



## Engaging youth cooperative in livestock trading for strengthening effectiveness of destocking and restocking interventions

Seed money was provided to strengthen the financial capital of the cooperative to trade a large number of livestock at a time. In one transaction, the cooperative was able to buy and sell around 532 goats, making a net profit of 60,000 Birr

### Introduction

Recurrent drought has severely impacted on the entire livelihood system and resulted in depletion of livestock assets in the communities of Afambo woreda, Afar national regional state.

A European Union funded project known as Resilience in Ethiopia project (RESET II project) established youth-focused livestock trading cooperatives, which engaged in purchasing and supplying of livestock (goat) and helped in enhancing the effectiveness of the destocking and restocking operation in Afambo woreda of Afar regional state.



#### INTERVENTION AREA

Market access, trade and financial services



#### LOCATION

Afambo, Aysaita and Elidar woredas, Afar regional state



#### STAKEHOLDERS AND PARTNERS

Vétérinaires sans Frontières (VSF Germany); woreda pastoralist development offices/bureaus of the respective woredas; and cooperative promotion bureau of Afar regional state



#### BENEFICIARIES

20 members (7 female and 13 male) of Afambo woreda

## Methodological approach

**Participatory problem analysis.** Community members and relevant stakeholders identified key areas of intervention that could help facilitate destocking and restocking measures to mitigate impacts of drought. As a result, marketing groups or cooperatives (composed of male and female youth) that could be engaged in livestock trading within the community were proposed. Accordingly, the youth group buy livestock when de-stocking intervention is carried out by the project and supply when restocking is carried out.

### Creation of the Woreda disaster risk reduction task force.

It is mandated with the development and/or refinement of criteria for participant youth selection. To ensure transparency, community-wide consultation was organised to verify that the selected youth met the criteria. This criteria included: a member of the community; over 18 years of age and unemployed; priority for returnee migrants; member of vulnerable household, large family size with low livestock asset ownership; and member of female headed household.

**Establishment of cooperatives.** The selected youth groups were formally organised into cooperatives and developed their own by-laws with the assistance of the regional bureaus of cooperative promotion. They established executive committees and became legally established business entities engaged in livestock marketing. Each member contributed 500 Birr. The total contribution by all the 20 members (7 female and 13 male) of Afambo woreda was 10,000 Birr.

**Business skill and leadership training provided.** The project provided seed money of 50,000 Birr to strengthen the financial capital of the cooperative to trade a large number of livestock at a time. In one transaction, the cooperative was able to buy and sell around 532 goats, making a net profit of 60,000 Birr.

A Memorandum of Agreement was signed between the cooperative and the project. The agreement was to supply a needed number of goats for households targeted for restocking during drought, as per the standards set out in the agreement, such as the price of each goat, and time of delivery.

**Technical assistance.** The project facilitated the region's cooperative promotion bureau experts to provide regular technical assistance to the cooperative on financial record keeping and account management etc. A team of experts was deployed to provide follow-up and technical backstopping.

## Results

- Destocking and restocking interventions are key elements of drought response and their management is strengthened through introduction of cooperatives that are engaged in livestock trading activities that enhance the effectiveness of the intervention.
- Employment opportunities have been created for unemployed pastoralist youth, and incomes have increased.
- The establishment of the youth cooperatives within the

community has helped minimise the transaction costs that would be incurred by the project and affected households during destocking and restocking.

- The risk of the potential spread of livestock diseases has been minimised by introducing a system that uses livestock supplied from within the community.

## Constraints

- There was no prior experience in organising cooperatives in pastoralist areas. Therefore, the project used experiences from other regions and provided continuous training to the youth.
- Strong social ties and/or social networks might have influenced targeting. This can be avoided in future through strict follow-up and monitoring.
- Low level of literacy and numeracy is a constraint to establishing strong financial record keeping and management. Literate individuals were selected to provide support for the group.

## Lessons learnt

- Local leaders, administrators and clan leaders play a key role in establishing and strengthening youth groups engaged in livestock trading.
- Initial capital should be adequate for livestock trading to ensure that the volume of profit is good enough to attract members of the group and keep them in business.
- Legally established livestock trader cooperatives can potentially reduce illegal cross-border livestock trade, which is prevalent in Afambo woreda.
- Managing restocking and destocking operations using local cooperatives can significantly reduce the potential introduction and spread of livestock diseases from.

## Sustainability

- Strengthening market access by establishing linkage with potential buyers in the nearby areas.
- Improving literacy and numeracy skill of community members so that strong financial management systems could be put in place.
- The youth groups should engage in forage production activities to fatten the livestock they purchase from drought affected households during destocking.

## Replication and upscaling


Partner institutions are currently promoting the practice into other woredas such as Elidar and Aysaita. The factors necessary for successful replication and upscaling include:

- Strengthening livestock trading cooperatives financially and technically to trade effectively, for example through training on financial management and provision of seed money.
- Involvement of local administration and community leaders at all stages of the project.
- Forage production to ensure availability of fodder for the livestock to be purchased until restocking operations begin.
- Appropriate target group selection criteria to identify youth who could be engaged in livestock trading.
- Strong follow-up, technical support and stakeholder's commitment.

## CONTACTS

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