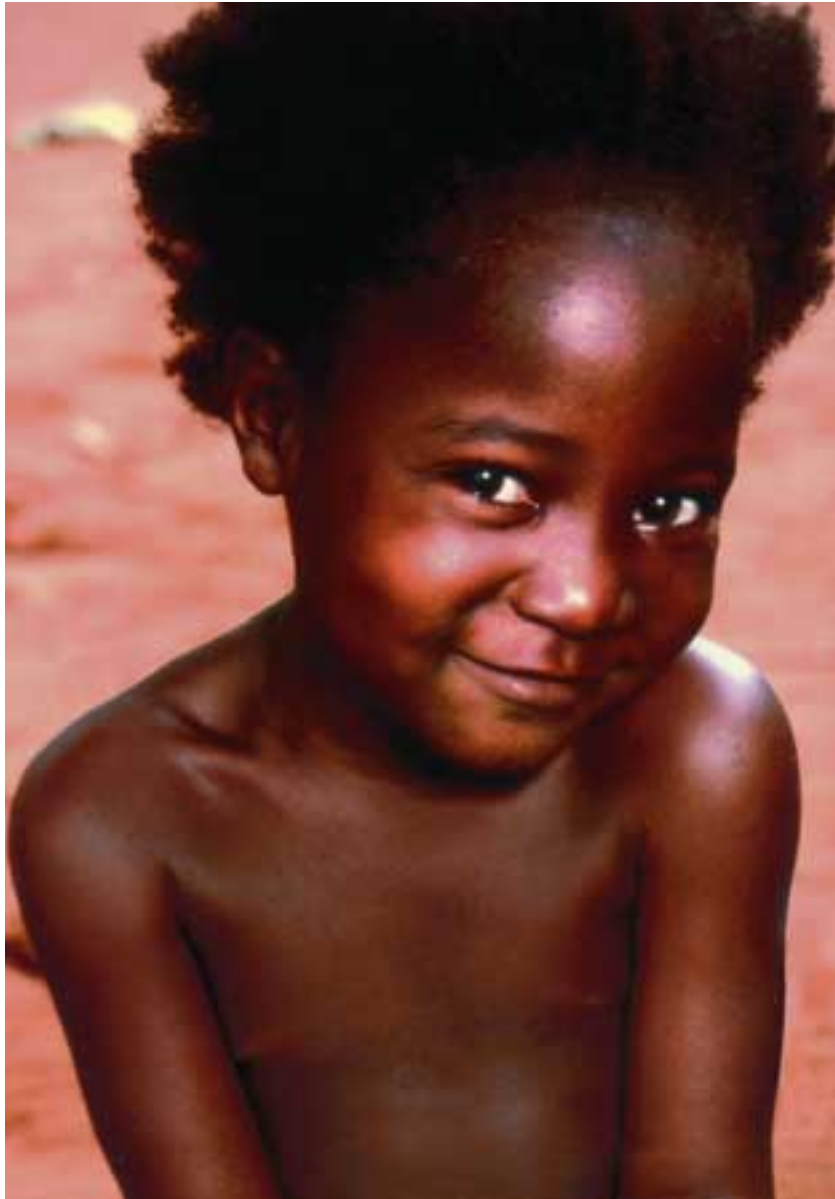


A F R I C A R E



ANNUAL REPORT 2002





CHAIRMAN'S MESSAGE



The fiscal year 2002 (July 1, 2001 through June 30, 2002) was one of profound change within Africare, as our co-founder and longtime president, C. Payne Lucas, retired from the staff, and Julius E. Coles, our longtime supporter, Board member and a decorated career official with the U.S. Agency for International Development, succeeded him. C. Payne had served as president of Africare for 31 years: almost from the organization's beginning. And over those three decades, he drove our growth, in both size and prestige, at a pace that may be unrivaled in the nonprofit world — certainly in the too-small world of nonprofits specializing in Africa, a continent so utterly deserving of international support but so relatively neglected all the same. Africare's leadership transition, therefore, was undertaken with care and gravity, with an eye toward selecting, not merely a *new* chief executive, but one possessed of the qualities of vision, heart and steadfastness that have characterized our leadership since our inception. The Board of Directors found such an individ-



C. Payne Lucas



Julius E. Coles

ual in Julius Coles. Not quite a year has elapsed between June 16, 2002, when Julius took the helm, and the writing of this "Chairman's Message"; yet already, many times over, Julius has met and exceeded the hopes of the Africare family.

"C. Payne and the Board have charged me with carrying Africare to the next level," Julius stated, in accepting Africare's presidency, "that is, increasing the size of the organization and its programs substantially." Currently, we are operating in 26 countries. Our goal is to expand Africare's operations to 35 or 40 of Africa's 54 countries within the next

10 years. Commensurately, we must double or triple our financial resources — doubling or tripling the help we provide to the people of Africa — to \$80 or \$100 million a year. In support of those goals, we continue strengthening our internal capacities, from management systems to technical staff, which translate directly into more help, better help and greater cost-effectiveness on the ground in Africa. For we never forget that it is in Africa, in her deserts and mountains and farm fields, in her villages and refugee camps and townships, where Africare ultimately proves its worth.

This year, Africare supported more than 150 programs of assistance in 26 countries in every region of Africa. We focused on two major areas: first, food security and agriculture; and second, health and HIV/AIDS. Intrinsic to our work in those areas were activities such as water resource development, environmental management, vocational training and literacy, support to small-scale rural entrepreneurs, special attention to underserved populations such as women, civil-society development, governance and emergency aid.

Chronic problems of poverty, hunger and poor health persisted; HIV/AIDS in Africa spread alarmingly and attracted worldwide attention. That was the big picture during 2002. But the big picture was not the *only* picture. Project by project, village by village, person by person, the following report shows many, many smaller pictures — poverty overcome, communities feeding themselves, health improved, HIV prevented, orphans of AIDS who now have care — made possible through the partnership of Africare, our African counterparts and our supporters worldwide. Please continue with us. Please share Africare's belief that, with your support, Africa one day will thrive.



George A. Dalley, Esq.


George A. Dalley, Esq.
Chairman of the Board

AFRICARE IN AFRICA



AFRICARE ASSISTANCE THIS YEAR
 PAST AFRICARE ASSISTANCE

FOOD SECURITY AND AGRICULTURE



Magret Turyatemba chairs the Nyabyumba Farmer Field School in the rural Kabale district of Uganda. With Africare's support, Magret recounts, "We started our school in the year 2000, with 30 members. Through weekly training sessions, we were equipped with knowledge about potato production techniques and the management of agricultural diseases and pests. Due to the excellent yields we were getting, two neighboring villages requested the same training. Our best student started training them; and this season, we have marketed 20.2 tons of potatoes, equivalent to \$2,300. Since we can now exceed our home requirements, our next dream is to form ourselves into a small marketing association."

At a neighboring Farmer Field School, in Nyakabande, Brazio Namunozza reports similar success. With some of the profits from their potato sales, the Nyakabande farmers purchased 20 goats, which, says Brazio, will be used to generate income to expand the school. And, he notes, "we offer our services to neighboring villages for free."

In total, 16 Farmer Field Schools have been established in Kabale with Africare's support. Average potato yields, following training, have increased by more than 350 percent. And while the focal crop has been potatoes, the farmer-led, self-help nature of the schools has propelled participants, on their own, to explore other crops and to reach out to neighboring growers in need of similar support.

During 2002, in 22 countries in every region of Africa, Africare worked with farmers and communities to increase food production, improve household nutrition and vitalize agriculturally-based rural economies. The programs were both large and small. They embraced dozens of types of interventions, from farmer training



and rural road construction to cooperative development and microcredit — as well as water resource development and environmental management. All of the work was designed to be sustainable. And it got results. Community by community, as in Uganda, Africare’s programs in food security and agriculture measurably improved conditions on a continent where, overall, per-capita food production has dropped over the past 25 years, a third of the people are malnourished and half live below the “extreme income-poverty line” of less than \$1 a day.



PRODUCTION, PROFITS GO HAND IN HAND

Farmers in the drought-prone Gambella region of Ethiopia, with Africare’s support, successfully produced fruits and vegetables for the first time, retaining seeds and cuttings for future plantings and using this year’s crops to diversify their diets and improve their health. Seed retention, testing and multiplication continued in four districts of Zambia’s Southern province, where producers increased their incomes — and met pressing local needs — by marketing seeds for fast-maturing,

FREE OF DISEASE, FARMERS CAN FARM: Southern Chad has long endured a major constraint to farming: namely, the presence of the black fly, which inhabits certain types of agriculturally fertile environments but which also transmits the disease, onchocerciasis (“river blindness”), that blinds and otherwise disables human beings. Africare has been addressing the problem in eight villages of the Doba region, benefiting more than 5,300 people. First, the onchocerciasis was contained by the preventive drug, ivermectin. Free of the threat of disease,



farmers could return to previously abandoned lands and proceed to farm. Africare went on to support farmer training and technical assistance, irrigation, cooperative organization and a credit fund. During 2002, rice production increased from 80 tons to more than 1,000 tons — and farmers were able to diversify both cereal and vegetable crops. The participants are now marketing actively to other communities in the region.



WATER FOR AGRICULTURE

In Africare's food security and agriculture programs, production is almost always coupled with some form of water resource development, for water's inaccessibility is a major cause of food shortage nearly Africa-wide. The needed water does exist. Yet of all the renewable water available in Africa, only 4 percent is actually used each year — because most Africans lack adequate wells, pumps, canals, reservoirs and other irrigation systems, which cost money to build but are essential to utilizing the potential water supply.

Water resource development remained an Africare priority in desertified West Africa during 2002, as it has since the organization's founding in that area, amidst a devastating drought 32 years ago. There, the rainy seasons are normally short; in bad years, the rains come sporadically or not at all, resulting in drought. Africare's food security pro-



PHOTO BY SHEILA MCKENNON

grams in the West African nations of Burkina Faso, Chad, Cote d'Ivoire, Ethiopia, Mali, Niger and Senegal all incorporated extensive irrigation work. New wells and dams in Burkina Faso, Niger and Senegal, for example, have supported dry-season vegetable cultivation and livestock production year-round. In Chad, wells, water-retention structures and feeder canals have enabled farmers to cultivate far more

land, to diversify the crops they produce and to grow nutritious foods throughout the year, not just during rainy times. Millet and rice production expanded in Mali, as new systems of pumps and canals transported water from outlying lakes to farmers' fields.

Some parts of Malawi, Tanzania and Uganda also experience inadequate rains but have other sources of water — springs, lakes and streams — that remain available year-round. Too often, however, farmers are unable to utilize that water agriculturally. This year, new irrigation systems constructed with Africare's support helped to remedy the problem in Kongwa district, Tanzania. In Uganda's Ntungamo district, Africare wells at village sites enabled "backyard gardeners" to grow nutritious crops such as vegetables and fruit. In Malawi's Ntcheu district, Africare helped establish fishponds, now locally managed to meet immediate food needs and to supply fingerlings so others can build fishponds, too.

