GUIDE

FRAMEWORK AND GUIDANCE OF THE ECONOMIC VIABILITY TOOL (EVT) FOR COMMUNITY AND FAMILY FORESTS (FSC-CFF-EVT GUI V2.0)

FSC FORESTS FOR ALL FOREVER™

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Title:	Framework and guidance of the Economic Viability Tool (EVT) for Community and Family Forests (FSC-CFF-EVT GUI V2.0)	
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Purpose of this document:	The Economic Viability Tool (EVT) is a “Market Tool” from the CFF Toolbox, which is part of the FSC® value proposition and is voluntary to implement. The Economic Viability Tool (EVH) is a "Market Tool" of the Community and Family Forest (CFF) Toolbox), which is part of the FSC® value proposition and is voluntary to implement. This document was prepared for technical facilitators to know the rationality, methodology and content of the tool prior to and in parallel to its implementation. The document is also relevant to professionals who perform strategic functions in organizations allied or associated with CFF stewards.	
Confidential?	☐ Yes	☒ No
Intended audience	☐ Internal (FSC)	☒ External
Personal data included?	☐ Yes	☒ No

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1. INTRODUCTION

The objective of the EVT is to strengthen the empowerment of stakeholders who manage community and family forests to make data-driven decisions to increase their well-being or benefits, in the context of territorial management that goes beyond the forest.

In this context, the EVT users are landowners and/or managers of:

- Community forests
- Small or low intensity managed forests (SLIMF)

The tool helps its users from communities and SLIMF to share, learn, debate, and validate their data, and then prioritize viable forest management improvement options within their broader landscape, using their own collective and traditional practices and processes. In this way, the EVT reinforces self-determination of people from communities and SLIMF in their decision-making processes. For Indigenous Peoples and traditional peoples, the tool aligns with the practice of Free, Prior and Informed Consent (FPIC) throughout the process and to meet decisions.

The EVT is part of the Community and Family Forests (CFF) Toolbox, which supports Forest Management Certification solutions within FSC's product architecture. Its implementation is voluntary and suitable for decision-making at different certification phases, including:

- Pre-certification: users from communities or SLIMF motivated to make decisions to improve forest management in an inclusive and self-determined manner. Users may or may not be interested in obtaining FSC Certification.
- FSC certified: users from communities or SLIMF, that hold an individual or group certificate, who are uncertain about maintaining it, or who are seeking to:
    - Verify some benefits of forest management referred in Principle 5 of < FSC-STD-01-001 V5-3. Standard of Principles and Criteria for Forest Stewardship > or impacts related to <FSC-PRO-30-006_ES-PRO_V2-0 Ecosystem Services Procedure>.
    - Identify projects to maintain or enhance benefits and wellbeing, to be supported or sponsored by CFF steward's partners.

Further background information on the EVT, including why and how the EVT was developed, and its progress, can be found in the EVT Users abstract document. This EVT Guide focuses on the technical content and flow for its implementation and is primarily intended for facilitators who are responsible for implementing the EVT with users.

2. EVT FRAMEWORK

The implementation of the EVT entails a process of empowerment of community and family forest stewards, for decisions regarding forest management and other natural resources in their territory[1]. The EVT can be integrated with decisions that require Free, Prior and Informed Consent (FPIC) practices for indigenous and traditional peoples, or part of a risk analysis for investors, among others. This empowerment process has cycles, steps, components, and possible workflows**.** A cycle is completed when the community applies 4 steps, including the collection and analysis of 3 or 4 components, which is done in 2-4 workshops with the focus group of the tool users at different times (it is required time to deepen and rethink the data and improvement options initially planted). **Figure 1** shows the 4 steps of the EVT, and the data components to be collected in Step 2 and analyzed in Step 3, to make data-driven decisions in Step 4. It is possible to add other components and topics in the analysis and results if required.

The EVT methodology proposes and includes the following:

- **Landscape approach**, considering all the socioeconomic activities carried out in the territory of the community or SLIMF group (forestry including timber and no-timber related, agriculture, livestock, provisioning of goods and services for consumption or local use, etc.)
- **Systemic approach**, considering the enabling and disabling conditions (favourable and unfavourable) in addition to the situation of each forestry operation in the value chain (and the forestry organization**)**. Opportunities and alerts are highlighted to support findings of favourable and unfavourable situations, that may determine if forest management is economically viable.
- Assess **governance** both at the territory level (with cultural and traditional elements) and at the operational level with every forestry organization. FSC's experience emphasizes that proper governance is key to the success of responsible community and family forests management.
- Estimations to **make visible part of the socio-economic benefits** of the forest for families, which can be useful for investors, civil society, or national authorities/government agencies.

[1] Caron (2015) suggests that three key definitional elements of territory are generic and are acknowledged by all disciplines. First, territory is an element of continuous, bounded space. The second definitional element refers to identity and ownership: a territory is owned by a social group that identifies itself with the territory. Here, the notion of ownership goes beyond, but does not exclude, property rights. Nor does it necessarily match with administrative limits. The third element of the territorial definition is that **it acknowledges specific modes of governance and control over the territory**. Yet, territory is not necessarily governed or controlled in a formal sense: in many cases, there is no government of the territory. Its development emerges from cross-scale interactions among stakeholders. Caron (op.cit.) offers that the term 'territory' makes it possible to account for a spatial organisation and scales that have been ignored so far. Therefore, the heuristic of 'territory' is relevant for supporting new decisions and actions.

The mentioned methodology is related to the **4 components** for data collection and analysis of results:

i) **Socio-economic landscape** focused on the economic activities of the community or SLIMF group members.
ii) **Enabling & disabling conditions** (or favourable/unfavourable conditions) for daily life and Forest Management (FM).
iii) **Situation of each forestry operation** in the value chain, in charge of a "forestry organization" (company, association, board of directors or committee of the community or group, among others), that can be owned or delegated to a manager by the users.
iv) **Profitability analysis** of each forestry operation, when the Organization has and is willingness to share that information.

Due to the availability and sensitivity of financial information, the EVT may have 2 **possible workflows**:

- **"A"**: excluding the "profitability analysis" with general FM improvement options, and households' wellbeing.
- **"B"**: including the "profitability analysis" with specific improvement options that may include modelling of investment, costs, income, and profits.

Despite the conceptual framework and detailed methodology of the EVT, its implementation is flexible and adaptive, its scope depends on the available information and people's knowledge about the landscape and the forest operation analysed. The more and better data, the greater and more consistent will be the scope of the tool to implement a first cycle (baseline) and the motivations will be greater to implement future cycles (monitoring and evaluation - M&E).

