



TWO-YEAR REPORT



TSUNAMI
RECOVERY PROGRAM





TABLE OF CONTENTS

Introduction	3
How We Do Our Work	4
Financial Information	6
Our Programs	7
Health	8
Water and Sanitation	10
Psychosocial Support	13
Shelter	14
Livelihoods.	16
Disaster Preparedness	20
Challenges	23
Moving Forward	24
The International Response Fund	25

Front cover:

An American Red Cross worker watches a skit with a young child in Sri Lanka.

CREDIT: MICHAEL OKO / AMERICAN RED CROSS

Facing page:

An Indonesian girl rests after taking part in an American Red Cross psychosocial support activity.

CREDIT: BONNIE GILLESPIE / AMERICAN RED CROSS



 American Red Cross
 Temporary Shelter Construction
Desa Pasi, Pudeng and M
Kecamatan Lhoong.

INTRODUCTION

“We lost everything because of the tsunami,” said T. Mangalika Rohini, who lives in a small village near Galle, Sri Lanka. She was away from her home when the December 2004 tsunami hit. When she returned, she discovered it had been destroyed, along with everything in it. Two years later, her house has been restored, but she and her community still feel the impact of this disaster. The American Red Cross leads a psychosocial support program in her village, to help her and her neighbors overcome the emotional trauma caused by the tsunami. Through this program, Mangalika and 17 other women in her community joined a sewing class, where they have learned new skills and restored community bonds. “I am 47 years old, and I feel like I re-entered my school time,” she said. “We developed a great sense of affection for each other. It was a great consolation for us after the tsunami.”

Mangalika and hundreds of thousands of other survivors have experienced significant progress over the last two years. To date, the American Red Cross and its partners have restored thousands of people’s access to clean water, vaccinated more than 80 million children against preventable diseases, engaged more than 236,000 people in psychosocial support activities, assisted more than 14,000 people through cash-for-work programs, funded the construction of thousands of transitional and permanent shelters and enhanced communities’ capacity to respond to future disasters.

In the past year, the American Red Cross has expanded its recovery efforts, paying close attention to ongoing humanitarian needs, in addition to rebuilding homes and livelihoods. Recognizing that sustainable recovery is a long-term process, the American Red Cross remains firmly committed to responding to the greatest needs of tsunami-affected communities.

Upon the second anniversary of the tsunami, this report offers insight into how American Red Cross long-term programming has taken shape over the past year and what lies ahead. The American Red Cross is grateful to its generous donors, whose compassion enables our efforts, and especially to the survivors of the tsunami, for without their strength and resiliency, such a recovery would not be possible.

Thank you for your trust in our humanitarian mission.



Mangalika is learning to sew as part of the American Red Cross psychosocial program in her community.

PHOTO: MICHAEL OKO / AMERICAN RED CROSS

Facing page:

A volunteer for the Indonesian Red Cross stands outside of a transitional shelter.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS

¹ UN Office for the Special Envoy for Tsunami Recovery, www.tsunamispecialenvoy.org

How We Do Our Work

Having provided assistance to more than 3 million people through its recovery programs and having reached more than 80 million people through its disease prevention campaigns, the American Red Cross Tsunami Recovery Program is committed to implementing an effective and long-lasting recovery for survivors in tsunami-affected communities. The program's mission is to build on the strengths of communities, the International Red Cross and Red Crescent Movement (Movement) and other partners to restore and improve the lives of tsunami-affected people. The program's activities will likely continue through June 2010.

Not only do needs vary from country to country but also over time. Following consultations with local communities and reassessments of current needs, the American Red Cross has built upon its past programming to create a revised strategic plan for tsunami recovery, which it released at the end of

2006. This plan focuses on six core areas: water and sanitation, psychosocial support, health, shelter, livelihoods and disaster preparedness. These core areas address remaining immediate needs and prioritize programming according to current situations in the affected region.

The revised strategy continues to maximize community participation with American Red Cross efforts at all stages of program planning and implementation. This approach guarantees accountability to beneficiaries and fosters good stewardship of donated funds. Similarly, regular sharing of information with partners and donors helps to ensure that the American Red Cross is better equipped to continue meeting survivors' needs, while spending donated funds efficiently and effectively.



An American Red Cross worker provides comfort to an Indonesian woman.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS

The American Red Cross coordinates its efforts with partners inside and outside the Movement. These key partners provide additional operational skills and capacities that complement the American Red Cross core areas of expertise. This collaborative effort improves the delivery of help to where it is needed most and maximizes the use of funds and resources.

The American Red Cross works with the following partners to reduce duplication of efforts, while also expanding its reach by providing complementary services.



Psychosocial support program expert Amin Khoja with children in Aceh, Indonesia.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS

- **Host National Societies** — The local Red Cross or Red Crescent National Society in each tsunami-affected country serves as the primary partner of the American Red Cross. These host National Societies were the “first responders” in the immediate aftermath of the disaster. Host National Societies benefit from a vast network of locally-based volunteers, pre-existing interaction with the government at all levels and a deep understanding of local cultures and practices. The American Red Cross provides resources to help host National Societies respond to needs, while also building capacity to respond to future disasters.
- **Participating National Societies** — The American Red Cross coordinates extensively with the nearly 100 participating National Societies that have provided assistance in tsunami-affected countries to avoid duplication of activities. Furthermore, the American Red Cross forms operational alliances with National Societies based on the technical expertise, geographic coverage and operational capacity of each.
- **Non-Governmental Organizations (NGOs), International Organizations (IOs) and United Nations (UN) agencies** — These partners increase the Movement’s programmatic and geographic reach in sectors and regions that might otherwise not be served. Some of these partnerships include livelihood programs with Mercy Corps and Community, Habitat and Finance International; shelter projects with the International Organization for Migration; and disease prevention efforts with Measles Initiative partners, namely, the UN Foundation, the World Health Organization (WHO), UNICEF and the U.S. Centers for Disease Control and Prevention.

