

The CARE You Know

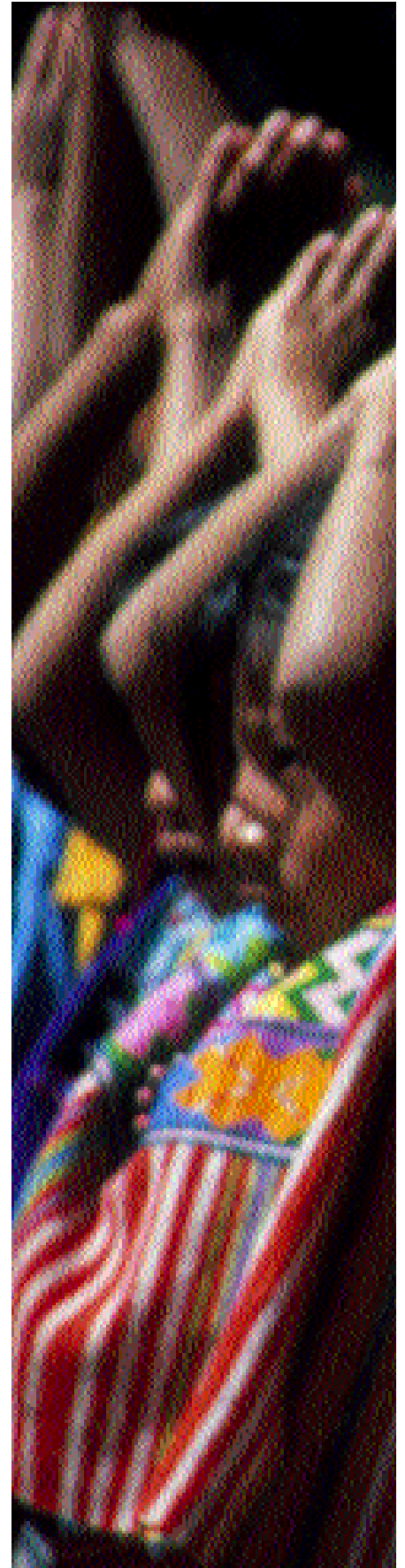


MANY KNOW CARE for the now-famous CARE Package® that adorns this year's *Annual Report*. Millions of such packages brought food and other essentials to World War II survivors, like the girl pictured on the cover. Others know CARE for providing food aid, emergency relief, health care, roads and other assistance to poor families in the developing world. Over time, the CARE Package has become a symbol of hope and CARE a way to reach out and help.

But CARE has transcended these roles. We would like to introduce you to the CARE you don't know.

CARE today is about achieving lasting victories over poverty and building a better world for all. We seek to confront underlying causes of poverty rather than merely treating symptoms. We work with families and communities to implement the solutions needed to overcome the greatest threats to their survival and help them realize their rights and potential. By providing information, education or capital infusion – things not included in the original CARE Packages – CARE is transforming lives. CARE seeks to tap human potential, to leverage the power of people and, in doing so, unleash a vast force for progress. While CARE's spirit remains the same – to reach out, help and bring hope – our sights have been raised, our mission strengthened and our passion emboldened.

As we wage this campaign to vanquish poverty, our battlefields are barnyards and fields of poor farmers, classrooms and playgrounds of young children, and homes and businesses of women struggling to make ends meet. Our watchwords are empowerment, equity, sustainability and social justice. While our goal is ambitious, it is achievable. And progress already is being made. Join us on our quest.





A MESSAGE TO OUR SUPPORTERS

2000, A MILLENNIAL MILESTONE, was a time to take stock of our global progress. We see humanity's creativity and capability in many forms, from the cutting-edge to the mundane. We now can sequence the human genome. We can buy groceries via the Internet. "Change" is the watchword of our age. It has impelled part of the world's population to exuberant prosperity; however, most people have neither seen nor benefited from this progress. Change eludes them. At CARE, we are committed to fostering change that truly matters: changing lives, changing futures.

CARE's work has been made possible through the generosity of hundreds of thousands of individuals and organizations. Below we present our approach to building a better future, and we invite you to join in making this vision a reality.

A NEW VISION. In late 1999, the CARE family embraced a common vision: a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security. This vision inspires and guides us. We seek to achieve it by becoming a global force and partner of choice in a worldwide movement to end poverty. Our new vision builds on CARE's proud history and signals the beginning of a dynamic new era for CARE.

AN UNSHAKABLE COMMITMENT TO DIGNITY. Fifty-five years of working alongside poor families has taught us that poverty is a symptom of underlying problems, including public policies and social structures, and that fulfilling people's immediate needs without addressing root causes may not lead to lasting change. Thus we commit to affirming the dignity of people everywhere – by placing respect for human rights at the heart of CARE's programs, by attacking discrimination and exclusion, by building capacity for self-help in poor communities and by influencing policy decisions. Upholding the rights of poor and marginalized people is not charity; it is a collective obligation of humanity.

A WORLDWIDE MOVEMENT. Ending poverty may be a grand and distant goal, but it also is essential. How can we not work toward this goal when we possess the means to achieve it? What impedes us is not capacity but will. Apathy is a curse. The task ahead is to galvanize a diverse, global movement that will put its full weight behind the cause of ending poverty. Working with committed people and organizations to mobilize such a movement – to combine compelling vision with concrete results – is a challenge CARE accepts with enthusiasm. Standing in solidarity with poor families, we can forge a better world for ourselves and all our children.

A PROMISING FUTURE. The world has never been wealthier nor technology so promising. Yet while part of humanity pushes the frontiers of possibility, nearly one-fourth of the world's population teeters on the edge of survival, living on less than \$1 a day. At CARE, we are energized by our vision. We recognize the formidable obstacles but know the opportunities around us are unprecedented. We still see ourselves, in the spirit of the CARE Package, as a means for people to connect with one another and affirm the oneness of all human beings. Together, we can harness the potential of our global wealth and knowledge in the quest for a better, more just future.

table of contents

FEATURES

Empowerment: Cultivating Futures	2
Equity: Changing Lives	8
Sustainability: A Delicate Balance	14

THE YEAR IN REVIEW

Highlights	21
Africa	22
Asia and The Pacific	24
Europe and The Middle East	26
Latin America and The Caribbean	28
Fund-Raising	30
Shaping Our World	31
Telling CARE's Story	32
CARE International	34
CARE Leadership	35
Financial Report and Statements	38

CARE WorldMap	Fold-out back
------------------	------------------

Peter D. Bell, President

Lydia M. Marshall, Chair

empowerment. equity sustainability

CARE'S 2000 ANNUAL REPORT illustrates three cornerstones of CARE programs: empowerment, equity and sustainability.

Empowerment

A vital component of the battle against poverty, empowerment means enabling people to participate in and influence decisions affecting their lives; and to secure resources from social, political and market structures. The cornerstones of empowerment are self-respect, responsibility and trust. In Bangladesh, CARE is empowering farmers with knowledge to reap greater harvests and richer futures.



Bangladesh

Equity

People suffer economically and socially as a result of racial, ethnic, gender and religious discrimination. Addressing the inequities that prevent people from realizing their rights is essential to combating poverty. CARE particularly emphasizes gender equity. In Guatemala, CARE is increasing women's access to small loans so they can help secure better futures for their daughters.



Guatemala

Sustainability

CARE projects seek positive, fundamental and lasting change in people's living conditions, attitudes or practices. When projects are sustainable, they provide benefits long after CARE's role ends. In Zanzibar, CARE helps communities find ways to ensure their survival and that of a precious natural resource.



Zanzibar

These stories illustrate three victories over poverty. Many more unfolding stories are yet to be told.

EMPOWERMENT:

*to give
power or
authority to*

Cultivating Futures

Empowerment is about enabling people to improve their own lives and the lives and futures of their children. It is about vesting individuals and communities with power and capability. This is a story of an agriculture project in Bangladesh in which people develop the knowledge and skills to take charge of their futures.

In the sprawling delta of the Indian subcontinent lies the land of the Bangla people. Nearly 130 million humans – half the population of the United States – are compressed into a space smaller than Georgia.

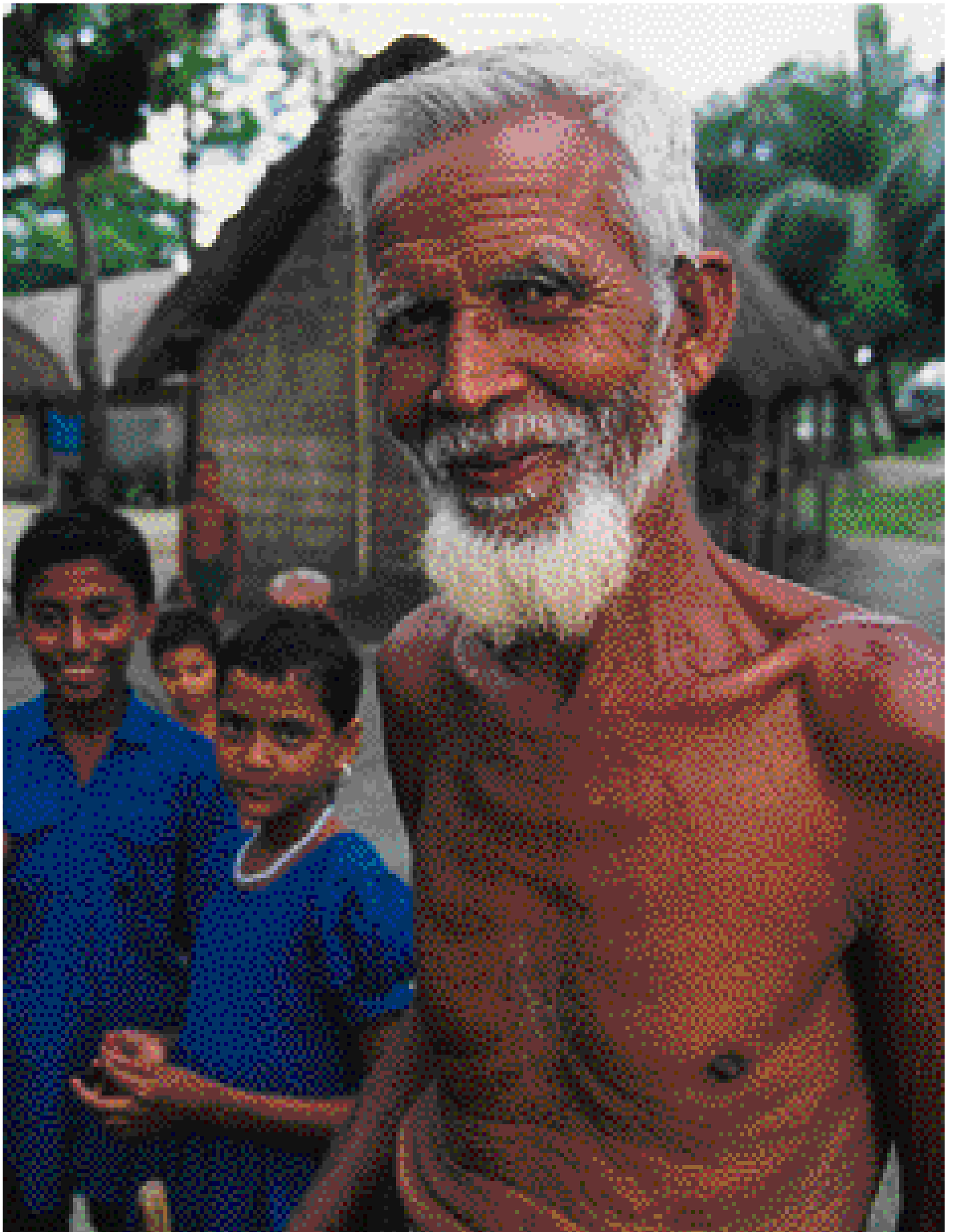
More than half live in absolute poverty on less than \$1 per day. Food is precious in this low-lying land. The nation toils unceasingly to feed itself. Malnutrition is rampant, particularly in rural areas, where 80 percent of people live. Poverty and crowding make space a premium and survival a constant preoccupation.

CARE concentrates most of its efforts to reduce poverty and promote self-reliance in Bangladesh in the poorest rural communities, in villages such as Dhamgaon, where Shamsul Haque lives.

Haque, a rice farmer by trade, conquered poverty and banished malnutrition from his household, enriching his family's life by using solutions he learned in a school for farmers run by CARE.



(left) CARE helps fight malnutrition by supporting farmers' efforts to raise fish in rice paddies. (right) Smiles abound in Dhamgaon, Bangladesh, where farmers learned the benefits of diversifying crops.





To feed a hungry nation, rice seemingly is grown everywhere, even along the flooded banks of the mighty Jamuna River.

Field schools such as the one Haque attended are part of a project called NOPEST (New Options for Pest Management), which was created initially to curtail pesticide use – a threat to public health and the environment in Bangladesh. After its inception, NOPEST was broadened to include topics ranging from introducing new agricultural techniques to self- and community-development.

When Haque began his studies through the CARE field school in 1996, he only planted rice – the staple in the Bangladeshi diet – in his tiny paddies. Haque learned about agricultural diversification, maximizing land use, and the danger pesticides bring to people and land. Haque and those in his school were encouraged to choose group leaders. They discovered the value of working together as a community, unifying for a common goal. The field schools also challenge and enable men and women to learn



from one another by trying different methods to improve their chances for success.

“We know now it helps us if we experiment, so we can see for ourselves and decide for ourselves what works best for us,” Haque says through a translator. His eyes shine with pride, as he cites examples of their determination. “We know now if we work together, we all will benefit.”

The Rewards of Diligence

Today, Haque’s farm is a showcase of agricultural innovation, one of many similar success stories. Visitors are welcomed to tour his Dhamgaon farm, about 50 miles north of Dhaka, Bangladesh’s capital.

Haque’s training empowered him to cultivate a resource that had been underfoot all along. For centuries, hundreds of thousands of narrow earthen dikes crisscrossing the countryside were used to retain water and form boundaries between villagers’ plots. But the dikes themselves were used for little more than foot traffic.

The field school taught Haque to use the dikes for growing crops. On their own, Haque and other graduates experimented to identify species that would flourish. Hundreds of cucumber vines now climb from the sides of Haque’s dikes onto hand-made bamboo and jute trellises suspended over murky water and swaying rice. Gourds and squash mingle with cucumbers. Where his dikes have been widened and raised, beans, papaya, eggplant, turmeric, ginger and herbs flourish.

Another field school technique involves raising fish in rice paddies. In fact, the NOPEST rice-fish program is one of the project’s key accomplishments. Significant fish production is made possible by pooling a large number of once-separate adjacent rice fields. Cooperation among individuals benefits communities.

The protein-rich fish, combined with new crops of vegetables and fruits, are making a positive impact on nutrition in Dhamgaon. It is a palpable contrast to the villagers’ rice-reliant diets of the past – diets that often were severely deficient in calories, nutrients and protein. As malnutrition fades, health improves.

What Haque, his family and his community do not eat, they sell. The commerce brings them *takas*, the currency of Bangladesh, and economic empowerment. Money

(left to right) Tiny fish are used to stock rice paddies. Bangladeshi women and children benefit from improved nutrition through CARE agricultural programs.



in hand offers purchasing power for food, clothing, shelter, land and opportunities to save for the future.

At the same time, marketing fish and vegetables exposes farmers to other villages and towns, broadening perspectives, prompting exchanges of knowledge and enriching communities.

The field schools ultimately are teaching more than agriculture. As the rows of dikes teem with crops, new and diverse life in and along the paddies is fostering economic, social and intellectual change.

Ever-widening Results

In Bangladesh and around the world, CARE-supported projects are effective vehicles for people determined to escape poverty. They are striving for a better life. New goals are being set and reached.

“This is beyond our imagination,” says Haque, who happily accepts the mantle of local “Cucumber King.”

“Five years ago, I would not think this possible,” he says. “We have worked hard, but CARE started this.”

Haque is now a leader in the community association he and other Dhamgaon field school graduates formed three years ago. They organized and chose leaders, as they had done in the field school.

Today in Dhamgaon, this independent farmers’ association – one of many that are outgrowths of CARE projects – is going beyond the farming techniques taught in the field school. Camaraderie and information exchanges are growing.

Collectively, the members of the association are able to buy better quality seed at lower prices and to market crops at higher prices. No one wants to be left out; Haque’s original field school group of 25 has become an association of 145.

Broader forms of empowerment – traceable to the farmer field schools – also are materializing in Dhamgaon. Commerce is blossoming, and individuals now tend to pool their takas and other resources to meet common goals. Farmers, for instance, plan to buy a vehicle to take vegetables to market thereby eliminating middlemen.

