

# EVOLUTION OF USAID OBJECTIVES IN ETHIOPIA

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## USAID DEVELOPMENT PRIORITIES IN ETHIOPIA IN THE 1960s

### 1962-1969

**FY 1962:** For FY 1962, Ethiopia received the third highest grant amount behind Liberia and Nigeria. USAID provided grants to Ethiopia for the following areas: Education, Agriculture, Forestry and Fisheries, Health and Sanitation, Community Development, Social Welfare and Housing, Industry and Mining and Transportation. Education received the more than other program areas.

**CBJ FY 1962:** [http://pdf.usaid.gov/pdf\\_docs/PNAAX630.pdf](http://pdf.usaid.gov/pdf_docs/PNAAX630.pdf)

**FY 1964:** Ethiopia occupies a strategic area in the Horn of Africa. It is the site of an important U.S. military communications facility at Kagnev Station, and is located on the main sea and air lanes between the Mediterranean and Indian Ocean.

### US Objectives in Ethiopia

- Maintaining of access to the U.S. military communications facility at Kagnev Station
- Prevention of civil disorder and violence while encouraging social, economic and political reform in directions acceptable to the current regime, and urgently sought by the progressive minded younger generation
- Maintenance of political stability in the Horn of Africa by encouraging moderation on the part of Ethiopia vis a vis her immediate neighbors (notably the Somali Republic) and moderation in her development of a military establishment
- Denial of bloc entrance in such sensitive areas as military assistance, communications and political activities
- Adoption by the Ethiopia Government of positions favorable to U.S. interests in international issues of major concern to us, particularly with regard to support for United Nations collective security undertakings.

Given these objectives, U.S. assistance continued to concentrate in the fields of education, public health, public safety, transportation, agriculture and natural resources, and industry and mining (pp.84-85).

**CBJ FY 1964:** [http://pdf.usaid.gov/pdf\\_docs/PDACE288.pdf](http://pdf.usaid.gov/pdf_docs/PDACE288.pdf)

**FY 1966:** Although Ethiopia's present productive level is low, its fertile soil and water and livestock resources give it some development potential. Barriers to its progress have been the lack of necessary institutions and trained people, illiteracy and disease. Ethiopia has taken a number of significant actions to improve the country's institutional base over the past few years. These factors, together with the need to maintain political stability in the Horn of Africa justify a substantial input of U.S. development assistance

to help Ethiopia in its efforts to meet basic economic and social needs to ensure south growth and national cohesion.

In FY 1966, while continuing to assist in developing human resources, AID will emphasize activities having a more immediate economic benefit, particularly in agriculture, livestock and encouragement of industrial development. Assistance will also continue in the areas of education, public health (including the eradication of malaria), communications and public safety. AID technicians will continue to assist the IEG in accelerating business growth by identifying investment opportunities, preparing feasibility studies, undertaking basic economic research and assisting the Ministry of Finance to effect tax reforms. AID will also continue its assistance in strengthening the capabilities of the Imperial Ethiopian Police (p.121).

**CBJ FY 1966:** [http://pdf.usaid.gov/pdf\\_docs/PDACE244.pdf](http://pdf.usaid.gov/pdf_docs/PDACE244.pdf)

**FY 1967:** In Ethiopia, the U.S. seeks a stable and friendly which will continue to be an influential force for stability in African affairs, with a pro-western orientation. The U.S. interest in Ethiopia reflects that country's growth importance in Africa, its size and population, its close ties with the U.S. and the continued availability of communications facilities at Kagnew Station. Ethiopia has attained new stature in recent years and has furnished military contingents for peace-keeping in Korea and the Congo. Its leadership under the Emperor has become an influential advocate for the unity and stability of Africa. Opportunities for effective influence on Africa wide problems have been enhanced by the location in Addis Ababa of the Economic Commission for Africa and the Organization for Africa Unity.

The economic aid to Ethiopia complements substantial military assistance in support of these objectives. The economic assistance program is aimed at helping Ethiopia make more vigorous effort to realize the development possibilities afforded by its considerable resources and necessary to continue its stability and capacity for influence in Africa. The U.S program is directed primarily to the preconditions for development since Ethiopia's development planning and performance are incomplete in many ways.

USAID assistance in FY 1967 for the following sectors: Agriculture and natural resources, education, health, and industry. The area of first importance is Agriculture, since it represents about two thirds of GDP, occupies 90% of the population and earns virtually all of Ethiopia's foreign exchange receipts. Moreover, Ethiopia's agricultural resources are largely untapped. The agricultural program is focused on increasing production, processing and marketing of cash crops and livestock (p.22).

**CBJ FY 1967:** [http://pdf.usaid.gov/pdf\\_docs/PDACE236.pdf](http://pdf.usaid.gov/pdf_docs/PDACE236.pdf)

**FY 1968:** The primary US objective is to help insure maintenance of a stable, cohesive and friendly government which will continue to be an influential and moderate force in African and world affairs. Ethiopia is the site of an important U.S military communications facility and has generally taken constructive foreign policy positions. The AID program helps achieve these objectives by encouraging and selectively supporting Ethiopia's efforts to accelerate social and economic growth and attempting to

gain thereby the confidence and support of young and progressive Ethiopians who will one day come to power.

U.S Strategy in Ethiopia: Since one of Ethiopia's most serious problems is its lack of government revenue to support development projects, the major thrust of AID assistance is to increase production in the cash economy. AID is developing jointly with the Ethiopians professional evaluations and development plans for agriculture, related industry and educations as a guide to future AID assistance and that of other donors to these sectors. Meanwhile, because the government has recently taken a number of steps to indicate its interest in more effective agricultural planning and programming, AID assistance to this sector is being intensified. Assistance to education is concentrated in higher education and teacher training to help Ethiopia meet its more critical manpower needs.

Program areas: Education, Health and Sanitation and Agriculture and Natural Resources. Focus on Agriculture (p.57).

