

# **Cooperative Development in Afar Region**

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

**Duration: January to June 2007**

**Activity Report**

**January to June, 2007**

## **Executive summary**

This project, the first of its kind in APDA, started well from the basis of the partnership between Afar Friends Sweden and APDA through the 10 – week visit of the Sweden – based consultant on community development and community cooperatives. In this period, there was an extremely fruitful exchange of knowledge and ideas that put the project onto a very dynamic track. In the course of the planned 6 months, the project was able to achieve all that was planned:

- Sweden/ Afar exchange of information and guidance for the way forward
- Exposing the issue in the Afar Development Conference, January 29<sup>th</sup> to February 4<sup>th</sup>.
- Employing and fielding 4 people to collect baseline information on cooperatives in the pastoralist community
- Conducting a concluding conference between government, local cooperatives and leaders analyzing the findings of the baseline survey

In brief, the project concludes that the experience of cooperatives in Afar Region and indeed in the pastoralist setting is fledgling and fragile since

- a) The appreciation of the development reasons for cooperatives is very poor
- b) The community has a poor knowledge – base of cooperative development
- c) Increasing and in some cases abject poverty in the pastoral society is not permitting the cooperatives to be run transparently
- d) Differences between traditional egalitarian behavior and the regulations of a cooperative make for poor motivation on the side of the pastoralists. They are unaware of the buracratic systems of government.

The project has therefore opened wide the most essential discussion in the region: that of appropriate economic development in the pastoralist society.

## **1. Project Background**

APDA is a community-based organization that until very recently had only concerned itself with the social development of the Afar pastoralist society (mobile primary health, Afar literacy and non-formal education, empowering pastoral women as agents of development in their society, rain-water harvesting and the like.) This then left no concern for the economic development of the society. Therefore, without prior experience and with an extremely limited experience in the region to base activities on the organization began to form animal marketing cooperatives in the pastoral community aiming to mobilize the animal market and increase the economic situation in the Afar household. The difficulties for this were the extremely poor information – base. Therefore APDA is searching out the means of filling this vast capacity gap through this project. The medium –term aim of the project is to go on to establish a cooperative information and training center serving the rural pastoralist cooperatives.

According the regional Bureau of Cooperative Management, some 160 community cooperatives were registered in the region of which some 60 had

established some degree of activity and only 17 could be called active cooperatives. There are several NGOs in the region that establish cooperatives as part of activities on 'pastoral livelihoods' but they do not follow up these cooperatives leaving them without adequate training and facility.

To try and gain perspective on the overall problems and gaps, the project conducted a random assessment of 17 cooperatives as noted below. Finally through the regional conference held, there is a clear awareness of the problem and concern to find the correct solutions as expressed by the Bureau of Cooperative Management.

## **2. Activities achieved in the reporting period**

### **2.1 Sweden/ Afar exchange of information and guidance through consultation**

This visit was extremely highly productive: the consultant moved through APDA and the community freely for teaching and exchanging views that was in itself an extremely enriching experience. There were several formal occasions of information exchange and discussion including the Afar Development Conference as mentioned below, 2 meetings of all APDA's field coordinators, a training session conducted by the consultant attended by some 15 people involved in this project and other sectors of APDA working on cooperatives as well as meeting with several government officials in the Bureau of Cooperative Management and the woreda – level officials in Dubte, Assayita, Mille and Eli Daar Woredas. The consultant spent time with various cooperatives in the region, experiencing the Afar pastoralist lifestyle as well as seeing how the market and private business works in the region.

The consultant's report is the best document to describe this activity but APDA has gained richly and now looks forward to further interchange.

### **2.2 The Afar Development Conference, January 29<sup>th</sup> to February 4<sup>th</sup>.**

The Afar Development Conference brought together some 150 people for the second time (first development conference was held in December 2004) to discuss on the most pressing issues affecting Afar development. The attendants included the Afar Regional Government (the government co-chaired the conference along with APDA); Afar from 4 countries (Sweden, Germany, Canada, Djibouti); Djibouti government officials; a wide range of people from the Afar community in Ethiopia including religious and traditional leaders; Afar intellectuals and Afar youth and cultural groups.

The main issues discussed included

1. The regional government should act immediately to see an end of the ongoing Issa/ Afar conflict through the authority of the Federal

Government and keep the community informed of their progress in this matter.