The people of Dhamgaon are not alone in pooling their resources. In nearby Kuripara, farmers used their new-found assets to build a mosque. A cemetery is next.

“In the beginning, we did not realize the potential of what CARE was trying to teach us,” says Badsha Mia, a farmer and community leader in Kuripara. “Now we are making money



*(left) Smiles of Bangladeshi children offer little due to the widespread poverty and frequent threat of natural disasters.
(right) Shamsul Haque mends trellises that allow cucumbers to grow above his rice paddies.*



with our crops and saving money, not buying pesticide.”

“About 90 percent of those who have completed the farmer field school program did not use pesticide last year,” says Laila Banu, assistant project coordinator for NOPEST. “This allows natural predators of destructive insects to regenerate, and farmers can use their resources elsewhere.”

“We teach people how to solve their own problems,” says Debashis Saha, a CARE technical officer. “We assist them to use their skills to empower themselves.”

At CARE offices in Dhaka, Marco Barzman, NOPEST’s coordinator, issues this summary: “The empowerment here is that people started to work together to do things that they were unable to do before. For instance, Dhangaon farmers now bargain as a group with vegetable buyers, getting a better price and locating buyers even before planting their crops. There’s been an explosion of these collective activities.”

Numbers provided by the “Cucumber King” support that assertion. Five years after the experiment to grow cucumbers by the members of Haque’s field school, more than 500 men and women in the area are cultivating them – and their families’ futures.

— Article by K.E. Morgan;
Photography by Billy Howard



facts on bangladesh

Two-thirds of children in Bangladesh are malnourished.

Bangladesh’s annual per capita income is \$386.

Since 1995, CARE’s NOPEST program has provided training to more than 30,000 farmers in 1,560 field schools.

CARE Bangladesh has 3,013 staff members - more than 99% are Bangladeshi.

One-third of Bangladesh floods annually during the monsoon season.



equality
fairness
impartiality

Changing Lives

Around the world, poverty and illiteracy continue to be mostly female phenomena. Women earn 10 percent of the world's income, and account for 70 percent of the 1.2 billion people living in absolute poverty. CARE works to correct gender inequity and help provide a better life for women, their families and their communities.

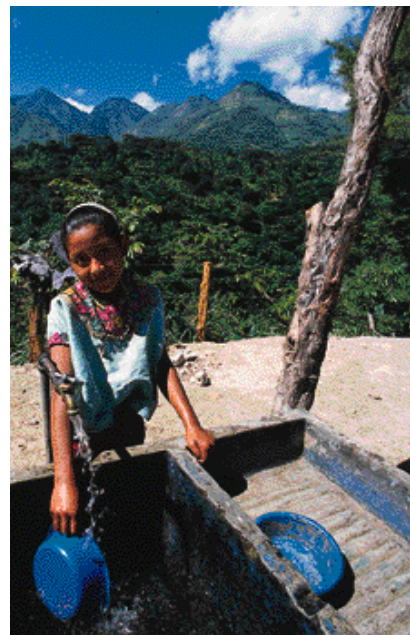
Guatemalan women are the backbone of rural communities, but they have long borne the burden of inequity. One girl graduates from the sixth grade for every eight boys. Some women never receive a birth certificate. Banks view women as bad risks because they lack collateral, work experience and cannot read the questions on a credit application.

Thankfully, these problems are surmountable. By providing women the capacity to overcome social and economic discrimination, CARE helps them change their lives and expand horizons for their children. This also empowers them to develop their communities and their countries. The benefits are multi-generational and enduring.

In Guatemala, CARE identified access to credit and access to education as two rights historically denied women and girls. The Proesa Xtani' project is changing this reality and improving gender equity by providing small loans and increasing access to education.

(left) In Guatemala, two-thirds of girls leave school before the fourth grade. (right) Rosa Morales, 12, will be the first in her family to attend junior high school.





*(above, left to right)
CARE works to
eliminate gender bias
in school and at home.
Girls who go to school
balance their studies
with household
chores. (right) Young
women can now
envision a life of
expanded opportunities.*

“Tradition dictates that females don’t need an education to maintain the home, wash clothes and care for children,” says Kirsten Johnson, director of CARE’s programs in Guatemala. “This denies them the opportunity to lift themselves and their families out of poverty.”

Proesa Xtani’ – which means “triumph of girls” in the local Kaqchikel dialect – helps women and their daughters understand and exercise their rights and achieve their potential. It also translates directly into improved employment opportunities and earning potential for women. “In the Guatemalan context, the goals of the project are almost revolutionary,” says Juan José Notz, manager of the project.

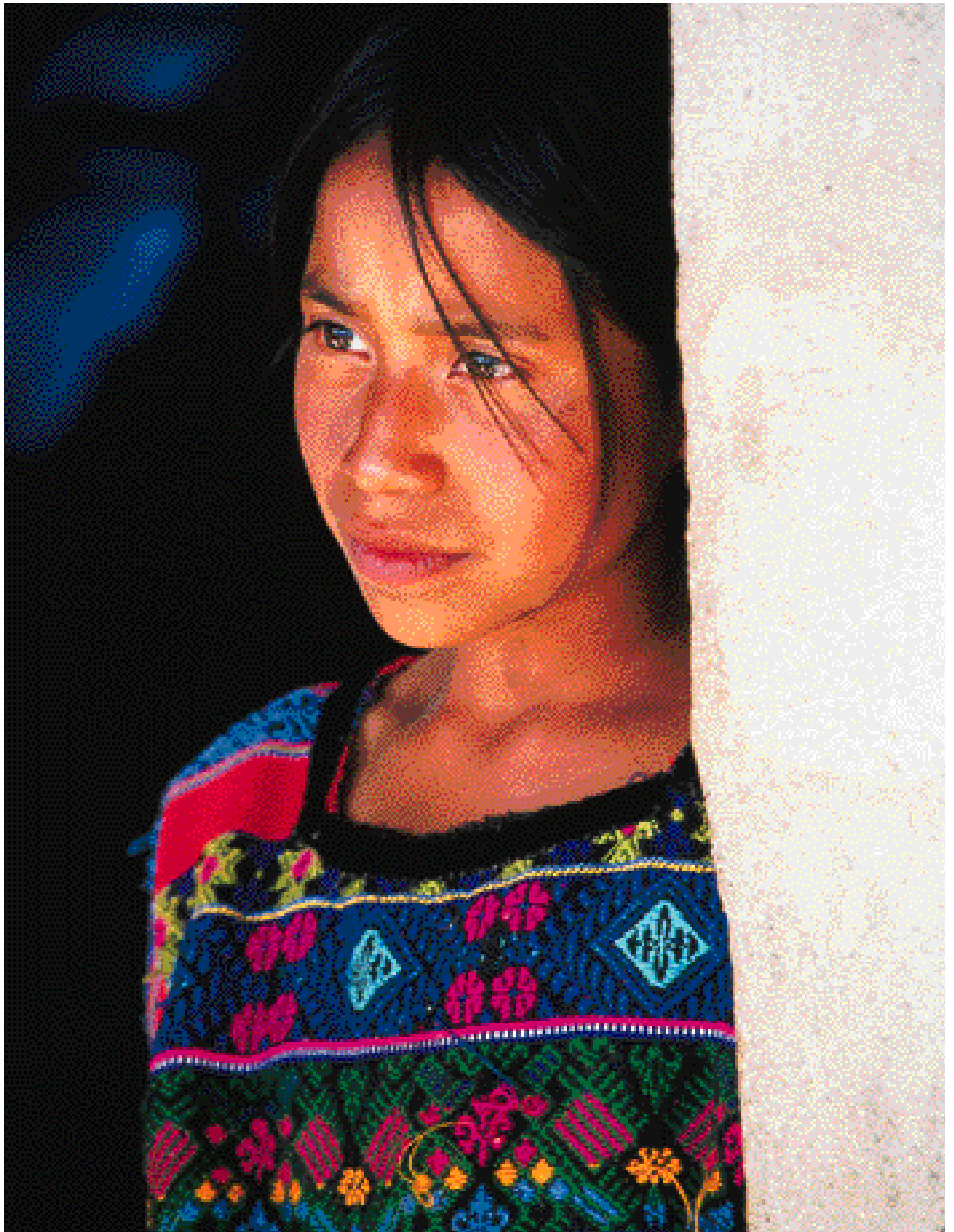
In the southwestern town of San Jacinto, Maria Morales, 44, is one of thousands of mothers in Guatemala working through *Proesa Xtani’* to give her daughter an education and the resulting opportunities denied to her. Thirty-five years ago, Morales’ father forced her to drop out of school after the second grade.

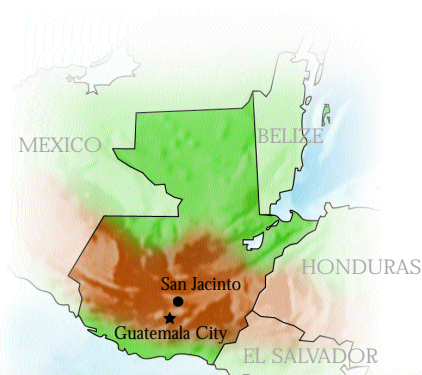
“It seemed like everything in my life that started out looking good turned out bad,” she says. Spending most of her life at home, Morales learned not to hope for an expanded role in life. After joining *Proesa Xtani’*, however, her outlook changed.

“Working with CARE and other women has been a wonderful experience. I feel like I’m a part of something good,” Morales says.

Loans Bring Change

In each community where *Proesa Xtani’* operates, women organize into groups of 20 to 35 members. On the business front, CARE provides training to the women in how to manage, save and earn money for their families. Each group then nominates a committee to manage a loan fund, which is initially funded by CARE. The members of the group draw on the fund as a source of credit. Each member takes responsibility for her





facts on guatemala

The Proesa Xtani' project has helped more than 2,000 mothers and their daughters in Guatemala during the past five years.

The average life expectancy for Guatemalan women is 67 years.

Sixty percent of Guatemalan women are illiterate.

In 1944, Guatemala became one of the first Latin American countries to grant women the right to vote.

own loan as well as collective responsibility for the group.

Some women buy cows to produce milk or chickens to produce eggs. Others open small stores or weave *güipiles* and other colorful garments to sell at markets. With their earnings, they make payments on their loans and pay for the education of their daughters. Per student, school costs approximately 400 *quetzales* (about \$50) a year.

The women also hold regular meetings with school staff to discuss their daughters' advancement. They take turns preparing breakfast at school. They become involved.

New Attitudes

In the classroom, CARE works to eliminate gender bias by encouraging teachers to include boys and girls in classroom discussion and promoting girls' enrollment by showing videos and distributing posters. Gender equity messages promote equal treatment of boys and girls in school and in the home.

"CARE confronts the desire of mothers and their daughters to change their lives in a way that truly matters and lasts," says Notz. "These women have no access to institutional credit. The system keeps them trapped in poverty, unable to afford the cost of food or medicine, let alone education for their daughters. By organizing these

groups and opening their access to small loans, CARE gives women power in a country where they have traditionally wielded very little.”

As women join Proesa Xtani’, the possibilities the program provides are often approached with anticipation and anxiety. For the first time, these women in Guatemala have access to resources, power and opportunity for themselves and their daughters. The experience can be daunting.

The night before Maria Morales received her first loan, she could not sleep. She worried that her business would not succeed and that she would not be able to make her repayments. By morning, she was ready to back out. But other women in her group encouraged her and convinced her that, with their support, she would succeed. When she accepted the money, her hands trembled. She had never seen 700 quetzales (about \$85) at one time. She took the money and started her business. She was to make repayments in small amounts every 15 days.

When she made her first payment, her hands trembled again, this time with excitement. By the time Morales paid off her first loan, she was a different person.

Now on her third loan, Morales owns and manages a store in front of her house. It is a bright, airy room furnished with a couple of wooden benches, a table and refrigerator. She sells “a little bit of everything.”

When not in school, Morales’ 12-year-old daughter Rosa helps her, selling goods and handling money. But Rosa’s main concern is school: studying, learning. She soon will graduate from the sixth grade.

“CARE has given me a business and has allowed me to give my daughter an education,” Morales proudly says, holding Rosa in her arms. “She will be the first in our family to go to junior high school.”

Her life and Rosa’s have changed forever.

Money is a powerful resource. So is education. Armed with the first, a woman can achieve the second and accomplish a lot for her family. Simultaneously, she learns how to help her children and earns the money she needs to act on her knowledge.

“Proesa Xtani’ is much more than access to credit and education,” says Johnson. “This program works to ensure that a girl’s future is determined not by her gender, but by her own interests and dreams.”

— Article by Allen Clinton;
Photography by Kimberly Conger

*(left) Women in San Jacinto, Guatemala, are successful entrepreneurs.
(right, from top) With their mothers' support, girls enjoy school.
Guatemalan women seek new opportunities for their daughters.
Quality education means a brighter future for all.*



SUSTAINABILITY:

*to keep in
existence,
endure*

A Delicate Balance

Sustainable impact – positive, fundamental and lasting change in people’s lives – is essential. For poor communities seeking to develop economically, finding and preserving the balance between people and nature is key to sustainability. In Zanzibar, a CARE project protects a forest, ensuring a future both for its rare animals and plants and for neighboring communities.

“Do not call the forest that shelters you a jungle,” goes an old African proverb. The meaning is clear: Things that benefit you should not be abused. Until recently, thousands of farmers bordering the lush enclave of a tropical rainforest in Zanzibar saw nature not as an asset, but an enemy. In doing so, they threatened not only the rainforest but also their own livelihoods.

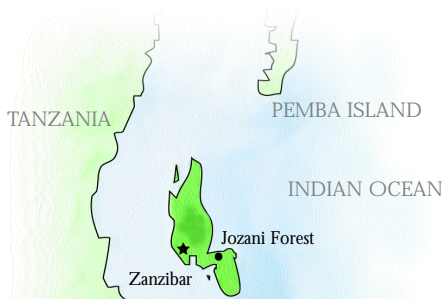
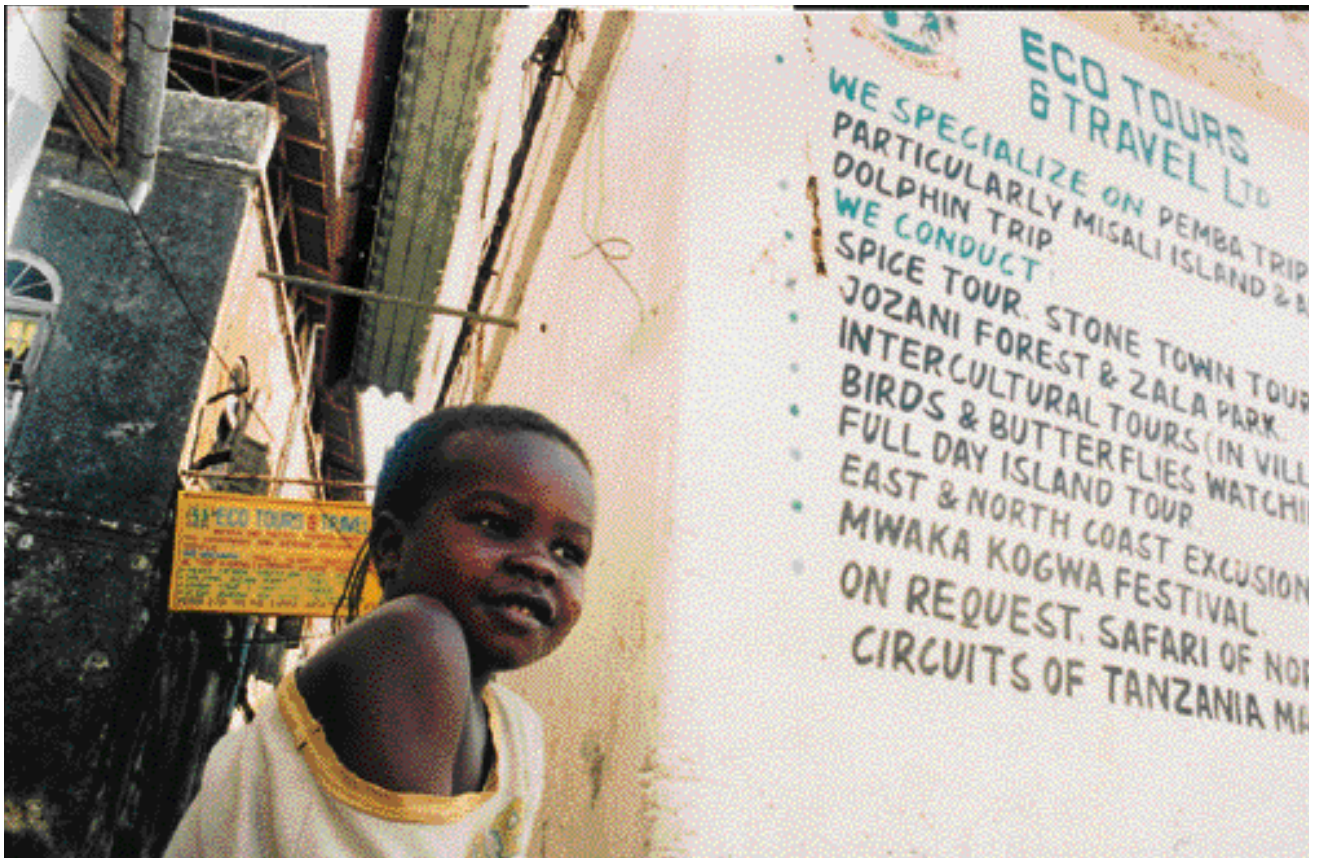
Jozani Forest lies in the heart of Unguja, the largest of dozens of islands that make up the archipelago of Zanzibar, Tanzania. Awash in a crystal ocean of blues and greens about 20 miles off the mainland coast of Tanzania, these islands have proven to be a natural haven for tourists, nearly 100,000 of whom visited Zanzibar’s white-sand beaches in 1999.

