

**Testimony by U.S. Agency for International Development
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Subcommittee on Africa, Global Health, and Human Rights**

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“USAID’s Strategy for Addressing the Recurring Crises in East Africa”

Good afternoon Chairman Smith, Mr. Payne, and members of the Subcommittee. Thank you for inviting me to speak with you today about east Africa. It is always an honor and pleasure to have the chance to discuss our work in Africa with you and hear your input.

President Obama is committed to working with the governments and people of east Africa to realize their development aspirations and minimize the impact of man-made and natural disasters now and in the future. Although the worst drought in over half a century in Djibouti, Ethiopia, Kenya, and Somalia has left over 12.7 million people in need of emergency assistance, as a result of our continued engagement, there are many more people in the region who are experiencing rising incomes, improved health and better education for their children.

Recognizing the potential of the 342.5 million people in the east Africa region, USAID is investing \$3 billion in development assistance in FY 2011.¹ While this is a significant amount of funding, it is far less than what we might potentially have to spend in future humanitarian crises in the absence of the concerted support for east Africa’s own development endeavors. As a result, USAID’s ongoing work in the region, bolstered by strong U.S. policy and diplomacy, serves as a crucial mitigating and facilitating force to work in partnership with east Africans to prevent and respond to man-made and natural catastrophes in order to break the cycle of humanitarian crises.

The difference in the impact of the drought in Ethiopia and Kenya, on the one hand, and Somalia on the other, is sobering. More than 40 percent—4.0 million—of Somalia’s 9.8 million people are in crisis, and the famine is expected to get worse. Even under the best environmental circumstances, 20 ungoverned years have left the Somali people scrambling to survive normal, day-to-day pressures. Insecurity and conflict have rendered development nearly impossible in the regions of Somalia that are now experiencing famine. It is no coincidence that those areas suffering the most are the same areas that are wracked with conflict. Nevertheless, ongoing drought and increasing insecurity in the region have led to a number of urgent challenges yet also some targeted opportunities to utilize our development assistance programs to mitigate future man-made and natural humanitarian shocks.

We are seeing a very different situation in Ethiopia and Kenya—one of need, to be sure, but also one of resilience. Just 6 percent of the total combined population of 121 million people is at risk, and while the situation is grave, we do not expect it to deteriorate into famine. The crisis is the

¹ East Africa refers to Burundi, the Central African Republic, Comoros, the Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Kenya, the Republic of Congo, Rwanda, Seychelles, Somalia, South Sudan, Sudan, Tanzania, and Uganda.

biggest news of the day, and aid workers from the U.S. Government and other donors and organizations are working day and night with their partners in the Horn of Africa to save lives. Americans, Europeans, Africans, and Asians are reaching into their pockets and engaging their communities to help alleviate the suffering. But the emergency is not the only story, or the only dynamic at play.

Developing Resiliency

We will never be able to prevent a natural disaster from happening, but the United States' commitment and long-term work with Ethiopia, Kenya, and many of their neighbors have reduced the populations' vulnerability to crises like this one and greatly reduced the need for expensive emergency assistance. East Africa has geopolitical strategic importance, economic potential, and generally positive development performance. We rely heavily on diplomacy to open the door for us to deliver on our long-term vision and commitments to the well-being of the people of the region and sound principles and processes of good governance. In addition to responding to emergencies as they emerge, USAID also works in the region with a long-term view to the development challenges and opportunities that will improve economic growth, health, agricultural productivity, and environmental stewardship. Our work with national and local governments and international donors has built on positive trends of economic, technological, and infrastructural growth, and has significantly lessened the effects of climatic shocks for many east Africans. We expect this progress to continue through these continued partnerships, regional investments, and President Obama's three major initiatives: Feed the Future, which aims to address hunger and unlock the enormous potential of African agriculture as a driver of prosperity; the Global Health Initiative, which is saving millions of lives while building sustainable health systems; and the Global Climate Change Initiative, which helps mitigate the potentially dire consequences of climate change on African ecosystems, food production, and economic development. These important Presidential initiatives demonstrate the Obama Administration's genuine commitment to transforming the region while also working to mitigate future humanitarian shocks. As these efforts proceed, we will be adjusting programs where appropriate to make them more effective in addressing populations that are vulnerable to current crises.

