

TESTIMONY OF

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**BEFORE THE SENATE FOREIGN RELATIONS SUBCOMMITTEE ON
AFRICAN AFFAIRS**

MARCH 11, 2008

**"EVALUATING U.S. POLICY OBJECTIVES AND OPTIONS ON THE
HORN OF AFRICA"**

Chairman Feingold and Members of the Committee, thank you for the opportunity to appear before you today to discuss USAID's programs in the Horn of Africa. U.S. Government objectives for the Horn of Africa are to promote stability, combat terrorism, and advance democracy and economic development while addressing the humanitarian needs of the region's people. Like elsewhere in the world, USAID's efforts to promote economic development, strengthen democracies, and help people fulfill their human aspirations in the countries of the Horn of Africa will ultimately contribute to greater stability in the region.

The Horn of Africa continues to face numerous humanitarian challenges. Thus far in FY 2008, USAID has spent over \$265 million in food and non-food humanitarian assistance in Ethiopia and Somalia alone. In addition to drought, which has contributed to near-famine conditions in the Horn during six of the past 10 years, ongoing tension between Ethiopia and Eritrea, prolonged civil and clan conflict in Somalia, and the multifaceted conflict in Ethiopia's Ogaden region continue to drain the human and financial resources of these countries, undermining national and international development efforts and the stability of the region as a whole. Providing effective humanitarian assistance in these environments is enormously difficult, and attacks targeting humanitarian personnel in both Somalia and the Ogaden highlight the risks our partners face on a daily basis. The unexpected crisis in Kenya—the stable “anchor” country in the Horn and East Africa region—has also added further challenging dimensions.

SOMALIA

Somalia has struggled to reestablish effective central governance following nearly two decades of civil conflict. As Somalia enters a projected transition to a democratically-elected government in 2009, U.S. foreign policy objectives in Somalia are to eliminate the terrorist threat, promote political stability by supporting the establishment of a functioning central government, and address the humanitarian needs of the Somali people. U.S. assistance is helping to build the capacity of the Transitional Federal Government, the components of which are known as the Transitional Federal Institutions, to provide social services and support the transitional process leading to national

elections and the establishment of permanent, representative government institutions. The United States also works closely with other donor partners and international organizations to support the development of an effective and representative security sector, including the military, police, and judiciary, while supporting ongoing peacekeeping efforts in Somalia. The deteriorating humanitarian situation continues to be a significant concern to which the United States is providing substantial assistance.

Peace and Security: USAID will continue to provide training and support in conflict mitigation and reconciliation to political, clan, and civil society leaders in order to promote stability conducive to social and economic development. In FY 2007, the United States supported the successful convening of the National Reconciliation Congress, which brought together more than 2,600 delegates to Mogadishu. The National Reconciliation Congress succeeded in producing concrete recommendations on the transitional tasks ahead, including the drafting of a constitution and preparations for elections, as well as calling for the Transitional Federal Parliament to ratify an amendment to the Transitional Federal Charter that allowed for ministerial positions to be held by non-members of parliament, paving the way for enhanced representation in the Transitional Federal Government. USAID, in concert with the State Department, is working closely with other donor partners to support the efforts of Prime Minister Nur “Adde” Hassan Hussein, under the leadership of President Abdullahi Yusuf Ahmed, in promoting reconciliation at all levels across Somali society.

USAID is also supporting quick impact community based projects to provide tangible, practical benefits; in FY 2007, 65 quick impact projects were supported benefiting over 6,000 households. Complementary support is being provided to civil society and media programs to enable government-civil society collaboration and promote transparency and accountability.