But the economic benefits of tourism came at a cost. As hotels rose on the coastline and mainland Tanzanians flooded the islands in search of tourism jobs, Zanzibar’s growing population and economy put pressure on rare and



(left) A banana farmer on the Uluguru Mountains of mainland Tanzania, site of another CARE conservation effort. (right) A Zanzibar sunset.





facts on zanzibar

Zanzibar's per capita income is \$230.

Zanzibar is home to all of the world's red colobus monkeys, half of which live in Jozani Forest.

Jozani Forest averages 15,000 visitors annually.

Thirty percent of revenue from Jozani Forest pays operational costs, 18% goes to local communities.

Jozani Forest generated \$6,000 in 1996; \$70,000 in 1999.

delicate natural resources such as Jozani Forest. Its five different ecosystems, including mangroves, coral rag forests and salt marsh, are potentially lucrative sources of construction materials and firewood. Its animals – including rare species such as Ader's duiker, Zanzibar leopard and the world's last 2,500 red colobus monkeys – are often perceived by local farmers as nuisances or even dinner.

Growing populations, liberalizing economies, nature under fire – this mix of development challenges is common to the continent and the developing world in general. Yet in Zanzibar, there is a fourth ingredient to add to the mix: success.

A Model of Conservation

“Attitudes have changed a lot. People are saying: ‘These animals have to live. These animals are bringing us money,’ ” says Ally Abdurahim Ally, an ecologist working in Jozani. “And these changes have come hand in hand with CARE. They've helped us. They've made all the changes happen.”

CARE worked with local communities, government experts, conservationists and the tourism industry to create a model that shows promise of being one of Africa's more successful conservation and development projects.

Initial efforts focused on solidifying Jozani's protected status. Then meetings were held with communities bordering the park to provide conservation education and to identify ways of using the forest without doing harm.

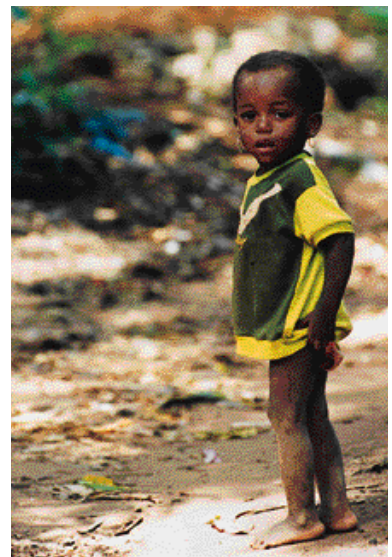
One of the solutions was to market nature walks. Before long, the park had thousands of visitors. Part of their entrance fee – now \$8 – is channeled back to members of adjacent communities.

Villagers, once skeptical of efforts to protect crop-raiding monkeys, got into the spirit. Community members worked together to build an impressive tourism boardwalk through Jozani's lush mangroves, and sell local handicrafts at Jozani's visitor center. CARE supported communities through programs to generate income, such as savings and credit associations, seaweed farming and handicrafts businesses.

"At our first meeting in Pete Village to discuss the forest, only two people showed up," says Thabit Masoud, head of conservation for Zanzibar's Commission for Natural Resources. "Now they are calling their own meetings!"

Tourists are equally enthusiastic.

"When they develop a place, they always ruin it," says Wang Lei, a Chinese tourist who visited the park in July. "But here it is obvious a lot of people are concerned; they're thinking about the problem. Maybe here they can



*(left) A tour operator advertises its services.
(right, from top) A rare red colobus monkey. This child
and Jozani Forest now share a brighter future.
Plying the waters of Zanzibar's Chwaka Bay.*



find a compromise. There's no way to go back, but we can do something for the future."

The revenue generated by the park not only covers the cost of six rangers who patrol and protect it but helps dozens of villages defray the pricetag of conservation. Nearby communities such as Pete Village, plagued by mischievous, crop-raiding red colobus monkeys, have developed a measure of acceptance for the creatures – aided, no doubt, by the addition of two school buildings, a new mosque and electricity. Tourism revenues from Jozani paid for all.

Protecting A Precious Resource

"Our children used to have to walk four miles to go to school," says Simai Ame Simai, a Pete Village resident and secretary of the local conservation committee, one of eight local conservation organizations formed with support from CARE. "We did not like the monkeys or the park, but now we do because we are benefiting. Every village should try and decide development initiatives of their own."

Villages such as Pete protect their investment. The Jozani Environmental Conservation Association – a local umbrella group of eight villages formed to help CARE and Zanzibar's government manage resources – now enforces rules on harvesting timber and other forest products and hunting. Trespassers are fined and expelled.

Equally important, the approximately \$70,000 generated each year by tourism allow a precious natural resource to remain intact for the benefit of future generations. Such sustainability brings its own rewards. Schoolchildren tour the park and thrill to the antics of the playful red colobus. Scientific research in Jozani – ranging from a monkey census to tree species studies – provides important data on some of the rarest flora and fauna on Earth.

"We've still got work to do," says Rob Wild, a CARE conservationist who helped develop the Jozani Forest program. "But communities are taking conservation into their own hands and generating their own solutions. Their success provides hope that the monkeys and their forest, as well as the people of Jozani, will have a bright future. And that's a very positive message not only for Zanzibar, but for the world."

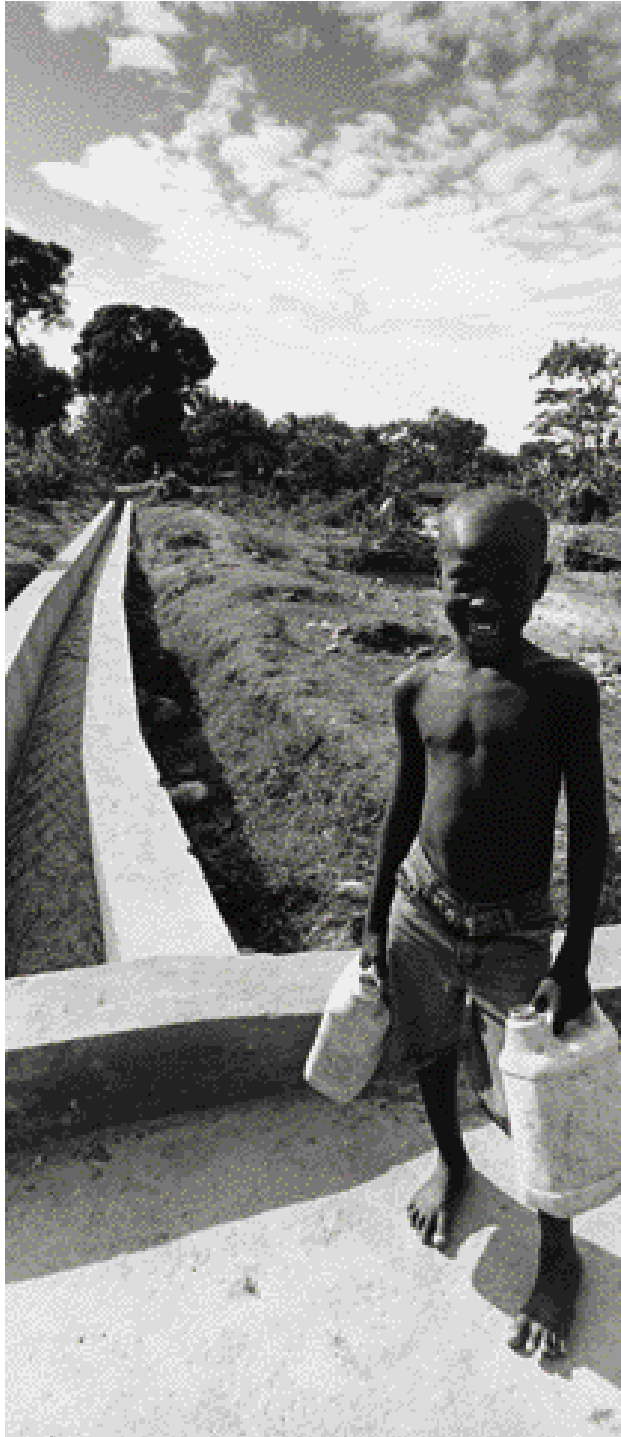
— Article by Wendy Driscoll;
Photography by Tyler Hicks

*(below)
A woman harvests
her plot on
Tanzania's Uluguru
Mountains. (below
right) A fisherman
sports his catch from
Chwaka Bay,
Zanzibar. (right)
CARE promotes
conservation efforts
in the Ulugurus*





THE YEAR IN REVIEW



CARE BELIEVES THAT EVERY person has the right to live in dignity and security, despite the challenges of poverty, war, or natural disaster. CARE strives to create long-term solutions to the problems that keep people from meeting their full potential and living with dignity. In fiscal year 2000 (FY00), CARE adopted a vision and mission that sharpens the organization's aim toward that goal. The vision and mission pledge CARE's full resources and experience to a worldwide movement dedicated to ending poverty.

Poverty is neither natural nor inevitable. It has complex roots in political, economic and social circumstances. While it is essential that every family have food, a safe home, health care, education and a healthy environment, CARE understands that simply meeting these needs will not end poverty. That is why CARE is committed to helping people exercise their right to participate in society and make decisions that affect their lives. CARE creates programs with practical new strategies that target the underlying causes of poverty, not just the symptoms. Identifying and implementing sustainable solutions is the foundation of CARE's approach. This means families and communities are able to exercise their rights and make the most of the assets and resources around them.

In FY00, CARE USA program expenses totaled more than \$409 million, supporting community work in more than 50 developing nations. At the same time, CARE responded to crises caused by natural disasters, conflict and impending famine, providing desperately needed medical supplies, food, water and shelter. As one of the world's largest private international relief and development organizations, CARE's ongoing projects are founded in long-term, sustainable solutions that help poor communities overcome their most threatening problems. These efforts to improve agriculture, education, health services, water and sanitation, nutrition and economic opportunity reach millions of people.

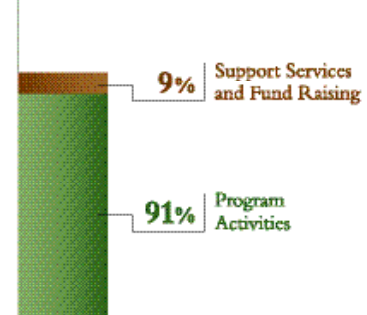
Since its founding after World War II, CARE has made a difference in more than a billion people's lives. The following pages highlight CARE's work in FY00.

2000 CARE HIGHLIGHTS

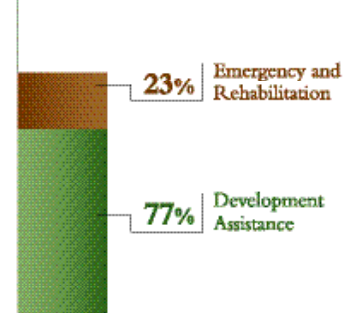
In fiscal year 2000 (FY00), CARE's work directly improved the lives of more than 27 MILLION PEOPLE in Africa, Asia and the Pacific, Europe and the Middle East, and Latin America and the Caribbean through programs in AGRICULTURE, EDUCATION, HEALTH, WATER and SANITATION, NUTRITION, INFRASTRUCTURE and SMALL ECONOMIC ACTIVITY DEVELOPMENT. Tens of MILLIONS MORE – family and community members alike – benefited indirectly from CARE projects addressing poverty. These are some of the CHANGES that CARE's generous and committed supporters MADE POSSIBLE:

- More than 1.6 million farmers in 33 countries were trained in activities relating to AGRICULTURE AND NATURAL RESOURCES, enabling them to improve their harvests and nutrition on a sustainable basis.
- More than 13.9 MILLION TREES were planted, protecting vital natural resources, including watersheds.
- More than 1.2 million people in 20 countries obtained BASIC EDUCATION AND TRAINING, directly expanding their ability to fulfill their personal and economic potential.
- More than 8 million people in 13 countries obtained FOOD through school feeding and food-for-work programs, which improved nutrition and enabled communities to work toward long-term solutions to poverty.
- Nearly 9.2 million women and children benefited from MOTHER AND CHILD HEALTH projects in 23 countries, reducing the toll and threat of illness.
- More than 3.1 million people in 31 countries gained access to CLEAN WATER and SANITATION services and received hygiene education, diminishing illness and deaths.
- 5.1 million men and women in 26 countries benefited from HEALTH SERVICES, such as family planning, maternal health and prevention of HIV and other sexually transmitted diseases.
- Nearly 86,000 kilometers of ROADS were built or repaired through food-for-work or cash-for-work programs, improving access to rural communities and involving local people in identifying and implementing solutions to transportation problems.
- More than 500,000 people – 80 percent women – in 31 countries were assisted through projects in CREDIT, SAVINGS, MARKETING and other business-related services, helping them realize economic self-sufficiency.

HOW CARE'S EXPENSES ARE ALLOCATED



CARE'S PROGRAMS BY ACTIVITY



AFRICA



Children from Sierra Leone wait for dinner in a CARE-supported refugee camp in Guinea.

DESPITE MANY CHALLENGES, natural and man-made, communities throughout Africa made progress improving access to health and education, building businesses and helping to create long-term opportunities for future generations. In fiscal year 2000 (FY00), CARE USA supported programs totaling \$92.8 million in 23 African countries. This work was designed to empower families and communities to ensure better futures for themselves. The following report outlines CARE's work in East Africa and in Southern and West Africa.

East Africa

In Burundi, Ethiopia, Kenya, Rwanda, Somalia, Sudan, Tanzania and Uganda, CARE's programs focused on long-term health and environmental initiatives and strengthened ties between communities and policy makers to facilitate development initiatives. CARE also assisted many thousands of people struggling to survive devastating drought or to flee conflict.

Building Better Tomorrows

In Eastern Uganda, CARE's **Family Health Project** supported better health services by

building rural clinics, refurbishing hospitals and training government health workers.

To help usher in positive, lasting changes in Somalia where a central government was established after more than a decade of turmoil, programs such as the **Northeast Somalia Partnership Project** trained local groups to provide assistance to their communities, including support for building schools, roads and canals.

The Tanzanian government and the United Nations Global Environment Fund chose CARE to lead a massive international effort to promote greater understanding among local communities about the fragile ecosystem of the Eastern Arc Mountains, which is home to rare flora and fauna and whose rivers provide water for much of eastern Tanzania. CARE worked with local and international groups to help these communities develop long-term strategies to live in harmony with the environment.

Hope During Crisis

In Kenya, the **Refugee Assistance Program** provided shelter and other necessities to more than 150,000 people. In drought-stricken southern Ethiopia, CARE helped the area's nomads through an innovative program in which families traded their drought-weakened livestock for much-needed food. Even in the midst of conflict and drought, CARE continued its long-term focus on self-help. Community members received food in return for helping to make long-term improvements to infrastructure like wells and water catchments. In Burundi, CARE helped returning refugees rebuild their houses and build latrines.

In Sudan, where civil war has raged for nearly two decades, CARE and other humanitarian groups continued to advocate for a just peace. CARE also played an important role in securing access to Sudanese communities cut off from humanitarian aid by the war.