Understanding the Movement

The International Red Cross and Red Crescent Movement is the world’s largest humanitarian network, with approximately 97 million members and volunteers worldwide and a presence in more than 180 countries. The Movement is comprised of the International Committee of the Red Cross (ICRC), the International Federation of Red Cross and Red Crescent Societies (International Federation) and individual Red Cross and Red Crescent National Societies throughout the world, of which the American

Red Cross is one. All activities undertaken by the Movement are unified and guided



by seven fundamental principles: humanity, impartiality, neutrality, independence, voluntary service, unity and universality. Members of the Movement are committed to providing emergency relief and recovery and improving the basic living conditions of the world’s most vulnerable people, whether the conditions are due to conflict or natural and human-caused disaster.

The ICRC protects the lives and dignity of victims of war and civil strife. It directs the Movement’s relief activities in zones of armed conflict, as in the tsunami-affected areas of northern and northeastern Sri Lanka.

The International Federation coordinates relief efforts following natural and human-made disasters around the world. It coordinates the Movement’s response efforts in tsunami-affected regions outside areas of conflict.

FINANCIAL INFORMATION

The American Red Cross is deeply honored to have received \$575.6 million in contributions for tsunami recovery as of November 30, 2006. Of these funds, \$225.2 million has been spent. Thanks to the amazing generosity of its supporters, the American Red Cross believes it has the funds needed to fulfill its long-term recovery programming. The American Red Cross has budgeted all remaining funds toward long-term recovery efforts.

The American Red Cross takes its stewardship role seriously and is committed to administering programs that are carefully planned and effectively implemented. For its long-term programs, the American Red Cross has established field-based monitoring and oversight offices in Indonesia, Sri Lanka, the Maldives and Thailand. Financial staff work alongside technical staff to ensure full and accurate financial accounting of its programs.

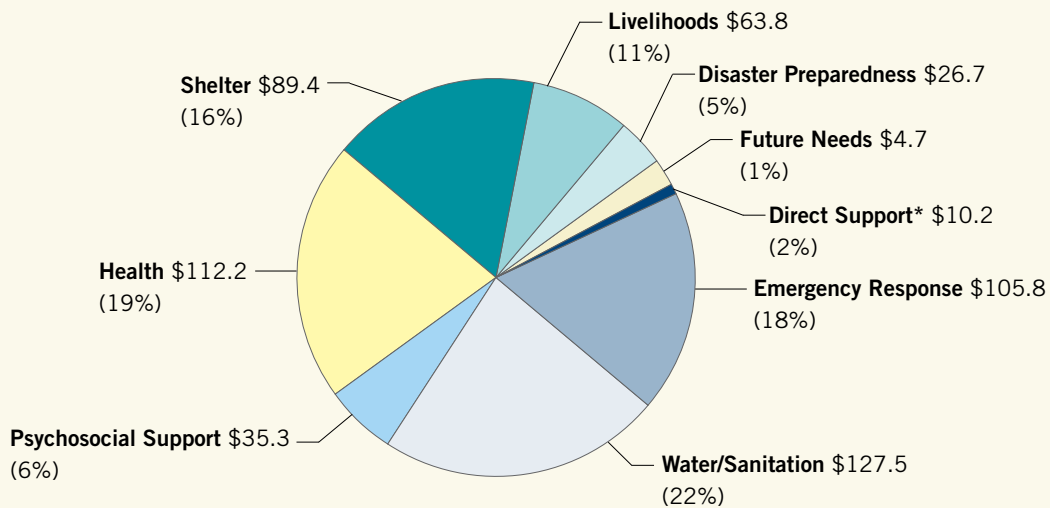
The American Red Cross works with partners to expand its reach and more effectively meet the needs of survivors. When the American Red Cross provides financial support to its partners, both within and outside the Movement, these funds are closely monitored through detailed agreements, programmatic monitoring, regular reporting and annual audited financial statements and reports. These tools ensure partnerships adhere to American Red Cross policies and standards, including that the intent of the donor is honored.

The chart below describes expenditures to date and allocations over the life of the Tsunami Recovery Program (estimated through June 2010). A breakout of expenditures to date for ongoing programming is provided at the conclusion of each of the following programmatic overview sections.

Tsunami Recovery Program Expenditures and Allocations

as of November 30, 2006 (in millions)

Total: \$575.6



*Direct Support represents necessary supporting activities, including donation processing and incremental stewardship costs such as audit fees, accounting support, technology support, communication activities and support for staff.

OUR PROGRAMS

The effects of the tsunami have been vast and different in each affected country.

Effects include—

- Roughly 5 million people's livelihoods were affected by the disaster.
- Up to 50 percent of the survivors suffered from moderate to severe psychological distress.
- In the four most affected countries—Indonesia, Sri Lanka, the Maldives and India—approximately 1.8 million people were displaced from their homes, and more than 580,000 houses were destroyed or seriously damaged.²

During the first six months, the American Red Cross responded by providing emergency food, water storage units, tents, sleeping mats, cooking sets, hygiene kits, insecticide-treated bed nets and other relief supplies. In addition, 1.1 million children were vaccinated against measles and polio and psychosocial support and training was provided, as was technical assistance for water supply and household sanitation programs.

