

Consolidating Community Cooperative Activities in Afar Region, Ethiopia

A joint project of Afar Friends in
Sweden and
Afar Pastoralist Development
Association (APDA),
Afar Region, Ethiopia

- **A 3 - year project**
- **Planned to be implemented
from July 2006 to June 2009**

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1. Problem Identification

1.1 The economic resources/ status demanding this project

- in Ethiopia

Since the ratings of poverty in 2002 by UNDP, there appears to be a slight, internationally - relative improvement in Ethiopia's socio – economic status. The country now rates seventh poorest in the world, having shown some improvement in health and education baseline parameters. In per capita output, however, Ethiopia remains extremely low and again according to UNDP research, Ethiopia has the 3rd fastest HIV transmission rate in the world. Again, as recently as 2002/03, the country reeled under the devastating blow of country – wide drought, an accumulative result of 5 years below average rainy seasons. After one rainy season in July to September 2004, the drought then repeated its self with ever accumulating devastation in the lowland regions of the country, particularly Afar Region. Thus, the country Ethiopia remains in an extremely fragile position visa à v its struggle against poverty.

In pursuit of its own poverty reduction strategy¹, Ethiopia is now eager to mobilize development forces in the pastoral regions of the country, some of the least developed lands in the country. In all, pastoral lands make up some 61% of the country land – mass grazing almost 42% of Ethiopia's domestic herds but home to a mere 7.7 million pastoralists, a fraction of the country's 65 million². The Pastoral Affairs Desk as established with the Ministry of Federal Affairs in 2002 has inaugurated a national pastoral policy. However, this is very general and does not translate into practice for people as deprived of development as the Afar society, for instance. While stating social services should be mobile institutions rather than fixed buildings, the policy does not go far enough to allow

¹ The document initially ignited by the criteria of the World Bank for Ethiopia to benefit from deficit reduction and now part of the overall country economic and social strategy.

² Figures at best remain estimates since a) as of 1994 – 1996, there has been no further government census and b) this census in the pastoral areas was not complete since not all populations were counted

a thoroughly illiterate society like the Afar to participate as the implementers of health and education services in their own communities, let alone begin to interact in the country cash economy.

- **in Afar Region**

The dilemma of Afar Region is that while it is potentially highly resourceful, the local pastoralists have little access to the resources or ability to utilize the resources in their hand. Some 91% of the population herd goats, sheep, cattle and camels. Being of ancient volcanic origin, the land has vast salt reserves as well as potash and other yet to be discovered mineral wealth. The main river, the Awash transverses the region for 700 kilometers. These waters and the fertile riverbanks as well as that of 4 other river systems are barely used by the local inhabitants. In fact, the country is set on using the Awash River in particular for Ethiopia's macro – economic interest – investor irrigated farming in cotton and more recently, the Federal government began to dam the Awash to construct a 60,000 hectare sugar plantation for the Federal coffers. Then this further depletes the Afar herdsman from their rotational dry – season grazing land along the river.

Plagued by illiteracy that deems them to be proud of the number of their herd, Afar do not readily market their animals nor do they have access to the available markets. Within the entire region, there are a limited number of markets in the larger towns that operate on a weekly basis. These markets are very much merchant – controlled leaving the herdsman victim to the whims of the merchants who come from outside of the region. These merchants then transport cheaply acquired animals to the adjacent regions where they treble their profit by selling the animals to slaughterhouses, fertilizer factories and the like. Within Afar Region, there is no single commercial slaughterhouse or factory utilizing the products of animals.

Finally, the region's other – than commercial face is seen in the fact that the only bank in the region is the Commercial Bank of Ethiopia (CBE): there are no private banks as in all other regions. Again, there are only 5 branches of the CBE in the entire region. These branches are in Zones 1 and 3 only, quite inaccessible to the majority of people. Again, there is no form of insurance institution in the region neither is there any form of structural investment in the region. This is all despite the fact that the main highway bringing Ethiopia's goods from the port in Djibouti passes through the region.

1.2 The household economic status

Being illiterate stops Afar pastoralists from utilizing their domestic resources, animals in particular. Therefore, a man is proud of the number of cattle/ goats/ camels he owns and yet there is no cash in his house. The household lives meagerly with almost no possessions and in the moment of need such as sickness, they simply cannot get to the market fast enough to get the cash to get the necessary treatment. This then leads to the scenario whereby a person with

several hundred cows dies of tuberculosis simply for lack of cash in had to purchase the needed food and medicines.

The pastoralist connection with the town/ market is to come into the town periodically (perhaps monthly) by camel caravan to purchase grain in exchange of sale of goats. Thereby very little in terms of goods to assist/ improve life reach the house such as soap, clothes, alternative food and so on. In all this situation, the women of the community suffer the most acutely as they generally do not go to the town and must make do without. Again, due to ongoing drought, as mentioned above, particularly pregnant women and small children need additional iron – rich foods that must be purchased in the town since there is very little milk and inadequate meat in the diet.

1.3 The need and status of cooperatives in Afar Region

With the uncertainties of drought and herd-loss, it is abundantly clear that Afar need to diversify income and job – skills. In the previous socialist government, people were organized into cooperatives but, with the change of government in May 1991, all this was abandoned as the product of an ‘anti – people’ government. Today, while there is a Bureau of Cooperative Management in the regional government, this hardly reaches the pastoralist needs as it is a more distant mechanism of the government. This in itself needs strengthening and diversifying so that it reaches the people in their communities.

People forming associations and cooperatives become victim of laws they do not comprehend and there own illiteracy in knowing how to manage such an institution. Therefore there is acute need to establish a group of expertise within the Afar society and to be able to pass that information on to people at the lowest community level.

