



INVESTING IN THE WORLD WITH CARE: Saving Lives and Building Futures

Introduction

The world today faces both unprecedented need and unlimited opportunities that are within our grasp to address and profoundly change lives and communities and build the momentum of progress. Tens of millions of people require assistance in the aftermath of civil wars and natural disasters, while at the same time a growing generation of entrepreneurs, particularly women, seeks tools, skills and capital to escape extreme poverty and build a better future for their families and communities. As CARE pursues our commitment to both these endeavors, we are exploring new technologies and systems that allow us to take our work to scale, reaching more people more efficiently and effectively, which will save lives and change lives for brighter futures – while raising the bar for the humanitarian sector.

Pennies to Power: \$5,030,011 Investment Request

Investing in Women as the Solution to Ending Global Poverty

Background and Context

We believe village savings and loan associations (VSLAs) are one of the most powerful tools available for ending global poverty. Today, CARE is helping more than 7 million women and men across 45 countries join VSLAs, and our simple, effective model has been replicated by countless other organizations, more than doubling our direct reach (there are more than 14 million men and women in VSLAs if you include other organization's efforts). VSLAs bring together 20-30 self-selected members – most of them rural, low-income women – to save money, establish and grow thriving businesses, provide a financial cushion in times of hardship, and establish a foundation for long-term change.



VSLAs truly are life-changing. Kavira's [story](#) illustrates the power of VSLAs to transform, even in conflict zones. This short [video](#) highlights the story of Therese from Rwanda, who was forced to drop out of school in sixth grade but now is president of a group of VSLAs and a successful farmer and entrepreneur.

CARE's Capacity and Response

Building on these successes, CARE is launching *Pennies to Power* to bring the life-changing benefits of VSLA groups to 60 million members, including 50 million women and girls, by 2030. Our first step is to double the rate of new group formation by 2020, growing from 350,000 new members every year to at least 700,000. When fully implemented, *Pennies to Power* will enable women in VSLA groups worldwide to mobilize and invest an estimated \$15 billion each year, create more than 15 million new enterprises, unlock access to higher-level financial services for 25 million women, and dramatically change women's ability to work together to achieve their ambitions.

CARE’s economic empowerment work includes both adults through our VSLA programming and adolescents through our Youth Savings and Loan Association (YSLA) programming. While these methodologies are similar, they are contextualized for each group’s unique needs and interests.

In partnership with The Arthur M. Blank Family Foundation, CARE will make transformational investments in three countries that will enable us to meet critical Phase 1 goals and set *Pennies to Power* on track to hit its long-range objective. With a **\$5 million multi-year investment, CARE will focus on three key initiatives in Africa:**¹

- **Strategic expansion:** Building on our successful adolescent-focused savings group work (YSLAs) to advance youth education and economic development in **Malawi**.
- **Strategic expansion:** Bringing together financial services and skills-building to empower youth entrepreneurs in **Tanzania**.
- **New program start-up:** Building resilience and unlocking market access for women in **Nigeria**.

These initiatives will **impact 1,037,500 people, including 207,500 adult and adolescent group members**, over 80 percent of whom are girls and young women. CARE expects these savings groups to **collectively mobilize more than \$12 million in savings and nearly \$15 million in loans over the three-year life of the program** to help women establish and grow new enterprises, send their children to school and invest in their futures. The table below summarizes the anticipated reach of these three initiatives.

Duration – 3 years	All 3 countries	Malawi	Tanzania	Nigeria
Total reach (group members + their families)	1,004,425	269,425	416,250	318,750
Group members	200,885	53,885	83,250	63,750
Family members who will benefit	803,540	215,540	333,000	255,000

This reach demonstrates remarkable efficiency – a modest \$24.89 per group member returns the potential for these 207,500 women and young adults to create thriving businesses and dramatically change the trajectory of their lives and improve their entire communities. When the benefits accrued to the saving group members’ families are taken into account, the per-individual cost drops to only \$4.98. **Imagine enabling life-transforming and long-term changes in a person’s life for the cost of a fast-food meal.**

Moreover, within each country, we anticipate leveraging this private investment with significant additional private and institutional funding. We will track the leveraging factor as part of the overall monitoring and evaluation plan. Historically, CARE’s VSLA programs have been funded by major donors, including USAID, UK Aid, the Bill & Melinda Gates Foundation, Barclays Bank, the Mastercard Foundation and a host of others. With a Blank Family Foundation gift, we would have more flexibility and an opportunity to invest for highest leverage, matching your seed funds with additional institutional donors.

