



COST-SHARING PRINCIPLES AND GUIDELINES FOR CBNRM ACTIVITIES

**DOCUMENT 19
SEPTEMBER 2000**



Community
Partnerships for
Sustainable
Resource
Management in
Malawi

Cost-sharing Principles and Guidelines for CBNRM Activities

Prepared by:

Nobel Moyo (COMPASS)

Development Alternatives, Inc.
7250 Woodmont Ave., Suite 200
Bethesda, MD 20814
USA

Tel: 301-718-8699
Fax: 301-718-7968
e-mail: dai@dai.com

In association with:

Development Management Associates
Lilongwe

COMPASS
Phekani House
Glyn Jones Road
Private Bag 263
Blantyre
Malawi

Telephone & Fax: 622-800
Internet: <http://www.COMPASS-Malawi.com>

USAID Contract: 690-C-00-99-00116-00
Activity: 612-0248

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Introduction

Community Partnerships for Sustainable Resource Management (COMPASS) is a USAID funded project whose objective is to promote community based conservation and utilization of natural resources in Malawi. COMPASS is implemented by the US-based Development Alternatives, Inc. (DAI) and the Malawi-based organization, Development Management Associates (DMA). COMPASS advocates mutual collaboration and co-operation with other institutions involved in community based natural resource management (CBNRM) activities to avoid unnecessary duplication of efforts and also try to attain economies of scale. This collaboration also enhances sharing of experiences, approaches, strategies and costs. COMPASS therefore took the initiative to organize a workshop in order to develop with partners and other CBNRM service providers cost sharing principles and guidelines related to CBNRM programmes and activities.

Need for cost-sharing

In Malawi, there are currently over 90 organizations that are involved in CBNRM activities (COMPASS Internal Report 4). This translates into a substantial amount of resources that if well co-ordinated can result in a magnificent impact on the ground. Cost-sharing is one example of such collaboration that can increase impact. The kind of cost-sharing being referred to here covers a whole range of materials, technical expertise, management and financial resources. The levels of cost sharing should also accommodate provisions according to various groups' differing abilities to pay. For example, donor sponsored projects would be expected to contribute differently from community based organizations.

Advantages of cost-sharing

Adopting cost sharing strategies offer the following advantages:

- Improve programme sustainability by establishing secure funding mechanisms.
- Facilitate greater commitment by increasing participants' stake in programme outcomes.
- Help build confidence in rural communities' abilities to help themselves.
- Promote accountability on the part of programme sponsors and implementing agents for delivering real project benefits.
- Increase the cost-benefit of programme activities.

Development of cost-sharing guidelines

The cost sharing guidelines were developed at a one day workshop involving different stakeholders including donors, NGOs, government and private sector that promote CBNRM activities in Malawi. There were sixteen participants (4 women) at the workshop. The workshop process involved participants presenting experiences on

cost-sharing from their respective institutions followed by group discussions to develop guidelines. The guidelines from group work were then consolidated and synthesized during plenary discussions to act as recommended guidelines in cost-sharing.

Examples of cost-sharing arrangements that have been used successfully by other institutions involved in CBNRM in Malawi:

- USAID/COMPASS teamed up with UNDP to fund a workshop on Principles and Approaches to CBNRM. COMPASS paid for guest's accommodation and incidentals while UNDP covered other related costs.
- Government staff offering technical services such as training and technical advice to some COMPASS grantees. An example of this is the Matindi Youth Group that received funding from COMPASS to raise fruit tree nurseries. Blantyre ADD Horticulture staff offered training and technical advice.
- COMPASS sharing costs with partners during exchange visits e.g. an NGO or CBO partner meeting costs of accommodation and meals for the visiting group and COMPASS paying for transport hiring charges. The types of costs shared are negotiated on a case by case basis.
- There is a proposed cost sharing between COMPASS and Portland cement (private sector) for making cement-building blocks. COMPASS will buy the moulding machine while Portland cement will provide free cement for moulding cement blocks with the arrangement that government contractors will use (buy) the cement blocks for the construction of district referral hospitals under EU's funding.
- EDETA and POET offer business training and all their participants pay for their own travel, accommodation, and meals and participation fee. EDETA and POET organize and provide the training. Lending institutions for business ventures advise clients to undergo business training by POET or EDETA before they could be considered for loans.
- Mulanje Mountain Conservation Trust developed a Conservation Management Plan by involving several stakeholders and is now negotiating with government to co-fund the launching of the Management Plan.
- CURE, for example, in its training programmes provides resource persons, training materials and other logistical arrangements whilst collaborating NGOs meet their staff costs of participation such as allowances, accommodation and transport.
- Donors like UNDP, World Bank and USAID sometimes fund workshops jointly to cover costs like local consultants, international consultants, allowances and other related costs.

