

concern annual report & accounts 2004





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# foreword

**I recently visited Cambodia with a group of journalists to look at Concern's work in microfinance there. One of them remarked at the end of the visit that it was the resilience of the people that had most impressed her. Through microfinance and their own capacities, very poor people were improving their lives and providing hope for their families' future.**

In early 2005, we must dare to hope that, using the capacities of poor people we see in each Concern country of operation and matching these with increased resources from big political decisions taken in 2005, we will Make Poverty History.

Concern is committed to the Make Poverty History campaign along with many partners and millions of citizens. But poverty elimination will only happen if there is a real partnership between governments and civil society organisations in developing and developed countries. The private sector also has a key role. Concern links with the private sector and major donors in a number of programmes and we hope to do more of this in future.

'People power' is also critical. The remarkable public response to the tsunami showed that citizens around the world care about their

fellow human beings. Concern will continue to provide the skills and programmes which enable the support of people in our donor countries to translate into lifting people from poverty in the poorest developing countries. We are, and will remain, a 'people to people organisation'

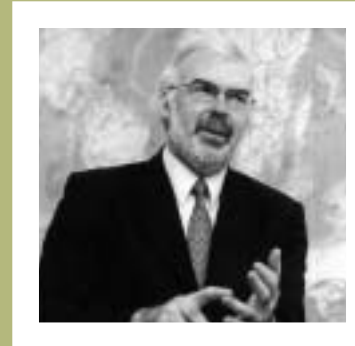
We want the public to press governments to increase aid flows to 0.7% of national income. Concern is an important witness to the realities of poverty and what can be done about it, through our development education and advocacy, in harnessing that people power.

The Millennium Development Goals, adopted by world leaders in 2000, provide the 'big vision' of what must be achieved by 2015. The Millennium Project, inspiringly led by Professor Jeffrey Sachs, has provided the road map to meeting the Goals with its report 'Investing in

Development'. I was privileged to serve on the Project's Hunger Task Force which shows what must be done if hunger is to be halved by 2015. Even if the target is achieved, there will still be over 400 million hungry people – a scandal and a waste which the world should not tolerate.

Concern has oriented its programmes, in emergencies, long term development and advocacy, to contribute to the achievement of the Goals.

We will continue to strengthen our organisational capacity to respond to emergencies and, through our partners, help vulnerable communities to anticipate emergencies and to cope with them. The major emergencies of Darfur and the tsunami highlighted the importance of being able to respond urgently to save lives, provide survival kits and start the process of rebuilding livelihoods. There are many



other emergencies which are not high profile and which Concern continues to respond to.

Our priority programmes, in health, education and livelihoods, are the foundation for our longer term development work. We continue to innovate in our programmes. Concern has developed, in collaboration with Valid International, an improved approach to tackling acute and chronic malnutrition – Community Therapeutic Care (CTC). We are scaling up this approach in a number of countries, as can be seen in this report.

The real significance of this breakthrough is that a number of countries are building CTC into their national policies and strategies. The World Health Organisation is willing to promote the approach.

We will build on our work in CTC by applying the same

principles to improve nutrition for people with HIV/AIDS. With 30 million people infected by the HIV virus in Africa, a small proportion of which will have access to anti retroviral drugs, the importance of better nutrition cannot be overemphasised. For many infected people, food really is the best medicine.

The example of CTC shows how Concern can be a catalyst for development. The key ingredients in the mix are our experience and presence on the ground, a capacity to listen to and understand the needs of poor people, good science and linkage with the health authorities in the countries we work in.

We aim to have a similar approach in each of our priority programmes. This will require working with strategic partners, in developing and developed countries, in research,

government and, where appropriate, the private sector.

Our advocacy and communications programmes form a key part of our overall programme. We have developed some very important relationships with the media, in Ireland, the UK and the US, which will help us tell our story. The media has a key role to play if the Millennium Development Goals are to be achieved. They should continue to highlight the simple moral proposition that, in a world of such plenty, it is unacceptable to have poverty on the current scale.

I conclude by thanking once again our wonderful staff throughout the world. I acknowledge the support of the many governments who support us. We remain grateful for the support of all our donors and we never forget our responsibilities in using these resources to improve the lives of the poorest people with whom we work.

**Tom Arnold**  
Chief Executive



# overview of 2004

## Bam, Tsunami and the forgotten emergencies in fragile or failed states with devastating consequences for the civilian population.

### Emergency

The year started with the response to Bam, Iran where more than 40,000 people were killed when an earthquake struck on the 26th of December 2003. A situational analysis, including an initial needs assessment and consideration of governmental and other agencies' capacity to respond, led to the decision to channel resources to partners on the ground.

The main man-made disaster in 2004 occurred in Darfur in North Sudan. Various rebel groups attacked police stations in 2003 to highlight the economic and social isolation of the Darfur region. The government, already stretched with the long running war in the south, mounted a counter insurgency strategy and supplied arms and weapons to various militia groups to fight the rebels. The result was massive displacement of the civilian population to camps as people fled for their lives. Efforts by the UN Security Council to bring an end to the conflict proved fruitless but support was provided to the African Union to monitor the ceasefire. Concern responded by providing non-food items essential for the displaced and by setting up nutrition, sanitation and camp management programmes in various locations of Western Darfur.

Flooding in Bangladesh, considered the worst since 1988, saw more than 36 million people being affected. Concern

responded to the initial relief phase by working through partners already trained in disaster response and then by establishing a rehabilitation programme.

At the end of 2004 one of the most devastating natural disasters occurred in the Indian Ocean when an earthquake and tsunami struck various countries in the Asia region, stretching right across to the east coast of Africa. The tsunami wave destruction lasted a very short period but had a devastating effect on life and livelihoods, especially for women and children in Indonesia, Sri Lanka, India and Thailand.

The overall humanitarian environment remained difficult throughout 2004. Kidnappings have become a weapon of terror and extortion. Concern continued to improve the quality of security management in all our countries of operation. Sexual and gender violence has increasingly been used against the civilian population in countries including North Sudan, Uganda and DRC (Congo). Protection of the civilian population is now a key element in our programmes as we continue to implement the programme participant protection policy.

High profile emergencies like Bam, Bangladesh, Darfur and the Asian Tsunami relegate other equally traumatic emergencies into a 'forgotten' category.

Concern continued to respond to the humanitarian crisis caused by conflict in Northern Uganda, Haiti, DR Congo, Ivory Coast, Somalia and Burundi. These forgotten emergencies continued in 2004 in fragile or failed states with devastating consequences for the civilian population.

### Development

Concern continued to encourage the participation of very poor people in many development programmes across Africa, Asia and the Caribbean. We believe that if development is to be sustainable then it must involve people from all levels and sectors in society. Our programmes focused on improving the livelihoods of poor people, improving access to and the quality of education, improving health systems and mainstreaming HIV/AIDS.

At an organisational level, Concern continues to shift from a project to a programmatic approach. By the end of 2004, Programme Planning and Monitoring Groups (PPMGs) developed and clarified the content of each of the four main programming areas; Education, Health, Livelihood Security and HIV/AIDS. These frameworks give us greater coherence, clarity and focus in our programming. The articulation of goals, intervention strategies, targets and human resource plans provide a framework within which country initiatives can be developed.



Concern made significant progress towards implementing programmes with and through partners. By December 2004, Concern had over 240 civil society partners in our countries of operation, an increase from 130 at the end of 2003. In addition, our work with host country governments is guided by partnership. Many national governments have begun decentralising decision-making to local level and Concern assisted with this process in many countries to ensure active engagement with civil society organisations, ensuring that the voice of poor people is heard.

Many poor families in developing countries where we work are vulnerable to all types of shocks, including; drought, floods and cyclones, sickness of key family members, the threats of conflict, etc. We have introduced the concept of disaster risk reduction (DRR) and started a programme recognising the inevitability of these shocks and strengthening the capacity of local communities to deal with such problems as they arise. Sustainable development is impossible if the corrosive impact of disasters on the capital base of poor communities is ignored.

Advocacy has been integrated into many programmes at field level. It has also been taken on in our home countries as we try to address the root causes of poverty in the South. We continued to lobby the Irish and European governments on the

quantity and quality of overseas aid. The Irish government's commitment to 0.7% of GDP target has been postponed and along with other NGOs, Concern is asking for a new completion date for achieving this essential target.

Tom Arnold, Concern's chief executive, took part in the UN Millennium Hunger Task Force (HTF) in 2004. The HTF summary report makes a number of key recommendations including; moving from political commitment to action, reforming policies and creating an enabling environment, increasing agriculture productivity of food-insecure farmers, improving nutrition for the chronically hungry and vulnerable, reducing vulnerability of the acutely hungry through productive safety nets, increasing incomes and making markets work for the poor and restoring and conserving the natural resources essential for food security.

We have successfully enlisted the support of 11 Irish Members of the European Parliament (MEPs) to Eurostep's 'Commitment to a responsible Europe' campaign and accompanying 'Vision of a Responsible Europe in the world' campaign.

Concern continued engagement with donors particularly Development Co-operation Ireland, (DCI) and European Commission Humanitarian Aid Office (ECHO), the Irish Defence Forces and with alliances and

networks e.g. Dochas, Voice, and Disaster Emergencies Committee (DEC) on the issue of humanitarian space, the Humanitarian Charter, the International Committee of the Red Cross (ICRC) Code and the Good Donorship Initiative.

Concern led the contribution of Alliance 2015 at the 2004 XV International AIDS conference in Bangkok. The Alliance 2015 HIV/AIDS policy group hosted a satellite meeting entitled 'The next generation virus free by 2015' for which a joint policy declaration was drafted. Mary Robinson of the Global Ethical Initiative gave the keynote address.

Concern was involved in development education based advocacy campaigns in Ireland and in the European Union in 2004. These included; Child Labour campaign 'School is the Best Place to Work' the Global Action Week for Education, the Children's World Congress on Child Labour and the National Youth Council of Ireland's One World Week.

Paul O'Brien  
Overseas Director

# darfur, sudan

“I have just returned from hell on earth. A place where children are dying from malnutrition, where women are raped by gangs of heavily armed militia and where men are killed trying to protect their families and property. The place is Darfur in Sudan where a terrible humanitarian disaster is unfolding before our very eyes and yet the rest of the world remains largely ignorant to the plight of its inhabitants.”

“ In many respects, Darfur is already on a scale with Ethiopia and what makes it even more tragic is that it’s probably going to get worse. One of the poorest and most underdeveloped regions in Sudan, Darfur is already the worst humanitarian crisis in the world today. ”

“ Concern has been working in Sudan for almost 20 years and was one of the first aid agencies to highlight the current plight of Darfur in March 2004. In November I took a TV crew out to see their work in Western Darfur - totally unprepared for what I was about to witness.”

“ I visited three camps - Aro Sharrow, Mornei and Manjura - an experience that will stay forever in my mind. Aro Sharrow is only 70 kilometres north of Concern headquarters in El Geneina in Western Darfur but it took us four hours to get there by jeep in blistering heat over dirt tracks and dried up riverbeds ... 6,000 now live in conditions that we in Northern Ireland wouldn't put our household pets. They live in huts made of branches and leaves and covered with a plastic sheet ... They don't have enough food; medical care and equipment is basic and toilet facilities are holes in the ground.”

“ In Aro Sharrow, I watched as Concern workers distributed food to mothers with children under the age of five. Once a fortnight each child receives 20 grams of vegetable oil, 250 grams of CSB (corn soya blend), 20 grams of sugar and two bars of soap. They queue in an orderly fashion and wait for up to four hours before receiving their life saving rations, meagre though they are.”

“ Human suffering in a country thousands of miles away doesn't register. My God, what kind of a world do we live in?”

} Gerry Kelly  
The Gerry Kelly Show  
UTV

# the gift of water ethiopia

Famine is never far away, but in places like Darrimo, Ethiopia, a Concern-sponsored irrigation scheme has bought growth and optimism where not long ago there was despair.

Water has been brought to the people in a way that has dramatically improved their lives. Where less than six months ago humans and animals drank water from the same river, spreading disease and death, now people are provided with clean water to bring home to their houses on the hills.

The irrigation development, finished only four months, ago means that the women can do their washing in clean water without the back-breaking labour of having to bend over on the river bed. The livestock drink separately and there is even a shower facility for men and women. The miracle of a good water supply has transformed agriculture in

Darrimo. The entire agrarian and water development on four hectares has cost between €6,000 and €7,000 derisory by Irish standards.

Awole Mussa Mohammed, 68, grows carrots, onions, beetroot, sugar cane, bananas and tomatoes on his newly irrigated plot with the help of his son Endrise, 18. “I am now earning a lot of Birr. My daughter Fatuma, 13, is in fifth grade in school in Darrimo and wants to be a medical doctor,” says Awole.

The new Darrimo is today a busy social hub for the area, with both men and women enjoying a Sunday afternoon chat in the Ethiopian sunshine.

Concern's programme coordinator Endalamaw Belay said: “This integrated scheme involving clean water for humans and animals, clean water for washing, and irrigation for the landholder's plots, has transformed people's lives.

“An essential part of it is the three kilometre road, which allows access where there was none before. In addition to Concern bringing in programme materials, the community has easier access to a local clinic, to schools and to a bigger market. In return for bringing water here, local people helped build the road.

} Aengus Fanning  
Editor  
Sunday Independent



Ethiopia  
Picture: David Conachy, Sunday Independent



Angola  
Picture: Danny Rowan, Concern





# angola

Area 1,247,000 sq km  
Population 13.2 m  
GDP per Capita US\$2,130  
Infant Mortality (per 1000 births) 154  
Life Expectancy 40.1  
Living with HIV/AIDS 3.9%  
Literacy Rate 42%  
Access to safe water 38%  
Human Development Rank 166

**In the year 2004, Angola enjoyed peace. While much has been achieved and the country is moving forward with national reconciliation and reconstruction, it is also facing many challenges. More needs to be done to recover from the devastating impacts of almost three decades of war. In spite of the growing economy and abundant natural resources, including oil and diamonds, more than two thirds of the estimated 11 million people live in poverty on less than a dollar a day.**

**The adult literacy rate stands at 42% and 62% of the population has no access to drinkable water whilst 75% has no access to basic sanitation and 65% has no access to primary health care. Angola remains one of the worst mine infested countries with virtually one mine for every two people –hindering the rural population in particular.**

**Many areas have become accessible although mine infestation, damaged or broken bridges, and deplorable road conditions persist, affecting the three provinces of Bie, Huambo and Malanje, where Concern operates. Over the last two years, an estimated 3.5 million plus internally displaced people have returned home and in 2004 an estimated 63,000 refugees from neighbouring countries returned.**

**Concern is moving from emergency relief to long term development and last year was a bridging year in that process.**

**Total Spend;** €1,808,345 (Stg £1,229,675)  
**Funded by;** Concern €1,288,325, DCI-Maps €354,296, Euronaid €17,835 (Stg £12,128), DCI-Other €70,476, EU €-218,032, UNOCHA €-88,043 (Stg £-59,869), APSO €68,750, WFP €26,524 (Stg £18,036), Dutch Embassy €183,944, Sticht Vluchteling €13,186, ECHO €31,050, Concern USA €51,205, Sundry Sponsors €8,829

The three provinces where Concern is operating are the most vulnerable geographical areas, highly populated, directly affected by the war and where the majority of the population have been displaced and are now returning. In addition, irregular and heavy rains have cut crop production, particularly the staple maize, in the central Plan Alto region with crop damage in Huambo provinces estimated at 80%.

Within each province, Concern works in the most needy municipalities and communities targeting the poor and working closely with communities, traditional community leaders, community management groups and government.

#### Food security

The aim is to strengthen the household economy of the poorest communities in Bie, Malanje, and Huambo provinces. The programme benefited a total of 36,385 vulnerable families (estimated 181,425 family members). During the first planting season (February – May) vegetable, beans, ground nut, soya seeds and farm tools were distributed to a total of 15,655 families (78, 275 family members) in all three provinces.

During the second agricultural season (October-November), Concern distributed the staple maize seed to a total of 19,590 vulnerable farmer families (97,950 family members) including female-headed families and newly returned families.

Concern worked with the Ministry of Agriculture and community groups to establish seed stores/banks in the communes in all three provinces.

#### Emergency Health

Emergency health and nutrition programmes were phased out after four months, when long term development became Concern's primary aim in Angola. Provincial and municipal authorities were helped to take over the health and nutrition programmes.

The health programme enabled an estimated 240,500 rural population to have access to basic health care services through contributing to the re-establishment of the health care delivery systems and facilities, capacity building of Ministry of Health workers at health facilities level through training organized and on the job training, training of Traditional Birth Attendants (TBAs) and Community Health Workers (CHWs) in all three provinces over the project period.

Concern also implemented a nutrition and reproductive health programme particularly targeting under-five children, pregnant women and lactating mothers. The nutrition programme benefited over a total of 33,218 children, pregnant women and lactating mothers in all three provinces during the programme period. More than 1,000 children were treated for severe malnutrition, while 10,000 children were treated for moderate malnutrition.

# burundi

Area 28,000 sq km  
Population 6.6 m  
GDP per Capita US\$630  
Infant Mortality (per 1000 births) 114  
Life Expectancy 40.8  
Living with HIV/AIDS 6%  
Literacy Rate 50.4%  
Access to safe water 78%  
Human Development Rank 173

**Burundi saw important developments in the transition to a democratically elected government. One rebel group (FNL) remained outside formal political structures, occasioning intense fighting in Bujumbura Rural where Concern runs projects. The process of integrating ethnic groups into the army and government continued, albeit slowly. The change from an African Union peacekeeping mission to a UN mission indicated growing willingness of the 'international community' to recognise the problems currently facing Burundi and also mirrored concerns regarding the fragility of the peace and transition processes (marked particularly by postponed election and referendum dates and by heated debates regarding the post-transition constitution).**

**Conditions for most Burundians did not change and all key indicators remained depressingly low – GDP fell; Burundi remained third from bottom of the UN human development index; primary school enrolment fell to 28%; infant mortality was back almost to the levels of 1960. Burundi was also faced with addressing the need to reintegrate 70,000 ex-combatants, as well as the needs of 1.2 million refugees and internally displaced persons. The country remained dangerously insecure in all areas of operation for Concern.**

#### Nutrition

Malnutrition among the young remains a major issue and the project aims to help to reduce global malnutrition through targeting children under five years. Concern plays a pivotal role in running supplementary feeding centres distributing food to the most vulnerable members of the target community in Bujumbura Rural. These centres continued to provide essential food and services (including screening, education about nutrition and training for community health workers) to more than 800 malnourished people.

**Total Spend;** €1,203,907 (Stg £818,657)  
**Funded by;** Concern €248,459, DCI-Maps €736,109, Concern USA €137,807, APSO €30,531, Non-Monetary Donations €51,001

#### Food Security

Difficult conditions for farmers, as well as limited scope to disseminate "best practice" to significant numbers have characterised the agricultural sector for many years. The project aims to improve the livelihood security of small scale farmers. Concern is active in facilitating and developing Community Farmers Groups (CFGs) through member identification, as well as the distribution of seeds, tools and animals. Successful groups have started to assist newly formed groups through shared experiences and best practice examples of seed and livestock management. Some 155 such groups have been formed and almost 5,000 households have benefited directly, with 22,160 benefiting indirectly.

#### Health

Children under the age of five and women of reproductive age have high mortality rates. Concern is working closely with the Ministry of Health, and provincial authorities to reduce malnutrition, malaria, and diarrheic diseases in these target groups.

The work, in Cibitoke province, involves training community health workers and medical staff, and providing vulnerable communities with knowledge to identify potential sources of disease. The project started late in 2004 with the collection of baseline data and aims to target nearly 25,000 beneficiaries over the next three years.

#### Education

Access remains a key problem for many young people forced to leave formal education at an early age. The project aims to enable vulnerable children to have access to primary education that is equitable, meaningful and relevant, enhancing their participation in the development of their communities. Concern has been working with local partners (including the Department of Education) to promote 'catch-up' classes for children who have dropped out. The project also helps to reintegrate children at the appropriate point and works to ensure that local communities understand the importance of education for children of all ages. The project has reached 7,118 of the targeted community since starting in Cibitoke province.

# dr congo

Area 2,345,000 sq km  
Population 51.2 m  
GDP per Capita US\$650  
Infant Mortality (per 1000 births) 129  
Life Expectancy 41.4  
Living with HIV/AIDS 4.2%  
Literacy Rate 62.7%  
Access to safe water 45%  
Human Development Rank 168



**Despite the instalment of a transitional government in July 2003, the country has been in flux since February 2004. Repeated armed confrontations between former rebel soldiers and loyalists, violent popular demonstrations, and the continued threat of armed incursions from neighbouring countries were main sources of instability. The main operational challenge is insecurity and uncertainty about the country's future.**

## Nutrition

Concern's project aims to reduce the global acute malnutrition rate to less than five per cent among children in Kasongo health zone of southern Maniema province. With one therapeutic feeding centre and seven supplementary centres, the project has built the capacity of local health staff and government to improve nutrition for "under fives" and pregnant and lactating mothers.

## Livelihood

The project sets out to improve livelihood security and reduce vulnerability in three areas of Kisenso commune, a suburb of Kinshasa, by building the capacity of three local partners. The project has begun bringing significant change at community, organisational and household level. Good quality maize flour produced locally is more widely available, saving women time and drudgery. A similar project in Masisi territory in North Kivu helps local organisations in building micro-projects, improving agriculture, advising on soil cropping and conservation to assist families and communities to become self-sustaining.

## Food Security

The Kasongo project works with 12 local associations to increase household food production through sustainable agriculture, and better access to seeds and tools. Progress has been slow due to existing food shortages, isolation from the rest of the country, destitution of target beneficiaries and failure of government institutions to provide agricultural extension services. However market access has improved, malnutrition has been reduced and many mothers now have kitchen gardens.

## HIV/AIDS

To strengthen the capacity of local organisations in Kisenso and Kingabwa Concern is promoting awareness initiatives on behavioural change, voluntary testing and supporting people living with AIDS. The project has contributed to HIV prevention and provided food to people living with HIV/AIDS.

## Miscellaneous

Concern assisted 2,000 internally displaced persons and host families in the area surrounding Kasongo, through providing non-food items. With the local Justice and Peace Commission, Concern raised awareness of women concerning rights and duties, and in partnership with Care and FHI, rehabilitated 112 kms of railway line. A volcano awareness programme concluded, having strengthened community understanding of volcano-associated risks, information networks and mitigation responses of partners and communities.

**Total Spend:** €2,363,117 (Stg £1,606,920)  
**Funded by:** Concern €1,023,028, DCI-Maps €809,609, Concern USA €156,978, APSO €27,842, FHI €103,231 (Stg£70,197), UNICEF €54,557 (Stg£37,099), Other Donors €671 Non-Monetary Donations €187,201

# eritrea

Area 121,000 sq km  
Population 4 m  
GDP per Capita US\$890  
Infant Mortality (per 1000 births) 47  
Life Expectancy 52.5  
Living with HIV/AIDS 2.7%  
Literacy Rate 56.7%  
Access to safe water 46%  
Human Development Rank 156



**The political and economic situation worsened during 2004. The stalemate over the border between Eritrea and Ethiopia continued despite diplomatic initiatives by the UN and international community. The UN extended the timeframe for its peace keeping operations twice, once in March and again in September for six months. In September, it withdrew around 500 personnel.**

**The country had little foreign currency, and shortage of several essential commodities ensued. Inflation was so high that Concern had to pay an interim increase of 16% to staff. Agriculture saw the second worst harvest in the last 10 years. The overall security situation was relatively stable, but not without incident involving loss of life. Some 27 Concern staff in Anseba were rounded up by the Eritrean military and drafted to national service in April. This had a damaging impact on the emergency nutrition programme in particular.**

**Concern's total programme expenditure grew from 1.74million to 2.265million. The focus continued to be on livelihood security, nutrition and water and sanitation programmes. The year saw an increase in working with and through local government, community based organisations and local NGOs.**

**Total Spend:** €2,265,159 (Stg £1,540,308)  
**Funded by:** Concern €537,227, DCI-Maps €1,197,453, Concern USA €213,695, APSO €15,000, ECHO €149,256, Other Donors €11,187, Non-Monetary Donations €141,341

## Community Development

The programme seeks to improve the livelihood security of more than 50,000 people in vulnerable communities in Anseba and Debul. Training and other assistance was given to staff of the agriculture ministry, local administration and community groups. More than 1,200 hectares of degraded land was treated through a "Cash for Work" project generating over 300,000 work days for impoverished communities. Five micro dams were constructed with a combined capacity of 200,000 cubic metres of rain water, which will be used for drinking as well as for irrigation besides recharging groundwater. The Ministry of Agriculture was helped to produce and distribute about 850,000 tree seedlings of various varieties to farmers. In response to the acute shortage of firewood (Eritrea has only three per cent of land under forests), Concern trained more than 400 women in construction and use of fuel efficient stoves. These mogogos, as they are known, reduce fuel consumption by half.

Concern introduced the concept of the Village Seed Bank. Funds were provided to the Kebabi (group of villages) development committees to buy seeds of their choice and quality. The Village Seed Banks bought 310 metric tonnes of wheat, barley, sorghum, pearl millet and ground nut and distributed them to almost 5,000 households.

## Nutrition

Concern continued with its emergency nutrition programme in Anseba in collaboration with the Ministry of Health, for the fourth consecutive year. The nutrition programme is aimed at reducing malnutrition among children under five years of age and also at building the capacity of the ministry in nutrition related activities. Major activities included distribution of supplementary food to children under five and pregnant and lactating mothers. Approximately 9,000 children and 2,300 mothers benefited from this programme, receiving six kgs of corn soya blend per person per month. Concern continued to support the health ministry in conducting periodical nutrition surveys.

## Water

Concern completed construction of one micro dam that can hold over 6,000 cubic metres of water, two hand dug wells in Anseba benefiting over 1,200 households and completed the construction of five boreholes in Debul zone benefiting 4,200 households. Besides, Concern distributed nearly 9,000 jerry cans that benefited over 5,600 households in both zones. Water committees were formed in villages to maintain water supplies, and training on hygiene and environmental sanitation and pump maintenance was provided.

# ethiopia

Area 1,104,000 sq km  
Population 69 m  
GDP per Capita US\$780  
Infant Mortality (per 1000 births) 114  
Life Expectancy 45.5  
Living with HIV/AIDS 6.41%  
Literacy Rate 40.3%  
Access to safe water 24%  
Human Development Rank 170



**Despite an announcement by the prime minister that his country would accept “in principle” a ruling by an independent commission on Ethiopia’s border dispute with Eritrea, the year ended without a resolution of the dispute. Food shortages continued with more than 7.6 million people needing food aid as a result of crop failure and lack of pasture following poor rains. There were a number of ethnic clashes, fighting between the Somali and Oromo ethnic groups in West Hererge, and earlier in the year violence erupted between ethnic groups in the western Gambella region.**

**The government launched a national partnership forum against HIV/AIDS to coordinate responses, and bring together a wide range of partners to avoid duplication of efforts. The first programme of free anti-retroviral (ARV) drugs in Ethiopia was launched by the Tigray regional health bureau.**

#### Livelihood Security

The Street Vendors Support Project (SVSP) aims to improve the livelihood of street vendors in Addis Ababa by encouraging development of micro enterprises. The Vocational Skills and Government Support Project aims to contribute to the sustainable social and economic independence of street youth in Addis Ababa. The main activities include providing business development support which included business training, access to financial service and market place. The Strengthening Civil Society for Poverty Alleviation project aims to help community based organisations (CBOs) to contribute to the reduction of poverty in Addis Ababa.

#### Food Security

Kalu in South Wollo experiences chronic food shortages. Concern is undertaking a three-year food security programme with strong local involvement. With two years to go, in addition to major institutional capacity improvements at district, village and community levels, considerable progress has been made. Animal health coverage has improved from 15% to 40%; pest control knowledge and capacity of communities has improved by 30%; 62 hectares of degraded hillside land has been rehabilitated and used for growing animal feed; 8,616 people have improved access to clean water; rural roads have been constructed; 25 women and 29 men who received vocational training have improved their income by 30%; and 1,725 households have been able to increase their incomes.