SMALL LOANS, BIG DIFFERENCES: William Dube is a farmer in Limpopo province, South Africa. He grows herbs such as chamomile, basil, jasmine and eucalyptus. Until recently, he made little profit and thus remained trapped in subsistence. This year, he received a small loan, guaranteed by the Rural Enterprise and Agricultural Development Trust, as well as a course in business training from Africare. He invested in doubling his cultivation to 750 acres and, in the process, created 30 jobs for area workers. His herbs are now marketed internationally — and profitably — through the South African company, Edma Essential Oils. The \$1 million trust was established in 2001 by Africare, with South African stakeholders as partners, to guarantee commercial loans to resource-poor black farmers who were previously disenfranchised under the apartheid regime. By the end of 2002, eight entrepreneurs like William Dube had received trust-guaranteed loans, in turn creating about 100 new jobs.

drought-tolerant crops such as maize and cowpeas. Africare promoted similar crops in the Matebeleland South and Midlands provinces of Zimbabwe. Just begun was a program helping farmers in Chad's Logone Oriental department to increase production of both field crops and livestock. In Zimbabwe, Tanzania, Benin and other countries, Africare supported soybean production, utilization and marketing — for soy is considered a wonder crop, in that it improves soil fertility, costs little to grow, sells profitably, is high in protein and can be used to make many different products (milk, cheese, yoghurt and bread, among them). Through the Africare program, some 30 tons of soybeans were marketed in Zimbabwe alone, benefiting nearly 800 farmers, mostly women. In Tanzania and Benin, products from Vita-Cow-brand soybean-processing systems (pictured, right) provided nutrition and income to people living with AIDS.

Hand in hand with crop production, went the *business* of farming. Africare programs strengthened the abilities of rural people, including women and youths, to engage in agricultural enterprise in ways that are sustainable — that enable the rise from subsistence





to genuine livelihood. Such programs have particular relevance to the problem of poverty in Africa, because 70 percent of the people of that continent earn their livings from the land. In the Timbuktu circle of northern Mali, Africare continued a major initiative enabling rural people, for the first time, to gain access to business-management training and credit. Loans averaging just \$135 apiece have resulted in 535 new enterprises and many more new jobs. Women have received 52 percent of the loans. Since the program's inception in 1997, a total of \$924,000 has been lent. Many of the borrowers have had sequential loans, as old loans were repaid and new business expansions planned. Overall, the repayment rate has been 93 percent. In Senegal's Tambacounda region, Africare strengthened two membership federations that now, in turn, provide loans and entrepreneurial training to their members. Youth agribusiness-training centers in South Africa and Zambia also received assistance, as did women's enterprise development in Benin, Ghana, Niger and Zimbabwe, among other countries. In Zambia, Africare supported a nationwide program to promote animal traction and postharvest technologies that reduced farmers' labor, increased and diversified their output and, therefore, improved their farm businesses. In the Wadi el Saayda area of Egypt, Africare con-



ENVIRONMENTAL MANAGEMENT



Throughout Africa, environmental management is an essential component of Africare's work in food security and agriculture, for it is the natural resource base — fertile soils, renewable water resources, trees and grasses and other ground cover — on which farm communities depend. And the work stresses, not conservation alone, not farming alone, but techniques that improve *both* conservation *and* farm productivity over the long term.

In Tanzania, Africare has worked since 1998 to reverse environmental destruction near the ecologically fragile Ugalla Game Reserve, in the Tabora region. Hundreds of villages surround the reserve, and poverty in the area has run high. To survive, villagers have engaged in the only agricultural practices they have known: practices that, unfortunately, also have depleted the lands. Africare's work has combined conservation education, support of environmentally respectful income-generating activities and training in environmental management at the grassroots. Higher-output bee-



hives and lucrative, new crops such as the *Moringa olifera* tree have increased farmers' incomes and thus reduced their need to grow traditional crops (like tobacco) that strip the ground cover and otherwise stress the land. Energy-efficient wood stoves have reduced tree cutting for domestic use. "Since we adopted the stoves, we no longer need to cut firewood from standing trees," says Amina Mwiga, of Urura village. "Wood from dead trees or fallen branches is enough." Africare's program has spanned 400 villages and involved more than 135,000 people in the Ugalla Game Reserve area.

Soil conservation was the focus of major environmental programs in areas as diverse as Senegal's desertified Fatick and Kaolack regions and Casamance zone — and Uganda's more tropical, but densely populated, Kabale district. In Zimbabwe's Zvishavane district, Africare helped local farmers to identify conservation innovations of their own and to propagate those innovations among peers at demonstration centers district-wide. Most other Africare programs in food security and agriculture incorporated environmental management as well.



tinued helping small farmers to produce crops such as cantaloupes and green beans and to market them both locally and to European buyers; net profits averaged \$1,500 per farmer this year.

FOOD SECURITY FOR ACTIVE, HEALTHY LIVES

Among Africare's largest, most comprehensive programs were those focusing on "food security," defined at the 1996 World Food Summit as existing when "all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and



healthy life." During 2002, Africare supported food security programs in the Zondoma province of Burkina Faso; Assongha and Ouaddai departments, Chad; Doba region, Chad; Denguele region, Cote d'Ivoire; Gog district, Ethiopia; Dinguiraye prefecture, Guinea; Goundam circle, Mali; Manica province, Mozambique; Agadez department, Niger; Kaolack and Tambacounda

regions, Senegal; KwaZulu-Natal and Limpopo provinces, South Africa; and four



districts of Uganda. Each program addressed the three goals of food availability, food access and food utilization. In addition, the programs had special characteristics according to their diverse locales, from dry, desertified West Africa to the more naturally-fertile countries in the South. Components included natural resource management, farmer training, improved agricultural inputs, postharvest activities, marketing and household nutrition, among many others. During 2002, Africare's food security programs benefited about 1.4 million people.



In conjunction with its food security work, Africare this year "monetized" (sold) 29,210 metric tons of food commodities, donated by the U.S. government under U.S. Public Law 480. The sales generated significant funds for the programs per se; and because the commodities were shipped to Africa and sold to local people through local entrepreneurs (with monitoring and technical assistance by Africare), African food supplies were increased modestly and African market capacities were strengthened.

NUTRITION FOR THE NEEDIEST FAMILIES: Since 1996, Africare has supported a food security program in 146 villages of Guinea's Dinguiraye prefecture. The program has addressed, not just food production and marketing, but food utilization at the household level as well. Aissatou Djoulde Bah is a case in point. Two years ago, she appealed for help for her 10-month-old child, who was malnourished. Mother and child were enrolled in a "Hearth" nutritional program. By 24 months of age, Aissatou's child was of normal weight and otherwise fully recovered. Hearth programs combine nutrition education with training in the best use of locally available foods, enabling even the poorest families to avert, or reverse, malnutrition. In 2002, as a result of her training, Aissatou started a Hearth program in her own village. Dinguiraye was once Guinea's most malnourished prefecture. There, since 1996, malnutrition has dropped dramatically — from 44 percent of the population to just 17 percent today.




PHOTO BY SHEILA MCKENNON



CIVIL-SOCIETY DEVELOPMENT AND GOVERNANCE

Most of Africare's work addresses social and economic development. Other Africare programs foster "good governance" and, as government's complement, a strong civil society — because the partnership of government and civil society forms the framework in which basic improvements, from food security to health services, can take hold and last.

Major Africare programs in Burundi and Rwanda addressed both governance and civil-society strengthening, in efforts to bring lasting peace to nations plagued by interethnic strife. Since 1997, Africare has worked with the central Rwandan government and the people of five Rwandan prefectures on a sweeping decentralization initiative. This was the first governance-assistance program in Rwanda and, to date, has been the largest. In neighboring Burundi, Africare continued an initiative to revive traditional systems of conflict resolution — re-empowering and re-educating community mediators, known as "bashingantahe." Also in Burundi, two programs strengthened nongovernmental organizations and smaller community groups, so they could solve development problems, not only more effectively, but also more inclusively.



In Mali's Baroueli circle, Africare advised leaders on local governance issues, in support of the national government's decentralization plan.

In Nigeria, a nation rich in human and natural resources, yet faced with complex political, economic and social problems, Africare administered and supported an Independent Policy Group: technical experts who conducted policy analyses in areas such as the economy, industry and finance, good governance, education, health, the environment, energy and communications. Reporting directly to President Obasanjo, members of the group focused on broad policy analysis — offering a range of options for the president's use in articulating his priorities and decisions.

Free societies must have educated citizens to succeed. This year, most Africare programs included education. Other initiatives were internships for Zambian students, community-based computer training centers in South Africa, and a program in Niger enabling poor, isolated villages to establish educational radio stations of their own.

HEALTH AND HIV/AIDS



Africare's first project, in 1970, was to assist an understaffed, under-equipped rural health clinic in the West African nation of Niger. Ever since, Africare has maintained its commitment to the health of the African people, especially in rural areas — where, very often, there is no access to even basic medical care. Millions of people have benefited from Africare's rural health programs over the years. During 2002, Africare's programs in health and HIV/AIDS reached 25 African countries.

Most Africans live in the rural areas. Commonly, there may be just one to three physicians per 25,000 people. Many villages have no nearby health services. Communication networks, so vital to preventive health education, still reach a minority of Africans. Thus, unsafe health practices continue, not intentionally, but for lack of knowledge; and when ill, rural people too often have nowhere to turn and frequently die of preventable or curable disease. In Benin's Pobe district and the Boboye district of Niger, Africare trained rural villagers, mostly women, in basic health care and disease prevention, enabling them to educate others about nutrition, sanitation, the management of conditions such as diarrheal disease and other practices that literally save lives. New community-health services and primary schools worked synergistically to improve the quality of life in 225 villages in the Baroueli and Segou circles of Mali. In Malawi's Mzimba district and the Eastern and Northern provinces of Zambia, Africare strengthened linkages between outlying villages, small rural clinics and more-central district and provincial health departments, thus ensuring that all people, despite poverty and distance, have access to care. Health clinics were constructed or renovated, as well as equipped and staffed, in rural areas from Eritrea's Tsada village to Zambia's Copperbelt, Eastern and Lusaka provinces, serving more than 400,000 people.




Africare continued supporting polio vaccination campaigns, reaching 132,000 children in Angola's war-torn Bie and Kuanza Sul provinces this year alone. A similar campaign was underway in Ethiopia. Polio has been eradicated from most countries around the world; the international goal is to prevent new cases of that crippling disease in *all* countries.



CHILDREN, FAMILIES ASSISTED AFRICA-WIDE

For more than a decade, Africare has helped to control onchocerciasis, first in Nigeria and, beginning in 1992, in southern Chad, where prevalence rates are among the highest in the world. The disease, also called "river blindness," ultimately leads to blindness and debilitates people in other ways. Africare has supported onchocerciasis control and prevention through administrations of the

PEOPLE NEVER REACHED BEFORE: The people of rural Senegal face health problems typical of rural areas Africa-wide. A fourth of the people are malnourished. A third have only unsafe water to drink. Health workers are in short



supply. As a result, life expectancy is just 53 years — and 14 percent of the children die before the age of five. This year, in four districts of Senegal, Africare continued developing health services for people never reached before. When completed, 18 new clinics will serve 20,000 people in 74 villages. More than 200 of those people, trained as health volunteers and based in their home communities, will offer health education and routine treatment (referring more serious cases to clinics). Equally important, Africare introduced income-generating activities, so the people will be able to maintain the new services on their own. Among the issues addressed by the program were maternal and child health, sanitation, and diseases such as malaria and HIV/AIDS.

