

**CEPF and Poverty Reduction:  
A Review of the CEPF Cape Floristic Region Portfolio**

**December 2006**

The benefits from intact habitats and healthy ecosystems extend well beyond biodiversity. This report is part of an ongoing effort by the Critical Ecosystem Partnership Fund (CEPF) to analyze the relationship between the projects it supports and poverty reduction.

This analysis includes a socioeconomic study across the CEPF geographic funding area and a project- and portfolio-specific study performed through administering questionnaires to grantees. The socioeconomic information provides CEPF with more detailed information about the areas where it invests, and can be layered with existing biodiversity data to present a more comprehensive picture of the priority areas. Project-specific information, collected through questionnaires, provides specific data on key indicators agreed upon by the CEPF donor partners. In addition, this report incorporates narrative examples of how CEPF-supported conservation projects contribute to poverty reduction.

The project-level information is presented in a standard format agreed upon with the CEPF donor partners that is then globally aggregated as a part of the regular quarterly reporting to the partners. This approach has so far been completed in ten regions: Atlantic Forest, Cape Floristic Region, Guinean Forests of West Africa, Madagascar and Indian Ocean Islands, Philippines, Southern Mesoamerica, Succulent Karoo, Sundaland, Tropical Andes, and Tumbes-Chocó-Magdalena. The following report presents the results from the Cape Floristic Region Hotspot, emphasizing the sub-regions of that hotspot identified as priorities for investment by CEPF.

CEPF's Cape Floristic Region ecosystem profile relies heavily on the Cape Action Plan for the Environment, a comprehensive plan for conservation and development created between 1998 and 2000. Of the priorities identified by the plan, CEPF selected several for investment: three areas in excess of 500,000 hectares representing potential corridors, or *mega-reserves*, called the Cederberg Region, the Gouritz Initiative, and the Baviaanskloof Mega-Reserve; and the remaining natural veld lowland areas (Figure 1). Key lowland areas include the Northwest Lowlands Region, the Southwest Lowlands Region, and the Southeast Lowlands. The Agulhas Biodiversity Initiative and the Garden Route Initiative, also important conservation areas in the Cape Floristic Region, receive funding from other sources and thus are not priorities for CEPF investment.

Data from various complementary sources were used for the analyses presented in this report. For the entire region and each corridor, we compiled and examined available socioeconomic data from South Africa. For individual projects, we collected and analyzed data from CEPF grantees. This report summarizes the data analysis at a regional scale, at a corridor scale, and for individual projects.

Figure 1. Map of CEPF Priority Areas in the Cape Floristic Region Hotspot



**Initiative-Wide (Regional) Level**

The Cape Floristic Region Hotspot covers about 78,500 square kilometers in the southern part of South Africa. Although South Africa is one of the most developed countries on the African continent, standard measures of socioeconomic conditions such as the human development index and the poverty index indicate the presence of considerable poverty (Table 1). Much of the hotspot is rural, though concentrations of people occur along the coast in cities and towns such as Cape Town (in the Southwest Lowlands) and Port Elizabeth (in the Southeast Lowlands).

Table 1. National development and poverty levels for the Cape Floristic Region Hotspot

	<i>South Africa</i>
Human Development Index: value (rank <sup>a</sup> )	0.658 (#120)
Human Poverty Index: value (rank <sup>a</sup> )	30.9 (#56)
% population living on less than \$2 per day	34.1
% population living on less than \$1 per day	10.7

a : Rank among less developed countries globally

Source: United Nations Development Programme-Human Development Reports online: <http://www.undp.org/reports/>

