

# 1998 CARE USA Overview

*(Fiscal year 1998 (FY98) runs from July 1, 1997 to June 30, 1998.)*

**CARE responds to the complex problem of poverty with a range of programs that are designed to meet people's basic needs.** In crisis situations, CARE responds with emergency relief – often food or other desperately needed materials such as medical supplies. In developing countries during more normal times, CARE undertakes the task of long-term development, working with a range of partners – national and local government agencies, other nongovernmental organizations (NGOs) and the communities and families who themselves benefit – to improve access to food, health care, housing, education and a safe and healthy environment, and to strengthen people's ability to participate in decisions that affect their lives. CARE has identified these factors as essential for a family's economic and nutritional security, and the organization's programming is increasingly focused around this holistic approach that CARE calls Household Livelihood Security (HLS).

**Today, CARE is one of the world's largest international relief and development organizations.** The CARE International family has programs in more than 60 countries worldwide. In FY98, CARE USA supported programs in 51 developing countries across Africa, Asia and the Pacific, Europe, and Latin America and the Caribbean. These programs in agriculture and natural resources; basic and girls' education; children's health; water, sanitation and environmental health; integrated and other health; nutritional support; infrastructure; and small enterprise activity development helped 35.3 million men, women and children in their fight to overcome poverty and build a better life.

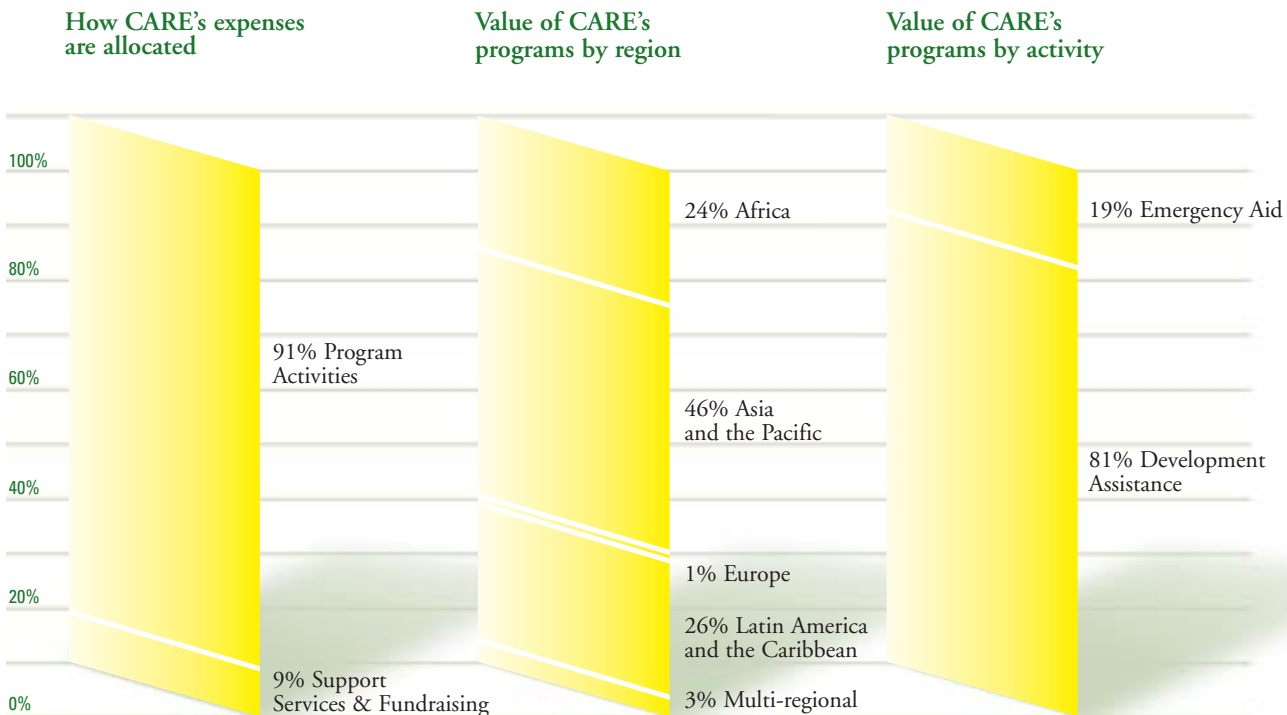
**CARE USA's program expenses totaled more than \$339 million in FY98. The following pages offer a summary of those programs.**



