

**Awards for Core Support to
Member Programmes
2010 – 2011**

LEAD Brazil

January 2010

ABDL and LEAD in Brazil

The LEAD Program in Brazil is hosted by ABDL (the Brazilian Association for Sustainable Development) an NGO created in the 1990s to foster leadership for sustainable development in Brazil. During the first years, the LEAD program has been the unique activity carried out by ABDL. Since 2000, the organization has innovated in terms of approaches and methodologies. These innovations made possible the design of differentiated leadership development programs, as:

- Pronord. Program targeting local development in the Northeast area of Brazil, designed based on a training for action methodology (focused on the development of projects by participants). Three editions and 60 fellows were supported by the Kellogg Foundation;
- PROLIDES – Program dedicated to training leaders in Mercosur, comprising participants from Brazil, Argentina, Uruguay, Paraguay and Chile. Two editions and 120 fellows were supported by the Kellogg Foundation;
- REDESENVOLVIMENTO – Innovative program aimed at building leadership and strengthening of collaborative networks. Two editions and 45 fellows were supported by the Avina Foundation;
- LEAD - Leadership for Climate Security – Since 2007, ABDL has introduced new approaches to foster leadership, addressing participants’ “inner resources” development.

In addition to the “LEAD like/cohort training programs”, ABDL has also carried out several projects and training activities on thematic areas as Climate Change, Sustainability, Networks and Governance and Participation.

Since 2006 ABDL, has been involved with capacity building projects focused on the private sector, like the ones delivered to El Paso, StatoilHydro and HSBC (NGDP). These experiences have shown how powerful a leadership development program focused on corporate sustainability can be. Considering the potential of these programs, we would like to design one that will be offered to private companies in Brazil.

Searching the independence

During almost 10 years, the resources transferred from LEAD to ABDL were enough to cover all the expenses LEAD Program expenses. From 1998 to 2005 ABDL has developed other “LEAD like programs” with the support of foundations as Kellogg and Avina. The resources donated by these organizations have contributed to improve ABDL’s conditions to deal with the decrease of resources received from LEAD. However, since 2005 the support from these foundations has ended at the same time that the donations from LEAD have decreased.

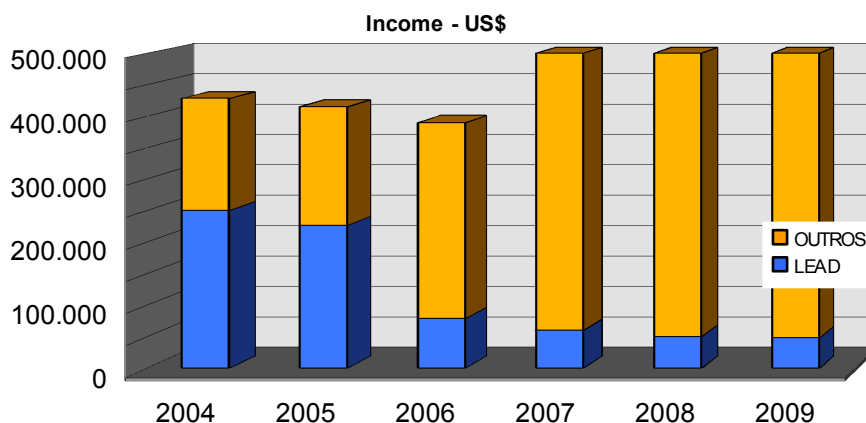
To overcome the loss of resources from organizations covering “cohort training” programs ABDL started:

- To implement projects and sell services to clients from different sectors;
- To charge the associates to obtain the necessary resources to cover the costs of the program.

As a result of these efforts, ABDL has been diversifying the sources and increased the total revenue (from US\$400.000 to US\$ 500.000). As stated in the table below, during the last 6 years, the contributions from LEAD have decreased from US\$250.000 to US\$48.000/year and the share of these resources at the ABDL incomes have decreased from 60% to 9%.

