

## CSRC

### IMPACT CASESTUDY

## Forest Enterprise Development and Livelihoods in Southwest Ethiopia

### 1. Summary

The Centre for Sustainable & Resilient Communities (CSRC), at the University of Huddersfield, is making a major contribution to maintaining the tropical forests of south-west Ethiopia and improving the lives of those who rely on them for income. By encouraging effective resource management and small-scale business development, this work has increased production, enhanced links with national and international markets and developed PLC and cooperative models for forest-based enterprises, as well as leading to revised legislation. With 70,000 hectares of degrading natural forest transformed into a working and profitable resource, more than a dozen new enterprises now serve around 100,000 people. In addition, an estimated fifteen million people benefit from new regional legislation developed in tandem with this research which allows forest enterprise development.



*Members of the Konter Berhan Coffee Marketing Co-op sorting coffee beans at the coops coffee processing centre.*

### 2. Underpinning research

Increasing the economic value of natural resources is vital to encouraging communities to protect and manage them in a sustainable way. In countries such as Ethiopia, which lost more than 75% of its forested area in the last half of the twentieth century, participatory forest management (PFM) has become a vital mechanism for protecting the natural environment and enhancing the livelihoods of those who might use and benefit from it.

CSRC staff, Adrian Wood and Julia Meaton started work in south-west Ethiopia back in 1997, when a four-year project was begun on sustainable wetland management. This part of Ethiopia is a resource frontier containing half of the remaining natural forest of the country. It also has global significance being the original home of *Coffea arabica* and the source of the headwaters for a quarter of the Nile's water, while it produces up to a tenth of Ethiopia's exports. The wetlands research identified the importance of economically attractive enterprises for sustainable resource management and established a local NGO – Ethio-wetlands and Natural Resources

Association, (EWNRA) and a European Economic Interest Grouping (EEIG) of which Huddersfield is a member.

Research on forest enterprises started in 1998 with a study by Yihenew Zewdie, an Ethiopian PhD student, on non-timber forest products (NTFPs). Zewdie's thesis was published in 2002, and a year later a series of research projects intended to develop NTFP enterprises as a basis for sustainable forest management and livelihood improvement was started. These were part of an initial forest management and enterprise project funded primarily by the EU which has been extended through subsequent projects with evolving foci and is continuing up to 2019.

Baseline research in 2003 and 2004 was followed by more specific studies into institutions and incentives for forest management, silviculture, NTFPs, and forest enterprise development. These were carried out by Ethiopian project staff and supported by local and international consultants. This work, which is on-going, has been undertaken with the local NGO and international EEIG partners from the earlier wetland research. The methodology is action research and involves testing the application of different arrangements to make the forest a profitable and competitive land use which will improve livelihoods.

The studies revealed that small-scale, forest-based trading enterprises supplement the incomes of three quarters of households in the project area. It was shown that their value could be developed through increased production, improved quality, enhanced market links and improvements in the value chain – all of which could be facilitated by revised legislation – and that such development could form the basis for augmenting the forest's value to local communities. The research cautioned that simply handing over forest from government to local communities through PFM would not represent a sufficiently attractive proposition for the communities and that the prospect of greater economic returns would be key.

These overarching findings have since been supplemented by more specific insights from production trials and evaluations of alternative institutional forms for forest management and trading in forest products. Others research has explored the potential of carbon trading, the need to develop appropriate support institutions for managing such income, the importance of the economies of scale and the scope to develop Ethiopian cardamom's role in the spice trade.

### **3. The contribution, impact or benefit**

This research into maximising the value of the tropical forests of south-west Ethiopia has played a significant role in bringing about a shift from ineffective state conservation efforts to the active and productive management of forest resources by empowered, organised, and informed communities who are developing a range of enterprises. This is having a diverse and wide-ranging impact in terms of forest business and product development, environmental

management and improved livelihoods. More than 100,000 forest users have been directly affected by the work of these CSRC projects, another 200,000 in the area and up to 15 m in the region have benefited indirectly from revised legislation, while the forest using communities now actively manage in excess of 70,000 hectares as working forest.

The research has helped transform the local business landscape. Seven forest product cooperatives have been established, most of them since 2011, including one that has brought a forest-dwelling minority group, the Mejengir, traditionally hunter-gatherer people, into the commercial world. Six honey-marketing PLCs were established with community groups, and through them trade has increased tenfold and the prices for farmers' forest honey has risen six fold since 2008. There has been a marked increase in the home production of NTFPs which has led to the greater involvement of women with backyard spice and honey production. The total number of people directly or indirectly employed in forest-based enterprises now stands at 3,000.



*A member of the Kontir Berhan Forest Coffee Marketing Co-op receiving her first dividend payment*

The action research by CSRC staff has also highlighted the importance of improved trade links – both nationally and internationally – to ensuring the success of these developments. As a result, local traders have been able to forge relationships with honey buyers from Addis Ababa and through them to the German fair-trade market and the Body Shop chain in the UK. They have established links with national level spice traders; and have earned



*Natural Forest honey from traditional Mejengir wood hives set in trees in the forest.*

certification of forest coffee for fair trade through Netherlands-based Utz Kapeh, which oversees a worldwide programme designed to promote responsible practices and “sustainable quality” among coffee, cocoa and tea farmers. Trade figures clearly evidence the impact of these advances with already over 100,000 kg of honey sold in 2011.

The contribution of this field research and the lessons shared with government and communities has also been reflected in the growth, influence and success of institutions specifically dedicated to forest management and trade and the policy environment in which they operate. In 2012 and 2013 five

Participatory Forest Management Associations – one per district – were established to coordinate community-based active management of the forests, supported by some 150 PFM member groups that oversee forest enterprise, trade and management at a community level. As illustrated by data assembled by the researchers, the management skills employed by these organisations, which are informed by a far greater appreciation of the inherent worth of their surroundings, have contributed to a notable reduction in forest clearance in recent years.



*Member of the Sheko Woreda Forest Management Association, monitoring the status of the forest in using the 'thumb method' to determine the age of trees.*

All of the above factors have combined to produce various impacts on the livelihoods of local populations that, thanks to the research, have a much greater understanding of the economic importance of their forests. Survey data from 2012 and 2013 show a significant proportion of family income is now obtained through trade in forest products.

The research's influence on policy has been crucial to enabling and accelerating these various advances, with the projects research and training shaping a number of key reforms. In 2012 a new regional government forest policy was promulgated with the specific aims of enveloping a working forests/forest enterprise view and encouraging the development of multiple products to add value to the forest. In 2013 new forest management regulations were prepared to allow a wider range of forest-based enterprises to be developed both by communities and by individuals.

The revised legislation applies to the 15m people in Southern Region, almost all of whom use forest products in their daily lives, and of whom 5m live in districts with major areas of forest cover.

Awareness of the revised legislation has been raised by a dissemination campaign targeting not just communities but local government offices. Further efforts, to support the national level debate about forest policy have included conference presentations and workshops within Ethiopia. These have been vital for engaging different audiences and the consequent successful adoption and implementation of the findings from this research.

## **References**

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**Grants:**

Wetlands Project, 1997-2000 – €0.55m

NTFP-PFM Phase 1, 2003-2007 – €1.3m

NTFP-PFM Phase 2, 2007-2013 – €3.4m

Wild Coffee Conservation, 2010-2015 – €2.4m

Wild Coffee Conservation, 2012-2015 – £0.25m