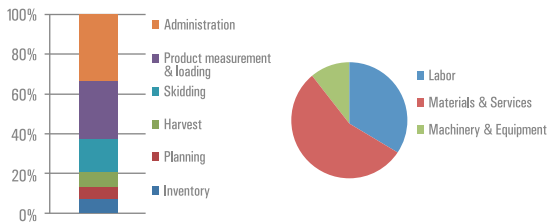




Each training event lasts three days, and involves the evaluation of costs and revenues for one productive period for two to three real forest-based initiatives. The financial indicators generated by Green Value include cost per activity and per type of input (labor, materials and services, equipment and machinery), total cost, total revenue, and rate of return. Some examples for a timber operation are included here.



The Future

Earth Innovation Institute will collaborate with INBAR, local governments, and non-governmental organizations to organize training events in the use of Green Value in 2015. In addition, they will follow up with the network of 136 people previously trained to identify progress and/or challenges with the use of the tool. We are looking for partners to help improve the distribution and application of the tool, especially in new regions and for new products.

Copies of the Green Value User's Guide and worksheets are available at www.earthinnovation.org.

Value of the tool

The analyses to date demonstrate the utility of Green Value for family, community, and cooperative initiatives that sell timber as well as non-timber products and services, such as tourism. **Very few forest-based initiatives have tools for monitoring and analyzing their operating costs.** In addition to providing an easy-to-use tool and critical decision-making information for these initiatives, the results indicate that **a variety of forest-based initiatives can be financially viable**, and that these initiatives are important sources of rural employment, community investment, and demand for local goods and services (such as locally-grown food and machinery operators).



GREEN VALUE

Uma Ferramenta para a Análise Financeira Simplificada de Iniciativas Florestais

For more information on Green Value materials and workshops please contact:

Dra. Shoana Humphries, PhD Scientist
Earth Innovation Institute
s.humphries@earthinnovation.org



GREEN VALUE

A Tool for Simplified Financial Analysis of Forest - Based Initiatives



The Proposal

Green Value provides six steps for monitoring and analyzing costs and revenues, and includes a series of worksheets (pre-formatted in Excel) for entering and analyzing data. The objective of the tool is to provide information that is useful in decision making for strengthening forest-based initiatives (including family producers, small businesses, community enterprises, cooperatives). The target users of the tool are professionals who work with forest initiatives. These professionals may include extension agents, administrators, technical staff, consultants, and representatives of non-governmental and governmental organizations. In addition, the tool may be very useful for professors, students, researchers, donors, and lenders. A basic familiarity with the use of spreadsheet software, e.g., Excel, is necessary to use the tool.

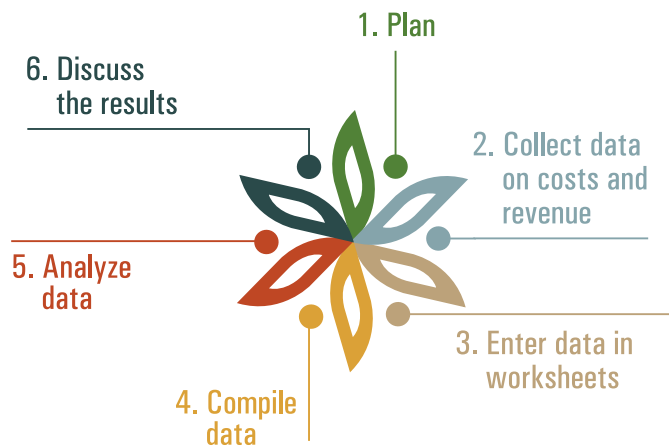


The Actors

Earth Innovation Institute (formerly IPAM International Program) is leading the development of Green Value and is organizing a series of training events. It is collaborating with the International Network for Bamboo and Rattan (INBAR) to further develop facilitation methods and training materials, organize events, and facilitate workshops. These efforts are being funded by the Office of International Programs of the US Forest Service and the US Agency for International Development.

The Context

Almost one-third of forests in developing countries is controlled by indigenous and other rural communities¹. These forests are increasingly important sources of legal timber and non-timber forest products and services, especially in the Amazon region. Community forest management has been promoted and financed by many Latin American governments and non-governmental organizations during the last 20 years. In this context, while many forest-based initiatives (FIs), including family businesses and community-based forest enterprises, are successfully applying technical aspects of community forestry, enterprise management has proved to be a greater challenge. An important part of enterprise management is the monitoring of costs and income, as well as the analysis of the financial viability of annual production cycles. This information is important for strategic planning and decision-making, including setting minimum prices and making investments. **Green Value: a tool for simplified financial analysis of forest-based initiatives** was developed in response to this challenge.



Achievements

Green Value was developed and tested with three forest-based initiatives (FIs) in the Brazilian Amazon in 2007-2008. In 2012, Earth Innovation Institute initiated the project "Strengthening Community-based Forest Enterprises in the Amazon" in Bolivia, Brazil, Colombia, Ecuador, and Peru. The goals of the initiative are to train professionals who work with forest-based initiatives in the region to become trainers in the Green Value tool, generate information about the financial viability of FIs in the region, and form a network of people using the tool. **In 2013 and 2014, 136 people in the Amazon region were trained in how to use the tool, including 43 trainers who work with governmental and non-governmental organizations, and representatives of 17 community-based forest enterprises and 5 family production initiatives. A total of 21 community and family forest initiatives selling various products and services and operating at different scales have been analyzed to date. In 2015, at least 60 more professionals will be prepared as trainers and six additional forest initiatives will be analyzed.**



¹ Based on a recent study by Rights and Resources Initiative of the most forested developing countries.