



*Your support to the Impact Fund strengthened and sustained CARE's work to meet the most pressing immediate and long-term needs around the world, helping women and girls and their families lead healthy, dignified lives.*

## Flexible Funding for Urgent Needs

Climate extremes. Conflict. Economic shocks. Global food crisis. The daily headlines confirm that today's geopolitical landscape is increasingly complex and volatile. Every development sector – from education and finance to food and health – must continuously adapt to new, sometimes unprecedented contexts. As increased uncertainty grips many rural communities around the world, **funding through the Impact Fund provides a lifeline**. While governments shift foreign policy strategies and businesses reorganize their operations, CARE and other nonprofits are caught in the crosshairs of a constantly changing environment – often placed in situations where we need to take immediate action but have limited resources to respond. Simply put, the lack of flexible funding prevents CARE from helping families when they need us most. But in addition to allowing a speedy response in times of crisis, these resources build a stronger core, setting us up to scale our impact exponentially.

For the past few years, CARE has made a strategic shift to secure more flexible funding from our most committed donors like you. That shift was fueled not only by the nonprofit ecosystem in general, but also by the devastating consequences of climate change, increased conflict (including Ukraine) and the lingering effects of a global pandemic on the most underserved and overlooked people.

### Why flexible funding?

- CARE can quickly pivot our humanitarian response and development programming based on urgent community needs, as soon as a drought, hurricane or health crisis happens. (Designated donations, on the other hand, come with specific restrictions that often prevent an immediate response.)
- Flexible funding requires less administrative time, is more cost-effective and helps ensure the stability of ongoing programs during uncertain times.
- In today's data-driven environment, flexible funding allows CARE to better target community needs with the right mix of interventions. (Restricted funds often don't cover the costs of staffing and internal infrastructure, despite being necessary for advocacy, operations, partner coordination and sustainability.)
- With flexible funding, CARE can refine our methods, test innovative new approaches and continuously improve our work to increase impact. (Making sustainable impact takes time, and restricted funds – with strict time constraints – can make it difficult to plan and establish long-term programs and projects.)

## Strategic Investments = Real Impact

About one in 10 people around the world live in extreme poverty, without the means to shape a better tomorrow. The poorest in the world are undernourished, without basic services such as safe drinking water, and have less access to education and agricultural resources. Complex threats like climate change, worsening food insecurity and massive humanitarian crises put them at even greater risk of sickness and death.

CARE is committed to maintaining and growing both immediate lifesaving emergency assistance *and* the long-term development support that helps vulnerable people recover, adapt and break the generational cycle of crisis and poverty. CARE's **Impact Fund** focuses on anticipating needs and building resilience to increase our total global impact. That means climate change adaptation to help prevent losses and damage from disasters; strengthening health systems for the next inevitable pandemic; developing context-specific learning options for out-of-school children; and increasing women's representation in community development and humanitarian leadership positions.

**Your donation to the Impact Fund helped CARE have the resources to respond quickly whenever and wherever people are in need.**

## Philanthropic Support in Action

We have the historic opportunity and the moral imperative to end extreme poverty. To help get there, CARE – a poverty-fighting leader and standard-bearer for more than 75 years – is committed to creating lasting change in the lives of **200 million people** by 2030 by **addressing five key challenges in the world**: emergency response; food and nutrition security for vulnerable families; resilience to climate change; women's economic empowerment; and the health and rights of women and girls.

**In the two years since we rolled out our Vision 2030, CARE has impacted more than 31.7 million lives** (16% of our goal). To stay on track to meet our target, **the flexible resources you provided helped to drive our strategic priorities and core mission forward and fill critical funding gaps in our ongoing humanitarian and development programming.**

### The State of Global Poverty and Hunger

Extreme poverty is increasing for the first time in a generation because of climate change, the effects of the COVID-19 pandemic and the war in Ukraine. Approximately 9.2% of the world's population faced chronic hunger in 2022 (mainly in sub-Saharan Africa), compared with 7.9% in 2019, while **the cost of delivering food assistance is at an all-time high because of increased food and fuel prices**. Looking ahead to 2030, the World Bank projects that about 600 million people – 7% of the global population – will live in extreme poverty, missing the U.N. Sustainable Development Goal 1 target of reducing extreme poverty to below 3%. As we likely face unparalleled humanitarian challenges in the years to 2030, it is imperative to find and implement alternative ways to shape a better world. At CARE, we're working with partners to turn the tide, helping vulnerable people build sustainable livelihoods and withstand shocks.

