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Wondo Genet Integrated Watershed Management Area, Ethiopia



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Abbreviations, Acronyms and Units

FeMSEDA - Federal Micro and Small Enterprises Development Agency;

ETTE - Ethiopian Tourist Trading Enterprise;

EC – Executive Committee

NGO – Non Government Organization

Birr – Ethiopian currency; exchange rate with 1 euro is approximately 17 Birr

EXECUTIVE SUMMARY

This project proposes implementation of a community market in the Wondo Genet Integrated Watershed Management area that incorporates members of both the upper and the lower communities aiming to address one of the most serious issues in the region - poverty. The present project mainly focuses on creation of income generating options and proposes a number of activities, including: community mobilization, capacity building, conflict management, formation of a market association, and purchasing and provision of materials.

Key-words: income generation; poverty alleviation; conflict resolution; small-scale enterprises

1.0 INTRODUCTION

1.1 Project Justification

Ethiopia is situated in the Horn of Africa between 3°-15° north latitude and 33°-48° east longitude, and covers a total surface area of 1.13 million km². It is a geographically diverse country, with its topographic features ranging from the highest peak at Ras Dashen/ Dejen (4,550 m above sea level) down to the Afar depression (110 m below sea level) (Demel Teketay 2004).

Poverty and environmental degradation form a negative feedback loop; that is, as the land is degraded agricultural productivity is lowered, resulting in decreasing incomes and decreasing food security. This in turn leads poor people from both rural and urban areas to engage in activities that further degrade the natural resources and environment in order to obtain supplementary incomes and to sustain livelihoods. As a consequence, poverty in Ethiopia has increases and population growth exacerbates the problem.

In Wondo Genet, the major land cover changes occurred at three different periods. The first change was during the 1940s and 1950s with the introduction of commercial farming and the migration of people, particularly from the resource scarce regions of Kambata, Walayita and Hadiya. The second was during the Derg time with its villagization program, agrarian policy and the establishment of many organizations. The last change occurred at the time when the recent government came to power with its decentralized governance structure that converted the area into a hotspot. Currently the area is forced to support too many people because of the past influx of people and the prevailing practice of polygamy. This has lead to the presence of a number of landless households in the area, which furthers the pressure on the remaining natural forest and water resources (Belaynesh 2002; Zerihun 1999).

The communities in Wondo Genet catchment face serious constraints on sustainable livelihood and improved food security. A lack of appropriate farm inputs, conflict over resources, a decline in soil fertility, a lack of appropriate extension support, rapid environmental degradation and population growth, are among some of the factors that constrain the betterment of livelihood in the area.

1.2. Background of the Project Site

1.2.1 Location and Topography

Wondo Genet is situated in the Awassa Zuria district of Sidama Zone within the Southern Nations, Nationalities and Peoples' Region. It occupies the northeastern portion of the district. The Shashemene and Kofele districts of the Oromia region border it in northwestern, northeastern, and north and eastern directions, respectively. Topographically Wondo Genet area comprises the hills of Abaro, Bachil Gigissa, Gariramo, Kentere and Cheko, as well as the depression surrounded by these hills. The height of land varies between 2,580 m above sea level at Abaro and 1,600 m above sea level around the marshy area (Belaynesh 2002).



Figure 2. Location map of Wondo Genet Integrated Watershed Management Area

1.2.2 Climate

In Wondo Genet area the *woina dega* agro-climatic type prevails. The rainfall pattern of the area is bi-modal, where short rain falls prevail during spring and the major rainfall events happen in summer and continue for the first two months of the autumn season. The mean

annual rainfall ranges between 700 mm to 1400 mm (Cross, 2003). The average annual temperature varies between 17⁰C and 19⁰C (Tilaye and Menfes 1993), 2004 and ESZFEDD 2003).

1.2.3 Water, Forests and Wildlife

Springs, streams, forest, wildlife and fertile soils are some of the natural resources present at Wondo Genet. The valley plain of Wondo Genet has fertile soil. The loamy sand textured soils, which contain important nutrients, cover the area (Makin *et al* 1970, cited in Teshale 2003). The depth of soil in the area varies. On steep slopes it is shallow, while on gentle slopes and flat areas the depth reaches about 4 m (Eriksson and Stern 1987). The area is also rich in water resources, given the four major streams: Wosha, Worqa, Hallo and Lango. At the bottom of the hills there are also small springs. The water from these springs and streams not only supports people in the area, but also in nearby towns, for example in Shashemene from 1974/1975 and onward (Zerihun 1999). Due to high population pressure and intensive agriculture, the fertility of soil declined from time to time.

