

Fostering pro-poor institutions (i.e. identifying, assessing, and scaling up) is one of the priority areas for translating the NSPR into action. The activities involve the assessment of the poverty-focus of existing institutions, the sensitisation/training of local government and community-based institutions, the development of indicators and monitoring the effectiveness of institutions, and identifying and promoting best pro-poor institutional practices.

An initial assessment of the poverty focus of Community Based Natural Resource Management (CBNRM) was undertaken in 2006 to identify cases with pro-poor elements: continuous enterprise development and improvement in income level, distribution of benefits favouring the poor segment of the population, and good governance and institutional innovations.

This chapter summarises the findings of CBNRM case studies. It includes a brief introduction to the growth of CBNRM, the variation in organisational arrangements, enterprise development and diversification, financial performance (continuity in business, revenue and income generation), distribution of benefits, poverty targeting practices, and governance and management maturity.

5.1 FORMATION AND GROWTH

CBNRM occurs within Community Based Organisations (CBOs) that are formed by a community, groups of communities or groups within communities where members share a common interest in the sustainable use of natural resources in their common area (Draft CBNRM Policy Report, 2005).

Several CBOs have come into existence in Botswana since the late 1980s. Why?

- Natural resources such as wildlife, forests and veldt products are largely common pool resources. The use of these resources is not excludable (similar to public goods) but, unlike public goods, their use by one person/organisation reduces their availability to others (i.e. subtractable). Common property arrangements such as CBNRM projects are optimal under such conditions for collective action (see, for example, Olson 1965; Ostrom, 1990; and Agrawal, 2001).
- CBNRM offers comparative advantages in geographical areas with varied and abundant natural resources; it can develop such income-generating activities as commercial hunting, eco-tourism and the commercial use of veldt products.
- Rural communities have an increasing appreciation of the value of tradable rights in natural resources, especially wildlife.
- Natural resources are gaining importance as primary sources of employment and livelihood, especially in marginal agricultural areas.

As stated in the draft policy of 2005, the CBNRM assumes that CBO members share a common interest in improving their livelihoods whilst at the same time managing and using natural resources in a sustainable way. Such dual outcomes are more likely to be realised when users are provided with incentives, such as the allocation of tradable rights to natural resources (a necessary condition, as evident in the existing literature on the performance of CBOs in Botswana – see, for example Arntzen et al, 2003).

⁸ Community-based Natural Resource Management

Objectives

The main objectives of the CBNRM are to enhance the sustainable use of natural resources and to support improved and stable livelihoods. Implicit in these dual objectives is poverty reduction through livelihood creation and improvement.

The Deeds of Trust (constitutions) of several CBOs in Botswana explicitly detail these objectives: the conservation and preservation of natural resources, the use of natural resources for improving livelihoods, monitoring the conditions of natural resources to ensure sustainability, and the empowerment of communities through the devolution of rights.

Extent of CBNRM

The extent of CBNRM in Botswana, as measured by the number of CBOs and the coverage of beneficiaries, has increased over the years, particularly since the mid-1990s. The number of CBOs in natural resource management increased from six in 1995 to 19 in 1997, and then to 45 in 1999, 61 in 2001, 83 in 2003 and 91 in 2006. Existing CBOs in 2006 cover approximately 150 villages involving 10% of the country's population.

