

27 April 2021

CFL-017-004

**ALLIANCE FOR RESPONSIBLE FOREST MANAGEMENT:
ANCHOR MEMBER REQUEST**

The *Alliance for Responsible Forest Management (ARFM)* is a new international not-for-profit non-governmental organisation with the goal to accelerate the implementation of responsible forest management across the tropical world. The aim is to accelerate the implementation of responsible forest management across the tropical world by applying over 30 years of peer-reviewed research and applied knowledge to create regionally-appropriate best practice manuals, complemented by regional training centres to train practitioners, Certification Bodies, auditors, government agencies and private sector forest organisations.

The Rationale for a New Organisation

- **Global forests are critical to the Earth’s environmental health** - The Earth’s forests host a large portion of natural ecosystems, containing a vast diversity of habitats with unique compositions of increasingly threatened flora and fauna. In addition, their carbon absorption and storage functions contribute to global climate stabilisation.
- **Deforestation will continue if action is not taken** - Despite all efforts in forest conservation global losses in forest cover have occurred at the rate of about 5.2 million hectares (ha) per annum over the 2000-2010 period. The rate of forest loss over the last three decades since 1990 has accumulated to an incredible 178 million ha or 5.9 million ha per annum.
- **The number of countries in support of forestry protection is growing** - International Conventions, agreements and resulting national forest policies of most nations recognise and support the need for forest conservation and responsible management for environmental conservation, community livelihood and sustainability.
- **Certification organisations can ensure forests are protected without eliminating the demand for timber products** - Since the establishment of Forest Stewardship Council (1994) and the Programme for the Endorsement of Forest Certification (PEFC) (1999), 533 million ha has been certified, representing 13% of the estimated 4 billion ha of the world’s forests. With approximately 200 million ha tropical forests globally designated for commercial production, only 30 million are certified, indicating **170 million ha, or 85% of commercial tropical forests are without employing responsible forest management standards**, and at harvesting rates frequently beyond sustainable levels.
- All reasonable efforts will be undertaken to **develop the necessary capacity** to remove the current barriers to practicing responsible forest management. Training modules will consist of both classroom-based (virtual and/or in-person), and on-site education programmes facilitated in Regional Training Centres planned in Africa, Southeast Asia and South America.

- **ARFM will adopt a Member and Supporter business model** to complement income from training modules. During the first year, a minimum amount of **USD 450,000** is needed to support registration of the Organisation and the creation of the best-practice manuals, including international stakeholder consultation. The ARFM aims to have a net positive cash-flow by year three, with continued support and an increase in the number of Members and Supporters globally over time, with dividends reinvested into the organisation annually.

Defining Best Management Practices

The ARFM aims to integrate previous work into a series of regionally specific best-practice manuals addressing core elements of forest sustainability. Wherever possible, the documents shall incorporate quantifiable research metrics to integrate statistical analyses and gap identification, enabling a constant improvement of practices over-time. All manuals will be translated into in major languages used in each region and in the field, i.e., Bahasa Indonesia, Bahasa Melayu, English, French, Mandarin, Portuguese and Spanish. Manuals shall be updated every 5 years to incorporate changes in policies, regulatory framework, technologies, and practices to ensure they effectively quantify indicators to analyse best management practices and are supportive to users.

Training and Outreach

The ARFM shall offer objective and structured technical training for managers, practitioners, Certification Bodies (CBs), and forest auditors. Training will consist of both theory and practical components, with theoretical aspects administered through either virtual or in-person participation, and practical in the field. Training and outreach will be administered on-site **at a specific forest area**, when a licensee requests ARFM to travel to their concession to provide licensee-specific training; and, at a **Regional Headquarters and Regional Training Centre**, where ARFM will coordinate 20 participants at a time to learn from each other in a formal, international setting.

