Integrated Country Strategy

Ethiopia

Table of Contents

Approved: August 16, 2018

1. Chief of Mission Priorities

The April 2, 2018 selection of Dr. Abiy Ahmed Ali as Prime Minister is a strong sign that advocates for greater political space and an open economy are ascendant over entrenched groups seeking to preserve the status quo of suppressed rights, limited democratic participation, and statist economic policies. Ethiopians see the new Prime Minister as the leader of a reform movement committed to tackling the country's economic, social, and political challenges in ways that reflect a strongly Western orientation. Both the new Ethiopian leadership and the Ethiopian populace at large see the United States as having played a consequential role in fostering the dynamics that put Ethiopia on its strongly reformist trajectory. This rapid and unprecedented evolution in Ethiopian political life has two immediate consequences. First, Ethiopia's reform agenda, if properly executed, will greatly strengthen its capacity to be a strong partner to the United States in areas of U.S. strategic priority: promoting Horn of Africa stability, countering terrorism, countering Chinese and Russian influence in the region, and promoting U.S. commercial opportunity via the fastest-growing economy in Africa. Second, our role in supporting Ethiopia's pivot toward reform, and the resulting ascendance of Prime Minister Abiy, gives us access, influence, and good will with the Ethiopian government that is exponentially greater than it has ever been.

Our Integrated Country Strategy (ICS) is based on the Embassy's commitment to assist Ethiopia in this transition and to capitalize on our newfound, but potentially transient, influence. This will allow Ethiopia to enhance its strong leadership role and partnership with the United States in the region and on the continent. We see a once-in-a-generation opportunity to advance U.S. national interests with a partner that newly and openly seeks to align its own national interests with ours.

Our four mission goals - (1) Protect American Citizens; (2) Strengthen Democratic Institutions; (3) Spur Broad-based Economic Growth; and (4) Advance Regional Peace and Security - are aligned with the priorities outlined in the National Security Strategy (issued December, 2017) and the State-USAID Africa Joint Regional Strategy (2016-2019). Achievement of these goals will ensure that a stable, prosperous, democratic Ethiopia will be a powerful U.S. ally in supporting a favorable regional balance of power and significant destination for U.S. goods and services. The ICS emphasizes essential engagement with youth and women across all goals. It focuses on programs that advance women's health, security, and economic well-being, and on incentivizing Ethiopia's restive and disaffected youth to support Ethiopia's positive trajectory.

Protecting U.S. citizens is our primary goal, and one that affects our three subsequent policy goals in numerous ways. Americans had their civil liberties and freedom to travel curtailed under two states of emergency imposed in 2017 and 2018. Although those states of emergency have been lifted, the Government of Ethiopia's security-centric response to the civil unrest that prompted them, including arbitrary detention and arrest, could threaten the safety and security of Americans in the future. The government's willingness to restrict or entirely

Approved: August 16, 2018

disable internet and cellular communications in times of crises impedes our ability to support the Americans citizens who visit, live, and work in Ethiopia. The mission has had repeated difficulties securing consular notification and access to U.S. citizens detained by Ethiopian authorities. Business travelers have difficulty obtaining visas allowing them to protect their interests in Ethiopia. Further, there is widespread identity and other fraud in applications by Ethiopians for immigrant and non-immigrant visas, while many individuals applying for visas are from terror-prone regions such as Somalia.

Our second goal is to strengthen Ethiopia's democratic institutions. The lack of democratic space that allows for genuine choice and a real voice in the political system generated anger at a centralized government seen as dominated by a minority ethnic group. This anger fueled civil unrest and protests, culminating in the surprise resignation of former Prime Minister Hailemariam Desalegn and the selection of Prime Minister Abiy. The U.S. Mission in Ethiopia will use the new political trajectory to strengthen our engagement with the Government of Ethiopia (GOE), civil society, and the political opposition to encourage the development of independent and effective justice sector institutions; promote development of the rule of law, a vibrant civil society, and an independent local media; and foster increased opening of the political space to improve the education sector and to expand human rights. All of these are critical to continued growth and development and to the sustainability of Ethiopia's important role in advancing regional peace and security. Ethiopians see the new government as rapidly advancing these goals; simultaneously, we have an extraordinary opportunity to shape these actions.

