

## Proposal

# Project proposal on raising the income of poor households in Offa

## Wolaitta Soddo

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**The long-term objective of this project is to guarantee food self-sufficiency of poor households in Offa woreda. Specific objectives include develop entrepreneurial skill of rural households, raise the income of poor households and reduce food insecurity of these households. Major activities to be carried out are training in trading skill, provision of credit to poor and employment of project personnel. The duration of this project is from January 2006 to Dec 2009. Direct beneficiaries of this project are 4000 individuals from Offa woreda. Total financial input is 3,283,940 Et. Birr. Expected outputs are 4000 individuals trained in entrepreneurial skill and provided with start up capital on credit basis.**

## Profile of WODA

Wolaitta Development Association (WODA) is one of the indigenous organizations in Ethiopia. The association has legal license and agreement documents. The association was established in organized form in 2001. Improving the standard of living of Wolaitta people is the major goal it stood for. Since its establishment Wolaitta Development Association (WODA) has carried out several activities in agriculture, education, health, capacity building and other sectors. The following are major past achievements.

**Agriculture:** The activities executed / done are:

- Assessment of 13,725ha of land for resettlement.
- 878 settlers are provided with oxen.
- 1 veterinary post was constructed.
- 60 youngsters in fishery cooperatives in Lake Abaya were given start up capital.
- 32,125 seedlings were planted in Mt. Damota.
- 260 cattle were distributed for disabled persons.
- 5000 vegetable seedlings distributed for farmers.

## Education

- 4 primary schools were constructed in Doge Laroso, Bakulo Sagno, Ome Bolola and shola Kodo
- 1 modern public library was constructed in Sodo Town
- 8 primary schools and 2 secondary school expansions were carried out in Boditi, Humbo Tabala, Kindo Halale, Edo Duguna, Kuto Sorpela, Obe Jage, Gurumo Asse, Soddo, Yukara and Suke bakala

- 2 primary schools in Harto Burkito and Areka were maintained.
- 3 teachers residences were constructed in Harto Burkito, Anka Wocha and Abela Gafata areas.
- 2 schools were provided with furniture.
- 535 orphans and poor children are supported in schooling.
- 151 students were awarded for their good results in national and college exams.
- 84 students are being taught in colleges who were sponsored by WODA.
- 8 secondary schools were provided with reference books.
- 22 street children were trained in different technical and vocational skills and given seed money.

## Health

- 5 health posts were constructed in Mundena, Afama Mino, Fango Boloso, Zarada and Bilate Eta
- 1 health post was maintained in Abaya Chokare
- 40 home-based care givers were trained to prevent and control HIV/AIDS
- 12 anti-AIDS clubs were established
- 68 radio programs were transmitted on HIV/AIDS prevention and HTP education
- 20 community based education programs on HIV/AIDS launched at market places and schools
- 90 peoples living with HIV/AIDS were supported

- 80 HIV/AIDS orphans and vulnerable children were supported
- 2 community sensitization workshops on HIV/AIDS prevention and control were launched
- 153 peer educators were trained to handle the activities of HIV/AIDS prevention and control in 153 kebeles
- 38 Youth trained in youth clubs management
- 47 commercial sex workers were trained in peer education
- 50 community conversation facilitators on HIV/AIDS were trained
- Community conversation launched in 13 kebeles
- 5 target health personnel were trained in health service
- Medical equipment and furniture were provided for five health posts.

### Capacity Building

- 1 environmentally friendly center near Lake Abaya is being established to conserve natural resources
- 1 youth empowerment project is launched that has youth recreation center, provides revolving fund on petty trading, sport materials and so on
- 1 woodwork and metal work workshop is maintained
- 15 poor households are provided with housing
- 294 grass root level associations were formed
- 15 branch offices of WODA were organized
- More than 200,000 WODA members were organized
- One bazaar was launched
- 7 community mobilization workshops were conducted

### Water

- 1 bore hole drilled in Bilate Eta.
- 1 water supply project completed in Mundena.

### Background and Justification

Wolaitta zone is located in southern regional state. This zone has a total population of 2.2 million with land area of 43,370 hectares. The zone is composed of seven districts such as Boloso Sore, Offa, Damot Woyde, Damot Gale, Kindo Koysa, Humbo and Soddo Zuriya. According to regional office of population and MEDAC this zone is one of the poorest zones in Ethiopia with per capita income of 729.7 Birr or 85 USD. Out of total population of the zone 46% is child while 52 and 2% are adult and old respectively. From the whole population of the zone 92% live in rural areas engaged in agricultural activities, which is the dominant activity. This area is recurrently hit by food deficit mainly because of population pressure, erratic nature of rainfall land, shortage, backward agricultural technology (lack of modern agricultural implements and input) and soon.

