



**UNDP/GEF PROJECT ENTITLED “REDUCING ENVIRONMENTAL STRESS IN THE
YELLOW SEA LARGE MARINE ECOSYSTEM”**

UNDP/GEF/YS/SIW.1/3
Date: 23 July 2010
English only

**Workshop for Accessing Funding:
Basics and Approaches to Financial Sustainability**
Qingdao, China, 21-23 July 2010

Report of the Meeting



Summary of the Workshop for Accessing Funding: Basics and Approaches to Financial Sustainability

The “Workshop for Accessing Funding: Basics and Approaches to Financial Sustainability” was organised in Qingdao, China, 21-23 July 2010 as one of capacity building activities of the UNDP/GEF Project on “Reducing Environmental Stress in the Yellow Sea Large Marine Ecosystem” (UNDP/GEF Yellow Sea Project).

With assistance of the National Project Co-ordinators and the national implementing agencies in identifying participants, there were nine participants attending the Workshop from national and local government agencies, conservation projects, NGOs, and research/academic institutions: four participants from China and five from Republic of Korea. There were seven observers attended the workshop. Experts in the fields of project management and fund-raising were invited as lecturers from the international organisation, the NGOs, and the private sector. A list of the participants and lecturers is attached as [Annex I](#) to this report.

The Workshop, focusing on the financial sustainability of conservation activities, provided the participants with an opportunity to gain practical skills to approach potential donors and raise funds for implementing the activities. Through the lectures and the group work, the participants developed a good understanding of the rationale and steps to pursue long-term and sustainable executions of the conservation plans.

This workshop was organised by the UNDP/GEF Yellow Sea Project, with the support of First Institute of Oceanography, SOA, China.

1. Objective of the Workshop

- 1.1 The objective of this workshop was to familiarise the participants with the concept and tools to ensure a steady implementation of conservation plans by considering a variety of required elements, including sustainable financing.
- 1.2 It was expected that the participants would develop a good understanding of the rationale and steps to pursue long-term and sustainable implementations of conservation plans. The participants were expected to learn how to put the plans into action from the perspective of sustainable financing.

2. Contents of the Workshop

- 2.1 The workshop consisted of the lectures and the group work dealing with the following issues:

A. Major elements of sustainable implementation

This section provided the outlines and roles of major elements — political requirements, technical elements, and review mechanism — in ensuring sustainable implementation, explaining the interactions among them. For example, the political elements were discussed from the perspective of political wills, stakeholder involvement/commitment, and public support. Issues relevant to the institutional framework and the human resources were highlighted as part of the technical

elements. Monitoring and evaluation of the plans were discussed as part of a mechanism to ensure their sustainable implementation.

B. Elements for financial sustainability

Focusing on “funding,” this section described how some of the elements, mentioned above, could help in ensuring financial sustainability. The role of all relevant elements, including “political will,” “human resources,” and “institutional framework” in making financing sustainable were explained in detail. UNDP’s “Financial Sustainability Scorecard” was introduced as a tool to assess the impacts and sustainable financing system of a protected area.

C. Funding sources

With understanding of the elements for financial sustainability, the remainder of the workshop explored practical ways to raise funds. This section provided information about the objectives, history, and lessons learned from global fund-raising activities, such as that from IUCN. Motivations for giving were examined, and the elements of successful fund-raising were discussed.

D. Fundraising tools

This section discussed the building blocks of fund-raising that consisted of the following five components: (i) vision, (ii) marketing and communication, (iii) leadership, (iv) qualified prospects and donors, and (v) action plan. Key issues of each component were highlighted, and the use of specific marketing vehicles such as brochures and websites was examined. The major components of action plans were delineated with a set of guidelines provided, that were actually used by an international environmental NGO.

E. Approach to donors (successful examples)

Case studies of successful fund-raising experiences were presented with a focus on the private sector, such as AECOM. Representatives of partner organizations presented their experiences in this field, explaining the approaches and results of fund-raising activities targeting mainly private companies. The geopolitical aspects of fund-raising activities were discussed among the participants to apply basic methods well to meet regional requirements.

F. Small-group discussions to identify possible approaches to long-term financing

To practice newly acquired skills obtained during the workshop, the participants conducted a hands-on exercises. Small working groups were organised according to the geographic area (i.e., by country), and each group prepared an action plan for fund-raising. Following the instructions provided by the lecturers, the groups addressed specific issues that were the key components of action plans.

- 2.2 The lecture materials and the group presentation materials are attached to this report as [Annex II](#) and [Annex III](#), respectively.
- 2.3 To organise the activities mentioned above, the following experts who had expertise and experience in project management and fund-raising were invited as lecturers:

Mr. Yihang Jiang
Project Manager

UNDP/GEF Yellow Sea Project

Mr. Gregory Edwards
Deputy Director of Philanthropy for Principal and Major Gifts
The Nature Conservancy

Mr. Thomas Tang
Director
Corp Sustainability, Asia
AECOM

Mr. Sadayosi TOBAI
Marine Programme Leader
WWF Japan

3. Outcomes of the Workshop

- 3.1 Through the workshop, the participants obtained relevant concepts and practical skills to plan fund-raising activities to secure sustainability of conservation activities. The workshop enabled the participants to consider a wide range of issues from stakeholders involvement to action plans, which were required to prepare and implement the activities.
- 3.2 The participants deepened their understanding and knowledge about sustainable issues through mutual learning and co-operation with other participants with different backgrounds.
- 3.3 It is expected that the participants will not only utilise the knowledge and skills obtained through the workshop, but also share them with colleagues and other relevant personnel to secure funding necessary to sustain conservation activities to improve the ecosystem in the Yellow Sea.

Annex I**List of Participants****People's Republic of China****Mr. Shouqiang WANG**

Project Assistant
Department of International Co-operation,
SOA
1 Fuxingmenwai Ave., Beijing 100860
Tel: 86 10 6804 8051
Fax: 86 10 6804 8051
Email: wangshouqiang@fio.org.cn

Mr. Quan WEN

Professor
National Marine Environment Monitoring
Centre
42 Linghe Street
Dalian 116023
Tel: 86 411 8478 2522
Fax: 86 411 8478 2522
Email: qwen@nmemc.gov.cn

Mr. Zhaohui ZHANG

Associate Professor
Special Committee of Marine-Ecology
Ecological Society of China
6 Xianxialing Road, Qingdao 266061
Tel: 86 532 8896 7112
Fax: 86 532 8896 7112
Email: zhang@fio.org.cn

Mr. Mingyuan ZHU

Professor
First Institute of Oceanography, SOA
6 Xianxialing Road, Qingdao 266061
Tel: 86 532 8896 7447
Fax: 86 532 8896 7447
Email: zhumingyuan@fio.org.cn

Republic of Korea**Mr. Dong-Uk HAN**

Representative
PGA Wetland Ecology Institute
240-2 Daejang-dong, Deugyang
Goyang, Gyeonggi 412-250
Tel: 82 31 967 4776
Fax: 82 31 967 4775
Email: ecoguideuk@gmail.com

Ms. Ji Young JANG

Researcher
Eco-Horizon Institute
2F, 561-60, Yeonnam-dong, Mapo-gu
Seoul 121-869
Tel: 82 2 338 9572
Fax: 82 2 338 9575
Email: ecojangjy@gmail.com

Mr. Hong Pyo JEON

Researcher
Community Advisory Council for Masan Bay
Kyungnam University
449 Wolyoung-Dong, Masan, Kyungnam
Tel: 82 55 249 2992
Fax: 82 505 999 2131
Email: forest96@kyungnam.ac.kr

Mr. Jin Sub PARK

Vice President
Eco-Horizon Institute
2F, 561-60, Yeonnam-dong, Mapo-gu,
Seoul 121-869
Tel: 82 2 338 9572
Fax: 82 2 338 9575
Email: ecoparkjs@gmail.com

Mr. Jung Sik PARK

Marine Preservation Team Manager
Maritime Affairs and Fisheries Division
Incheon Metropolitan City
#1138 Guwol-dong Namdong-gu
Incheon 405-750
Tel: 82 32 440 4891
Fax: 82 32 440 8690
Email: 5723pjs@korea.kr

Lecturer

Mr. Gregory EDWARDS

Deputy Director of Philanthropy for Principal
and Major Gifts

The Nature Conservancy
490 Westfield Road
Charlottesville, VA 22901
USA

Tel: 1 434 951 0570

Fax: 1 434 817 9381

Email: gedwards@TNC.ORG

Resource persons

Mr. Thomas TANG

Director

Corp Sustainability, Asia

AECOM

9/F, Tower 2, Grand Central Plaza, 138

Shatin Rural Committee Road, Shatin

New Territories, Hong Kong

Tel: 852 2685 6183

Fax: 852 2691 2649

Email: sk.tang@aecom.com

Mr. Sadayosi TOBAI

Marine Programme Leader

WWF Japan

Nihonseimei Akabanebashi Bldg., 6Fl.

3-1-14 Shiba Minto-ku

Tokyo 105-0014, Japan

Tel: 81 3 3769 1783

Fax: 81 3 3769 1717

Email: tobai@wwf.or.jp

Observers

Ms. Sunyoung CHAE

Assistant to the ROK National Project

Coordinator, UNDP/GEF YSLME Project

Korea Ocean Research & Development

Institute

1270 Sa-dong, Sangnok

Ansan, Gyeonggi 426-744

Republic of Korea

Tel: 82 31 400 7794

Fax: 82 31 400-7826

Email: sunyoung@kordi.re.kr,

sunyoung@yslme.org

Mr. Chen SHANG

Vice Director

China-Korea Joint Ocean Research Center

6 Xianxialing Road

Laoshan District

Qingdao, 266061

China

Mr. Yamin WANG

Associate Professor

College of Ocean

Shandong University at Weihai

180 Wen Hua Xi Lu, Weihai 264209

China

Tel: 86 13141099844

E-mail: wangyamin@sdu.edu.cn

Ms. Susan WASCHLER

Regional Director of Philanthropy

North Asia/Asia Pacific Regions

The Nature Conservancy

Room 502 Hoseinee House

69 Wyndham Street, Central

Hong Kong

Tel: 852 2526 3329

Fax: 852 2526 0087

Email: swaschler@tnc.org

Ms. Meredith WINTER

Director, Fundraising Systems Specialists
The Nature Conservancy
PO Box 118
South Freeport, ME 04078
USA
Tel: 1 207 865 6766
Email: meredeth_winter@tnc.org

Ms. Jian Fen XIANG

China-Korea Joint Ocean Research Center
6 Xianxialing Road
Laoshan District
Qingdao, 266061
China

Ms. Ming YU

Law School of Ocean University of China
No. 23 Hong Kong Dong Road
Qingdao, Shandong Province, 266071
China
Tel: 86-532-8598-1335
Fax: 86-532-8598-1335
Email: yumingnancy@hotmail.com

Project Management Office (PMO)

Mr. Isao ENDO

Environmental Economics Officer
UNDP/GEF Yellow Sea Project
1270 Sa-dong, Sangnok
Ansan, Gyeonggi 426-744
Republic of Korea
Tel: 82 31 400 7793
Fax: 82 31 400 7826
Email: isao@yslme.org

Mr. Yihang JIANG

Project Manager
UNDP/GEF Yellow Sea Project
1270 Sa-dong, Sangnok
Ansan, Gyeonggi 426-744
Republic of Korea
Tel: 82 31 400 7825
Fax: 82 31 400 7826
Email: yihang@yslme.org

Mr. Sungjun PARK

Finance & Administrative Officer
UNDP/GEF Yellow Sea Project
1270 Sa-dong, Sangnok
Ansan, Gyeonggi 426-744
Republic of Korea
Tel: 82 31 400 7828
Fax: 82 31 400 7826
Email: sungjun@yslme.org

Annex II
Lecture Materials

Consideration of sustainable implementation

Mr. Yihang JIANG

Project Manager

UNDP/GEF Yellow Sea Project



Considerations of Sustainable Implementation

*Yihang Jiang, Project Manager
UNDP/GEF YSLME*

*YSLME Workshop for Accessing Funding: Basics and Approaches
to Financial Sustainability*

Qingdao, China, 21-23 July 2010

<http://www.yslme.org>



Presentation Outlines

1. Major Elements of Sustainable Implementation
 - *Political elements*
 - *Technical elements*
 - *Review mechanism*
2. Major Element of Financial Sustainability
3. Strategies for Sustainable Finance
4. Example of the MPA Financial Sustainability Scorecard

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Y S L M E	Sustainable May Means			
		Ecological	Social	Economic
	Survival Sustainability	Protecting marine life supporting system Reducing negative impacts from mariculture	Basic requirement of protein from seafood	Meet basic needs
	Maintaining Sustainability	Maintaining marine life support system Keep the impacts at a reasonable level	Adequate level of protein from seafood	Some economic benefits
	Improving Sustainability	Improving marine life support system Improve water quality in the mariculture areas	Better provision of protein from seafood	Long-term economic benefits

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Y S L M E	Major Elements of Sustainable Implementation
	<p>Sustainable Development:</p> <p><i>“Humanity has the ability to make development sustainable—to ensure that it meets the needs of the present without compromising the ability of future generations to meet their needs.” - From The United Nations’ World Commission on Environment and Development</i></p>

<http://www.yslme.org>



Sustainable Implementation Should:

- (i) According to the approved Plan,*
- (ii) making continued efforts during entire period of plan,*
- (iii) mobilising all the necessary resources,*
- (iv) implementing identified actions,*
- (v) achieving the goals of the plan,*
- (vi) delivering the products required.*

<http://www.yslme.org>



Elements for the sustainable implementation:

Political Elements:

Political willingness: Approved Plan, e.g. YSLME Strategic Action Programme

Political infrastructure: Governance framework, e.g. YSLME Commission

Political negotiation: Negotiation & Decision Making Process

Facilitation: Secretariat Services

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Elements for the sustainable implementation:

Technical Elements:

1. Business Planning: Continued Efforts during entire period
 - *Efforts in understanding "environment" (legislation, culture, sciences, human, etc.)*
 - *Efforts in generating wide public awareness*
 - *Efforts in establishing implementation mechanism*
 - *Efforts in forming a implementing office*
2. Resources mobilisation
 - Financial Resource
 - Human Resource
 - Partnership
3. Implementing Identified Actions

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Resources mobilisation

Human Resource – Consideration of Culture Differences

One example from *Geert Hofstede*: Culture Index:

- PDI: Power distance index
 IDV: Individualism
 MAS: Masculinity
 UAI Uncertainty Avoidance Index
 LTO: Long-term Orientation

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Resources mobilisation

Human Resource – Consideration of Culture Differences

Power Distance Index (PDI) that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. This represents inequality (more versus less), but defined from below, not from above. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders. Power and inequality, of course, are extremely fundamental facts of any society and anybody with some international experience will be aware that 'all societies are unequal, but some are more unequal than others'.

Individualism (IDV) on the one side versus its opposite, collectivism, that is the degree to which individuals are integrated into groups. On the individualist side we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word 'collectivism' in this sense has no political meaning: it refers to the group, not to the state. Again, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world.

Masculinity (MAS) versus its opposite, femininity, refers to the distribution of roles between the genders which is another fundamental issue for any society to which a range of solutions are found. The IBM studies revealed that (a) women's values differ less among societies than men's values; (b) men's values from one country to another contain a dimension from very assertive and competitive and maximally different from women's values on the one side, to modest and caring and similar to women's values on the other. The assertive pole has been called 'masculine' and the modest, caring pole 'feminine'. The women in feminine countries have the same modest, caring values as the men; in the masculine countries they are somewhat assertive and competitive, but not as much as the men, so that these countries show a gap between men's values and women's values.

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Resources mobilisation

Human Resource – Consideration of Culture Differences

Uncertainty Avoidance Index (UAI) deals with a society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for Truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, different from usual. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute Truth; 'there can only be one Truth and we have it'. People in uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. The opposite type, uncertainty accepting cultures, are more tolerant of opinions different from what they are used to; they try to have as few rules as possible, and on the philosophical and religious level they are relativist and allow many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and not expected by their environment to express emotions.

Long-Term Orientation (LTO) versus short-term orientation: this fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars. It can be said to deal with Virtue regardless of Truth. Values associated with Long Term Orientation are thrift and perseverance; values associated with Short Term Orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'. Both the positively and the negatively rated values of this dimension are found in the teachings of Confucius, the most influential Chinese philosopher who lived around 500 B.C.; however, the dimension also applies to countries without a Confucian heritage.

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Note: Not to find who is better or worse, but to take appropriate human resources management

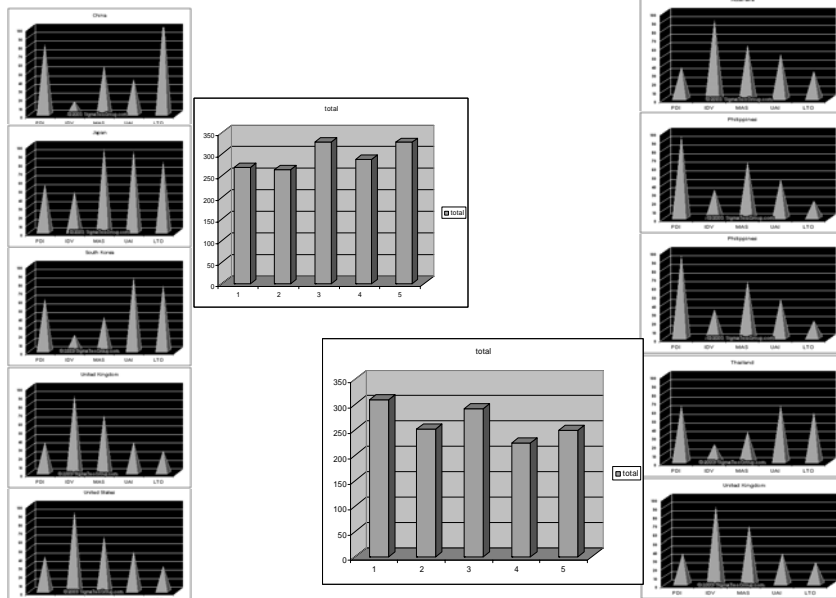
Example of Index scores

Country	PDI	IDV	MAS	UAI	LTO
Australia	36	90	61	51	31
China	80	20	66	30	118
Japan	54	46	95	92	80
South Korea	60	18	39	85	75
Thailand	64	20	34	64	56
United Kingdom	35	89	66	35	25
United States	40	91	62	46	29



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Two cases as examples ...