### Corridor Level

To explore the socioeconomic context of CEPF corridors in the Cape Floristic Region Hotspot, this study examined variables widely recognized as indicators of poverty, focusing on both population and housing characteristics. The distribution of poverty can be shown in map form, presented for small geographic units called *small areas* in South Africa. Recent (2001) data on persons lacking education, housing units lacking electricity, and housing units lacking piped water are available for small geographic areas, providing evidence of how these indicators vary across the hotspot. Mapping the percentage of people lacking education indicates that in the vast majority of small areas in CEPF priority areas, 10-25 percent of the residents have never had any formal education (Figure 2). A few small areas with fewer than 10 percent of their residents lacking education occur in the CEPF priority areas, as do a few with more than 25 percent lacking education, though there are no clear geographic patterns with respect to the priority areas. Mapping housing units lacking electricity indicates more geographic variability than education (Figure 3). Relatively fewer housing units lack electricity in the Northwest Lowlands and Southwest Lowlands than in the Cederberg Region, Gouritz Initiative, and Baviaanskloof Mega-reserve, with more than half the housing units in the last three areas lacking electricity. Availability of electricity for the remaining priority areas falls between levels found in the two groups of areas just mentioned. Finally, mapping access to piped water shows that people in priority areas generally had consistent, high access in the westernmost regions, with increasing variability (and decreasing access to piped water) in the eastern regions beginning with the Gouritz Initiative (Figure 4).

