



CZECH REPUBLIC
DEVELOPMENT COOPERATION



Mendel University

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In its capacity of contractor within the official framework of the Czech Republic Development Cooperation with Ethiopia

Management of cooperatives – capacity building plan and trainings – February 2016

1. Project description

Name: **Effective Irrigation For Sustainable Agricultural Production, 2014 – 2017**

Place: Kacha Birra and Angacha woredas in the zone of Kembata Tembaro

Funder: Czech Development Cooperation

Implementers: Mendel University representative

Partners: Bureau of Finance and Economic Development, Bureau of Agriculture: Nat. resources and small scale irrigation process owner, Water and Irrigation development Bureau, Bureau of Agriculture and Natural Resources, Bureau of Administration, Cooperative office

Overall Objective

To help maintain the landscape's potential in light of the current emphasis on agricultural production.

Outcomes

- providing more effective utilisation of water for intensive and sustainable agricultural production in the target area
- reducing the landscape's vulnerability to erosion,
- increase in agricultural productivity, while simultaneously decreasing the size of actively cultivated land in the target areas.

2. Specification of cooperatives challenges in SNNPR

SNNPR government until June 2011 monitored about 8,872 primary cooperatives were established with a membership totally 903,759. In addition, 44 cooperative unions were organized, comprising about 1,003 primary cooperatives as members.

These cooperatives are tried to provide various services to its members like; provision of agricultural inputs such as improved seeds, fertilizer, agro-chemicals, farm tools and equipment's; output marketing both local as well as international market; market information,

Effective irrigation for sustainable agricultural production

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banking services (saving after harvesting time, credit during farm season), capacity building training, provision of basic consumable goods, employment opportunities and so on.

Cooperatives face critical challenges in cooperatives sectors. According to sample study and minimum standard measurement; initially the bureau believed that of 8872 primary cooperatives 63.4% (5625) were scored below minimum standard points (<50), and about 1041 primary cooperatives scored below 10 points out of 100¹.

Main challenges are: poor member's participation both in planning, implementation, marketing and saving; hence most of them were dangerously abused by elected leaders, mainly related to corruption and mismanagement such as, gross mismanagement by officials; failure to hold elections, theft of cooperative resources, refusal of management committee members to vacate after members voted for this dismissal; conflict of interest among cooperative officials; lack or absence of litigation on corrupted persons, and unauthorized cooperative investments.

3. Process of cooperative establishment

To set up proposed cooperatives project with Woredas Cooperative Offices need to address following legal procedures

- create a socioeconomic study
- received a certification of the land – the local authority needs to certify that the demonstration land belongs to the cooperative
- provide trainings on cooperative – for individual members and for board
- set up general and specific bylaws
- open a bank account
- deliver an official application

After receiving a temporary registration, the cooperatives will function one year. When temporary period finished, Cooperative offices will deliver the final certification.

¹ <http://article.sciencepublishinggroup.com/html/10.11648.j.sjbm.20150304.12.html#paper-content-2>



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Both cooperatives will be established as primary cooperatives with proposed names (suggested by Cooperative offices):

- **Lemlem Vegetable Producer cooperative** in Angecha wereda
- **Borkosha development irrigation cooperative** in Kacha-birra woreda

4. Capacity building trainings/meetings

- 1) Cooperative establishment
 - rules and regulations of establishing, elections of the leadership etc.
 - Importance of cooperative and union for farmers holistic development - benefits of cooperative
 - ABCD (Asset Based Community Development) strategy
 - Development of irrigation user groups/association (cons and pros) vegetable producer groups to transform to Cooperatives and Cooperatives to Union
 - Development of vegetable producer groups/associations; transforming to cooperatives and cooperatives to union
- 2) Rules and regulations:
 - a. The existing legal frameworks (Regional and Federal) and structures
 - Using of irrigation system
 - Usage of irrigation and/or rain for vegetable and crop production (cons and pros)
 - Vegetable production – demonstration sites
 - Usage of tools and reservoirs
 - Microgrants, transportation etc.
- 3) Organisational and management structure
 - Objective of the cooperatives
 - Chart of the cooperative bodies and linkages
 - Job description of different positions, board members, committees etc.
 - Rights and responsibilities of leadership, regular members etc.
 - Managerial processes
- 4) Strategical plan – 3 years
 - Vision and goals
 - Strategic objectives – what to achieve in three years
 - Possible activities how to achieve objectives
 - Work plan, responsibilities
- 5) Business plan – 3 years
 - List of current capital of cooperatives

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- Business goals – production plans, prediction
 - Financial operations
 - Marketing plan to achieve these goals
 - Action plan, responsibilities
- 6) Experience sharing
- Possible experience sharing events: meetings between the “projects “ cooperatives, visit of other cooperatives in their respective areas, visit of leaders of other cooperatives to the respective coepratives

5) Proposed timeline and organization of training

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|------------------------------------|----------------------|
| Temporary registration | June 2016 |
| Final registration | June 2017 |
| Rules and regulations | October 2016 |
| Strategical plan | December 2016 |
| Business and marketing plan | December 2016 |
| Experience sharing | 2017 |
| Follow-up meetings | 2017 |

Trainings will be held in respective cooperative, implementor is responsible for organization of such trainings (transport, refreshments, allowances, stationary). Cooperative office is responsible of providing the training (at least 2 experts) and lead the process of creating business plans and socio-economic study. Training materials are fully in competence of Cooperative office (in consultation with the implementor). Budget will be discussed in advance of each training.