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Financial sustainability

1. Clear definition of objectives and targets of the activities (Programme, Project, etc.);
2. Planning the costs necessary for implementing the activities
3. **Identifications of the possible sources of the financial support**

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Possible sources for Sustainable Finance

- Funding from the **governments, central and local**
- Funding from the **International Organisations**
- Funding from **donors**
- Funding from **private sectors**
- Funding from **self-generated incomes**

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Funding from the **governments, central and local**

Why governments provide funding?

- National Key **Rights & Interests**
- Within the priorities of the national **Plan & Implementation**
- Within the **responsibilities** of the governments, (local, natl & internatl)
- Other needs.

Examples:

- At national & local level: Many national & local projects
- At regional level: NOWPAP, APEC, PICES ...
- At international level: UN programmes, NGOs ...

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Funding from the **International organisations**

Why international organisations provide funding?

- Addressing key interests of internationally concerned, which can not be done through single country, or bilateral co-operation

Examples:

- Convention on Biological Convention, (long-term)
- UNEP/GEF South China Sea Project; (project-based, aiming to LT)
- UNDP/GEF Yellow Sea Project; (project-based, aiming to LT)
- UNEP Regional Seas Programme (Global plan & regional implement)

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Funding from donors

How much do we know donors?

- *Who are bilateral donors?*
- *What are the policy and priorities of the donors?*

How much do we know ourselves?

- *What can we committed ourselves?*
- *What can we help in environment? (not only ourselves)*

How we approach donors?

What would be right project areas?

How to start write a proposal



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Major Bilateral Donors



SIDA

Swedish International Development Cooperation Agency

CIDA-ACDI



USAID

USAID



United States Agency for International Development



JICA

Japan International Cooperation Agency

ADB

Asian Development Bank

Fighting Poverty in Asia and the Pacific



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Examples

IOC/Sida co-operation in WESTPAC (*knows donor requirements*)
US\$ 40,000/year, 3 years

IOC/WESTPAC – UNEP in preparing NOWPAP (*showing effectiveness and capability*) **US\$ 200,000**

IOC- UNESCO in developing NEAR-GOOS (*knows rules and procedures*) **US\$ 70,000**

GEF South China Sea Project (*understand political boundaries*)
US\$ 16,000,000

ICRAN project in Southeast Asia region (*building up networks*)
US\$ 1,200,000

EAS – Disney foundation in coral reef mapping (*understand donor's policies*)
US\$ 25,000

EAS – Sida in regional co-ordination (*understand donor's policies*)
US\$ 500,000



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Example of the MPA Financial Sustainability Scorecard



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Financial Sustainability Scorecard: for National Protected Areas

*Yihang Jiang, Project Manager
UNDP/GEF YSLME*

*YSLME Workshop for Accessing Funding: Basics and Approaches
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<http://www.yslme.org>



Financial Sustainability Scorecard for National Systems of Protected Areas

2nd Edition, 2010

<http://www.yslme.org>



Purpose of the Score Card

The purpose of this scorecard is to assist governments, donors and NGOs to investigate and record significant aspects of a PA financing system – its accounts and its underlying structural foundations – to show both its current health and status and to indicate if the system is holistically moving over the long-term towards an improved financial situation. The scorecard is designed for national systems of PAs but could be used by sub-national eg state, regional or municipal or networks of Marine Protected Areas (MPAs).

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Structure the Score Card

Part I – Overall financial status of the protected areas system. This includes basic protected area information and a financial analysis of the national protected area system.

Part II – Assessing elements of the financing system.

Part III – Scoring.

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10 Part I.1 – Basic Information on Country's National Protected Area System, Sub-systems and Networks

Detail in the Table every sub-system and network within the national system of protected areas in the country.

Protected Areas System, sub-systems and networks	Number of sites	Terrestrial hectares covered	Marine hectares covered ¹	Total hectares covered	Institution responsible for PA management	Comments
National System of PAs						
Sub-system						
PA sub-system 1 – insert name						
PA sub-system 2 – insert name						
Additional sub-system						
Network						Specify if the network is within a sub-system
PA network 1 – insert name						
PA network 2 – insert name						
Additional networks						
Total						

* For each sub-system and/or Network detailed in Part I.1, prepare Part I.2

¹ MPAs should be detailed separately to terrestrial PAs as they tend to be much larger in size and have different cost structures



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Part I.2 – Financial Analysis of the National Protected Area System

Complete this separately for each PA sub-system and for any network presented in Table I.1, as needed

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Financial Analysis of the Sub-System or Network (Insert name of Sub-System or Network)	Baseline year (US\$) ¹	Year X ² (US\$) ³	Comments Add the source of data and state confidence in data (low, medium, high)
Available Finances⁴			
1. Total annual central government budget allocated to PA management (excluding donor funds and revenues generated for the PA system)			
- operational budget (salaries, maintenance, fuel etc)			
- infrastructure investment budget (roads, visitor centres etc)			
2. Extra budgetary funding for PA management - Total of 2.a + 2.b -			Specify sources of funds
a. Funds channelled through government – total			
- PA dedicated taxes			eg a conservation departure tax or water fees re-invested in PAs
- Trust Funds			Only include available funds for the year and not amounts contributed for capitalization
- Donor funds			
- Loans			
- Debt for nature swaps			
- Others			
b. Funds channelled through third party/independent institutional arrangements – total			
- Trust Funds			
- Donor funds			
- Loans			
- Others			

² The baseline year refers to the year the Scorecard was completed for the first time and remains fixed. Insert year eg 2007.

³ Insert to forecast the local currency and exchange rate to US\$ and date of rate (eg US\$1=1000 colones, August 2007).

⁴ X refers to the year the Scorecard is completed and should be inserted (eg 2008). For the first time the Scorecard is completed X will be the same as the baseline year. For subsequent years insert an additional column to present the data for each year the Scorecard is completed.

⁵ Insert to forecast the local currency and exchange rate to US\$ and date of rate.

⁶ This section records sources of funds available to PAs, categorized by (i) government core budget (line item 1), (ii) additional government funds (line item 2), and (iii) PA generated revenues (line item 3).



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FINANCIAL SCORECARD - PART I – OVERALL FINANCIAL STATUS OF THE PROTECTED AREAS SYSTEM

3. Total annual site based revenue generation across all PAs broken down by source ⁷ - Total		Indicate total economic value of PAs (if studies available) ⁸
a. Tourism entrance fees		Specify the number of visitors to the protected areas in year X - international: - national: Specify fee levels: Estimate % of overall fees generated by most popular PAs within the system (as often a high % of fees may be generated by only one or two PA sites): Estimate total revenues possible if fee level raised:
b. Other tourism and recreational related fees (camping, fishing permits etc)		Specify purpose and level of fees:
c. Income from concessions		Specify type of concession
d. Payments for ecosystem services (PES)		Provide examples:
- water		
- carbon		
- biodiversity		
- other		
e. Other non-tourism related fees and charges (specify each type of revenue generation mechanism)		
- scientific research fees		
- genetic patents		
- pollution charges		
- sale of souvenirs from state run shops		
- other		
4. Percentage of PA generated revenues retained in the PA system for re-investment ⁹		
	%	Specify whether PA generated revenues are retained directly in the PA system or are sent to government and then returned back to the PA system

⁷ This data should be the total for all the PA systems to indicate total revenues. If data is only available for a specific PA system specify which system.⁸ Note this will include non-monetary values and hence will differ (be greater) than revenues.⁹ This includes funds to be shared by PAs with local stakeholders.

The building blocks of fundraising

Mr. Gregory Edwards

Deputy Director of Philanthropy for Principal and Major Gifts

The Nature Conservancy



The Building Blocks of Fundraising

Presented by
Gregory W. Edwards
The Nature Conservancy
July 21, 2010

1

fundraising program objectives

Advance an organization's reputation, funding and influence

REPUTATION

Awareness	Trustworthiness	Engagement
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FUNDING

Major Gifts	Bequests	Priority Fundraising
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INFLUENCE

Digital outreach	Membership	Grassstops
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2

Multi-Lateral & Bi-Lateral Organizations

1. Build **relationships** at multiple levels
2. Be **persistent**
3. Participate in **priority-setting** processes
4. Make a **compelling** case
5. **Hook** the donor with a “hot” topic
6. Use **partnerships** as a selling point
7. Provide **match** funding

3

Global Fundraising – lessons learned

1. All giving is **local** (almost)
2. Donors often want to be **anonymous**
3. **Planned giving** is a different sort
4. Fundraisers need a different **toolbox**
5. **Board** roles are not the same
6. **Benefits** can be a trap
7. Use **technology** carefully

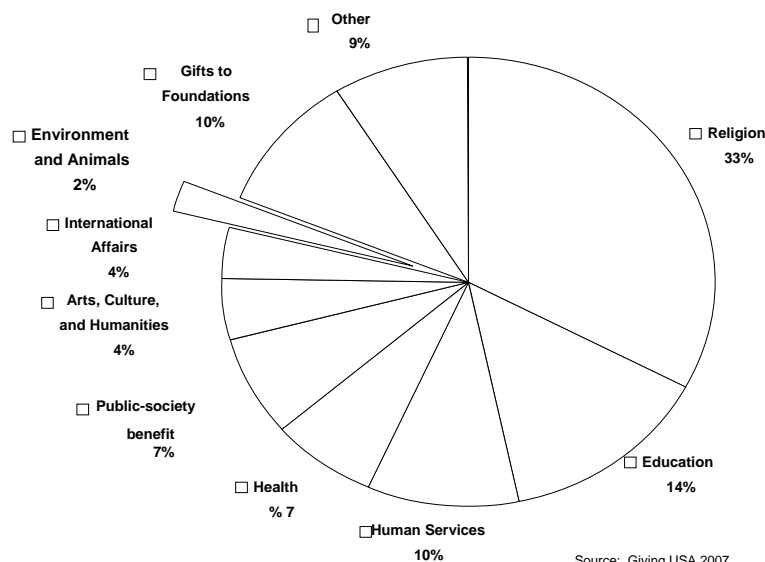
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Successful Fundraising is...

- A comprehensive and **continuous approach** to building, nurturing and sustaining **relationships** with people and organizations whose **generosity** in financial and other **support** will **strengthen the non-profit** organization's ability to carry out its mission

5

Charitable Giving in the U.S.



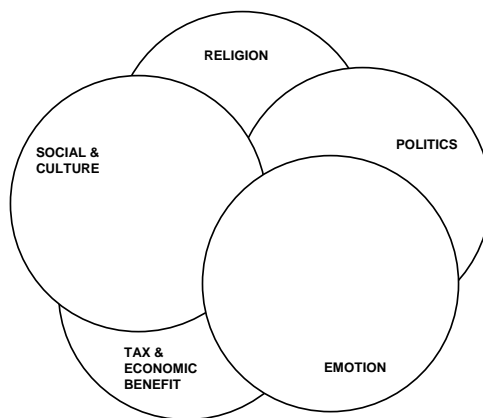
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Motivations for giving

- Primary motivation for giving:
 - Belief in the mission of the organization
- Primary motivation for giving generously and continuously:
 - Connection/involvement with the organization

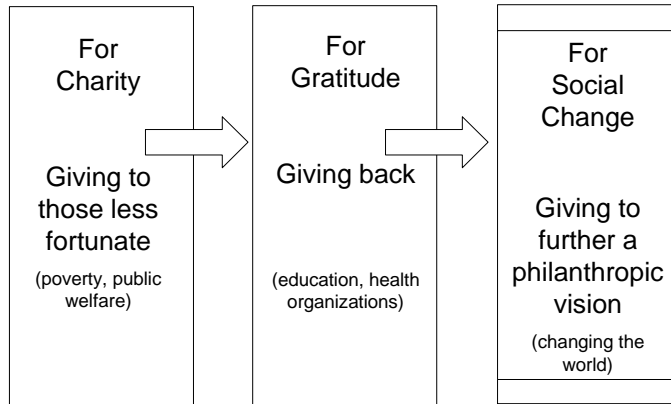
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Motivations for giving



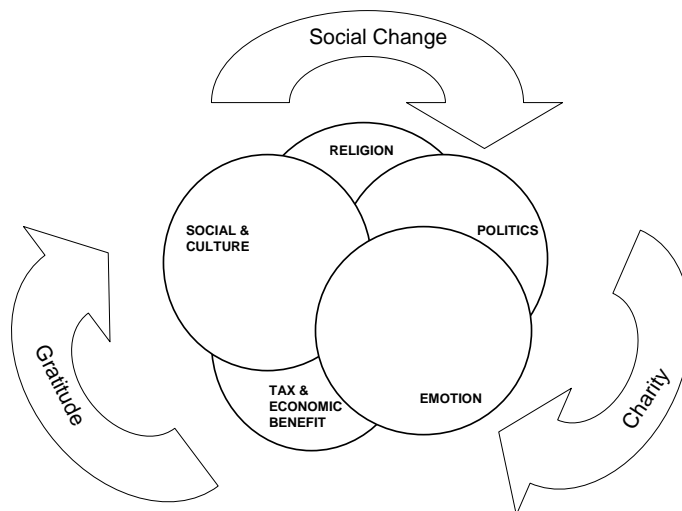
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Evolution of Philanthropy in the U.S.



9

Where does conservation and environment fit?



Consider the intersection of natural resource conservation and human well-being

10

Elements of Fundraising Success

Fundraising Success

Mission, Vision & Values

What & Why

Strategies, Tactics & Tools

Who, When & How

Fundraising
Building Blocks

11

Building blocks of fundraising

1. Vision
2. Marketing & Communication
3. Leadership
4. Qualified Prospects & Donors
5. Action Plan

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Building blocks of fundraising

1. Vision

- How will organization's agenda be advanced by this gift?
- What will be result of donor's contribution?
- How will funding request match donor's interest?

2. Marketing & Communication

3. Leadership

4. Qualified Prospects & Donors

5. Action Plan

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Building blocks of fundraising

1. Vision

2. Marketing & Communication

- Telling your story to inspire giving

3. Leadership

4. Qualified Prospects & Donors

5. Action Plan

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Mission, Vision & Values

The Nature Conservancy example

The Nature Conservancy's Mission

Preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive.

Marketing

Build support through funding and influence

Branding

Engage donors & influencers by establishing a connection

Messaging

Communicate key messages to advance priorities

15

Marketing Vehicles

Nature Conservancy Examples



16

Brand Marketing/Marketing Programs



- Articulates, Manages and Protects the Persona of The Nature Conservancy to Inspire Commitment to the Organization and Its Global Mission
- Manages Institution-wide Messaging, Topline Communication Tools and Marketing Products
- Signature Marketing Programs such as *In Response to Place™* and *Design for a Living World™*

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Magazine



- Top Rated Member Benefit
- Quarterly
- Deepens Member Commitment to Biodiversity Preservation and The Nature Conservancy
- Aligns our Work with our Brand
- "Bequest Delivery System"

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Digital Marketing & Digital Membership

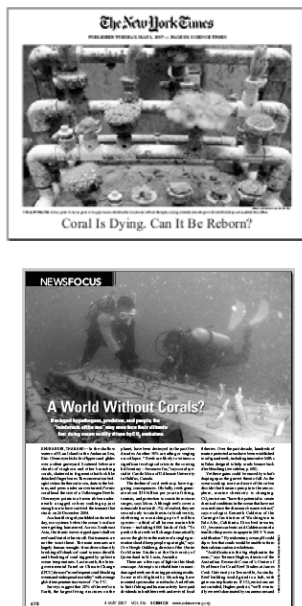


*Source: 2005 Kintera/Luth Nonprofit Trend Report

- 90% of Major Donors Visit the Web Sites of Organizations they Support before Making a Donation
- 4,500,000 Unique Visitors/ Year
- 350,000 Great Places Network Subscribers
- 9,000,000 e-mails
- \$5,000,000+ in Revenue
- 35% Annual Growth

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Media Relations



- Networked Group with Elite Media Centralized at WO and Distributed Media Professionals in the Field for Local Coverage
- Elite Media Report
- Works to Raise Visibility of Key Spokespeople
- Focus in Last Two Years is Paying off in Increased Volume and Quality of Coverage

20

Membership



*3-year average

- Manages the Pipeline to Major and Planned Gifts
- \$44,000,000 in Net Revenue
- 1/3 of all Operations Revenue*
- 75% of Bequest Revenue
- Managed Centrally
- 1,000,000+ Members
- 35,000,000 "Touchpoints" per Year
- Operates Mail, Web, Phone Channels

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Building blocks of fundraising

1. Vision
2. Marketing & Communication
3. Leadership
 - Develop and define leadership
 - Outline staff and board responsibilities
4. Qualified Prospects & Donors
5. Action Plan

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SAMPLE FUNDRAISING RESPONSIBILITIES

Position	Description of fundraising responsibility
Governing Board (Volunteers)	<ul style="list-style-type: none">• Legal responsibility• Input into organizational priorities• Support major gift fundraising
Executive Director (Staff)	<ul style="list-style-type: none">• Strategic planning and decisions• Drive vision for organization• Chief spokesperson and fund-raiser
Senior Staff & Fundraisers	<ul style="list-style-type: none">• Execute fundraising processes & planning• Accountable for reaching fundraising goals

