



# Development and transition to a sustainable business model for the HCV RN

Sept 12-13 2011



## Overview

1. Report history
2. Financial history and needs
3. Update on 2011 finances
4. Network stakeholder feedback survey
5. Recommendations (Day 2)



## Report history

- **April:** proposal for bus. dev. project to WWF accepted
- **May:** consultants engaged – Matthew Wenban Smith and David Dowe
- **June:** preliminary scan of funding needs and revenue generation opportunities presented to F&F s/c
- **July- Aug 2011:** revision of report and development of recommendations; stakeholder feedback survey
- Current report covers:
  - Network financial history and needs;
  - current financial status and fundraising efforts;
  - recommendations on mid-to-long term business and organizational development.



## Financial history and needs 2006 – 2010

- Network costs mainly for Secretariat staff
- Running costs £94K - £127 pa for 1.6 FTE (excluding start-up year)
- Small group of major donors (WWF/ Ikea and Tetrapak, Mondi, WWF Int'l)
- Proforest and SG orgs in-kind support
- Voluntary contributions estimated at 0.8 – 1.0 FTE (+ some expenses)



## 2011 Finances – current status

- Income to date £79K
- Expenditures (to end Aug 2011)  
approx.£68K
- Core funding anticipated to expire in  
October
- Approximately £22K needed to cover  
1.6 FTE until end of 2011



## 2011 Fundraising efforts – still in pipeline

- FFI proposal for core funding contribution
- WB concept note for 3 strategic projects (standard-setter coordination, regional partnership development, and systematic M&E) (~£85K Phase I)
- Trust applications – Polden Puckham (£45K over 3 yr) and Waterloo foundations for core funding (£25 K 2011)
- RSPO HCV assessor training project proposal (#£40K + exp)
- IFC interest in HCV mapping, poss. new proposal to BACP
- BMU grasslands project via WWF partnerships (TBC)
- Partner on BACP proposals and peer reviews (minor £)



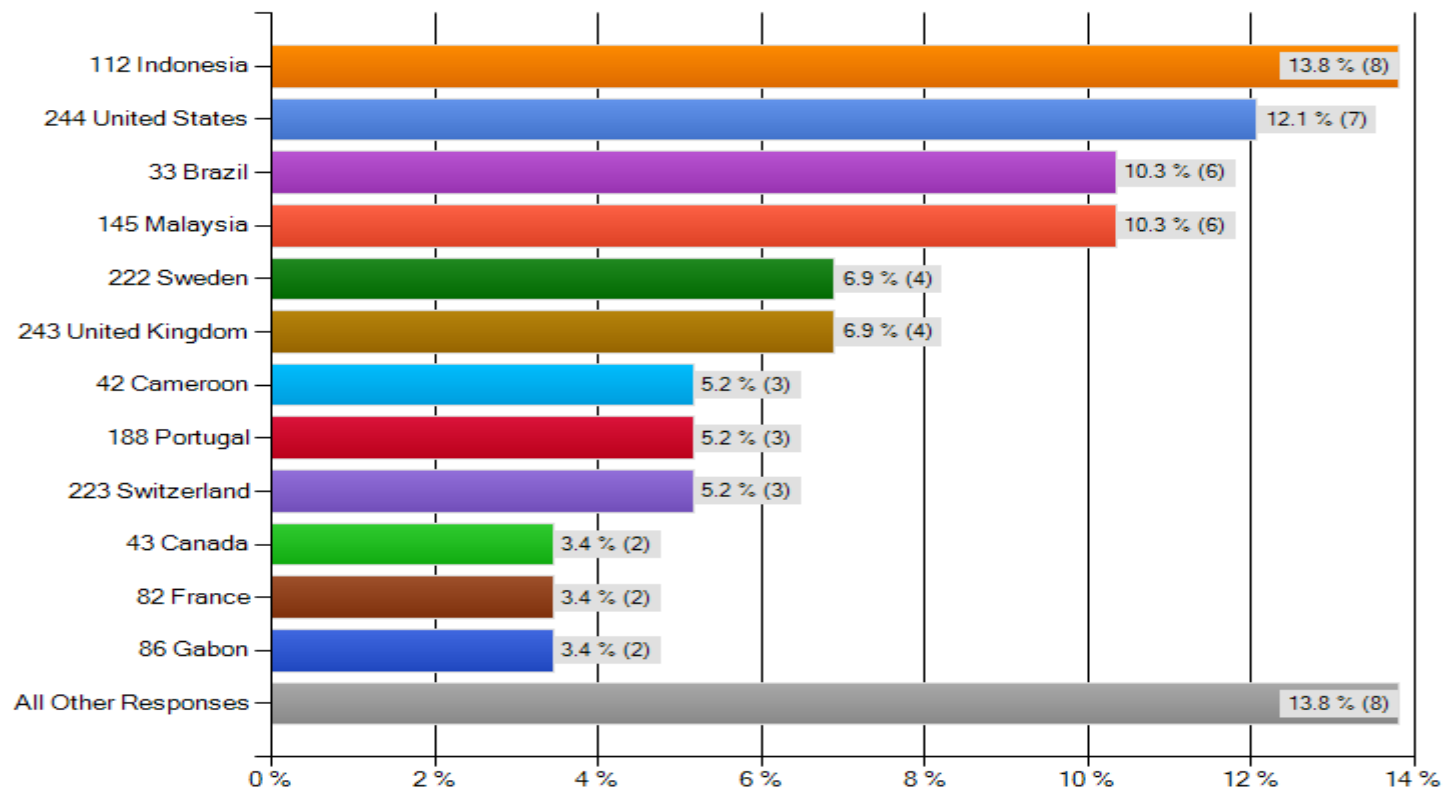
## Network stakeholder feedback survey

- On-line survey Aug 5 – Sept 9 2011
- Link sent to 1500+ HCV email list, with one reminder sent Sept 6; also posted on [hcvnetwork.org](http://hcvnetwork.org) site
- 60 responses
- 20 questions; results summarized below



