

USAID/Ethiopia

Annual Report

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Ethiopia

Performance:

Background: The recent 2002-2003 drought fully demonstrated the fragility of Ethiopia's social and economic condition. The country verged on one of the worst famines in its history, with 21 percent of 71 million Ethiopians requiring food and other forms of assistance. The United States alone provided approximately one million metric tons of food. Food and nonfood disaster assistance together totaled about \$589 million.

The now ever-present emergency in Ethiopia is reflected in the severe malnutrition and excess mortality that exists today due to prolonged drought conditions, deteriorated health and livelihood status that prevent communities from responding to previous and subsequent economic and climatic shocks. The status of the most vulnerable Ethiopians -- still reeling from cumulative shocks over the past three years -- will require substantial and continued emergency food, health, agriculture, cash and livelihood assistance in 2004 and into 2005.

Shortfalls in production occur against a backdrop of chronic impoverishment where a number of factors, including population pressure, HIV/AIDS, land degradation, low international prices for cash crops, recent crop failures and poorly developed markets combine to induce a spiral of impoverishment. This has ultimately results in a state of destitution where individuals are dependent upon assistance if they are to obtain the means of survival.

This syndrome has been gathering momentum over the last five years to the point where at least five million people are effectively destitute and lack the means to access commercial markets. Ethiopians no longer have the public or private resilience to cope with successive droughts. The shortening cycle of repeated crises has deteriorated the capacity of the population to manage constant and inevitable shocks.

The population's deteriorated health and livelihood status prevents communities from responding to additional economic and climatic reversals, requiring the input of substantial and continued food, cash, and livelihood assistance. Ethiopia will likely require significant food assistance in 2004 and into 2005, as the 2003/2004 harvest is projected to be below average, and poor rains in western Ethiopia and in southern and eastern pastoral areas will limit food availability.

Despite the pressures of coping with chronic food insecurity, droughts in 1999/2000 and 2002/2003 and critical capacity shortages, the Government of Ethiopia (GFDRE) has pursued the development and implementation of its Sustainable Development Poverty Reduction Program (SDPRP). To this effort they have added the National Coalition for Food Security (NCFS) plan that incorporates lessons learned in famine prevention and provides a strategy to combat poverty and food insecurity while laying the foundations for sustainable development. This change has provoked interest among international donors at the highest levels. Famine has been recognized as an important issue by the G-8 Group of Industrialized Countries and is expected to play a significant role at the USG-hosted G-8 meetings in July 2004. Donors have applauded the GFDRE's efforts and expressed an interest in and commitment to helping the GFDRE find solutions to the root causes of food insecurity and famine, and have stressed the need for coordination and cooperation. The USG must match the commitment of the GFDRE and other donors to address the problems of the most drought prone country in Africa, if not the world. This will require rural development, broad economic growth, a mobilized private sector, and improved health and other social services to increase economic and social resiliency in the short-term and build a sustainable future.

U.S. Interest and Goals: USAID programs contribute directly to the achievement of U.S. Government objectives in Ethiopia, as elaborated in the State Department/USAID Joint Strategic Plan. Ethiopia has a significant Muslim population. Many Muslims live in areas of the country that have been underserved by the Government and by international aid programs. USAID programs in these areas seek to improve livelihoods and educational opportunities, especially for women and girls, and to prevent and mitigate potential conflicts. Democracy and Governance programs have strengthened Ethiopia's judicial system and improved governance, especially management of the GFDRE's scarce resources. Agriculture and Economic Growth programs are helping to improve production and to link Ethiopian farmers to markets. Public-private alliances, such as the Millennium Water Alliance, help mobilize non-official resources and know-how to help accelerate impact. HIV/AIDS programs focus on preventing the spread of the disease and promoting better treatment and care for people living with it. Specifically, health and education programs focus on improving quality service delivery in a country of 71 million people, with twice the landmass of Texas. Health programs focus on reducing the threat of infectious disease, especially HIV/AIDS; reducing infant and child mortality; and promoting better reproductive and maternal health care. Education programs work directly to promote equal access to quality basic education. Humanitarian response programs provide life saving assistance and are a key element in the strategic choice to promote a more aggressive transition to development.

USAID is an integral part of the U.S. Country Team, and works closely with the Department of State, the Department of Agriculture, Bureau of the Census, the Department of the Treasury, Centers for Disease Control and Prevention and the Department of Defense to achieve U.S. Government objectives.