1.2.4 Social and Demographic Characteristics

A number of different ethnic groups live in the Wondo Genet area. The major ones are Sidama, Oromo, Walayita, Kambata, Hadiya and Amhara. According to Zerihun (1999), several factors contributed to the ethnic diversity and high population in the area, including the private land tenure system that prevailed before the Derg, the introduction of cash crop production in the pre-1975 period and the Derg agrarian policy.

2.0 PROJECT IDENTIFICATION

The main problem selected for study was the area's low income. In order to identify the causes and effects of the main problem and their interrelationships, the following problem tree was created. Subsequently, an objective tree was created to address the identified issues and provide a base for project identification.

2.1 Problem Tree

Figure 2 below suggest a problem tree for the area.

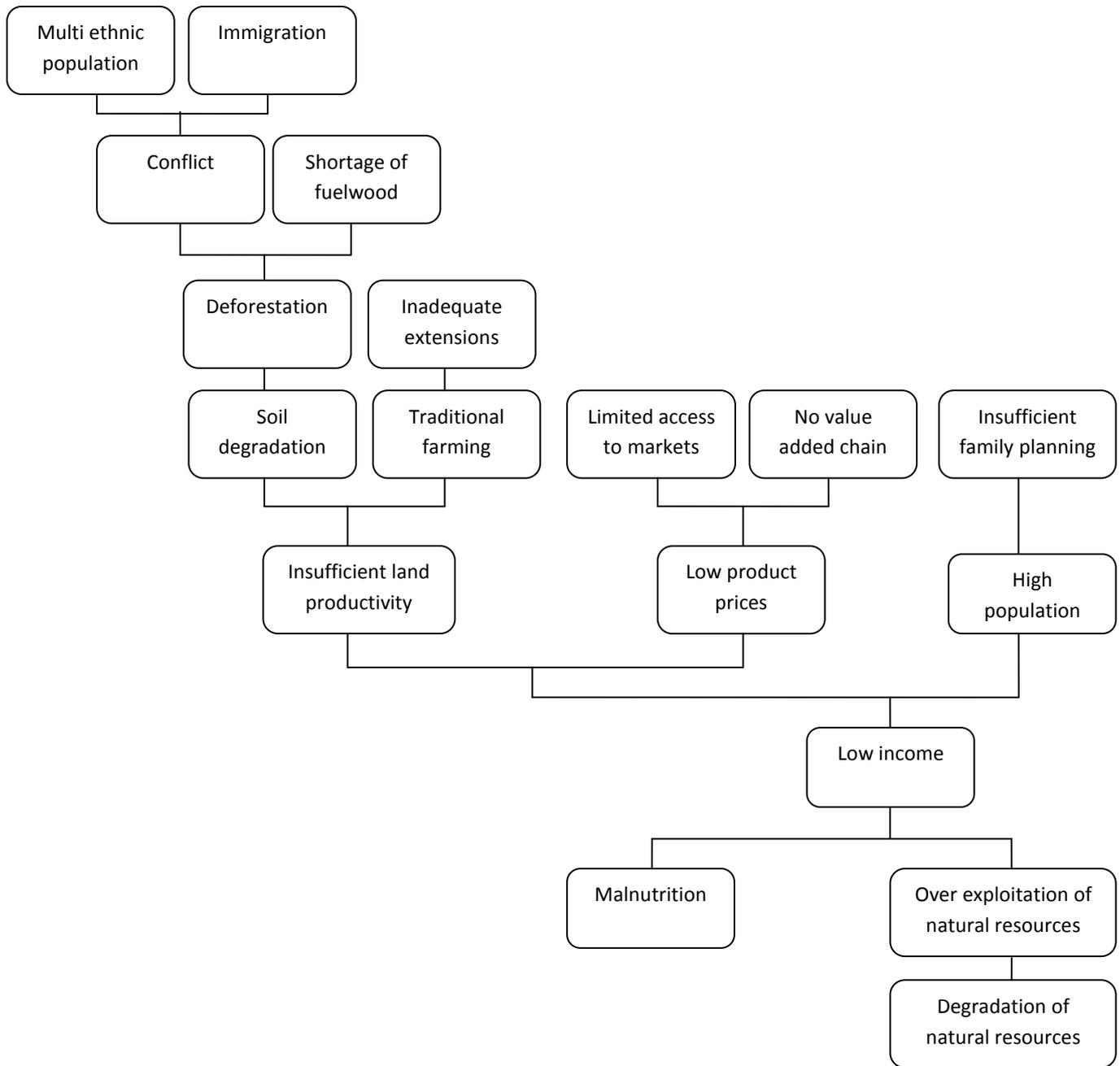


Figure 2. The problem tree

The main causes of low income in the Wondo Genet area were identified as being directly attributable to: insufficient land productivity (due to the continued use of traditional farming techniques and soil degradation), low product prices (due to the limited access people have for selling products in local and regional markets, and the fact that few or no options exists for value-added production), and population (due in part to poor family planning). There are a

number of causes, but this project will focus mainly on the tree related to low product prices as a way to improve the income of local people.