# 1. Geographic location

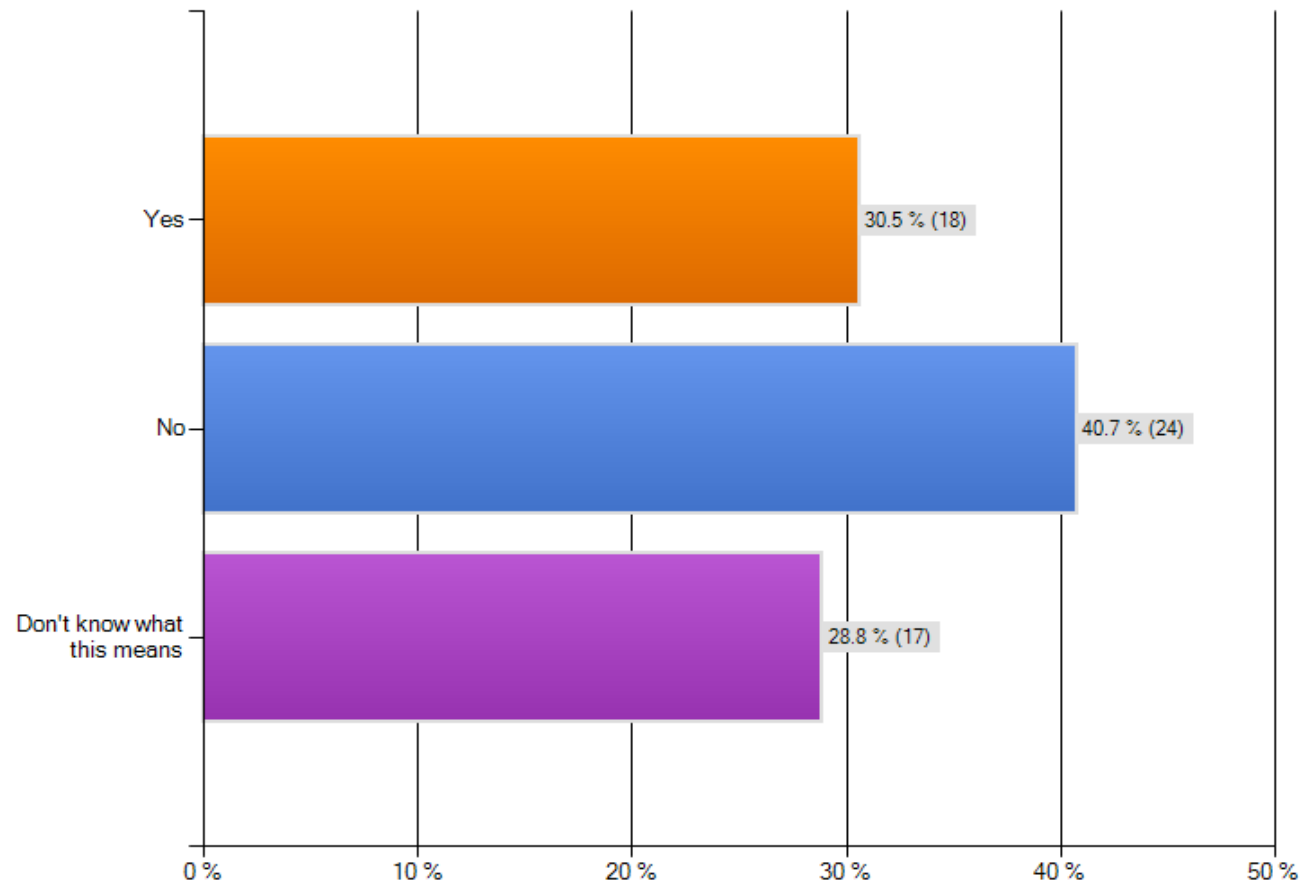
In which country are you currently based?





## 2. Charter Signatory

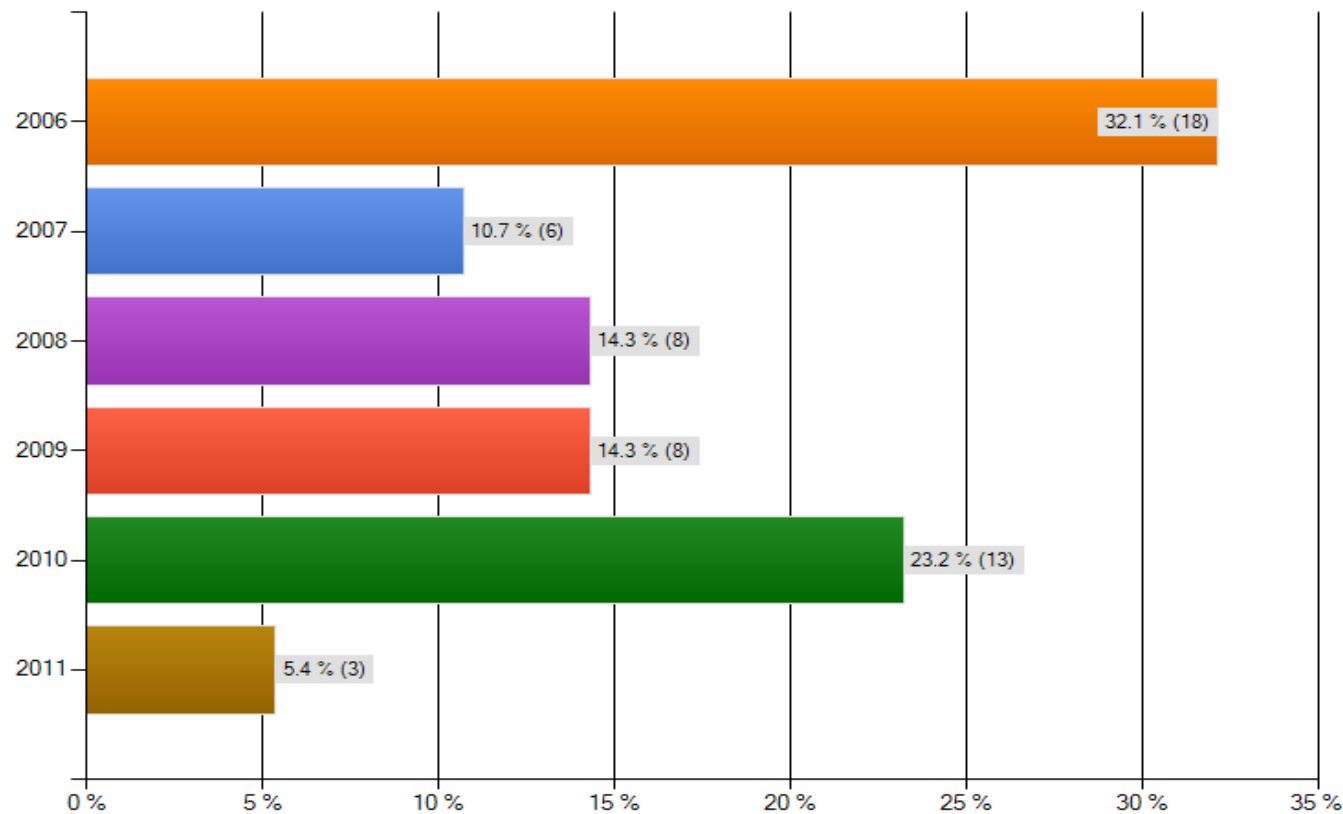
Are you a Network Charter signatory?