Figure 2. Percentage of people lacking education, 2001

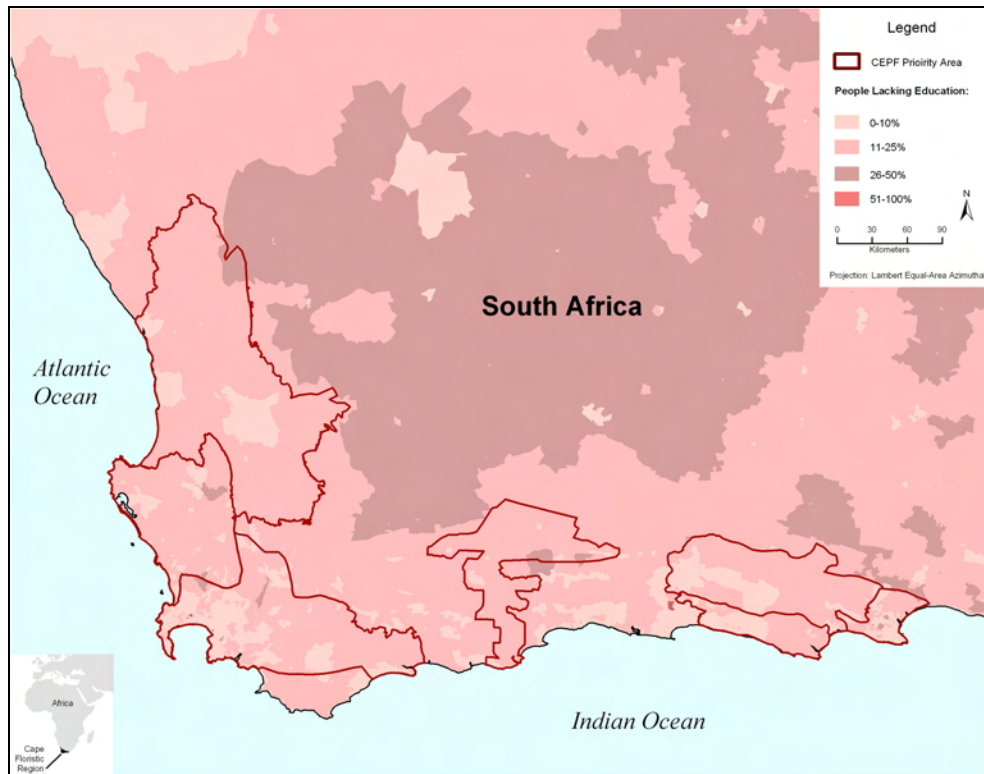


Figure 3. Percentage of households lacking electricity, 2001

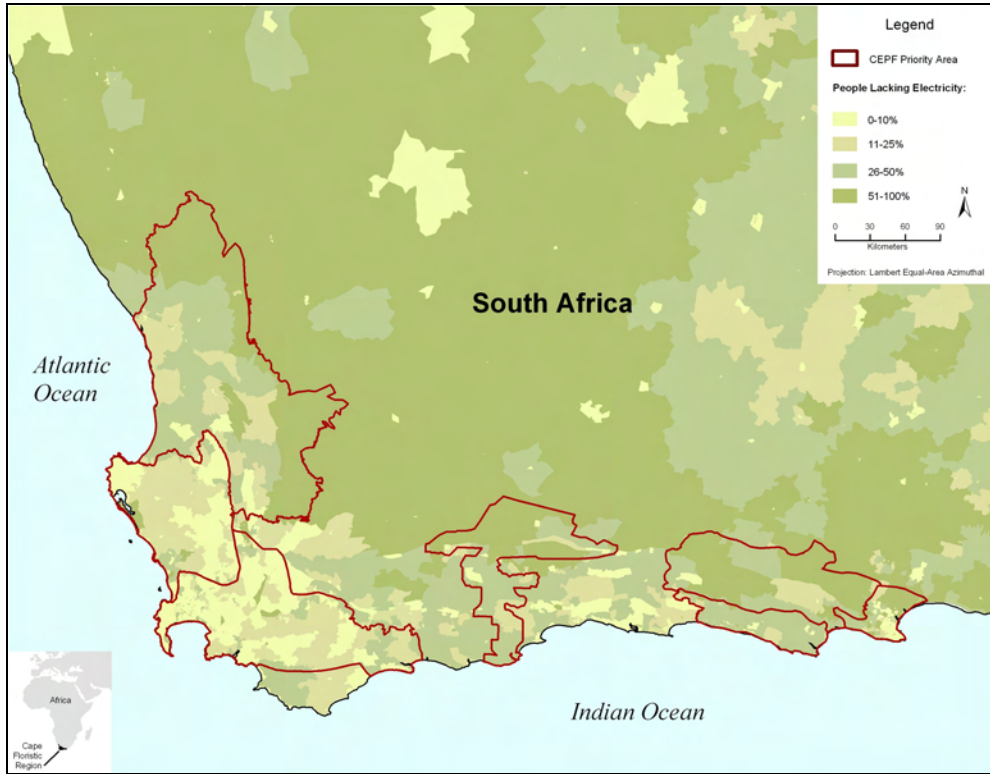
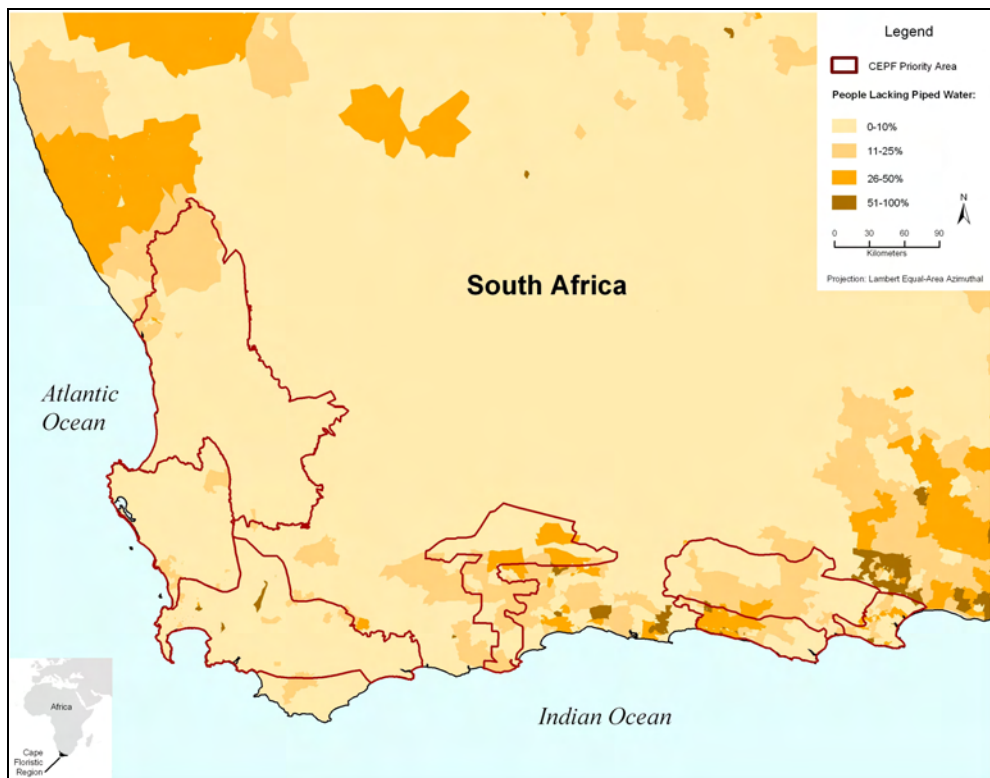