#### Water

To improve access to clean water in Wollaita and South Wollo, Concern undertook rural development projects in Damot Weyde and Dessie Zuria districts. Some 10 springs in Dessie Zuria and five springs in Damot Weyde were developed providing clean water to 14,118 people and 35,602 livestock.

#### Education

The aim is to improve access of vulnerable women and children to basic formal and non-formal education facilities and encourage retention within the education system. This project is implemented in partnership with seven local NGOs. The main activities include mobilising communities to construct non-formal education centres and libraries, improving sanitation facilities, establishing

sports and leisure facilities and providing educational materials. The partners have constructed 11 non-formal education centres with water and sanitation and a total 2,698 children (1,167 boys and 1,531 girls) are now accessing education in the non-formal basic education centres. Nine play-grounds and in and outdoor games are made available in the education centres.

#### HIV/AIDS

Concern implements HIV/AIDS projects in partnership with CHAD-ET, Mekdim, PROPRIDE in Addis Ababa and Kombolcha in South Wollo and also directly implements a project in Kalu, South Wollo. The aim is to mitigate the impact of HIV/AIDS through enhanced community responses.

#### Emergency

Food shortages in Offa and Dessie Zuria districts followed a period of drought. Concern responded with essential relief food distribution. Some 5,000 metric tonnes of cereals, 1,330 tonnes of supplementary food, almost 70,000 litres of oil and 150 tonnes of pulses were distributed to 67,300 people for periods of three to eight months. Concern also successfully treated 1,350 severely malnourished children through its CTC programme in Offa, Dessie Zuria and Kalu districts. Concern carried-out regular nutrition surveys in Damot Weyde, Offa, Dessie Zuria and Kalu districts, generating essential early warning information.

#### Gender

Concern promotes gender equality and women’s empowerment in its own internal systems as well as through its programmes.

**Total Spend:** €4,599,951 (Stg £3,127,967)  
**Funded by:** Concern €1,400,699, DCI-Maps €451,167, DCI-Other €294,913, ECHO €119,724, EU €116,738, Concern USA €45,035, CARE//EOP €382,547 (Stg£260,132), APSO €48,750, Cardinal Ledger €35,674, Euronaid €55,038, Comic Relief €50,428 (Stg£34,291), Sundry Sponsors €45,578 (Stg £30,993), Other Donors €2,299, Non-Monetary Donations €1,551,361

# kenya

Area 583,000 sq km  
Population 31.1 m  
GDP per Capita US\$1,020  
Infant Mortality (per 1000 births) 78  
Life Expectancy 45.2  
Living with HIV/AIDS 15.01%  
Literacy Rate 84.3%  
Access to safe water 57%  
Human Development Rank 148



**Kenya’s plan to provide free primary education faces problems as schools have been overwhelmed with the increase in pupils, in face of insufficient classrooms and other resources, and a shortfall of 30,000 teachers. While the overall HIV/AIDS prevalence rate has declined and public awareness has risen, HIV/AIDS remains a national disaster. Rates tend to be higher in urban areas, and prevalence is higher among women than among men.**

**National institutions and local committees are preparing a strategic plan for continuing the fight against HIV/AIDS, especially among women and girls. The government came under pressure to deal effectively with corruption.**

#### Education

Concern supports education in two areas, Suba district in Nyanza Province, Western Kenya, and Korogocho, a large slum north-east of Nairobi. Concern rebuilt two primary schools in Suba, each with a capacity for 450 students and also supported the district education office to rehabilitate three advisory centres supporting more than 180 primary teachers. A Kenyan partner in Suba, Civic Initiatives, developed a financial management training package rolled out at sessions for 170 head teachers. A study on non-formal education was carried out in Korogocho slum in partnership with Kenyatta University. It examined the impact of the free primary education policy on non-formal schools. In Korogocho, close to 4,000 children are educated in non-formal and unofficial schools.

**Total Spend:** €966,708 (Stg £657,361)  
**Funded by:** Concern €442,129, DCI-Maps €332,918, APSO €26,781, Concern USA €83,159, Sundry Sponsors €81,721 (Stg£55,570)

#### HIV/AIDS

Through the livelihoods/HIV programme, 60 women living with AIDS have completed training in small business development, group management, financial management, product development, micro-finance and receive regular support. Concern in partnership with KENWA (Kenya Network of Women with AIDS) assists the women to develop a small business to support themselves and their families.

#### Development

KNDG (Kisumu Ndogo Development Organisation), an organisation of 30 members, collecting waste from 600 households in Korogocho slum, received training in small business development, financial management, conflict resolution, and organic farming and composting techniques. Waste is sorted and KNDG produces 1,000 briquettes (a cheap alternative to charcoal) each month for sale. St. John’s Catholic Church is a partner in activities within Korogocho. Concern works with St. John’s on library expansion, building shower blocks and toilets and providing furniture for the largest and most stable of the non-formal schools.

#### Food Security

Drought affected approximately 3 million people in Northern Kenya. Concern supported a new partner CIFA (Community Initiative Facilitation & Assistance) in Moyale, Northern Kenya to help more than 1,000 families through a food-for-work initiative.

# liberia

Area 111,000 sq km  
Population 3.23 m  
GDP per Capita n/a  
Infant Mortality (per 1000 births) n/a  
Life Expectancy 41.4  
Living with HIV/AIDS 5.9%  
Literacy Rate 55.9%  
Access to safe water n/a  
Human Development Rank n/a



**In 2004, Liberia continued to be dramatically affected by the departure of ex-President Taylor in August 2003, and the transfer of power to the transitional government comprised of the three former warring parties. Lack of capacity and skills for government quickly became apparent and, the fact that these government representatives cannot stand for re-election in October 2005, has encouraged a marked increase in state corruption at all levels. The UN build-up of personnel to 15,000 troops, 1,150 international police and the large supporting administration was accomplished by the latter quarter of the year.**

**The primary task was disarmament of some 103,000 ex-fighters and the commencement of programmes to reintegrate and reconcile these people within their local communities.**

**The chief issue arising in Concern's dealings with the UN has been the taking over of the "humanitarian space", previously exclusively occupied by NGOs, by the UN, here substantially a military operation. The blurring of the lines between military and civilian in assisting the fearful and largely displaced population has proved to be a challenge to all NGOs and for which there is no easy answer.**

## Displaced people

The aim was to reduce the incidence of disease in up to 90,000 displaced persons living in camps in Monrovia, Grand Bassa and Bong. Concern continued the provision of good quality drinking water from wells, as well as providing sanitation facilities. The women were involved in designing washing slabs, later a social focal point for them. In total some 43 wells were sunk, 2,120 latrines built as well as 1,050 bathhouses. No cases of cholera were reported in the camps where Concern worked, rewarding the great efforts made in hygiene promotion and education, largely based on the child-to-child transfer technique.

## Lofa County

Concern assisted the return of some 35,000 persons who had fled their homes to the camps or remained hidden in the bush, because of military action. This involved providing 70 wells in 42 towns and villages as well as distributing some 3,500 family shelter kits, and non-food items such as cooking pots and clothes. These actions helped to stabilise the families who had returned and in encouraging others to leave the displaced camps.

## Grand Bassa County

This community driven programme, extended into a fourth year because hostilities had halted work for some 9 months, is designed to assist 45,000 people in meeting their nutritional needs. Some 40 community micro-projects were restarted covering the re-stocking with livestock, village food processing plants, improved storage

facilities for foodstuffs, the multiplication of improved seeds varieties, the production of locally made tools and the formation of a farmer's information and training centre.

The rural population of the county quickly re-established itself and became self-sufficient in food production relatively quickly. Rural communities as well as Concern's three main local NGO partners helped in the planning and implementation of all micro projects. A highly participative community-led water and sanitation project had been completed in mid 2003 in 40 communities. Subsequently all the wells were found to be inoperable due to military action. In 2004, all 40 wells were rehabilitated and in addition, 206 pump attendants were trained in maintenance, thus 8,000 rural dwellers were again given healthy water supplies.

## Partnerships

Concern focused on developing partnerships with local NGOs, particularly those dealing with poverty amongst women. The emphasis has been on helping the partners, with skills in financial management, participatory appraisals of community needs, poverty research, advocacy at local and governmental level. Six local NGOs are now working in the communities of their choosing, where they have trained some previously unemployed 400 women and 30 men in furniture making, soap manufacture and blacksmithing for agricultural tools.

Total Spend: €2,715,896 (Stg £1,846,809)  
Funded by: Concern €545,044, DCI-MAPS €207,514, DCI-Other €277,974, EU €574,793, ECHO €755,896, Concern USA €533,405, DEC €-281,106 (Stg £-191,152), UN €6,043 (Stg £4,109), APSO €68,750, Sundry Sponsors €27,583

# malawi

Area 118,000 sq km  
Population 11.9m  
GDP per Capita US\$580  
Infant Mortality (per 1000 births) 114  
Life Expectancy 37.8  
Living with HIV/AIDS 14.2%  
Literacy Rate 61.8%  
Access to safe water 57%  
Human Development Rank 165



**Elections were held in May and the United Democratic Front (UDF) returned to power under a new president, Bingu Wa Mutharika who began a major anti-corruption drive gaining support of donors and much of the public but causing major tensions within the UDF party, as members were prosecuted for corruption.**

**As the year ended, rains had arrived indicating a normal harvest. Timely availability of fertiliser at subsidised prices did not materialise due to poor planning, increasing the likelihood of food shortages in 2005.**

## Livelihood Security

The aim is to increase and diversify food production. Concern achieved this through supporting "community gardens" with seeds and seed material for a variety of crops, and fertiliser supplies, to families in villages in Dowa and Nkotakota districts. Community grain and seed banks have been set up to meet local needs and as safety nets for the very poor. Concern works directly in 120 communities reaching 12,000 families. Indirectly Concern is reaching 1,500 communities, assisting almost 150,000 families, working with the government extension network. Concern participated in the National Food Security Assessment conducted by the Malawi Vulnerability Assessment Committee.

## Nutrition

The main aim was to strengthen the capacity of the Ministry of Health to treat severe acute malnutrition using the Community-based Therapeutic Care (CTC) approach. This was done by working closely with the district health offices, selected mission hospitals in Dowa and Nhotakota districts and target communities. A national workshop was held to share with the stakeholders experience gained and lessons learnt in previous years, stimulating a debate on wider use of the CTC approach. Concern, working closely with the Ministry of Health and its mission partners, carried on with treatment of severe acute malnutrition in children under five.

## HIV/AIDS

Mainstreaming HIV/AIDS into our programmes is central to our HIV/AIDS intervention. This is to sensitise all staff how HIV/AIDS impacts on their own lives and on the lives of the communities we are working with, and how this in turn impacts on the work that we do.

Total Spend: €2,139,477 (Stg £1,454,844)  
Funded by: Concern €597,295, DCI-Maps €1,050,505, Concern USA €32,787, DEC €36,468 (Stg £24,798), APSO €69,812, Sundry Sponsors €976 (Stg £664), ECHO €294,171, Non-Monetary Donations €57,463

# mozambique

Area 802,000 sq km  
Population 18.5 m  
GDP per Capita US\$1,050  
Infant Mortality (per 1000 births) 125  
Life Expectancy 38.5  
Living with HIV/AIDS 12.2%  
Literacy Rate 46.5%  
Access to safe water 57%  
Human Development Rank 171



**This was election year and the ruling Frelimo party won 55% of the popular vote, and Armando Guebuza won the presidential election. The economy – particularly in the south – continues to perform well. However, a World Bank report ranks Mozambique third worst out of 130 countries for complex bureaucratic regulation, stifling private-sector growth. This was a relatively stable year climatically, with food shortages reducing, and rainfall being of an acceptable level.**

## Education

Concern's education programme encompasses three projects, in Manica, Zambezia and Nampula provinces. The strategy is to take a rights based approach to empowering local communities in school management and education providers' capacity to deliver better services. At national level, Concern's education and HIV methodology was agreed, basing it on the "Circles of support" experience of Ibis, one of Concern Worldwide's Alliance 2015 partners. A programmatic approach to education and decentralisation interventions was explored in 2004 and key steps identified for implementation in 2005.

## District Planning

This has taken place in Nampula and Manica provinces with the aim of stimulating the participation of local communities in the development of their area and building the capacity of district government to improve governance and democratic decision-making through decentralised planning.

As a result of the programme, communities are increasingly able to discuss local priorities and contribute to the district level planning process. The project in Manica (Machaze district) finished in 2004 and had an impact on the livelihoods of 75,000 people.

## Drought

The drought mitigation and emergency food distribution set out to alleviate food insecurity and water shortage in Machaze District, Manica Province. The programme, in its final year, has distributed food to 5,000 vulnerable families affected by drought. In exchange communities have taken part in water and agricultural related activities such as: repair and maintenance of water pumps, cisterns, wells, irrigation schemes as well as opening of fertile land, introduction of drought resistant crops, livestock repopulation. In total, the project benefited 3,785 households corresponding to approximately 19,125 direct beneficiaries including 8,385 who benefited from agricultural activities and 10,785 from water-focused activities.

## Civil Society

Concern has supported the development of four civil society organisations in Maputo in order to better tackle poverty. This was the final year of the project. The partners completed activities identified in their capacity building plans. They designed development projects that contribute to the alleviation of poverty, which Concern funded. Financial support towards the running of each organisation has been provided. The project had a positive impact on the internal governance, structures and functioning of three organisations which are now operating in a more democratic and transparent manner. The partners have learned new participatory planning skills and have improved the quality of their micro-credit interventions

## Partnership

Further steps were taken in implementing our partnership strategy by linking with two NGOs in Manica province. Magariro ("Our Way") is jointly implementing a project with Concern, whilst ANDA (Association for Sustainable Development) received support to prepare for projects in 2005.

**Total Spend:** €3,032,231 (Stg £2,061,917)  
**Funded by:** Concern €1,048,632, DCI-Maps €802,474, British Govt €68,397 (Stg£46,510), EU €487,331, Oxfam €46,834 (Stg £31,847), APSO €73,031, WFP €22,738 (Stg £15,462), Community Fund UK €215,799 (Stg £146,743), Sundry Sponsors €47,123, Non-Monetary Donations €219,873

# niger

Area 1,267,000 sq km  
Population 11.5 m  
GDP per Capita US\$800  
Infant Mortality (per 1000 births) 156  
Life Expectancy 46  
Living with HIV/AIDS 1.2%  
Literacy Rate 17.1%  
Access to safe water 59%  
Human Development Rank 176



**The Republic of Niger is a large, landlocked country with a population of over 11 million. Niger is one of the poorest countries in the world, economically and politically dependant on its neighbours, particularly Nigeria and Libya, and on international donors. After a decade of military coups and political turmoil, it is now peaceful and successfully held presidential elections in December 2004. However, the country is severely under populated and has few natural resources other than uranium, the price for which has slumped in recent years. Crop failure caused by drought and pestilence is a constant threat.**

## Education

Education indicators are among the lowest in the world. Less than half of Niger's children enrol in school and in Tahoua region where Concern's work is centred, the figures are alarming with overall enrolment rates of 40% and where 75% of girls do not enrol at all.

Concern began work in Niger in 2002 and decided to focus on education. Following extensive research, activities began in mid-2004. The education structure is weak and was further hampered by five months of teachers' strikes. Concern has an office in Niamey and another in Tahoua, 550km drive away, shared with local partner ONEN. Concern has started its first programme, the Niger Education Support Programme based in Tahoua, and implemented almost entirely with ONEN.

The goal is to get more children going to school. Attendance rates, particularly those of girls, the number of permanent classrooms, the teachers trained, the strength of local institutions and the incidence of HIV/AIDS are all major factors.

Some 62 primary schools participated in training for teachers, head teachers, teacher resource staff and parents' associations. Key staff in the education ministry took part in workshops and other training to improve support to these schools. The construction of the first of three teacher resource centres has already begun and the contract for the second has been awarded. In the schools measures to influence awareness of how to avoid HIV/AIDS have been taken.

## Partnership

Concern's work with local partner ONEN is central and the partnership has strengthened as the two organisations work closely to plan and implement activities whilst also ensuring that ONEN grows increasingly strong and independent in the process. The partnership will intensify in 2005, expanding its activities and increasing cooperation with government.

**Total Spend:** €370,810 (Stg £252,151)  
**Funded by:** Concern €203,025, DCI-Maps €94,052, Concern USA €-955, APSO €43,750, HDF €30,938

# rwanda

Area 23,000 sq km  
Population 8.3 m  
GDP per Capita US\$1,270  
Infant Mortality (per 1000 births) 96  
Life Expectancy 38.9  
Living with HIV/AIDS 5.1%  
Literacy Rate 69.2%  
Access to safe water 41%  
Human Development Rank 159



**April marked the 10th anniversary of the 1994 genocide and many overseas dignitaries visited for the official commemoration. Rwanda is still grappling with the twin imperatives of justice and reconciliation. Thousands of people accused of participating in the genocide await trial. To deal with the backlog Rwanda created a traditional justice system known as "Gacaca" but start up was delayed to early 2005.**

## Community Development

A four-year programme in Butare, Gitarama and Ruhengeri provinces began in April 2002. Activities have included training workshops on the government's decentralisation policy, assistance through national NGOs and the provision and improvement of essential services rehabilitation of school buildings, construction of bridges and water and sanitation facilities, through local community development committees (CDCs). The beneficiary target population is approximately 22,000. Some US\$79,000 has been disbursed to each of the national NGO partners for work with community associations and \$75,000 has been used by the CDCs on essential service work.

## Child Survival

The Child Survival programme in Butare province for maternal and child health started its fourth year. It aims to reduce morbidity and maternal and child mortality, and to increase life expectancy in Kibizi district. HIV/AIDS prevention, malaria control, prevention of chronic malnutrition and maternal and newborn care are the strands tackled. This programme targets 33,800 families over five years and is being implemented with the Kibizi health district management team.

## Primary Education

The primary education support programme is a research project in 12 schools in four districts of Butare province. The criteria used were: completeness of the primary cycle and the level of parents' involvement in school management. The first phase consists of research and the development of guidelines for effective primary school management involving staff, families and communities. It is expected that the research itself will raise awareness of the importance of primary education. In total the project expects to benefit approximately 11,000 children, 3,000 family members, 139 teachers, 22 school staff and administrators, 85 community members, and 80 government officials.

## Micro-finance

A project in Gitarama province issued \$62,370 to 797 households (approximately 3,000 people). Clients break down 53% male and 47% female. Loans were mainly used to start micro businesses to help clients to generate additional income. Almost 1,900 clients also opened saving accounts to build capital to invest in agriculture or take advantage of new business opportunities. Concern is now handing over this activity to a local organisation called Intambwe. This is the most effective way of continuing the service to our clients.

**Total Spend:** €1,680,264 (Stg £1,142,580)  
**Funded by:** Concern €621,303, DCI-Maps €757,398, British Govt €12,068 (Stg £8,206), EU €-19,184, Concern USA €243,972, APSO €44,812, GLE Ltd €6,176 (Stg £4,200), Sundry Sponsors €12,183, Other Donors €1,536

# sierra leone

Area 72,000 sq km  
Population 4.8 m  
GDP per Capita US\$520  
Infant Mortality (per 1000 births) 165  
Life Expectancy 34.3  
Living with HIV/AIDS n/a  
Literacy Rate 36%  
Access to safe water 57%  
Human Development Rank 177



**Although there was calm in the country in 2004, the UN peacekeeping mission was extended but is scaling down its presence. The May local elections were largely free of violence. These were the first freely elected local representatives in 30 years resulting in the creation of local district councils. However high inflation and high unemployment, and regional instability in Liberia, Ivory Coast and Guinea continue to constrain development.**

**The geographical focus is on rural development in Tonkolili district and the urban slum locations of Freetown. In post-war Sierra Leone, emphasis is moving away from emergency interventions to building sustainable livelihoods and services to poor rural and urban slum locations, through targeting vulnerable households in the rehabilitation of rural livelihoods, providing clean water and sanitation to rural communities, improving healthcare and widening access to quality education.**

## Livelihoods

Though the rural communities of Tonkolili live in a very fertile region, war, migration of youth to urban areas, poor infrastructure and lack of access to local markets, have meant decline into poverty. Before the war communities had well established structures and coping strategies. These structures had all but disappeared as a result of the war and migration.

In 2004 Concern re-focused on strengthening community-based organisations, village development committees and women's groups.

**Total Spend:** €1,395,122 (Stg £948,683)  
**Funded by:** Concern €575,548, DCI-Maps €705,293, British Govt €-246 (Stg £-167), APSO €53,031, World Bank €22,135 (Stg £15,052), ECHO €-7,086, Sundry Sponsors €46,446 (Stg £31,583)

The aim is to increase community participation. Interventions and inputs included training in income generating activities for more than 700 participants, support to 10 community and women's groups, fishing nets for 80 fishing groups, restocking of sheep & goats to 25 communities, with training, seed and tool distribution to 1,035 farmers and other groups, construction of 13 drying floors and five seed banks and the establishment of 11 school gardens.

## Health

Concern's target for 2004 for improvement of water supply and sanitation in Tonkolili district was not achieved due to shortages of construction materials and deterioration of the already poor road network during the rains. Only 250 of the planned 725 household latrines were completed. The remaining 475 will be completed in early 2005. In addition only seven of 35 community water wells planned were fully completed, the balance remains for completion in 2005.

However the construction/ rehabilitation of three community health posts, providing 24 villages with drugs, and medical supplies has greatly reduced mortality and morbidity. Children, in particular, have benefited. Training of 65 traditional birth attendants to reduce infant and maternal mortality and the training of 51 community volunteers in better hygiene have been effective.

In the western area, some patients had to trek nine miles to the nearest health facility at Tombo. In Mabella, slum conditions, especially during the rains, make movement of patients difficult. Deaths due to severe dehydration/diarrhoea occurred at home or while patients were being transferred to hospitals. Supporting traditional birth attendants and volunteer health workers has made a positive impact on a combined population of 38,000.

## Education

The focus was on formal primary education within Tonkolili district. By targeting 11 existing schools and constructing three new schools, Concern sought to address the main problems which were a lack of qualified and motivated teachers, low attendance of pupils and teachers, poor school structural conditions and a lack of equipment; and limited community involvement and ownership.

# north sudan

Area 2,506,000 sq km  
Population 32.9 m  
GDP per Capita US\$1,820  
Infant Mortality (per 1000 births) 64  
Life Expectancy 55.5  
Living with HIV/AIDS 2.3%  
Literacy Rate 59.9%  
Access to safe water 75%  
Human Development Rank 139



**A peace agreement was signed between the government and the Sudan Peoples Liberation Movement (SPLA) ending a 21-year civil war between north and south Sudan. This was overshadowed by the worsening conflict in Darfur, described as the “worst humanitarian crisis in the world”. The conflict had devastating effects on civilians, and by December, 2.2 million people were either displaced or conflict-affected.**

**Although the humanitarian situation has stabilised somewhat, insecurity and ceasefire violations continue, and urgent basic needs for food, water, sanitation, health, and nutrition, persist. Protection of the displaced population remains a serious concern. The biggest challenge was to meet the basic needs of the affected population in West Darfur, while operating in a difficult and changeable security and political environment.**

## West Darfur

Concern's emergency programme was established in 10 internally displaced persons' camps in El Geneina, in Mornei camp and in five locations around Selea/Kolbus. The programme included supplementary feeding and outpatient therapeutic care to improve the health and nutrition of children under five and pregnant women, and building latrines, supporting communities to construct hand-dug wells, and disseminating health and hygiene messages. Shelter and non-food items were provided to 11,907 families. Some 12 food distribution sites were established, 6,050 children received supplementary feeding, and 825 children were treated for acute malnutrition. The nutritional status of children and mothers has improved, and there have been no major outbreaks of communicable diseases. Hygiene improved amongst the targeted 142,479 displaced and conflict-affected people, and 1,778 new latrines are in use. Water and sanitation committees have been established. Buckets, water-jugs, and soap have been distributed to 24,547 families. Concern has supported communities to dig and maintain wells.

## West Kordofan

Concern focused on building the capacity of four local organisations to improve the livelihood security of communities in Abeyi, and helping the poorest of the poor to participate in their own development. Through training, coaching, and organisational support and a central development information unit, partners and local government authorities were assisted to develop their skills. Partners were helped to develop community food security and water projects and can now develop project proposals, plan and monitor development activities. One successfully implemented a project for increased availability of food, improved post-harvest food management, better use of seeds and fertilisers, vegetables and fruit as sources of income, and improved farming practices. Others began developing longterm water sources to be managed by community committees. The capacity of local government was also strengthened.

**Total Spend:** €4,297,618 (Stg £2,922,380)  
**Funded by:** Concern €1,578,250, DCI-Maps €188,257, DCI-Other €789,133, DEC €522,001 (Stg£354,961), Concern USA €913,866, APSO €6,592, Sundry Sponsors €1,950, Non-Monetary Donations €297,569

# south sudan

Area 2,506,000 sq km  
Population 32.9 m  
GDP per Capita US\$1,820  
Infant Mortality (per 1000 births) 64  
Life Expectancy 55.5  
Living with HIV/AIDS 2.3%  
Literacy Rate 59.9%  
Access to safe water 75%  
Human Development Rank 139



**Although 2004 saw north-south cease-fire violations in specific areas these did not hamper Concern's programme efforts. Tragically, inter-ethnic conflict on a scale and intensity not seen previously erupted in a number of areas, including Yirol where Concern has worked since 1998. This resulted in major population displacements and a significant disruption of planned programmes. Much of south Sudan however remained peaceful, permitting the return of some 420,000 from north Sudan and an estimated 130,000 from neighbouring countries.**

**Unfortunately, the harvest was reduced by erratic rains and was down 38% overall on the relatively poor 2003 harvest. Consequently, in many areas including Aweil west and north, poorer households are facing a 5-7 month hunger gap up to the next harvest in September. Concern has been working in Yirol, Aweil and Nuba since 1998.**

## Emergency Nutrition

In response to increasing malnutrition in under-five children, Concern reopened its emergency feeding programme in Aweil West and North counties in late March. The programme, scheduled to close in late October, had to be further extended to the end of the year, and a shortage of other foods including fish, milk and wild foods caused by the poor rains resulted in one in five children remaining malnourished from September through December.

**Total Spend:** €3,638,516 (Stg £2,474,191)  
**Funded by:** Concern €869,695, DCI-Maps €376,925, DCI-Other €208,000, British Govt €465,854 (Stg £316,781), Concern USA €1,431,370, APSO €89,812, Sundry Sponsors €86,519, Non-Monetary Donations €110,341

## Food Security

Concern continued its food security programme in Aweil west and north counties aimed at building the capacity of communities and particularly poorer households to become more self-reliant. Major activities included distribution of seeds and basic agricultural implements to vulnerable households, establishment of community seed banks, promotion of crop diversification, increased use of ox and donkey ploughs and improved agricultural practices, construction of flood protection dykes, fisheries support, support to poorer women to engage in vegetable gardening and goat rearing, and support to traditional beekeepers and blacksmiths.

In Rashad county of the Nuba Mountains, training and support in agricultural activities was provided to poorer farmers, and those returning to help them to meet their food needs. These included the distribution of seeds and tools primarily to returning families, the establishment of additional village seed banks to provide for future needs, promotion of crop diversification, training in improved farming practices, promotion of vegetable gardening, provision of breeding goats to poor women's groups as well as support to traditional beekeepers. An important additional activity is integrated watershed development, to reverse environmental degradation in four pilot areas of Rashad county. This programme was implemented in partnership with the Nuba Relief, Rehabilitation and Development Organisation.

