

# EF-to-EF Mentorship program between Fundación Natura Panama and Fondo de las Américas del Perú (FONDAM)

Project K: RedLAC-CAFÉ Knowledge for Action Project

**Mentor Fund:**

Fundación Natura Panama

**Mentee Fund:**

Fondo de las Américas del Perú (FONDAM)

**Theme:**

Communication Strategy

**Author (s):**

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## Case Study

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### 1. Executive summary

Through this mentorship, FONDAM aims to develop a short – term strategy to publicize its services and experiences through social media (Facebook and LinkedIn) and its website. In the long-term, this strategy will promote fundraising from the private sector in order to implement climate change adaptation projects through a financial mechanism (see **Box 1**).

When FONDAM applied for the funding (Proyecto K – Mentorship) we expected to develop the financial mechanism with a peruvian bank; that means that we have expected to develop the financial mechanism itself - mentioned in Box 1 is now a long-term strategy. In this context FONDAM looked forward to develop this mechanism profiting from the experience and lessons learned of another Latin American Environmental Fund, Fundación Natura of Panama (NATURA). This fund its partner, BANISTMO BANK, launched in march 2015 a visa credit card by which over 6,000 clients the bank made voluntarily donations for NATURA's reforestation programs in the Panama Channel Watershed. The contributions consist of an annual donation of US\$ 55, recurring donations of US\$ 1, US\$3 and US\$5, and even "gotitas"<sup>1</sup>. The Clients who have the NATURA BANISTMO card, not only contribute to the conservation of their environment, but also receive discounts to buy ecological products.

However, during the implementation of the Mentorship Experience, we have faced constraints because of the instability of the Peruvian government and, as consequence, the decline of investments in new and innovative endeavours, such as the one mentioned in Box 1. After several meetings with different Banks working in Peru (BANCOLOMBIA, Scotiabank, BBVA Banco Continental Perú and Banco de Crédito del Perú - BCP) and relevant organizations (National Association of Peruvian Banks - ASBANC and the enterprises' platform "Líderes + I"), plus the results of the market research (Activity 5), we concluded that the original goal of the mentorship could not be achieved in the provided timeframe. Despite this fact, we have identified a viable objective, which is the **setting**

<sup>1</sup> Each "gotita" is generated by each dollar the client spent using the NATURA BANITSMO visa credit card. If the clients do not donate the "gotitas" to NATURA, they can exchange for gifts in a catalog designed for this initiative.

of the foundations for the establishment of “Green Debit and Credit Cards” in Peru with social media management (Facebook and LinkedIn) and website. This was the goal of the new planned discussed and approved by NATURA and FUNBIO.

It must be highlighted that the potential to achieve the initial goal to develop a financial mechanism is now a long term objective. FONDAM team will continue working in that direction when the political turmoil diminishes and will make alliances with environmentally responsible enterprises. As an additional step in that direction, FONDAM has achieved a strategic cooperation alliance with the ANIA NGO to jointly promote the financing mechanism “Bono for environmental services in value and education” (Bono Save) and the carbon footprint compensation mechanism “Carbon for Education”. In both cases, FONDAM and ANIA will present these proposals to private enterprises to fundraise in order to improve green or natural areas, where children and youths can play, learn and take action.

The main lesson learned is that this will be achieved in a long –term process, that demands short-term and middle-term strategies. At the short – term, it is important to have an efficient management of social networks and public image, in order to have solid pillars. In the meantime, it is important not only focusing on targeting banks but also all environmentally responsible private enterprises and NGOs to make strategic cooperation alliances. In our case, as a medium term strategy two employees at FONDAM will receive capacity building in order to warranty sustainability of this proposal.

### Box 1. Financial Mechanism

The proposed Financial Mechanism would be created by cooperation of FONDAM, a Peruvian Bank, the bank’s clients and a community in a rural area. The clients would make contributions by using their “Green Debit and Credit Cards” (proposed in Graphic 1), which would be allocated in a “Green Fund” to finance a sustainable development project for climate change adaptation in a community.

Graphic 1. Examples of Cards



Graphic 2 presents the functioning of the Financial Mechanism. The allocation of this fund would be decided by the technical committee formed by the Bank and FONDAM. Meanwhile, the clients of the bank, who had made the donations, would be informed of the results and achievements obtained by the implementation of the project through reporting and social media and the website.