## 3. Length of involvement

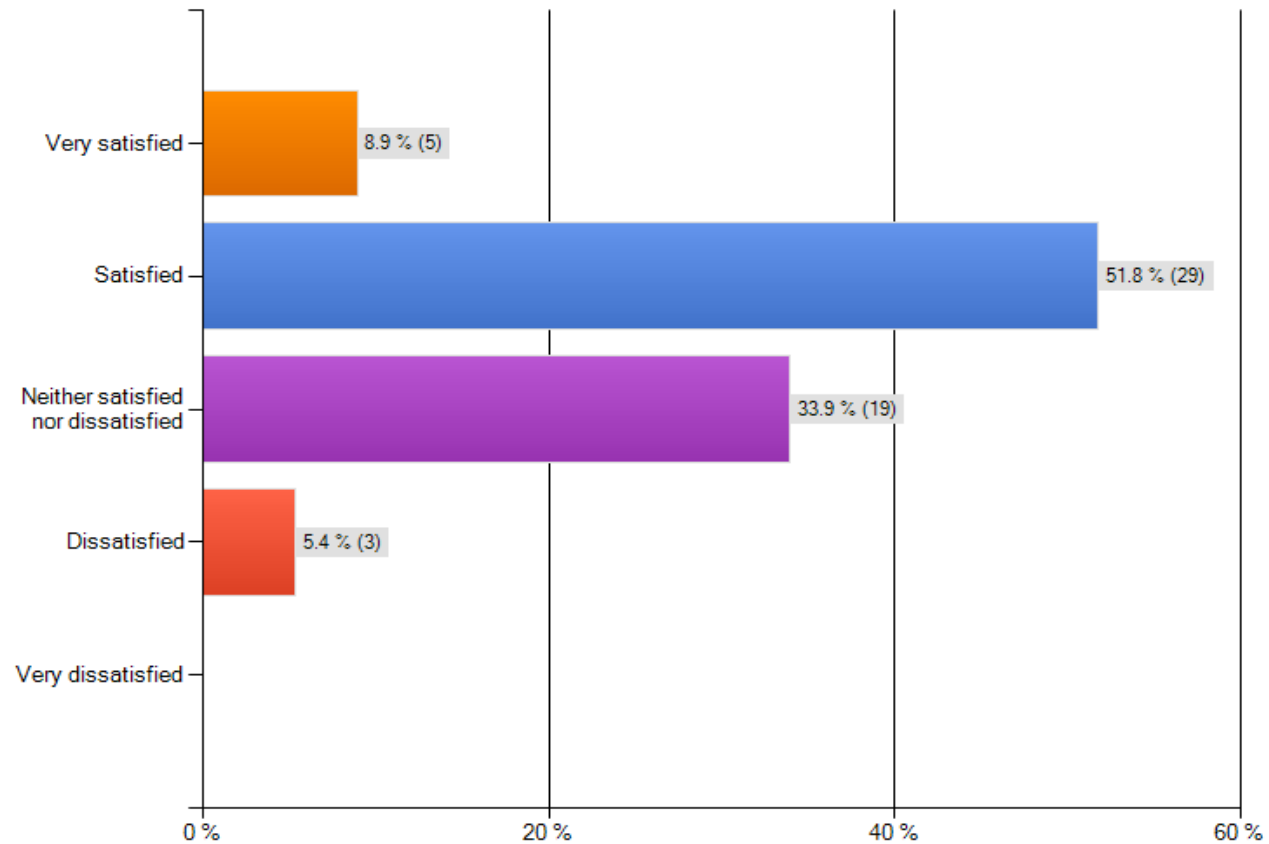
How long have you or your organization been involved in the Network? Since...





## 4. Satisfaction

How satisfied are you with the work that the Network does?