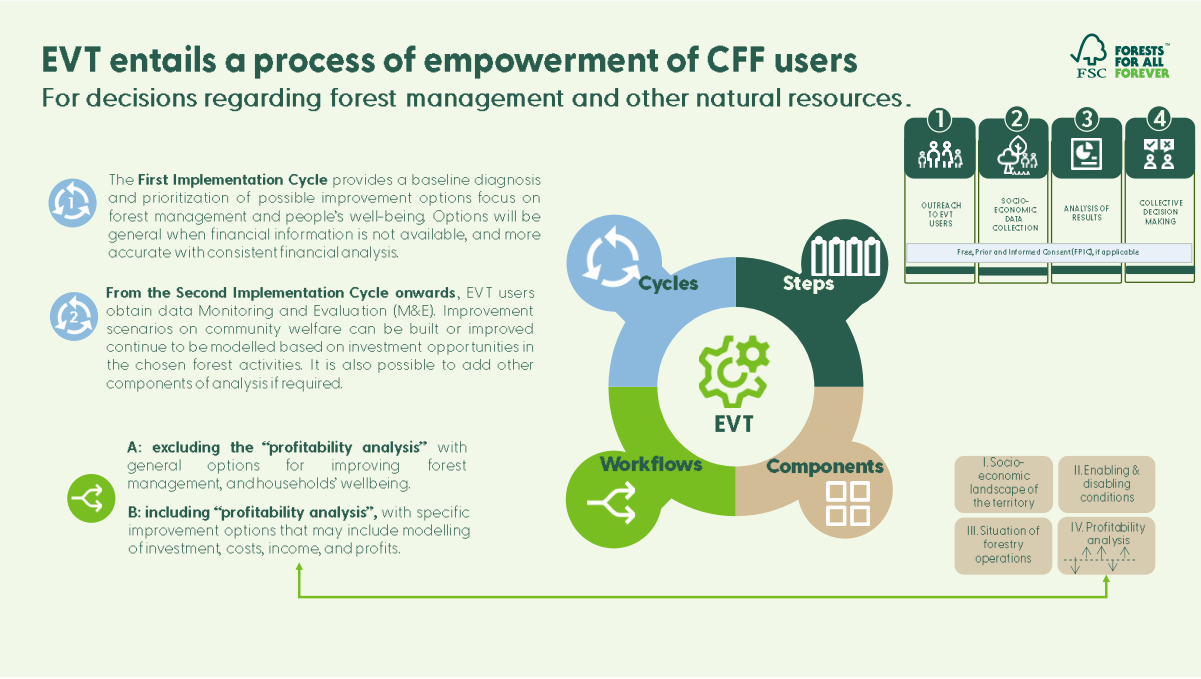


Figure 1. EVT Framework by cycle
1
Outreach to EVT users
Minimum conditions justifying the process
• Screening of community and family forests.
• Information sharing and open dialogue; with confidentiality agreement.
• Designation of 3-8 people as a focus group from the users.
• Partner Institution.
• External technical facilitators (male and female).
• Free, Prior and Informed Consent (FPIC), if applies.
Challenges:
• Cycle Process: baseline and M&E (Monitoring and Evaluation.).
• 2–3-days workshop with focus group, in 2-4 moments.
• Continuity of participants.
Arrangements for EVT implementation: cycle, steps, components, and workflows.
2
Socioeconomic data collection
Socioeconomic characterisation with a focus group
• Socio-economic landscape of the territory.
• Enabling & disabling conditions in everyday life and forest management.
• Situation of each forest operation in the value chain.
• Profitability analysis of each forestry operation.
Challenges:
• Best available information.
• Immediate systematization in Excel template (data + charts).
• Visual and reliable methods for an empowerment process.
Information shared and debated, regarding components ranging from a macro to a micro perspective.
3
Analysis of results
Impacts, alerts & opportunities on social wellbeing
• Impacts: importance of forestry activity, gender, employment, consumption, sale, seasonality.
• Alerts & Opportunities:
-Enabling & disabling conditions.
- Value chain.
• Profitability indicators and forecasts (models).
Challenges:
• Adaptation of charts if they are not understandable.
• Annotations in the language of the communal focus group.
• Report + printed charts.
Visible and easy to understand results in maps, charts, and brief notes. Confidential report for users.
4
Collective decision-making
Data-driven self-determined choices to improve livelihoods
• Share, learn, debate & validate results.
• Share & debate cases, inspiring stories, difficulties, and effects.
• Ideas and prioritisation of options for improvement:
- General options.
- Alternatives & scenarios for investment + return.
• Free, Prior and Informed Consent (FPIC), if applies
Challenges:
• Collective meeting or assembly.
• Forest management cases.
• Focus group validates data, results and options.
• Printed charts & reports.
Collectively prioritized improvement options to maintain and/or enhance local WELLBEING
A
B

3. EVT IMPORTANCE AND UTILITY FOR FSC

Why is the tool important to FSC?

At a general level, the tool is part of the 2021-2026 Global Strategy, because it contributes to the institutional vision of 2050: "*Resilient forests maintain life on the planet. A new forest paradigm is achieved in which the true value of forests is recognised and fully incorporated into society worldwide"* (FSC Global Strategy 2021-2026).

At a particular level, the tool aims to support the FSC certification process of Responsible Forest Management in community and family forests, and even Chain of Custody (if applicable), complementing the implementation of certain FSC regulatory frameworks such as the Continuous Improvement Procedure (FSC-PRO-30-011), Group Standard (FSC-STD-30-005 V2-0) and Ecosystem Services Procedure (FSC-PRO-30-006 V1-2).

What is the practical use of the tool?

- To make visible **the socio-economic impacts** of the work invested in the FM; additional sales revenue from forestry operations (*quantitative* indicators):
  - ✓ The importance of forestry activity compared with other economic activities (focuses on the invested workforce):
    - Proportion of individuals or families engaged in the different activities.
    - Income-generating activities compared with those that generate goods or services for self-consumption.
    - Installed and utilised workforce capacity in terms of families and time.
  - ✓ Estimated economic value of work employed or invested in forestry activities (TFP+NTFP+ES); and proportion of the product or service destined for sales and self-consumption.
  - ✓ Productive calendar: seasonality of productive activities.
  - ✓ Perceptions of vulnerable activities and responses to the effects of climate change.

  NOTE: The tool estimates some positive externalities of the FM to people's well-being, "value" that is not equal to the "market price", and that brings us closer to the "true value of the forest". When the FM is important in a territory, in terms of time and workforce invested, then it contributes to obtaining goods with **direct use value** for sale (income), but also for local consumption (self-consumption) as a less visible value for actors outside the community. This flexible and adaptive tool could also estimate indirect use values in the future.

- To highlight the main **opportunities and alerts** of the **conditions that enable or disable FM,** and collectively identify how important are the opportunities to enable or alerts to disable community FM; *qualitative indicators* weighted from 1 to 5 for each topic:
  - ✓ Accessibility, services and infrastructure and/or equipment for FM.
  - ✓ General forest conditions for FM.
  - ✓ Regulatory environment and incentive mechanisms in the forest sector.

- ✓ Governance of the territory and forest management (in general terms)[2].

- To highlight the main **opportunities and alerts** of each **forestry operation**, carried out by a **forestry organization** of the community or SLIMF group, and collectively identify how possible it is for them to take advantage of the opportunities or overcome the alerts; *qualitative indicators* weighed from 1 to 5 for each topic[1]:
  - ✓ Production, processing or administration of forest resources and/or ecosystem services; in an associative or organised way.
  - ✓ Other direct benefits generated by the forestry operation.
  - ✓ Organisational commercial and financial environment.
  - ✓ Governance of the community forestry operation (maybe more than one)[1].
- To promote the use and/or understanding of **profitability analysis** in each forestry operation in a current and improved scenario, with or without certification, analysing. The question here focuses on: What would happen to the **quantitative financial or profitability indicators according to** the main **alternatives for improvement**?
  - ✓ Financial Net Present Value (NPV-F), Rate of Investment (ROI), Benefit- Cost Ratio (B/C).
  - ✓ Equilibrium price.
  - ✓ Balance production (Equilibrium volume)
  - ✓ Is there a distribution or sharing of income?
  - ✓ Is there an “adequate” distribution of profits?
  - ✓ Economic Net Present Value (NPV-E) may have an indicator that merges quantitative indicators of the NPV-F with some quantitative indicators of component II and weighted qualitative indicators of components II and III.

NOTE: The application of the "profitability analysis" (Component IV) will be possible only if the forestry organisation of the community or SLIMF group has properly detailed information of the investments, income and financial costs of the forestry operation being analysed.

[2] Questions extracted and adapted from Annex 2 of the NCB MRV Guide.

4. APPLYING THE STEPS OF THE TOOL

This section is intended for the special attention of the people in charge of the technical facilitation of the implementation of the tool. Introducing the content and application guidelines of the 4 **steps** of the tool.

