



Tropentag, October 9-11, 2007, Witzenhausen

“Utilisation of diversity in land use systems:
Sustainable and organic approaches to meet human needs”

Analysis of Economic Incentives for Nature Conservation: The Case of Amigna District, Ethiopia

ZEMEDU LEMMA¹, KARIN HOLM-MÜLLER²

¹*University of Bonn, ARTS, Germany*

²*University of Bonn, Institute for Food and Resource Economics, Germany*

Abstract

The tropical environment provides sufficient radiation for maximal biomass production but drought, low soil fertility and socio-economic problems are dominating limiting factors for agricultural production. Ethiopia is one of the poorest developing countries located in the tropics. Agriculture is the mainstay for about 85% of Ethiopian population, who repeatedly faces famine due to natural resources degradation.

A study was made at Amigna district, located in the southeastern of Ethiopian central highlands for three months from April to June 2003. Participatory Rapid Appraisal (PRA) method was used to collect information. Among PRA techniques, secondary data review, direct observation, semi-structured interview and focus group discussion were applied. Different types of semi-structured PRA tools were used; such as individual interview, Group interview, and key informant interview.

Information on the interaction of natural systems and different livelihood circumstances in Amigna district was gathered. Major direct causes of natural resources degradation were identified that contributes to over-exploitation of natural resources, destructive harvesting systems and land use practices, and conversion of natural habitats. The underlying causes for the natural resources degradation were explained in relation to failures in livelihood circumstances, market failures, institutional and policy failures. Needs and niches for economic incentive measures were also briefly indicated as, when the community needs incentives, for which particular group of the community and at what circumstances do incentive measures required?. Opportunities for alternative sources of livelihoods as an indirect incentives and strengthening the efficiency of natural resource utilisation for some of existing income sources as a direct incentive measures were indicated. Appropriate economic incentives for natural resource conservation at Amigna district were suggested based on the analysis of information obtained in this preliminary study. These economic incentive measures were suggested under categories of property rights, market, and livelihood, fiscal and financial measures. Finally, awareness creation and international cooperation were suggested as supportive measures for practicability of the suggested economic instruments for the conservation of natural resources at Amigna district of Ethiopia.

Keywords: Natural resource degradation, PRA tools