Figure 4. Percentage of households lacking piped water, 2001



To place the analysis of socioeconomic variables in context, we compared the values of the three indicators mapped—education, electricity, and piped water—for each of the CEPF priority areas to the national averages for each indicator. Results show the percent of geographic units worse than the national averages (Table 2). The variation seen in mapping these indicators persists in their tabular presentation with respect to national tendencies, with certain corridors (e.g., Baviaanskloof Mega-reserve) often worse than national averages, others (e.g., Northwest Lowlands, Southwest Lowlands) often better than national averages, and the remainder varying among indicators. In reading this table, it is important to remember that South Africa contains considerable poverty, and the averages used as benchmarks are consistent with this. As a result, small areas with conditions better than the national averages—for instance, with less than 30.3 percent of housing units lacking electricity—still may largely feature poor human conditions.

Table 2. Selected poverty indicators for small areas in South Africa that occur at least partially in CEPF priority areas in the Cape Floristic Region, compared to national averages: 2001

CEPF Priority Area	Total Small Areas	Small Areas Worse than National Average (%)		
		Lacks Education	Lacks Electricity	Lacks Piped Water
Baviaanskloof	62	35.5	48.4	24.2
Cederberg	147	29.9	23.1	2.7
Gouritz Initiative	65	27.7	53.8	32.3
Northwest Lowlands	650	7.5	10.2	3.2
Southeast Lowlands	1,292	7.5	24.0	3.0
Southwest Lowlands	3,776	4.3	10.4	2.4
<b>Total</b>	<b>5,893</b>	<b>6.6</b>	<b>14.2</b>	<b>3.0</b>

### Individual Project Level

To examine how CEPF projects contribute to poverty reduction in the Cape Floristic Region, we surveyed CEPF grantees to gather project-level data. To date, nearly 40 percent of the 53 region-specific projects in the portfolio completed questionnaires (Table 3). The data in the table below represent the information collected from the 21 projects that responded to the questionnaire.

Table 3. Summary from CEPF questionnaire responses, Cape Floristic Region Hotspot

<b>Strategic Direction<sup>a</sup></b>					
<b>Indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Total</b>
No. Projects Reporting	5	12	3	1	<b>21</b>
CEPF Funding <sup>b</sup>	453,944	2,178,564	954,251	898,744	<b>4,485,503</b>
No. Projects Offering Training Workshops					
Offered	2	7	1	1	<b>11</b>
Jobs Created	42	93	30	0	<b>165</b>
Persons Trained	37	405	6	3	<b>451</b>
Organizations Created or Strengthened	28	832	17	355	<b>1,232</b>
Network or Alliance Organizations					
Created or Strengthened	13	53	50	1	<b>117</b>
Organizations	54	78	4	8	<b>144</b>

a: Strategic directions for Cape Floristic Region:

- |                                                                                                                                                                |                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Involve civil society in protected areas/management plans</li> <li>2. Involve private sector in corridors</li> </ol> | <ol style="list-style-type: none"> <li>3. Institutional environment for conservation</li> <li>4. Small grants program to build capacity</li> </ol> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|

b: US dollars

A key finding of this study is that CEPF grantees report both direct and indirect contributions to poverty reduction. Direct contributions include job creation and training. Indirect contributions to poverty reduction include the creation or strengthening of local organizations. Several indirect contributions are difficult to summarize statistically. Other indirect effects, such as indirect job creation or economic multiplier effects, were beyond the scope of this study.