Challenges: USAID provided an exemplary response to the drought, but the U.S. Government cannot afford to keep spending \$5 million for sustainable agriculture development while providing \$589 million for disaster response. Consequently, USAID is developing a new strategy to address the root causes of famine, both acute and chronic. This strategy 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.

This strategy revision is a result of the lessons learned from the emergency response in FY 2003. While the current portfolio has significant achievements to report, the need to more aggressively move to protect and improve livelihoods in the face of regular drought has never been more apparent. In the course of the emergency operations, the close examination of the role of the health status of the population led to greater understanding of the reasons behind mounting excess mortality with each food emergency. People have inadequate health care and nutrition even in non-emergency years. This low health status affects survival rates in times of agro-climatic shocks. In the same vein, the need to sell assets to survive has led to a depletion of the ability to earn a living even in normal rainfall periods. Addressing livelihoods and access to services becomes central to long term social and economic independence for Ethiopia.

A key factor in meeting the livelihood security challenge will be the ability of the Ethiopian government to expand services in health, HIV/AIDS prevention, education, agricultural extension, and rural infrastructure, while making key policy changes to stimulate private sector development, trade and investment. The real GFDRE commitment to capacity building in education, health and farm-related services must proceed to the expansion of credit availability for agricultural inputs, diversification of market information and attention to rural infrastructure.

Key Achievements: USAID's key achievement in FY 2003 was to lead the successful response to the emergency that threatened the lives of over 13 million Ethiopians. USAID saved nearly 7 million lives through the timely provision of over \$589 million in emergency food and non-food assistance. However, this achievement came at a price to USAID's development programs. Almost every SO mobilized resources to complement the emergency response and many cross-cutting programs were brought on-line. As a consequence, reduced resources for development led to slightly less results than were originally planned. While each SO has significant results, the level of impact was sometimes lower than planned.

Rural Household Production and Productivity Increased (RHPP): RHPP suffered directly as a result of the drought. Agricultural production decreased and many research and demonstration trials were lost. The Mission reprogrammed \$3.3 million (nearly 1 year's resources for RHPP) to purchase seeds, which allowed destitute farmers to plant. This led to a scaling back of activities in the agricultural cooperatives and women's empowerment programs, and a 50% reduction in funding for the recently initiated Amhara Regional Food Security program (AMAREW). Many activities were put on hold or scaled back. The continuing global coffee crisis, other market distortions/disincentives, and weak government capacity (much of which was refocused on drought recovery and resettlement) created major challenges.

Improved Family Health: USAID reprogrammed \$10 million in complementary drought assistance (CDA) to strengthen the medical response to the drought. These funds were used to purchase and distribute 400 emergency health kits and 195 renewable drug supply kits to drought affected regions, reaching over 4 million people. They also provided training to the 810 health professionals who established and operated over 40 therapeutic feeding centers and 174 supplemental feeding centers. USAID's deployment of over 988 senior health sciences students and faculty to 32 health facilities provided much needed medical assistance to over 3 million people in drought affected areas. As a result of the drought intervention, over 12 million children in drought-affected areas received a measles vaccination and vitamin A supplement, leading to a 90% coverage rate in these areas. Measles is a leading cause of excess mortality in drought weakened children. Other key results in FY 2003 included: expanding DPT coverage to 54% and polio coverage to 2.5 million children, putting Ethiopia on track for polio free certification in 2005. Contraceptive prevalence rates in USAID target areas (17% and 14%) were nearly three times the national average; antenatal care in project sites increased from 52% to 73%. Working with faith-based and community organizations, USAID HIV/AIDS prevention, care and treatment programs reached 14 million people. Sales of socially marketed condoms declined to 54.8 million from a FY 2002 high of 68 million due to military demobilization and lower sales to the army. Care for HIV/AIDS orphans rose from 550 in FY 2002 to 11,506 in FY 2003. Care and support for people living with HIV/AIDS reached 29,064. The GFDRE's recurrent cost allocations in health care increased from 43.5% in FY 2001 to 51% in FY2003. In policy reform, the GFDRE approved directives allowing 100 % local retention of facility revenue, management of private hospital wings and outsourcing. USAID assisted in drafting the Proclamation for the Public Health Services Administration that is awaiting parliamentary approval and is adopted by the Addis Ababa City Council.

Quality and Equity in Primary Education Enhanced: USAID programmed \$7 million in CDA to provide incentives to keep children in school in drought-affected areas. The program included providing basic educational materials and school feeding programs to 155,000 children in the most drought-affected areas of Ethiopia. In teacher education, USAID trained 18,000 teachers and initiated support to strengthen all 19 of Ethiopia's teacher education institutions. Over a 1,000 schools in "disadvantaged" communities received grants and technical assistance to solve problems in their schools. USAID provided training and technical assistance to Ethiopia's Regional Education Bureaus to build their educational management capacity.

