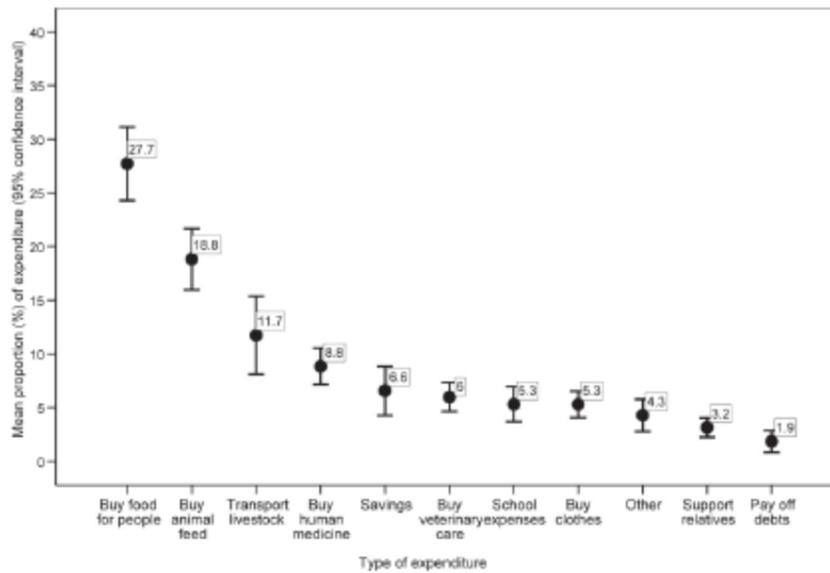


CASE STUDY PIA 2: Market Access, Trade and Financial Services



6. Commercial Destocking Intervention in Moyale	
INTRODUCTION	<p>“When viewed from a livelihood perspective, destocking is a way to exchange some animals for money, thereby giving pastoralists the financial resources they need to buy food, maintain a core herd, and access the services that they want to (rather than those that aid agencies provide).</p> <p>This herd maintenance might involve the purchase of fodder or veterinary care, extending support to local markets and service providers.”</p> <p>The destocking intervention described was piloted during the drought of 2006 as part of the PLI funded by USAID.</p> <div style="text-align: right;">  <p>http://www.eldis.org</p> </div>
LOCATION /GEOGRAPHIC COVERAGE	Moyale (Ethiopia / Kenya border)
STAKEHOLDERS AND PARTNERS	<p>MoA, Livestock Marketing Department</p> <p>USAID – through PLI</p> <p>SCUS – facilitated meetings of traders and travel to the area</p> <p>Community / local government and official</p>
METHODOLOGICAL APPROACH	<ol style="list-style-type: none"> 1- Formation of a multi-agency ‘Commercial De-stocking Working Group’ 2- Creation of awareness meetings by the Marketing Department of the MoA with traders and abattoir owners to alert them of destocking opportunities and to offer them the opportunity of facilitated travel to the drought-affected areas. 3- Travel organized by SC US to support traders visit the area 4- Discussions between communities / traders / district officials / local government staff / SC US staff 5- Small cash loan from USAID made to the 2 main traders to facilitate the technical matters repaid 3 months after 6- Development
VALIDATION	<p>A Participatory Impact Assessment (PIA) was conducted by Tufts University: see impact.</p> <p>The cost benefits ratio of the operation is 41:121 (with some doubts emitted by IFPRI22)</p> <p>According to them, there is also an increasing interest in Destocking from the traders as well as from the Pastoralists</p>
IMPACT	<ul style="list-style-type: none"> - Purchase of 20 000 cattle involving 5405 households - 79% of the sale was spent locally and also for the improvement of the conditions of the remaining livestock - Substantial injection of cash in the households:



Proportional (%) use of income derived from commercial destocking (n=114 households)

<p>INNOVATION AND SUCCESS FACTORS</p>	<p><u>Prerequisites:</u></p> <ul style="list-style-type: none"> - An effective early warning system - A vibrant market <p><u>Innovations:</u></p> <ul style="list-style-type: none"> - Creation of a Destocking Discussion Group including a range of different stakeholders - Facilitators on the field facilitating the visits or support the intervention - Decrease in the amount of intermediates between herders and traders
<p>CONSTRAINTS</p>	<ul style="list-style-type: none"> - Totally dependent on the market. The integration on domestic and international markets is decisive to make it an attractive option - The destocking market was dependent on the quality of the roads, to avoid extra rental fees and because it was sufficient to stay around the highways. This causes problems in reaching the most remote areas and more districts to spread the benefits of the intervention. - If the Early Warning System is late, the body condition will decrease.
<p>LESSONS LEARNED</p>	<p>This operation has been a success especially thanks to an improved coordination before and during the destocking intervention: coordination of the NGOs, of the Stakeholders in a working group and during field visits.</p>
<p>SUSTAINABILITY</p>	<ul style="list-style-type: none"> - See constraints : Need to build the market, nationally and internationally - The interest free loan is a good opportunity to temporarily solve technical matters and encourage the traders - However, the awareness of the benefits of destocking is spread into the communities and traders. - The links between herders and traders are established and can be maintained independently
<p>UP-SCALING</p>	<ul style="list-style-type: none"> - The trial has been done in the Moyale region, the up-scalability of it to Somali or

	<p>Afar is not easy, in fact the shape of Borana cattle is more adapted to remain valuable during the destocking period. Before up-scaling the strategy, the prerequisite is a really efficient Early Warning System to be sure that the animals will conserve their value for the market. Moreover the Afar Region is less market oriented than the Borana Region.</p> <ul style="list-style-type: none"> - The development of good infrastructures, especially road is an important factor to develop the process in remote areas. It has been achieved by MC through targeted destocking in remote areas. - In the case of large-scale destocking plans, they could be a need of a provision of loan in a contingency fund, and a need to design a ‘fast-track’ scheme but the main point is to be coordinated and efficient, the loans can be avoid. - Ensure the international market (this example has benefited from very favourable export circumstances) by ensuring Animal Health (as noticed in the next Practice).
CONTACT DETAILS	<p><u>Feinstein International Center, Tufts University</u> : Dawit Abebe: dawit.abebe@fic-et.org</p>
URL OF THE PRACTICE	<p>http://www.disasterriskreduction.net/fileadmin/user_upload/drought/docs/Abebe%20et%20al%20Destocking%20paper.pdf</p>
RELATED RESOURCES THAT HAVE BEEN DEVELOPED	<p><u>D. Abebe et al. 2008</u>: Impact of a commercial destocking relief intervention in Moyale district, southern Ethiopia – Tufts University</p> <p><u>Y. Aklilu and M. Wekesa 2002</u>: Drought, livestock and livelihoods: lessons from the 1999–2001 emergency response in the pastoral sector in Kenya</p> <p><u>D. Headey et al. 2012</u>: Enhancing Resilience in the Horn of Africa An Exploration into Alternative Investment Options – IFPRI Discussion Paper</p>
<p style="text-align: center;">Case Studies Adapted from : Flora Baudron, Good Practices Building Resilience Experience from Ethiopia and IGAD countries, FAO-SFE, 2013</p>	