

Data Sheet

USAID Mission:	Ethiopia
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	663-016
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$17,633,000 DA; \$500,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$500,000 ESF
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: This strategic objective (SO) focuses on accelerated, agricultural-based, economic growth as a critical pathway to preventing famine in Ethiopia by improving economic policy and governance, increasing market-led private sector growth and agricultural productivity, protecting and increasing the assets and livelihoods of the poor, and, where necessary, providing emergency assistance. By improving their economic and household livelihoods circumstances, Ethiopians will be better able to manage through shocks and effectively tackle the root causes of poverty, food insecurity, and famine vulnerability.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Economic Policy and Governance (\$3,526,000 DA; \$500,000 ESF). Programs will build institutional capacity, conduct research and analysis, and support stakeholder dialogue and related activities to improve agriculture and rural development and policy/investment decision-making, advance Ethiopia's accession to the World Trade Organization, and enhance land tenure security for farmers through selected improvements to land administration. A new arid lands pastoral development program will include efforts at influencing policies on disease control, livestock marketing, and community animal health service delivery. Principal contractors and grantees: International Food Policy Research Institute, Booz-Allen Hamilton, Associates in Rural Development, and others to be determined.

Increase Private Sector Growth (\$7,935,000 DA). USAID will continue to support cooperative development in Ethiopia. USAID will also continue to provide technical support and rural lending by transferring \$1,000,000 to the Development Credit Authority (DCA) loan guarantees for agricultural producers, pastoralists, and agricultural enterprises, and develop output markets for the targeted agricultural sectors of coffee, horticulture, food grains, and livestock products. DCA loan guarantees for rural credit will also be expanded and broadened into small enterprise lending, potentially adding one additional private bank. A pastoralist development program will improve the productivity and marketing of cattle, sheep and goats in certain remote, arid areas of the country. Principal contractors and grantees: two Ethiopian private banks, ACDI/VOCA, Development Alternatives Inc., Save the Children-US, and others.

Increase Agricultural Productivity (\$6,172,000 DA). In Amhara Region, new programs are being launched in small-scale irrigation, land and watershed management, seeds and fertilizer input market systems development, and technology transfer (production, post-harvest storage, and processing). Principal contractors and grantees: Virginia Tech University, International Water Management Institute, International Fertilizer Development Center, and Cornell University.

FY 2006 Program: In addition to the amounts shown below, USAID intends to use \$14,840,000 of Transition Initiatives funds to support the following activities and objectives.

Improve Economic Policy and Governance (\$500,000 ESF). Continued support will go to agricultural sector policy/investment planning, land tenure security, WTO accession, and animal health and livestock marketing regulations that promote private sector involvement. Same implementers as above.

Increase Private Sector Growth. Continued financial and technical support will be provided to small rural enterprises, agricultural cooperatives and agribusinesses, and output market systems for targeted sectors. Support for pastoralist/agro-pastoralist economies will continue, and a new dairy development program, currently being designed, will begin implementation. Same implementers as above, with new implementers to be determined for selected components.

Increase Agricultural Productivity. USAID plans to continue to support land use management, small-scale irrigation, community watershed management, and the development and dissemination of improved agricultural technologies in production, post-harvesting, and processing. Same implementers as above, with new implementers to be determined for selected components.

Performance and Results: USAID-funded activities in 2004 yielded several important gains in agricultural productivity and marketing, natural resources management, and the transition from relief to development. Some of the most impressive gains have been made with cooperative formation and expansion, with farmers organizing themselves into saving and credit cooperatives and cooperatives contributing substantially to input supply and output marketing for their members and other farmers. Successful animal health interventions have been undertaken in the arid pastoral and agro-pastoral areas of the country, teaching local animal health workers to treat livestock diseases. Well-targeted relief programming has distributed food, seeds, and livestock, as well as conserved both soil and water, to protect farmers' assets and help them recover more quickly after disasters.

At the completion of this SO, the number of people requiring food aid will have been reduced and their incomes will have been raised through new and diverse income earning strategies, taking one million people off the list of the chronically vulnerable. Private sector investment and sustainable agricultural productivity will have increased, coupled with a rise in the marketing of selected agricultural commodities. Women will have a greater role in the formal economic sector, and more control over their economic assets. Ethiopian federal and regional policies to increase productivity and trade will be reformed and implemented.

US Financing in Thousands of Dollars

Ethiopia

663-016 Economic Growth	CSH	DA	DCA	DFA	ESF	IDA
Through September 30, 2003						
Obligations	0	0	0	0	0	0
Expenditures	0	0	0	0	0	0
Unliquidated	0	0	0	0	0	0
Fiscal Year 2004						
Obligations	0	2,049	1,525	7,500	1,000	19,882
Expenditures	0	0	0	0	0	0
Through September 30, 2004						
Obligations	0	2,049	1,525	7,500	1,000	19,882
Expenditures	0	0	0	0	0	0
Unliquidated	0	2,049	1,525	7,500	1,000	19,882
Prior Year Unobligated Funds						
Obligations	0	0	0	0	0	0
Planned Fiscal Year 2005 NOA						
Obligations	0	17,633	0	0	500	0
Total Planned Fiscal Year 2005						
Obligations	0	17,633	0	0	500	0
Proposed Fiscal Year 2006 NOA						
Obligations	0	0	0	0	500	0
Future Obligations	7,500	127,771	3,975	0	4,000	0
Est. Total Cost	7,500	147,453	5,500	7,500	6,000	19,882