**CBJ FY 1968:** [http://pdf.usaid.gov/pdf\\_docs/PDACE227.pdf](http://pdf.usaid.gov/pdf_docs/PDACE227.pdf)

**FY 1969:** The main objectives of the AID program are to help Ethiopia

1. Increase its insufficient trained manpower by improving general education and training skills needed in the job market,
2. Raise its current inadequate government revenues by expanding the money sector of the economy through concentration on revenue-producing activities in agriculture and related industries.

Program Areas: Education, Agriculture and Natural Resources, Health and Sanitation, Public Safety and Administration.

Focus on Agriculture and Natural Resources. (p.109)

**CBJ FY 1969:** [http://pdf.usaid.gov/pdf\\_docs/PDACE216.pdf](http://pdf.usaid.gov/pdf_docs/PDACE216.pdf)

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## **USAID DEVELOPMENT PRIORITIES IN ETHIOPIA IN THE 1970s**

**FY 1970:** The major A.I.D program objectives are to assist Ethiopia to mobilize its own resources and to expand the monetary economy by:

1. Increasing commercial agricultural and industrial production
2. Developing manpower training and education
3. Improving organizational and administration skills

The AID program will continue the transition from concentration on institution-building and infrastructure construction to emphasis on revenue-producing activities. AID funds will be increasingly used to:

Expand agricultural and industrial output

Redirect educational training to meet manpower needs

Establish more effective revenue and fiscal management systems

Program areas: Agriculture and Industry, Manpower Training and Education, Revenue and Fiscal Administration and Health.

\$3.5 million of 6 million development loans and a third of the technical assistance went to Agriculture and Industry objective.

**CBJ FY 1970 pp. 141-142**

[http://pdf.usaid.gov/pdf\\_docs/PDACE205.pdf](http://pdf.usaid.gov/pdf_docs/PDACE205.pdf)

**FY 1971:** AID objectives are to assist Ethiopia in mobilizing its own resources for development and to expand the monetary economy by:

1. Increasing agricultural and industrial production to widen the revenue base and the capacity for savings
2. Training people and developing their organizational capabilities
3. Increasing the effectiveness of government operations

Over one half of FY 1971 AID assistance will support agricultural and industrial development.

Programs in the areas of Agricultural and Industrial production, Manpower Training and Education, Financial and Planning Administration and Health.

**CBJ FY 1971 pp.167-169**

[http://pdf.usaid.gov/pdf\\_docs/PDACE196.pdf](http://pdf.usaid.gov/pdf_docs/PDACE196.pdf)

**FY 1973:** “In FY 1972 and 1973 AID will continue to provide assistance for agricultural development, manpower training and health and population. In FY 1972, AID expects to authorize a development loan of \$15 million and is proposing \$11 million in FY 1973, almost all to be devoted to agriculture and rural development. The FY 1972 and FY 1973 technical assistance programs are concentrated on manpower training and agriculture. AID will also support population-related maternal and child health programs.”

AID has narrowed its focus toward the agricultural sector.

**CBJ FY 1973 pp.17-19**

[http://pdf.usaid.gov/pdf\\_docs/PDACE179.pdf](http://pdf.usaid.gov/pdf_docs/PDACE179.pdf)

**FY 1974:** “While Ethiopia has made substantial economic progress in recent years, it continues to face major challenges in achieving sustained development. Most important is the need to improve performance in the agricultural sector in which more than 85% of Ethiopians are engaged in subsistence farming.” “Ethiopia is in the category of countries designated by the UN as the least developed. Infrastructure—social and physical—is less developed than in much of Africa.”

Programs in the areas of Food Production and Nutrition (Agricultural sector), Human Resource Development and Population Planning and Health. Bulk of AID funds geared towards Food Production and Nutrition programs.

**CBJ FY 1974 pp. 17-19**

[http://pdf.usaid.gov/pdf\\_docs/PNABJ660C.pdf](http://pdf.usaid.gov/pdf_docs/PNABJ660C.pdf)

**FY 1975:** Agricultural sector, which accounts for more than 50% of the GDP, remains the most important requirement for development.

The FY 1975 AID program focuses on assistance to small farmers in the production of food and export crops as a means of helping to achieve equity goals. AID is also continuing support to the Haile Selassie University and plans to provide selective assistance to Ethiopian initiatives to develop a more relevant, informal, and rural education system

Disaster Relief: Ethiopia is experiencing severe drought conditions in the northeastern provinces. Recent reports indicate that the situation is worsening and spreading to other parts of the countries. US committed over 58,000 metric tons of food grains and \$188,000 in disaster relief funds during FY 1973-FY 1974.

AID is extremely concerned with the need for medium and long-term reconstruction and rehabilitation requirements in order to avoid the recurrence of these conditions. To this end, \$5 million in loan funds is being proposed for FY 1975 for a recovery program to finance road building, water development, erosion control and similar activities.

In FY 1975 AID proposes a program of \$25 million:

\$7 million for an agricultural sector loan

\$5 million for a southwest resettlement loan

\$5 million drought recovery loan

\$4 million to finance technical assistance projects. (includes Education and Human Resource Development and Health projects).

**CBJ FY 1975 pp.17-20**

[http://pdf.usaid.gov/pdf\\_docs/PNABJ661B.pdf](http://pdf.usaid.gov/pdf_docs/PNABJ661B.pdf)

**FY 1976:** Two major events impacted US assistance to Ethiopia.

A major drought has plagued Ethiopia since the beginning of the 1970s. Millions of persons have been affected and thousands of lives lost. A major international donor relief effort was mounted in response to the situation. The United States, through June 30 1974 contributed nearly \$18 million in food and nonfood emergency relief.