Global trends confirm that CARE will operate in increasingly difficult and complex environments in the coming years. We must adapt and adjust to changing paradigms. This involves striving to be fully funded to cover core operational costs, making key investments in innovation and infrastructure and piloting/expanding promising new approaches. In the following pages, you will find examples of CARE programs that bolster food security and increase resilience to climate change, ensure that women and girls have access to education and economic opportunities, improve maternal and child health, and help communities survive and thrive after an emergency. These achievements – and countless others – are only possible with your support.

**WOMEN'S ECONOMIC JUSTICE – Empowering underserved women to withstand shocks and strengthen household financial stability.** As we look ahead to 2030, our goal of supporting 50 million more women to participate in Village Savings and Loan Associations (VSLAs) and have more equitable access and control over economic resources can have a substantial impact on advancing the [U.N. Sustainable Development Goals](#). Getting there requires working in new ways and engaging governments as scaling partners. CARE's pioneering

VSLA economic empowerment approach involves forming groups with 20-25 participants who make small regular savings contributions into a loan fund, from which members can borrow to invest in small enterprises, pay for necessities and support their children's education. Participants repay the loans with interest, which helps the groups' funds grow. This approach not only gives financing options to women who don't have access to traditional banks, it also creates communities of women who learn leadership and management skills, gain confidence and collectively address social issues that have held them back.

To date, CARE has **created 802,400 VSLAs in 64 countries, with nearly 18 million members (78% women)**. This achievement includes nearly 5 million VSLA members reached through other organizations' replicating CARE's approach. VSLAs have become the foundation of CARE's work in food and nutrition security, and by forming VSLA networks, we are increasing access to markets and negotiation power for women farmers. Moving forward, CARE is investing in scale-up advocacy strategies and additional innovation to multiply our impact and achieve our goal. This involves:

- Working with governments to adopt and scale VSLAs as part of their own strategies. For example, the government of **Uganda** is integrating VSLAs in two national scale programs; the government of **Côte d'Ivoire** aims to form 25,000 VSLA groups by 2030; and in **Vietnam**, we are working with the government to rapidly scale group formation, potentially creating 6,750 VSLAs with more than 1 million members this decade.
- Innovating tools to cater to the needs of women, including the CARE-developed Chomoka app that allows groups to digitally track their activities, leading to a better credit history, which, in turn, allows them to connect to the formal financial sector and access more capital to expand their businesses.
- Expanding our work with VSLAs to launch micro-enterprises for producing and selling environmentally friendly products (green charcoal, compost, biochar, economic trees) that benefit entire communities.
- Adapting VSLAs in emergency settings as a nexus between humanitarian and development programming. Over the past two years, we have piloted a *VSLA in Emergencies* initiative in **Jordan, Syria and Yemen**, forming 68 groups with 1,287 members. The goal is to incorporate group dynamics and business training into our short-term emergency response to foster quicker recovery of lost livelihoods and longer-term coping strategies. In Syria, the number of VSLA members with acceptable levels of food security rose from 30% to 96%. In Yemen, each VSLA member in Taiz – a flashpoint of the current civil war – had accumulated about \$220 in savings after just 10 months, and nearly half (48%) were running their own businesses. Overall, the number of people who reported being debt-free rose by more than 20%, and the number of people reporting that they could meet all their basic needs rose from 4% to 11%. CARE is now expanding to test the model in **sub-Saharan Africa (Uganda and Mozambique)** and in **Latin America (Colombia, Ecuador, Guatemala and Honduras)**, as part of providing ongoing recovery support for people caught in cyclical crisis.



