



American-Nicaraguan Foundation

Annual Report  
2000



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Alberto McGregor L.  
Pedro Solórzano

León Pallais S.J.  
Alvaro Pereira

Adolfo McGregor  
Silvio Pellas



A new millennium has begun, Nicaragua and the world have experienced profound changes in science, nature, politics, ideas and technological advances that have forever changed the way we live. The one thing that remains the same, however, is the growing need of our people -- our fellow human beings that lack even the most essential things in life to live with dignity.

In Nicaragua our statistics are sobering. Approximately 50% of the population (2.3 million people) live in extreme poverty; this number rises to 69% in rural areas. Four out of 10 people do not have access to drinking water; 6 out of 10 do not have electricity; and 1 of 5 children suffers from chronic malnutrition. It is this need and the impact that the Foundation has been able to make that motivates and urges us to work harder and more efficiently. With the help of God, ANF was created in 1992 and with his guidance we continue to move forward.

In 2000 ANF made commodity donations to 327 local organizations, which fed 15,000 and provided medical care to over 7,000 people a day. Our educational and nutritional programs benefited over 400,000 children. We completed 50 projects that improved living and health conditions for 20,000 people living in extreme poverty.

This year was also characterized by the implementation of more sophisticated inventory and accounting controls to accommodate our growth and keep our high standards of accountability and effectiveness.

ANF has developed and grown like we could have only dreamed of 9 years ago. We are conscious that none of this would have been possible without the generous support of our donors and a close working relationship with our recipient organizations in Nicaragua. It is because of this international network of donors and national network of institutions, with their diligent work and constant supervision, that ANF has been able to have such a profound impact in the country.

For those already supporting us, our heartfelt gratitude. For others, we urge you to join in this worthwhile effort. We assure you that you will be able to witness the difference your involvement and caring are able to make in so many people's lives.

A handwritten signature in black ink, appearing to read 'F. Alfredo Pellas Jr.', is positioned above the printed name.

F. Alfredo Pellas Jr.  
President



# Vision

To foster dignity and increased opportunity for the poor in Nicaragua.

# Mission

To aid the poor in Nicaragua by forging strategic alliances to procure and distribute commodity donations and funds to community based organizations that have been selected based on their effectiveness, transparency and spirit of service. We are committed to managing our donations and operating expenses in the most efficient manner, utilizing and surpassing industry standard controls.

## Who We Are

- ▲ 501 © (3) not-for-profit organization with strong local ties
- ▲ Founded in 1992 by U.S. and Nicaraguan professionals
- ▲ 9 years of experience in Nicaragua
- ▲ Operating Expenses near 1%

## What We Do

- ▲ Mobilize and focus international and local resources for development
- ▲ Promote strategic alliances among the local private sector, public sector and civil society
- ▲ Support education, nutrition, healthcare, housing and development projects
- ▲ Strengthen the mission of nearly 330 local organizations that serve the poorest communities

## 2000 Results

- ▲ Community based partner organizations fed over 15,600 people a day
- ▲ Local partners provided healthcare to more than 7,200 people a day
- ▲ Over 400,000 students benefited from ANF's educational programs
- ▲ Completed 50 development projects valued at \$632,582
- ▲ Secured 237 ocean containers valued at \$32.1 million

## ANF's Growth

- ▲ Secured 1016 ocean containers valued at \$181.5 million from 1992-2000
- ▲ Added funding of sustainable development projects to organizational mission in 1998
- ▲ Expanded its network of donors and local partner organizations

## Accountability

ANF has set rigorous appraisal standards to ensure receipt of quality commodity donations and the appropriate selection of new projects and qualified partner organizations.

ANF also established an ex-post evaluation system to confirm that projects, programs and partner organizations meet their objectives.