We used the three-heading framework on the links between biodiversity conservation and poverty reduction, presented to the 7<sup>th</sup> Meeting of the Donor Council in November 2004, as the basis for information-gathering from individual projects. Selected results of analyzing the questionnaire data appear below under those same headings: Building Income or Assets for the Poor, Facilitating Empowerment of the Poor, and Reducing Vulnerability and/or Enhancing Poor People's Security.

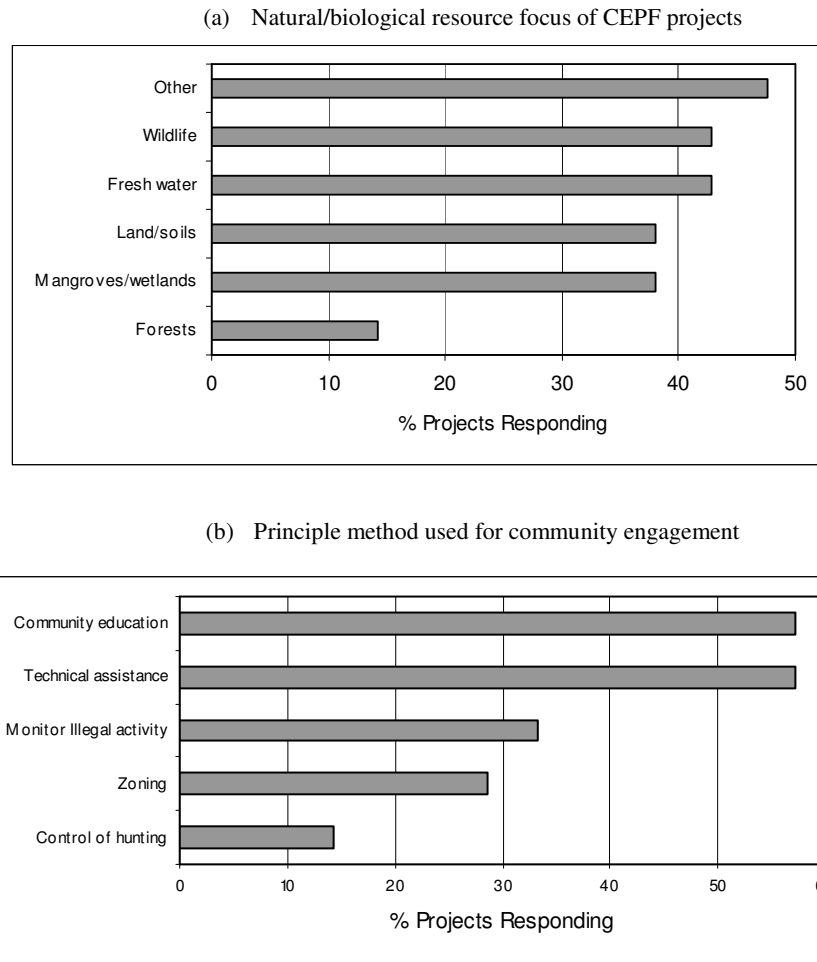
#### Building Income or Assets for the Poor

To obtain information from CEPF projects on building income or assets for the poor, the questionnaire focused on the following issues:

- biological and natural resource assets;
- human resource assets;
- conditions for secure management: household or community; and
- conditions for secure management: civil society.