Long-term recovery efforts have greatly progressed in the second year following the disaster. Thousands of people have resumed their traditional livelihoods and hundreds of thousands more have received psychosocial support. More than 213,000 homes have been rebuilt or are currently under construction.³

The remainder of this report describes some of the American Red Cross long-term programs underway or planned for the coming years to assist survivors and their communities. For additional information and updates on activities, please visit www.redcross.org/tsunami.



A Red Cross worker unloads relief supplies.

PHOTO: BONNIE GILLESPIE/
AMERICAN RED CROSS

Improving Accountability

In April 2006, President Clinton, the United Nations Special Envoy for Tsunami Recovery, launched an initiative to review lessons learned by non-governmental organizations (NGOs) in their tsunami response. As a key element of the review, the American Red Cross and Mercy Corps served as the lead organizations exploring the topic of accountability to beneficiaries. In an effort to improve the overall effectiveness of the humanitarian community, the project sought to highlight important standards developed from previous emergencies, as well as to reveal insights from tsunami operations.

Findings from the study stress the critical importance of developing appropriate methods of transparent communication with beneficiaries and ensuring their active role in decision-making processes about activities that affect them. Involving beneficiaries in the evaluation of programs greatly increased the likelihood of more relevant services being developed in the future. Having mechanisms in place for stakeholders to voice concerns and have issues properly reviewed and acted upon was also extremely important.

The American Red Cross strives to implement these actions in all its programs, recognizing that the ultimate success of disaster recovery programming is determined by the satisfaction of the people being served.

² UN Office for the Special Envoy for Tsunami Recovery, www.tsunamispecialenvoy.org/briefs/shelter.asp.

³ *Ibid.*

HEALTH

Disease Prevention

The spread of disease presented one of the biggest concerns following the tsunami. Damaged water and sanitation infrastructure, as well as crowded conditions in relief camps, provide the perfect breeding ground for diseases. Expanding on its vaccination efforts during the emergency response, the American Red Cross continues supporting several disease prevention campaigns throughout the tsunami-affected region.

The American Red Cross and its Measles Initiative partners, who previously vaccinated more than 217 million African children against measles, now have undertaken campaigns in Asia to join the tsunami recovery efforts. During many of the vaccination campaigns in the tsunami-affected regions, complementary health services are provided, including vaccinations against rubella and distributions of vitamin A, insecticide-treated bed nets for malaria prevention and medication to eliminate intestinal parasites. The American Red Cross and its Measles Initiative partners have supported or will support the following campaigns:

- In the Maldives, approximately 150,000 children were vaccinated in the country's first-ever mass vaccination initiative.
- In Bangladesh, more than 33.5 million children ten years old and younger were vaccinated against measles.
- In Kenya, 5.2 million children under 5 years of age were vaccinated.



A Kenyan girl receives vitamin A drops during an integrated health campaign to help strengthen her resistance to disease.

PHOTO: TONY MWANGI / KENYA RED CROSS SOCIETY



Indonesian Red Cross workers spread the word about an upcoming measles campaign.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS

- In Indonesia, where an estimated 30,000 children die of measles each year, the campaigns will vaccinate 32 million children countrywide by late 2007.
- In Myanmar, an estimated 18 million children will be reached through a multi-phased campaign in 2007.

Further disease prevention efforts include stopping the spread of polio. Ten years after having been declared polio-free, Indonesia saw the reemergence of this disease in April 2005. It spread throughout the country, including Aceh and North Sumatra provinces. The American Red Cross has supported the largest vaccination campaign ever in Indonesia, inoculating more than 23.4 million children against polio, with assistance from the Indonesian Red Cross Society, which spread the word about the importance of immunizations through its social mobilization efforts.

Bangladesh Measles Campaign

Each year, measles takes the lives of more than 20,000 children in Bangladesh. Last February, the American Red Cross, its Measles Initiative partners and the Bangladesh Red Crescent Society joined together to support the largest measles vaccination campaign in history. Vaccines were available in more than 100,000 schools and 150,000 health posts. Thousands of health workers and volunteers supported the effort.

Standing in line with his young son, Mohamed Sakan Ali said, “I only hope that one day my children will live in a country where measles isn’t a threat.” Thanks to the efforts of the American Red Cross and its partners, that day is closer for Ali, his family and more than 33.5 million Bangladeshi children.



In Bangladesh, mothers and caretakers bring their children to temporary vaccination posts to receive lifesaving measles vaccinations.

PHOTO: BRIAN HATCHELL / AMERICAN RED CROSS

As part of the “Malaria Free Aceh” campaign in Aceh, Indonesia, the American Red Cross is working to help avert an outbreak of malaria. Insecticide-treated bed nets have proven to be one of the most effective methods of malaria prevention. In addition, the initiative is supporting school-based malaria awareness activities that teach students about the importance of using bed nets. Initial results indicate a 73 percent decline in infection rates in areas where bed net distributions and education activities have taken place.



A Red Cross worker in Indonesia visits a mother and her baby for a health checkup.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS

Maternal and Child Health

In tsunami-affected communities throughout Indonesia’s Aceh province, the American Red Cross has partnered with the UN World Food Programme to improve the nutrition and health status of approximately 467,000 vulnerable women and children. In an effort to improve children’s school attendance and learning ability, this program focuses on improving the nutritional status of students in five Aceh districts through food distributions, complemented by nutritional education classes. Similar activities are being conducted in clinics, focusing on nutritional education programs and the distribution of fortified noodles to expectant and lactating mothers.