In Yirol and Aweil counties, activities included distributing seeds to vulnerable households primarily through strengthened community seed banks, continued animal traction promotion; crop diversification, agriculture extension training, support to fishing groups, and the promotion of vegetable growing. Despite fairly widespread ethnic clashes which resulted in temporary mass population displacement in a number of Concern's working areas in the critical run-up to the cultivation season, reasonably good progress was made in most planned activities. This programme was implemented in partnership with Bahr-el-Ghazal Youth Development Agency as were the water and sanitation activities in Yirol county, and neighbouring Aweil county. The activities included development of new water sources through drilling boreholes, rehabilitation /construction of hand-dug wells and construction of water catchments, establishment of a sustainable maintenance scheme and the promotion of improved hygiene and sanitation practices; benefiting an estimated total 26,964.

## HIV/AIDS

Concern supports a local NGO, Mobilisation for Aids Awareness in south Sudan, to implement a HIV/AIDS education programme in Yirol and Aweil counties. This programme continued to raise awareness of AIDS and its potential effect on local communities. Up to 20,000 people were made aware of HIV/AIDS, its modes of transmission and prevention.



# somalia

Area 638,000 sq km  
Population 9.4 m  
GDP per Capita n/a  
Infant Mortality (per 1000 births) n/a  
Life Expectancy 47.9  
Living with HIV/AIDS n/a  
Literacy Rate n/a  
Access to safe water n/a  
Human Development Rank n/a



**A two year-long peace negotiation culminated in the formation of a transitional federal assembly in August 2004, followed by election of a president, who in turn nominated a prime minister. The level of insecurity in the country, and objections to its request for an African Union peacekeeping force to help implement the agreement, have delayed the return of the Transitional Government and Parliament to Somalia.**

## Community Education

The project aims to improve entitlement to learning for 7,000 children in 18 communities in Mogadishu and Lower Shabelle region. Among activities undertaken were: training school teachers and community education committees; construction of three school buildings and facilities; provision of basic education materials, advocacy on gender disparity and inequality in school enrolment and employment; and provision of teaching staff incentives.

Results included improved community involvement in school activities, better access of children from poorer households and progress towards equality in school enrolment (37% of enrolled are girls) and employment (32% female teachers).

## Livelihood Security

Regular food shortages are caused by river flooding, adverse weather conditions, inadequate agricultural infrastructure and farm inputs. The project aims to improve livelihood security for vulnerable households in Kurtunwarey and Awdheghe districts of Lower Shabelle region.

Key activities included training and capacity building of community groups, rehabilitation of agricultural infrastructure (56.32 kms of irrigation canals, 32 culverts, 43 water control gates, 35.6km river embankment); and provision of agriculture inputs to women's farmer associations. Lower Shabelle region produced 54% of the overall cereal production in southern Somalia. A recent crop harvest assessment revealed an increase of the total land under cultivation in areas where Concern operates. In Kurtunwarey district total land cultivated with maize and sesame has increased from 5,020 hectares in 2003 to 6,002 hectares in 2004, while per hectare yield increased from 12 quintals in 2003 to 16 quintals in 2004.

## Water and Sanitation

This project aims to improve access to safe drinking water and adequate sanitation for 8,690 families in Lower Shabelle region. Through a local NGO partner, Concern contributed to improved access to safe drinking water, improving hygiene and sanitation. Community awareness of good practice is greater, with improved ownership of water sources and maintenance; and effective water and sanitation committees at local level. Women and children spend less time collecting water from afar and more children, girls in particular, have begun attending Concern supported schools.

## HIV/AIDS

Though Somalia may have low HIV infection rates, it has borders with countries of much higher prevalence rates. Through HIV/AIDS education at work place and community level, information dissemination through mass media, debates and drama, Concern is seeking to better awareness of the dangers.

**Total Spend:** €1,372,959 (Stg £933,612)  
**Funded by:** Concern €321,742, DCI-Maps €459,921, EU €379,591, Concern USA €140,641, APSO €15,000, Jersey OA €5,934 (Stg £4,035), Sundry Sponsors €40,490 (Stg £27,533), Non-Monetary Donations €9,640

# tanzania

Area 945,000 sq km  
Population 36.3 m  
GDP per Capita US\$580  
Infant Mortality (per 1000 births) 104  
Life Expectancy 43.5  
Living with HIV/AIDS 8.8%  
Literacy Rate 77.1%  
Access to safe water 68%  
Human Development Rank 162



**Local elections in November 2004 were generally peaceful, though there were some problems. Most regions had adequate rain and reasonable harvests, compared to 2003 when there was drought and poor harvests in several regions. A country-wide exercise to improve rural roads continued. The review of the first Poverty Reduction Strategy continued, resulting in the National Strategy for Growth and Poverty Reduction, 2005-09.**

## Civil Society Support

The aim is to alleviate poverty through enhancing the effectiveness of 36 community groups to assist the poorest people in three regions, Masasi (Mtwara), Kigoma, and Dar es Salaam. Training was given in leadership skills, participatory impact monitoring, conflict resolution/management, HIV/AIDS mainstreaming, advocacy, good governance, project management, fundraising, strategic planning, and use of participatory methodologies. Exchange visits were also arranged for partner civil society organisations (CSOs). Grants equivalent to €184,819 were disbursed for poverty-focused projects. Some partners received funds from other sources. In Kigoma, the government sought local civil society organisations to deliver HIV/AIDS education and five were given funding to carry out this work.

## Livelihood Improvement

This programme, covering four wards in Lindi rural district, sets out to alleviate poverty by enhancing the effectiveness of village institutions and CSOs. Grants totalling €26,881 were also provided to CSOs. A partner LIWOPAC has developed a paralegal organisation of women dealing with advocacy on women's and children's rights.

**Total Spend:** €2,618,859 (Stg £1,780,824)  
**Funded by:** Concern €985,432, DCI-Maps €575,387, British Govt €89,603 (Stg £60,930), EU €566,014 (Stg £384,890), Concern USA €83,664, APSO €30,000, UNHCR €254,335 (Stg £172,948), Sundry Sponsors €34,424 (Stg £23,408)

## Mtwara Agriculture

The programme aimed at improving agriculture in five wards of Mtwara rural district, benefiting a total population of 55,416. Some 70 community-based extension trainers from 35 villages were trained in appropriate agricultural technology.

## Community Empowerment

This programme started with the aim of alleviating absolute poverty in Iringa rural district by improving the effectiveness of community-based organisations (CBOs) and local government. A total of 204 executive committee members of 12 CBOs and 276 members of 13 village councils were trained in leadership, participatory impact monitoring, conflict management, financial management, and proposal writing and fundraising. Kigoma Development Promotion Agency, a Concern partner, successfully campaigned to cancel taxes abolished by Government but still being collected in the area.

## Refugee Care

Concern is responsible for the water, sanitation, hygiene promotion, and vector control component of the refugee operation in Ngara, as a partner to UNHCR. The programme served a total of 93,061 Burundian refugees in two camps. Three masonry storage tanks and two ferro-cement tanks were constructed to promote sustainability and minimise the cost of tank liners. Two main spring catchments were upgraded. Ground water exploitation and pumping from boreholes was minimised as a result.

Water taps were installed closer to people in need so that women and households affected by HIV/AIDS do not have to travel far.

## Refugee Areas

A community-based programme improves the health of communities in Ngara by providing clean water and better hygiene and sanitation. Implemented in partnership with Ngara district council, it covers 10 villages targeting a total population of 24,809.

## Piped Water

The programme aims to improve the livelihoods of the people in Mburo villages in Mtwara, ensuring the sustainable management of the Mburo water scheme. Financial and technical support was given to rehabilitate the system, and 10 water selling kiosks were constructed. Training on participatory hygiene and sanitation transformation was given to 140 community activists and board members. Hygiene and sanitation campaigns were conducted in eight villages involving village leaders and health workers. Waterborne diseases dropped from 397 in 2003 to 169 at the end of 2004.

## HIV/AIDS

A major focus was on mainstreaming HIV/AIDS into all development efforts. A training module was developed and staff were trained. Regional programmes conducted training for 46 partner organisations and village and district governments.

# uganda

Area 241,000 sq km  
Population 25 m  
GDP per Capita US\$1,390  
Infant Mortality (per 1000 births) 82  
Life Expectancy 45.7  
Living with HIV/AIDS 4.1%  
Literacy Rate 68.9%  
Access to safe water 52%  
Human Development Rank 146



**Continued attacks on civilians by the Lord's Resistance Army (LRA) rebels in 2004, pushed the number of internally displaced people up to 1.6 million and made aid delivery difficult. Peace mediation efforts are making some progress. The transition to multi-party politics is going slowly. Economic growth increased slightly to 5%, but inequality is increasing.**

## Emergency

Concern's support to 174,671 people displaced by LRA attacks continued in Katakwi and Soroti districts. Average water coverage in Katakwi was raised from approximately 2.3 litres per person per day to 7.1 litres. Sanitation coverage in Katakwi has improved from 1 latrine per 125 people to 1 per 36, and in Soroti from 1 per 100 to 1 per 20. Emergency supplies of soap, mosquito nets, water vessels and cooking pots were provided. Hygiene and HIV/AIDS education has improved local knowledge, attitudes and practice. District disaster management committees were assisted to coordinate the wider relief effort.

## HIV/AIDS

Local organisations were strengthened to tackle HIV/AIDS. Eleven organisations in Mpigi district raised awareness of HIV prevention and human rights; to improve incomes through skills training; to supply herbal remedies, carry out home visits and counselling, refer clients for HIV testing/anti-retro viral therapy, and to distribute condoms. Three larger organisations were funded to improve the well-being of needy people infected and affected by HIV/AIDS in five other districts.

## Improving Livelihoods

Local communities were assisted to control their own development. In Rakai, six sub-county committees were assisted with planning, and disbursing development grants, for 152 micro-projects in 110 villages. The majority were AIDS-awareness campaigns and projects to mitigate the effects of the pandemic. Five Civil Society Organisations (CSOs) and the district authority were supported to help poor farmers in the district and develop a deeper understanding of their human rights.

The Katakwi project remained suspended as most people remained displaced in sub-county centres. A new project was started in Nakasongola; the district authority and selected CSOs were helped to carry out some priority development and HIV/AIDS activities.

Six poor/slum areas in Kampala city were supported. Ten community proposals were funded to construct 2,060 metres of drain, four culvert lines, 10 footbridges, one toilet block, 76 metres of sewer line and to renovate six latrines. Ten CSOs were funded to implement micro-projects and health and HIV/AIDS awareness-raising campaigns. Partner activities included advocacy research, a community resource centre, loans to 436 women and vocational training for 151 youth.

**Total Spend:** €2,596,393 (Stg £1,765,547)  
**Funded by:** Concern €476,709, DCI-Maps €495,306, DCI-Other €182,598, British Govt €180,954 (Stg £123,049), ECHO €889,917, LGDP €27,704 (Stg £18,839), EU €-1,501, APSO €79,623, HIVOS €70,000, Concern USA €40,984, UNICEF €21,504 (Stg£14,623), Sundry Sponsors €21,531, Non-Monetary Donations €111,063

# zambia

Area 752,000 sq km  
Population 10.7m  
GDP per Capita US\$840  
Infant Mortality (per 1000 births) 108  
Life Expectancy 32.7  
Living with HIV/AIDS 16.5%  
Literacy Rate 79.9%  
Access to safe water 64%  
Human Development Rank 164



**For a second successive year Zambia welcomed a successful harvest and was able to build up strategic reserves of over 180,000 tons of maize, even exporting significant amounts of food to neighbouring Congo, Zimbabwe and Malawi. There were a few exceptions to the success of the harvest, particularly in disaster-prone southern and western provinces of the country, again experiencing flooding of the Zambezi, combined with poor rains at the end of the year.**

**Nonetheless Zambia remains one of the poorest countries in the world and a survey completed in 2004 showed that two out of every three households live in poverty. During its second year of operations Concern's work continued to be targeted primarily in Mongu district of Western Province, much of which continues to suffer food shortages, and is struggling to cope with the rapidly spreading HIV/AIDS epidemic and regular floods and droughts.**

## Food security

Concern focused its food security work on building up the capacity of the Mongu District Farmers Association (MDFA) to serve the rural poor and increase their food self-sufficiency. In pilot activities conducted with MDFA, several "micro-projects" supporting community initiatives were funded. This included two seed stores constructed by villagers and two community-managed maize grinding mills considerably reducing women's workload.

**Total Spend:** €694,302 (Stg £472,125)  
**Funded by:** Concern €518,898, Concern USA €40,984, Sundry Sponsors €95,670, APSO €38,750

By mid-year the seed stores were full with over two tons of seed contributed by villagers from last year's harvest; and at the end of the year the seed was redistributed by the newly-functioning village management committees to needy villagers for the new planting season. Concern also built up the capacity of MDFA trainers to conduct farmer training in subjects such as soil and water conservation, fish farming and vegetable growing. Many targeted villages are on their way to becoming self sufficient in a few years by managing their own surpluses more effectively with support from a strong district farmers association.

## HIV/AIDS

Concern expanded activities under the HIV/AIDS programme to build capacity among local organisations and structures to halt the epidemic spreading fast in Western Province. Concern continued to support a local youth group to perform village theatre explaining means of preventing the spread of HIV/AIDS. In addition, Concern has helped a local branch of People Living with HIV/AIDS (NZP+) to get organised. In its first year NZP+ has added more than 200 members, and plans have been devised to begin combating the impact on households through income-generating activities and better nutrition.

NZP+ aims to prevent further spread of the disease through awareness campaigns. Meanwhile Concern has continued to support government efforts to set up a District AIDS Task Force (DATF) in Mongu bringing local and international NGOs, church groups and government departments together in a common front. DATF executive members have been trained in planning, financial management, and computer use, and workshops to share experiences have been funded and a database set up. The National AIDS Council recognised these efforts, identifying Mongu as having one of the most effective task forces in the country.

## Disaster Response

Due to the unpredictable weather, the poor sandy soils and regular flooding of the Zambezi, life for the rural poor in Western Province is often precarious. Concern developed a new programme to strengthen the District Disaster Management Committee, bringing together civil society groups and government departments to support community efforts to prepare for and respond to disasters more effectively.

# zimbabwe

Area 390,000 sq km  
 Population 12.8 m  
 GDP per Capita US\$2,400  
 Infant Mortality (per 1000 births) 76  
 Life Expectancy 33.9  
 Living with HIV/AIDS 24.6%  
 Literacy Rate 90%  
 Access to safe water 83%  
 Human Development Rank 147



**Concern began operations in Zimbabwe in 2002 in response to the food security crisis affecting up to five million people. This continued until the harvest began to be collected in April 2004, and the government declared the emergency was officially over. Zimbabwe has slipped from being a major food exporter and one of the more affluent countries in the Southern Africa region to being one of the poorest 40 countries in the world. Macro-economic difficulties have compounded the difficulties. Efforts to reduce inflation met limited success, with rates falling from 700 to 350%.**

**Lack of foreign exchange is a major problem, introduction of the auction system initially stabilised the currency, but demand has not been met through this mechanism, and the final quarter of the year once again saw an increase in the differential between the auction rate and parallel markets. Businesses are badly hit by the lack of foreign exchange to pay for imports of essential materials.**

## Food Deficits

Food distribution continued until April, with Concern providing food in collaboration with the World Food Programme to up to 500,000 people. The success lies in the avoidance of a humanitarian crisis, despite severe food deficits. The move towards more sustainable recovery and development programmes began following surveys conducted in vulnerable target communities, and consultation with local authorities. Support with agricultural inputs and irrigation to achieve sustainable improvements to livelihood security were identified by the communities as priority areas.

Two programmes were subsequently designed. The first began in the latter half of the year and saw Concern providing quality “open pollinated” seed and fertiliser to benefit 75,000 people from vulnerable households. These include households with orphans or widows, chronically ill members and the elderly. The programme also provides training to improve agricultural skills, and in basic HIV awareness raising.

The seed distributed was less than planned, due to local restrictions in importing seeds. Nonetheless, a significant contribution was made to the seed needs of the poorest families in target areas, and planting has taken place. While the crop is still vulnerable, initial indications are that if rains are sufficient, households should achieve a significant proportion of their food needs and be able to save seed for the following season.

## HIV/AIDS

With HIV prevalence rated almost 25% of the 15-49 year age group, Concern focuses on mainstreaming HIV/AIDS. The support of HIV initiatives within the workplace is essential. To date no funds have been made available from the global fund which supports HIV/AIDS intervention. Donor support for certain interventions is available, though bilateral aid is very limited, and Zimbabwe finds itself in limbo - the emergency is over but development activities and long-term funding are not yet in place.

## Prospects

The situation continues to be precarious. Successive years of drought led to the selling of many household resources, such as cattle and other assets. Despite food distribution, the greater part of the population is more vulnerable to shocks than it was in 2001. Much remains to be done to support people in reducing their vulnerability. Crop diversification, better use of resources and securing a return to self-reliance are essential, and they will not take effect unless HIV/AIDS is also tackled.

Total Spend; €9,393,085 (Stg £6,387,298)  
 Funded by; Concern €1,202,323, WFP  
 €788,998 (Stg £536,519), Non-Monetary  
 Donations €7,401,764

# Train of hope throws a commercial lifeline to millions of people in war-torn Congo

**When labourers started clearing jungle foliage from the disused rail track, the people of Samba laughed. A train? In this isolated, war-torn bit of Congo? It seemed absurd. “They said it was a joke,” said Louis Ngongo Bila, one of the labourers. “I have to admit I didn’t have faith either, it seemed a folly.”**

After a horrific war which left more than 3 million dead, the economy in ruins and rural towns marooned in the bush, their transport and phone links cut, optimism does not come readily to the Democratic Republic of Congo.

Years of looting and destruction bled almost everything of value from Samba, down to doorknobs and the station manager’s pencil. Rehabilitating the line seemed fanciful.

Thanks to the government, the charity Concern and other relief agencies, the train is back. Since June it has chugged through Samba twice a month, a blast of colour and noise which draws hordes of children, traders and passengers to the station.

Dating from the 1920s and 1930s, the box cars clank,

rattle and toil along the reopened 870-mile track, sometimes wheezing to unscheduled stops, but the sight stirs hope of a brighter future.

Once a busy market stop on the line between Lubumbashi and Kindu, two provincial capitals, Samba went back in time when the war destroyed the railway six years ago. As jungle vines colonised the track and trees sprouted between sleepers, the town crumbled. People fled into the bush, shops and schools closed, fields were abandoned. Peace deals have restored a modicum of security to the province but you can see the war’s legacy in the hollow cheeks, distended bellies and yellowing hair of malnourished children.

At therapeutic feeding centres like the one in nearby Kasongo

some are too weak to sit up. Kabala Machozi, 10, his ribs protruding, used every ounce of energy raising a yellow plastic cup to his lips.

Concern’s emergency response should save Kabala but it took more than nutrition and medical care to revive a community drained of resources and confidence. What Samba needed was economic opportunity.

So Concern helped the National Congolese Railway Authority to rehabilitate the track and stations, a surprisingly swift operation completed in under a year by several thousand labourers ... [Samba’s] recently arrived doctor, Norbert Lofole, the first since colonial times, said that at current rates of improvement malnutrition could be eradicated within two years.

} **Rory Carroll  
 in Samba, Congo  
 The Guardian**

# uganda

It was a marabou stork worthy of an Irvine Welsh nightmare. With its gnarled head and arrow-like beak, the huge bird tugged and probed at the heap of rubbish lying rotting in one of Kampala's slum streets.

Behind in the distance, the sun was coming up over a palm-fringed Lake Victoria, an altogether more tranquil, picturesque scene that belied the harsh realities of living in Kampala's most deprived neighbourhoods.

Somehow the two scenes side by side seemed to sum up Uganda for me - this evil, monster-like predator stalking the country's poorest and most vulnerable communities against the backdrop of an otherwise beautiful landscape. But in Uganda today, the real predators are not the scavenging wildlife, but the combined threat of HIV/AIDS and one of Africa's most brutal rebel groups, the so called Lord's Resistance Army (LRA). The combined effects of these two horsemen of the apocalypse recently led one

senior United Nations spokesman to refer to the situation in northern Uganda, where the LRA's abduction and sexual abuse of children has led to the spread of HIV/Aids, as the number one under-reported humanitarian story in the world today.

"Where else in the world have there been 20,000 kidnapped children? Where else in the world have tens of thousands of children trekked into villages and hospitals every evening to sleep on the dirt for the night, to go back without being fed to their villages - and they do this because they are scared for their lives?" asks Jan Egeland, UN emergency relief co-ordinator. My own journey into Uganda's world of HIV/AIDS and forgotten children began two weeks ago, with the help of

humanitarian agency Concern Worldwide, in the capital Kampala.

"Welcome to Kamwokya neighbourhood, our home and place of work," says Yusuf Senoga, in a deep, sonorous voice that seemed strange resonating from the slight man standing in front of me. Yusuf is the local co-ordinator of the Bukkadde Magezi, an association of elderly people, mainly grandparents, who have come together to care for the many Aids orphans that live in one of Kampala's most notorious slum communities. This is a place where tens of thousand of people live cheek by jowl in tiny wooden shacks set into the rust coloured clay earth that turns into a mire with the late afternoon downpours of the rainy season.

Here, Concern helps fund the work of "local empowerment groups" like Bukkadde Magezi. As I was to hear time and again from the individuals and families that work with the group in Kamwokya, surviving here is a perpetual balancing act. A constant struggle to keep at bay the combined killers of HIV/AIDS and poverty. However ... this is also a place of inspiration, ambition and a genuine commitment to tackle the problem of HIV/AIDS head on, the sort of commitment that has seen Uganda become something of an African success story in combatting the disease.

Since the confirmation of the first Aids case in Uganda in the 1980s, it is estimated that more than two million Ugandans have been infected

with the HIV virus. Of these, 800,000 people have died, leaving one million children orphaned. At its height, heterosexual transmission accounted for 75 to 80% of new infections. Mother-to-child transmission constituted almost all other cases.

Staggering as it is to imagine, the toll could have been worse had the Ugandan government not enlisted international help to contain and finally reverse the spread of the disease. Set against this comparative success, though, is the spectre of the war in the north of the country, where the marauding evil of the LRA has accounted for many of the recent HIV infections ... the LRA is mainly made up of abducted children between the ages of 11 and 15, many

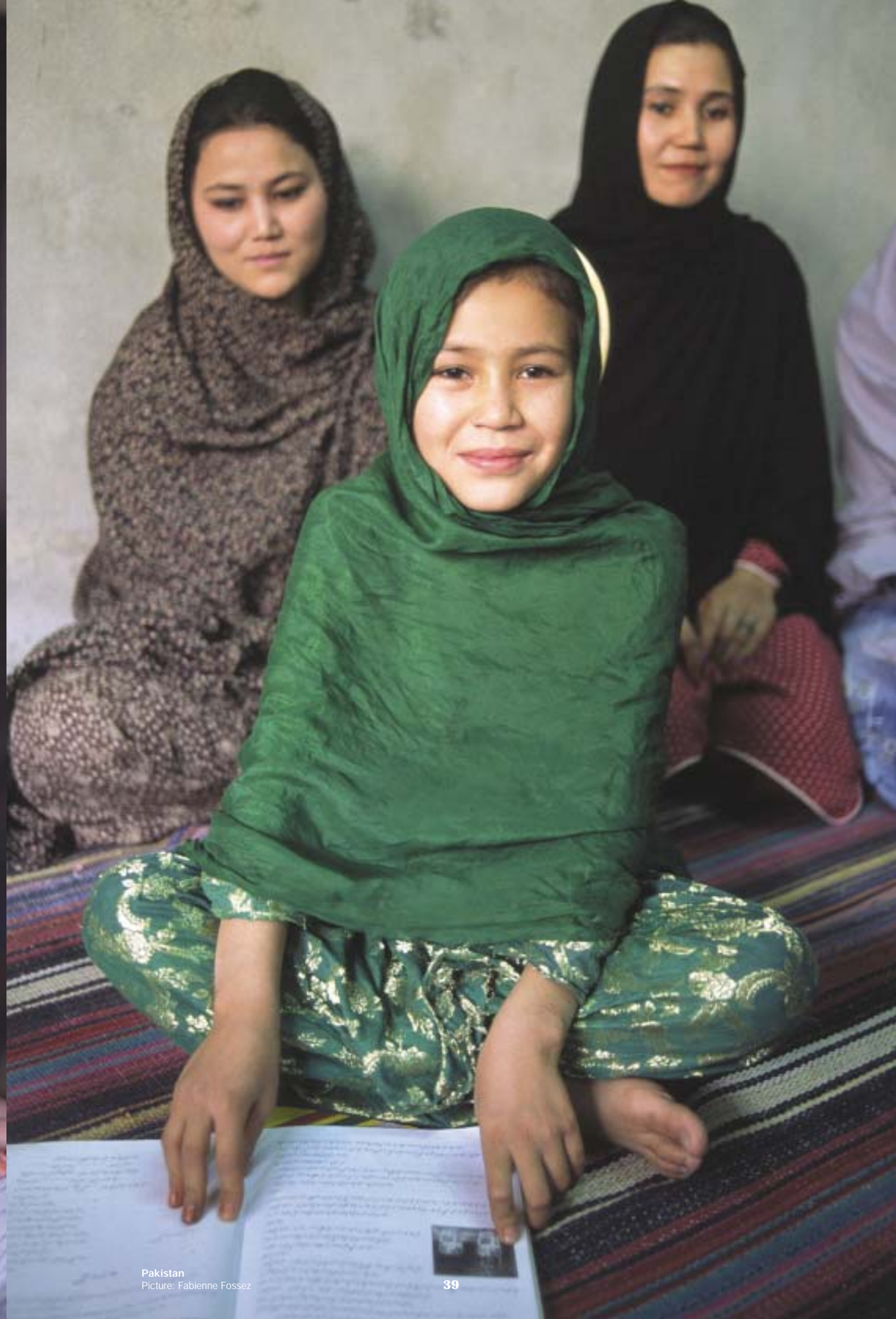
of whom are used as porters, soldiers and sex slaves.

This suits Kony, [Joseph Kony, the LRA leader] and his men for children are malleable and very quick to obey orders. "Children copy exactly what is taught in training, they don't pretend," said one former LRA commander.

His views are echoed by UN press spokesman Shashi Tharoor. "We have kids as killers. According to some estimates, as many as 90% of armed soldiers of the LRA are children, and they are victims. The ones they're killing, abducting, violating, are children, too. It's a story of children killing children that isn't getting enough attention."

} David Pratt  
Sunday Herald  
Scotland





# afghanistan

Area 652,000 sq km  
Population 22.9 m  
GDP per Capita n/a  
Infant Mortality (per 1000 births) 165  
Life Expectancy 43.1  
Living with HIV/AIDS n/a  
Literacy Rate n/a  
Access to safe water 13%  
Human Development Rank n/a



**Afghanistan continued on a rocky route towards stability in 2004. The interim government remained in power, though its ability to project its authority beyond Kabul was limited by continued aggression by anti-government forces in the south and southeast.**

**The Cabinet is notable for its lack of warlords and its emphasis on technocrats. However there was a marked increase in violence by a wide variety of anti-government forces. These included Taliban, al Qaeda, opposition militia groups, and criminal gangs. The failure of the international community to provide sufficient resources to the International Security Assistance Force contributed to increased insecurity. This delayed implementation of the government's national development plan, though some key elements – such as the National Solidarity Programme – were started successfully. Regional and district government offices remain extremely weak and under resourced.**

#### Livelihood Security

Working in Takhar and Badakhshan provinces, in north east Afghanistan, the programme involves reforestation by providing approximately 60,000 saplings, distributing wheat to 3,000 farmers, a kitchen garden programme for 1,500 female-headed households, and training auxiliary vets (“para vets”).

When the programme began in 2003, the north east of Afghanistan was rated as “highly food insecure” by international indices. It is now regarded as largely food secure - albeit with pockets of insecurity.

#### Water and Sanitation

A programme to help people in Rustaq, Kalafghan and Yangi Qala Districts, Takhar province, and Badakhshan province, northeast Afghanistan, to access safe water sources, has provided latrines for 227 families, built 14 wells, and provided hygiene training for 2,650. Water has been piped to seven villages of Rustaq district, benefiting 7,000 people, and two spring water systems developed and a reservoir built in Langer village. Communities have been helped to manage their water and sanitation needs, and cut time spent carrying water. The quality of water has been improved, with health benefiting, and irrigation has improved food production.