1.4 APDA’s actions to date to intervene in facilitating the pastoral household economy

Afar Pastoralist Development Association (APDA) began a program addressing the daily problems the pastoralists face in 1994. The organization has learnt that it is both the mobility of services and that the service is founded at the community base that determines the success and grass-root sustainability of such services. Too, while beginning with a program aimed at modeling social services of mobile education and primary health in the community, APDA realizes that aside from the absence of these basic social services, development is halted in the pastoral society since the society does not deal in the national cash economy. Thus, having been part of the effort to reach the present status of government commitment to appropriate pastoral development, APDA’s ongoing negotiation and dialogue with both the Federal Government and the Regional Government is currently aimed at gaining a policy in Afar Region that takes the Afar society’s extremely poor status of literacy into consideration. That the government persists to expect national standards for grass-root implementers is the sticking point as to why the government verbally endorses APDA’s program but does not yet adopt its methodology and program – trained workers.

From the outset, APDA takes the position of seeking to maximize Afar literacy and accessible non-formal education as widely as possible that, through learning, people will adopt the lifestyle and attitude of economically utilizing resources and improving the household economy. The organization has its education program now in 15 woredas out of the region's 29. The program is planning to increase to 218 teachers in the near future.

Secondly, APDA has attempted two basic economy interventions: establishing pastoral women's cooperatives and establishing animal marketing cooperatives. In the former activity, the organization supported a group of women in establishing the sale of milk in Gawwaane, Zone 3 and has established 2 mobile shops that take good from the town to the rural by camel. There are also additional 4 fledgling women's associations now gaining strength to demand support. In establishing rural animal market sites, the project has first constructed the site with a fattening area and water source and then facilitated the formation of a marketing cooperative. The organization plans to establish 11 such sites over the next 3 years.

The challenge in doing this is that there is no past experience of establishing cooperatives in the community or indeed, in APDA. The organization is then most eager to gain this expertise and to consolidate the work done to increase into the future.

2. Project partner in Ethiopia

APDA is a local NGO founded in 1994 to bring development to the Afar pastoral society. Nomadic primary health and literacy are its main achievements. The organization began responding to HIV/ AIDS epidemic in 1999 as well as establishing a particular role for pastoral women in the organization as women extension workers. Both women's activities and HIV & AIDS response activities were added to the organization, realizing the gap in APDA's response to pastoral needs. The organization began to facilitate the creation of economic cooperatives in 2001. This particular part of APDA has grown realizing the critical situation of the Afar household today faced with recurrent droughts and other external insecurities of land loss to investment and so on.

The organization is registered with the Ministry of Justice and collaborates with Line Bureaus within the Region. APDA handles donated funds from a number of international NGOs and agencies, among them ICCO, Netherlands, Bread for the World, Germany, Development Fund, Norway, Oxfam Great Britain and various embassy's funds.

APDA has exchanged information visits with PTPS since 1998.

3. Target group

The vulnerable pastoral society that needs to diversify its income base and extend its income base.

4. Objectives

- Establish a group of experts in cooperative formation and function from within the pastoral society and APDA
- Make cooperative support a strong arm of APDA
- Establish coordination between cooperatives for their mutual benefit
- Establish the means of ongoing information dispersion on cooperative management within the pastoral society

5. Measurement of achievement

Achievement will be measured against the stated objectives and quality through the delivery of services.

6. Activities

All activities will be highly linked to the Bureau of Cooperative Management, aiming to extend the work of the Bureau into the pastoral society in an accessible way.

6.1 Establish the status of information and awareness on cooperative management in the region - assessment

In the first project phase, information will be gathered in terms of

- Ethiopia – wide experience in cooperatives and micro – saving
- Experience specific to Afar Region
- Market possibility in terms of goods: supply and demand both within the region, in neighboring regions and cross- border in Djibouti.

All information will be documented and assessed. Finally, the information will be presented to all stakeholders at a conference on cooperatives that all possible stakeholders will be informed as to how they can participate and gain from the project.

This activity will comprise the first project phase and take 6 months to complete. For the purpose, 2 men and two women will be employed, each assigned to collect part of the information required.

6.2 Train a group of people competent in cooperative formation and management skills

This will be achieved by training a group as trainers of trainees (ToT) and this group then training others in the community and advising on an ongoing basis.

The trainer, a studied expert from Sweden will come to Afar Region for a total of 2 months, both assessing and training the project beneficiaries. A total of 15 people will be trained of whom 7 will be women. The government Bureau of Cooperative Management will select five of these trainees and the remainder APDA will select. Four of those selected from APDA will comprise those who had carried out the assessment in the first project 6 months. Formal training will take 6 weeks including all aspects of cooperative formation and management.

Once completed ToT, the 15 trained cooperative advisors will begin training in the various woredas where there are established cooperatives and potential cooperatives. The four initial selected people will act as supervisory to the other 11 trainers assuring that training is of standard. The project will fund one training per trainer. Beyond this, the trainer will earn an income by training and advise paid for by the interested cooperative/ woreda.

This second project phase will take place in the second 6 months of the project.

6.3 Establish the means of dispersing information and ongoing advise on cooperatives

Those trained will establish a central bank of information cooperatives, seeking to facilitate existing cooperatives as follows:

- Ongoing advise at the woreda level
- Providing annual external audits of cooperative activities
- Provide specific training as specified by any one cooperative
- Link cooperatives with shared activities and objectives that they can attain goods and services jointly for lower price, for example
- Collect information from other region's experiences
- Provide marketing advise and information
- Arrange exchange of information between cooperatives within the region and other regions

This activity phase will initially require some capital input but eventually will become self- supporting as a service paid for by cooperatives in the region. The capital required will be an office/ center base, a vehicle and an ongoing staff of 4 people: 2 men and 2 women.

..... Details to be seen in final proposal.