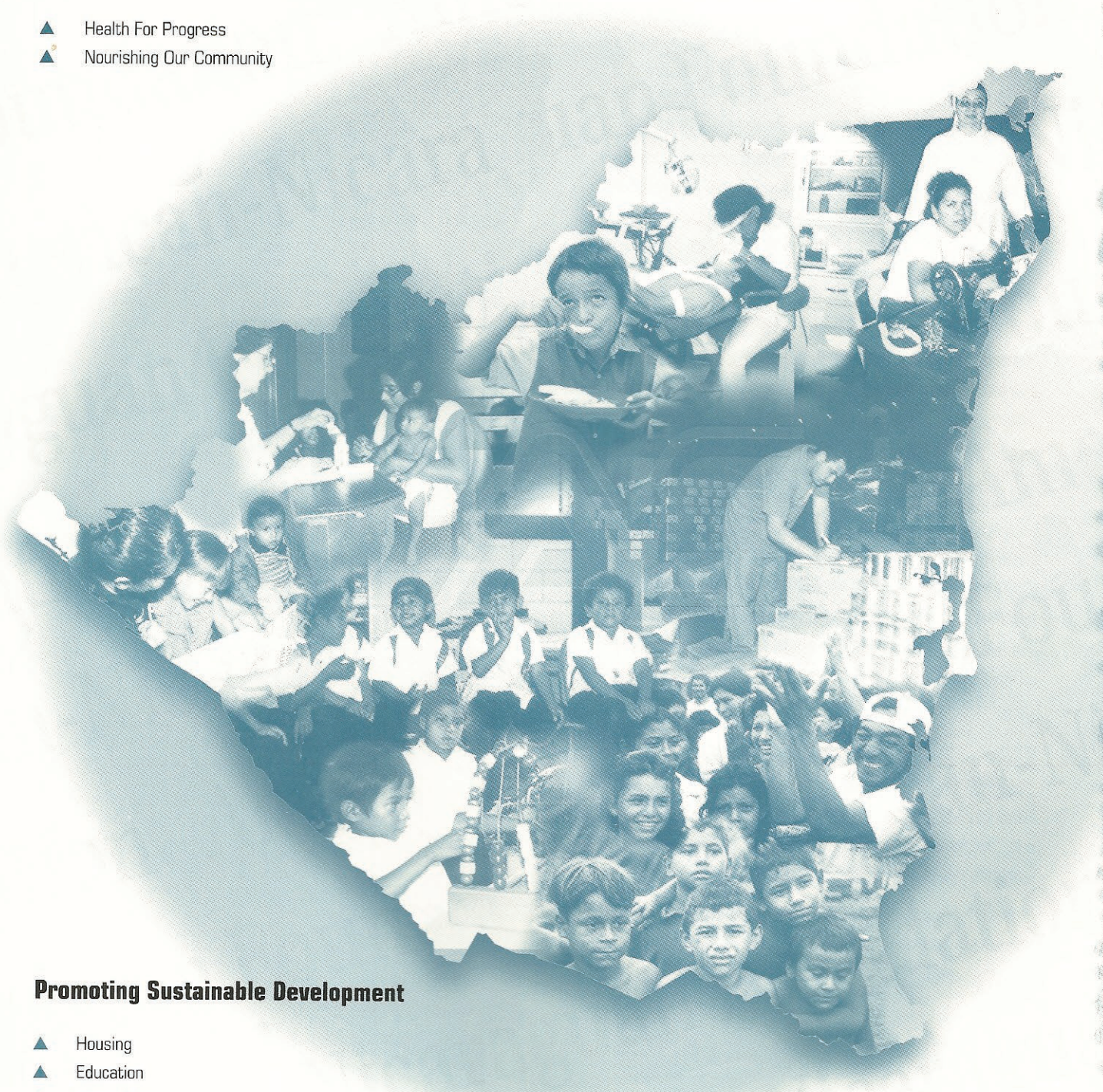
## Credibility

Since its first year of operation, ANF has been audited annually by Arthur Andersen LLP. Each year ANF goes through an internal audit conducted by the internal auditors of Credomatic. ANF is registered as a U.S. Agency of International Development and participates in the Combined Federal Campaign (CFC) through Hispanic United Fund: America's emergency relief, development and humanitarian outreach charities.



### Building Healthier Communities

- ▲ Health For Progress
- ▲ Nourishing Our Community



### Promoting Sustainable Development

- ▲ Housing
- ▲ Education
- ▲ Self Sufficiency
- ▲ Nutrition
- ▲ Water and Sanitation
- ▲ Health
- ▲ Other

### Breaking the Cycle of Poverty

- ▲ Write Your Future
- ▲ Sit Down And Learn



# Building Healthier Communities

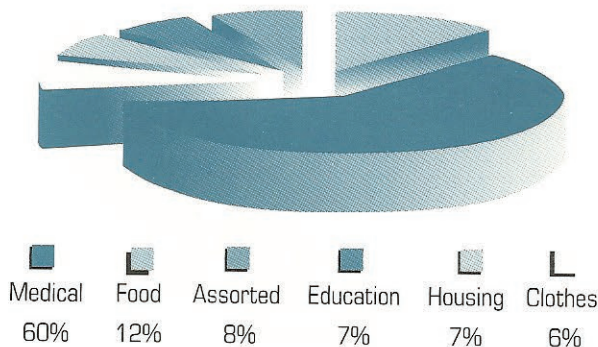
One of 25 Nicaraguan children will not make it to their fifth birthday. Maternal Mortality rates are equally as high. What is even more shocking is that according to the World Health Organization, many of these deaths could have been avoided – not by costly surgery or fancy medicines - but by simply improving nutrition, sanitary conditions and access to the most basic healthcare.