#### Infrastructure

The project sets out to increase access of isolated and vulnerable people in Takhar and Badakhshan provinces, north east Afghanistan, to markets, schools, and clinics by rehabilitating rural infrastructure. Schools have been built and others repaired, 108 km of roads fixed, health clinics rebuilt and a footbridge installed.

#### National Solidarity

Along with other NGOs Concern signed an agreement with the Ministry for Rural Reconstruction and Development in June 2003 as facilitating partner of a World Bank-funded National Solidarity Programme (NSP) in Warsaj district, Takhar province. Concern earlier implemented a rural rehabilitation programme in Warsaj including a large road and culvert construction, distribution of timber for housing and wheat seeds, and school construction, as part of its response to the 1998 earthquake, and to help communities during the 1999-2003 drought. Concern looked at the NSP as an opportunity to enrich capacities, participate in development along with key players, and start a learning-sharing process to improve delivery of services. Because of its unique features, Concern decided to implement NSP apart from its mainstream programmes. By the end of the first year, 31 projects were in train. Support from the local community cultivated during Concern's 2001-2003 presence in Warsaj has benefited the programme.

**Total Spend:** €3,083,266 (Stg £2,096,621)  
**Funded by:** Concern €1,381,409, DCI-Maps €437,690, DCI-Other €277,333, Concern USA €895,091, APSO €56,404, MRRD €262,621, Other Donors €-8,868, Non-Monetary Donations €31,186

# bangladesh

Area 144,000 sq km  
Population 143.8m  
GDP per Capita US\$1,700  
Infant Mortality (per 1000 births) 51  
Life Expectancy 61.1  
Living with HIV/AIDS <0.2%  
Literacy Rate 41.1%  
Access to safe water 97%  
Human Development Rank 138



**The steady economic growth of recent years continued in 2004. Poverty remains a serious challenge, with more than 50 million people (36% of the population) living on less than \$1 a day. In July and August, devastating floods, affecting approximately 36 million people, destroyed millions of homes, roads and bridges, damaged sewerage systems, submerged agricultural land and ruined crops. Political turbulence and violence escalated and political protests and strikes disrupted business and other activities, including Concern field work. Several journalists and prominent politicians were assassinated and a grenade attack at an opposition party rally in August killed 20 people, and injured 300, including Sheikh Hasina, party leader and former prime minister.**

#### Health and Nutrition

Concern's nutrition project works with malnourished mothers and young children in slums in three major cities, Dhaka, Khulna, and Chittagong, helping to improve diet and health using local resources. It provides support and training in managerial skills for public health authorities, and technical skills for practitioners to improve health services to the poor in urban and semi-urban areas. Through national health committees, Concern seeks improvements in nutrition. Various approaches to addressing urban malnutrition are showing positive results for the 10,767 families involved in the nutrition project, and since 2002, the rate of moderate malnutrition in the project area has reduced from 48% to 18%. Concern has contributed towards safer home births through training for 420 traditional birth attendants,

#### Improving Livelihoods

Concern works with local partners to assist poor families with local savings and credit schemes and to increase income from agriculture and other micro-enterprises using local resources. The livelihoods programme works with community organisations and local government to increase essential services for disadvantaged families. More than 16,000 families have been supported in running small businesses.

**Total Spend:** €4,662,823 (Stg £3,170,720)  
**Funded by:** Concern €1,385,874, DCI-Maps €991,500, DCI-Other €75,000, British Govt €287,903 (Stg £195,774), EU €240,797, Concern USA €374,991, APSO €41,781, UNHCR €269,337 (Stg£183,149), WFP €54,859 (Stg£37,304), UNDP €39,850 (Stg£27,098), Sundry Sponsors €7,285, Other Donors €13,439, Non-Monetary Donations €880,207

Some 3,850 women involved in producing handicraft products were enabled to develop linkages with national and international buyers, and got orders worth €41,041. The programme provided kitchen gardening training to 1,016 people, helping to improve food security by growing vegetables to feed their families.

#### Emergency Response

Following floods in July and August, Concern worked through 30 local organisations to carry out rescue, relief and rehabilitation work. Together we provided training and activities to help 66,137 community members and government authorities to build shelters and access roads, planting trees to reduce soil erosion and raising ground around homes and communities to protect against flood waters. Concern provided 6,972 extremely poor people with jobs in flood rehabilitation work, distributed wheat, pulse, vegetable and rice seeds to 16,000 families and began reconstructing and repairing a total of 3,200 houses, enabling the poorest flood affected community members to rebuild their lives. More than 100,000 families benefited from the flood relief project and the impact was felt nationwide. Concern has been supporting 20,291 refugees from Myanmar in two camps.

#### Education

The education programme helps school management committees and government to improve quality of education in 30 primary schools. A project provided training for 80% of the school management committee members, helping them to improve attendance, enrolment and retention rates. Attendance rates in the project schools increased from 74% in June to 77% in December 2004. The committees work with government to ensure that the schools are well-maintained, and 10 tube-wells and 15 toilets were installed.

#### HIV/AIDS

Combating HIV/AIDS is central to all Concern's and its partners' programmes, increasing awareness of how the virus can be transmitted and vulnerability reduced. Concern developed staff training modules on HIV/AIDS and organised training for all its national and partner organisation staff. Concern provided leadership for the co-ordination of a network of NGOs addressing HIV/AIDS issues.

# cambodia

Area 181,000 sq km  
Population 13.8 m  
GDP per Capita US\$2,060  
Infant Mortality (per 1000 births) 96  
Life Expectancy 57.4  
Living with HIV/AIDS 2.6%  
Literacy Rate 69.4%  
Access to safe water 30%  
Human Development Rank 130



**The two largest parties agreed in July to share power, creating 166 new positions. King Norodom Sihanouk abdicated and a minor constitutional crisis was averted when the legislature approved Norodom Sihamoni, a son from Sihanouk's current and fifth marriage, as king.**

**A short rainy season and no government for over half the year resulted in lower economic growth than predicted. Some 36% of all Cambodians suffer from hunger, 78% live in poverty, and 90% of the poor live in rural areas. Concern works in rural areas in four provinces. In 2004 we completed the transition from directly implementing programmes to working through partners, signing agreements with nine local Cambodian NGO partners.**

**Concern supports government and decentralisation in partnership with forestry administration in three provinces. Concern also signed agreements with provincial treasuries in Pursat and Siem Reap to provide funds for local government for livelihood initiatives.**

## Livelihood Improvement

In Pursat and Siem Reap provinces, Concern and partners enable needs and rights of poor villagers to be met in a sustainable way. Communities improved livelihoods through sanitising villages and digging latrines. Some 3,545 people benefited from sanitation initiatives across 17 villages. Partners participated in training to build links with local government and to improve project monitoring/evaluation. Commune councils participated in exercises in planning, management, networking, partnership, and HIV/AIDS.

## Forestry

Our forestry programme in Pursat, Kompong Chhnang and Kompong Cham works to build the capacity of local NGOs, government departments, and communities to manage forests sustainably, and to continue access for poor people depending on forest resources for food, traditional medicine, and construction materials. Some 18 new villages joined bringing the total to 56, and partners participated in training in: gender; forest harvesting; global positioning systems and mapping; participatory inventory; data analysis; and conflict management.

## Emergency Response

Following an extremely short dry rainy season Concern assisted in pumping water to drought affected fields. A total of 13,984 families in Siem Reap, Pursat, Kompong Chhnang and Kompong Cham benefited.

## Rural Development

A programme training partners in development and financial management skills, finished in March. Projects such as pig-raising and rice banks were established by 135 income generation groups, benefiting 1,967 members in Pursat, and 108 income generation groups were formed in Siem Reap.

## Microfinance

Concern continued to assist the work of AMK (Concern's Cambodian microfinance institution) through supporting two international staff and two board members. AMK provides credit and banking to more than 20,000 rural households, helping small businesses.

Total Spend: €1,421,063 (Stg £966,323)  
Funded by: Concern €315,525, DCI-Maps €442,306, Danida €378,306 (Stg £257,248), Community Fund UK €54,232 (Stg £36,878), British Govt €164,271 (Stg £111,704), EU €26,857, Concern USA €24,679, APSO €66,250, Sundry Sponsors €2,351

# democratic people's republic of korea

Area 121,000 sq km  
Population 22,540 m  
GDP per Capita n/a  
Infant Mortality (per 1000 births) 42  
Life Expectancy 63.1  
Living with HIV/AIDS n/a  
Literacy Rate n/a  
Access to safe water 100%  
Human Development Rank n/a



**International opinion still keeps DPR Korea isolated and lacking contact with the outside world. Development assistance to the country formerly known as North Korea remains limited, and the infrastructure continues to deteriorate as the country's terms of trade remain stagnant. Working conditions remain fairly restrictive, although the government is allowing more communications between the capital and upcountry. Concern is well positioned to work with the government due to its high level of technical expertise in its areas of intervention, and positive working relations with local and central government authorities.**

## Water and Sanitation

Concern received funding from European Commission Humanitarian Office, Development Cooperation Ireland and Jersey Overseas Aid to continue working in the water and sanitation sector, in Pukchang, Dokchon and Hoichang counties in South Pyongan province. Concern provides increased access to drinkable water, rehabilitation of institutional latrines, and carries out hygiene promotion. Concern provided assistance to 130,000 beneficiaries, including 20,000 school children. This included rehabilitation and/or construction of 20 rural water systems in 10 rural communities, provision of 355 institutional latrines, rehabilitation of three town pumping stations in Hoichang, and provision of supplies to Dokchon town pumping station, training workshops for hygiene promoters, distribution of soap to more than 30,000 people, and provision of water testing equipment in Hoichang and the capital, Pyongyang, with expanded training provided by a consultant. This has improved water and sanitation systems and increased community initiatives in environmental health and hygiene as well as improving the skills of local laboratory technicians.

## Health

There is a dearth of essential medicines and very limited resources, with little investment in infrastructure, limited equipment, and inadequate training, particularly at health care worker level. Concern began to improve health care provision to the people of Pukchang county within five farming communities and three industrial communities. The beneficiary population is the catchment area of the rural health clinics of 58,000 people. As a result 20 clinics received basic medical equipment and bicycles for home visiting, four county and community hospitals received essential supplies, rural clinics received building materials, 10 clinics for building improvements and improved water supplies and 56 new latrines and associated equipment were supplied. Primary health care workers work more effectively with better premises and equipment. Clinic users have an improved understanding of hygiene and access to safe water and better sanitation facilities, essential to control disease in a health centre.

## Food Security

Concern embarked on a new direction in food security with the introduction of a seed multiplication project aimed at ensuring sustainable food security for the counties of Yangdok, Unsan, Pukchang and Anju. This assists

the farming population in all four counties (approximately 360,000) where direct beneficiaries are 17,000 inhabitants. Project activities include distribution of winter wheat, monitoring of seed trial demonstration plots, and the provision of appropriate agricultural inputs. Nitrogen fixing crops are provided, such as soya bean to complement other crops.

## Livelihoods and Environmental Sustainability

DPRK is very deforested, resulting in environmental degradation and increased vulnerability to disasters. Concern is joining the government's effort to re-green the country to improve the environment, contribute to livelihoods and to improve the sustainability of the fuel wood situation. Concern continued a fourth year of collaboration with the Ministry of Land Management and Environmental Protection (MOLMEP). Concern worked in South Pyongan and North Pyongan provinces providing support to tree nurseries. Direct beneficiaries were approximately 28,000 members of surrounding communities. Initiatives included providing seeds and saplings to assist reforestation and increased biodiversity, renovation of storage and cellaring areas and construction of irrigation systems, and exchange visits and study tours for tree nursery management and officials to disseminate better forestry techniques.

Total Spend: €1,555,806 (Stg £1,057,948)  
Funded by: Concern €682,459, DCI-Other €149,915, British Govt €7,912 (Stg £5,380), Jersey Overseas Aid €58,257 (Stg £39,615), SIDA €230,063, ECHO €426,528, Other Donors €672



# india

Area 3,288,000sq km  
Population 1,049.5 m  
GDP per Capita US\$2,670  
Infant Mortality (per 1000 births) 67  
Life Expectancy 63.7  
Living with HIV/AIDS 0.79%  
Literacy Rate 61.3%  
Access to safe water 84%  
Human Development Rank 127



**Predictions for the general election were confounded when the Congress-led coalition prevailed with the support of various left wing parties. With hindsight, the surprise defeat of the ruling National Democratic Alliance (headed by the nationalist Bharatiya Janata Party) can be seen as a miscalculation in the 'India Shining' campaign, with poor, rural voters, in particular, feeling they were left in the shade. The new government is leading to some shifts in policy, with economic reform continuing, but with a 'human face'. Relations with Pakistan continued to improve, although the fundamental issue of Kashmir remains unresolved.**

**Economically, GDP growth for 2003/4 was a buoyant 8.2%, although it started to slow slightly towards the end of the year, and inflation increased to 5%. There was continued growth of service exports (software and IT-enabled services such as call centres), although this is concentrated in parts of the country.**

## Tsunami

On 26th December, Tamil Nadu, Kerala, Andhra Pradesh and the Andaman and Nicobar Islands were struck by the tsunami, which caused about 15,000 deaths and widespread destruction of houses and property. Concern launched an immediate response with the aim of providing immediate relief to 16,000 affected families.

## Orissa Livelihood

This programme aims to reduce poverty in some of the poorest areas of Orissa (Keonjhar, Sundargarh and Nabarangpur districts) addressing key issues affecting people's livelihoods. Through these projects 1,710 farmers were trained in improved practices, 31 grain banks were formed, 40 forest protection committees were established and 155 self help groups were supported by local partners. Another approach was to strengthen local government, and three partners trained 4,654 local government representatives and helped 28 village clusters to develop micro plans. Efforts were also made by partners to address

the wider policy context in which poverty occurs. EP launched a campaign for land rights by organising a march across Orissa, a study was started by PREM to assess the impact of companies on poverty in Orissa, while CYSO analysed the Orissa government budget and released a social watch report at national level to try to influence policies in favour of the poor.

## Emergency Preparedness

A programme in coastal Cuttack and Puri district (susceptible to cyclones and floods) aimed to reduce the impact of emergencies on vulnerable people and communities. Working through local partners, 31 target villages formed emergency committees, risk analyses and contingency plans were developed in 3 villages, 272 local leaders were trained in emergency mitigation and preparedness and 25 homes were rebuilt. Another partner ODMM was supported in its efforts to reform the Orissa Relief Code and make it more appropriate and up to date.

## Flood Rehabilitation

Following the heavy flooding in Assam in August, work was initiated with CASA to construct five raised platforms for people to take refuge on when future floods occur. Much of the work for these was to be done on a food/cash for work basis by 1,320 households to meet immediate needs for the affected population when they had suffered heavy crop losses.

## Earthquake Rehabilitation

The rehabilitation programme was completed in early 2004 in response to the devastating earthquake in Gujarat in January 2001. Altogether 51,641 households were assisted by Concern's 21 partner organisations in such activities as repairing/constructing new houses, restoring livelihoods and preparing for future disasters.

## HIV/AIDS

Through the HIV/AIDS programme, efforts were made to reduce the risk of future infection and to address the needs of those already infected. Through partner RSSO, 814 children were reached with awareness and outreach activities, while 94 were helped to access government health services for sexually transmitted diseases. Through another partner INP+, 30 HIV positive people received orientation on treatments and the first steps were taken to initiate a support network for HIV positive people in the state.

## Education

In Andhra Pradesh state, Concern supported local organisation MVF (through Alliance 2105 partner Hivos) in its project Elimination of Child Labour through Universalisation of Elementary Education in Ranga Reddy and Nalgonda districts. During the year, 12,000 children were helped to gain access to formal schools, while 15,000 children were facilitated to continue their education to higher levels.

**Total Spend;** €978,371 (Stg £665,292)  
**Funded by;** Concern €603,798, DCI-Maps €320,693, Concern USA €38,880, APSO €15,000

# lao pdr

Area 237,000 sq km  
Population 5.5 m  
GDP per Capita US\$1,720  
Infant Mortality (per 1000 births) 87  
Life Expectancy 54.3  
Living with HIV/AIDS 0.1%  
Literacy Rate 66.4%  
Access to safe water 37%  
Human Development Rank 135



**Lao PDR largely enjoyed political and economic stability. The one party state, formerly known as Laos, controls politics, government, media and mass organisations. However government opened up possibilities for some form of civil society to emerge. This mirrors a similar process in Vietnam, the neighbour it aligns itself most closely with.**

## Microfinance

The aim is to develop a pro-poor microfinance framework, with access to local lenders and advisers - not unlike credit unions. The programme works by capacity building of project partners, advocacy with policy makers and practitioners, conducting research, disseminating information, sharing learning through meetings, workshops, seminars, newsletters, and establishing a microfinance resource centre. Research shows that more than 50% of the intended 300,000 indirect beneficiaries have access to savings and credit services. A designated team within government continued to assume greater responsibility for managing the programme, with technical support provided by Concern. The programme is running ahead of schedule and is now seeking to strengthen the capacity of the central bank.

## Disaster Preparedness

The Disaster Preparedness programme aims at reducing vulnerability to disasters. During 2004, the third and final phase sought to reduce the vulnerability of seven villages in Khammoune and Savannaketh provinces (in southern Laos) often affected by flood, drought, agricultural pests, and disease. This is being done through the income generating activities, promotion of sustainable farming practices, installation of drinkable water systems, and strengthening leadership structures in the villages to prepare for and respond to disasters.

## Rural Development

The aim is to help the poor in Thapanthong district to plan development with the support of local government. During 2004 the project assisted local government to support community initiatives, helped communities to introduce new and improved crops, and to manage schools, water supply, and health services. It assisted the poorest villagers to have access to buffaloes, chickens and rice, and helped them to recognise how the unfair burden of work between women and men contributes to poverty.

## Bokeo Development

In the early part of 2004 the second phase of this project assisting 14 villages in the north of Laos came to an end. An evaluation praised the way communities had taken ownership of the activities and how the full participation of village women and men had been promoted throughout. However the evaluation also revealed that there was more to be done in order to significantly improve the livelihoods of villagers.

**Total Spend;** €723,146 (Stg £491,739)  
**Funded by;** Concern €357,052, DCI-Maps €219,683, EU €89,877, Concern USA €22,103, APSO €15,000, ECHO €16,074, Other Donors €3,357 (Stg£2,283)

# pakistan

Area 804,000 sq km  
Population 149.9 m  
GDP per Capita US\$1,940  
Infant Mortality (per 1000 births) 83  
Life Expectancy 60.8  
Living with HIV/AIDS 0.1%  
Literacy Rate 41.5%  
Access to safe water 90%  
Human Development Rank 142



**2004 was an eventful year for Pakistan. A constructive dialogue was initiated with India, leading to some normalisation of relations. The internal political scenario remained turbulent. It culminated in President Musharaf getting backing from parliament to maintain his positions of chief of army staff and head of state. There was an intense and bloody military offensive against alleged terrorist factions in Wana, near Pakistan's border with Afghanistan. While some economic indicators showed positive trends, the effects showed little sign of filtering down to the poor. Such inequalities are particularly apparent in Balochistan, one of Concern's main areas of operation.**

**There has been increasingly violent protest from the Balochistan Liberation Army in response to what it sees as insufficient distribution of resources to the province.**

#### Environmental Health

Poor sanitation conditions, lack of clean drinking water, mis-management of domestic waste and general lack of awareness about hygiene are major factors in the high incidence of waterborne diseases, especially among poor women and children in the slums. Concern, with its local partner ADO, has initiated a two year project in Rawalpindi to raise awareness amongst public representatives and communities on environment, health, water and sanitation. This project is expected to benefit 150,000 people.

#### Livelihoods and Health

Kotli Sattian, is one of the most deprived sub-districts of Punjab. Concern is implementing a development project to improve health and livelihoods of communities. After the first year, communities have been assisted in strengthening and diversifying livelihood opportunities, improving access to water and sanitation and tackling health issues. They have received training, helped with development of essential infrastructure, drinking water supply schemes, irrigation practices and sanitation facilities.

**Total Spend:** €1,929,594 (Stg £1,312,124)  
**Funded by:** Concern €1,014,248, DCI-Maps €414,023, Concern USA €-5,559, APSO €38,750, ECHO €447,051, Other Donors €20,202, Non-Monetary Donations €879

The project has so far benefited around 10,000 people.

#### Rural Livelihood

Rural Balochistan has suffered a severe water shortage for nearly eight years. Concern has initiated a programme, in partnership with a local organisation WESS, to improve water resources for agriculture and household use; incorporating training on making a living, health and hygiene. This programme is targeting Awaran, one of the remotest districts of Balochistan, benefiting 31,226 people.

#### Mothers and Children

More than 80% of births occur at home and only 18% are performed by skilled professionals. Concern trains traditional birth attendants in all its areas in safer birthing and neonatal practices. Concern is also supplementing government health structure at basic health unit and community level in Dobandi, a remote area at the Pakistan-Afghan border. This improves healthcare on both sides of the border. Concern has continued its immunisation programme in the area benefiting more than a thousand children this year.

#### Emergency

Southern parts of Balochistan are prone to flash floods during seasonal rains. Through an emergency preparedness programme, Concern, with its local partner Sangat, undertook a flood mitigation project. This involved the construction of flood protection structures, and drinking water rehabilitation activities in Lasbela district securing 1,351

acres of land and benefiting 360 people.

#### Refugees

Most Afghans who fled their homes in 2001/2 were settled in refugee camps in Chaman. Concern, along with Guardians, a local organisation, with help from the European Commission Humanitarian Office responded, focusing on sanitation, hygiene, waste disposal and flood mitigation. Local communities were helped through improving water supply, safer birthing practices, and conflict and dispute resolution.

#### Street Children

To provide a safer environment for working/street children in Quetta, Concern supported drop-in centres, implemented by a local organisation WESS, for these children, mainly Afghan refugees, for one year. The focus was on basic literacy, recreation opportunities, skill enhancement and health care. Around 1,800 children benefited.

#### Adolescent Girls

Concern also supported an empowerment programme for adolescent girls, through a local partner IDSP. This is an effort to offer skills development, literacy classes, health and hygiene training to adolescent girls, to enable them to contribute to their household economy, and raise awareness of their rights. The project has helped around 533 adolescent girls with basic literacy, computer and income generating skill training; health and legal counselling; and some access to micro-credit.

**Total Spend:** €513,747 (Stg £349,348)  
**Funded by:** Concern €225,357, DCI-Maps €233,546, APSO €32,500, Other Donors €22,344

# timor leste

Area 19,000 sq km  
Population 0.92 m  
GDP per Capita n/a  
Infant Mortality (per 1000 births) 89  
Life Expectancy 49.3  
Living with HIV/AIDS n/a  
Literacy Rate n/a  
Access to safe water n/a  
Human Development Rank 158



**In May 2004, the UN Mission of support to Timor Leste was due to finish but was extended in response to requests from Timorese leaders for a further year. With the handover of responsibility for both internal and external security to the police and armed forces of Timor Leste the government assumed full sovereignty of the state, formerly known as East Timor. The government was proactive in resolving issues which could potentially be destabilising.**

**On an international level, negotiations with Australia over the Timor Sea Oil ended without resolution when the government of Timor Leste expressed a clear intention to pursue a greater share of oil revenue in line with its claims on disputed maritime boundaries. Revenues from the oil are already making a contribution to the budget but this would increase significantly if negotiations were successful.**

**The population now stands at 924,642 and this suggests Timor Leste has one of the highest fertility rates in the world at 7.77. Such a growing population will place increasing demands on public services such as education and health. The government recognises the need for these services in addition to the development of sustainable agriculture, in the isolated mountainous rural areas, where Concern works.**

#### Rural Programmes

Concern works directly with 1,186 people and the benefits reach a further 6,491 family and community members who live in two of the most isolated sub-districts. The aim is to strengthen rural livelihoods of some of the poorest people by building up their household and community assets and skills.

**Total Spend:** €513,747 (Stg £349,348)  
**Funded by:** Concern €225,357, DCI-Maps €233,546, APSO €32,500, Other Donors €22,344

Communities in Timor face the annual threat of long dry seasons where crops fail and food stocks are exhausted, in addition to floods, erosion and landslides when the rains come.

The programme worked with local government at district level to start monitoring food availability, agricultural production and responses to natural disasters. This helps local government to respond quickly when it needs to.

Food security has been increased through improved agricultural production. The first season crops were harvested and 26 community based organisations in eight villages in Turiscai have seeds for future planting, also increased food for consumption and some income from sales of surplus. There has been an increase in the area under cultivation, supported by simple soil and water conservation technology to improve fertility and reduce erosion.

#### Water Quality

Access to good quality water is a priority for most communities, particularly those moving back to ancestral lands following independence. The programme supports 14 water projects benefiting more than 2,396 people, which are initiated, planned, implemented and maintained by communities. Women save energy and time previously used to walk long distances to collect water and it is expected that these systems will contribute to improved health and nutrition.

Small consumer stores have been established that ensure basic goods are available at hamlet level. The prices are not inflated because the communities manage the business themselves. The programme, apart from initial stock, gives training on bookkeeping and accountability.

#### Empowering Women

Research indicates that although an average 33% of participants in programme activities are women, they do not always reap the benefit of the programme activities. A strategy was developed to enhance the access, participation, control and benefits of the programme for women. The six women's groups from Luro are positive examples of an effective way to give women more space to make their own decisions and discuss issues of importance to them.

#### Partnerships

Concern started work with three partner NGOs during the year. One, PERMATIL, focuses on the promotion of sustainable agriculture throughout Timor and will work with the communities in Turiscai to set up pilot sites for different permaculture systems. The second is a small NGO, MATAK, works with similar communities to Concern, in neighbouring sub-districts in Lautem. The third is the NGO Forum Outreach Programme which provides training and supports co-ordination and information exchange amongst small NGOs in seven of the 13 districts of Timor Leste.

## ‘We want to produce something - and we will’ Somalia

A ragged group of men, women and children emerge from their aqals, the round temporary shelters made from a few bent branches, planted in the midst of scrub and acacia trees in sub-Saharan plains. The Calvin Klein and Nike labels on the men’s fake designer T-shirts mock their desperate circumstances. Only a few children have the energy to come forward and meet the visitors from Concern.

This is Barwaqo village which houses around 250 families displaced by floods that have pushed the Shabelle river, south west of Mogadishu in Somalia, some eight miles beyond its banks, engulfing hundreds of homes and tens of thousands of hectares.

The immediate cause is almost twice the seasonal fall of rain. However, these families are also the victims of a civil war that began in 1991 ... a civil war of which the world has largely grown tired and forgotten. It has been on hold for the last two years while the chief protagonists have been grinding out the details of a provisional federal government in Nairobi involving all the feuding clans. This has led to an uneasy peace between the warlords who have carved up the country. But that doesn’t help the people of Barwaqo. In the absence of any government or infrastructure they look to Concern for aid through the provision of emergency kits, which includes items such as plastic sheeting to cover their shelters and cooking pots. “The [Barre] government had a department which removed

the silt from the river and ensured it had a capacity to carry the water,” said Mohamed Mahamud Rirash, an agronomist working with Concern. “Another problem is that farmers themselves sometimes deliberately cut the riverbank to get water for themselves and finally maybe farmers pay some gatekeepers, who control levels, to keep the gates shut to ensure they can have some water for their land. All this leaves things in a state that, when the really heavy rains come, they are caught out.”

It is hard to overstate the devastation caused by the war: famine in 1992, as well as the war, killed around 600,000 of Somalia’s 9.8 million population. No one really knows exactly. Eighty per cent of educated Somalis emigrated after the clan-based militias destroyed, dismantled or looted anything of value, removing every aspect of modern civilisation, right down to the copper wiring beneath streets used for telephones.

Gradually, the main focus of Concern’s work has changed from emergency aid to development, providing an

infrastructure of support in the absence of government.

The aim is for sustainable development that concentrates on the poorest of the poor. These people have no reserves and the tiniest change in weather, the failure of a crop, or a fresh bout of fighting makes them immediately vulnerable.

