

# Strategic Planning for longevity and greater impact at Funbio

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## Case Studies

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### Brief fund profile and context analysis

Funbio was created in 1995 with a GEF grant of 20 million dollars. Its creation was derived from the Brazilian government strategy to implement the Convention of Biological Diversity (CBD) signed in the Rio 92 summit. Initially, Funbio had the status of a project, with a defined date to end. The project called Funbio was hosted by a think-tank named Fundação Getúlio Vargas (FGV). Although Funbio was technically part of that Foundation, it had financial and administrative autonomy. FGV was responsible for providing operational back-office, meaning that Funbio's initial staff was mainly devoted to program operations.

To manage its actions, an Advisory Board was established, comprised of representatives from the business, environmental, government and academic sectors, equally represented, and with the responsibility for establishing overall policies and setting goals and priorities for the Fund. Since the beginning, Funbio's Board has been one of its main strengths, as it congregates key leaders from different sectors.

A first strategic planning workshop took place in 1996, coordinated by the Executive Director who was just hired to start operations. It involved 70 people from different sectors, including the Board. The main leaders in the country related to the biodiversity theme were invited to take part. This plan's main objective was to suggest Funbio's program and project priorities.

Created as a sinking fund, the GEF contract set goals for Funbio, such as having a professional external asset manager, capable of performing a minimum average yield of 6,5% yearly; raising a minimum amount of 5 million dollars in the first five years of operation; besides overall quality performance. Funbio received 10 million to start operating and had to respect a set of conditions for the use of the resources .

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<sup>1</sup> Funbio could not use an amount equivalent to more than 3 million in any year, considering administration and operation of Funbio, studies on development of cost-recovery and fundraising programs and the funded subprojects.

Funbio operated according to these conditions from 1996 to 2000, having launched three different programs and supported 62 projects distributed by all national biomes. Funbio hosted yearly missions of appraisal and went through a midterm review without facing any problem in any of these inspections.

In the year 2000, Funbio had to leave the Fundação Getúlio Vargas and what was a project became an independent institution. This was the moment when the Board decided that Funbio should continue its operation indefinitely. It was time to plan again, as a new institution already supporting 62 projects, was being created on permanent basis. A new Strategic Plan was formulated in 2001, setting the bases for the philosophy that guides Funbio until today.

The first phase of Funbio's history (from 1995 to 2002) was focused on establishing an operational structure, on meeting the GEF contract requirements and on managing its programs, which supported mainly community based projects with local impact. In 2002, Funbio went through a final GEF evaluation (implementation completion report) receiving authorization to appropriate and manage the remaining project funds, with permission to use them as it see fit.

Additionally, also in 2002, Funbio had the first change in the Board's presidency. A newly elected Board chairman had to deal with the need for new resources for running a new institution and the beginning of the ARPA program negotiation.

ARPA – Amazon Region Protected Areas program is currently the largest tropical forest conservation program in the globe. Its goal is to protect 10% of the Brazilian Amazon region, which means almost 60 million hectares in Protected Areas (PAs). This federal government program was financed by the GEF (through the World Bank), WWF, KfW, and two Brazilian private companies, with investments of about 75 million dollars in its first phase (until 2009).

Funbio was selected by ARPA's donors to be responsible for: financial management, procurement services, asset management, community development subprojects and to studies on alternative conservation financial mechanisms for the long term sustainability of the protected areas included in the program.

ARPA brought a considerable additional work load for Funbio and had a significant impact on its governance, as its hostage was not a consensus both in the Board and in the executive staff. Funbio's staff changed and grew rapidly to respond to the new ambitious program and to keep the first phase projects on track.

In the same year, to seek for new additional resources, Funbio created a program called PICUS that was based on matching funds for landscape projects. PICUS was created to increase Funbio's projects to a regional scale and also to give a new breath to the financial health of the institution, as it proposed to articulate different financial matchings in a same project.

Just two years after the last strategic planning exercise, Funbio decided to carry out a new planning process in 2003, due to its perception of change in its original context. The focus was to establish a long term strategy for the institution, to raise funds for its permanence and to operate ARPA efficiently.