It is important to note that for this EVT, the following classification is used:

- The technical content is found in **steps** 2 and 3, which contain **components** for data collection and analysis, which in turn contain **topics,** the latter resulting in a set of **variables**.
- The scope of the EVT can be with **possible workflow A**, when the available information does not include the financial analysis, and with **possible workflow B** that does include it.

Step 1. Outreach to EVT users

How do we do this?

- Outreach to an institution allied with the users or the forestry organisation, when possible.
- Initial contact with representatives of EVT users (community/SLIMF and each forestry organisation) to explain the objective, content and requirements of the tool. It is advisable to send a letter or explanatory note to formalise the first outreach.
- Applicability of the FSC CFF Screening Tool (Cf. Appendix 1.1) with CFF leaders to identify EVT users. It is required a 2-hour interview to screen each community or SLIMF group; sometimes it is needed to screen several CFF stewards to select 1 to 3 to implement EVT.
- Request for evaluation and issuing of the decision of the local stakeholder's representatives to implement the EVT. In the case of Indigenous Peoples or traditional peoples, the communication can be a simple "Prior, Free and Informed Consent (PFIC)" document and only focused on initiating the process, in a letter, act or other means of verification.
- Request for information on forest management, socioeconomic context of the territory and each on-going forest operation. In addition, it is important to know if there is any forestry organisation in charge of each forestry operation of the community or SLIMF group. Also request a base map of the territory (community or landscape where the forest management units are located) or ask if they have a participatory map (drawn by them). Also inquire about financial information.
- Indicate that all the information would be shared and analysed only after signing a "confidentiality agreement or letter" with all participants (including facilitators), so that the collective information is protected from any use, except with the express authorisation of the community or SIMF representatives. In this way, it is expected to ensure the proper use of the information. There is a base template for this.

What are we looking at?

Interest and motivation in implementing the tool	Representatives of the CFF stewards (EVT users), including each forestry organization, should be informed about the objective, scope and requirements for implementing the EVT, through letter and verbal explanations. It is important to clarify the difference between "economic viability" and "profitability" to avoid expectations about the preparation of cash flows or business plans.
Willingness to share information and have a space for communal dialogue	It is important to ensure that the members of the focus group (who will apply steps 2 and 3) are familiar with the necessary components or have access to relevant information. The quality and reliability of the results will largely depend on this. • Territorial information: list of the main economic activities (not limited to forestry), number of inhabitants and families, area of the territory where economic activities take place, average remuneration for work, territorial development plan, etc. • Information on each forestry operation and organisation: membership details, area of the forest management unit, financial data (e.g., feasibility study, financial cash flow, business plan, or other similar, if the Organization has the information and is willing to share it).
Time needed from CFF stewards	Face-to-face work is required between members of the CFF and facilitators at least in 3 different times/moments: • **Applicability of Steps 2 and 3 in dynamic workshops** format with a focus group of 3 to 8 members from the CFF. First moment: 2-3 full days (1 day per component, considering that Step 1 has defined the scope) Second moment: 2 full days for the validation of the information and preliminary identification of improvement options to maintain/ enhance local wellbeing. Additional moment if requires: 2 days to apply workflow B. • **Applicability of Step 4:** community workshop or assembly, that requires half to one day for workflow A, and one additional day for component IV when applicable. **NOTE:** 1 full day = 8 hours of work
Local technical facilitation	Two technical facilitators, one woman and 1 man, are required to promote balanced participation in the workshops. They must have technical or professional training, experience in the territory, and/or some forest operation or organization of the site or similar contexts. It is desirable that they have a relationship of trust with local actors, without belonging to or being dependent on the SLIMF community or group.
Allied Institutions	It is important the participation of purchasing companies or business partners, Foundations, NGOs with extensive field work, public sector, development agencies, etc., both to plan and organize the EVT implementation and to actively participate in the technical process.

What does it result in?

- Acceptance or refusal to implement the tool by the users and the monitoring by its partner institutions (which will often be the ones that finance), in response to an offer to implement the tool if there is interest and funds, recommended this is done with a letter/note.

Recommendation:

In case more than one community or SLIMF steward decides to implement the tool, the representatives must be included in the screening (Step 1).

Depending on the number of facilitators available, the budget and the characteristics of the EVT users, the following can be proposed for the implementation of the tool:

a) Individual community or SLIMF groups workshops. More than one workshop can be held at a single site/venue, but in separate rooms, if the logistical conditions are met.
b) A single workshop with 1 or more users (communities or SLIMF groups), considering 2 technical facilitators per user. Each SLIMF community or group can work independently, and share information in plenary, if and only if its representatives give their explicit agreement.

Before making the decision to implement the tool, it is recommended to discuss with the users' representatives about:

✓ Any previous conflict or enmity between the focus group members of the users, to prevent misunderstandings in workshops to address especially Step 2 and Step 4.
✓ The openness of participants from the focus group to share, learn, discuss, and validate data, first in the same focus group, and then extending the findings to the other members of the community or SLIMF owners/managers.
✓ In the case of Workflow B, where component IV (Financial Analysis) is applied, only some graphs with referential data will be shared. The input data is confidential business and strategic information, that will not be disclosed.

- Identification of the scope of the implementation of the tool, with the following information:

✓ **Number of forest communities or SLIMF plots.**
✓ **Number of operations** linked to a forestry organization.
✓ **Productive forest activities**: timber forest products (TFPs), non-timber forest products (NTFPs), ecosystem services (ES), and combinations.
✓ **Forestry operation stage:** design, recent operation, full operation, closure.
✓ **Position in the value chain and improvements:** utilisation (collecting or harvesting), transfer of forest resources, primary processing, intermediate distribution, processing with greater added value, marketing; in addition to greater productive diversification and technological improvements.
✓ **Possible partnerships** with other stakeholders in the value chain who are interested in or have implemented the EVT or other FSC solutions.

Recommendation:

The implementation of the tool will entail travel and recruitment costs. It is highly recommended that: i. sufficient effort is made to collect as much information as possible from **Annex 1** and **Figure 2**, through relevant meetings and iii. existing helpful secondary information. The first outreach can take from 1 to 3 months, depending on how accessible the users' representatives are or the partner institutions, among other aspects.

- Secondary information available for review prior to initiating Step 2 (socioeconomic diagnosis, territorial planning, business plans, etc.).
  Applying the "financial analysis" will be done only if the information exists, is available and the forestry organization (as owner of the information) is willing to share it, considering the **confidentiality agreement** between the users' representatives, facilitators and even the partner institution if applicable. The input information required to apply component IV is as follows:
  - ✓ Sales prices by product.
  - ✓ Production and sales quantities.
  - ✓ Amount of investment and reinvestments, in addition to the asset depreciation table.
  - ✓ Fixed cost flow.
  - ✓ Variable cost flow (depending on production, ideally in Excel arrays or ready-to-building lists).
  - ✓ Taxes or exemptions (if applicable).
  - ✓ Discount rate applied.
  - ✓ Other possible information.

