

Nyangatom Multipurpose Cooperative Society

proves instrumental in drought preparedness and emergency response

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Multiple problems make life difficult

South Omo Zone is one of the 15 Zones of the Southern Nations, Nationalities and Peoples Regional State of Ethiopia. The Zone has eight *Woredas* inhabited by 16 distinct ethno-linguistic groups, with a total population of 557,673. Apart from a couple of sizable sedentary groups that live in the highland part of the zone, most of the ethnic groups have been historically marginalized indigenous people. Their livelihoods mainly depend on pastoralism, agro-pastoralism, and fishery. The people are vulnerable to a variety of man-made and natural hazards such as drought, floods, human and animal disease, as well as conflicts over resources.



Nynangatom is one of the *Woredas* of South Omo Zone. Kangaten, the capital of the *Woreda* is located 915 kilometres southwest of Addis Ababa. The *Woreda* comprises 20 *Kebeles* out of which 19 are rural *Kebeles*. The *Woreda* has a total population of 25,252 people from Nyangatom, Kuwegu and Murille ethnic groups.

The pastoral communities of Chare *Kebele* who are from Nynangatom ethnic groups are engaged in livestock based livelihoods. Livestock and livestock products provide subsistence either directly as meat, milk, and milk products or indirectly in the form of cereals purchased through the sale of animals. Members of the communities also support their incomes by cultivating land after the floods have retreated. However, a number of problems have affected their livelihood.

Limited farm income, lack of market access, natural resource degradation and loss of productive assets has made life extremely difficult for the communities. One of the major problems was that due to lack of market access, communities were forced to sell their goats at reduced prices while the price of cereals was very high. For example they were compelled to exchange with private traders who charged two large goats in exchange for just one quintal (100 kg) of maize.

Efforts to tackle the problems

To try and tackle the problems, Action For Development (AFD) in collaboration with relevant *Woreda* government offices and the participation of community representatives, conducted a Participatory Disaster Risk Assessment (PDRA) in eight *Kebeles* selected for intervention. The communities identified major local hazards, vulnerabilities, the existing local capacity, as well as the gaps and what would be needed to address the hazards.

Cooperative members appreciate project benefits

In a Focus Group Discussion conducted in Chare in April 2015, members of the cooperatives (two of whom were female) said:

"In the course of implementing the project, AFD has sensitized the Chare community on the importance of cooperatives in diversifying livelihood and increase household income. AFD also helped us to be aware of the benefits of being organized in cooperatives. Sixty four of us pastoralist community members – of which 30 were women – registered and established a cooperative known as Nakualeb Multipurpose Cooperative.

We elected our leaders and AFD and the Woreda Cooperative office provided trainings on leadership, financial management and business plan development. Moreover, AFD provided us financial support amounting to 25,000 birr as seed fund to supplement the initial investment capital.

With the continuous support of AFD and the Woreda Cooperative and Marketing Office, we opened a bank account in Commercial Bank of Ethiopia – Jinka town branch with a total capital of 29,000 birr of which 4,000 birr was contributed by members of the cooperative. The cooperative also received certificate of legal entity from concerned government body and registered as a member of South Omo Cooperative Union. This was done mainly to facilitate market linkage.

The assessment revealed that drought, animal and human diseases, and conflict over resources and floods were the major hazards affecting the lives and livelihoods of the pastoral communities. According to the community-based risk analysis, climate change induced hazards, such as drought and diseases had more serious impacts on women, children and the elderly. This is because both children and the elderly have weak physical strength and they depend totally on others. Women are very vulnerable to high workload as the culture imposes responsibility to provide care for children and elderly people on women. Pregnant and lactating women are even more vulnerable to drought and diseases.

Following the assessment, AFD, with financial support from Partners for Resilience (PfR), started implementing a five-year project in 2011. The project that was implemented in eight prioritized *Kebeles* of Nyangatom *Woreda* is known as Nyangatom Grassroots Disaster Risk Reduction Enhancement Initiatives. It aimed to enhance the resilience capacity of the pastoral communities and contribute to their sustainable economic development.

Chare is one of the intervention areas where different PfR project activities have been implemented. As part of Disaster Risk Reduction (DRR) measures and as prioritized by the PDRA process, supporting livelihood protection and diversification enhancement were the focus of the activities implemented by the PfR project.

In line with this, in 2012, AFD in collaboration with Community Managed Disaster Risk Reduction (CMDRR) committees and *Woreda* Cooperative and Market Promotion Office established a multi-purpose cooperative in Chare *Kebele*.

Thanks to the support of PfR/AFD and the Woreda cooperative office, the cooperative has now begun running its own business. Initially the cooperative purchased 2.000 kgs of maize from Jinka for 614.75 birr per 100 kgs including transport and other costs. The community decided to distribute the maize to its members by exchanging goats i.e. 100 kgs of maize was be exchanged for one goat with a live weight of 25-27 kgs. In this way, a total of 21 goats (520 kg in live weight) were collected from members in exchange for 2.000 kgs of maize. The goats were sold to private traders on weight basis at 27 birr per kg of goat. The total gross return obtained from the sales of goats was 14.040 birr (about 700 USD). Hence, the cooperative has gained a net income/profit of 1.745 birr.

Motivated by the benefit, the cooperative purchased 2.000 kgs of maize with a total cost of 9.750 birr. A total of 23 goats were collected from the members of the cooperative in return for maize they have taken. The goats were sold for a total of 14.958 birr bringing the cooperative a net profit of 5.208 birr. The cooperative has so far made a profit of 6.953 birr in one year alone.

We consider the supply of maize as an emergency response. It was highly valued by the community because it has saved the lives of people who were affected by drought and there was severe shortage of food due to the drought and drought caused disease that occurred in 2013."

Encouraging results and inspiring members to do more

The profit gained from the sales of goats has encouraged all members of the cooperative to engage in more livelihood diversification options. Moreover, they are now able to exchange one goat for 100 kg. of maize unlike in the past when they were compelled to exchange two large goats for only 100 kg. of maize.

The cooperative has also created market outlets to the pastoralist communities of Chare Kebele giving them the opportunity to sell animals and purchase cereals and other food items in their own vicinity at a reasonable price.

The cooperative is now buying food oil wholesale and distributing it to its members with a minimum profit so that the price is reduced. One benefit of this activity is it has enabled members of the communities to save their time as well as the money that they would have needed to spend to travel to Kangaten town, some 34 kilometers from their village, to buy oil. Additionally the oil distribution has enabled them to save some money for health care and other expenses.

The communities are now aware of the benefits of cooperatives and are confident that they can continue implementing the project despite the fact that external support for the project will phase out in September 2015. They have made contingency and other development plans that integrate DRR/CCA/EMR such as rangeland rehabilitation, establishing fodder banks, renting donkey driven carts, and buying and distributing coffee husk.

Lessons learned

- Pastoral communities are known to engage in very limited livelihood activities because it may expose them to risks. However, based on this experience, diversification of livelihoods has proved to be crucial to improve their lives.
- In the process of implementing the project, it has also become clear that empowering local institutions enhances collective decision-making abilities on matters that concern the community itself. For instance they have made their own decisions on the terms of trading and the types of oil and cereals. Bartering system market access on more advantageous terms is of vital importance in the context of pastoralists since they usually do not have cash at hand.
- As the investment cost for diversifying livelihood is very low and the return is high, the project has the potential to be replicated even in areas where resources are scarce. Pastoralist communities have generally little or no money at hand. The bartering system which already exists in the day-to-day life of the pastoralist communities makes it easy for them to engage in diversified livelihood activities.