Projected cost: \$112.2 million

Expenses to date: \$60.3 million

WATER AND SANITATION

Following the tsunami, salt water and debris contaminated many open wells, severely limiting safe drinking water in many affected countries. Vast amounts of water and sanitation infrastructure was badly damaged or completely destroyed, further increasing survivors' vulnerability to disease. In response, the American Red Cross water and sanitation programs focus on restoring and installing

these systems. Village committees are working with the American Red Cross and local Red Cross and Red Crescent staff to ensure long-term, local-level participation in the construction and maintenance of these systems. In addition, hygiene promotion programs complement these projects to reinforce the importance of healthy hygiene practices, such as hand washing and how to safely store water, which greatly reduce the risk of disease. To date, American Red Cross water and sanitation programs have restored access to clean water and proper sanitation for nearly 9,400 people and more than 3,500 homes and schools in Indonesia, Sri Lanka, the Maldives and Thailand.



American Red Cross programs teach healthy hygiene behaviors such as washing hands before eating.

PHOTO: HOLTI SIMANJUNTAK/AMERICAN RED CROSS

In five districts of Indonesia's Aceh province, including districts on the islands of Pulo Aceh and Pulo Weh, the American Red Cross and Indonesian Red Cross Society are providing new and restored wells, latrines, drainage piping and wastewater treatment facilities that will reach more than 65,200 people in rural and urban communities. Similarly, the American Red Cross and Sri Lanka Red Cross Society (SLRCS) are working in Matara and Hambantota districts of Sri Lanka to repair or construct new wells and install new toilets that will ultimately provide approximately 19,600 people access to potable water and healthy sanitation.

The following are further examples of water and sanitation programs underway:

- Calang, the capital city and a major port of Aceh Jaya district in Indonesia, was devastated by the tsunami. The disaster killed approximately 70 percent of Calang's population and destroyed its water and sanitation infrastructure. To assist in the city's recovery, the American Red Cross is providing water and sanitation systems for approximately 2,500 households.
- The American Red Cross has teamed up with the International Organization for Migration (IOM) to supply water and sanitation components for a housing project in Aceh province. The American Red Cross anticipates providing wells, pipelines, latrines and septic tanks for approximately 4,600 permanent and transitional housing units constructed by IOM.
- The tsunami forced thousands of Sri Lankans to relocate to new homes and destroyed wells and sources of clean water. In response, the American Red Cross and SLRCS are working in 41 resettlement areas in Matara District to build new houses with dependable, clean water and modern sanitation facilities for more than 15,000 people.



Sri Lankan students perform a hygiene promotion drama to inform the community of how they can help prevent the spread of disease.

PHOTO: MICHAEL OKO / AMERICAN RED CROSS

- The water and sanitation infrastructure of the Maldives was also extensively damaged. Ground water was contaminated on several of the country's 200 inhabited islands. The American Red Cross is rehabilitating and constructing sewage systems for more than 12,000 people in collaboration with the International Federation, national authorities, atoll chiefs and community members.
- In Thailand, the American Red Cross is rehabilitating and constructing community and school water supply and sanitation facilities in Phang Nga province, in collaboration with the Thai Red Cross Society, governments and community leaders. The program, which will expand into five additional provinces, is underway in more than 30 communities, schools and health centers. The program will benefit approximately 12,000 people.

Projected cost: \$127.5 million Expenses to date: \$9 million

A Fresh Start

Carrying his infant in the hot midday sun, J.P. Nihal Prasana looked at a row of freshly painted, two-story homes. "I am very happy," Prasana said. "Now I will be living in a safer place." Prasana, a fisherman from Welligama in southern Sri Lanka, along with approximately 250 others, will soon move into one of these 50 new houses. The Belgian Red Cross is leading the construction efforts, while the American Red Cross is overseeing the installation of water and sanitation systems, ensuring that the houses have access to clean water and waste removal. In this way, Movement partners provide complementary services that maximize recovery efforts and better serve survivors.



J.P. Nihal Prasana and his family stand outside their transitional house.

PHOTO: MICHAEL OKO / AMERICAN RED CROSS

Prasana and his wife, Dilki Nirosha, are eager for a fresh start. Nirosha explained, "I am very happy that I can leave this place where I lost [my] son. This is not a good place for my family." They will soon be moving from the temporary shelter they've been in since the tsunami to their new house, which is a few miles from the water, with easy access to Prasana's fishing boat.



The American Red Cross is providing water and sanitation systems to these permanent houses in Sri Lanka.

PHOTO: MICHAEL OKO / AMERICAN RED CROSS

"From the first day, the Red Cross has helped us with food and materials," Prasana said, "and I am very grateful to the Red Cross for our new home." As Prasana walks along the dusty lane, his baby in his arms, he feels more secure, and the future is brighter for him and his family.



PSYCHOSOCIAL SUPPORT

Following a major disaster, individuals and communities are at increased risk for social isolation. Their sense of belonging and self-esteem are frequently compromised. The American Red Cross psychosocial support program addresses these risks through resilience-building activities requested by each community. These include traditional festivals, cooking classes, traditional handicraft trainings and other cultural and religious practices that help individuals reestablish their social networks and “sense of place.”

The psychosocial support program has reached more than 110,000 people in Indonesia’s Aceh communities. By training local Indonesian Red Cross Society staff and volunteers, community leaders and teachers, the American Red Cross strengthens the ability of community members to help each other and engage in their own recoveries, while also enhancing local capacity to meet psychosocial needs. More than 60 schools have participated in psychosocial activities, including art competitions and theatrical performances, which encourage students’ creative expression and provide an outlet for stress relief. The American Red Cross psychosocial program has also been incorporated into the curriculum of institutions of higher learning in Aceh province.