Ethiopia serves as an important example of how USAID development assistance helps to generate resiliency within that country to mitigate the severity of humanitarian shocks. Since 2003, the number of Ethiopians in need of emergency assistance has dropped by almost two-thirds, despite the country having one of the highest population growth rates in Africa. Since 2005, Ethiopia has achieved a real economic growth rate averaging 8 percent per year and has seen a tremendous expansion in the number, diversity, and market share of private businesses. The Government of Ethiopia has also developed comprehensive economic and agricultural development plans to foster the growth of domestic and export markets and has allocated 17 percent of its budget to the agricultural sector.

Long-term USAID interventions in support of the Government of Ethiopia's plans have helped some of the country's most vulnerable people become more resilient to natural disasters, like the current drought. As a result of our sustained development efforts, an estimated 7.5 million fewer

Ethiopians require emergency support to survive this crisis. USAID has supported transitional programs that have mitigated the need for emergency assistance during this drought. Early warning systems such as the USAID-supported Famine Early Warning System Network (FEWS NET) predicted the drought and allowed donors to take quick action before the worst conditions set in. In those areas that were expected to be hit the hardest, USAID helped households with “commercial de-stocking”—selling off some livestock while the prices were still high, which helped families bring in enough income to feed themselves and their remaining livestock. USAID also pre-positioned significant amounts of food and non-food commodities and worked to rehabilitate wells before the worst drought conditions, preventing the need to launch expensive water trucking efforts in those regions.

USAID’s long-term development assistance in Ethiopia serves to effectively augment national policies. USAID plays a lead role in the Donor Assistance Group, a collaboration of multilateral institutions and other donors that work within an agreed-upon framework with the Government of Ethiopia on a range of development issues. USAID provides critical support to existing effective national programs and policies such as the Government of Ethiopia’s Productive Safety Net Program, which is designed to address the needs of chronically food-insecure populations. Since 2005, this program has received significant support from the Donor Assistance Group in order to, for instance, provide the poor with staple foods during the annual hunger seasons in exchange for labor to build sustainable community assets, such as water catchments and managed rangelands. This has helped millions of Ethiopians survive food shortages and avoid having to sell off the productive assets, like cows and sheep, that they need to feed their families, which has softened the blow of this year’s drought. As a result of these long-term development assistance efforts, USAID has been able to decrease the scope of the short-term humanitarian response that would otherwise be required in Ethiopia.

Long-term, sustainable economic growth is crucial for a country’s ability to effectively respond to and mitigate the severity of humanitarian crises. To spur overall economic growth, Feed the Future is investing in a “push-pull” model: preparing chronically food-insecure households and pastoralists to participate in improved agricultural markets and livelihood opportunities (“push”) resulting from improved productivity and commercialization in Ethiopia’s productive regions (“pull”). At the same time, USAID will seek to improve the overall nutrition of women and children through sustainable and comprehensive interventions concentrating on especially vulnerable regions like Oromia.

While Ethiopia has seen significant progress in recent years, the country still faces many challenges, particularly in terms of democratic governance. The repressive aftermath of the 2005 elections reversed democratic progress in Ethiopia, and the 2010 national elections were widely judged as anything but free and fair. The ruling party continues to repress opposition and increase its dominance, actively reducing the space for civil society. Despite progress, the private sector remains hobbled by red tape and arbitrary new rules. USAID is seeking opportunities to improve the enabling environment and accountability in order to foster more transparent growth.