# 1998 CARE USA Highlights

In FY98, CARE USA improved the lives of 35.3 million people in 51 countries in Africa, Asia and the Pacific, Europe, and Latin America and the Caribbean. Below are some of the changes CARE's generous and committed supporters helped make possible:

- More than 667,000 farmers in 31 countries increased their livestock and crop yields through projects aimed to ensure food security and increase incomes.
- More than 520,000 people benefited from natural resource conservation programs, including agro-forestry, integrated pest management and soil conservation.
- More than 9.3 million trees were planted on both community and private lands.
- More than 250,000 people, 39 percent girls and women, received non-formal, literacy, primary and other basic education in 18 countries.
- 5.6 million people in 19 countries received food through programs in school feeding, food-for-work and community kitchens.
- More than 5.4 million women and children benefited from children's health projects in 14 countries.
- 1.4 million people in 30 countries gained access to clean water and sanitation services through the construction of wells, latrines and sewers and through the protection of watersheds.
- 4.9 million men and women benefited from family planning, maternal health and STD/HIV interventions in 22 countries.
- More than 85,000 kilometers of roads were repaired through food- or cash-for-work programs.
- Nearly 270,000 people in 25 countries were helped through projects in credit, savings and income-generating activities. More than \$25 million in loans were disbursed with a repayment rate exceeding 90 percent.



# Africa

Of the 758 million people on the African continent, nearly 50 percent are living in poverty. And despite previous indications of an economic expansion in 1998 and aspirations of an emerging “African renaissance,” economists are now predicting that Africans’ per capita income will drop in 1999.

In FY98, CARE USA supported programs totaling more than \$82 million in 22 sub-Saharan and two North Africa/Middle East countries. These programs helped individuals and communities make sustainable progress toward the alleviation of poverty. The following report describes CARE’s work in Africa according to its two operational units: Southern and West Africa and East Africa and the Middle East.

## EAST AFRICA AND THE MIDDLE EAST

In East African and Middle Eastern countries, decades of drought, political unrest and social upheaval have resulted in chronic food insecurity. This means the region’s people are unable to obtain basic nutritional requirements.

Conflict and instability have led to mass population movements and breakdowns in the social fabric and physical infrastructure. Weak markets and unbalanced production patterns compound the problem and, when combined with low government spending, mean that farmers do not have access to seeds and tools. High population growth rates, environmental degradation and fluctuating weather patterns are exacerbating factors.

Despite the region’s problems, there are positive trends. To a limited but growing extent, liberalized economies have allowed a freer flow of people, goods and services both within and between countries. The establishment of social, political and economic alliances for common interests gives reason for optimism. This trend can be seen in the unprecedented number of local nongovernmental organizations (NGOs) willing – and increasingly able – to address the development challenges faced by their countries.

In FY98, CARE USA’s programs in Burundi, Egypt, Ethiopia, Kenya, Rwanda, Somalia, Sudan, Tanzania, Uganda and the West Bank/Gaza capitalized on these positive trends while addressing the problems that underlie food insecurity.