AFRICARE HIV/AIDS SERVICE CORPS: Emmanuel Tushabe lives in Uganda. In June 2002, he volunteered for the Africare HIV/AIDS Service Corps: a one-of-a-kind, people-to-people HIV/AIDS-assistance initiative launched the previous month. Modeled on the U.S. Peace Corps, the Africare HIV/AIDS Service Corps recruits, trains and supports volunteers — and the volunteers have specific assignments. Uniquely, however, Africare’s volunteers are, not expatriates, but local African people who seek to stop the devastation that surrounds them. Additional people-to-people links are formed as Americans sponsor specific volunteers for \$50 a month. At present, 70 volunteers from the first class of 2002 are at work in 10 countries. Emmanuel’s assignment is HIV-prevention education. “Beyond Africare,” he says, “I shall keep on with my sessions, since I was trained to do so and so people will continue knowing what HIV/AIDS is. I thank Africare for this program.”

drug, ivermectin (Mectizan MSD), donated by its manufacturer, Merck & Co. More than two million Chadians have received ivermectin through Africare since 1992.

Malaria is the third-leading cause of death in Africa, and Africa accounts for 90 percent of all reported malaria cases worldwide. Since 1998, in the Oueme and Plateau provinces of Benin, Africare has partnered with local health officials and the U.S. Centers for Disease Control and Prevention to reduce child deaths from



malaria by extending preventive and curative capacities to rural areas. Centrally trained, but locally based, village health workers were teaching their communities to use insecticide-treated bed nets for prevention (malaria is transmitted by mosquitoes), to recognize signs of infection and to seek early medical care. And since health resources are scarce, prevention was stressed. Africare’s successful grassroots-outreach strategies are now being compiled for use by health authorities



WATER FOR HEALTH

In rural Africa, only 40 percent of the people have safe drinking water and just 34 percent have basic sanitation. As a result, water-borne illnesses — cholera, typhoid, schistosomiasis, trachoma, diarrheal disease and other parasitic infections — cause a major portion of all ill health and premature death on the continent, especially among infants and young children. Water and sanitation, therefore, remained essential elements of almost every Africare health program during 2002.



The farm community of Azara-Egbelu is located in Nigeria's Imo state. Prior to Africare's intervention, many of the residents walked two-and-a-half miles round-trip, daily, to draw water from the nearest river; that river, however, was also used to wash clothes and for other purposes that made its water unsafe to drink. During the rainy season, people could collect run-off from their roofs. Or they could buy clean water from a nearby town, at prices they

could ill afford. This year, Africare and the 3,000 residents of Azara-Egbelu built a well in the village, equipped it with a pump and added pipes for water distribution. A village committee was trained in well, pump and pipe repair. Community members were trained in water-related sanitation. And to maintain the new system, the people agreed to share costs at just pennies per person per day. As a result, water-borne disease is expected to drop in Azara-Egbelu. Further, nutrition will improve, because the increased water supply also will enable increased food production.

Similar benefits ensued elsewhere. Eight hundred people in the Senegalese village of Khondio gained six new wells with Africare's support this year. In Mali's Baroueli circle, Africare helped build 10 wells, each serving a primary school and its surrounding village. In the Ntcheu district of Malawi, Africare supported well construction, the construction of sanitary pit latrines and sanitation education in 30 villages, benefiting 15,000 people. Five hundred families in rural Shyorongi, Rwanda, gained improved water supplies and sanitation; before, the nearest water source was two miles away. More than 100 protected wells and springs, and training in structural maintenance and sanitation, benefited tens of thousands of villagers in Uganda's Ntungamo district.

nationwide. Malaria prevention and control were parts of Africare's rural health programs in 12 other countries as well.

Of every 1,000 babies born alive in Sub-Saharan Africa, 175 die before the age of five: the highest child mortality rate of any world region. Most of those deaths could be averted with simple, inexpensive interventions such as maternal pre- and postnatal care, early childhood immunizations, oral rehydration therapy (to control diarrheal disease) and parents' education in overall health monitoring, sanitation and nutrition. Those interventions were the focus of major "child survival" programs supported by Africare this year in Angola, Benin, Ethiopia, Ghana, Guinea, Liberia, Malawi, Tanzania and Uganda. Participant communities were rural — many of them previously isolated from any health care. The programs also incorporated, variously, well construction, agriculture and malaria control and, in almost every location, HIV/AIDS education. Africare's child survival initiatives reached more than 1.8 million mothers and children during 2002.



PHOTO BY SHEILA MCKINNON

HIV/AIDS RESPONSE: FROM PREVENTION TO ORPHAN CARE

In Africa, HIV/AIDS first appeared in the 1980s and since that time has spiraled into, not just "an" epidemic, but probably the worst epidemic humankind has ever seen. By the end of 2002, a report by the Joint U.N. Programme on HIV/AIDS declared, "The scale of the AIDS crisis now outstrips even the worst-case scenarios of a decade ago." With just 11 percent of the world's population,



Sub-Saharan Africa in 2002 had 70 percent of all people living with HIV or AIDS and more than 90 percent of all AIDS orphans. Of AIDS-related deaths worldwide, 77 percent occurred in Africa that same year. AIDS is now the leading cause of death in Africa and has outdistanced all of the continent's other health problems, decimating families, communities and national economies. Africare began addressing the African HIV/AIDS crisis in 1987. During 2002, in almost all of the 26 nations where it worked, Africare provided HIV/AIDS assistance — *both*



through free-standing programs *and* as a component of other health programs as well as programs in food security, agriculture and emergency relief.

Africare assisted AIDS orphans in Malawi, Nigeria, Tanzania, Uganda, Zambia, Zimbabwe and elsewhere. The programs helped caregivers — often elderly, impoverished grandparents — better provide for orphans. And the

orphans themselves gained emotional support and skills training through Orphan Clubs and other groups formed through Africare.

In Rwanda, South Africa, Tanzania, Uganda, Zimbabwe and other countries, Africare improved the home-based care of people living with AIDS: people who



“LIFE IS JUST A LITTLE BIT BETTER”: Created by its members two years ago in a rural community outside Kigali, Rwanda, the “Association Abateankunga” (“People Helping People”) is a support group for AIDS widows and people living with AIDS. “At first,” says Alphonse Bizima, president of the association, “we met once a week to pray together. That was it.” With training and a small loan from Africare, the group set up a soap-making enterprise — now producing 1,000 bars of soap a day. Physically, the work is not taxing and is done by the healthier members. Most of the soap is sold; the rest is for personal use. And the profits are shared among all. “This project is helping us to find solutions to our own problems,” Alphonse notes. “We make money to pay our kids’ school fees and our medical costs. Life is just a little bit better.” People Helping People was one of many groups participating in a larger Africare HIV/AIDS-assistance program, spanning the Kabuga and Kanombe districts.



were very ill, very weak, very poor and very much in need of food, shelter and community support.

Most of Africare’s HIV/AIDS programs focused on prevention. The programs included youth reproductive-health initiatives spanning Malawi, South Africa, Zambia and Zimbabwe (Southern Africa is the world epicenter of the pandemic) and two states of Nigeria (a country with high prevalence rates as well as a sixth of the African population). Radio-based HIV-prevention education was piloted during 2002 in Uganda and Zambia and is intended to expand to at least 12 more countries in future years. In Benin, a major Africare program was working both at the national policy level and within grassroots communities to prevent HIV transmissions and otherwise to contain the HIV/AIDS epidemic. Additional countries with free-standing HIV-prevention programs this year included Chad, Cote d’Ivoire, Ghana, Guinea, Mali, Namibia, Niger, Rwanda, Tanzania and Uganda.



EMERGENCY HUMANITARIAN AID

Africare continued during 2002 to respond on an emergency basis to the victims of crises in Africa – crises ranging from a munitions explosion in Lagos, Nigeria, to escalating food shortages in Southern Africa and the Horn, to warfare and the aftermath of war in countries such as Angola, Burundi, Liberia and Sierra Leone.

On Jan. 27, 2002, in the Ikeja district of Lagos, Nigeria, fire accidentally struck a military arsenal, exploding shells, bombs and rockets off and on over a 24-hour period. About 1,000 local people died; another 10,000 people were left destitute, their homes having been



destroyed. In response, Africare provided blankets, flashlights, and cooking and eating utensils to families in a temporary shelter. Eventually, the families resumed their normal lives.

Longstanding conflicts in Angola, Burundi, Eritrea, Ethiopia and Sierra Leone appeared to be ending during the year. In Angola, the government and UNITA rebels signed a formal ceasefire agreement in April 2002: ending the country's 27-year civil war. Eritrea and Ethiopia accepted a

U.N. plan to define and physically demarcate their common border, thus ending a severe armed conflict that had lasted for nearly four years. Between late 2001 and mid-2002, hopes ran high that peace would take hold in Sierra Leone, after a brutal civil war that had begun in 1991. And in Burundi, most of the conflicting groups – at war internally since 1994 – accepted a transitional, power-sharing government, installed in January 2002. Before the wars broke out, Africare had been on the ground in those countries (except Angola), supporting basic development assistance to rural communities in need. As fighting erupted, Africare remained on the ground, with emergency humanitarian aid to the innocent victims of war.

In Eritrea this year, Africare helped restock livestock herds and restore production among primarily agricultural people who live in the disputed territory and who, due to fighting as well as drought, had lost both their homes and their livelihoods.

Since 1996, Africare has managed the Mtabila Refugee Settlement, now sheltering more than 60,000 refugees from Burundi. Mtabila is in Tanzania, about 30 miles from the Burundian border. At the settlement, Africare provided community services, activities for youths, nutrition education and food distribution. Vocational and primary education also were offered, allowing the refugees to achieve some measure of self-reliance despite their lack of a permanent home.

In Sierra Leone, Africare continued providing emergency food and medical assistance to internally displaced persons. Other programs ranged from women's nutritional training to maternal-and-child health, from water resource development to agricultural production by and for rural people formerly displaced by war.

Africare's longstanding program of assistance to the people of Angola continued throughout 2002. Food was distributed to malnourished mothers and children. Needy people received emergency health care. In Luanda, war-displaced street children found shelter and vocational training at a center supported by Africare. Landmine-awareness campaigns were conducted throughout the provinces of Bie and Kuanza Sul: among the most heavily-mined areas on earth. In Cabinda province as well as in Bie and Kuanza Sul, Africare supported a wide range of work in food production, seed multiplication and household nutrition.

Also in the Southern African region, refugee camps in Namibia and Zambia received support from Africare for several thousand people who had fled their homes elsewhere.

Toward the end of 2001 and throughout 2002, drought took an increasing toll in East and Southern Africa. During its fiscal year 2002, Africare responded to the crisis in Malawi with emergency food distributions. The following fiscal year, Africare's food-crisis assistance expanded to other affected countries.



