



**USAID**  
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## BUILDING RESILIENCE FOR ETHIOPIA'S MOST VULNERABLE

“By targeting places that are especially prone to crisis, whether natural or man-made disasters, we can build the core set of capabilities that people, communities and countries need to better withstand external shocks. We have to bring these efforts to scale.”

– *Gayle Smith, former USAID Administrator*

Strengthening resilience of households, communities and systems against environmental, political, socio-economic, and health shocks is a key long-term goal of USAID's investments in Ethiopia. USAID has been a strong partner to Ethiopia for over 50 years, and is supporting various Government of Ethiopia (GOE) programs through its resilience investments. While Ethiopia has reduced the number of people living under the poverty line by 33 percent since 2000, 37 million Ethiopians remain vulnerable to shocks.

### WHY IS THIS IMPORTANT FOR ETHIOPIA

The GOE implements social protection programs on a scale unlike almost any developing country in the world. Ethiopia's National Social Protection Policy (NSPP) introduced the concept of a sustainable social protection system, which mandates a comprehensive package of social protection support to the poor. Ethiopia's ability to be resilient to shocks is key for maintaining growth and stability. Evidence from USAID's resilience programming in Ethiopia's lowlands shows that households reached by comprehensive resilience programs were better able to maintain their food security status in the face of the severe drought in 2016, whereas households in other communities experienced a precipitous 30 percent decline. Households with access to markets, financial services, and safety nets fared far better during both moderate and severe droughts. Additionally, those benefiting directly from programs that improve access to financial services, animal health services, and natural resource management had healthier herds, were more food secure, and less likely to be impoverished than similar non-beneficiary households.

PHOTO: NANCY MCNALLY, CRS

## WHY IS THIS IMPORTANT FOR THE UNITED STATES

The United States remains the largest provider of foreign assistance to Ethiopia, investing around \$1 billion each year in humanitarian assistance and development programs. Our humanitarian assistance includes in-kind food and nutrition assistance, safe drinking water, health services, and sanitation and hygiene support for victims of drought, flooding, and displacement. The 2015-2017 droughts affected more than 20 million people—requiring a \$1.4 billion response, the largest humanitarian response ever. Looking to the future, we must work together to reduce vulnerability to shocks to mitigate the impacts of crises. After the 2011 Horn of Africa famine, evidence showed that every dollar spent on resilience programming saved almost three dollars in humanitarian assistance.

## PROGRAMMING

**AGRICULTURE, LIVELIHOODS, AND FOOD SECURITY:** Through Food for Peace and Global Food Security Strategy activities, USAID invests over \$610 million in the Productive Safety Net Program (PSNP) and works with nearly 1.5 million beneficiaries in the Ethiopian highlands. PSNP addresses the basic food needs of chronically food-insecure people through regular, seasonal transfer of food and cash resources, while supporting the creation of assets that generate economic benefit to the communities as a whole. A recent study by the International Food Policy Research Institute found that not only was the impact of drought on households receiving assistance from PSNP 57 percent less than non-beneficiary households, but PSNP households recovered from drought within 2 years, compared to up to 4 years for non-beneficiary households. In addition, Feed the Future programs have helped 33,000 households increase their incomes by an average of \$370, enabling many to graduate from PSNP. These programs have provided a model for graduation programming that is being scaled by the GOE. Feed the Future investments have also contributed to a remarkable ten-fold increase in the value of livestock sales from \$6 million in 2012 to \$67 million by 2015, by attracting over \$15 million in private sector investments and leveraging export market opportunities.

**LIVESTOCK MARKET EXPANSION:** USAID is helping pastoralists improve livestock health by providing better access to feed and veterinary services and strengthening their links with livestock traders, processors and exporters—a private sector approach to ensure long-term sustainability. We work with rangeland management councils to map resources and help pastoralists plan their grazing to support smarter natural resource utilization and mitigate potential conflicts. For those seeking other employment opportunities, we support vocational training and better access to finance, providing pastoralists with the potential to find or create alternative livelihoods. Despite the worst drought in 50 years, targeted households saw an average increase in annual income of \$194, strengthening their resilience going forward.

**HEALTH AND NUTRITION:** USAID's support to establish Community-based Health Insurance now helps cover 16 million. In the last year alone, 3.3 million households saved \$73 million in out-of-pocket health expenditures due to health financing. Data shows that when health insurance is layered together with the PSNP, household savings increase, as well as participation in alternative livelihoods activities, to further enhance resilience. We also support the expansion of comprehensive community nutrition treatment programs that can rapidly identify and treat moderate and severe malnutrition to address the critical needs of malnourished children, and pregnant and lactating women.

**ACCESS TO WATER:** We are helping to increase the availability of clean drinking water sources, while also expanding water use for agriculture. By rehabilitating non-functioning infrastructure and constructing new systems, we're working to provide improved drinking water sources for 300,000 people. Investments in small-scale irrigation improve crop production and increased access to water for livestock.

**EDUCATION:** USAID promotes resilience among children and youth by providing them with the skills they need to cope with adversity and shocks. Youth training and livelihoods investments provide students with soft skills training; financial literacy; and business development support to prepare them for a constantly changing labor market. These skills enable them to prepare for, deal with, and effectively adapt to shocks in life and work. The majority of the program participants have reported an increase sense of self-efficacy, enhanced economic prospects, and higher income.