ANF recognizes that children are the future of Nicaragua and that healthy individuals (both young and old) are critical to its development. To this end, ANF remains committed to increasing access to healthcare for the poor and underprivileged, strengthening the capacity of local health care providers, and improving nutrition.

ANF's approach to addressing these issues remains unchanged. We provide commodity donations to local organizations serving Nicaragua's poorest communities through the programs Health for Progress and Nourishing our Community and fund projects to build and/or improve health and nutrition facilities. Simultaneously, ANF launched its first educational campaign on the prevention of malaria, dengue and diarrhea.

In 2000, ANF secured 156 containers for the Building Healthier Communities Program. They included medicine, medical supplies, basic equipment and food valued at \$23.4 million, \$19 million of which represented the value of medical donations. These desperately needed goods were distributed to organizations throughout the country, helping them feed over 15,600 people and provide medical care to over 7,200 a day. The 6 projects funded in the area of health and nutrition represented an investment of \$38,000 and benefited 6,000 people.

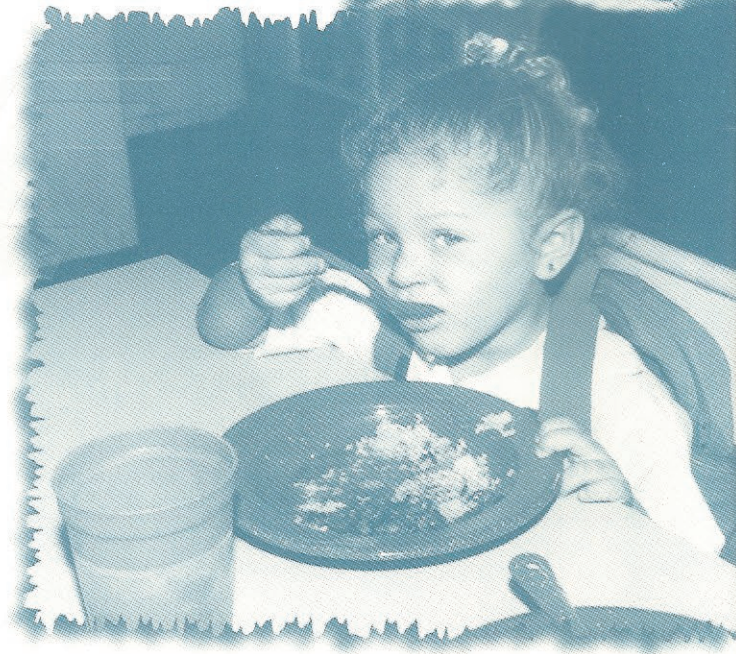
**Breakdown of Donations by Value**



ANF supported clinics like Roberto Clemente provide quality healthcare for the poor.



ANF supported nutritional centers provide meals to over 15,600 a day.