- Donor sponsored organizations/projects are expected to pay for the full cost of participation in activities organized by the other donor funded projects.
- For cost-sharing to be transparent and effective, there is need to develop Partnership Agreements with partners spelling out key areas of responsibility and cost-sharing arrangements.
- Cost sharing at village level mostly demands commitment and an investment of time into programme activities and also contribution of local resources and labour.
- Developing a partnership agreement requires developing a strong relationship that includes both mutual benefit and mutual accountability.

Developing cost-sharing principles

In developing principles further, participants were divided into groups to discuss these issues corresponding to the categories of institutions involved in CBNRM: for example, NGOs, Government, CBOs and Donor funded projects. Discussions were centred along the following guidelines:

- Kinds of costs to be shared
- Appropriate level of cost sharing
- Mechanisms for funding
- Procedures for funding
- Pre-conditions or assumptions to consider

It should be noted that the developed cost-sharing principles are just guidelines that will allow flexibility in the mechanisms used by various institutions/stakeholders. Participants agreed that specific cost-sharing arrangements and mechanisms would be negotiated on a case by case basis taking into consideration the different abilities to pay. The principles below represent possible institutional interface in cost-sharing.

CBO/DONOR INTERFACE IN COST-SHARING

	CBOs (Community-Based Organizations)	Donors
Kinds of costs to be shared	<ul style="list-style-type: none"> - Materials - Labour - Organizational capacity - Technical skills 	<ul style="list-style-type: none"> - Materials - Technical skills - Allowances - Organizational capacity
Level of cost sharing	<ul style="list-style-type: none"> - Labour - Local organizational costs 	<ul style="list-style-type: none"> - Materials - Technical expertise - Allowances
Mechanisms for funding	<ul style="list-style-type: none"> - Mostly in kind 	<ul style="list-style-type: none"> - Grants - Cash - Local schemes
Procedures for accounting	Simple tools e.g. cash book, receipts	<ul style="list-style-type: none"> - Assessment of ability - Training/orientation - Monitoring/evaluation - Audit
Pre-conditions/ Assumptions	<ul style="list-style-type: none"> - Availability of basic skills - Self help attitude - Processed contracts/agreements - Obvious benefits to the community - Flexibility in approach without losing focus 	<ul style="list-style-type: none"> - Established organization - Representative - Good governance (accountability, transparency, consensus building)

GOVERNMENT/DONOR FUNDED PROJECTS INTERFACE IN COST-SHARING

Assumptions

There are no cost sharing standards and mechanisms

Pre-conditions/assumptions

There should be transparency and accountability

Well defined roles and responsibilities

There should be equal partnership

There should be efficient communication and information sharing

Kinds of training costs to be shared

Costs to participants

Upkeep

Boarding

Lodging

Cost of training

Resource persons

Training materials

Equipment

Transport and travel costs

Overhead costs

Venue

Communication

Administrative costs

Level of cost-sharing

Can be done at all administrative levels (national, regional, district & community) depending on the situation and availability of resources.

Mechanisms of funding

Joint funding

Part funding

Cooperative funding

Procedures for accounting for resources

Standardize the accounting procedure of partners and each partner reports to the respective sources of funding using the agreed formats.

NGO/PRIVATE SECTOR COST-SHARING INTERFACE

Kinds of costs to be shared

Human resources
Financial resources
Material resources (transport, equipment, infrastructure)
Skills

Appropriate levels of cost sharing

Level of involvement
Level of interest
Capacity of the institution

Mechanisms for funding

Promotion of products / services
Provision of funds for targeted results
Partial funding
Promotion of revolving funds
Provision of a steady market

Procedures for accounting

Internal and external audits
Monitoring for verification
Periodic reporting system
Evaluation