THE AFRICARE BISHOP JOHN T. WALKER MEMORIAL DINNER

“A relevant life is one that includes serving others, especially those who are less fortunate,” stated Louis W. Sullivan, M.D., upon accepting the Bishop John T. Walker Distinguished Humanitarian Service Award at this year’s Africare Bishop Walker Dinner, held on Nov. 6, 2001, in Washington, D.C. Sullivan is a former U.S. secretary of health and human services, founder and president emeritus of the Morehouse School of Medicine, and a longtime activist for health care and training among the underserved. “My support for health services and health-professions educational programs in Africa and elsewhere,” he explained, “is built on the firm belief that robust economic and social development requires a healthy citizenry.”

More than 2,000 supporters attended the 2001 Africare Bishop John T. Walker Memorial Dinner. First held in 1990, the Africare Dinner is now the largest annual benefit for Africa in the United States. The fall 2001 event raised more than \$1 million for Africare’s mission of humanitarian assistance Africa-wide.

Event principals included U.N. Secretary-General Kofi A. Annan, honorary patron; as national chair, James A. Harmon, chairman of Harmon & Co. L.L.C. and former chairman and president of



Dr. Louis W. Sullivan (left) and Secretary of State Colin L. Powell at the Africare Dinner.

the Export-Import Bank of the United States; as general chairs, Marion M. Dawson Carr, president of Dearfield Associates, Inc., and Stephen D. Cashin, managing director of Modern Africa Fund Managers, L.L.P.; and as honorary chair, Maria Walker, wife of the late Bishop Walker, for whom the event is named.

Africare was honored to welcome as the evening’s keynote speaker, Secretary of State Colin L. Powell.

“All of us who care so deeply about Africa and want to see her people thrive,” noted Powell, “must also do whatever we can to ensure the success of political and economic reform; we must work to bring peace to war-torn regions and countries; we all must join the fight against HIV/AIDS and the other infectious diseases that are decimating Africa’s most precious resource, her beautiful people.” The secretary went on to praise Africare’s work, stating, “Every single day, Africare is helping to put tools in people’s hands, bread on their tables, and above all, hope in their hearts. The 21st century is already here,” he continued. “The future is swiftly unfolding. And we must all help the people of Africa to become a thriving part of it.”

MAJOR DONORS

AFRICARE IS PROUD TO GIVE SPECIAL RECOGNITION TO ITS DONORS OF \$5,000 OR MORE, IN CASH OR IN KIND, DURING THE FISCAL YEAR 2002.

CORPORATIONS

Abbott Laboratories
AIG African Infrastructure Fund, L.L.C.
American Express Company
American Management Systems, Inc.
Archer Daniels Midland Company
BICO, Inc.
Black Entertainment Television
Chemonics International, Inc.
ChevronTexaco Corporation
CIGNA Corporation
The Coca-Cola Company
Colgate-Palmolive Company
Comcast Cable Communications
DaimlerChrysler Corporation
Dearfield Associates, Inc.
Deloitte Touche Tohmatsu
Delta Air Lines
Discovery Communications, Inc.
Eagles Wings Resources, L.L.C.
Eastman Kodak Company
ExxonMobil Corporation
Fettig & Donalty, Inc.
General Motors Corporation
Georgia-Pacific Corporation
GlaxoSmithKline
Henry Schein, Inc.
G.B. Herndon & Associates
Holland Capital Management
Household International, Inc.
International Paper Company
Johnson & Johnson
The Limited, Inc., and Intimate Brands, Inc.
Lockheed Martin Corporation
Merck & Co., Inc.
Monsanto Company
Pfizer Inc.
RONCO Consulting Corporation



PHOTO BY SHEILA MCKENNON

The St. Paul Companies, Inc.
Sara Lee Corporation
Savage Holdings, L.L.C.
Shell International, Ltd.
3M
United Parcel Service
U.S.-Africa Trade and Aid Link Corporation

FOUNDATIONS

Banyan Tree Foundation
Besser Foundation
Foundation Carinoso
William H. Donner Foundation
Eastman Kodak Charitable Trust
Greater Kansas City Community Foundation (Missouri)
Higgins-Trapnell Family Foundation
Magic Johnson Foundation, Inc.
The McKnight Foundation
Rockefeller Foundation
Sulney Fields Charitable Trust
The Sulzberger Foundation, Inc.
The Tamkin Foundation
WorldSpace Foundation

ORGANIZATIONS AND INDIVIDUALS

Anonymous (1)
African Methodist Episcopal Church
Alpha Kappa Alpha Sorority, Inc.

Thanks, too, to the thousands of individuals who gave to Africare in the workplace — through the Combined Federal Campaign, state and local government campaigns, and corporate employee drives. Africare is a member of the Global Impact (formerly International Service Agencies) workplace-giving federation.

Supporters also responded generously to Africare mail appeals, media coverage and other outreach efforts this year. Africare gratefully acknowledges these contributions.



William and Jennifer Mead
 John and Jeanne Merten
 Metropolitan Baptist Church
 (Washington, D.C.)
 Estate of Annemarie Mewhorter
 National Academy of Sciences
 National Endowment for
 Democracy
 National Sorority of Phi Delta
 Kappa, Inc.
 Open Society Institute
 Paul and Prentice Sack
 St. Peter Baptist Church (Glen
 Allen, Va.)
 Steve Schmidt
 Raisa A. Scriabine and the late
 Robert B. Wallace
 Deen Day Smith
 Jean A. Smith
 Robert and Margaret Stillman
 World Initiative for Soy in
 Human Health
 World Vision

GOVERNMENTS AND INTERNATIONAL AGENCIES

American Federation of State,
 County and Municipal
 Employees, AFL-CIO
 Laretta J. Bruno
 Willie Grace Campbell
 Stephen and Molly Cashin
 Centre for Development and
 Population Activities
 Christian Relief Services
 Drs. Camille O. and William H.
 Cosby, Jr.
 H.R. Crawford
 EuronAid
 Kenneth and Joyce Felder
 Estate of Nathan Galston
 Georgia State University, Andrew
 J. Young School of Policy
 Studies
 James A. Harmon
 International Center for Tropical
 Agriculture (Colombia)
 International Foundation for
 Education and Self-Help
 Jack and Jill of America, Inc.
 Johns Hopkins University,
 JHPIEGO Corporation
 The Links, Inc.
 C. Payne Lucas
 Malnutrition Matters (Canada)

African Development Bank
 Government of Benin
 Government of Egypt
 Government of France
 Government of Guinea
 International Finance
 Corporation
 International Fund for
 Agricultural Development
 Government of Mali
 Government of New Zealand
 UNESCO/ Joint United Nations
 Programme on HIV/AIDS
 United Nations Children's Fund
 (UNICEF)
 United Nations Development
 Fund for Women
 United Nations Development
 Programme
 United Nations High
 Commissioner for Refugees
 United Nations Office for the
 Coordination of Humanitar-
 ian Affairs
 Government of the United
 States: Agency for Interna-
 tional Development, Depart-
 ment of Agriculture, Depart-
 ment of State

SUMMARY OF PROGRAMS

AFRICARE'S DEVELOPMENT AND EMERGENCY ASSISTANCE REACHED COMMUNITIES IN 26 COUNTRIES AFRICA-WIDE DURING THE FISCAL YEAR 2002, AS SUMMARIZED BELOW (WITH DONORS IN PARENTHESES).

ANGOLA

BIE PROVINCE: Child survival (U.S. Agency for International Development)

BIE AND KUANZA SUL PROVINCES: Landmine awareness (RONCO Consulting Corporation); polio eradication (Government of Japan, World Vision); and seed multiplication (Office of U.S. Foreign Disaster Assistance)

CABINDA PROVINCE: Agricultural production and household nutrition (Cabinda Gulf Oil, Ltd./Chevron, SONANGOL)

CONDA AND SELES DISTRICTS: Agricultural assistance to internally displaced farmers (Euron-Aid)

KAMAKUPA, KUITO AND WAKU KUNGO DISTRICTS: Health care for internally displaced mothers and children (Office of U.S. Foreign Disaster Assistance)

KISSANGA AND KUQUEMBA MUNICIPALITIES: Food distribution to internally displaced persons (World Food Programme)

KUITO DISTRICT: Food distribution to malnourished children (Archer Daniels Midland Company, World Initiative for Soy in Human Health)

CITY OF LUANDA: Vocational training for internally displaced street children (Cabinda Gulf

Oil, Ltd./Chevron)

WAKU KUNGO DISTRICT: Health care for internally displaced persons (U.N. Office for the Coordination of Humanitarian Affairs)

BENIN

COME DISTRICT: Soybean production and marketing (Africare, American Soybean Association)

CITY OF COTONOU: HIV/AIDS prevention (William H. Donner Foundation, local donors)

OUEME AND PLATEAU PROVINCES: Malaria control (U.S. Agency for International Development)

POBE DISTRICT: Child survival (Alpha Kappa Alpha Sorority, U.S. Agency for International Development); literacy and health training (Albert Kunistadter Family Foundation); and women's microenterprise development (Peninsula Community Foundation)

NATIONWIDE: HIV/AIDS surveillance and prevention (U.S.

Agency for International Development); and malaria surveillance and control (U.S. Agency for International Development)

BURKINA FASO

ZONDOMA PROVINCE: Food security (U.S. P.L. 480/Title II Program); and Africare HIV/AIDS Service Corps (Africare)

BURUNDI

GITEGA AND KARUSI PROVINCES: Community-based rural development (International Fund for Agricultural Development); and civil-society strengthening (U.S. Agency for International Development)

GITEGA, KARUSI AND RUTANA PROVINCES: Local-level mediation and conflict resolution (John D. and Catherine T. MacArthur Foundation, U.N. Development Programme)

See also, Tanzania (page 28)

CHAD

ASSONGHA AND OUADDAI DEPARTMENTS: Food security (U.S. P.L. 480/Title II Program); and food distribution and sale (Government of France)

BILTINE AND OUADDAI DEPARTMENTS: HIV/AIDS prevention and community development (Government of Chad)

DOBA REGION: Integrated food security and onchocerciasis control (Merck & Co., U.S. Department of Agriculture/Section 416(b))

LOGONE OCCIDENTAL, LOGONE ORIENTAL AND MAYO KEBBI DEPARTMENTS: Onchocerciasis ("river blindness") control



(African Programme for Onchocerciasis Control, Global 2000, Merck & Co., River Blindness Foundation, World Health Organization)
LOGONE ORIENTAL DEPARTMENT: Agricultural production and microenterprise development (International Finance Corporation)
OUADDAI DEPARTMENT (ADRE LAKE): Water systems repair (Government of France)

COTE D'IVOIRE

CITY OF ABIDJAN: HIV/AIDS prevention (William H. Donner Foundation, local donors)
DENGUELE REGION: Integrated food security, microenterprise development and HIV/AIDS prevention (Africare, U.S. Department of Agriculture/Food for Progress); and Africare HIV/AIDS Service Corps (Africare)

EGYPT

ASWAN GOVERNORATE (WADI EL SAAYDA): Agricultural development, export production and marketing (Government of Egypt)

ERITREA

ANSEBA, DEBUB, GASH BARKA AND NORTHERN RED SEA ZONES: Restoration of livestock production in war- and drought-affected areas (U.S. Agency for International Development)
SOUTHERN RED SEA ZONE (BADA AREA): Food security (Government of Eritrea, U.S. P.L. 480/Title II Program)
TSADA VILLAGE: Health clinic renovation (Africare)
NATIONWIDE: Provision of ambulances (U.S. Agency for International Development); and donation of school books (Ghebre Selassie Mehreteab, Sabre Foundation, individual donors)

ETHIOPIA

ABOBO AND GOG DISTRICTS: Agricultural production and household nutrition (U.S. Agency for International Development)
GAMBELLA REGION: Child survival (Africare, U.S. Agency for International Development); Africare HIV/AIDS Service Corps (Africare); and polio eradication (Christian Relief and Development Association)
GODERE AND GOG DISTRICTS: Water and sanitation (Alpha Kappa Alpha Sorority)
GOG DISTRICT: Food security (U.S. P.L. 480/Title II Program and Section 416(b))

GHANA

AKATSI AND SOUTH TONGU DISTRICTS: Child survival (U.S. Agency for International Development)
ALAVANYO WUDIDI VILLAGE: Rural community development (Vincent Anku, M.D.); and secondary-school scholarships (Vincent Anku, M.D.)
GREATER ACCRA REGION: Africare HIV/AIDS Service Corps (Africare)
NSAKYE VILLAGE: Rural electrification (Vincent Anku, M.D.)
TANYIGBE VILLAGE: School-based computer-literacy training (Vincent Anku, M.D.)