A changing political situation is having an impact on the US assistance program. Ethiopian long festering discontent and dissatisfaction with the government's performance and response to economic and human issues such as drought were major factors contributing to the removal of Emperor Haile Selassie I and the establishment of military rule by a Provisional Military Administrative Council. The Eritrean Liberation Front has waged an insurgency in Ethiopia's northernmost province for nearly a decade. This activity has grown in intensity concomitant with the changing political environment.

FY 1976 Program: AID objective is to encourage growth of income through rural development including:

1. Increased agricultural production and productivity

2. Increased employment
3. More equitable distribution of income

AID will also continue to assist:

- The education sector
- To help Ethiopia recover from the drought

For FY 1976 and its 5<sup>th</sup> quarter almost all funding went to Food and Nutrition, a small amount when to Education and Human Resources Development.

### **CBJ FY 1976 p.17**

[http://pdf.usaid.gov/pdf\\_docs/PDACE270.pdf](http://pdf.usaid.gov/pdf_docs/PDACE270.pdf)

**FY 1977: The United States has been assisting Ethiopia's development since 1952. Assistance in 1952-1970 concentrated on developing infrastructure, institutions and manpower training. Since 1970 AID has concentrated on: Rural Development and Education.**

Through the efforts of the Government of Ethiopia and international donors, in addition to favorable rainfall conditions, Ethiopia is well on its way toward recovery from a major drought which struck the country in the beginning of the 1970s. Through June 30, 1975 The US contributed nearly \$29 million in food and non food emergency and short term recovery relief.

Significant government action taken: Issuance in March 1975 of a sweeping Land Reform Proclamation intended to completely replace the ruling landed elite with a system of peasant associations specifically designed to bring the rural masses directly into the planning and implementation of development programs.

### **FY 1977 Program**

For FY 1977 AID is proposing \$15 million in loan assistance and \$1.9 million in grant assistance. All of this assistance is proposed for the agricultural sector. This sector accounts for more than 50% of the GNP and affects the lives of 85% of the population, three quarters of whom are at the subsistence level.

The AID objective is to encourage growth of small farmer income through rural development including:

1. Increased agricultural production and productivity
2. Increased employment
3. More equitable distribution of income

Food and Nutrition: the FY 1977 program concentrates on food production and nutrition. AID will focus on small farmer production of food crops and, to a limited extent, export crops. Ethiopia has shifted over the past 10 to 15 years from being a net exporter to a net importer of food grains.

AID also provides assistance through agricultural sector loans. Through FY 1975, AID had provided a total of \$55 million in such loans. These funds were used to supplement the government's own domestic resources in the agricultural sector development budget.

In stimulating rural development AID will assist in malaria control programs and education and human resource development.

**CBJ 1977 pp.17-20**

[http://pdf.usaid.gov/pdf\\_docs/PDACE150.pdf](http://pdf.usaid.gov/pdf_docs/PDACE150.pdf)

**FY 1978:** "As a result of the 1974 revolution, Ethiopia has been transformed from a feudal monarchy to a military-led provisional socialist government."

US interests in Ethiopia are based on:

1. Continuing concern for long-term development of the least developed countries in the world
2. Willingness to work with the present Government, which is carrying out social and economic reforms consistent with AID development assistance priorities;
3. A long standing humanitarian concern for populations affected by natural disasters.

**Objectives of U.S. Assistance**

The AID program provides concrete evidence of the US Government's willingness to assist the Ethiopian Government in bringing the benefits of development to the poor majoring and increasing their participation in development progress.

In the recent past, AID has been operating with some uncertainty in Ethiopia while the new Government formulated policy and program directions, including the role of aid donors in their development programs.

**FY 1978 Program**

In FY 1978, AID will support major Ethiopian Government programs in two key areas: Arid land development, preventing further ecological deterioration of arid land areas and reestablishing their ability to sustain existing populations and minimizing human and material costs of adverse weather conditions in future years.

Support to Ethiopia's new agricultural development program scheduled to being in FY 1977. This is the government's main program for stimulating agricultural production by small farmers who have acquired land through the recent land reform.

A small program in the population area will receive AID funding in FY 1978.

Also AID will initiate several smaller projects to support the major programs in arid lands and agricultural development.



**NOTE: NO AID loan obligations to Ethiopia since 1976, all assistance are grants. Almost all grant amounts for 1976-1979 focus on programs related to food and nutrition.**

**CBJ FY 1978 pp.47-49**

[http://pdf.usaid.gov/pdf\\_docs/PDACE129.pdf](http://pdf.usaid.gov/pdf_docs/PDACE129.pdf)

**FY 1979: No EA loan obligations to Ethiopia, only grants made.**

U.S. interests, reflecting the current complexity of Ethiopia's political, economic, and cultural milieu, are based on political, humanitarian and developmental concerns. The continuation of the AID program is a concrete demonstration of our willingness to cooperate with third world countries of varying political and economic beliefs; of our desire to alleviate suffering caused by disasters; and our willingness to contribute to the achievement of long term development objectives.

The United States coordinates closely with IBRD and Swedish aid in providing support to the government's major agricultural development program.

### **AID Program Direction**

Our economic assistance for FY 1978-1979 has been planned directly with both government officials and local peasant associations to help increase food production, to promote self-help activities and marketing capacity of small farmers, and to develop needed skills and social services in Rural areas. The FY 1978 contribution to agriculture sector development will fund continuation of support to government's rural development program which extends simple, improved farm practices and inputs to farmers and assists them in organizing cooperative marketing.

