BREAKING THE CYCLE OF FOOD CRISES: FAMINE PREVENTION IN ETHIOPIA

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

Ethiopia is strategically important to peace, stability and prosperity in the Horn of Africa. In five of the past seven years, however, Ethiopia has had large structural deficits in its food supplies, needing substantial emergency aid to fill the gap. **Over the past five years, USAID alone has provided $882 million in largely food-related humanitarian assistance.** Even in years with bumper harvests, local incentives to produce food have been sabotaged by poor-performing markets that cut the bottom out of prices to farmers. During the last 20 years this cycle has repeated itself again and again. Each time, the number of hungry and destitute rises, along with the toll of human suffering and disease; social unrest and conflict have followed. If current trends continue, by 2010 (a) food deficits will nearly triple, significantly expanding the need and cost for humanitarian assistance; (b) the number of malnourished children (already at almost 50% of the current child population) will increase by 19% (and will rise 36% by 2020); and (c) per capita incomes, already the lowest in Africa, will remain at today's level or lower.

Yet a more prosperous future can be envisioned. A recent USAID assessment concluded that the number of food-insecure people (currently 44% of the population) can be halved in 10 years. By 2010, cereal production could increase by 50%, drastically reducing or ending the need for emergency food aid. Further, per capita incomes could grow by more than 40% given the very low base Ethiopians are starting at. However, making this a reality will require aggressive accelerated agricultural growth rates of 6.8%, combined with growth in non-farm parts of the economy. This will entail not only substantive changes in Ethiopian policy, but also significant reforms on the part of the donors. Specifically, it will require (a) **the political commitment and actions to open Ethiopia's economy,** with a clear role for the private sector and civil society, (b) **financial commitment to invest in commercial smallholder farm systems,** and (c) **an alliance of national and international development partners** committed to an integrated effort to prevent famine.

To meet these challenges, USAID has developed a new and innovative **Famine Prevention Framework** that addresses the root causes of famine threats, both acute and chronic. Its premise is that to prevent famine, a country must reach a stage of development in which it has the resiliency to prevent widespread starvation following shocks (economic, social, environmental) that bring on food crises. The framework does not call for a long-term development program; rather, it entails **a three- to five-year coordinated donor-Ethiopian effort explicitly aimed at protecting the chronically food-insecure, breaking the cycle of food crises, and building the conditions for sustained growth.** Within five years the number of food-insecure Ethiopians should be reduced by 30%. Within three years the effort should:

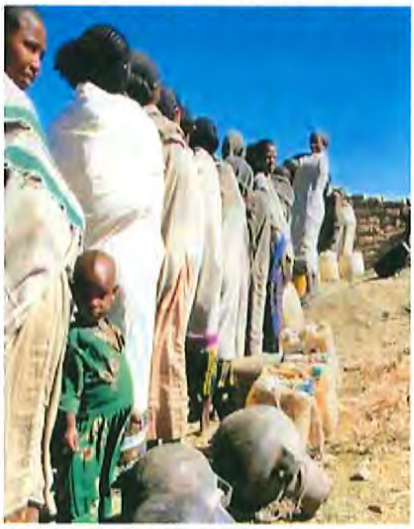
- Meet 100% of the food needs of the chronically food-insecure, with an increasing amount of food needs met through commercial (domestic and foreign) markets.
- Improve crisis response targeting to meet 100% of food needs of the transitory food-insecure using emergency assistance and commercial domestic markets.
- Achieve at least a 6.8% agricultural growth rate.

The framework incorporates these three core elements:

- ***Strategic Decision Support System:*** integrates information systems, modeling and analysis to support early warning monitoring, discipline the introduction of food aid, and guide long-term development planning and policy reform.
- ***Increasing the Resilience of the Chronically Food Insecure:*** involves protecting lives (especially women and children) when shocks occur; providing increased access to essential services (health, education and sanitation); and preserving, protecting and increasing smallholder assets while expanding livelihoods.
- ***Accelerated Economic Growth Led by Smallholder Agriculture:*** works to put in place the capacity, programs and investments needed to raise productivity for the most important food products, build markets, and manage resources that create the resiliency needed to weather crises.