## Seeds of Peace

In agrarian countries recovering from war, the agricultural sector must be rebuilt in order to improve food security. In Rwanda, women have always produced food for their families,

yet agricultural programs have traditionally been aimed at men, who grow cash crops such as tea, bananas and coffee. As a result of the genocide in Rwanda in 1994, the number of households headed by women has risen dramatically. These households are typically the most vulnerable to food insecurity. Since 1995, CARE’s **Women’s Agricultural Recovery Project** has worked with more than 4,000 woman-headed households in Gikongoro Prefecture to produce and “loan” seeds. Seed banks run by women’s associations have consistently achieved a repayment rate of more than 90 percent, and revolving seed credit means that additional women are able to benefit from the program each year.

The same project also aims to help create the conditions for building a lasting peace. It addresses a wider social phenomenon: that of helping to build new social norms based on shared solutions to shared problems. In Gikongoro, program participants have abandoned ethnic labels. They wish to be known as Rwandan women working together for a better life.



*In Kirchamba, Mali, a local women’s group took a loan from CARE to buy a rice-husking machine, reducing the two to three hours to husk a basket of rice into a five-minute operation. These women can now spend more time on income-generating activities such as basket weaving.*

# Africa

## Girls' Education Is Key

A major obstacle to achieving a secure livelihood is illiteracy, which limits people's ability to earn a living. Attacking illiteracy is a long-term strategy in the struggle against food insecurity; its results are not immediate, but they are far-reaching. Experience has shown that educated women have healthier and fewer children and are better able to provide for them.

In the Upper Egyptian regions of Fayoum and Sohag, CARE supports community-based education for women to improve their ability to earn a living and to influence domestic and civic affairs. The **Community Action in Support of Education (CASE) Project** links 40 local organizations, such as parent-teacher associations and women's groups, to increase women's participation in community education and heighten awareness of the critical roles women play in society.

## Partners in Strength

People in Somalia are creating their own humanitarian agencies to address the problems of food insecurity and poverty. CARE works with four groups of Somali NGOs, enhancing their ability to respond to the needs of the communities in which they work. One of the four groups specializes in methods to improve food production, credit opportunities, primary health care services and water systems. A second group is made up of NGOs managed by Somali women for Somali women. The third promotes peace initiatives between communities that have traditionally been rivals. The fourth group of NGOs is learning to respond to emergencies.

In October and November 1997, Somali NGOs proved their mettle by responding to the El Niño disaster, which brought heavy rains and torrential flooding to the Juba and Shabelle river valleys in southern Somalia. Scores of people died, and more than 200,000 were left homeless. The floods inundated crops and roads, drowned livestock and destroyed people's access to food, clean water and health care. Together, CARE and its Somali NGO partners provided timely assistance to isolated regions, distributing food, blankets and medical supplies to 65,000 people in need.

## SOUTHERN AND WEST AFRICA

The Southern and West Africa region encompasses countries in every phase of the development spectrum, from those traumatized by recent war to those making economic progress and democratic reform. Despite their many differences, the countries of the region where CARE works share three general trends. First is rapid urbanization and the challenges it poses. One-third of the population in sub-Saharan Africa now lives in cities, and urbanization rates continue to rise. While people move to cities in search of jobs, economic security and

educational opportunities not available in the countryside, the urban areas they flock to cannot meet the basic needs of the existing population. The ranks of people swelling African cities often live in poverty and economic deprivation.

Given the difficulties governments face in meeting the basic needs of their citizens, many people today are taking new initiatives to improve and develop their lives and the lives of their families. CARE sees this second regional trend of citizen action as a positive one. The third trend in the region is the growing number of complex transitions from emergency to rehabilitation in war-torn countries.

In Southern and West Africa, CARE USA increases the impact of its programs by combining approaches to help families address the multiple causes of poverty. In FY98, CARE USA's programs in Angola, Cameroon, Democratic Republic of Congo, Ghana, Lesotho, Madagascar, Mali, Mozambique, Niger, Sierra Leone, South Africa, Togo, Zambia and Zimbabwe focused on growing trends of escalating urbanization, citizen group participation in development and the complex transitions from emergency response to rehabilitation.