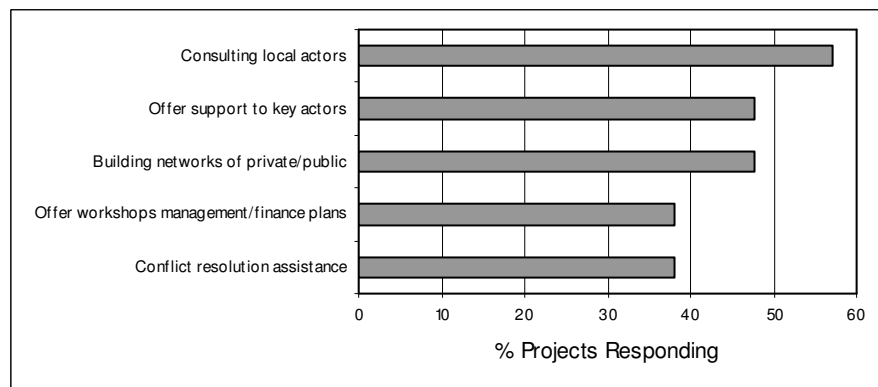
In the Cape Floristic Region portfolio, project support to improve resource management mainly focused on a range of resources reflected in the “Other” category, such as wild vegetation, dunes, and aquatic invertebrates, with slightly less attention placed on fresh water and wildlife (Figure 5a). Projects used a variety of methods to engage communities in resource management, with an emphasis on community education about the consequences of wise and unwise management and technical assistance (Figure 5b). Management of natural and biological resources is extremely important for poor rural communities that depend on the products of healthy ecosystems for much of their food, fuel, clothing, medicine, and shelter.

Figure 5. CEPF projects and the management of natural and biological resources in the Cape Floristic Region Hotspot



The focus of most grantees in this portfolio is on corridor-scale conservation in priority areas. Key corridor-scale actions employed by CEPF grantees included consulting local actors, providing support to key actors, and building networks of private and public organizations that work on conservation (Figure 5c). CEPF projects provided workshops, and training in management and finance planning, to help these groups become successful and independent. This is particularly relevant when considering the representation of civil society organizations and small stakeholder groups in this portfolio. Local groups generating capacity for sound resource, project, and financial management and awareness of the conservation priorities of their corridor and regional landscape can apply these skills to actions supporting poverty reduction.

(c) Ways projects aid civil society or build alliances

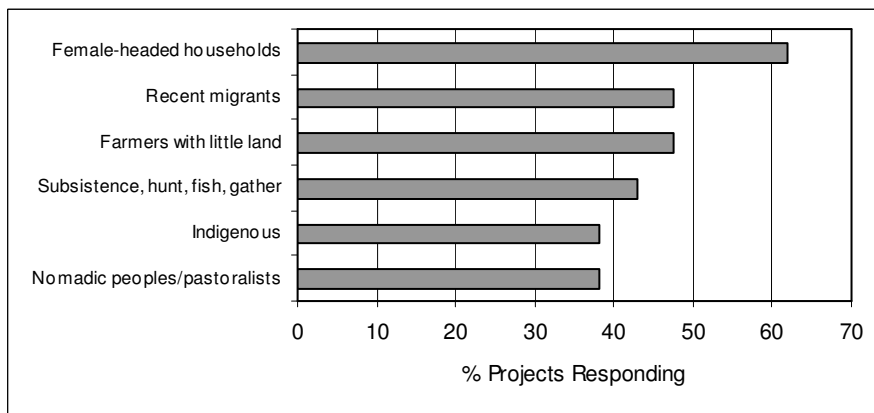


CEPF projects in the Cape Floristic Region Hotspot contributed to resource management at various scales by creating or strengthening approximately 117 local organizations and building alliances among 144 other institutions. Both of these figures are exceptionally high and mark an area of particular success by CEPF-funded projects in supporting civil society in this hotspot. Efforts to create or strengthen local organizations and networks help empower rural communities by increasing the information flowing to them and improving their capacity to respond to markets, government, projects, the legal system, or other sources of change. Effective local institutions have been shown to use such capabilities to help reduce poverty in the communities where they are found.

#### Facilitating Empowerment of the Poor

CEPF investments in biodiversity conservation often help empower the poor. Many CEPF investments directly support civil society efforts to help communities and local people participate in and benefit from conservation efforts. The questionnaire collected data on the categories of poor people engaged by CEPF projects. Nearly two-thirds of the projects that responded to the questionnaire worked with female-headed households, while nearly half worked with recent migrants and farmers with little land (Figure 6).