It is a matter of pride to Concern that all their staff who work in the country are Somalis. Abdi Rashid Nur joined Concern just after the charity arrived in Somalia 12 years ago to tackle the famine that accompanied the civil war. He now heads the team of 40 and has no doubts about how much worse things would be if they were not there.

“When you see a child who has been saved at a feeding station in 1992 and you then see that same kid coming through a school that Concern helped build and know he is now ready to go to university, you know you have made an impact. Long-term development is not about two to four years - but 10 to 15 years.”

} Chris Elliott  
The Guardian

## angola

Generosa lives in Esanjo village, Kunyingo municipality, Bie province. She is a 50-year-old grandmother of 11 children. She and her husband act as parents to seven year old Amandu Zacheo whose parents were killed in the war.

“I lost four of my children in the war. Three of them were killed by shelling or crossfire. Another died in fighting. He was a policeman and was forced by the government to fight. He was the father of Amandu Zacheo. We are now Amandu’s parents” she told me.

“There is a huge difference between living in war and living in peace. During the war we constantly had our children on our backs, ready to run. You try to plan your life but suddenly the fighting erupts and all you can think of

is fleeing with your children. Survival is your only consideration. Everything else that you have is left behind, and usually it is taken by the soldiers.

“During the war everybody was at risk, there was total fear. I had 13 children in total, now only nine are left. I have 11 grandchildren. Three other grandchildren died of various illnesses. Now that the war is over we can move freely and without fear. There is a strong feeling that things can now improve. When we returned home Concern gave us zinc

sheeting so as we were able to build a good roof for our home.”

“My granddaughter, Rosachemba became very sick during the war. She was malnourished. Concern put her on the feeding programme and her condition improved so much. Afterwards she looked like a different child. You see her here before you as a healthy girl but it is only because of Concern that she is still alive ... Look at my son. He is building a house and attending school ... He is planning for the future.”

} Danny Rowan  
Concern



Haiti  
Picture: Liam Burke



Haiti  
Picture: Liam Burke



# east timor shopping and fishing

## New Skills and a little seed capital help establish communities in the wreckage of empire.

Celestino Hornay ran out of food in mid-January. He and his large family in the village of Iutu dug tubers and hunted feral chicken and pigs with spears, but they were lucky to eat once a day until their first small maize crop was harvested in March. The children will now be malnourished, most will probably fall ill, and there will be no food aid because Iutu's needs have never been assessed by the UN.

But the family does not mind too much because this should be the last year that anyone in Iutu goes hungry. Just down the hill from Celestino's house in the wild hills of Luro district, are five large, freshly dug, deep ponds stocked with at least 400 fish. Next September, this small co-operative farm run by nine families, who have all been trained in aquaculture, will harvest their first catch. It should earn them than \$600 - enough to buy food against the annual hungry season, improve their diet and expand the farm.

East Timor, which threw off 24 years of harsh colonial rule from Indonesia in 1999 is, like Celestino, learning to stand on its own. But it is hard for the youngest and one of the poorest countries in the world. Celestino came back to Iutu in 1999 after years of being a resistance fighter hiding in the forests. He found every house had been burned down and most

of the valuable trees had been felled. And because he and so many other villagers had been living in the forest so long, they no longer had the skills to farm in one of the remotest places in south east Asia. Three years after full independence, he says he has a future thanks in part to an ambitious training project fun by Concern, which is working with more than 30 groups in 19 communities in the Luro area.

"Many are having to start again, almost from scratch," says Romulo Estrada, Concern's Filipino programme manager in Luro. In a three-year blitz, three other fish farms like the one Celestino is a member of, have been set up; 11 communities now have their own poultry projects; three villages have installed new, safe water supplies; and dozens of groups are learning to conserve soil and water, farm on steep land, grow new kinds of crops and avoid flash floods.

Every village now has a local Timorese community worker living in it, helping with projects. Some villages have set up their own community banking system, others are learning to better preserve and process food. Hundreds of people are looking to better preserve and process food. Hundreds of people are learning to read and write, others trained to book-keep. Meanwhile, terraces are being rebuilt, trees planted and schools and health clinics renovated.

"Everything is designed to help people build their livelihoods. It's intensive. They have decided for themselves what they think are the most important ways to develop their communities. The immediate benefits will be in the learning and the income generation should come later," says Mr. Estrada. "They decide, we just help them."

Ten miles away from Celestino's fish farm, a group of 24 women and six men have set up a small shop in the village of Afaia. Given \$100 by Concern to buy stock, and enough cement to build foundations, they have constructed a shop which doubles as a community centre, café and gossip shop. They have quickly got the hang of money-making. In the last year, they have turned their \$100 into \$1,682 and distributed a further \$500. "It's made the difference between children being educated or not. We now have an income, and we have a place where people come together," says Ajilda Jesus Fernandez, one of the group members.

The women, especially, are ambitious for change. They have just moved into chicken rearing, which already gives them 24 eggs a day, and are soon to be trained to open a Concern-provided community rice mill. "People will come a

long way to have their rice milled. We will make a profit but we are not trying to make money, only to improve the life of the community," says Ms. Fernandez.

The nearby village of Usuvasu is hoping that a carpentry project will bring money into the community. Twenty one men have been sent to the capital, Dili, for three weeks training in how to use power and traditional tools. They have built themselves a workshop and recently had their first commission—a six-foot-high solid teak cupboard which will earn the group \$200. "We are optimistic that people will want to get us to make things like tables and chairs," says Simeon de Jesus Moreira, the group chairman.

The fact that there is no road to the village, and everything from cement to timber has to be carried several miles, does not dampen their enthusiasm.

"This area was abandoned for 10 years when the Indonesians came. Now we are working for the future," he says. "This is like a new village. We only came back here two years ago. People have had to learn to farm and do many other things. The Indonesians cut down all the big trees and now erosion is worse. So we have planted trees and set up a nursery. We're also learning about soil conservation," says Gaspar Javier, the young chief of the district.

"There are problems, of course," says Mr. Estrada. "Progress differs from one community to another. Some people are reluctant to adopt new technologies, and ant to wait and see before they do anything. But the benefits are beginning to show. They are some of the most isolated and poor people in south east Asia but their commitment to improve their lives in great."

} John Vidal  
in Barikafa  
The Guardian

# haiti

Area 28,000 sq km  
Population 8.1 m  
GDP per Capita US\$1,610  
Infant Mortality (per 1000 births) 79  
Life Expectancy 49.4  
Living with HIV/AIDS 5.6%  
Literacy Rate 51.9%  
Access to safe water 46%  
Human Development Rank 153



**Despite celebrations to mark 200 years of independence, 2004 saw enormous political disruption. In January and February, large parts of the country were taken over by insurgents leading to the forced departure of President Aristide. The year also saw the arrival of a UN backed peacekeeping force. The economic impact was huge, with the poorest bearing the brunt through loss of livelihoods and access to basic services.**

## Health

Primary healthcare is critical where average life expectancy is just under 50 years and 12 per cent of children do not live to see their fifth birthday. Concern implements health projects in Saint Martin (Port-au-Prince) and Saut D'Eau (Central Plateau). Both seek to improve the health of the poor through public health centres and water and sanitation facilities. The primary objectives were to improve the capacity of the population and of the community-based organisations (CBOs) to identify prevalent health issues and to improve access to quality health care for women and children. This included access to family planning, vaccination programmes and pre-natal and post-natal care. Results show that 30% of children in Saint Martin and 50% of children in Saut d'Eau are vaccinated against polio, diphtheria and measles.

## Water

Haiti ranks bottom on the international "water poverty index" - less than 46% of Haitians have access to clean water.

In 2004, Concern's ongoing work, to protect springs and train local water management committees, entered a new phase with the help of EU funding.

The EU project, which started in 2004, will run through 2005 in partnership with PROTOS, a Belgian NGO and local NGO, CPH. The purpose is to reinforce the capacity of local communities to manage water resources. The construction of six rainwater cisterns and the rehabilitation of five wells on the island of La Gonave brought immediate relief to many families previously forced to travel up to 18km each day to fetch water. In St. Martin, 12 communal latrine blocks have been constructed to help relieve the chronic sanitation problem in this slum area. Two bridges have been constructed to ensure easier access between neighbourhoods.

## Food

The capacity to produce food for 8.1 million is constrained by poor farming techniques and heavily degraded land. The island of La Gonave remains one of the poorest and most vulnerable areas. Concern works there alongside local community groups. As many areas have been stripped of trees, a reforestation programme has been introduced, and 20 farmers' groups are now responsible for it. Two nurseries were set up which have produced 10,535 seedlings to be planted in the most heavily affected areas.

## Education and School Health

As well as completely rebuilding one school, latrines were constructed for a further seven, 456 teachers were trained and given an introduction to health issues and a total of 10,054 students throughout Haiti benefited from this project. The availability of quality education for poor children has been improved through partnerships between Concern, community, government and organised civil society. Improving health for school children also allows for better performance at school.

## Microfinance

During 2004, Concern worked alongside two local organisations to help them better operate and manage micro-credit programs, providing loans and budgeting advice. So far, a network of 65 groups (totalling 2,312 women) has been established amongst the poorest households in the Central Plateau and urban Port-au-Prince. A project in Mirebalais, Central Plateau in collaboration with local partner Fonkoze, has established a "model branch" in terms of service and management. This will be used to strengthen a further network of 22 branches nationwide. Concern is also developing microfinance services for people living with HIV/AIDS.

## HIV/AIDS

Concern's HIV/AIDS programme focused on helping health workers to tackle the discrimination experienced by people living with HIV/AIDS within the health service, as well as strengthening services they can access. Two voluntary counselling and testing centres were opened.

**Total Spend:** €2,762,406 (Stg £1,878,436)  
**Funded by:** Concern €1,275,039, DCI-Maps €555,840, DCI-Other €90,000, UNICEF €58,226 (Stg £39,594), British Govt €18,860 (Stg £12,825), EU €197,033, Concern USA €248,604, APSO €99,092, Jersey OA €51,863 (Stg £35,267), Sundry Sponsors €87,303, Other Donors €80,545

# iran

Area 1,650,000 sq km  
Population 68.1 m  
GDP per Capita US\$6,690  
Infant Mortality (per 1000 births) 35  
Life Expectancy 70.3  
Living with HIV/AIDS 0.1%  
Literacy Rate 70.1%  
Access to safe water 92%  
Human Development Rank 101



**On December 26th 2003, Iran was hit by a devastating earthquake measuring 6.7 on the Richter scale. The epicentre and worst affected area was the ancient city of Bam. More than 26,000 people lost their lives, tens of thousands were injured, and an estimated 100,000 were left homeless and destitute.**

## Rapid Response

NGOs and international organisations responded immediately by sending teams of people to assess and respond to the disaster. Concern immediately sent an assessment team to see how best to respond. The exceptional and rapid response by the Iranian authorities in conjunction with the International Committee of Red Cross and Red Crescent Societies in the wake of the disaster meant that the most effective way for Concern to respond was to support these efforts to maximise the coordinated response already underway.

## Support

It was decided that Concern would support the work of the Red Cross who were best placed to address the most basic needs of the homeless and injured. Concern initially donated US\$50,000 to the relief efforts of the Red Cross in addressing the immediate needs of the population. The funds were targeted by Concern for the purchase of relief items only. An additional commitment was made by Concern to support the rehabilitation phase by funding reconstruction within the health and education sectors.

There was clearly a critical need to quickly re-establish primary health care facilities since most of the "health houses" (small centres, operated by two staff) were destroyed or damaged after the earthquake and were limited in their capacity to treat the injured. The reconstruction of schools was also identified by the authorities as a priority as some 23 were destroyed.

## Partners

Concern therefore identified two partners to work through, who had established operations in Bam immediately following the earthquake. People in Need (a Czech agency, and a member of the *Alliance 2015*) with the support of Concern is involved in the reconstruction of school buildings. The operation itself initially proved difficult, but difficulties were overcome and two primary schools are now nearing completion. It is expected that the schools will be completed by mid 2005.

Concern also supports the work of Merlin (a British medical NGO) where they are continuing to work on repairing seven health houses in rural villages. Merlin's activities are focused on the Restoration of Primary Health Services in the rural district of Bam. It aims to restore physical access to essential Primary Health Care services in rural Health Houses. The programme also provides medicines and equipment to 29 health houses and three health centres across the district.

**Total Spend:** €578,148 (Stg £393,141)  
**Funded by:** Concern €278,894, DCI-Other €294,692, Sundry Sponsors €4,562

# Fundraising 2004

The year 2004 was another unprecedented year in fundraising with Concern's annual income totalling  $\square$ 43 million/  $\pounds$ 29 million.



A main focus of our fundraising was the Darfur region of Sudan. Our appeals provoked a tremendous response. The total income was over  $\square$ 4 million /  $\pounds$ 2.75 million.

The year ended with the Asian tsunami emergency, one of the world's largest natural disasters. Support for our appeal has been unprecedented, raising some  $\square$ 19 million /  $\pounds$ 13 million between Ireland and the UK.

Community fundraising had a banner year throughout Ireland with record numbers of volunteers and activities in every corner of the country. Dedicated Concern volunteers exceeded their best expectations, collecting over  $\square$ 300,000 in town squares and church gates across the country.

Hundreds of people took on a personal challenge in order to raise money for our work including, jumping from aeroplanes, running mini-marathons or trekking the Himalayas.

Celebrating its 35th year, the 2004 FAST attracted an estimated 100,000 participants nationwide, including nearly half of all secondary schools.

Concern's Gifts of Hope continue to be popular with thousands of supporters opting to give family and friends a Christmas gift that makes a real and lasting difference to some of the world's poorest people. Chickens and goats proved popular choices.

Concern's involvement continued with the Irish corporate sector, yielding

$\square$ 2.9m in 2004. Our relationship with the Dublin-headquartered Depfa Bank strengthened. The bank's financial contributions help fund AMK, Concern's micro-finance programme in Cambodia. Additionally, Depfa staff voluntarily support other aspects of our work, including undertaking an internal audit in Eritrea; supporting the development of the audit function within AMK and providing the technical know-how necessary behind [www.amkcambodia.com](http://www.amkcambodia.com).

In Northern Ireland, supporters contributed  $\square$ 4.9 million /  $\pounds$ 3.3 million of Concern's income. A highlight of the NI fundraising calendar was breaking the record for the world's largest coin mural, designed in the shape of Africa. The year also saw events of all shapes and sizes take place across the



Picture page 58: Shane O'Donoghue and Pamela Flood launch the 2004 Gifts of Hope campaign in Dublin. Picture: Robbie Reynolds  
Top picture: Concern's team of runners get ready to take place in the Flora Light

Challenge for Women in London's Hyde Park in September 2004.  
Bottom three pictures from left to right:  
1» Des Bishop launches the 2004 Concern FAST with the help of Donna Reilly Parish. Picture: Shane O'Neill

2» Gerhard Bruckermann, CEO and Chairman, Depfa Bank and board member AMK, visiting Cambodia. Picture: Mak Remissa  
3» World's Largest Coin Mural. Picture: KBP Photography

province, from a golf challenge near Belfast to a rock concert in Derry. The Young Professionals Group hosted a cocktail challenge with contestants from BBC and UTV television. Chef Paul Rankin assisted our St Valentine's Night restaurant promotion. In May, 330 guests ate food prepared by a "dream team" of celebrity chefs and danced the night away at the Lord Mayor's Gala Ball in Belfast.

Concern also continued to build our fundraising support in Great Britain. In 2004, supporters in England, Scotland and Wales raised  $\square$ 6.8 million /  $\pounds$ 4.6 million towards our work. The most successful fundraising initiative of the year was the partnership with the Guardian newspaper group. Concern was the recipient of the annual

Guardian-Observer Christmas appeal. Reporters were dispatched to Concern projects around the world and their moving reports were published in the newspapers and the associated website. The appeal raised over  $\pounds$ 337,000 for our long term development projects and nearly  $\pounds$ 1.4 million went to fund work in tsunami affected regions.

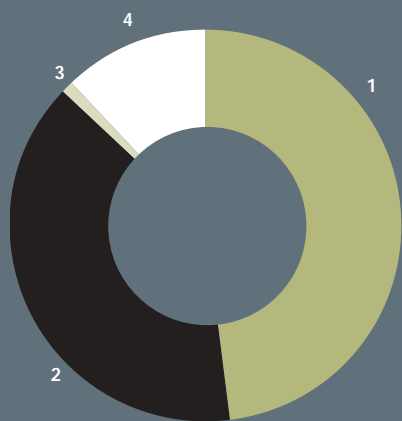
Concern's London Marathon team raised in excess of  $\pounds$ 15,000 to support microfinance work in Cambodia in 2004.

More than 1,000 schools throughout Great Britain joined forces to raise over  $\pounds$ 90,000 for FoodAid, an annual campaign to celebrate World Food Day on October 16th.

In Scotland the ongoing humanitarian crisis in Darfur, Sudan, provoked a most generous contribution from leading entertainers. A CD of popular music featuring Keane, Belle and Sebastian, Travis, the Delgados, Idlewild, Mull Historical Society, Teenage Fanclub and Arab Strap was produced. The Sunday Herald, distributed it to raise vital funds for Concern Worldwide's emergency response in Darfur, and Peckham's stores and restaurants agreed to collect the donations it generated for us over the Christmas period.

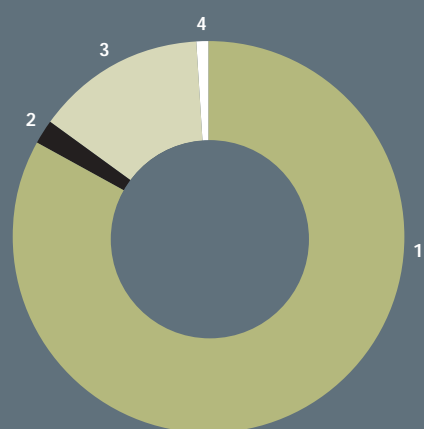


# where our income came from



	%	£ 'm
1 Income from fundraising activities	48%	43.8
2 Grants from governments/co-funders	39%	35.4
3 Other income	1%	0.9
4 Donations in kind	12%	11.0
Total received	100%	91.1

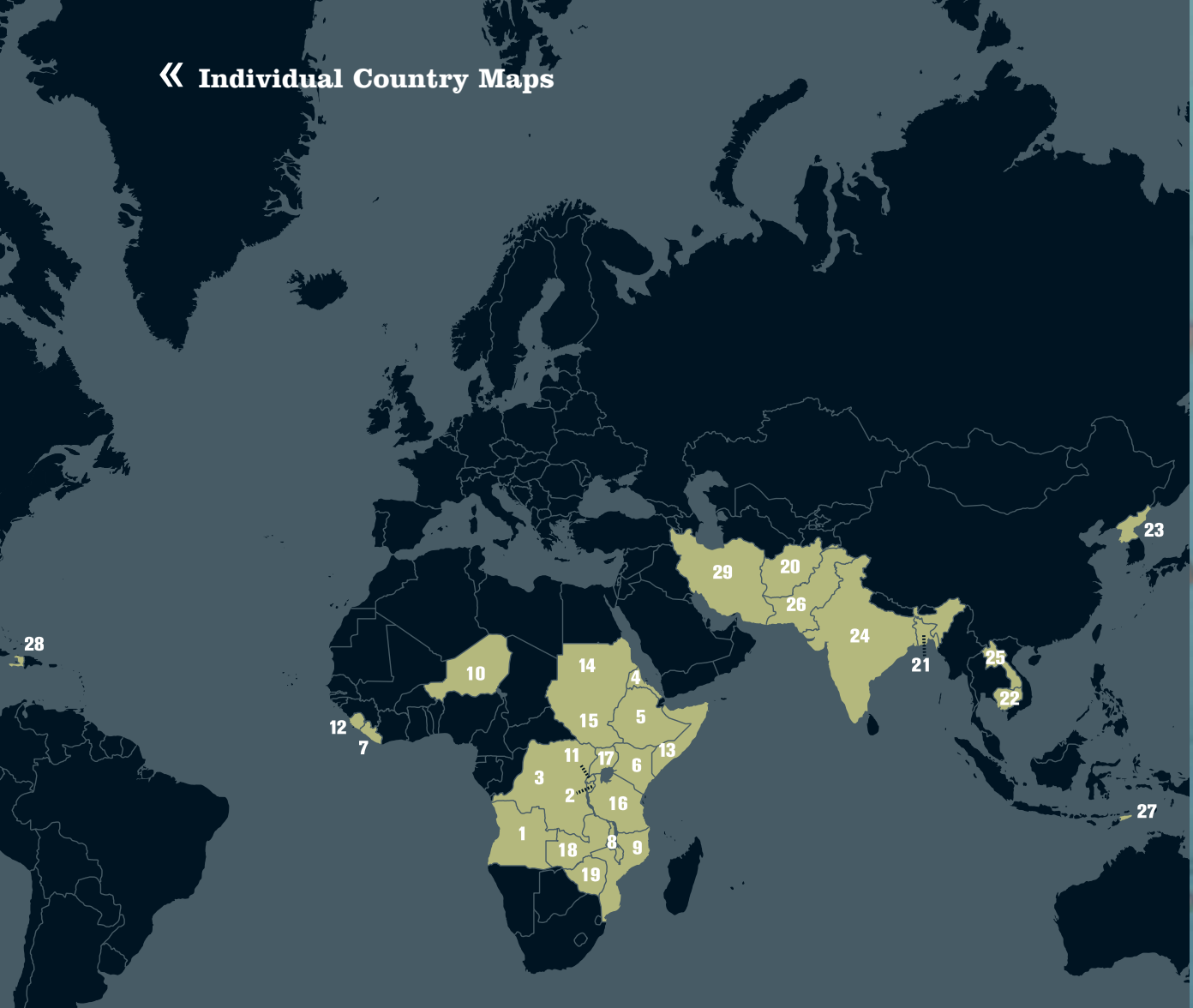
# how your money was spent



	%	£ 'm
1 Relief & development*	83%	73.4
2 Development education	2%	1.8
3 Fundraising (including promotion/trading)	14%	12.4
4 Management and administration	1%	1.0
Total spent	100%	88.6

\* includes utilisation of donated materials

## « Individual Country Maps



### Africa

- 1 Angola
- 2 Burundi
- 3 DR Congo
- 4 Eritrea
- 5 Ethiopia
- 6 Kenya
- 7 Liberia
- 8 Malawi
- 9 Mozambique
- 10 Niger
- 11 Rwanda
- 12 Sierra Leone
- 13 Somalia
- 14 North Sudan
- 15 South Sudan
- 16 Tanzania
- 17 Uganda
- 18 Zambia
- 19 Zimbabwe

### Asia

- 20 Afghanistan
- 21 Bangladesh
- 22 Cambodia
- 23 DPR Korea (North)
- 24 India
- 25 Lao PDR
- 26 Pakistan
- 27 Timor Leste

### Other Countries

- 28 Haiti
- 29 Iran

## ireland

Area **70,000 sq km**  
 Population **3.9 m**  
 GDP per Capita **US\$36,360**  
 Infant Mortality (per 1000 births) **6**  
 Life Expectancy **76.9**  
 Living with HIV/AIDS **0.1%**  
 Literacy Rate **99%**  
 Access to safe water **n/a**  
 Human Development Rank **10**

## united kingdom

Area **242,514 sq km**  
 Population **59.1 m**  
 GDP per Capita **US\$26,150**  
 Infant Mortality (per 1000 births) **5**  
 Life Expectancy **78.2**  
 Living with HIV/AIDS **0.1%**  
 Literacy Rate **99%**  
 Access to safe water **n/a**  
 Human Development Rank **12**

# how the countries compare

angola

14



burundi

15



dr congo

16



eritrea

17



uganda

30



zambia

31



zimbabwe

32



ethiopia

18



kenya

19



liberia

20



malawi

21



afghanistan

40



bangladesh

41



cambodia

43



dpr korea (nth)

44



mozambique

22



niger

23



rwanda

24



sierra leone

25



india

45



lao PDR

46



pakistan

47



timor leste

48



somalia

28



north sudan

26



south sudan

27



tanzania

29



haiti

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iran

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# Legal and Administrative Information

## Legal Status

Concern is the registered name of Concern Worldwide, an Irish company incorporated under the Companies Act, 1963, which is limited by guarantee, with no share capital.

## Organisation

### Group Companies

Concern's activities are carried out in association with its subsidiary, Concern Worldwide (UK). Concern has two other active subsidiaries; Concern Charity Trading Limited, which is registered and operates in Ireland, it raises funds for Concern's overseas work by carrying out retail trading and provides logistical and other support to fundraising activities; and, Angkor Mikroheranhvatho Kapuchea Limited, (AMK), which is incorporated in Cambodia, and is engaged in the provision of micro credit to rural communities in that country. Concern also has one wholly owned dormant subsidiary undertaking, Africa Concern Limited.

Concern Worldwide (UK) has three wholly owned dormant subsidiaries, Concern Worldwide (Northern Ireland), Children's Aid Direct and Trading for Concern Worldwide (UK) Charity Limited.

## Branches

The work of the organisation in the developing world is carried out through branches located in the countries of operation.

## Related Organisations

Concern Worldwide (US) Inc. is a related, though operationally independent, organisation based in New York which supports the mission of Concern Worldwide by providing financial and human resources for programmes, recruiting expatriate staff, and raising awareness of Concern Worldwide and its mission. Concern Worldwide (US) Inc. is not controlled by Concern and, therefore, is not consolidated in the results of Concern.

Concern remains a member of Alliance 2015, in conjunction with five major European NGOs – HIVOS (the Netherlands), IBIS (Denmark), Deutsch Welthungerhilfe (German Agro-Action), CESVI (Italy) and People in Need (Czech Republic). The Alliance seeks to implement joint programmes, to coordinate advocacy and campaigning work, and to negotiate as a group with co-funders in areas where there is a convergence of interests.

## Council Members

Mr. David Regan  
Chairperson

Ms. Evanna Barry  
Ms. Catherine Corcoran  
Mr. Eamonn Corcoran  
Ms. Anne Cummins  
Mr. Paul Delahunty  
Mr. Brendan Duffy  
Mr. Mike Glynn  
Professor David Gwynn-Morgan  
Mr. Joseph Heeney  
Mr. Shaun Henry  
Mr. P.J. Howell  
Ms. Mary Humphreys  
Ms. Elinor Jenkins  
Ms. Elizabeth Joyce  
Ms. Sally-Anne Kinahan  
Mr. Tom Lavin  
Ms. Mary Liston  
Mr. John McCarthy  
Mr. Patrick McManus  
Mr. Martin Meehan  
Mr. Jim Miley  
Mr. Eamonn Moore  
Ms. Helen O'Connell  
Ms. Marie O' Haire  
Ms. Siobhan O'Halloran  
Mr. Tom O'Higgins  
Ms. Margaret O'Keeffe  
Ms. Frances O' Keeffe  
Ms. Nora Owen  
Mr. David Ritchie  
Mr. Eamon Shields  
Mr. Mark Shinnick

# Officers and Other Information

## OFFICERS

**Mr. David Regan**  
Chairperson

Ms. Mary Humphreys  
Ms. Frances O'Keeffe  
Ms. Elizabeth Joyce  
Mr. Patrick McManus  
Mr. Jim Miley  
Mr. Eamonn Moore  
Mr. Eamon Shields

## SECRETARY

Mr. Jim Miley

## PRINCIPAL BANKERS

Bank of Ireland  
2 College Green  
Dublin 2

## SOLICITORS

McKeever Rowan  
5 Harbourmaster Place  
IFSC  
Dublin 1

## AUDITORS

KPMG  
Chartered Accountants  
1 Stokes Place  
St Stephen's Green  
Dublin 2

## REGISTERED OFFICE

52-55 Lower Camden St  
Dublin 2

## REGISTRATION NO.

39647

## EXECUTIVE MANAGEMENT TEAM

**Mr. Tom Arnold**  
Chief Executive  
**Mr. Paddy Maguinness**  
Deputy Chief Executive  
**Mr. Paul O'Brien**  
Overseas Director  
**Mr. Hugh Byrne**  
Senior Policy Analyst  
**Mr. Howard Dalzell**  
Policy & Development Education Director  
**Ms. Barbara Gilroy**  
Human Resources Director  
**Ms. Caroline Hickson**  
Fundraising Director  
**Mr. Jim Hynes**  
Finance Director  
**Ms. Lyndall Stein**  
UK Executive Director  
**Mr. John Maxwell**  
Corporate Services Director

# Report of the Council

The Council of Concern Worldwide presents its report and consolidated financial statements for the year ended 31 December 2004.

