



## **Pastoralist Livelihoods Initiative-Livestock Marketing (PLI-LM) Project**



### **Final Report**

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## ACRONYMS

BoA	Bank of Abyssinia
CAHW	Community Animal Health Worker
CBE	Commercial Bank of Ethiopia
EIA	Environmental Impact Assessment
ELOFF	Emergency Livestock Off-take Facilitation Fund
ELTPA	Ethiopian Livestock Traders Professional Association
EMPEA	Ethiopian Meat Producers Exporters Association
FOB	Free on Board
FY	Fiscal Year
HQ	Headquarters
IR	Intermediate Result
LC	Letter of Credit
LM	Livestock Market
LMMB	Livestock Market Management Board
M&E	Monitoring and Evaluation
MoARD	Ministry of Agriculture and Rural Development
NGO	Non-Governmental Organization
PLI	Pastoralist Livelihoods Initiative
RLMMG	Regional Livestock Market Management Guideline
USAID	United States Agency for International Development
VCA	Value Chain Analysis

## **EXECUTIVE SUMMARY**

From October 2005 to September 2010, ACDI/VOCA implemented the USAID-funded Pastoralist Livelihoods Initiative-Livestock Marketing (PLI-LM) project in Afar, Somali and the lowland pastoralist areas of Oromia in Ethiopia. The project's activities were designed to reduce poverty, hunger, and vulnerability to droughts and other shocks in pastoralist communities by sustainably improving livelihoods and incomes of pastoralists through enhanced market opportunities. The project's key interventions focused on strengthening the commercial orientation and capacity to respond to market demand of pastoralists and other actors in the value chain and on constructing the infrastructure needed to enable market players to conduct efficient, fair, and secure transactions.

The three components of the PLI-LM project were (1) export-market development and value chain integration; (2) key market infrastructure construction/upgrading and operation; and (3) emergency response. The third component was added in the second quarter of Year I to respond to the severe drought in the Somali and Southern Oromia Regions.

All in all, under the PLI-LM project, ACDI/VOCA made a significant contribution to efforts to curb poverty, hunger, and vulnerability to droughts and other shocks in pastoralist communities. We increased pastoralists' knowledge of livestock marketing and strengthened the business skills of other actors in the value chain. Pastoralists, livestock marketing cooperative members, fattening unit operators, government experts, domestic traders, exporters, livestock transport operators and others benefited from trainings, workshops, local and foreign study tours, and commercial destocking loans. Over the life of the project, a total of 2,442 beneficiaries received different in-country trainings, technical supports and workshops organized and given by ACDI/VOCA.

As has been indicated in periodic program reports, ACDI/VOCA's tailor-made technical assistance on livestock marketing was very important and useful for triggering livestock businesses. Technical support such as trainings, workshops, and local and foreign study tours enabled livestock market actors to become more systematic, responsive, diversified and market oriented. As a result, many of the beneficiaries improved their businesses and earned more income.

Moreover, ACDI/VOCA constructed 25 livestock market infrastructures to establish operationally sustainable marketing facilities and pastoralists could conduct economically optimal marketing transactions. Each market site consists of 13 facilities designed for the smooth functioning of livestock marketing.

### **The PLI-LM project achieved the following over its five-year timeframe:**

- Based on criteria identified through consultations with key stakeholders and recommendations of the value chain analysis, 25 secondary livestock markets were constructed (Unfortunately, one of the markets, the Kersadula livestock market in Somali region, was demolished as a result of ethnic conflict after about 80 percent of the construction was completed.). These modern markets represent a strengthened link in the livestock value chain—they will improve the livestock sector performance and lead to increased economic benefits to the pastoralists who produce livestock for sale. Market players contacted and interviewed in various field visits confirmed that after ACDI/VOCA constructed the markets, the supply of livestock per market day

improved both in quantity and quality. In particular, livestock traders said that pastoralists are now supplying animals regularly, which gives traders access to meet demand of market.

- Following the drought in the Somali and lowland areas of Oromia in 2006, ACDI/VOCA designed and implemented an emergency response plan under which **78** weekly Livestock Marketing Bulletins were distributed to more than 400 recipients and **7,551** drought-affected animals were commercially de-stocked as a result of direct loan provision to selected livestock marketing cooperatives and livestock traders and a loan guarantee scheme (amounting to **\$356,549**).

A total of 2,442 people learned new skills in various in-country trainings and workshops organized and given by ACDI/VOCA.

- A total of 104 people participated in local exchange visits and five took part in a foreign study tour in Israel.
- **In 2006 pastoralists** sold a total of **179,652** animals, valued at more than Birr **137 million** (USD over 15 million) in selected regional markets (42,078 in Afar, 109,531 in Oromia and 28,043 in Somali Region).
- **In 2007<sup>1</sup> a net weight** of 162,604 kg of live animals, valued at more than 238 million birr, was exported by live-animal exporters.
- **In 2008<sup>2</sup>**, 22,758 animals used only for commercial purposes<sup>3</sup> (7,932 from Oromia, 12,087 from Somali and 2,739 from Afar Region), valued at more than 24 million birr, were sold at selected regional markets.
- A team of four, two from Livestock Exporters Professional association and two from ACDI/VOCA-Ethiopia, went to Djibouti to visit the quarantine system managed by Abuyasir International and the provision of port service to the livestock exported from Ethiopia. The team was able to visit the holding ground, the laboratory and the administrative section and learn about the overall work procedure of the quarantine.
- The following materials were written for use in interventions aimed at enhancing livestock marketing in Ethiopia: Livestock Value Chain Analysis; Assessment of the Performance of Livestock Marketing Cooperatives; a curriculum on Feedlot Management and Forage Nutrition for Ruminants; Livestock Transport Systems; Training Manual in Export Marketing and Business Planning; Banking and Credit Needs of Livestock Value Chain Actors; Cross Border Livestock Trade; and Assessment of the PLI-LM's Project Impact on Environment.
- **In 2009**, thanks to participatory and locally tailored interventions, a total of 209,747 cattle valued at 720,900,439 birr were sold in eight of the markets constructed by ACDI/VOCA: Harobeke: 49,920; Dubluk: 54,080; Bokulubuma: 4160; Finchwa: 20,800; Moyale: 29,120; Teltele: 12,480; Negele: 24,300; and Ayssaita: 14,887.

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<sup>1</sup> The outbreak of Rift Valley Fever in Kenya and Somalia in 2007 and the subsequent halt in the purchase of meat and livestock by the United Arab Emirates (UAE), the major importer of Ethiopian live animals and meat, resulted in a drop in export markets.

<sup>2</sup> Up to March 31, 2008.

<sup>3</sup> Bull, ram, buck and camels are among animals used for commercial purposes.

- Six markets (Chifra, Gewane, Logia, Bokulubuma, Hudet and Gode) were made operational. Thus, the number of operational livestock markets increased from 13 in October 2008 to 18 at the end of September 2009.
- The Regional Livestock Market Management Guidelines (RLMMG) were drafted and distributed in Afar, Oromia and Somali Regions.
- Sixteen livestock markets (Saburi, Aysaita, Filtu, Moyale, Jijiga, Lefissa, Hartishek, Negele, Harobeke, Dubluk, Teltele, Chifra, Elwuha, Yallo, Hudet Cheriti and Gode,) were rehabilitated.
- Twenty-two members of Utuba Gumi Livestock Export Trading Share Company were trained in business development services and commercial de-stocking activities in Borena to which small business groups were linked.
- **In 2010** the RLMMG were translated into Afan Oromo, Somali and Amharic languages at the request of the regions. The guidelines were reviewed and enriched by regional core groups and submitted to regional governments for endorsement and application. Accordingly, Afar and Oromia regions have conducted regional workshops to introduce the RLMMG.
- Materials for the construction of shade in six livestock markets (Sabure, Elwuha, and Logia in Afar; Jijiga and Hartishek in Somali; and Finchwa in Oromia) were granted by ACIDI/VOCA to the market-owning government bodies. The construction cost, which is about 30 percent of the total cost, will be covered by the government bodies as per the signed grant agreement between ACIDI/VOCA and the concerned government bodies.
- ACIDI/VOCA, in collaboration with Cooperative Promotion Offices, supported the organization of 11 women's self-help groups, with a total membership of 204, into saving and credit cooperatives in Afar, Somali and Oromia regions. ACIDI/VOCA conducted training on basic business skill development and provided seed money amounting to 20,000 birr for each group.



Above: activities of the organized women's group around the livestock markets

- The project distributed drug shelves to 13 functional livestock markets (Harobeke, Dubluk, Moyale, Teltele, Jijiga, Hartishek, Lefissa Sabure, Logia, Aysaita, Negele,

Filtu and Hudet). Regional governments have provided vet drugs and have assigned vet technicians who serve the community on market days.

- Three additional markets were made functional (Hudet, Gewane and Yallo), raising the total number of functional markets to 21.

## **I. PROGRAM DESCRIPTION**

The USAID-funded Pastoralist Livelihoods Initiative-Livestock Marketing (PLI-LM) project, implemented by ACDI/VOCA in Afar, Somali, and the lowland pastoralist areas of Oromia, began in October 2005. The project was originally intended to run for two years but was extended for three additional years. The first extension was a no-cost extension that lasted from October 2007 to September 2008. The second and third extensions were cost extensions that lasted from October 2008 to September 2009 and from October 2009 to September 2010. All the extensions were approved and agreed between USAID/Ethiopia and ACDI/VOCA. The no-cost extensions were necessitated by delays in the implementation of project activities due to unforeseen circumstances. ACDI/VOCA explained the specific reasons for implementation delays to USAID/Ethiopia during the process of negotiating the no-cost extensions. The cost extensions were recommended by independent evaluators deployed by USAID.

The overall objective of the project was to reduce poverty, hunger, and vulnerability to droughts and other shocks in pastoralist communities by sustainably improving livelihoods and incomes of pastoralists through enhanced market opportunities. The project's key interventions focused on strengthening the commercial orientation and capacity to respond to market demand of pastoralists and other actors in the value chain and on constructing the infrastructure needed to enable market players to conduct efficient, fair, and secure transactions.