23

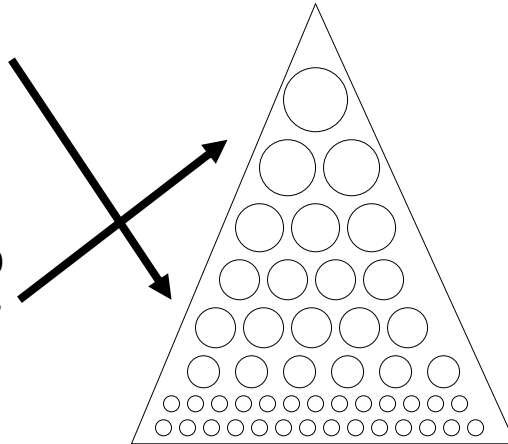
Building blocks of fundraising

1. Vision
2. Marketing & Communication
3. Leadership
4. Qualified Prospects & Donors
 - Analysis of fundraising environment & markets
 - Identify sources of funds
 - Cultivation, solicitation, stewardship of prospective donors
5. Action Plan

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Analyze the opportunities and return on investment

At The Nature Conservancy, 900,000 donors (99%) provide us with 20% of our private fundraising support, while 2,500 donors (1%) give us 80% of our private funding



25

TNC Fundraising by Donors FY05-FY09 (in \$US millions)

Giving Levels	Number of Discrete Donors	Total Giving Over the 5 Years	Average Giving Per Year	%
\$5M+	39	\$464	\$93	22%
\$1M - \$5M	137	\$245	\$49	12%
\$500k - \$1M	140	\$89	\$18	4%
\$100k - \$500k	884	\$170	\$34	8%
\$50k - \$100k	769	\$50	\$10	2%
\$10k - \$50k	4,370	\$87	\$17	4%
Bequests	3,631	\$598	\$120	29%
Organizations	11,627	\$120	\$24	6%
Membership	<u>1,672,050</u>	<u>\$273</u>	<u>\$55</u>	<u>13%</u>
Total	1,693,647	\$2,096	\$419	100%

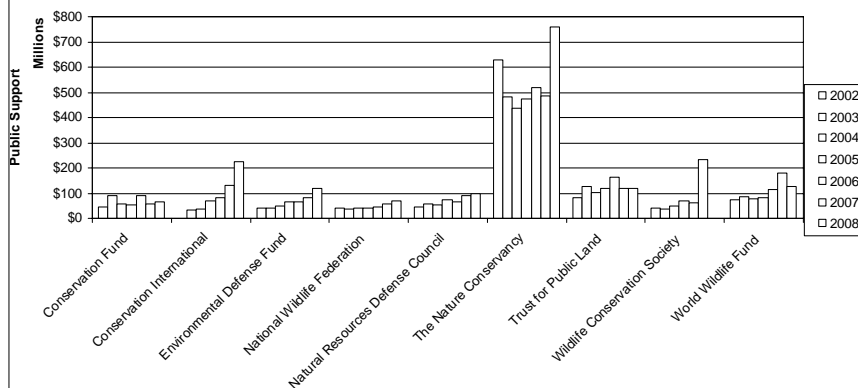
Return on Investments Cost Per Dollar Raised (covers FY07-FY09)

- 16.3 cents All TNC
- 15.3 cents All States (.02-.66)
- 8.9 cents WO Philanthropy
- 34.5 cents Membership
- \$1.10 In-Country fundraising

27

Levels of Public Support Among Major Environmental Organizations

Philanthropy 400 - Environmental Organizations



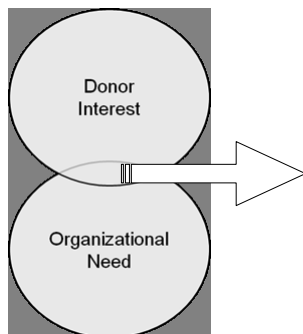
Source: *Chronicle of Philanthropy* annual "Philanthropy 400" analysis of the nation's largest not-for-profit organizations. Report utilizes "Direct Public Support" line on 990 tax returns (TNC includes Contributions for Operations, Capital, LPF, Endowment, Gifts of land and easements, Contributed 28 Goods, less Donor Advised Funds)

Sources of Major Gift Prospects

- Screenings of membership and 'over the transom' gifts
- Prospect research
- Prospect screening with board and volunteers
- Referrals from Board, staff and volunteers

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finding the intersect



Why is this important?

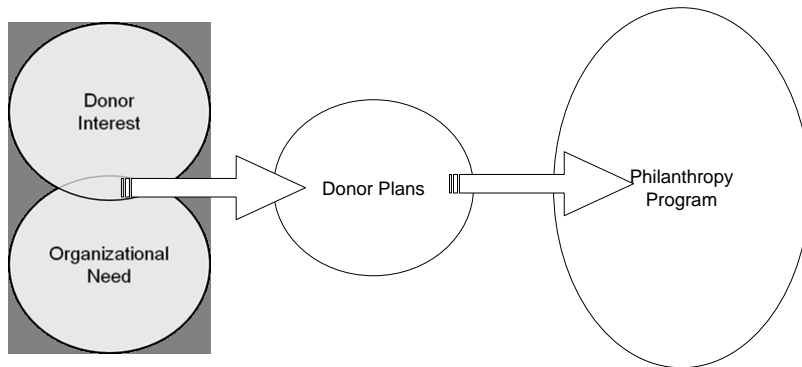
What are you looking for?

How do you look?

How do you know when you find it?

30

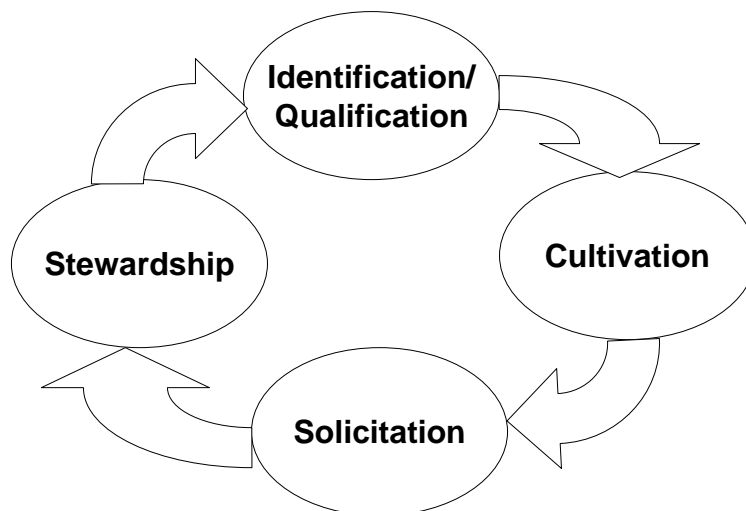
characteristics of successful major gifts programs



Major donor plans, premised on the intersection between donor interest and organizational need, drive the program.

31

The Fundraising Cycle: a thoughtful and inclusive process



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Building blocks of fundraising

1. Vision
2. Marketing & Communication
3. Leadership
4. Qualified Prospects & Donors
5. Action Plan
 - Mission statement
 - Financial goals
 - Staff and volunteer resources

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Building blocks of fundraising

1. Vision
2. Marketing & Communication
3. Leadership
4. Qualified Prospects & Donors
5. Action Plan

Successful Fundraising is a comprehensive and **continuous approach** to building, nurturing and sustaining **relationships** with people and organizations whose **generosity** in financial and other **support** will **strengthen the non-profit** organization's ability to carry out its mission.

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Questions?

Enabling Conditions for Major Gift Fundraising

Part I

Enabling Conditions

➤ Visions and Goals

Board involved in developing and approval of goals

Staff involved in developing and understands goals

Connects to North American Plan and global priorities

➤ Financially Sound

Revenues match expenses

Multi- year financial plan and decisions based on sound philanthropic projections based on the base of qualified donors

➤ Compelling Case for Support that is relevant to donors and partners

➤ Strong Board leadership

Effectively engaged in philanthropic goals- local and global, as articulated in the philanthropy plan

One third of the board or more capable of making major gifts

One third of the board or more is viewed as a community leader

Reflect the values of the organization

➤ Strong Staff Leadership

State Director: Articulates a compelling vision, committed to developing staff and board; and reflects values of the organization

Director of Philanthropy: skilled and knowledgeable in developing a major gift program and team. The program is adequately staffed to achieve the goals.

- **Staff understand their role and are appropriately engaged in achieving the philanthropy goals- both local and global**

Part II

Major Gifts Philanthropy Plan

Fundraising Goal: Raise \$___ million from private sources to fund the _____ program's annual operating budget (FY11), capital investments including investments in reserves and endowments, and International and Strategy priorities.

Objective 1: Ensure a balance of giving in all categories.

- a) **Secure outright gifts, planned gifts and pledges to the Conservancy in the following distribution:** \$10,000 – \$99,999,: approximately ____ gifts; \$100,000 - \$999,999, approximately ____ gifts; \$1,000,000+, approximately ____ gifts.
 1. Review the Fundraising Measures for a breakout by giving level by fiscal year to track against your program's historical trend. Reports here:
<http://home.tnc/development/standards/index.html>
- b) Establish tailored, annual cultivation and solicitation **strategies for all donors** in Relationship Management.
 1. Review natural partners, past visits and touches, strategy details, next steps and solicitation plans on either the:
 - Fundraise Portfolio Detail Report (.pdf report – instructions here:
http://home.tnc/development/devresearch/files/fundraiser_portfolio_detail_report_instructions_1.doc) or
 - Effective Management Report (Excel spreadsheet – instructions here:
<http://home.tnc/development/devresearch/standards/art20905.html>).
 2. Review the Projections by Donor report for solicitation details
(<http://home.tnc/development/devresearch/standards/art24693.html>)
- c) Work with trustees and others to identify, cultivate and secure ____ new gifts or pledges of \$10,000 or more annually.
- d) Invest in retention of development staff by providing technical skills development, mentoring and career development opportunities.

Objective 2: Ensure the engagement and leadership of our Board of Trustees for fundraising. Secure gifts or pledges from 100 percent of the trustees to provide at least 10 percent of the total private fundraising goal.

- a) Secure gifts or pledges for ongoing programs from 100 percent of the trustees annually to provide at least 10 percent of the private fundraising goal for each fiscal year.
- b) Engage all trustees in identifying major donors and major donor prospects.
- c) **Engage trustees in cultivating and soliciting major donors** to secure at least 20 percent of the total private fundraising goal.

Objective 3: Support the organization's global conservation efforts through targeted fundraising for organizational priorities, including the country programs, conservation initiatives and other strategic activities.

- a) Identify, cultivate and solicit at least _____ major gift prospects for projects beyond _____'s borders.
- b) **Raise \$_____ in gifts and pledges toward identified organizational priorities beyond our borders (CPIS).**
 - 1. The Fundraising Measures dashboard tracks progress on CPIS fundraising. View it here: <http://home.tnc/development/standards/index.html>
- c) Include in discovery, cultivation and stewardship strategies opportunities to explore our donors' and prospects' interests in global conservation.
- d) Create a specific _____ Chapter CPIS engagement plan

Objective 4: Maintain the depth and strength of the _____ planned giving program.

- a) Provide _____ life income gift leads to Regional Gift Planner annually.
 - 1. Check your progress on the Deferred Gift Campaign Progress Report found at: <http://home.tnc/philanthropy/giftplanning/news/news2302.html>. Sort the dollar goal breakdown tab by irrevocable gifts to see all new life-income gifts credited to your chapter. Double click into your OU's data to see who was listed as the solicitor on your OU's gift. If your OU was listed as solicitor on a gift, it was a gift that was closed by your OU.
- b) **Add _____ new Legacy Club members through bequest commitments and other revocable planned giving vehicles annually.**
 - 1. Check your progress on the Deferred Gift Campaign Progress Report found at: <http://home.tnc/philanthropy/giftplanning/news/news2302.html>. Double click into your OU's data to see who was listed as the solicitor on your OU's gifts. If your OU was listed as the solicitor on a gift, it was closed by your OU.
- c) Participate in the Conservancy's Trustee Legacy Champions program to achieve _____ percent board participation in the Legacy Club by June 2011.
 - 1. Check your progress on the Deferred Gift Goal Setting Report found at: <http://home.tnc/philanthropy/giftplanning/news/news2302.html>.

Objective 5: Ensure the ongoing identification of new donors and prospects.

- a) Support local research efforts and coordinate with the Worldwide Office on electronic and in-depth donor research.

- b) Work with individual trustees to identify relationships with existing major donors and prospects and to identify potential new donors.
- c) Host at least two annual screening events with trustees and others to identify relationships with existing major gift prospects and to identify new ones.
 - 1. One screening method is to engage trustees in Sphere of Influence assessments regularly. Review this PowerPoint for ideas:
http://home.tnc/philanthropy/files/marthas_peer_screening_ideas.ppt
- d) Coordinate with the Worldwide Office on the organization's middle donor strategy. Provide appropriate content for appeals and renewals, supplement Worldwide Office acknowledgement of gifts as necessary, and maintain limited solicitation of local donors as identified.
- e) Provide highest quality customer care for all members contacting the office.

Objective 6: Ensure the ongoing cultivation and stewardship of major donors, major donor prospects, Legacy Club donors and Legacy Club prospects.

- a) Plan and execute at least _____ personal visits and/or tailored field trips annually with major donors, major donor prospects, Legacy Club donors and Legacy Club prospects.
- b) Execute _____ donor cultivation and stewardship events or field trips annually.
- c) Provide appropriate communications to major donors, major donor prospects, Legacy Club donors and Legacy Club prospects.
- d) Use the pledge review process managed by finance to ensure appropriate stewardship of pledges.
 - a) Quarterly pledge review materials are provided by your Fundraising Systems Specialists (<http://home.tnc/fms/diversity/>)

Objective 7: Maintain a program of solicitation and stewardship of middle donors to raise approximately \$_____ annually.

- a) Provide stewardship and recognition opportunities through field trips and events
- b) Solicit and renew individual middle donors annually
- c) Solicit and renew corporate members at the \$1,000 to \$10,000 level to maintain a significant level of business membership (approx. _____)
- d) Provide recognition to business partners in chapter publications and at least one external publication per year.

Objective 8: Build and maintain optimal performance of the fundraising team

- a) Ensure that the _____ fundraising program expenses are 10% percent or less of revenue raised annually and overall.
- b) Invest in retention of development staff by providing technical skills development, mentoring and career development opportunities.
- c) Obtain approximately 60%-70% of required fundraising target by the end of January

Approaching donors

Mr. Thomas Tang

Director

Corp Sustainability, Asia

AECOM

Approaching Donors

Presentation by Dr. Thomas Tang

AECOM

Types of Donors

- Public sector
- Private sector
- Family offices
- Social venture capitalists



Public sector

- Common types:
 - International Finance Centre
 - Asian Development Bank
 - DFID
 - GTZ
- What do they look for? E.g. IFC requirements
 - Be located in a developing country that is a member of IFC
 - Be in the private sector
 - Be technically sound
 - Have good prospects of being profitable
 - Benefit the local economy
 - Be environmentally and socially sound, satisfying IFC environmental and social standards as well as those of the host country
- Need to distinguish between grants, loans and equity



Proposal Outline

1. Brief description of project.
2. Sponsorship, management & technical assistance:
3. Market & sales:
4. Technical feasibility, manpower, raw material resources & environment:
5. Investment requirements, project financing & returns:
6. Government support & regulations:
7. Timetable envisaged for project preparation & completion.

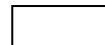


Private sector

- Common types
 - Corporate donors
 - Private equity investors
 - Banks
- What do they look for?
 - Meaningful amounts (a single large amount would be better than lots of small amounts)
 - Sums that make an impact
 - Staff involvement
 - Sustainability of the sponsored project
- Be careful of the conditions applied
- Highly competitive market



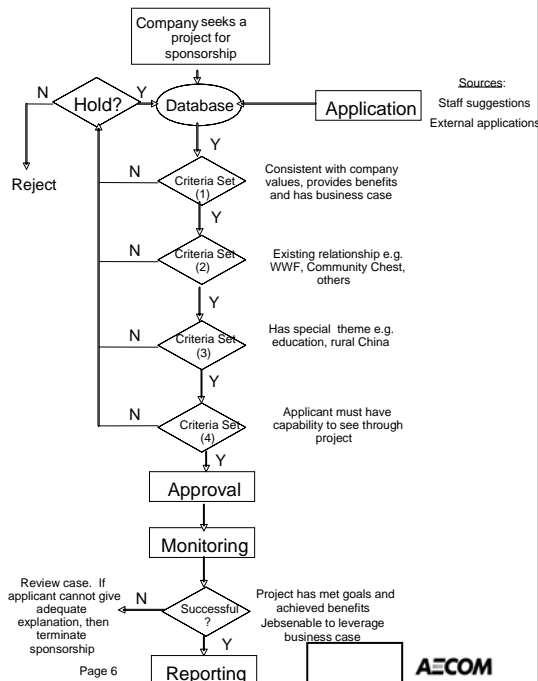
Page 5



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Sponsorship questions

- What is the nature of the organisation? Is its mission aligned with the sponsor's values?
- How does it currently fund itself? Will funding make a difference?
- Does the nature of the project or cause meet the suitability, feasibility, and acceptability criteria?
- Is the proposed use of funds clearly stated?
- Are the goals and timelines for implementing the project or cause clearly stated?
- What are the objectives / benefits of the proposed project or cause, and are they measurable?
- How does the organisation plan to measure and evaluate short-term and long-term project/cause results?
- Have the beneficiaries been identified?



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Family Office

- A family office is a private company that manages investments and trusts for a single wealthy family
- Purpose is to effectively transfer established wealth across generations.
- What do they look for?
 - Inter-generational transfer of family values
 - Favored causes
 - Achieving statistically significant impacts in community and society at large
- Balance between diversification and concentration in portfolio options similarly to improve ongoing performance.