Each initiative is summarized below, with additional information provided in links.

Malawi

Malawi faces many development challenges, including chronic food insecurity, high rates of HIV/AIDS and increased frequency of natural disasters due to climate change. Low levels of education, particularly for women and girls, is another major problem. The number of out-of-school adolescents in Malawi increased by 14.6

¹ Although these three initiatives are our current priorities, we will continually assess the operating environment for each. CARE prioritizes the safety and security of our staff, and should challenges arise that make it impossible to achieve intended outcomes (e.g., insecurity) in one of these countries, we will bring this to the Foundation’s attention and discuss alternate geographies. For example, other prioritized countries for VSLA expansion include Ethiopia, Rwanda and Cote d’Ivoire.

percent between 2009 and 2016, reaching a high of 417,904, according to UNESCO. To help stem that tide, CARE has been working with the Ministry of Education to reach out-of-school adolescent girls and youth who were unable to start or finish primary school. The program helped participants catch up with their peers, giving them the choice to continue with further education or to create their own livelihood opportunities. Key to this program, older adolescents and youth were organized into savings groups and taught basic financial literacy, among other financial and life skills. The savings generated in these groups helped subsidize costs for further education for youth who graduated from the program and chose to continue with their studies. In partnership with The Arthur M. Blank Family Foundation, CARE will build on these successes to **a) identify and support out-of-school adolescents and youth to catch up with their in-school peers and either continue with further education or start new businesses and establish economic independence; and b) support in-school youth to complete their studies by working with families to grow their incomes.**

Out-of-school adolescents and youth (ages 15-25) will be supported using CARE's proven YSLA methodology. To date, CARE has supported more than 300,000 youth to join YSLAs across 10 countries. The lessons from those efforts will be applied under this initiative in Malawi, including an extension from the traditional 12-month VSLA program to a 36-month youth-oriented intervention. The longer YSLA curriculum builds in critical training on how to identify opportunities, start and manage a business, mentoring from successful entrepreneurs as the youth start out, building leadership and other soft skills and a long-term vision for growth. Critically, the YSLA itself will become a source of peer-to-peer learning and support, a vehicle for accessing information and opportunities and a platform for receiving additional training or support as members grow their businesses. It also will serve as a platform to advance CARE's commitment to broad-based gender equality.

CARE also will work with *parents* of in-school adolescents and youth (both VSLA members and non-members) to increase their capacity for income generation, increasing household income and ensuring that their children have access to the resources needed to stay in school. For current VSLA members, the focus will be to increase their capacity in financial literacy and business management. This would increase their group loan fund utilization, which has remained low,² particularly for productive investment, despite the wide success of CARE's VSLA model in Malawi. The program also will help parents of school-age children who are not members of VSLAs to form or join groups by working with schools and local community leaders to help identify and mobilize parents. Critically, this process will help women increase their voice in household financial decision-making.

Malawi Program Impact:

- 202,500 people impacted directly and indirectly through 2,520 groups, including 720 YSLA groups and 1,800 VSLA groups supporting in-school youth.
- \$1,058,400 in savings and \$330,120 in loans mobilized by VSLA savings group members in support of economic prosperity and educational achievement.
- Parents in VSLAs will start or enhance at least two enterprises per parent, improving household income.
- 10,800 youth will receive training in financial management, leadership and entrepreneurship.
- 8,640 youth in YSLAs will start, enhance or gain employment [in](#) youth-run enterprises.
- 75 percent of female participants will increase empowerment through access and control of resources.
- Parents in VSLAs will be better able to pay for school fees, leading to a 25 percent reduction in absenteeism.