#### VSLA Impact

- For every dollar invested in VSLAs, there's a five-year return of \$18.85 in member income.
- For every \$250 invested in setting up VSLAs, three children go back to school.
- VSLA members are 50-60% less likely to experience food insecurity than non-members.
- Women in VSLAs are 15% more likely to be in local leadership roles.
- 1 in 5 families who join a savings group eat one more meal every day.
- In a crisis context, combining cash assistance with VSLA membership contributes to a 30-35% increase in food security; 70-85% increase in incomes; and a 12-fold increase in savings. VSLA members are up to 85% more likely than those not in savings groups to have financial reserves to draw on during emergencies.

**RIGHT TO EDUCATION** – Scaling our accelerated learning education program for out-of-school girls. Although pandemic-related school closures are largely over, millions of children and adolescents remain out of school, which has created a critical situation of “learning poverty.” The consequences of dropping out of school early



are especially harsh for adolescent girls. To address this challenge, CARE is implementing our proven *Strengthening Opportunities for Adolescent Resilience* (SOAR) program in **India, Malawi, Nepal, Somalia and Zambia**. We enroll out-of-school adolescents in an accelerated learning program where they earn a fifth-grade education in just 11 months, setting them up to re-enter formal school. In addition to learning basic skills like literacy and math, SOAR participants learn life/leadership skills as well as sexual and reproductive health and financial literacy. CARE also supports older adolescent girls who choose not to transition into formal school with livelihood opportunities and vocational skills training (e.g., solar panel and water system repair). The program provides professional development training to staff teachers at SOAR and government schools and helps organize and train school management committees, which play a crucial role in ensuring student attendance, supporting facilitators to manage the learning centers, and keeping parents engaged.

- In **Malawi**, the government currently implements a two-year accelerated learning model, compared with the CARE program that takes 11 months. CARE's SOAR curriculum is being tested in 16 government Complementary Basic Education (CBE) centers and two CARE centers across five districts. Based on positive results, in March 2023, the Ministry of Education announced its intention to adopt and scale SOAR as the national CBE program model across all 28 districts in the country. As part of the scale-up, we expect that the Ministry of Education will set up 495 CBE centers in the next three years and reach 22,275 adolescents each year with the SOAR-adapted curriculum. This expansion will require ongoing technical support and teacher training from CARE. We also form VSLAs with parents of learners, connect older SOAR graduates to vocational skills training/business apprenticeships, and currently provide scholarships to 1,100 secondary school and college students (70% girls), who also serve as mentors to younger children in their communities.
- In **Nepal**, CARE has operated 56 learning centers in recent years, where 2,482 out-of-school adolescent girls enrolled in accelerated learning courses. Of these girls, 88% have transitioned to formal schools to continue their education. We found that girls who graduated from SOAR schools were significantly less likely to marry early than girls who did not (7% vs. 40%). Moreover, 86% stated that “girls can be leaders,” indicating that they believe in gender equality and want to be involved in reaching that goal. Building on achievements, we are bringing together a network of partners to strengthen the government education system further and pilot the SOAR model through existing government-managed community learning centers in three provinces.



Overall, SOAR boasts a 95% success rate of girls graduating from the program to move on to secondary school. Just one year of secondary education correlates to a 15-25% increase in future wages. CARE also has a program that focuses on the most vulnerable secondary school learners in **Kenya, Malawi, Rwanda, Tanzania and Zambia**. To date, it has supported 352,970 adolescents (53% girls) in returning to or staying in school, built leadership and vocational skills, and facilitated participation in VSLAs and gender-based violence prevention campaigns. This includes 39,509 adolescents (55% girls) who had previously dropped out during COVID, catastrophic drought and the aftermath of Cyclone Freddy and returned to school through community mobilization activities. In Rwanda, for example, the average dropout rate in CARE-supported secondary schools is only 2%, compared with 11% nationally.

**RIGHT TO HEALTH – Mobilizing and training a health workforce.** A massive shortfall of health workers, primarily in low-income countries in sub-Saharan Africa and south Asia, hinders adequate response to health emergencies, leading to preventable illnesses or deaths of mothers and children. CARE invests in developing training programs and deploying nurses and midwives to close the health care gap. In recent years, in Afghanistan, Bangladesh, Cambodia, Cameroon, Chad, Laos, Myanmar, Nepal and Togo, CARE has **trained 12,000**

**frontline health workers** to provide last-mile health care. To date, **they have reached 5.6 million people** (75% women and girls) with critical maternal and child health services.