Southern and West Africa

In Angola, Benin, Ghana, Guinea, Lesotho, Madagascar, Malawi, Mali, Mozambique, Niger, Sierra Leone, South Africa, Togo, Zambia and Zimbabwe, CARE helped com

munities improve health care, education and the environment, start money-making activities, and respond to floods and civil war.

Teaching for Tomorrow

Education is a crucial way CARE helps people build a strong foundation for their future. In Benin, where women's literacy is about 25 percent, CARE increased girls' primary school enrollment through study sessions and tutoring. CARE also worked with parent-teacher groups to improve girls' educational performance.

In Mali, CARE helped the government provide community-managed primary health care for some 100,000 people through the **Macina Child Health Project**. CARE trained village health committee members to widen access to health information and services.

With AIDS taking an ever-increasing toll on sub-Saharan Africa, CARE educates people about prevention and treatment of HIV/AIDS. In Ghana, the **Wassa West Reproductive Health Project** reduced the transmission of HIV/AIDS and sexually transmitted diseases among 120,000 miners at high risk. Working with local organizations, CARE trained leaders to organize educational talks on HIV/AIDS and sexually transmitted diseases to encourage people to change high-risk behavior. The program also provided treatment, counseling and condoms.

Staying Power

CARE programs seek solutions that are community-driven and sustainable. In Angola, the **LUBAGUA Project** helped neighbors build, maintain and pay for water systems. Near the southern city of Lubango, residents installed dozens of wells, pumps, latrines and laundry wash stands. In addition to providing clean water, the project reduces the occurrence of waterborne diseases and conserves scarce water supplies.

In Niger, CARE organized rural women's groups to run savings programs. Participants saved money and provided loans to one another to develop their businesses. The project provides women and their families greater economic stability, self-sufficiency and social status.

The Masoala National Park is Madagascar's largest remaining humid tropical forest. CARE helped rural communities and conservation groups manage park resources while generating increased income for people who depend on the park for their livelihood.

Emergency Response

In Sierra Leone and Angola, where fighting flared in ongoing civil wars, CARE provided food, health services, seeds and farming tools to thousands of people displaced by the conflicts.

When severe flooding hit Mozambique, CARE helped in search and rescue operations and later to repair damaged water systems and distribute food and supplies. Following cyclones in Madagascar, CARE provided food and helped communities repair roads and improve water quality. In both countries, CARE was able to respond quickly, building on established programs.

CARE responded to severe drought and food shortages in the Horn of Africa.



ASIA AND THE PACIFIC

ASIA AND THE PACIFIC is home to more than 40 percent of the world's poor. Though regional poverty rates have declined since the 1980s, population growth has increased the number of impoverished people. Natural and man-made disasters further challenged their survival.

With its holistic approach to the issues of poverty, CARE's work in the region during fiscal year 2000 (FY00) focused on helping communities toward self-reliance and secure livelihoods. This included projects dedicated to fostering economic activity, agricultural and natural resource management, and HIV/AIDS prevention and treatment. Additionally, CARE delivered emergency relief to people battered by natural disasters and civil conflict.

In FY00, CARE USA supported programs in Asia and the Pacific exceeding \$167 million to help communities in 18 nations: Afghanistan, Armenia, Azerbaijan, Bangladesh, Cambodia, China, East Timor, Georgia, India, Indonesia, Laos, Nepal, North Korea*, the Philippines, Sri Lanka, Tajikistan, Thailand and Vietnam.

CARE helped rebuild communities in India's coastal state of Orissa where two cyclones struck in late 1999.



Empowerment

Many of the 3.5 billion people living in Asia do not have reliable ways to obtain the basics for survival. CARE's programs offer individuals, families and communities opportunities to take the first steps toward self-sufficiency and better lives. In India, for example, the **Credit and Savings for Household Enterprise Project** increased impoverished women's access to a range of financial services, including credit. This access made it possible for more women to start small businesses and help sustain their families.

In Nepal, the **Bardia Buffer Zone Project** trained people residing near the Royal Bardia National Park to sustainably develop and manage the park's natural resources and their own agricultural activities. Communities support themselves while living in harmony with the environment.

In Tajikistan, CARE helped farmers in the Leninski District by providing the means to make their farms more economically viable over the long run. The **Private Farmers' Support Project** supplied farmers with high-quality seeds, animals for plowing, fertilizer and pesticides. Farmers used CARE-supported loans to pay for this agricultural assistance. Repayments support a revolving fund available to assist other farmers. The project also repaired existing irrigation systems and built new ones. Crop yields increased by more than 200 percent.

Fighting an Epidemic

A major challenge to overcoming poverty in Asia and the Pacific is HIV/AIDS, which infects an estimated 6.5 million adults and children in the region. The prevalence of the disease strains health care services, while the accompanying social stigma threatens the fabric of families and whole communities.

CARE is battling this pandemic with a variety of programs. In Thailand, for example, the **Living With AIDS Project** provided families affected by HIV/AIDS with home-based care, food for infants, education for children and job support. In FY00, the project trained village volunteers to advance activities that reduce discrimination against people with

HIV/AIDS. The project especially seeks to empower women and children who are ostracized from the community because they or a family member has HIV/AIDS.

Overcoming Natural Disaster

In October 1999, cyclones lashed India's coastal state of Orissa, killing thousands and leaving millions homeless.

As the first international humanitarian agency on the scene, CARE tackled the immediate crisis by providing food aid for more than 1 million people and survival kits for families most in need. As survival needs were met, CARE quickly moved to help people rebuild their homes and lives. CARE's **Disaster Preparedness Program** worked to mitigate effects of future storms by building cyclone shelters and holding disaster education programs that reached more than 1 million people.

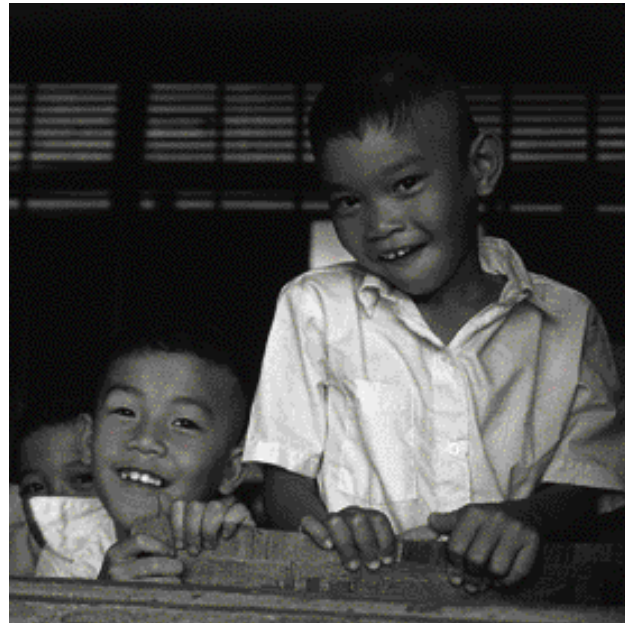
During FY00, drought laid waste to much of Central and Southern Asia. Crops failed, livestock was decimated and food supplies dwindled or disappeared. In Afghanistan, about 12 million people were affected. With long-term solutions in mind, CARE widened its programs to include Afghanistan's hardest-hit areas. In Ghazni, Logar and Wardak provinces, CARE helped provide clean water for 20,000 people. Food-for-work projects in the Nawor District of Ghazni provided emergency food to 4,000 families most at risk from the drought. Accomplishing more than emergency relief, these projects left a sustainable legacy. Improved roads will ensure better access to markets and health facilities, and new water systems will increase the quantity and improve the quality of water.

Struggling with Armed Conflict

War leaves a legacy of a different sort: refugees, orphans and others broken in limb and in spirit. In FY00, CARE responded to long-term challenges arising from conflicts in the island nations of East Timor and Sri Lanka.

In East Timor, violence erupted following the August 1999 referendum on independence from Indonesia. Thousands of people fled to

the mountains or across the border to West Timor. Through the **Timor Emergency Project**, CARE distributed survival kits and food supplies to refugees in camps near Kupang, West Timor's capital. Anticipating the rainy season, CARE built temporary housing and distributed tents. CARE also built systems



to provide people with safe drinking water. As people returned to East Timor to find homes and fields destroyed, CARE distributed seeds and tools, and provided technical assistance to help people regain self-sufficiency.

In Sri Lanka, civil war has claimed nearly 70,000 lives since 1983. When an upsurge in fighting in May 2000 drove thousands of people from their homes, CARE began an emergency program in Jaffna for displaced people, distributing basic supplies and building shelters and latrines. CARE works on both sides of the conflict using a "Do No Harm" approach to reduce tension and improve cooperation within and among communities and to weave reconciliation into all programs.

**CARE ended its relief program in North Korea at the end of FY00.*

Thailand's Living With AIDS Project helps families affected by HIV/AIDS.

EUROPE AND THE MIDDLE EAST



Refugees driven from their homes in Kosovo received emergency aid from CARE.

CARE'S WORK IN EUROPE evolved from emergency relief to rehabilitation, helping to build safe, stable communities in the Balkans as the region struggled to overcome conflict. In fiscal year 2000 (FY00), more than \$32 million supported programs in Albania, Armenia, Azerbaijan, Bosnia-Herzegovina, Croatia, Georgia, Macedonia and Yugoslavia, including the province of Kosovo.

A Recovering Kosovo

After the crisis in Kosovo drove nearly 1 million people from their homes, returning refugees began piecing their lives together with CARE's help. As a major player among more than 200 nongovernmental organiza-

tions working in the province, CARE distributed food and firewood to keep people alive and warm during the emergency and through the harsh Balkan winter. More than 250,000 people received food from CARE at the peak of distribution. Later, CARE worked with ethnic Albanians and Serbs in Kosovo to restore their ability to sustain themselves, providing vital assistance in housing, agriculture, health and community services, and landmine safety.

CARE began a dozen major shelter projects throughout Kosovo during FY00. The **Shelter Kit Project** distributed kits containing plastic sheeting and fasteners to make temporary shelters for approximately 80,000 people. CARE also provided building materials, carpentry training and technical assistance. Other projects included: repairing badly damaged schools on both sides of the ethnically divided city of Mitrovica; rehabilitating community centers for use in municipal elections; and restoring two municipal health centers in Lipljan and Pristina, which jointly provide medical care to nearly 200,000 people.

In addition, CARE helped fuel economic recovery in Kosovo through the **Winter and Spring Agricultural Rehabilitation Projects**, which provided spare parts for tractors and combines, making it possible for farmers to plant and harvest crops. CARE also helped farmers get their goods to market and control crop pests.

While daily life in Kosovo began a slow return to normality, the war traumatized many, especially children. CARE began addressing this issue through the **Psychosocial Training and Support Project**. The project trained teachers to identify and deal with signs of trauma – as well as learning disabilities and behavioral problems – in children.

CARE also is addressing the health needs of women and children in Kosovo. The **Mobile Gynecological Clinic Project**, covering six rural villages in the Mitrovica area, provided thousands of women and children with essential gynecological and pediatric services, along with medicine, toys, clothes

and packets for baby hygiene. Clinics also offered the opportunity to learn about child and maternal nutrition, breast-feeding and hygiene. CARE successfully operated a comprehensive reproductive health-training program for hundreds of Kosovar health care workers to make reproductive care more accessible.

Treading a Safe Path

Landmines laid across Kosovo during the conflict restricted progress by blocking roads to schools, markets, businesses, crops and water sources. In addition, hundreds of injuries and fatalities occurred as a result of mine and unexploded ordnance accidents.

CARE is working to make Kosovo a safer, more accessible place through landmine awareness training. The **Mine Action and Awareness Project** trained nearly 5,000 people to recognize mines and unexploded ordnance littering the landscape. CARE's efforts also helped free more than 11,000 homes and 200 miles of roads from the threat of landmines. CARE's work in landmine removal and education received special recognition from the United Nations. In fact, the United Nations published an adapted version of CARE's pocket-size mine safety handbook as its standard field guide.

Elsewhere in Europe

In Macedonia, CARE repaired and improved land at the site of a former refugee camp, so it could be used for organic farming. A CARE reproductive health project improved the quality of refugees' medical services.

In communities in Albania, CARE helped transform facilities for refugees into centers for student activities, including a cultural center and gymnasium. CARE provided low-income students with "Hope for the Future," an intensive preparatory course for college. CARE also supported a successful project in Bosnia-Herzegovina that uses role-playing, theater and art classes to help children work through the traumas they experienced in the war.

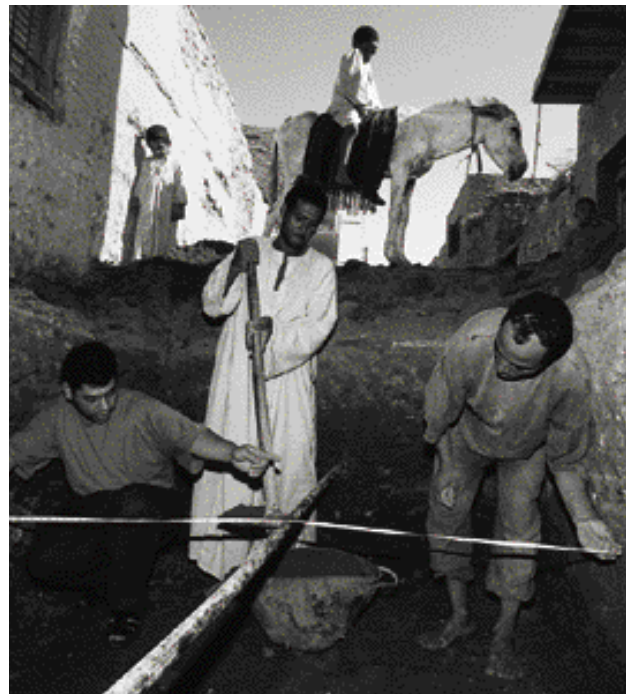
The Middle East

CARE is breaking new ground in the Middle East – transforming and expanding its work in Egypt and the West Bank/Gaza. In FY00, support for programs in the region exceeded \$5 million.

In the West Bank/Gaza, CARE is committed to addressing issues of rights and responsibilities of the Palestinian people. The **Citizenship and Democracy Project** raised awareness about human rights and democratic practices within Palestinian communities through workshops, publications and town meetings. Similar programs are underway in Egypt, including the **Capability Enhancement Through Citizen Action Project (CAP)**, which strengthened CARE's partnerships with local, national and international organizations working to improve the quality of life for 90,000 rural households in Upper Egypt. CAP helped these groups better involve the communities they serve in local affairs and decision making.

These innovative approaches to strengthening communities complemented CARE's continuing efforts to provide and promote health care and sanitation services, education, access to credit and environmental awareness.

CARE helped local community organizations improve the quality of life for thousands of Egyptians



LATIN AMERICA AND THE CARIBBEAN

IN THE PAST DECADE, successful transitions to democracy and reduced conflict in Latin America have created environments favorable to sustainable development and broadened CARE's ability to help poor families improve their lives. But obstacles remain. One-fourth of the region's people live on less than \$1 a day. Illiteracy, limited access to quality health care and environmental degradation are common.

In fiscal year 2000 (FY00), CARE USA supported programs exceeding \$100 million in Bolivia, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua and Peru. Programs increased access and reduced barriers to services essential to sustainable and equitable development, including micro-credit, education, agriculture and natural resources, health care, water and sanitation, land tenure and infrastructure.

CARE projects in Honduras focused on rehabilitation in the wake of Hurricane Mitch



Learning the Basics

A powerful tool for reducing poverty, education is a foundation for productive, healthy and secure lives. But in Latin America, nearly one-third of all students do not reach the fifth grade. Many families cannot afford the cost of education or do not see the benefits of keeping children in school when they could be working. Girls particularly are overlooked. Enrollment of girls is lowest in Haiti, Guatemala and Bolivia, where two-thirds of all girls leave school before fourth grade. CARE works in poor communities to overcome barriers to education for all children, particularly girls.

CARE's **Alternative Youth Education Project** in Bolivia provided training to adolescent girls in basic skills and leadership. Girls received tutoring in math, reading, writing, reproductive health, decision-making skills and confidence building. CARE is working with Bolivia's Ministry of Education to explore ways of applying the same curriculum nationwide.

In Haiti, the region's poorest country, CARE aims to increase primary school enrollment and graduation rates by improving students' health and well being. To enhance learning readiness, CARE provided daily nutritious, hot meals to 210,000 children through the **Primary School Health, Hygiene and Nutrition Project**. CARE also empowered parent-teacher associations to improve the quality of rural education and support health-related activities in schools.

Better Health

Latin America made notable progress in the area of health during the past decade. Declines in fertility rates improved the health of mothers and their children. Mortality rates for infants and children under age 5 declined significantly, even in the poorest nations. Yet poverty-related health problems remain. Lack of access to clean water, for example, can cause diarrhea, cholera and typhoid. In Latin America, some 219 children die each day from diarrheal diseases.