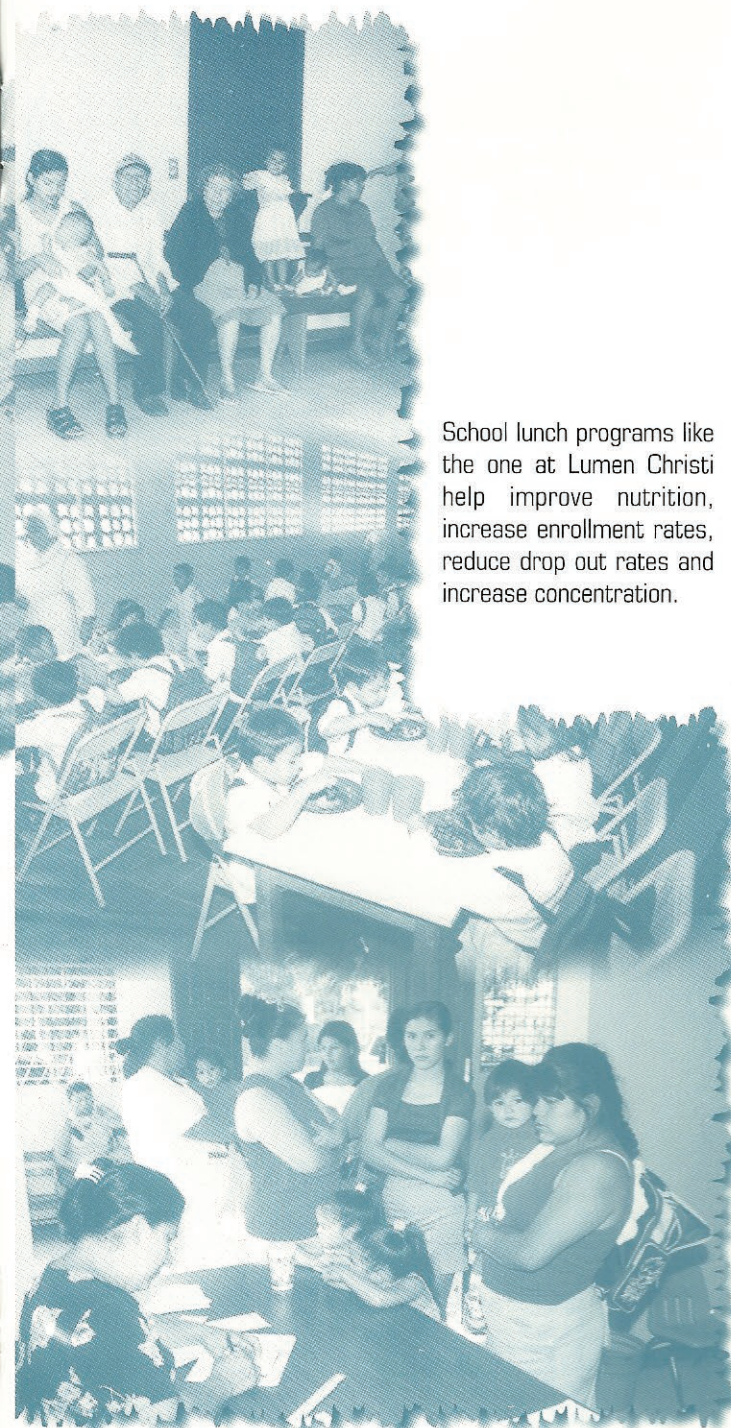


People Assisted by Local Partner Organizations Daily Average			
	Health	Nutrition	T.P.A.
<b>Adults</b>	1,872	5,925	<b>7,797</b>
<b>Children</b>	5,328	9,675	<b>15,003</b>
<b>TOTAL</b>	<b>7,200</b>	<b>15,600</b>	<b>22,800</b>

## Health for Progress and Nourishing Our Community Programs

One of the many health centers that benefited from ANF's Health for Progress program in 2000 was the Clinica Materna Infantil Roberto Clemente. Founded with one goal in mind – to provide quality healthcare to mothers to be, mothers and their children – the center serves 6 extremely poor communities near the Oriental Market in Managua. Each day, more than 200 women and children visit the clinic, some to receive pre-natal and post-partum care while others come to receive preventative and acute treatment. Like most centers serving the poor in Nicaragua, the clinic generates very limited income from its patients and must rely on donations to keep its doors open. In 2000, ANF donated medicine; vitamins; supplies; food and educational materials on malaria, dengue and diarrhea to the Clinic.

Nearly two years ago, the sisters of Lumen Christi founded a make-shift nutritional center to help feed hundreds of children living in a squatters community in the area. Although it was not much – the children ate under a large tree and volunteers cooked with firewood – it was a blessing for many families, especially their children. For the first time in their lives, they knew they would have at least one hot, nutritious meal. As time went on, the sisters realized the lunch was producing benefits beyond improved nutrition. They saw an increase in school enrollment, reduced drop out rates and increased concentration in the children. In 2000, ANF provided Lumen Christi with monthly donations of food for their school lunch program and funded the construction of a new building for the nutritional center. ANF also supported the school with school supplies, furniture and started construction of 6 new classrooms. Lumen Christi's enrollment has doubled thanks to ANF donations and building projects.



School lunch programs like the one at Lumen Christi help improve nutrition, increase enrollment rates, reduce drop out rates and increase concentration.

ANF supported health centers provide quality care to over 7,200 a day.





# Breaking the Cycle of Poverty

Education is key to breaking the cycle of poverty yet 3 out of 10 Nicaraguan children never have a chance to go to school – a number that more than doubles in rural areas. Those that do have to walk long distances to get to class, attend inadequately equipped schools, and lack the most basic materials.

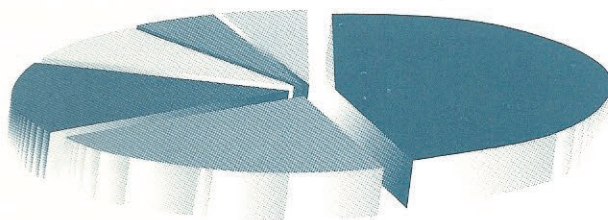
In 2000, ANF continued to focus on improving access to and the quality of education available to the poor. We distributed 12 containers of educational supplies and furniture to nearly 200 schools (54 of which are on-going partners) throughout the country. The donations were distributed through ANF's two educational programs: Write Your Future, which provides pencils, notebooks and other basic supplies to needy schools and their students; and Sit Down and Learn, which replaces cement blocks and broken chairs with student and teacher desks.