Our third goal is to spur broad-based economic growth. Ethiopia has achieved remarkable progress over the past 15 years, especially in the areas of health and nutrition, infrastructure development, and agricultural modernization. Nonetheless, further development is at risk from natural shocks and stresses, such as drought and the growing population, and from man-made causes, including the recent civil unrest, some of which led to destruction of businesses by youth seeking to to undermine the GOE. Providing a livelihood for Ethiopia's increasingly young, educated, and frustrated population and reducing poverty and hunger requires an expansion of the private sector, diversification of the economy to include a large industrial sector, and increased modernization in the agricultural sector. We will work with the GOE and other partners to achieve continued economic growth, improve access to and quality of healthcare and education, promote sustainable development of Ethiopia's natural resources, and integrate Ethiopia into the world economy.

Our fourth goal is to advance regional peace and security through peacekeeping and improving humanitarian response to natural disasters, including drought and pandemic threats. The Horn of Africa region is volatile and Ethiopia's neighbors are fragile states. Refugees flow into Ethiopia from Somalia and South Sudan, straining public resources and creating tensions in the border zones. Increasingly severe droughts create a risk of large-scale famines. At the same time, Ethiopia plays a pivotal role in contributing to peace and security in the Horn of Africa, is the largest African contributor of troops to UN peacekeeping missions, and is a key participant

Approved: August 16, 2018

in the African Union mission in Somalia (AMISOM). We will continue our security cooperation with Ethiopia in support of its role in advancing regional peace and security, and will engage with the GOE and other partners to enhance Ethiopia's ability to address humanitarian crises.

Approved: August 16, 2018

2. Mission Strategic Framework

Mission Goal 1: Protect American Citizens

Mission Objective 1.1: Improve Assistance to American Citizens in Ethiopia and Protect the Homeland

Mission Goal 2: Strengthen Democratic Institutions

Mission Objective 2.1: Ethiopia Strengthens Rule of Law and Improves Internal Stability through Active Engagement with Stakeholders

Mission Objective 2.2: Ethiopia Improves Governance Environment for Sustainable Development (USAID CDCS Support Objective)

Mission Goal 3: **Spur Broad-based Economic Growth**

Mission Objective 3.1: Increase Economic Growth with Resiliency in Rural Ethiopia (USAID CDCS DO 1)

Mission Objective 3.2: Ethiopia Increases Integration in the World Economy

Mission Objective 3.3: Ethiopia Increases Utilization of Quality Health Services and Improves Capacity to Prevent and Manage Pandemic and Epidemic Health Threats (USAID CDCS DO 2)

Mission Objective 3.4: Improve Learning Outcomes (USAID CDCS DO3)

Mission Goal 4: **Advance Regional Peace and Security**

Mission Objective 4.1: Ethiopia Builds Capacity to Address Regional Humanitarian Crises

Mission Objective 4.2: Ethiopia's National Defense Force (ENDF) Respects Rule of Law and Sustains Regional Stability through Peacekeeping

Mission Objective 4.3: Ethiopia Establishes Police and Investigative Policies, Procedures, and Practices to Meet International Standards

Management Objective 1: Improve the Quality/Safety of the Housing Pool and Decrease Use of Extended Temporary Quarters

Approved: August 16, 2018

Management Objective 2: Develop Strategies to Minimize the Loss of Mission Productivity due to Limitations that Exist in Local IT Infrastructure and Services

Management Objective 3: Increase the number of USDH Management Section Employees to Compensate for the Accretion of Services, and Work with the Department to Ensure that Locally Employed Staff Compensation is at Sufficient Levels to Counter Recent Currency Devaluations

3. Mission Goals and Objectives

Mission Goal 1: Protect American Citizens

> **Description and Linkages:** The safety and protection of U.S. citizens overseas and at home is among the U.S. government's highest priorities. Thorough visa and border security screening procedures facilitate and ensure only bona fide travelers reach the United States. This goal supports Presidential Proclamation 9645, Executive Orders 13768 and 13780, the State-USAID Joint Strategic Plan Goal 1.5 (Strengthen U.S. border security and protect U.S. citizens abroad) for FY2018-2022, and is reflected in CA's Functional Bureau Strategy for FY2018-2022.

