



NCS Capacity Building Project

Business Planning Workshop

Session 3

The business planning process

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Our learning process

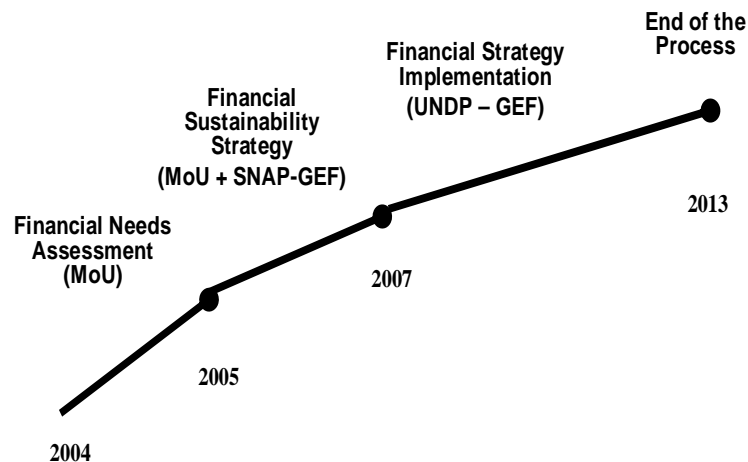
Awareness

Envisioning



Architecturing

Financial sustainability process in Ecuador



**Promoters group formed
by 10 organizations in
fourth year of operation**

**Financial Needs
Assessment finished**

**Financial Sustainability
Strategy finished**

**GEF UNDP Project will finance
the implementation of the
Financial Sustainability
Strategy until year 2013**



Financial strategy Ecuador

Mid term goal: 12 Mill.

↓ Expenditure

Management Efficiency
Standardization
Control
Scale economies

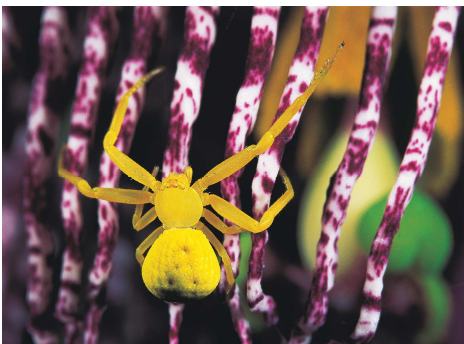
Long term goal: 38 Mill.

↑ Revenues

Site level
National
International

↔ Equity

Financial reingenering
Deconcentration of funds
PA marketing

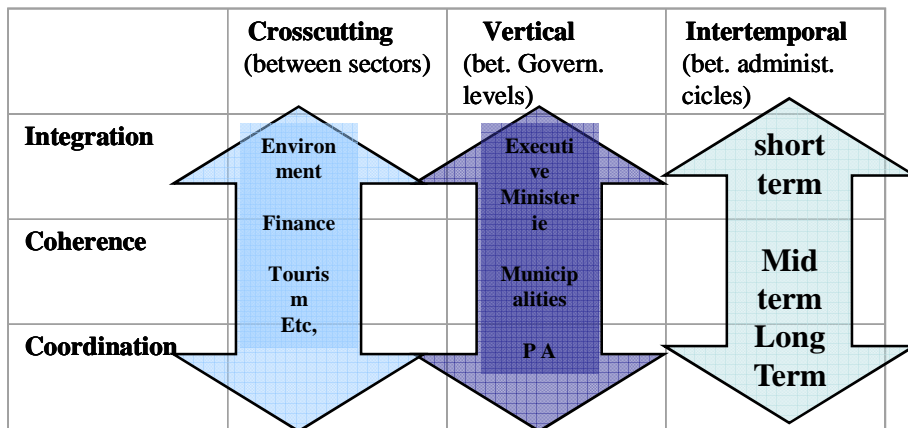


Intervention logic

Three kind of activities

Enabling environment agenda to secure long term sustainability
 Building capacity and empowerment
 Implementation of business plans

Institutional coordination



Scale

Site level
 Cluster / group of PA
 System

Short term
 Mid term
 Long term

Road map to financial planning

Awareness

Planning the process

Finding the right partners

Envisioning & Designing

Financial Needs Assessment

Engaging new partners/ political buying

Financial Strategy to close gaps

Communicate results

Implementation and measurement

Awareness

Do you recognize financial sustainability as a priority in your agenda?