## 1. Concern's Objectives and Policies

Concern works for the relief, support, and advancement of people in the least-developed parts of the world; its particular focus is on people living in extreme or absolute poverty. Our overall objective is to assist in creating a world in which nobody lives in poverty, fear, or oppression, where everybody has access to a decent standard of living, with the opportunities and choices essential to having a long, healthy and creative life.

Concern strives to extend its programmes to reach out to more people in need, while maintaining and improving the quality of its work with its existing target groups. Concern will continue to address the short, medium, and longer-term needs of these groups. Its work continued, in 2004, as a mixture of overseas programmes in developing countries, development education, and advocacy programmes.

## 2. Concern's Work in 2004

### a. Overseas Programmes in Developing Countries

An outline of Concern's overseas activities in each country of operation is contained in the Overseas Review.

In 2004, Concern worked in the following countries:

Afghanistan  
Angola  
Bangladesh  
Burundi  
Cambodia  
Democratic Republic of Congo  
Eritrea  
Ethiopia  
Haiti  
Honduras  
India  
Iran  
Kenya  
Democratic People's Republic of Korea  
Lao People's Democratic Republic  
Liberia  
Malawi  
Mozambique  
Niger  
Pakistan  
Rwanda  
Sierra Leone  
Somalia  
Sudan, North and South  
Tanzania  
Timor Leste  
Uganda  
Zambia  
Zimbabwe

Within those countries our work focused on our five core organisational programmes which comprise:

- Livelihood security
- Health
- Basic education
- HIV/AIDS programming and mainstreaming
- Emergency response and preparedness

An explanation of what we aim to achieve and descriptions with examples of the work done within each of these organisational programmes is set out below.

#### (i) Livelihood Security

We understand livelihoods to mean how people access, control and utilise resources and services. Greater livelihood security means creating opportunities and choices for people to make improvements to their lives and reduce their vulnerability.

The overall aims of the programme are to: increase the diversity and quality of diet, increase and diversify income sources and to increase target group participation in sustainable, functioning institutions which address their rights and development needs

This programme includes three main types of work:

- Food security initiatives including food production, diversification, animal husbandry and food processing
- Broader community development initiatives through capacity building and support to community based organisations, and their activities
- More direct economic development initiatives through microfinance, improving access to markets and developing business skills

The livelihood programmes are reaching an estimated 1.5 million programme beneficiaries, 100,000 of whom are microfinance participants. There are an estimated 8.6 million indirect beneficiaries within the broader communities. In line with Concern's emphasis on working in areas with the highest incidence of poverty, our programmes are operating predominantly in remote rural areas, with around a quarter of programmes operating in urban areas. The selection of geographically disadvantaged areas combined with local participatory assessments ensures that resources are targeted at the very poor. A few examples of the work done in 2004 illustrate the nature and scope of activities:

- In Burundi, the programme has enabled 4,912 households to access a greater variety of food crops, and to increase assets through animal rearing and investing in local finance cooperatives thus indirectly benefiting 22,160 people.

- In Bangladesh where Concern and local partner organisations work with almost 40,000 poor households, the programme supports the establishment of community groups and organisations, so that the more vulnerable community members can access training and microfinance thus increasing their economic and human capital and developing sustainable improvements in living conditions.

- In Tanzania, the dominant approach has been to work through local partner organisations and government institutions. For example, a partner, Kigoma Development Promotion Agency, carried out a successful advocacy campaign to cancel the taxes that had been abolished by the government but that were still being required from the community in the area.

- In Cambodia the organisation has promoted the development of a microfinance institution – AMK Limited - which provides small loans and savings facilities to over 20,000 households in rural Cambodia. Loans are typically used to finance petty trading, seed and animal purchases and micro-enterprises. The availability of relatively low cost credit has enabled individuals to develop and to diversify their income sources.

At the policy level much work was done in articulating, rolling-out and developing the Livelihoods Security Policy which had been developed in 2003. During the year the organization developed a Livelihoods Framework which aims to improve focus and coherence of existing programmes and contribute to the initiation of new activities. Further programming guidelines are planned for 2005.

#### (ii) Health

The overall purpose of the health programme is to facilitate development of sustainable primary health care systems and practices through government and community mechanisms.

The health programme consists of three inter-related and inter-dependent sub-sectors:

- Reproductive and Child health
- Nutrition
- Water and Environmental health

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As this programme involves very diverse activities it is probably best to look separately at each of the main types of work.

### **Reproductive and Child Health**

The basic approach adopted is to focus on capacity building and support of government ministries and community based organisations. The programme puts substantial emphasis on the training and development of health staff. It also facilitates and supports strengthening of partnerships and relationships between government and civil society to ensure sustainable improvements in health.

In 2004, approximately 4,600 health workers were trained across the programme in aspects of primary health care. These health workers included government staff, traditional birth attendants, nurses and other community health practitioners. The health programme benefits the wider community through the improvement of quality and access to services. In 2004, Concern's health programme benefited approximately 3.5 million people in this way.

A few examples of the work done in 2004 illustrate the types of activities we have undertaken in the area of reproductive and child health:

- In Bangladesh, work focuses on the provision of managerial and technical support to Ministry of Health and Municipal Authorities and training and capacity building of community organisations. With Concern support, the government health and family planning staff have continued to provide basic and refresher training for Traditional Birth Attendants. This increases their knowledge and ensures complicated deliveries are referred to appropriate government health facilities. Similarly, increased community participation/involvement in development of annual plans at district level resulted in the government re-activation of thirty nine family planning committees.
- In Burundi and Ethiopia, Concern focuses on MOH capacity building and strengthening relationships between these and other stakeholders in planning and management of health activities.
- In St Martin, Haiti, Concern facilitates and supports improved sanitation. Today, 1,700 families have access to improved sanitary conditions following work with 13 Community Organisations and the establishment of a Federation. The Federation is also actively involved in mediation and conflict resolution between other Community Organisations in the area.

### **Nutrition**

Nutrition activities include Community Therapeutic Care (CTC) for treatment of acute malnutrition in Ethiopia, Malawi, and Sudan; Traditional Feeding Centre (TFC) treatment for acute malnutrition in DRC; and, Nutrition Rehabilitation (NR), activities for chronic malnutrition (supplementary feeding and health promotion) in Bangladesh and Ethiopia.

Nutrition is a traditional area of expertise for the organization. During 2004, Concern maintained its traditional programme types – TFC and NR activities – but also sought to innovate and to improve the delivery of nutrition services. This has been particularly true of the approach to dealing with acute malnutrition. Most acute nutrition interventions have traditionally focused on TFCs, which are resource intensive and require people to congregate at often distant sites for up to six weeks. In collaboration with Valid International, Concern has conducted operational research into the use of CTC. CTC is an innovative concept that aims to mobilise communities and support local health systems to effectively manage severe malnutrition. The approach aims to provide rapid, effective, low-cost assistance with the least disruption to traditional and local systems, providing a platform for more long-term development and food security activities. CTC is based on public health principals and aims to maximise impact and minimise risk by treating the majority of people suffering from acute malnutrition in their homes.

CTC programmes have been developed in a number of countries and several donors are also planning to adopt it as their preferred method of implementing nutrition programmes.

### **Water and Environmental Health**

Water and Environmental health activities are ongoing in Afghanistan, Haiti, Kenya, Pakistan, Sierra Leone, Somalia and South Sudan. Programmes include provision of safe water through construction and/or rehabilitation of water sources such as springs, shallow wells and boreholes; improved sanitation through construction of pit latrines at household and/or community level; and support of community level rubbish collection/disposal. The approach is to work with and through community structures and mechanisms to facilitate community ownership and management of facilities and thus sustainability. A few examples of the work done in 2004 illustrate the types of activities we have undertaken in the area of water and environmental health:

- In Somalia, access to safe drinking water was extended to an estimated 2,460 families in 8 villages through construction/rehabilitation of seven new and four existing hand dug wells. As a result of the improved access to safe water, the frequency of outbreaks of water borne related diseases has been reduced in most villages.
- Bunagok payam Aweil County, in South Sudan with a population of 69,252 had only three functioning safe water points. Women and children walked long distances and queued for up to 4 hours at the water points, or resorted to using pond water, with the accompanying hazards of infection from water borne diseases. In 2004, with active community involvement and support, seventeen new boreholes were drilled in Bunagok. This has reduced the time and drudgery associated with water collection, positively impacted the health status and improved the ability of the villages to manage their own resources.
- In Kenya a waste management project in the Korogocho slum in Nairobi was set up following a community needs assessment where waste disposal was listed as a major issue for the slum dwellers. The focus of the project was in building the capacity of the slum dwellers to themselves address the issues and Concern is now providing training and support to a group established from ten community based organisations.

At the policy level, the organization continued to implement the Health Policy which was developed in 2002 and which will be reviewed in 2005. During the year, the organization developed a Health Framework to guide the development of health focused activities. In November 2004 a Health and Nutrition workshop was held in Nairobi, the workshop was attended by twenty five senior health programme staff from ten countries. This workshop gave health programme staff the opportunity to learn about Concern programmes in other countries and to discuss and share methods and tools for health programming. A number of working groups were established to review programming methods and to develop guidelines for future use.

### (iii) Basic Education

The aim of Concern's education policy is *to improve the livelihoods of extremely poor women, men, and children, by stimulating their demand for, and increasing access to, quality Basic Education*. The programme focuses on primary education but also includes support to several initiatives in non-formal adult education. The education programme generally works with the already existing government system and helps to build capacity at all levels. We also see the local community and local organisations as key partners in education.

Approximately 55,000 children and adults were direct beneficiaries of Concern's education programme. A further 4,700 teachers, head teachers, members of school councils, parents and local government officials received education training. We estimate that 495,300 members of the wider communities also benefited from the education programmes through their links to the educational systems. All in all, our education programme has had an impact on approximately 555,000 people in 10 countries.

A few examples of the work done in 2004 illustrate the range of our activities:

- A total of 1,242 teachers received various levels of training in eight countries. A number of these programmes supported teacher resource centres in order to provide educators with resources that will increase the quality of their work.
- Concern has engaged in working with Parent Teacher Associations, School Councils and School Management Committees for a number of years in all the countries where Concern is involved in education. The main aim of these groups is to increase the accountability of the school and to give parents a greater say in matters related to the education of their children. The Education Programme perceives them as an agent of change within society and as having the potential to increase the quality of education.
- In Ethiopia, Concern is involved in supporting seven local NGOs in providing non-formal education facilities for children. The approach is to support and seek recognition from government for existing non-formal centres. It also aims to integrate the centres into the formal education system, allowing children to easily make the cross-over to the formal system. A significant

innovation is the provision of a tutorial programme for girls whose performance is below average.

At the policy level much work was done in rolling-out and developing the Education Policy which had been approved in 2003. During the year, the organization developed an Education Framework which aims to improve focus and coherence of existing programmes and contribute to the initiation of new activities. In November 2004, an Education workshop was held in Nairobi which was attended by senior education programme staff from nine countries. This workshop brought about new perspectives for Concern staff and provoked new thinking for improving impact of existing programmes or new programme development, through sharing of country examples.

### (iv) HIV/AIDS programming and mainstreaming

Evidence of the HIV/AIDS pandemic, causing major problems, continues to be clearly seen in many countries across Africa. In several countries in Sub-Saharan Africa, there are both high levels of AIDS mortality and high rates of new infections, creating a cycle of illness and death, due in great part to the almost complete absence of large-scale prevention or antiretroviral treatment programmes. Communities and families are affected directly and indirectly, as scarce resources in households are sold in order for families to buy medicine, or indeed to pay for funerals. The debilitating effects also have a major impact on food security, as adults are either no longer able to work, or spend much of their time taking care of sick family members.

Concern has clearly identified HIV/AIDS as both a programme and a cross-cutting issue which must be considered in all our programmes. The overall aim of Concern's work in this area is to empower our target groups to minimize their vulnerability to, and risk of, HIV infection and to minimize the effect of AIDS on those affected and infected by it.

In order to achieve these objectives the organisation has adopted a number of strategies; mainstreaming of HIV/AIDS issues in all activities, development of advocacy positions on HIV/AIDS; development of organisational competencies in nutrition/HIV interaction and HIV/AIDS in emergencies; and, finally capacity-support for prevention, care and treatment services. Concern will continue to initiate and monitor new strategies and projects to implement the organisation's HIV/AIDS policy. A few examples of the work done in 2004

illustrate the range of activities in this area:

- Training of Concern staff and of the staff of partner agencies has taken place in most countries. The training has aimed to ensure that HIV/AIDS is mainstreamed in all activities – basically seeking to ensure that programme activities of all sorts are actively designed to minimise the incidence and effects of the epidemic.
- Beneficiary training i.e. training of target groups in HIV/AIDS avoidance, has taken place in most fields in 2004.
- In Uganda and Ethiopia, specific HIV/AIDS programmes have been developed where Concern supports local organisations through training in provision of herbal medicine, counselling and home based care, strengthening voluntary counselling and testing services as well as paralegal training.
- In other countries such as Bangladesh and Rwanda, HIV/AIDS components have been built into on-going programmes.

The Concern Strategic Plan (2002 – 2005) acknowledges the scale of the HIV/AIDS crisis and states that 'it must realistically be factored into everything we do'. In order to deliver on this commitment, the organization will continue to initiate and develop new strategies and projects to combat HIV/AIDS in all of the areas in which it works.

### (v) Emergency Response and Preparedness

During 2004, disasters continued to strike with uncomfortable frequency. The emergencies to which Concern responded comprised a mixture of natural and man-made catastrophes which were spread across the globe.

The aim of the organisation in emergencies is to deliver quick and appropriate relief. It also works to try to reduce the vulnerability of communities to future calamities.

2004 started with the response to Bam, Iran where over 40,000 people were killed when an earthquake struck on the 26th of December 2003. A situational analysis, which included an initial needs assessment and consideration of governmental and other agencies capacity to respond, led to the decision to channel resources to partners on the ground.

The main man-made disaster in 2004 was Darfur in North Sudan. Various rebel groups attacked Government police stations in 2003 to highlight the economic



and social isolation of the Darfur Region. The government, already stretched with the long running war in the South, mounted a counter insurgency strategy and supplied arms and weapons to various militia groups to fight the rebels. The result was massive displacement of the civilian population to camps as people fled for their lives. Efforts by the UN Security Council to bring an end to the conflict proved fruitless but support was provided to the African Union to monitor the ceasefire. Concern responded by providing non-food items essential for the displaced and by setting up nutrition, sanitation and camp management programmes in various locations of Western Darfur.

Flooding in Bangladesh, considered the worst since 1988, saw over 36 million people being affected. Concern responded to the initial relief phase by working through partners already trained in disaster response and then by establishing a rehabilitation programme.

At the end of 2004, one of the most devastating natural disasters occurred in the Indian Ocean when an earthquake and tsunami struck various countries in the Asia region, stretching right across to the east coast of Africa. The tsunami wave lasted a very short period but had a devastating effect on life and livelihoods, especially for women and children in Indonesia, Sri Lanka, India and Thailand. Concern commenced work in the affected areas immediately after the disaster. It has undertaken a mixture of short term relief and longer term rehabilitation programmes designed to help communities to rebuild their lives. This work will continue through 2005 and into 2006.

The overall humanitarian environment remained difficult throughout 2004. Kidnappings have become a weapon of terror and extortion. Concern continued to improve the quality of security management in all our countries of operation. Sexual and gender violence has increasingly been used against the civilian population in a number of countries including North Sudan, Uganda and DRC. Protection of the civilian population is now a key element in our programmes as we continue to implement the programme participant protection policy.

High profile emergencies like Bam, Bangladesh, Darfur and the Asian Tsunami relegate other equally traumatic emergencies into a 'forgotten' category. Concern continued to respond to the humanitarian crisis caused by conflict in Northern Uganda, Haiti, DRC, Ivory Coast, Somalia and Burundi. These forgotten emergencies continued in fragile or failed states with devastating consequences on the civilian population.

In order to ensure that it has the capacity to respond effectively to emergencies, Concern has developed an Emergency Unit in its head office in Dublin. The unit works to ensure that we monitor potential emergencies, have trained staff in place to deal with crises when they arise, and, that we conduct our emergency programmes in a cohesive and professional manner. During 2004, the unit provided support to all of the operations detailed above.

### **b. Development Education**

The Development Education Unit's key objectives throughout the year were to ensure the continuity of our work in the Formal Education sector, to support the growth of Development Education among recognised groups in Ireland, to raise awareness and promote action in agreed campaigns and to communicate the work of the unit across the organisation.

In meeting these objectives, the unit has been engaged in a wide variety of activities, ranging from hosting the annual Concern Debates competition involving over 170 secondary schools, to developing a video on HIV/AIDS with Irish and Zambian youth, to publishing resources for teachers and students, to active participation as a member of the Government appointed Development Education Advisory Committee and involvement with the Education PPMG group.

For many years now, Concern has given financial support to important development education and campaign groups throughout the country. Of particular note in 2004 was a strategic partnership that we agreed with Suas, a recently formed NGO that seeks to raise awareness of development issues with Third Level students across Ireland. The partnership with Suas will allow Concern to engage with a key sector in Irish society who will form the decision makers and leaders of tomorrow. During the year we continued to give financial support to groups such as Just Forests, the National Youth Council of Ireland, One World Centres in Galway, Belfast and Tralee, Fairtrade Mark Ireland, Banulacht, 80:20, Comhlámh, and the Debt and Development Coalition. Towards year end, we were pleased to team up with Poetry Ireland to raise awareness on the topic of Child Labour.

In 2004, we entered the second year of a partnership agreement with Development Corporation Ireland (DCI), 80:20, and Aidlink, in developing, expanding and promoting [www.developmenteducation.ie](http://www.developmenteducation.ie), a website for students, development workers, and others interested in learning more about justice, human rights, and development issues.

Staff were actively engaged in a wide variety of networks and campaigns throughout the year, including the Global Campaign for Education, the National Youth Council of Ireland education committee, the Board of Fairtrade Mark Ireland, the Dochas Development Education group and the Development Education Exchange in Europe (DEEEP) network.

### **c. Advocacy**

The Concern Strategic Plan aims to develop advocacy as a major component to our work. Through advocacy, we aim to improve the effectiveness of emergency, and long term development programmes, and to influence policy makers to remove the underlying causes of poverty.

Advocacy has been integrated into many programmes at field level. It has also been taken on in our home countries as we try to address the root causes of poverty in the South. We continued to advocate with the Irish and European Governments on the quantity and quality of overseas aid. The Irish government's commitment to 0.7% of GDP target has been postponed and along with other NGOs, Concern is advocating for a new date for the realisation of this promise.

Concern's Chief Executive, Tom Arnold, participated on the UN Millennium Hunger Task Force (HTF) in 2004. The HTF summary report makes a number of key recommendations including, moving from political commitment to action, reforming policies and creating an enabling environment, increasing agriculture productivity of food-insecure farmers, improving nutrition for the chronically hungry and vulnerable, reducing vulnerability of the acutely hungry through productive safety nets, increasing incomes and making markets work for the poor and restoring and conserving the natural resources essential for food security.

Advocacy to Irish Members of the European Parliament (MEPs) has been successful with currently eleven of thirteen Irish MEPs' signatories to Eurostep's 'Commitment to a responsible Europe' campaign and accompanying 'Vision of a Responsible Europe in the world' campaign.

Concern continued engagement with donors (particularly DCI and ECHO) and with alliances and networks e.g. Dochas, Voice and Disaster Emergencies Committee (DEC) on the issue of humanitarian space, the Humanitarian Charter, the ICRC Code and the Good Donorship Initiative.

Concern led the contribution of Alliance 2015 at the 2004 XV International AIDS conference in Bangkok. The Alliance 2015 HIV/AIDS policy group hosted a satellite meeting entitled 'The next generation virus free by 2015' for which a joint policy declaration was drafted and of which Mary Robinson of the Global Ethical Initiative gave the keynote address.

During 2004, the organisation decided to set-up a dedicated unit at head office in Dublin which would coordinate its advocacy activities. The unit commenced operations in early 2005.

### 3. Policy Development

Concern continued to develop its policy framework during 2004. The approved policies are applied to guide and focus Concern's strategic approach to its work.

The following policies developed in 2003 were put into effect in 2004:

- HIV/AIDS
- Advocacy
- Human Resources
- Training & Development
- Livelihoods
- Basic Education

During 2004, new or revised policies were developed covering:

- Microfinance
- Programme Participant Protection
- Illness Policy (revision to Human Resources)
- Fundraising Relationships with Companies

Each of these documents, and other related material, are available on request and many are published on our website [www.concern.net](http://www.concern.net).

Concern's current strategic plan runs until end of 2005. The process of reviewing our overall policy and preparing for the next strategic plan commenced in 2004 and is ongoing.

### 4. Work Methodologies and Approaches

We believe that if development is to be sustainable then it must be participatory and it must involve people from all levels and sectors in society. Concern continued to encourage the participation of very poor people in many development programmes across Africa, Asia and the Caribbean.

At an organisational level, Concern continues to shift from a project to a programmatic approach. By the end of 2004, Programme Planning and Monitoring Groups (PPMGs) developed and clarified the content of each of the four main programming areas; Basic Education, Health, Livelihood Security and HIV&AIDS. The effect of these frameworks is greater coherence, clarity and focus in our programming. The articulation of goals, intervention strategies, targets and human resource plans provide a framework within which country initiatives can be developed.

Concern made significant progress towards implementing programmes with and through partners. By December 2004, Concern had over 240 Civil Society partners in our countries of operation, an increase from 130 at the end of 2003. In addition, our work with host country governments is guided by partnership approaches. Many national governments have commenced decentralising decision making to the local level and Concern assisted with this process in many countries to ensure active engagement with civil society organisations, thus ensuring that the voice of poor people is heard.

As part of its partnership approach, Concern made a number of monetary grants to local organisations. Strict criteria are applied in vetting all such grant applications. Grant-making remains a low proportion of total overseas expenditure.

### 5. Review of Financial Outcome 2004

The financial outcome for 2004 is set out in the 'Consolidated Statement of Financial Activities'.

#### Income

The organisation's total income in 2004 reached €91.13 million. This total was derived from three main sources: monetary donations from the public, monetary grants from governments and institutional donors and donations of commodities.

Income from public donations for Ireland and UK reached €43.79 million, a record for the organisation and an increase of €1.57 million on 2003. Donation income performance was broadly satisfactory across all main sectors.

Concern received a total of €35.38 million in grants from governments and institutional donors in 2004. This represents an increase of 11% on 2003 and is the highest achieved to date by the organisation. The Irish Government accounted for most of the increase and

was by far the largest single donor accounting for 53% of this income source. This reflects the Irish Government's commitment to expand its overseas aid programme and to channel significant amounts through NGOs. Income from other funders was broadly in line with expectations.

Donated commodities were valued at €11.05 million in 2004, less than half of the 2003 total. The main reason for the fall was the closure in early 2004 of large food distribution programmes in Southern Africa, through which very significant volumes of donated foodstuffs had been channelled in 2003.

#### Expenditure

Total direct charitable expenditure in 2004 was €75.24 million, compared to €82.58 million in 2003. Total monetary expenditure on charitable activities was €64.19 million – the highest ever recorded by the organisation, although the fall in the volume of donated commodities distributed in 2004 meant that total expenditure fell below 2003 levels.

Fundraising and promotional expenditure for 2004 totalled €11.93 million, a 2% reduction from the 2003 level.

Management and administration costs for 2004 amounted to €0.98 million or 1% of total expenditure.

The Council consider the growth in cash income and the expansion of cash expenditure on the programmes overseas to be very satisfactory outcomes for the year.

### 6. Reserves and Financial Position

It is Concern's policy to retain only sufficient reserves to safeguard the continuity of its overseas operations, thereby committing the maximum possible resources to its current programmes.

During the past year, Council reviewed the method of calculating the level of reserves which it was necessary for the organisation to hold. It decided that total required reserves should be calculated by deducting restricted reserves, designated reserves and working capital requirements from the total reserves figure at each balance sheet date. It is planned to progressively adjust total reserves held at the end of 2004 to the level indicated by this policy.

The total reserves of €33.35 million at 31 December 2004 fall into three categories:

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- Restricted funds; these funds are tied to particular purposes, which arise because of restrictions on their use imposed by the donor at time of receipt or because the funds were collected in a public appeal to raise money for a particular purpose.

- Designated funds; these represent unrestricted funds which have been allocated by the Council for specific purposes. At the end of 2004, funds had been designated for four specific purposes as follows;

- to cover the 2005 budgeted deficit on unrestricted funds.
- to ensure the continuity of operations in the event of a temporary downturn in income.
- to recognise that a portion of the reserves is invested in the charity's fixed assets and is not therefore available for other purposes.
- to cover the deficit on the pension scheme which will have to be recognised in 2005 when FRS 17 is implemented in full.

- General unrestricted funds; these represent funds which are available for working capital and the general purposes of the charity.

The Council believes that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason the Council continues to adopt the 'going concern' basis in preparing the accounts.

## 7. Investment Policy

The bulk of Concern's liquid reserves are placed in fixed term interest-bearing deposits, with maturity dates designed to satisfy Concern's cash flow requirements; these deposits are placed with financial institutions authorised by Council, with investment thresholds determined by the ratings of each financial institution.

In addition to its deposits, the organisation maintains a long-term investment with Irish Life Investment Managers. The investment is held in a fund which comprises 80% equities and 20% fixed interest instruments. The investment managers are required to apply ethical screening when making investment decisions; for example they may not invest in companies with significant interests in armaments, gambling, tobacco or other activities which are inconsistent with the values and objectives of the organisation. The investment increased in value by €0.3 million in 2004 though it remains €0.56 million below its original cost.

## 8. Other Initiatives - Premises

During 2003, Council approved a plan to refurbish the Dublin headquarters in Camden Street. This freehold building had deteriorated over the years, and a comprehensive plan was prepared to modernise the building and improve the layout and services. The refurbishment took place during 2004 at a total cost of €3.8 million.

## 9. Governance

Concern is governed by a Council which is elected at Annual General Meetings. The Council in turn elects a committee of Officers who, together with the Chairperson, act on the Council's behalf between Council meetings.

Two sub-committees are appointed from Council; an Audit and Finance Committee to monitor the organisation's finances and risk management systems, and a Monitoring and Evaluation Committee which seeks to ensure that the quality of the organisation's humanitarian work is maintained.

Neither Council members nor Officers receive any remuneration in respect of their services to the charity. Expenses are reimbursed where claimed.

There have been no contracts or arrangements entered into during the financial year in which a Council member was materially interested and which was significant in relation to Concern's activities.

Council delegates the day-to-day management of the organisation to an executive management team, which comprises the Chief Executive and his Deputy, together with the managers of the operational and functional divisions.

The Council is committed to achieving high standards of governance. During 2004 a special sub-committee of Council was appointed to review the organisation's governance arrangements and structures. The work of this committee is ongoing.

During 2003, Council approved a proposal for the consolidation of the organisation's activities in the UK. In January 2004, all of the UK operations were amalgamated into a single company - Concern Worldwide (UK) - and during the year, work continued to create an active and representative board which will provide support, advice and oversight.

## 10. Risk Management and Internal Control

During 2004, a fulltime Internal Auditor was appointed who carried out a high level risk assessment of the organisation. The major risks that affect Concern's work have been identified and have been ranked by likelihood and impact. The Council have assessed these and are satisfied that reasonable steps are being taken to mitigate exposure to these risks.