ACDI/VOCA's approach to the PLI-LM project was based on three main methodologies—a livelihoods approach to pastoralists' economic activities, a value chain approach to increasing the efficiency of transactions throughout the Ethiopian livestock subsector and a business-performance approach to developing the capacity of individual enterprises within the livestock industry.

The PLI-LM project was implemented through three main program components:

- (1) Export market development and value chain integration
- (2) Key market infrastructure construction and operation
- (3) Emergency response—the third component was added in the second quarter of Year I to respond to the severe drought in the Somali and Southern Oromia Regions.

### **Component 1: Export Market Development and Value Chain Integration**

The objectives of component 1 were to

- increase pastoralists' profits from livestock sales;
- stimulate a more supportive and enabling environment for livestock industry development, particularly in support of market access by pastoralists; and
- strengthen performance, integration and coordination throughout the Ethiopian livestock subsector as a platform for long-term industry growth and competitiveness.

### **Component 2: Key Market Infrastructure Construction and Operation**

The objective of component 2 was to establish operationally sustainable market facilities that would enable pastoralists to conduct economically optimal market transactions.

### **Component 3: Emergency Response**

The objective of component 3 was to enable pastoralists to sell livestock commercially to reduce the number of animals in advance of drought-caused shocks.

**Table 1: Geographical location and number of beneficiaries**

No	Beneficiary Groups	Number of Beneficiaries by Region					Total
		Oromia	Afar	North Somali	South Somali	Addis Ababa	
1	Pastoralists including small and medium-scale traders	103,975	203,711	169,247	159,664	-	636,597
2	Livestock marketing cooperatives	18	7	6	11	-	42
3	Fattening units	8	7	8	7	5	35
4	Large-scale traders including exporters	12	0	10	0	40	62
5	Livestock transport operators	10	18	20	12	-	60

Through these integrated components, the PLI-LM project strengthened the livestock marketing knowledge of market players and enhanced the livestock market transaction environment.

## PLI-LM ACTIVITIES BY COMPONENT

### COMPONENT 1: EXPORT MARKET DEVELOPMENT AND VALUE CHAIN INTEGRATION

#### IR 1.1: Sustainable Supply of Livestock from Pastoralist Areas to Abattoirs and Exporters Established

##### 1.1.1 Trainings, Technical Supports, Workshops, Exchange Visits/Study Tours and Outreaches to Pastoralist Communities

A key objective of the PLI-LM project was to increase pastoralists' livestock-marketing business skills. To achieve this objective, ACDI/VOCA worked to build the capacity of market actors through trainings, workshops, and local and foreign study tours.

##### **In-Country Trainings, Technical Supports, Workshops and Outreach Efforts**

Under PLI-LM, ACDI/VOCA provided in-country trainings and technical supports to livestock market actors on livestock marketing, market information, market contract administration, business-skills development, fodder and feedlot management, animal fattening, and sustainable market operations and maintenance. In addition, market actors took part in workshops on livestock market awareness raising and safe saving mechanisms.

##### ***Business Skills Development Training***

ACDI/VOCA's PLI-LM project training and technical assistance focused on developing business skills to assist livestock market players in operating as business entities. Over the life of the project, ACDI/VOCA trained pastoralists, livestock traders, cooperative members and government experts in business skills development. The course modules covered a variety of topics such as business planning, livestock marketing, market information, marketing contract administration, bookkeeping, animal fattening and feedlot management. The training was a combination of class-based and field visits to feedlots and livestock marketing cooperatives to observe animal fattening, feedlot management, and proper accounting and bookkeeping practices. See Table 2 for the number of participants by region.

**Table 2: Participants in business skills development training by region**

<b>Region</b>	<b>Number of participants</b>
Afar	165
Oromia	175
Somali	331
Participants from unspecified region/s*	58
<b>Total</b>	<b>729</b>

\* The participants were forage producers, fattening unit operators, abattoirs and live animal exporters.

Of the 729 trainees, 50 were TOT participants. Of the TOT participants, 12 came from Afar, 25 came from Somali and 13



came from Oromia. The picture at the right depicts TOT participants in business skills development.

The training in business-skills development enabled livestock market actors to actively engage in enhanced livestock business and to improve recordkeeping. The results of the assessment made on trainings, technical supports and workshops given by ACDI/VOCA indicated that the supports greatly helped the participants to conduct their businesses in a more planned and systematic way.

### ***Technical Supports and Workshops***

Through PLI-LM, ACDI/VOCA provided continuous technical assistance and workshops to 642 beneficiaries on the following topics: what types of animals to raise to meet market demand; when and where to sell; optimal transportation of animals; veterinary care; pricing, animal nutrition, sustainable market operation and maintenance; safe saving mechanism and livestock trade procedures and regulations related to cross-border trade. The picture at the right depicts participants in the workshop on issues related to livestock marketing rules, regulation, cross-border trade and livestock transportation systems.



Pastoralists, small-scale livestock traders, live animal exporters, live animal traders, meat exporters, abattoir owners, live-animal transporters, car-body makers to transport livestock, quality and standard authority, MoARD, banks and insurance companies took part in the workshops organized by ACDI/VOCA. The purpose of the workshops was to

- teach pastoralists to raise livestock in line with market demand, for example pastoralists learned about the importance of animal fattening, animal health care, the right time to sell, export livestock market requirements, etc.;
- teach pastoralists about the importance of safe saving; and
- discuss constraints associated with livestock market rules, regulations, cross-border trade, and livestock transportation systems and seek ways to improve the performance of livestock marketing in Ethiopia.

As a result of workshops and related technical supports, pastoralists, small-scale traders and fattening unit operators have become aware of livestock market opportunities in the central markets of Ethiopia. They also learned that there are various livestock market channels, a high demand for their animals, and an insufficient supply of animals in the central markets, both for local consumption as well as for the export market.

Over the life of the project, a total of 2,442 beneficiaries took part in different in-country trainings, technical supports and workshops organized and given by ACDI/VOCA.

### ***Local Exchange Visits and Foreign Study Tour***

Under PLI-LM, ACIDI/VOCA conducted local exchange visits and a foreign study tour to create direct market linkages; expand contract sales among abattoirs, exporters, pastoralists and cooperative members; and learn how livestock marketing systems are being managed in other countries. Live-animal and meat exporters participated in a trip to Israel, and pastoralists and livestock marketing cooperative members took part in local exchange visits.

The study tour in Israel covered livestock production, processing, and marketing of meat and meat products. The objective of the study tour was to allow participants to visit livestock (live-animal and meat) marketing organizations; observe enhanced marketing systems and strategies; and create market linkages between the counterparts.

Pastoralists from Borena Zone, Southern Somali and Afar Regions visited abattoirs and live-animal exporters based in Modjo, Debre Zeit and Dire Dawa. A total of 92 pastoralists participated in local exchange visits and five went on the foreign study tour in Israel.

**Table 3: Participants in local exchange visits by region**

<b>Region</b>	<b>Number of Participants</b>
Afar	17
Somali	45
Oromia	30
<b>Total</b>	<b>92</b>

As a result of these visits, pastoralists were able to exchange information with export abattoirs and large-scale animal exporters. For the first time, the pastoralist traders were able to get first-hand information on buyers' livestock requirements regarding weight, sex, age and other parameters. The buyers, in turn, learned about the timing and frequency of agreed-upon market days. Participants in the study tour to Israel were able to observe a well-developed livestock value chain.

#### **1.1.2 Market Information Collection and Dissemination**

ACIDI/VOCA made tremendous efforts to analyze, interpret, and disseminate updated and reliable livestock market information to livestock traders (domestic traders as well as exporters), PLI partners, livestock-marketing cooperatives/unions, NGOs, and concerned government organizations via the Weekly Livestock Market Monitoring Bulletin. The bulletin was disseminated in electronic and hard copies and is translated into four local languages (Amharic, Afan Oromo, Somali and Afar). The weekly livestock information was initially collected from 16 markets. However, due to time constraints and practical difficulties in gathering consistent and reliable market information, the number of markets being monitored in each project area was reduced from four to two. Thus, starting in the fourth quarter of Year 1, data was collected from eight livestock markets in targeted project areas (Moyale, Jijiga, and Hartishek from Somali; Negelle, Harobeke, and Dubluk from Oromia; and Ayssaita and Chifra from Afar), from two markets in Addis Ababa (Karalo and Kera), and from one livestock market in Nazareth. The information contained in the Bulletin included weather forecasts; pasture and water conditions; livestock market information; livestock conditions; news and information updates; types and breeds of animals; numbers of animals supplied to the market and sold; and price ranges and average price per animal.

Moreover, data on meat export showing meat type, destination country, net weight of the meat in kg and the Free On Board (FOB) value in birr were also included in the bulletin. As with other marketing activities, the dissemination of market information served the short-term purpose of accelerating and facilitating livestock off-take as well as a longer-term purpose of improving livestock marketing mechanisms.

As one of the outreach activities, ACDI/VOCA also organized coordination meetings, including several stakeholder meetings on identified topics. Coordination meetings involved local government authorities, livestock traders, livestock marketing cooperative leaders, pastoralist group/clan leaders, women's group leaders, community animal health workers (CAHWs) and PLI implementers in all project regions. These meetings addressed the following issues:

- Effective livestock marketing
- Animal nutrition
- Livestock market information
- Types of animals to be supplied
- Pricing
- Strengthening livestock marketing cooperatives and women's groups
- Access to loans by cooperatives and traders
- Establishing sellers' groups

In general, a key aspect of the coordination meetings involved the creation of an interface between pastoralists and buyers and specific livestock market data collection and dissemination in order to increase off-take of animals from pastoralist areas.