Table 5.1:
Type, Location
and Size of
CBNRM

Trust Type	Name	District	Village	Year Established	Membership (from DWNP file)	Female Only	Road Access (y=1)
Wildlife	STMT	Ngamiland	Single	1996	372	Mixed	1
	MZCDT	Ngamiland	Single	1998	157	Mixed	1
	OKMCT	Ngamiland	Multiple	1997	2821	Mixed	1
	XXDT	Ngamiland	Single	2002	455	Mixed	1
	KDT	Ngamiland	Single	2000	395		
	OKCT	Ngamiland	Multiple	1995	6431	Mixed	Poor
	MCT	Central	Multiple	2001	2300	Mixed	1
	NGCT	Central	Single	2002	??		1
	HCNCT	Ghanzi	Multiple	1999	1013	Mixed	1
	XWNCT	Ghanzi	Multiple	1999	1247	Mixed	1
Baskets	KBWC	Chobe	Multiple	2002	11	Female	1
	BWC	Ngamiland	Single	1996	??	Female	1
	NGBWC	Ngamiland	Single	1988	1	Female	1
Veldt products	KyTsie	Central	Multiple	1999	1000	Female	1
Eco-Tourism	GoCT	Central	Single	1997	1686	Mixed	1
	OJKT	Ngamiland	Multiple	1997	9236	Mixed	1
	OPT	Ngamiland	Single	1998	75	Male	Poor
Cultural Tourism	BCCT	Ngamiland	Single	1995	732	?	1

Note: Sankuyo Tshwaragano Management Trust (STMT), Mababe Zokotshama Community Development Trust (MZCDT), Khawi Development Trust (KDT), Molema Community Trust (MCT), Okavango Community Trust (OKCT), Okavango Kopano Mokoro Community Trust (OKMCT), Ngande Community Trust (NGCT), Xhau Xhwatubi Development Trust (XXDT), Xwiskurusa Natural Resources Conservation Trust (XWNCT), Huiku Community Based Natural Conservation Trust (HCNCT), Kachempati Basket Weaver's Cooperative (KBWC), Bokamoso Women's Cooperative (BWC), Ngwao Boswa Women's Cooperative (NGBWC), Kgetsi ya Tsie (KyTsie), Gaing-O Community Trust (GoCT), Okavango Jakotsha Community Trust (OJKT), Bukakhwe Cultural Conservation Trust (BCCT), and Okavango Polers' Trust (OPT).

Most of Botswana's CBOs function as trusts that are mainly meant to benefit members in a given community.

The majority of the natural resource community-based organisations are located in three districts: Kweneng, Ngamiland and Central. But the most active are found in parts of the Central, Ghanzi and Ngamiland districts. As shown in Table 5.1, most of the active CBOs are wildlife-based and have emerged since the mid-1990s. The size of membership varies markedly. The CBOs specialising in basket or veldt products tend to be dominated by female members.

5.2 CBNRM INSTITUTIONS

Most of Botswana's CBOs function as trusts that are mainly meant to benefit members in a given community/ies. The wildlife CBOs operate in demarcated Wildlife Management Areas (WMAs), part of which may be turned over to commercial hunting and designated as Communal Hunting Areas (CHAs).

The Department of Wildlife and National Parks (DWNP) in the Ministry of Environment, Wildlife and Tourism (MEWT) provides permits for the establishment of CHAs, develops land use and management plans for different areas, mobilises communities and helps them write a constitution, assists in registering them as a "representative, accountable and legal entity" (RALE), and facilitates their applications for land lease and hunting quotas.

Membership in the Trusts is governed by the Deeds of Trust (or the CBO constitutions). For the wildlife CBOs, membership is open to all adults living in specific CHAs. However, such organisation along fixed geographical boundaries is not often followed by the non-wildlife CBOs. As in the veldt products CBOs where there is a great variability in production, such flexibility in defining boundaries gives the communities greater mobility and provides less risk in pooling across geographical space.

Membership in other CBNRM projects follows their specific Deeds for guidance. The CBOs specialising in making and selling baskets, such as Bokamoso Women's Cooperative and Kachempati Basket Weaver's Cooperative in Ngamiland, require members to pay one time joining fees. In the case of Kgetse ya Tsie, membership is open principally to women (at least 80%) who pay regular annual fees to the Trust. Members in the Okavango Polers' Trust are solely men with poling certificates and privately owned fiberglass boats, who also pay annual membership fees.