Page 7

 AECOM

Issues in Family Offices

- Re-positioning of the family office: role of investment vehicles
- Separation of family business from family office operations
- Understanding the aims and benefits and explaining the costs
- Reporting, transparency, benchmarking and confidentiality
- Instilling traditions and values for generations to come
- Governance structures
- Involvement of family members and independent advisors



Page 8

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Requirements

- Who May Be Eligible
 - The foundation makes most of its grants to U.S. tax-exempt organizations that our staff independently identifies. A small percentage of grantmaking occurs through Requests for Proposals (RFPs).
- To invest resources most responsibly, the foundation begins by asking:
 - What affects the most people?
 - What has been neglected?
 - Where can we make the greatest change?
 - How can we harness innovative solutions and technologies?
 - How can we work in partnership with experts, governments, and businesses?
- Next, we look for projects that:
 - Produce measurable results
 - Use preventive approaches
 - Promise significant and long-lasting change
 - Leverage support from other sources
 - Accelerate work the foundation already supports
- Examples of areas the foundation does not fund include:
 - Projects addressing health problems in developed countries
 - Political campaigns and legislative lobbying efforts
 - Building or capital campaigns
 - Projects that exclusively serve religious purposes
 - Direct support for individuals

Topic areas

- Global Development
- Agricultural Development
- Emergency Response
- Financial Services for the Poor
- Global Libraries
- Urban Poverty
- Water, Sanitation, & Hygiene

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Social Venture Capitalists

- Social venture capital is a form of venture capital investing that provides capital to businesses deemed socially and environmentally responsible. These investments are intended to both provide attractive returns to investors and to provide market-based solutions to social and environmental issues.
- Examples:
 - Acumen Fund
 - Tandem Fund
 - Bridges Ventures
 - Triodos Bank
 - Calvert Group
 - The New Economics Foundation
 - Social Venture Capital Fund
 - Social Venture Partners
 - Good Capital



Page 10



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Investment Criteria

- Investment portfolios that selectively invest in companies that produce products and services designed to solve pressing sustainability challenges. Each fund has different criteria that reflect the over-arching issues of, and opportunities in, its sector.
- For instance, criteria could be based on alternative energy sector and the water sector, including specific issues related to human rights and indigenous peoples' rights
- Companies favored based on:
 - Disclosure and transparency
 - Equitable and affordable access to water
 - Climate change
 - Stakeholder engagement



Ideas for thought

- There are a number of sources of funding available. Be targeted on which source you choose: rationale, amount, how the funding is to be used, timing etc.
- Develop a funding strategy on how you are going to approach donors i.e. how to leverage your brand, the nature of your research, the intended beneficiaries
- Cultivate partnerships with donors; how can you mutually help one another (CSR effect, staff training, community outreach, location)
- Develop tools that help you become more effective e.g. proposal templates, presentations, marketing materials, reporting mechanisms, donor databases.
- Showcase your research to others and leverage donor connections and networks.
- Be prepared to modify your programs to fit donor requirements.
- Make sure that your corporate governance controls and systems are apparent and visible



Thank you

sk.tang@aecom.com



I. Introduction



1

TOMORROW MATTERS

Country Background



- Population: 14 million
- 74% of the population is dependent on agricultural income
- Economic aspects:
 - GDP grew 9.8% per annum (1997-2007)
 - GDP per capita: \$350 per annum
 - One of the poorest countries in the world (137th of 179 countries on Human Development Index, 22nd lowest GDP per capita)

High growth rates with investment opportunities in rural communities



2

TOMORROW MATTERS

Cambodia Challenges

Environmental

- Deforestation
 - 40% of primary forests already lost (intense illegal logging)
 - Still suffering an annual net deforestation of 140,000 hectares
- Absence of sustainable forest management
- Destruction of the Carbon Sink (and Climate change impacts)
- Main sources of energy in rural areas is wood based (85%)



Social

- Above 40% of rural population live under national poverty line (0.45 USD per person per day)
- Incomplete legal framework and rampant corruption
- Under-developed medical and educational infrastructure

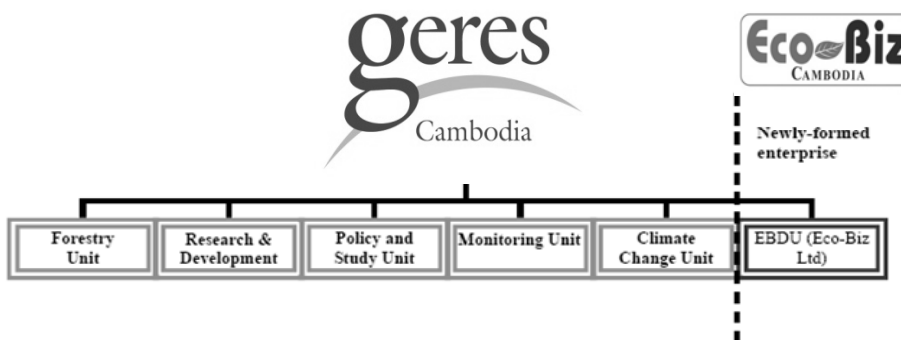
Poverty drives unsustainable pressure on environment



3

TOMORROW MATTERS

Birth of Eco-Biz



EBDU - created in 2007 to develop market opportunities for the products that are created from GERES technologies.

Establishment of a for-profit social enterprise



4

TOMORROW MATTERS

Eco-Biz : The Triple Bottom Line

- Promote sustainable forestry, improve income and empower rural communities.
- Commercially market and distribute fair trade and environmentally friendly products.
- A Triple Bottom Line Company

Economic



Social



Environment



Bottom line: Social, Economic and Environment

GIFT
SCHOOL TO FARM CAMBODIA

5

TOMORROW MATTERS

Eco-Biz Products



Wood Vinegar



Palm Sugar



Green Charcoal

GIFT
SCHOOL TO FARM CAMBODIA

6

TOMORROW MATTERS

II. Business Model

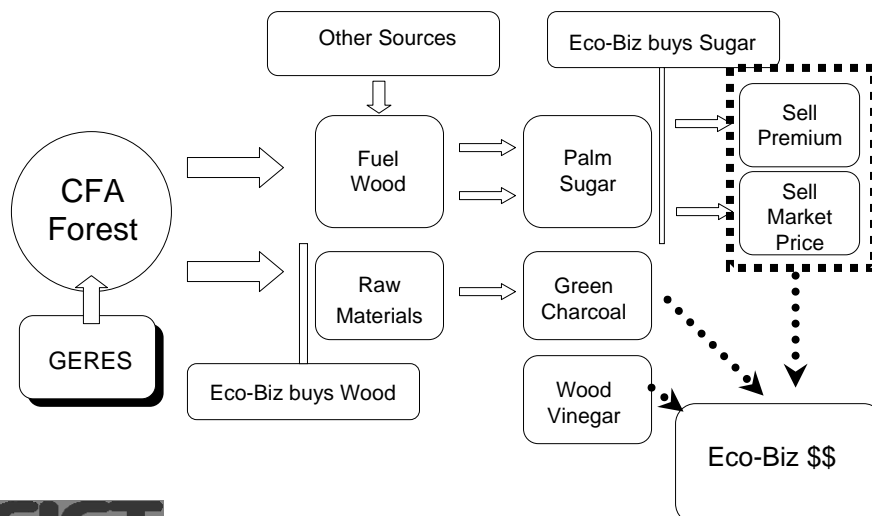


GIFT
SCHOOL TRUST TO PROMOTE WOODWORK

7

TOMORROW MATTERS

Business Model – Short Term

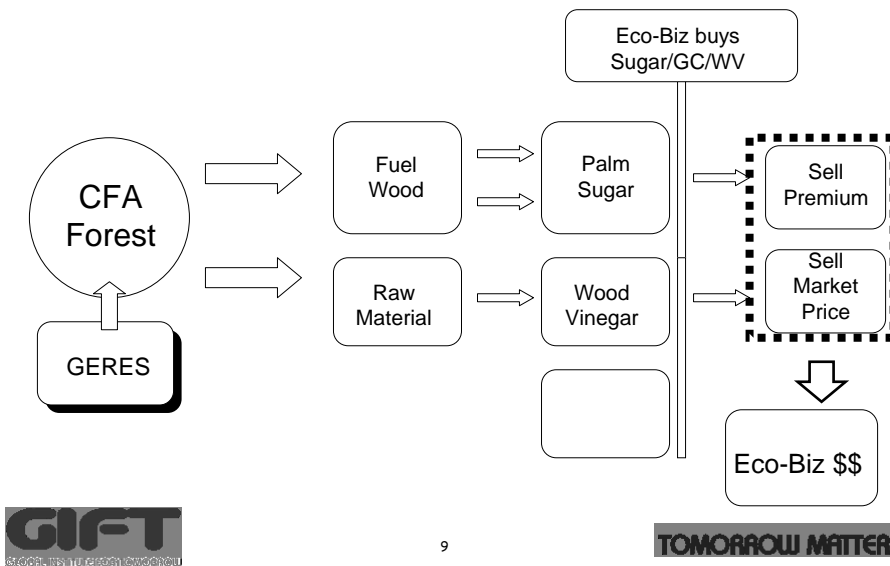


GIFT
SCHOOL TRUST TO PROMOTE WOODWORK


8

TOMORROW MATTERS

Business Model – Long Term




Production Method and Technology



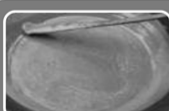
Green Charcoal

- Is made by carbonizing wood obtained from sustainable forest using a modern Kiln (Yoshimura). It is used as a fuel in cook stoves. Green charcoal burns more efficiently than conventional charcoal therefore households will use less.



Wood Vinegar

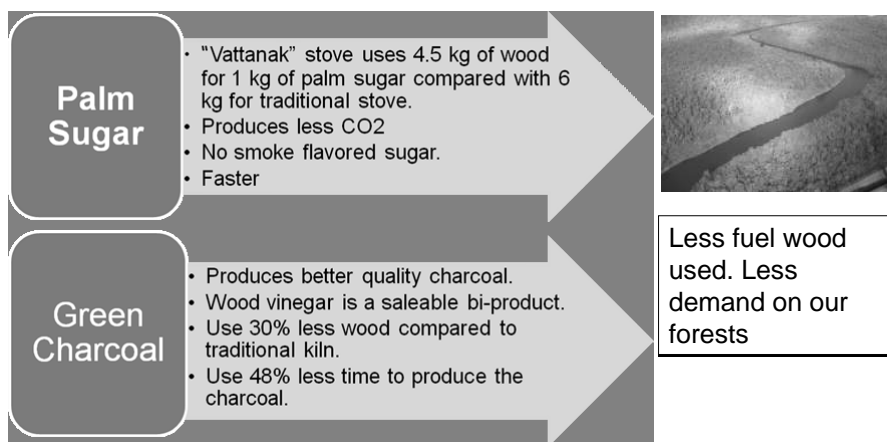
- Is a bi-product from production of charcoal. It is the liquid obtained from combustion of wood. It has a number of applications; fertilizer, insect repellent, deodorant



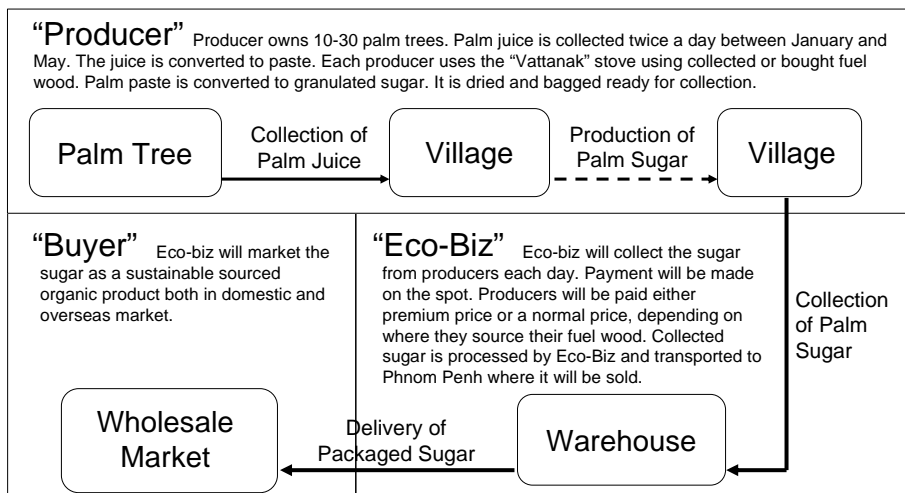
Granulated Palm Sugar

- is the sugar that is made from palm juice extracted from the flower of the palm tree. It is obtained by heating palm juice at a very high temperature using the Vattanak stove and then aerating and drying this product.

Technological Improvements



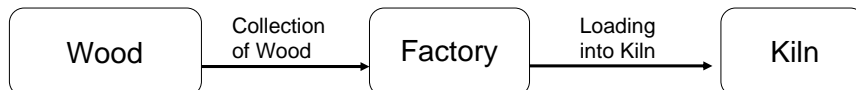
Supply Chain & Logistic (Palm Sugar)



Supply Chain & Logistic (Green Charcoal/ Wood Vinegar)

“CFA”

The CFA manages forest, cuts wood for sale and transports to wood buyer.

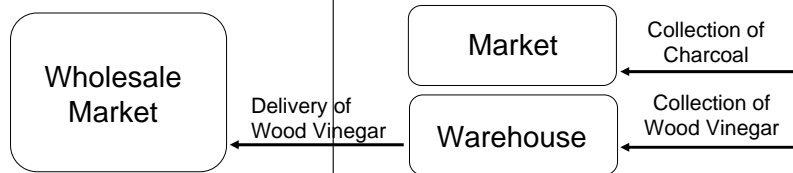


“Buyer”

Eco-biz will market the charcoal/ wood vinegar as a sustainable sourced organic product both in domestic and overseas market.

“Eco-Biz”

Eco-biz will buy wood from CFA or others. Price of fuel wood will depend on forestry management practices employed. Wood is converted to charcoal and wood vinegar in kiln. It is then packaged and transported to Phnom Penh for sale.



GIFT
SUSTAINABLE TO FARM COMMUNITY

13

TOMORROW MATTERS

Quality Assurance and Certification

Palm Sugar

- Training of domestic palm sugar producer
- Quality control at purchase point and rejection of product that fails standards
- Processing to ensure compliance with (i) product standard (colour, consistency) and (ii) compliance with food and health standards
- Secure and humidity controlled warehousing with inventory control

Green charcoal/wood vinegar

- Spot check of raw materials and final check of product
- Control of production process in Phase 1
- Training of CFA co-operative prior to implementing Phase 2

Certification

- Palm sugar: establish fair trade products (short term), obtain organic certification (long term)
- Green charcoal/wood vinegar: FSC or equivalent certification (long term)
- CFA: obtain carbon credit certification from REDD for forests that are sustainably managed (long term)

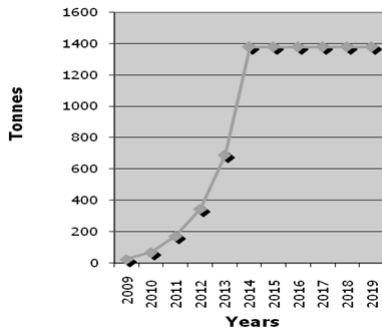
GIFT
SUSTAINABLE TO FARM COMMUNITY

14

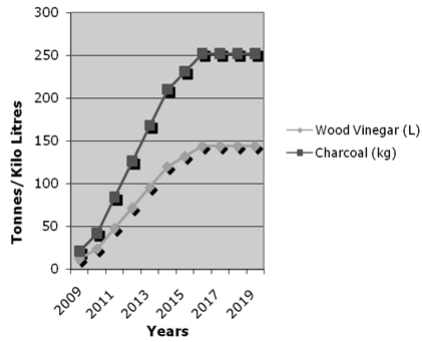
TOMORROW MATTERS

Production Forecast

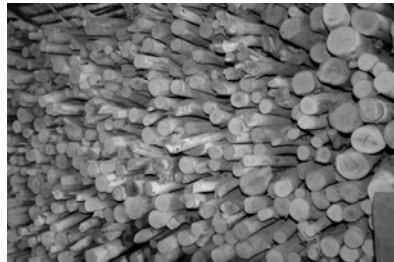
Palm Sugar



Charcoal/Wood Vinegar



III. Marketing Plan



The Opportunity- Why these products?