### **1.1.3 Livestock Value Chain Analysis in PLI-LM Targeted Regions**

Livestock value chain analyses were conducted in all PLI-LM targeted regions. A team of ACDI/VOCA consultants led the Afar and northern Somali value chain analysis (VCA) training and study for project staff and counterparts from NGOs. The VCA that targeted southern Somali and the lowlands of Oromia region was carried out by the Technical Services Division at ACDI/VOCA Headquarters with support from the Chief of Party and Program Officer of the Ethiopian Office. The purpose of conducting the VCA was (1) to train ACDI/VOCA and other PLI implementers in value chain analysis methodology and to increase their understanding of the framework; and (2) to complete a study of the livestock market chains from the Afar, Somali, and Oromia pastoralist regions of Ethiopia, which would serve as a guide for targeting project interventions. The study combined classroom-based training in Addis Ababa and field visits led by the consultants for the application of the methodology in field setting.

Using participatory techniques, the VCA field teams interviewed pastoralists, agropastoralists, traders, abattoir managers and agents, fattening-unit operators, cooperative leaders, exporters, truckers and trekkers, holding-station owners, NGO staff, animal health workers, private veterinarians and other service providers. The field teams also visited livestock markets, fattening units, abattoirs, quarantine stations, agroprocessing industries, livestock-marketing cooperatives, financial institutions and customs offices. These visits and interviews enabled the team to identify constraints and opportunities in every aspect of the value chain, including end markets, business-enabling environment, inter-firm linkages, supporting markets, and firm-level upgrading.

The consultants summarized the VCA findings and presented recommendations to PLI-LM partners as well as senior staff members of USAID/Ethiopia. The study served as a guide for PLI-LM activities throughout Year I of the project.

Following the completion of VCAs in each region, ACDI/VOCA conducted preliminary market system analyses—incorporating findings from the VCAs—for all project areas in order to assess the structure and performance of each regional livestock marketing system within the project areas and the market integration of the pastoralists and agropastoralists into the overall livestock marketing operational structure.

#### **1.1.4 Assessment of the Performance of Livestock Marketing Cooperatives**

For this activity, ACDI/VOCA hired an independent local consultant. The objective of the consultancy was to revisit livestock marketing cooperatives to identify their strengths and weaknesses and to provide the appropriate technical support. Accordingly, the consultant after assessing their performance suggested recommendations for improvement. The consultant assessed eight primary cooperatives and two unions in Afar, Oromia and Somali. The main findings and recommendations of this consultancy work were the following:

##### ***(a) Main findings***

- Cooperatives are established in an open and voluntary membership spirit.
- Cooperatives are instrumental in meeting the demands of members (e.g., input and consumable goods supply) and increasing the bargaining power of members.
- Cooperatives' recognition by the government is high and hence they are allowed to engage in trade and creation of employment through mobilizing resources of their members.
- Some of them do not adequately understand the principles of how cooperatives function.
- Cooperatives are with few membership and weak financial stand as opposed to the requirement of a significant capital for livestock market to operate. As a result, cooperatives tend to be out-competed by private traders.
- Illiteracy in cooperatives is widespread, which results in inadequate recordkeeping, weak internal auditing, and poor management and leadership quality.
- Decision-making processes are slow due to poor financial management and irregular auditing<sup>4</sup> practices, and also because the management is run by committees which are not employees of the cooperatives.
- Low level of entrepreneurial skill, business orientation and motivation.
- Inability to plan self-initiated business strategies and hence difficulties in paying credits timely.
- Cooperatives still focus on supplying what is available (supply side) rather than focusing on the demand side (what the market needs and when).
- Cooperatives have negative attitudes toward traders, considering them enemies rather than potential business partners.
- The level of participation of members is inadequate.

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<sup>4</sup> The inherent weaknesses of the concerned governmental agencies at different levels (weak human Resources and poor logistical capability) contributed to the irregularity of audit practices.

- Cooperatives possess limited awareness of the external environment and marketing opportunities.
- Drought and disease outbreaks and ethnic conflicts repeatedly interrupted the regularity of supply of livestock to the market.
- Cooperatives suffer from poor infrastructure and market integration.
- Local authorities interfere in the affairs of cooperatives (e.g., in influencing the functioning of the union at Yabello).

***(b) Recommendations to the concerned cooperative organizing bodies***

- Develop a long-term livestock marketing strategy.
- Create national and regional forums that periodically bring key actors together.
- Efforts of government organizations and non-state actors should be well coordinated.
- Work closely with the concerned regional and woreda offices. For example, when providing credit, it is advisable to consult the regional Pastoralist and Rural coordination bureau so that getting assistance in getting the credit paid back will be easy.
- Address prevailing feed challenges by developing resources/inputs for feed production.
- Support livestock movement during times of drought by increasing means of transportation to move animals to less affected areas.
- Seek options for cooperatives to get long-term development loans (either from the government or from aid agencies).
- Build trust and accountability. Farmers have earlier experiences where leaders of cooperatives misused funds but were not held accountable. This makes farmers suspicious.
- Improve the financial standing and capital base of cooperatives.
- Improve recordkeeping. Recordkeeping is a challenge as many are illiterate and are not properly trained. For instance, activities and levels of participation are not properly recorded; as a result dividends based on shares bought and on levels of participation of individual members are not properly calculated.
- Ensure regular auditing and timely elections.
- Improve participation; member participation has been fairly limited. This has to be improved and their confidence in the cooperatives must be strengthened.
- Set useful objectives. Regional and district-level cooperative offices seem to be focusing on increasing the number of cooperatives (for reporting to higher authorities) instead of on making sure that those established are functioning properly.
- Recognize the specific features of the pastoral system and its implications on the formation and leadership functions of cooperatives.
- Diversify services that cooperatives provide. In addition to buying and selling of livestock, cooperatives should provide veterinary services, milling services, savings and credit, market information, market linkages, etc.

The assessment concluded that the cooperatives are still underdeveloped, both in their coverage and in their financial capacity. The government offices have not continued with and built upon the support that ACDI/VOCA was providing in all of the sites visited. Thus, much needs to be done to develop cooperatives and exploit their full potential for rural development in general and for promoting livestock marketing in Ethiopia in particular.

### 1.1.5 Feasibility Studies for Cooperatives/Local Groups on Fattening/Grazing Area Operations

For this study, ACDI/VOCA staff visited 13 cattle-fattening operations in Nazareth, Modjo, Somali and Borena. Based on the observations, staff made recommendations regarding facilities, feed management, feedlot design and management. The technical support given to these feedlot operators also covered animal management and feed formulation.

In Borena project staff visited fattening units that were owned and managed by individual households and advised the operators on how they should design a grazing plan to maximize grass and land use. During the visit, project staff observed that grazing was not effective and much of the grass was wasted due to improper management. In some instances, the units had more grass than animals. Grass is overgrown in some areas and therefore low in nutritional value. Fattening unit operators were told that, by following an appropriate grazing plan, they could increase the number of animals or they could free land for other purposes.

After the feasibility study was made, ACDI/VOCA's Animal Industry Specialist went step by step through the feasibility study process and identified problems associated with feedlot/cattle-fattening operations such as limited feeder and water linear spaces, pen overcrowding, poor pen situations, and inappropriate feed formulation and supply. Based on these identified constraints, the consultant made general recommendations regarding facilities, feed and feeder management, feedlot design, and general feedlot management as indicated below.

- **Feeder linear space:** It was observed that feedlots did not have enough feeder space to feed all animals at once. This leads to differential growth in the group, increasing the lack of uniformity. Bigger animals become even bigger, and they eat more and separate feed components, leaving less feed and a different formula to smaller animals. This particular problem makes the smaller animals less efficient and reduces the economic gains of the larger animals. Feeder space should, therefore, be at least 45 cm per head.
- **Waterer linear space:** These operations did not have enough waterer linear space, and the management of the water was inadequate. Waterers were dirty and far away from the feeders. Water should be fresh, waterers should be cleaned regularly, and they should be placed no more than 10m away from feeders. Waterer linear space should be 8 to 10 cm per head.
- **Pen overcrowding:** The total number of animals in the pens exceeded the recommended number of 75-125. The recommended lot space for animals less than 250 kg should be at least 23-32 square meters if there is poor drainage and 14-23 square meters if the drainage is good. Shaded area should be around 1.5 square meters per head. For animals over 250 kg, the recommended lot space should be at least 27-37 square meters if there is poor drainage and 18-27 square meters if the drainage is good. Shaded area should be around 1.8 square meters per head.

- **Pen cleaning:** The standard practice is to clean the pens to the ground, leaving no manure. This practice increases the risk of muddy conditions, especially during the rainy season (see photo at right). Muddy conditions caused by urine and feces are also present during the dry period due to overcrowding. Cleaning of the pens should be done in such a way that a layer of at least 10 cm of manure is left in the pen. This manure will harden, leaving an impermeable layer that prevents mud. In addition to the manure layer, pens should be cleaned in such a way that a mound that is at least 33m wide is formed in the center of the pen. This mound will provide a dry area during the wet season and will improve drainage of the pens. An additional advantage is that the animals prefer resting on an inclined plane rather than on a flat surface. Leaving a layer of manure in the pen will decrease lumpy conditions of the terrain, thereby increasing animal comfort.



- **Feed management:** All operations observed were focused on feed concentration and forage separation. This practice reduces rumen efficiency and therefore feed conversion. This, in turn, reduces economic efficiency. Furthermore, feed moisture content was very low, increasing the probability of feed separation. Feed separation causes the animals to eat a formula that is different from the one that was formulated, which reduces feed efficiency and economic return. Total feed moisture should be around 50 percent.
- **Feed formulation:** Each feedlot had a different formula for their animals. However, all formulas were extremely high in protein. All feedlots needed assistance in ration formulation, although they insisted that what they were using was very economical and worked well for them. Inclusion of nontraditional feeds, especially those that are high in energy (molasses, pasta waste, biscuit waste, cereal grains, etc) will increase animal performance and economic return.

All of these problems were pointed out to the managers in the field and appropriate recommendations were made. Observations and recommendations from these field visits were included in the Feedlot Management and Forage Nutrition for Ruminants curriculum that was used for training in the various regions.

## **IR 1.2: International Competitiveness of Abattoirs and Live Animal Exporters Improved**

### **1.2.1: Technical Assistance to Improve the Business Performance of Abattoirs and Exporters**

ACDI/VOCA offered technical support to abattoir owners and live-animal exporters to enable them to mitigate the effects of fluctuations in both livestock supply and market demand. The technical supports included proper use of agricultural and industrial by-products, beef cattle, sheep and goat production, forage production, feedlot management, range management, and meat handling and cutting. The needs of abattoirs and exporters were appraised using the expertise of ACDI/VOCA's Animal Industry Specialist.