Graphic 2. Functioning of the Financial Mechanism



## 2. Background (context)

FONDAM is an organization of private law with purposes of public interest, and with technical, economic and administrative autonomy. Since its creation on 1997, it is in charge of the management of resources from Debt Swaps within the framework of the Agreement subscribed by the Governments of Peru and the United States of America. The first Debt Swap was approved in 1997 aiming to fund projects in two thematic areas: Environment, and Child Survival and Development. Following its approval in 2008, the second Debt Swap was assigned to the support and conservation of tropical forests.

FONDAM has actively financed initiatives that generate development opportunities for the neediest members of our society. Since its creation, among closed and on-going projects, FONDAM has managed over 640 projects. More information here: <http://www.fondoamericas.org.pe/>

Natura Foundation is a Non-Profit Organization, legally established on March 28, 1991, in order to promote plans and programs for the protection and conservation of Panama's natural heritage. To this end, it administers funds dedicated to the execution of these plans and programs, which directly supports environmental initiatives through the NGO's, CBO's and other Donation Program, within which the Strengthening Capacities Program is executed, and the Protected Areas Donation Program. Since 1995, Natura is the trustee of Panama's Ecological Trust Fund (FIDECO) and since 2003 and 2004 is the administrator of the Dept for Nature Swaps for the Chagres National Park and Darien National Park respectively. In 2015 it is accredited as the National Implementing Entity for the Adaptation Fund.

In 27 years, NATURA has financed more than 408 projects, benefiting more than 60,000 people directly, in actions carried out in the 10 provinces and in 10 of the country's 52 basins and 36 protected areas. More information here: <http://www.naturapanama.org/>

## 3. Mentorship Objective

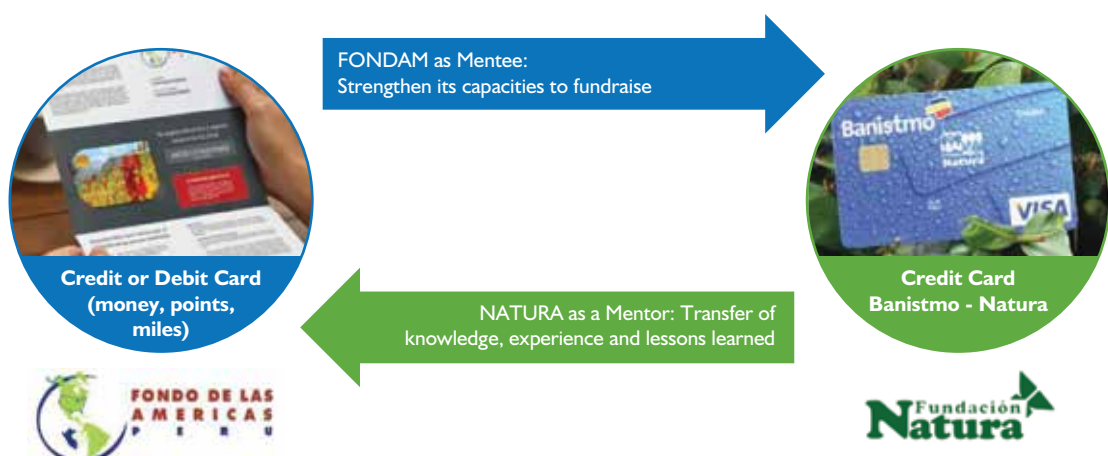
The objective of this mentorship is the **setting of the foundations for the establishment of “Green Debit and Credit Cards” in Peru with social media management (Facebook and LinkedIn) and website.**

FONDAM sought to strengthen its leverage of funds, in order to continue our work in rural areas, with focus on child survival and environmental topics, specifically in adaptation to climate change. FONDAM team for this mentorship was interested in receiving mentoring to improve and develop our organization in this particular institutional area, to enhance our capacities on creating Innovative Financial Mechanisms. At the same, with this mentorship, we could provide an opportunity to NATURA to strengthen its skills as a mentor, and evaluate the potentiality for the adaptation, and therefore replicability, of their mechanism in other countries in the Latin American region.