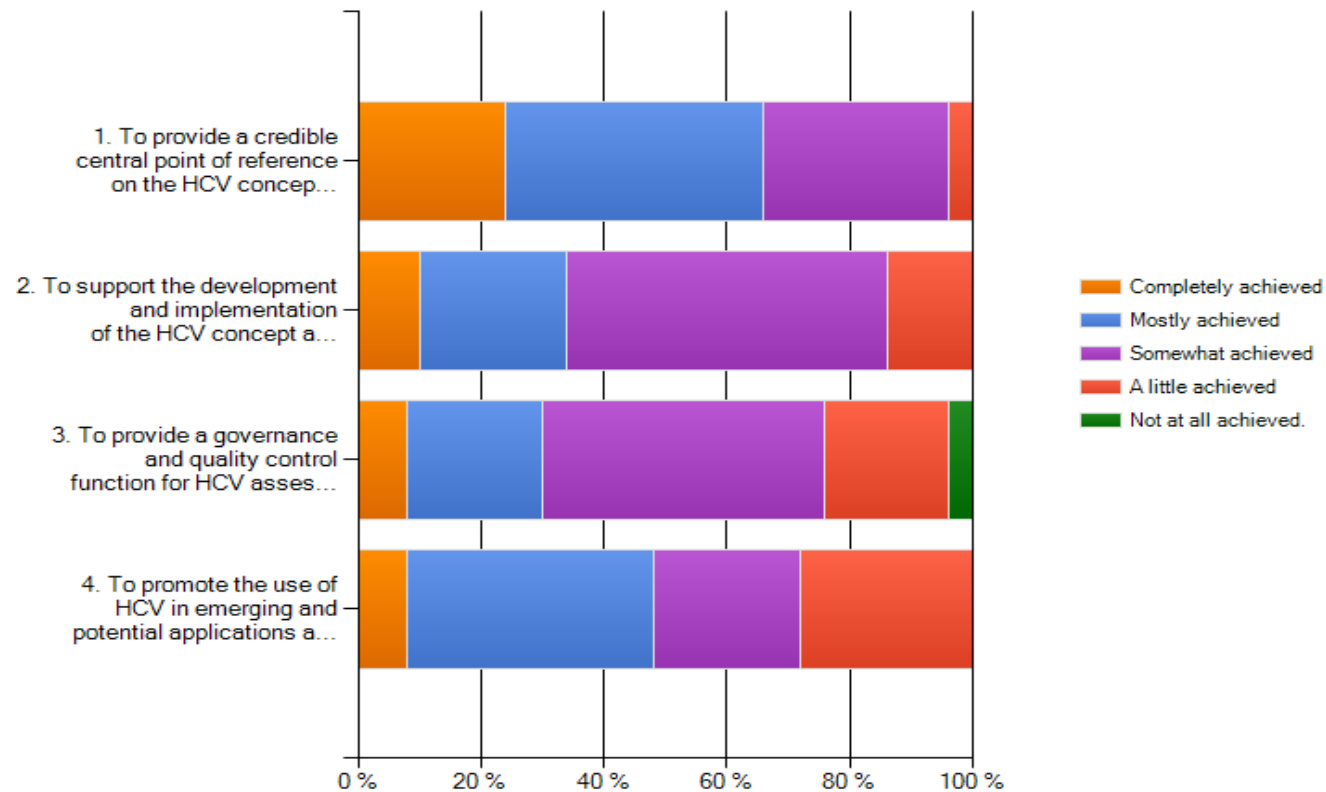
## 5. “What needs to change to maintain or increase your satisfaction?”

- 35 responses
- Varied, but a few repeated requests:
  - More practical, on-the-ground engagement and projects
  - More group discussion fora, meetings
  - Greater clarity in guidance and communication
  - Increased training
  - More funding / action on fundraising
  - Regionally-relevant work (e.g. North America, Europe)



## 6. Achievement of strategic aims

In your view, to what extent has the Network achieved its strategic aims in the last five years?





## 7. “Looking back, what are the main achievements of the Network that we should celebrate?”

- 31 responses
- Most emphasize the establishment and expansion of the Network and of the HCV concept itself
- Also mentioned are guidance documents, website, peer review process, relationship with FSC and Indonesian partner network



## 8. “What are the key features that make the Network unique?”

- 29 responses
- Most common response was Network’s broad **multi-stakeholder composition** (“wide range”, “balanced”, “independent”, “international/ global”, bringing together experts, industry, NGOs, academics, etc.)
- Free information, HCV beyond forestry



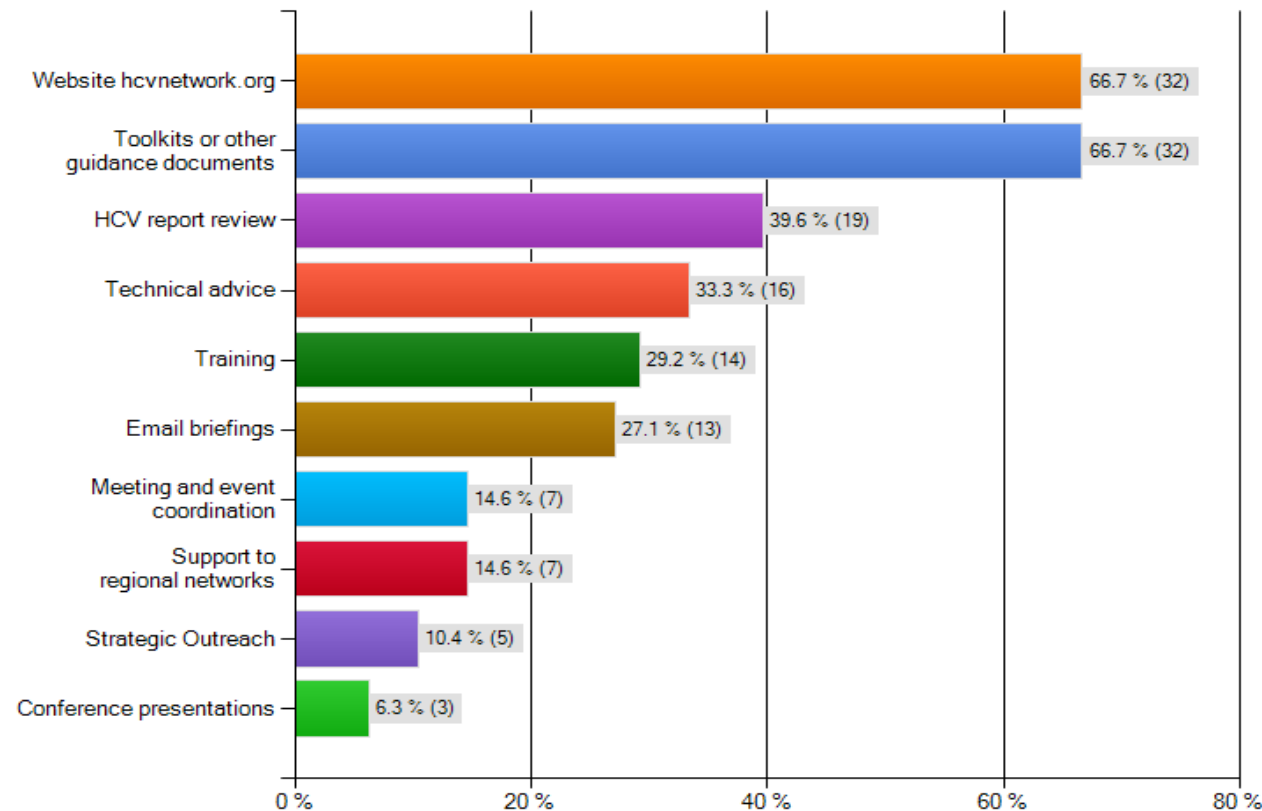
## 9. “What is the main benefit of the Network?”