Governing Justly and Democratically: USAID assistance both supports the transitional political process, as well as programs to build the capacity of government ministries and train public sector executives in the transparent and accountable management. USAID recently contributed to a multi-donor package of minimum needs that will allow the new Transitional Federal Government cabinet to establish itself in Mogadishu over the next six months. Programs are providing assistance for the Transitional Federal Institutions to help re-establish appropriate executive functions, including ongoing training of thirty directors general from selected ministries, provision of basic equipment, and deployment of technical advisors in the office of the President and other key ministries. Support also includes the launching of a Public Administration and Capacity Building Institute in Mogadishu and programs to strengthen the capacity of the Transitional Federal Parliament. Despite the difficult environment and the limited timeframe available for constitution-making, the outcome of the National Reconciliation Congress and the recent appointments of a new prime minister and cabinet provide an opportunity for reviving the constitutional process. U.S. assistance is also encouraging continued democratization and development in the regional administrations in Somaliland and Puntland. USAID will continue to support existing and emerging civil society institutions, including independent media outlets, which are key stakeholders in Somalia.

Investing in People: USAID is also working with the Transitional Federal Government to support the delivery of critical social services, including basic education and essential health interventions. The integrated USAID program provides support for essential social services directly at the community level. The program is expanding assistance designed to increase student attendance and retention by rehabilitating community primary schools; training additional teachers, especially women; and increasing access to education. Health programs are focusing resources on delivering basic maternal and child health interventions at the health facility and community levels in collaboration with relevant line ministries and local government counterparts. U.S. assistance will also provide funds to develop safe water points and latrines in community schools and health posts.

Humanitarian Assistance: Continued insecurity, localized drought conditions, and increasing numbers of internally displaced persons have generated deteriorating humanitarian conditions in Somalia, particularly affecting Mogadishu and Lower Shabelle, Middle Shabelle, Hiran, and Central regions. Multiple attacks on humanitarian relief staff and facilities in January and early February have led to the withdrawal of some international staff and temporary travel restrictions, further complicating efforts to provide critical assistance. According to the UN Food and Agriculture Organization's Food Security Analysis Unit, the number of people requiring humanitarian assistance and livelihood support has increased from 1.5 million as of mid-2007 to nearly two million people in early 2008, which includes both new and long-term internally displaced populations in rural areas of southern and central Somalia. The Food Security Analysis Unit notes that these figures do not represent the sizeable but unknown number of vulnerable households in urban settings, which are also affected by record high prices for staple foods, disruptions in market and commercial activities, and the ongoing conflict. In response to growing concern over food insecurity among displaced and affected households, relief agencies are reviewing current response plans and food stocks.

The United States and other donors are working with the Prime Minister and his Cabinet to help address bureaucratic and security impediments to delivery of humanitarian assistance and help improve access for humanitarian relief. We are heartened by the Transitional Federal Government's recent commitment to work with donor partners and NGOs to improve humanitarian access, but urge the Transitional Federal Government to implement the necessary steps as soon as possible to ensure that aid reaches those in need.

In FY 2007 and to date in FY 2008, the U.S. Government has provided more than \$139 million for health, nutrition, agriculture and food security, livelihoods, coordination, protection, and water, sanitation, and hygiene programs, as well as for emergency food assistance, peace-building activities, refugee assistance, and air operations in Somalia.

ETHIOPIA

Ethiopia is one of the world's poorest countries, with severe malnutrition and health problems affecting up to one-tenth of the population of over 77 million. The country nevertheless has experienced robust economic and export growth in recent years (around eight percent annually) but subsistence agriculture is prevalent and vulnerable to seasonal flooding and cyclical droughts. The country is experiencing growing pains in its march toward democracy and a market economy. With U.S. support, Ethiopia continues to undertake ambitious programs to facilitate peaceful change, reduce poverty, advance political reform, boost sustainable economic growth, and increase the quality and coverage of health, education, and other service delivery. U.S.-supported governance, judicial and conflict mitigation programs help improve political dialogue, strengthen civil society, and lessen ethnic conflict. U.S. assistance will continue to help the government tackle the underlying causes of food insecurity through employment generation and enterprise growth. Support to the Productive Safety Net Program and Pastoral Livelihoods Initiatives will continue to build resilience among the most vulnerable. Three Presidential Initiatives—the President's Emergency Plan for AIDS Relief, the President's Malaria Initiative, and the recent Education Initiative—will provide assistance for integrated programs for the prevention, treatment and care of HIV/AIDS and malaria, and improve access to education for all Ethiopians, particularly underserved girls. Regional foreign assistance programs will continue to support refugee flows, including repatriation programs, as well as projects which combat environmental degradation.

