2011
year of the famine

ANNUAL REPORT
OF THE AMERICAN
RELIEF AGENCY
FOR THE HORN
OF AFRICA
Our mission

ARAHA’s mission is to strive to alleviate the suffering from hunger, illiteracy, disease, and poverty in the Horn of Africa, as well as to help the East African community in Minnesota.

Our advantage

ARAHA is a unique aid organization. First, we are focused only on the Horn of Africa. We speak the languages of the region and understand the local cultures. This helps us to be well-connected, well-accepted, and welcomed by local communities. We have years of experience in this area and we have the tools required to navigate through the many challenges of working in the region. Our field offices and partners are officially registered, recognized, and respected by local governments in the Horn of Africa. We enjoy our work and we do it professionally while constantly striving to improve our efficiency and effectiveness.
As we look back at 2011, it’s clear that our focus was on immediate, emergency relief to starving families displaced by the famine. The timeline at left is a snapshot for the year and gives just an overview of each month’s news and activities. We visited the region at the height of the famine to oversee large-scale relief and development projects in Somalia and Ethiopia. This trip allowed us to see the conditions first-hand and develop appropriate programs to combat the hunger and disease faced by the internally displaced families.

While we prepare this report, we are looking forward to the future for the people in the Horn of Africa. Our dairy farm project to support the high school for girls in Sudan is underway. We’ve just authorized 10 new wells in Somalia and another 20 are on deck. We’re in the beginning stages of building a primary school in rural Ethiopia for students with no access to education. Most importantly, we are working to repatriate the displaced families back to their homes in southern Somalia. The farms and villages they left last summer are among the most fertile in the region. Now that rains have started to return to the area, it’s time for those who left to come home and rebuild their lives by planting crops and buying new livestock.

At the time of this publication’s printing, we have authorized a project to help 50 families by providing food for three months, financial assistance to start their new life, and transportation to get them home where they can provide for themselves rather than simply rely on food aid to survive. We hope to repatriate many more families as the project continues.
Dear Friends of ARAHA,

2011 was the year of the famine. The worst drought in 60 years claimed tens of thousands of lives—half of them children under the age of five. The famine also drove hundreds of thousands from their homes. Cities like Mogadishu were overwhelmed by hungry, sick, and exhausted families.

The saddest part of this tragedy is the fact that it was predicted a year before it hit and was therefore avoidable. Unfortunately, early warnings from the region were ignored. Individual donors and government agencies responded once the famine made news headlines after the death toll reached the tens of thousands.

Having field offices in the region enabled ARAHA to respond early to the warnings of severe drought. We started our campaign to help the displaced by delivering food and supplies to thousands of families in the Horn six months before the UN declared a famine. While our staff were tested to their limits, we are proud of the work our donors enabled us to do.

Famine relief is more than just delivering food. We brought water to remote villages, delivered dairy goats to families suffering from malnutrition, and built latrines in a refugee camp to combat diseases caused by poor sanitation. ARAHA delivered non-food items like sleeping mats, soap, and cookware to thousands displaced by the famine, for what good is a bag of rice if you have no way to cook it?

We believe that without sustainable solutions, the Horn of Africa will never break the cycle of poverty. Let us strive to provide development projects which help families generate an income and educate their children, securing a future for the next generation and preventing another famine.
2011 Highlights

1,200 new donors from all over the globe

UNHCR awarded $89,000 to fund Shegerab High School for Girls in Sudan

76,380 people received emergency food

12 water wells built in areas affected by the severe drought/famine

50 latrines built to combat disease in a Mogadishu refugee camp

Did you know? Over 30,000 children under the age of 5 died from malnutrition-related causes in less than three months during the famine.
Food

Food was at the center of our famine-relief campaign which started in January and continues in 2012 with repatriation (bringing families back home). Famine was declared in six regions, meaning that thousands were dying every day; at least a third of the children were malnourished; and over 20% of the people didn’t have enough food in general.

Here’s a breakdown of the total food deliveries by month:

<table>
<thead>
<tr>
<th>Month</th>
<th># of families fed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb.</td>
<td>300</td>
</tr>
<tr>
<td>July</td>
<td>900</td>
</tr>
<tr>
<td>Aug.</td>
<td>1000</td>
</tr>
<tr>
<td>Sept.</td>
<td>850</td>
</tr>
<tr>
<td>Oct.</td>
<td>9680</td>
</tr>
</tbody>
</table>

It costs $7 to feed a family in the Horn of Africa under normal conditions and $23 to feed the same family during a famine. Early intervention is critical during severe drought cycles.

Grateful Somali mothers receive much-needed food in an Ethiopian refugee camp.
Water

The famine of 2011 was the worst the Horn of Africa had seen in over 60 years. Most of our well digging was put on hold because the water simply wasn’t there to find underground. Instead, we launched a water delivery program in remote villages in Ethiopia that didn’t have access to any clean water to drink.

We also resumed well projects after famine conditions eased and built a total of 12 wells in 2011, enough to supply 22,130 people and their livestock with fresh, clean water on a consistent basis for over a decade.