CARE's support of better health in the region includes improvements in water and sanitation, increasing the skills and capacities of local health service providers, and vaccinations

against serious illness, such as polio and tetanus.

In southwestern Honduras, the **HOGASA Project** worked with the Ministry of Health to establish rural health centers managed by local volunteers. CARE trained volunteers to provide basic health services in their communities and to educate families on preventive and reproductive health practices. As a result, cases of malnutrition and respiratory infection among children and pregnant women have decreased and lives have been saved.

To improve the health of thousands of families in nine remote Peruvian mountain villages, CARE worked with communities to design and install clean water systems and latrines, then organized committees to maintain them. Across Peru, CARE's development projects benefit nearly 1 million of the poorest people.

Expanding on the region's successes, CARE is addressing other health issues associated with poverty. For instance, while reduced maternal mortality rates indicate improved health conditions in Latin America, these numbers fail to underscore great differences between rural and urban areas and among socio-economic groups. Meeting the needs of underserved and marginalized people is a CARE priority.

Preserving the Environment

Deforestation, unsound land use and harmful agricultural practices make entire economies vulnerable to the impact of hurricanes, floods and fires. CARE's environmental programs, including park protection, forest management, small farm hillside agriculture, and watershed restoration, help mitigate the potential destruction of natural disasters. Collaborating with rural communities and local and national governments, CARE provided education programs promoting alternatives to slash-and-burn agriculture and unsustainable logging.

CARE's **SUBIR Project** in Ecuador's Cotacachi-Cayapas Ecological Reserve – one of 18 biodiversity hotspots left on Earth – worked with indigenous groups to find sustainable ways to live off the land while preserving the forest. SUBIR builds shared responsibility for conserving biodiversity through active com-



munity participation and decision-making.

In El Salvador, CARE helped to obtain land tenure for poor families, which can have important environmental implications. CARE's **Proseguir Project** works with the government and local organizations to provide land ownership rights to some 30,000 ex-combatants from both sides of El Salvador's civil war, giving them the security and incentives to make long-term investments in their property. CARE trains farmers so they can maximize their land's potential and produce a diversity of crops – encouraging them to terrace hillsides, plant trees and use organic fertilizers.

Recovering from Hurricane Mitch

Central America is still recovering from Hurricane Mitch's assault in late 1998. After the storm, CARE provided food, water, medicine and temporary shelter to families driven from their homes. CARE then began rehabilitation programs to help people return to their daily lives. CARE continues to work with communities to build homes and health clinics, repair water systems and roads, and replant fields.

CARE's long-term recovery programs promote the formation of community organizations, increase effectiveness of local governments and build ties between the two. CARE and other humanitarian groups were invited by the governments of El Salvador, Guatemala, Honduras and Nicaragua to help improve their ability to mobilize during natural disasters and develop plans to mitigate their effects.

For many Haitian children, the only hot meal of the day comes from a CARE-sponsored education program.

FUND-RAISING HIGHLIGHTS

In fiscal year 2000 (FY00), CARE received \$63 million in support from individuals, corporations, foundations and other organizations, which helped to position CARE to meet the challenges of the new millennium.

INDIVIDUALS

In FY00, contributions from more than 360,000 individuals totaled more than \$41 million in support of CARE's work.

About \$7 million of that was received through a growing revenue stream of bequests and planned gifts, such as gift annuities, charitable remainder trusts and pooled-income funds.

CORPORATIONS

Corporate support of CARE took many forms, including annual unrestricted gifts and social investments in specific countries and marketing programs, such as sponsorships, cause-related marketing and other licensing agreements. For example, a Delta Airlines program allows passengers to donate frequent-flyer miles to CARE. Corporate contributions exceeded \$7 million and included donations from BellSouth, Cisco Systems, the Lucent Foundation and Lucent employees, Starbucks and Unocal.

Contributions-in-kind provided relief to survivors of crises in Mozambique, India, East Timor and the Horn of Africa.

FOUNDATIONS AND ORGANIZATIONS

Nearly 600 private foundations gave CARE more than \$7 million in FY00. Trusts, cooperatives, civic associations, social clubs, religious groups and other organizations also contributed \$7 million. This included \$400,000 from the Mellon Foundation to support CARE's Emergency Response Fund and \$700,000 from the Bill and Melinda Gates Foundation to help CARE relieve suffering caused by flooding in Mozambique and drought in Ethiopia.

CELEBRITY SUPPORT AND EVENTS

While the humanitarian crisis in Kosovo faded from the headlines, CARE continued to help rebuild homes, farms and schools. This work was supported by a gift of \$2.7 million from Sony Music/Epic Records and the rock group Pearl Jam, representing one-third of royalties from the *No Boundaries* benefit CD and 100 percent of the proceeds from Pearl Jam's single "Last Kiss," the CD's first track.

CARE's 54th Anniversary Ball raised \$425,000 and featured 650 attendees, including Assistant Secretary of State Julia Taft, and U.S. Supreme Court Justices Ruth Bader Ginsburg and Anthony Kennedy.

As part of the fifth Climb for CARE, 10 climbers summited Mount Kilimanjaro, Africa's highest peak, and raised almost \$100,000.

THE WORLDWIDE WEB

In FY00, CARE's automated and secure online donation process made it easier for donors to give via the Internet. CARE added detailed information to its Web site for donors wishing to make gifts of stock. Online donations in FY00 exceeded \$400,000.

CARE developed valuable online partnerships that helped expand its internet donor base. The Beastie Boys rap group and *launch.com* raised nearly \$52,000 through the downloading of the group's featured songs. *ClickRewards.com*'s holiday campaign raised more than \$20,000 in online donations. Through *vsp.indiaserver.com*, CARE received contributions to help survivors of cyclones in Orissa, India.

(from left) Assistant Secretary of State Julia Taft, CARE USA President Peter Bell and U.S. Supreme Court Justice Ruth Bader Ginsburg at CARE's 54th Anniversary Ball.



TELLING CARE'S STORY

The dawn of the new millennium brought with it the challenge of keeping the most globalized community in history informed. CARE responded by bringing more people than ever closer to its work promoting solutions to poverty. Dynamic Web reporting, award-winning publications and public service announcements (PSAs), together with increased media attention, all highlighted CARE's role as an authority on international relief and development.

PSAS LAUDED GLOBALLY

By the end of 1999, CARE had distributed PSAs to more than 900 local TV affiliates and increased PSA air time by more than 35 percent when compared with 1998. In early 2000, CARE launched a PSA campaign that included 12 original spots and featured six different concepts. Produced in-house by CARE's award-winning video production unit, the campaign earned CARE a gold medal and two silver medals at the 2000 International Television Awards.

During the latter half of FY00, TV stations aired CARE PSAs a record-breaking 31,000 times, making the campaign the most successful in the organization's history. The video production unit also shot footage for the FY01 campaign, wrapped up production on three radio PSAs, and traveled to document CARE's virtual field trips.

In December 1999, the Smithsonian Institution opened its "African Voices" exhibit, featuring "Children's Health Comes First," a CARE-produced mini-documentary about the organization's work with the village of Siaya, Kenya. The film, displayed at the National Museum of Natural History in Washington, D.C., depicts how



CARE and community members successfully established pharmacies and training facilities to control diseases in Siaya, especially among children. The film became a permanent fixture of the Smithsonian's exhibit, and exposed CARE's work to more than 6 million visitors during 2000.

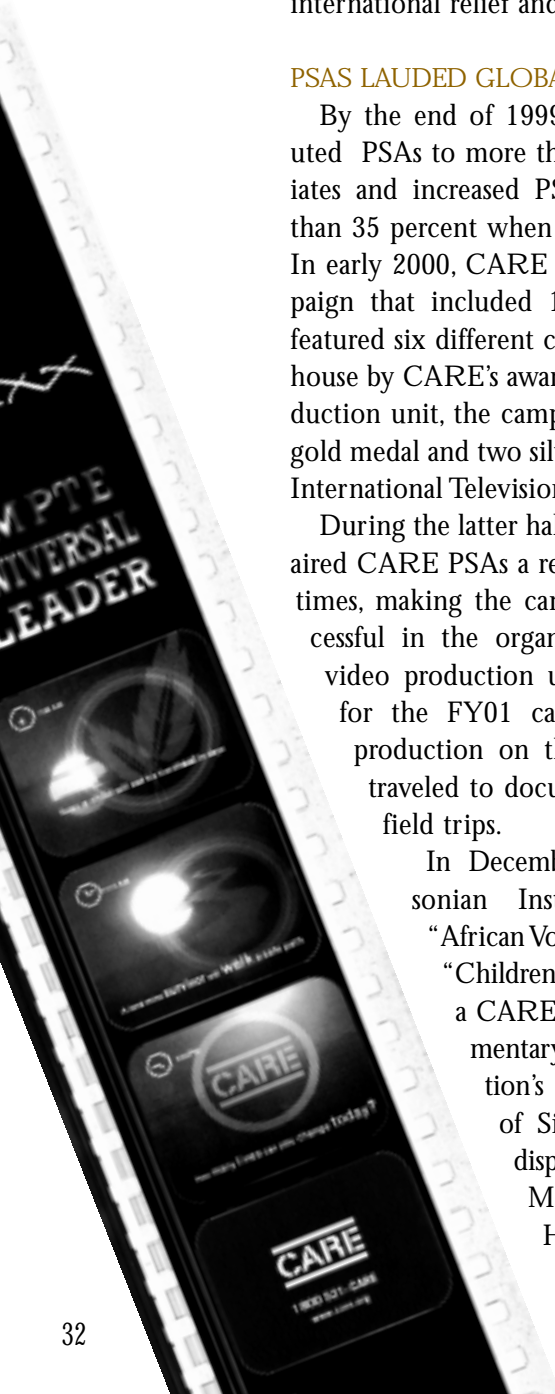
WEB SITE BRINGS CARE'S WORK TO PUBLIC'S DOORSTEP

Throughout fiscal year 2000 (FY00), CARE's Web site, www.care.org, continued to bring the organization's work directly to the public's attention. In July 1999, CARE launched an "interactive journey" to Mali, the second edition in its acclaimed virtual field trip series. Through journal entries, photo galleries and video components, each virtual field trip allowed Web site visitors a closer look at CARE's work in the field. During the following 12 months, CARE launched four more virtual field trips – to Madagascar, Honduras, Kosovo and Haiti. The series received national recognition in *USA Today* and *The New York Times*, as well as at Yahoo! and Netscape.

In addition, a series of special reports on the Web provided immediate information about CARE's response to emergency situations worldwide. As natural and man-made crises erupted in East Timor, India, Mozambique and the Horn of Africa, CARE posted in-depth reports on each situation. These included news specific to the crisis, as well as a database of experts and online donation forms.

Other Web developments during FY00

(below) CARE's PSA campaign for FY00 earned a number of prestigious awards.



SHAPING OUR WORLD

Addressing root causes of poverty often means advocating for changes to public policy in national and international arenas. Drawing from its on-the-ground experiences, CARE works to shape policies to promote peace, development and justice. Following are highlights from fiscal year 2000 (FY00).

PROMOTING ACCESS TO EDUCATION

Many CARE offices worked to change education policies. In Bolivia, CARE engaged in extensive policy dialogue with the Ministry of Education to promote a new national basic education curriculum, especially for girls who have dropped out of school. In Kenya, CARE supported partner organizations as they proposed strategies to a presidential commission reviewing the country's education system. Government officials now regularly involve CARE and others in various education forums. Worldwide, CARE supports partner organizations that advocate for expanded literacy programs and promote access to education for young people outside school systems.

ADDRESSING HIV/AIDS

CARE offices around the world addressed the HIV/AIDS crisis. In Thailand, CARE worked closely with other Thai organizations, successfully advocating to improve access to care for people with HIV/AIDS, to reduce discrimination and to promote the basic rights and dignity of those affected by the disease. In Bangladesh, CARE's SHAKTI project worked to prevent the spread of HIV among some of the poorest and most marginalized people in society. The project also strengthened community centers that provide a haven and point of contact for people affected by HIV/AIDS. CARE staff worked closely with government policy-makers to ensure these centers operate without interference and to lessen the social stigma associated with the disease.

INFORMING POLICY-MAKERS IN WASHINGTON, D.C.

In the United States, CARE works with partners to inform, enliven and elevate policy dialogues in Congress and the administration.



CARE USA President Peter Bell led a delegation of 11 humanitarian organizations working in Sudan. The delegation met U.S. Secretary of State Madeleine Albright and urged the U.S. government to increase its efforts to promote peace in Sudan. In the spring of 2000, Bell represented dozens of humanitarian organizations, joining with corporate leaders to stress the importance of U.S. global leadership during a U.S. Chamber of Commerce event. Along with Bell, other speakers included Secretary of State Albright and Treasury Secretary Lawrence H. Summers.

CARE PACKAGES FROM CONGRESS

Through an annual event on Capitol Hill, CARE shares with members of Congress the courage, determination, and accomplishments of the families and communities with which we work. Members from both sides of the aisle joined CARE staff and volunteers to learn about and show support for international development programs. Seventy-four members of Congress demonstrated their support for the people of Orissa, India, by assembling CARE Packages of school supplies for the children participating in school-based, child-development programs.

CARE is working with the government of Bolivia to improve education for girls, especially those who have dropped out of school.

included a CARE for Women page, extensive coverage of the annual Climb for CARE of Mount Kilimanjaro, alliances with major corporations, such as Lucent and Microsoft, and an opportunity for people to make online donations of stock.

Such efforts brought record traffic and donations to www.care.org. During FY00, the Web site received more than 43.2 million hits – a 116 percent increase over the previous year. In the past two years, CARE obtained nearly \$1 million in online donations.

MEDIA TURNS TO CARE

During FY00, CARE continued to be a source of information and expertise for the media on relief and development issues and breaking news. CARE distributed nearly 200 press releases, detailing the organization's prompt response to emergency situations and its efforts to support long-term solutions to poverty in developing countries.

In addition, CARE received press coverage in many major newspapers, including *The New York Times*, *USA Today*, *Dallas Morning News* and *New Orleans Times-Picayune*. *Billboard Magazine* and *Rolling Stone* ran articles about *No Boundaries*, a Sony/Epic Records compilation album that benefited CARE projects in Kosovo. *The Washington Post* and *The Philadelphia Enquirer* ran separate opinion/editorial articles by CARE USA President Peter Bell.

Bell appeared on CNN International several times during the year. The Web site CNN.com also featured an interactive chat with Bell after his visit to Kosovo in January. *The Atlanta Journal-Constitution* continued its extensive coverage of CARE's work, including a feature describing a

CARE-sponsored international disaster training session. CARE was named Atlanta's "Organization of the Decade" by the *Atlanta Business Chronicle* in November 1999.

During FY00, CARE garnered more than 1,200 media placements, reaching readers about 260 million times

PUBLICATIONS EDUCATE

In FY00, the publications unit produced a range of materials – brochures, booklets, newsletters and the *Annual Report* – to inform people about CARE's work and changes within the organization.

Early in FY00, CARE produced *The Faces of CARE*, a 16-page publication outlining the case for CARE: its mission, vision and values. *The Faces of CARE* won Graphic Design: USA American Graphic Design Award 2000.

CARE's 1999 *Annual Report* went beyond facts and figures to illustrate CARE's work through "a day in the life" examples of CARE beneficiaries in Ethiopia, Honduras and Kosovo. The *Annual Report* won three additional awards for the organization: the Graphic Design: USA American Graphic Design Award 2000, International ARC's Silver Award for Excellence in Annual Reports and Zanders USA Corporate Communications Design Award for an Annual Report.

During FY00, CARE's Web site (top) along with a variety of publications (below) helped to inform the public about CARE's work.



**CARE INTERNATIONAL
LEADERSHIP:****President**

Sir Harold Walker

Secretary-General

Guy Tousignant

**MEMBER NATIONS
AND DIRECTORS:****Australia**

Paul Mitchell

Canada

A. John Watson

Danmark

Niels Tofte

Deutschland

Manuela Rossbach

France

Philippe Lévêque

Japan

Satoshi Endo

Norge

Stein Støa

Österreich

Franz Schmid

United Kingdom

Will Day

USA

Peter D. Bell

ESTABLISHED IN 1982, CARE International is a confederation of 10 separately registered and governed member organizations working together to end poverty and respond to emergencies around the world. CARE International members are Australia, Austria, Canada, Denmark, France, Germany, Japan, Norway, the United Kingdom and the United States. Coordinated by a secretariat based in Brussels, CARE International members collaborate on advocacy, communications, development programs, emergency responses, fund raising and relations with multilateral agencies. Different CARE International members are assigned lead roles in managing programs in the more than 60 countries in which CARE operates.