2.2 Objective Tree

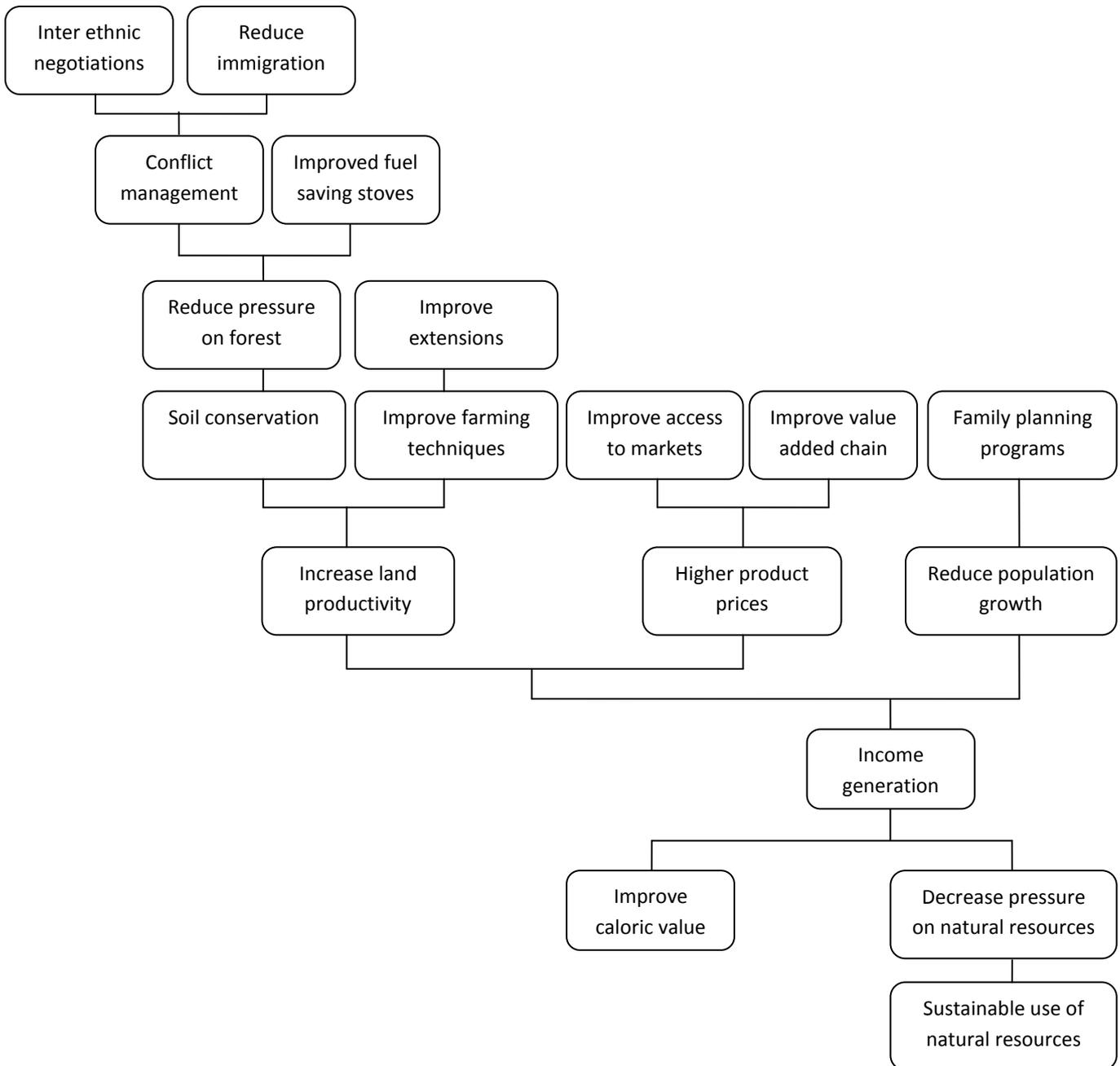


Figure 3. The objective tree

In response to the problem of low income in the Wondo Genet area, the following main objectives were identified as being important for generating higher income: increase land

productivity (by improving farming techniques and conserving soil), attaining higher product prices (by improving access to markets and introducing techniques for value-added production), and reducing population pressure (by introducing family planning strategies). Again, this project will deal mainly with the issue of how to attain higher product prices as a means of generating more income. Although it is believed that additional projects should be created in the other areas mentioned in order to achieve an even greater level of success in raising the income level.

2.3 Logical Framework

Table 1. Logical Framework Matrix

Narrative Summary	Obj. Verifiable Indicators	Means of Verification	Important Assumptions
<u>Goal</u> To contribute to the generation of income of villagers	-increase income of activity participants by 15% in the first year and 25% (of original) by the third year	-family survey, local government statistics	-there will be no large jump in inflation during the project period
<u>Purpose</u> Increase production, commercialization and value added for: -handicrafts -apiculture products	-number of handicrafts and honey sold increases on a per household basis by 15% of original each year for the five years of the project -amount of value added increases in production increase by 60% by second year	-record books of community store -survey of prices in store -community survey	-the political structure in Ethiopia will remain stable
<u>Outputs</u> A local community shop to sell handicrafts and local products in The creation of a	-social gains: the number of people involved in the association is at least 80 people in the first year and 20 additional people each following year	-meeting reports and registers kept by the shop association -government verification -monthly reports of	

