

Understanding the Economic Viability Tool (EVT)

Information related to the EVT V.2

Version: December 2024



What is the EVT? 01

The **EVT** is part of the FSC Community and Family Forests Program **Toolbox (CFF Toolbox)**.

Designed to **empower** community and family forests stewards to make data-driven decisions and increase their well-being within a broader landscape context.

The EVT helps communities and SLIMF¹ users to **share, discuss, 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 communities and SLIMF stewards in their decision-making processes. For Indigenous Peoples and traditional peoples, the tool is consistent with the practice of Free, Prior and Informed Consent (FPIC) throughout the process and to meet decisions.

¹ In the FSC system, family forests are classified as “small or low intensity managed forests” (SLIMF), which can be managed by the owner or a third party. They often form groups to work collaboratively. In this document, ‘SLIMF’ users refer to both owners and managers.

EVT phases and key roles



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 demonstrate the benefits of forests (compliance with Principle 5 of the FSC Principles and Criteria for Forest Stewardship, FSC-STD-01-001 V5-2).



Focus group: **selected by the EVT users**, this group plays a key role in the process by engaging in **dialogues and debates during several 2–3-day workshops**.

Their primary responsibility is to **analyze, complete, and validate results**, which they later share with the rest of the community or SLIMF users for further validation and collective decision-making.

Facilitators: Persons³ with technical capacities and experience in the territory, who guide and accompany the workshops. To ensure impartiality and avoid conflicts of interest, the facilitators are not members of the community or SLIMF users.



³ Ideally, there should be two facilitators, representing two genders

02 Who can use the EVT?

The EVT users² are **people who own or manage community or family forests**, in a territory **and/or SLIMF management units**, through forestry organizations and/or territorial ones in certain cases.

² Users are advised to work with a partner organization to accompany and guide the tool implementation.



03 EVT innovative features



Landscape approach: proposed for the entire territory, considering all the economic activities (forestry, agriculture, livestock, provisioning of goods or services for consumption, etc.)



Systemic approach: applied considering the enabling and disabling conditions in addition to the situation of each forestry operation in the value chain (and the forestry organization).

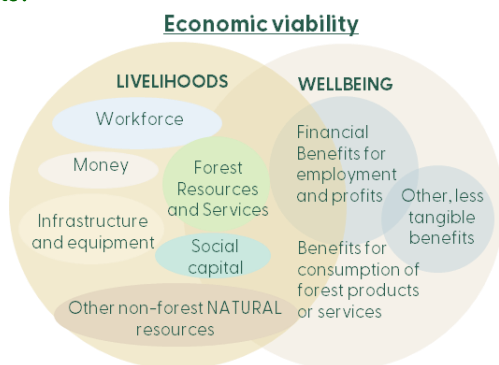


Community governance assessment: both at the territory level (with cultural and traditional elements) and at the operational level with every forestry organization.



Advancing towards the true value of Forests: 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.

What is the economic viability of community and family forests?



Economic viability emphasizes the **social well-being** of people, while **profitability** primarily considers the financial indicators of a productive operation or project.

However, profitability data are an essential input for analysing economic viability. Without profitability, an operation is unlikely to sustain itself over time—unless supported by ongoing subsidies—making it economically unviable in the long term.

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Economic Viability definition

Economic viability is the “capability of **developing and surviving as a relatively independent social, economic, or political unit**. Economic viability may require but is not synonymous with profitability⁴”.

⁴ Source: FSC Principles and Criteria for Forest Stewardship FSC-STD-01-001 V5-2 (2015).

EVT Implementation Process by Cycles

A cycle: comprised of **four steps**, supported by the collection and analysis of three to **four components**. This is achieved **through 2–4 workshops with the EVT focus group** over time, allowing space for reflection, data analysis, and refinement of improvement options.

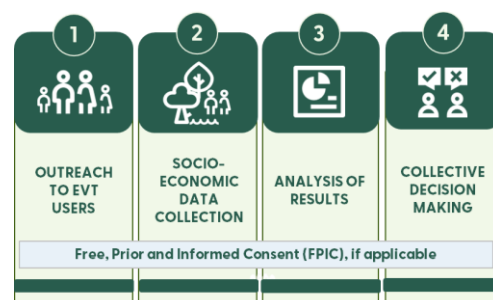


First Implementation Cycle: establishes a baseline diagnosis and prioritizes improvement options for forest management and community well-being.



Subsequent Cycles: provide monitoring and evaluation data, enabling refinement of improvement scenarios and investment modelling. Additional components of analysis can be incorporated as needed.

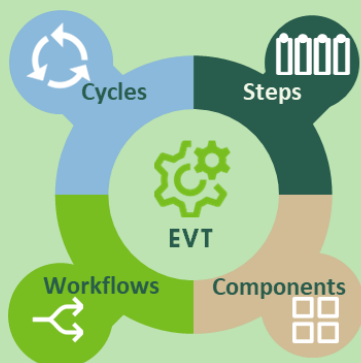
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EVT implementation

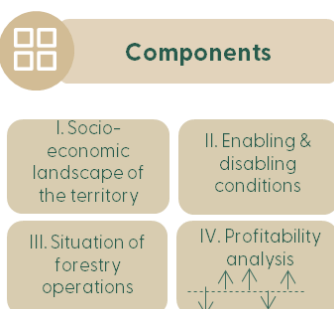
Implementing the EVT entails a **process of empowerment** including cycles, steps, components, and possible workflows.



EVT Components

Data collection and analysis of results are based on a **set of predefined components**.

It is **possible to add other components** if required.



The EVT allows for **two workflows** based on the availability of financial data:



Workflow A: excluding the “profitability analysis” with general options for improving forest management, and households’ well-being.

Workflow B: including “profitability analysis”, with specific improvement options that may include modelling of investment, costs, income, and profits.

The EVT’s implementation adapts to the specific characteristics of the territory and forestry operations. Facilitators use **Excel** for data and charts and **Word** for reporting.

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Ready to implement the Economic Viability Tool?

Get started by reaching out to your regional or national FSC office or contact us directly at **communityfamilyforest@fsc.org**.

We’re here to guide you through the process and support your journey toward improving forest management and community well-being!