- As a result, in **Afghanistan**, there was a 60% increase in exclusive breastfeeding; in **Bangladesh**, there was a 74% increase in at least one antenatal care visit; and in **Cameroon**, 94% of births were in medical facilities (a 35% increase).
- Overall, we have contributed to a decrease in infant mortality to 16.1 in every 1,000 live births (double the global decrease during the same period), and an increase in antenatal, birth attendance and postnatal care uptake.

**Moving forward, CARE aims to develop the skills of 2.1 million frontline health care workers in 10 priority countries who will provide services to 46 million people each year.** Support from the Impact Fund is helping us get there via the development of

a mobile phone app-based training program; scaling up CARE's social enterprise network for sustainable distribution of health care products and provision of services by community health workers and women health entrepreneurs; and rolling out a mobile data collection system – COMMcare – for real-time data management, in response to limited availability and use of data for decision-making in rural and remote health service areas. We also will continue to build more birthing centers in hard-to-reach communities – so women don't have to walk five to 10 miles on average to the nearest clinic – and promote regular checkups and immunizations (vaccinations) for mothers and their children under age 5.



**HUMANITARIAN ACTION – Addressing urgent needs in ultra-challenging situations.** A natural disaster or conflict can drive millions of people from their homes, devastating communities and destroying hard-won gains in the fight against poverty. A humanitarian response is bigger and more comprehensive than most people imagine. It spans from trucking in water, distributing food and providing temporary shelter to protecting the safety of the most vulnerable women and girls, providing people with cash assistance to get back on their feet, helping rebuild safe communities, restoring livelihoods and better preparing communities for future emergencies. CARE does it all, working with people impacted by crises and local organizations to determine the best steps to take in each context to help people cope with emergencies.

**In the first quarter of last year alone, CARE and our partners reached 16.1 million people with emergency response in 65 countries.** Our five largest responses – **Somalia, Syria, Ethiopia, Yemen and the Ukraine region** (including work in Poland, Romania, Slovakia, Germany and Moldova) – reached 9.1 million people. **That's almost 11% of the people who need humanitarian response in those crises.** One of the biggest achievements of our Ukraine response has been selecting and training 11 women-led cooperatives to receive grants to start their own emergency response initiatives to support compatriots in need. Overall, CARE is unique in that our humanitarian response also focuses on gender equality, including 40 countries doing rapid analyses



to ensure more gender-equal short- and long-term responses. Moreover, 38 CARE country offices have projects that focus on women's leadership and decision-making in emergencies, and 56 CARE country offices are actively involved in the U.N. Cluster system to better coordinate responses to crises.

**CLIMATE CRISIS – Expanding sustainable agriculture and environmental practices.** Climate change is increasingly referred to as a “climate crisis,” as it intersects with gender, education and other existing drivers of marginalization – age, caste, nomadic livelihoods, displacement – to further increase global poverty and vulnerability. Over the past two decades, the number of natural disasters has increased 83%; extreme temperature events have increased 232%; and economic loss and damage from climate-related disasters have increased 82%. **As the crisis worsens, an estimated 132 million more people will be pushed into poverty by 2030.** Hunger likely will spiral out of control if we don't take immediate climate action. In response, we are scaling up what works to strengthen people's resilience and capacity to adapt, while also investing in research to develop innovative solutions that can prevent and respond to climate emergencies.

In many countries, from **Guatemala to Thailand**, CARE uses our proven Farmer Field and Business School (FFBS) model to increase women farmers' productivity, profitability, resilience and informed decision-making. FFBS is a hands-on, learning-by-doing extension approach. Farmers meet regularly during the cropping cycle to experiment on group-managed demonstration plots and learn about new agricultural techniques that they can adapt in their own fields. The approach also helps women farmers build the collaborative skills necessary to become successful businesspeople, accessing inclusive markets and selling at competitive prices. We also use dialogues to engage men and village chiefs to become gender champions, helping to change the traditional systems and mindsets that keep women farmers and communities from reaching their full potential.

