



Policy Forum 00-03A: CARE's Withdrawal from North Korea



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Recommended Citation

"Policy Forum 00-03A: CARE's Withdrawal from North Korea", NAPSNet Policy Forum, April 26, 2000, <https://nautilus.org/napsnet/napsnet-policy-forum/nautilus-institute-pfo-00--3-dprk-developmental-aid/>

Nautilus Institute PFO 00-03: DPRK Developmental Aid

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PFO 00-03A: April 26, 2000

CARE's Withdrawal from North Korea

By Thomas McCarthy

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I. Introduction

The following essay was contributed by Thomas McCarthy. Tom McCarthy trained in development

economics at Princeton University's Woodrow Wilson School of Public and International Affairs. He has worked for over twenty-five years as a consultant in agriculture and rural development. He has undertaken seven extended missions in the DPRK, including work for the International Fund for Agricultural Development (IFAD), the UN Development Program, and the Food and Agriculture Organization. He is actively involved in DPRK issues and is the President of the Koryo Development Corporation, a firm that is trying to promote the lifting of US sanctions on trade and investment in the DPRK.

McCarthy discusses CARE's recent decision to withdraw from the US Private Voluntary Organization Consortium (PVOC) working on agricultural development in the DPRK. He argues that, while working in the DPRK is never easy, the PVOC bears a large portion of the responsibility for its failure to follow the agreed procedures on managing and monitoring the agricultural development project. He warns that the withdrawal could damage the credibility of US promises to provide developmental aid to the DPRK.

II. Essay by Thomas McCarthy

"CARE's Withdrawal from North Korea"

On April 4, 2000, CARE announced on its website that it would withdraw from the U.S. Private Voluntary Organization Consortium (PVOC) (see: [CARE](#) or the [Daily Report for April 6](#)). CARE stated that the seriousness of North Korea's humanitarian food crisis had diminished and that it was now time for a shift to rehabilitation efforts. CARE concluded by stating that,

"Despite a nearly four-year dialogue with the North Korean government regarding the importance of access, transparency and accountability ... the operational environment in North Korea has not progressed to a point where CARE feels it is possible to implement effective rehabilitation programs. For that reason, CARE will withdraw from the consortium by June 30, 2000."

The website statement has provoked remarkably little comment in the press. Absent a response of some sort, CARE's justification appears likely to blend into the folklore about how impossible it is to work effectively in North Korea. But CARE may owe a more careful explanation. CARE's stance is important, not only because many U.S. PVO's are likely to follow its lead, but also--and more critically--because North Korean prospects for official bilateral and multilateral assistance for agricultural rehabilitation will certainly be affected negatively by statements of this sort. CARE is an important player in the highly symbolic world of development assistance. Its actions unavoidably affect the decisions of other organizations.

Much more will eventually be known about the substantive pros and cons of CARE's action. A detailed GAO report on PVOC activities in North Korea including an evaluation of the management of the seed potato project is now under preparation. However, the report will not be available until some time in June. Presumably, CARE and other PVOC members also will be reporting publicly on their 1999-2000 activities. But those reports also are unlikely to be ready before the project comes to an end in late June.

In the meantime, CARE's very public judgment clouds the horizon for otherwise improving DPRK relationships with other donors. Time matters here. The International Fund for Agricultural Development (IFAD) is now preparing a proposal for a possible third loan to North Korea. IFAD management must sign off on a preliminary proposal before mid-May if a new project is to be approved this year. Another UNDP-sponsored Geneva Round Table Meeting is in the offing, scheduled tentatively for mid-June. Preparatory DPRK and UN Development Program (UNDP)

meetings with potential Round Table donors will be affected negatively by CARE's statement. The future plans of European NGOs as well as their American counterparts also will be strongly influenced by what CARE has done. Finally, the CARE announcement was made at almost the precise moment when prospects for reconciliation on the peninsula--and the rehabilitation of the North Korean economy--appear better than they have in half a century. The responsible international community should be seeking ways to support this process.