Applicability of steps and components	Forestry	Situation of the forestry organization	Direct intervention in the value chain
Applied	TFP	Current operation	Sale of resource in the forest in its natural state
Partial application	NTFP	Constituted	Harvest/ collection/ use
Did not apply	TFP+NTFP	About to start	Forest resources transfer
Did not apply yet	TFP+NTFP+ES	Idea or design	First resource processing
Did not apply, but there is info	NTFP+ES	Individual work	Distribution
Did not apply, incomplete info	NTFP+ES		Greater resource processing (added value)
Validation without changes	ES		Product or service marketing
Validation with changes	Other (indicate)		Stewardship delegated to a third party
It is not required	**Ecosystem Services groups considered by FSC**		Co-management
Other 1	*ES Watershed services*		Savings management
Other 2	*ES Soil conservation*		Tourism Services Organization
	ES Recreational services		Other 1
	ES Carbon sequestration and storage		Other 2
	ES Biodiversity Conservation		
	ES Cultural practices and values		
	ES Air Quality		

Possible improvement options (unlimited list)
1. Governance
2. Diversification of the same resource
3. Forest Economic Economic Diversification
4. Diversification towards other non-forestry activities
5. Technological improvements (includes technical training)
6. Association with other organizations and/or communities
7. Phase integration into the value chain
8. National Verification System
9. International certification
10. Greater articulation with public instances
11. Multi-Stakeholder Impact Articulation
12. Elaboration of strategic studies
13. More didactic and frequent socialization
14.
15.
16.

Acronyms	
TFP	Timber forest products
NTFP	Non-Timber Forest Products
ES	Ecosystem services

Figure 2. Elements to consider in Step 1 to assess whether EVT is the tool users require and to set up workshops with the CFF stewards.

Step 2. Socio-economic data collection

How do we do this?

- Development of face-to-face workshops with a "focus group" made up of:
  - ✓ 1 to 3 users' representatives.
  - ✓ 3 to 5 leaders from the forestry organization/s.

  Recommendation: The participation of women and men is desirable; better if at least 1 young person between 18 and 25 years of age and 1 adult person over 50 years of age participate.

- Time required:
  - ✓ **Workflow A:** 2 to 3 days at 1 to 3 times (or sessions).
  - ✓ **Workflow B**: 2 to 4 additional days for the construction or analysis of financial data when base information is available.

  Recommendation: Each workshop day should be 8 effective hours and held on consecutive days to promote the concentration and continuity of the focus group members and facilitators. The second moment should be planned at least 10 days after the first moment.

- Accompaniment and guidance: Technical person in charge of the facilitation, who is trusted by the users and each forestry organisation. Better if it is the same person who was in the first outreach and if they have prior knowledge of the territory or forestry organisation and some training in financial analysis if the tool will be addressed with Workflow B.
- Participatory methodology using printed papers in A0 size.

What have we achieved?

The EVT considers 4 components of data collection and analysis. In step 2, "input data" is collected to obtain a diagnosis of the current situation, in a participatory process. Here the important thing is to define the information to collect. To apply **Component I** it is advisable to use (if one already exists) or develop maps of the community or SLIMF plots, to which the users belong. If the map is not available, one needs to be developed within Step 2 in a highly participatory manner, based on a printed base map (for example, taking a satellite image of a platform, or a more elaborate and even verified map of the site if it exists). In this map, the focus group will identify or verify the urban center of daily life of the families, roads, rivers or other important bodies of water, forest management units, plots and other productive activities compatible or contrary to forest management, sites of cultural importance, etc. The same map will also analyse the opportunities or threats to the resources of interest to users.

Other research instruments can also be applied, such as timelines among others, to facilitate the collection and understanding of the input data. The implementation of components III and IV will depend on the **development stage** of the community forestry operation and the information available.

Table No. 1. Recommended applicability of the data collection and analysis components according to the development stage of the forestry operation

Component	Pre-investment	Investment stage			Paused or Closing Decision
	Project idea or design	Start-up	Recent Operation	Full operation	
I. Socio-economic landscape	Apply	Apply	Apply	Apply	Apply
II. Enabling & disabling Conditions	Apply	Apply	Apply	Apply	Apply
III. Status of each forestry operation in the value chain	Maybe	Maybe	Maybe	Apply	Apply
IV. Profitability analysis of each forestry operation.	Maybe	Maybe	Maybe	Apply	Maybe
Recommendation of possible EVT workflows*	A+B	A	A	A+B	A+B

**The 2 possibilities of workflows are seen in Figure 1, at the beginning of the document*

The information of **Component I** and **Component II** is easy to provide for the users of the tool; on the other hand, the information of components III and IV does not always exist, and if it does exist it may not be up-to-date and is normally confidential.

Every EVT data collection and analysis component contains topics related to users' sustainable livelihoods (natural, human, financial, social, and physical), as can be seen in **Figure 3.**

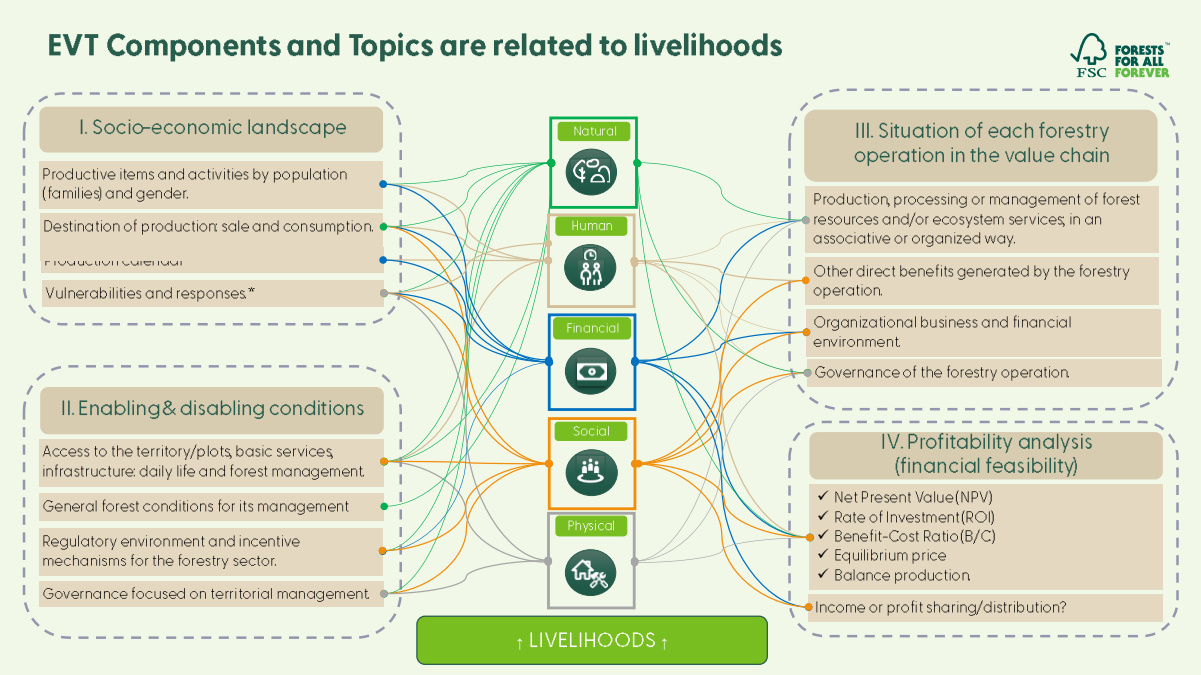

Figure 3. Components and topics of analysis of the EVT and its relation with livelihoods

Step 3. Analysis of results

How do we do this?

- The information collected in **Step 2** from each focus group in the workshops is systematised in pre-designed and parameterised "spreadsheets" (we currently use the Excel® 365 App).
- It is desirable to systematise some of the information during breaks in the meetings or workshops with the "focus group" (sometimes working in the evenings), to share the findings in the same space and with the same members of the "focus group". If there is extra support available in addition to technical facilitation, it is possible to transcribe information at the same time as the workshop is held, always consulting the person in charge of technical facilitation during their breaks.

What have we achieved?

- The data collected from **Step 2** resulting in charts with clear legends and short text/notes in **Step 3** is analysed. The key here is to arrive at “understandable results” to be “validated" by the same focus group, which can then be “shared” in their communities or SLIMF groups.
- The more graphics the tool can contain, the greater the understanding of the results for the users, and the better the process to reach a collective decision making.