## Combating Urban Poverty

A prime example of the problems associated with rampant urbanization is taking place in Antananarivo, the capital of Madagascar. The urban population there has grown an average of 5.8 percent each year since 1980. The majority of unskilled, poorly educated people who migrate to the city cannot find employment in the tight job market, nor do they have the capital to establish their own businesses. Though there is plenty of food for sale in the city's markets, poor families struggle to afford their daily bowl of rice. An estimated 60 percent of the city's residents are not served by sewage or drainage systems, and residents of the overcrowded shantytowns suffer from diarrhea, tuberculosis and plague. The rising number of street children in Antananarivo is testament to people's inability to provide for their families.



*"I am proud to wield my hoe, to be a peasant," says Agali Aberi, a rice farmer in Mali. In his village of Chirfiga, along the Niger River, CARE partnered with citizens to build irrigation canals and install a motor pump.*

# Africa



*Traditionally, the children of Mali have spent their days toiling instead of going to school. Nationally, 39 percent of boys and 25 percent of girls attend primary school. Now, a community school program sponsored by CARE gives people more ownership of their schools and makes the curriculum more practical and appropriate to citizens' needs.*

**CARE's Urban Health and Urban Household Food Security Projects** help residents in 30 poor neighborhoods of Antananarivo learn how to make inroads against poverty and improve their quality of life. CARE-trained health workers provide people with improved access to preventive health care, including immunizations and family planning. Ten thousand people build simple drainage and sewage systems in exchange for food, and 200,000 residents benefit from the resulting improved sanitation. Community groups learn to organize, plan and carry out small-scale improvements of their own. Program participants also receive job skills training and self-employment help, and learn about their

legal rights. Armed with knowledge, skills and confidence, the people of Antananarivo are improving their lives and the lives of their children.

## Strength in Community

In Niger, a citizens group works for sustained change by and for women. *Mata masu dubara* means "ingenious women make things happen" in the Hausa language, and the women of CARE's **Mata Masu Dubara Project** in rural Niger have proved the phrase correct. Here, women are solely responsible for raising children, and if a woman wants to send her children to school or buy them medicine, she must raise the money to do so. Yet tradition – from the land tenure system

favoring men to the low value placed on educating women – severely limits her ability to earn money. Largely by-passed by banks and other formal financial institutions, women have had two avenues to capital: the moneylender with high interest rates or the sale of productive assets such as small livestock. Mata Masu Dubara helps women mobilize resources through savings and loan associations. These associations, managed by the women themselves with training from CARE, collect savings through contributions of fixed amounts and make short-term loans at reasonable interest rates. In Tahoua District, CARE and program participants have formed more than 800 successful savings and loan associations with more than 28,000 members. They invest in their families by purchasing productive assets such as goats and chickens and by building improved grain storage to reduce food losses. The money saved or earned through these investments gives them a source of revenue to spend on their children. The women of Tahoua report that they feel greater self-confidence – and are accorded greater respect in their communities – as a direct result of participating in this program.

## From War to Recovery

In order for Angola to recover from a decade of civil war, hundreds of thousands of displaced people must return to their farms and replenish the land, revitalize markets, clear more than a million land mines and rehabilitate water systems, schools and hospitals. Angola cannot meet these challenges without assistance.

CARE and the rural population of the *planalto*, or high plains, are working together to begin the recovery process. The **Livelihood Enhancement and Assistance Program**, or LEAP, is made up of separate activities that build on each other to help participants in the transition from relief to the rehabilitation of their lives. First, families resettle on their farms with short-term food assistance to carry them through to their first harvest. Next, more than 10,000 households work to restore their abandoned agricultural lands with a one-time gift of seeds and tools. CARE also helps them organize farmers' associations and seed credit and seed growth plans, and farmers learn new techniques from agricultural extension agents trained by CARE agronomists. When the work of clearing fields and planting is over for the season, farming families turn their attention to the rehabilitation of roads, bridges and culverts in exchange for payments in grain. In this way the farms are again linked to rural markets. LEAP works in close conjunction with CARE's land mine removal project, in which demobilized soldiers from both sides of the war are trained to remove the dangerous mines that were sown so liberally during the war. Angola's farmers are sowing a peaceful crop this year.