The common arrangement is to have members elect a management board. But there are some variations. The one-village CBOs have a two-tier structure: general membership and a board of governance. For wildlife CBOs incorporating more than one village, each village has a Village Trust Committee (VTC), which elects representatives to the Board of Trustees. In some of these CBOs, the chair and secretary of the VTC automatically become members of the Board of Trustees.

The members of Kgetse ya Tsie are organised in a four-tier system: groups (maximum of 5 members), centres (3 to 10 groups), regional councils (representatives from sets of centres) and a Board of Trustees (representatives from the regional councils and one optional appointed member).

Wildlife-based CBOs that are legal entities qualify for a head lease, a 15-year

Table 5.2: CHA Areas and Beneficiary Population

CBNRM	CHA Area in sq m	Beneficiary Population
OKCT	929	6431
KDT	1918	395
OKJT	589	9236
STMT	860	372
MZCDT	2181	157

community natural resources management lease between a legally registered community trust and the Land Board that gives exclusive use rights to concession areas.

The community trusts are free to lease these use rights (e.g. leasing the areas for hunting or tourism). In addition to a resource use lease from the Land Board, the wildlife CBOs obtain annual hunting quotas from DWNP (varies between different concession areas). As shown in Table 5.2, the quota allocation is not necessarily proportional to the beneficiary population.

5.3 ENTERPRISE DEVELOPMENT AND DIVERSIFICATION (COMMUNITY TRUST AND COOPERATIVE BUSINESS)

The natural resource based CBOs specialise in different types of natural resources: wildlife, plant-based veldt products, eco-tourism (photography, campsites, boating, etc,) and fishing from community dams. Some also diversify into related or other non-natural resource based secondary businesses. Such diversification is more notable amongst some of the wildlife CBOs (Table 5.3).

The common strategy in most of these diversified wildlife CBOs is to develop diversified cooperative businesses from income generated in hunting and tourism.

Table 5.3: Business Enterprise, Income Source and Benefit Distribution in Wildlife CBOs

Trust Name	Type of Cooperative Business (secondary)	Continuously in Business
STMT	Tourism Transport Microfinance	Yes
MZCDT	Tourism Transport	Yes
OKMCT	Photography (Gate fees for photography and boat ride, and campsites). The rafters are the villagers by rotation.	Yes but seasonal in some business
MCT	Tourism	No (dormant at present)
XXDT	None	No
KDT		No (delayed)
OKCT		Yes
NGCT		No
HCNCT	None	No (not active)
XWNCT	None	Yes
KBWC and BWC	Selling baskets	No
KyTsie	Processing and marketing veldt products Microfinance	Yes
GoCT	Campsites	Yes
OJKT	Campsites	No
OPT	Campsite	Yes
BCCT		No (reconstituting)

The wildlife CBOs generate substantial revenues, as compared to the other CBOs that depend on veldt products and crafts.

Diversification is less notable amongst the non-wildlife CBOs (Table 5.4). The basket-making CBOs are a one-product business (e.g. KBWC, BWC and NGBWC). Kgetsi ya Tsie is a unique CBO, as it has branched into veldt product processing and microfinance (see the product list on www.kgetsiyatsie.org).

Not all CBOs are operating their businesses continuously (Table 5.3). The reasons for this are varied: (1) unable to find a joint partner (OJKT); (2) dispute over JVP contract or concession areas and failure on timely enforcement; (3) suspension of hunting quotas (KDT); (4) unable to generate sufficient finances to cover operational costs (KBWC, BWC and NGBWC); and (5) dwindling commitment of Board or community members.

5.4 REVENUE GENERATION AND PROFITABILITY

The wildlife CBOs are unique as a business model. The communities are not hunting and/or selling their quotas themselves. Instead, they lease their hunting quotas to private companies. Such a business arrangement is in contrast with other CBNRM projects, such as the veldt-product based CBOs where the members are directly generating revenue through producing and marketing their products to their Trusts.