Tabla 2. Datos de entrada e indicadores de impacto y resultado de la HVE

COMPONENT	What data is used? STEP 2: Socioeconomic Data Collection	What does it result in? "STEP 3: Graphical results and indicators" that will allow progress for "STEP 4: Collective decisions"	
	Topics	**Impact Indicators**	**Outcome indicators**
I. Socioeconomic landscape (…including cultural practices linked to the forest or territory)	1. Map prepared in a participatory manner of the community or SLIMF landscape (beyond FM unit). 2. Identification and listing of socio-economic activities by groups: ● Forestry (TFP, NTFP and ES for external and local use). ● Other land uses: agroforestry, agriculture, livestock, fish farming, fishing, etc. ● Other activities within the territory of the community or SLIMF stewards. ● Other activities outside the territory, usually labor services. 3. Families and people who practice or develop each activity, and time invested or dedicated per family. 4. Destination of the production or enjoyment of each socioeconomic activity: sale, consumption/use. 5. Productive calendar of forestry activities (seasons). 6. Perceptions of problems derived from changes or shocks on climate, environment, economics or others. 7. Form of production: individual or organized.	Importance of forestry expressed in a H*istogram (graph).* Quantitative indicators: ● Relation between *# of forestry activities* and *# of total socioeconomic activities.* ● Proportion of income-generating activities in relation to those that generate enjoyment through consumption or use. ● Annual value of time spent or spent in socio-economic forestry activities; expressed in EUR/year: - in the communal landscape - in the Forest Management Units, if applicable. ● Relation between the value of time spent in forest activities and the total time available.	*Quantitative indicators in proportion or indices*: ● Families, men and women involved in forest-related socio-economic activities*. ● Products and services intended for sale and consumption or enjoyment*. *Qualitative indicators* ● Perception of the annual work cycle (how communities organize their socioeconomic activities throughout the year). ● Activities affected by social, economic or environmental changes or disturbances. ● Production-focused organizations: existing, developing, non-existent. *Additional Indicators for Indigenous and Traditional Peoples...* *Quantitative:* ● Relationship between cultural activities and total activities. ● Relationship between cultural activities and total forest-related activities. *Qualitative:* ● Cultural values in the territory analysed.

* Indicators that are graphed.

COMPONENT	What data is used? STEP 2: Socioeconomic Data Collection	What does it result in? "STEP 3: Graphical results and indicators" that will allow progress for "STEP 4: Collective decisions"	
	Topics	**Impact Indicators**	**Outcome indicators**
II. Enabling & disabling conditions (…for daily life and forest management)	1. Accessibility, services and infrastructure and/or equipment for forest management. 2. General conditions for forest management + other contradictory or compatible land uses. 3. Forest regulatory context and incentive mechanisms. 4. Governance in the landscape level (community boundaries)	*Indicators for the four topics:* Improving enabling conditions Decreased disabling conditions	• Access by roads, rivers or flights • Water • Energy • Telecommunications • Infrastructure, machinery and/or equipment
			• Characteristics of the Forest • Area of Forest Management unit by use. • Other land uses (compatible and incompatible with forest management)
			• Regulatory framework • Institutional framework • History of public incentives for on-site forest management
			• Way of making decisions • Existence and compliance with statutes, regulations and other rules. • Roles and responsibilities • Conflict management • Representation of the territory and support for forestry activities by an entity beyond community or SLIMF land. • Emergency Management • Access to education • Cultural identity and way of life
		Qualitative indicators & charts of quantitative variables: Values assigned by the focus group from 1 to 5 for each resulting variable as **opportunities** or **alerts**, answering the query: How important is the issue to enable or disable Daily Life in the territory and Forest Management? *The impact indicators* are calculated as an average of the values from 1 to 5 of the set of variables for each topic, representing an aggregate value.	

* Variables that are graphed.

COMPONENT	What data is used? STEP 2: Socioeconomic Data Collection	What does it result in? "STEP 3: Graphical results and indicators" that will allow progress for "STEP 4: Collective decisions"	
	Topics	**Impact Indicators**	**Outcome indicators**
III. Situation of each forestry operation in the value chain (…can be more than one)	1. Natural supply of forest resources and environmental functions for the market. 2. Other direct benefits generated by the productive operation (in addition to revenue) 3. Commercial and financial context of the forestry organization. 4. Governance of the forestry organization.	*Indicators for the four topics:* Improvement of the situation of the forestry organization in the value chain. Decline in the status of forestry organization in the value chain	• Experience with a credible and serious certification system or standard. • Potential for taking advantage of the forest resource or ecosystem service. • Products or services intended for the market.
			• Income generation. • Biodiversity conservation. • Carbon storage and sequestration. • Cultural practices and values. • Work available to youth in communities (associated with forest management) • Other benefits.
			• Existence of profitability analysis. • Commercial relationship. • Access to capital or financial services. • Own contribution of members of the organization. • Profits generated and how they are distributed. • Capital funds for forestry operations.
			• Situation of the forestry organization. • Engagement with other actors. • Way of making decisions. • Motivations in the forestry operation.
		Qualitative indicators & charts of quantitative variables : Values assigned by the focus group from 1 to 5 for each resulting variable as **opportunities** or **alerts**, answering the query: How important is the variable to improve or hinder the forestry operation? *The impact indicators* are calculated as an average of the values from 1 to 5 of the set of variables for each topic, representing an aggregate value.	

* Variables that are graphed.

COMPONENT	What data is used? STEP 2: Socioeconomic Data Collection	What does it result in? "STEP 3: Graphical results and indicators" that will allow progress for "STEP 4: Collective decisions"	
	Topics	**Impact Indicators**	**Outcome indicators**
IV. Profitability analysis of each forestry operation* (… applicable only if the EVT users wishes to do so and if information is available)	1. Revenue stream: prices and annual production volumes. 2. Cost flow: fixed and variable. 3. Present value of assets, depreciation, reinvestment, replacement. 4. Taxes and incentives.	*Quantitative indicators* ● Household income ● Contribution of the resource, product or service to family consumption. ● Destination of profits: replacement of investment, new investments, savings, distribution among families, others.	*Quantitative indicators* ● NPV, ROI, B/C* ● Production and equilibrium price*

* It requires financial cash flow (sensitive and confidential information). Indicators can be graphed.

Step 4. Collective analysis for decision making

How do we do this?

- Conduct a workshop or community meeting guided by the "focus group" protagonist in Steps 2 and 3, and by the person in charge of technical facilitation, inviting at least:
  - ✓ EVT users' representatives (Board of Directors).
  - ✓ 3 to 5 leaders from each forestry organisation.
  - ✓ Invitation to an Assembly to the other members of the community or SLIMF group.

> **Recommendation**: The participation of at least 50% of the families in the assembly or community/village meetings is desirable to promote an analysis that influences collective decision-making.

- Time required: 4 hours of effective work.

What have we achieved?

- Share lessons learned and inspiring stories based on other FM cases in similar contexts, previously collected and recorded into the system to facilitate the search. Similar cases are selected, presented at the workshop and collective discussion promoted by the focus group. (In **Spreadsheet 4.0. of Excel,** we can see the progress of selected cases, with and without certification).
- General recommendations based on the income generated by the FM, the available workforce and the time frame of economic activities (landscape view). Preparation and presentation of indicators in more understandable formats (graphs), to improve the understanding by the recipients and the sense of dialogue or discussion.
- General recommendations based on the selection of possible alerts and opportunities to address and identification of improvement options by the same focus group:
  - ✓ Conditions that enable and disable FM (including governance of the territory and forest resources)
  - ✓ Elements of the value chain (including governance of the forestry operation)
- Specific recommendations based on the results of modelling. Only in the case of the EVT workflow B.
  - ✓ Select possible improved scenarios considering capital expenditure, operating expenditure, tax regime, economic assumptions, descriptive indices of the current situation.
    - Improved scenario without FSC certification.
    - Enhanced scenario with FSC certification.
  - ✓ Assign an expected value to the Analysis Components (a technique that allows assigning a probability of occurrence to each possible scenario and obtaining a weighted average).