Is it reflected in your operative plans and budget?

What about other stakeholders?

Do you feel comfortable dealing with financial issues?

Planning the process

Is there a plan to guide your financial planning process?

Do you know how much you can engage for this task?

How is it linked to your operative plans and other NCS projects?

What kind of resources/skills/knowledge would you need to undertake this process?

Finding the right partners

Consider forming a promoters group/ financial task force or similar figure to undertake the process

Find a partner who will feed the process with technical financial expertise

Ensure full participation from the government at different levels

Envisioning and design

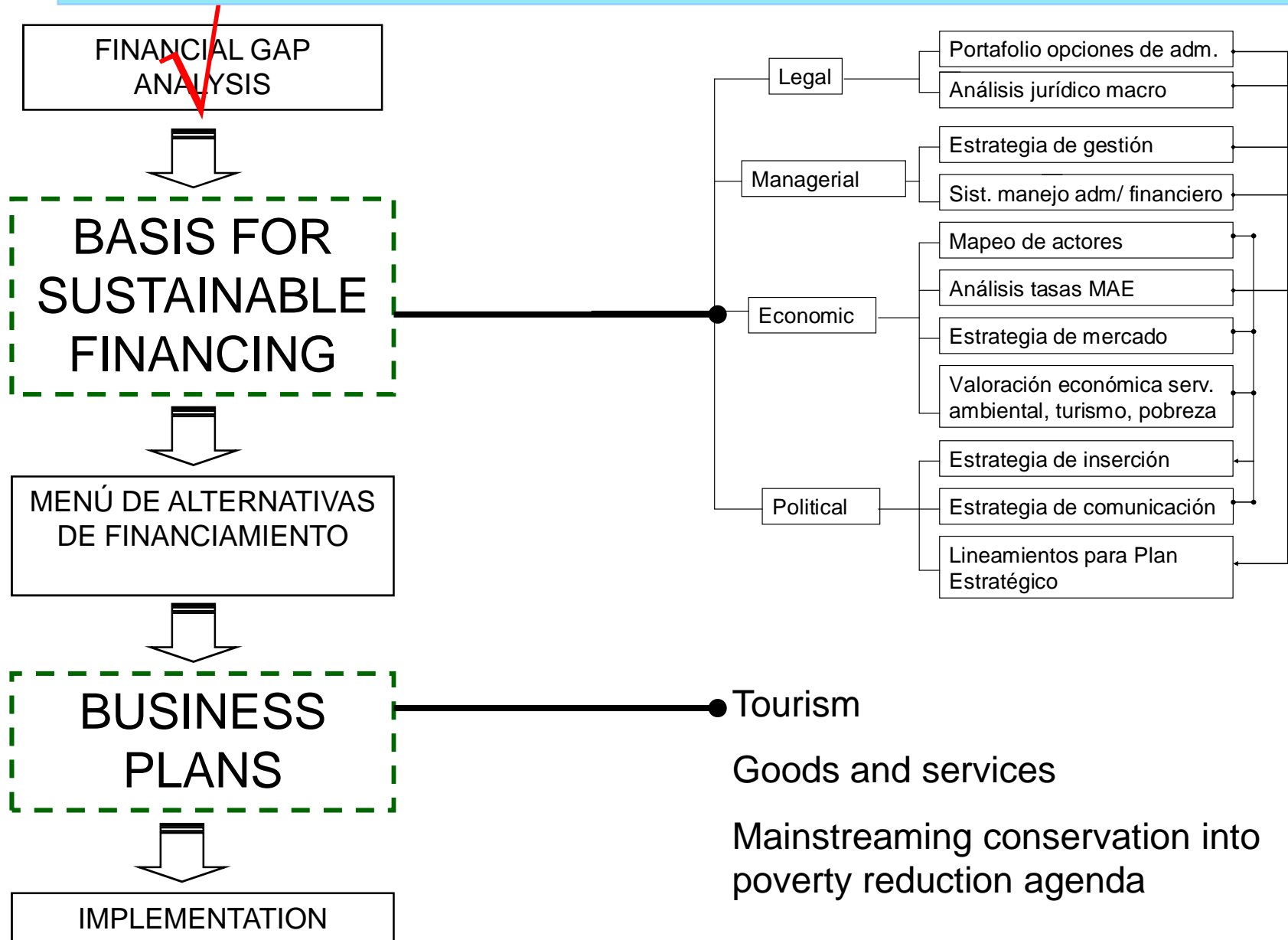
Start with the end in mind

Take a look around the neighborhood

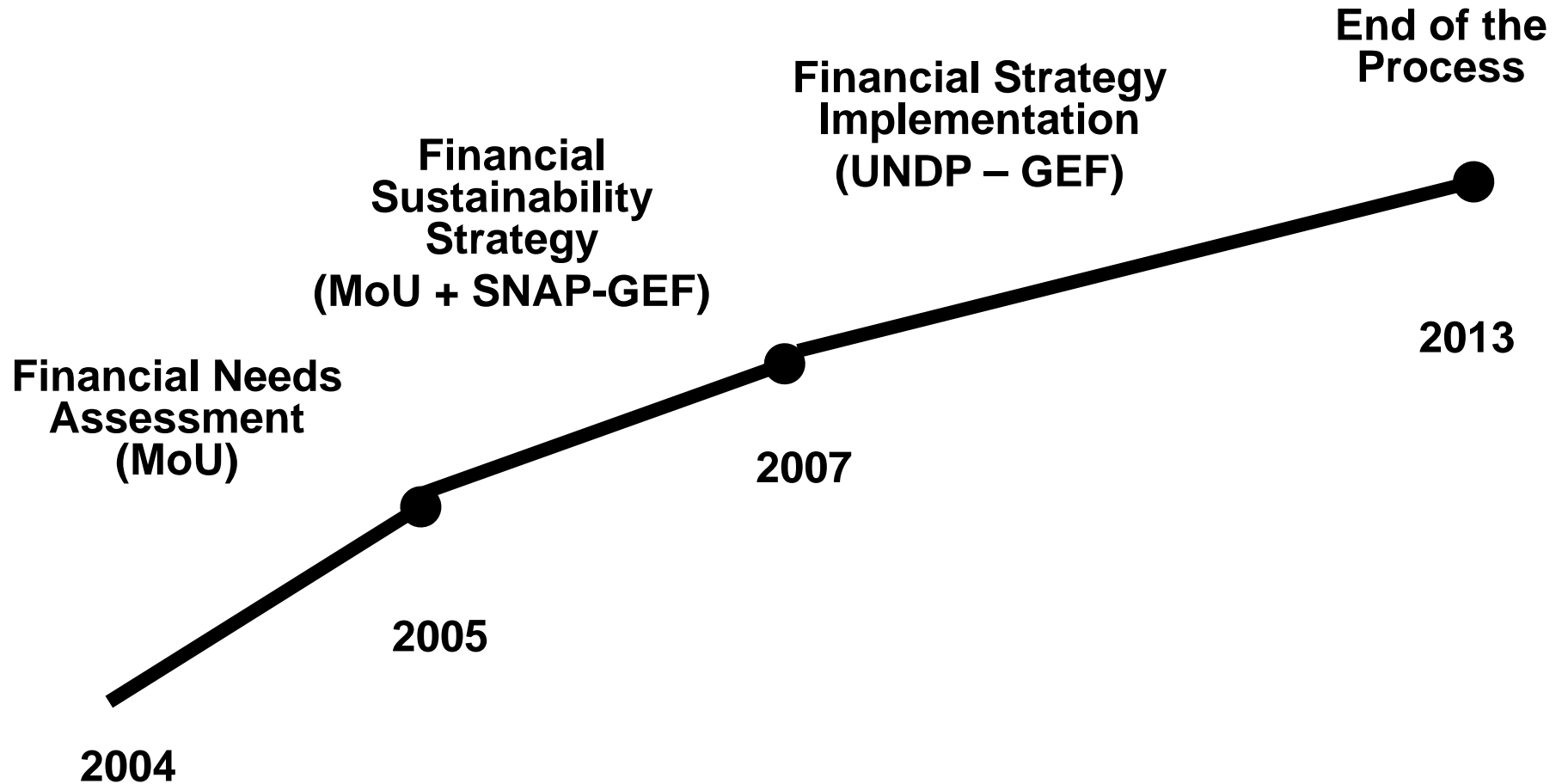
Make sure you invest not only in the final products but in the process