<p>shop association with micro credits available for innovation</p> <p>Capacitation of community people</p> <p>Community fully equipped with tools and equipment for handicrafts production</p>	<p>-the turnover of micro credits 2500 (at 250 Birr/loan) in the first year and increases by 1250 for the following 4 years of the project.</p> <p>-participation levels and completion of training is at least 80% each year</p> <p>-equipment and tools are distributed to the number of individuals who complete the training courses each year</p>	<p>association bank account</p> <p>-material distribution lists</p>	
<p><u>Activities</u></p> <p><i>Phase I</i> Market analysis</p> <p><i>Phases II & III</i> Mobilization of community</p> <p>Formation of association and organizational structure</p> <p>Administration</p> <p>Selection of market location and building shop</p> <p>Capacity building</p> <p>Purchase and provision of materials</p>	<p>16000 Birr</p> <p>445000 Birr</p> <p>245000 Birr</p> <p>245000 Birr</p> <p>122000 Birr</p> <p>1745000 Birr</p> <p>1370000 Birr</p>	<p>-market research reports</p> <p>-reports from association meetings and training courses</p> <p>-attendance reports</p> <p>-community surveys</p>	<p>Phase I is successful to move to Phase II and Phase II is successful to move to Phase III.</p>

3.0 KEY ACTIVITIES

3.1 Phase I - Market Analysis and Feasibility study

3.1.1 Market analysis

- a. Research market conditions
 - Surveys of market prices and fluctuations in those prices in and around the Wondo Genet area;
 - Analyze historical data if available from government and NGO sources.
- b. Research market opportunities
 - Determine the level of market saturation for apiculture, handicrafts and vegetables;
 - Rank areas from highest to lowest in terms of market opportunity;
 - Search for potential partners for commercialization.

3.1.2 Feasibility study

- a. Compare market analysis research with the costs of the project;
- b. Verify that indicators are reasonable with respect to market opportunities.

Phase I of the project will focus on collecting information related to market conditions in Wondo Genet and nearby towns in terms of current market conditions for the proposed products (apiculture, handicrafts and vegetables), as well as the availability of opportunities for enhancement.