- 32 responses, varied
- Common themes:
  - Central point of reference
  - Information sharing
  - Multi-stakeholder/ cross-sectoral forum
  - Global/ international view
  - Contacts
  - Some noted benefits of HCV concept e.g., globally applicable, social and envl



# 10. Most valued Network services and resources

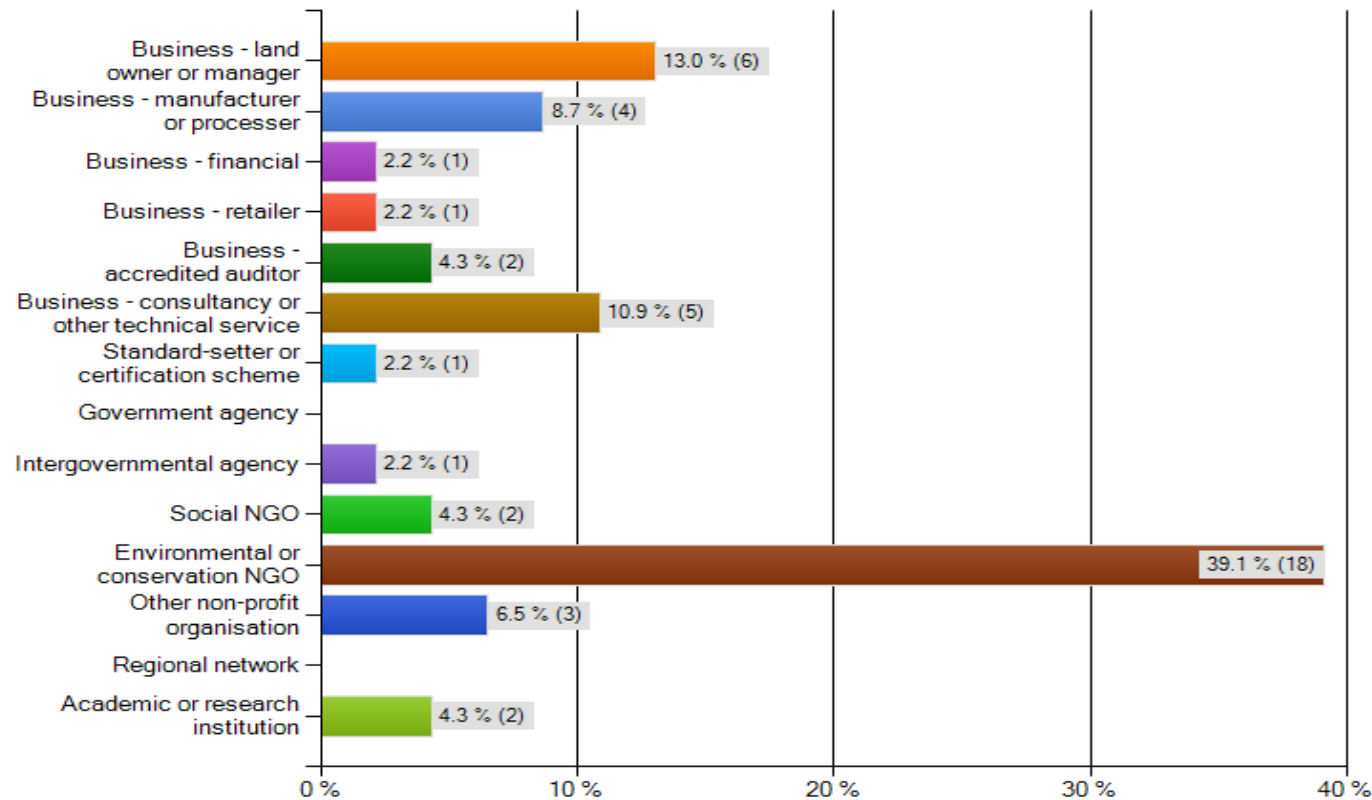
Tick the three most valuable services and resources that the Network currently offers.





# 1.1. Stakeholder group

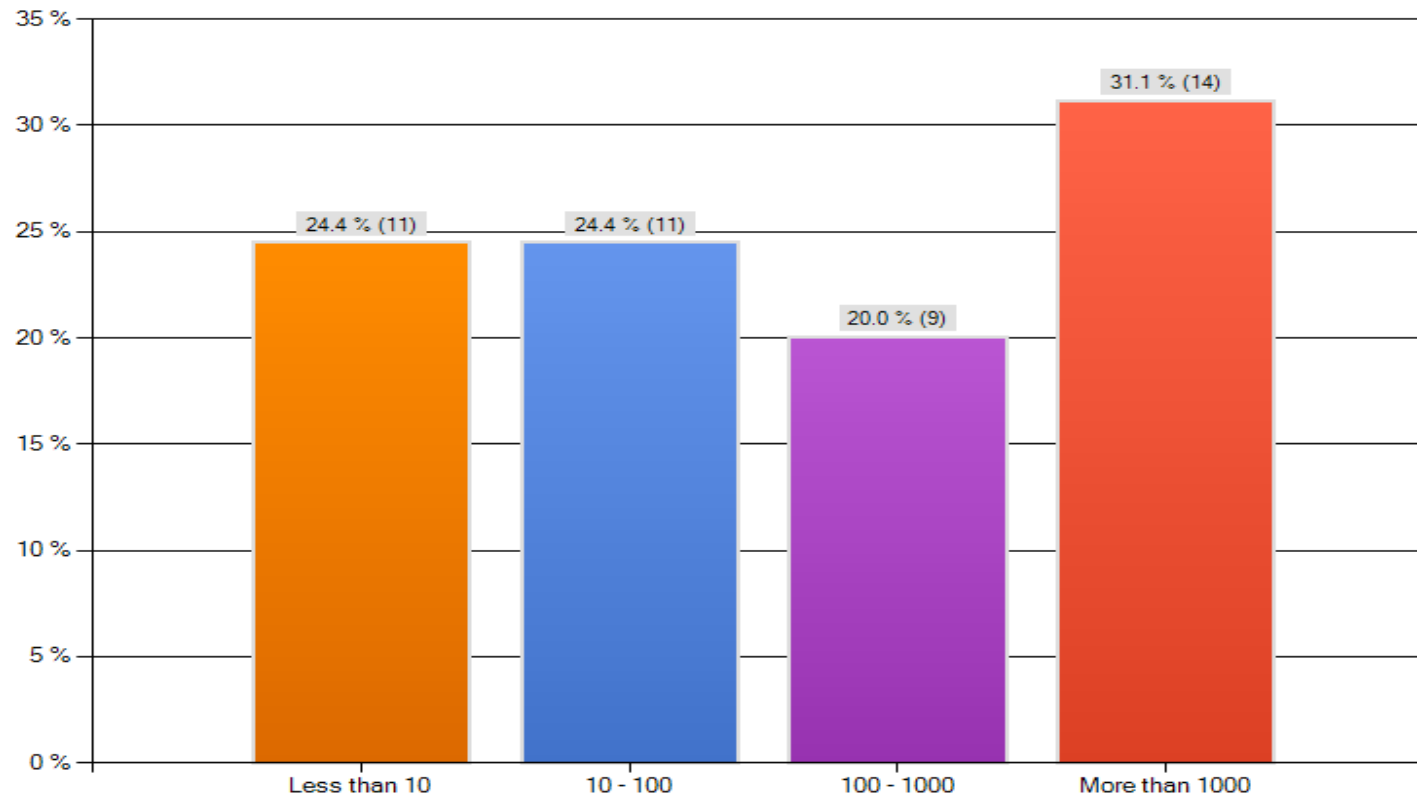
In which HCV stakeholder group would you or your organization best fit?