GUINEA

DABOLA PREFECTURE: Maternal and child health (U.S. Agency for International Development)
DINGUIRAYE PREFECTURE: Food security (UNICEF, U.S. P.L. 480/Title II Program); food distribution (World Food Programme); and Africare HIV/AIDS Service Corps (Africare)
TOWN OF DINGUIRAYE: Establishment of malnutrition rehabilitation unit at local hospital (Africare)
LANSANYA VILLAGE: School construction (Alpha Kappa Alpha Sorority)

LIBERIA

BONG AND NIMBA COUNTIES: Maternal and child health (U.S. Agency for International Development)

MALAWI

LILONGWE, MZIMBA AND NTCHEU DISTRICTS: Analysis of needs of local AIDS orphans (Sulney Fields Charitable Trust)
MZIMBA DISTRICT: Improved local-level management of health services (U.S. Agency for International Development)
MZIMBA, NKHATA BAY AND NTCHEU DISTRICTS: Food distribution to malnourished families (World Food Programme)
MZIMBA AND NTCHEU DISTRICTS: Food distribution to malnourished mothers and children (European Union, Higgins-Trapnell Family Foundation, Sulney Fields Charitable Trust, U.S. Agency for International Development, World Food Programme, individual donors)
NTCHEU DISTRICT: Child survival (Africare, U.S. Agency for International Development); agricultural production and household nutrition (World Vision/Government of Canada); water supply and sanitation (Government of Japan); and support of youth organizations (Mark Rothman)
See also, Regional Programs (page 29)

MALI

BAROUELI CIRCLE: Local-level governance training (Government of Mali); and water supply, sanitation and agricultural production at village schools (Besser Foundation)
BAROUELI AND SEGOU CIRCLES: Primary education and community health (U.S. Agency for International Development)
GOUNDAM CIRCLE: Food security (U.S. P.L. 480/Title II Program)
TIMBUKTU CIRCLE: Provision of credit to rural entrepreneurs (U.S. Agency for International Development)

TIMBUKTU REGION: HIV/AIDS prevention (Government of Mali); and Africare HIV/AIDS Service Corps (Africare)

MOZAMBIQUE

MANICA PROVINCE: Food security (U.S. Agency for International Development, U.S. P.L. 480/Title II Program); edible oil production (Africare, Government of New Zealand, U.N. Development Programme); and animal traction (Government of Germany)

NAMIBIA

CAPRIVI REGION: HIV/AIDS prevention and microenterprise development (Government of New Zealand)

CAPRIVI AND OTJOZONDJUPA REGIONS: Africare HIV/AIDS Service Corps (Africare)

OTJOZONDJUPA REGION (OSIRE REFUGEE CAMP): Assistance to Southern African refugees (Africare, U.N. High Commissioner for Refugees, World Food Programme)

NIGER

AGADEZ DEPARTMENT: Food security (U.S. P.L. 480/Title II Program)

ARLIT AND TCHIROZERENE DISTRICTS: Radio-based civic education and community development (U.S. Agency for International Development)

BOBOYE DISTRICT: Women's literacy-and-health training and agricultural production (International Foundation for Education and Self-Help); women's microenterprise development (Trickle-Up Foundation); HIV/AIDS prevention (William and Jennifer Mead); and Africare HIV/AIDS Service Corps (Africare)

NATIONWIDE: Management of food security and monetization consortium (U.S. P.L. 480/Title II Program)



NIGERIA

ABUJA FEDERAL CAPITAL TERRITORY: Independent Policy Group (Africare, Ford Foundation, Soros Foundation, U.N. Development Programme)

AZARA-EGBELU VILLAGE: Water supply and sanitation (Seattle Foundation)

BAYELSA AND RIVERS STATES: Youth reproductive health and HIV/AIDS prevention (John D. and Catherine T. MacArthur Foundation, Shell Petroleum Development Company of Nigeria)

CITY OF LAGOS (IKEJA DISTRICT): Assistance to victims of munitions explosion (individual donors)

RIVERS STATE: Assistance to AIDS orphans (Foundation Carinoso, Centre for Development and Population Activities/U.S. Agency for International Development, William H. Donner Foundation, Shell Petroleum Development Company of Nigeria)

RWANDA

GIKONGORO PREFECTURE: HIV/AIDS prevention and home-based care for people living with AIDS (Eagles Wings Resources, UNESCO/Joint U.N. Programme on HIV/AIDS,

UNICEF, World Food Programme, individual donors); and Africare HIV/AIDS Service Corps (Africare)

GIKONGORO, GISENYI, GITARAMA, KIGALI RURAL AND UMUTARA PREFECTURES: Local-level governance training (U.S. Agency for International Development)

KABUGA AND KANOMBE DISTRICTS: Youth vocational training, microenterprise development and HIV/AIDS prevention (William H. Donner Foundation, UNICEF)

CITY OF KIGALI: National Conference on Women in Local Government (U.N. Development Fund for Women)

SHYORONGI DISTRICT: Water supply and sanitation (Africare, Besser Foundation, UNICEF)

SENEGAL

CASAMANCE ZONE: Environmental management, agricultural production and microenterprise development (U.S. Agency for International Development)

FATICK AND KAOLACK REGIONS: Soil desalinization (Government of Canada)

FATICK, KAOLACK, TAMBAOUNDA, THIES AND ZIGUINCHOR REGIONS: Women's literacy and microenterprise

development (Banyan Tree Foundation, Force for Good Foundation, Government of Senegal)

KAFFRINE, KOUNGHUEL AND NIORO DISTRICTS: Health services and microenterprise development (Government of Senegal, Government of the United Kingdom)

KAOLACK AND TAMBACOUNDA REGIONS: Integrated food security and microenterprise development (U.S. Department of Agriculture/Food for Progress)

KHONDIO VILLAGE: Water supply and sanitation (Abyssinian Baptist Church)

MAKA DISTRICT: Establishment of health clinics (Government of Japan)

TAMBACOUNDA REGION: Microenterprise development (U.N. Development Programme)

SIERRA LEONE

BO AND PUJEHUN DISTRICTS: Water supply and sanitation (UNICEF); and household nutrition (UNICEF)

BOMBALI DISTRICT: Maternal health (UNICEF)

BOMBALI, KAILAHUN, KENEMA AND TONKOLILI DISTRICTS: Health care and agricultural assistance to internally displaced persons (Catholic Relief Services, European Union, Food and Agriculture Organization of the U.N., Office of U.S. Foreign Disaster Assistance, World Food Programme)

KENEMA DISTRICT (BLAMA, LEBANESE AND NYANDEYAMA CAMPS): Assistance to internally displaced persons (Government of Sierra Leone)

PUJEHUN DISTRICT: Health care and sanitation (Government of Sierra Leone)

SOUTH AFRICA

KWAZULU-NATAL AND LIMPOPO PROVINCES: Integrated food security and microenterprise development (U.S. Department



of Agriculture/Food for Progress)
LUSIKISIKI DISTRICT: HIV/AIDS prevention and home-based care for people living with AIDS (Pfizer Inc.)

NEBO DISTRICT: Youth agribusiness training (The St. Paul Companies)

NATIONWIDE: Coordination of community-based computer-training centers/"digital villages" (Eastman Kodak Charitable Trust, Microsoft Corporation)
See also, Regional Programs (page 29)

TANZANIA

KASULI DISTRICT (MTABILA REFUGEE CAMP): Assistance to Burundian refugees (U.N. High Commissioner for Refugees, U.S. Department of State); and school construction (UNICEF)
KIGOMA AND TABORA REGIONS: Rural community-infrastructure development (European Union)
KIGOMA REGION AND ZANZIBAR: Soybean production and marketing (World Initiative for Soy in Human Health)

KONGWA DISTRICT (MLALI DIVISION): Child survival (CARE International, Government of Japan, SNV/Netherlands, U.S. Agency for International Development); HIV/AIDS prevention (World Wide Travel); and farm infrastructure development and

food-for-work (World Food Programme)

TABORA REGION (UGALLA GAME RESERVE): Environmental management (Optima of Africa, U.S. Agency for International Development)

ZANZIBAR: HIV/AIDS prevention, home-based care for people living with AIDS and assistance to AIDS orphans (William H. Donner Foundation, Family Health International, U.S. Agency for International Development)

UGANDA

KABALE DISTRICT: Farmer training and improved potato production (International Fund for Agricultural Development); soil conservation (William H. Donner Foundation); and rural community development (Africare, International Center for Tropical Agriculture)

KABALE, KISORO, NTUNGAMO AND RUKUNGIRI DISTRICTS: Food security (U.S. P.L. 480/Title II Program)

NTUNGAMO DISTRICT: Child survival (U.S. Agency for International Development); assistance to AIDS orphans, HIV/AIDS prevention and home-based care for people living with AIDS (ACDI-VOCA/U.S. Agency for International Development, Africare, National Sorority of Phi

Delta Kappa); radio-based HIV/AIDS prevention education (U.S. Agency for International Development, WorldSpace Foundation); Africare HIV/AIDS Service Corps (Africare); and water supply, sanitation and agricultural production (Starr Foundation, UNICEF)

ZAMBIA

CHIPATA, LUNDAZI AND MONGU TOWNS: Establishment of educational centers for AIDS orphans and other vulnerable youths (Family Health International)
COPPERBELT, EASTERN AND LUSAKA PROVINCES: Health clinic renovation (U.S. Agency for International Development)
COPPERBELT, EASTERN, NORTHERN AND WESTERN PROVINCES: Community-service internships for secondary school students (U.N. Development Programme)

EASTERN PROVINCE: Credit management training for agricultural entrepreneurs (African Development Bank, Government of Zambia); microenterprise development (Africare, International Fund for Agricultural Development, Government of Zambia); agricultural production and marketing (Stancom); and radio-based HIV/AIDS prevention education (Leland Initiative, U.S. Agency for International Development, WorldSpace Foundation)