During fiscal year 2000 (FY00), other CARE International members provided almost \$68 million to fund responses to emergencies, as well as the complex problems of poverty, in CARE USA-managed country programs. CARE International also moved toward formalizing new operations in Thailand and Brazil through the development of locally governed nongovernmental organizations, which will themselves become CARE International members.

A New Vision and Mission

To guide CARE's evolution, CARE International's board of directors adopted a new vision statement describing CARE as part of a global movement dedicated to ending poverty and promoting dignity and security for all. A mission statement to complement the vision also was adopted, and CARE International is developing a strategic plan to address poverty at its roots, establish a more compelling global brand, and partner with groups sharing its goals.

Response to International Emergencies

CARE International demonstrated the value of its global network by mobilizing resources around the world to respond to emergencies in India, Kosovo, Mozambique, Sierra Leone and other areas. Its most publicized efforts included responses to humanitarian crises in East Timor and the Horn of Africa.

In August 1999, violence erupted in East Timor after an independence referendum. Nearly 250,000 East Timorese fled to neighboring West Timor or remained displaced within East Timor. When the chaos subsided, CARE began relief operations. CARE Canada managed these efforts with staffing support from CARE Australia and financial support from CARE USA, CARE Japan and other CARE International members. CARE has remained active in both East and West Timor, providing shelter, clean water and health care.

Responding to the three-year drought in the Horn of Africa, CARE USA led relief efforts, and several CARE International members provided support to assist people in Eritrea, Ethiopia, Kenya, Somalia and Sudan.

CARE International Secretary-General Briefs United Nations

In April 2000, Secretary-General Guy Tousignant and other relief agencies' representatives briefed the U.N. Security Council on aid and armed conflict, stressing the need for unimpeded access to civilian populations.

CARE INTERNATIONAL OFFICIALS

CARE Country Directors, Acting Country Directors and Representatives and CARE USA Regional Directors



Afghanistan
Stuart Worsley

Albania¹
Stephen Gwynne-Vaughan

Angola
Patricia Buckley

Bangladesh
Steve Wallace

Bolivia
Jan Schollaert

Bosnia*
Robert Goodwin

Cameroon¹
Gerald Holdrinet

Caucasus**
Tamara Tiffany



China¹
Mike Carroll

Cuba
Steven Gilbert

East Timor
WaleedRauf

Ecuador
Gordon Molitor

Egypt
Anne Lynam Goddard

Ethiopia
Paul Barker



Guatemala
Kirsten Johnson

Gulf of Guinea***
Jean-Michel Vigieux

Haiti
Sandra Laumark

Honduras
Tom Friedeberg

India
Tom Alcedo

Indonesia¹
Walter Crandall

Kenya¹
Leo Roozendaal

Kosovo
Nick Webber



Laos¹
Adam Folkard

Madagascar
Lisa Dean

Malawi
Nick Osborne

Mali
Joe Kessler

Mozambique
Marc de Lamotte

Nepal
Robin Needham

Nicaragua
M. J. Conway

Niger
Douglas Steinberg



Peru
Beat Rohr

Philippines
David Neff

Rwanda
Anne Morris

Sierra Leone
Karren Moore

Somalia/
S. Sudan
Scott Patia

Sri Lanka
Steve Hollingworth



Sudan
Michel Belisle

Tanzania
Geoffrey Chege

Thailand
Promboon Panitchpakdi

Uganda
Phil Vernon

Vietnam¹
Brian Doolan

WestBank/
Gaza
Earl Wall

Zambia¹
David Rhody

Zimbabwe¹
Dennis O'Brien



Regional
Directors

Asia/Europe
John Ambler

East Africa
Jon Mitchell

South/West
Africa
Chris Conrad

Latin
America
Rafael Callejas

Not Pictured: Bulgaria, *David Clapp*; Burundi, *Alain Pillet*; Cambodia and Myanmar, *Neil Hawkins*; Chad, *Patrice Chanuel*; Comoros, *Jaques Gruloos*; El Salvador, *Mario Lima*; Eritrea, *Liz Sime*; Iraq, *Margaret Hassan*; Jordan, *Johan Ramon*; Lesotho, *Daniel Sinnathambiy*; Macedonia, *Mila Kokotovic*; Namibia, *Harriet Fowler*; Tajikistan, *Judiann McNulty*; Yemen, *Tim Kennedy*; Yugoslavia, *Carol Sherman*.

¹Denotes non-CARE USA.
*Bosnia includes Herzegovina and Croatia.
**Caucasus includes Armenia, Azerbaijan and Georgia.
***Gulf of Guinea includes Benin, Ghana and Togo.
Note: Operations in Papua New Guinea, the Russian Federation and South Africa currently do not have country directors.



CARE USA BOARD OF DIRECTORS

OFFICERS

Chair

Lydia M. Marshall

President

Peter D. Bell

Vice Chairs

Nancy S. Calcagnini
Lincoln C. Chen, M.D.
Glenn H. Hutchins

Secretary

Carol Andersen

President Emeritus

Philip Johnston, Ph.D.

MEMBERS

Peter Ackerman, Ph.D.
Managing Director
Rockport Capital Inc.

Peter D. Bell
President
CARE

Kwesi Botchwey, Ph.D.
Director
Africa Research and Programs
Harvard University

Nancy S. Calcagnini
Former Managing Director
CS First Boston Inc.

Lincoln C. Chen, M.D.
Executive Vice President
Rockefeller Foundation

W. Bowman Cutter, III
Managing Director
E.M. Warburg, Pincus & Co. LLC

Joan B. Dunlop
Director
Women's Lens on Global Issues
Rockefeller Brothers Fund

Glenn H. Hutchins
Founder and Principal
Silver Lake Partners L.P.

Karen R. Johnson
President
United Way of Texas

Philip Klein
Senior Partner
Browning, Jacobson & Klein

Deborah Leff
President and CEO
America's Second Harvest

Kenneth Lehman
Principal
KKP Group LLC

Lydia M. Marshall
Chair and CEO
Versura Inc.

Paul G. Matsen
Senior VP - Alliances
Delta Air Lines Inc.

Gay Johnson McDougall
Executive Director
International Human Rights
Law Group

John P. Morgridge
Chairman
Cisco Systems

David M. Olsen
Senior Vice President
Starbucks Coffee Co.

Roy Richards, Jr.
Chair and CEO
Southwire Co.

Bruce C. Tully
Co-Founder
B2B-Hive LLC

Monica Vachher
President
The Astor Group Ltd.

A. Morris Williams, Jr.
President
Williams & Co.

Alan Wheat
President
Wheat & Associates

Sally Yudelman
Senior Fellow
International Center for
Research on Women

*(All directors are also members of
the board of overseers.)*

CARE USA EXECUTIVE TEAM



PETER D.
BELL
*President and Chief
Executive Officer*



PETER
BUJIS
*Senior Vice President,
Finance & Administration*



A. PATRICK
CAREY
*Senior Vice President,
Program*



MARILYN F.
GRIST
*Senior Vice President,
External Relations*



BARBARA
MURPHY-
WARRINGTON
*Senior Vice President,
Human Resources*



MILO
STANOJEVICH
Chief of Staff





CARE USA REPORT FROM MANAGEMENT

CARE USA ACHIEVED RECORD LEVELS OF SUPPORT for its development work during fiscal 2000 (FY00). Our donors also responded generously during times of urgent need, allowing CARE to respond effectively to numerous humanitarian disasters around the world. Total support and revenue reached \$446.3 million, a 6 percent increase over the prior year, with increased funding in most revenue categories. Individuals, corporations and private foundations together provided \$63.0 million and a record \$67.7 million was generated by other CARE International members. U.S. government support totaled \$251.1 million, 5 percent above fiscal 1999, while host governments, multilateral and other donors provided another \$59.1 million. Other revenue, which includes income on unrestricted net assets, rents and other miscellaneous income, added \$5.3 million. From these available funds, more than \$409 MILLION WAS APPLIED TO CARE PROGRAMS, \$33.4 million greater than in fiscal 1999. Much of this increase resulted from CARE's response to crises in the Balkans, Latin America, Indonesia, Mozambique and India's Orissa state. However, CARE also continued its steady expansion of development programs, which reached an all-time high of nearly \$308 million. Our overall efficiency in utilizing donor resources remains high, with more than 91 percent of fiscal 2000 expenditures going to program activities. We are particularly proud of this achievement given the increasing administrative and fund-raising support required by our growing number of projects. Good financial stewardship remains a high priority, demonstrating that CARE USA staff view this as a basic responsibility to our constituents. Remaining fiscally conservative has helped maintain CARE USA's financial strength, thereby allowing investments in several important areas that hold significant potential for increased long-term benefits to project participants. During the past two years, a total of \$27 million in accumulated net assets has been allocated utilizing this strategy, including \$11.5 million to the Africa Fund, which is specifically dedicated to expanding developmental programming in sub-Saharan Africa. Other special allocations from net asset funds designated by our Board of Directors are detailed under Note 3 of the Financial Statements.

Fiscal 2001 holds many new challenges and opportunities. During the coming year, CARE USA will prepare a new five-year strategic plan which will be formulated in concert with a similar process underway for CARE International. As we collectively pursue the vision articulated elsewhere in this report, it is clear that the future impact of our programs will depend increasingly on coordinated efforts, both within CARE International and among other nongovernmental organizations. Thus, CARE's goal of becoming "A GLOBAL FORCE...DEDICATED TO ENDING POVERTY" will depend not simply on our own financial and human resources but on how successfully we can leverage them across the international aid community.



Peter Buijs, *Senior Vice President, Finance and Administration*

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS



To the Board of Directors of CARE USA:

IN OUR OPINION, the accompanying balance sheets and the related statements of activities, changes in net assets, cash flows and expenses by function present fairly, in all material respects, the financial position of CARE USA (a District of Columbia corporation) at June 30, 2000 and 1999 and the changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of CARE USA's management; our responsibility is to express an opinion on these statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Atlanta, Georgia
September 1, 2000

CARE USA BALANCE SHEETS

For the years ended June 30, 2000 and 1999 In Thousands

	2000	1999
Assets		
Cash and cash equivalents (Note 2)	\$ 75,922	\$ 48,355
Investments (Note 4)	120,986	127,928
Receivables (Note 2)	37,321	39,272
Deposits and other assets	25,375	25,307
Property and equipment, net (Notes 2 and 5)	8,728	8,281
Perpetual trust held by third party (Note 3)	101,711	105,853
Total Assets	370,043	354,996
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	44,988	46,838
Program advances by government & nongovernment agencies	79,623	60,553
Annuities payable, pooled income fund, unitrusts (Note 2)	19,943	17,705
Benefits accrued for overseas national employees	12,309	11,408
Bonds payable (Note 5)	3,435	3,635
Total Liabilities	160,298	140,139
Commitments and contingencies (Notes 5 and 12)		
Net Assets (Note 3)		
Unrestricted	74,779	75,945
Temporarily restricted	28,098	28,379
Permanently restricted	106,868	110,533
Total Net Assets	209,745	214,857
Total Liabilities and Net Assets	\$ 370,043	\$ 354,996

The accompanying notes are an integral part of these financial statements.

CARE USA STATEMENT OF ACTIVITIES

For the years ended June 30, 2000 and 1999 In Thousands

	Unrestricted	Temporarily Restricted	Permanently Restricted	2000	1999
Support					
Public Support					
General purpose	\$ 42,121			\$ 42,121	\$ 40,642
Temporarily restricted		\$ 16,542		16,542	19,927
Addition to endowment			\$ 477	477	67
CARE International	67,714			67,714	56,181
Interest and dividends on restricted net assets	3,257	602		3,859	3,815
Net assets released from restrictions	18,324			18,324	12,747
Satisfaction of program restrictions		(18,324)		(18,324)	(12,747)
Total Public Support	131,416	(1,180)	477	130,713	120,632
Government and other support					
U.S. government	251,118			251,118	239,728
Host governments	27,907			27,907	27,202
Others	31,225			31,225	25,652
Total Government and Other Support	310,250	-	-	310,250	292,582
Other Revenue					
Interest and dividends on unrestricted net assets	4,494			4,494	5,545
Rent and miscellaneous	816			816	861
Total Other Revenue	5,310	-	-	5,310	6,406
Total Support and Revenue (Note 8)	446,976	(1,180)	477	446,273	419,620
Expenses					
Program (Notes 10 and 11)	409,289			409,289	375,900
Fund Raising	17,085			17,085	16,627
Management and general	16,075			16,075	13,113
Public information	2,713			2,713	2,615
Grants to CARE International	3,107			3,107	2,633
Total Expenses	448,269	-	-	448,269	410,888
Support and Revenue (under)/over Expenses	(1,293)	(1,180)	477	(1,996)	8,732
Other Changes in Net Assets					
Foreign exchange gains	282			282	
Actuarial loss on annuity obligations	(1,498)			(1,498)	(1,048)
Actuarial (loss)/gain on pooled income fund obligations		(84)		(84)	8
Realized and unrealized gains on investments (Note 4)	1,343	983		2,326	1,908
(Decrease)/increase in value of trust held by third party (Note 3)			(4,142)	(4,142)	7,171
Total change in Net Assets	(1,166)	(281)	(3,665)	(5,112)	16,771
Net Assets, Beginning of Year	75,945	28,379	110,533	214,857	198,086
Net Assets, End of Year	\$ 74,779	\$ 28,098	\$ 106,868	\$ 209,745	\$ 214,857

The accompanying notes are an integral part of these financial statements.

CARE USA STATEMENT OF FUNCTIONAL EXPENSES

For the years ended June 30, 2000 and 1999 In Thousands

	Program Activities	Fund Raising	Management & General	Public Information	CARE International	2000 Total	1999 Total
Personnel costs	\$ 101,810	\$ 5,548	\$ 9,483	\$ 1,532	\$ -	\$ 118,373	\$ 104,184
Professional services	11,470	948	1,601	424	-	14,443	11,413
Equipment	8,079	392	836	115	-	9,422	6,589
Materials and services	90,382	8,311	585	474	-	99,752	91,726
Travel and transportation	34,743	517	926	87	-	36,273	31,306
Occupancy	13,112	523	1,007	18	-	14,660	12,298
Financing/depreciation	4,997	819	836	46	-	6,698	5,124
Grants/subgrants	21,703	2	-	8	3,107	24,820	19,073
AgCommodities/CIKs	122,993	25	801	9	-	123,828	129,175
Total Operating Expenses for 2000	\$ 409,289	\$ 17,085	\$ 16,075	\$ 2,713	\$ 3,107	\$ 448,269	
Total Operating Expenses for 1999	\$ 375,900	\$ 16,627	\$ 13,113	\$ 2,615	\$ 2,633		\$ 410,888

The accompanying notes are an integral part of these financial statements

CARE USA STATEMENT OF CASH FLOWS

For the years ended June 30, 2000 and 1999 In Thousands

	2000	1999
Cash Flows Provided by (Used for) Operating Activities		
Change in net assets	\$ (5,112)	\$ 16,771
Adjustments to reconcile change in net assets to cash flows		
Depreciation and amortization	748	612
Contributions restricted for investment in endowment	(477)	(67)
Realized and unrealized gains on investments	(2,326)	(1,908)
Actuarial loss on annuity obligations	1,498	1,048
Actuarial loss/(gain) on pooled income fund obligations	84	(8)
Decrease/(increase) in value of perpetual trust held by third party	4,142	(7,171)
Changes in assets and liabilities		
Decrease/(increase) in receivables	1,951	(18,700)
Increase in deposits and other assets	(68)	(8,474)
(Decrease)/increase in accounts payable and accrued expenses	(1,850)	3,217
Increase in program advances	19,070	4,781
Increase in benefits accrued for overseas national employees	901	1,681
Net Cash and Cash Equivalents Provided by (Used for) Operating Activities	18,561	(8,218)
Cash Flows Provided by (Used for) Investing Activities		
Net purchases and sales of investments	9,268	1,555
Net purchases and sales of property and equipment	(1,195)	(1,866)
Net Cash and Cash Equivalents Provided by (Used for) Investing Activities	8,073	(311)
Cash Flows Provided by (Used for) Financing Activities		
Proceeds from contributions restricted for investment in endowment	477	67
Principal payments on bonds payable	(200)	(200)
Net increase in annuities payable, pooled income fund, unitrusts	656	2,027
Net Cash and Cash Equivalents Provided by (Used for) Financing Activities	933	1,894
Net Increase (Decrease) in Cash and Cash Equivalents	27,567	(6,635)
Cash and Cash Equivalents, Beginning of Year	48,355	54,990
Cash and Cash Equivalents, End of Year	\$ 75,922	\$ 48,355

Cash paid for interest in fiscal years ended June 30, 2000 and 1999, respectively was \$165,986 and \$149,934.