Palm Sugar

Benefits:

- 30% less wood and less CO2.
- Natural product, healthier than white sugar

Market:

- Wide sugar market - 4.4 kg/year per capita (12 g/day/per capita)
- Health industry is booming
- Organic industry growth 17-21% (10yrs)

Green Charcoal

Benefits:

- 30% less wood
- 20% more efficient and made in 48% less time
- Less smoke and no sparks

Market:

- Households (40% in PP); Food industry
- 90,000 tonnes/p.a, 100k/year in future;
- Illegally made charcoal

Wood Vinegar

Benefits:

- Less smoke, faster production
- Organic qualities and "natural" fertilizer

Market:

- 1.8 million farmers in Cambodia
- Demand for Agro-materials (74% live on agriculture)
- No high-quality wood vinegar producer in Cambodia



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TOMORROW MATTERS

Product Overview

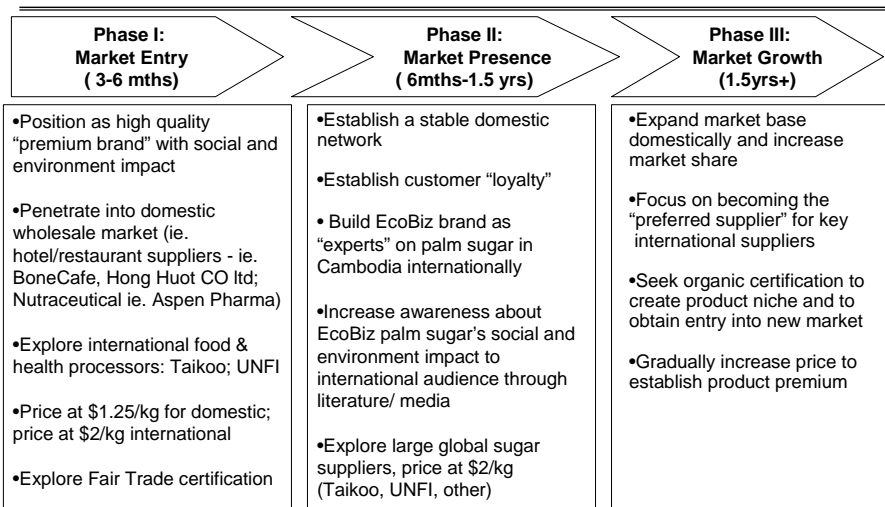
	Palm Sugar	Green Charcoal	Wood Vinegar
Target Market	Domestic(30%) & International (70%)	Domestic market (national)	Domestic and International
Customer Group	B2B Domestic Wholesale (Hotel, Restaurants, B2B Export Wholesale)	B2B Short term- Hotel Industry, Restaurants B2C Long Term - Individual consumers	B2B Domestic agriculture/ insect repellent manufacturers, Wholesalers for pharmaceutical, healthcare, agriculture products, insect repellent, NGO's involved in agriculture (CEDAC and others)
Distribution Channels	Phase I - Penetrate into domestic retail market Phase II - Explore international wholesale market (pharma/health)	Phase I-Retail, direct sales through vans Phase II- Explore possibility of wholesale middlemen for other	Domestic wholesalers and NGO involved in agriculture International exporters
Competitors	Domestic: High-end: Confirel, Organic Internationally (France Certification); Low-end: DATE , CEDAC International; India, Indonesia, Thailand, Bangladesh	No branded charcoal in market today. Charcoal made through illegal logging biggest competitor	Unique product, hence no branded competitor in local market
Packaging	B2B:Plastic bags (10c a bag)	Gunny bags- on a rotation basis (0.7c per bag)	Plastic drums -1L plastic HCPE bottles (0.6c per bottle)
Positioning & Pricing	"Premium Brand"—Better quality with high social/ environment impact B2B pricing: Domestic: minimum \$1.25/kg, International: \$2/kg international	Premium Brand Phase I: 10%-15% lower than base market (23c) Phase II: Mark-up to market price (25C)	Short team: "Positioned as a Natural fertilizer" - explore "green label certification" option Long Term-Explore Organic and other international certifications. Phase I: 0.75c/litre Phase II: 0.85c/litre - 1c/litre, (CEDAC is 1.80c/litre with 30%)



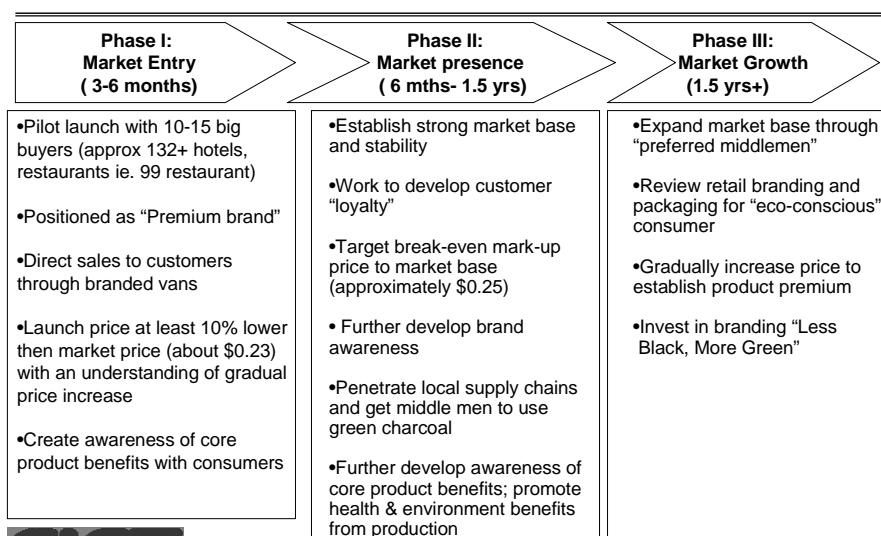
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TOMORROW MATTERS

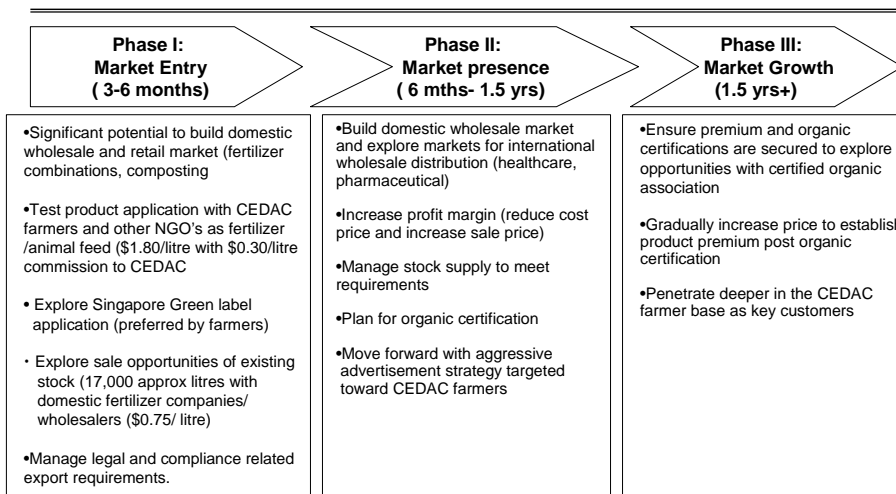
Palm Sugar: Market Phases



Green Charcoal: Market Phases



Wood Vinegar: Market Phases



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TOMORROW MATTERS

Branding Approach

PALM SUGAR "UNIQUE TASTE, SUPPORT GROWTH, 100% NATURAL"	GREEN CHARCOAL "LESS BLACK, MORE GREEN" <i>More Energy, More Eco-friendly</i>	WOOD VINEGAR "LESS CHEMICAL, MORE LIFE"
<ul style="list-style-type: none"> •"100% natural, premium taste, Eco-friendly product" •Innovative packaging: measurement indicators •Create engaging website •Leverage social media and PR •Increase presence on industry related websites & blogs •Bundling/incentive schemes •Exposure in industry publications conferences, tradeshow •Tap NGO network globally for co-partnership opportunities 	<ul style="list-style-type: none"> •Recycle packaging + incentive •Conversion program •Resin paper packaging with burnt logo •Build loyalty program •Local co-partnerships to support community events (i.e. 99 restaurant, media) •Exploit local PR opportunities •Key account theme-night programs, price-off promotions & tracking scheme to measure results •Better service and reliable delivery 	<ul style="list-style-type: none"> •"Word of Mouth" tactics •Establish credible endorsements •Create engaging website •Leverage social media and PR •Increase presence on industry related websites & blogs •Tap NGO network for co-partnership opportunities •Build loyalty program with CEDAC farmers •Exposure in industry publications, conferences, tradeshow



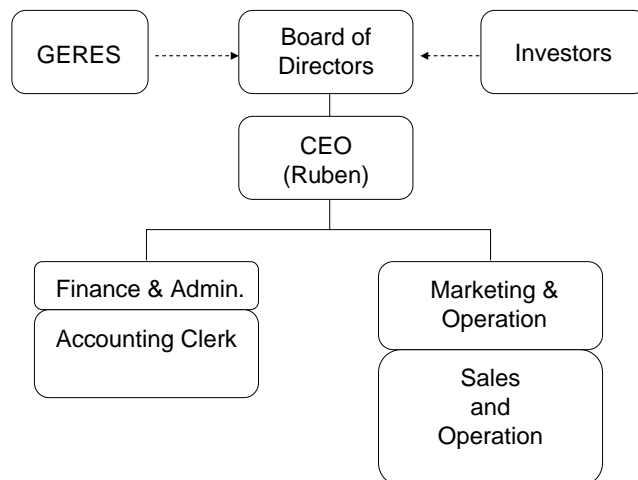
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TOMORROW MATTERS

IV. Business Organization and Governance



Organization Structure



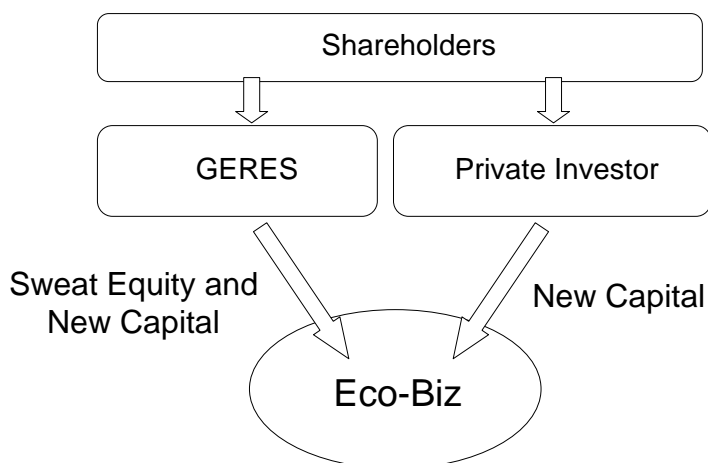
Organization Head Count

Year Employee Type	1	2	3	4	5	10
Executive/ Sales/ Admin	5	5	5	5	6	6
Operation (Palm Sugar)	25	63	125	250	375	625
Operation (Green Charcoal/Wood Vinegar)	2	4	8	10	11	0

Notes:

1. Executive / Sales/ Admin staff are FULL time staff.
2. Operation staff for palm sugar and green charcoal/ wood vinegar are PART time staff employed on contract basis.
3. In year 6, it is assumed that all Operation for green charcoal/ wood vinegar will be transferred to the Community Cooperative.

Structure of Investment



Forging Multi-stakeholder Partnership

Village Community

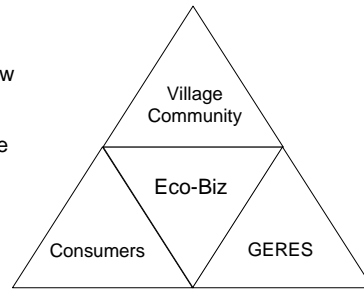
- CFA
 - develop supply of sustainable wood as fuel/raw material for production
- Domestic palm producers
 - the seller of the unpackaged product at source

GERES

- assist and educate CFA to develop sustainable wood supplies
- build Vattanak stoves for the domestic palm producer
- build [and maintain] the Yoshimura kiln for Eco-Biz
- educate CFA in Phase to operate Yoshimura kiln as a co-operative

Consumers

- CEDAC
 - Education and penetration of small scale agriculture markets for wood vinegar
- Others (e.g. Restaurant)



**Creating a viable business model
for village community products**



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TOMORROW MATTERS

V. Financials



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Investment Objective

- Rural Poverty Alleviation
 - Increase income by reducing costs and buying at a premium
- Sustainable Forestry Management
 - Concurrent injection of profits back to the community via GERES
 - Responsible strategic business expansion to match the rate of forestry management
 - Price-differentiation to create economic incentives for the local community to use CFA certified wood rather than rely on illegal logging



**A Social, Environmental and
Economical investment**

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TOMORROW MATTERS

Financial Summary

- Break-even : Year 2
- Revenue in Year 5: ~ \$2,650,000 USD
- Net profit in Year 5 : ~ \$550,000 USD

*all financial model assumptions can be found in Appendix A



**A Social, Environmental and
Economical investment**

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TOMORROW MATTERS

Call for Investment

Eco-Biz seeks \$500,000 USD of External Investment

- For a 49% stake in Eco-Biz
 - Payback: Year 5
 - Dividend returns: of 20 % per annum of any **positive retained earnings** to investors starting from Year 3
 - IRR:
 - 6% for 5-year holding period
 - 25% for 10-year holding period

A Social, Environmental and
Economical investment

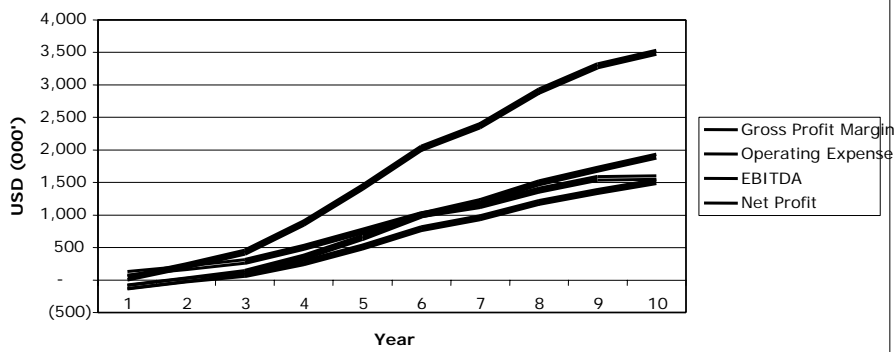


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TOMORROW MATTERS

Profit and Loss

Income Statement



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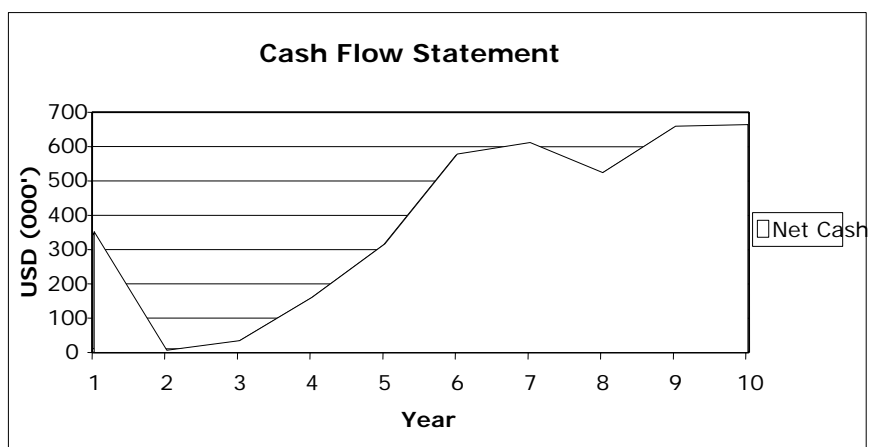
TOMORROW MATTERS

Balance Sheet

USD (000')	Year 1 01/01/15	Year 2 01/01/16	Year 3 01/01/17	Year 4 01/01/18	Year 5 01/01/19
Assets					
Cash	353	360	394	555	872
Inventories	46	44	75	133	190
<i>Total current assets</i>	399	404	469	687	1,063
Plant and equipment (net of depreciation)	20	37	70	79	78
<i>Total non-current assets</i>	20	37	70	79	78
Total assets	419	441	539	767	1,141
Liabilities and Equity					
Current loans/debt payable	-	-	-	-	-
<i>Total liabilities</i>	-	-	-	-	-
Total equity	419	441	539	767	1,141
Total liabilities and equity	419	441	539	767	1,141



Cash Flow Statement



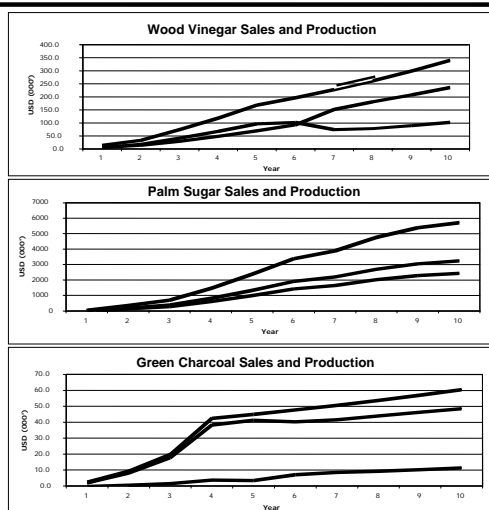
Cash Flow Statement (Cont'd)

USD (000')	Year 1 2010	Year 2 2011	Year 3 2012	Year 4 2013	Year 5 2014
Net income	(81)	22	108	294	534
Operating activities, cash flows provided by or used in:					
Depreciation	2	4	8	11	12
Decrease in inventory	(46)	2	(31)	(57)	(58)
Net cash flow form operating activities	(44)	6	(23)	(46)	(46)
Investing activities, cash flows provided by or used in:					
Capital expenditure	(22)	(22)	(41)	(20)	(10)
Net cash flow form investing activities	(22)	(22)	(41)	(20)	(10)
Financing activities, cash flows provided by or used in:					
Dividends paid	0	0	(10)	(67)	(160)
Sales of shares	500	0	0	0	0
Net cash flow form investing activities	500	0	(10)	(67)	(160)
Net increase (decrease) in cash					
Net increase (decrease) in cash	353	7	34	161	318

* based on a dividend payout of 20% of any positive retained earnings



Sales Projection



— Sales
— COGS
- - Gross Margin



Sales Projection (Cont'd)

	Year 1 2010	Year 2 2011	Year 3 2012	Year 4 2013	Year 5 2014
Green charcoal and wood vinegar					
Number of Yoshimura kiln in operation	4	8	16	20	22
Number owned by EBDU	4	8	16	20	22
Production from kilns in operation					
- Green charcoal (kg in thousands)	39	81	161	207	229
- Wood vinegar (litre in thousands)	12	36	72	108	126
Green charcoal					
- Sales (kg in thousands)	18	60	120	240	240
- Sales (USD 000')	2.7	9.5	20.2	42.9	45.4
- Cost of goods sold (USD 000')	2.5	8.6	18.3	38.7	41.7
- Gross margin (USD 000')	0.2	0.9	1.9	4.2	3.8
Wood vinegar					
- Sales (litre in thousands)	14	30	60	90	120
- Sales (USD 000')	16.2	35.8	75.8	120.6	170.4
- Cost of goods sold (USD 000')	7.6	19.9	44.1	70.1	98.8
- Gross margin (USD 000')	8.6	15.9	31.8	50.5	71.6
Palm sugar					
Number of Vattanak Stove in operation	100	250	500	1000	1500
Production from stoves in operation					
- Palm Sugar (kg in thousands)	75	188	375	750	1125
Palm sugar					
- Sales (kg in thousands)	46	210	372	708	1080
- Sales (USD 000')	81	395	742	1497	2420
- Cost of goods sold (USD 000')	34	169	319	645	1042
- Gross margin (USD 000')	47	227	422	852	1379



