Long Term Financial Planning

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Vth World Parks Congress

Planning

• Strategic Plan
  – Management plan, Master plan, Action plan
• Financial Plan
  – Expenses, Income and Fundraising plan
• Yearly Operational Plans
• Budgets

What can we improve with financial planning?

• Planning
• Management
• Fundraising

Expected results

• Projected financial situation (balance)
• Activities prioritized
• Fundraising and generation objective
• Draft strategies for financial sustainability
• Identified possible funding mechanisms and tools
• Improve your image and relation with your donors
Before you start

• Operating Unit
• Management Plan, Master Plan, Action Plan (What, how and when)

Expense allocations

• By program
• By geographic area
• By expense category
• By activity
• Prioritize!!

Expense Distribution

Special Projects Distribution

Basic Operational Budget Components
Bastimentos National Park

GASTOS POR PRIORITY

Años

Prioridad "a" Prioridad "b" Prioridad "c"

GASTOS POR RUBRO
año 1

GASTOS POR RUBRO
año 5

Income

- By source
  - National or International
  - Self generated or donations
  - Savings, trust funds, etc
  - National Gov or State Gov
- By the probabilities of realization
- Restricted or unrestricted

Balance

- Total
- By program
- By geographic area
- By priority
  - . . . . .
Financial Sustainability

- Needs
  - Time tables
  - Benefits
  - Costs

- Income
  - Time table
  - Beneficiaries
  - Amount

"Match the time tables"

- One time investments
- Basic operations
- Long term commitments
- Administration
Most common mistakes

- Poor Management Plan
- Budget thinking approach
- Lack of information
- Coordination
- Institutional capacity

Business approach

- Is the way… not the objective
- Every financial mechanism has to follow the conservation objective
- We have clients that benefit from our conservation efforts

*We only have to find the right mechanism*

Lessons learned in Central America

- Identify the “Operating Unit”
- Participatory, but with one responsible
- Does not solve previous planning gaps
- Has to be adopted as another tool
- Did improve the fundraising capacities and the efficiency of the expenses

Financial Sustainability of PA in Central America

- Administration autonomy
- Trust funds
- Diversified income sources
- Environmental goods and services approach
- EXPEND LESS…