In Sri Lanka, members of the American Red Cross psychosocial program are collaborating closely with the SLRCS in more than 100 schools and communities across five districts. This comprehensive program has reached more than 113,000 people in tsunami-affected communities by—

- Facilitating more than 200 community activities, such as neighborhood clean-ups, festivals and livelihood skills training.
- Training approximately 1,000 community volunteers to provide psychological first aid after disasters.
- Organizing school activities, like mural and desk painting, and distributing more than 40,000 school kits to encourage students’ learning, safety and creativity.
- Training thousands of pre-service teachers in psychological first aid at all 17 National Colleges of Education across Sri Lanka, so they can help meet the immediate psychological needs of disaster survivors.

Within days of the tsunami, the American Red Cross had already begun providing psychosocial support to communities in the six most-affected atolls of the Maldives. Psychosocial support program staff are training teachers and community facilitators to deliver psychosocial services that will foster community cohesion by celebrating local cultural heritage and environmental preservation. More than 12,000 people have benefited from these trainings and activities in more than 70 schools and communities. The American Red Cross is also training government officials in psychological first aid and assisting in the creation of psychosocial training materials for nationwide usage.

Projected cost: \$35.3 million Expenses to date: \$4.9 million

Facing page:

Indonesian girls sing during a traditional ceremony.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS



Making music is one way psychosocial programs help children heal.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS

SHELTER

Shelter remains one of the most critical needs still prevalent in much of the tsunami-affected region. As part of its commitment to address these needs, the American Red Cross is working on several projects to provide housing to those displaced by the tsunami through both transitional and permanent shelters.

In Aceh, Indonesia, the American Red Cross has collaborated with the International Federation to supply more than 2,500 transitional shelters to families who still await the construction of their permanent homes. These sturdy shelters, made of galvanized steel frames, are assembled on raised foundations, thus protecting them from flooding during the monsoon rains. The International Federation's overall transitional shelter effort is nearing completion, with the building of some 20,000 transitional shelters in total.

To meet housing needs in Sri Lanka, the American Red Cross is funding owner-driven housing efforts to build more than 3,000 homes. Communities determine the allocation of cash grants through community development committees. Selected families will design the style and size of their new homes according to their own needs. The committees will, in turn, form "help groups" to assist in housing construction. In this way, it is estimated that the program will benefit approximately 15,000 people. It will also aid in restoring livelihoods by providing opportunities in construction work, such as brick-making and carpentry.

Furthermore, the American Red Cross is funding housing efforts in Indonesia and Sri Lanka through its partnership with the International Organization for Migration (IOM). The construction of more than 1,800 transitional and permanent shelters, including community buildings, will assist approximately 11,000 internally displaced persons in Aceh province.



An Indonesian Red Cross worker constructs a steel-framed, transitional shelter.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS

In Sri Lanka, the American Red Cross is working with IOM and community members to improve the living conditions of approximately 15,500 tsunami-affected families who have been living in transitional shelters. To ensure that their shelters meet safety and hygiene needs, the program focuses on upgrading the water supply systems, building new toilets, cleaning drainage systems and improving solid waste disposal. Using a participatory approach, the program also trains community members and local government leaders in maintaining and monitoring these newly reconstructed facilities.

Projected cost: \$89.4 million

Expenses to date: \$31.9 million



An Indonesian mother and child sit in their new transitional shelter.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS

Helping Displaced Persons

The Indonesian villages of Pasi and Meunsa Lhok were completely devastated by the tsunami. The sea still covers much of the land where houses once stood, leaving villagers camped on their former farming plots.

In 2005, the American Red Cross and Indonesian Red Cross Society began working in these two communities, providing psychosocial support programs. Other critical needs clamored for attention. “Long-term development cannot be successful if unmet needs for food, water and shelter persist,” said Bob Laprade, program director for the American Red Cross Tsunami Recovery Program. To address housing and water needs, the American Red Cross, the Indonesian Red Cross Society and the International Federation built more than 130 transitional shelters, complete with basic water and sanitation facilities. The American Red Cross also provided generators. More than 19,000 people in 35 villages have benefited from this project.

The American Red Cross is continuing to work with communities to identify their immediate needs and to ensure that these efforts will have a rapid and substantial positive impact.

LIVELIHOODS

Successful long-term recovery requires the restoration of livelihoods, which enables individuals to spend their earnings on their own personal needs, such as medicine, food or home repairs, in addition to helping revive local economies. The American Red Cross works with strategic partners to provide income-generating opportunities that will invigorate these local economies.

Here are examples of American Red Cross livelihood programs under way or completed.

Cash-for-Work Community Clean-Up Programs

The American Red Cross, with local National Societies, has implemented short-term cash for work community clean-up projects in several tsunami-affected areas of Indonesia and Sri Lanka. In 19 communities of Aceh Besar and Aceh Jaya districts, this program provided much-needed temporary income to participants. Participants cleared more than 1,300 acres of land and more than 14 miles of roads and cleaned 15 miles of drainage ditches. Their work prepared land for the rebuilding of houses and the resumption of agricultural livelihoods. More than 20,000 people benefited from these project activities. These efforts have contributed to a cleaner environment, while simultaneously empowering and unifying community members.

Restoring Local Markets

Local markets have long been community focal points throughout Aceh province, serving as centers of small-scale economic activity. In partnership with the organization Community, Habitat and Finance International, the American Red Cross is assisting in the revitalization of small businesses in Aceh. This project, expected to benefit approximately 103,000 vendors and buyers, is rehabilitating and rebuilding market stalls in 16 communities and distributing 900 grants to small businesses and local entrepreneurs.