ANF's educational programs continued to have a significant impact in the country, benefiting over 400,000 children. The 9 education projects, valued at \$81,487, benefited 2620 people.

Over 400,000 children benefited from ANF supported educational programs.



### Breakdown of Donations Based on Volume



Food	Medical	Assorted	Housing	Clothes	Education
45%	21%	15%	8%	6%	5%

### Number of Children Assisted by Partner Organizations

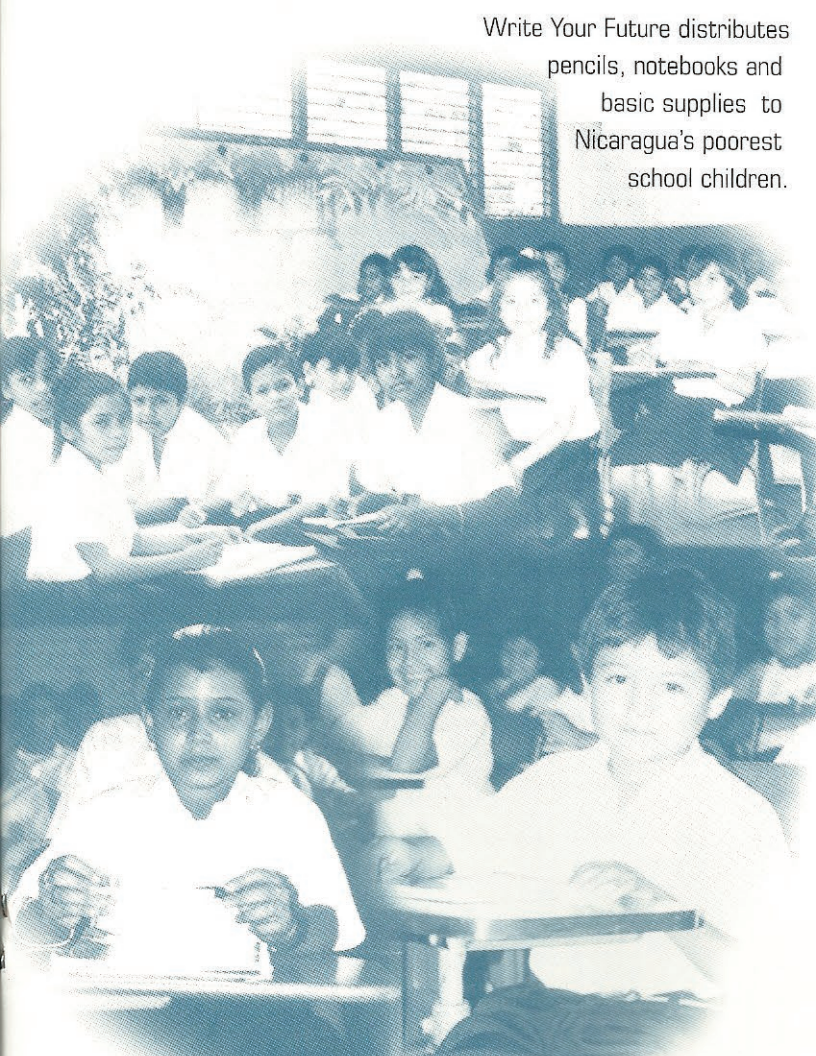
**Desks**  
6,000

**School Supplies**  
400,000

## Write Your Future and Sit Down and Learn Programs

Maria Auxiladora school in Ocotal is literally a blessing to its community. Recognized by the Ministry of Education as "Best School" and "Best Director", the school offers primary and the first three years of secondary education along with technical training in carpentry and ceramics. The educational programs are further strengthened by the on-site health center and school lunch program, which help keep retention rates at an astounding 98%. The school's retention rate is surprisingly high, especially considering the social economic background of the students. Most of the school's 600 plus students come from single-mother homes and live in extreme poverty. Thanks to Maria Auxiladora, hundreds of children have an opportunity at a better life. In 2000, ANF donated educational materials, food and medicine to Maria Auxiladora.

Each day, over 650 children pass through the gates of José Dolores Estrada school in the town of Los Brasiles eager to learn. Most are the sons and daughters of farmers that sell their crops or firewood to make a living. Despite the fact that many cannot afford uniforms or even school supplies, their parents are committed to sending their children to school. The school's director was concerned about the conditions of the center, particularly the fact that she did not have enough desks for her teachers or the growing number of children. She wanted to offer her students a clean and dignified place to learn. In 2000, ANF donated student and teacher desks along with pencils, notebooks and other supplies to the school.



Write Your Future distributes pencils, notebooks and basic supplies to Nicaragua's poorest school children.

Thousands of children now have desks, thanks to Sit Down and Learn.



