serve more people with measurable quality and lasting impact. We now reach more than 118,000 refugees in seven camps along the Thai-Burma border. We also operate programs combating malaria and drug-resistant tuberculosis, reaching more than 167,000 migrants and many remote villages. We employ more than 430 people, mostly refugees we’ve trained as medics, midwives, and experts in public and environmental health, gender-based violence and microenterprise development.

Last year ARC trained 139 midwives and traditional birth attendants and provided health and nutrition services to thousands of children. We expanded gender-based violence prevention and response services to two more camps with a population of more than 30,000 people. We’re helping community-based organizations develop their capacity to respond to and prevent violence and conflict. More women are reporting and responding to violence in their communities, and women and children living in camps are safer. We also provide legal aid assistance, working with UNHCR and the Thai authorities to bring perpetrators to justice. We supported safe houses in five refugee camps in partnership with the Karen Women’s Committee, a camp-based community organization.

We strive to ensure that everyone who participates in our programs has a better chance of taking back control of their lives and achieving self-sufficiency. To help achieve this goal, we’ve piloted a microenterprise development program in three refugee camps. Refugees are receiving training and starting small businesses in the camps. So far, though the project is just beginning, we’ve given 294 loans with no defaults!

This year, we assisted refugees in opening village savings and loan groups in three camps. This is the first time refugees in Thailand have had access to their own savings and loan facilities and the ability to manage their funds themselves.

ARC’s three-year infectious disease project is helping migrants, their families and communities fight TB, malaria, dengue fever, acute respiratory infections, and diarrhea. We also began a five-year project to reduce TB among migrant communities and ensure coordinated TB/HIV care. The project clearly brings communities together and empowers them to reduce their TB burden.

We began a five-year Global Fund-supported project that will improve early diagnosis, prevention, and treatment of malaria. We work with communities to empower individuals to care for themselves and decrease their susceptibility to malaria.

Thanks so much for your generous support, which means a lot to all of us. Together with our constituents, we will make the world a better place!

Gary Dahl | Director | Bangkok, Thailand

2007 was a year of consolidation and growth for ARC in Uganda, and we established a strong foundation to build upon in 2008. Our camp management role expanded from eight to 14 internally displaced persons (IDP) camps. But as the security situation in northern Uganda stabilized, ARC began to provide direct support for the return of vulnerable individuals.

As part of this initiative, ARC funded the construction of more than 280 new homes. In 2008, ARC will extend this support for IDPs to finding sustainable solutions to the challenges posed by displacement and facilitating safe, dignified and voluntary returns.

Livelihood security is an integral part of this process. This year ARC provided business startup and support services to more than 1,000 women — enabling them to contribute financially to their communities during this time of resettlement. In the coming year, access to credit and other forms of livelihood support will be a primary need for returning IDPs. ARC will seek funding to expand these activities substantially.

ARC works with communities to ensure that essential health services are maintained as they shift from IDP camps. A key initiative for 2008 will be the initiation of a large-scale HIV/AIDS project aimed at addressing gaps in a range of HIV-related services while building the capacity of community organizations to respond to these massive challenges.

Gender-based violence continues to be a critical issue in northern Uganda. We provide emergency case management services, including post-exposure prevention of HIV infection. We supported more than 600 survivors in 2007. In 2008, we will focus on developing the capacity of local community organizations so they can take on more and more leadership and operational responsibilities.

On behalf of the entire ARC Uganda program, please accept my sincere thanks for your support to ARC over the past year. With your continued cooperation, ARC will work to ensure health and safety for the people we serve in Uganda.

Brent Potts | Director | Kampala, Uganda

2007 was a year of consolidation and growth for ARC in Uganda, and we established a strong foundation to build upon in 2008. Our camp management role expanded from eight to 14 internally displaced persons (IDP) camps. But as the security situation in northern Uganda stabilized, ARC began to provide direct support for the return of vulnerable individuals.