The aim of NATURA as mentor was to provide their knowledge, experience and lessons learned in the implementation of a financial mechanism, which to date has been successful in Panama. This financial mechanism established by the *mark shared with BANISTMO card agreement* aims to promote the permissible collaboration in projects or programs that support initiatives to protect ecosystems, their biodiversity and the natural resources of Panama in the areas that the NATURA has as priority areas.

These main actors, FONDAM as mentee and NATURA as mentor, have specific objectives, which are represented in **Graphic 3.**

**Graphic 3. Mentorship FONDAM - NATURA**



## 4. What we Did/ our approach

FONDAM used the knowledge, experience and lessons learned from NATURA in the setting-up and implementation of its own financial mechanism with BANISTMO Bank in Panama (Activities 2 and 4; see **Photo 1**).

**Photo 1. Representatives of NATURA and FONDAM in Panama**



Author: FONDAM

This mechanism was presented in Peru by FONDAM to the potential partners, in order to show that this financial mechanism as a concept is already successful at the international level. Additionally, FONDAM hired a consultancy to carry out market research (Activity 5) about the acceptability of such a financial mechanism in Lima and about public knowledge about FONDAM. Even though the results looked good as an overview, this research found out that the willingness to pay in Lima was not what the bank expected in order to make the decision to invest time and resources in this innovative financial mechanism. That is why FONDAM had to put extra effort to accomplish the objective of this mentorship experience.

In order to broaden the knowledge about FONDAM as a skilled project manager and build trust among potential partners (Peruvian Banks, other private organizations, NGOs, grassroots organizations, local governments), FONDAM developed a Booklet (Activity 3; see **Graphic 2.**), to show over 60 success stories of FONDAM's rural development projects in the coast, Andes and Amazon areas.

**Graphic 2. Booklet of Successful Rural Development Projects**



“ It must be highlighted that the potential to achieve the initial goal to develop a financial mechanism is now a long term objective. FONDAM team will continue working in that direction when the political turmoil diminishes and will make alliances with environmentally responsible enterprises. ”

At the same time, FONDAM has prepared three documents to identify a pilot project in order to present it to banks and key actors:

- **Baseline** to identify the political regions with the highest risks to climate change in Peru as baseline of situation nationwide. This information was matched with FONDAM's list of NGOs, implementers, which have carried out successfully sustainable projects related to climate change adaptation in the last three years. After this matching, two regions were identified for the development of the Investment program
- **Investment program** designed by the National Chamber of Forestry (CNF) to identify intervention lines, which match the strategic axes of the development plans of the selected Regional Governments of Huánuco and Pasco from the baseline.
- **Prioritized project / Pilot Project** (Project Profile and Operative Plan) in the District of Puerto Inca, Huánuco Region, designed to improve connectivity, road infrastructure (see **Photo 2**), with a climate change adaptation approach and an innovative technology composed of shiringa latex. This project was prioritized from the list proposed in the Investment Plan.

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**Photo 2. Road to be improved in the Prioritized Project**



Author: CNF

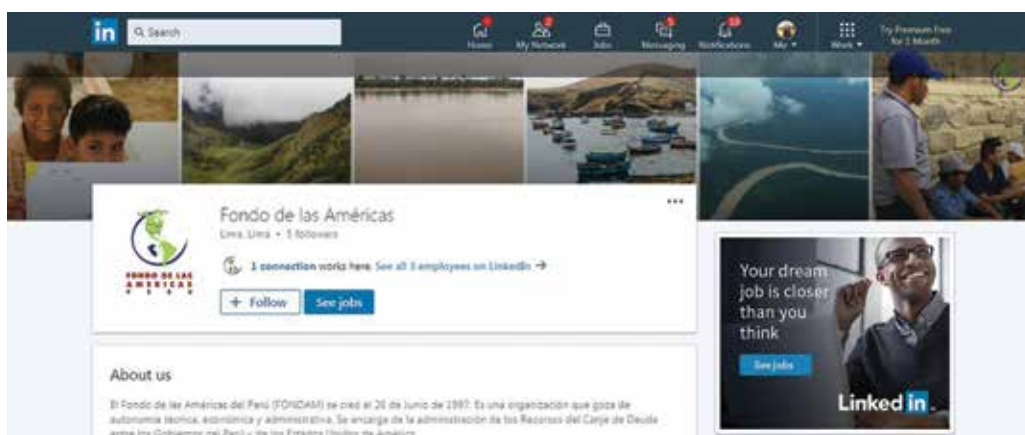
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FONDAM hold regular meetings with key stakeholders and lobbied with private enterprises and other key actors, in order to present this innovative Financial Mechanism (Activity 7). At the same time, FONDAM improved its visibility in social media, Facebook (see **Photo 3**; Activity 11), LinkedIn (see **Photo 4**; Activity 11), and it renewed Website (see **Photo 5**; Activity 11).