Peace and Security: Conflict mitigation and reconciliation programming is designed to help stabilize border regions with Eritrea, Sudan, and Somalia by addressing tensions arising from competition over scarce resources and expanding openings to resolve long-standing disputes between the Government of Ethiopia and insurgent groups. USAID is working to build the capacity and support the interventions of joint government-civil society conflict management partnerships at the local, regional, state and national levels to prevent and manage conflict in violence-prone areas, including assisting with the development of a national conflict management policy.

Governing Justly and Democratically: USAID programs are supporting constructive dialogue among Ethiopians who represent diverse political perspectives and ethnic groups to build consensus on key issues. Funds are also being used to support multilateral efforts to facilitate the ongoing restructuring of elections and political processes and build capacity in preparation for the May 2010 national elections. USAID is helping to strengthen the capacity and role of civil society; improve independent human rights monitoring, investigation and reporting; and improve the respect the judiciary and police have for international, national and institutional human rights standards. U.S. assistance is also used to ensure a U.S. role in the ongoing multi-donor support program to strengthen the federal and regional parliaments operating in the new, multiparty environment, and build the capacity of the National and Regional Judicial Training Centers and selected law schools. Capacity building efforts are also assisting

the Gambella and Somali Regional State Governments to improve governance through better service delivery.

Investing in People: Ethiopia's health services and education are slowly improving but are still among the poorest quality in the world. USAID programs continue to support and improve management and quality of health care services including family planning services to meet the growing unmet demand in order to reduce Ethiopia's very high population growth rate to sustainable levels. Investments in health and education are enabling Ethiopians to take advantage of expanded economic opportunities. USAID is supporting activities that expand access to sustainable reproductive healthcare and high-quality, voluntary family planning services and information contributing to poverty reduction. USAID provides support in maternal and child health to help mitigate the effects of external shocks, foster a healthier workforce, and focus on both child and adult education in the hinterlands. Funds are also used to help combat tuberculosis and reduce the incidence of malaria, major sources of morbidity and workforce absenteeism, and improve access to safe water supplies and basic sanitation, ultimately improving rural household health and food security. Africa Education Initiative assistance and other USAID support will improve the quality and equity of primary education through training teachers and administrators, strengthening planning, management, and monitoring and evaluation systems, and fostering community partnerships and school governance through capacity-building of parent-teacher associations and management of school grants. Scholarship support is assisting girls and HIV/AIDS orphans to succeed in school. Ethiopia is receiving significant support to scale up integrated prevention, care and treatment programs throughout the country and support orphans and vulnerable children, thereby forging linkages with the President's Emergency Plan for AIDS Relief funded-programs.

New assistance in FY 2008 under the President's Malaria Initiative will expand efforts to scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups to support the program's goal of reducing malaria-related morbidity by 50 percent.

Economic Growth: The U.S. Mission in Ethiopia is using a range of assistance to leverage investment, export and private sector growth. USAID programs help to drive economic growth and promote a more enabling environment for agriculture, the private sector, small and medium enterprises, and trade and investment in general. Focus will continue on developing commodity exchanges, improving access to finance, and establishing policies to enable private-sector-led economic growth. Programs also focus on enhancing the productivity and competitiveness of key sectors, especially in rural areas. This includes investments in the tourism sector, agri-business expansion, support to African Growth and Opportunity Act exports and World Trade Organization accession, continued support to pastoralist areas, and support to the livestock and agriculture sectors which employ 85 percent of the workforce and contribute 45 percent of GDP. These programs are continuing to increase economic prosperity through exports and job and wealth creation. The U.S. Mission will continue its focus on the most vulnerable populations, providing impetus for new and alternative livelihood programs, improved

agricultural practices, better livestock husbandry and meat and dairy marketing, and phyto-sanitation. Along with other major donors, the United States supports the Government of Ethiopia's Productive Safety Net Program to reduce food insecurity, which affects 44 percent of the population. Investments in the Safety Net Program and related policy, regulatory, and administrative systems are serving to protect vulnerable populations and contribute to poverty reduction and rural economic growth. USAID funding is also helping to strengthen small enterprise and other poverty reduction efforts related to the Productive Safety Net Program.