Offa woreda is located in Southern Nations, Nationa-

lities and Peoples Regional State. It has a total population of 156,717 in the year 2003/4 with land area of 54,372 ha. This gives a crude population density of 288-persons/km<sup>2</sup>.

The woreda has different socio-economic problems such as low agricultural productivity, lack of social facilities, lack of road infrastructures, prevalence of human & livestock diseases and the like. The major occupation of population of the woreda is agriculture on which around 92% of population makes living. However, low production and productivity characterize agriculture in the area. The low productivity is due to several reasons. These are poor soil fertility, backward agricultural/farming systems, erratic rainfall, lack of improved inputs and the like. Poor fertility of the area is because of over cultivation, over grazing, deforestation and environmental degradation occurring in the area. The area has been experiencing backward agriculture with archaic implements for centuries which had been obstacle to its growth. Modern inputs are not available to many farmers as a result of which farmers are forced to use less productive local inputs that no longer give good amount of yield. Rainfall of the area is erratic which results in drought and famine. These all factors have brought about food insecurity in the area.

Study made by WODA shows that the productivity of crops in the woreda is much lower than the regional and national average. In the woreda there are cereals (such as maize, sorghum, barely, wheat, teff, boloke) root crops (sweet potato, Irish potato, Boye, Boyna), pulses (beans, peas, chickpeas), enset and cash crops (coffee, ginger, cotton). However, their productivity is far below the national average. For example, if we take some crops and compare one can casually see the difference. The productivity in quintals per hectare for sorghum is 8 qt/ha (that is 33% below national average, for teff qt/ha is 6 (which is 25% below national average) and chick peas 8 qt/ha (6% below national average). Livestock such as ox, cow, donkey, horses, sheep, goat sand mules are reared. However, their productivity is low.

The major sources of income for the society are farming, livestock, commercial product sales, petty trade, temporary employment and food for work. However, income from agriculture is decreasing from time to time. Drought is becoming a regularly happening phenomenon. This has destroyed the coping ability of people and many human lives lost. Population of the area is becoming poorer and poorer as they don't have enough assets and more employment opportunities. The life of people is over below subsistence level because production doesn't cover the consumption need of the whole year. Especially for 4 - 5 months of the year there is acute shortage of food. In general food shortage has become the major challenge of the area for the last three decades and this has aggravated the poverty situation of the peoples who once used to feed themselves the whole year.

The way out of these problems should be designed for the woreda to sustainably ensure food security. One of the strategies is searching for income generating activities both inside and outside agriculture. Trade in this re-

regard is the best way. The farming households should be engaged in trading activities so that they can induce income, which can enable them to fulfill the food requirement.

Currently Wolaitta Development Association has planned to engage the poor households of the woreda in trading activities. This will be through provision of revolving fund. If these are provided with the fund on credit basis and get engaged in activities of their own interest it is inevitable that income of the poor households will raise in the short period and food security will be ensured in the long run.

## **Objective**

### **General objective**

To guarantee food self-sufficiency of poor households.

### **Specific objectives**

To improve the trading skill of poor households  
To raise the income of poor households  
To reduce food insecurity of households

## **Activities**

Activities to be carried out under this project are training on trade skills, provision of credit on different trading activities and monitoring and evaluation.

## **Training**

Training will be given on trading skills and it will be provided to those rural households who are to be engaged in different trade activity. After training they will be ready to receive credit.

## **Provision of credit**

There will be two major trading activities that are to be identified for credit provision. The first is livestock trading. Here the beneficiaries will undergo fattening, small ruminant rearing and poultry production. The second group is those who will carry out petty trading. Petty trading includes different activities such as butter, coffee, grain and other trading activities.

## **Monitoring and evaluation**

Under these activities such as employment of project personnel, purchase of motorbike and other administration activities will be carried out.

## **Project methodology**

This project has its own methodology. Some of these are

the following.

## **Involvement of the community**

The community is the nearest partner to the project than anyone else. Therefore, the community will involve in selection of the beneficiaries, monitoring the progress of beneficiaries and evaluating the impact of the project.

## **Collaboration of government offices**

As government offices are one of the stakeholders in the project they shall participate a large extent in overall project cycle for successful completion of the project. These offices are rural development, finance and economic development and small-scale trade and industry development departments.