ABDL Income by Sources

OUTROS	177.700	188.559	310.500	460.583	479.342	459.538
TOTAL	428.100	414.934	389.500	520.583	529.342	507.538



At first glance, these numbers could give the impression that ABDL has achieved a good financial situation, but the figures are quite different when we compare the revenues and the expenses by each year. Despite all the efforts to reach budget neutrality, ABDL is still having annual deficits (around US\$25.000 in 2009).

Searching alternatives

The main reason for these losses is that ABDL has not found yet enough revenues to cover all the expenses associated with LEAD (cohort training + LEAD network activities = approximately US\$150.000). In theory, there would be two alternatives to overcome this situation:

1 - Decrease expenses.

At ABDL we have already made drastic changes to decrease our expenses, including the reduction the staff to the minimum that makes possible for the organization to operate. Any additional cut of staff would imply in dismantling the organization.

2. Increase the revenues. There are some ways to do it:

- **Raising resources from other funders.** Since 2006, when ABDL has raised resources from Avina Foundation to develop the Redesenvolvimento Program, it has been very difficult to find organizations willing support “LEAD like” programs in Brazil. Unfortunately Brazil is not considered a priority for the most part of the development agencies and foundations anymore.
- **Charging the associates:** During the last years ABDL has raised the value charged from each LEAD associate reaching the amount of US\$5.000. The experience from the last 2 years shows this amount is the limit for paying associates to attend a program like LEAD. At the same time, this tuition is already preventing the participation of several good candidates that have not enough resources to cover them.
- **Cross subsidizing.** One of the most effective ways to raise resources has been to deliver projects with positive gains that allow us to cover part of the LEAD Program costs. After the financial crises in 2009, there are good opportunities for ABDL to sell “sustainability programs”, like the NGDP/HSBC

to private companies in Brazil. This kind of activity can contribute to generate resources to cover part of the costs associated with cohort training activities, allowing ABDL reach the budget neutrality.

Improving the ABDL capacity and sustainability

The LEAD Program is the most important activity developed by ABDL, not only because the organization was established at the beginning of the program, but also because it is an unique leadership program in Brazil. The curriculum and methodological reviews implemented in the last years have refreshed the program that is aligned with the challenges of our times. The LEAD in Brazil has been conceived as a “capacity building for action” program, allowing associates to develop their leadership capabilities in practice, whilst they implement practical actions in their organizations. The program addresses important issues as climate security, sustainability, collaborative leadership, inner resources, networks and governance, opening opportunities to deal with important challenges to promote the transition towards a sustainable society.

As in different parts of the world, these themes are becoming more and more prominent in the brazilian agenda. This means that new opportunities and markets are opening for ABDL to offer training and leadership programs for organizations from the private sector in Brazil. The experience that ABDL has obtained in the last years, delivering programs like the NGDP to HSBC, among some others, allow us to intensify our activities with the private sector.

The strategy for 2010 – 2012

Considering the increasing demand for training and leadership programs from the private sector ABDL has a good opportunity to occupy this niche and raise resources that could be helpful to subsidize the LEAD program and neutralize the organizational budget. ABDL has already initiated some actions to fulfill this opportunity, like the design of his own program focused on “Leadership for Sustainability” that will be launched in 2010. But to get the most benefits of this opportunity it is necessary increase the organizational capacity to deliver simultaneous programs what depends on investments in areas as marketing, training and communication.

The plan for the next years is invest to improve ABDL's capacities to work with the private sector delivering projects that can contribute for the organizational sustainability. The objective is increase the income and assure the resources necessities to cover part of the expenses associated with LEAD Program and some core activities as well.

The table bellow shows the revenues, expenses and results expected from each program in the next years.