**CBJ FY 1979 pp. 267-268**

[http://pdf.usaid.gov/pdf\\_docs/PNABJ664A.pdf](http://pdf.usaid.gov/pdf_docs/PNABJ664A.pdf)

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## **USAID DEVELOPMENT PRIORITIES IN ETHIOPIA IN THE 1980s**

**FY 1980:** AID assistance in FY 1979-80 period will focus on activities designed to

- Help alleviate national food deficits
- Provide relief and rehabilitation assistance
- Promote increased food production by small farmers
- Develop needed skills and social services in rural areas

CBJ FY 1980, p.243

**FY 1981:** Ethiopia Not Included

**FY 1982:** Ethiopia Not Included

**FY 1983:** Ethiopia Not Included

**FY 1984:** Ethiopia Not Included

**FY 1985:** Ethiopia Not Included



**FY 1986:** Ethiopia Not Included  
**FY 1987:** Ethiopia Not Included  
**FY 1988:** Ethiopia Not Included  
**FY 1989:** Ethiopia Not Included

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## **USAID DEVELOPMENT PRIORITIES IN ETHIOPIA IN THE 1990s**

**FY 1990: Ethiopia not mentioned**

**FY 1991: Ethiopia not mentioned**

**FY 1992: No programs for Ethiopia**

**FY 1993:** Until this year, no U.S development assistance could be provided to Ethiopia because of legislative sanctions, including Section 518 of Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1991, the “Brooke Amendment”, incurred by the former regime. All US assistance since 1985 has been in the form of an emergency food and disaster relief program, conducted through NGOs. Subject to the resolution of outstanding Brooke sanctions, AID’s proposed transitional strategy will focus on support for the reconstruction of basic education facilities, importation of emergency pharmaceuticals, transportation equipment for the private sector, assistance in the prevention and control of AIDS, support for democracy and governance initiatives; training and technical assistance to advance economic reform, privatization of the fertilizer distribution system and the importation of industrial raw materials will be provided with private, voluntary and NGOs assistance. AID will continue its relief program through assistance to displaced persons, including demobilized soldiers, and a Title II program to address immediate food aid needs due to recurrent drought condition. Programs to support the integration of orphans into the community and provision of prosthetics for those disabled in the war will also be continued.

**CBJ FY1993, p.268**

[http://pdf.usaid.gov/pdf\\_docs/PNABK398A.pdf](http://pdf.usaid.gov/pdf_docs/PNABK398A.pdf)

**FY 1994: NA**

**FY 1995: USAID Sustainable Development Goals and Mission Strategic Objectives (MSOs)**

### **Broad Based Economic Growth**

- Increased availability of staple foods with emphasis on domestic production
- Increased use of re-oriented health services in selected areas
- Quality and equity of primary education improved in an expanded system

### **Stabilizing Population Growth**

- Reduce Fertility

### **Building Democracy**

- Increased access to and participation in a conciliatory democratic transition process

**CBJ FY 1995, pp.71-71**

[http://pdf.usaid.gov/pdf\\_docs/PNABQ736.pdf](http://pdf.usaid.gov/pdf_docs/PNABQ736.pdf)

**FY 1996:** USAID is pursuing four strategic objectives in the areas of food security, health and population, basic education and building democracy. Given Ethiopia's chronic food insecurity, USAID will help ensure the prompt provision of humanitarian assistance as needed.

**SO 1:** Increased availability of staple foods with emphasis on domestic production

**SO 2:** Key aspects of the rural health care delivery system rebuilt and re-oriented

**SO 3:** Quality and equity of primary education improved in an expanded system

**SO 4:** Increased access to and participation in a conciliatory, democratic transition process

**Cross-Cutting issue:** Emergency humanitarian assistance to Ethiopia's most vulnerable groups provided in a timely manner

**CBJ FY 1996, pp. 72-78**

[http://pdf.usaid.gov/pdf\\_docs/PNABU070.pdf](http://pdf.usaid.gov/pdf_docs/PNABU070.pdf)

**FY 1997:** Ethiopia is important to the success of the President's Initiative on the Greater Horn of African (GHA) because of its size, location and potential. Thus far, Ethiopia has been a key player in trying to use this initiative to improve the ability of the countries in the region to prevent conflicts and improve overall food security and hence, avoid crises of drought and war which have plagued the Horn.

The United States enjoys a growing trade surplus with Ethiopia. As the second most populous country in Africa, Ethiopia could become an increasingly important African market for U.S. goods.

**FY 1997 Program**

USAID's assistance strategy in Ethiopia focuses on helping to strengthen food security, rebuilding critical social services in education and health, creating a more democratic and responsive political system, and being prepared to respond efficiently to humanitarian crises until their root causes can be overcome. USAID's close work with the government in assistance programs in primary health and primary education began to function for the first time in 1995. USAID's assistance in democracy and governance has advanced along with the transition process. With the formation of the permanent-elected government, USAID's assistance in democracy and governance has moved away from elections and constitutional support to working with the newly elected National Parliament and strengthening local governments and judicial structures at both national and local levels.

**Strategic Objectives by Agency Goals**

**Agency Goal: Encouraging Broad-Based Economic Growth**

**SO 1:** Increased Availability of Selected Domestically Produced Food Grain Crops  
SO 1 gets the highest funding levels for its programs.

**SO 3:** Quality and Equity of Primary Education Improved in an Expanded System

**Agency Goal: Stabilizing World Population Growth and Protecting Human Health**

**SO 2:** Increased use of primary and preventative health care services  
SO gets the second highest funding levels for its programs.

**Agency Goal: Building Democracy**

**SO 4:** Increased access to and participation in a democratic system

**Agency Goal: Humanitarian Assistance**

**Specific Objective 1:** Emergency humanitarian assistance provided to most vulnerable groups.

**CBJ FY 1997:** <http://www.usaid.gov/pubs/cp97/countries/et.htm>

**FY 1998:** The constitutionally based Government of the Federal Democratic Republic of Ethiopia (GFDRE) is leading a relief to development transition -- the heart of President Clinton's Greater Horn of Africa Initiative (GHAI). The nation is on the verge of attaining sustained economic growth after enduring two decades of economic disintegration and social turmoil under the former Marxist regime. Located in the center of the Horn of Africa, Ethiopia is a strong ally of the United States and a dependable partner in support of many of our regional and continental interests. Ethiopia continues to be a stable bulwark against the forces of violent Islamic fundamentalism in Sudan and Somalia, and has become a model of peace and relative stability in the region.