## Motivation – In what moment Funbio undertook the Strategic Planning exercise?

In 2006, with most of the first phase projects finalized, Funbio was dedicated mainly to operate ARPA. PICUS program did not take off for different reasons, mainly because it could not find adequate financial partners to guarantee its long term and large scale investments. Funbio was excessively dependent on the ARPA program and unable to look for new resources for the institution. In addition, its institutional complexity was growing with global changes in the conservation context. Donors were changing their requirements, increasing the difficulties to access new resources.

It was the moment to start a new strategic planning exercise, to take Funbio out of this paralyzing situation.

## Planning tools and methodologies used

This was not a conventional strategic planning exercise. It started in the middle of 2006 and it was only concluded at the end of 2007, especially because it was a turning point to the institution.

Mainly it used conventional tools and methodologies, such as reviewing mission, vision and objectives, formulating the SWOT analysis, competition analysis. It is hard to precise one methodology used in this process, because it involved three different consultancies to be completed.

## Involved actors

This exercise started with representatives of all the executive secretariat areas (programs, financial, procurement, administration, human resources, communication, knowledge management, information technology). The staff was composed of 50 people and about 15 of these participated on a three-day off-site workshop to start the strategic planning process.

The main conclusions of this workshop were then presented to the Board members, who endorsed the report but decided to have themselves a second round of strategic planning, as there was a need for developing more precise definitions. This was organized some months later, when the Board, led by a new president, moderated by a different consultant, undertook a three-day off-site workshop.

After the development of the new strategy, with the staff and the Board involvement, an action plan was formulated by a third consultant, to start what is called Funbio's third phase.

## Implementation and monitoring – what are the main results?

During this last strategic planning exercise, Funbio realized it had developed some specialized capabilities that could be offered as services to different audiences, creating new revenue streams to contribute to the Fund's financial sustainability. The major areas of services identified were: applied knowledge - the capacity of formulating studies on the country's social environmental issues; economic tools and financial mechanisms – the capacity of identifying economic tools and designing and implementing financial mechanisms for different conservation initiatives; program management – the original activity of the Fund, fostering conservation programs using the accumulated experience in procurement and financial management.

It took some time for Funbio to implement the new strategy. In 2007, additional staff members were hired to lead the new service areas. The staff received training in the required capacities, such as project management, and spent months in structuring the teams. This effort included dealing with new ways of preparing proposals, delivering products, controlling costs, pricing and reporting. It also involved the back office areas in this restructuring process.

## Innovation and obstacle solution

The 2006-2007 strategic planning exercise brought important innovations to Funbio. The Fund kept its original activities, but started to provide services specialized in financial mechanisms for biodiversity conservation, with main focus on the private sector. With the new approach of positioning itself as a service provider, Funbio increased its impact (although this is still not precisely measured) by inducing the mobilization of additional resources to conservation.

Some important obstacles emerged from this new experience. The staff was adjusted to be focused only in two main areas: financial mechanisms and program management. The capabilities to develop studies are common respon-

sibility to both teams. A new thematic area was created, also common to the two main teams, focused specifically on Climate and Energy.

This year, 2011, Funbio is going through a revision process of the 2007 strategic plan. While keeping its mission, Funbio is slightly reformulating its vision (just some wording adjustments) and establishing key positioning messages to guide its activities. Currently, Funbio works with several private companies, developing their strategies for investing in biodiversity conservation, but still has the government as its main client. It was able to diversify its activities with the public sector, thus significantly reducing its dependence on ARPA program. Funbio understands that the perception of companies, governments and individuals on biodiversity is changing quickly and the Fund should periodically adjust its strategy in order to provide strategic resources to this variety of players who are willing to act in favor of conservation.

### Funbio's mission is to provide strategic resources for biodiversity conservation.

Funbio's vision is to be the reference on making viable strategic resources and solutions to biodiversity conservation.

Funbio is guided by essential values:

- Transparency
- Ethics
- Effectiveness
- Receptiveness
- Impartiality
- Innovation