2. The government should give due attention for the Afar refugees from Eritrea
3. It remains of paramount urgency that Afar literacy reach all Afar and education appropriate to their lifestyle be established without further delay.
4. To assure development, the government and NGO community in the region must struggle with urgency to halt the overwhelming sale and use of kaat in the community (amphetamine leaf that is chewed)
5. Afar pastoral women must be freed from harm through female genital mutilation and enforced traditional marriage
6. The pastoralist credit loan service should be established and strengthened in the region.
7. The pastoral land law policy in the region should be applicable to the community livelihood.
8. Exploitation of the remaining Afar forest should be halted through law immediately
9. Every two year this development conference should happen from the government funding

The project document was produced in Afar and English and placed on APDA website [www.apdaethiopia.org](http://www.apdaethiopia.org) and APDA was given the responsibility to follow up the application of the resolutions.

### **2.3 Baseline information assessment on cooperatives in the pastoralist community**

The project employed and orientated 6 people (3 men and 3 women) to work within the pastoralist society as resource persons to cooperatives but with the primary task in this project to collect information providing a data base for APDA and the project.

The 6 people collected information from 17 cooperatives: 5 in Eli Daar, 5 in Assaita, 2 in Mille, 4 in Dubte and 3 in Afembo woreda. These cooperatives were selected randomly and it was noted that several cooperatives declined from involving in the assessment.

The assessment questionnaire focused on gaining information on the status of the actual cooperative, not addressing the need or desires of the membership so that an overall picture of cooperatives in the region could be established.

The assessment questions were as follows:

- a) Number of members in the cooperative and the gender breakdown of the membership
- b) Whether the initial cooperative capital was based on NGO capital, government grant or membership contribution
- c) Whether the cooperative has full accounting documents and whether those documents are governing the organization
- d) Whether there is a General Assembly
- e) What division of labor is there in the cooperative structure and do the elected administrators perform their duties
- f) Whether there is an annual audit
- g) The status of relationship between the cooperative and the traditional leadership
- h) Has the cooperative a monitoring and evaluation system?

**The assessment findings** were collectively described as follows (while there were strong points, this focuses on the weaknesses deliberately to gain solutions):

- a) Of the 17 cooperatives assessed, only 4 formed from membership capital. This therefore is contrary to the basic aims of cooperative development. The majority of cooperatives are then based on wanting to gain rather than to contribute human effort to a joint aim.
- b) Of the 17 cooperatives, 5 increased their membership from an average of 34.4 to 49.8 members per cooperative. Three cooperatives did not change the number of members and the remaining 9 decreased their membership due to pastoralists moving away to another area, losing interest because of the problem of distance from the cooperative office to the members, extreme problems of drought and so on.
- c) Of the 17 cooperatives, only 7 have accounting documents in some degree of completeness. If the remaining 10 do have documents, they do not use them.
- d) Only three of the 17 cooperatives follow its own by-laws in holding General Assembly meetings. This remiss was due to a) distance between membership; b) the heavy affects of drought; c) that the cooperative management do not call a meeting; d) lack of interest among the membership.
- e) Overall lack of labor division within the cooperatives was noted. The cooperative chairman is also cashier. This leads to poor sharing of responsibility and poor transparency. There are no management meetings and a serious lack of the knowledge of management.
- f) Member participation in labor jobs is weak. The members prefer to recruit outsiders, causing the organization labor/ operational cost. The reasons behind this include lack of trade – skills; poor knowledge regarding the basic principles of cooperative and a poor regard for work ethic/ culture.

- g) There were no annual audits done among the 17 cooperatives. This is the work of the regional Bureau of Cooperative Management. There are multiple reasons for this
- The Bureau has too few qualified auditors
  - The cooperatives do not have the necessary source documents to audit
  - Cooperatives do not have access to hire professional accountants or auditors
  - The government and the NGOs that provide the start-up grant do not monitor and evaluate the cooperatives they established
- h) The relationship between the clan leadership and the cooperative is very weak. This is leaving the Afar not understanding this 'other' form of administration while the clan law and leadership could greatly enhance the cooperative organization and administration. The only relation the cooperative has with the clan leader is to ask land for from him, otherwise ignoring him.
- i) Aside from their original orientation to become a cooperative, cooperative members do not get opportunity of training either from the government or NGOs. APDA, VOCA and the Bureau of Cooperative Management have given training to cooperative leaders