## **Sticking to government policies**

This project is in line with the food security strategy, agriculture development led- industrialization and sustainable development and poverty reduction program of Ethiopia.

## **Efficient and effective use of resources**

The disbursed resources will be used to the point for stipulated purpose so that the project will meet the stipulated goal.

## **Target group profile**

Female-headed and poorest households are the major targets of this project. These will be selected by WODA, woreda offices of rural development, finance and economic development, small-scale trade and industry development offices, local Kebele representatives and community members. These groups of beneficiaries (women, and poor) are the highly vulnerable ones to different shocks and as a result need to be the prime beneficiaries of this project. They shall be provided with start up capital on revolving credit basis so that they can be engaged in different income generating to ensure self-dependency. This will raise their income and they shall have resistance to shocks related to food insecurity.

## **Project Input**

The total financial input for this project is Eth Birr 3,283,940. The financial plan of the project is as follows.

## **Organization and Management**

Different stakeholders will involve in organization and management of this project. Wolaitta Development

**Table 1.** Logical framework

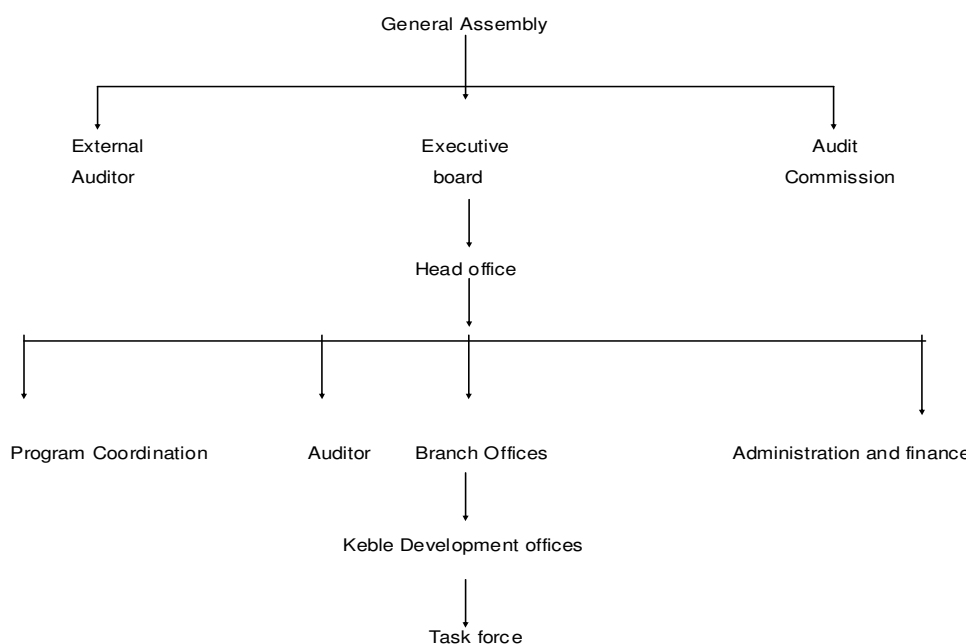
No	Activities /Objectives	Objectively verifiable indicators	Means of verification	Assumption
1	<b>Goal</b> Guarantee food self-sufficiency of poor households			
2	<b>Purpose</b> Entrepreneurial skill of poor households upgraded Income of the poor increased Food security of poor hhs raised	By 2009 The entrepreneurial skill of poor hhs increased from low to medium Income of poor households raised by 20% Food security of the hhs raised from low to medium	Baseline survey, reports of WODA, rural development office, finance & economic development and small scale trade and industry offices	Donations are available Collaboration continues from different stage stakeholders
3	<b>Results</b> Training given to poor Credit provided to poor	Training given to 4000 poor Credit provided to 4000 poor individuals in rural areas	Baseline survey, reports of WODA, rural development office, finance & economic development and small scale trade and industry offices	

**Table 2.** Physical plan

No	Activities	Unit	Total No	2006	2007	2008	2009
1	Training farmers in trading skills	No of farmers	4000	950	985	1015	1050
2	Provision revolving credit						
	2.1 Livestock trade						
	2.1.1 Cattle	No of persons	650	150	160	170	170
	2.1.2 Small ruminant trade		700	150	170	180	200
	2.1.3 Poultry		1000	200	225	265	310
	2.2. Petty trade (Butter trade, Grain trade and Coffee trade )		1650	450	430	400	370
3	Monitoring and evaluation						
	3.1. Employment of staff		1	1	-	-	-
	3.1.1 Coordinator		1	1	-	-	-
	3.1.2 Revolving fund officer		1	1	-	-	-
	3.1.3 Supervisor						
	3.2. Motor purchase		2	1	1	-	-