Figure 6. Categories of poor families engaged by CEPF-funded projects in the Cape Floristic Region Hotspot





One way that CEPF investments have improved the lives of the poor is through job creation. An example is Cape Flats Nature, a project conducted by the South African National Biodiversity Institute. Cape Flats Nature focused on four protected areas in densely populated townships that are home to Cape Town’s poorest people. So far the project has generated more than 200 jobs in clearing alien vegetation and in longer-term tourism projects. These improved protected areas in turn have attracted roughly 12,500 visitors, further increasing the impact of the project by bringing more people in contact with nature. Cape Town’s City Council is now expanding the approach to bring benefits to local communities around other sites in its biodiversity conservation network.

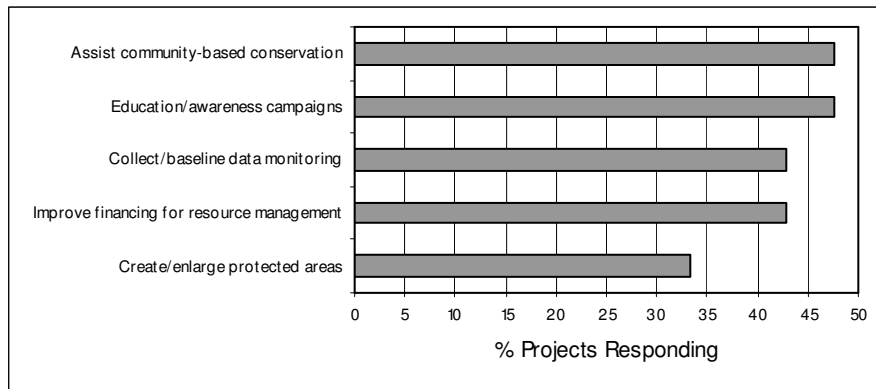
Even small-scale CEPF projects have contributed to job creation for the poor. One such project implemented by the Friends of Tokai Forest, a community organization based in Cape Town, worked with marginalized citizens to clear invasive species from a site known for its endemic flora. Friends of Tokai Forest was able to generate 323 working days for local people during the project while also providing leverage for its partner organization, Working for Wetlands, to create a further 395 workdays for the local community. Though employment was temporary, given the small size of the grant (\$10,000), the Friends of Tokai Forest was remarkably successful in generating work for local people and showing how biodiversity conservation can benefit communities.

Reducing Vulnerability and/or Enhancing Poor People’s Security

The questionnaire obtained information on reducing resource depletion, resource degradation, and effects of shocks and disasters. Nearly half of the projects that responded to the questionnaire used community-based conservation and education and awareness campaigns (Figure 7a). Others focused on baseline data collection and monitoring and on financing resource management.

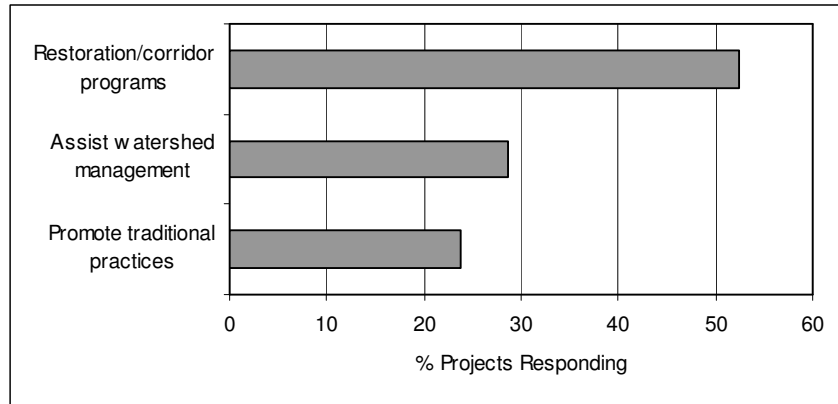
Figure 7. CEPF projects and reducing vulnerability in the Cape Floristic Region Hotspot