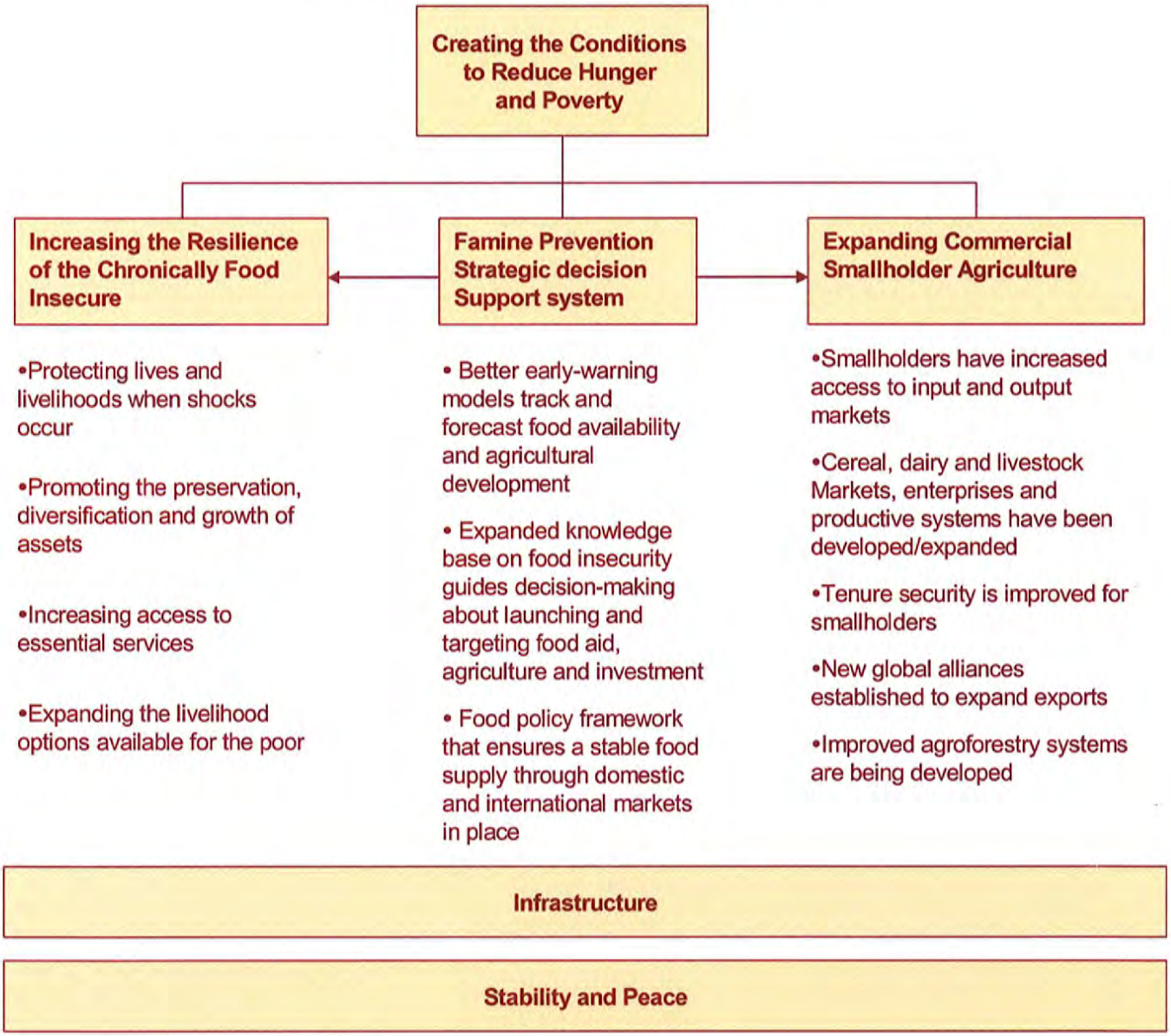
Two additional elements are needed to create the conditions permitting and justifying the strategy:

- ***Peace, Stability and Political Reforms:*** indispensable for development and emergency assistance to be effective. Includes promotion of good governance principles throughout the portfolio (e.g., in work with the rural cooperative movement).
- ***Rural Infrastructure Development:*** required to integrate the rural population into national economic progress. This encompasses rural roads, better information infrastructure, expanded warehouse and trade systems, and safe water systems, with careful analysis to establish priorities.



Carrying out the proposed agenda will require rebalancing and refocusing U.S. aid, as well as securing supplementary development assistance and humanitarian funding. U.S. funding in the area of $100 million per year would complement and add to a larger joint effort by donors and the Ethiopian government.

It is recommended that **three basic conditions for expanded U.S. support** include (a) the Ethiopian government's commitment to core reforms and investment in food security programs addressing dual humanitarian and economic growth objectives; (b) additional commitment by other donors to take part in an aggressive agenda for economic growth benefiting the poor, and (c) commitment of Ethiopian government and other donors to jointly participate in regular reviews to assess performance against milestones agreed to before launching the program.

In collaboration with other donors, USAID will assist Ethiopia with key **policy reforms** bearing on (1) land tenure, (2) smallholder market access, (3) regional trade and global economic integration, (4) food, (5) development finance, and (6) health and nutrition linked to food security. These will complement the framework's core programs that build Ethiopia's social and economic resiliency. In strengthening Ethiopia's capacity to manage through shocks, this concerted effort can break the deadly cycle of food crises.

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