Mission Objective 1.1: Improve Assistance to American Citizens in Ethiopia and Protect the Homeland.

> **Justification:** The Embassy seeks to protect U.S. citizens in Ethiopia by providing services quickly and efficiently, including the dissemination of accurate and complete information to enable citizens to better understand the political, security, social, and natural environments of Ethiopia. Expanding the 1980 Hague Convention on the Civil Aspects of International Child Abduction to Ethiopia better protects the welfare of U.S. citizen children taken abroad. Vigilance during provision of visa services ensures the security of U.S. citizens and the homeland. Compel countries to accept the return of their nationals who have been ordered removed from the United States protects U.S. borders. Not achieving this Mission Objective could endanger U.S. citizen's lives and allow mala fide travelers and those who pose a potential security threat to reach the United States.

Mission Goal 2: Strengthen Democratic Institutions

> **Description and Linkages:** A successful transition to a stable multi-party democracy in Ethiopia remains a long-term U.S. foreign policy objective and a focus of our diplomatic engagement. These priorities and goals tie directly to the current National Security Strategy, both Pillar 3 Preserve peace through strength and Pillar 4 Advance American influence. On the former, this Mission's work allows the Government of Ethiopia to take greater responsibility for needed reforms, while on the latter we work with the GOE to instill values and implement policies that promote strong, stable, prosperous, and sovereign states. Democratization is most likely to be advanced by persuading the GOE leadership to undertake civil and political reforms that eventually transform the government into a credible multi-party democracy. Statements by Prime Minster Abiy and his team on this front are encouraging, but turning statements into action will be a challenge. The U.S. Mission continues to promote American democratic values and to stress that poor governance structures, weak institutions and the lack of an open political system and a vibrant civil society threaten Ethiopia's stability. Without improved accountability in governance, strengthened institutions, and democratic development it will become increasingly difficult for the GOE to thrive.

Approved: August 16, 2018

Mission Objective 2.1: Ethiopia Strengthens Rule of Law and Improves Internal Stability through Active Engagement with Stakeholders

> **Justification:** Internal stability and rule of law are essential for continued economic growth and social and democratic development in Ethiopia. They also ensure a secure operating environment for the Mission to accomplish our full spectrum of ICS goals and objectives safely. Ethiopia is facing internal threats to its stability from social and ethnic unrest. Instability may also arise from external threats, including conflict in neighboring countries, terrorist groups, and refugee inflows.
>
> Effective management of these challenges is undermined by Ethiopian security strategies that have tended to rely on control rather than consent to maintain stability. The Mission's focus on advancing transparency and professionalism of security services through capacity-building will make Ethiopian security personnel more effective in mitigating threats and more respectful of human rights while doing so. Likewise, through engagement with the government and communities on conflict resolution, communities will be better equipped to maintain peace in and around their communities.
>
> Although the Ethiopian public generally holds favorable opinions about the United States, the growing economic influence of China and perceptions among some urban elite that the United States favors security over democracy could erode traditional pro-U.S. views, especially among the youth. Additionally, as Ethiopia implements economic and political reform, the importance of building understanding and appreciation among next-generation leaders for key American values of democracy, rule of law, civil society, human rights and market based economics will be critical to helping those reforms succeed. Our effectiveness in gaining influence within the next generation of Ethiopians across a host of media will depend on our ability to effectively communicate U.S. advocacy and assistance in improving the well-being and rights of all Ethiopians.

Mission Objective 2.2: Ethiopia Improves Governance Environment for Sustainable Development (USAID CDCS Support Objective)

> **Justification:** Successful transition to a stable, multi-party democracy in Ethiopia remains a long-term U.S. foreign policy objective and a focus of our diplomatic engagement and programming. The U.S. Mission continues to promote American democratic values and to stress that poor governance structures threaten Ethiopia's stability. Although Ethiopia's development has been impressive, its long-term sustainability is at risk without parallel political development. USG governance program funds support many of the GOE's commitments, such as those outlined in its Growth and Transformation Plan, and PM Abiy's numerous public statements, to make government more accountable, ensure that policies and development projects are

Approved: August 16, 2018

implemented to minimize disruption to affected populations, and reduce the risk that violence and insecurity will hamper economic growth. We believe that democratization is most likely to be peacefully advanced via civil and political reforms that transform the government into a multi-party democracy consistent with the Ethiopian Constitution. Promoting good governance through improved public sector accountability, increased respect for civil society, and improved service delivery will help Ethiopia achieve its development goals and move toward middle income status.