As part of this initiative, ARC funded the construction of more than 280 new homes. In 2008, ARC will extend this support for IDPs to finding sustainable solutions to the challenges posed by displacement and facilitating safe, dignified and voluntary returns.

Livelihood security is an integral part of this process. This year ARC provided business startup and support services to more than 1,000 women — enabling them to contribute financially to their communities during this time of resettlement. In the coming year, access to credit and other forms of livelihood support will be a primary need for returning IDPs. ARC will seek funding to expand these activities substantially.

ARC works with communities to ensure that essential health services are maintained as they shift from IDP camps. A key initiative for 2008 will be the initiation of a large-scale HIV/AIDS project aimed at addressing gaps in a range of HIV-related services while building the capacity of community organizations to respond to these massive challenges.

Gender-based violence continues to be a critical issue in northern Uganda. We provide emergency case management services, including post-exposure prevention of HIV infection. We supported more than 600 survivors in 2007. In 2008, we will focus on developing the capacity of local community organizations so they can take on more and more leadership and operational responsibilities.

On behalf of the entire ARC Uganda program, please accept my sincere thanks for your support to ARC over the past year. With your continued cooperation, ARC will work to ensure health and safety for the people we serve in Uganda.

Brent Potts | Director | Kampala, Uganda
Over the past 18 years, the Forest Region of Guinea hosted more than 1 million refugees who fled civil wars in Sierra Leone and Liberia. In 2007, with peace restored in both countries, the last refugee camps finally closed, and ARC phased out its programming in Guinea.

ARC started working in Guinea in 1996, delivering primary and reproductive health care services and operating income-generation programs to help refugees earn a living. Our programs expanded to include HIV/AIDS prevention, gender-based violence prevention and response, legal aid, and conflict resolution services.

More than half of Guinea’s population is under the age of 18, and young people are often the most susceptible to being drawn into conflict — either by force or lack of alternatives. So ARC focused many of its programs on teenagers and young adults.

A major highlight of ARC’s work in Guinea was the PATHWAY conflict prevention program. The program gave 6,000 at-risk youth tools that empowered them to resist violence and prevent conflict. Participants gained literacy and vocational skills and received start-up grants. The project also worked with border communities to train them in peaceful conflict resolution and mitigation methods, in order to reduce the chances of inter-ethnic or inter-communal violence. In the districts where the program operated, a majority of community members reported a noticeable decrease in violence.

Our HIV/AIDS programs targeted youth between the ages of 12 and 25, as well as health workers and traditional community leaders. Through peer educator groups, monthly awareness-raising sessions, and the distribution of printed materials and condoms, ARC gave about 20,000 refugees the resources they needed to reduce their risk of contracting HIV and STIs.

ARC’s gender-based violence program reached more than 40,000 people with messages and training on how to prevent and respond to GBV. We sponsored community education campaigns and provided comprehensive GBV response services, including case documentation, safe spaces, and legal assistance. ARC also addressed the root causes of GBV by providing skills training, scholarships, and business grants to vulnerable women and girls.

ARC’s legal aid clinics operated in six refugee camps and two towns, serving 233 survivors of gender-based violence. By enforcing consequences for perpetrators of violence, ARC helped reduce the environment of impunity in the camps and empowered women to assert their rights.

ARC and its community of supporters made a lasting impact in Guinea and in the lives of the thousands of people we served there. In 2007, with many of our constituents having returned home to Liberia and Sierra Leone, we transferred our program services to our agency partners in Guinea. Thanks to everyone who helped make this possible.

Sri Lanka

ARC began operations in the Trincomalee District of Sri Lanka in January 2005 after the Indian Ocean Tsunami. Prior to the tsunami, 20 years of conflict had forced 60,000 people to flee the country and generated 800,000 internally displaced persons in northern and eastern Sri Lanka. When the tsunami hit, many lost their homes and were forced to start over yet again.

ARC took a lead role in the relief and development effort, providing emergency assistance as well as water and sanitation, community health, livelihood activities, and agriculture projects.