- ✓ Management of weighted scenarios. If the expected value is greater than zero, the option makes sense.

- Evaluate the possibility of including other communities and its forest operations, or SLIMF groups in the analysis; especially if there are possibilities of productive or commercial alliances (economies of scale).

What do we want to achieve?

In the short term, the EVT is intended to contribute to collective decision-making processes for the users in:

- Quantification of socioeconomic effects and impacts of FM on well-being:
  - ✓ Make visible some other values of the forest
  - ✓ Collect and share with CFF stewards more inspiring stories from similar contexts.
- Motivate CFF stewards to apply a financial analysis (**Component IV or Workflow B**) to reach out scenarios and alternatives
  - ✓ Selection of scenarios enhanced with stakeholder's empowerment.
  - ✓ Find out the following results:
    - Scenarios weighted by the level of probability of occurrence.
    - NPV + ROI + Benefit/Cost ratio.
    - Time in which the initial investment is recovered.
    - Financial costs.
    - Potential Profit.
    - Descriptive index (qualitative + quantitative): current and "improved" situation if applicable.
  - ✓ Availability of information on possible alternatives:
    - Information about incremental financial benefits that could generate an improvement.
    - Possibility of commercial alliances/engagement with other communities, forestry organisations, or SLIMF groups.

  NOTE: With enough data, it may be possible to identify other indicators of Economic Viability (with a multi-criteria analysis) that highlight the main indicators that include employment, self-consumption, reduction of migratory flows. It may also be possible to assess the influence of fluctuations of some variables on indicators of economic viability and profitability (sensitivity analysis).

- Possibilities for EVT implementation by other potentially allied forestry organisations.

- Preparation of recommendations for each component of the EVT data collection and analysis, and search for more and more inspiring stories and lessons learned.

NOTE: If in **Step 2** profitability indicators of the community forestry operation were collected (**Workflow B**), in **Step 3** recommendations will be proposed with the option of "projecting" or "modelling" **scenarios** (today, improvements without certification, and improvements with certification), **alternative** production, and/or possibilities of **alliances** with other actors in the value chain considering the price and volume of equilibrium production.

In the absence of data and profitability indicators (**Workflow A**), the tool will present some socio-economic indicators, alerts and opportunities, and a list of FM improvement options; all in understandable language, to then promote or strengthen a “general” collective analysis in **Step 4,** so the EVT users can make their own decisions (prioritisation of options, action plan, etc.).

When the tool is applied to several users who may be able to collaborate (work together), there is the option to:

- Interweaving common or complementary opportunities (Ex. Economies of scale, collusion for production) in a common plan or agenda.
- Prioritise those alerts (challenges) that can be addressed together (e.g. spaces for dialogue and consultation, productive platforms, etc.).

REFERENCES

The following documents and methodologies were reviewed during the design of the EVT, some of which inspired the contents. For all references, the latest version of the listed document (including amendments) applies:

FSC Normative Framework

FSC-STD-01-001 V5-2 EN	FSC® International Standard (2015) FSC Principles and criteria for Forest Stewardship
FSC-STD-01-002. FSC Glossary of Terms. ENGLISH VERSION	This glossary is a collection of the most frequently used terms and definitions that have been approved and are used in documents of the FSC normative framework.
FSC-STD-01-003 V2-0 EN	SLIMF and Community Forest eligibility criteria
FSC-PRO-30-006_ES-PRO_V2-0 EN	Ecosystem Services Procedure

Other documents and tools revised

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Caron, P. [2015]. Territory: With Government And Market, A Major Institutional Component To Achieve Resilience. Nat. Sci. Soc. 2015, 23, 175–182. [Google Scholar] [CrossRef] [Green Version]

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GIZ, CSF [2021]. ValuES - Assessing Ecosystem Services (aboutvalues.net)

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IUCN [2021]. Species Threat Abatement and Restoration (STAR) metric - resource | IUCN

Sapag Chain, N., and Sapag Chain, R. (1989). *Preparación y evaluación de proyectos* (Segunda ed.) McGraw-Hill Latino Americana, S.A. Ed. Presencia Ltda. Colombia.

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ABBREVIATIONS OR ACRONYMS

B/C Benefit-Cost Ratio

ES Ecosystem Services

EVT Economic Viability Tool

FM Forest Management

FPIC Free, Prior and Informed Consent

FSC Forest Stewardship Council

MRV Monitoring, Reporting and Verification

NCB Non-Carbon Benefits

NTFP Non-Timber Forest Products

NPV Net Present Value

ROI Rate of Invest

SLIMF Small or low intensity managed forests

TFP Timber Forest Products

ANNEXES

ANNEX 1. Formats that contribute to the outreach to EVT users (Step 1)