With 85% of 57 million people in rural areas, agriculture determines the fate of Ethiopia.

Agency Goal by Strategic Objective

**Agency Goal: Encouraging Broad-based Economic Growth**

**SO 1:** Increased Availability of Selected Domestically Produced Food Grain Crops

**SO 3:** Quality and Equity of Primary Education Improved in an Expanded System

**SO 4:** Increased Access to and Participation in a Democratic System

**Special Objective 1:** Enhanced Household Food Security in Target Areas

**Agency Goal: Stabilizing World Population Growth and Protecting Human Health**

**SO2:** Increased Use of Primary and Preventive Health Care Services

**Agency Goal: Protecting the Environment**

**SO 1:** Increased Availability of Selected Domestically Produced Food Grain Crops

**Agency Goal: Building Democracy****SO 4:** Increased Access to and Participation in a Democratic System**Agency Goal: Humanitarian Assistance****Special Objective 1: Enhanced Household Food Security in Target Areas**

Of the Development Fund for Africa, the largest funding goes to Strategic Objective 2: increasing the use of primary and preventative health care services, followed by Strategic Objective 1: Increasing the availability of selected domestically produced food grain crops.

**CBJ FY 1998:** <http://www.usaid.gov/pubs/cp98/afr/countries/et.htm>

**FY 1999:** Events over the past year in the Horn of Africa and the Great Lakes reinforce Ethiopia's status as a critical player and an important U.S. ally in developing self-reliant stability in a region still plagued by natural and man-made crises.

USAID's program of assistance in Ethiopia focuses on three of the GFDRE's five high priority sectors - education, health and food security - leaving the transportation and energy sectors for other donors. USAID's support to the GFDRE priority in rebuilding the health and education sectors has been in line with GFDRE's policies since 1992, and provides direct benefits to citizens, particularly the large (85%) rural population. U.S. assistance to these sectors has provided important lessons for the GFDRE education and health sector development programs now under design. Both programs have demonstrated their ability to improve the quality and access to health services and primary education. USAID assistance has also encouraged the government to begin increasing critically low budget allocations at central and regional levels to these two sectors. USAID is currently involved in finalizing discussions on assistance to improve the critical food security sector through support to Ethiopia's regional government food security programs which are under design. This support will build on Ethiopia's success in recent years to increase cereal grain production and improve input and output marketing in a liberalized economy. These regional programs will also provide an opportunity to build better links between relief assistance and effective programs to move whole groups from vulnerable to self-sustaining. USAID is also supporting the development of institutional structures necessary for strengthening the democratic processes - (1) developing a vibrant civic society through the strengthening of indigenous NGOs; (2) strengthening judicial systems through badly needed judicial training; and (3) supporting the government's Civil Service Reform effort through assistance in budgeting, financial management and accounting to both federal and regional governments.

**SO 1:** Availability of Selected Domestically Produced Food Grain Crops**SO 2:** Increased Use of Primary and Preventive Health Care Services**SO 3:** Quality and Equity of Primary Education Improved**SO 4:** Increased Access to and Participation in a Democratic System

## **Special Objective 1: Enhanced Household Food Security in Target Areas**

**CBJ FY 1999:** <http://www.usaid.gov/pubs/cp99/afr/et.htm>

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### **USAID DEVELOPMENT PRIORITIES IN ETHIOPIA IN THE 2000s**

**FY 2000:** Regional stability and responding to Ethiopia's continuing food insecurity lie at the core of U.S. national interests in the country. Ethiopia has thus far pursued international diplomacy to resolve its recent border problems with Eritrea avoiding, thereby, a man-made crisis with potentially significant human costs. Growing internal harmony, good rains and better policy have led to increased agricultural production in recent years, but continued dependence on rainfall, low incomes, inadequate transportation, and immature markets still constrain the ability of most Ethiopians to obtain adequate diets. These problems are best addressed via strategies which also promote U.S. interests in economic prosperity, increased adherence to democratic practices and respect for human rights, stabilizing world population, and protecting human health.

#### **FY 2000 Program**

USAID is requesting FY 2000 child survival funds to continue on-going programs in basic education and integrated primary health care (PPHC), including childhood immunization and HIV/AIDS prevention programs. FY 2000 population funds will also support PPHC activities. FY 2000 development assistance will be used to continue activities in judicial reform, Ethiopian NGO strengthening, and decentralization of government, and agricultural development activities. The use of FY 2000 Title II non-emergency resources will be better integrated with USAID's on-going agriculture and health programs.

**SO1:** Increased Availability of Selected Domestically Produced Food Grain Crops.

**SO2:** Increased Use of Primary and Preventive Health Care Services.

**SO3:** Quality and Equity of Primary Education Improved in an Expanded System.

**SO4:** Effective Government and Civil Society Organizations Developed to Promote Democratic Governance.

**Special Objective 1: Enhanced Food Security in Target Areas**

Funding allocations indicate that funding was greatly focused on programs supporting strategic objectives 2 and 3.

**CBJ FY 2000:** <http://www.usaid.gov/pubs/cp2000/afr/ethiopia.html>

**FY 2001:** During 1999, promoting regional stability in the Greater Horn of Africa was a primary interest of the United States. Accordingly, it supported the efforts of the Organization of African Unity (OAU) to resolve the Ethio-Eritrean border conflict. It also responded generously to the emergency food and non-food needs of the approximately eight million Ethiopians, whose chronic food insecurity made them especially susceptible to the drought of 1999, and the approximately 315,000 Ethiopians displaced

by the country's border conflict with Eritrea. American assistance to drought-affected Ethiopians prevented deaths and helped stabilize a situation that might otherwise have led to large and potentially destabilizing population movements, thereby serving the humanitarian interests of Ethiopia and the United States. The United States also has interests in promoting broad-based economic growth and democracy in Ethiopia because of the potential contributions such activities make to regional stability.

