**Life Finance Strategy 2013 - 2015**

1. **Introduction**

This document describes how Life plans to finance the aims as outlined in the strategic plan. [Briefly describe the purpose of the plan here]

The finance strategy describes where Life is now; where we would like to be in three years’ time; and what strategies we will implement to achieve our financing targets. The Board will review the strategy annually.

* 1. **Brief summary of activities**

Our core work covers the following areas:

* Development of sustainable livelihoods through income generating activities, eco-tourism and market development
* Community forest management through education programmes and alternative fuel/building materials
* Deforestation and conservation awareness raising through advocacy programme
	1. **Classification of income**

We have classified different types of income according to levels of restriction and the continuity of funds resulting in these categories:

* + - Restricted, longer-term (programme funding)
		- Unrestricted, longer- term (core funding)
		- Restricted, short-term (project funding)
		- Unrestricted, short-term (general fundraising)
1. **Where are we now?**
	1. **Key risks identified**
* Lack of core funding
* Narrow scope of donors
* Lack of staff time
* Staff do not have all required skills
* Unstable currency
	1. **Key current ratios**

Our current survival ration is: 30 days

Our donor dependency ratio is: 92%

We are currently supported by the following key donors: PADI, Conservation International, IUCN, World Bank and USFWS. The funding from the first three falls under the short-term category (i.e. up to 3 years), whereas the USFWS is a long-term donor (i.e. 3+ years).

* 1. **General reserves**

At the end of year 2012 our reserves are expected to be USD 6,000.

* 1. **Financing mix**

The table below show our financing mix at the end of 2012:

|  |  |  |
| --- | --- | --- |
|  |  **Unrestricted**  |  |
|  | General fundraising | Core financing |  |
| 19% | 8% |
| PADI  | Individual donations |
| **Short-term** | Project funding | Programme funding | **Long-term** |
|  | 58% | 15% |  |
| Conservation International (20%), IUCN (16%), World Bank (22%) | USFWS  |
|  |  **Restricted**  |  |

Summary of the balance of funds:

* + Restricted funds 73% versus unrestricted funds 27%
	+ Short term funds 77% versus longer term funds 23%
1. **Where we want to be**
	1. **General reserves target**

In three years’ time our aim is to have at least USD 50,000 in Unrestricted Reserves.

We have set this figure at the amount we estimate we need to meet our legal obligations and other contingencies considered a level 1 priority.

* 1. **Survival ratio**

We aim to have a survival ratio, based on unrestricted funds, of 60 days

* 1. **Proposed financing mix**

Based on the analysis completed, we propose the following target financing mix in three years’ time:

|  |  |  |
| --- | --- | --- |
|  |  **Unrestricted**  |  |
|  | General fundraising | Core financing |  |
| 7% | 38 % |
| *e.g. events, consultancy, merchandise, volunteers* | *e.g. consultancy, membership, merchandise, foundations / individuals, consultancy, equipment rental* |
| **Short-term** | Project funding | Programme funding | **Long-term** |
|  | 45% | 10% |  |
| *e.g. Bilateral & multilateral (e.g. USAID), Foundations, Government funding, NGO partners, Corporate funding* | e.g. Reef restoration and habitat enhancement, Statutory funding, Education & Training |
|  |  **Restricted**  |  |

Our target donor dependency ratio will therefore be 55% by 2015.

1. **How we will get there**
	1. **Goals and actions**

We will aim to achieve the following goals through the associated actions:

**Long term funding secured**

* Establish and manage donor relationships – high responsiveness
* Image management – raise Life’s profile

**Established fundraising strategy**

* Develop and implement fundraising strategy including merchandise and fundraising events
* Define roles and responsibilities for different fundraising areas

**Building reserves and increase core funding**

* Develop a core/organisation budget, for all organisational needs, staff, facilities, services, etc.
* Ensure that project funding contributes to some of overhead costs identified in the core/organisation budget
* Develop a Reserves Policy including yearly targets for building reserves

**Established education and training program**

* Develop MoUs with schools and other education related institutions (national and international)
* Establish partnership with other NGOs

**Partnerships with research institutions / funding agencies**

* Expand and build networking with donors, funders, NGO and government
* Develop role with organisations related to research
	1. **Key stakeholder action plan**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Stakeholder** | **Frequency of contact** | **Interest** | **Influence** | **Expectation** | **Action plan** |
| Ministry of Environment & Natural Resources | Quarterly | Our organisation allows them to achieve their quota for partnerships with NGOs | Solar stove supplies. FX variations, Finnish govt. aid policy | Add their logo to all vehicles and merchandise; Quarterly technical and financial reports | Invite to visit to see work; send examples of recent successes |
| USFWS | Quarterly | Our organisation allows them to achieve their requirements for funding/support to marine conservation projects | They are our only secured long-term donor and most activities under Projects 1 and 2 are dependent on them | Submission of quaterly narrative and financial reports; One representative to come see project site and audit our accounts every year | Invite to see work and meet team; keep thorough records of all project activities and expenditure  |

1. **Key policies**

This financing strategy should be read together with the following key organisation policies:

* Income policy
* Ethical policy
* Cost recovery policy
* Reserves policy

**Annex 1: SWOC Analysis**

**Annex 2: Stakeholder Analysis**