**Photo 3. Screenshot of FONDAM's Facebook Page**



**Photo 4. Screenshot of FONDAM's LinkedIn Page**



**Photo 5. Screenshot of FONDAM's Website**

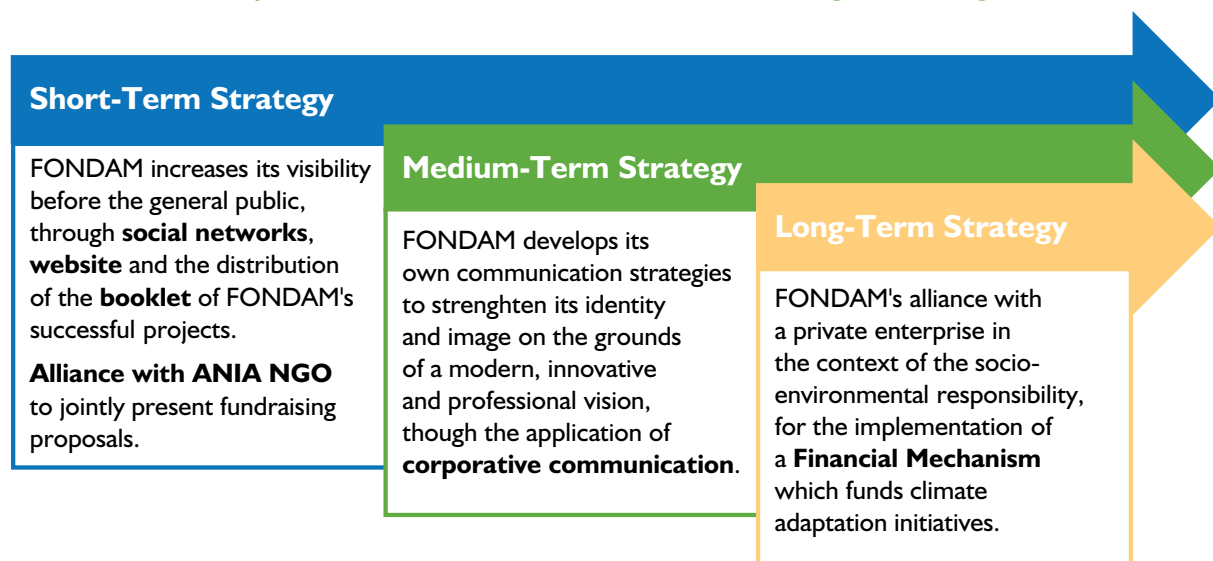


In this way FONDAM publicize its services and experience in the short term. The long-term sustainability is guaranteed because two employees at FONDAM will receive a capacity building training in corporative communication at the Peruvian university ESAN (in the medium term, in 2019) to consolidate FONDAM as a competitive organization on the grounds of a modern, innovative and professional vision.

FONDAM has achieved a strategic cooperation alliance with the ONG ANIA to jointly promote the Financial Mechanism “Bono for environmental services in value and education” (Bono Save) and the carbon footprint compensation mechanism “Carbon for Education”. In both cases, FONDAM and ANIA will present these proposals to private enterprises to fundraise in order to implement “Land of Children” (TiNi, because of its acronym in Spanish). A TiNi is a green or natural area provided to children and youths to grow life and biodiversity; they play, learn and take action, empowering themselves as change agents and generating wellbeing for themselves, other people and nature.

**Graphic 5** shows FONDAM’s short-term, medium-term and long-term strategies to be able to develop a formal cooperation with private enterprises to implement the Financial Mechanism.