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TOMORROW MATTERS

Operating Expense, CAPEX

Operating Expense											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
USD (000')	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Company setup cost	5	0	0	0	0	0	0	0	0	0	
Office expenses (inc rental, utilities and others)	13	9	12	20	26	40	46	55	64	71	
Salary and benefits	56	59	64	78	85	93	103	113	123	134	
Transport and travelling	8	9	9	10	11	11	12	13	13	14	
Sales and marketing	53	134	227	420	653	887	1011	1229	1387	1384	
Total	134	211	313	528	775	1030	1172	1409	1588	1604	

Capital Expenditure

	Year 1 2010	Year 2 2011	Year 3 2012	Year 4 2013	Year 5 2014	Year 6 2015	Year 7 2016	Year 8 2017	Year 9 2018	Year 10 2019
USD (000')										
Purchase of kiln and equipment	(22)	(22)	(41)	(20)	(10)	0	0	0	0	0
Sale of kiln and equipment	0	0	0	0	0	78	0	0	0	0
Total	(22)	(22)	(41)	(20)	(10)	78	0	0	0	0



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TOMORROW MATTERS

Return and Exit Strategy

- Dividend returns of 20 % per annum of any positive retained earnings to investors starting from year 3
- Exit options can be accomplished through equity dilution

VI. Risk Assessment



Risk Assessment

Risk Description	Cat	Consequence	Risk	Mitigation Measures
"Green Charcoal" vs. "Traditional charcoal"	Marketing & Finance	It may not be easy to compete with illegal operators	High	Marketing & Promotion to differentiate & promote new legally sourced product
Difficulty of exporting Wood Vinegar	Marketing & Legal	Restricted from lucrative export market	High	Sell to wholesalers who have obtained export licenses
Corruption along supply chain	Financial	Reduced margins	High	Obtain certification from Government
Establishment & monitoring of Cooperative	Supply Chain	No product ; WV or green charcoal	High	Training & Education with community
Palm Sugar: Seasonality (Jan to May)	Finance, Operations & Marketing	Quantity of Palm Sugar	High	Better fore-casting and inventory planning. Non-perishable packaging.
Limited wood sources. Only very limited land & sustainable forests exists. Long time to develop new forests.	Finance, Operations & Marketing	Qty of Charcoal/WV. Palm sugar producers will purchase illegal fuel wood	High	Promote sustainable forestry practices to farmers. Provide price incentive to wood suppliers.

Risk Assessment (Cont'd)

Risk Description	Cat	Consequence	Risk	Mitigation Measures
Wood Vinegar: Currently no major sales/market	Marketing & Finance	WV sales proceeds subsidize wood	High	Educate & promote farmers and other potential customers about the benefits of WV.
Wood Vinegar : Insufficient research as fertilizer for rice	Finance	May limit market	High	Testing is underway. Research use as fertilizer overseas.
Wood Vinegar: steel extraction system is very expensive \$7000/Kiln	Finance & Operations	Production less efficient	Low	Use existing PVC system until viable market is found for wood vinegar
Wood Vinegar: Fertilizer Manufacturing License cost \$10,000	Finance & Legal	Cannot legally retail as a fertilizer	Low	Re-categorize or channel it through wholesalers
Palm Sugar: market subsidized by NGO's	Finance & Marketing	Undercuts our pricing	Low	Marketing & Promotion to differentiate product
Palm Sugar: Vattanak stove is expensive for a farmer	Supply Chain	Not enough sugar producers	Low	Provide loan finance with repayment of stove through barter
Palm Sugar: Logging of Palm Trees	Finance, Operations & Marketing	Quantity of Palm Sugar	Low	Educate the community about the long term sustainable economy benefit

VII. Social and Environmental Value Proposition

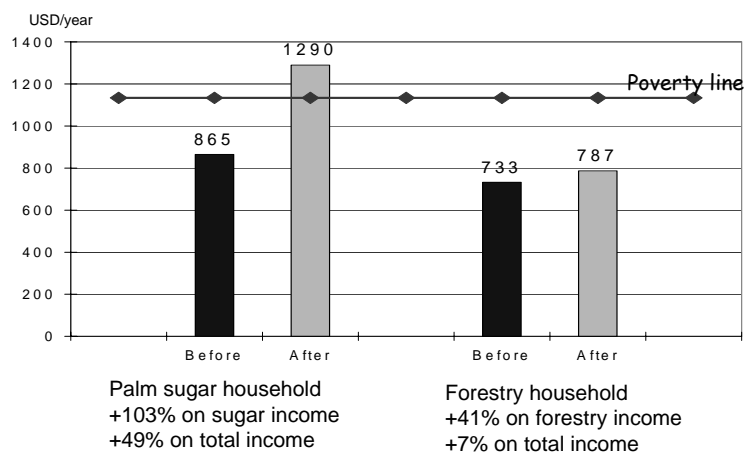


Value Creation for Society

- Increased income and creation of jobs
 - Allows for greater access to education, water, information, energy, etc.
- Empowerment of people
 - Participatory process
 - Capacity building
 - Promote power and autonomy in decision-making for local communities
- Preservation of traditional family rural culture and improved life
 - Allow rural families to make a decent living while remaining in their village
 - Minimal erosion to Cambodian traditional way of life
- Safer and healthier working conditions
 - Reduction in air pollution
 - Safety improvements in rural economic activities.

**Improve quality of life of
village communities**

Household Income (Before & After)



From Farmers to Entrepreneurs

- Building individual and family entrepreneurs and economic independence
- Creating more productive and efficient forest products
- Forming more efficient distribution channels through further outreach
- Creating economic, social and environmental capital
- Providing a steady stream of income to family units
- Learning about value-add products, capturing greater value along the value chain
- Rooting positive change in people's lives

**Empowering villagers with
 environmental and business acumen**

Environmental Benefits

Reduce deforestation and impact on climate change

- Less and sustainable consumption of wood
- Reduce Co2 emission (save carbon sinks)
- Promotion of renewable energy.

Allow community to live in harmony with the forest.

- Preserve biodiversity
- Improve air environment of villagers

Strong, direct and positive environmental impacts



Promotion of Sustainable Forestry Management

- Sustainable forest management (SFM) through community forest groups in villages.
- Eliminating illegal logging and claiming of forestland
- Managing community forests to increase forest cover through reforestation
- Contributing to the implementation of National Forest Policy


Environmental Training for Community Forestry Association

- Raise awareness about climate change and its impacts
- Conducting climate change education campaigns
- Promote tree planting initiatives

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TOMORROW MATTERS

Quantitative Environmental Benefits (6-year)

Reduction of Pesticides from Wood Vinegar	
What we spend	What we achieve
USD 1,500 to build 1 kiln in 1 year	Reduction of 3,000 liters of chemical pesticides
Forest Impact from Palm Sugar and Green Charcoal	
Savings 3,300 hectares of forest ~4,000 football fields	
Reduction in Carbon Emissions from Green Charcoal and Vattanak stove	
More than 10,000 tCO ₂ e	
Avoided Deforestation	
30,000,000 trees saved	
Carbon Sequestration	
250,000 tCO ₂ e	



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TOMORROW MATTERS

VIII. Implementation



Implementation Plan – Short-Term

Month Issues	3	6	9	12
Governance/ HR	Reforming business entity; adapt HR & accounting system	Employee recruitment		Contribution to forest and organic certification process
Operations/ Supply Chain	Product Technology development; packaging	Building new kilns and new distribution centers		
Sales & Marketing	Market Entry for all products	Market Presence; creating brand awareness: Palm Sugar (70% Export + 30% Domestic), Green Charcoal (Domestic), Wood Vinegar (Domestic)		
Finance	Investment initiated			Account Auditing

Implementation Plan – Mid-term, Long-term

Month Issues	2	3	4	5
Governance/ HR	Contribution to forest and organic certification process			
Operations/ Supply Chain	Establishment of new CFA to support production capacity			Handing over of kiln to community for charcoal and vinegar production
Sales & Marketing			Expansion of Wood vinegar customer base to include CEDAC farmers	
Finance	Breakeven point by end of year 2	Cashflow positive		

IX. Conclusion



Conclusion

- Fulfilling economic, social, and environmental goals at the same time
- Eco-Biz is a social enterprise seeking to simultaneously promote sustainable forestry practices and sustainable rural livelihoods in Cambodia. It will market and distribute products created through socially-uplifting and environmentally-friendly practices and technologies developed by GERES Cambodia and other organizations. Altogether, Eco-Biz's initiatives will be designed to fulfill a triple bottom line: economic, social, and environmental

Appendices

Appendix A – Financial Data Assumptions

- Inflation rate at **6%** per year (average inflation rate of Cambodia the past 5 years)
- **Palm Sugar**
wholesale price: 70% international at \$2/kg; 30% domestic at 1.25/kg
packaging: 25kg/bag at 0.2 packaging cost
Sugar Costs; Transportation Overhead
Rate: 1 person/35 stoves at \$50/week
Drying Overhead; 3 persons/35 stoves at \$2/day/per person
- **Green Charcoal**
Max. capacity 4 kilns/site with two sets of pipes
1 kiln = \$1500; 1 pipe = \$7000
Production: 4.5 kg wood/cycle; 2.5 cycle/month; price: 0.15/kg to break into market

Appendix A – Financial Data Assumptions (Cont'd)

- **Wood Vinegar**
Wholesale price (un-bottled); 0.75/liter (1st year);
0.85/liter (2nd year)
Current stock: Eco-Biz buys at 0.50/liter
CEDEC Price; 1.80/liter bottled (0.30 back to CEDEC); Market size calculation: 5 ltr of vinegar/ha/month; 130,000 ha of rice fields 2% penetration
- **Forest Capacity**
CFA area is 550ha (natural reserve 50ha; replanting area; 225ha; productive area 225ha)
produce; 10cbm wood per ha per year; 1cbm = 500kg
- **HR and Governance Team**
Staff – Full time 28,740/year (1 director; 3 sales person; 1 clerk)

Appendix B: Environmental Impacts

Wood Vinegar Assumptions

- Capacity of 1 kiln per cycle is 200 liters of wood vinegar.
- Number of cycles per kiln/per month is 2.
- => Annual capacity of a kiln is : $2 \times 200 \times 12 = 4,800$ (lit)
- An average amount of 5 liters wood vinegar/per hectare is needed for a farm.
- => $4,800 \text{ (lit)} / 5 \text{ (lit/ha)} = 960 \text{ (ha)}$: the area that 1 kiln can provide pesticide annually
- Amount of chemical which is needed is 3 liter / hectare
- => for 960 hectare (the same area), we need $960 \text{ (ha)} \times 3 \text{ (lit)} = 2880$ liters

Conclusion: By spending USD 1,500 to build 1 kiln, we can reduce the use of nearly 3,000 liters of chemical pesticides. In 6 years, we can reduce 216,000 liters of chemical pesticide.

year	Num. of kiln	Chemical pesticide reduction
2009	2	6000
2010	4	12000
2011	8	24000
2012	16	48000
2013	20	60000
2014	22	66000
sum		216,000

Forest impacts from Charcoal

- Yearly demand of charcoal in Phnom Penh is 90,000 tons.
- By using green charcoal, we can save 214,286 m³ of wood yearly only for Phnom Penh. This is equal to $214,286 \text{ m}^3 \text{ of wood} \times 1/400 \text{ hectare per m}^3 = 536$ of forest.
- In 6 years time, we can save $6 \times 536 = 3,216$ hectares of forest

kiln	wood used
Green charcoal	1,285,714(m ³)
Normal charcoal	1,500,000(m ³)



Appendix B: Environmental Impacts (Cont'd)

Forest Impacts From Palm Sugar (Vattanak stove)

- Each vattanak stove saves 4 tons of wood per year.
- 13,544 tons of wood are saved after 6 years.
- $13,544 \text{ (tons)} \times 1000 \text{ (kg/tons)} / 500 \text{ (kg/m}^3) = 33860 \text{ m}^3$ of wood
- $33860 \text{ (m}^3) / 400 \text{ (m}^3\text{/ha)} = 85$ ha of forest saved in 6 years

Total Area of Forest Saved is 3301 ha

- A football field is 0.73 ha (from internet)
- $3301 / 0.73 = 3787$ –4000 football field
- The cost of planting trees is USD100 per hectare
- $3300 \times 100 = 330,000$ USD is the total amount of saving we achieve

Avoided deforestation

- $2680 + 85 = 2765$ –3000 ha of forest saved in 6 years
- The density of forest is 10,000 trees/ha => Avoided deforestation=30,000,000 trees

Carbon sequestration

- $3000 \times 0.6 \times 18 \times 5 \text{ (year)} = 162,000 \text{ tCO}_2\text{e}$
- $3000 \times 0.4 \times 15 \times 5 \text{ (year)} = 90,000 \text{ tCO}_2\text{e}$
- $162,000 + 90,000 = 252,000 \text{ tCO}_2\text{e}$ –250,000

Year	Number of stoves	Saved wood (tones)
2009	36	144
2010	100	400
2011	250	1000
2012	500	2000
2013	1000	4000
2014	1500	6000
Sum		13,544

tree	Rate of sequestration CO ₂ /ha/year	Share in forest
Eucalyptus	15	40%
Acacia	18	60%



Appendix B: Environmental Impacts (Cont'd)

Carbon Emission Reduction

- 2000kg of wood is approximately = 350 kg of green charcoal. (Renewable source and efficient kiln)
 - 2000kg of wood is approximately = 300 kg of normal charcoal. (Illegal logged and inefficient kiln)
- =>We are saving wood equal to 50kg of charcoal =286 kg of wood-300kg
- 300 kg of wood x 12 month per year x 2 cycle per month = 7,200 kg of wood saved yearly by one kiln
 - $7,200(\text{kg}) / 500(\text{kg}/\text{m}^3) = 14.4 \text{ m}^3$
 - $14.4(\text{m}^3) / 400(\text{m}^3/\text{ha}) = 0.036 \text{ ha}$ of forests is saved by 1 kiln in 1 year
 - $14.6 (\text{tCO}_2\text{e}/\text{ha}) * 0.036(\text{ha}) = 0.5 \text{ tCO}_2\text{e}$

Year	Number of stoves	Emission reduction(tCO ₂ e)
2009	36	106.2
2010	100	295
2011	250	737.5
2012	500	1475
2013	1000	2950
2014	1500	4425
sum		10,000

year	Num. of kiln	Emission Reductions t/CO ₂ e
2009	2	1
2010	4	2
2011	8	4
2012	16	8
2013	20	10
2014	22	11
sum		36



**Approach to donors:
From fundraising experiences for the Yellow Sea**

Mr. Sadayosi TOBAI

Marine Programme Leader

WWF Japan



WWF for a living planet®

Approach to donors - from fundraising experiences for the Yellow Sea

TOBAI, Sadayosi
Manager, Yellow Sea Ecoregion Support Project
WWF Japan



• Outline

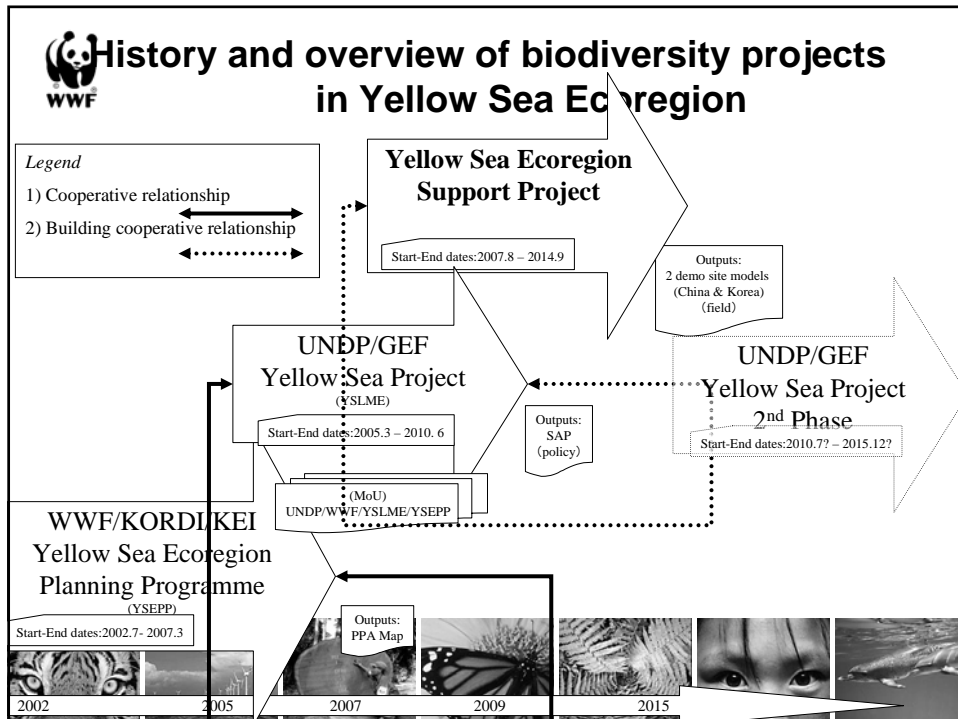
- Introduction to:
 - WWF Japan
 - Myself
- 4 principles of fundraising
- Case 1 Approach to Corporate donors
 - A case of the Yellow Sea Ecoregion Support Project in 2006-7
- Case 2 Approach to other types of donors
 - Successes and failures