## Promoting Sustainable Development

In 1998 ANF expanded its mission beyond the distribution of commodities to include funding for projects. During this time, the Foundation has developed a particular interest in supporting projects that promote sustainable change in people's lives. Although ANF supports projects in several areas, in 2000 we focused on housing, education and training, and self-sufficiency. Within this context, ANF supported projects to build and restore schools in rural and marginal urban areas, purchased books and computer equipment, developed a minor species food security project, and started sewing and carpentry workshops.

In 2000, ANF invested \$776,096 in improving Nicaragua's poorest communities, particularly in the departments of Managua, Masaya, Carazo, León, Matagalpa and Jinotega. ANF completed 50 projects valued at \$632,582 in the areas of housing, health, education, nutrition, self-sufficiency, water and sanitation, among others. The projects benefited approximately 20,700 men, women and children living in extreme poverty.

One person whose life was changed by an ANF supported project is Mirna del Carmen García. A 35 year old mother of eight, Mirna had been abused by her husband for most of her adult life – a situation that made her feel powerless. That all changed when 'Nicaragua Nuestra', an ANF partner organization, invited her to participate in their sewing course. After much hesitation, Mirna decided she would attend and promised herself she would work hard to finish first in her class. In the end, Mirna achieved her goal. When you ask her about it, she smiles and says that she is so proud of herself because it is the first time she set a goal and achieved it. Today Mirna supports herself and her children by sewing material into clothes, which she sells at nearby markets. Mirna admits she never imagined learning how to sew would be the answer to a better life for her and her family. ANF provided funding for the sewing machines and supplies used in the workshop as well as sewing machines to be donated to the "best" students. More than 190 women graduated from the workshops in 2000.



Over 20,000 people benefited from ANF projects in 2000.

### 2000 Completed Development Projects

Area	No. Projects	Value
Housing	7	\$ 297,602.49
Education	9	\$ 81,487.20
Self Sufficiency	11	\$ 50,901.62
Nutrition	3	\$ 36,169.00
Water Sanitation	4	\$ 48,336.00
Health	3	\$ 1,990.00
Others	13	\$ 116,095.56
<b>TOTAL</b>	<b>50</b>	<b>\$ 632,581.87</b>

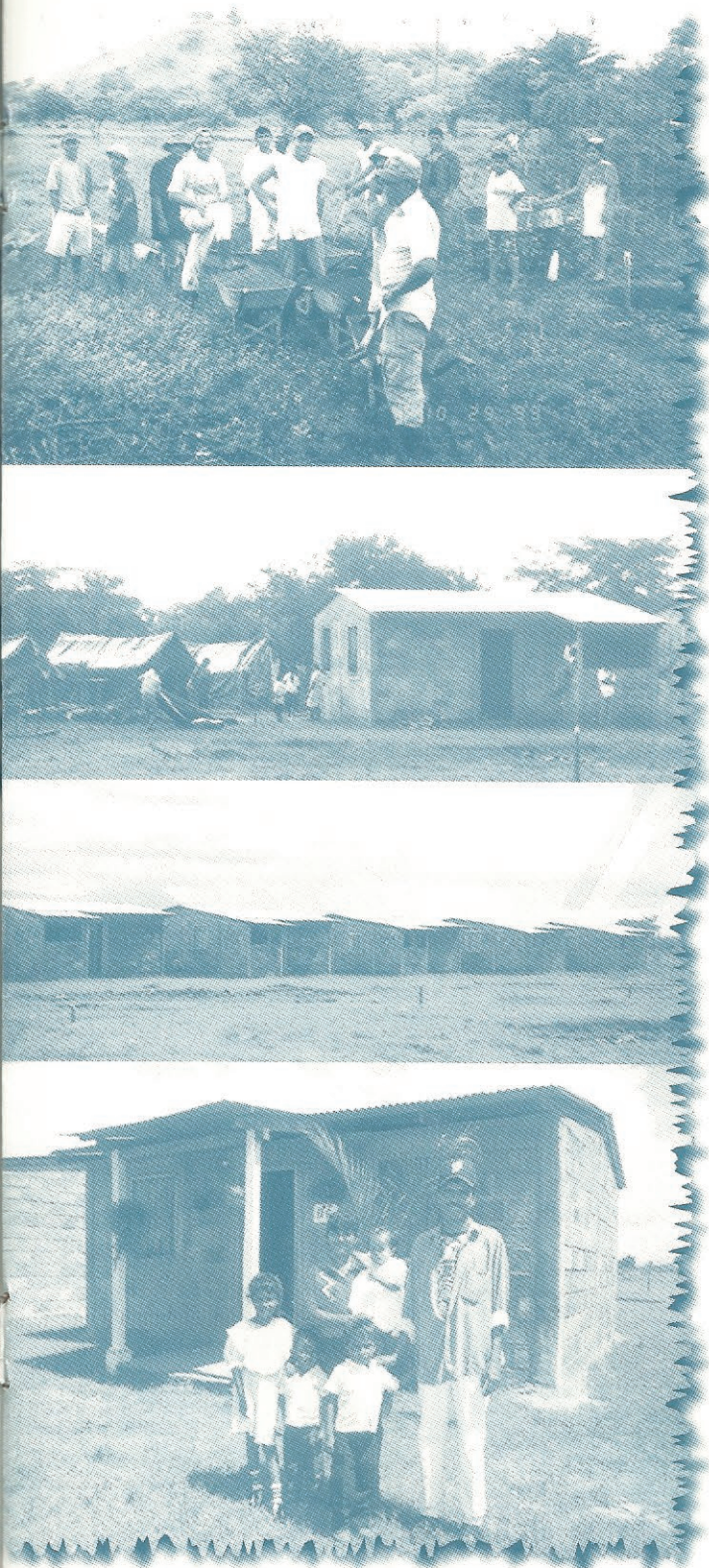
Note: ANF invested \$776,096 in projects. \$632,582 represents completed projects, C\$143,515 represents projects in progress to be completed in 2001.