EASTERN PROVINCE (UKWIMI REFUGEE CAMP): Social services, skills training and income generation for Southern African refugees (U.N. High Commissioner for Refugees)

EASTERN AND LUAPULA PROVINCES: Africare HIV/AIDS Service Corps (Africare)

EASTERN AND NORTHERN PROVINCES: Community-level health care (Johns Hopkins Bloomberg School of Public Health/Center for Communication Programs)

LUAPULA PROVINCE (FOREST

AREAS): Environmental management (International Fund for Agricultural Development, Government of Zambia)

CITY OF LUSAKA: Support to Makeni Skills Training Center (Eliot Church, U.N. High Commissioner for Refugees)

NORTHERN PROVINCE: Establishment of youth agribusiness-training center (Catholic Archdiocese of Kasama, U.N. Development Programme)

SOUTHERN PROVINCE (CHOMA, KALOMO, MAZABUKA AND MONZE DISTRICTS): Seed multiplication and marketing (William H. Donner Foundation, Government of Germany)

TIZENGE VILLAGE: Assistance to AIDS orphans (Africare)

NATIONWIDE: Agricultural mechanization (Government of the Netherlands)

See also, Regional Programs (below)

ZIMBABWE

HWANGE DISTRICT: Distance education and HIV prevention in rural areas (Discovery Channel Global Education Fund)

LUPANE DISTRICT: Establishment of a women's microenterprise-training center (Sulzberger Foundation)

MASHONALAND CENTRAL AND MASVINGO PROVINCES: Edible oil and peanut butter production and marketing (McKnight Foundation, Government of Norway)

MATEBELELAND SOUTH AND MIDLANDS PROVINCES: Production and marketing of drought-tolerant crops (International Fund for Agricultural Development)

MBERENGWA DISTRICT: Production and marketing of drought-tolerant crops (Eastman Kodak Charitable Trust)

MT. DARWIN AND RUSHINGA DISTRICTS: Soybean production and marketing (Rockefeller Foundation)

MUTASA DISTRICT: Assistance to

AIDS orphans (William H. Donner Foundation); HIV/AIDS prevention (William H. Donner Foundation, International Foundation, Cissy Patterson Trust); home-based care for people living with AIDS (Eastman Kodak Charitable Trust, Government of Ireland); and study of HIV/AIDS prevalence (Government of Germany)

ZVISHAVANE DISTRICT: Environmental management and agricultural development (Rockefeller Foundation)

NATIONWIDE: Establishment of AIDS Action Clubs at rural schools (William H. Donner Foundation, Eastman Kodak Charitable Trust, Government of New Zealand, Oregon Shakespear Festival)

See also, Regional Programs (below)

REGIONAL PROGRAMS

SOUTHERN AFRICA (MALAWI, SOUTH AFRICA, ZAMBIA AND ZIMBABWE): Adolescent reproductive health and HIV/AIDS prevention (Bill and Melinda Gates Foundation)

AFRICA-WIDE: Food for Develop-



PHOTO BY SHEILA MCKINNON

ment Program (Africare, U.S. Agency for International Development); and HIV/AIDS Initiative (Merck & Co.)

UNITED STATES

AFRICAN DIPLOMATIC OUTREACH PROGRAM: Discussion series for African ambassadors to the United States (Africare)

INDEPENDENT AUDITORS' REPORT

Deloitte & Touche

TO THE BOARD OF DIRECTORS OF AFRICARE:

We have audited the accompanying statement of financial position of Africare as of June 30, 2002, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of Africare's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information (as restated, see Note 7) has been derived from Africare's 2001 financial statements, and in our report dated December 18, 2001, we expressed an unqualified opinion on those financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. In our opinion, such financial statements present fairly, in all material respects, the financial position of Africare at June 30, 2002, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

December 16, 2002

McLean, Virginia

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2002 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2001)

ASSETS	2002			2001 (As restated, see Note 7)	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
CASH AND INVESTMENTS:					
Cash and cash equivalents	\$ 12,933,364	\$ 527,214	\$ 36,019	\$ 13,496,597	\$ 12,245,317
Investments	11,429,780		5,346,561	16,776,341	18,753,516
Total cash and investments	24,363,144	527,214	5,382,580	30,272,938	30,998,833
ACCOUNTS RECEIVABLE—					
Combined Federal Campaign	14,774			14,774	18,587
GRANTS AND SUPPORT RECEIVABLE:					
U.S. Federal government	45,102,769			45,102,769	19,954,022
Foreign governments	2,182,803			2,182,803	2,090,979
Private and other	6,666,195			6,666,195	3,781,148
Total grants and support receivable	53,951,767	–	–	53,951,767	25,826,149
EMPLOYEE RECEIVABLES & ADVANCES					
	77,467			77,467	89,052
PROGRAM ADVANCES TO NONSTAFF MEMBERS					
	320,455			320,455	175,293
OTHER ASSETS					
	204,229			204,229	70,256
PREPAID PENSION COSTS					
	1,687,630			1,687,630	1,687,630
PROPERTY AND EQUIPMENT:					
Land	224,756			224,756	224,756
Building	2,191,644			2,191,644	2,191,644
Furniture and equipment	1,850,184			1,850,184	1,784,425
Donated artwork	579,135			579,135	468,235
Less accumulated depreciation	(2,393,466)			(2,393,466)	(2,062,246)
Property and equipment, net	2,452,253	–	–	2,452,253	2,606,814
TOTAL ASSETS	\$ 83,071,719	\$ 527,214	\$ 5,382,580	\$ 88,981,513	\$ 61,472,614
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts payable	\$ 11,189,290	\$ –	\$ –	\$ 11,189,290	\$ 1,544,340
Accrued expenses	442,160			442,160	400,665
Lease payable	32,795			32,795	39,594
Deferred revenues—grants and support designated for use in future periods:					
U.S. Federal government	47,157,534			47,157,534	33,319,149
Foreign governments	1,917,623			1,917,623	2,100,779
Private and other	10,179,136			10,179,136	5,099,972
Total deferred revenue	59,254,293	–	–	59,254,293	40,519,900
Total liabilities	70,918,538	–	–	70,918,538	42,504,499
NET ASSETS:					
Unrestricted:					
Undesignated	3,639,939			3,639,939	3,459,639
Designated for endowment:					
Bishop Walker Dinner	4,237,026			4,237,026	3,737,026
Endowment investment earnings	4,276,216			4,276,216	5,848,909
	12,153,181			12,153,181	13,045,574
Temporarily restricted net assets		527,214		527,214	587,211
Permanently restricted net assets			5,382,580	5,382,580	5,335,330
Total net assets	12,153,181	527,214	5,382,580	18,062,975	18,968,115
TOTAL LIABILITIES AND NET ASSETS	\$83,071,719	\$ 527,214	\$ 5,382,580	\$ 88,981,513	\$ 61,472,614

See notes to financial statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2002 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001)

	2002			2001 (As restated, see Note 7)	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUE:					
Public support:					
Foundations and trusts	\$ 574,381	\$ -	\$ -	\$ 574,381	\$ 432,558
Contributions and grants	3,719,966	25,500	47,250	3,792,716	3,148,374
Special events (net of related expenses — 2002, \$333,263; 2001, \$379,414)	790,752			790,752	854,183
Combined Federal Campaign	236,658			236,658	185,123
Donated services and materials	7,268,325			7,268,325	6,011,844
Total public support	12,590,082	25,500	47,250	12,662,832	10,632,082
U.S. government grants	25,929,090			25,929,090	23,525,599
Foreign government grants	1,392,635			1,392,635	1,398,444
Investment income:					
Interest and dividends	852,373			852,373	956,424
Realized loss on sale of securities	(88,652)			(88,652)	(277,341)
Unrealized loss on investments	(1,203,768)			(1,203,768)	(735,935)
Total investment income	(440,047)	-	-	(440,047)	(56,852)
Other revenue:					
Membership dues	10,020			10,020	16,350
Miscellaneous income	175,802			175,802	286,375
Net assets released from program restrictions:					
Satisfaction of program restrictions	85,497	(85,497)			
Total other revenue	271,319	(85,497)	-	185,822	302,725
Total revenue	39,743,079	(59,997)	47,250	39,730,332	35,801,998
EXPENSES:					
Program services:					
General	10,547,324			10,547,324	8,105,542
Food security, relief, and refugee assistance	3,672,876			3,672,876	4,220,786
Health	7,020,288			7,020,288	6,650,554
Water resources development	126,692			126,692	153,092
Agriculture & small scale irrigation	7,364,591			7,364,591	8,510,373
Integrated rural development	5,135,112			5,135,112	2,380,647
Total program services	33,866,883	-	-	33,866,883	30,020,994
Supporting services:					
Management and general	6,588,177			6,588,177	5,109,675
Fund-raising	180,412			180,412	217,184
Total supporting services	6,768,589	-	-	6,768,589	5,326,859
Total expenses	40,635,472	-	-	40,635,472	35,347,853
CHANGES IN NET ASSETS	(892,393)	(59,997)	47,250	(905,140)	454,145
NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	13,045,574	587,211	5,335,330	18,968,115	17,240,111
PRIOR-PERIOD ADJUSTMENT (See Note 7)					1,273,859
NET ASSETS, BEGINNING OF YEAR, AS RESTATED (7/1/00)	13,045,574	587,211	5,335,330	18,968,115	18,513,970
NET ASSETS, END OF YEAR	\$ 12,153,181	\$ 527,214	\$ 5,382,580	\$ 18,062,975	\$ 18,968,115

See notes to financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2002 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001)

	2002	2001 (As restated, see Note 7)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (905,140)	\$ 454,145
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	331,220	312,790
Donated artwork	(110,900)	(800)
Loss on disposal of property and equipment		9,098
Contributions restricted for permanent endowment	(47,250)	(27,500)
Net realized and unrealized losses (gains) on investments	1,292,420	1,013,276
Changes in assets and liabilities:		
Net (increase)decrease in accounts receivable, employee and other receivables and advances, other assets and prepaid pension costs	(263,737)	(73,984)
(Increase) in grants and support receivable	(28,125,618)	(1,461,145)
Increase in accounts payable and accrued expenses	9,686,445	681,245
Increase in deferred revenue	18,734,393	101,894
Net cash provided by operating activities	<u>591,833</u>	<u>1,009,019</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(65,759)	(211,600)
Purchases of investments	(7,839,632)	(14,451,892)
Sales of investments	8,524,387	14,026,654
Net cash provided by (used in) investing activities	<u>618,996</u>	<u>(636,838)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of lease payable	(6,799)	(20,399)
Proceeds from contributions restricted for permanent endowment	47,250	27,500
Net cash provided by financing activities	<u>40,451</u>	<u>7,101</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,251,280	379,282
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>12,245,317</u>	<u>11,866,035</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 13,496,597</u>	<u>\$ 12,245,317</u>
SUPPLEMENTAL DISCLOSURES:		
Noncash transactions:		
Donated artwork	\$ 110,900	\$ 800

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2002 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001)

	Program Services			
	General	Food Security, Relief and Refugee Assistance	Health	Water Resources Development
Salaries, payroll taxes, and employee benefits	\$ 978,559	\$ 2,170,947	\$ 2,589,087	\$ 18,382
Professional and contractual services	64,120	65,218	157,067	322
Recruitment costs	2,515	3,887	8,934	
Travel, relocation, and allowances	227,151	387,456	1,031,848	18,842
Rent and occupancy charges	78,829	154,364	353,570	9
Equipment and furnishings	117,993	99,010	238,986	3,644
Equipment rental	6,162	12,122	57,379	674
Vehicle purchases, repair, operations and maintenance	191,600	30,336	411,022	
Freight	6,731,849	4,609	18,927	91
Supplies and materials	88,974	480,570	438,393	57,087
Conferences, conventions, and meetings	89,748	80,889	294,701	669
Construction and renovation/subcontracts	1,612,409	31,894	422,121	13,357
Insurance	30,693	6,862	119,012	7,904
Legal and audit	6,768	21,404	42,369	
Telephones, telex, postage, and delivery	43,599	50,013	173,319	422
Other	276,355	73,295	663,553	5,289
Total expenses before depreciation	10,547,324	3,672,876	7,020,288	126,692
Depreciation				
TOTAL EXPENSES	\$ 10,547,324	\$ 3,672,876	\$ 7,020,288	\$ 126,692

See notes to financial statements.