## 12. Size of organization

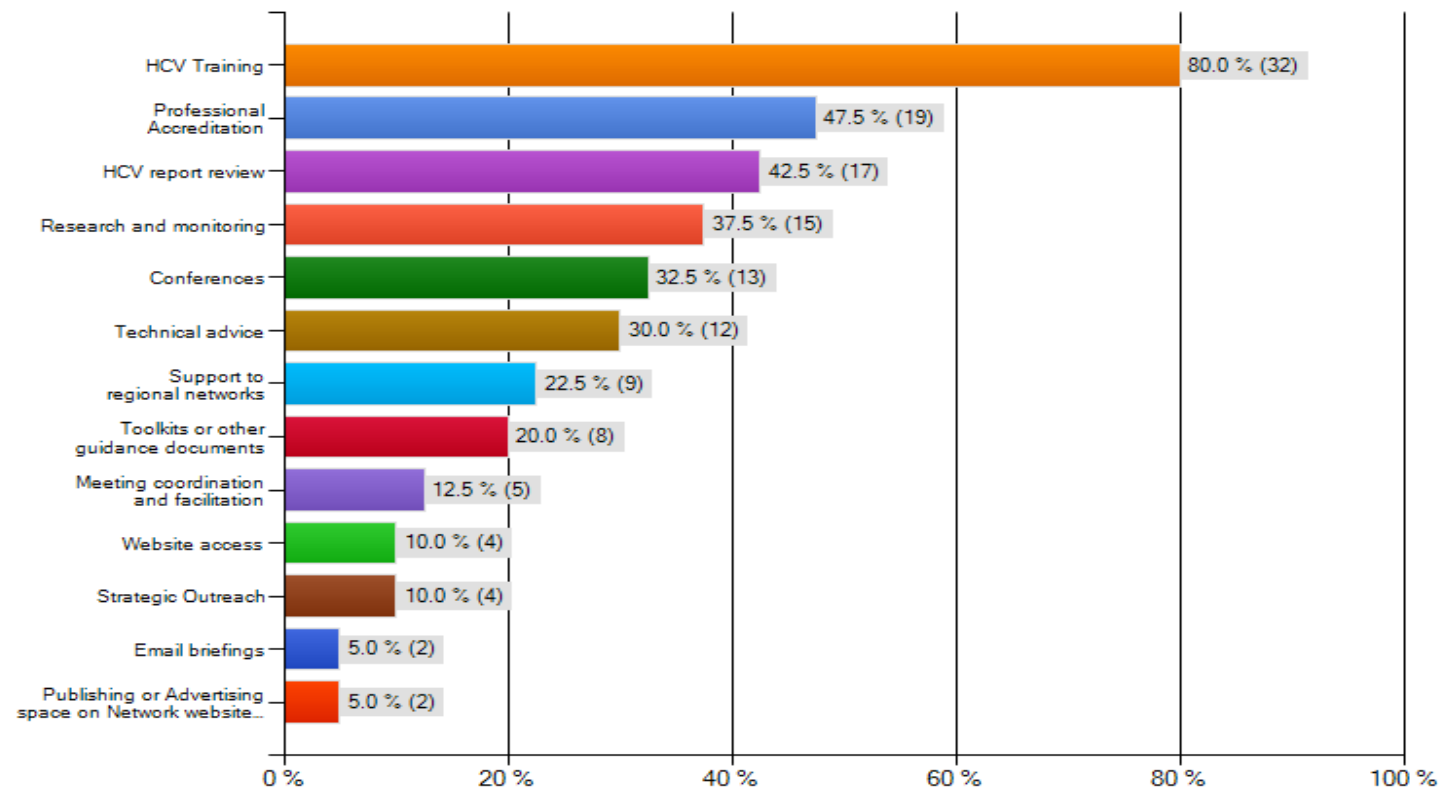
How large is your organization ? Number of employees (FTE)





