

EF-to-EF Mentorship program between Brazilian Biodiversity Fund (Funbio) and BioGuiné Foundation (FBG)

Project K: RedLAC-CAFÉ Knowledge for Action Project

Mentor Fund:

Brazilian Biodiversity Fund (Funbio)

Mentee Fund:

BioGuiné Foundation (FBG)

Theme:

Financial mechanisms design and evaluation

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Case Study

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1. Executive summary

The mentoring project between the Brazilian Biodiversity Fund – Funbio (mentor) and the BioGuinea Foundation – FBG (mentee) aimed to share knowledge about evaluation and design of financial mechanisms – FMs. It is a Funbio's expertise and a theme with rare capacity-building opportunities, since the literature on the subject is very limited and there are few environments where there are training on these mechanisms. At the same time, it was a relevant need of the FBG, because it is a fundamental knowledge to respond to the design of projects and programs according to local context and to institutional and funder's expectations. There was, therefore, an opportunity for the exchange of experience between Funbio and FBG, which represented the continuity of a partnership started in 2013.

The project developed a work plan with an initial phase of face-to-face alignment on FMs, on innovation in financing and on mapping, analysis and prioritization of funding sources. Then we worked together on a continuous activate of preparation (planning) of the training, including the adaptation to the local context, the development of the support material and the creation of a "virtual library". The second face-to-face phase was the training itself (based on exchange of experiences and reflections for the local context) and the design of a base document of a FM for small grants. The content of the course is also part of this mentoring program and we believe that the material developed may be relevant to many socio-environmental funds.

The most relevant direct benefit was the increase of knowledge about FM of all involved (mentor and mentee). The learning opportunity extends to everyone involved in the training process. The exchange of experiences, knowledge, visions and cultures is always enriching. In this way, the two institutions benefited from this process.

2. Background (context)

Funbio (Mentor) was founded in 1996 as a private financial mechanism created to drive the implementation of the Convention on Biological Diversity (CBD) in Brazil. It is a strategic partner of government, organized civil society and the private sector. In its 21 years of existence, Funbio has managed more than USD 600 million of almost 80 different funders, supporting 284 projects in all Brazilian biomes and 233 protected areas (totaling more than 70 million hectares). Funbio has already made 27 calls of project, supporting 233 institutions. In 2015, Funbio was accredited as GEF's first national implementing agency in Latin America and one of 18 in the world.

The FBG was officially registered in 2011 as a "private foundation for public utility" under English and Welsh law to work in Guinea Bissau. The Foundation goal is to generate a transparent, stable and undependable flow of funds to: (i) promote the conservation, protection and improvement of the physical and natural environment and biodiversity, with priority focus on Guinea-Bissau's national system of protected areas; (ii) promote sustainable development that supports the conservation of biodiversity; and (iii) advance the education of the public on environmental issues. Through its focus on protected areas, FBG works in direct cooperation with the Institute of Biodiversity and Protected Areas (IBAP, in Portuguese), which is the institution responsible for the management of protected areas in Guinea Bissau.

Funbio and FBG established a first partnership in 2013/2014 to develop a financial strategy for the Guinea Bissau Protected Area National System. Funbio's expertise in similar projects (financial environment of protected area systems) was key to this partnership, encouraged by the World Bank. This first partnership strengthened the ties between the two institutions and the mentoring program was an opportunity for continuity. FBG was in its initial phase of implementation, creating the basis for its performance. In this way, the formalization of partnerships proved to be a strategy that could speed the development and soften the learning curve of the FBG. One of the challenges of the FBG was to develop tools adequate to the implementation of its projects/resources and, therefore, the institution was looking for appropriate FM. In this context, it was identified the need for experience change on the development of FMs to meet the beneficiaries and financiers in the most efficient, transparent and safest approach possible. This was the focus of the new partnership: development of FM. Funbio has extensive experience in operating and designing FMs, with a business area (Special Projects) specialized on that.

3. Mentorship Objective

The mentorship was focused on the improvement of FBG expertise to develop and implement FMs, improving their team ability to understand, evaluate (financial, political and legal viability) and design this management tool.

With the mentoring process, FBG would have tools necessary to improve its ability to:

- a. Identify opportunities for the use of FMs;
- b. Decide on the need of FMs;
- c. Project the feasibility of a FM; and
- d. Conduct the development of an effective FM (legal status, financial strategy, financial arrangements, execution models, governance arrangement, procedures, transparency, etc.).

The mentoring program aimed to jointly develop a financial mechanism for Small Grants projects that would be supported by a training on the design of FMs elaborated and conducted by Funbio. Once the communication was not working well and the mentorship started to have a significant delay¹, both teams agreed to change the mentorship format. The initial strategy was to carry out all the phases (evaluation, diagnosis and design of a FM) in a joint way (learning by doing). Due to delays in the original schedule, a new work plan was developed to fulfill short-term demands of FBG. The new approach consisted of training the FBG in "how to develop a FM" (a step by step capacity building for FBG) followed by an application case: "development of a small grant manual" as a tool to establish management and operation procedures and flows for FBG potential grantees and partners. Although the teams proposed a new timetable and activities, the approach continued with the same strategic line: focus on the FM evaluation and design.