The specialist identified technical support in business plan development, advertising, marketing, and easing constraints associated with the supply of animals as their most urgent needs. Accordingly, ACDI/VOCA modified its Year II plan of action and offered technical support on the identified problems. Abattoirs and exporters received training in business skills development and pastoralists and traders/abattoirs participated in exchange visits.

Business skills development training included modules on forage production, feedlot management, feed ration formulation, meat handling, and cutting and cattle body condition scoring. See Table 4 below. Before the training was given, ACDI/VOCA communicated with the Texas A&M team, which is working with abattoirs on technical issues related to abattoir operation, meat handling and health.

**Table 4: Number of participants in forage production, feedlot management, meat handling and cutting, and cattle body condition scoring**

<b>Trainings</b>	<b>Beneficiary Groups</b>	<b>Number of Participants</b>
Forage Production	Forage Producers	3
Feedlot Management	Fattening Units	3
Meat Handling and Cutting	Abattoirs	10
Cattle Body Condition Scoring	Abattoirs	3
<b>Total</b>		<b>19</b>

**Note:** Table 2 includes these figures too.

Through field visits, project staff found that most of the participants performed better in terms of feeding and watering practices, feed formulation, and proper pen usage techniques after they underwent training.

One of the problems associated with meat and live-animal export included poor slaughtering practices. Slaughtering practices did not identify the carcass, skin, head, or viscera of individual animals, making it almost impossible to trace an individual carcass if a health problem is detected in its red or green viscera.

Another problem was the lack of local land transport and airfreight space. An ACDI/VOCA consultant made a further study on constraints associated with livestock transportation systems and presented the results to 15 participants representing PLI partners.

In addition, a local consultant hired by ACDI/VOCA developed a discussion paper by reviewing previous studies made on livestock transport and other relevant literatures and case studies. He conducted a workshop for live-animal exporters, live-animal traders, meat exporters, abattoir owners, live-animal transporters, car-body makers, quality and standard authorities, MoARD staff, and representatives of banks and insurance companies. The discussion paper synthesized by the consultant focused on the following issues:

- The importance of transport to the subsector
- Basics of trekking and trucking
- Requirements of improved live animal transportation system
- Necessity of proper animal handling to reduce losses in the meat industry
- The use of understanding animal behavior to improve handling of livestock
- The importance of handling for safety and productivity

- The need to improve loading strategy and transportation systems (adapted to the species and types of livestock) to reduce stress and weight loss and to maintain meat quality.

The workshop participants also discussed problems in the livestock transportation system and how to address them, and the role to be played by actors in the subsector.

The study concluded with recommendations on areas where improvements are needed, including animal handling; loading strategies; use of ramps and absorbent and non-slip flooring; partitioning of load areas; vehicle design to increase capacity, and improve safety and ventilation; resting (feeding and watering); negotiating to reduce transport costs; developing agreements and seeking insurance; and assessing the impact of homing, beating and bruising on meat quality.

### **1.2.2 Strengthening Ethiopian Meat Producer Exporters' Association (EMPEA) Ethiopian Livestock Traders' Professional Association (ELTPA) and Fattening Unit Operators on Animal Fattening and Feedlot Management**

Members of ELTPA, EMPEA and fattening unit operators received trainings focused on improving the technical capacity of these beneficiaries so that they can produce the maximum weight of meat animals in the shortest possible time with maximum economic return. The training included issues such as animal purchasing, feed formulation, animal feeding and feedlot management. The picture at the right shows a demonstration on fattening and feedlot management.



To further improve the skills of live animal and meat exporters, ACDI/VOCA arranged a marketing trip to Israel for five people<sup>5</sup> from meat and live-animals exporters' associations and regional government organizations. The participants of the study tour visited feedlots, slaughterhouses, meat importing companies, butcheries, restaurants, industry associations and other livestock marketing organizations.

## **IR 1.3: Access to Financial Services across Livestock Value Chain Expanded**

### **1.3.1 Assessment on Banking and Credit Needs of Livestock Value Chain Actors**

To determine banking and credit needs of livestock value chain players, ACDI/VOCA recruited two national consultants. The objective of this study was to identify appropriate financial services for the various actors in the livestock value chain, especially livestock marketing cooperatives, traders and exporters. The consultants presented the findings (constraints, opportunities and recommendations) in a day-long workshop organized by ACDI/VOCA for cooperative representatives, traders, exporters, bankers, insurance officials, concerned government officials, USAID officials, PLI partners and ACDI/VOCA staff. In addition to these activities, ACDI/VOCA identified needs for working capital and business skills among livestock marketing cooperatives/groups and gave technical support and advice on livestock marketing to groups involved in emergency destocking.

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<sup>5</sup> The two people from ACDI/VOCA who participated in the study tour are not included.

### **1.3.2 Loan Application Assistance Provided to Exporters, Traders and other Value Chain Players**

ACDI/VOCA has also offered a technical assistance to livestock value chain players on how to proceed to access loans. In this regard, the PLI-LM staff reviewed business plans, legal documents and application letters from livestock marketing cooperatives and made short-term loans to 18 livestock cooperatives in Oromia and Somali regions and four Addis-based livestock traders.

Following the establishment of a \$150,000 emergency destocking loan program for cooperatives and a \$250,000 loan guarantee scheme in partnership with the Bank of Abyssinia, the traders were able to meet working capital needs, and as a result animals were purchased and sold.

### **1.3.3 Link Pastoralists Livestock Marketing Cooperatives with Safe Saving Mechanisms**

Project staff learned that most pastoralist groups in the project operation areas do not know how to open bank accounts. To bridge this gap, ACDI/VOCA worked closely with Commercial Bank of Ethiopia (CBE) branches that are working in targeted areas to identify options for saving facilities and linking project clients to these facilities. A guideline to link pastoralist groups with safe saving and cash transfer was developed.

ACDI/VOCA also conducted a one-day workshop for livestock marketing cooperative members in project areas. The purpose of the workshop was to acquaint cooperative members with procedures, rules, and regulations to be followed in opening a bank account and how to receive financial services from banks. Experts from the respective CBE branches gave the orientation to participants. The orientation focused on requirements that must be met in order to open a bank account, services provided by commercial banks, and benefits to pastoralist cooperatives or individuals of having bank accounts.

## **IR 1.4: Increased Stakeholders Engagement in Policy Initiatives to Improve the Enabling Environment for Increased Livestock Marketing**

### **1.4.1 Stakeholders' Engagement in Policy Initiative**

In order to increase stakeholders' engagement in policy dialogues for the improvement of livestock marketing, PLI partners agreed to implement a programwide approach, led by Tufts University, to improve policy. Accordingly, the Livestock Policy Forum was created to tackle key policy areas.

The forum established five working groups to address a) market support and de-stocking, b) emergency animal health, c) feed supplementation, d) restocking, and e) water and natural resource management guidelines and policy.

The Livestock Marketing Forum played key roles in the following:

- Supporting the development of livestock and livestock products marketing
- Sharing information to minimize wastage of resources, and to avoid duplication
- Harmonizing and standardizing market information collection
- Contributing towards existing efforts to provide government, private individuals, enterprises or research organizations with relevant and accurate information relating to livestock and livestock products marketing
- Assisting in the development of research projects related to livestock and livestock products

- Identifying specific areas that needed to be addressed in order to ensure sustainable livestock and livestock products marketing
- Working closely with government, local and international NGOs, and civil society groups to promote effective development of livestock and livestock products marketing
- Identifying gaps in the market chain (policy, process and others) and providing findings to appropriate institutions (public or private) for policy development and efficiency improvements
- Defining agendas that can affect policy to be fed to appropriate institution(s) for enactment
- Identifying capacity-building needs, and providing ideas on how to address them.

ACDI/VOCA was actively involved in the development of working groups and was an active member of the livestock market support and destocking working group. We submitted terms of reference (TOR) for studies conducted on incentives to destock and on price and market information system to Tufts University. We also shared lessons learned from the commercial destocking activities with forum members.

#### **1.4.2 Assessment of Options to Expand Legal Cross-Border Trade and Streamline Live-Animal and Meat-Export Procedures**

ACDI/VOCA has made assessments of livestock cross-border trade systems in Afar, Oromia and Somali, and has identified market channels that led to cross-border trade and the types of animals traded at the border. Following the assessment, ACDI/VOCA organized a workshop to discuss constraints associated with livestock market rules, regulations and cross-border trade and to seek possible and workable solutions to improve the performance of livestock marketing in Ethiopia. Live-animal exporters, live-animal traders, meat exporters, abattoir owners, live-animal transporters, car-body makers, quality and standard authority representatives, MoARD staff, and representatives of banks and insurance companies attended the workshop. At the workshop, the following issues were identified as constraints of livestock marketing:

##### ***Marketing Problems:***

- Large volume of unofficial cross-border trade.
- Lack of critical support services such as veterinary, holding ground, feed, water and transport in all livestock markets except those built by ACDI/VOCA.
- Extremely fractionalized market transactions along the value chain in the sense that several transactions take place with no value addition on animals
- Excessive market power is concentrated higher up the value chain (large-scale traders and exporters) and the bargaining power of pastoralists is extremely limited due to weak technical, managerial and organizational capacities.
- Unsupportive policies and regulations. For instance, foreign exchange requirements, multiple taxations, underdeveloped facilities such as quarantines and fattening facilities are some of the impediments of livestock marketing.
- Exporters' inadequate understanding of international standards governing trade in live animals and meat.

***Taxes/Service Charges:*** Increased taxes and service charges, which have been imposed by the government entities that have taken possession of the markets built by ACDI/VOCA, are believed to be among the major problems that discourage formal export and encourage informal export.

**Transit Fees:** Transit fees paid at check points while transporting live animals from villages to terminal markets are also discourage formal export, as these fees escalate the selling price of the animals.