Currently, FFBS programs are improving the lives of more than 1 million farmers and their families in 34 countries. Evaluations testing the effects of FFBS show an increase in the adoption rate of good agricultural practices, an increase in yields and income/savings of farmers, and a reduction in environmental degradation. **FFBS gives a \$31 return for every \$1 invested in just three years, and those returns will keep growing.** In **Ethiopia**, the “hungry season” declined from eight months a year to less than four for project participants – even during the worst drought since the mid-1980s. In **Tanzania**, we helped about 10,000 farmers grow more soybeans (at lower production costs and higher selling prices compared with other crops) and adapt to the climate crisis, resulting in 65% of women adopting climate-smart agriculture techniques on their farms and 95% of women changing their diets to be more nutritious. Over the next six years, as part of our 2030 strategy, CARE aims to scale up FFBS – as well as other food and safe water approaches – in at least 35 countries to improve the income, resilience, nutrition, agricultural yields and gender equality of **75 million farmers and their families**.

CARE was one of the first international organizations to apply a community-based adaptation approach to climate change. We work with at-risk communities and local authorities to jointly analyze their vulnerability and capacity to respond to climate impacts. Investing in social protection/safety nets (like VSLAs) and early recovery actions is essential to ensure that climate-affected populations are better prepared to face the next potential extreme event. This includes developing context-specific early warning systems, climate adaptation action plans and anticipatory scenario planning that can trigger pre-positioned financing and supplies ahead of an impending climate emergency.

In countries including **Ghana, Kenya, Mozambique, Niger and Uganda**, CARE has worked to ensure that climate action plans are adopted as part of local government plans, with budgets to support local action. Importantly, CARE makes certain that women – who make up the majority of subsistence farmers and are most affected by climate change – help lead the process. Women also tend to be early adopters of new agricultural techniques, first responders in crises and entrepreneurs of green energy. In addition, women's participation in local governance has been shown to lead to more significant climate action.



Beyond crops and livelihoods, the climate crisis directly affects education outcomes. Extreme weather events destroy or damage schools, triggering temporary closures and absenteeism, affecting learning outcomes and contributing to dropouts. CARE provides technical support to education authorities to accelerate climate justice and mitigate the impact of climate change on education outcomes. This support helps governments identify and address the impacts of climate change on learning, retention and transition, with a particular focus on girls. A growing number of education sector strategic plans are integrating awareness and adaptation to climate change as cross-cutting thematic areas.

- In **Somalia**, CARE worked with the Ministry of Education to help enroll 104,647 out-of-school children, of whom 40% had been displaced by drought and conflict. We also trained 4,235 community education committee members on preparing climate and gender-responsive school improvement plans and set up locally managed solar-powered water points serving schools and communities, benefiting more than 187,000 people.
- In **Mali**, CARE worked with the Ministry of Education to develop disaster risk reduction (DRR) and curriculum materials that foster student-led civic engagement in DRR and climate resilience as part of the learning process. These materials have been integrated into the national curriculum, and 451 school principals and teachers were trained. As a result, 1,027 student leaders formed 200 DRR brigades, reaching 57% of students in targeted areas – more than 49,000.
- In **Madagascar**, where recurrent droughts are a key reason for absenteeism and dropout, CARE built or renovated water and sanitation infrastructures in 259 schools and established committees to manage them.



The CARE-World Wildlife Fund (WWF) alliance is piloting a new initiative in South America (Amazon), eastern and southern Africa and Southeast Asia (Greater Mekong) to equip young women with climate-resilient entrepreneurship skills to develop nature-based enterprises that support landscape restoration as a climate strategy. Furthermore, these young women will network and use their collective power to engage in and lead in climate discussions and decisions that affect their communities.

## THANK YOU FOR YOUR PARTNERSHIP

Defending dignity and fighting poverty is CARE's core business. We serve as a vital link between American generosity and families experiencing the impacts of extreme poverty and climate emergencies around the world. CARE operates efficiently, with **90% of our expenses going directly to program activities**. CARE is **ranked at the top of our peer group, with ratings of "A" and "4-Star," according to [Charity Watch](#) and [Charity Navigator](#).**

By supporting the Impact Fund, you empowered CARE to go wherever and whenever we are needed most and to make a real, sustainable difference in people's lives. On their behalf, we thank you for the vitally important flexible funding you provided to make a deep and lasting impact.