4. What we Did/ our approach

The main steps, method and participants are described below.

¹ Because of the limited staff number of the FBG. Indeed, the two staff has to deal with every operations in the FBG. The Mentorship, despite its importance, was part of a variety of activities to be carried out. When unfortunately the FBG CEO was sick during the program, the Mentorship activity had to slow down, delaying the delivering of the results..

Face-to-face meeting at Funbio about: FMs, innovation in financing and prioritization of financial sources. The FBG CEO, the director of ANAC and the Funbio team participated in this meeting. The main points addressed were:

- FMs: what they are and what they need to operate (mission, vision and principles; goals/demands; legal personality; governance structure; financing modalities; procedures and processes; financial resources [mapping, analysis and prioritization]; financial strategy; team)
- Innovation in financing (sources of funding) and Funbio's experiences: how to create an environment that encourage the innovation in financing and resource management; experiences of diversification of financing of Funbio.
- Prioritization of opportunities for FBG: mapping of local possibilities; analysis (volume, access and flexibility) – current and future perspective; prioritization.

During this visit to Funbio, the head of the financial sector of the FBG had a different agenda: he had several meetings with the different sectors of Funbio to observe the processes and tools used, expanding the exchange of experiences for these other sectors.

Face to Face Course about how to develop FM. To carry out this course it was necessary to:

- Define and validate the scope: constant communication between the parts to meet local challenges and expectations. FBG demanded the prioritization of the training instead of the development of the manual/ case study - this strategy allowed the internalization of the necessary basis for manual designing by FBG. The course was oriented to the operation of Small Grants FMs.
- Define the methodology (presentations followed by examples and debates).
- Prepare all communication material (in PowerPoint format) considering the best international practices in FM design. The course was structured to cover all the necessary steps for the design of a program and its respective manual/FM. It is a content lacking bibliography and, therefore, required an effort based on the practice of Funbio and in specific studies.
- Development of a library about FM and small grants
- Accomplishment of the course at FBG

The course was given by Funbio team to the FBG team and eventually to representatives of ANAC and local partners. The dynamics of the course were designed to promote the debate, which allowed and the continuous exchange of experience and spaces for the analysis of local examples and challenges.

Case Study: Elaboration of the manual for small grants projects. The first step was to draw the skeleton of the manual, that is, what should be the topics that would compose the final document. This work was carried out considering the various manuals that Funbio has already developed and, when possible, referring to the literature and at other environmental funds manuals (focusing on small grants experiences).

5. The Challenges

The main challenge of the FBG, which motivated the mentoring, was to improve its capacity to develop FM that simultaneously meet the demands of the institution itself, of the local context and of the funders. This mentoring took place in a context that posed some challenges. The FBG had a small team that needed to deal with all the diverse and complex activities that an environmental fund needs to develop, notably in its early stages of consolidation. In parallel, there is also a pressure from the partners for the resources execution.

The design of FM is not a widespread skill, with few publications and rare spaces for exchange of experience. Thus, absorbing the necessary capabilities is a challenge for any manager who demands the use of this tool.

On Funbio's side, the challenge in the mentoring process was to transfer the knowledge in a clear, objective and broad enough way to be applicable. This demanded clear language and a dynamic that made the content pleasant and digestible. At the same time, it was necessary to know and understand the local context and expectations (customization of the content). Perhaps the greatest challenge was to produce the basic material of the training, because it is a knowledge that was not documented, with little literature available.

The mentoring process allowed a specialized and little available knowledge to be shared, allowing FBG to improve its skills needed to meet its challenge on FMs design. The partnership allowed reducing the FBG's learning curve on the subject, which enables a more agile delivery for stakeholder demands. The mentoring process also allowed the development of basic reference material and, in particular, the joint analysis of the application of the content to the local context.

6. What Happened

The results will be presented according to the different “phases” of the mentoring project.

Face-to-face meeting at Funbio

The main results of the Face-to-face meeting at Funbio were:

- **Basic and initial training on financial mechanisms.** This training resulted in the leveling of basic aspects and the exchange of experiences through the presentation of several Funbio cases.
- **Training and exchange of experience on innovation in financing,** pointing out the necessary conditions and risks for expanding funding sources of environmental funds. Funbio presented some cases of success and experiences in progress.
- **Training in methods of mapping, analysis and prioritization of funding sources,** considering different aspects of evaluation (volume, accessibility and flexibility). This methodology is relevant for efficient fundraising.
- **Mapping, analysis and prioritization of funding sources that could broaden and diversify the financial resources of the FBG.** The exercise was carried out jointly by Funbio, FBG and ANAC teams and pointed to the following results: Green Climate Fund, bi-multilateral cooperation, REDD+ and local private contribution.
- **This first step as a whole allowed participants to get out of the box and think about innovative ideas.**
- **The Financial and Administrative Officer of the FBG had the opportunity to see and view how the Financial and Accounting team of FUNBIO works.**

Face to Face Course about how to develop FM

The main result of this phase was the training and exchange of experience in the various stages and aspects of the development of a FM. Through a support material, the training was carried out based on both conceptual and theoretical part as well as the applicability and adaptation to the local context. The dynamic was of continuous interaction and focused on the local challenges. With the material and the exchange of knowledge, the FBG improve its basis to analyze the necessity and feasibility of FMs and to perform the design of these instruments.