2002

		Supporting Services				Total Expenses	
Agriculture and Small Scale Irrigation	Integrated Rural Development	Total	Management and General	Fund-Raising	Total	2002	2001
\$ 2,653,123	\$ 1,211,154	\$ 9,621,252	\$ 3,468,952	\$ 138,530	\$ 3,607,482	\$ 13,228,734	\$ 11,501,676
166,996	86,985	540,708	109,090	2,750	111,840	652,548	771,853
14,440	1,266	31,042	7,905		7,905	38,947	41,627
1,069,428	673,343	3,408,068	451,752	8,213	459,965	3,868,033	4,024,969
426,987	261,048	1,274,807	585,069		585,069	1,859,876	1,995,946
355,977	152,540	968,150	177,887	1,149	179,036	1,147,186	886,607
54,184	42,494	173,015	107,385	600	107,985	281,000	209,767
233,120	211,011	1,077,089	2,065		2,065	1,079,154	809,236
17,679	174,777	6,947,932	4,102	7	4,109	6,952,041	5,328,137
591,327	591,232	2,247,583	49,605	588	50,193	2,297,776	2,559,335
98,234	86,056	650,297	84,614	7,759	92,373	742,670	705,262
1,080,792	322,480	3,483,053	12,134		12,134	3,495,187	3,110,694
139,972	51,004	355,447	115,306		115,306	470,753	407,193
38,657	27,695	136,893	174,053		174,053	310,946	155,717
206,466	108,506	582,325	200,859	5,595	206,454	788,779	744,587
217,209	1,133,521	2,369,222	706,179	15,221	721,400	3,090,622	1,782,457
7,364,591	5,135,112	33,866,883	6,256,957	180,412	6,437,369	40,304,252	35,035,063
			331,220		331,220	331,220	312,790
\$ 7,364,591	\$ 5,135,112	\$ 33,866,883	\$ 6,588,177	\$ 180,412	\$ 6,768,589	\$ 40,635,472	\$ 35,347,853

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2002 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001, AS RESTATED, SEE NOTE 7)

1. ORGANIZATION AND ACCOUNTING POLICIES

Organization — Africare is a private nonprofit organization, founded in 1970, dedicated to improving the quality of life in rural Africa. Africare provides assistance in five principal areas; agriculture, water resources development, environmental management, health, and emergency humanitarian aid. Africare's financial support comes from charitable foundations, corporations, the religious community, other private organizations, the U.S. Government, international agencies, foreign institutions, and individuals. Africare has its headquarters in Washington, D.C. with field offices in 26 African countries.

The accompanying financial statements include the operations of Africare's National Headquarters and its field offices. A summary of significant accounting policies follows:

Basis of Accounting — The accompanying financial statements have been prepared on the accrual basis of accounting and are in compliance with the principles set forth in the American Institute of Certified Public Accountants Industry Audit Guide, *Audits of Voluntary Health and Welfare Organizations*. Such financial statements are presented in accordance with Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations* (SFAS No. 117).

Comparative Information — The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Africare's financial statements for the year ended June 30, 2001, from which the summarized information was derived (see Note 7).

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Investments - Under SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, Africare is required to carry its investments at fair value with any related gain or loss reported in the statement of activities. Such fair values are determined by reference to published fair value information.

Investments — Under SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, Africare is required to carry its investments at fair value with any related gain or loss reported in the statement of activities. Such fair values are determined by reference to published fair value information.

Cash Equivalents — Cash and cash equivalents consists of cash on hand and in banks and all highly liquid investments with an original or remaining maturity of three months or less at the date of purchase.

Property and Equipment — Africare carries property and equipment that are not direct program costs at cost less accumulated depreciation. Depreciation of buildings, furniture, and equipment is provided on the straight-line basis over the estimated service lives of the assets as follows:

Buildings	50 years
Furniture and equipment	3-7 years
Vehicles	3 years

Contributions — Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, Africare reports gifts of cash and other assets as restricted support if they are received with donor stipulations that restrict the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or the purpose for the donor restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted activities as net assets released from restrictions.



Contributions where the restrictions are fully satisfied in the same period the contributions were made are classified as unrestricted. Income on these net assets is classified as temporarily restricted or unrestricted in accordance with the donor's stipulation.

Unrestricted Net Assets — Includes gifts, grants, investment income, or other resources where donors have not specified any purpose for which such resources are to be used. Additionally, the net investment in property and equipment, including donations made for capital purposes, is included in unrestricted net assets. The Board of Directors has designated certain funds to be accounted for as an endowment. Such funds principally include a portion of the proceeds received from the Bishop Walker Dinner and investment earnings on all endowment funds.

Permanently Restricted Net Assets — Includes gifts and bequests where donors have stipulated that the principal is to be maintained intact. These gifts are invested by Africare's management. Generally, there have been no permanent restrictions placed upon these investment earnings. Accordingly, investment income is recorded as unrestricted activities.

Revenue Recognition — Grants from foundations, foreign governments, and the U.S. Government are primarily not considered to meet the definition of a contribution in accordance with the terms of SFAS No. 116. Accordingly, such grants are considered to be exchange transactions and are recorded as unrestricted net assets and are recognized to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements. During the years ended June 30, 2002 and 2001, of Africare's total public support, U.S. government grants and foreign government grants, approximately 65% and 66%, respectively, was received from the U.S. Agency for International Development (USAID). Grants from USAID provide for the subsequent audit of costs reimbursed. Africare does not expect any cost disallowances to be material to the financial statements.

Donated Services, Materials, Furniture, and Equipment — Donated services, materials, furniture, and equipment are recorded at the fair value of the donated items and are included in public support in the accompanying combined financial statements.

Income Taxes — Africare is a nonprofit organization exempt from federal income taxes on income other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code.

Foreign Currency — Cash balances in foreign currencies are translated at the prevailing rates of exchange at the end of the fiscal year. Overseas expenses in foreign currencies are translated during the year using the rate as of the first day of the month to record all transactions for the previous month. The net loss from foreign currency of \$406,689 for the fiscal year ended June 30, 2002, is included as a charge to management and general expense in the statement of activities and changes in net assets.

2. MATCHING GRANT COMMITMENTS

Matching grant commitments of \$1,735,615 and \$1,546,974 that expired during the years ended June 30, 2002 and 2001, respectively, were met.

3. CASH AND INVESTMENTS

Cash and investments are presented in the financial statements at fair value. At June 30, 2002 and 2001, cash and investments were composed of the following:

	2002	2001
Cash and cash equivalents	\$ 13,496,597	\$ 12,245,317
Mutual funds	2,995,732	5,908,449
U.S. Government bonds	4,099,725	3,522,572
Corporate bonds	1,908,391	1,336,846
Common stocks	7,664,317	7,715,241
Limited partnerships	108,176	115,989
Asset backed securities		154,419
Total	\$ 30,272,938	\$ 30,998,833

Africare uses the average cost method in computing realized and unrealized gains and losses.



4. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2002	2001
General programs	\$ 380,716	\$ 440,713
Relief and refugee assistance	30,341	30,341
Health	86,205	86,205
Agriculture and small scale irrigation programs	300	300
Water resources development	26,387	26,387
Integrated rural development	3,265	3,265
Total temporarily restricted net assets	<u>\$ 527,214</u>	<u>\$ 587,211</u>

Permanently restricted net assets are restricted as a permanent investment endowment, the income from which has not been restricted by donors. Interest income earned from the endowment was \$442,995 and \$458,951 for the years ended June 30, 2002 and 2001, respectively.

Net assets were released from donor restrictions by incurring expenses that fully satisfy the restriction specified by donors during the years ended June 30, 2002 and 2001, as follows:

	2002	2001
General programs	\$ 85,497	\$ 119,289
Relief and refugee assistance		14,604
Health		14,548
Water resources development		19,659
Total net assets released from restrictions	<u>\$ 85,497</u>	<u>\$ 168,100</u>

5. LEASE COMMITMENTS

The future minimum annual rental payments due under noncancelable capital and operating leases with initial or remaining terms in excess of one year are as follows:

	Capital Lease	Operating Lease
2003	\$ 20,399	\$ 2,520
2004	15,300	2,100
Total minimum lease payments	35,699	4,620
Less amount representing interest	(2,489)	
Present value of minimum lease payments	<u>\$ 33,210</u>	<u>\$ 4,620</u>

Rent expense for the years ended June 30, 2002 and 2001, was approximately \$1,860,000 and \$1,996,000, respectively.

6. EMPLOYEE BENEFIT PLAN

Africare has a noncontributory defined benefit retirement plan (the "Plan") that covers substantially all employees. The benefits are based on years of service and the employee's average compensation during the three highest consecutive years of participation. Africare makes actuarially determined contributions to satisfy minimum funding requirements.

The following table sets forth the Plan's funded status as of June 30, 2002 and 2001:

	2002	2001
Actuarial present value of benefit obligation:		
Accumulated benefit obligation	\$ 4,379,427	\$ 4,077,979
Vested benefit obligation	\$ 4,229,424	\$ 3,664,261
Plan assets at fair value	\$ 5,135,883	\$ 5,336,536
Projected benefit obligation	5,054,292	4,728,389
Plan assets in excess of projected benefit obligation	81,591	608,147
Unrecognized net loss or (gain)	1,262,386	337,347
Unrecognized transition obligation	343,653	412,383
Accrued employer contributions		329,753
Prepaid pension costs	\$ 1,687,630	\$ 1,687,630

Net pension cost for the years ended June 30, 2002 and 2001, included the following components:

	2002	2001
Service cost	\$ 251,519	\$ 269,768
Interest cost	264,625	237,515
Actual loss (return) on plan assets	640,844	1,050,751
Net amortization and deferral	(918,493)	(1,416,805)
Net pension cost	\$ 238,495	\$ 141,229

Assumptions used in the pension accounting for June 30, 2002 and 2001:

	2002	2001
Discount rate	5.75 %	5.75 %
Rate of increase in compensation levels	3.00 %	3.00 %
Expected long-term rate of return	6.25 %	6.25 %
Amortization period (years)	13.83 yrs	14.2 yrs

Payments made during the years ended June 30, 2002 and 2001, were \$568,248 and \$554,946, respectively.