Tanzania

Today in Tanzania, despite a fast-growing economy and an increasingly accessible financial services sector, people – especially young people – struggle to find jobs. Too frequently, young people are left with few options beyond the subsistence livelihoods of their parents or becoming entrepreneurs and job creators themselves. In

² CARE Malawi's "Good Enough" Learning Pilot Report (2018): Loan fund utilization before project phase-out is reported to be 50% [percent](#); this decreases to 35% [percent](#) after project close-out.

response, the Government of Tanzania has a plan to attract \$2.1 billion in investment to develop the economy of southern Tanzania, create 420,000 new jobs and lift 2 million people out of poverty.³ CARE is poised to build a bridge that enables young people to gain the skills and access to resources they need to play a major role in this transformation, securing their futures and those of their families. Working in Tanzania since 1994, CARE has established more than 28,000 VSLA savings groups with 690,000 members and built partnerships between these groups and the government of Tanzania and leading national financial service providers. Of note, CARE has successfully linked youth VSLA savings group members **with entrepreneurship and employment skills building, market linkages and access to finance.**

This proposed intervention will bring together CARE's established relationships with financial service providers and agribusinesses with young people who have skills and capacities the private sector is looking for in both current and future business partners and customers. At the community level, CARE will work with existing partners across southern Tanzania. We will help youth VSLA savings group members identify opportunities to establish enterprises and build skills needed to work in the region's growing agricultural sector. Other young people will be supported to establish new groups. CARE will work closely with the national Vocational Education and Training Authority, which provides low-cost training and capacity building services to young people, thus providing a way for youth to invest the savings they mobilize in their savings groups into skills-building and enterprise-building opportunities aligned with regional growth. Of note, the initiative will work with program participants and stakeholders to overcome the unique constraints facing young women.

Another key focus is on boosting VSLA members' digital confidence and skills. We will build on CARE's work in Tanzania over the past eight years supporting VSLAs to access formal financial services through their cell phones. Central to this effort will be the deployment of a proprietary solution CARE has developed to digitize VSLA savings group records, which helps improve their day-to-day operations while also building confidence in mobile technology. Over time, this solution, coupled with training and awareness-raising, will help participants build their digital literacy while also creating digital financial identities – akin to credit reports, *which are an increasingly important way for youth in Tanzania to unlock access to finance.* By combining youth savings groups with tailored skills-building opportunities, mentorship and improved digital skills, CARE and the Arthur M. Blank Family Foundation can jointly make a major contribution to the economic transformation for the next generation of Tanzanians. In the process, the partnership also will help CARE refine a digital transformation model *that can be scaled up worldwide.*

Tanzania Program Impact:

- Over 400,000 people impacted, including 60,000 YSLA savings group members reached and 300,000+ family members benefiting from the program indirectly. At least 65 percent of all YSLA savings group members will be young women.
- \$3.6 million in savings and \$4.3 million in loans mobilized by YSLA savings group members in support of economic prosperity and investment.
- 8,000 youth will complete skills-building courses and secure employment or launch a new enterprise.
- 10,000 youth will receive training in financial management, leadership and entrepreneurship.
- At least 80 percent of female participants increase empowerment through access and control of resources.
- 75 percent of participants increase their confidence in using digital technology to support their livelihoods.

Nigeria

Sixty-one percent of the population in Nigeria lives on less than \$1 a day, with the greatest pockets of poverty in the northwest and northeast, where CARE's operations are focused since our Nigeria office opened in April 2017. Most residents in this region live in rural areas and rely on small-scale agriculture for their primary source

³ The Southern Agriculture Growth Corridor of Tanzania: <http://sagcot.co.tz/>.

of food and income. Small plot sizes, lack of irrigation and other infrastructure, and inadequate access to finance and agricultural inputs isolate farmers from the markets and services they need to thrive. In Yobe state, one of the areas most directly impacted by protracted conflict, more than 75 percent of internally displaced people have no access to income and many households are headed by women, further increasing their vulnerability. However, there are signs of hope. In Bauchi and Jigawa states in northwest Nigeria, for example, a network of women's smallholder farmer organizations engages in rice, millet and sorghum production for consumption and sale. These women can improve their incomes, productivity and overall well-being by adopting the VSLA savings group model and connecting to traders and markets in other areas.

