

Sustainable Development in Brazil. An Innovative Partnership for Eco-Development.

Environmental conservation organizations and promoters of socio-economic programs often have conflicting priorities in the sustainable development arena. The Fundação O Boticário de Proteção à Natureza (FBPN) and the Inter-American Foundation (IAF) are bridging that gap and proving that if all parties are dedicated to finding creative solutions, the benefits from a partnership can be enormous. The Eco-Development Fund, the main fruit of the FBPN - IAF partnership, provides a forum for sharing best practices and an opportunity for both organizations to support community development projects that generate income and promote conservation of the environment.

Boticário

Between 2001 and 2006 the Inter-American Foundation will commit US\$ 550,000 to the Boticario Foundation for Environmental Protection (FBPN). Counterpart funds from FBPN of US\$550,000 create a total of US\$1,100,000.

*The scope of the Boticario Foundation's activities go beyond IAF funded projects.

Fundação O Boticário de Proteção à Natureza.

O Boticário began in 1977 as a small cosmetics pharmacy in the progressive Brazilian town of Curitiba. Today the company has more than 2,500 retail stores in six countries and remains dedicated to its original values of mutual respect, transparency, and commitment to the environment. O Boticário favors the use of natural ingredients in its perfumes, lotions and cosmetics, bolstering the company's image as an environmentally responsible corporation. FBPN, a non-profit institution, was created in 1990 to support nature conservation activities in Brazil. Although O Boticário maintains the Foundation financially by donating 10% of the corporation's pre-tax profits, FBPN operates independently, with complete technical responsibility for its own projects.

FBPN focuses on three programs: protection of natural areas; promotion of education & mobilization for nature conservation; and financial support of conservation related projects developed by other organizations. As a basis for all of its programs, the Foundation has a biodiversity, conservation, training-center at the Salto Morato Natural Reserve. The center prepares 240 people each year for careers in park management, conservation, and ecotourism. The reserve itself, a private property owned and maintained by FBPN, won UNESCO recognition in 1999 as a World Heritage Site.

Vila Morato: A Partnership Emerges.

While FBPN's main focus at the Salto Morato Natural Reserve was preserving the environment, the Foundation's technicians soon realized that without the awareness and cooperation of the surrounding neighbors in Vila Morato, the task would be impossible. Many of the inhabitants of the area lived in extreme poverty and made their meager livelihood from illegally harvesting palm hearts from the nature reserve at night. The black market in palm existed due to

unscrupulous businessmen in the palm industry who supplemented legal palm quotas with clandestine product purchased from people such as the inhabitants of Vila Morato. Concerned with balancing the economic needs of the community and the dwindling palm reserves, FBPN contracted a natural fibers instructor to research alternate income generating opportunities near the reserve. Surveying the area, the expert quickly discovered an exotic pestilent weed that is easily made into rope and can then be woven into baskets. FBPN presented the idea to the community which began producing good quality baskets, and eventually formed an artisan's cooperative to standardize quality and facilitate timely fulfillment of higher volume sales.

O Boticário was then in the process of making its stores more customer-friendly and had decided, coincidentally, to purchase natural fiber baskets that shoppers could use to hold their purchases before checking out. The baskets would allow the customers hands-on access to products, making the shopping experience more interactive. The natural fiber constitution would, of course, accentuate the company's ecological image. The purchasing department was on the verge of awarding the contract to a producer in Thailand when the board of directors learned of the operation at Vila Morato. Although the unit price for baskets from Vila Morato was higher (US\$6 versus US\$2 for the Thai baskets), the board decided that this was an excellent opportunity to exercise corporate social responsibility while reinforcing the company's strategic objective of selling natural and sustainable products. They placed an order for approximately ten baskets per store, giving the artisans at Vila Morato a first taste of the challenges of fulfilling relatively large sales.

The IAF, interested in the endeavor's potential for improving living conditions in Vila Morato, co-funded the artisan project. The encouraging results of this project in terms of community development and environmental conservation inspired the two foundations to further explore possibilities for joint-action, and from these discussions emerged the Eco-development Fund.

Eco-development Fund.