Kenya’s economic, political, social, and ecological landscape makes for an unusually compelling combination of opportunities and challenges. Kenya’s relatively high per capita income level hides the fact that half the population lives in poverty and that it has one of the highest population growth rates in the world. Kenya’s food insecurity results from a number of factors

including erratic weather, a degrading land base, corruption, a lack of security in some areas, the slow pace of infrastructural development, the high cost of energy, ongoing political instability, and periodic shocks such as the 2008 post-election crisis. In addition, the global economic downturn and consecutive poor harvests have constrained this progress. The current drought has swelled Kenya's refugee camps; the largest complex, Dadaab, originally built to host 90,000 people now hosts 440,000, and as many as 1,200 new refugees arrive each day. This surge of refugees has not only created a humanitarian crisis, but it has also put enormous strains on the local communities and the capacity of the Government of Kenya to support and assist these growing populations.

As one of Kenya's most important partners, the United States is committed to supporting the Kenyan Government's overall goals of political, social, and economic reform—and we are dedicated to Kenya becoming a cornerstone of regional stability. Agriculture drives much of Kenya's economy, accounting for one-quarter of the gross domestic product and employing three-quarters of the labor force. As a result, the Government of Kenya has demonstrated a renewed commitment to agricultural development. Its Agricultural Sector Development Strategy aims to reduce poverty and food insecurity in line with the Millennium Development Goals, increase agricultural sales, transition from a state-owned to a private-sector-led system, and reform research and regulatory bodies to be more efficient and effective. Tariff reductions and policy reforms are showing early progress in this area.

Feed the Future has a robust approach to supporting Kenya's agricultural strategy, including market development, business service facilitation, natural resource management, farmer-friendly policies, organizational capacity building, and the economic empowerment of women. Through Feed the Future, USAID targeted value-chain activities involving maize, dairy, and horticulture have made significant progress in increasing agricultural productivity and rural incomes over the past seven years. Working with over 600,000 farmers, more than half of whom are women, USAID programs have demonstrated the potential of investing in agriculture while promoting equity.

In order to mitigate against future famines in Kenya, USAID is helping the country adapt to climate conditions that contribute to food insecurity through better management of their water, land, and other natural resources. The Government of Kenya is currently working on a country strategy for climate change management, and the Global Climate Change Initiative is supporting that strategy. USAID and its Kenyan partners will explore innovations in wind energy, solar energy, biomass, biogas, sustainable charcoal harvesting policies, and hydropower systems, which all have large- and small-scale applications that are cost-effective in rural areas where access to electricity is limited. Other projects will protect critical ecosystem services important to adaptation, including constructing water catchments, improving forest management, building the resilience of rangelands in arid and semi-arid pastoral areas, and promoting sustainable agronomic practices, including the use of drought-tolerant crops, water harvesting techniques, and drip irrigation farming. These approaches especially emphasize local community involvement in governance, for example, by establishing water and forest resource associations to oversee and implement national-level plans. USAID also works with pastoralist communities to improve their access to markets and trade activity, which increases incomes and improves food security.

Although Somalia has lacked a functioning central government for over two decades, Somalis have shown remarkable resiliency to difficult circumstances, developing robust telecommunications and economic networks, fueled mainly by the transfer of an estimated \$1 billion to \$2 billion a year from members of the Somali diaspora. The semi-autonomous Somaliland region has made significant progress in democratization and economic growth, seeing a successful and largely peaceful political transfer of power last summer.

Bringing about stability and security in Somalia is one of the Obama Administration's principal foreign policy priorities and seeks to accomplish four goals: ensuring Somalia is not a safe haven for international terrorists, preventing Somalia from destabilizing the region, responding to and mitigating humanitarian crises, and combating piracy. USAID is working within a dual-track to strengthen the Djibouti Peace Process, strengthen regional governments, and alleviate humanitarian needs.

Despite the difficult operating environment, USAID is working in Somaliland and other stable regions of the country to solidify progress and build more resilient communities. While the programs are smaller than those in neighboring countries, they are contributing piece by piece toward recovery. USAID support has given thousands of Somalis access to social services like health and education programs, including an interactive instruction program using radio and mobile phones to reach students across Somalia. Thousands more have benefited from community water projects that have not only mitigated humanitarian needs but also prevented conflicts over resources; 47,000 students and their families have directly benefited from rehabilitated or newly constructed wells and boreholes near schools, and 41,000 have benefited from community water projects, including city projects in Hargeisa and Garowe. More than 8,700 youth have participated in a youth livelihood program to address unemployment, a situation that has been exacerbated by the drought and other factors. USAID has also pioneered the use of SMS technology to connect students with potential job opportunities, notifying employers and job-seekers of matches. In Somaliland, Puntland, Galmaduug, and other emerging local administrations, USAID is working on improving key livestock and agricultural value chains, rehabilitating infrastructure, and supporting good governance.