Mission Goal 3: Spur Broad-Based Economic Growth

Description and Linkages: Ethiopia is at a crossroads in its development trajectory. Over the past 25 years, the country has achieved incredible progress across socio-economic indicators. However, the country is increasingly facing threats to its internal stability, including population growth (the population is expected to double to nearly 200 million by 2050 and 70 percent of the current population is under the age of 30), rising tensions primarily along ethnic lines, and more frequent and severe droughts leading to increased food insecurity. Thus, progress under Goal 3 will depend heavily on improvements under Goal 2: Strengthen Democratic Institutions, and will also contribute to Goal 4: Advance Regional Peace and Security.

Over the past decade, Ethiopia has experienced one of the fastest economic growth rates in the world. However, Ethiopia still ranks as one of the world's poorest countries, with a GDP per capita (at purchasing power parity) in 2016 of US$ 1,560, placing it at 171 of 186 countries. Despite significant decreases in the number of people living in poverty, the most recent poverty estimate of 33.5 percent (2011) is still very high. Additionally, despite significant progress over the past 20 years, largely due to vast improvements in service delivery, according to the 2016 Human Development Report, Ethiopia still ranks near the bottom of the Index, at 174 out of 188 countries. Due to improvements in life expectancy and significant declines in fertility and mortality rates, Ethiopia is experiencing a relatively large youth bulge, which presents both challenges and opportunities. Women and girls also remain severely disadvantaged due to cultural norms around gender roles, various forms of discrimination, and high rates of gender-based violence. If Ethiopia can expand public service delivery, create economic opportunity, foster inclusion for young people, and empower women, it can transition its relatively large youth bulge into a demographic dividend and address some of the grievances underlying the recent political unrest.

Despite rapid economic growth over the past decade, Ethiopia continues to struggle to respond effectively to recurrent and unexpected shocks, particularly drought, conflict, and disease outbreaks. Since 2015, responding to these shocks has required an average annual amount of US$1.5 billion in humanitarian assistance from the international donor community. Since 2016, over one million people have been displaced due to

weather-related shocks and conflict. The capacity of the federal and local systems to effectively prepare for and manage shocks is inadequate and puts development gains at risk. Good governance is at the center of needed changes to build resilience to shocks as effective disaster risk management depends on the capacity for civil society and government to engage in constructive dialogue. Investments in disaster risk management and resilience can help to prevent the worst consequences of extreme vulnerability and emergencies, including migration, violent unrest, and loss of life, while also helping to prevent the need for humanitarian assistance and promoting self-reliance.

Mission Objective 3.1: Increase Economic Growth with Resiliency in Rural Ethiopia (USAID CDCS DO 1)

ustification: More than 80 percent of Ethiopia's estimated 107 million people live in rural areas, subsisting primarily on rain-fed agriculture and cultivating an average land holding size of less than one hectare. While the population remains predominantly rural, the rate of urbanization is increasing, requiring strengthened linkages between rural and urban areas.

Ethiopia is highly vulnerable to food insecurity, which is caused by a combination of factors, including droughts, low agricultural productivity, high population growth, post-harvest loss, and other systemic challenges. Poverty and vulnerability are further exacerbated by climate change-induced droughts and floods, as well as widespread degradation of the natural environment, including soil and water. Ethiopia also has one of the lowest per capita electricity consumption rates in the world, which further limits opportunities and undermines resilience to natural and economic shocks. If agricultural performance is improved, and associated jobs are created, and resilience to shocks is strengthened, then rural incomes and food security will increase.

USG programs and policy efforts aim to improve food security, support broad-based, inclusive economic growth, empower women to increase household food security and income, increase energy supplies, build resilience to recurrent shocks, strengthen disaster risk management, promote sustainable agriculture, protect natural resources, and provide assistance to save lives and protect the livelihoods of vulnerable populations.