The average American uses about 176 gallons of water per day compared to the 5 gallons used by the average African. www.water.org

Families gather for ARAHA’s daily water deliveries throughout March 2011 in Ethiopia.
Education

Education is both an essential and an opportunity that will pay off exponentially over time.

ARAHA had several education-related projects in 2011. We gave a much-needed copy machine to two struggling schools to share, alleviating the burden on families to pay for copies of course materials. We also built an outdoor pavilion for our High School for Girls in the Shegerab Camp for refugees in Sudan. This building will provide a shaded place for breaks, meals, and other school activities.

The UN’s refugee branch (UNHCR) was so impressed by our model facility at Shegerab, they have allocated $89,000 through our partner organization to cover operating costs, equip a computer lab, and build a hostel for teachers in 2012. To sustain the school long-term, we’ve launched a dairy farm project which will fund the school and provide jobs for the families in the refugee camp.

Finding qualified teachers can be difficult in a place like Shegerab camp in Eastern Sudan, where there were no high schools for 30 years—leaving an entire generation behind.

Did you know? Executive Director Mohamed Idris tours a school for orphans in Sudan on his June 2011 trip.
While most of our work in 2011 was delivering emergency aid to starving families affected by the droughts and famine, we didn’t neglect our income-generating projects and family shelters which are so critical to lifting families out of the cycle of poverty.

Projects like our dairy goats and water tankers give recipients an opportunity to earn a living while providing the basics like shelter, water, and food in the form of milk to their families.

When people have a chance to earn for themselves, they are no longer dependant on food aid, making them the producers of the future.

2011 Sustainability Projects

- Water Tankers 4
- Donkey Carts 6
- Family Shelters 8
- Dairy Goats 152

One donkey cart or water tanker can sustain a family for over a decade at the same cost of feeding them for 6 months.

Did you know?

Top: A family meets their two new dairy goats. Bottom: Water tankers and donkey carts.
Orphans were the hardest-hit victims of the 2011 famines. Mothers were forced to choose between children on the long walks to city areas, leaving one or more behind for lack of energy to carry them all. Women and children made up about 70-80% of the internally displaced populations. This news was heartbreaking but it strengthened our commitment to ensure children were not forgotten in the chaos. We granted food packages to the most in need, which usually included a single mother and her orphaned children. In addition, we delivered food and non-food items such as sleeping mats, dishes, and cookware to an orphanage in Somalia where about 120 children live. Because it was a holiday for them, we also gave toy packages to the kids, including the sunglasses you see on the girls in the picture below. These small items which cost less than a dollar each brought so much joy to the orphans that day.

Did you know? Orphans are especially vulnerable to becoming child soldiers on all sides of the conflicts in the Horn of Africa, multiplying the tragedy for these youth.
When the famine started to get international attention in June and July of 2011, the support began to pour in from donors far and wide. We received a $28.74 check from the proceeds of a local child’s lemonade stand as well as $25,000 from an effort by San Diego youth to raise funds for Somalia. Our donor base doubled and included grandmothers from rural areas and celebrities from the UK. Overall, we raised over double our previous year’s amount and were able to direct over 82% of these funds straight to our programs.

We know that the total dollar amount of funds from generous individual donors may not be as high in 2012. That’s why we’re committed to diversifying our revenue sources by seeking grants from federal agencies as well as foundations and corporate sponsors to maintain a steady stream of revenue in the coming year.

Financial Statement as of 12/31/2011

REVENUE
Individual Contributions $890,777
Corporate Contributions $363,728
In-Kind Donations $39,552
Total Revenue $1,294,057

EXPENSES
Programs and Services $654,086
Fundraising $88,071
Management and General $52,612
Total Expenses $794,769

TOTAL REVENUE $1,294,057
TOTAL EXPENSES $794,769
NET $499,288

2010 Comparison

TOTAL REVENUE $585,642
TOTAL EXPENSES $619,405
NET ($33,763)

Revenue Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Contributions</td>
<td>69%</td>
</tr>
<tr>
<td>Corporate Contributions</td>
<td>28%</td>
</tr>
<tr>
<td>In-Kind Donations</td>
<td>3%</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

The Board of Directors
American Relief Agency for the Horn of Africa
2111 Central Avenue
Minneapolis, MN 55418

We have audited the accompanying statement of financial position of American Relief Agency for the Horn of Africa (a nonprofit organization) as of December 31, 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Relief Agency for the Horn of Africa as of December 31, 2011, and the changes in its net assets, its functional expenses and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lafayette, Melssen & Plath, Ltd.
Certified Public Accountants

Minneapolis, Minnesota
March 1, 2012
Thanks!

We would like to express our gratitude to the people responsible for making all of this possible:

**ARAHAA's individual donors**

**Our many dedicated volunteers**

**Our collaborators + supporters**

And our partner organizations:

- Life for Relief & Development
- Zakat Foundation
- American Refugee Committee
- Somali Youth League of San Diego
- UNHCR
- Pen & Paper Charity Organization, Australia
- Hidaya Foundation
- Somali Relief Fund
Pen & Paper
CHARITY ORGANIZATION
AUSTRALIA

Hidaya Foundation

UNHCR
The UN Refugee Agency

SOMALI RELIEF FUND