# Asia and the Pacific

Although still home to the majority of the poor in the developing world – 515 million people in South Asia and 445 million in East and Southeast Asia – most Asian countries have experienced an economic upswing in recent years. In 1975, one out of three East Asians lived on less than \$1 per day; today it is one out of five. In fact, over the past two decades, the economies of East and Southeast Asia were among the fastest growing in the world, attracting more than 60 percent of foreign direct investments worldwide. Countries in South Asia – India, Sri Lanka, Bangladesh and Nepal – though still lagging behind East Asia in economic development, were taking heed of their neighbors' success, and foreign investments were on an upswing.

But in mid-1997, natural and economic “firestorms” exploded across Asia, sparked by a market collapse on the far eastern shores, civil conflict at the far western boundaries and a natural catastrophe in the southwest archipelagoes. The economic crisis soon became a social and environmental crisis.

In FY98, CARE USA supported programs totaling \$157 million in 16 countries of Asia including Afghanistan, Armenia, Azerbaijan, Bangladesh, Cambodia, Georgia, India, Indonesia, Laos, Nepal, North Korea, Philippines, Sri Lanka, Tajikistan, Thailand and Vietnam. These programs focused on helping people rebuild their livelihoods and their social safety nets for a more stable future. CARE addressed the needs of girls in Afghanistan, cyclone victims in India, farmers in Nepal, factory workers in Thailand and small children in North Korea. From emergency food rations, seeds and tools for families in drought- and fire-besieged Indonesia to employment opportunities for destitute women in Bangladesh, CARE empowered people with the tools and opportunities to overcome adversity.

## Natural Adversity

On the tails of a financial market collapse, natural forces wreaked havoc throughout the autumn and winter in Southeast Asia. The drought in Indonesia, for example, resulted in a shortfall of over 3.5 million metric tons of cereal crops as well as a pall of soot and smoke from an outbreak of forest fires. In a matter of months, the percentage of Indonesians living in extreme poverty soared from 11 percent to nearly 60 percent. Food shortages and rising unemployment set off social unrest and by the spring of 1998, people were rioting in the streets of the capital city of Jakarta.

To try to minimize the damage to people's lives, CARE began infrastructure and natural resource rehabilitation projects in communities on Indonesia's eastern islands of Irian Jaya, Timor and Flores. With a \$12 million grant from USAID's Office of Food for Peace, CARE began

food-for-work programs to distribute 18,000 metric tons of rice, enough for 25,000 households for 12 months. Seeds and tools helped farmers reclaim their farm lands and stop soil degradation and erosion caused by the drought. Working in close collaboration with local nongovernmental organizations (NGOs) and international agencies, the most urgent food needs were being met by the end of FY98.

## The Road to Independence

Bangladesh is one of the poorest and most densely populated countries in South Asia – about the size of the state of Wisconsin, but with 23 times the population. Life expectancy is 57 years, and eight out of every 100 babies born in Bangladesh do not survive to their first birthday. About 20 percent of all households are headed by women, yet two-thirds of all Bangladeshi women are illiterate, and fewer than 50 percent of girls who enroll in school make it past the fourth grade. A widowed or divorced woman in rural Bangladesh has very few prospects for supporting her family.

CARE identified high unemployment and low educational levels as two points for intervention in 1998. The **Rural Maintenance Program** (RMP) weaves these issues together and addresses the needs of women through a successful, three-year project directed at the poorest rural women, many divorced or widowed. Employing more than 40,000 women to maintain 82,000 kilometers of dirt roads around the country, RMP provides them with income and training to become self-sufficient in the long term.