3.2 Phase II – Pilot Project

In Phase II, the pilot project for establishing a community market will be initiated. The pilot project will include one community association and one main marketable product. Although the choice of the project may change depending on the results of the market analysis in Phase I, apiculture is foreseen as the area with which it will be easiest to initiate a pilot project.

3.2.1 Mobilization of Community

- a. Distribute promotional materials, as well as making door-to-door promotion
- b. Hold preliminary discussions with both upper and lower communities (first separately and then together)

- c. Incorporate community feedback into the plan for the community market
- d. Discuss again to finalize plans for the market
- e. Introducing potential areas of interest (done by advisors), such as handicraft production and beekeeping.

A joint presentation should be made where both upper and lower community will have a chance to be introduced to the project. There is a need to ensure a friendly, win-win situation between these two groups, with the idea that both groups can prosper. A weekly meeting should be held to increase communication within the two groups and elaborate common goals. Participants should be encouraged to talk about their problems and propose their personal solutions to the advisors.

3.2.2 Capacity Building

- 1) Workshops on the production of the chosen product for the pilot project are:
 - a) Apiculture production (both honey and wax)
 - i) Bee hive management
 - ii) Bee hive making
 - b) Handicraft production
 - c) Pottery
 - d) Weaving
- 2) Training in savings and credit
- 3) Training on environmental/tourism awareness
- 4) Training for members of the association committee (accounting, book-keeping, marketing)

Specific training regarding paying the taxes to the government and decision making about prices of products that are sold in the shop will have to be given to association members. Selling the handicrafts outside of the area and to the national market (when production exceeds the local demand) may also be possible. According to (TEOJ 2008) there is a good possibility if the handicrafts are of premium quality. This includes pottery and weaving, but during the project life span new possibilities may evolve.

Cooperation with FeMSEDA (Federal Micro and Small Enterprises Development Agency) and ETTE (Ethiopian Tourist Trading Enterprise) should be initiated. “FeMSEDA has many

workshops, such as pottery, bamboo wares, metal processing, garments, weaving, dyeing, silverwork, horn carving and wood carving and basically produces commercial goods at the workshops. On request, it provides training to those who are running micro-small enterprises” (TEOJ 2008).

3.2.3 Formation of association

- a. Introduction to the theory of cooperative associations and practical examples of how this can be done,
- b. Election by participating community members to fill available association positions.

At the beginning the association will be run and maintained with the help of advisors. After one year the association should be passed into the hands of the villagers. In the next two years, the work of the association should be closely monitored, with help and consultancy being given when needed.

3.2.4 Financial management of association

- a. A joint account should be opened where money from products sold in the community market can be kept;
- b. A treasurer should be chosen by democratic means (i.e. community vote).

The joint account will be controlled by the community as well as a representative from the monitoring agency (i.e. Wondo Genet College). A minimum number of three signatures will be required in order to withdraw money from the account.

The treasurer will be responsible for producing a financial statement and making it available to all community members at a regular interval to ensure transparency.

3.2.5 Material management

- a. Kits for apiculture and handicraft making will be prepared for provided to members of the cooperative, under an installment basis.
- b. The management of the distribution of the kits will be done by the association under the supervision of the project staff.

- c. Kit distribution contracts will need to be signed by both the association representative and the project staff. A list of participants will be maintained and loan progress will be tracked and recorded.

3.2.6 Purchase and Provision of Materials

- a. Purchase of handicrafts tools (pottery wheels, weaving);
- b. Purchase of handicraft raw materials (e.g. special grasses, ropes, colours for dying, pottery clay, thread for weaving);
- c. Purchase of improved vegetable seeds and fruits seedlings;
- d. Purchase of apiculture tools;
 - I. beehives and tools for making bee hives
 - II. honey processing tools, as well as masks, gloves, honey comb making tools
- e. Purchase of agricultural tools (e.g. shovel, sickle).

The materials required for training purposes will be purchased and held by those in charge of capacity building. Special kits will be assembled for each area of activity and the provision of these kits will be handled by a member of the project implementation team and a member of the association. These kits will consist of the materials necessary for one year of activity. For example, the apiculture kit will consist of materials to construct beehives, as well as the material necessary to process the final product. These kits will be available to those who have taken part in the training programme. The distributors will be responsible for keeping a distribution list to track distribution of supplies, as well as explaining the conditions of the distribution to the person. In the first year, there will be an upfront cost of 10% of the kit price and 15% each following year until the total cost is reimbursed. There will be no interest accrued during this time period; however, if payments are not made there will be fines and/or repossession of equipment. By the end of the five year project period, the purchase and provision will be turned over to a responsible member of the cooperative.