The wildlife CBOs generate substantial revenues, as compared to the other CBOs that depend on veldt products and crafts. But data is generally scarce for assessing the financial performance of all CBOs, including: revenue, costs of operations, profits accrued and balance sheet components (assets, liabilities and business net worth). Hence, it is difficult to answer the key question of how the CBOs are doing in their individual business enterprises.

What about the overall income performance at Trust level? The answer to this question requires disaggregated information that shows the CBO income level from different sources (business income, interest on savings, account receivables, and grants), Trust operational expenditures, and net income after deducting the Trust expenditures.

The current CBO financial reports often mix the Trust expenditures and Trust allocations with, for example, household cash dividends, social assistance and insurance, and community asset building.

When sample CBO communities were asked to rank order the income sources for their trusts, the responses shown in Table 5.4 emerge:

- The wildlife CBOs obtain most of their income from leasing hunting quotas and land in concession areas especially, for example, CBOs in Ghanzi (HCNCT, XWNCT).
- Revenue from secondary businesses is substantially contributing to the income of better performing wildlife CBOs.
- The basket-making CBOs solely depend on income from making and selling baskets.
- Kgetsi ya Tsie is deriving income from various veldt products, including processed products, micro-finance and interest on savings. The grant component of their income has declined over the years.

Trust Name	Trust Income Source	Trust Income per Capita	Trend in Income
STMT	Hunting, land lease, secondary business, wood cutting	Data Not Available (D.N.A.)	+ (tourism is the strong performer)
MZCDT	Hunting, land lease, secondary business	D.N.A.	+ since 2002 from tourism
OKMCT	Hunting, land lease and grants from JVP	D.N.A.	- since 2004
MCT	Hunting and tourism in small scale business	D.N.A.	Not yet in operation
XXDT	Hunting	D.N.A.	Not established
HCNCT	Hunting and interest on savings	D.N.A.	No significant change
XWNCT	Hunting, land rental, and interest on savings	D.N.A.	No significant change
KBWC and BWC	Selling baskets and grants	D.N.A.	-
KyTsie	Veldt products, microfinance, interest on savings, and grants	D.N.A.	Positive (improved sales revenue and income)
GoCT	Tourism (campsites)	D.N.A.	+ since 2002
OJKT	Fees (gate entry, camping, and boat riding fees)	D.N.A.	None

Table 5.4: Income Source and Trend at Trust Level

Emerging patterns on the income trends of the case Trusts vary. Few trusts show an increase in income level (e.g. STMT especially from tourism, MZCDT, Ky Tsie in veldt production and marketing, and Go CT in tourism). But the Trust income of most of the case CBOs is either insignificantly changed or declining, as in the cases of the basket making CBOs (e.g. KBWC and BWC).

5.5 BENEFIT ALLOCATION

The first financing priority of the CBOs is the Trust expenditures, which include salaries, vehicles, travel and sitting allowances. As noted in Arntzen et al (2003), most of the trust revenues are used for these expenditures. As a way to control (minimise) the adverse impact of "excess" expenditures on business growth, some wildlife CBOs avoid mixing the incomes from hunting and land lease with other business incomes. For example, the Sankuyo Tshwaragano Management Trust (STMT) separates its tourism business account from the other income generating activities (hunting fees, land rental, transportation and micro-finance). The income from tourism is used strictly for business expansion, while the other incomes are used for financing the Trust, community assets, and dividend distribution to members.

As is often practised, the balance left after covering the Trust expenditures is allocated to: (1) saving for future operations, enterprise expansion and funding micro-finance loans; (2) investing in community infrastructure and activities; (3) providing social assistance (food, cash and shelter for the very poor) and social insurance; and (4) allocating cash dividends to community members.