## Building a New Life Housing Program

In 2000, ANF continued its initiative to provide homes to victims of Hurricane Mitch and other families in need. The first half of the year focused on completing the Villanueva project in Chinandega. As in the previous year, the 46 square meter brick homes were built following a self-construction model. Two people from each recipient family formed part of a 10 person team. Each team was responsible for building five houses – one for each family. The cost per home was \$1500 each. ANF funded 122 homes in 2000, coupled with the 107 built in 1999, bringing the total number of houses built in Villanueva to 229.

In addition to completing the Villanueva project, ANF secured funding to build 330 homes for families living in the squatters community known as El Limonal in Chinandega. More than 1500 people were living on land located between the local garbage dump and slaughter house. The project will begin in January of 2001, transferring the families to safer ground.

ANF's housing program helped thousands of people get a new start at life. Maria Eugenia Galeano is one of them. Maria Eugenia's mother died when she was very young. Her father could not take care of her and she was forced to live on the streets. It was there she met her husband. They made their living the only way they knew how – moving from farm to farm looking for work. One day Maria Eugenia learned of ANF's housing program and decided to apply. She prayed they would accept her application as it would be the first time in her children's lives that they would have a real home. Today, Maria Eugenia proudly shows off the home she and her husband built for their family. She is also quick to explain that her husband now has a stable job and her children go to school.

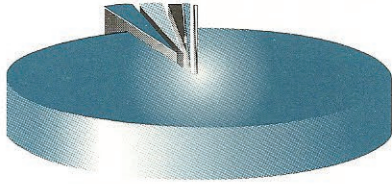


ANF continued to make homes accessible to the poor in 2000.



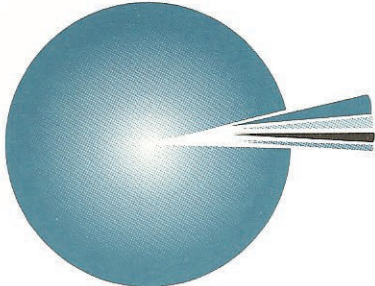
# Financial Statements

## REVENUE



Category	Percentage
COMMODITIES	93.93%
PROJECTS	2.37%
SHIPPING	2.04%
CASH	1.20%
FUNDRAISING	.39%
OTHER	.07%

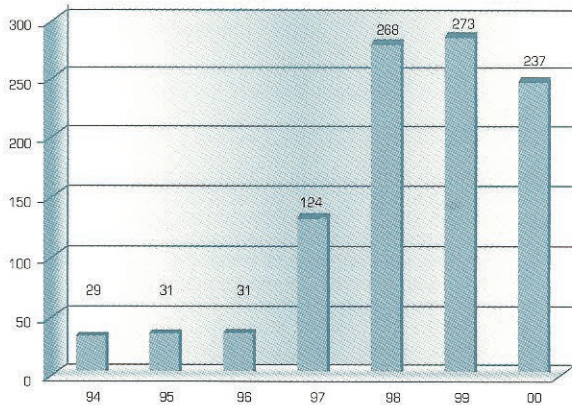
## EXPENSES



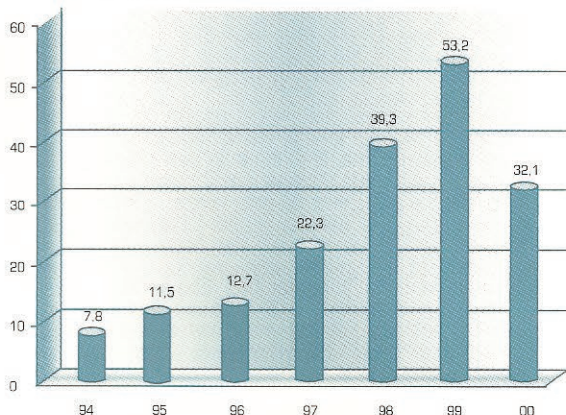
Category	Percentage
COMMODITIES	94.2%
PROJECTS	2.29%
SHIPPING	2.18%
MGMNT. & OTHER	1.21%
FUNDRAISING	.12%