**Table 3.** Project input

No	Activities	Unit	Total No	2006	2007	2008	2009
1	Training farmers in trading	Birr	500,000	118,750	123,125	126,875	131,250
2	Provision of revolving credit	"					
	2.1 Livestock trade	Birr					
	2.1.1 Cattle	Birr	650,000	150,000	160,000	170,000	170,000
	2.1.2 Small ruminant trade	"	350,000	75,000	85,000	90,000	100,000
	2.1.3 Poultry	"	300,000	60,000	67,500	79,500	93,000
	2.2.Petty trade (Butter trade, Grain trade and Coffee trade)	"	825,000	225,000	215,000	200,000	185,000
3	Monitoring and evaluation	"	118,800	29,700	29,700	29,700	29,700
	3.1.Employment of staff		79,200	19,800	19,800	19,800	19,800
	3.1.1 Coordinator Revolving fund officer Supervisor		92,400	23,100	23,100	23,100	23,100
	3.2.Motorbike purchase		70,000	35,000	35,000	-	-
	Total		2,985,400	736,350	758,225	738,975	751,850
4	Administration cost (10%)	"	298,540	73,635	75,822.5	73,897.5	75,185
	<b>Grand Total</b>	"	<b>3,283,940</b>	<b>809,985</b>	<b>834,047.5</b>	<b>812,872.5</b>	<b>827,035</b>

**Figure 1.** The simple Organogram

Association (WODA) has the responsibility of handling the project through its organizational structure. WODA shall plan, implement, monitor and evaluate the project in collaboration with other government offices and community. The collaborating offices are rural development, finance and economic development and small-scale trade and industry development offices. These two offices have the responsibility of providing technical support, monitoring the progress and finally evaluating the project. The community shall involve from planning to evaluation of the

project. Donating agencies have responsibility of monitoring the progress and receiving the report. WODA shall also report the progress on monthly, quarterly and annual basis to concerned offices.

### Sustainability and phase out strategy

The sustainability of this project can be guaranteed because of several reasons. First this Project involves the participation of different stakeholders especially the com-

**Table 4.** Manpower information of WODA is listed as follows

R.no	Position	Level of education	Quantity	Remark
1	General manager	MA	1	
2	Project officer	B ED	1	
3	Health expert	Diploma	1	
4	Agriculture expert	Diploma	1	
5	Community mobilization and promotion expert	BA	1	
6	Administration and finance Officer	BA	1	
7	Engineer	Advanced Diploma	1	
8	Auditor	Diploma	1	
9	Accountant	Diploma	1	
10	Cashier	Diploma	1	
11	Secretary	Certificate	1	
12	Income Collectors	Certificate	13	
13	Driver	3rd driving license	1	
14	Guards	12 complete	3	One is certificate holder
15	Janitor	12 complete	1	
16	Archivist	11 grade	1	
17	Store man	11 grade	1	

**Table 5.** Action plan for 2006

No	Activity	Q1	Q2	Q3	Q4	Remark
1	Training of poor households on trading skills	X	X	X	X	
2	Provision Of Revolving Fund					
2.1	Livestock Trading					
2.1.1	Fattening	X	X	X	X	
2.1.2	Small Ruminant Raising	X	X	X	X	
2.1.3	Poultry Production	X	X	X	X	
2.2	Petty Trading	X	X	X	X	
3	Monitoring & Evaluation	X	X	X	X	
3.1	Employing Personnel	X	-	-	-	
3.1.1	Coordinator	X	-	-	-	
3.1.2	Revolving Fund Officer	X	-	-	-	
3.1.3	Supervisor					
3.2	Motor bike purchase	X	X	X	X	

community and government offices. These will handle and monitor the project even after the phasing out of the project. Second, the project beneficiaries will have their own income from the credit provided to them as they were engaged in business of their interest. When they pay back the credit they will continue their own venture with their own money. By doing so they can sustainably support themselves.

Phasing out shall take place through individuals. When the beneficiaries of the project become self-dependent and have their own income phasing out shall take place and those individuals who didn't have the chance before shall be provided with credit.

#### Assumption and risks

This project has some risks. These include serious drought, disease outbreak and flooding in lowlands. If these occur the beneficiaries may not be fully engaged in their venture and pay back the start up capital.