The community members benefit from the distribution of the Trust income in different ways: (1) cash dividends (in some cases such dividends may be in kind, such as distributing game meat); (2) wage employment and skill training; (3) price subsidy or support (for example, members produce and market their products, such as crafts, to the trusts at a premium price or buy products from the trusts at a discount price); (4) subsidised services (e.g. community members pay lower fares when

Table 5.5: Business Enterprise, Income Source and Benefit Distribution in Wildlife CBOs

Trust Name	Earning Allocation Formula Exists (Yes =1)	Cash Dividend Distributed to Members	Benefit Type to Members
STMT	1 (absolute amount is set per household)	Yes	Cash and game meat, subsidised transport and credit, youth skill training, wage employment, and funeral
MZCDT	1 (set fixed amount per household for cash dividend, old age, orphan and funeral)	Yes	Cash and game meat, subsidised transport, youth skill training, wage employment, and funeral
OKMCT	No record	None except fixed amount to each village on holidays	Income from poling, escort and holiday cash gifts
MCT	None reported	None	None
XXDT	None reported	None	None
HCNCT	None	None	Game meat and emergency expenses
XWNCT	None	None	Game meat and emergency expenses
KBWC and BWC	Not applicable	No	Premium price on their baskets, training, and social support
Ky Tsie	Not clear how the gain from the price margin is distributed	Not applicable	Access to market (the Trust), premium price on products, access to price discounts and subsidised credit, coverage of emergency expenses, and training on production and marketing skills
GoCT	None	No	Employment in campsites
OJKT	None	No	Employment

using Trust vehicles); (5) access to interest subsidised loans for financing micro-business (e.g. Ky Tsie); and (6) social assistance and insurance.

In allocating a Trust's income, a key decision is how to balance dividend payments to community members without jeopardising business expansion plans. But, as indicated in the case CBOs in Table 5.5, the trusts generally have no systematic pattern in their allocation practices. Or, as noted in Arntzen et al (2003), there is no established formula for distributing their earnings. Often such an important decision is embedded in the regular budgeting process, with little community participation in making such decisions.

5.6 CBNRM AND THE POOR

There are plausible reasons for including the CBNRM CBOs in the current NSPR poverty programmes:

- The poor depend more on natural resources for their livelihoods and survival.
- Providing use rights to the rural communities creates opportunities for productive employment and income generation to grow out of poverty.
- The CBNRM objectives of income growth and sustenance of the natural resource base are consistent with the country's rural development strategy for marginal agricultural areas.

There are different ways through which the poor can benefit from CBO-based arrangements. Firstly, they receive, along with other community members, cash dividends, meat distribution, wage employment, improved community infrastructure, subsidised services, and social assistance.

However, there is no evidence to indicate that the poor in the CBNRM communities benefit more than the non-poor. Instead, there is substantial leakage and inequality in the distribution of income, especially in the wildlife CBOs.

Table 5.6: Benefit Distribution to the Poor

Trust Name	Benefit to the Poor
STMT	Destitute (elderly)
MZCDT	Elderly and orphans
OKMCT	No transfer
MCT	None (dormant CBO with no benefit to members)
XXDT	None to the members as well
KDT	Elderly
OKCT	Orphans only
NGCT	None to the members as well
HCNCT	None to the members as well
XWNCT	None (there is not much to distribute)
KBWC and BWC	None (weak financially)
KyTsie	None
GoCT	None to the members as well
OJKT	No distribution scheme yet
OPT	None
BCCT	None (CBO reconstituting)

The bulk of the financial benefits accrue to the Trusts, and very little is directly distributed to community members (Arntzen et al, 2003). In addition, the common practice amongst the CBOs is to distribute the same level of benefit, such as household dividends, regardless of the socio-economic status of community members.

Secondly, the poor can organise and run their own income generating activities. Most of the veldt-based CBOs, for example, are female-controlled, group enterprises that depend on natural resources. Given that the poor are relatively dependent on natural resources, such an approach provides them with a venue for economic and social empowerment.

Thirdly, the poor benefit from CBOs through social assistance programmes, such as assistance to the elderly, the disabled or orphans; however, only a few CBOs provide such support (Table 5.6). Many CBOs are not participating in such schemes for various reasons: the benefits are restricted to fee-paying members, or the poor are benefiting directly through productive employment in the CBOs (hence it's not necessary to provide transfer).