*Kaza Begun sits at her sewing machine making clothes that her husband will sell in nearby Hyderabad, Andhra Pradesh. Begun is an active member of CARE's savings and loan program, which helps her to support her five children.*

# Asia and

Rising at dawn, the women travel to the roads connecting their rural villages. Pounding out ruts, filling potholes and taking care of all necessary repairs, these women earn their living. They may use their savings from this work to purchase a dairy cow or banana tree, or to invest in items such as soap and cooking oil to set up a kiosk. Many of the participants use their wages to buy the supplies and clothing necessary to keep their children in school.

Their villages also benefit. With well-maintained roads, everyone has better access to clinics and markets. More than 64,000 women have passed through this program – saving as they earn, receiving training in basic business skills and graduating to become self-sufficient and valuable community members.



*From left, Amrutha and Lakshmi sit on a woven mat and calculate the week's bank deposit for their business partners. CARE's savings and loan program gives these women the opportunity to own businesses that will help support their families.*

## Nourishing the Land to Feed Themselves

Approximately three-quarters of the world's poor live in rural areas and rely on agriculture for their livelihoods. More than 500 million of these people live and farm on land that is ecologically fragile and low in productivity. The food security of these families is precarious. Even small declines in food avail-

ability have a dramatic effect on their quality of life. A single season of failed crops can send a family struggling with poverty into a downward spiral.

Since the 1970s, when pesticides and new technologies were introduced on a wide scale in the developing world, food productivity has increased, but so have food prices. In fact, the scale and scope of this type of agricultural production have done little for the poor, small farmer. In some instances, the use of pesticides by small farmers has actually contributed to a decline in food security. New generations of pests grow resistant to the pesticides, and the chemical backwash kills the most damaging pests' natural predators. Soil and water are contaminated, and crop production is reduced.

In Sri Lanka, CARE launched the **Integrated Pest Management (IPM) Project** to reduce exposure to hazardous chemicals among small farmers by showing them how to adopt pesticide safety and nonchemical practices. Farmer field schools were set up to provide training in safe pesticide handling, chemical testing and the use of natural pest control. Working with more than 33,000 farmers in six provinces, these efforts are coming to fruition.

After two seasons of planting, every farm participating in the IPM project showed a higher crop yield and higher profits than nonparticipating farms. Farmer-to-farmer news of this outcome has caused a multiplier effect for IPM practices in Sri Lanka. The practices are now being promoted by the government.

## Partnering for Financial Stability

Compounding the challenges facing the poor in the developing world is a lack of reliable business financing – only 2 percent to 5 percent of the world's poor have access to any form of institutional credit.

In the Philippines, the **Micro-Enterprise Assistance Project (MAP)** works with 40 NGOs and cooperatives in 16 provinces to provide credit, loans and business training to men and women running small businesses in poor urban areas. Working with existing cooperatives, women's associations and other local organizations, MAP develops partnerships to serve as a conduit for credit and loans, promotes savings and provides technical training. More than 90 percent of MAP's participants are market vendors selling everything from fruit and vegetables to shell crafts and potholders.

The success of the project has been remarkable. Since its inception, more than 6,000 entrepreneurs, 82 percent women, have received credit and savings services through MAP and cumulative loans totaling \$4 million. Loan repayment rates are 97 percent.

# the Pacific

## Leading Famine Relief

In 1997, CARE began work with four other international relief and development organizations to help relieve the famine in North Korea. Over the past four years, as many as one million North Koreans may have died in the famine. Drought, flood, then a typhoon in 1997 led to rampant malnutrition, extensive crop damage and eroded or contaminated farm lands.

Facing a food deficit of over a million tons of corn and rice, the North Korean government requested assistance from CARE in February 1997. In FY98, as lead member of an aid consortium, CARE monitored distribution of 130,000 metric tons of food to children and the elderly and provided food-for-work programming for nearly one million workers. The consortium has also distributed medicines and equipment to more than 3,000 children's centers and nurseries and to 1,400 hospitals.