With an investment from The Arthur M. Blank Family Foundation, CARE will help build relationships among women's farmer groups and agricultural input suppliers, traders and agribusiness partners in Bauchi and Jigawa states. Our approach will start with the formation of VSLA groups. This will include helping existing farmer groups to integrate VSLA savings groups into their operations and supporting other women to form new groups. Simultaneously, we will work to transform harmful gender norms, improve resource access and break down barriers for women. As VSLA groups mature, CARE will work with them to bring in new opportunities, including supporting women to pursue collective action, [as we have done across other parts of West Africa](#). In the more stable northwestern states, CARE expects groups to be eager to work together to gain better access to markets and finance and to grow their businesses, helping women invest in education, health services and stability for their families. Here, we will draw on [models that integrate with VSLA but focus on agricultural productivity and market engagement](#). In the more fragile northeastern areas, like Yobe state, CARE will support new groups to build local resilience, such as helping families fleeing from or returning after a conflict as [we have done successfully in other conflict-prone environments](#).

Over time, this investment will form the foundation of CARE's VSLA savings group initiative across Nigeria. To ensure this, CARE will work with local partners (the National Youth Council of Nigeria and Health Care Development Focus Initiative) with national networks and expertise in humanitarian and development contexts. This collaboration will position learnings from the CARE and The Arthur M. Blank Family Foundation investment not only to deliver direct impact in the near term, but also to seed transformative growth throughout the country.

Nigeria Program Impact:

- 300,000+ people impacted and benefit from the program. At least 80 percent of all VSLA members will be women.
- \$6 million in savings and \$7.2 million in loans mobilized by VSLA members in support of economic prosperity and investment.
- At least 4,000 VSLA members start, enhance or work for a member-run enterprise.
- At least 80 percent of female participants increase empowerment through access and control of resources.
- 80 percent of participants have increased economic resilience and ability to withstand shocks.

Monitoring & Evaluation

For monitoring and evaluation of program impact, CARE will rely on digital, real-time tools that enable us to better engage with, support and learn from VSLA members across the initiative. In addition, we will track the leverage factor (funding leveraged from other donors) as a key indicator of program success.

Africa-wide Learning & Influencing: \$515,280 Investment Request *Creating an eco-system built for scale*

While the Pennies to Power initiative is focused on the three countries detailed above, this expansion work will

be integrated with our broader regional impact programs in Africa. In both West Africa and Southern Africa, CARE has initiated regional programs focused on sharing knowledge, learning and advocating for large scale policy change and implementation to accelerate the pace of change and multiply our impact.

For example, the evidence and learning from CARE's VSLA program in Niger has served to influence national policies and build capacity around promoting savings groups in several West African countries.

We have the opportunity to leverage the work from Pennies to Power to facilitate the exchange of learning and advocacy approaches from other countries in Africa that will increase impact in Nigeria, Malawi and Tanzania. Likewise, the new learning and work from these three countries will benefit CARE's efforts to scale VSLAs throughout the rest of Africa as well.

These funds are the connective tissue needed to ensure an intentionally built eco-system where our ambitious goal of VSLA expansion to 60 million people can truly thrive and simultaneously benefit from the work happening in other parts of Africa while actively influence CARE's broader work.