# 13. WTP for Network services

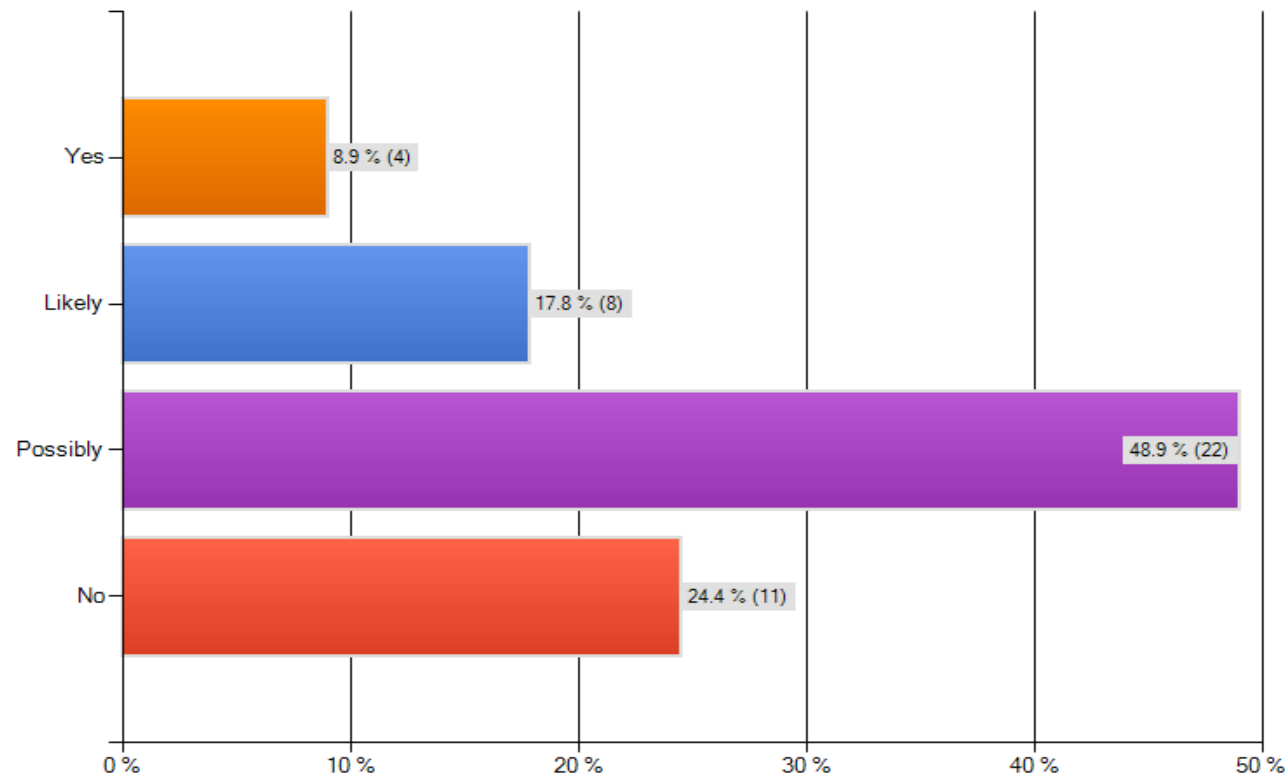
For which of these Network services, resources or projects would you or your organization be most likely willing to pay? (check all that apply)





# 14. Membership fees

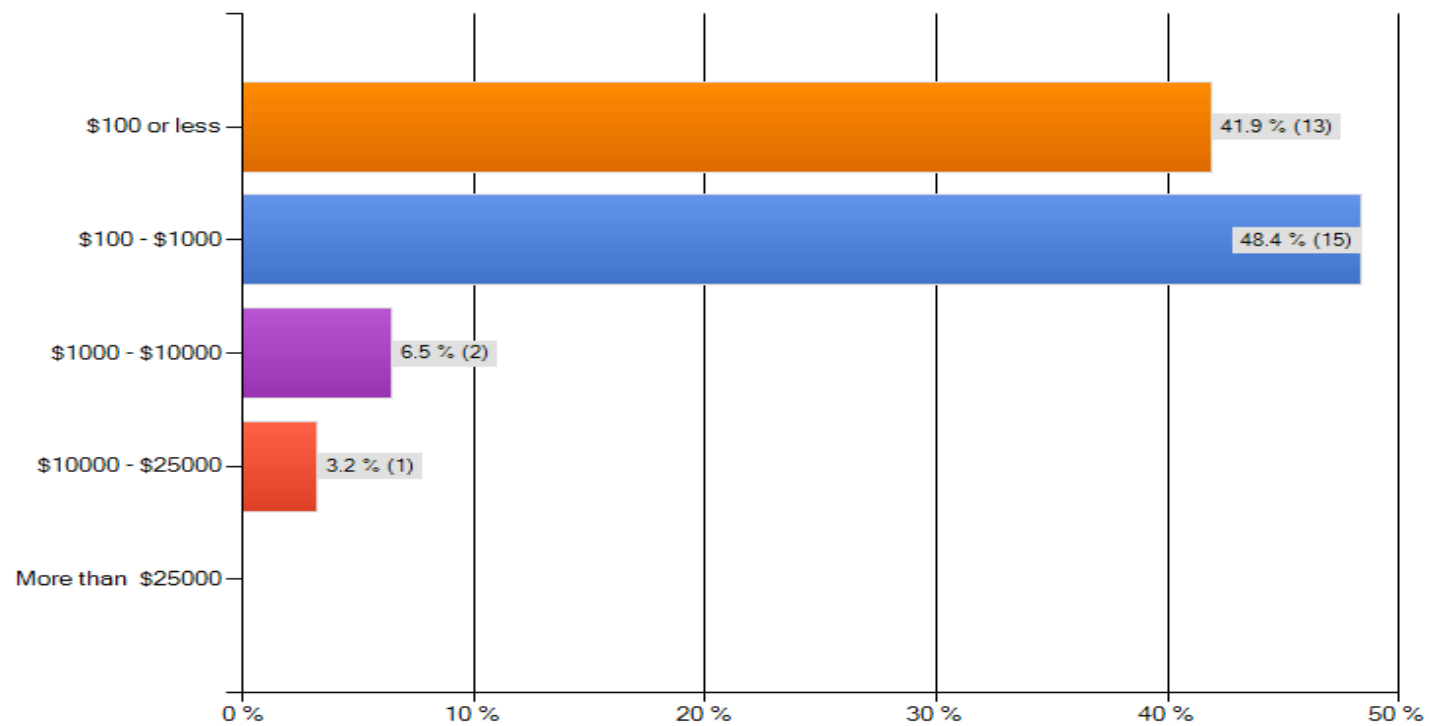
Would your organization be willing to pay an annual membership fee to maintain or expand the work that the Network does?





# 15. Fee rate

How much would you consider a reasonable annual membership fee for your organization? (USD)





## 16. “Who should fund the Network?”

- 38 responses
- Varied, most list general sources including
  - members (individual or organizational)
  - Roundtables/ certification schemes/ standard-setters
  - Businesses, NGOs, governments
  - Users, clients, customers - through selling services or products
- Some specific mentions: FSC, RSPO, WWF, TNC, FAO, GAA, forest companies, ITTO, IFC



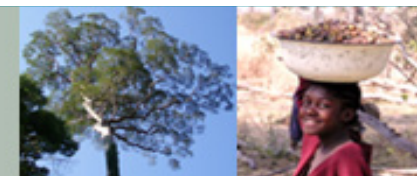
## 17. “What ideas do you have for Network fund-raising or income generation?”