The organisation has detailed systems of internal financial controls. These provide reasonable but not absolute assurance against errors or fraud. These controls cover areas such as financial and accounting procedures and the manner in which the Council has delegated financial authority within defined limits.

## 11. Staff and Volunteers

Concern is an equal opportunities employer. The aim of its equal opportunities policy is to ensure that all people receive equality of opportunity regardless of gender, race, religion, disability, nationality, marital/family status or sexual orientation.

It is Concern's policy to ensure the health and welfare of its employees by maintaining a safe place and system of work. This policy is in accordance with the requirements of the Safety, Health and Welfare at Work Act 1989

Concern acknowledges with gratitude the work of its staff and that of its volunteers at home and overseas, in 2004. The major achievements in 2004 are due to the dedication and belief of all of these people.

## 12. Political Contributions

There were no political contributions in 2004, which require disclosure under the Electoral Act, 1997.

## 13. Post balance sheet events

There have been no events subsequent to the year end which require any adjustment to or additional disclosure in the 2004 financial statements

## 14. Accounting Records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the

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financial function. The books of account are maintained at the group's registered office in 52-55 Lower Camden Street, Dublin 2.

### **15. Auditors**

The Auditors, KPMG, have agreed to continue in office under Section 160 of the Companies Act, 1963. A resolution proposing their reappointment will be put to the Annual General Meeting.

### **16. Looking Ahead**

Concern will continue to reach out to more and more needy people.

Like any organisation seeking excellence in performance, we will work to improve the quality and effectiveness of our work with the poor. We will apply modern management principles to this task, allied to a caring and sensitive approach to those communities which we try to help, and to the staff who work for us.

In 2005, we will complete the revision of the overall organisational Policy Document. We will also develop the third organisational Strategic Plan which will be the key organisational document providing direction to Concern for the next 3 to 5 years.

While the organisation is proud of its achievements, we recognise that much remains to be done. In 2005, we will redouble our efforts to remove the shadows of poverty, fear, and oppression from the world.

#### **On behalf of Council**

**David Regan**  
Chairperson

### **Statement of Council members' responsibilities**

Company law requires the Council members to prepare financial statements for each financial year, in accordance with applicable Irish law and accounting standards, which give a true and fair view of the state of affairs of the group and of the profit or loss for that period. In preparing those financial statements, the Council members are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Council members are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and of the group and which enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2003, and all Regulations to be construed as one with those Acts. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **On behalf of Council**

**David Regan**  
Council Member

**Eamon Shields**  
Council Member

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## **Independent auditors' report to the members of Concern Worldwide**

We have audited the financial statements on pages 71 to 89.

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF COUNCIL MEMBERS AND INDEPENDENT AUDITORS**

The Council members are responsible for preparing the Annual Report of the Council. As described above in the Statement of Council members' responsibilities, this includes the responsibility for preparing the financial statements in accordance with applicable Irish law and accounting standards. Our responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts.

As also required by the Acts, we state whether we have obtained all information and explanations we require for our audit, whether the financial statements agree with the books of account, and report to you our opinion as to whether the company has kept proper accounting records.

We also report to you if, in our opinion, information specified by law regarding Council members' remuneration and transactions with the company is not disclosed.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of apparent misstatements or material inconsistencies with the financial statements.

### **BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the state of affairs of the group and company at 31 December 2004 and of the surplus and cashflows of the group for the year then ended and have been properly prepared in accordance with Companies Acts 1963 to 2003 and all Regulations to be construed as one with those Acts.

We have obtained all of the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The balance sheet of the company is in agreement with the books of account.

### **KPMG**

Chartered Accountants  
Registered Auditors  
26 April 2005

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## Statement of Accounting Policies for the Year Ended 31 December 2004

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

### BASIS OF PREPARATION

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

The financial statements have also been prepared to comply with "Accounting and Reporting by Charities – Statement of Recommended Practice" (Charities SORP), the revised statement of recommended practice issued by the Accounting Standards Board in 2000, and the Accounting Standards Board "Statement on Update Bulletin 1 of the Charities SORP" issued in December 2002. Any variation with these statements has been fully disclosed and explained.

### BASIS OF CONSOLIDATION

#### Group companies

The consolidated financial statements include the financial statements of Concern Worldwide and its subsidiaries, drawn up to 31 December each year. A full list of all subsidiaries is included in note 22.

#### Branches

The work of the organisation in the developing world is carried out through branches located in the countries of operation. Expenditure on goods and services made on behalf of local branches is expensed when the costs are incurred. Expenditure made directly by local branches is recognised by the group when payments are made with the exception of service payments to local staff which are recognised on an accruals basis.

The full cost of vehicles, equipment and other assets, incurred by branches is included in direct charitable expenditure in the year of acquisition and are not reflected in the company or consolidated balance sheet. Cash balances of branches are included in the company and consolidated balance sheet.

#### Affiliated US organisation

Concern Worldwide (US) Inc. is a related, though operationally independent,

company based in New York, which supports the mission of Concern Worldwide by providing financial and human resources for programmes, recruiting expatriate staff and raising awareness of Concern Worldwide and its mission. Concern Worldwide (US) Inc. is not controlled by Concern and, therefore, is not consolidated in the results of Concern.

Grants to meet operational costs of Concern Worldwide (US) Inc. are included in relief and development expenditure and fundraising and promotion costs, and are expensed in the period when funds are transferred. Grants received from Concern Worldwide (US) Inc. to fund overseas projects are recognised in the same way as grants from other international co-funders.

### MONETARY INCOME

Incoming monetary resources are recognised by inclusion in the statement of financial activities only when realised in the form of cash or other assets, the ultimate cash realisation of which can be assessed with reasonable certainty.

Voluntary donations consist of monetary donations from the public together with related tax refunds. In the case of monetary donations from the public, income is recognised when the donations are entered into the organisation's accounting system. Tax refunds arising from voluntary donations are recognised when received.

Grants from private sources which are subject to significant restrictions or reporting requirements are recognised and included as voluntary donation income when the cash has been received, and the expenditure which they are intended to fund has been incurred.

Grants from governments and institutional donors are recognised as income when the expenditure, which they are intended to fund, has been incurred, and there is reasonable assurance of receipt.

Income due to Concern from governments and institutional donors but not yet received at year end is included in debtors in the balance sheet, and funds already received but not yet expended are shown in creditors.

### MONETARY EXPENDITURE

Our policy for recognising overseas relief and development expenditure is set out under *Basis of Consolidation - Branches* above. All other monetary expenditure is recognised on an accruals basis.

Monetary expenditure is analysed between direct charitable expenditure, fundraising and promotion, management and administration, and trading.

The costs of each activity are separately accumulated and disclosed, analysed according to their major components.

Costs, which cannot be attributed directly to one activity, are allocated to activities in proportion to estimated benefits received.

It is our policy to expense the costs of recruiting members of the public as committed long-term donors, even though the associated income streams mostly arise in subsequent years.

### DONATED COMMODITIES

Donated commodities, distributed by the organisation as part of programmes designed, implemented, and managed by Concern Worldwide are valued and included in both incoming resources and direct charitable expenditure in the year in which they are distributed.

Local food products and non-food donations are valued at the estimated market price in their country of origin at the time of receipt.

Donations of food aid, which are sourced outside of the area in which they are distributed, are valued at estimated insurance values provided by the donor.

### SAVINGS AND MICRO CREDIT SCHEMES

As part of its overseas activities, the organisation provides funds under savings and micro credit schemes either directly to individual members of local communities or via local community groups. Responsibility for managing these schemes is generally retained by the organisation until such time as it is possible to transfer the management of the schemes to the local community.

The net cost of contributions to these schemes is included in direct charitable expenditure and no amounts are reflected in the balance sheet.

### FUND ACCOUNTING

Concern maintains various types of funds as follows:

#### Restricted Funds

Restricted funds represent grants, donations and legacies received which can only be used for particular purposes specified by the donors. Such purposes are within the overall aims of the organisation.

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### Unrestricted Funds

Unrestricted funds consist of General Funds and Designated Funds.

General Funds represent amounts which are expendable at the discretion of Council in furtherance of the objectives of the charity. Such funds may be held in order to finance working capital or to finance start-up of new programmes pending receipts of funds.

Designated Funds represent amounts that Concern may at its discretion set aside for specific purposes, which would otherwise form part of the general reserves of the organisation. Specifically, Concern sets aside funds so that it can protect its ongoing programme of work from unexpected variations in income, to cover future planned deficits, and to provide for pension liabilities which are not yet reflected in the balance sheet. In addition, some of Concern's funds need to be invested in fixed assets for on-going use by the charity.

### TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the original cost of the tangible fixed assets, less estimated residual value, over their expected useful lives, on a straight-line basis at the following annual rates:

Freehold premises:	3%
Office furniture:	10%
Office equipment:	20%
Computer equipment:	33%
Motor vehicles:	20%

Provision is also made for any impairments of Tangible Fixed Assets below their carrying amounts.

### GOODWILL

Goodwill arising on the acquisition of a subsidiary, Children's Aid Direct formerly, Concern Worldwide (GB), represents the excess of the consideration given over the fair value of the identifiable net assets when they were acquired. Goodwill is capitalised in the balance sheet and amortised over the estimated economic life of the goodwill, which is five years.

### CAPITAL GRANTS

Capital grants received are treated as deferred income in the balance sheet and are credited to the statement of financial activities by instalments on a basis consistent with the depreciation policy adopted for the relevant assets.

### FOREIGN CURRENCIES

The financial statements are prepared in euro (€).

Transactions in foreign currencies are recorded in euro at the rate ruling on the date of the transaction or at a contracted rate. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the year-end rate of exchange. The resulting gains and losses are dealt with in the consolidated statement of financial activities.

The results of Concern Worldwide (UK) are first recorded in sterling and subsequently translated into euro at the average exchange rate for the year. Any gain or loss thus arising is dealt with through reserves and reflected in the consolidated statement of financial activities after net incoming resources.

### STOCKS

Stocks comprise relief supplies held for transfer to overseas operations. Stocks are stated at cost, less provisions for obsolescence and any other diminution in value. Cost is the purchase price, net of any trade discount, plus any additional costs associated with bringing the items to their current location and condition.

### INVESTMENTS

Investments are recorded in the balance sheet at the lower of cost and net realisable value. In the case of donated shares, this initial cost is deemed to be the market value of the shares on the date of donation.

Although this valuation basis differs from the market value approach preferred by the statement of recommended practice "Accounting and Reporting by Charities", Council considers this basis is more appropriate given the fluctuations in market valuations of such investments.

### TAXATION

No charge to current or deferred taxation arises as the group, with the exception of Concern Charity Trading Limited, has been granted exemption by the revenue authorities in Ireland and the UK.

Irrecoverable value added tax is expensed as incurred.

### LIQUID RESOURCES

In the consolidated cash flow statement, liquid resources are the investments included in current assets and comprise equity holdings, donated shares, and cash on deposit at banks requiring more than 24 hours notice of withdrawal.

### PENSIONS

The regular cost of providing benefits in respect of the company's defined benefits scheme is charged to the statement of financial activities over the service lives of the members of the scheme on the basis of a constant percentage of pensionable pay. Variations from regular costs arising from periodic actuarial valuations are allocated over the expected remaining service lives of members.

The group also operates a defined contribution scheme. Pension contributions are charged to the statement of financial activities as incurred.

### SERVICE PAYMENTS TO LOCAL STAFF OVERSEAS

Where required by local laws or agreed with staff, provision is made for commitments to provide service-related payments in the event of retirements, resignation or termination of employment. Termination arises when programmes are completed or when staffing requirements change. Amounts payable are linked to length of service and full provision is made for estimated benefits earned up to the balance sheet date.

# Consolidated Statement of Financial Activities for the year ended 31 December 2004

	Note	Restricted Funds €'000	Unrestricted Funds €'000	Total 2004 €'000	Total 2003 €'000
<b>Incoming resources-continuing activities</b>					
Voluntary donations		10,558	33,231	43,789	42,215
Grants from governments and institutional donors		35,378	-	35,378	31,762
Trading	4	-	496	496	414
Deposit interest		-	420	420	464
Donated commodities		11,051	-	11,051	23,973
<b>Total incoming resources</b>		<b>56,987</b>	<b>34,147</b>	<b>91,134</b>	<b>98,828</b>
<b>Resources expended</b>					
Direct charitable expenditure					
- monetary expenditure	1	44,619	19,569	64,188	58,603
- utilisation of donated commodities	1	11,051	-	11,051	23,973
Fundraising and promotion	2	1,581	10,350	11,931	12,132
Management and administration	3	-	979	979	875
Trading	4	-	486	486	382
<b>Total resources expended</b>		<b>57,251</b>	<b>31,384</b>	<b>88,635</b>	<b>95,965</b>
<b>Net incoming resources - continuing activities</b>	5	<b>(263)</b>	<b>2,763</b>	<b>2,499</b>	<b>2,863</b>
Exchange gain/(loss) on restatement of sterling net assets		(7)	21	14	(319)
Reversal of unrealised losses on revaluation of investments	13	-	303	303	424
<b>Net movement in funds</b>		<b>(271)</b>	<b>3,087</b>	<b>2,816</b>	<b>2,968</b>
Total funds at beginning of year		6,438	24,097	30,535	27,567
<b>Total funds at end of year</b>		<b>6,167</b>	<b>27,184</b>	<b>33,351</b>	<b>30,535</b>
<b>On behalf of Council</b>					
<b>David Regan</b> Council Member			<b>Eamon Shields</b> Council Member		



# Consolidated Balance Sheet at 31 December 2004

	Note	2004	2003
		€'000	€'000
<b>Fixed assets</b>			
Tangible fixed assets	8	6,051	2,570
Intangible fixed assets - goodwill	9	243	363
		<u>6,294</u>	<u>2,933</u>
<b>Current assets</b>			
Stocks	11	352	392
Debtors and prepayments	12	7,629	7,173
Investments	13	17,216	17,960
Cash at bank and in hand	14	9,159	8,983
		<u>34,356</u>	<u>34,508</u>
<b>Creditors:</b> amounts falling due within one year	15	<u>(5,560)</u>	<u>(5,419)</u>
<b>Net current assets</b>		<u>28,796</u>	<u>29,089</u>
<b>Total assets less current liabilities</b>		<u>35,090</u>	<u>32,022</u>
Provisions for liabilities and charges	16	(1,688)	(1,434)
Capital grants	17	(51)	(53)
<b>Net assets</b>		<u>33,351</u>	<u>30,535</u>
<b>Funded by:</b>			
Restricted funds	18	6,167	6,438
Unrestricted funds	18	27,184	24,097
<b>Funds</b>		<u>33,351</u>	<u>30,535</u>
<b>On behalf of Council</b>			
<b>David Regan</b> Council Member			<b>Eamon Shields</b> Council Member

# Company Balance Sheet at 31 December 2004

	Note	2004	2003
		€'000	€'000
<b>Fixed assets</b>			
Tangible fixed assets	8	5,651	2,151
Financial fixed assets	10	-	-
<b>Current assets</b>			
Stocks	11	256	323
Debtors and prepayments	12	6,861	5,896
Investments	13	17,216	17,960
Cash at bank and in hand	14	6,881	6,388
		<u>31,214</u>	<u>30,567</u>
<b>Creditors:</b> amounts falling due within one year	15	<u>(6,536)</u>	<u>(5,436)</u>
<b>Net current assets</b>		<u>24,678</u>	<u>25,131</u>
<b>Total assets less current liabilities</b>		<u>30,328</u>	<u>27,282</u>
Provisions for liabilities and charges	16	(1,688)	(1,434)
<b>Net assets</b>		<u>28,640</u>	<u>25,848</u>
<b>Funded by:</b>			
Restricted funds	18	5,731	6,182
Unrestricted funds		22,909	19,666
<b>Funds</b>		<u>28,640</u>	<u>25,848</u>

## On behalf of Council

**David Regan**  
Council Member

**Eamon Shields**  
Council Member

# Consolidated Cash Flow Statement for the year ended 31 December 2004

	Note	2004 €'000	2003 €'000
<b>Net cash inflow from operating activities</b>	19	<b>2,460</b>	1,347
Return on investments (deposit interest received)		<b>435</b>	481
Capital expenditure and financial investment	20	<b>(3,820)</b>	(550)
Net cash (outflow)/inflow before use of liquid resources		<b>(925)</b>	1,278
Management of liquid resources within one year	20	<b>1,046</b>	(3,183)
Increase/(decrease) in cash in the year		<b>121</b>	(1,905)
<b>Reconciliation of net cash flow to movement in net cash resources</b>			
		<b>2004 €'000</b>	<b>2003 €'000</b>
Increase/(decrease) in cash in the year		<b>121</b>	(1,905)
Cash flow from increase in liquid resources	20	<b>(1,046)</b>	3,183
Change in net funds resulting from cash flows	21	<b>(925)</b>	1,278
Revaluation of liquid resources	21	<b>302</b>	514
Exchange difference	21	<b>29</b>	(241)
Net cash resources at beginning of year		<b>26,900</b>	25,349
Net cash resources at end of year	21	<b>26,306</b>	26,900

# Notes forming part of the Financial Statements

## 1 DIRECT CHARITABLE EXPENDITURE

	2004 €'000	2004 €'000	2003 €'000	2003 €'000
<b>(i) Monetary expenditure</b>				
<b>Overseas relief &amp; development expenditure</b>		<b>56,689</b>		52,148
<b>Support costs</b>				
Payroll costs	3,887		3,064	
Staff training and recruitment	174		157	
Travel and insurance	553		566	
Office/service costs	1,549		1,211	
Support of related US organisation	479		390	
Costs recharged to overseas fields	<u>(995)</u>		<u>(434)</u>	
		<b>5,647</b>		4,954
<b>Development education</b>				
General material and costs	579		170	
Grants and subscriptions	18		99	
Direct mail	338		475	
Staff training and recruitment	110		11	
Payroll costs	563		488	
Office/service costs	<u>244</u>		<u>258</u>	
<b>Total development education</b>		<b>1,852</b>		1,501
<b>Total monetary expenditure</b>		<b>64,188</b>		58,603
<b>(ii) Utilisation of donated commodities</b>		<b>11,051</b>		23,973
		<b><u>75,239</u></b>		<b><u>82,576</u></b>

## 2 FUNDRAISING AND PROMOTION

	2004 €'000	2003 €'000
Direct mail	1,127	949
Fundraising and media campaigns	2,060	2,072
Donor recruitment, including related payroll costs (i)	4,317	5,189
Other fundraising and promotion payroll costs	2,618	2,155
Staff training and recruitment	88	77
Public and media relations	203	171
Support of related US organisation	48	174
Office/service costs	<u>1,470</u>	<u>1,345</u>
	<b>11,931</b>	<b>12,132</b>

(i) These expenditures arise from the strategic decision to focus on recruiting members of the public as committed long-term donors. The full costs of recruitment are reflected in the financial statements as they arise, even though the revenue from these donors is spread over several years. The 2004 charge includes payroll costs of employees engaged in donor recruitment of €1,938,000 (2003:€1,182,000).

## 3 MANAGEMENT AND ADMINISTRATION

	2004 €'000	2003 €'000
Payroll costs	600	445
Staff training and recruitment	20	10
Office/service costs	<u>359</u>	<u>420</u>
	<b>979</b>	<b>875</b>

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#### 4 TRADING

Concern Charity Trading Limited commenced trading in October 2000. The principal activity of the company is to raise funds from its charity shops to fund the humanitarian work of Concern Worldwide. The company operates from leased premises in Cork, Limerick and Dublin. The trading company also provides some fundraising support services to the parent company.

#### 5 NET INCOMING RESOURCES

Net incoming resources for the year is after charging/(crediting) the following items:	2004 €'000	2003 €'000
Depreciation of tangible fixed assets	349	339
Amortisation of goodwill	126	123
Amortisation of government capital grants	(3)	(3)
Auditors' remuneration	62	56
Profit on disposal of tangible fixed assets	(8)	(7)
Reimbursement of Council members expenses	1	1

#### 6 TAXATION

There is no charge to taxation in respect of the parent company and its UK subsidiary companies, Concern Worldwide (UK), Childrens Aid Direct and Concern Worldwide (Northern Ireland), as all companies have been granted charitable exemption by the Revenue Authorities in Ireland and the UK.

Concern Charity Trading Limited does not enjoy charitable exemption and is liable to corporation tax. A tax charge did not arise in this company in 2004 as the company received relief from corporation tax for the losses carried forward from previous years.

#### 7 STAFF

##### (a) Numbers and costs

The average weekly number of employees during the year in Ireland and the UK was 209 (2003:175).  
The aggregate payroll costs of these employees were as follows:

	2004 €'000	2003 €'000
Wages and salaries	8,231	6,298
Social welfare costs	775	616
Pension and related costs	748	439
	<u>9,754</u>	<u>7,353</u>

The above does not include payroll costs for staff based in overseas branches.

##### (b) Salary range

A total of 19 employees (2003: 18), all of whom are based in Ireland and the UK, earned remuneration in excess of €50,000 p.a. as follows:

	2004 No. employees	2003 No. employees
€50,000 to €70,000	10	12
€70,001 to €90,000	7	5
€90,001 to €110,000	1	1
€110,001 to €130,000	1	-

Remuneration includes salaries and benefits in kind but excludes employer pension scheme contributions.

## 8 TANGIBLE FIXED ASSETS - GROUP

	Freehold premises €'000	Office furniture & equipment €'000	Computer equipment €'000	Motor vehicles €'000	Total €'000
<b>Cost</b>					
At beginning of year	2,135	1,300	1,012	132	4,579
Additions in year	3,558	61	146	70	3,835
Disposals in year	-	(11)	-	(38)	(49)
<b>At end of year</b>	<b>5,693</b>	<b>1,350</b>	<b>1,158</b>	<b>164</b>	<b>8,365</b>
<b>Depreciation</b>					
At beginning of year	578	470	874	87	2,009
Charge for year	66	131	118	32	347
Eliminated on disposals	-	(5)	-	(37)	(42)
<b>At end of year</b>	<b>644</b>	<b>596</b>	<b>992</b>	<b>82</b>	<b>2,314</b>
<b>Net book value</b>					
<b>At 31 December 2004</b>	<b>5,049</b>	<b>754</b>	<b>166</b>	<b>82</b>	<b>6,051</b>
At 31 December 2003	1,557	830	138	45	2,570

The net book value of the group tangible fixed assets is made up as follows:

	Company €'000	Subsidiaries €'000	Total €'000
Freehold premises	4,859	190	5,049
Office furniture	519	157	676
Office equipment	44	34	78
Computer equipment	151	15	166
Motor vehicles	78	4	82
<b>At 31 December 2004</b>	<b>5,651</b>	<b>400</b>	<b>6,051</b>
At 31 December 2003	2,151	419	2,570

## 9 INTANGIBLE FIXED ASSETS - GOODWILL

	Goodwill €'000
<b>Cost</b>	
At beginning of year	605
Exchange difference	1
<b>At end of year</b>	<b>606</b>
<b>Amortisation</b>	
At beginning of year	242
Charge for year	126
Exchange difference	(5)
<b>At end of year</b>	<b>363</b>
<b>Net book value</b>	
<b>At 31 December 2004</b>	<b>243</b>
At 31 December 2003	363

## 10 FINANCIAL FIXED ASSETS - COMPANY

During 2004 the company provided financing to its wholly owned subsidiary, Angkor Mikroheranhvatho Kapuchea Limited, (AMK), of €0.65million (2003: €0.53 million), in exchange for ordinary share capital. The funds were provided solely in order to enable AMK to provide micro credit services in rural Cambodia. In accordance with the group accounting policy for savings and micro credit schemes, the portion of the funding applied for this purpose by AMK by 31 December 2004 is included in the group's direct charitable expenditure in the statement of financial activities. Unused funds held in cash by AMK at year-end are reflected in the consolidated bank and cash balances.

## 11 STOCKS

Stocks are comprised of relief supplies held for transfer to fields. In the opinion of Council, the replacement cost of stock on hand at the year end did not differ significantly from the balance sheet figures above.

## 12 DEBTORS AND PREPAYMENTS

	Group		Company	
	2004 €'000	2003 €'000	2004 €'000	2003 €'000
Amounts due from co-funders	7,185	6,440	6,180	4,947
Prepayments	382	303	341	293
Sundry debtors	27	380	26	380
Amount due from subsidiary	-	-	279	226
Deposit interest receivable	35	50	35	50
	<u>7,629</u>	<u>7,173</u>	<u>6,861</u>	<u>5,896</u>

All amounts included in debtors fall due within one year.

## 13 INVESTMENTS

	Group		Company	
	2004 €'000	2003 €'000	2004 €'000	2003 €'000
Fixed term deposits	11,314	12,360	11,314	12,360
Investment with Irish Life	5,792	5,508	5,792	5,508
Donated shares	110	92	110	92
	<u>17,216</u>	<u>17,960</u>	<u>17,216</u>	<u>17,960</u>

Interest bearing fixed term deposits are maintained with financial institutions in Ireland and the UK.

In October 2001, €6.35m was invested with Irish Life Investment Managers. The market value of the investment at 31 December 2004 was €5.792m (2003: €5.508m), resulting in an unrealised gain for the year of €0.284m. This gain has been shown in the consolidated statement of financial activities, thus reflecting the value of the investment at the lower of cost and net realisable value.

The market value of donated shares on hand at 31 December 2004 was €109,903 (2003: €91,556), resulting in an unrealised gain for the year of €18,347.

## 14 CASH AT BANK AND IN HAND

	Group		Company	
	2004 €'000	2003 €'000	2004 €'000	2003 €'000
Funds held in Ireland and the UK	5,244	5,945	3,624	3,350
Funds held in countries of operation	3,915	3,038	3,257	3,038
	<u>9,159</u>	<u>8,983</u>	<u>6,881</u>	<u>6,388</u>

**15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2004	2003	2004	2003
	€'000	€'000	€'000	€'000
Trade creditors and accruals	2,535	2,244	1,743	1,468
Bank overdrafts	69	43	21	-
Amounts received from co-funders but unspent	2,956	3,132	2,658	2,989
Amount due to subsidiaries	-	-	2,114	979
	<u>5,560</u>	<u>5,419</u>	<u>6,536</u>	<u>5,436</u>

**16 PROVISIONS FOR LIABILITIES AND CHARGES**

	Group & Company	
	2004	2003
	€'000	€'000
Overseas local staff service payment provisions	1,588	1,334
Cost provision to repatriate overseas personnel	100	100
	<u>1,688</u>	<u>1,434</u>
<b>Overseas local staff service payment provision</b>		
At beginning of year	1,334	874
Charge for year, net of payments made	254	460
At end of year	<u>1,588</u>	<u>1,334</u>

The provision is calculated in accordance with the accounting policy on service payments to local staff overseas. It is expected that the provision will be used over a number of years.