Food markets, like this one in Aceh, are being built with the support of the American Red Cross and Community, Habitat and Finance International.

PHOTO: HOLT SIMANJUNTAK / AMERICAN RED CROSS



Women working on an American Red Cross cash for work project in Matara, Sri Lanka.

PHOTO: BRIAN HATCHELL / AMERICAN RED CROSS

Strengthening Communities

Citigroup, its employees and the Citigroup Foundation contributed an unprecedented \$5.5 million to support American Red Cross relief and recovery work following the South Asia tsunami. One million dollars was designated for and spent on emergency relief activities; the remaining \$4.5 million will support two projects that help to develop communities and restore livelihoods in Banda Aceh.

One project creates “healthy markets” that will directly and indirectly benefit thousands by providing a wide range of basic necessities to people throughout Aceh province. The markets will offer food, clothing, hardware and basic constructions tools. In partnership with Community, Habitat and Finance International, these new markets will be hygienic and will include an integrated “health post,” where people can receive basic health services from trained providers.

Citigroup also supports a project that, in collaboration with Mercy Corps, develops communities and livelihoods in 40 Aceh Besar and Banda Aceh villages. These villages have suffered economic losses estimated at more than \$1 billion in the fisheries, agriculture, industrial and trade sectors. Villagers will receive training and technical assistance in animal health and husbandry, improved crop cultivation and women’s home-based businesses. Local microfinance institutions will gain increased technical capacity, improving their ability to provide grassroots savings and loan services to households and small businesses to support Aceh’s economic recovery.

These two programs are part of a larger effort to help people rebuild their lives through the restoration of livelihoods and the integration of health management.

LIVELIHOODS (CONT.)

Restoring Economic Activity

The American Red Cross and Mercy Corps are helping to restore local economic activity in Indonesia and Sri Lanka. Activities include providing training and technical assistance to small fishing, livestock and crop production businesses in 40 communities of Indonesia's Banda Aceh and Aceh Besar districts. These activities will assist more than 65,000 people. Cash grants will be given to replace equipment lost in the tsunami. Many of the grants will target women's traditional livelihoods, such as baking and tailoring services.

In Sri Lanka, approximately 38,000 people will benefit from community-designed and community-implemented projects, such as rehabilitating irrigation canals for paddy cultivation, repairing roads and small bridges for improved access to local markets and assisting in the resumption of small-scale

manufacturing. The program will further help to revitalize local economic activities through the provision of approximately 50 livelihood sub-grants.

Sustaining Natural Resources

In an effort to ensure that long-term tsunami recovery is environmentally enduring, the American Red Cross and the UN Food and Agriculture Organisation are collaborating to assist provincial and local governments and communities in improved management of fisheries and aquaculture resources. This program aims to reach 770,000 tsunami-affected people in coastal communities of Indonesia's Aceh province, including fishermen, traders and household members.

Projected cost: \$63.8 million

Expenses to date: \$6.6 million



Villagers in Calang, Indonesia, learn how to make and use environmentally-sound compost.

PHOTO: HOLTI SIMANJUNTAK / AMERICAN RED CROSS

Partnership Helps Preserve the Environment

The tsunami altered coastlines and destroyed whole mangrove forests. To rebuild communities and the environments on which they depend, the American Red Cross formed a partnership with the World Wildlife Fund (WWF). “Many communities rely on the natural environment for food, medicine and shelter,” said Carter Roberts, president and CEO of WWF. “Together, we hope to help people recover their livelihoods but also ensure that natural resources are kept healthy and available for this and future generations.”

WWF also wrote “Green Reconstruction Policy Guidelines” as a road map to recovery and a guide for managing the consequences of natural disasters shortly after the tsunami. The American Red Cross uses this guide to plan, carry out and evaluate its recovery projects. Through this approach, the American Red Cross and WWF aim to ensure a long-lasting recovery that protects the environment and strengthens communities for years to come.



Families in Pulo Weh, Indonesia, live in these transitional shelters.

PHOTO: HOLTI SIMANJUNTAK / AMERICAN RED CROSS

DISASTER PREPAREDNESS

Considering that several countries affected by the tsunami are located in some of the most disaster-prone areas of the world, disaster preparedness is critical to the health and safety of the region's populations. To help communities better prepare for future emergencies, the American Red Cross is implementing programs to help raise public awareness of hazards and vulnerabilities and to train communities on how to respond to potential disasters. In Indonesia, a community-based disaster preparedness program is being conducted in 150 Aceh communities. The program includes training local leaders and volunteers through disaster drills, forming rapid response volunteer teams and creating disaster plans for their communities. The American Red Cross and Indonesian Red Cross



Indonesian Red Cross workers participate in a disaster drill.

PHOTO: HOLTI SIMANJUNTAK / AMERICAN RED CROSS

Society will regularly update early warning systems to improve the dissemination of disaster signals between the Indonesian Red Cross Society national headquarters, branches and targeted communities. Already the International Federation and Indonesian Red Cross Society have begun installing radio systems to support the efforts of trained communities.

To ensure that communities in Sri Lanka are aware of what actions to take during future emergencies, the American Red Cross plans to work with the SLRCS and local governments in more than 200 communities and schools. This program will help form and train community disaster preparedness committees, who will be charged with raising community awareness

on disaster risks and response measures. Educational activities on disaster preparedness will further encourage families to create disaster plans and receive first aid training.