The accompanying notes are an integral part of these financial statements.



Note 1 - Organization

Cooperative for Assistance and Relief Everywhere, Inc. ("CARE USA") is a not-for-profit association incorporated in 1945 under the laws of the District of Columbia. CARE USA is a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code ("IRC") and is therefore exempt from federal income taxation under Section 501(a) of the IRC. CARE USA is a member of CARE International, an umbrella organization that coordinates the program activities of the CARE International member organizations. In the regular course of its operations, CARE USA makes certain grants to CARE International and its member organizations and receives certain funding from members of CARE International.

CARE's Vision Statement

We seek a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security.

CARE International will be a global force and a partner of choice within a worldwide movement dedicated to ending poverty. We will be known everywhere for our unshakable commitment to the dignity of people.

CARE's Mission Statement

CARE International's mission is to serve individuals and families in the poorest communities in the world. Drawing strength from our global diversity, resources and experience, we promote innovative solutions and are advocates for global responsibility. We facilitate lasting change by:

- Strengthening capacity for self-help;*
- Providing economic opportunity;*
- Delivering relief in emergencies;*
- Influencing policy decisions at all levels;*
- Addressing discrimination in all its forms.*

Guided by the aspirations of local communities, we pursue our mission with both excellence and compassion because the people whom we serve deserve nothing less.

CARE's Program Sectors

CARE USA classifies its program activities into three major types: (1) emergency relief, (2) rehabilitation, and (3) development. CARE USA also classifies its program activities by technical sectors (refer to Note 11 for expenses per sector and per type). The classification of a program activity (called a project) into a sector is based on the dominant sector of the project. The technical sectors are:

Agriculture and Natural Resources (ANR)

Includes, but is not limited to: sustainable agricultural and natural resource management techniques such as: bio-intensive crop and production technology, livestock practices, post-harvest practices (storage/processing), agriculture-based income generation activities, recuperation/more environmentally sound use and/or conservation of natural resources, planting trees on private and community lands, integrated conservation and development, and the supply of seeds and tools (usually in relief situations).

Basic and Girls' Education

Includes formal education, literacy and other forms of non-formal education activities, including school construction.

Children's Health

Includes, but is not limited to: disease prevention (e.g. malaria and pneumonia), immunization, control of diarrheal disease, integrated management of childhood illness, nutrition education, breast feeding, addressing micronutrients deficiencies and home gardening.

Reproductive Health

Includes, but is not limited to: family planning, prevention of STD/HIV/AIDS, maternal health and newborn care.

Water and Sanitation

Includes, but is not limited to: water supply, institutional arrangements for operation and management of water and/or sanitation systems, watershed management, environmental sanitation, hygiene education, sanitation, solid waste management, surface water and drainage.

Integrated and Other Health

Includes a combination of the above health sectors, with none predominant, and/or other health interventions not covered above, such as prevention of chronic and other infectious diseases.

Nutritional Support

Includes feeding of children under age 5, food distribution and on-site feeding, feeding of pregnant or lactating women, feeding of school children, and general feeding (such as in relief situations) including distribution and on-site dry rations.

Infrastructure

Includes roads, bridges, buildings, shelters, and other construction or maintenance (commonly done through food-for-work or cash-for-work).

Small Economic Activity Development

Includes, but is not limited to: finance related services such as loans to individuals, loans to solidarity or other community groups, savings programs, business development, business management training, technical training and marketing.

Multi-Sector and Other

Multi-sector projects include activities related to three or more sectors, none of which is predominant. "Other" includes certain activities that cannot be classified in any of the sectors described above. Examples are logistical support, not related to infrastructure or nutrition programs during emergencies, and land mine awareness and removal activities.



CARE USA NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accounts of CARE USA are maintained in accordance with generally accepted accounting principles. The following is a summary of CARE USA's significant accounting policies.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits plus all time deposits and highly liquid investments with an original maturity of three months or less.

Investments

Investments are carried at reported market values. See Note 4 for further discussion.

Receivables

The receivables on the balance sheets are net of allowances of \$1.2 million and \$2.0 million for the years ended June 30, 2000 and 1999, respectively.

Property and Equipment

Property and equipment are recorded at cost if purchased or, if donated, at the fair value at the date of the gift. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets, which are 15 and 5 years for buildings and equipment, respectively. Equipment acquired for direct use in programs is expensed in the year of acquisition.

Internal Use Software

CARE USA capitalizes the costs of software licenses and associated consulting costs, installation costs and the payroll costs of employees directly associated with the project. The costs of software maintenance, training and data conversion are expensed in the period incurred. CARE amortizes information system costs over a five-year life once the asset is placed in service.

Capitalization costs related to internal-use software amounted to \$1,007,168 and \$1,280,676 for the years ended June 30, 2000 and 1999, respectively. Amortization expense for internal-use software amounted to \$154,801 and \$55,186 for the years ended June 30, 2000 and 1999 respectively.

Gift Annuities

CARE USA enters into agreements with donors in which the donor contributes assets to the organization in exchange for an annuity to be paid to the donor or their designee for a specified period of time. The assets received for an annuity are recorded at fair market value at the date of the gift. The liability associated with these annuities is recorded at the present value based on IRS mortality tables and prevailing interest rates. The difference constitutes revenue and is recorded as unrestricted support in the statements of activities.

Bequests

Contributions obtained via bequests are recorded as contribution revenue when the amounts are determinable and collection is reasonably assured.

Pooled Income Fund

CARE USA has formed and manages a pooled income fund divided into units in which contributions from many donors are combined. Donors are assigned a specific number of units based on the proportion of the fair market value of the contribution to the fair market value of the fund at the date the gift is received. Until a donor's death, the donor or their designated beneficiary is paid the actual income earned on the donor's assigned units. CARE USA recognizes the remainder interest in the assets received as temporarily restricted contribution revenue in the period in which the assets are received from the donor. As of the date of the donor's or the designated beneficiary's death, the net assets are released from restriction.

Agricultural Commodities

CARE USA receives agricultural commodities from agencies of the U.S government, the United Nations and others for the following: distribution via CARE USA projects, monetization with the cash proceeds to be used in CARE USA projects, or monetization with the proceeds to be distributed to other non-profit organizations.

Agricultural commodities ("commodities") received for distribution are recorded at an amount approximating fair market value. These commodities are recorded as revenue and expense upon receipt. Commodities received in the U.S. are considered received when shipped. Commodities for distribution received outside of the U.S. are recorded as revenue and expense when title is obtained.

Commodities received that are to be sold (monetized), where the related proceeds are designated for CARE project activities, are recorded as a liability when the cash proceeds are received. Revenue and expense are recognized when the proceeds are utilized for project activities.

Commodities received that are to be sold (monetized), where the related proceeds are designated for other non-profit organizations, are recorded as a liability until the funds are distributed to the other organizations. CARE USA usually receives a management fee for facilitating the shipping and sale of such commodities.

(See Note 9 for the tonnage and value of agricultural commodities received during the years of this report.)

Nonfood Contributions in Kind

Contributions in kind received for use in assistance programs that meet the criteria for recognition are recorded at fair value.

In countries where CARE USA operates, government and local communities supply labor, technical services, materials, transportation and storage facilities to the programs in which they participate. In addition, various media for public information and fundraising campaigns are provided at no charge to CARE USA. The value of these contributions is generally not recorded in the financial statements, as the fair value of these contributions cannot be readily determined.

CARE USA NOTES TO FINANCIAL STATEMENTS



Foreign Currency Translation

The U.S. dollar ("dollars") is the functional currency for CARE USA's operations worldwide. Transactions in currencies other than dollars are translated into dollars at the rates of exchange in effect during the month of the transaction. Property and equipment purchased with non-U.S. currency are translated into dollars at the exchange rate in effect at the time of purchase. Current assets and liabilities denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the balance sheets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying amounts of CARE USA's cash and cash equivalents approximate fair value because of the short maturity of those investments. See Notes 4 and 5 for fair value information related to CARE USA's other financial instruments.

Classification of Changes in Net Assets

All public support related to general purpose and CARE International, all government and other support, and all other revenue is unrestricted. All other changes in net assets related to foreign exchange gains and the actuarial gain or loss on annuity obligations are unrestricted. All other changes in net assets related to the actuarial gain on pooled income fund obligations are temporarily restricted. All public support related to addition to endowment and all other changes in net assets related to increase or decrease in value of trust held by third party is permanently restricted. See Note 4 for classification of public support related to interest and dividends on restricted and unrestricted net assets and other changes in net assets related to realized and unrealized gains on investments.

Adoption of new Accounting Standards

During fiscal 2000, CARE USA elected early adoption of SFAS No. 136, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others ("SFAS 136"). Adoption of SFAS 136 did not have a material effect on the financial position or changes in net assets of CARE USA as of and for the year ended June 30, 2000.

Reclassifications

Certain 1999 amounts in the financial statements and the notes to the financial statements have been reclassified to conform to the 2000 presentation.

CARE USA NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Description of Net Asset Designations and Restrictions

The donor-imposed restrictions (listed under Temporarily Restricted and Permanently Restricted) and the Board designated uses (listed under Unrestricted) of Net Assets as of June 30, 2000, are listed below (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating Fund	\$ 24,000	\$ 22,743		\$ 46,743
Emergency Response Fund	5,000	2,969	\$ 903	8,872
CARE International Support Fund	7,699			7,699
Africa Fund	8,468	386	501	9,355
Central America Transformation Fund	2,000			2,000
Program Innovations and Development Fund	8,430			8,430
Donor Designated Endowment Fund		2,000	105,464	107,464
Board Designated Fund	7,924			7,924
Fixed Assets Fund	11,258			11,258
Total at June 30, 2000	\$ 74,779	\$ 28,098	\$ 106,868	\$ 209,745
Total at June 30, 1999	\$ 75,945	\$ 28,379	\$ 110,533	\$ 214,857

The Operating Fund

Unrestricted - A board-designated fund intended to facilitate day-to-day operations and to protect against short-term unrestricted revenue shortfalls. The board of directors has authorized an unrestricted operating fund of \$24 million in support of the next fiscal year's unrestricted expense budget.

Temporarily restricted - CARE USA receives various donations for non-emergency operations that also have donor-imposed restrictions. In addition, CARE USA's endowment funds generate revenue that can be used for operations but are also subject to donor-imposed restrictions. The restrictions may be time restrictions (the donation cannot be used until a later date), purpose restrictions (the donation may only be used for a specific purpose), or both time and purpose restrictions.

The Emergency Response Fund

Unrestricted - A board-designated fund to provide resources to enable the organization to mount significant and timely responses to major humanitarian disasters.

Temporarily restricted - Contributions and revenue from other sources that are restricted for emergency response or preparedness.

Permanently restricted - Contributions that require permanent maintenance of the gift and allow use of the related investment income for emergencies.

The CARE International Support Fund

A board-designated unrestricted fund intended to increase the institutional capacity of the CARE International federation to achieve CARE's mission. This includes a revolving fund to start implementation of program activities before the receipt of donor funds. Program implementation is facilitated by lending money to the other CARE International members based on the member's secured contracts with institutional donors.

The Africa Fund

Unrestricted - A board-designated fund to be utilized during fiscal years 1999 through 2003 to increase CARE USA's programming in Africa. CARE USA has an existing, strong and relevant program in Africa that has adapted to the changing social and political environment on the continent. The fund's purpose is to increase CARE USA's involvement in response to the changing environment and the enormous challenges due to chronic food insecurity, conflict and emerging infectious diseases.

Temporarily restricted - Investment income generated from permanently restricted funds that are restricted to use for Africa.

Permanently restricted - Contributions that require permanent maintenance of the gift and require use of the related investment income for Africa.

The Central America Transformation Fund

A board-designated fund to advance Central America's transformation through CARE USA's programming and through the policies and strategies of national and international policy-makers. This fund will provide grants to increase CARE USA's programming in a region recovering from the effects of Hurricane Mitch.

The Program Innovations and Development Fund

A board-designated fund to improve CARE USA's programming and advocacy activities. The fund's purpose is to strengthen CARE USA's capacity to impact the household livelihood security of poor people through expanded and improved programming. The fund is also used to develop CARE USA's intellectual and financial capacity to create high-impact and innovative programming and to increase and improve CARE USA's policy intervention activities.

CARE USA NOTES TO FINANCIAL STATEMENTS



The Donor-Designated Endowment Fund (non-emergency, non-Africa)

Temporarily restricted - CARE USA receives contributions for which the principal must be temporarily maintained. The income generated from donor-designated endowment funds are generally restricted to specific uses. This related income is listed above under Operating Fund, in the temporarily restricted column.

Permanently restricted - CARE USA receives donations for which the principal must be permanently maintained. This includes permanent endowments other than the Emergency Response Fund and Africa Fund.

Williams Trust - A component of the permanently restricted donor designated endowment fund, which includes \$101.7 million and \$105.9 million at June 30, 2000 and 1999, respectively, related to a trust created under the will of Thomas Lyle Williams (the "Trust"). These amounts represent two-thirds of the fair value of the investments of the Trust. CARE USA is an income beneficiary, but not a trustee, of the Trust. The corpus of the Trust is to be maintained in perpetuity. Two-thirds of the annual income of the Trust is distributed to CARE USA. The distributions to CARE USA are not to be less than \$2 million in a calendar year. CARE USA received distributions of \$3.3 million for each of the years ended June 30, 2000 and 1999. These amounts are included in the statements of activities as interest and dividends on restricted net assets. A fair value decrease of \$4.1 million and increase of \$7.2 million for the years ended June 30, 2000 and 1999 respectively, are reflected in the statements of activities under other changes in permanently restricted net assets.

The Board-Designated Fund

A long-term fund with the following purposes: (1) to replenish or increase the Operating Fund, the Emergency Response Fund, and the Fixed Asset Fund as the need arises; and (2) to ensure continuance of CARE USA programs in the event of government and other support reductions. Government and other support of CARE USA programs exceeded \$290 million in each of the years ended June 30, 2000 and 1999.

The Fixed Assets Fund

A portion of unrestricted net assets is segregated for use in the purchase of fixed assets. The fixed assets authorized by the Board of Directors at June 30, 2000 is reported below (in thousands):

Fixed assets, net of depreciation (see Note 5)	\$ 8,728
Capital expenditures authorized from net assets	1,347
Related operating expenses authorized from net assets	<u>1,183</u>
	<u>\$ 11,258</u>

CARE USA NOTES TO FINANCIAL STATEMENTS

Note 4 - Investments

CARE USA carries all investments in debt and equity securities at reported market values. For financial reporting and budgetary purposes, interest and dividends are considered operating support and revenue. Interest and dividends on restricted net assets are reflected in public support, and dividends and interest on unrestricted net assets are reflected in other revenue in the statements of activities. Realized and unrealized gains and losses are considered non-operating and are classified as other changes in net assets in the statements of activities.

CARE USA maintains certain investments on behalf of others, including the U.S. government. Investment income related to these investments results in an increase in a liability to the other entity and is not reflected in the total return.

Investments at June 30, 2000 and 1999 were comprised of the following (in thousands):

	2000		1999	
	Cost	Fair Value	Cost	Fair Value
U.S. Treasury obligations	\$ 8,105	\$ 7,810	\$ 13,387	\$ 13,236
Mutual funds	12,384	14,298	16,364	18,018
Marketable equity securities	40,227	48,001	41,785	49,157
Marketable debt securities	48,239	46,806	42,754	42,018
Overseas time deposits	4,071	4,071	5,499	5,499
	\$ 113,026	\$ 120,986	\$ 119,789	\$ 127,928

Total return on cash balances, investments and the trust held by a third party was as follows for the years ended June 30, 2000 and 1999 (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2000	1999
Dividends and interest:					
Unrestricted	\$ 4,492			\$ 4,492	\$ 5,545
Temporarily restricted		\$ 565		565	522
Unrestricted support from trust held by third party	3,257			3,257	3,293
Investment income included in operating revenue	7,749	565		8,314	9,360
Net realized gains:					
Unrestricted	1,352			1,352	5,379
Temporarily restricted		742		742	697
Change in net unrealized gains:					
Unrestricted	(9)			(9)	(4,246)
Temporarily restricted		241		241	78
Net change in value of trust held by third party			\$ (4,142)	(4,142)	7,171
Total Return on Cash Balances, Investments and Trust Held by Third Party	\$ 9,092	\$ 1,548	\$ (4,142)	\$ 6,498	\$ 18,439

CARE USA NOTES TO FINANCIAL STATEMENTS



Note 5 - Property and Equipment

The components of property and equipment, at cost, are as follows at June 30, 2000 and 1999 (in thousands):

	2000	1999
Land	\$ 1,219	\$ 1,209
Buildings and improvements	7,075	6,976
Equipment and software	6,282	5,123
Leasehold improvements	440	490
Accumulated depreciation	(6,288)	(5,517)
	\$ 8,728	\$ 8,281

See Note 3 for a summary of Fixed Assets authorized.