Start thinking about who will implement the financial strategy

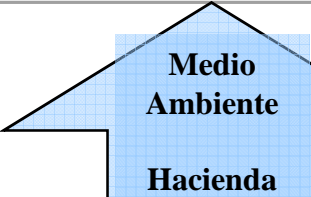

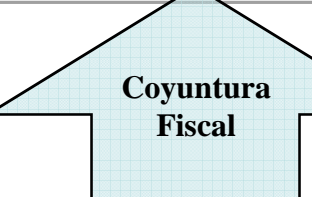
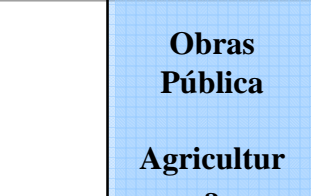
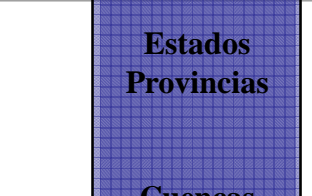
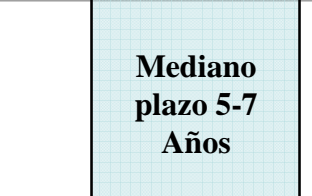
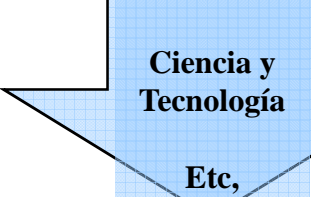

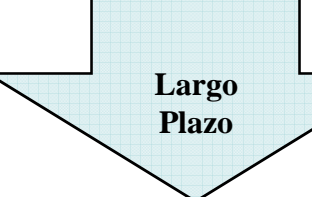
Envisioning and design



Envisioning & design



Envisioning and design

	Transversal (Between sectors)	Vertical (Betw. Governmental levels)	Intertemporal (Betw. Administrative cycles)
Integration			
Coherence			
Coordination			

Financial Needs Assessment

Define the level of information that will fit your needs:

- Costing your management plan

- Costing activities under CBD

- Baseline for financial management

- Identify operative and investment costs

Make sure the process is participative and that information would be updated periodically

Prepare scenarios or financial alternatives

Results should be accurate and solid

Engaging new partners

Needs assessment is more like an internal exercise,
financial strategy needs a broader stakeholders approach