***Export Permits/Certificates by Grantee Organizations and Their Fees:***

- Letters of credit (L/C). Exporters in North Somali are required to deposit hard currency per head of cattle before shipment takes place.
- Absence of livestock insurance is found to be the major constraints in the subsector.

Moreover, participants in the workshop identified the following major problems of livestock marketing and possible solutions and recommendations to enhance the subsector:

***Problems identified by participants:***

- The time constraints created due to scattered position of government service providing institution.
- Poor quality of product due to mishandling of livestock
- Inflated selling price due to repetitive taxation and service charges
- Cross-border trade flourishing as a result of uncompetitive local prices, absence of adequate livestock marketing infrastructures such as road, transportation system, quarantine service, veterinary service, modern abattoirs, market, feed, water, holding ground, etc.
- Low demand for some animals such as blackhead sheep and camel in the local/domestic market
- Absence of trade negotiations between Ethiopia and bordering countries such as Kenya, Sudan and Somalia
- Absence of defined buffer zone in bordering countries where movement of animals is considered illegal
- Lack of coordination in implementing proclamations and directives issued by federal and regional governments
- The long bureaucratic process to acquire land for the construction of modern feedlots and holding grounds
- The quality deterioration and price decrease created as a result of unnecessary stay of livestock at the quarantine in Djibouti
- No guarantee in local transportation system—only verbal agreement is made between the livestock trader and the transport operator
- Lack of strengthened Transporters' Association
- Lack of compatible trucks and appropriate resting places
- Lack of timely and reliable international livestock market information
- Lack of coordinated effort and networking among actors in the value chain
- Security issues that arise due to ethnic conflicts
- Political issues with border countries are believed to be the major problems that constrain the smooth functioning of the livestock marketing system.

*Possible solutions and recommendations forwarded by participants:*

- The rules and regulations regarding illegal border trade/contraband are very loose and vague. As the border trade is a national issue, it requires the involvements and synergies of all bodies working around boarder areas. Government bodies, CSOs and NGOs must design coordinated strategies to involve the local people in control of illegal livestock export in collaboration with customs authority.
- The establishment of a one-stop service provision system to reduce wastage of time and money
- Avoid repetitive service and transit charge increases so that livestock could be competitive in international markets
- The government should take the initiative to establish adequate livestock market infrastructures and other facilities to facilitate proper handling of livestock to maintain the health of animals and quality of meat
- Establish and maintain formal trade relations with countries in the Middle East and North and West Africa. Be familiar with the import protocol of those countries that are the major importers of livestock from Ethiopia.
- Ethiopia should establish its own quarantine and holding ground near the border of Djibouti so that export animals can safely stay there until export conditions are fulfilled. This, according to participants, will greatly reduce costs, weight loss, and deterioration of quality of meat.
- The government should revisit and amend the already set amount of feed per export animal.
- Live animal exporters and insurance companies should come together and work on how insurance coverage policies should be made available for livestock.
- Livestock market information should be centralized and reflect timely and reliable information.
- Government has to take the initiative to introduce modern and standard livestock trucks and provide a legal framework which enforces the transportation of live animals from place to place—including enforcements on maintaining animal welfare.
- There must be a platform to be coordinated by pertinent government bodies where all actors in the livestock value chain can meet and evaluate performance, discuss problems and forward possible solutions and recommendations. This can take place on a quarterly basis.

During the workshop, participants agreed on the need to act and work together and pledged to play their roles in an organized and coordinated manner.

**COMPONENT 2: KEY MARKET INFRASTRUCTURE CONSTRUCTION AND OPERATION**

**IR 2.1: Operational and Financially Sustainable Market Infrastructure Established**

**2.1.1 Livestock Market Site Selection and Design Plans**

Throughout Year I, ACDI/VOCA conducted extensive consultations on livestock market design plans and site selection at local, woreda, regional and national levels, together with USAID and PLI partners. Results of these multilevel stakeholders' consultations were major inputs for the preparation of final infrastructure plans, bill of quantities and drawings. From this analysis, ACDI/VOCA staff developed a final list of markets to be developed and upgraded under PLI-LM project. In some market sites, there is a need for additional services

such as detention pens, animal crush, water for the community, etc. The increase in the cost of construction materials, combined with the redirection of \$400,000 from the infrastructure budget to emergency response activities, compelled ACDI/VOCA to limit infrastructure construction/upgrading to 25 markets only.

The following factors were evaluated to select the 25 secondary livestock market sites:

- Frequency of market days and weekly volume of animals supplied to the market
- Potential of new/upgraded markets to have positive impact on the overall marketing system in the area
- Linkage to terminal/export market where large traders, exporters, and consumers are found; linkages with existing and planned marketing infrastructure
- Availability of water and feed resources in the locality
- Potential for economic development and growth of that particular area
- Agreement of the stakeholders (government, pastoralists and other actors)
- Alignment with Ethiopian Livestock Development Master Plan and marketing rules/regulations.

**Table 5: List of Market Sites Being Constructed by ACDI/VOCA by Project Areas**

<i>Oromia</i>	<i>Afar</i>	<i>Somali</i>
Harobake	Ayssaita	Jijiga
Negelle	Andido	Hartishek
Teltele	Chifera	Togwucahle
Dubuluk	Sabure	Leffessa
Finchwuha	Yallo	Shinille
Bokuluboma	Eliwuha	Moyale
	Gewane	Filtu
	Logia	Hudet
		Kersa Dulla
		Chereti
		Gode

As a result of further assessments made by ACDI/VOCA and in consultation with partners, three sites were changed. Kersa Dulla, Shinille and Bokuluboma replaced Dollo Odo, Degahbour and Metageferssa markets, respectively. This change was made because ACDI/VOCA found that there were market facilities at Dollo Odo and Degahbour constructed by PCDP (government- and World Bank-funded Pastoralist Community Development Project). Moreover, the Dollo Odo market was not used fully as there were not many animals coming to it. Because of a lack of water resource in Metageferssa, the market site was replaced by Bokuluboma where availability of water was proven by the geophysical study that was conducted by ACDI/VOCA. All the newly selected sites were approved by the respective regional governments.

In Year 1, major project activities included finalizing the confirmation of sites; completing technical specifications, bill of quantities and drawings; preparing bid documents; and recruiting construction firms.

ACDI/VOCA conducted studies that investigated water potential at seven livestock market sites and found that Yallo, Elwuha, Dubluk, Hudet and Togowuchae have potential for groundwater while in Metageferssa and Hartishek there was no sign of availability of groundwater.

The Hartishek livestock market was constructed following the government's plan to develop a water supply for the town. This was also communicated to the Kebre Bayah Woreda Administration, which is the responsible government counterpart for Hartishek Livestock Market. ACDI/VOCA showed its commitment to establish a water supply system for the market from the reservoir using a pipeline extension once the water supply system for the town is completed by the government.

### **2.1.2 Environmental Care**

ACDI/VOCA conducted an environmental impact assessment (EIA) through a local consulting company. The study identified the following potential adverse environmental effects of PLI-LM project activities:

- Soil destabilization as a result of excavations
- Siltation of water courses due to run-off water carrying eroded soil particles
- Soil destabilization due to leakage of water supply pipes
- Over-pumping of groundwater
- Reduction of biodiversity

The study recommended the following activities to mitigate adverse effects:

- At the end of construction works, level off the soils and facilitate regeneration of the vegetation.
- Clearly define the livestock waste and wastewater management.
- Use adequate support bedding for water distribution and transmission systems.
- Limit well capacity by choosing technologies that extract less water, such as hand pumps instead of motor pumps.
- Establish a perimeter of protection around water catchment areas and sensitive ecosystems.
- Design the water transmission and wastewater management systems, taking into account ecologically sensitive areas.

To care for the environment, all the market sites and water supply systems have been constructed in accordance with what was recommended by the consultant.

### **2.1.3 Construction/Upgrading of Market Infrastructure**

Following the preparatory activities in 2005, the construction of the first 13 livestock markets (Harobake, Teltele, Negelle, Filtu, Moyale, Jijiga, Hartishek, Togowuchale, Lefessa, Andido, Ayssaita, Sabure and Chifera) was completed in 2006 and nine of the markets were handed over to the respective governmental entities. The construction of the remaining markets was completed in the remaining life of the project. Thus, under the PLI-LM project, ACDI/VOCA made 25 modern livestock markets. The Kersadula livestock market was subsequently demolished due to ethnic conflict in the area. Of the remaining 24 markets, 21 of them are being used by livestock value chain actors in the targeted areas of Afar, Somali and Oromia regions. The remaining three markets were not functional due to various reasons. Each market site consists of 13 facilities designed for the smooth functioning of livestock markets.

The facilities include:

1. Market yard (one for cattle, one for camels and one for shoats)
2. Tax collection office
3. Veterinary service office
4. Animal crush
5. Detention pens
6. Inspection points
7. Tax check points
8. Water supply system
9. Water troughs
10. Feed troughs
11. Loading and unloading ramps
12. Public toilets (one each for men and women)
13. Information board

#### **2.1.4 Sustainability of Market Infrastructures**

ACDI/VOCA was very much concerned about the sustainable operation of the livestock markets and took the following two measures:

1. We provided trainings to all those who are responsible for operating and managing the markets before officially handing over the ownership and management of the markets to woreda administrations and municipalities. The trainings included the following modules:

- Basic performance monitoring and development of recording systems for livestock markets
- Business planning and development of small businesses, including staffing and management restructuring
- Management and operations of effective markets
- Peer mentoring exchange-training visits between markets
- Refresher and advanced training for market employees in management and operation of effective markets

2. We drafted regional livestock management guidelines to be reviewed, enriched and endorsed for use in each region. It also gave financial and technical support for the translation of the RLMMG in to the respective regional languages and to conduct workshops to introduce the RLMMG.

All the market sites have been handed over to the responsible government authorities (woreda administrations and municipalities). Hand over was supported by agreement documents that obliged responsible government offices to operate and maintain the markets in a sustainable manner.