More Effective Governance and Civil Society: The GFDRE made significant progress in fiscal reform. With USAID assistance, the GFDRE produced its fiscal year budget two months ahead of schedule. The improved Budget Disbursement and Account (BDA) system, which provides a double-entry system that meets international accounting standards, expanded from the federal level (where it is used by 138 federal budget institutions) to use in two regions. In partnership with Development Cooperation Ireland, USAID expanded the BDA to regions that requested it. 71% of all government funds now use the system. As a direct result of USAID training and technical support, 65% of all public funds in Ethiopia are subject to the new improved accounting system. USAID strengthened Ethiopia's judiciary by training 1,244 judges from all regions in criminal, labor, tax and family law and contracts and torts, criminal procedure, and execution of decrees. USAID distributed 1,733 legal and penal codes further increased judges' access to legal documentation. Non-formal education (NFE) increased opportunities for community schooling closer to home for 25,000 children. The Oromia Region Educational Authority approved allowing graduates of NFE centers to enter the formal system at grade 5. It is hoped that this breakthrough will spread to other regions. Education for Democracy and Development Initiative (EDDI) funds provided scholarships and tutorial assistance to 1,380 girls in secondary school.

Mitigate the Effects of Disaster (MED): The U.S. response to the drought emergency saved the lives of almost 7 million people. USAID met 52% of Ethiopia's emergency food needs, providing over 1.2 million metric tons of food worth \$537 million. Complementing this were \$31 million in non-food emergency assistance and \$21 million in development assistance. Rates of malnutrition decreased rapidly in areas after USAID-funded emergency interventions. For example, wasting rates (GAM) in West Hararghe declined from 15.1 in September 02 to 10.1% in June 2003. In Afar, GAM rates declined from 17.9% in August of 2002 to 11.6% in May of 2003.

The Southern Tier Initiative is an innovative pilot approach for improving the basic aspects of pastoralist and agro-pastoralist "livelihoods", i.e. improving income levels, family health, and basic education and conflict mitigation. It is a special objective because it provides USAID with a means to identify promising capacity-building interventions for a drastically underserved part of the country. Contributing to both food security and the containment of regional conflict, this SpO supports both of these goals in the Joint State/USAID Strategic Plan. Over 78,000 households representing 50% of the people in the 11 districts served benefit from the SpO.

Cross cutting:

HIV/AIDS. Every opportunity must be used to reach Ethiopia's highly dispersed population to curb the pandemic. All direct contractors and grantees working in USAID education programs include HIV prevention for clients and staff. All 19 of Ethiopia's teacher training institutes include HIV/AIDS in their curriculum. Non-formal education programs serve out of school youth in the Southern Tier and in the Basic Education programs. Urban youth centers provide information and condoms linked to the USAID supported education programs for this same group. Age appropriate student centered materials are being tested in formal programs to expand outreach to children beginning in grade 4. The EMPOWER program funded under RHPP and the Amhara Regional Health Bureau surveyed women at four new sentinel sites and found that HIV/AIDS was most prevalent among 15-24 year old women. These findings prompted CDC to work with the government to increase sentinel sites and effective targeting of mitigation and prevention. Partners in four regions provided training and condom distribution through 198 cooperatives and trained 17,456 cooperative leaders and members. P.L. 480 Title II NGO partners provided prevention education along with food distribution during the famine relief operations. Along with food, partner organizations worked on reducing infection risk, minimizing impact on affected households and orphans, and providing care and support to people living with HIV/AIDS.

Gender equity is an important objective across the USAID portfolio. Recent examples include the development and rapid diffusion of a new tool to prepare a basic food under the RHPP EMPOWER program. The decorticator, which removes the husks from seeds, saves preparation time, reduces product loss and can be made from local materials. In under a year almost 600 women farmers have made their own instruments and the technology is spreading rapidly. A local NGO's Title II program constructed water points that reduced water fetching time from 3 hours to 33 minutes and waiting time from 1 hour to 17 minutes. Since water is carried by women and girls, this time saving will have obvious health and productivity benefits. Data from two key regions where education programs target increasing girls' enrollments (Tigray and the Southern Nations, Nationalities and Peoples Region) showed increases despite the effects of the drought.