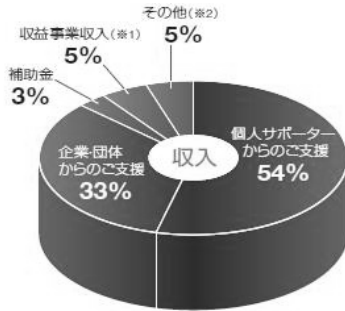
About WWF Japan

- About WWF Japan
 - Established as a foundation under the Japanese law in 1971
 - Part of the global WWF Network
 - Has its own board of trustees
 - Raise its own funds for conservation in Japan and overseas (including the Yellow Sea.)
- About myself
 - Manager, Yellow Sea Ecoregion Support Project (2007-)
 - Leader, Yellow Sea Ecoregion Planning Project (2002-6)
 - Coordinator, Yellow Sea Ecoregion Initiative (2000-1)
 - Marine programme leader, WWF Japan (2006-)
 - Conservation programme officer and work with fundraising officers





Funding sources of WWF Japan (2008)



【個人からのご支援の内訳】

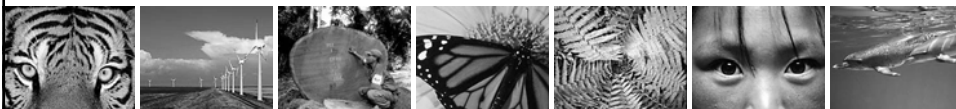
会費	2億 404万円	45%
寄付	1億8,825万円	41%
募金	6,402万円	14%
合計	4億5,631万円	100%

- Total income in 2008
 - JPY849,410,000 (=USD9,201,570)
 - (=KRW11,019,800,000)
 - (=CNY62,230,700)
- Funding by sources
 - Individual supporters: 54%
 - Corporate supporters: 33%
 - Grants: 3%
 - For-profit operation: 5%
- Breakdown of individual supporters' funds
 - Membership fees: 45%
 - Donation: 41%
 - Donation box: 14%



4 principles of fundraising

- Principle 1: study your potential donor well
 - Study each donor's own unique public objectives and hidden interests
- Principle 2: Identify common grounds
 - Identify common grounds between your project proposal and their objectives and interests
- Principle 3: secure stakeholder involvement early
 - Prove that stakeholders of your proposal are ready to work together
- Principle 4: present outcome/impact orientated proposals
 - Describe your mid-term (5-10 years) vision of how the project improves the situation for the better
 - (Don't list only disparate activities for one year)





Case 1

Approach to corporate donors

- To whom:
 - Panasonic
- For what project:
 - Yellow Sea Ecoregion Support Project
- When:
 - From 2006-2007
- How much



Principle 1: study your potential donor well

- Study each donor's own unique public objectives and hidden interests
- Panasonic's case
 - A global electronics company
 - Panasonic's vision:
 - Panasonic aims to be the No.1 Green Innovation Company in the Electronics Industry in 2018, the 100th anniversary of our founding.
 - Panasonic's Environmental Activities
 - Products (developing environmentally-conscious products)
 - Manufacturing (reduce CO2 emissions through entire business operations)
 - Global Citizenship (taking proactive measures in promoting environmental conservation activities on a global basis)

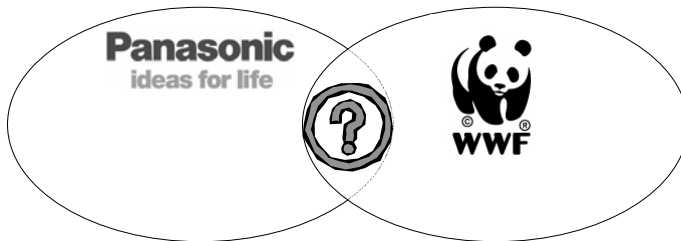
Panasonic
ideas for life





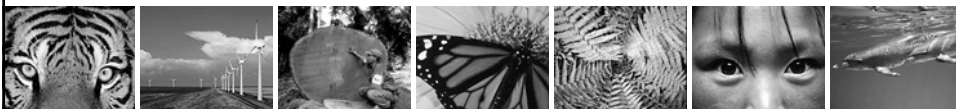
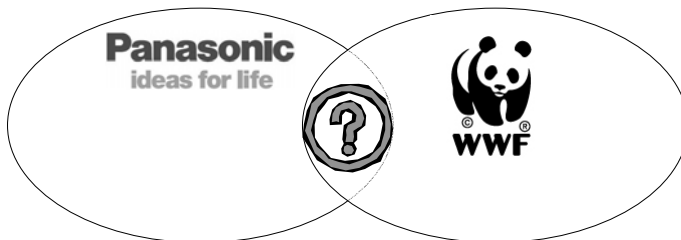
Principle 2: Identify common grounds

- Identify common grounds between your project proposal and potential donor's interest
- Panasonic's interests
 - To become the No.1 Green Innovation Company
- WWF's proposal
 - Environmental biodiversity conservation proposal for China and Korea



Principle 2: Identify common grounds

- Identify common grounds between your project proposal and potential donor's interest
- Panasonic's interests
 - Communications towards the Globally the No.1 Green Innovation Company in 2018
 - Large operations in China (60+ factories, 70,000 workers)
- WWF's proposal
 - Field projects in China and Korea supporting local community, environmental NGOs and local governments for environmental biodiversity conservation proposal for China and Korea
 - Long-term proposal (2007-2014)





Principle 3: secure stakeholder involvement early

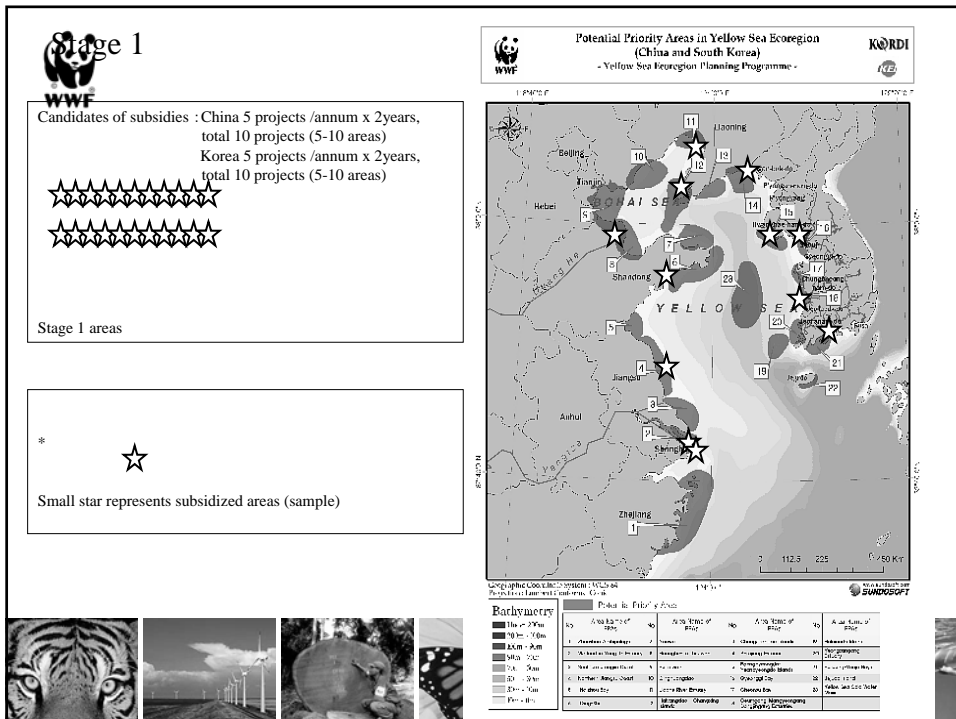
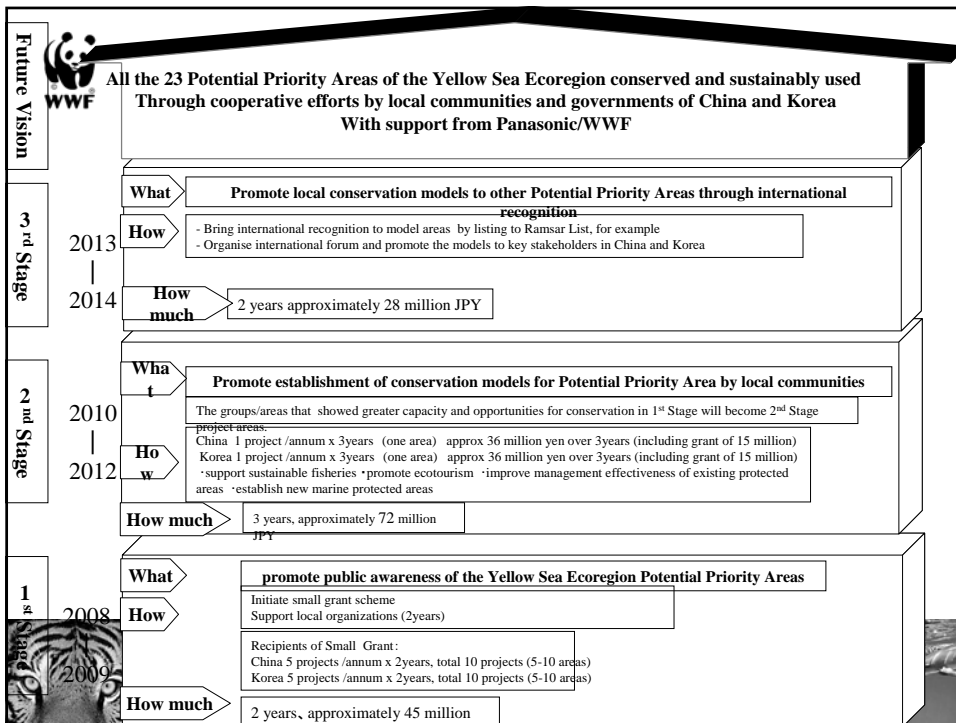
- Prove that stakeholders of your proposal are ready to work together



Principle 4: Outcome/impact orientated proposal

- Describe your mid-term (5-10 years) vision of how the project improves the situation for the better
- (Don't list only disparate activities for one year)





Stage 2



Model areas, candidates for subsidies:

- China 1 project / annum x 3years (one area)
approx 36 million yen for 3years
- Korea 1 project / annum x 3years (one area)
approx 36 million yen for 3years
- supporting sustainable fisheries · promotion of ecotourism
- upgrade of existing protected areas
- establishing new marine protected areas



Stage 1

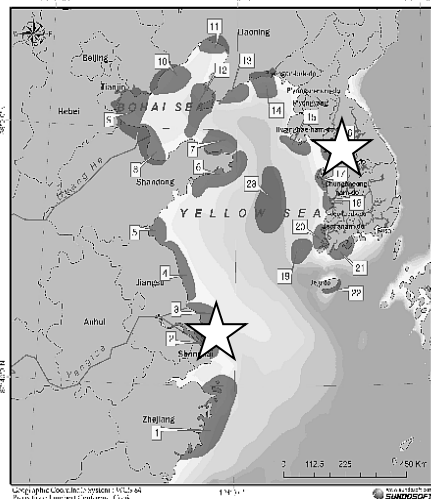


Stage 2 area

Large star indicates areas that are upgraded as model areas. Amongst the areas that were subsidized in Stage 1, two areas will be chosen as model areas to further step up their conservation activities.



Potential Priority Areas in Yellow Sea Ecoregion (China and South Korea)



Barhymetry

Area	Area Name	Area Type	Area Size	Area Status
1	Bohai Sea	Sea	11,000 km ²	Sea
2	Bohai Sea	Sea	11,000 km ²	Sea
3	Bohai Sea	Sea	11,000 km ²	Sea
4	Bohai Sea	Sea	11,000 km ²	Sea
5	Bohai Sea	Sea	11,000 km ²	Sea
6	Bohai Sea	Sea	11,000 km ²	Sea
7	Bohai Sea	Sea	11,000 km ²	Sea
8	Bohai Sea	Sea	11,000 km ²	Sea
9	Bohai Sea	Sea	11,000 km ²	Sea
10	Bohai Sea	Sea	11,000 km ²	Sea
11	Bohai Sea	Sea	11,000 km ²	Sea
12	Bohai Sea	Sea	11,000 km ²	Sea
13	Bohai Sea	Sea	11,000 km ²	Sea
14	Bohai Sea	Sea	11,000 km ²	Sea
15	Bohai Sea	Sea	11,000 km ²	Sea
16	Bohai Sea	Sea	11,000 km ²	Sea
17	Bohai Sea	Sea	11,000 km ²	Sea
18	Bohai Sea	Sea	11,000 km ²	Sea
19	Bohai Sea	Sea	11,000 km ²	Sea
20	Bohai Sea	Sea	11,000 km ²	Sea
21	Bohai Sea	Sea	11,000 km ²	Sea
22	Bohai Sea	Sea	11,000 km ²	Sea
23	Bohai Sea	Sea	11,000 km ²	Sea
24	Bohai Sea	Sea	11,000 km ²	Sea
25	Bohai Sea	Sea	11,000 km ²	Sea
26	Bohai Sea	Sea	11,000 km ²	Sea
27	Bohai Sea	Sea	11,000 km ²	Sea
28	Bohai Sea	Sea	11,000 km ²	Sea
29	Bohai Sea	Sea	11,000 km ²	Sea

Stage 3



- promote international recognition of the areas that involved in establishing protected areas or improved management of fish resource
- host Yellow Sea Ecoregion International Forum, which will enable the respective managing leaders to exchange ideas.



Host international Forum recognition

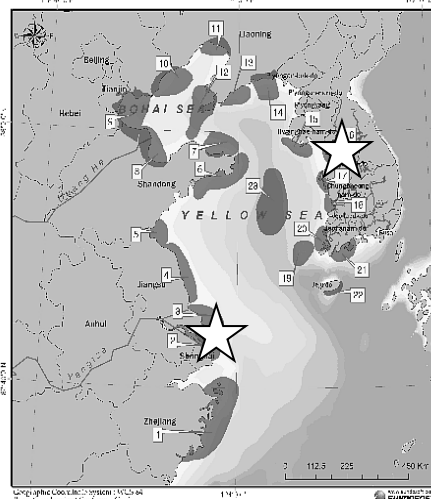


Third Stage international recognition of the model areas

The blue star represents the Stage 2 model area (large yellow star). In stage 3, these area will gain international recognition, and the supporting program will be internationally recognized.



Potential Priority Areas in Yellow Sea Ecoregion (China and South Korea)



Barhymetry

Area	Area Name	Area Type	Area Size	Area Status
1	Bohai Sea	Sea	11,000 km ²	Sea
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28	Bohai Sea	Sea	11,000 km ²	Sea
29	Bohai Sea	Sea	11,000 km ²	Sea



Results

- Donor
 - Panasonic Corporation
- For what project:
 - Yellow Sea Ecoregion Support Project
- How long:
 - 7 years long-term contract
 - Start : August, 2007
 - End: September, 2014
- How much
 - JPY170,000,000
 - (USD1,841,590/ CNY12,454,800/ KRW2,205,490,000)



Follow-ups are just as important as proposal...

- Communications activities with the donor (their interests and our common grounds)
- Governance and the donor
- Reporting to/ updating the donor



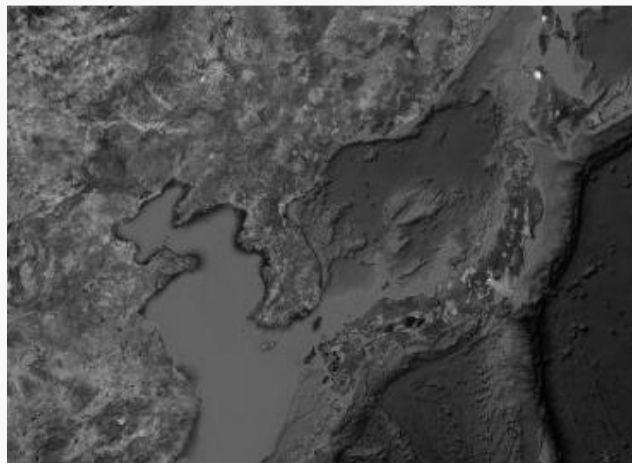


Communications



for a living planet

Communications activities in JAPAN (2009)





WWF for a living planet®

Photo Exhibitions



Photo Exhibition 1

Dec. 2008

Tokyo Panasonic Center

Photo Exhibition 2

Aug. 2009

Osaka Panasonic Center



Photo Exhibition



Tokyo Panasonic Center (Dec. 2008)



Photo Exhibition



Tokyo Panasonic Center (Dec. 2008)



Photo Exhibition



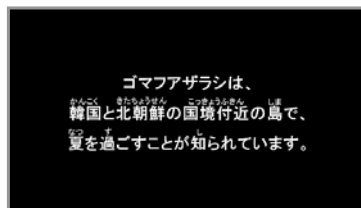
Tokyo Panasonic Center
(Dec. 2008)



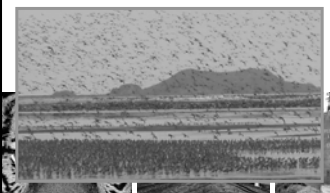
Photo Exhibition



Osaka Panasonic Center (Jul-Aug. 2009)



Video footage “Yellow Sea”





“Environmental Business” （「環境ビジネス」）



Cover

February 2009



“AZURE” （Travel Magazine）



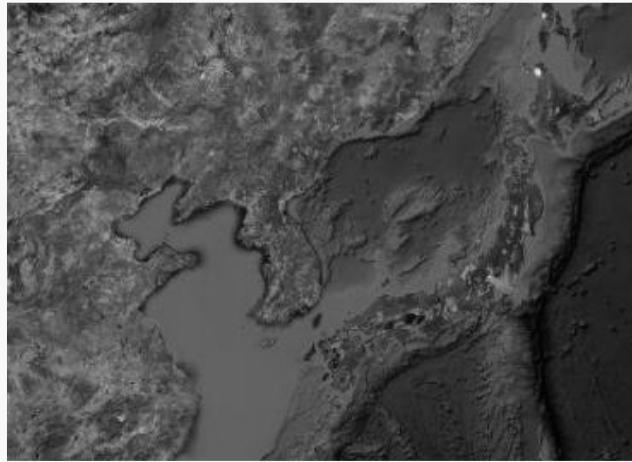
Cover

October 2009



for a living planet®

Communications activities in Korea (2009)



YSESP Media Coverage

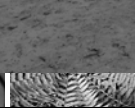
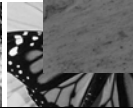
- 1st Exchange Forum
 - Science Donga
 - February 2009, Special Article in Culture Section





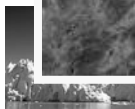
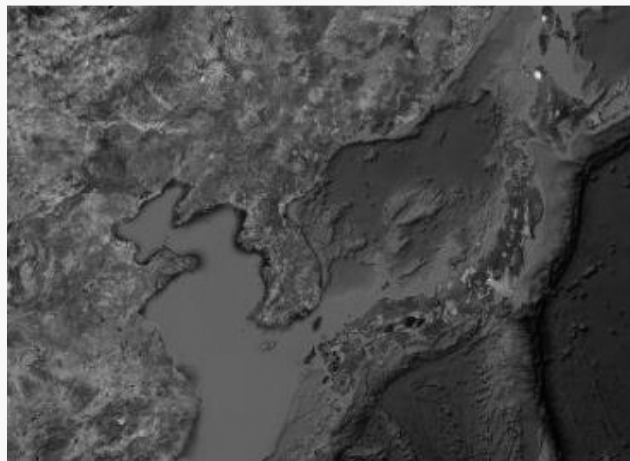
YSESP Media Coverage

- Small Grant: Muan Site
 - KBS 'Environmental Special'
 - Tobai's interview & lecture broadcasted in the series 'Why did they(Muan people) choose the tidal-flat?'