In the tsunami-affected provinces of Thailand, the American Red Cross is supporting disaster preparedness projects in coordination with the Thai Red Cross Society (TRCS) and the International Federation. The American Red Cross will integrate its programming to complement the TRCS' role in Thailand's national disaster management plan and to raise public awareness of disaster preparedness through community-based education.



Girls practice lifesaving techniques that could help prevent the loss of life in future disasters.

PHOTO: HOLT SIMANJUNTAK / AMERICAN RED CROSS

The American Red Cross is developing an integrated program in three districts of Tamil Nadu, India, in close collaboration with the Indian Red Cross Society. The program will incorporate activities in four sectors: disaster preparedness, health, psychosocial support and water and sanitation. By including elements of these various sectors, communities will work with local Indian Red Cross branches to determine activities contingent on their most urgent needs. Because of its integrated approach, communities may engage in the distribution of mosquito nets and training in their use, for instance, or in hygiene education and promotion programs in local schools, community improvement projects or community-based first aid training. The American Red Cross will help local Indian Red Cross branches build capacity in project management, volunteer recruitment and disaster response and preparedness.

DISASTER PREPAREDNESS (CONT.)

Friends Help with Disaster Preparedness



American Red Cross disaster preparedness experts Saidur Rahman and M.A. Halim.

PHOTO: ZACH ABRAHAM / AMERICAN RED CROSS

Saidur Rahman and M.A. Halim began volunteering for the Bangladesh Red Crescent Society in 1979. Remarkably, more than 25 years later, they are still working together now as disaster preparedness delegates for the American Red Cross in Indonesia. “Disasters like landslides, earthquakes and even tsunamis happen frequently, not just in Aceh, but in all parts of Indonesia,” Halim said. That’s why he and Rahman help provide community-level disaster preparedness training. Early warning systems and other new technologies are very important, but the training is also necessary to protect families against future disasters. “People value helping others,” said Rahman. “Everyone benefits from this service to humanity.”

Restoring Family Links

The American Red Cross is implementing a Restoring Family Links (also known as tracing) capacity-building project in Sri Lanka. The Geneva Conventions of 1949 mandate that all signatory nations provide services that help reconnect and potentially reunite family members separated by armed conflict, natural disasters and complex humanitarian emergencies. Therefore, the ICRC and all National Societies seek to provide such services through Restoring Family Links programs.

The American Red Cross, working through the ICRC in Sri Lanka, is assisting the SLRCS to strengthen its capacity to provide such tracing services. Through this effort, SLRCS volunteers from every district across the country receive basic training to handle tracing requests and restore family links for those separated by disaster, migration or conflict. In the current conflict situation in the country’s north and east, SLRCS volunteers are using their new skills to help conflict-affected families exchange urgent family news.



A Sri Lankan woman and child watch a psychosocial support program.

PHOTO: MICHAEL OKO / AMERICAN RED CROSS

Projected cost: \$26.7 million Expenses to date: \$900,000

CHALLENGES

For many tsunami-affected people, life has not resumed its normal routine. Thousands still lack adequate housing, as construction of permanent homes on such a large scale will take several more years. Meanwhile, many temporary shelters have deteriorated over the past two years. The American Red Cross continues to meet ongoing immediate needs through such projects as patching roofs, digging drainage canals and rebuilding bathing facilities, while permanent shelters are being constructed.

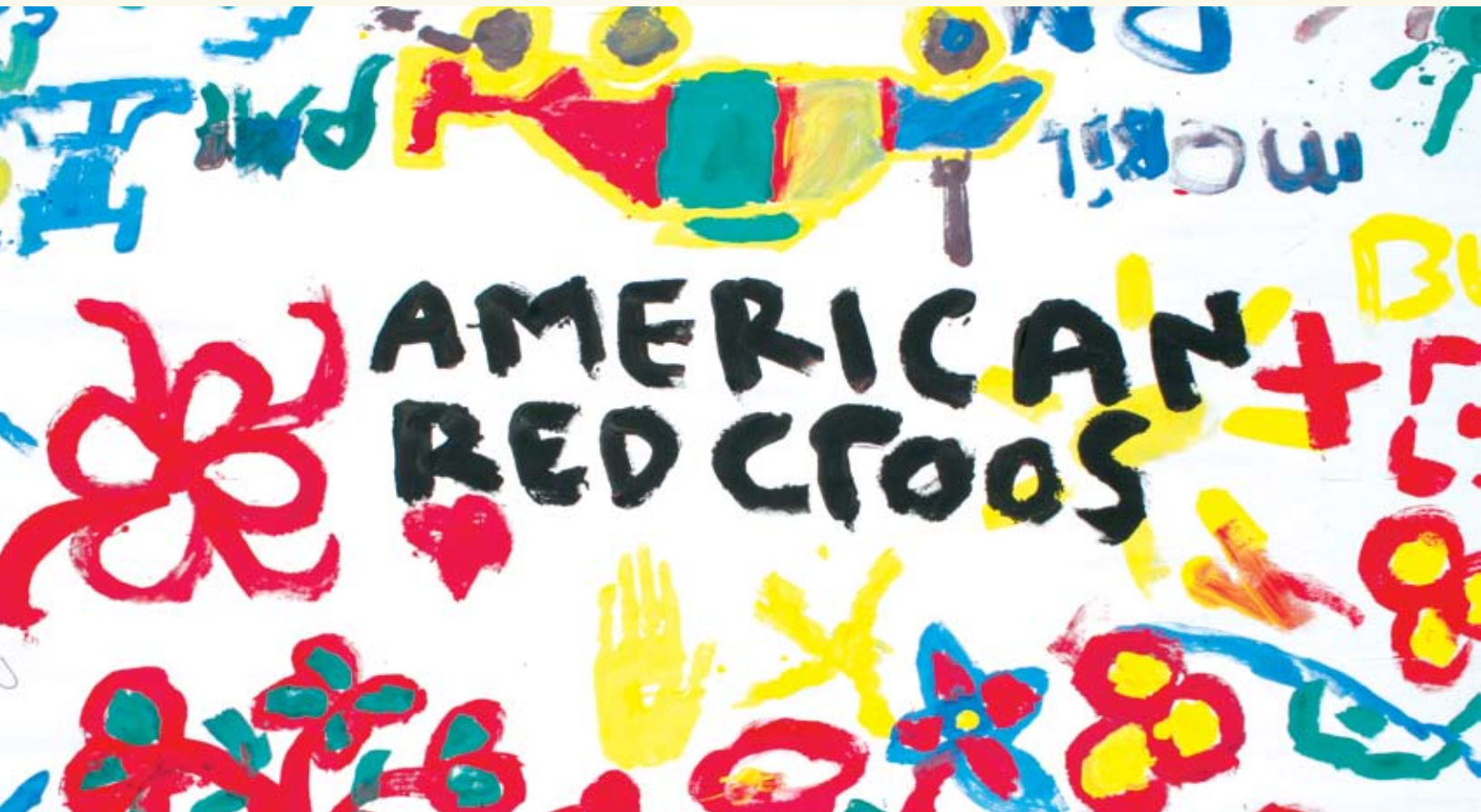
Political uncertainties and security concerns in several tsunami-affected countries have impeded the delivery of some humanitarian assistance. However, the American Red Cross is committed to reaching people most in need, wherever they are. Through its programs and those of its Movement partners, recovery efforts provide assistance to affected people regardless of their political affiliation, ethnic group, language or religion.