The woreda administrations and municipalities have the following duties and responsibilities: (1) assign required personnel to run all facilities such as tax collection office, check points, veterinary service office, inspection points, and water and feed supply systems; (2) allocate adequate budget from the income obtained from the market service charges as well as from other sources for the operation, maintenance and improvement of the market; (3) encourage private suppliers to supply feed at the market; (4) ensure water supply to the market is guaranteed; (5) contract youth and women's groups to engage in market cleaning and manure collection; and (6) submit to ACDI/VOCA monthly updates on sale of animals, revenue collected, overall functioning of the market, etc., until the end of the PLI-LM project.

Through repeated field visits, however, ACIDI/VOCA learned that woreda administrations and municipalities were not administering the markets according to the terms and conditions in the agreement/handover document. The woreda administrations' and municipalities' top priority was to collect tax during market days.

During the closeout session of the project, ACIDI/VOCA indicated the need to strengthen and support the market management boards that ACIDI/VOCA has established at each market, to adhere to the terms and conditions stated in the handover document and to properly implement the regional livestock market management guidelines endorsed by the regional governments.

### **COMPONENT 3: EMERGENCY PREPAREDNESS**

#### **3.1 Pastoralists reduced the number of animals through commercial sales in advance of collapsing prices and animal deterioration caused by drought**

##### **3.1.1. Emergency Monitoring**

This activity was initiated following the occurrence of severe drought in Somali and Southern Oromia Regions in 2006. ACIDI/VOCA responded promptly through emergency response coordinators to implement an emergency plan.

The four ACIDI/VOCA field offices in the three target pastoral regions collected market data from eight market sites. ELTPA (Ethiopian Livestock Traders' Professional Association) collected information for ACIDI/VOCA from the terminal markets of Kera and Karalo as well as Nazareth.

In all, about 78 weekly Livestock Marketing Bulletins were distributed to more than 400 recipients in English, Amharic, Afan Oromo and Somali. These were prepared particularly to coordinate livestock market-related information and to monitor the situation in the pastoral lowland areas. FAO, USAID and ACIDI/VOCA also distributed the Rift Valley Fever (RVF) brochure to pastoralists in the RVF-prone areas as part of this successful activity.

After the closure of branch offices, the collection, analysis and dissemination of the comprehensive Livestock Market Information bulletin was discontinued. However, ACIDI/VOCA continued disseminating information on the breed of animal, number of animals supplied to the market, sold and the selling price. This information was collected from Addis Ababa (from the Karalo and Kera markets and also from one market in Nazareth) until the end of 2008.

##### **3.1.2. Collect loans provided to cooperatives and traders as emergency responses**

ACIDI/VOCA disbursed a total of \$400,000 through a loan provision and loan guarantee scheme; of this amount, \$149,425 was lent to 18 cooperatives and \$250,000 was provided as guarantee funds to the Bank of Abyssinia for loans to large-scale traders. During the drought period the loans supported and enabled them to de-stock 7,551 drought-affected livestock commercially.

ACIDI/VOCA exerted substantial effort for monitoring and loan collection programs, and it has recovered \$290,450 (71 percent cooperative loans and 75 percent of the trader loans).

Overall ACDI/VOCA used the collected loan funds to implement supplementary activities and to accomplish the overall objective of the project.

ACDI/VOCA has also facilitated the private sector purchase of drought-affected livestock has also strived to ensure an effective asset-to-cash transfer system for pastoralist livestock keepers. Finally these were achieved through the establishment of correct environment for the linkage of private sectors with pastoralists.

### **III. PLI-LM OUTPUTS AND RESULTS**

ACDI/VOCA's technical support to livestock marketing and the construction of modern livestock markets have been found to be important tools to trigger livestock marketing. ACDI/VOCA's effort under PLI-LM has enabled livestock market actors to be more systematic, responsive, diversified, market-oriented entities and to conduct economically optimal marketing transactions.

In general, over the course of PLI-LM, the following outputs and results were achieved:

#### **3.1 In-Country Trainings, Technical Support, Workshops and Outreach Efforts**

- Over the life of the project, a total of 2,442 beneficiaries took part in different in-country trainings, technical support efforts and workshops organized and given by ACDI/VOCA. As a result of this technical support, market actors improved the health of animals not only through proper feeding but also by protecting them from sun by constructing shade, and by putting the big and small ones in separate pens.

Adugna Seboka from Live Animal Export PLC, who participated in various trainings, said the following: "After the training, the company constructed a shade for animals, kept them separated by age and size, and also improved the water and feed troughs." The participant further added that previously, animals were fed in an open space and therefore there was wastage of feed due to rain or other adulterations. But, after the training, his company worked to protect the troughs with shades and as a result the wastage was substantially reduced. One of the participants from Guji Zone also said that by applying the fattening techniques he learned, he sold an ox for 2,000 birr in the local market and made a profit of 400 birr. Before he received the training, he was only able to earn a profit of 200 birr. A participant from Liben Woreda of Guji Zone also indicated that after he took part in the training, he formed Efebere Fattening Association with a membership of 10. He underscored the fact that the creation of an association helped them pool their resources and achieve economies of scale, which allowed them to manage their businesses at a reduced cost—he estimated the reduction in cost to be 80 percent.

A member of Saburas Livestock Marketing Cooperative in Ayssaita who participated in business skills development training also said that the concepts of the training on animal management, savings, the need to put animals under a shade, the timing of purchasing and selling of animals and the like helped them improve their businesses. The training helped them know how business can be profitable if managed properly and as a result the cooperative managed to own more than 50 oxen for sale. Their business before the training was limited to only 10 oxen. The participant said that following the adoption of the training concepts, their livestock business registered an

improvement of approximately 33 percent as compared to the status of their business before the training was given.

A participant from Duko Hina Livestock Marketing Cooperative in Ayssaita said that the cooperative managed to sell 30 shoats, which were at risk as there was an outbreak of animal disease in the area, to convert them into cash. The cooperative learned about such a response to shocks from the training organized and given by ACIDI/VOCA. After the training in safe-saving mechanisms, the cooperative also accredited the importance of savings and as a result it opened its own account at the Commercial Bank of Ethiopia in Ayssaita. The training given on business skills development further benefited participants from Ayssaita to be more business-oriented. As a result, they started growing improved grass variety, which they got from the Woreda Pastoral Agricultural and Rural Development Office, and could feed their animals without going far in search of pasture. This helped them to improve the condition of their animals and they earned 3,000 to 4,000 birr from the sale of one ox, which previously was sold at only 2,500 birr. Moreover, they now fetch an income of 100 birr from the sale of one kg of improved grass seed.

As a result of the workshop given on safe-saving mechanisms, Geeska Africa and Hodat Livestock Marketing Cooperatives opened saving accounts with the CBE Degahabur branch; Gudina, Megertu and Ibsa-jirengna Livestock Marketing Cooperatives opened saving accounts with the CBE Yabello branch; and Tawakal Livestock Marketing Cooperative in Filtu Woreda opened a saving account at the CBE Negelle Borena branch.

### **3.2 Local Exchange Visits and Foreign Study Tour**

A total of 104 people participated in local exchange visits and five took part in a foreign study tour in Israel. Local exchange visits/study tours, according to the participants, were relevant to their businesses. In general, as a result of the local exchange visits/study tours arranged by ACIDI/VOCA, the participants were able to accomplish the following:

- They got first-hand information from their counterparts about the type, size and age of animals that are relevant for commercial purposes. This was in particular important for pastoralists and local traders as it helped them understand the interests of abattoirs and exporters. As a result of the exchange visits, local traders could directly contact the abattoirs or exporters and this reduced brokers' costs by about 200 birr per animal. The exchange visit also motivated pastoralists and local traders to sell animals after they fattened them, as they observed that fattened animals fetch better prices. The participants also shared the experiences they got from the exchange visit with their neighborhoods and this will have a potential impact on enhancing the market-led orientation of the pastoralists. Moreover, local exchange visits gave the opportunity to the participants to diversify their products. For instance, a participant from Durdur Livestock Marketing Cooperative in Awubare Woreda of Jijiga Zone said that before they took part in the exchange visit, the cooperative supplied only raw milk to the market. After the exchange visit, having observed how milk by-products could be produced, the cooperative bought a milk churner and started producing butter that fetched a good price.

In addition, the exchange visit helped them gain knowledge in fattening. A fattened ox can sell for 1,500 birr, whereas before it only sold for 1,150 birr at the local market. Moreover, through the efforts of PLI-LM staff in facilitating livestock marketing linkages, livestock marketing cooperatives in South Somali and Borena sold 710 shoats to Elfora and Luna (exporter abattoirs) and 118 cattle to Takem (live animal exporter) in 2006. Saborais, Halaydag, Bonta, Askoma, Mashaalah, Bekila and Nasir and His Brothers Livestock Marketing Cooperatives in Afar Region have improved efficiency and effectiveness of their businesses and have also shifted to a new business—animal fattening. As a result, in 2007 FY, the cooperatives fattened 183 cattle, 38 sheep and goats and sold them in the local markets. Of these cooperatives, Askoma Livestock Marketing Cooperative in Millie Woreda sold 500 sheep and goats to SHAG Import Export Enterprise.

Similarly, the exchange visit led to the lucrative sale of animals from pastoralists in Borena Zone of Oromia Region. Jirenya Goro Livestock Cooperative—one of the beneficiaries of the exchange visit from Borena Zone—sold 85 goats to ELFORA and Sheikh Mohammed Abdulkadir—a private livestock trader who also took part in the exchange visits—sold 464 goats to the same buyer in 2007. Tawakal and Hilaac Livestock Marketing Cooperatives in Moyale Woreda of Somali Region sold 35 camels and 300 sheep to SHAG Import Export Enterprise. Aredhari Livestock Marketing Cooperative and Ged-Quran Agro-Pastoral Cooperative in Dollo-Ado area of Somali Region respectively sold 893 and 2,490 shoats to ELFORA.