The credit collected from the farmers will be deposited in the account of the cooperative, which will be used for further project development.

3.3 Phase III - Further expansion and development

3.3.1 Expansion of the cooperative

The current project proposed would be implemented on a pilot project basis, with only one village and one main product to start. However, the following diagram outlines the potential for future development and expansion of the cooperative system, which would begin in the fifth year on successful completion of Phase II. On this phase more products (depending on the market analysis) and villages may be incorporated, based on the same structure and activities of the pilot project (Phase II).

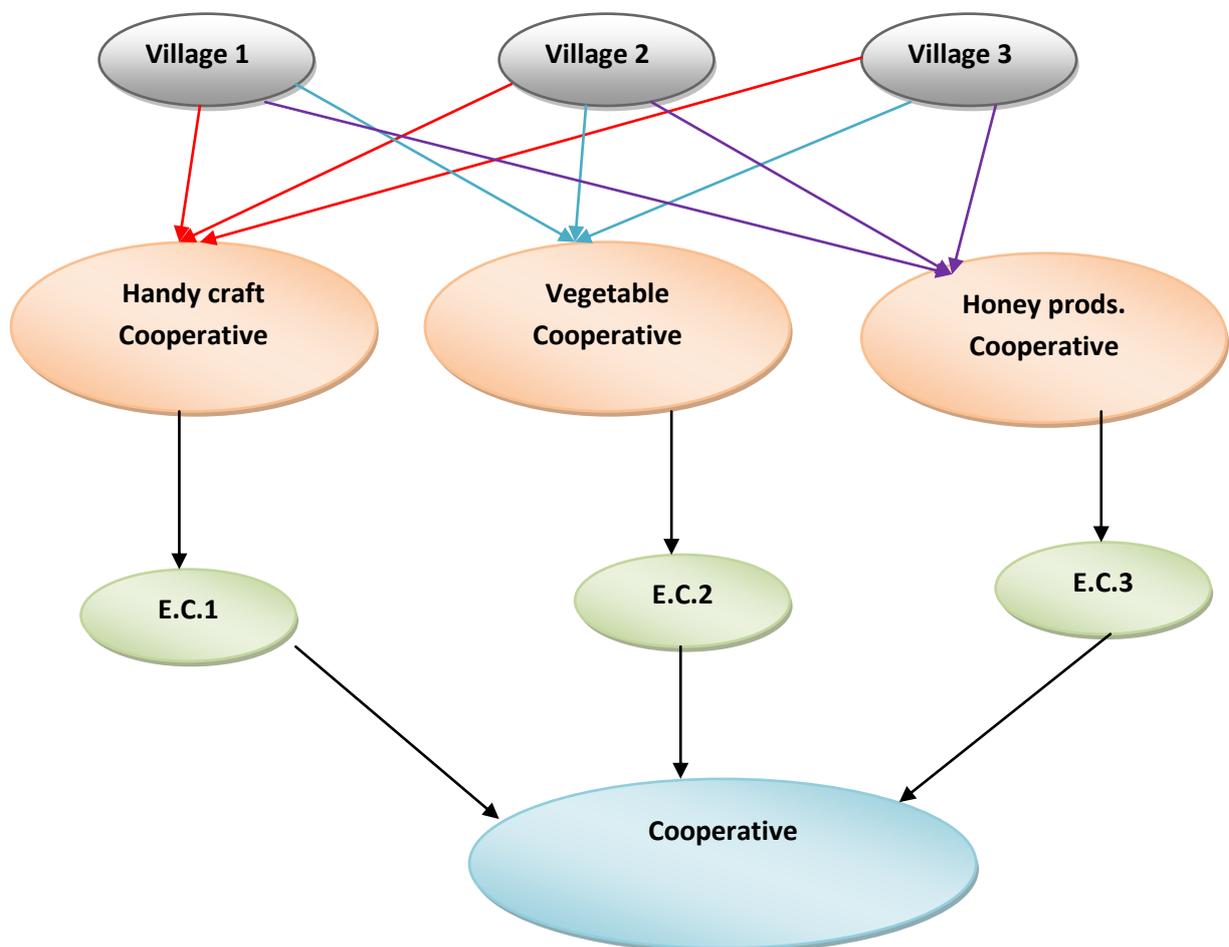


Figure 4. Future development and expansion of the cooperative system

An executive committee (EC) will be chosen from each sub group. With the help of ECs project will provide skill development and capacity building trainings to villagers (a resource

person for the training will be a staff member from Wondo Genet College, alongside other people as necessary and appropriate).