**Cost provision to repatriate overseas personnel**

At beginning and end of year	100	100
Charge for year	-	-
At end of year	<u>100</u>	<u>100</u>

**17 CAPITAL GRANTS**

	Group	
	2004	2003
	€'000	€'000
<b>Receivable</b>		
At beginning of year	84	92
Exchange difference	-	(8)
At end of year	<u>84</u>	<u>84</u>
<b>Amounts released to consolidated statement of financial activities</b>		
At beginning of year	31	31
Amortised during the year	3	3
Exchange difference	(1)	(3)
At end of year	<u>33</u>	<u>31</u>
<b>Net book value at end of year</b>	<u>51</u>	<u>53</u>



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**18 FUNDS****(a) Reconciliation of funds**

	<b>Group 2004 €'000</b>	<b>Company 2003 €'000</b>
Net incoming resources	2,499	2,489
Exchange gain on restatement of sterling net assets	14	-
Reversal of unrealised losses on revaluation of investments	<u>303</u>	<u>303</u>
Net movement in funds	2,816	2,792
Total funds at beginning of year	30,535	25,848
<b>Total funds at end of year</b>	<b><u>33,351</u></b>	<b><u>28,640</u></b>

The reserves held by the group at 31 December 2004 are made up as follows:

	<b>Company €'000</b>	<b>Subsidiaries €'000</b>	<b>Total €'000</b>
Restricted reserves	5,731	436	6,167
Unrestricted reserves	<u>22,909</u>	<u>4,275</u>	<u>27,184</u>
	<b><u>28,640</u></b>	<b><u>4,711</u></b>	<b><u>33,351</u></b>

## 18 (b) Movements in Funds

The movements in funds classified in accordance with the organisation's accounting policies are as follows:

		Balance at 31 Dec 2003 €'000	Income €'000	Expenditure €'000	Transfers €'000	Exchange gain/(loss) €'000	Balance at 31 Dec 2004 €'000
<b>Restricted funds</b>							
Afghanistan		499	1,712	(2,211)	-	-	-
Angola		-	526	(526)	-	-	-
Bangladesh		-	3,316	(3,316)	-	-	-
Burundi		-	999	(999)	-	-	-
Cambodia		1	1,141	(1,142)	-	-	-
Cambodia microfinance		-	740	(740)	-	-	-
DPR Korea		-	874	(874)	-	-	-
DR Congo		-	1,798	(1,798)	-	-	-
East Timor		-	288	(288)	-	-	-
Eritrea		551	1,767	(2,273)	-	-	45
Ethiopia		1,848	3,626	(4,685)	-	-	789
Haiti		-	1,496	(1,496)	-	-	-
India		120	378	(498)	-	-	-
Iran		-	699	(658)	-	-	41
Kenya		-	533	(533)	-	-	-
Laos		-	367	(367)	-	-	-
Liberia		-	2,193	(2,193)	-	-	-
Malawi		1,177	1,589	(2,146)	-	-	620
Mozambique		-	2,048	(2,048)	-	-	-
Niger		-	168	(168)	-	-	-
Pakistan		453	920	(1,373)	-	-	-
Rwanda		-	1,073	(1,073)	-	-	-
Sierra Leone		-	840	(840)	-	-	-
Somalia		-	1,057	(1,057)	-	-	-
Sudan North		-	7,223	(5,198)	-	(8)	2,017
Sudan South		943	4,355	(3,956)	-	8	1,350
Tanzania		-	1,669	(1,669)	-	-	-
Uganda		-	2,134	(2,134)	-	-	-
Zambia		479	405	(740)	-	-	144
Zimbabwe		364	8,842	(9,208)	-	2	-
Tsunami disaster		-	728	-	-	-	728
HQ projects		-	1,044	(1,044)	-	-	-
Others		3	439	-	-	(9)	433
<b>Total restricted funds</b>	(i)	<b>6,438</b>	<b>56,987</b>	<b>(57,251)</b>	<b>-</b>	<b>(7)</b>	<b>6,167</b>
<b>Unrestricted funds</b>							
General funds	(ii)	1,385	34,450	(31,384)	3,042	21	7,514
Designated funds:							
Budget deficit 2005	(iii)	-	-	-	1,350	-	1,350
Tangible fixed asset fund	(iv)	6,371	-	-	(320)	-	6,051
Unfunded pension liabilities	(v)	-	-	-	2,059	-	2,059
Programme continuity fund	(vi)	16,341	-	-	(6,131)	-	10,210
<b>Total unrestricted funds</b>		<b>24,097</b>	<b>34,450</b>	<b>(31,384)</b>	<b>-</b>	<b>21</b>	<b>27,184</b>
Total Funds	(vii)	<b>30,535</b>	<b>91,437</b>	<b>(88,635)</b>	<b>-</b>	<b>14</b>	<b>33,351</b>

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**18 (b) Movements in Funds (continued)****The above funds carried forward at 31 December 2004 represent:**

- (i) Income from appeals and donations which have not yet been applied in the relevant countries.
- (ii) Funds for use at the discretion of the Council to expand the activities of the charity.
- (iii) The organisation expects to have a deficit on unrestricted funds in 2005 and has set aside a portion of reserves to cover it.
- (iv) The net book amounts already invested or committed for tangible fixed assets for use by the charity.
- (v) The deficit on the pension scheme which will have to be reflected in the balance sheet when FRS 17 is implemented.
- (vi) The net amount that Council has agreed to be set aside to ensure that it can protect its ongoing programme of work from unexpected variations in income.
- (vii) Analysis of group net assets between funds

	<b>Restricted funds €'000</b>	<b>Unrestricted funds €'000</b>	<b>Total funds €'000</b>
Funds balances at 31 December 2004 are represented by:			
Tangible fixed assets	-	6,051	6,051
Intangible fixed assets	-	243	243
Current assets	6,167	28,189	34,356
Current liabilities	-	(5,560)	(5,560)
Provisions for liabilities and charges	-	(1,688)	(1,688)
Deferred income	-	(51)	(51)
	<u><b>6,167</b></u>	<u><b>27,184</b></u>	<u><b>33,351</b></u>

**19 RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2004 €'000</b>	<b>2003 €'000</b>
<b>Net incoming resources</b>	<b>2,499</b>	2,863
Deposit interest earned	<b>(420)</b>	(464)
Depreciation	<b>349</b>	339
Goodwill amortisation	<b>126</b>	123
Grant amortisation	<b>(3)</b>	(3)
Profit on disposal of tangible fixed assets	<b>(8)</b>	(7)
Decrease in stocks	<b>40</b>	61
Increase in debtors	<b>(471)</b>	(112)
Increase/ (decrease) in creditors	<b>115</b>	(1,796)
Increase in provisions for liabilities and charges	<b>254</b>	460
Exchange loss	<b>(20)</b>	(117)
<b>Net cash inflow from operating activities</b>	<u><b>2,460</b></u>	<u><b>1,347</b></u>

## 20 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS AND MOVEMENTS DURING THE YEAR

	2004 €'000	2003 €'000
<b>Capital expenditure and financial investment</b>		
Payments to acquire fixed assets	(3,835)	(561)
Proceeds on disposal of fixed assets	15	11
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(3,820)</b>	<b>(550)</b>
<b>Management of liquid resources</b>		
(Decrease)/increase in investments	<b>(1,046)</b>	<b>3,183</b>

## 21 ANALYSIS OF MOVEMENTS IN CASH RESOURCES

	Opening balance 2004 €'000	Net Cash outflow 2004 €'000	Non-cash flows 2004 €'000	Exchange difference 2004 €'000	Closing balance 2004 €'000
Cash at bank and in hand	8,983	147	-	29	9,159
Bank overdrafts	(43)	(26)	-	-	(69)
	8,940	121	-	29	9,090
Fixed term deposits	12,360	(1,046)	-	-	11,314
Investment with Irish Life	5,508	-	284	-	5,792
Donated shares	92	-	18	-	110
	<b>26,900</b>	<b>(925)</b>	<b>302</b>	<b>29</b>	<b>26,306</b>

## 22 SUBSIDIARIES

The holding company, Concern Worldwide, directly controls four subsidiaries, as follows:

- a. Concern Worldwide (UK), (formerly Concern Worldwide (England & Wales)), which is registered as a company limited by guarantee and does not have a share capital. The subsidiary's registered office is at Unit 13 & 14 Calico House, Clove Hitch Quay, Plantation Wharf, London. The subsidiary commenced to trade on 1 January 2004 when the assets, liabilities and activities of Concern Worldwide (NI), (formerly Concern Worldwide (UK)) were transferred into Concern Worldwide (UK) and Concern Worldwide (NI) became dormant. Concern Worldwide (UK) operates in Northern Ireland and Great Britain, its main activities are to fundraise for, and otherwise support, programmes of work which relieve poverty, distress and suffering in the poorest countries of the world.
- b. Concern Charity Trading Limited, which is registered as a company limited by guarantee and does not have a share capital. The subsidiary, which was incorporated in 2000, is registered, and operates in, the Republic of Ireland. The main activity of Concern Charity Trading Limited is to raise funds from its charity shops to fund the work of the holding company. It also supports specific fundraising activities on behalf of the parent company.
- c. The holding company holds 92 out of a total of 99 issued ordinary shares in Africa Concern Limited. This company is registered at Camden Street, Dublin and is dormant.
- d. The holding company also holds all of the issued ordinary shares in Angkor Mikroheranhvatho Kapuchea Limited, (AMK). This company is incorporated in Cambodia and has its office at number 174, Street 370, Phnom Penh. It is engaged in the provision of microfinance to rural communities in Cambodia.

Concern Worldwide (UK) controls three subsidiaries, as follows:

- a. On 1 January 2004 Concern Worldwide (UK) became the sole member of Concern Worldwide (NI), (formerly Concern Worldwide (UK)). On that same day it took over the assets liabilities and trade of the company which then became dormant. The registered office of Concern Worldwide (NI) is at 47 Fredrick Street, Belfast, Northern Ireland.
- b. On 22 October 2004 Concern Worldwide (UK) became the sole member of Trading for Concern Worldwide (UK) Charity Limited. The subsidiary company has its registered office at Unit 13 & 14 Calico House, Clove Hitch Quay, Plantation Wharf, London and is dormant.
- c. On 1 January 2004 Concern Worldwide (UK) also became the sole member of Children's Aid Direct (formerly Concern Worldwide (GB)). The registered office of Children's Aid Direct is at Unit 13 & 14 Calico House, Clove Hitch Quay, Plantation Wharf, London. The company has been dormant since December 2003.

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## 22 SUBSIDIARIES (continued)

Prior to being acquired by Concern Worldwide (UK), Children's Aid Direct had entered into a company voluntary arrangement (CVA) in 2002. All known creditors of the company are members of the CVA, which is being supervised independently by PricewaterhouseCoopers (UK). The CVA is still in process and is expected to conclude in 2005, when the cash realised from the company's assets will be distributed among the members of the CVA. Under the terms of acquisition, Concern Worldwide (UK) made a donation to the CVA in return for ownership of Children's Aid Direct and the goodwill of the company's donors. No other assets or liabilities transferred to the group.

## 23 CONCERN WORLDWIDE (US) INC.

Concern Worldwide (US) Inc. is a not-for-profit organisation registered in the United States of America, and is an affiliate of Concern Worldwide. Concern Worldwide (US) Inc. is governed by an independent board of directors which retains full control over the financial and operating policies of the company. The principal activity of Concern Worldwide (US) Inc. is the raising of funds from the US government and the general public. Concern Worldwide (US) Inc. has entered into separate agreements with Concern Worldwide whereby it will provide sub-awards from these funds exclusively to Concern Worldwide for the period that the agreements remain in force. The total amount of cash grants received from Concern Worldwide (US) Inc. in 2004 was €5,960,000. These grants are accounted for in the same way as grants from all other co-funders.

Concern Worldwide provides funds to Concern Worldwide (US) Inc. to contribute towards its operational costs. The total amount transferred in 2004 was €527,000; this amount is included in the expenditure of Concern Worldwide, analysed according to the purposes for which the funds were applied.

## 24 PENSIONS

The group has continued to account for pensions in accordance with SSAP 24 and the disclosures given in note 24(a) are those required by that standard. FRS 17 Retirement Benefits, which applies only to defined benefits schemes, is not mandatory for the group until the year ending 31 December 2005. In the meantime, phased transitional disclosures are required by the Standard in respect of the group's defined benefit scheme, and, to the extent that these disclosures are not given in note 24(a) SSAP 24 Disclosures, they are set out below in note 24(b), FRS Retirement Benefits.

### (a) SSAP 24 Disclosures

#### Non contributory defined benefit pension scheme

The company operates a non-contributory defined benefit pension scheme for qualifying members of staff. The scheme provides for pension, life assurance and permanent health benefits based on annual salaries. The contributions are paid into a separate fund, the assets of which are vested in independent trustees. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the company. Contributions are determined by a qualified actuary on the basis of a periodic valuation.

The most recent valuation of that fund was as at 1 January 2004 and used the attained age method. The assumptions which have the most significant effects on the results of the valuation are those relating to the expected rate of return on investment and the rate of increase in salaries. It was assumed that the rate of long term investment returns will exceed the rate of pensionable salary increases by 2%.

The actuarial report showed that at 1 January 2004 the market value of the assets of the scheme was €3,922,800 which was 90% of the accrued benefits to the members after allowing for expected future increases in earnings.

The actuarial valuation indicated that the scheme had a deficit at 1 January 2004 of €446,000 on an ongoing basis. The company, in consultation with the scheme's actuary and trustees, has undertaken a review of the scheme's funding structure and has increased employer's contributions from 22% of pensionable salary to 25% and is making an additional annual contribution of €100,000 until the deficit is eliminated.

The pension charge for 2004 was €393,225 (2003: €179,346) of which €364,721, (2003: €167,356) related to employees in Ireland and the UK. The actuarial report is available for inspection by members.

#### Non contributory defined contribution pension scheme

The company also operates a defined contribution pension scheme for qualifying members of staff. The scheme provides for pension, life assurance and permanent health benefits based on annual salaries. The contributions are paid into a separate fund, the assets of which are vested in independent trustees. The company also makes contributions to individual schemes for qualifying staff who do not join the company scheme.

The pension charge for 2004 was €372,000, (2003: €248,391) of which €360,950, (2003: €228,624), related to employees in Ireland and the UK.

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**(b) FRS 17 Retirement Benefits (Defined Benefit Pension Scheme)**

An actuarial assessment of the Concern Pension Scheme was carried out at 31 December 2004 by Hewitt & Beckett Limited for the purpose of preparing this FRS 17 disclosure. The scheme assets are stated at their mid-market value at each balance sheet date.

The financial assumptions used to calculate the retirement benefit liabilities under FRS 17 were as follows:

	2004	2003	2002
Valuation method	Projected unit method	Projected unit method	Projected unit method
Discount rate for scheme liabilities	4.75%	5.50%	5.50%
Inflation rate	2.25%	2.50%	2.50%
Salary increases	3.25%	3.50%	3.50%
Rate of increase to pensions in payment	3.00%	3.00%	3.00%

The market value of the assets of the scheme and the expected rates of return were:

	Long term rate of return expected at 31 December 2004	Value at 31 December 2004 €'000	Long term rate of return expected at 31 December 2003	Value at 31 December 2003 €'000	Long term rate of return expected at 31 December 2002	Value at 31 December 2002 €'000
Equities	7.30%	3,384	7.75%	2,970	7.75%	2,519
Bonds	4.30%	597	4.75%	684	4.75%	647
Property	6.30%	242	6.75%	232	6.75%	242
Cash	2.00%	217	2.50%	43	2.50%	52
Total market value of pension scheme assets		4,440		3,929		3,460
Value of additional voluntary contributions		186		145		101
Present value of funded pension liabilities		(6,685)		(4,843)		(4,356)
<b>Net deficit in funded pension scheme</b>		<b>(2,059)</b>		<b>(769)</b>		<b>(795)</b>

Had FRS 17 been reflected in the primary financial statements, the following are the amounts that would have been included in the statement of financial activities and the statement of total recognised gains and losses:

	2004 €'000	2003 €'000
<b>Included in payroll costs:</b>		
Current service costs	223	169
Past service costs	632	-
Irrecoverable surplus recognised against past service costs	-	-
Settlements and curtailments	-	-
Irrecoverable surplus recognised against settlements and curtailments	-	-
<b>Net operating profit charge</b>	<b>855</b>	<b>169</b>
<b>Included in finance costs:</b>		
Interest cost	(298)	(237)
Expected return on assets	287	246
<b>Net finance (loss)/gain</b>	<b>(11)</b>	<b>9</b>
<b>Included in statement of total recognised gains and losses:</b>		
Difference between expected and actual return on assets	13	160
Experience losses/(gains) on scheme liabilities	266	(138)
Effect of changes in actuarial assumptions	(1,070)	-
<b>Net actuarial (loss)/gain in statement of total recognised gains and losses</b>	<b>(791)</b>	<b>22</b>

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## 24(b) FRS 17 Retirement Benefits (Defined Benefit Scheme) - continued

### History of actuarial gains and losses

	<b>2004</b> €'000	<b>2003</b> €'000	<b>2002</b> €'000
Difference between expected and actual return on assets Expressed as a percentage of scheme assets	13 0.30%	160 4.07%	1,506 43.50%
Experience losses on scheme liabilities Expressed as a percentage of scheme liabilities	266 4.10%	(138) 2.90%	49 1.10%
Total actuarial (losses)/gains Expressed as a percentage of scheme liabilities	(791) 12.20%	22 (0.45%)	1,900 43.62%

There is no requirement in 2004 to reflect the above amounts in the primary financial statements.

### Reconciliation of funds / net assets

	<b>Restricted</b> funds/net assets €'000	<b>Unrestricted</b> funds/net assets €'000	<b>Total</b> funds/net assets €'000
Total funds / net assets at end of year	6,167	27,184	33,351
Net deficit in funded pension scheme at year end	-	(2,059)	(2,059)
<b>Total funds / net assets at end of year (restated for FRS 17)</b>	<b><u>6,167</u></b>	<b><u>25,125</u></b>	<b><u>31,292</u></b>

This reconciliation is a notional one for 2004, as FRS 17 will only be fully implemented from 2005. The restatement of total funds / net assets from €33,351,000 to €31,292,000 is not a requirement, and has no impact on the actual funds available to the group at year end.

### Reconciliation of movements in funded pension scheme net deficit

	<b>2004</b> €'000	<b>2003</b> €'000
Pension scheme (deficit)/surplus at beginning of year	<u>(769)</u>	<u>(795)</u>
Current service costs	(223)	(169)
Past service costs	(632)	-
Net finance (loss)/gain	(11)	9
Net actuarial (loss)/gain	(791)	22
Company's contribution for the year	367	164
<b>Pension scheme deficit at end of year</b>	<b><u>(2,059)</u></b>	<b><u>(769)</u></b>

The above FRS 17 disclosures do not include payments for overseas local staff for which provision is included in note 16, Provisions for Liabilities and Charges.

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## 25 COMMITMENTS

(i) The 2005 Annual Plan, which was approved by Council on 4 December 2004, allows for overseas expenditure in 2005 of €70,269,107. The group is also committed to assist certain overseas projects for periods in excess of one year.

(ii) Group commitments under operating lease agreements in respect of premises used by the group are as follows in 2005:

	<b>Group</b> €'000	<b>Company</b> €'000
Payable on leases in which the commitment expires within :		
- one year	-	-
- two to five years	-	-
- more than five years	391	159
	<u>391</u>	<u>159</u>

(iii) Future capital expenditure approved by Council but not provided for in these financial statements is as follows:

	<b>2004</b> €'000	<b>2003</b> €'000
Contracted	-	149
Authorised but not contracted	652	3,289
	<u>652</u>	<u>3,438</u>

## 26 LEGAL STATUS OF COMPANY

In accordance with Section 24 of the Companies Act, 1963, the company is exempt from including the word 'limited' in its name. The company is limited by guarantee and has no share capital. At 31 December 2004, there were 715 members (2003: 703), whose guarantee is limited to €6.35 each. This guarantee continues for one year after individual membership ceases.

The company, as a charity, is exempt from the reporting and disclosure requirements of the Companies (Amendment) Act, 1986.

## 27 POST BALANCE SHEET EVENTS

No significant events have taken place since the year end that would result in adjustment to 2004 financial information or inclusion of a note thereto.

## 28 RELATED PARTY DISCLOSURE

The company is availing of the exemption under Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose details of transactions with companies within the group.

## 29 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Council of Concern on 21 April 2005



# Appendix 1

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## INCOME SUMMARY FOR THE YEAR ENDED 31 DECEMBER 2004

	2004		2003
	€'000	€'000	€'000
<b>Voluntary donations</b>		43,789	42,215
<b>Government and institutional donors:</b>			
Irish Government:			
Agency for Personal Service Overseas	1,240		1,058
Multi Annual Programme Scheme (MAPS)	14,061		10,100
Other Grants	3,297		2,532
British Government	1,293		2,266
European Union	5,586		6,732
Concern Worldwide (US ) Inc	5,960		4,113
Other cofunding	3,941		4,961
		35,378	31,762
Trading		496	414
Deposit interest		420	464
<b>Total monetary income</b>		80,083	74,855
<b>Donated commodities</b>		11,051	23,973
<b>Total incoming resources</b>		<b>91,134</b>	<b>98,828</b>

## Appendix 2

### ANALYSIS OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2004

#### (a) Monetary income

Funder	Funder origin	Opening balance €'000	Cash received €'000	Income €'000	Exchange gain/(loss) €'000	Closing balance €'000
<b>Voluntary donations</b>	Ireland & United Kingdom	350	(44,674)	43,789	21	(514)
<b>Government and institutional donors:</b>						
Alliance 2015	Netherlands	(11)	(170)	181	-	-
British Government	United Kingdom	486	(1,579)	1,293	11	211
Cardinal Leger	Canada	(4)	(32)	36	-	-
Comic Relief	United Kingdom	41	(89)	50	1	3
Community Fund	United Kingdom	211	(266)	270	-	215
Concern Worldwide (US) Inc	USA	1,298	(5,390)	5,960	-	1,868
DANIDA	Denmark	10	(484)	378	4	(92)
Dutch Embassy	Netherlands	(35)	(228)	184	-	(79)
European Union	European Union	1,971	(4,096)	5,586	(6)	3,455
Helen Keller International	Netherlands	(1)	-	1	-	-
IFAD	United Nations	(3)	4	(1)	-	-
Irish Government	Ireland					
Agency for Personal Service Overseas (APSO)		-	(1,240)	1,240	-	-
Multi Annual Programme Scheme (MAPS)		-	(14,061)	14,061	-	-
Other Grants		(1,473)	(3,004)	3,297	-	(1,180)
Jersey Overseas Aid	United Kingdom	(6)	(59)	116	(2)	49
SIDA	Sweden	(36)	(214)	230	-	(20)
Stichting Vluchteling	Netherlands	(37)	-	13	-	(24)
Sundry Local	Various	(10)	(758)	983	(6)	209
UNDP	United Nations	-	(32)	40	-	8
UNHCR	United Nations	7	(496)	524	(1)	34
UNICEF	United Nations	2	(140)	143	-	5
UNOCHA	United Nations	8	79	(87)	-	-
World Food Programme	United Nations	540	(1,341)	880	2	81
<b>Trading</b>	Ireland	-	(496)	496	-	-
<b>Deposit Interest</b>	Ireland & United Kingdom	50	(435)	420	-	35
		<b>3,358</b>	<b>(79,201)</b>	<b>80,083</b>	<b>24</b>	<b>4,264</b>
<b>Comprising</b>						
Amount due from co-funders		6,440				7,185
Amount due to co-funders		(3,132)				(2,956)
Deposit interest receivable		50				35
		<b>3,358</b>				<b>4,264</b>

## Appendix 2

### (b) Donated commodities

Donor	Commodity received	Donor origin	Monetary value of items received	
			2004 €'000	2003 €'000
CARE/JEOP	Foodstuffs	USA	-	5,836
CARE	Foodstuffs	USA	909	16
Catholic Relief Services	Foodstuffs	USA	141	-
Euroaid	Seed & Fertilizer	European Union	520	292
European Union	Foodstuffs & Tools	European Union	-	713
FAO	Seed & Fertilizer	United Nations	29	23
Sundry Donors	Various	Various	24	9
UNICEF	Food & Non Food items	United Nations	312	420
UNJLC	Non Food Items	United Nations	260	-
World Food Programme	Foodstuffs	United Nations	8,856	16,664
Total donations in kind			<b>11,051</b>	<b>23,973</b>

### Glossary

APSO	Agency for Personal Service Overseas
DANIDA	Danish Development Assistance
FAO	Food & Agriculture Organisation
IFAD	International Fund for Agricultural Development
JEOP	Joint Emergency Operation Plan
SIDA	Swedish International Development Assistance
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children Fund
UNOCHA	United Nations Organisation for Coordination of Humanitarian Affairs
UNJLC	United Nations Joint Logistic Centre

## Appendix 3

### FIVE YEAR SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	2004	2003	2002	2001	2000
	€'000	€'000	€'000	€'000	€'000
<b>Income</b>					
Voluntary donations	43,789	42,215	36,324	32,525	22,980
Irish Government	18,598	13,690	8,739	6,112	5,027
British Government	1,293	2,266	2,124	2,915	3,025
European Union	5,586	6,732	6,834	6,436	5,475
Concern Worldwide (US) Inc.	5,960	4,113	6,140	4,381	4,432
Other international co-funding	3,941	4,961	5,589	4,907	3,723
Trading	496	414	326	259	-
Donated commodities	11,051	23,973	8,136	4,577	7,084
Deposit interest	420	464	493	685	638
<b>Total Income</b>	<b>91,134</b>	<b>98,828</b>	<b>74,705</b>	<b>62,797</b>	<b>52,384</b>
<b>Expenditure</b>					
Afghanistan	3,083	3,285	11,051	3,184	324
Angola	1,808	3,649	3,396	4,829	4,800
Bangladesh	4,663	3,627	3,316	3,730	3,728
Burundi	1,204	1,633	1,928	1,630	1,654
Cambodia	1,421	1,683	1,574	1,773	1,927
Cambodia Microfinance	355	261	-	-	-
DPR Korea	1,556	2,495	1,217	2,567	805
DR Congo	2,363	1,950	1,812	28	142
East Timor	514	572	983	1,299	2,484
Eritrea	2,265	1,663	1,030	654	165
Ethiopia	4,600	10,765	3,870	2,089	5,198
Haiti	2,762	1,355	1,221	954	797
Honduras	25	271	431	819	529
India	978	2,188	948	2,783	757
Iran	578	-	-	-	-
Iraq	-	468	-	-	-
Kenya	967	366	195	135	69
Kosovo	-	144	524	1,463	2,126
Laos	723	760	827	761	463
Liberia	2,716	1,714	1,411	919	637
Malawi	2,139	2,938	2,547	-	-
Mozambique	3,032	2,927	2,105	2,293	5,861
Niger	371	370	-	-	-
Pakistan	1,930	1,299	1,913	466	-
Rwanda	1,680	1,600	1,707	2,034	2,167
Serbia	-	136	559	696	-
Sierra Leone	1,395	1,061	1,279	894	681
Somalia	1,373	988	875	656	348
Sudan North	4,298	288	355	152	-
Sudan South	3,639	3,156	2,764	2,610	1,757
Tanzania	2,619	2,425	2,220	1,726	1,354
Uganda	2,596	1,683	1,412	947	881
Zambia	694	902	111	-	-
Zimbabwe	9,393	17,116	1,229	-	-
Other countries	-	383	105	224	307
Overseas support costs	5,646	4,954	3,997	2,709	2,163
Development education	1,852	1,501	1,467	1,056	953
<b>Total direct charitable expenditure</b>	<b>75,238</b>	<b>82,576</b>	<b>60,379</b>	<b>46,080</b>	<b>43,077</b>
<b>Fundraising and promotion</b>	<b>11,931</b>	<b>12,132</b>	<b>13,071</b>	<b>11,369</b>	<b>5,623</b>
<b>Management and administration</b>	<b>979</b>	<b>875</b>	<b>647</b>	<b>575</b>	<b>423</b>
<b>Trading</b>	<b>486</b>	<b>382</b>	<b>311</b>	<b>238</b>	<b>83</b>
<b>Total expenditure</b>	<b>88,634</b>	<b>95,965</b>	<b>74,408</b>	<b>58,262</b>	<b>49,206</b>
<b>Surplus for year</b>	<b>2,500</b>	<b>2,863</b>	<b>297</b>	<b>4,535</b>	<b>3,178</b>

# Appendix 4

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## MULTI ANNUAL PROGRAMME SCHEME (MAPS) FUNDED BY THE GOVERNMENT OF IRELAND THROUGH DEVELOPMENT COOPERATION IRELAND

The 2004 MAPS funding was utilised as follows:

	€'000
Programme	13,370
Organisational Development	250
HQ Cost	441
<b>Total</b>	<b><u>14,061</u></b>

Details of the programme expenditure are as follows:

Programme	Sub- Programme	€'000
Education	Primary	1,768
	Non- formal	363
Health	PHC	1,309
	Nutrition	772
	WATSAN	554
Livelihood Security	Food security	3,176
	LDO support	3,042
	Livelihood Support	2,005
	Micro Finance	381
<b>Total programme expenditure</b>		<b><u>13,370</u></b>



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