## ANF's Growth

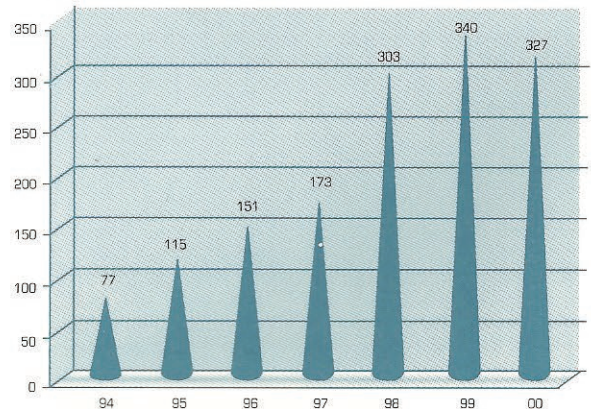
### Number of Containers



### Value of Goods (Millions of Dollars)



### Number of Partner Organizations



## Statement of Financial Position

### Assets

Cash	\$ 315,136
Inventory	\$ 9,727,023
Certificate of Deposit	\$ 110,000
Equipment	\$ 121,938
Other	\$ 15,013

**Total Assets** **\$ 10,289,110**

### Current Liabilities

Accounts Payable	\$ 20,837
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**Net Assets** **\$ 10,268,273**

**\$ 10,289,110**

## Statement of Activities

### Support and Revenues

Commodities	\$ 32,137,294
Cash	\$ 410,081
Project Development	\$ 810,698
Freight and Shipping	\$ 698,343
Fundraising	\$ 133,226
Other	\$ 25,000

**Total Support and Revenue** **\$ 34,214,642**

### Expenses

Commodities	\$ 32,473,093
Shipping and handling	\$ 751,826
Project Development	\$ 788,808
Other	\$ 25,000
Fundraising	\$ 40,149
Procurement of Supplies	\$ 12,969
Management and General	\$ 380,289

**Total Expenses** **\$ 34,472,134**

### Increase in Net Assets

Net Assets, beginning of year	\$ (257,492)
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**Net Assets, end of year** **\$ 10,268,273**



Accountability and a serious commitment to the poor of Nicaragua are the trademarks of the American-Nicaraguan Foundation. We have strongly supported their efforts for the last five years and encourage others to do so.

**Robin Mahfood**  
**Food For the Poor, Inc.**

The American-Nicaragua Foundation is the most effective and efficient in getting humanitarian aid to the poor of all the organizations we donate to in over 22 countries. They use humanitarian aid in a way that they do not foster dependency but assist people in becoming independent. We are privileged to have the American-Nicaragua Foundation as our official Partner Organization in Nicaragua.

**Wendell Mettey**  
**Matthew 25: Ministries**

We acknowledge with gratitude American-Nicaraguan Foundation's dedicated service to the needs and aspirations of the people of Nicaragua. We wish to thank you for the humanitarian aid you have extended for the suffering, ill victims and displaced people in your country.

**Mike Hayes**  
**Direct Relief International**

In the name of CONACA, we want to thank ANF for supporting our organization in its efforts to provide care to Nicaragua's children with cancer.

**Sylvana de González**  
**Comisión Nicaragüense de Ayuda al Niño con Cáncer**

Since I was very young, I have been dependent on alcohol. Thanks to the program at Hodera Rehabilitation Center, I was able to find myself and learn new tools to help confront problems I may face in the future. If ANF had not supported the construction of the women's wing of the center, I would have never had the chance at life that I have now. Thank you.

**Romelia López López**  
**Hodera Rehabilitation Center**

I would like to thank ANF for answering our request of pencils and notebooks for the 270 children of our school.

**Pablo A. Villafranca**  
**Asunción de María**

We would like to thank ANF for the donations of food and medicine...which help us give hundreds of children a better life.

**Sister Emilia Granados**  
**La Recolectión**

The project to improve La Providencia elderly home is a gift from God. Thank you ANF for helping us continue our labor of love.

**Sor Maria Magdalena Solado**  
**La Providencia**