The Eco-development Fund, created in 1998, is a US\$1,000,000 fund financed equally by FBPN and IAF. FBPN manages the fund and selects projects in consultation with IAF. The fund provides small grants for projects that advance socioeconomic community development while preserving the environment and promoting reduced pressure on natural resources. By combining resources of FBPN and IAF, both organizations hope to minimize program costs and maximize results.

On an institutional level, the partnership takes advantage of the strengths and resources of the two foundations. FBPN, the preeminent conservation group in Brazil, has important technical expertise and access to a vast network of grassroots level contacts. IAF brings to the partnership extensive experience in project evaluation and selection, and a proven quantitative method for measuring project results. Miguel Milano, Technical Director of FBPN, explains how his foundation has adopted some of IAF's techniques. "We had always judged proposals as-is, and either accepted or rejected them as a whole. Now we receive proposals, analyze them, discuss them, meet with project coordinators and analyze potential partners. This was an IAF methodology which we have incorporated into our process."

Judy Morrison, IAF Foundation Representative for Brazil, considers the partnership innovative in several respects. While IAF does take into consideration environmental impact when

selecting projects to fund, the more rigorous ecological requirements of the Eco-development Fund are new to the IAF. Judy anticipates several of these indicators becoming a permanent part of the IAF's system of project evaluation, called the Grassroots Development Framework which will augment environmental awareness in the evaluation of sustainable development projects.

Both foundations have thus far found the cooperative process very satisfying. A strong dedication to creative problem solving and a willingness to adapt has facilitated the successful meshing of two sets of development goals. As Milano aptly noted, a successful partnership requires mutual respect and confidence, conditions that truly prevail in the FBPN-IAF relationship. Future plans include a benchmarking book featuring case studies of the Eco-development Fund projects. After the fund's current five-year life expires, the FBPN will roll the project into the Foundation's permanent program portfolio.

Eco-development Fund Projects.

FBPN recently selected the fund's first two projects: Café com Floresta and Esse Mar é Meu. Under the Café com Floresta project, IPE, a Brazilian nonprofit, will create corridors of organic, shade-grown coffee in the Pontal do Paranapanema area of the Atlantic forest. Most of the inhabitants of the area are subsistence farmers, resettled on the land as part of an agrarian reform, but lacking the appropriate inputs for successful farming in the region. IPE and the local farmers will work together to develop at least 80 organic coffee corridors, creating an income generating alternative to the less productive and more environmentally damaging subsistence farming. These corridors, in addition to providing economic livelihood, serve a vital ecological purpose. They will connect the remaining isolated fragments of the ecosystem. Only 1.85% of the original Atlantic Forest cover still exists, and the survival of the flora and fauna in these small pockets depends on the ability of birds and other animals to travel freely between the preserved sections of forest. The Café com Floresta project will position the coffee corridors as stepping stones, reuniting isolated patches of forest and facilitating propagation of potentially endangered species.

The Esse Mar é Meu project, an initiative in the Northeast State of Ceará, will develop income-generating alternatives to lobster fishing. Ten years ago, the region enjoyed an abundant supply of lobster, but over-fishing and destruction of the habitat have devastated the stock. Today only 2% of the original fishing capacity remains, translating to massive unemployment in the community. The project will help the inhabitants of the area to develop alternative methods of income generation using abundant local supplies of coconut and cashew. Project objectives also include promotion of ecotourism and protection of the endangered manatee. By creating for itself alternatives to fishing, the community of Icapuí will begin to reclaim a quality of life that has slipped away over the past decade. The comprehensive objectives and high profile of the project have attracted additional financial resources, trainers and technical assistance from five local organizations, further increasing the likelihood of long-term sustainability.

Lessons Learned:

- Environmental conservation and socioeconomic development can be compatible goals leading to a real and sustainable increase in quality of life;

- Entities created by business to pursue socially responsible work (i.e. foundations) can maintain programmatic independence while still furthering a company's strategic objectives, not only in corporate image, but also in business operations;
- A common objective and demonstrated institutional capabilities are important in a partnership, but mutual respect and good will ensure the success of the relationship;
- Collaboration and sharing of techniques can engender positive changes beyond the intended scope of a partnership. FBPN's adoption of IAF's proposal evaluation method is enriching the FBPN project selection process beyond the Eco-development Fund.

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