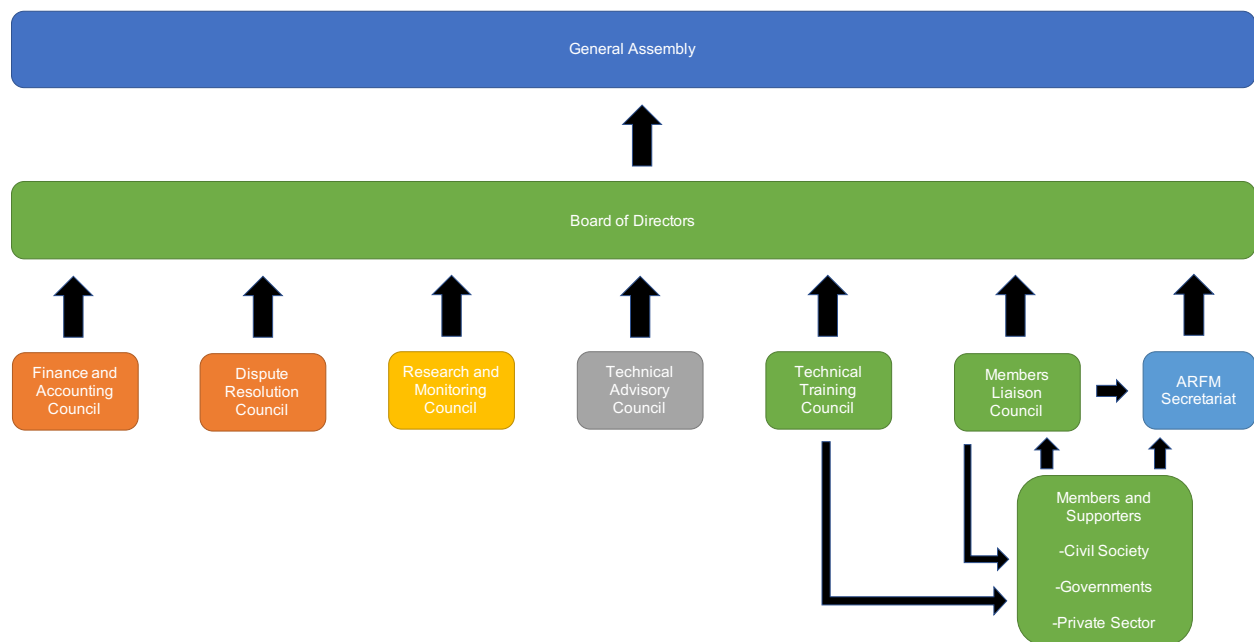
Overview and duration of training modules.

Module	Description	Course duration (days)
A	Responsible forestry, conventions, agreements, and policies	2
B	Stakeholders in forestry and environment	2
C	Forest management planning	8
D	Forest operations	15
E	Forest monitoring, auditing and evaluation	2
F	Forestry technologies, systems, and tools	3
Total		32

Organisational Structure

The structure of the ARFM will consist of a Members and Supporters model, with the aim of using a General Assembly for reporting and decision making at the highest level. The core of the work will be facilitated through a dedicated Secretariat, and various Councils will be formed to support the Organisation. Statutes and other regulatory requirements shall be drawn-up once the formal formation of ARFM begins. Members are defined as those paying to participate in the General Assembly and vote on various issues, i.e., forest licensees, NGOs, practitioners, etc. Supporters are defined as those that wish to support ARFM without voting rights, i.e., downstream wood manufacturing, distribution companies, consumers, individuals, etc. Members and Supporters are divided into non-profit and for-profit categories and defined by the Gross National Income of the country where they are resident, using World Bank groupings.

Draft Organisation Chart of the Alliance for Responsible Forest Management.



Income Generation and Financial Projections

The majority of the income is expected to be generated from training courses. As a first step, ARFM shall request CBs accredited to FSC/PEFC to undergo training to improve their capacity in identifying critical issues in certified concessions. The threshold to recommend a certified company for training will be decided by the Technical Advisory Panel/Board, in conjunction with FSC/PEFC. Initial costs are related to the registration, technical review and development of the best practice manuals, conducting the international stakeholder review, opening Regional Training Centres and communication. **The ARFM aims to secure at least five anchor Members, each willing to grant a minimum of USD 150,000 in seed funding.**

Draft financial projection over the initial five-years of operation.

Item	2021	2022	2023	2024	2025
Benefit					
Anchor Member grants	450,000	150,000	150,000	0	0
Members	48,325	45,200	28,025	11,000	5,325
Supporters	1,450	3,400	4,200	2,300	2,450
Training	0	260,000	660,000	1,170,000	1,430,000
Sub-total	499,775	458,600	842,225	1,183,300	1,437,775
Costs					
Headquarters and office	100,300	436,500	434,500	434,500	434,500
Development of Best-Practice Manual and training modules	251,000	10,000	0	0	0
Training	0	182,640	426,600	751,880	894,520
Sub-total	351,300	629,140	861,100	1,186,380	1,329,020
Net revenue before tax	148,475	(170,540)	(18,875)	(3,080)	108,775

All current projections are based on a set of assumptions and may require adjustment upon refinement. As a matter of principle, *all dividends are reinvested into the organisation annually*. **Further details are described in the ARFM Business Plan, provided upon request.** Your consideration of support to this new organisation would be highly welcome, enabling the beginning of ARFM activities, for the benefit of responsible tropical forest management globally. Respectfully, we would like to organise a meeting to discuss how your organisation can support the formation and development of ARFM. Kindly advise a suitable day and time by writing to the following email address:

info@climateforestry.com

Sincerely

CLIMATE FORESTRY LIMITED



Dr Michael Galante

Director