Preconditions/Assumptions

Registered organization
Have a bank account
Common interest/vision/goal

CATEGORIES OF RESOURCES THAT CAN BE SHARED BY VARIOUS INSTITUTIONS

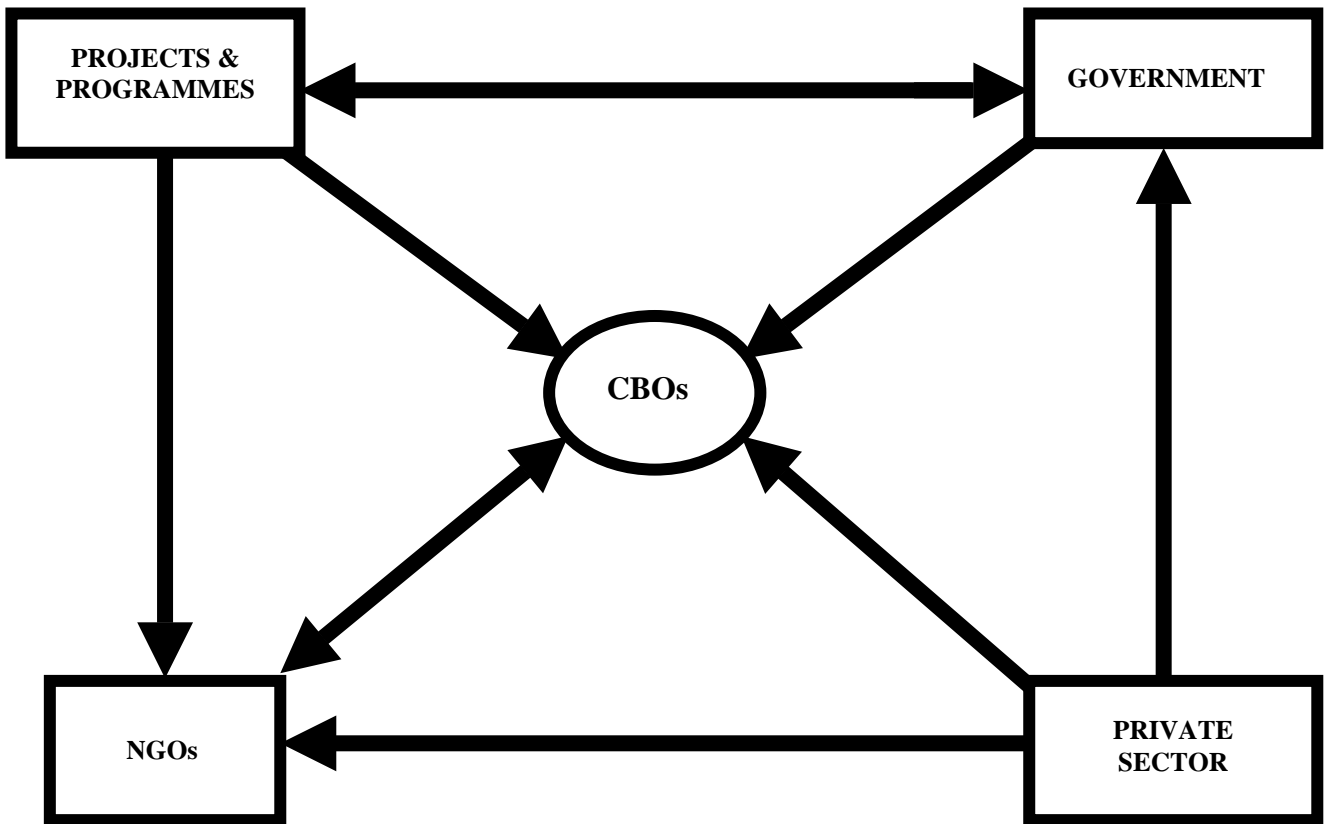
Four categories of resources were identified that can be shared by institutions when implementing CBNRM activities. The level of sharing depends on the respective capacity of the institution to secure the given resources. This factor has already been identified as a mechanism to consider in cost sharing. The four categories include:

- Financial
- Technical Assistance
- Management/Administration
- Labour/Materials

Category	NGO	Government	CBO	Other Projects	Private Sector
Capacity building	Technical assistance Finances Labour	Technical assistance Finances Labour Management	Labour	Finances Technical assistance Management Labour	Finances Labour
Field activities	Finances Technical assistance Management	Finances Technical assistance Management	Management Labour	Finances Technical assistance Management	Finances Labour
Support for operations	Finances Technical assistance Management		Management Labour	Finance Technical assistance Management Labour	Finances

In general, it came out that CBO contribution in cost-sharing would mostly be in kind through provision of labour, local materials and local organization while financial contributions and technical expertise would be offered by donors, NGOs, government and donor funded projects. The magnitude of cost sharing will be negotiated between partners on a case by case basis.

INSTITUTIONAL LINKAGES IN COST- SHARING



CONCLUSION

The culture of cost sharing in CBNRM activities is still not well established in Malawi. There are often incidences of resistance by staff and some rural communities to participate in development interventions or donor-sponsored activities if there is no financial compensation or reward. Shifting attitudes about cost sharing in CBNRM is therefore envisaged to be a long-term process due to the dependency culture that has been in existence for a long time. This initiated process of consultations among partners on cost-sharing issues will assist in building support to principles and guidelines that have been agreed upon during the workshop.