Humanitarian Assistance: The United States is the major donor assisting the Government of Ethiopia to anticipate and respond effectively to any natural or man-made disaster. USAID will continue to work closely with the Ethiopia Disaster Prevention and Preparedness Agency, to increase capacity for early warning and to provide humanitarian assistance of emergency food and non-food aid.

Current Humanitarian Situation

Ongoing trade and access restrictions in Somali Region—though they have eased just slightly over the last few months—coupled with insecurity and recent drought conditions in Southern Ethiopia have increased humanitarian needs and food security concerns. In Somali Region, insecurity, reduced humanitarian access and now poor rainfall are leading to deteriorating humanitarian conditions and increased malnutrition. Distributions of food aid and commercial food deliveries in some areas are subject to inadequate delivery systems or are being disrupted, impeding the ability to address the needs of affected populations, according to USAID's Famine Early Warning Systems Network.

Food Security and Agriculture: Overall food security in Ethiopia has improved over the past several years, and the main agricultural season between October and December, which represents 90 to 95 percent of total crop production countrywide, was above the recent five-year average. However an estimated eight million chronically food insecure people in Afar, Oromiya, Amhara, Tigray, Somali, and Southern Nations regions receiving food assistance and cash transfers while building productive assets through the Productive Safety Net Program continue to confront a food security crisis. In addition, approximately 1.3 million people require emergency food assistance, including nearly one million people in Somali Region, 84,000 people displaced by last year's flooding, and more than 260,000 people in Oromiya Region affected by localized crop failures, according to Famine Early Warning Systems Network.

Somali Region: Although slowly improving, recent restrictions on trade and movement in Somali Region have disrupted livelihoods and increased food insecurity among pastoralists and agro-pastoralists in the five zones under military operations—Warder, Korahe, Gode, Fik, and Degehabur. The inability to access markets combined with high food commodity prices has decreased food availability and dietary diversity, contributing to increased levels of malnutrition in affected areas for local populations dependent on the sale and exchange of livestock for income.

The December 2007 *deyr* rains assessment mission in Somali Region identified approximately 1.5 million people living in restricted areas of Warder, Korahe, Gode, Fik, and Degehabur zones in need of humanitarian or livelihood assistance between January and June 2008. As of February 19, humanitarian agencies had distributed approximately 10,000 of the estimated 52,000 metric tons of food aid required to the region, according to the UN World Food Program. The Government of Ethiopia has approved 21 non-governmental organizations to operate in the five Somali zones under military operations, but few organizations have been able to initiate programs to date, according to field reports. In addition, the Government of Ethiopia has approved 186 food distribution points—a 38 percent decrease from the previously utilized 300 distribution points. However, delays and logistical restraints have limited actual food distributions, and the full resumption of commercial activities remains critical to improving food security in the region.

From November 23 to 26, USAID Administrator and Director of Foreign Assistance Henrietta H. Fore and I visited Ethiopia, including Somali Region, to discuss humanitarian conditions and efforts to facilitate emergency assistance to affected populations. On December 4, we met with Prime Minister Meles to discuss our concerns and offer USAID's assistance in response to his expressed need for better nutritional data for the region. Administrator Fore formally offered to Prime Minister Meles that USAID could deploy a Humanitarian Assistance Team to the conflict-affected zones of Somali Region to assess nutritional and humanitarian conditions there and determine what steps could be taken to facilitate delivery of food and other humanitarian assistance. The Prime Minister accepted and the team deployed to Ethiopia on December 20.