No one would deny that the U.S. PVOC has faced complex and sometimes unpleasant and thankless tasks in its efforts to complement larger World Food Program (WFP) and bilateral food assistance programs. The issue of the adequacy of monitoring and evaluation arrangements for PVOC and other DPRK food aid programs was the topic of a US General Accounting Office (GAO) study last summer. Another GAO paper on the same general theme should be ready by mid-June of this year. That report almost certainly will recommend increased "access, transparency, and accountability" for U.S.-financed food assistance programs.

But the issue here is not the management of traditional food aid programs. CARE stated that it was withdrawing from the PVOC and from North Korea because conditions were not right for its involvement in agricultural rehabilitation efforts.

As its website announcement noted, CARE has been a "lead member" of the PVOC since 1996. Since mid-April 1999, CARE provided both the in-country "Team Leader" and U.S.-based coordination for a program that included, as part of a larger "humanitarian" food aid effort, the "potato project," the first ever U.S. -assisted agricultural rehabilitation project in North Korea. The increased official U.S. food assistance that was provided under the overall project was tied quite openly to DPRK agreements to allow inspections of suspected nuclear facilities. However, the potato project was funded primarily with the resources of CARE and the other PVOs responsible for monitoring the increased official food aid. It therefore represented an imaginative and promising attempt to demonstrate U.S. interest in the rehabilitation of North Korean agriculture, despite the continuing legal barriers to official bilateral aid.

The agreement for the project was not signed until mid-April, leaving barely a fortnight until the traditional deadline for planting potatoes in most areas of North Korea. Nevertheless, the Carter Center (a member of the PVOC) and the Chinese affiliate of the International Potato Center (a CGIAR institution) were able to buy and ship seed potatoes and other supplies in time for planting. By early June, with PVOC seed potatoes safely in the ground, the North Korean government had agreed to allow unprecedented access, transparency, and accountability for project activities. It was the PVOC, not the Government, and not the cooperatives, that did not use the agreed farm visit, monitoring and evaluation, and on-farm record keeping arrangements for the potato project. And it was the PVOC that did not follow through with its commitments to cooperative farms for a second year of potato project assistance.

Had CARE and the PVOC managed the potato project as planned, there might now be a stronger basis for continued PVOC involvement in agriculture rehabilitation. DPRK officials who went out on a shaky limb for the project would not now see their judgment called into question. And--most importantly--cooperative farm managers and families would have gained confidence in the credibility of U.S. rehabilitation proposals.

Some basic background facts concerning CARE and PVOC management of the project should be helpful for the purposes of this paper. Much more detail will become available as the GAO study and CARE and PVOC project reporting are completed over the coming few months.

Last year, I was asked by a consultant to the Carter Center to assist in getting the potato project

underway. I was hired in part because I have substantial agriculture experience in the DPRK, with IFAD, the UNDP, and the Food and Agriculture Organization (FAO). My experience includes something close to 35 visits to cooperative farms as well as a practical familiarity with county level agricultural management. Beginning in mid-April 1999, I assisted in procuring and shipping seed potato stocks, fertilizers, pesticides and fungicides, and other supplies for the project. I then worked directly with "Flood Damage Rehabilitation Committee" (FDRC), Ministry of Agriculture, and county and cooperative farm management officials to improve the project's initial design. Finally I worked directly with FDRC and county agriculture authorities officers to jointly develop and field test simple project monitoring and evaluation and on-farm record keeping systems.

