EUROPEAN FOREST INSTITUTE

# Tools for profitability assessment of forest projects: Cash Program and FInWeb

## http://finweb.efi.int


*Part 1 (Cash Program)*

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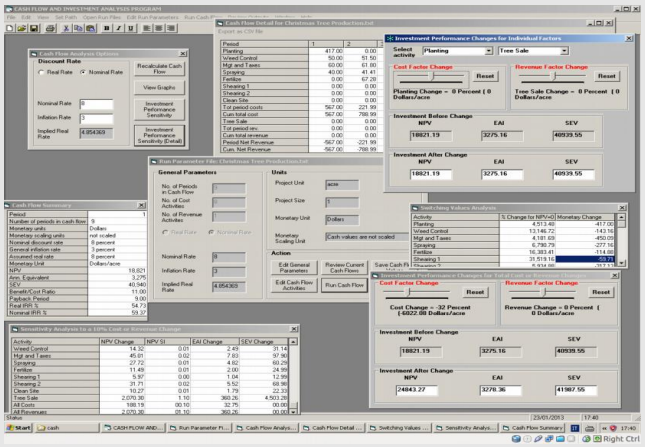


# FInWeb guidelines

- Provide a simple but flexible tool to rapidly evaluate the financial and economic assessment of forest projects;
  - provide clear picture of both analysis and their differences;
  - flexibility to adapt to different contexts;
  - sensitivity analysis must be presented (often necessary to access public funds);
- Allow for easy comparison of multiple project variants;
  - arising uncertainty, e.g. climate change
- Be fully transparent in the computational outcomes;
  - trustfulness of the results
  - clarity of scopes
  - educational purposes
- Allow for collaborative efforts in the definition of the parameters;
  - structured database of coefficients
  - monitory needs

# Forest projects assessment

- Web-based software: nothing to install or to update, a web browser is enough, works with any OS including tablets/smartphones;
- Cost-benefit analysis (NPV, EAI, SEV, BC-ratio, IRR, MIRR);
- All results reported considering both financial and economic activities;
- Flexibility: monthly/yearly based projects; real/nominal value (also mixed);
- Time and activity-based cashflow with graphical output and Excel output;
- Sensitivity (10% change) and risk analysis (% change for NPV=0) for each activity

# Comparison of multiple projects variants

- In addition to the “normal” sensitivity analysis
- Compare an arbitrary number of versions

Revisions for *Example of Table E3 of the FOPER projec*

VIEW | EDIT | REVISIONS | CLONE | DEVEL

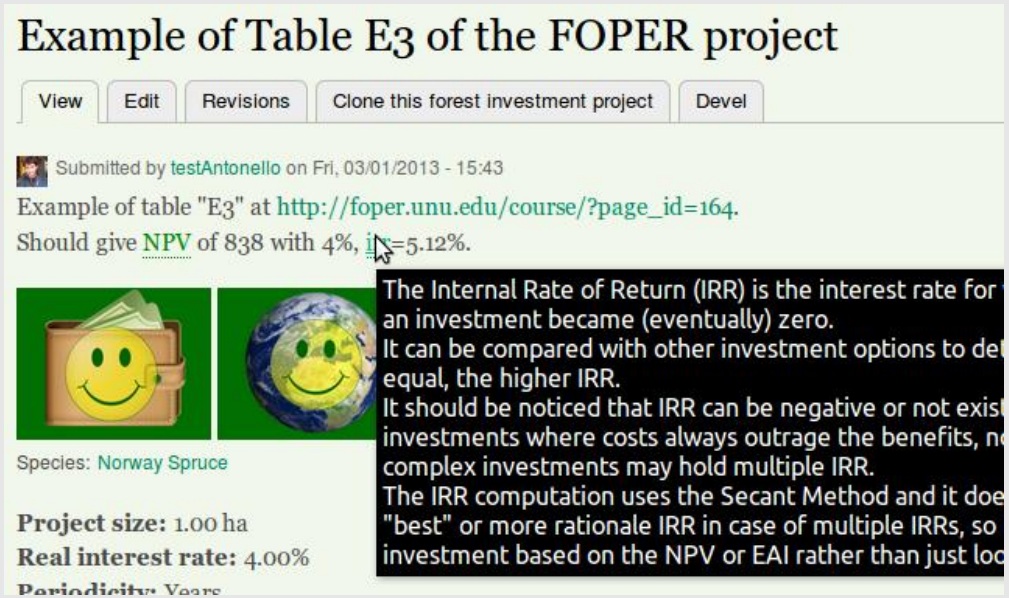
Home » Example of Table E3 of the FOPER project

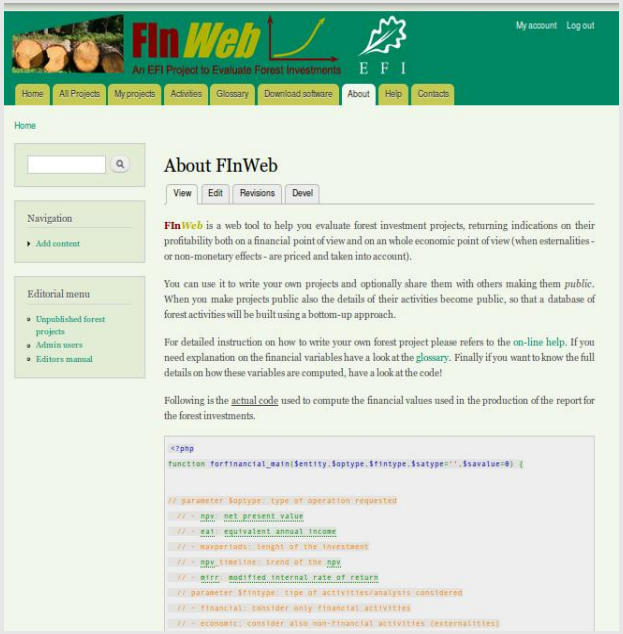
Revisions allow you to track differences between multiple versions of your content, and revert back to older versions.