**SO1:** Increased Availability of Selected Domestically Produced Food Grain Crops

**SO2:** Increased Use of Primary and Preventive Health Care Services.

**SO3:** Quality and Equity of Primary Education Improved in an Expanded System.

**SO4:** Increased Access To and Participation in a Democratic System

**Special Objective 1:** Enhanced Food Security in Target Areas

Funding allocations indicate that funding was greatly focused on programs supporting strategic objectives 2 and 3.

**CBJ FY 2001:** <http://www.usaid.gov/pubs/bj2001/afr/et/>

**FY 2002:** The Four Horsemen of the Apocalypse, famine, war, pestilence, and death, are not religious abstractions in Ethiopia. They are frequent, if unwelcome, visitors. During the past 38 years, Ethiopia has endured three wars (including a 17 year civil war) and three major famines or food emergencies. Yet, there is hope in meeting the humanitarian and development challenges. After over two years of conflict, Ethiopia is at peace with Eritrea, the risk of famine for over 10 million people was averted last year and USAID programs are moving from relief to development.

Ethiopia plays a pivotal role in the U.S. Government's foreign policy objective of promoting regional stability in the Greater Horn of Africa. Other U.S. foreign policy objectives in Ethiopia encourage stable democratic governance, respect for human rights, and market-oriented economic growth (especially through the African Growth and Opportunity Act). USAID's program in Ethiopia supports the Agency's priority areas of: Economic Growth and Agriculture, Global Health, and Conflict Prevention and Developmental Relief.

### **FY 2002 Program**

USAID requests \$40.408 million in assistance, consisting of \$27.858 million in Child Survival and Disease (CSD) funds and \$12.550 million in Development Assistance (DA) funds. This funding will support agricultural development, population and health, basic education, democracy and governance, and mitigating the effects and responding to disasters.

**Strategic objectives:** (for which funding was requested for FY 2002)

**663-007:** Rural Household Production and Productivity Increased (SO7)

**663-008:** Improved Family Health (SO8)

**663-009:** Quality and Equity in Primary Education System Enhanced (SO9)

**663-010:** More Effective Governance and Civil Society Developed (SO10)



**663-011:** Mitigate the Effects of Disaster (SO11)

**663-012:** Improved Livelihoods for Pastoralists and Agro-Pastoralists in Southern Ethiopia (SO12).

Funding allocations indicate that funding was greatly focused on programs supporting strategic objectives 8 and 9.

Note: No funding was requested for SO1 through SO5.

**CBJ FY 2002:** <http://www.usaid.gov/pubs/cbj2002/afr/et/>

**FY 2003:** The United States' national interests in Ethiopia are two-fold: strategically located between Somalia and Sudan, Ethiopia is a vital ally in efforts to promote regional stability in the Horn of Africa and it is also a key ally in the global war on terrorism.

### **FY 2003 Program**

USAID is requesting funds for six programs that promote food security; improve the health and welfare of women and children; strengthen primary education systems- especially for girls; promote good governance and the rule of law; mitigate disasters; and improve the livelihoods of pastoralists. FY 2002 funds will be used to implement programs in agriculture and environment (food security); child and maternal health; HIV/AIDS prevention and education; training, service provision, logistics and management systems development for family planning and reproductive health; basic education; financial expenditure management; judicial training; and disaster prevention and mitigation. FY 2003 funding will enable USAID to enhance and expand these programs to additional regions. Specific activities to be funded by FY 2002 and FY 2003 appropriations are described in more detail in the Program Data Sheets.

### **Strategic Objectives**

SO7: Rural Household Production and Productivity Increase

SO8: Improved Family Health

SO9: Quality and Equity in Primary Education System Enhanced

SO10: More Effective Governance and Civil Society Developed

SO11: Mitigate the Effects of Disaster

SO12: Improved Livelihoods for Pastoralists and Agro Pastoralists in Southern Ethiopia.

Funding allocations indicate that funding was greatly focused on programs supporting strategic objectives 8 and 9.

**CBJ FY 2003:** <http://www.usaid.gov/pubs/cbj2003/afr/et/>

**FY 2004:** Ethiopia suffers from chronic food insecurity. Agriculture accounts for half of Ethiopia's gross domestic product, 85% of its exports, and 80% of its total employment. A combination of frequent drought, poor cultivation practices, and low levels of on-farm investment persistently undermine the productivity of the agricultural sector. The



magnitude and depth of poverty means drought and other unanticipated crises can rapidly transform into the potential for famine. Each crisis increases the country's vulnerability to the most marginal of shocks. In the absence of alternatives, households are forced into depleting the very productive assets (e.g., oxen, farm implements) they require for future productivity. In addition to these economic problems, Ethiopia's low health status - with a life expectancy at birth of 43 years, infant mortality of 117 per 1,000 live births, high population growth, and low literacy rates of 34% - further deplete human productivity and exert a heavy burden on the state to increase delivery for health, education and other social services.

USAID's long-term goal in Ethiopia is to reduce chronic food insecurity. To meet this goal, USAID's program focuses on agriculture and other areas of potential income growth, health, education, democracy and governance, and disaster mitigation. USAID works with a mix of international and local non-governmental organization (NGO) partners in both development and emergency programs to increase rural household production and productivity.

### **Strategic Objectives**

**SO7:** Food Security

**SO8:** Essential Services for Health

**SO9:** Basic Education

**SO10:** Democracy and Governance

**SO11:** Mitigate the Effects of Disaster

**SO12:** Southern Tier Initiative

Funding allocations indicate that funding focused more on programs which supported strategic objectives 8,9 and 11

**CBJ FY 2004:** [http://www.usaid.gov/policy/budget/cbj2004/sub-saharan\\_africa/Ethiopia.pdf](http://www.usaid.gov/policy/budget/cbj2004/sub-saharan_africa/Ethiopia.pdf)

**FY 2005:** The 2002-2003 drought fully demonstrated the fragility of Ethiopia's social and economic condition. With 21% of its 71 million people requiring food and other forms of emergency assistance, the country was on the verge of one of the worst famines in its history. The United States provided approximately one million metric tons of food, which together with nonfood relief assistance totaled about \$550 million.