Mission Objective 3.2: Ethiopia Increases Integration in the World Economy

Justification: Ethiopia has faced repeated cycles of civil unrest, some of it violent, over the last two and a half years, which has affected growth. Growth rebounded in FY2017 after slower economic growth in FY2016, due to drought and unrest. The World Bank estimated FY2017 growth at 8.4 percent, IMF at 9 percent, and the Ethiopian government at 10.9 percent. Prime Minister (PM) Abiy has publicly announced his determination to undertake profound changes to Ethiopia's government, and

Approved: August 16, 2018

acknowledged severe economic constraints. In his first few weeks in office, he met with private sector representatives and announced the removal of restrictions preventing foreign investors from accessing offshore accounts to purchase imports, as well as the opening of most formerly closed sectors to foreign investment.

Pending these partial privatization measures, there should no longer be major regulatory barriers to U.S. trade and investment, and as of June 5, 2018, the financial sector is the only major economic sector still closed for the foreseeable future to foreign investment as the PM has already announced intention to open the telecommunications, aviation, and logistics sectors to at least minority participation. In the past, enterprises owned by the state and ruling party enjoyed de facto advantages, but PM Abiy has announced that this practice will end and has already removed key contracts from state-owned enterprises. In addition, the USG has positive experience in advising and facilitating privatization in Ethiopia through USAID Power Africa's support to the GOE in negotiating the unsolicited Corbetti and Tule Moye Geothermal Projects and the competitively-tendered Metahara Solar Project. Power Africa also assisted the GOE with developing the legal and regulatory independent power producer (IPP) framework that has lowered financing risks.

The greater threat to the private sector today is the GOE's capital intensive investment in the public sector, a strategy that consumes much of the country's capital and foreign exchange resources. Ethiopia's private sector has long suffered under the GOE's preference for state-led development. Heavy public investment in the infrastructure sector, sugar industry, and fertilizer production facilities crowded out the private sector from access to credit and foreign exchange. GOE policies aimed at combating high inflation, poor tax compliance, and avoiding a foreign exchange crisis adversely affected the development of the private sector through over-regulation.

Ethiopia faces a number of economic challenges. High population growth threatens the medium- and long-term prospects for adequate job creation to employ an emerging youth bulge. Finding productive employment for Ethiopia's growing and increasingly urban population in its primary and secondary cities is critical to meeting development goals, increasing living standards, and bolstering political stability. Ethiopia's rigid and inefficient business-enabling environment limits entrepreneurship, start-ups, and growth companies, thus depressing the potential for job creation. Challenges also include a heavy dependence on export commodities such as coffee and sesame, whose prices are set by volatile international markets, and inadequate exports of manufactured products. Weak exports, combined with the strong demand for imports of capital equipment and petroleum products, contributed to a worsening trade balance and persistent shortages of foreign exchange. Internet connectivity is erratic and bandwidth is grossly inadequate in a country with a single state-owned internet provider. In addition, external debt is growing and credit conditions are deteriorating.

Approved: August 16, 2018

The climate for investment, despite some modest improvements, remains very challenging and bureaucratic. Ethiopia was ranked 107 out of 180 countries in the 2017 Corruption Perception Index, moving forward only one place compared to 2016, despite a major restructuring of Ethiopia's anti-corruption institutions in 2016.

Mission Objective 3.3: Ethiopia Increases Utilization of Quality Health Services and Improves Capacity to Prevent and Manage Pandemic and Epidemic Health Threats (USAID CDCS DO 2)

Justification: Despite the overall impressive progress in the health sector, Ethiopia started from a low base and still lags behind in many health indicators. Globally, Ethiopia ranks 150th out of 186 countries in infant mortality and 154th in life expectancy. Lack of access to improved water and sanitation facilities and a dearth of calories for much of the population means that Ethiopia has some of the highest rates of child malnutrition (21st) and stunting (9th) in the world. Furthermore, Ethiopia still has one of the highest burdens of disease in sub-Saharan Africa – Ethiopians experience an estimated 395 years of life lost per 1,000 people. Regional disparities are stark with child and maternal mortality, up to 300% higher in certain regions. Ethiopia's population is also forecasted to double by 2050, creating an exponential demand on public health, education, and other services.