(a) Methods used to reduce resource depletion



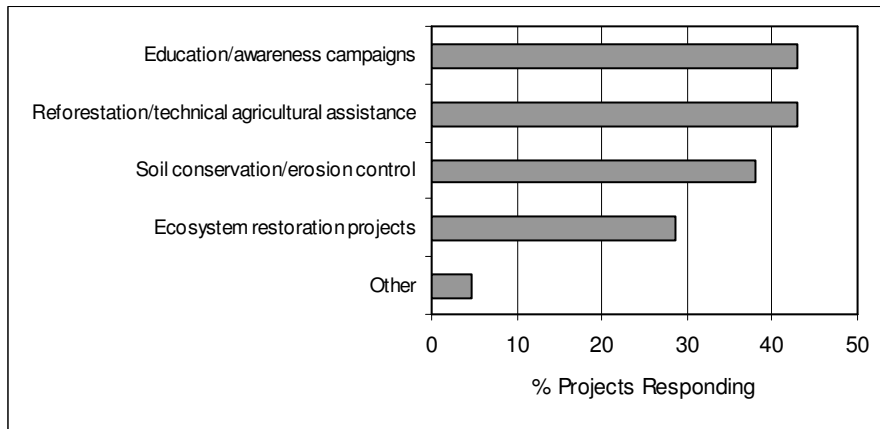
Given the emphasis on corridor-scale conservation, it is not surprising that the most common method of reducing resource degradation was through implementing restoration and corridor programs (Figure 7b). These activities not only support better resource management in wildlife corridors and riparian areas, but they are also extremely important for the poor. Projects also sought to reduce resource degradation by assisting with watershed management and promoting traditional land use practices. Once again, actions that improve local resource management are vital to the poor, as maintaining the quality of these resources is essential to the survival of rural people with limited means.

(b) Methods used to reduce resource degradation



Several CEPF grantees reported that their projects helped to reduce community vulnerability to shocks and natural disasters. Nearly half of the projects that responded reduced vulnerability through education and awareness campaigns and via technical assistance in reforestation and agriculture, thereby providing key understanding as well as creating (or conserving) habitat that reduces the impacts of severe natural events (Figure 7c). Several projects also reported using soil conservation and erosion control as a means of reducing vulnerability to shocks and disasters. Such measures are important in areas where the challenge of meeting basic human needs can lead people toward activities that increase their vulnerability to severe events, and where other types of protection from shocks and disasters, and assistance following such events, are unavailable.

(c) Methods used to reduce vulnerability to shocks and natural disasters



One CEPF project that helps to reduce natural resource depletion is run by the Environmental Monitoring Group. Working with 200 local rooibos tea producers (including two community-based cooperatives) and academic researchers, this project seeks to increase the yields from wild rooibos and thereby decrease the amount of land needed for the cultivated plant. The project also looks for ways to develop a market for the wild product. A related effort, implemented by Indigo Development and Change, set up a 95-mile “Rooibos Heritage Route” to encourage visitors to explore the area’s natural and cultural heritage while creating sustainable livelihoods for rooibos-farming families. Projects such as these recognize the need for economic activity, but seek strategies that limit adverse environmental impacts and promote an improved appreciation of livelihoods that do not unduly deplete the natural resources.

**Conclusion**

Available socioeconomic data indicate that CEPF priority areas in the Cape Floristic Region of South Africa occur in a variety of socioeconomic settings. These areas range from urban to rural, and although many show less evidence of poverty than poorer parts of interior South Africa the level of human well-being generally is low for all. Within these priority areas, CEPF grantees tend to focus largely on poorer households that are headed by women, are recent migrants, or have little or no land. CEPF projects directly and indirectly contribute to poverty reduction and improve human conditions in these regions while achieving their primary objective of biodiversity conservation. Direct impacts include creating jobs and providing training to local peoples. Indirect impacts include creating local organizations, strengthening civil societies, and other activities that maintain and restore the ecosystems upon which many poor people in the Cape Floristic Region rely.