- 29 responses
- Most already under consideration e.g., membership fees, training courses, project funding, conference
- A few new ideas e.g., GEF UNEP/ UNDP funding; Bill Gates; a newspaper or magazine; university research consortium



## 18. “What two things can you do for the Network?”

- About 30 responses, many encouraging, e.g.,
- Extend the membership, time and money, work on funding proposals, technical support.... All of which merit individual follow up (where email address is provided)



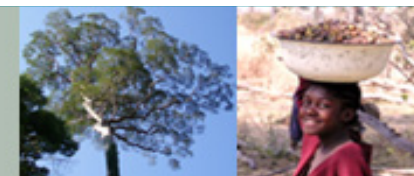
## 19. “Who or which organisations could be part of the Network that are not currently involved?”

- 22 responses
- General:
  - “People”
  - Mining, forestry, oil palm companies
  - Those involved in REDD+
  - More social NGOs
  - Marine and conservation side
- More Specific:
  - Do it yourself and food retailers, construction industry, wood products
  - Associação Pró-Muriqui ([www.promuriqui.org.br](http://www.promuriqui.org.br))
  - FSC Brazil, PCCF (Ipef - Brazil)
  - UK Thomson Ecology
  - FN groups in Canada
  - World Bank, IFC, CCBA



## 20. “Any other creative ideas?”

- Can this network to be a formal part of RSPO?
- How to link certification schemes for production forestry with PA certification and REDD+ readiness is a key need
- develop good quality products especially training materials for companies doing certification schemes such as RSPO and Sustainable Soy that can be sold online and utilised by companies in their training programmes. Annual conferences in the developing countries that are utilizing the HCV concept such as Indonesia, Malaysia, African and South American countries would be a really great way to expand the network and rally more support
- More information on how to manage HCVFs is needed
- not really....
- Wish I had some more creative ideas but alas...
- let me think about it...
- Probably we should consider how to frighten the private sector into taking HCV more seriously by critiquing those who aren't doing it or aren't doing it right. After all it is really the anti-logging and anti-palm oil campaigns that have created the membership of the FSC and RSPO etc.
- To get u known worldwide, do alot of trainings
- Consider offering an HCV course at the next IAIA meeting in Portugal.
- There are signs of a more proactive phase in the HCV Network to address major issues (consistency, quality, linkages to other standards) and interest in greater collaboration with other groups. This is fantastic and should continue.



## Feedback survey – Key messages

- Small group of respondents, but from wide range of countries and stakeholder groups
- Reasonable satisfaction rating (60% satisfied or very satisfied) – move 35 % on the fence
- Especially valued Network resources are website, toolkit, and technical advice - strong on providing the informational “hub”
- Some work to do on concept governance and quality control aim as well as strategic outreach, if there was money
- Cautious openness to membership fees – but 25% said “no”
- HCV Training and accreditation as services with highest WTP
- Funding seen as multi-stakeholder responsibility resting most strongly with direct users

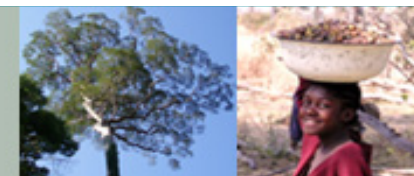


# Recommendations – Day 2



# 1 – Membership fees

1. Effective January 2012, Steering Group member organizations be required to pay an annual membership fee proportionate to the size, profitability and location of their organization.



# Proposed fees

**Proposed fees:**

HCV Stakeholder Groups	Regular member – South (£)	Regular member – North (£)	Sponsoring partner (£)
<b>1. Businesses</b>			
Very large >1000 employees	2500	5000	20000
Large (100-1000)	1250	2500	10000
Medium (10-100)	625	1250	5000
Small ( <10 employees)	125	250	1000
<b>1. Social NGOs</b>			
<b>2. Environmental NGOs</b>			
<b>3. Government and Intergovernmental organizations</b>			
Very large >1000 employees	1250	2500	10000
Large (100-1000)	625	1250	5000
Medium (10-100)	125	250	1000
Small ( <10 employees)	25	50	200
<b>1. Global Standard Setters</b>			
Established > 5 years	625	1250	5000
Established < 5 years	125	250	1000
<b>1. Regional HCV networks</b>	0	0	0
<b>1. Observers</b> (academic institutions, individuals, etc..)	25	50	n/a



## 2 – Stakeholder groups

2. Effective January 2012, Steering Group membership be expanded and formally restructured to include representation of seven HCV stakeholder groups: 1. business, 2. social NGO, 3. environmental NGO, 4. governmental and intergovernmental organizations, 5. Global standard-setters, 6. regional partner HCV networks, and 7. Observers.



## 3 – Executive Board

3. Effective January 2012, an Executive Board be established composed of one representative of each of the HCV stakeholder groups 1 through 5 and one representative of each regional partner HCV network, up to a limit of 15 members.



## 4 – HCV standard holder

4. The Network explores the feasibility, implications and funding mechanisms for the Network becoming a “global HCV standard holder” through consultation with FSC and other voluntary standard-setters as well as international standards organizations such as ISEAL and ISO.



## 5 – Regional training and accreditation partnerships

5. The Network should establish standing contracts with regional partners, consultancies, and/or Network Technical Panel members to deliver Network-endorsed HCV training and accreditation services.



## 6 – Project priorities

### 6. The Network should prioritize the following five strategic projects:

- i. Improvement of methodologies for HCV 4, 5 and 6
- ii. Coordinated update of global HCV toolkit and national interpretations
- iii. Regional partner network development (including strategic outreach to national land-use planning agencies and training) in Latin America and central Africa
- iv. Developing and improving HCV RN spatial resources / map library
- v. Systematic monitoring and evaluation of impacts of HCV approach.



## 7 - Publication fees

7. The Network charge a fee for use of the Network's website or email briefing list for job postings, advertisements, or other commercial uses, and a fee for access / download of specialized documents developed by the Network after January 2012, such as

- advanced training modules for HCV professionals
- specialized HCV map resources
- other specialized technical reports (e.g., HCV data reviews)