USAID contributes directly to the achievement of U.S. Government objectives in Ethiopia as outlined in the State Department/USAID Joint Strategic Plan. U.S. national interests in Ethiopia include: counterterrorism; economic prosperity and security; democracy and human rights; and regional stability.

USAID will revise its current strategy in response to the shortening cycle of crises and the HIV/AIDS pandemic. The new strategy will seek to correct the imbalance between humanitarian assistance and development assistance. The strategy aims to build resiliency in Ethiopia to withstand and manage through shocks, while laying the

foundation for sound economic growth. Resiliency is needed in all service sectors, health, education, water management, transport, and agricultural and pastoralist extension. A productive safety net will be designed and supported by the GFDRE, USAID, and other donors, and eventually replace the need for annual emergency appeals for humanitarian assistance. A policy reform agenda will be part of the new strategy, building on the Government's SDPRP and the new NCFS. Better policy implementation is essential to underpin an enabling environment for private sector led growth, for donor assistance alone will not be sufficient.

### **Strategic Objectives**

**SO7:** Food Security

**SO8:** Essential Services for Health

**SO9:** Basic Education

**SO10:** Democracy and Governance

**SO11:** Mitigate the Effects of Disaster

**SO12:** Southern Tier Initiative

Funding allocations indicate that funding focused more on programs supporting strategic objectives 8, 9 and 11.

**CBJ FY 2005:** <http://www.usaid.gov/policy/budget/cbj2005/afr/et.html>

**FY 2006:** USAID revised its current strategy in mid-FY 2004 in response to the shortening cycle of crises, the HIV/AIDS pandemic, and the need to invest more in economic growth and policy reform. The Program Data Sheets describe the four strategic objectives and the program support objective in the current portfolio for which USAID requests funds in FY 2005 and FY 2006. These will help the GOE to develop the capacity to manage through shocks, such as the recent food emergency; increase human capacity and social resiliency (e.g., through improved family health, reducing and mitigating the impact of HIV/AIDS, and enhancing quality and equity in education); increase the capacity for good governance, including mechanisms to reduce local level conflict; increase market-led economic growth and resiliency; and better coordinate knowledge and analysis to inform the foregoing programs. USAID has increased the focus on decentralization by providing support to community development in the areas of health and education. An expenditure management and control reform program has helped the GOE devolve sound budget planning, budgeting, and accounting. Fiscal year 2005 funds will support ongoing interventions and implement new community activities with the private sector and policy reform partners at both the national and regional levels. Funding will enhance support to the largely pastoralist and Muslim-populated border regions. For FY 2006, Ethiopia will receive Transition Initiative (TI) funding, which will continue or expand efforts in more of these areas. The primary objective for the use of TI resources is to increase stability and improve performance through reform and capacity development. In addition to TI funds, Ethiopia also will receive funds from Child Survival and Health (CSH) and Economic Support Fund (ESF).

### **Strategic Objectives**

**663-013:** Anticipate and Manage Shocks (SO13)

- 663-014:** Human Capacity (SO14)
- 663-015:** Governance Capacity (SO15)
- 663-016:** Economic Growth (SO16)
- 663-017:** Knowledge Management (SO17)

Funding allocations indicate that funding was more focused on programs supporting strategic objectives 14 and 16.

**CBJ FY 2006:** <http://www.usaid.gov/policy/budget/cbj2006/afr/et.html>

**FY 2007:** USAID's main objective in Ethiopia is to overcome the threat of recurring, deadly famine. This threat results from a lack of good governance and democratic space, drought, poor water and land management, and inadequate and unequal access to health care, education, and diversified economic development. USAID is working to: open democratic space by stressing community participation and empowerment and using indigenous non-governmental organizations (NGOs) as implementing partners across all sectors; build the capacity of national, regional and local governments to forecast emergencies and develop plans for averting disaster; directly help the chronically food insecure with increased agricultural production and diversification; and increase the ability of vulnerable people to better withstand economic shocks by stimulating private sector-led economic growth, providing better health care, and increasing educational opportunities.

**Strategic Objectives:**

- SO13:** Anticipate and Manage Shocks
- SO14:** Human Capacity
- SO15:** Governance Capacity
- SO16:** Economic Growth
- SO17:** Knowledge Management

Funding allocations indicate that program funding is greatly focused on human capacity and economic growth objectives.

**CBJ FY 2007:** <http://www.usaid.gov/policy/budget/cbj2007/afr/et.html>

**FY 2008:** Ethiopia lacks many of the fundamentals necessary for long-term economic prosperity. Nearly half of the population lives in poverty (45%). Literacy is low (42%). There is a high population growth rate (2.3%) (Ethiopia is Africa's second most populous country) as well as limited infrastructure, high infant mortality, widespread food insecurity, and minimal access to health care. The on-going tensions stemming from the still-unresolved Ethiopia-Eritrea border conflict, several domestic insurgencies, and continuing instability in Somalia are all negatively impacting economic development in Ethiopia. The United States is helping Ethiopia complete the difficult transition from a de facto one-party state to a representative, multi-party democracy. While disputed elections and civil unrest in 2005 prompted the Government of Ethiopia (GoE) to significantly constrain political space, subsequent political dialogue and reconciliation

efforts are creating opportunities for supporting further democratization. The United States is also a partner in bolstering economic prosperity, reducing Ethiopia's dependence on foreign assistance, and improving the ability to anticipate and respond to food emergencies. Similarly, the United States aims to improve the quality and expand the scope of basic health and education services to reduce poverty and strengthen Ethiopia's development potential. Promoting regional stability and denying transnational terrorists a safe haven in the Horn of Africa are also key objectives.