3.3.2 Establishment of Community Shop

In order to improve the commercialization of an increasing number and variety of products, the project will facilitate construction of a souvenir shop at the place where tourists are deemed most likely to visit (highest traffic area). Villagers will make handicrafts and they will give these to the souvenir shop. The souvenir shop will keep the products from the villagers. The distribution of the income will be managed according to collective decisions of the cooperative members. For the institutional development of the cooperative members should agree to contribute with a certain percentage of their sale to be decided in their assembly, with the help of the project coordinator. After a few years, the community may employ some villagers to sit in the souvenir shop and sell the products. The amount collected above will be used to pay that employee.

3.4 Timeline of Activities

Table 2. Implementation timeline

Phase	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Phase I	√	√																		
Phase II			√	√	√	√	√	√	√	√	√	√	√	√	√	√				
Phase III																	√	√	√	√

4.0 FINANCIAL PLAN

Table 3. Detailed financial budget with breakouts

S.I. No	Activities	Units	No. of beneficiary	Year Sept 2010 to Sept 2015					Total (,000 Birr)	Remarks
				Year Sept 2010 to Sept 2015 (,000 Birr)						
				I	II	III	IV	V		
1	Market study									
1.1	Market Research and Analysis			10					10	
1.2	Feasibility study			6					6	
	Subtotal			16					16	
2	Mobilization of community									
2.1	Production, reproduction and dissemination of materials for raising the awareness	ETB		8	5	4	4	4	25	
2.2	Professional cost for 2 resource people (Trainers)	2 person		10	10	10	10	10	50	50 days/yr, Advisors from College
2.3	Project Coordinator	1 person		36	36	36	36	36	180	12 months
2.4	Community Promoter	1 person		12	12	12	12	12	60	12 months
2.5	Conflict management facilitator	1 person		10	10	10	10	10	50	Per diem for Government employee
2.6	Project facilitator	1 person		18	18	18	18	18	90	
	Sub total			94	91	90	90	90	455	
3	Capacity building									

3.1	Training on handicraft production	NO	80 people/yr	64	64	64	-	-	192	
3.1.1	Refreshment training on handicraft	NO	120 people/yr	-	-	-	27	27	54	
3.2	Training on apiculture production	NO								
2.2.1	Bee hive management	NO	40 people/yr	15	21	21	21	21	100	
3.2.2	Bee hive making	NO	40 people/yr	17	20	20	20	20	97	
3.3	Training on pottery	NO	50 people/yr	30	30	30	30	30	150	
3.4	Training on weaving	NO	50 people/yr	40	40	40	40	40	200	
3.5	Training on savings and credit	NO	100 people/yr	60	66	66	66	66	330	
3.6	Training on environmental/tourism awareness	NO	500 people	79	80	80	80	80	399	
3.7	Training for members of the association committee	NO	50 people/yr	40	40	40	40	40	200	
	Sub total			345	361	361	324	324	1715	
4	Formation of association									
4.1	Training on Cooperatives	NO	100 farmers	40	40	40	40	40	200	
4.2	Formation of cooperatives	NO	3 cooperative	5	5	5	10	20	45	Handy craft, beekeeping and vegetable

										cooperatives
	Sub total			45	45	45	50	60	245	
5	Purchase and Provision of Materials									
5.1	Purchase of handicrafts tools	ETB		92	30	56			178	Give to the cooperative and they distribute
5.2	Purchase of handicraft raw materials	ETB	100 people	40	20	20	40	40	160,.....
5.3	Purchase of improved vegetable seeds and fruits seedlings	ETB	80 people/yr	25	30	30	40	41	166 ,,
5.4	Purchase of Bee hives	ETB	40 people	80	63	63	80	70	356	266 bee hive
5.4.1	Beehives and tools for making bee hives	ETB	20 people	40	40	40	40	40	200	In rotation, given to the cooperatives
5.4.2	Honey processing tools	ETB	20 people	30	30	20	30	30	140	„
5.5	Purchase of agricultural tools	ETB	50 people	25	30	20	45	45	120	„
	Sub total			332	243	249	275	271	1370	
6	Support for community souvenir shop	No.		10	25	30	40	40	122	Rent of house and furniture 90% project and 10% cooperatives
7.	Administrative cost			65	70	70	76	76	320	Including cost of college

										students
8.	Overhead cost							9	9	allocate for government
	Grand Total			850	850	850	850	850	4250	