| REVISION | Compare | | OPERATIONS |
|---|---|---|---|
| Mon, 09/16/2013 - 15:54 by Antonello Lobianco<br>IR back to 4%, final thinning revenues down to 8000€/ha due to cc induced drought | | ◉ | current revision |
| Mon, 09/16/2013 - 15:49 by Antonello Lobianco<br>Changed IR to 5% | ◉ | | Revert Delete |
| Sun, 05/19/2013 - 19:15 by Antonello Lobianco | ○ | ○ | Revert Delete |
| Fri, 04/05/2013 - 16:26 by Antonello Lobianco | ○ | ○ | Revert Delete |

# Transparency

- The meaning and formula of each variable is available just hovering the mouse over the term;
- A complete glossary is also available;
- The full documented source code (in PHP) performing the computations is given in the "About" page (public domain)



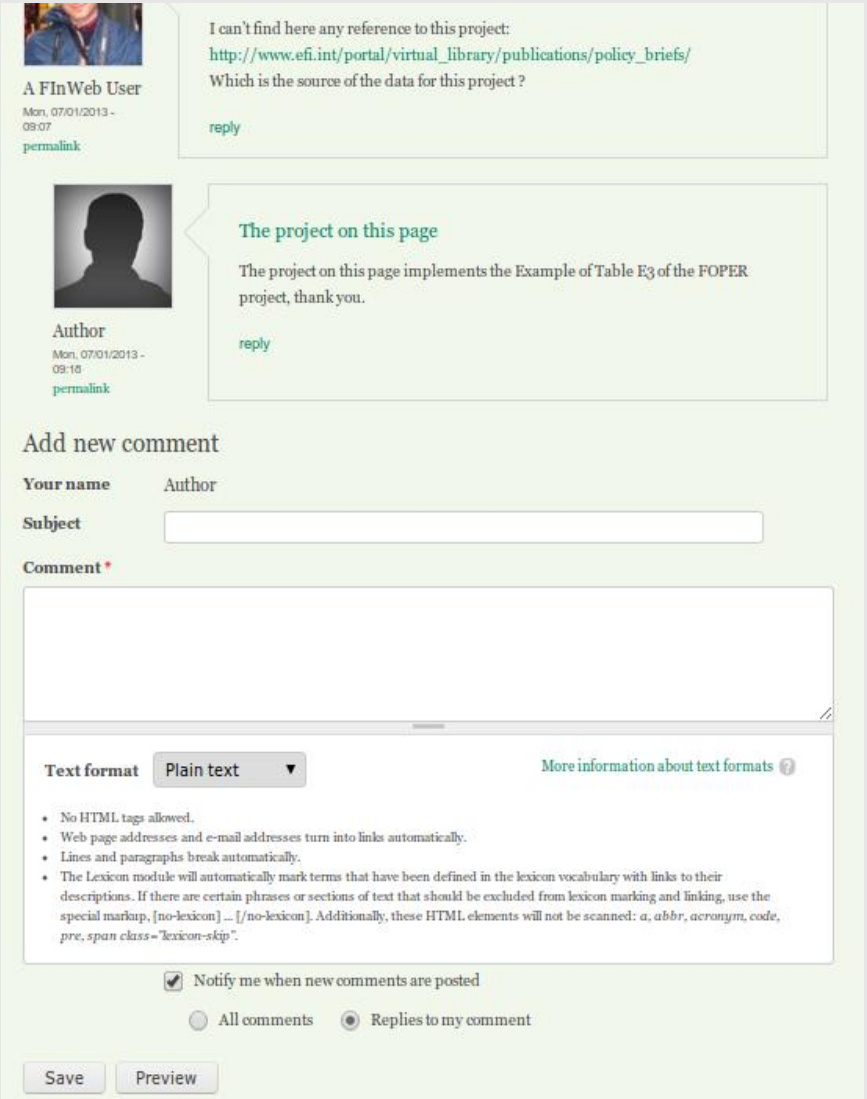
# Collaborative efforts in the definition of the parameters (1)

*"If you have an apple and I have an apple and we exchange these apples then you and I will still each have one apple. But if you have an idea and I have an idea and we exchange these ideas, then each of us will have two ideas."*

-- Anonymous

- While the user is pursuing it's own need to get an easily computation of his own project at the same time it shares the knowledge used in building it with the community of forest professionals.
- In that way, typical forest costs and benefits could be compared across regions and species.
- The information arising from the individual forest project activities feeds a common database
- Projects can be set public (default) or private by the author
- Users can build new project either starting a new project from scratch using information from this database or "cloning" and modify an existing project

# Collaborative efforts in the definition of the parameters (2)




- A forum-like implementation allow each public project to be commented hence they can be seen as a new thread where the discussion can develop about that specific project
- A notification system is built to help to follow the discussion

FInWeb address:

http://finweb.efi.int

Off-line and Cash program download:

http://finweb.efi.int/download