On the third anniversary of the tsunami in December 2007, ARC successfully phased out its programming and closed its Sri Lanka office. During the three years we worked there, ARC made a lasting impact in Trincomalee and helped thousands of people whose lives had been torn apart by conflict and disaster get back on their feet.

ARC started out responding to the immediate needs of those affected by the tsunami. Health and disease prevention were top priorities. Within the first four months after the tsunami, ARC had delivered essential items, including health and hygiene kits and kerosene stoves, to more than 10,000 people.

At the request of local authorities, ARC rehabilitated and supplied four hospitals, constructed rural health clinics, and delivered early child care and development training to health volunteers. ARC constructed more than 600 wells, latrines, and drainage systems and was the leading agency implementing health promotion workshops in Trincomalee.

ARC led the agriculture and food security coordination efforts in Trincomalee District in partnership with the Food and Agriculture Organization of the United Nations. ARC worked closely with the local Department of Agriculture to introduce new techniques to help farmers produce higher yields. ARC also provided agriculture and nutritional training to displaced persons and host communities.

Even as we focused on health, disease prevention, and food production, ARC recognized the desire of tsunami survivors to regain self-sufficiency as quickly as possible. From February to August 2005, ARC gave small grants to 5,369 individuals and families to help them reestablish their livelihoods. ARC provided microenterprise training to more than 600 people.

ARC successfully phased out its programming and closed its Sri Lanka office. During the three years we worked there, ARC made a lasting impact in Trincomalee and helped thousands of people whose lives had been torn apart by conflict and disaster get back on their feet.

The initiatives ARC started in Sri Lanka will be continued by local agencies and members of the communities we worked with. Together with our partners, we helped many people not only recover from disaster but to rebuild lives of hope and prosperity. Thanks to all those who helped make our work in Sri Lanka possible.
Individuals, Families, Private Foundations, and Donor Advised Funds

$100,000 and above
Jeanne M. Sullivan
Committee to Encourage Corporate Philanthropy - South Asia Earthquake Relief Fund

$40,000 - $99,999
Lars E. Bader
Grizzly Industrial Inc.

$20,000 - $39,999
Anonymous
Blue Oak Foundation, Holly Myers & Kirk Neely

$10,000 - $19,999
Anonymous
Apogee Electronics

$5,000 - $9,999
Anonymous (4)

$2,500 - $4,999
Charles Abela
Jim & Julia Adams
Jean K. Andrews
Ruth & Ted Amsden
Joanne & George Baker
Neal Ball
Charles & Jean Barnett Fund of the Fidelity Investments
Bartol Charitable Foundation, Inc.
Albert H. Behrke
Bell Family Charitable Gift Fund of the Fidelity Charitable Gift Fund
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Maury G. Bramson
Judith P. Brudy
Dottie Brown & Jim Thomas
M. Nicholas Burke, M.D. & Susan Slattery-Burke
Conde nast Publications
Gregory & Janice Damrau
Donny & Whitney LLP
Kevin Fitter & Rosemary Keasler
First Presbyterian Church
The First Unitarian Society of Minneapolis, Inc.
Karen Fredericksen
Full Circle Artisans
John & Suzanne Gappa
Giving One of the Fidelity Charitable Gift Fund
Robert H. Graham
Denise K. Grath & Cathy A. Herfindal
Gary & Lori Gruber
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Daniel & Mary Healy
Deborah L. Hopp
Laurie A. Iciek
Martin Kaatz
Walter Keating
Jeanne W. Kenny
Janson & Lisa Koenig
The Kleinbaum Fund
Lutz M. Latka
Hollister J. Lindley
Ginny MacKenzie
Patrick & Judith Mandile
Robert & Margaret Marshall

Funding Partners

In 2007, 4,000 ARC funding partners helped nearly 2.5 million people get essential services to regain their health and take back control of their lives.