5.0 INSTITUTIONAL LINKAGE FOR PROJECT IMPLEMENTATION

To facilitate the entry of the project in the community, indirect entry options will be considered, in partnership with different organizations that work in the area such as a specific funding agency, the local government, local NGOs or an educational institution, like the Wondo Genet College. If there is a local partner, there is no need for the project to have its office because it would be costly. We would not have to hire technical manpower to implement the project because the faculty of the Wondo Genet College would assist us whenever we needed skilled manpower. The students of the College can also support some activities and through this the students can be empowered and will also have practical job-related training.

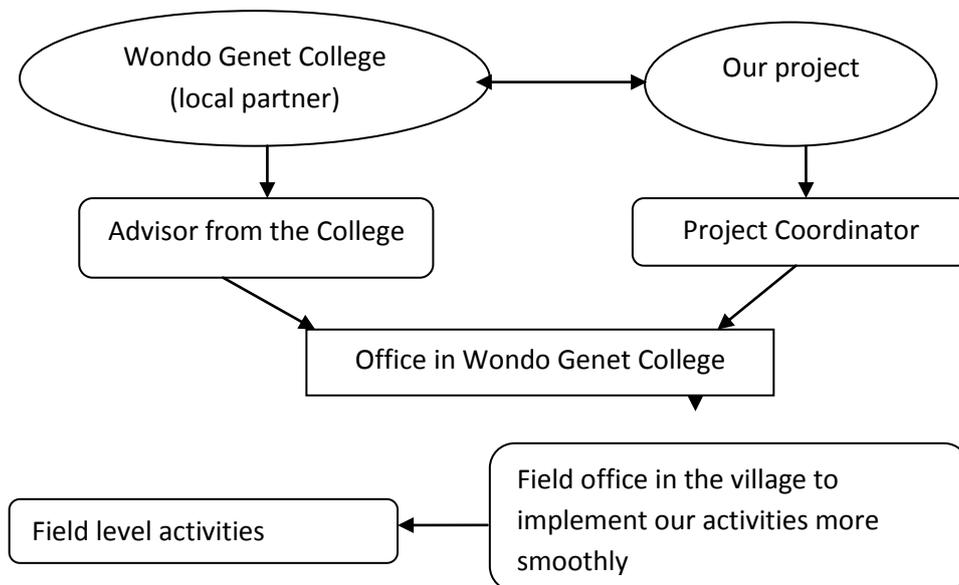


Figure 5. Institutional linkage for Project implementation

6.0 POST-PROJECT STRATEGIES

After implementation of the project the following strategies will be adopted to ensure the effect of the project in all possible levels;

- a. Transfer the management of cooperatives to the community under the supervision of government (district Ministry of agriculture and rural development);
- b. Provide all necessary documentation of the project to extension agents and district Ministry of agriculture and rural development;
- c. Allocate some budgets when transfer the management of activities to the community and government which helps as an administrative costs to run the activities.

7.0 MONITORING AND EVALUATION

The project will be monitored by quarter, half year and annual reports will be kept by the community association and a third party. The steering committee, composed of community representatives, government (Ministry of Agriculture and Rural Development) and project implementers (Wondo Genet College), will evaluate the project at the end of each year and assess the project based on:

- a. Satisfaction of indicator requirements from the log matrix (Section 2.3).
- b. Progress in relation to the timeline (Section 3.4).

Self-evaluation should be conducted by the community association in relation to project objectives and indicators on a quarterly basis. At the end of the year these results can be presented along with the findings of the steering committee in order to better assess the progress and potential impact of the project.

Monitoring and evaluation activities will be used as a learning process during the whole project implementation period and steps should be taken in consideration from monitoring reports for next implantation cycle.

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