Humanitarian Surge Fund: \$1,243,000 Investment Request

Responding rapidly & effectively to save lives

Background and Context

At the core of CARE's humanitarian work is our response to the needs of people affected by natural and man-made disaster – a mission with its roots in CARE's founding in 1945, delivering CARE Packages™ to World War II survivors in Europe. Today, with the generous support of donors like The Arthur M. Blank Family Foundation, CARE **provides relief to more than 10 million people in more than 20 countries each year** – from the 2015 earthquake in Nepal, to Hurricane Matthew in Haiti, to Typhoon Manghut in the Philippines, and more recently in Venezuela and our ongoing response to the seven-year Syrian crisis impacting Jordan, Egypt, Lebanon, Yemen and Syria.

The needs are greater than ever. More people are displaced due to war and natural disasters today than at any time in the last 70 years. **Around the globe, humanitarian crises affect 141 million people in 37 countries.** Humanitarian responders have to be ready for any situation, any time. Emergencies strike with no notice, and situations change rapidly. In Haiti, the devastation of Hurricane Matthew was immediately followed by the threat of a widespread cholera outbreak. In Syria, as conflict flares in different areas, mass population movements happen overnight – some people have had to migrate several times in search of safety. And people need help even in situations that get little public attention and don't generate large-scale fundraising campaigns – the under-reported civil war raging in Yemen, for example, has left 80 percent of the country's population in need of humanitarian assistance. To meet today's unprecedented needs, a more efficient and cost-effective emergency response system is needed. As one of the world's leading aid agencies, CARE is at the forefront of innovation: to be better, faster, and to save more lives. When disaster strikes, CARE needs targeted but flexible resources to deploy when and where they are needed most. We must invest in cutting-edge technology and practices to lead the way in reforming the global humanitarian system. To this end, CARE is creating and building a **\$5 million Humanitarian Surge Fund**, which allows us to send critical resources and expertise where it is needed most – in particular, meeting the unique needs of women and girls in crisis. The Surge Fund allows us to mount a fast, effective response without waiting for governments to release funds or donors to respond to the

aftermath of disasters. It also gives us critical funds to help crisis and disaster-prone areas prepare and become more resilient and to pre-emptively invest to avert the worst of disasters.

Since its inception, the Surge Fund has leveraged tens of millions in additional resources from institutional and private donors. By launching our response immediately, CARE becomes visible and active during the short window of media attention to a disaster. This enables us to advocate forcefully with donors and governments on behalf of the needs of the most vulnerable. Thanks to these leveraging mechanisms, **an investment of \$1,243,000 from the Arthur M. Blank Family Foundation** could potentially yield many times more in resources to help communities in need and we would anticipate using these funds to inspire match funds from other private donors towards our goal of a \$5M Surge Fund.



CARE provided immediate relief after Typhoon Haima in the Philippines – but, more importantly, helped communities “build back better,” leaving them more resilient when the next typhoon hit. Click [here](#) for the story.

CARE’s Capacity and Response

When disaster strikes, CARE has both the global and local infrastructure, relationships and expertise to be the first on the scene – and the last to leave. Our staff are already **on the ground in 93 countries**: 95 percent of CARE employees are local to the region they are serving. When the need arises, we quickly deploy additional emergency specialists to back up in-country staff. Unlike short-term emergency responders, we are committed to work with communities over the long term to **recover and rebuild**, and to strengthen their capacity to **plan and prepare** for future crises. In the immediate aftermath of a disaster our interventions may include providing emergency food, relief supplies, and water, sanitation, shelter and health services. We then seek to transition as quickly as possible to helping communities recover and sustainably grow their livelihoods. Activities could include providing seeds to farmers to replant after a flood, or helping fishermen replace their boats destroyed by a tsunami.

Program Summary

With allocations from the **Humanitarian Surge Fund**, CARE and our partners can mount a nimble and effective response to a crisis or outbreak, without having to wait for the cumbersome process of traditional and institutional fundraising which can take months to generate funds. Our **rapid response team** is ready to deploy when the call comes, and the Surge Fund allows us to respond to multiple large-scale emergencies simultaneously, in addition to addressing slow-onset and protracted emergencies worldwide. Moreover, by supporting innovation, preparedness and resilience, the Surge Fund is an investment in making **emergency response not only more efficient, but ultimately less necessary**.