People who are healthy are more resilient to shocks, such as drought and disease. Healthy people are also more productive and able to take advantage of economic opportunities when they arise. Increased utilization of quality, high-impact services is necessary to reduce maternal, neonatal, and child mortality, and to decrease the incidence of major infectious diseases. Inadequate health systems, including health sector supply chain management, health information systems, healthcare financing, and healthcare workforce, have resulted in poor quality of healthcare service delivery and low utilization by the population. Access to and demand for services are also affected by geographical, financial, and cultural barriers. Although the GOE has made tremendous progress in increasing utilization of key quality services, demand for HIV prevention of mother to child transmission (PMTCT) and labor and delivery services remain particularly low. Integration of health programs both at the health facility and community levels will help increase efficiencies and effectiveness, and interventions to strengthen health systems will reinforce reforms to increasingly self-sustain Ethiopia's health services and lessen donor-dependency.

A pandemic has the potential to overwhelm Ethiopia's already overburdened health system. An insufficient Ethiopian response to a pandemic could undermine development, economic growth, security, and governance in the country and threaten the health of citizens throughout the globe. Well-functioning disease surveillance programs, diagnostic laboratories, and health systems are essential for the early identification and confirmation of outbreaks, effective patient management of

Approved: August 16, 2018

Ethiopians suffering from pandemic diseases, and prevention and mitigation of spread to other countries.

The limited institutional and technical capacity of Ethiopia's health sector makes the country highly vulnerable to pandemic health threats. Additional factors include a high endemic burden of infectious diseases (including an estimated 610,000 Ethiopians living with HIV, a tuberculosis burden that is among the highest in the world, high malaria prevalence in specific regions, and consistent outbreaks of epidemic prone diseases), the instability of neighboring countries that are potential reservoirs of dangerous communicable diseases, frequent cross-border movement and widespread poverty and malnutrition. In addition, as a travel hub, Bole International Airport has a high risk of disease importation by air. As a Global Health Security Agenda (GHSA) priority country, the Mission supported a country assessment on Ethiopia's capacity to detect, prevent, and control communicable diseases and biological threats, resulting in a five-year country roadmap and annual work plans. The Mission's Interagency Health Team will coordinate USG activities in the health sector to deal with both current and emerging pandemic threats, such as HIV/AIDS, malaria, polio, measles, meningococcal meningitis, yellow fever, dengue fever, new influenza strains, and multi-drug-resistant tuberculosis (MDR TB). The Mission will also support Ethiopia in achieving and maintaining compliance with the 2005 International Health Regulations.

Mission Objective 3.4: Improved learning outcomes (USAID CDCS DO3)

Justification: Over the past 15 years the GOE has achieved unprecedented growth in universal primary enrollment, reaching up to a 95% national gross enrollment ratio. This effort included the construction of a large number of new schools and alternative basic education centers, decentralization of the education sector, and national campaigns on the importance and mandatory nature of education. Ethiopia also underwent a massive expansion of universities, from 3 to over 40 public universities in a period of about 15 years. While this expansion improved access, the quality of education and the faculty decreased, with most professors holding only a BA. With Millennium Development Goal 2 (MDG 2) (achieve universal primary education) nearly met, USAID's comparative and competitive advantage is to focus on improving the quality of literacy instruction by working with the GOE, parents, and communities to improve teaching skills, the availability and quality of learning materials, and most importantly, promote a culture of reading among girls and boys. This will result in improved student learning outcomes and a more effective Ethiopian education system, capable of producing skilled and educated citizens who can participate in Ethiopia's democratization and development. USAID will also build on the experience supporting youth-center programming to build relevant market and business development skills and services, increase access to credit, finance, and social capital, increase their self-efficacy to use their voice in lobbying policy makers to adopt and implement different policies, and enhancing their leadership capacity.