The tsunami affected the environment in many ways as well. Mangrove forests that kept coastal ecosystems in balance and protected much of the coastline from cyclones and storms were destroyed. Construction needs strain forest resources. Fisheries, an important industry in all tsunami-affected areas, must be managed to avoid depletion of resources. In all its programs, the American Red Cross works to protect the environment, provide sustainable livelihoods options and build a brighter future for all.



Many people in Indonesia still need critical assistance.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS



MOVING FORWARD

The tsunami tragically changed the lives of millions, but ensuing recovery efforts have helped millions to begin the process of rebuilding their lives. Substantial progress has been made in rebuilding communities, as numerous recovery programs are underway, benefiting millions with improved health, access to clean water and safe housing. Beyond rebuilding physical infrastructure, communities have demonstrated tremendous strength and resiliency in restoring their ways of life and coming together in a unified effort to reestablish their identities.

All that was lost can never be fully recovered. However, the generosity of our donors has allowed the American Red Cross and its partners to work steadfastly towards restoring individual lives to normalcy. With the dedication and active involvement of the communities once shaken by the tsunami, these recovery efforts will continue to make a positive and lasting impact for generations to come.

We are grateful for the support of our donors, the collaborative efforts of our partners and the courage of the many people whose lives were affected by the tsunami. Thank you for your commitment to our mission. **Thank you for making a difference.**

Above:

Painting and drawing are often used to help children overcome trauma. This picture was painted by a child in Aceh, Indonesia, during a psychosocial support program activity.

PHOTO: BONNIE GILLESPIE / AMERICAN RED CROSS

THE INTERNATIONAL RESPONSE FUND

Poverty and war. Famine and drought. Earthquakes and flooding. Displacement and disease. In the last decade, almost two billion people around the world have been affected by disasters and are in great need. The American Red Cross is there to help and relies upon the generosity of the American public to support global relief efforts by making gifts to its International Response Fund.

Some disasters, such as the tsunami, receive a great deal of media attention, while others are not as well-publicized. The needs of those affected by these “silent” disasters, however, are no less critical or important. With its International Red Cross and Red Crescent Movement partners and other international relief organizations, the American Red Cross responds to the needs of those suffering worldwide:

- When there is a **sudden, natural disaster** and people are in need, the American Red Cross can deploy its Emergency Response Unit, a self-sustaining mobile unit that can be sent anywhere in the world at a moment's notice to rapidly deliver relief supplies, regardless of conditions on the ground. As with the Iranian earthquake disaster of 2003, the American Red Cross brings relief to those affected during the emergency stage and supports them throughout the long-term recovery process.
- When there is a **human-made disaster caused by civil unrest or conflict**, such as the violence in the Democratic Republic of Congo, which caused a massive displacement of people to Tanzania, the American Red Cross assists those living in refugee camps. This assistance can include food and water; sanitation systems; and emergency and primary healthcare, including disease prevention and psychosocial programming.
- When there is a humanitarian crisis in the form of **unsafe and/or inadequate supplies of food and water** in a region of the world, such as in South Asia following the tsunami of December 2004, the American Red Cross helps to deliver emergency food supplies and deploys technical experts to assist communities in setting up safe water and sanitation systems.
- When there is a **long-term humanitarian health crisis**, such as the measles epidemic in Africa, the American Red Cross helps to implement mass-immunization campaigns to reduce the spread of the disease and work toward the total eradication of the disease.



Girls participate in a traditional ceremony in Aceh, Indonesia.

PHOTO: HOLTI SIMANJUNTAK / AMERICAN RED CROSS

You can help those affected by countless crises around the world by making a financial gift to the American Red Cross International Response Fund. For more information, please visit www.redcross.org.



www.redcross.org