An important question to ask is - How many of the natural resource based CBOs are pro-poor, as characterised by improving income growth and widely sharing benefits, with the gains accruing more to the poor segment of the population? The answer is generally unknown.

5.7 GOVERNANCE AND MANAGEMENT MATURITY

The potential for CBOs to provide a vehicle for poverty reduction is weakened where deficient governance and poor management erode the benefits that could accrue to the poor. The case communities were asked to score the strength of the following attributes of governance and management maturity:

- Clearly and closely defined boundaries (physical as well as legal) such that the CBO members recognise the limit within which they operate;
- Bundles of property rights are unambiguously defined and enforced (i.e. the rules of access and exclusion of beneficiaries are known and enforced);



Most of the CBOs are riddled with governance, financial and management deficiencies.

- Decision-making process is representative, participatory and responsive to the needs of the community at large and the poor in particular;
- Financial planning, management and fiduciary are practised;
- The rules governing the distribution of benefits within the CBOs are transparent and equitable;
- Management sets a shared vision and goals, develops policy and strategic planning, monitors progress, reports regularly, and produces measurable results in improving community members' welfare.

Most of the CBOs assigned poorly to most of these attributes, particularly to point 3 (participatory decision-making), point 4 (financial management and fiduciary), point 5 (transparency and regularity in benefit distribution), and point 6 (Trusts producing measurable improvements in well being).

Although CBNRM is believed to empower villagers to make decisions affecting their livelihoods and to manage their natural resources, most of the CBOs are riddled with governance, financial and management deficiencies. Where the majority of the CBOs show these deficiencies, the prospect for poverty reduction through CBNRM is diminished.

5.8 CHAPTER SUMMARY

Several CBNRM CBOs emerged quickly, especially in the second half of the 1990s, in areas with extensive and varied natural resources. Government agencies, international organisations and non-governmental organisations supported the formation of these CBOs and provided financial and managerial guidance.


The CBOs are organised in Trusts, governed by Deeds of Trust (or constitutions). Membership in wildlife CBNRM CBOs is open to all adults living in specific Community Hunting Areas.

In some of the non-wildlife CBOs, membership is restricted by gender, and/or fee payment requirements, and/or specific skill acquisition. These CBOs specialise in the commercialisation of different types of natural resources.

Substantial revenue is generated, particularly in the wildlife-based CBNRM CBOs; this is indicative of an increasing appreciation of the value of tradable rights in wildlife resources. Some CBOs, particularly the wildlife CBOs, diversify into secondary businesses.

Not all the case CBOs are operating their businesses continuously. Few CBOs regularly report the financial profitability of their individual businesses and Trust income.

The first financing priority of the CBOs is the Trust expenditures. The residual is allocated to: (1) saving for future operations, enterprise expansion and funding micro-finance loans; (2) investing in community infrastructure and activities; (3) social assistance (food, cash and shelter for the very poor) and social insurance; and (4) cash dividends to community members. But the trusts generally have no systematic methods in their allocation practices.



The performance of most CBOs, measured by their collective outcomes, such as enterprise development and diversification, revenue generation and income growth, benefit level and distribution, monitoring and managing natural resources, and empowering beneficiary communities, is mixed in results.

Common deficiencies in most case CBOs include: (1) inadequate design in investment priorities to ensure the steady expansion of businesses and income; (2) the absence of regularity in the distribution of benefits; (3) weak mechanisms to compensate the holders of tradable use rights; (4) the prevalence of several collusions of interests that limit the effectiveness of the communities in participatory and transparent governance; and (5) not much evidence to show communities are actively monitoring the use and condition of their natural resources.

A few case CBOs managed to develop profitable business enterprises and to diversify their income sources. These bright examples need to be closely monitored. The search for more such cases needs to continue for the MSCPR to scale up learned lessons.

5.9 REFERENCES

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