Approved: August 16, 2018

Mission Goal 4: Advance Regional Peace and Security

> **Description and Linkages:** Ethiopia is a significant U.S. partner and lynchpin in promoting regional peace and security in the Horn of Africa, where chronic conflict, civil war, and active terrorist organizations undermine regional stability, create conditions for the spread of violent extremism, and exacerbate humanitarian crises. Ethiopia hosts 2.6 million internally displaced people and nearly one million refugees, primarily from South Sudan, Eritrea, and Somalia. A leader in regional and African-wide institutions, Ethiopia often drives African consensus around its positions. Across the region, the United States and its allies compete with China, Russia, and Middle Eastern nations for political, economic, and military influence. A stable, prosperous, democratic Ethiopia will be a powerful U.S. ally supporting a favorable regional balance of power.

Mission Objective 4.1: Ethiopia Builds Capacity to Address Humanitarian Crises

> **Justification:** Despite rapid economic growth over the past decade, Ethiopia continues to struggle to respond effectively to recurrent and unexpected shocks, particularly drought, conflict and disease outbreaks. Since 2015, responding to these shocks has required an average annual amount of $1.5 billion in humanitarian assistance from the international donor community. Since 2016 2.6 million people have been internally displaced due to weather-related shocks and conflict. USAID invests on average $500 million in humanitarian assistance each year. The capacity of the federal and local systems to effectively prepare for and manage shocks is inadequate and puts development gains at risk.
>
> U.S. support for refugees totaling $179.4 million from FY 2017 through May 2018 is key to supporting Ethiopia as it hosts nearly 1 million refugees fleeing conflict and persecution in neighboring countries. It is in the interest of the United States that Ethiopia maintain its open door policy to refugees and boosts its ability to continue hosting refugees, particularly by reducing the fiscal burden through measures to increase refugee self-reliance. Creating better linkages between humanitarian relief and development assistance is critical to boosting the self-reliance of refugees and their hosting communities. Our support to Ethiopia in building more resilient communities and mechanisms for responding to shocks also mitigates the risk of internal instability, buttressing Ethiopia's long-term viability as a strategic partner. Ethiopia is one of six African countries implementing the Comprehensive Refugee Response Framework (CRRF), which aims to better coordinate humanitarian and development approaches for more resilient and self-reliant refugee and hosting communities. In support of CRRF, the GOE is in the process of approving a revised National Refugee Proclamation, which will provide the legal framework and foundation to implement CRRF. The GOE is also preparing a multi-year National Comprehensive Refugee Response Strategy.
>
> It is in the United States' interests that Ethiopia possess the ability to deploy medical, chemical, biological, or disaster response forces to counter the impacts of man-made or natural disasters. The Ethiopian National Defense Force has proven capable partner in

Approved: August 16, 2018

the fight against communicable diseases. Increasing, and ultimately combining, this medical expertise with the ability to rapidly deploy if necessary is a natural progression of our shared objectives.

Mission Objective 4.2: Ethiopia's National Defense Force (ENDF) respects rule of law and sustains regional stability through peacekeeping.

> **Justification:** Ethiopia's large and relatively professional defense force is a willing and capable partner in promoting international peacekeeping and defense of Ethiopia against external threats. Ethiopia is the largest contributor of UN peacekeeping forces worldwide, contributing more than 8,000 troops in Somalia, Sudan, and South Sudan. Since 2013, Ethiopia has been integrating its forces into the African Union Mission in Somalia (AMISOM). Equipping and training defense force personnel will build on past successes in empowering Ethiopia to continue as a robust contributor to international peacekeeping operations.

Mission Objective 4.3: Ethiopia Establishes Police and Investigative Policies, Procedures, and Practices to Meet International Standards

> **Justification:** We have a new opportunity to encourage reform, working with Ethiopia to promote effective governance, improve the rule of law, and develop institutions accountable and responsive to citizens. We can play a catalytic role in assisting Ethiopia to establish a strategy and implementation plan for standing up a civilian lead legal and law enforcement sector that meets the demands of a country this large.