But make no mistake: we cannot work toward broad, long-term stability and resilience in most of Somalia until those who exercise control over the territory do so with the well-being of the Somali people as their first priority. The people suffering most from this terrible drought are those who live in areas controlled by armed groups motivated by personal interest.

Providing Assistance During Conflict

Nearly 60 percent of Department of State and USAID foreign assistance goes to 50 countries that are in, recovering from, or at high risk of armed conflict. The challenge of conflict prevention and management is not just a matter of responding to crises and shocks when they occur, but of addressing the dynamics of fragility that give rise to violence and vulnerability to disaster. The inverse of fragility is resilience—the capability to absorb shocks while maintaining political

stability, preventing violence, and making incremental progress toward sustainable peace and development.

Complex crises require robust, coordinated, and sustained approaches by the international humanitarian and development community. These approaches must extend beyond emergency response, early recovery and lay the groundwork for stability and sustainable development. We see the challenge of conflict prevention and management as not just a matter of responding to crises and shocks when they occur, but of addressing the root causes of fragility that give rise to violence and vulnerability to disaster to ensure that conflicts do not flare up again after the immediate crisis subsides. This integrated approach is core to USAID's broader development mission, because those countries that suffer from low levels of social cohesion and weak governance lack the foundation for sustained economic and socio-political development. The World Bank recently noted that, as a group, the most fragile states had yet to achieve a single Millennium Development Goal.

The United States was among the first donors to recognize that this unique development challenge required a distinct development response. USAID issued its Fragile States Strategy in 2005 and will soon issue a new policy paper on the development response to violent extremism. These approaches prioritize early recovery. Often referred to as the "missing middle," early recovery is the catalyst for longer-term reconstruction and development, and we are beginning this recovery earlier in the post-crisis response—sometimes implementing recovery and relief interventions simultaneously, when appropriate.

In Somalia USAID's strategic goal is to increase peace and stability through targeted interventions that foster good governance, support economic recovery, and reduce the appeal of extremism. One of USAID's flagship programs working to strengthen vulnerable communities impacted by the conflict is the Transition Initiatives for Stabilization (TIS) program. This program is the bridge between our immediate humanitarian assistance and our medium- to longer-term development programs that need peace and stability to be sustainable and effective. Through TIS, USAID conducts quick-impact, high-visibility work that creates short-term employment opportunities for at-risk youth, displaced people, and other vulnerable groups. As all projects are carried out in a consultative process between the local authorities and the community, they also allow the civilian population to do something good for their communities while interacting and engaging with a legitimate governance structure. This in turn furthers the program goals to mitigate conflict, promote stability and community cohesion, and strengthen and support relationships between residents and their government officials. To address emerging power vacuums, USAID is now exploring expanding TIS into the areas of Mogadishu recently vacated by Al Shabaab and other liberated pockets of the country.

Supporting a Path of Progress for South Sudan

East Africa has two faces. The face of conflict, insecurity, and corruption is the face many know best. But there is another—one of hope, progress, and promise. South Sudan, like Somalia, suffered over two decades of horrific conflict. Not that long ago, South Sudan seemed a place of

perpetual bad news, where the need for emergency assistance seemed to stretch endlessly into the future.

Not so today.

In 2005, peace-minded men and women demanded an end to the war. In the six years since, a better future for South Sudan has taken root. With the pride of becoming the world's newest nation, the Southern Sudanese today are vibrant with the energy of possibility.

While South Sudan's challenges hardly ended with independence, the Government of South Sudan, with USAID support, has built roads to facilitate trade with its neighbors; established systems to provide healthcare and education for its people; installed checks that ensure transparent management of its resources; and developed policies to protect its extraordinary natural resources.