**Graphic 5. FONDAM’s short-term, medium-term and long-term strategies**



## 5. The Challenges

The challenge for the cooperation FONDAM-NATURA was the time difference and the geographical distance to coordinate meetings between mentor and mentee. Skype was an ally to overcome this challenge.

The challenge to obtain a positive result from a Peruvian bank was the reason FONDAM requested amendments to the Terms of Donation to extend the implementation period. Within the framework of the difficulties encountered in the market study (see Section 4), FONDAM proposed changes for the objective, the activities and the budget (see Section 3). At the beginning of the mentorship in 2016, the idea was to develop a partnership between a Peruvian bank and FONDAM, in order to support the sustainable development of a community vulnerable to climate change, through a Financial Mechanism created in Panama and adapted to the Peruvian reality. The mechanism focused on replicating the initiative NATURA-BANISTMO credit card, by which the clients of BANISTMO provide voluntary economic contributions (See Box 1) to carry out different activities to protect ecosystems, biodiversity and natural resources of Panama. However, Peruvians’ willingness to contribute for such an initiative is, because of our political and social instability, a too risky factor for the banks to take. Moreover, the market research carried out (Activity 5), found out that citizens in Lima have, in general, a low commitment to donate for the conservation or improvement of the environment, according to the banks’ expectations. The public that would participate in such a mechanism belongs to a niche market.

After several meetings with different Peruvian Banks (BANCOLOMBIA, Scotiabank, BBVA Banco Continental Perú and Banco de Crédito del Perú - BCP) and relevant organizations (National Association of Peruvian Banks - ASBANC and the enterprises’ platform “Líderes + I”), and after receiving the feedback from these organizations, FONDAM prepared a proposal of changes to the Mentoring Experience FONDAM-NATURA to be discussed with FUNBIO. The new strategy focuses on social media marketing. It must be pointed out that FONDAM is a well-known

organization among NGOs and funding organizations working for development in Peru, but the regular citizens have little knowledge about it, and therefore they are not sure about contributing. That means, that with the new focus, FONDAM broadens its niche market with people who do not know about development projects or development organizations working in Peru, engaging the general public. This situation led to a new plan, whose implementation is what is presented in this document.

When implementing the new plan, the consultant for the social media marketing found out that for our case, it would be important to participate in the event Nexos + I<sup>2</sup>, a platform to network among and with for environmentally responsible entrepreneurs and enterprises. After discussing directly with potential partners in the platform Nexos+I, where these organizations participate to find synergies and new endeavours, the consultant's plan was to develop a tailored-made market strategy. This was not possible in the time frame of the implementation of this mentorship, because it initially ended on the 20<sup>th</sup> October this year and Nexos+I was held after that date. That is why, after the first product provided, and after determining that the second and third products could not be achieved for the reason mentioned above, FONDAM and the consultant terminated the contract to comply with the deadline indicated in the Agreement with FUNBIO. Even though, the tailored-made strategy was not finalized, thanks to the consultancy, FONDAM manages its social network more efficiently and has more visibility among partners and general public. In this last period provided until the 20<sup>th</sup> December, the website has been renewed, which has refreshed and modernized FONDAM's image. Moreover, in the context of this last amendment, two FONDAM staff members will be trained in corporate communication to give continuity to the long-term strategy.

In conclusion, FONDAM has to continue with the social network and website management activities, and also receive the knowledge from the training in corporate communication to keep broadening and strengthening its niche market. Reaching an alliance with ANIA NGO is an additional achievement, in order to present joint initiatives to fundraise for TiNis (see Section 4). In this way, FONDAM is consolidating its position in the landscape of the private sector as a successful project manager of sustainable projects.

## 6. What Happened

FONDAM is implementing a short – term strategy to publicize its services and experiences through social media, Facebook and LinkedIn, and website. In this way, when the financial stability comes back and the private sector (banks and/or other types of enterprises) is

ready to invest, we will be in the landscape as successful managers of sustainable projects, especially for climate change adaptation in vulnerable communities, through a financial mechanism.