Capacity building. Capacity building is one the GFDRE's highest priorities. All program elements focus heavily on capacity building for health workers, teachers, agricultural extension agents, judges, government accountants, almost every kind of profession involved with the development effort. Each SO can report NGO capacity building in its work and a large number of cooperatives, civil society and faith-based organizations and others regularly receive either direct training or improved technologies and methods through their involvement with USAID's program.

Nutrition. Improving nutrition is a key element of food security. Both the health and Southern tier programs specifically target nutritional improvement and the Title II programs include it. Nutritional improvement in Hararghe and Afar reduced wasting in children even under food emergency conditions. The health program will sponsor a national nutritional survey with the GFDRE and partner groups to

further inform strategy choices for nutritional improvement.

Country Close and Graduation:

Results Framework

- 663-001 Increased availability of selected domestically produced food grains**
- 663-002 Increased use of primary and preventive health care services**
- 663-003 Quality and equity improved in an expanded system of primary education**
- 663-004 Increased access to and participation in a democratic system**
- 663-005 Enhanced household food security in target areas**
- 663-007 Rural Household Production and Productivity Increased**

SO Level Indicator(s):

Number of targeted houses that adopted improved technologies for two or more years

Volume of inputs marketed through farmer cooperatives (metric tons)

663-007.1 Integration of food, livestock and factor markets increased

663-007.2 Competition in agricultural and output markets increased

663-007.3 Rural household cash income increased/diversified

663-007.4 Food, agriculture and environmental research systems in target areas strengthened

663-007.5 Dissemination of food, agriculture and environmental technology information in target areas improved

663-008 Improved Family Health

SO Level Indicator(s):

Children receiving DPT 3 in Amhara focus region (%)

Children receiving DPT 3 in SNNP focus region (%)

Children receiving DPT3 in Oromia focus region (%)

Contraceptive prevalence rate in Amhara focus region (%)

Contraceptive prevalence rate in Oromia focus region (%)

Contraceptive prevalence rate in SNNP focus region (%)

HIV/AIDS prevalence rate among 15-24 year old females

HIV/AIDS prevalence rate among 15-24 year old males

663-008.1 Increased use of high impact child survival interventions, including nutrition

663-008.2 Increased use of high impact reproductive health interventions, including maternal nutrition in focus regions and target areas nationwide

663-008.3 Reduced HIV/AIDS prevalence and increased mitigation of the impact of HIV/AIDS

663-008.4 Increased health sector resources and improved systems in focus regions

663-009 Quality and Equity in Primary Education System Enhanced

SO Level Indicator(s):

Female share grade 4 enrollment in SNNP region (%)

Female share grade 4 enrollment in Tigray region (%)

National gross enrollment rate at primary (grades 1-8) level (%)

663-009.1 Quality of professional education system enhanced

663-009.2 Teacher-learner support systems strengthened

663-009.3 Community-government partnerships in education strengthened

663-009.4 Systems for managing personnel, instructional materials, and monitoring and evaluation strengthened and used

663-010 More Effective Governance and Civil Society Developed

SO Level Indicator(s):

Percentage of government funds using new accounts system

Percentage of government funds using new budget system

663-010.1 Civil society participation increased

663-010.2 Judiciary and respect for human rights strengthened

663-010.3 Public financial resources used more effectively

663-011 Mitigate the Effects of Disaster

SO Level Indicator(s):

- Percentage of vulnerable people with critical needs met
- Severity of coping strategy index in Title II assisted areas
- Wasting rates of children in West Harraghe (%)

663-011.1 Increased adoption of disaster preparedness measures

663-011.2 Targeted, timely and appropriate disaster response

663-011.3 Peace/stability in selected dispute affected areas promoted

663-011.4 Capacity of most vulnerable populations to make the transition to development improved

663-012 Improved Livelihoods for Pastoralists and Agro-Pastoralists in Southern Ethiopia

SO Level Indicator(s):

- Enrollment in grades 1-4 in STI focus schools (total)
- Number of persons trained in business or technical skills per year (total)
- Number of persons trained in health skills per year (total)

663-012.1 Pastoralists and agro-pastoralist incomes increased

663-012.2 Increased adoption of family health practices

663-012.3 Access to appropriate basic education increased

663-012.4 Traditional dispute resolution mechanisms enhanced

663-013 Capacity to Anticipate and Manage through Shocks Increased

663-014 Human capacity and social resiliency increased

663-015 Capacity for good governance increased

663-016 Private sector-led economic growth and resiliency increased

663-017 Knowledge management coordinated and institutionalized