Depreciation expense (excluding amortization of internal-use software – see Note 2) amounted to \$592,754 and \$556,593 for the years ended June 30, 2000 and 1999 respectively.

CARE USA financed a portion of the purchase and renovation of the headquarters located in Atlanta, Georgia, with the proceeds of \$5.0 million City of Atlanta revenue bonds. The bonds mature on June 1, 2013 and bear interest at a rate which is adjusted periodically. As of June 30, 2000 and 1999, the adjustable rate was 4.8% and 3.75%, respectively. The bonds required payments of interest only through June 1, 1995 and interest and principal payments thereafter. The principal is payable in annual installments pursuant to a sinking fund redemption schedule. These bonds are collateralized by a letter of credit (see Note 12). The letter of credit is collateralized by the building and improvements thereto. Under the terms of the agreement, CARE USA is required to maintain minimum unrestricted net assets of \$10 million. In addition, other indebtedness, as defined, cannot exceed \$500,000. Annual sinking fund payments, excluding interest, are payable as follows (in thousands):

Year ending June 30:	
2001	\$ 200
2002	200
2003	200
2004	200
2005	200
Thereafter	2,435
	\$ 3,435

The recorded amount for bonds payable approximates fair value.

NOTE 6 – Pension Plans

Effective January 1, 1992, CARE USA adopted a defined contribution plan for employees who meet the eligibility conditions. Under the plan, CARE USA contributes to a participant's account an amount equal to 8 percent of the participant's gross salary and, if the participant qualifies, a supplemental contribution is also made. The plan allows employee after-tax contributions. The plan was amended, effective January 1, 1997, to also allow employee pre-tax contributions. All of the contributions by the employees are invested in various funds within the plan. Employer contributions were \$1.8 million and \$1.9 million, and employee contributions were \$1.6 million and \$1.4 million for the years ended June 30, 2000 and 1999, respectively.

Within the various countries in which CARE USA operates outside of the United States, most employees are citizens of the host country. These employees are generally not eligible for the CARE USA defined contribution plan, but they are eligible for local government or CARE USA sponsored plans appropriate for that country.

CARE USA NOTES TO FINANCIAL STATEMENTS



NOTE 8 – Sources of Support

CARE USA receives support for its programs from charitable contributions, and grants and contracts from government and non-governmental entities. The following describes CARE USA's sources of support and revenue (in thousands):

Donor	Cash	Agricultural Commodities (See Note 9)	Non-Food In-Kind	2000 Total	1999 Total
U.S. government	\$ 134,598	\$ 116,520		\$ 251,118	\$ 239,728
U.S. direct public support	61,118		\$ 1,881	62,999	64,451
CARE Australia	1,408			1,408	1,397
CARE Canada	13,015	291	34	13,340	9,696
CARE Denmark	7,030			7,030	7,064
CARE Deutschland	3,648	86		3,734	3,062
CARE France	2,495			2,495	602
CARE Japan	107			107	226
CARE Norge	5,179			5,179	5,906
CARE Osterreich	1,517			1,517	1,203
CARE United Kingdom	30,501	943	1,460	32,904	27,025
Host governments	25,996	168	1,743	27,907	27,202
UNHCR	8,097			8,097	3,820
UNICEF	697			697	276
WFP	298	630		928	751
Other UN agencies	1,743			1,743	1,531
Dutch government	6,884			6,884	9,177
Luxemburg	966			966	-
Switzerland	2,215			2,215	1,991
World Bank	1,674			1,674	1,161
Others (grants, contracts)	8,016		5	8,021	6,945
Other revenue (interest, dividends, rents, etc.)	5,310			5,310	6,406
Support and Revenue 2000	\$ 322,512	\$ 118,638	\$ 5,123	\$ 446,273	
Support and Revenue 1999	\$ 290,351	\$ 125,049	\$ 4,220		\$ 419,620

NOTE 9 – Agricultural Commodities

A summary of agricultural commodities received by CARE USA for the years ended June 30, 2000 and 1999 is as follows:

	Metric Tonnage		Dollar Value (in thousands)	
	2000	1999	2000	1999
Commodities received for distribution via CARE USA programs				
U.S. government	278,622	269,904	\$ 116,520	\$ 120,798
CARE International	6,421	12,749	1,320	3,788
Others	1,422	1,929	798	463
	286,465	284,582	118,638	125,049
See also Notes 8 and 11				
Commodities received for monetization with proceeds used by CARE USA				
U.S. government	252,624	165,548	63,301	38,189
CARE International	-	1,400	-	786
	252,624	166,948	63,301	38,975
Commodities received for monetization with proceeds going to other non-profit organizations				
U.S. government	46,898	54,536	21,515	26,692
Total Agricultural Commodities Received During the Fiscal Year	585,987	506,066	\$ 203,454	\$ 190,716

See Note 2 for revenue recognition policies related to agricultural commodities.

CARE USA NOTES TO FINANCIAL STATEMENTS

NOTE 10 – Program Expenses by Geographic Region

A summary of Program expenses by geographic region for the years ended June 30, 2000 and 1999 follows (in thousands):

	Cash	Agricultural Commodities	Non-Food In-Kind	2000 Total	1999 Total
Africa	\$ 75,673	\$ 15,316	\$ 1,813	\$ 92,802	\$ 83,430
Asia and the Pacific	77,338	89,243	540	167,121	166,743
Europe and Middle East	37,660	-	16	37,676	11,184
Latin America and the Caribbean	84,953	14,079	1,900	100,932	103,136
Multi-Regional	10,671	-	87	10,758	11,407
Program Expenses 2000	\$ 286,295	\$ 118,638	\$ 4,356	\$ 409,289	
Program Expenses 1999	\$ 246,806	\$ 125,049	\$ 4,045		\$ 375,900

NOTE 11 – Program Expenses by Sector and Type

A summary of Program expenses by sector and type for the years ended June 30, 2000 and 1999 follows (in thousands):

	Types			2000	1999
	Emergency	Rehabilitation	Development		
Agriculture and Natural Resources	\$ 965	\$ 4,811	\$ 61,246	\$ 67,022	\$ 63,103
Basic and Girls' Education	-	-	5,946	5,946	4,004
Children's Health	-	520	25,149	25,669	26,850
Reproductive Health	36	179	11,284	11,499	9,476
Water and Sanitation	1,493	7,494	14,739	23,726	29,812
Integrated and Other Health	2,349	1,674	8,504	12,527	9,302
Nutritional Support	17,421	2,297	102,645	122,363	118,216
Infrastructure	10,899	3,676	13,134	27,709	28,447
Small Economic Activity Development	-	2,345	12,806	15,151	12,951
Multi-Sector and Other	25,679	14,047	57,951	97,677	73,739
Total Program Expenses by Type for 2000	\$ 58,842	\$ 37,043	\$ 313,404	\$ 409,289	
Total Program Expenses by Type for 1999	\$ 60,979	\$ 17,573	\$ 297,348		\$ 375,900

Note 12 - Commitments and Other Matters

As of June 30, 2000, CARE USA is obligated under noncancelable operating lease agreements for warehousing, office space, and staff housing at minimum rentals as follows (in thousands):

Year ending June 30:	
2001	\$ 3,898
2002	1,840
2003	836
2004	562
2005	326
2006 and thereafter	498
Total	\$ 7,960

Total rent expense was approximately \$9.1 million and \$7.9 million for the years ended June 30, 2000 and 1999, respectively.

In the normal course of business, CARE USA is party to various claims and assessments. In the opinion of management, these matters will not have a material effect on the organization's financial position, changes in net assets or cash flows.

CARE USA has \$2.0 million of credit facilities to facilitate foreign exchange transactions. These facilities were fully available at June 30, 2000. CARE USA maintains a letter of credit to collateralize the City of Atlanta revenue bonds used to renovate the Atlanta headquarters building. The amount of the letter of credit was \$3.5 and \$3.7 million at June 30, 2000 and 1999, respectively. No amounts have been drawn against this letter of credit. A 0.625 percent commitment fee is paid on the letter of credit. In addition, CARE is the guarantor on \$7.3 million of obligations to donors resulting from advance funding of projects. These guarantees are released upon the final expenditure of funds on the associated projects in accordance with the terms and conditions of the contract.

CARE USA REGIONAL OFFICES

HEADQUARTERS AND CARE CORPORATE COUNCIL

151 Ellis Street, NE
Atlanta, GA 30303-2440
T) 1-800-422-7385
404-681-2552
F) 404-577-6662

NORTHEAST REGION
New York
(Regional Center)
650 1st Avenue, 2nd Floor
New York, NY 10016-3240
T) 212-686-3110
F) 212-683-1099

Boston
37 Temple Place, 3rd Floor
Boston, MA 02111-1308
T) 617-338-6400
F) 617-574-7345



Philadelphia
117 South 17th Street, Suite 413
Philadelphia, PA 19103-5081
T) 215-564-3875
F) 215-564-2501

MIDWEST REGION
Chicago
(Regional Center)
70 East Lake Street, Suite 1430
Chicago, IL 60601-5917
T) 312-641-1430
F) 312-641-3747

Detroit
200 E. Big Beaver Road, #152
Troy, MI 48083
T) 248-740-3240
F) 248-524-4914

Minneapolis
2 Carlson Parkway, Suite 35
Plymouth, MN 55447
T) 763-249-2412
F) 763-249-2413

SOUTHEAST REGION
Atlanta
(Regional Center)
151 Ellis Street, NE, Suite 300
Atlanta, GA 30303-2440
T) 404-681-2777
F) 404-577-5557

WE SEEK A WORLD OF HOPE, TOLERANCE AND SOCIAL JUSTICE, WHERE POVERTY HAS BEEN OVERCOME AND PEOPLE LIVE IN DIGNITY AND SECURITY.

CARE INTERNATIONAL WILL BE A GLOBAL FORCE AND A PARTNER OF CHOICE WITHIN A WORLDWIDE MOVEMENT DEDICATED TO ENDING POVERTY. WE WILL BE KNOWN EVERYWHERE FOR OUR UNSHAKABLE COMMITMENT TO THE DIGNITY OF PEOPLE.

our vision

Dallas
Lincoln Center III
5439 LBJ Freeway, Suite 1600
Dallas, TX 75240
T) 972-455-9229

Houston
3414 Eastside
Houston, TX 77098
T) 713-621-5058
F) 713-621-2611

NORTHWEST REGION
San Francisco
(Regional Center)
41 Sutter Street, Suite 300
San Francisco, CA 94104-4903
T) 415-781-1585
F) 415-781-7204

Seattle
1402 Third Avenue, Suite 912
Seattle, WA 98101-2118
T) 206-464-0787
F) 206-464-0752



Washington
1625 K Street, NW, Suite 500
Washington, DC 20006-1611
T) 202-296-5696
F) 202-296-8695

West Palm Beach
515 North Flagler Dr., Suite 300P
West Palm Beach, FL 33401-4321
T) 561-802-4194
F) 561-220-4162

SOUTHWEST REGION
Los Angeles
(Regional Center)
6300 Wilshire Boulevard, Suite 1850
Los Angeles, CA 90048-5107
T) 323-658-6366
F) 323-658-6466

core values

RESPECT — WE AFFIRM THE DIGNITY, POTENTIAL AND CONTRIBUTION OF PARTICIPANTS, DONORS, PARTNERS AND STAFF

INTEGRITY — WE ACT CONSISTENTLY WITH CARE'S MISSION, BEING HONEST AND TRANSPARENT IN WHAT WE DO AND SAY, AND ACCEPT RESPONSIBILITY FOR OUR COLLECTIVE AND INDIVIDUAL ACTIONS.

COMMITMENT — WE WORK TOGETHER EFFECTIVELY TO SERVE THE LARGER COMMUNITY.

EXCELLENCE — WE CONSTANTLY CHALLENGE OURSELVES TO THE HIGHEST LEVELS OF LEARNING AND PERFORMANCE TO ACHIEVE GREATER IMPACT.



our mission

CARE INTERNATIONAL'S MISSION IS TO SERVE INDIVIDUALS AND FAMILIES IN THE POOREST COMMUNITIES IN THE WORLD. DRAWING STRENGTH FROM OUR GLOBAL DIVERSITY, RESOURCES AND EXPERIENCE, WE PROMOTE INNOVATIVE SOLUTIONS AND ARE ADVOCATES FOR GLOBAL RESPONSIBILITY.

WE FACILITATE LASTING CHANGE BY:

- STRENGTHENING CAPACITY FOR SELF-HELP;
- PROVIDING ECONOMIC OPPORTUNITY;
- DELIVERING RELIEF IN EMERGENCIES;
- INFLUENCING POLICY DECISIONS AT ALL LEVELS;
- ADDRESSING DISCRIMINATION IN ALL ITS FORMS.

GUIDED BY THE ASPIRATIONS OF LOCAL COMMUNITIES, WE PURSUE OUR MISSION WITH BOTH EXCELLENCE AND COMPASSION BECAUSE THE PEOPLE WHOM WE SERVE DESERVE NOTHING LESS.



WORLD MAP



www.care.org

THIS MAP REPRESENTS THE WORLD OF CARE.

To coordinate operations, one member of CARE International is designated "lead member." CAREUSA is the lead member in 41 countries, which are italicized below.

LATIN AMERICA AND THE CARIBBEAN

- | | |
|---------------|-------------------|
| 1 Bolivia | 31 Rwanda |
| 2 Cuba | 32 Sierra Leone |
| 3 Ecuador | 33 Somalia |
| 4 El Salvador | 34 South Africa |
| 5 Guatemala | 35 Sudan |
| 6 Haiti | 36 Tanzania |
| 7 Honduras | 37 Togo |
| 8 Nicaragua | 38 Uganda |
| 9 Peru | 39 West Bank/Gaza |
| | 40 Yemen |
| | 41 Zambia |
| | 42 Zimbabwe |

AFRICA AND THE MIDDLE EAST

- | | |
|---------------|---------------------|
| 10 Angola | 43 Afghanistan |
| 11 Benin | 44 Armenia |
| 12 Burundi | 45 Azerbaijan |
| 13 Cameroon | 46 Bangladesh |
| 14 Chad | 47 Cambodia |
| 15 Comoros | 48 China |
| 16 Egypt | 49 East Timor |
| 17 Eritrea | 50 Georgia |
| 18 Ethiopia | 51 India |
| 19 Ghana | 52 Indonesia |
| 20 Guinea | 53 Laos |
| 21 Iraq | 54 Myanmar |
| 22 Jordan | 55 Nepal |
| 23 Kenya | 56 North Korea |
| 24 Lesotho | 57 Papua New Guinea |
| 25 Madagascar | 58 Philippines |
| 26 Malawi | 59 Sri Lanka |
| 27 Mali | 60 Tajikistan |
| 28 Mozambique | 61 Thailand |
| 29 Namibia | 62 Vietnam |
| 30 Niger | |

EUROPE

- | |
|-----------------------|
| 63 Albania |
| 64 Bosnia-Herzegovina |
| 65 Bulgaria |
| 66 Croatia |
| 67 Macedonia |
| 68 Russian Federation |
| 69 Yugoslavia |

CARE INTERNATIONAL MEMBER COUNTRIES

- | |
|-------------------|
| 70 Australia |
| 71 Austria |
| 72 Brazil |
| 73 Canada |
| 74 Denmark |
| 75 France |
| 76 Germany |
| 77 Japan |
| 78 Norway |
| 79 United Kingdom |
| 80 United States |



■	- CARE International members
■	- Countries with ongoing CARE programming
■	- Countries launching CARE programming

Information contained on this map corresponds to fiscal year 2000 (FY00) which runs from July 1, 1999 to June 30, 2000. CARE® and CARE Package® are registered marks of the Cooperative for Assistance and Relief Everywhere, Inc. (CARE). Photo credits (left to right, opposite page): Pictures by Photos; Robert Steves; Kimberly Cooney; Kimberly Cooney.