Overall, this Mentorship Experience FONDAM-NATURA is accomplishing results to be able to work out, in the long term, a partnership with the private sector (banks and/or other types of enterprises), for the implementation of climate change adaptation projects. The specific results achieved for this purpose are listed here:

- Key groups of organizations have been selected (members of Peru 2021, Perú Emprende and participants of Nexos+I)
- A short-term strategy for high visibility in social media: Facebook and LinkedIn, has been developed.
- A booklet of over 60 successful rural development projects has been prepared, to show FONDAM's experience and build the trust of potential partners.
- A mechanism developed, tailored to the Peruvian reality, and which will be carried out after the implementation of the short-term strategy for increase its visibility.
- A strategic cooperation alliance with the ONG ANIA
- At a long-term, FONDAM and an ally from the private sector (a bank or other type of enterprise), would implement the financial mechanism, by collecting fixed donations per month or year, voluntary and non-fixed donations, credit points or even miles to implement climate change adaptation projects in communities located in communities vulnerable to climate change.

NATURA and FONDAM initially hoped to complete the process until the release of the financial mechanism (credit or debit card) in Peru; however, by difficulties not attributable to the mentor and the mentee, this was not possible to achieve at the proposed time. According to the evaluation of the situation, FONDAM is on track to achieve partnerships and in the long-term achieve a financial mechanism.

## 7. Benefits Observed

FONDAM as Mentee strengthens NATURA's skills as a Mentor. NATURA as a Mentor transfers its knowledge, experience and lessons learned to FONDAM. At the same time, FONDAM has contacted banks and, even though the responses have not been positive, FONDAM has made itself visible for this organizations, and they have got to know FONDAM, what it does and what the potentiality of synergies could look like.

<sup>2</sup> <https://nexasmasuno.pe/>

“Overall, this Mentorship Experience **FONDAMNATURA** is accomplishing results to be able to work out, in the long term, a partnership with the private sector (banks and/or other types of enterprises), for the implementation of climate change adaptation projects”

FONDAM has improved its management of social networks through a mapping of relevant actors, presentation of a business model linking. The update of the design and content of Facebook and LinkedIn pages has improved FONDAM's image before the general public. It is important to note that through social media and the new strategies, it is possible to show the sustainable projects managed. An alliance with ANIA NGO has been achieved to jointly fundraise for the Financial Mechanism “Bono for environmental services in value and education” (Bono Save) and the carbon footprint compensation mechanism “Carbon for Education”.

Additionally, considering that the social media marketing reaches the general public, this publicity will benefit the initiatives of other organizations, not only FONDAM's, by increasing the knowledge on sustainable projects, and raising awareness on projects working for the Sustainable Development Goals and their importance.

## 8. Remaining challenges

Peru is still facing a political turmoil and it is in the middle of the transition to new regional and local governments nationwide. As mentioned before, in this stage, FONDAM is carrying out a short-term strategy for high visibility in social media: Facebook and LinkedIn, and the website. But it will be a long-term achievement to implement the financial mechanism proposed, or adapted.

When the time is right for the environmentally responsible enterprises, FONDAM and these partners will have to have another look at the political, economic and social landscape.

This process will demand less effort from FONDAM, and FONDAM will have this previous experience through the mentorship, two trained staff members in corporate communication to overcome incoming challenges, and a strategic alliance with ANIA NGO to guarantee the knowledge and successful implementation of Financial Mechanisms.

## 9. Key Points of Practice (lessons learned)

The lessons learned are detailed here:

- The potential clients, who can make donations, belong to a niche market working of people working in organizations for sustainable development. This is a too small niche for the Banks to make such an investment in time and resources. Hence, this is necessary to have long-term strategy to increase visibility of FONDAM and its experience in the general public's consciousness, and consolidate itself in the landscape of the private sector as a successful manager of sustainable projects for climate change adaptation in vulnerable communities.
- FONDAM has a list of potential partners, that not only focuses on banks but in all suitable environmentally responsible private enterprises, in order to have more options of getting contributions to implement sustainable development projects. So, it is necessary to keep the eyes open on how to adapt to get on track to the achievement of the goals.
- An efficient management of social networks and its website can give visibility to the work carried out by FONDAM for sustainable development, broaden and strengthen the niche market.
- In this context, it is important that FONDAM because it does not have a communications' area, efficiently manages its social networks and website, and in general applies corporate communication. In this way FONDAM does not rely on external and temporary consultants.