In 2017-2018, the Humanitarian Surge Fund supported 15 emergency responses around the globe, including Yemen, Democratic Republic of Congo, South Sudan, Ecuador and Bangladesh, among others. But these **unprecedented demands have left the fund nearly depleted**. The current balance is insufficient to make allocations for new emergencies.

Program Impact

The Surge Fund provides crucial support for CARE’s humanitarian response efforts. In addition to working around the clock to meet the constant press of crises, CARE’s humanitarian team is leading the way on developing solutions to meet ever-growing needs more efficiently. As one example, CARE is at the forefront of developing technology to deliver **cash assistance to those most in need** – allowing vulnerable people to prioritize and meet their own needs in a dignified manner, supporting local economies, and enhancing

accountability to both beneficiaries and donors.

The Surge Fund's investments are force-multipliers and **leverage significant additional donor funds**, enabling us to meet the needs of many more disaster-affected people: In **Haiti**, approximately \$40,000 invested in preparedness enabled CARE to respond immediately to Hurricane Matthew – attracting major media attention and more than \$10 million in additional funds. In the **Philippines**, we rushed aid to Typhoon Haiyan survivors by activating a previously tested preparedness plan – catching the attention of donors who rapidly contributed over \$25 million. And most recently, a \$50,000 preparedness investment in **Indonesia** helped speed our response to the earthquake on the island of Sulawesi, attracting over \$1 million in donor funds, including \$500,000 from the Bill & Melinda Gates Foundation. [Click here](#) for other recent examples of successes achieved with allocations from the Humanitarian Surge Fund.

With resources including the Surge Fund, CARE is able to **advocate** with lawmakers and other powerful influencers on behalf of the world's most vulnerable people. In the U.S. in 2017, CARE led a group of organizations in securing bipartisan support for an emergency supplemental bill that provided **\$1 billion worth of humanitarian and food aid** support for hundreds of thousands of people in extreme need.

This investment by the Arthur M. Blank Family Foundation would provide critical emergency response capacity that is needed immediately and can be leveraged more broadly, including:

- Scale up quality programming in the immediate aftermath of a disaster and support longer-term response to protracted humanitarian crises, leveraging initial investments to attract large-scale funding.
- Intensify CARE's response to the 2.5 million people who have fled Venezuela for Ecuador, Peru and Colombia, in Latin America's worst humanitarian crisis.
- Work toward our goal of doubling our response in Yemen, with emergency cash assistance, food rations and cholera prevention support.
- Test and pilot innovations and partnerships that will define the future of the humanitarian field, including helping survivors secure their financial future through savings and loan groups; partnering with women-led civil society groups leading the way on disaster preparedness; and using technology to better understand and meet needs.
- Reinforce CARE's capacity for emergency response by honing the skills of expert staff – including in identifying and addressing the needs of women and girls – and equipping them with cutting-edge tools.
- Ensuring CARE gains visibility for the needs of survivors, especially women and girls, by garnering media attention for our early emergency response work.

Monitoring and Evaluation

On a regular basis, CARE evaluates and reports on the difference made by Surge Fund support in launching and scaling up our humanitarian operations. In addition to program impact, we will track and report on the leveraging factor of this investment to demonstrate how it helps unlock additional private and institutional funding for emergency response.

Conclusion

For nearly 75 years, CARE has been at the forefront of the world's humanitarian work. We continue to achieve successes on a massive scale in saving and improving lives, both in times of crisis and over the long term. But now is not the time for complacency. We heartily agree with the quote from Arthur that "There is no finish line" when it comes to fighting for equity and opportunity... but there is a starting point. We know that we can empower women and girls – and their families and communities – around the world to achieve results beyond what seems possible from where we stand today. Where others see poverty, we see promise, power and potential. With an investment from the Arthur M. Blank Family Foundation, we can unleash the potential of far

more than 1 million people *together*. CARE would be deeply honored to partner with the Foundation as it steps into the international arena. We are grateful for the conversations with the Foundation's leadership and look forward to partnering with your team in the years to come.