7. RESTATEMENT

Subsequent to the issuance of Africare's 2001 financial statements, management determined that the accounting for Africare's noncontributory defined benefit retirement plan (the "Plan") was not in accordance with Statement of Financial Accounting Standards No. 87, *Employers Accounting for Pensions*, as amended by Statement of Financial Accounting Standards No. 132, *Employers' Disclosures about Pensions and Other Postretirement Benefits*. Amounts paid or accrued as fiscal year contributions to the Plan in excess of annual pension costs were recorded as expense instead of prepaid pension costs. As a result, unrestricted net assets at July 1, 2000, have been restated to reflect a reduction of expenses previously reported and to record prepaid pension costs in the amount of \$1,273,859. The effect of this adjustment on the change in net assets for the year ended June 30, 2001, was to reduce expenses and increase net assets by approximately \$414,000.

HEADQUARTERS AND FIELD OFFICES

HEADQUARTERS

Africare
Africare House
440 R Street, N.W.
Washington, D.C. 20001-1935
U.S.A.

Telephone: (202) 462-3614
Fax: (202) 387-1034
Web site: www.africare.org

FIELD OFFICES

Africare/Angola
C.P. 16194
Luanda
E-mail: africare@ebonet.net
Samson Ngonyani, M.D.,
Country Representative

Africare/Benin
B.P. 01-3142
Cotonou
E-mail: afriben@intnet.bj
Regine Beauboeuf,
Country Representative

Africare/Burkina Faso
B.P. 608
Ouagadougou
E-mail:
africare.hvtarver@fasonet.bf
Harold V. Tarver,
Country Representative

Africare/Burundi
B.P. 191
Bujumbura
E-mail: africare@usan-bu.net
Ange Tingbo,
Acting Country Representative

Africare/Chad
B.P. 689
N'Djamena
E-mail: africare.chad@intnet.td
Robert Wilson, III,
Country Representative

Africare/Cote d'Ivoire
01 B.P. 1251
Abidjan
E-mail: africare.outman@afrioonline.co.ci
Al-Hassana Outman,
Country Representative

Africare/Egypt
3 Abdel Hamid Lotfy Street
First Floor
Mohandessin, 12311
E-mail: mgadbois@gega.net
Millie Gadbois, Ph.D.,
Country Representative

Africare/Eritrea
P.O. Box 1106
Asmara
E-mail: africare@eol.com.er
Everett Torrence, Ph.D.,
Country Representative

Africare/Ethiopia
P.O. Box 2309
Addis Ababa
E-mail: afrieth@telecom.net.et
Robert Kagbo, Ph.D.,
Country Representative

Africare/Ghana
P.O. Box OS-2108
Accra
E-mail: africare@ghana.com
Auwor Odaga,
Acting Country Representative

Africare/Guinea
B.P. 3774
Conakry
E-mail: ccolas@africare.org.gn
Carine Colas,
Country Representative

Africare/Liberia
Mail Bag 9057
1000 Monrovia 10
E-mail: africare@awli.net.lr
James Dean, Ph.D.,
Country Representative

Africare/Malawi
P.O. Box 2346
Lilongwe
E-mail:
afmalawi@sdnp.org.mw
Robert S. Adams,
Country Representative

Africare/Mali
B.P. 1792
Bamako
E-mail: africaremali@cefib.com
William Noble,
Country Representative



Africare/Mozambique
C.P. 2978
Maputo
E-mail: maputo@africare.org.mz
Theodore J. Rectenwald,
Country Representative

Africare/Namibia
P.O. Box 9364 Eros
Windhoek
E-mail: africare@iway.na
Ethel Nhleko,
Operations Manager

Africare/Niger
B.P. 10534
Niamey
E-mail: afrniger@intnet.ne
Sheryl Cowan,
Country Representative

Africare/Nigeria
3 Kariba Close
Off Mississippi Street
Maitama
FCT Abuja
E-mail: info@africarenigeria.org
Chinwe Effiong, Ph.D.,
Country Representative

Africare/Rwanda
B.P. 137
Kigali
E-mail: africarerw@yahoo.com
Ange Tingbo,
Acting Country Representative

Africare/Senegal
B.P. 2272
Dakar
E-mail: africare@telecomplus.sn
Michael Carson,
Country Representative

Africare/Sierra Leone
P.M.B. 164
Freetown
E-mail: africare@sierratel.sl
Reggie Simmons, Ph.D.,
Country Representative



Africare/South Africa
P.O. Box 2796
Parklands 2121
E-mail: africare@africaresa.co.za
Stoney Cooks,
Country Representative

Africare/Tanzania
P.O. Box 63187
Dar es Salaam
E-mail: africare@raha.com
Vanessa Williams,
Country Representative

Africare/Uganda
P.O. Box 7655
Kampala
E-mail: abmeftuh@africaonline.co.ug
Abdalla Meftuh,
Country Representative

Africare/Zambia
P.O. Box 33921
Lusaka
E-mail: africare@zamnet.zm
Ruth Mufute,
Country Representative

Africare/Zimbabwe
P.O. Box 308
Harare
E-mail: africare@mweb.co.zw
Cary A. Johnson,
Country Representative

*Information current at
publication date*

BOARD AND SENIOR STAFF

BOARD OF DIRECTORS

Honorary Chairman:
Nelson R. Mandela

Honorary Vice Chair:
Maria Walker

Chairman:
George A. Dalley, Esq.
Counsel, Congressman Charles
B. Rangel

Vice Chair:
The Rev. Yvonne Seon, Ph.D.
Associate Professor, African
American Studies, Prince
George's Community College

Treasurer:
Clyde B. Richardson
President, Loriche Productions

Secretary:
Joseph C. Kennedy, Ph.D.

Larry D. Bailey, C.P.A.

Lauretta J. Bruno¹
Partner, Gramercy Partners, L.L.C.

Daniel A. Carp
Chairman and Chief Executive
Officer, Eastman Kodak
Company

Walter C. Carrington¹
Former U.S. Ambassador to
Nigeria

Alice M. Dear¹
Vice President, African
Millennium Fund

MacArthur DeShazer, Sr.
Vice President, Small Business
Utilization, Affiliated Computer
Services

Valerie L. Dickson-Horton²
Former Deputy Assistant
Administrator for Africa,
U.S. Agency for International
Development

William R. Ford
Former President, African
Development Foundation

W. Frank Fountain
Senior Vice President,
Government Affairs,
DaimlerChrysler Corporation

George W. Haley²
Former U.S. Ambassador to the
Gambia

James M. Harkless, Esq.
Arbitrator

James A. Harmon
Chairman, Harmon & Co. L.L.C.

Luddy Hayden, Jr.²
Manager, International
Government Relations,
ChevronTexaco Corporation

**The Rt. Rev. Frederick
Calhoun James²**
A.M.E. Church

William O. Kirker, M.D.

Patricia Watkins Lattimore
Director of Human Resources,
Washington, D.C., Public
Schools

Delano E. Lewis, Sr.
President and Chief Executive
Officer, Lewis & Associates
Former U.S. Ambassador to
South Africa

Carl J. Lowe¹

C. Payne Lucas, Sr.³

Princeton N. Lyman
Ralph Bunche Senior Fellow for
Africa Policy Studies, Council
on Foreign Relations

Robert L. Mallett
Senior Vice President, Corporate
Affairs, Pfizer Inc.

Carlton A. Masters¹
President and Chief Executive
Officer, GoodWorks
International



Judith A. McHale²
President and Chief Operating
Officer, Discovery
Communications, Inc.

Rodney E. Slater
Partner, Patton Boggs L.L.P.
Former U.S. Secretary of
Transportation

Louis W. Sullivan, M.D.²
President Emeritus, Morehouse
School of Medicine
Former U.S. Secretary of
Health and Human Services

Percy C. Wilson¹
President, U.S.-Africa Trade and
Aid Link Corporation

Curtin Winsor, Jr., Ph.D.
Chairman, American Chemical
Services Company

Oumarou G. Youssoufou
Former O.A.U. (African Union)
Ambassador to the U.N.

Emeritus:

Donald F. McHenry
Former Chairman, Africare
President, IRC Group
Distinguished Professor in the
Practice of Diplomacy,
Georgetown University
Former U.S. Ambassador to
the U.N.

Ex-Officio:

Julius E. Coles³
President, Africare

SENIOR STAFF

Julius E. Coles
President

Jeannine B. Scott
Vice President

Alan C. Alemian
*Director, East and Anglophone
West Africa Region*

Myron Golden
*Director, Francophone West and
Central Africa Region*

Kevin G. Lowther
Director, Southern Africa Region

Clarence Hall, Dr.P.H.
Director, HIV/AIDS Initiative

S. Lee Thompson
*Director, Food for Development
Program*

John Woody
Director of Finance

Jean Denis
*Director of Management
Information Systems*

Elton King
Director of Management Services

Carolyn Gullatt
Director of Personnel

Martha Duncan Bond
Director of Development

Libba Conger
Director of Special Projects



Information current at publication date

¹ Term expired, 2002

² Elected, 2002

³ In mid-June 2002, C. Payne Lucas, Sr., retired from the staff as Africare's president and resumed his position as a life member of the Africare Board. Julius E. Coles, formerly an Africare Board member, assumed ex-officio Board status when, in June 2002, he joined the staff as the president of Africare.



Africare works to improve the quality of life in Africa, assisting families, villages and nations in two principal areas — food security and agriculture, and health and HIV/AIDS — as well as water resource development, environmental management, basic education, microenterprise development, governance and emergency humanitarian aid. In the United States, Africare builds understanding of African development through public education and outreach.

A private, nonprofit organization, Africare was founded in 1970. Since that time, communities in 35 nations Africa-wide have benefited from direct Africare assistance. During the fiscal year 2002, Africare supported more than 150 programs in 26 African countries.

Africare is a charitable institution under Section 501(c)(3) of the Internal Revenue Code. Africare's financial support comes from charitable foundations, multinational corporations and small businesses, the religious community, other private organizations, the U.S. government, foreign governments, international agencies and thousands of individuals. Africare is a member of Global Impact (formerly, International Service Agencies): a part of the Combined Federal Campaign and many corporate as well as state and local government workplace drives.

Africare has its headquarters in Washington, D.C.,
with field offices in 26 African countries.

Africare depends on contributions to carry out its essential work throughout Africa. Gifts to Africare may take several forms. For example, cash contributions support a wide variety of current programs in rural Africa. Major endowment gifts ensure the perpetuation of Africare's self-help assistance over time. Bequests of cash, securities or property offer expanded giving opportunities to many supporters.

To make a contribution or for more information about gift options, please contact —



Office of Development

Africare

Africare House

440 R Street, N.W.

Washington, D.C. 20001-1935

U.S.A.

Telephone: (202) 462-3614

Fax: (202) 464-0867

E-mail: development@africare.org

Web site: www.africare.org

Gifts to Africare are tax-deductible to the extent provided by United States law.

 Printed on recycled paper



FRONT AND BACK COVER PHOTOS BY SHEILA MCKINNON