ANNEX 1.1. Screening Tool

Cells to be filled

↓ You can hide this column after reading the notes, if you like ↓

Sub-Group	Topic		Questions	Explanatory notes to the questions (you can hide this column once the question is asked)	Answer options	Score (choose a single option)
					Date (DD-MM-Año)	⟶
					Responsible for carrying out the information (name; function; organization)	⟶
					Person/s interviewed/s (name, function, organization)	⟶
Potential impact	Environmental	1	What type of forest is managing or driving the target group (community or group of producers)?	Note: Tropical forests are those located in the geographical tropics of the planet. "Others" refers to the non -forestry uses of the Earth, those current/potential management units that are difficult to categorize as forests.	Tropical forest	3
					Non -tropical forest	2
					Plantations	1
					Tropical forest and plantations	2
					Forests and non -tropical plantations	1
					Others	1.5
					I don't know	nd
		2	Is there any presence of the so -called high conservation values (AVC 1, 2, 3 and 4) according to perceptions or studies?	Note: See Principle 9 of the FSC forest management standard (FSC-STD-01-001 V5-2 in) AVC 1 - Diversity of species: concentrations of biological diversity, including endemic, rare, threatened or endangered species, significant worldwide, regional or national. AVC 2 - Ecosystems at the landscape and mosaics level: intact forest landscapes and large ecosystems" at the landscape and mosaics level of significant ecosystems in the world, regional, or national and that contain viable populations of the vast majority of the species that appear naturally, in natural patterns of distribution and abundance. AVC 3 - Ecosystems and habitats: ecosystems, habitats or rare, threatened or in danger. AVC 4 - Critical Ecosystem Services: Basic Ecosystem Services in critical situations, including the protection of water collection areas and the control of the erosion of fragile soils and slopes	Yes	3
					No	1
					I don't know	nd
		3	Is the forest located in an intact forest landscape (IFL)?	Note: IFL is a territory within the current global extension of the forest cover that contains forest and non -forestry ecosystems minimally influenced by human economic activity, with an area of at least 500 km² (50,000 ha) and a minimum width of 10 km (measure as the diameter of a circle that is completely inscribed within the limits of the territory) (Source: Intact Forest / Global Forest Watch. Definition of the glossary provided on the Intact Forest website. Source:	Yes	3
					No	1
					I don't know	nd
		4	What is the size (ha) of the Earth, including forest and non -forestry uses?		More than 10,000 ha	3
					Between 1,000 and 10,000 ha	2
					Less than 1,000 ha	1
					I don't know	nd
		5	What is the size (ha) of the forest (current/ potential management unit)?	Note: 1. Fill in the number of hectares in the row of "comments." 2. In case there is no explicitly identified forest or unit, ...	More than 10,000 ha	3
					Between 1,000 and 10,000 ha	2
					Less than 1,000 ha	1
					I don't know	nd
	Socioeconomic	6	Is there any presence of high conservation values (AVC 5 and 6) based on perceptions or studies?	Note: see in principle 9 of the FSC forest management standard (FSC-STD-01-001 V5-2 in) AVC 5 - Community needs: fundamental areas and resources to meet the basic needs of local communities or indigenous peoples (for their subsistence, health, nutrition, water, etc.), identified involving these indigenous communities or peoples. AVC 6 - Cultural values: areas, resources, habitats and cultural, archaeological or historically Significant worldwide or national and/or of cultural, ecological, economic or religious/sacred critical importance for the traditional culture of local communities or indigenous peoples, identified involving these indigenous	Yes	3
					No	2
					I don't know	nd
		7	How many families are part of the target group?		More than 100	3
					Between 20 and 100	2
					Less than 20	1
					I don't know	nd
		8	How many families are currently benefiting from the forest? *	Benefits: any gain or contribution that generates utility; Some of them can be quantified in monetary terms and others are not. Source: The Mit Dictionary of Modern Economics.	More than 100	3
					Between 20 and 100	2
					Less than 20	1
					I don't know	nd
		9	What percentage of the target group (community or group of producers) has a paid work in forest activity? *	Remunerated work: remuneration for a job. This question refers to jobs or people who receive a fixed and/or frequent payment for their work, not for the product/resources sold.	More than 50%	3
					Between 10% and 50%	2
					Less than 10%	1
					I don't know	nd
Viability and sustainability of the process	Maturity of the organized forest operation	10	How long is the organized forest operation?		More than 10 years	3
					Between 5 and 10 years	2
					Less than 5 years	1
					None	0.5
					I don't know	nd
		11	What is the current destination of forest products and/or ecosystem services?		Formal market	3
					Informal market	2
					Only subsistence	1
					I don't know	nd
		12	Is there at least one buyer for forest products or ecosystem services?		Yes	3
					Under negotiations	2
					No	1
					I don't know	nd
		13	Is there a buyer who demands FSC certified products and/or services?		Yes	3
					Under negotiations	2
					No	1
					I don't know	nd
		14	Does the target group (community or producers receive any other incentive to improve forest management or obtain FSC certification? *	Note: Incentives can be financial or non -financial (for example, payments for the protection, conservation or restoration of forests; support in annual participation to business fairs or wheels, etc.).	Yes	3
					In development	2
					No	1
					I don't know	nd

Sub-Group	Topic		Questions	Explanatory notes to the questions (you can hide this column once the question is asked)	Answer options	Score (choose a single option)
Viability and sustainability of the process	FSC certification situation	15	What is the state of the forest with respect to the FSC certification?		Valid	3
					In process	3
					Suspended/finished	2
					Has never been certified	1
					I don't know	nd
		16	How can the objective of the FSC certification of this forest be described?		Short -term goal (less than 2 years)	3
					Medium -term target (between 2 and 5 years)	2
					Long -term objective (more than 5 years)	1
					Already certified	3
					I don't know	nd
	Cost triggers	17	Does the site have constant and "adequate" (road, navigation, flights, others)?		Yes	3
					Regular	2
					No	1
					I don't know	nd
		18	Are there basic services (water, energy, telecommunications, etc.)?		Yes	3
					Some	2
					None	1
		19	Are there other conditions that may affect technical assistance costs beyond the average? (for example: lack of forest advisors on the site, high professional or technical costs, high costs of reaching the community, etc.)		None	3
					Some	2
					Yes	1
					I don't know	nd
	Governance (community and forest operation)	20	Are leaders open and interested in responsible forest management and work with FSC or associated institutions?		Yes	3
					Regular	2
					No	1
					I don't know	nd
		21	Is there a structure and procedures for decision making and the management of the forest initiative?		Yes	3
					In conformation	2
					No	1
					I don't know	nd
		22	Does the organizational structure work and the procedures are followed?		Yes	3
					Regular	2
					No	1
					I don't know	nd
	Government support	23	Does the government offer effective support for responsible forest management in the field and are accessible to the target group (programs, projects, etc.)?		Yes	3
					Potentially	2
					No	1
					I don't know	nd
		24	What is the government's position regarding FSC?		Favorable	3
					Indifferent or contradictory	2
					Unfavorable	1
					I don't know	nd
	Non -governmental or own resources	25	Is there "current" support for forest activity in technical, financial, human and/or physical resources (associated institutions and/or own resources)?		Yes, more than 5 years ago	3
					Yes, recently	2
					No	1
					I don't know	nd
		26	Does the target group have access to support resources also in the future, either in the medium or long term? ? (For example: agreement with an associated institution)		Yes, more than 5 years	3
					Yes, between 2 and 5 years	2
					Yes, less than 2 years	1
					No	0.5
					I don't know	nd
		27	Is there a collaboration plan or agreement between the associated institution and the FSC?		Yes	3
					Not yet, but it is possible	2
					No	1
					I don't know	nd
		28	Has the FSC network partner or has had any previous experience with the target group?		Yes	3
					Sometimes	2
					No	1
					I don't know	nd
Replicability and visibility		29	Is this replicable experience in similar areas or other sites in the country?		Yes	3
					No	1
					I don't know	nd
		30	Are products or services from forest management of the emblematic, symbolic or innovative target group? Do these generate high visibility for FSC?		Yes	3
					No	1
General			Is there any comments on the expectations of the target group?			Descriptive

ANNEX 1.3. Consent for the EVT implementation

EVT V2.0 has the following templates, which can facilitate the implementation process, either with the users or their allied institution, for their corresponding complementation and adaptation to each case:

- Letter of outreach to EVT users from the partner institution to representatives of the community or SLIMF group.
- Confidentiality agreement/note on the information that is shared by the community.
- Authorisation for taking photographs and/or audio recordings within the framework of the General Data Protection Regulation of the European Union (GDPR). Only if the representatives and focus group of the users agree.
- List of participants (to be filled out and signed up in the EVT implementation workshops).

ANNEX 2. Technical content for the assessment of Components II and III

ANNEX 2.1. Content of Component II. Enabling & disabling conditions

TOPIC	VARIABLE by site identified	Repetitions by community
II.1. Access & accessibility, services and infrastructure/ equipment for daily life and forest management	• Access by roads, rivers or flights. • Water. • Energy. • Telecommunications. • Infrastructure, machinery and/or equipment.	According to places where families carry out their daily life and forestry activities. Normally, only the urban center where families live and spend the night is analyzed. When families develop activities in a camp that requires overnight stays and living there, it should also be analyzed.
II.2. General conditions for Forest Management + other land uses contradictory to or compatible with forest management	• Characteristics of the managed forest. • Area of the Forest Management Unit according to use. • Other land uses (compatible and incompatible with FM).	It depends on the number of continuous Forest Management Units. Often it is only 1.
II.3. Forest regulatory context and incentive mechanisms	• Regulatory framework. • Institutional framework. • History of public incentives for FM on site.	According to forest production alternative: • TFP • NTFP • ES
II.4. Governance in the landscape management	• How to make decisions. • Existence of and compliance with statutes, regulations and other rules. • Roles and responsibilities. • Conflict management. • Territory representation and support for forestry activities by a Major Territorial Government (if any). • Emergency Management. • Access to education. • Cultural identity and way of life.	It can be 1 or according to forest production alternative_ • TFP • NTFP • ES

* **Daily life** is the main socioeconomic activity, usually carried out in the urban area of the community or near the SLIMF plots. People will hardly attend to their economic activity with basic needs and services not covered in the family. In addition, several of these deficiencies are related to disabling conditions for forest management.