- They learned about improved animal handling, feeding, slaughtering, meat handling, packing and marketing systems. Those who participated in the study tour in Israel were able to see developed markets in relation to livestock value chain. Participants included in the interview (from Ethiopian Livestock Traders' Professional Association (ELTPA), LUNA Export Slaughter House and Modjo Modern Export Abattoir) were impressed with what they saw and learned and were very eager to replicate what they observed. They were particularly impressed by feeding composition, daily weight gains of animals (1.15kg to 1.40kg per head), duration of fattening days, calve fattening systems and the integration of the value chain. Following the trip, some of the participants started applying what they observed. For instance, LUNA Export Slaughter House improved feed troughs for small ruminants, i.e., instead of constructing permanent and costly feed troughs, the slaughterhouse constructed movable/portable, durable and low-cost feed troughs. The slaughterhouse also started applying short-cut slaughtering procedures. Furthermore, based on what he observed, one of the participants has already started shading an area of 185 square meter for his own fattening business.

### **3.3 Livestock Market Infrastructure**

A total of 25 secondary markets were constructed. One of the 25 markets was destroyed by the tribal conflict that arose in the area. According to market actors interviewed during field visits, ACDI/VOCA in general established a well-defined livestock marketing system that is beneficial to all actors. In this regard, below were the major points that the beneficiaries identified to indicate how the markets are beneficial to them.

- The markets are serving as venues to establish livestock marketing businesses by replacing the previous marketing system, which was unsystematic, scattered and unsecured. The construction of loading ramps, for instance, helped avoid the incidence of stress, tail rupture, scratches on animals' hides, and skins and bruises to the meat.
- The fact that markets are constructed in a modern way has increased the volume and value of animals. For instance, participants at Harobake indicated that, following the construction of the market and the creation of a conducive environment for a "real" livestock marketing business, a goat that was previously sold for 200 birr is being sold for 300 birr, and a cow or an ox that was previously sold for 800 birr can now be sold for 1,500 birr.
- The newly constructed markets are serving not only as market places but also as pens for buyers to keep their animals in until vehicles become available. Traders in Harobake said, "We consider the marketplace as our home. We can keep the animals we bought in the market compound even for a week by paying only one birr per animal to the person who takes care of them."
- All marketers perform their businesses in a secured manner in the sense that their animals cannot escape and/or be stolen as the markets are now well enclosed. This has positive results: allowing the market actors to use their time more efficiently and a savings of at least 650 birr per stolen animal per market day.
- The markets are now serving as good sources of revenue for woreda administrations/municipalities—which, in effect, is an additional income to the community at large. The revenue collected in the form of tax in Filtu Livestock Market, for instance, is being used as additional income for budgeting staff salary and also for the purchase of cleaning material. According to the mayor, they bought shovels, barrels and other equipment using the income they earned from the tax for the purpose of cleaning the city. Similarly, from the market service charges, Yabello Woreda Administration covers house rent and other utility expenses of the hostel where approximately 300 needy students are staying. Negelle Borena City Administration also managed to pay utility expenses of students' hostel and the salary of the hostel's guard (230 birr per month) from the market service charges.
- Some of the markets that are constructed in the newly identified sites helped pastoralists sell their animals at farm-gate prices. Filtu market is a case in point. Previously, according to the mayor, there was no livestock marketplace in the area. The poor road conditions and the absence of a formal livestock marketing site prevented traders from purchasing animals in Filtu, and the only acceptable marketplace was Negelle Borena, which is a long distance for pastoralists residing in Filtu area to travel. According to the market actors that participated in the interview, the construction of Filtu Livestock Market has also given the area a noticeable presence.
- The impact of markets on improving the livelihoods of indirect beneficiaries was significant. ACIDI/VOCA's intervention in market construction has initiated some of the nearby residents, including a women's group, to create their own employment opportunities. These beneficiaries were engaged in petty trading such as retailing of

tea, bread, soft drinks, coffee, clothing, local drinks like *Karibo* and *Boka*, and other consumer goods and were generating an average income of 100 birr per market day.

### **3.4 Market Information Collection and Dissemination**

Although ACIDI/VOCA cannot claim full credit for all the following results, its work under PLI-LM made a significant contribution towards them:

- 78 electronic copies of weekly Livestock Marketing Bulletins were distributed to more than 400 recipients.
- Hard copies of the bulletin were distributed to over 11,200 regional PLI partners, government officers, local traders and cooperative members.
- **In FY 2006**, pastoralists sold a total of 179,652 animals valued at more than 137 million birr in selected regional markets (42,078 in Afar, 109,531 in Oromia and 28,043 in Somali markets).
- **In FY 2007**, a net weight of 162,604 kg of live animals valued at more than 238 million birr were exported by live-animal exporters.
- **In FY 2008**, 22,758 animals used only for commercial purposes (7,932 from Oromia, 12,087 from Somali and 2,739 from Afar Region) valued at more than 24 million Birr have been sold at selected regional markets.
- **In FY 2009**, a total of 209,747 cattle were sold in the three project target regions for about 734,114,500 birr.

**In FY 2010**, a total of 525,365 cattle valued at 615,875,967 birr were sold by pastoralists from Afar, Somali and Borena, and guji zones of Oromia Region.

### **3.5 Emergency Response**

- A total of 7,551 drought-affected animals were commercially destocked as a result of direct loan provision and a loan guarantee scheme facilitated by ACIDI/VOCA.

### **3.6 Studies and Documents Produced**

Through the support of the PLI-LM project, the following major studies were made and documents were produced for use in interventions aimed at enhancing livestock marketing in Ethiopia.

- Livestock Value Chain Analysis
- Assessment of the Performance of Livestock Marketing Cooperatives
- A curriculum on Feedlot Management and Forage Nutrition for Ruminants
- Livestock Transport Systems
- Training Manual in Export Marketing and Business Planning
- Banking and Credit Needs of Livestock Value Chain Actors
- Cross Border Livestock Trade
- Assessment of the PLI-LM Project's Impact on the Environment

## **IV. MAJOR CONSTRAINTS AND CHALLENGES FACED OVER THE LIFE OF THE PROJECT**

### **4.1. Time Constraints**

#### **4.1.1 Delayed Early Warning Information Dissemination**

During the severe drought in the southern Oromia and Somali regions, early warning information was not disseminated in a timely manner, which prevented a prompt emergency response to off-take livestock. The lack of a preapproved emergency preparedness and prevention plan was also another difficulty.

#### **Lengthy and Difficult Process for Stakeholder Approval of Market Sites and Infrastructure Designs**

Though the process was lengthy, ACDI/VOCA worked effectively with various stakeholders at different levels, including federal, regional and woreda governments as well as local communities, to win their consent and approval on market sites selection and construction.

#### **4.1.2. Conflicts of Interest:**

ACDI/VOCA encountered lengthy mediation to resolve the conflicting interests among stakeholders during market site selection and land request.

#### **4.1.3. Overlapping of Activities on Implementation of the Program**

Since the very nature of such constraints and emergency occurrence necessitate simultaneous actions, it leads to overlapping on implementation of both emergency and development programs in a very short timeframe.

#### **4.1.4. Lengthy Decision-making Processes:**

Lengthy decision-making processes at woreda-level government authorities delay appropriate resolutions to problems like water connections to the newly constructed markets, the identification of specific construction sites and getting approval for replacement of rejected market sites.

ACDI/VOCA also engaged in lengthy dealings with the water-supply agency of Moyale Town to implement Moyale and Jijiga's livestock market water pipeline extension, as they requested us to cover 40 percent of the cost of extension and fitting.

### **4.2. Drought**

Severe drought in Southern Oromia and Somali Regions required an emergency response to protect pastoralist livelihoods through interventions designed to commercially destock livestock. Early warning information flow was slow, reducing the time available to develop and implement emergency responses. The lack of a preapproved emergency preparedness and prevention plan affected the timeliness of the response, requiring emergency planning and preparation to occur at the same time in the emergency phase of the drought cycle. All these caused us to shift our focus from scheduled activities to emergency responses.

### **4.2.1 Security**

Security threats, particularly in Somali Region, made it difficult for staff members to travel, implement activities and conduct necessary follow up on time. The conflict between Boran and Guji was also a major obstacle in Oromia Region, and it limited project staff travel in these areas.

### **4.2.2 Personnel Challenges**

ACDI/VOCA experienced a shortfall of key personnel during the project start-up phase, including the withdrawal of the candidates for both the original Chief of Party position and the original Senior Livestock Marketing Officer position. ACDI/VOCA-Ethiopia's Country Director, who was to have significant input into the project, was also absent due to ill health. This shortfall was a critical constraint during a period which involved the establishment of four fully functional field offices and an office in Addis, and the recruitment of 36 project staff members. Considerable time and effort was spent recruiting experienced and suitable professionals for the different posts of the project. Absence of these professionals for more than two months at the outset of the project negatively affected the timely implementation of project activities.

### **4.2.3 Lengthy and Difficult Process of Stakeholders' Consultations**

Though a necessary but time-consuming process, ACDI/VOCA worked with various stakeholders at different levels—federal, regional and woreda governments as well as local communities—to choose sites and get approval for construction. Conflicts of interest arose among stakeholders during the market site selection dialogues and consultations conducted by ACDI/VOCA, which necessitated lengthy mediation and resolution of conflicting interests. The lengthy process required to get decision makers from regional government offices impeded resolutions, e.g., for problems related to water connections to the newly constructed markets and getting approval of the new sites identified by ACDI/VOCA and partners. These factors delayed infrastructure activities.

Issues related to land ownership delayed construction activities in some selected sites. This happened mainly due to lack of prior discussions between the government bodies and landowners on the planned market sites. Lack of sufficient bidders for some market sites was another factor that inhibited the early start of construction activities. Bids for more than three markets were advertised twice.

### **4.2.4 Lack of Project Vehicles**

The project did not receive vehicles until May 2006, limited field travel and partner coordination both in Addis Ababa and in the regions, and delayed project activities.

## **4.3. Others**

The project target areas are relatively remote and isolated. Severe climate, vast areas of coverage, security constraints, weak transportation facilities, poor communication infrastructures, and lack of educated people in the localities were major challenges. The lack of good infrastructure, particularly communication facilities such as telephone, fax, e-mail,

etc., made coordination among field offices and the Addis office difficult, although ACDI/VOCA took steps to work around these difficulties.