Make sure to renew political support

Consider inviting new members to your Promoters Group

Pursue the alignment of the process with other national
development agendas

Financial Strategy

Promote an enabling environment

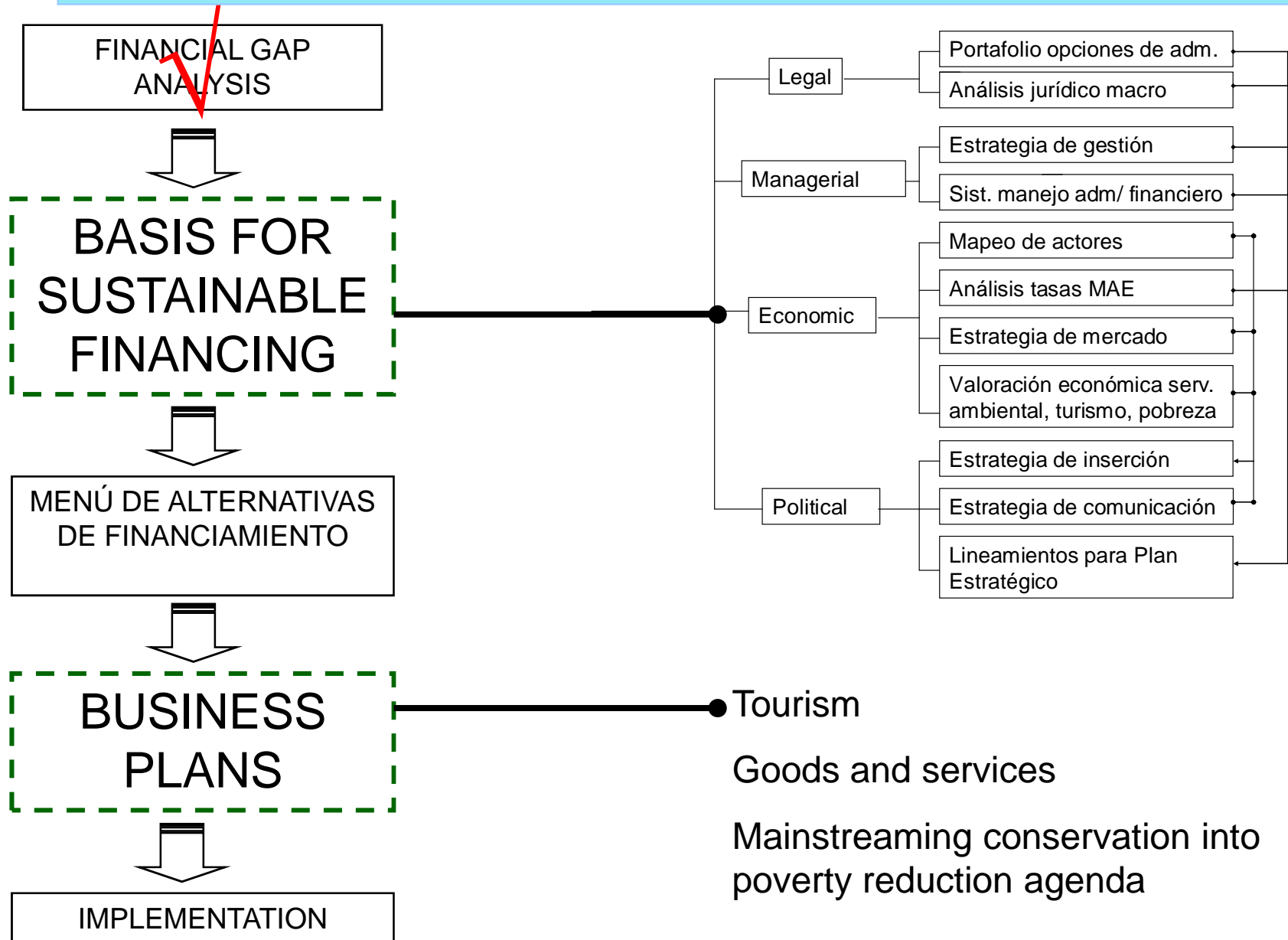
Financial autonomy / centralized management

Who will implement the strategy?

Participative definition of goals / target groups / responsibilities

Prioritize high impact activities that can be developed in the short term

Financial Strategy



Financial Strategy

Public spending:

- Government budget allocations to domestic conservation agencies
- Earmarking tax revenue for conservation (e.g. taxes on energy, aviation, hotels)
- Tax breaks or subsidies for private conservation effort/investment
- Earmarking charges or penalties related to natural resource use (e.g. timber stumpage fees, park entry fees, pollution taxes)
- International development assistance (e.g. environmental aid, debt-for-nature swaps, contributions to GEF or trust funds)

Public policy reform:

- Reform environmentally-harmful subsidies (e.g. agriculture, fisheries, water, energy)
- Public investment (e.g. infrastructure)

Private charity and non-profit:

- Private foundations
- Community self-support groups
- Secular and faith-based charities and NGOs
- Dedicated fund-raising campaigns or events
- Social marketing, lotteries

Biodiversity-friendly products and services

- Organic agriculture
- Sustainable non-timber forest products
- Certified forest and fisheries products
- Eco-tourism enterprise

Markets for ecosystem services

- Bio-prospecting agreements
- Carbon sequestration in biomass
- Watershed protection incentives
- Tradable development rights (biodiversity offsets and easements)

Other private for-profit:

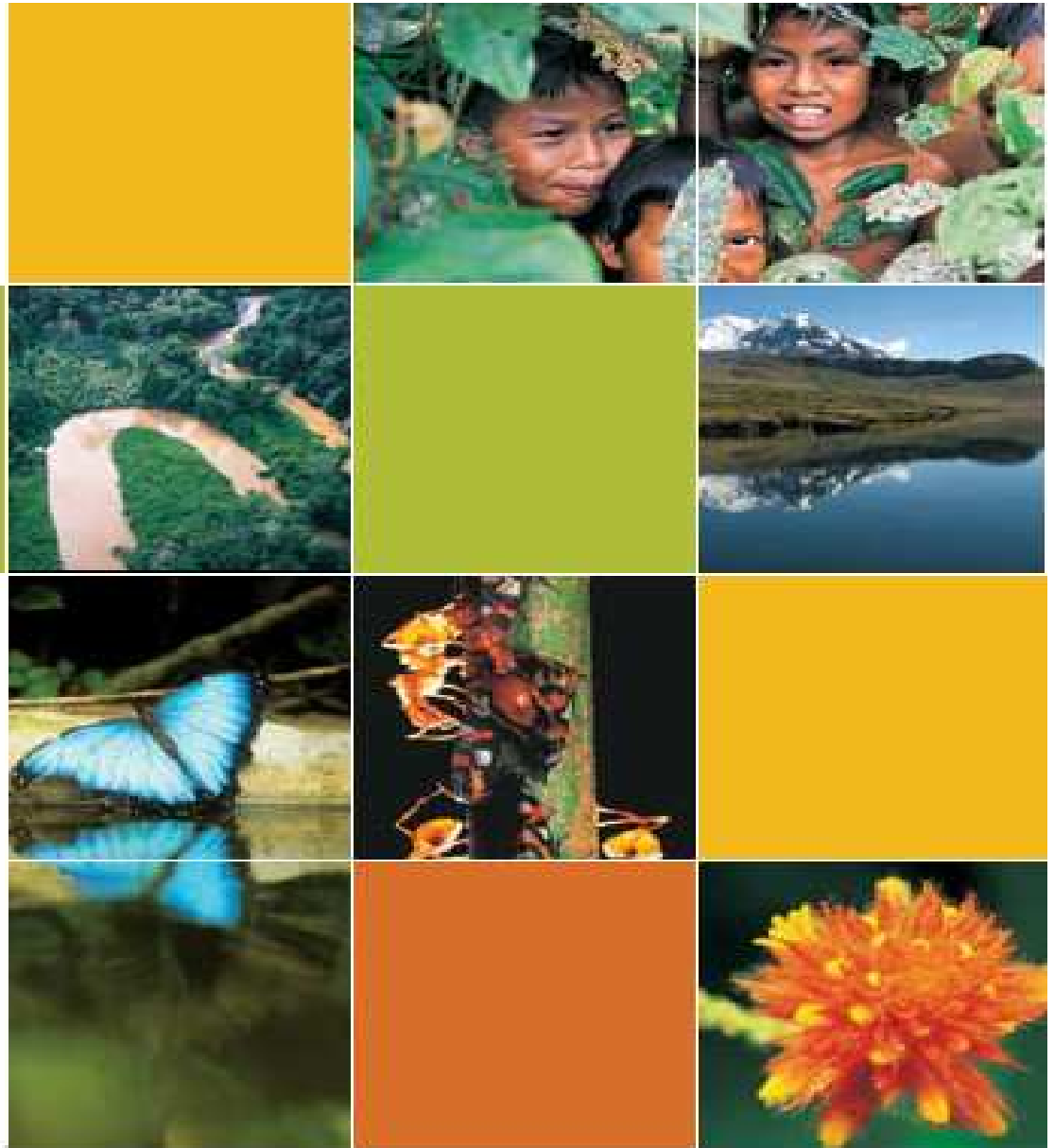
- Commercial banks
- Export credit agencies
- Direct foreign investment
- Venture &/or private capital
- Public-private-community partnerships
- Portfolio investors (e.g. “green” funds)
- Community-enterprise (formal / informal)

Adapted from: Gutman, Pablo (ed.) 2003. *From Good will to payments for Environmental Services: A survey of Financing Options for Sustainable Natural Resource Management in Developing Countries*. WWF/MPO: Washington, D.C.

Communicating results

El principal activo
del Ecuador es su
patrimonio natural.

¿Conoce usted
su situación?



Implementation and measurement

Remember that financial sustainability is a new concept for PA managers and stakeholders, make sure everyone speaks the same language

Build capacity at local and national level to implement business plans?

Link the process with Effective Management Monitoring and update of Management Plans