#### **Recommendations presented**

Having gathered this information, APDA presented the following as recommendations to overcome these difficulties in the below – mentioned regional conference:

- a) Laws and regulations appropriate to the pastoralist lifestyle. The law and regulations affecting cooperatives are particularly for a settled community. This needs to be adapted to consider the lifestyle of the pastoralists, especially the mobile aspect of their lifestyle.
- b) There is a need to establish a system of long – term loans with cooperatives. Consecutive drought in the region has led to a culture of short – term relief rather than sustainable development. This reflects in the cooperatives as they are given small funds for a single or short-term need but not a substantial loan to establish a sustainable objective. Getting small grants that do not require repay means that the cooperative does not feel responsible and there is no future in this.
- c) Need to establish long – term planning and saving culture with the pastoralists. Pastoralist household economy is currently based on daily survival. This cannot bring development. There are no banking institutions accessible to the pastoral society and only one bank in the region. Appropriate institutions of pastoral banking and micro-finance are needed
- d) The animal market in the society needs development and stability. The current market discourages the pastoralist from trading since the price is controlled by the buyer. This is due to lack of market access, no access to the exporters and no government stabilizing affect in the market.

- e) Rural cooperative development needs strengthening. To achieve this, the government and NGOs should work hand in hand to improve the conditions for rural cooperatives. Either a focal person between NGOs and the government on this issue is needed or a forum to oversee the matter should be formed.
- f) Since the Afar pastoralists have not had the opportunity to access appropriate economic development within their lifestyle, before cooperatives, the pastoralists need ample opportunity to involve in small-scale income generation at the family level. This will encourage and teach them involvement in the economy and assist them by diversifying their herd-based subsistence economy. It will also bring females into the economy as well as males. Such income generation activities should be licensed so that they can have a bank account. There should be research on what on what are the best profitable and legally acceptable activities.
- g) Since a central problem is that there is a lack of professional people within the pastoralist society to implement cooperative activities and also, at the woreda level, there are insufficient economic resources to support cooperative development, government and the NGOs should discuss together how to overcome this. A regional conference on overcoming the organizational and financial problems of cooperatives should be held.
- h) To overcome the extreme weakness in cooperative accounting, one person from each cooperative should receive a 3 to 6 months course in accounting funded through government and/ or NGO sources.
- i) The government and NGOs need to work hard to lobby and promote rural cooperatives, linking them with profitable exporters

#### **2.4 Conference between government, local cooperatives and leaders analyzing the findings of the baseline survey and the way forward**

On July 5<sup>th</sup> to 7<sup>th</sup>, APDA held a regional conference attended by 220 representing the various cooperatives in the region as well as the Bureau of Cooperative Management, woreda cooperative desk of each of 29 woredas in the region.

APDA presented a paper to the conference outlining the history of cooperatives in the region and APDA's involvement to date in cooperative promotion as well as other NGO activities as a background. Then the paper detailed the recently and above – described assessment performed to get a basic understanding on the status of rural cooperatives in Afar Region. Finally, the conference discussed on the recommendations, agreeing as recorded above. The Head of Bureau of Cooperative Management chaired the meeting and expressed his extreme delight in the conference stating this was their first opportunity to hold such a productive discussion and urging APDA to continue holding such discussions in order to overcome the difficulties found.

### **3. Analysis of impact to date**

This project was brief but has provided the context for precedent on issues of appropriate pastoralist economic development that APDA can implement.

- a) There is a data base to work on
- b) The major problems and short-comings confronting cooperative development in the Afar pastoralist society are identified
- c) The discussion is now open on how to make cooperatives a workable instrument of development in the pastoral society
- d) The ground for a full exchange between Afar Friends Sweden and APDA on the issue of securing cooperative development is now established
- e) All the stakeholders including the government are part of the discussion
- f) There is now ample scope to work with the government and the community to forward community cooperative development

### **4. The way forward**

Now there is much to be done:

- A community serving and based institution is needed to continue lobbying and to advocate for the way forward
- Establish a community cooperative resource center facilitate the community in training, information dissemination and developing the shared interests of cooperatives in the Afar Region.
- Forward the relation with the government that a more appropriate system for cooperatives be devised.