USAID has been a partner to the Government of South Sudan since its inception under the 2005 Comprehensive Peace Agreement (CPA) as a semi-autonomous, subnational government, through today, as the government of the newly independent nation continues to establish the many structures needed to govern a pluralist democratic state.

During this important time of transition for South Sudan, USAID is implementing a two-year transition strategy that has the overall goal of an increasingly stable post-CPA South Sudan. Increasing stability in South Sudan will depend on a combination of strengthening core governance institutions and processes and making them more inclusive, responding to the expectations of the population for essential services and improved livelihoods, and containing conflicts while addressing the grievances behind them.

We will help South Sudan accomplish these goals through four development objectives: mitigating conflicts in flashpoint areas; strengthening effective, inclusive, and accountable governance; developing and maintaining essential services; and expanding agriculture-based economic opportunities.

One of South Sudan's greatest assets is its land. Nearly 85 percent of South Sudanese rely on agriculture for their livelihood, and while much of the land is arable, only 4 percent of the land is cultivated, and almost all farmers work at a subsistence level. The Government of South Sudan has made agriculture the centerpiece of its economic strategy to diversify away from oil and improve food security. By training farmers, providing better seeds and tools, and increasing farmers' access to markets where they can sell their crops, Feed the Future is contributing to the Government of South Sudan's aim to significantly increase its staple food production by 2013, which would help the new country become nearly self-sufficient in agriculture—and continue to propel it on its path of progress. We are working on plans now to help South Sudan hold its first agricultural trade fair later this year.

To help reduce and mitigate conflict, USAID is working in the volatile states of Jonglei, Upper Nile, Warrap, Lakes, Northern Bahr el Ghazal, and Unity, where conflict in many cases is fueled by competition over natural resources, including water and grazing land, as well as livestock.

USAID seeks to reduce and mitigate harmful effects of violent conflict and promote long-term stability in areas where violence is high and government presence is low by building the capacity of local authorities to extend their reach to rural areas where most conflict occurs, while providing productive economic activities to vulnerable groups. These efforts include the establishment of a high-frequency radio network across a vast swath of territory regularly affected by violence and insecurity, providing transportation equipment such as motorcycles and motorboats that enable government authorities to quickly respond to violence, and supporting indigenous peace initiatives to help local leaders address inter-ethnic violence. In at least a couple of instances this year, planned cattle raids that could have become violent were averted because of the effective use of the high-frequency radio network USAID established. We have also brought together youth from ethnic groups that have been in conflict with each other and fostered a new attitude of solidarity through training them to make soil blocks for construction, which are then used to build or rehabilitate local government buildings. This in turn helps local authorities to achieve more visibility and functional space to conduct their work. Some youth have used their new block-making skills to launch a private enterprise in areas where employment opportunities are nearly non-existent, and they have worked side by side with ethnic groups they may have known before only through conflict.

To help strengthen effective, inclusive, and accountable governance in South Sudan, USAID is targeting specific institutions, processes, and actors that played a critical role in advancing stability and building governance capacity during the CPA period. Political competition through more effective political parties and electoral processes and citizen engagement with government at the national and sub-national levels is critical to this support. We supported the process of drafting South Sudan's transitional constitution and engaging citizen participation in its review, and will support creation of a permanent constitution, while helping to improve citizen participation and oversight.

USAID also helped South Sudan create a fully functioning Central Bank, provided monetary policy advice on the country's new currency, and helped the Central Bank hold its first currency auction. We designed and supported development of a new tax system for South Sudan that will allow automated taxpayer registration and track individual payment information, replacing the manual system that was in use. We also helped South Sudan's central and state governments institute a financial management information system for transparent budget planning and tracking.

Despite these many development interventions, the vast majority of the population of South Sudan still lacks access to the essential services of education, health, nutrition, safe water, and sanitation because of ineffective service delivery systems, a weak enabling environment, and institutions lacking adequate governance, management, financial, and operational systems. To address this, USAID will support the ongoing delivery of essential services (with development and humanitarian assistance), build human and institutional capacity, develop systems, and improve the enabling environment for effective and increasingly sustainable essential services that meet the needs and demands of all South Sudanese.