The Humanitarian Assistance Team concluded an initial assessment phase on January 31 and while it did not observe indicators of an immediate crisis within the areas of travel to date, it cautioned that humanitarian conditions and the food security situation could significantly deteriorate in March or April. Among the factors that signal potential deteriorating conditions in the region are:

- The poor performance of the 2007 *gu* and *deyr* rains
- Current restrictions on commercial trade and disruptions to livestock movement
- Poor delivery mechanisms for food aid being employed by the Government of Ethiopia's Disaster Prevention and Preparedness Agency
- Limited access to and delivery of essential health services
- Ongoing insecurity and reduced humanitarian access.

In addition, Ethiopia's National Meteorological Agency is predicting an 80 percent chance of average or below average rains beginning in the March through May rainy season, with a 45 percent chance of below average rains. The Somali Regional Government has just appealed to donors for help due to poor rainfall and the UN is pressing the Government of Ethiopia to formally acknowledge the drought conditions and need for assistance.

Some of the key recommendations from the team's initial assessment phase were that:

- The capacity of the Government of Ethiopia's Disaster Prevention and Preparedness Agency to target, monitor, and deliver assistance needs to be enhanced to

goals. U.S.-funded programs serve as catalytic agents, helping Djibouti ensure that it stays safe from security threats, that its health care and education programs reach rural and marginalized urban areas, that it is prepared to respond to food emergencies, and that its people obtain the tools they need to secure jobs in a rapidly changing economy. U.S. investments will also contribute substantially to achieving our own security and development objectives in the region.

Peace and Security: Djibouti is on the mainline between the Middle East and Africa and faces steady pressure aimed at radicalizing its people and changing its polity. U.S. security cooperation is intended to ensure Djibouti has the tools to resist the threat of terror and instability. Department of State-funded programs promote stabilization operations and security sector reform, fight transnational crime, and support counter-terrorism activities.

Governing Justly and Democratically: Assistance for improving governance, provided by USAID, is helping promote a more transparent and efficient government at the national, regional and local levels, increase confidence in the electoral process, and advance Djibouti's decentralization. It also helps to increase political participation, guarantee civil liberties, promote government accountability, and strengthen civil society. The democracy and governance program addresses major obstacles to Djibouti's capacity to sustain private sector development by promoting dialogue between government, civil society, and the private sector. Popular frustration over the lack of jobs, inadequate public services, and obstacles to political participation must be overcome to ensure Djibouti's long-term success and stability. Leadership education and training will constitute a major focus of the democracy and governance program.

Investing in People: To ensure Djibouti's continued stability in the volatile Horn of Africa region, U.S. assistance programs promote improved quality of life for Djiboutian citizens. USAID-funded health and education activities combat low life expectancy, maternal and under-five child mortality, and the transmission of infectious diseases such as HIV/AIDS and tuberculosis. In addition, USAID activities continue to assist Djibouti in responding to food and other humanitarian emergencies. The health program continues to focus on expanded access to quality health care by improving maternal and child health services, and on the prevention of the spread of HIV/AIDS and tuberculosis. The education program continues its essential focus on basic education, promoting expanded access, particularly for girls and rural children, and an emphasis on preparation for employment opportunities. Support for teacher training, the provision of pedagogic materials, expanded community participation in education, the improvement and decentralization of education sector service delivery, and improved sector information systems and management capacity are also priority targets for U.S. assistance.

KENYA

It is important to note how critical stability in Kenya is to avoiding massive instability in the entire Horn sub-region. The crisis in Kenya has already affected its neighboring countries region through the sharp increases in fuel prices and transportation blockades.

We are extremely encouraged by the breakthrough in negotiations and the agreement reached on February 28 but are very mindful that our attention will need to stay focused on Kenya as this will be a very long-term process of national healing and reform.

The political and security challenges in the Horn of Africa are significant as are the development and humanitarian needs. USAID is deeply engaged with our partners to help to address these challenges and support emerging opportunities.

Thank you for the opportunity to testify before the Committee today. I am now happy to answer your questions.