Areas and Programmes	Status	2010	2011	2012
Revenue – Expenses = Contribution (surplus or deficit) Values in (US\$1000)				
Climate Change				
LEAD - Leadership for Climate Security	The Cohort 15 will be launched in 2010 February and the next ones on the following years	50 -100 =-50	50 -100 =-50	50 -100 =-50
EPC –Companies for the Climate	Training program delivered in partnership with the Center for Sustainability Studies from FGV to 25 important companies in Brazil. This program has began in December 2009 and will run until July 2010. . The initiative open numerous opportunities with potential clients and can be replicated in the next years	40 -35 =5	40 -35 =5	40 -35 =5
Climate Leaders	Inspired by the Climate Leaders designed by LI and implement in India encompass 5 days workshops focused on short term actions developed in partnership with fellows from different regions from Brazil. The program can be designed in the 2 nd semester of 2010 and launched in 2011 with the support of donors like DFID or GOF.	-----	20 -15 =5	40 -30 =10
Sustainability				

New Earth Leaders	Program focused on sustainability for private sector leaders designed in partnership with Fair Ground (a Dutch consultancy) The program has been launched and, will be initiated in May and can be replicated in the following years.	100 -95= 5	100 -90 =10	100 -90 =10
Leadership for Sustainability	Based on the experience from NGDP/HSBC and New Earth Leaders ABDL can start to offer similar programs to private companies in Brazil. Among the potential clients that have already manifested interest on this kind of programs are Alcoa, Itau, Sadia and Phillips. The plan is launch the 1 st edition in the second semester of 2010	110 -90 =20	110 -90 =20	120 -90 =30
Governance				
Local Development and Environmental Services	ABDL has a recognized experience on design and implement projects focused on participatory methodologies. In the next years there's a potential to deliver projects on these areas to attend companies that must invest on compensation/compliance or environmental services. ABDL can deliver 1 or 2 projects on this area each year.	30 -25 =5	60 -50 =10	60 -50 =10
Total ABDL activities				
Revenues		330	380	430
Expenses		-345	-380	-410
Final Results Expected by year (surplus or deficit)		-15	0	+10

The new projects focused on the private sector will improve the financial conditions of the organization that has the potential to become sustainable between 2011 and 2012. To achieve these goals ABDL must improve the organizational capacity contracting professionals with experience on three different areas:

- Project manager and fundraiser
- Trainer
- Communication and marketing

The idea is contract these professionals to increase the organizational capacity to design, sell and deliver the new programs. The table below shows an estimative of the costs associated with these professionals on the next years.

Professional	Salaries in US1000 for 8 hours journey	2010	2011	2012
Project manager/fundraiser	3,3/month or 40/year	20	40	40
Trainer	3/month or 36/year	18	36	36
Communication	1,5/month or 18/year	4,5	9	18
Total cost by year		42,5	85	94

We believe that with these professionals, contracted gradually in different moments, ABDL will be able to improve the organizational performance and achieve the leverage point when will be able to generate the revenues to be sustainable.

In order to follow this plan ABDL would like to apply to receive resources from from Lead International that will contribute to the organization to reach the sustainability. The table bellow shows that progressively ABDL will be able to cover the additional expenses using the resources generated by the projects and the limited financial reserves that the organization still have¹.

	2010		2011		2012		Total
	%	US\$1000	%	US\$1000	%	US\$1000	
Total cost	100	42,5	100	85	100	94	221,5
LEAD Support	65	27,6	40	34	15	14,1	75,7
ABDL Activities	25	10,6	50	42,5	75	70,5	123,6
ABDL reserves	10	4,2	10	8,5	10	9,4	22,1

With the grant received from LEAD International (total of US\$75.500) we believe that it will be possible implement the changes necessities to keep the LEAD program alive in Brazil and foster ABDL towards sustainability.

Dalberto Adulis

ABDL – Executive Director

LEAD Brazil – Program Director

1 ABDL still have a small amount of reserves that also will be used with the proposal of achieve the sustainability of the organization.