As we assist the Government of South Sudan with these goals on the ground, we are also working closely across the U.S. Government and with other international partners of South

Sudan to plan an International Engagement Conference on development and investment in South Sudan that will provide the new nation a platform to present its development vision and investment framework, and to engage the international community in support of its development and private investment priorities. This conference will focus on the new government's policy commitments toward enhancing aid coordination, ensuring sound resource and revenue management, addressing the critical gap in human capital, creating a framework for governance and accountability, and engaging the private sector as a critical development actor. By placing itself squarely in the spotlight, the Government of South Sudan is boldly making itself accountable to their people and the international community to meeting these goals. If fulfilled, these commitments will become the architecture for the sound macroeconomic and governance foundation for a new nation. The conference will take place in Washington in the coming months.

The Long View

Climatic shocks are a daunting development challenge. No nation, large or small, rich or poor, is immune to their impact, and no nation can afford to sit idly by while the effects unfold. This drought is a stark reminder that we must act quickly and effectively to help Africa prepare for the wide-ranging, long-lasting environmental challenges. Without effective preparation for inevitable climatic shocks, Africa will only see the contributors to hunger, disease, and conflict increase. But if we work together on climate change across every sector, we can forge a way forward that not only prepares Africa's most vulnerable people to cope with new pressures, but also creates better opportunities, better living conditions, and better lives.

Addressing climate change, food insecurity, and poor health in east Africa requires a cooperative approach, so regional integration is crucial to achieving our objectives. USAID works closely with African regional institutions, which play a vital role in bringing together member states to address challenges that cross boundaries. USAID, working with the Departments of State and Defense, has increased its support to regional integration efforts by closely working with the African Union, the East African Community, COMESA, and other regional groups to ensure that common security and economic issues can be the platforms for creating peace and security in the region. Work with regional institutions is critical to reducing trade barriers and facilitating free markets, which are especially important for regional food security. We are also expanding our work with local organizations to build home-grown capacity and institutionalize our efforts to strengthen relations between the people and their governments to support lasting, sustainable civil society organizations, government institutions, and health care and education providers that can exist long after USAID support has run its course.

For USAID to accomplish its goals, we must get the most out of every taxpayer dollar spent—that is why we are committed to making crucial reforms that are already having an effect on our work in Africa. With an eye on cost-effectiveness and comparative advantages, USAID is leveraging and empowering America's private sector to achieve development goals, especially through Feed the Future. Smart USAID investments are paying off in Tanzania, where Feed the Future is leveraging the local private sector and working to truly transform food production and the economies of our African partners. In Kenya, through PEPFAR and the Global Health

Initiative, USAID coupled HIV/AIDS treatment to maternal and child health services, which extended the availability of reproductive health services from just two of the country's regions to all eight—and at no additional cost.

This year, USAID celebrates 50 years of the caring generosity of the American people, who believe that we can make the world a better and safer place if we use our wealth, expertise, and values to invest smartly. Africa matters to the American people. Our partnerships are based on mutual shared desire for peace, security, democracy, good governance, health, education, and economic opportunity for all.

Each of the countries I have discussed today represents a combination of hope, accomplishment, and challenges. The United States' overall investment in the Horn of Africa goes far beyond the immediate—yet crucial—emergency assistance. We are also investing for the long term so that millions throughout the region will be more equipped to withstand future emergencies.

Africa's future is driven by Africans, but the United States has a continued commitment to a partnership grounded in mutual responsibility and respect. We have a moral imperative to help to solve the planet's biggest humanitarian and development challenges, and a very real role in safeguarding the United States' national security and economic opportunities. As we continue to work with our partners toward our shared goals over the coming months, I very much look forward to a continued conversation on USAID efforts in Africa.

Thank you, Mr. Chairman, Mr. Payne, and members of the Subcommittee. I look forward to responding to any questions you might have.