## V. MAJOR LESSONS LEARNED OVER THE LIFE OF THE PROJECT

Over the project's life cycle, ACDI/VOCA staff members worked hard to enhance the project's performance by filling technical gaps, and engaging stakeholders in the planning, implementation and monitoring of the project phases.

ACDI/VOCA gleaned the following lessons over the course of implementing the project:

- **Project life span:** For a project as large as PLI-LM, two years is not enough time to accomplish project activities and to phase out properly.
- **Comprehensive and Flexible Planning:** Since the PLI-LM project was a dynamic program implemented in remote areas, it encountered unexpected costs and other circumstances. Hence, the implementation of activities needs a comprehensive, flexible and commonly shared planning.
- **Stakeholders Consultation: Consulting with** stakeholders was crucial for feasible, appropriate and valid project activities. Therefore, the market sites and the infrastructure design plans were made based on the feedback obtained from stakeholders.
- **Effective Training:** Under Business Skill Development, one of the lessons learned was about TOT Trainees & Trainers; it dictates that for more of the TOT training program effectiveness, participants should be at a similar educational level.

Trainers should not only be specialists in their fields, but also they must have acquired adequate knowledge of pastoralism and be capable to prepare training materials which exceptionally based on pastoral-context.

- **Involvement of government bodies:** Involvement of government bodies all through project planning, implementation, monitoring and evaluation is crucial for the proper implementation of the project and to ensure its sustainability.

**Annex 1: List, Handover & Operational Status of the 25 Livestock Markets**

<b>Region</b>	<b>S.No</b>	<b>Market Sites</b>	<b>Completion</b>	<b>Hand over Dates</b>	<b>Functionality</b>
<b>Afar</b>	1	Ayssaita	100%	August 23, 2007	F
	2	Andido	100%	July 14, 2007	NF
	3	Yallo	100%	August 10, 2008	F
	4	Chiffra	100%	August 9, 2008	F
	5	Elwuha	100%	August 8, 2008	F
	6	Logia	100%	August 22, 2008	F
	7	Gewane	100%	August 12, 2008	F
	8	Sabure	100%	Not handed over	F
<b>Oromia</b>	9	Harobake	100%	April 14, 2007	F
	10	Negelle	100%	June 20, 2007	<b>F</b>
	11	Teletele	100%	April 15, 2007	F
	12	Dubuluk	100%	August 1, 2008	F
	13	Finchwuha	100%	January 15, 2008	F
	14	Bokuluboma	100%	August 1, 2008	F
<b>Somali</b>	15	Filtu	100%	June 21, 2007	F
	16	Moyale	100%	August 2, 2008	F
	17	Jijiga	100%	October 24, 2007	F
	18	Togowuchale	100%	October 24, 2007	NF
	19	Lefessa	100%	October 24, 2007	F
	20	Chereti	100%	March 28, 2008	NF
	21	Hartishiek	100%	October 24, 2007	F
	22	Kersadula	80%	Not handed over	Not completed due to security problems
	23	Hudet	100%	Not handed over	F
	24	Gode	100%	March 26, 2008	F
	25	Shinille	100%	July 23, 2008	F

*N.B: F means functional  
NF means not functional*

## Annex 2: Organized Self-help women-groups, PLI-LM Project

Region	Market Site	Name of Co-op	Type of Co-op	Membership	Seed Money Grant
Afar	Asaitta	Dukhin	Multipurpose	14	20,000.00
	Logia	Efa	Multipurpose	13	20,000.00
	Sabure	Abrenendeg	Multipurpose	10	20,000.00
<b>Sub – Total</b>				<b>37</b>	<b>60,000.00</b>
North Somali	Jijiga	Estager	Saving & Credit	26	20,000.00
	Hartishek	Nasib Wanag	Saving & Credit	18	20,000.00
	Lefissa	-	Saving & Credit	20	20,000.00
<b>Sub – Total</b>				<b>64</b>	<b>60,000.00</b>
South Somali	Moyale	Solk Halo Dubra	Multipurpose	21	20,000.00
<b>Sub – Total</b>				<b>21</b>	<b>20,000.00</b>
Oromia	Negele	Kedir	Saving & Credit	21	20,000.00
	Negele	Shames	Saving & Credit	21	20,000.00
	Finchwa	Kufa Negen	Multipurpose	21	20,000.00
	Dubluk	Kufa	Multipurpose	19	20,000.00
<b>Sub – Total</b>				<b>82</b>	<b>80,000.00</b>
<b>Grand Total</b>				<b>204</b>	<b>220,000.00</b>

## **Annex 3: Success Story**

### **From “Bush Livestock Market” to Small Town in Three years**

ACDI/VOCA started implementing the USAID-funded Pastoralist Livelihoods Initiative – Livestock Marketing (PLI-LM) project in Ethiopia in 2005. At that time there was a small bush livestock market at a place called Harobeke, located in Borena Zone of Oromia Region on the main road to Moyale, about 645 km south of Addis Ababa.

Harobeke got its name from a small pond near the market. Harobeke, in the Oromo language, means the “Place of Pond.” The Borena area is quite arid and the scarcity of water is a major problem for Borena pastoralists. This was the major reason why the surrounding pastoralist community chose Harobeke as a location for their simple bush market where livestock and other consumable commodities could be sold or traded. The market was open once a week on Sundays with almost all of the market users coming from a long distance and generally on foot.

Harobeke was therefore a logical choice as a site for construction of a new livestock market under the PLI-LM project in order to provide pastoralists in the area with greater market opportunities for their livestock. The new market was completed in 2007 and has continued to grow since then. The number of livestock traders who buy from Harobeke market has increased tremendously and in a single market day more than 100 trucks are lined up, waiting to load animals sold through the market. The Harobeke market has certainly provided pastoralists in the area with increased market opportunities, but it has also become a focal point for economic growth, especially for women-owned businesses.

Women who used to operate small retail businesses like boiling tea and selling bread under shade trees are now constructing homes and permanently living around the market. Their businesses are growing and now they own small restaurants, tea and retail shops where they provide services to the market users who come from faraway places to sell and buy livestock. Today there are hundreds of these kinds of shops. Harobeke has dramatically transformed itself from a simple bush market to a growing rural business town where the old, small, temporary huts are being replaced by modern shops and new homes.

ACDI/VOCA and USAID were quick to recognize how many of the livestock markets were becoming engines for local economic growth and began providing business training for the women-owned shops emerging around the markets. In addition to the training programs, the women business owners were encouraged to form self-help groups and to register with the local government as formal organizations. These groups provide assistance, encouragement and moral support to their members and they have gained the respect of the local governments. ACDI/VOCA is now providing small grants to these groups to help stimulate further growth and development.

The government is in the process of officially declaring Harobeke a town. They have also started official distribution of land to the pastoralists and to women who were engaged in small businesses around the livestock market to construct more new houses. Who could have imagined that a bush livestock market could become a beautiful, new, small town in just three years!

## **Annex 4: Wrap-up Discussion Points**

### **Livestock Market Management**

Proper management of market activities is the key to the success of not only the physical livestock market infrastructure, but livestock marketing in the region. The government body in charge of the facility should make use of the Livestock Market Management Guideline (LMMG) to ensure the sustainability of the markets and to deal adequately with any challenges that may arise in the short, medium and long terms.

The government body in charge of the livestock markets should make great efforts to include community concerns in the management and setting of tax rates. If a reasonable rate is not set, the community will circumvent the market and conduct illegal trade. We recommend that a standardized tax system be established that will cover all the markets in the region.

Also, the government body in charge should work to give the community a sense of ownership of the markets. This will encourage users of the market not to abuse the facilities.

### **Responsible Body**

As clearly described in the LMMG, it should be possible to put into practice the details of the responsibilities of all market employees, the organogram and all essential activities that need to be undertaken. It is the responsibility of this body to ensure the smooth and sustainable functioning of the market.

### **Market Operations**

On market days, it should be the responsibility of the market operators to ensure that taxes are collected and that all the facilities of the market are put into use, thereby providing much-needed services (e.g., water, feed, toilets, crush, etc.) to those attending the market.

**Planning and Budgeting:** Adequate budget should be allocated by the responsible government authority. A certain fixed percentage of the profit made from the market should be allocated for the overhead, personnel and maintenance of the market.

### **Activities Involved**

The following activities are involved in the running of the livestock markets:

- Tax collection
- Veterinary services
- Upkeep (cleaning)
- Maintenance (repairmen as needed)
- Guards
- Recordkeeping of how many livestock were brought into the market and how many were sold, how many were kept overnight or longer in the compound (holding area), etc.

Regular upkeep and maintenance of the facility will need to be conducted. Upkeep will need to be done after each market day and maintenance will have to be conducted on a periodic basis as needed. The government body in charge of the market should allocate adequate budget for this activity.

## **2. Optimum Utilization of the Market Yard.**

- If the market yard is used only once a week, then it serves the community only 52 days (14 percent) of the year.
- A pastoralist who is unable to sell his livestock because of low prices must be able to keep his animal in the market yard until the next market day or until he gets buyers for a better fee. If this system is introduced and maintained, traders who urgently need animals can come and buy these animals without waiting for the next market day.
- Traders can also keep their animals for a day or more until they get trucks to transport the livestock to their final destination.
- The market yard can thus serve the community all year round, which will generate income to the woreda and create job opportunities for guards, as well as feed and water suppliers.
- The concerned government body that collects taxes and service charges must allocate budget for the maintenance of the market facilities.

## **3. Feed and Water Services around Market Areas**

On market and non-market days, animals that come from far away and stay until the next market day (or until they are transported to buyers' destinations) need to have feed and water services. If animals are kept in the market yard without adequate feed and water, they can lose weight and quality (physical appearance), which may result in price reduction. The health situation can also deteriorate. To avoid this, the following major issues should be addressed by woreda and municipality administrations in consultation and collaboration with the community.

- Enclose a wide pastureland around the market yard where animals can graze.
- Organize youth and women's groups to participate in supplying grass, straw and water for sell.
- Invite local traders to participate in the supply of industrial byproducts, straw and industrially processed animal feed for sale.