## COMMONWEALTH OF INDEPENDENT STATES

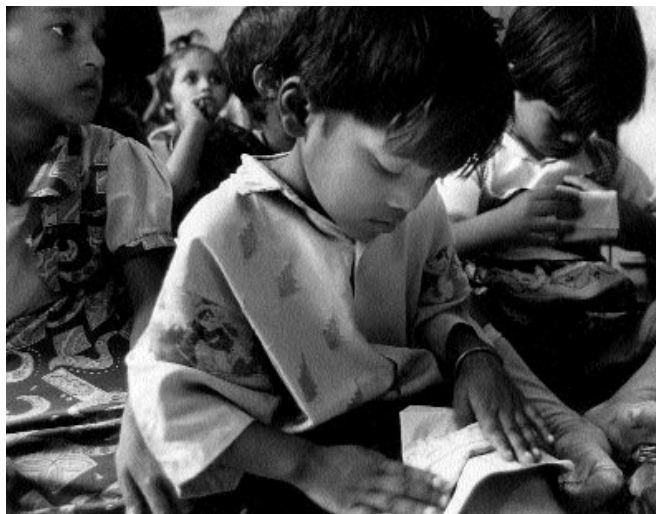
In FY98, CARE USA supported programs in Armenia, Azerbaijan, Georgia and Tajikistan. Struggling with a large, crumbling public infrastructure, widespread unemployment, low agricultural productivity and ongoing civil strife, CARE set agricultural development and support for private sector expansion as priorities.

The **Small-Business Strengthening Project** in the Imereti and Kartli regions of Georgia, for example, is working with 600 small businesses to increase their marketing and management capabilities. From a small shoemaking enterprise in one family's living room to a slightly larger auto parts factory, these ventures not only provide income and security to business owners, but also create desperately needed jobs.

Working with local banks, CARE provides credit to increase inventory, upgrade or update machinery, or purchase materials that were previously beyond the reach of these businesses. CARE also provides training and technical assistance to project participants on how to operate successful shops and factories in a changing economic and legal environment.

In Georgia, low agricultural productivity is also a dire problem. Coupled with this is the small amount of available arable land – only a third of an acre per capita. For Georgian farmers, especially the poorer small farmers, assistance is needed to improve agricultural production.

The **Small Farmer Support Project** in the remote, high mountain areas of northern Georgia works in 145 villages, providing technical assistance and training to 20,000 farming households. New techniques in irrigation and crop management, the use of better seeds and training in integrated pest management have contributed to a 30 percent increase in harvest yields.



*A young Indian boy folds his paper into a tablet during class. Through an integrated health project, CARE provides students like this boy with breakfast six days a week.*

# Europe

The dismantling of the Soviet Union in 1991 brought a dramatic redrawing of national borders throughout Europe. In Eastern and Central Europe, internal and cross-border conflict erupted, producing thousands of refugees and internally displaced people. The lives of whole communities were disrupted – leaving social and economic chaos and uncertainty. In FY98, CARE USA supported programs in Bosnia-Herzegovina, Bulgaria and Croatia totaling approximately \$2.5 million.

CARE's **Trauma Healing and Peaceful Problem Solving Project** in Bosnia-Herzegovina focuses on healing the psychological rather than the economic wounds of war. The ethnic conflict that brutalized the former Yugoslavia from 1991 to 1995 brought devastating physical and psychological hardship to the local population. Mental health experts estimate that 1 million people in Bosnia-Herzegovina alone suffer from traumatic stress, depression, personality disorders, or alcohol and drug abuse. The project is helping hundreds of 11- to 13-year-olds recover from trauma and learn to deal with conflict in constructive, peaceful ways. Through drama-in-education (role-playing, theater and artwork), journal writing and family and community improvement projects, CARE helps young people explore the personal and social issues surrounding trauma, bias, prejudice and conflict. Project partners include local ministries of education, the Mostar Youth Theater and UNICEF.