Some of our more important project improvement measures included: (a) providing for previously missing farmer consultation about project activities (neither the PVOC nor the FDRC consulted the cooperative farms chosen to participate in the project), (b) assuring elementary training and storage safeguards for the use of dangerous pesticides and fungicides, and (c) purchasing enough additional fertilizer to ensure that cooperatives would have adequate food through the winter if they saved their seed potatoes for future use (or if the potato crop failed). FDRC officers helped directly--and in the end rather enthusiastically--to design the information gathering procedures and the Korean-language reporting forms that were to be used to monitor and evaluate the various outcomes of the project. The jointly developed procedures and forms were tested informally during field visits (two to each cooperative) during May and early June. They were then further corrected--at the FDRC's direct initiative--to help us to better understand how the cooperatives finally made use of the different fertilizers and other assistance provided through the project. County officials and cooperative farm managers understood and did not at all resist using the monitoring procedures--in fact two of them made suggestions for making them more useful.

For all practical purposes, the agreed monitoring and evaluation and future planning arrangements were never used by the PVOC, despite clear FDRC and cooperative farm willingness to provide the needed information, to permit full access both to farms and to farm records, and to jointly evaluate the effectiveness of the different decisions about the use of project inputs made by different cooperative farms. To this day, there has been no written report on or other satisfactory explanation for why the agreed procedures were not used or about what might have happened if they had been.

Neither CARE nor the PVOC "deliberately" mismanaged anything in North Korea. It would be preposterous to even suggest otherwise. The potato project was derailed by a series of CARE/PVOC management and staffing problems, all greatly aggravated by PVOC infighting, that might have had far less impact in a more typical food aid management setting.

CARE and the PVOC did not place a food aid monitoring team in Pyongyang until early July 1999, at least ten weeks after the signing of the DPRK-PVOC-U.S. "Memorandum of Understanding" that set the U.S. Government-financed food aid program and the PVOC-supported seed potato project in motion. During the interim period, the CARE "Team Leader" for an ongoing predecessor project assisted as best he could in food aid management, but had no substantial involvement in seed potato project work on the cooperative farms. The CARE-appointed Team Leader who was finally posted to Pyongyang in early July (nearly three months after the potato project got underway) was asked "not to return" when he made a short visit to China in late September. His replacement, the third and final CARE Team Leader, did not arrive until October, when most important potato project work already was nearing completion (and after heavy rains had damaged much of the once promising crop).

Over this same period, the U.S.-based Carter Center consultant who coordinated agriculture activities made numerous urgent efforts to ensure the continuation of planned seed potato project monitoring and evaluation activities during this difficult period for the PVOC. Direct communications

with the FDRC aimed at solving the rapidly emerging project monitoring and evaluation "crisis" were blocked because of PVOC management team infighting and confused lines of authority. Detailed recommendations to the FDRC were never delivered. Arrangements for Chinese potato center participation in monitoring and technical assistance fell apart because U.S.-based PVOC managers "forgot" to secure visas, etc. Potato project technical assistance consultants, none of whom had North Korean experience, never fully completed the reporting and analysis tasks that had been agreed with the FDRC. Compliance with pesticide training and storage standards was never physically verified. And weak PVOC management led to incomplete and confused potato project record keeping.

By September, it was clear that the seed potato project had all but collapsed. PVOC efforts to resuscitate the project over the past winter were again characterized by internal uncertainty and infighting. By March, the project was officially dead. Presumably the cooperative farms that expected continued PVOC assistance this year were notified in time to make other cropping plans.

Again, food aid management problems are not the issue here. The issue is assistance for urgently needed agricultural rehabilitation. CARE stated that it was withdrawing because a lack of "... access, transparency, and accountability" precluded its involvement in a needed transition from "humanitarian" food aid to rehabilitation efforts, presumably including agricultural rehabilitation. But the potato project is perhaps the one clear case where the North Korean authorities agreed fully to "access, transparency, and accountability." The PVOC--including CARE project managers in Pyongyang and the U.S.--simply did not take them up on their offer. North Korean farmers are the short-term losers. U.S. credibility may be a longer-term cost.

Thomas F. McCarthy Springfield, Virginia April 26, 2000

III. Nautilus Invites Your Responses

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: napsnet-reply@nautilus.org . Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

Produced by The Nautilus Institute for Security and Sustainable Development
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Nautilus Institute

608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email:

nautilus@nautilus.org