Workshop participants

Mr. D.G. Bauleni, Environmental Officer, ESCOM
Mr. Jones Njala, Project Coordinator, Mulanje Mountain Conservation Trust
Mr. Francis Ngopola, Assistant Project Coordinator, ELDP
Dr A.R. Saka, Deputy Programme Manager, TSP.
Mr. Dinga P.K. Mjojo, Assistant Forestry Director, Forestry Department
Mr. Fumbula Kachigwali, Desktop Publishing Officer, WSM
Mrs. Anette Mertens, Senior Project Officer, NICE
Ms. Lingalireni Mihowa, Gender Coordinator, CURE
Ms. Zoe Bell, MEET
Mr. Carl Bruessow, Project Co-ordinator, MEET
Mr. Steve Machira, NRM Specialist & COMPASS CTO, USAID
Ms Esther Thobias, Training Officer, EDETA
Ms.. Temwa Chaura, Training Officer, POET
Mr. Nobel Moyo, Community Mobilization Specialist, COMPASS
Mr. Mesheck Kapila, Information Management Specialist, COMPASS
Mr. Elliams Banda, Bookkeeper, COMPASS
Dr. Andrew Watson, Chief of Party, COMPASS

TABLE 1: COMPASS Publications

Document Number	Title	Author(s)	Date
Document 1	COMPASS Year 1 Work Plan	COMPASS	Jul-99
Document 2	COMPASS Small Grants Management Manual	Umphawi, A., Clausen, R., Watson, A.	Sep-99
Document 3	Year 2 Annual Work Plan	COMPASS	Dec-99
Document 4	July 1-September 30, 1999: Quarterly Report	COMPASS	Oct-99
Document 5	Training Needs Assessment: Responsive Modules & Training Approach	Mwakanema, G.	Nov-99
Document 6	Guidelines and Tools for Community-Based Monitoring	Svensden, D.	Nov-99
Document 7	Policy Framework for CBNRM in Malawi: A Review of Laws, Policies and Practices	Trick, P.	Dec-99
Document 8	Performance Monitoring for COMPASS and for CBNRM in Malawi	Zador, M.	Feb-00
Document 9	October 1 - December 31, 1999: Quarterly Report	COMPASS	Jan-00
Document 10	Workshop on Principles and Approaches for CBNRM in Malawi: An Assessment of Needs for Effective Implementation of CBNRM	Watson, A.	Mar-00
Document 11	January 1st - March 31st, 2000: Quarterly Report	COMPASS	Apr-00
Document 12	Thandizo la Ndalama za Kasamalidwe ka Zachilengedwe (Small Grants Manual in Chichewa)	Mphaka, P.	Apr-00
Document 13	Njira Zomwe Gulu Lingatsate Powunikira Limodzi Momwe Ntchito Ikuyendera (Guidelines and Tools for Community-based Monitoring in Chichewa)	Svensden, D. - Translated by Mphaka, P. and Umphawi, A.	May-00
Document 14	Grass-roots Advocacy for Policy Reform: The institutional Mechanisms, Sectoral Issues and Key Agenda Items	Lowore, J. and Wilson, J.	Jun-00
Document 15	CBNRM Campaigns Workshop Report	Sneed, T.	Jul-00
Document 16	Training Activities for Community-based Monitoring	Svensden, D.	Jul-00
Document 17	April 1st - June 30th, 2000: Quarterly Report	COMPASS	Jul-00
Draft 18	Wildlife Management in the Lower Shire	KaloweKamo, F.	Aug-00

Document 19	Cost-Sharing Principles and Guidelines for CBNRM Activities	Moyo, N.	Aug-00
Internal Report 1	Building GIS Capabilities for the COMPASS Information System	Craven, D.	Nov-99
Internal Report 2	Reference Catalogue	COMPASS	Feb-00
Internal Report 3	Workshop on Strategic Planning for the Wildlife Society of Malawi	Quinlan, K.	Apr-00
Internal Report 4	Directory of CBNRM Organizations	COMPASS	Jun-00
Internal Report 5	Proceedings of Water Hyacinth Workshop for Mthunzi wa Malawi	Kapila, M. (editor)	Jun-00
Internal Report 6	COMPASS Grantee Performance Report	Umphawi, A.	Jun-00
Internal Report 7	Examples of CBNRM Best-Practices in Malawi	Moyo, N. and Epulani, F.	Jul-00