Approved: August 16, 2018

4. Management Objectives

Management Objective 1: Improve the Quality/Safety of the Housing Pool and Decrease Use of Extended Temporary Quarters

> **Justification:** In August of 2016, the Department's Office of Overseas Building Operations (OBO) released the results of a Seismic Survey conducted in November of 2015. The results showed the unfavorable classifications of "poor" to "very poor" for the majority of the residences surveyed, including the Chief of Mission residence. Addis Ababa is rated "Seismic Zone 4" for seismic activity, a level that is equal to California. Local construction standards are poor, and the majority of houses in the Embassy housing pool would suffer significant damage in the event of an earthquake of even moderate magnitude. In addition, a recent survey showed that many mission residences do not have proper grounding systems installed, increasing the risk of electrocution.
>
> Post has a three-pronged plan for improving the residential housing pool. The ultimate goal of these efforts is to establish a housing program that provides our employees with safe places to live that are ready for occupancy as shortly after their arrival as possible.
>
> First, we will concentrate on assessing and improving, where possible, the safety of existing residences. OBO will send a team to Addis Ababa during the summer of 2018 to assess the seismic stability of 60 additional residences, bringing the total number of inspected residences to 90. Second, the Facilities Maintenance section is planning a project to assess and upgrade the electrical grounding systems in residences where installations do not meet code. Our third plan of action is that the General Services Office will enter into an agreement with an American company to build a seismically sound apartment complex, where the Embassy will rent 60+ apartments. When these apartments are complete, we will remove the seismically-poorest from the housing pool.
>
> In the interim, the Management Section is working with the interagency housing board to streamline the process for assigning residences, and to reduce the amount of time that employees must live in temporary quarters or hotels while waiting for their houses to be made ready for occupancy. This will be done through better information sharing, and making housing assignments earlier in the transfer process.

Management Objective 2: Develop Strategies to Minimize the Loss of Mission Productivity due to Limitations that Exist with Local IT Infrastructure and Services.

> **Justification:** The Ethiopian government maintains a monopoly on local communications services through the state-run Ethio Telecom (ETC), where the Embassy procures all of its terrestrial voice and data communications services. Service levels are often well below those in other countries, and frequent degradations of service and outages affect

Approved: August 16, 2018

the mission's ability to complete its work. In addition, the advent of online administrative systems increased the need for a steady internet connection.

To improve the quality of Post's internet connections and support services, our Information Resource Management (IRM) team is working to establish better high-level relationships with Ethiopian government communications regulatory agencies and ETC senior leadership. These relationships are generational, and need to be maintained throughout the transfer of post-American IRM leadership. Post is also negotiating the creation of an ETC kiosk inside the Embassy compound where we will be able to communicate directly with ETC employees to address service, contracting, and financial issues.

In preparation for IRM's conversion to Office 365, an online email and productivity tool, we are working with the Office of Enterprise Network Management to establish the baseline communications requirements to meet the internet demands of this new system. We anticipate this new baseline will allow us to purchase agreements for higher levels of service from ETC, thus reducing the impact of connection deficiencies on our ability to perform the work of the mission.

To further mitigate these impacts, and while we work to improve connectivity, IRM will launch an educational campaign to minimize the personal use of our OpenNet+ systems. This, in conjunction with the installation non-OpenNet+ internet terminals, and the installation of a post WiFi system, will reduce the demand on our struggling OpenNet+ connection.

Management Objective 3: Increase the number of USDH Management Section Employees to Compensate for the Accretion of Services, and Work with the Department to ensure that Locally Employed Staff Compensation is at Sufficient Levels to Counter Recent Currency Devaluations.

Justification: U.S. Embassy Addis Ababa has steadily grown since it moved to the new facility in 2011. This growth occurred throughout the Embassy, but not within the management section. A November 2017 audit by the Office of the Inspector General determined that the Management Section is unable to apply effective management controls with current staffing levels. In addition, the Ethiopian currency (birr) was recently devalued, triggering inflation across multiple sectors that limits our locally-engaged staff's ability to purchase common goods.

The plan for this objective is simply to increase the number of Americans working in the Management Section. To date, we have identified the Mission Resource Request (MRR) process and the Expanded Professional Associates Program (EPAP) as our most likely means to increase the number of positions at post. Additionally, we have 46 eligible family member (EFM) positions, many of which were left vacant by the almost year-long hiring freeze that was just lifted. To restore our ability to provide effective oversight of

Approved: August 16, 2018

management controls, post will work to create as many new positions as we can, and to keep as many of the EFM positions filled as we are able.

Approved: August 16, 2018