Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH







#### **Total Economic Value of Prosopis**

**Invasion:** An economic assessment of the impact of Prosopis invasion and participative management approaches in Afar region, Ethiopia

### John Ilukor, Regina Birner, Mesfin Tilahun & Shimelis Getu

Regional Conference on Managing *Prosopis Juliflora for better* (agro-)pastoral Livelihoods in the Horn of Africa



May 1, 2014 Dessalge Hotel, Addis Ababa



## Introduction

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- □ The Prosopis dilemma
  - Utilize/control or Eradicate
  - Cost effective management
- What are the benefits and costs?
  - Utilization or control
  - Eradication
  - Inaction
- Total Economic value
  - Primary and secondary





#### Materials and Methods: Techniques used

□ The total economic value (TEV)

use values

non-use or existence values

Valuation techniques



- Stated preference- non use values
- Revealed & stated preference-use values
- "Dose response function" or "production function"



### Materials and Methods: Study area



### Materials and Methods: Study tools



## **Economic Benefits**

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- Environmental income:
  - Afar region -4 billion birr
- Desalinization
  - More than 60million birr
- Carbon sequestration:
  - 200 million birr
- **Crop production:** 
  - Crop income 182 million birr



#### Negative impacts

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- Negative impact on animal production :
  - Milk loss-14million birr
  - Weight loss 546 million birr
- Negative impact on animal health:
  - A bout 182 million birr
- Negative impact on Human health:
  - Total loss per household per year is \$189
  - 470 million birr-Afar
- Biodiversity
  - Pasture-1.04 billion birr



#### Total Benefits and costs

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Benefits 4.4 billion and costs 2.2 billion

OECD guidelines on weighting

- UNDP definition of pastoralists
- □ If we do not control
  - TEV =-37 trillion in 30 years

If we control

- TEV = 92billion in 30 years
- Action is needed



## Prosopis impact on climate variables

Complete eradication may result to loss of ecological benefits and environmental income

	Temperature	Rainfall	ARH	SR	Evapour	Wind
r <sub>xy</sub>	0.79***	0.0085	0.58***	-0.30*	-0.44*	-0.7604***
R <sup>2</sup> <sub>xy</sub>	0.63***	0.0001	0.34***	0.09*	0.19*	0.5782***
Slope	0.0002**	0.0003	0.0005***	-0.04*	-0.01*	-0.011**

- Solar radiation, evaporation, and wind (-)
- Relative humidity and temperature

absorption/trapping of solar radiation (Cao et al., 2010)

Control use but eradication

#### **Total Evaporation and Average Wind Speed**



#### Management of prosopis

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Utilization Pod crashing

- Pod crashing (NB =-785 birr/yr)
- Charcoal burning (NB = 7985 birr/yr)



- Mechanical clearing costs effectiveness
  - Clearing without using wood (NB =-2826 birr/ha)
  - Clearing & using wood (NB = 30 birr)
  - Clearing, using wood & digging roots (NB =-2116 birr)

#### Management of prosopis

Mechanical clearing charcoal burning

- Clearing without digging roots (NB = 1630 birr)
- Clearing & digging roots (NB = -516 birr)
- Clearing, digging roots & crop production (NB = 9484 birr)
- Clearing, digging roots & hay (NB =775 birr)
- Implications for sustainable management
  - Mechanical is economical feasible with use
  - Continued utilization either for fodder or crop production



#### Requirements for sustainable management

- Involve pastoralists
  - Communal land rights
  - Empower clan institutions
  - Rethink the mass clearing
- Provide high powered generators
  - Those are willing
  - And are along the river and water canals
- Seek pastoralists opinion
  - Cutting equipment Vs generators











# END OF THE PRESENTATION COMMENTS AND QUESTSTION ARE WELCOME

# GEDEGA

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