The content of the course is also part of this mentoring program and we believe that the material developed may be relevant to many socio-environmental funds. In parallel to the training, a library was created with reference and supplementary support materials.

Case Study

The last result was a joint elaboration of the main points and guidelines for a small grants manual. The document produced does not include all the content needed for the manual, but it dealt with the aspects prioritized by the FBG and objectively points to solutions or directions of these different aspects. The manual was developed as a supporting document for a final version.

7. Benefits Observed

The most relevant direct benefit was the increase of knowledge about financial mechanisms of all involved (mentor and mentee). The learning opportunity extends to everyone involved in the training process (including course preparation and discussion during the course). The exchange of experiences, knowledge, visions and cultures is always enriching. In this way, the two institutions benefited from this process.

FBG accessed a consolidated knowledge in Funbio, which is the design of FM. This knowledge can be shaped to respond to local challenges and opportunities. FBG was able to improve its capacity on this relevant theme, essential for the institutional performance and development. Many opportunities for fundraising will require the application of the themes that were addressed during the training.

The FBG had the opportunity to develop a concept to the Green Climate Fund (GFC) including a combination of an endowment and a sinking fund. This Small Grant Manual for the implementation of GCF grants has been prepared. The found can be adapted to different needs in the future.

The participation of local actors (from the government, funders and organized civil society) during some moments of the training was important for the understanding of the local demands and limitations. It also allowed the FBG to strengthen its ties with strategic partners, strengthening the engagement of these institutions.

An important benefit highlighted by FBG was the opportunity to create through the mentoring process where IBAP Managing Director and the FGB team could discuss financial sustainability and strategies so that the two Institutions could be on the same page when it comes to the opportunities and challenges about conception and implementation of long term funding strategies. Funbio had the opportunity to strengthen its mission, contributing in the process of consolidating a 'brother fund'.

The two funds have strengthened their partnership and can count on mutual support where necessary.

“ The participation of local actors (from the government, funders and organized civil society) during some moments of the training was important for the understanding of the local demands and limitations ”

8. Remaining challenges

The main need to be faced is the practical application of the knowledge that has been shared, that is, the design of a FM by the FBG as a management tool for a project or program. In other words: put into practice the knowledge absorbed. However, acquiring enough funds to feed an FM in a country like Guinea Bissau, considered at high level of risks, is a significant challenge.

Regarding the challenges during the process of mentoring, we can highlight the difficulty of accommodate the demands of day-to-day with the whole process of planning and execution of the mentoring project. Since the FBG had a small team, the availability of time was always a limiting (but not impeding) factor in the conduct of the project. At the same time, the Funbio's team involved on the project needed to deal with other institutional demands.

9. Key Points of Practice (lessons learned)

We highlight the following key lessons:

- Concrete activities (organized and with enough time) to exchange experiences – like this one allowed by Project K – are very relevant opportunities for institutional development.
- In the mentoring process, the exchange of experiences between the parties (fund x fund) is as relevant as the moment of mentoring (mentor x mentee).
- The mentor has also a great opportunity to learn during the process.
- Inserting local actors and/or experts can enhance the exchange of experiences.
- The parties involved need to have real availability of time to meet the demands of mentoring, which is a challenge when we consider all the challenges and demands of the environmental funds.
- Each part involved on the training must denominate a sponsor, a focal point and at least one more participant so that there are no major interruptions and discontinuities when someone is unable to contribute.
- The mentored partner should support the mentor with information and documents about the local context.
- Any change in the defined work plan needs to be agreed between the parties and considers the time and resources available.
- Conducting at least two face-to-face momentum is essential to the mentoring process be effective, despite the indispensable use of communication technologies.
- The mentoring scope needs to be well defined (delimited) and agreed between the parties (managing expectations considering the feasibility of building the content and of absorbing the training).
- Maintaining ongoing dialogue is essential to keep teams engaged, to manage expectations, to the jointly building process and for proper eventual need of redesigning the scope of work.
- It is essential that the mentoring consider the local context: culture, political environment, economy, legislation, institutional environment, technology, capabilities and environmental aspects.



Meeting in the Bioguinea Foundation office

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Field Trip to Cacheu River Mangroves Natural Park

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