**Strategic Objectives** (and programs under each objective)

Peace and Security

- Counter-Terrorism

- Stabilization Operations and Security Sector Reform

- Conflict Mitigation and Reconciliation

Governing Justly

- Rule of Law and Human Rights

- Good Governance

- Political Competition and Consensus Building

- Civil Society

Investing in People

- Health

- Education

- Social Services and Protection for Especially Vulnerable People

Economic Growth

- Trade and Investment

- Agriculture

- Private Sector Competitiveness

- Economic Opportunity

- Environment

Humanitarian Assistance

- Protection, Assistance and Solutions

- Disaster Readiness

Funding allocations indicate that program funding is greatly focused on Investing in People and Economic Growth.

**CBJ FY 2008, pp. 204-207**

[http://www.usaid.gov/policy/budget/cbj2008/fy2008cbj\\_full.pdf](http://www.usaid.gov/policy/budget/cbj2008/fy2008cbj_full.pdf)

**FY 2009:** A major objective of U.S. assistance in Ethiopia, Africa's second most populous country, is to help the Government of Ethiopia (GOE) to proceed with the difficult transition from a de facto one-party state to a representative multi-party democracy. In addition, U.S. assistance will continue to help the GOE to improve its ability to anticipate and respond to food emergencies, to bolster its economic growth, and to expand its basic health and education services to reduce poverty. Promoting regional stability and denying transnational terrorist as a safe haven in the Horn of Africa are also key objectives.

### **Overview of Major Changes:**

The increase of funding between FY 2008 and FY 2009 to support programs in the Peace and Security Objective reflect increased national security threats posed by domestic insurgents, Eritrea, and extremists from Somalia, requiring a significant increase in foreign assistance for this strategic partner of the United States. The FY 2009 budget reflects a substantial increase in Governing Justly and Democratically activities including rule of law, political competition and consensus-building as well as civil society programs that are needed to build institutional capacity and facilitate restructuring of political processes to help prepare for national elections in 2010. The FY 2009 request also provides for substantial increases in Economic Growth program areas including investments in trade, agricultural productivity and private sector competitiveness that are required to both sustain and deepen Ethiopia's economic growth.

The 2009 request level for Ethiopia does not include the total projected funding for the President's Malaria Initiative. Decisions on allocations of centrally managed funds will be made at the time that the FY 2009 operating year budget is set.

### **Strategic Objectives**

Peace and Security  
Governing Justly  
Investing in People  
Economic Growth  
Humanitarian Assistance

Funding allocations indicate that program funding is greatly focused on strategic objectives: Investing in People and Economic Growth. Also there is a jump in funding for Peace and Security from 2008.

### **CBJ FY 2009, pp. 40-43**

<http://www.usaid.gov/policy/budget/cbj2009/101438.pdf>

**FY 2010:** U.S. foreign assistance priorities in Ethiopia are to help Ethiopia foster regional peace and stability, support democratic reforms, anticipate and respond to food emergencies, increase and broaden economic growth, and expand basic health and education services. Ongoing events and characteristics of the operating environment in Ethiopia highlight challenges for U.S. assistance: security threats posed by the lack of functional governance in Somalia, a restrictive domestic political environment, statist economic policies and openings in global market opportunities limited to only targeted sectors, restrictions on civil society operations, rapidly rising food and fuel prices, recurring drought and food insecurity, and a humanitarian crisis in the Somali Region. Against a backdrop of severe poverty and a lack of basic services, these challenges hamper both Government of Ethiopia (GOE) and donor efforts to improve food security, strengthen local governance, promote export growth, and reduce levels of local, cross-border and insurgent conflict. U.S. assistance supports the GOE and civil society

stakeholders to promote private sector growth and agro-exports, as well as improve the delivery of basic healthcare, education and safety nets for the most vulnerable. To the extent possible, within political space that has narrowed considerably since 2005 and under newly announced restrictions on civil society, the United States will also promote the development of democratic institutions, legislation, policies and processes, and support government-civil society partnerships to manage and mitigate conflict. Targeted U.S. assistance will advance our mutual interests of promoting stability and prosperity while providing greater opportunity for the country's poorest and most disadvantaged.

### **Strategic Objectives**

Peace and Security  
Governing Justly and Democratically  
Investing in People  
Economic Growth  
Humanitarian Assistance

Funding allocations indicate that funding is greatly focused on programs supporting strategic objectives: Investing in People and Economic Growth.

### **CBJ FY 2010, pp. 51-57**

[http://www.usaid.gov/policy/budget/cbj2010/2010\\_CBJ\\_Book\\_2.pdf](http://www.usaid.gov/policy/budget/cbj2010/2010_CBJ_Book_2.pdf)

**FY 2011:** A relatively stable partner in a neighborhood riddled with instability and conflict, Ethiopia faces serious challenges. Population pressure, low rainfall, the global economic crisis, and restrictive private sector policies exacerbate domestic poverty. U.S. assistance to Ethiopia capitalizes on Government of Ethiopia (GOE) programs aimed at poverty alleviation and basic service delivery, with a focus on strengthening private sector and civil society actors. Key to these efforts are agricultural development, professionalization of security forces, strengthening health systems, and sustainable economic growth.

### **Strategic Objectives**

Peace and Security  
Governing Justly  
Investing in People  
Economic Growth  
Humanitarian Assistance

Funding allocations indicate that funding is greatly focused on programs supporting strategic objectives: Investing in People and Economic Growth.

### **CBJ FY 2011, pp. 55-61**

[http://www.usaid.gov/policy/budget/cbj2011/2011\\_CBJ\\_Annex.pdf](http://www.usaid.gov/policy/budget/cbj2011/2011_CBJ_Annex.pdf)