Every single gift creates additional opportunity. We cannot list all our dedicated donors in this report, but we are incredibly thankful to each and every one of them.

Jane M. Black
Susan M. Briggs, M.D., M.P.H., FACS
Julianne Carty & Richard Erickson
Teresa & R. DeVoe
Anne H. Dow Family Foundation
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Edwin O. Smith High School
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John Weldon
Carol D. Winkel

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Ginny MacKenzie
Patrick & Judith Mandile
Robert & Margaret Marshall
Our mission is to help people take back control of their lives.
This document is not relevant to the task.
We help people develop the skills and capacity to lead their communities to a better life.
We specialize in doing what others say can’t be done.
We welcome the following new board members for 2008:

Anne Goldfeld, M.D.
Michael McCormick
Holly Robbins
Jim Rustad

Senior Management Team

Hugh Parmer
President
Karen Frederickson
Executive Vice President
Monte Achenbach
Vice President of International Programs
Scott Charlesworth
Director of Field Operations
Alex Erolin
Security and Emergency Response Advisor
Sarah Hartman
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Director of Finance
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Uganda
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Perry Witkin

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Darfur, Sudan
Gayah Kezele
South Sudan
Paula Nawrocki
Liberia
Benjamin A. Noballa
Sierra Leone
Louise Paterson
Pakistan
Brent Potts
Uganda
Barry Wheeler
Rwanda
## Statement of Activities & Changes in Net Assets
### December 31, 2007

### Revenue and Support (in dollars)
- Contributions and grants:
  - United Nations grants: 6,344,599
  - U.S. government grants: 16,585,152
  - Private support contributions: 4,776,379
  - Foreign government grants: 33,209
  - Interest: 928,937
  - Micro-credit interest and fees: 69,200
  - Finance Salone loan pool forgiveness: 108,000
  - Other income: 93,546
- Net assets released from donor restrictions: 1,878,736
- Total revenue and support: **$30,817,758**

### Expenses (in dollars)
- Program services:
  - International programs: 27,325,308
  - General and administrative: 2,652,498
  - Fundraising: 627,302
- Total Expenses: **$30,805,108**

### Increase in unrestricted net assets: **$12,650**

### Changes in Temporarily Restricted Net Assets (in dollars)
- Contributions: 377,630
- Investment income: 25,949
- Net realized and unrealized gain (loss): 11,234
- Net assets released from donor restrictions: (1,878,736)
- Decrease in temporarily restricted net assets: **(1,463,942)**
- Decrease in net assets: **(1,451,292)**

### Net Assets – Beginning of Year: **5,448,996**

### Net Assets – End of Year: **3,997,704**

## Statement of Financial Position
### December 31, 2007

### Assets (in dollars)
- Cash:
  - Headquarters Cash: 3,381,169
  - Overseas Cash: 3,148,307
- Investments: 509,227
- Grants receivable: 259,949
- Other receivables: 598,158
- Pledges receivable: 254,035
- Micro-credit loans receivable: 2,636,898
- Accrued interest receivable: 2,439
- Prepaid expenses: 423,952
- Equipment and vehicles, net of accumulated depreciation: Of $228,132 and $632,715 for 2007 and 2006, respectively: 79,695
- Total Assets: **$11,213,920**

### Liabilities and Net Assets (in dollars)
- Liabilities:
  - Accounts payable: 1,673,301
  - Grants payable: 214,546
  - Micro-credit loans payable: 1,934,215
  - Accrued salaries and benefits: 555,216
  - Refundable advances: 2,838,938
- Total Liabilities: **$7,216,216**

### Net Assets
- Unrestricted: 2,354,999
- Temporarily restricted: 866,950
- Permanently restricted: 835,755
- Total Net Assets: **$3,997,704**

### Total Liabilities and Net Assets: **$11,213,920**

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Financial responsibility is a priority for ARC. We aim to work efficiently and effectively as possible in addressing the needs of refugees, displaced people and others in need.