NOTE: There are 71 question fields that apply to each site identified as strategic (urban centre where people live and forest management units). Some questions do not applied.

ANNEX 2.2. Content of Component III. Status of each forestry operation in the value chain

TOPIC	VARIABLE by each forestry organisation
III.1. Natural supply of forest resources and environmental functions for the market	• Experience with some credible and serious certification or standard system. • Potential for use of the forest resource or ecosystem service. • Products or services intended for the market.
III.2. Benefits generated by the forestry operation (besides income)	• Income generation. • Biodiversity conservation. • Carbon storage and sequestration. • Cultural practices and values. • Work available to youth in communities (associated with forest management). • Other benefits.
III.3. Commercial and financial context of the forestry organization	• Existence of a profitability analysis. • Business links. • Access to capital or financial services. • Members' own contribution. • Profits generated and how they are distributed. • Capital funds for the same forestry operation.
III.4. Governance of the forestry organization	• Situation of the forestry organization. • Engagement with other actors. • Way of making decisions. • Motivations in forest activity.

NOTE: There are 86 questions for each forestry operation and even other operations in compatible sectors such as: agroforestry, tourism, among others. The number of repetitions in this component corresponds to the number of forestry or compatible operations being analysed. Some of the questions do not apply, depending on organizational development and even the confidentiality that users wish to maintain for some variables.

ANNEX 3. Compatibility of the EVT with the pre-investment phase and local Monitoring of a collective forestry operation

1. The context of pre-investment for the implementation of a forestry operation

The usual tasks before producing and marketing a product or service are:

1. Assessment of the state of the productive idea in a reflective process and reflecting the guidelines of what the people in community or SLIMF group expects.
2. Financing arrangements and/or business partnerships.
3. Preparation of Terms of Reference for the pre-investment study.
4. Financing arrangements to prepare a study on the final design of the forestry operation.
5. Pre-investment study, feasibility or final design.
6. Business plan focused on marketing strategy*.
7. Financing arrangements and/or business partnerships for the investment and start-up phase.
8. Start-up of the forestry operation: construction, equipment, etc.
9. Training of the technical, administrative and commercial personnel of the forestry operation.
10. Tests with technical assistance.

*It is recommended that the final design study also includes a business plan (Cf. Rodríguez A, 2008; report for WWF).

This local monitoring tool suggests minimum contents for tasks 1, 3 and 5.

2. What is the purpose of a pre-investment study beyond financing arrangements?

- Contribute to "community forestry operations" to analyse the importance and content of a feasibility study of their operations, to determine if the "forestry operation" is viable from a technical, legal and financial perspective, as a fundamental requirement before moving on to the investment phase.
- Know the price and minimum viable quantities and determine the viability of including profit distribution having clarity on the flow of profits, costs and profits.
- Facilitate processes of inclusion of the "productive operation" in analysis models of investors or other parties that may be potential allies.

3. Benefits categories involved in the feasibility study

- Socio-economic (income generation and local employment, with a focus on inclusion, equity, reduction of climate, economic and health etc. vulnerability).
- Environmental (technical and legal study, environmental impact study, water quality, etc.)
- Bio-cultural (social study, architectural considerations in project engineering)
- Governance (throughout the design, ensuring the participation of the recipients).

4. What to monitor during the design of a feasibility study?

It is desirable that a person or group delegated by the community or SLIMF group understands the scope of the terms of reference and go along with the design of the pre-investment study, in accordance with the contents listed in this subtitle.

The feasibility study must be carried out by a group of technical/professional people from various disciplines, specialised in each subject, committed to sharing the progress with the representatives of the "forest operation" at different times, also involving the community or SLIMF group in the presentation of the design, to include the required adjustments whenever technically possible and have consensus within the community or SLIMF group.

The study requires a budget that can reach up to 5% of the investment cost; and that must be adequately supervised and agreed.

4.1. Proposed content for the assessment that would accompany the Terms of Reference to carry out the study to the final design of a forestry operation

1. INITIAL MOTIVATIONS
2. DEFINITION OF THE PRODUCT AND THE TARGET MARKET
   - 2.1. Market survey (including potential customers and competitors, including prices)
   - 2.2. Product features (including packaging)
   - 2.3. Differentiated market options analysis[3]

3. DEFINE THE LOCATION, SIZE AND SCOPE OF THE FORESTRY OPERATION (how much will be produced, considering a SWOT analysis of the 5 ways of life[4])
   - 3.1. Analysis of site alternatives
   - 3.2. Analysis of technology alternatives to be used
   - 3.3. Choosing the best possible alternative
   - 3.4. Opportunities for application of a standard (FSC certification or other)

4. IDENTIFY THE FACTORS THAT MAY ENABLE/DISABLE THE FORESTRY OPERATION
   - 4.1. Jurisdictional/legal/procedural aspects
   - 4.2. Environmental aspects (highlight the functions of the montane cloud forest)
   - 4.3. Bio-cultural aspects
   - 4.4. Governance aspects
   - 4.5. Socioeconomic aspects
   - 4.6. Option of verification of responsible forest management by third parties (FSC or others)
   - 4.7. Other additional elements relevant according to the value chain.

5. GUIDELINES FOR TECHNICAL ENGINEERING
   - 5.1. Productive potential of the forest for the product/service
   - 5.2. Workforce situation: motivations, interests, cultural adaptation, etc.
   - 5.3. Alternatives to facilities, equipment, and capacities.

6. GUIDELINES FOR ADDRESSING ORGANISATIONAL ISSUES

7. GUIDELINES FOR THE FINANCIAL COMPONENT

[3]They are markets guided by special product attributes: environmental, social and economic responsibility, ecological products, ethics, etc.

[4] The 5 sustainable ways of life are: physical, human, financial, social and environmental.

4.2. Proposed content for a final design study of a product/service resulting from collective forest management

1. INITIAL MOTIVATIONS
2. DEFINITION OF THE PRODUCT AND THE TARGET MARKET
   - 2.1. Market survey (including potential customers and competitors, including prices)
   - 2.2. Product features (including packaging)
3. DEFINE THE LOCATION, SIZE AND SCOPE OF THE FORESTRY OPERATION (how much will be produced, considering a SWOT analysis of the 5 ways of life)
   - 3.1. Analysis of site alternatives
   - 3.2. Analysis of technology alternatives to be used
   - 3.3. Choosing the best possible alternative
4. IDENTIFY THE FACTORS THAT MAY ENABLE/DISABLE THE FORESTRY OPERATION
   - 4.1. Jurisdictional/legal/procedural aspects
   - 4.2. Environmental aspects (highlight the functions of the montane cloud forest)
   - 4.3. Bio-cultural aspects
   - 4.4. Governance aspects
   - 4.5. Socioeconomic aspects
   - 4.6. Other (e.g. compliance with a standard or certification)
5. Technical engineering
   - 5.1. Define the production process
   - 5.2. Technical requirements and specifications
   - 5.3. Detailed budget
   - 5.4. Define the period for the viability analysis
6. PROPOSAL FOR THE ORGANISATION AND GOVERNANCE OF THE FORESTRY OPERATION
7. ADMINISTRATIVE ISSUES
8. ENVIRONMENTAL IMPACT ASSESSMENT
9. FINANCIAL PROFITABILITY (financial cash flow that provides indicators such as: Net Current Financial Value, Internal Rate of Return, profit-cost ratio, equilibrium price, ratio of fixed costs and variable costs, among others possible)
10. ECONOMIC VIABILITY OF THE PRODUCTIVE INITIATIVE (Improvements in well-being: local employment, local inputs, sustainable use, and other positive externalities).
11. CONCLUSIONS: IS THE FORESTRY OPERATION VIABLE?

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