WWF for a living planet

Communications activities in China (2009)





Relevant opportunity—*Beach Combing*

Objectives

- To record and reveal local seafood collectors techniques and livelihood in the YSE's coastal wetlands;
- To record and reveal the YSE's unique coastal wetlands (including those in the Yalu Estuary) and their ecosystem services;
- To expose TV audiences to the YSE's coastal wetlands and their natural and cultural heritages, and call for the conservation of the remaining ones;
- To educate targeted audiences, particularly whose "eco-ideas" will help secure the YSE's future.

Expected Media Coverage

Liaoning Provincial TV and Shenyang Municipal TV

- Maximum 40 million in Liaoning including 7 million in Shenyang (data of audience rating unavailable)

Outreach through lectures:

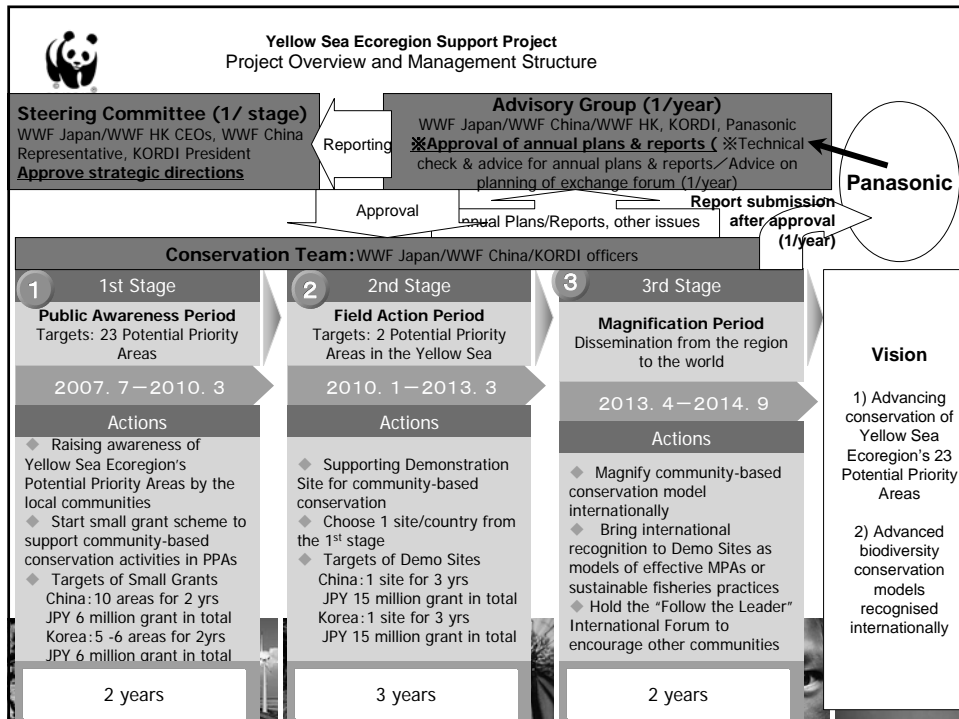
- In contract, 2 lectures for Panasonic Beijing and Shanghai staff, 2 lectures for students in Liaoning by Aug. 2010.
- Much wider coverage may be offered afterwards





Governance and the donor

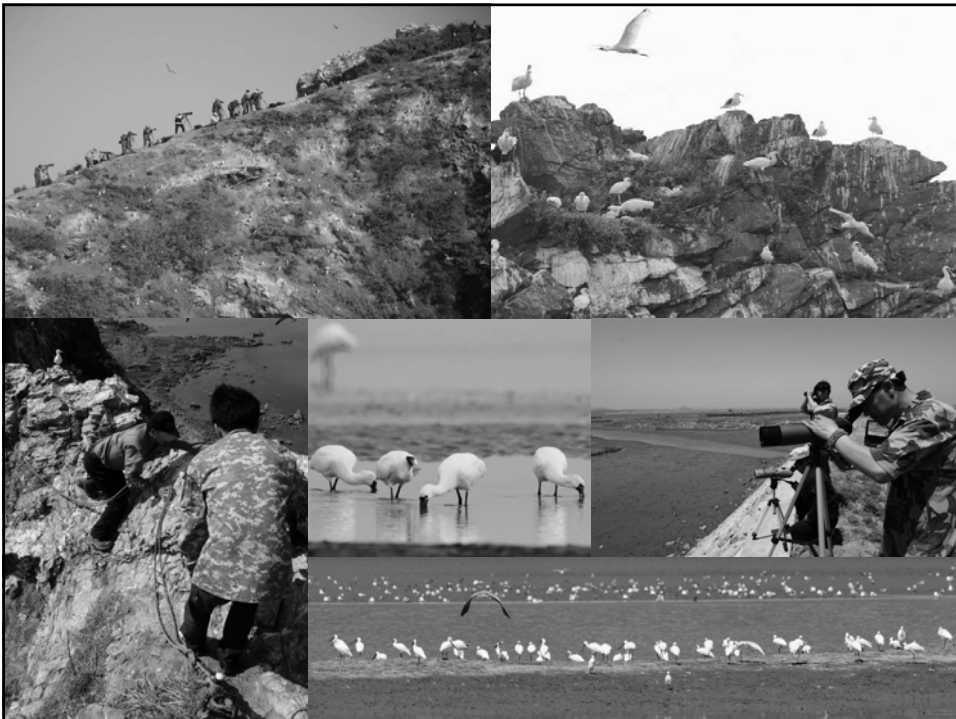
- Consider involvement of the donor at an appropriate level
 - Take into account of the strengths of the donor
 - E.g. communications? Technical support?






Reporting to/ updating the donor

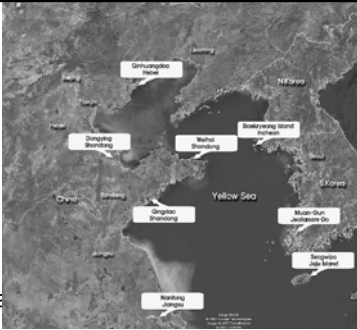
- Reporting
 - Technical progress reports
 - Financial reports
 - Must be punctual, accurate, transparent and informative (addressing common grounds)
- updating the donor
 - Organise field visits with the donor
 - Invite the donor to a meeting/forum where the recipients and stakeholders reports results, challenges and lessons learnt.
 - Give the donor an opportunity to understand the “real” world situation.









- When
 - January, 2008
- Where
 - Workshop: Panasonic Centre Beijing, China
 - Communications training:
- Results
 - Reports
 - 8 reports by recipients.
 - Group discussion on lessons learnt from implementation
 - China discussion group
 - Korea discussion group







© WWF Japan

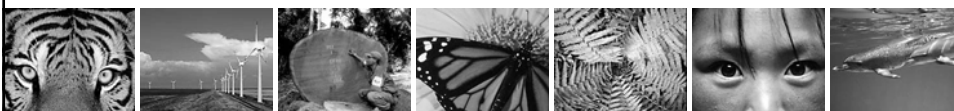


Other examples of approach to donors

- Successes
 - Donor: Environmental Restoration and Conservation Agency (The Japan Fund for Global Environment, a grant scheme
 - <http://www.erca.go.jp/fgc/english/index.html>
 - Japan Fund for the Global Environment (2000)
 - Proposal on compiling environmental information on the Yellow Sea Ecoregion
 - Proposal by WWF Japan
 - Grant: JPY6,000,000
 - Japan Fund for the Global Environment (2002)
 - Proposal on compiling environmental information on the Yellow Sea Ecoregion
 - Proposal by WWF Japan
 - Grant: JPY4,700,000
 - Japan Fund for the Global Environment (2005)
 - Proposal on publication and public awareness on biodiversity priority areas in the Yellow Sea Ecoregion
 - Proposal by WWF China
 - Grant: JPY5,500,000
- Common grounds: environmental cooperation between China, Japan and Korea



- Failures
 - Proposal: scientific identification of important areas in the Yellow Sea Ecoregion and demonstration of effective management of habitats in important areas
 - Targeted donors: foundations
 - The Nippon Foundation
 - The Ocean Policy Research Institute
 - The Toyota Foundation
 - JICA
 - Reasons for failures
 - Not enough common grounds





Ending: 4 principles of fundraising

- Principle 1: study your potential donor well
 - Study each donor's own unique public objectives and hidden interests
- Principle 2: Identify common grounds
 - Identify common grounds between your project proposal and their objectives and interests
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 - Describe your mid-term (5-10 years) vision of how the project improves the situation for the better
 - (Don't list only disparate activities for one year)



Annex III
Group Presentation

An action plan for project fund-raising:

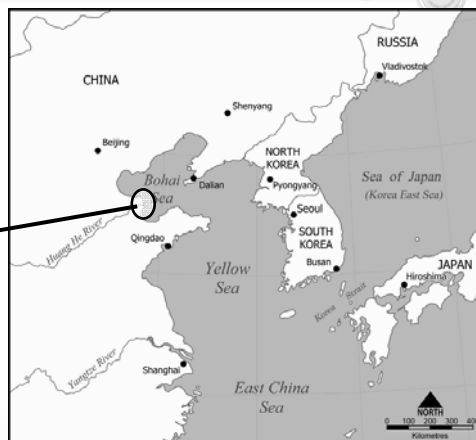
Coastal protection and restoration from oil industry in Dongying, China

Workplan for Project Fundraising:

—Coastal Protection and Restoration
from oil industry in Dongying, China

2010.07.22 Qingda
0

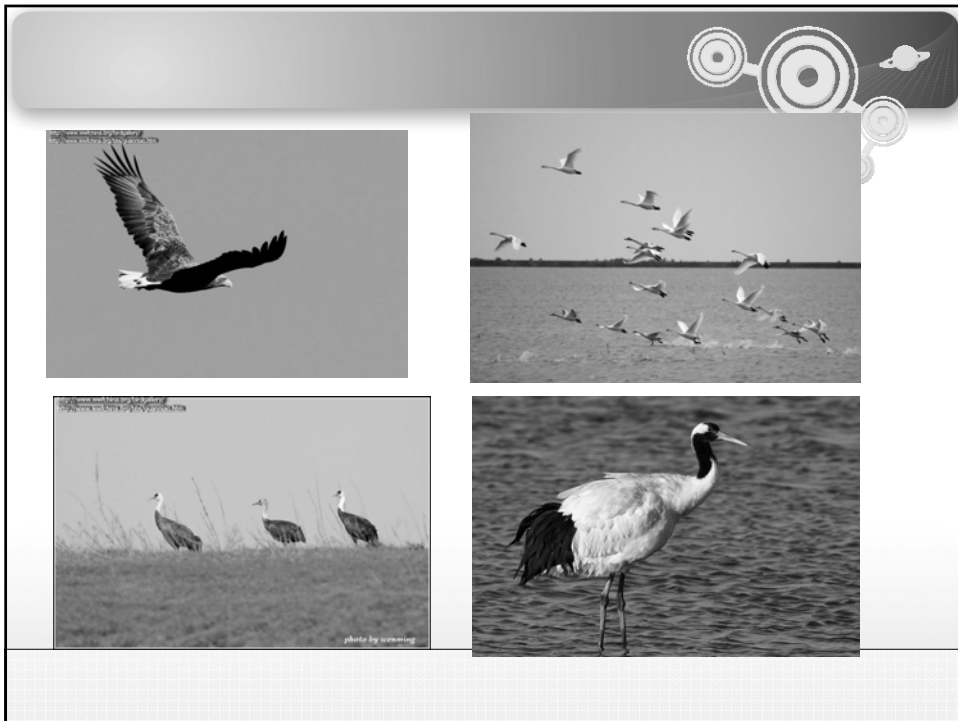
1. Background





- Outlets of 2nd longest river: Yellow River
- Basis of 2nd largest oil industry: Shengli Oilfield
- One of important fishing and farming areas
- One of important habitats for birds
- 1 National Nature Reserve and 5 Marine Protection Areas
- Many important and endangered species
- One of important habitats in YSLME







2. Project's mission

- Assess the impact of oil spill and oily-waste water discharge
- Restore the damaged habitats and resources
- Setup the risk management for accident



3. Project's Budget

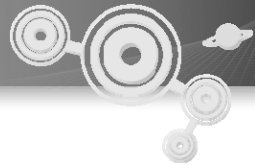
- 1.0 M in total, 200,000/year*5 Years
- Scientific research
 - Impacts of oil-water discharge on fish-farming, 150,000 (15%)
 - Impacts of oil spill on important habitats and species, 150,000 (15%)
- Demonstration site
 - Wetland's restoration, 250,000 (25%)
 - Resource's releasing, 250,000 (25%)
- Public awareness, 50,000 (5%)
- Operational cost, 150,000 (15%)

4. Potential donors



- Oilfield Corporate: rebuilding the reputation
- Fish farmers: better quality seafood
- Local habitants: better environment
- Tourism company: better incomes
- Local government: less economic loss

5. Marketing materials



- Brochures
- Background photos and newspaper
- Proposals
- Expecting results

6. Team member and roles



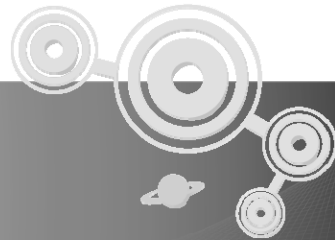
- Cost 15%, 36000/person, 4 persons
- Specialty, financing, marine science, marketing, and oil industry
- Their roles:
 - Financing: for accounting, cost control, budget etc
 - marine science: implementation plans, research management, scientific advice
 - Marketing: public advertisement, relationship, awareness
 - oil industry: knowledge of oil industry

7. Time table



- 6 months–12 months
- Preparation stage: 2 months, basic info, background materials, target donors searching
- First contact: 1 day, finding common interests
- Proposals stage: 1 month
- Feedback
- Proposal re-editing: 1 month
- Primary results
- Detailed implementation plans: 1 month
- Meetings
- Revised implementation plans, 1 month

THANKS



For more information

Dr. ZHANG Zhaohui
Email: Zhang@fio.org.cn
Mobile: +86 13589203873

An action plan for project fund-raising:

Conservation of coastal and marine habitat in Republic of Korea

Small-Group Discussion

PGA, CAC-Masan Bay, Eco H,
Incheon city government

1

Who are your potential donors?

- A:
Tuna company ex.DongWon

2

What is your mission?

A: from tidalflat to Ocean

- 1) More Biodiversity, more Fish
- 2) Conservation of coastal and marine habitat
- 3) Biological concentration ex. Hg

3

How much do you Need/target?

- A : 1,000,000,000 KRW/5 years

200,000,000 KRW/year

200,000 \$/ year

4

How will the gift advance your mission?

1st phase: Geonggi Bay– Inchun tidalflat
36% of KOR. tidalflat

5

What marketing materials do you use approach the donors?

- A:

The leaflet of the enhancement of biodiversity through Aqua culture around Yellow sea

ex. Yuhan Kimberly (Planting)

Seagrass bed restoration

CITES

6

Who are your fundraising team member?

- A

PGA, EH, Inchun City, PEMSEA Site consortium

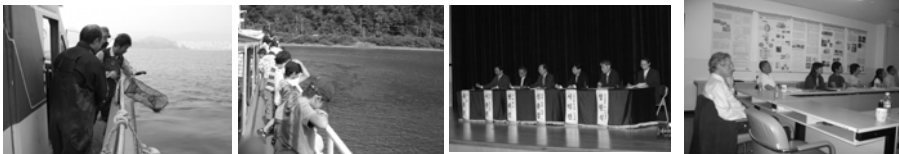
Partnership (MOU)–KORDI, KMI,NFRDI

7

What roles does each category of the members play?

- A

- 1) Monitoring
- 2) CEPA
- 3) S– Governance



When/How often do you take what actions?

Action	many	Contents
Montoring	2/month	. Supported by City
CEPA	1/month	.Education . Fork fasitival
S- Governance	M+6	. Governors, NGO, Citizen, Researcher(KORDI,NFRDI,

