



Index for Forest Investment Attractiveness (IAIF): An Introduction

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IAIF - Objectives

General objective: To measure the business climate for investments in sustainable forest businesses.

The IAIF allows the systematic, periodic, quantitative and more rigorous analyses of the factors that affect the success of forest direct investment and business decision-making.



IAIF principal clients

- International investors and entrepreneurs
- Domestic investors and entrepreneurs
- Governments (national, regional or local)
- National and international NGOs
- Bilateral and multilateral donors

The IAIF is useful for

- representing the forest business climate as a **single number** per nation
- initial **screening** BY INVESTORS of countries with best investment climate for sustainable forest businesses
- facilitating a more precise and constructive **dialogue** about forest business climate issues among stakeholders

The IAlF allows analysis of:

Measured
(real)

Contribution to IAlF
(weighted)

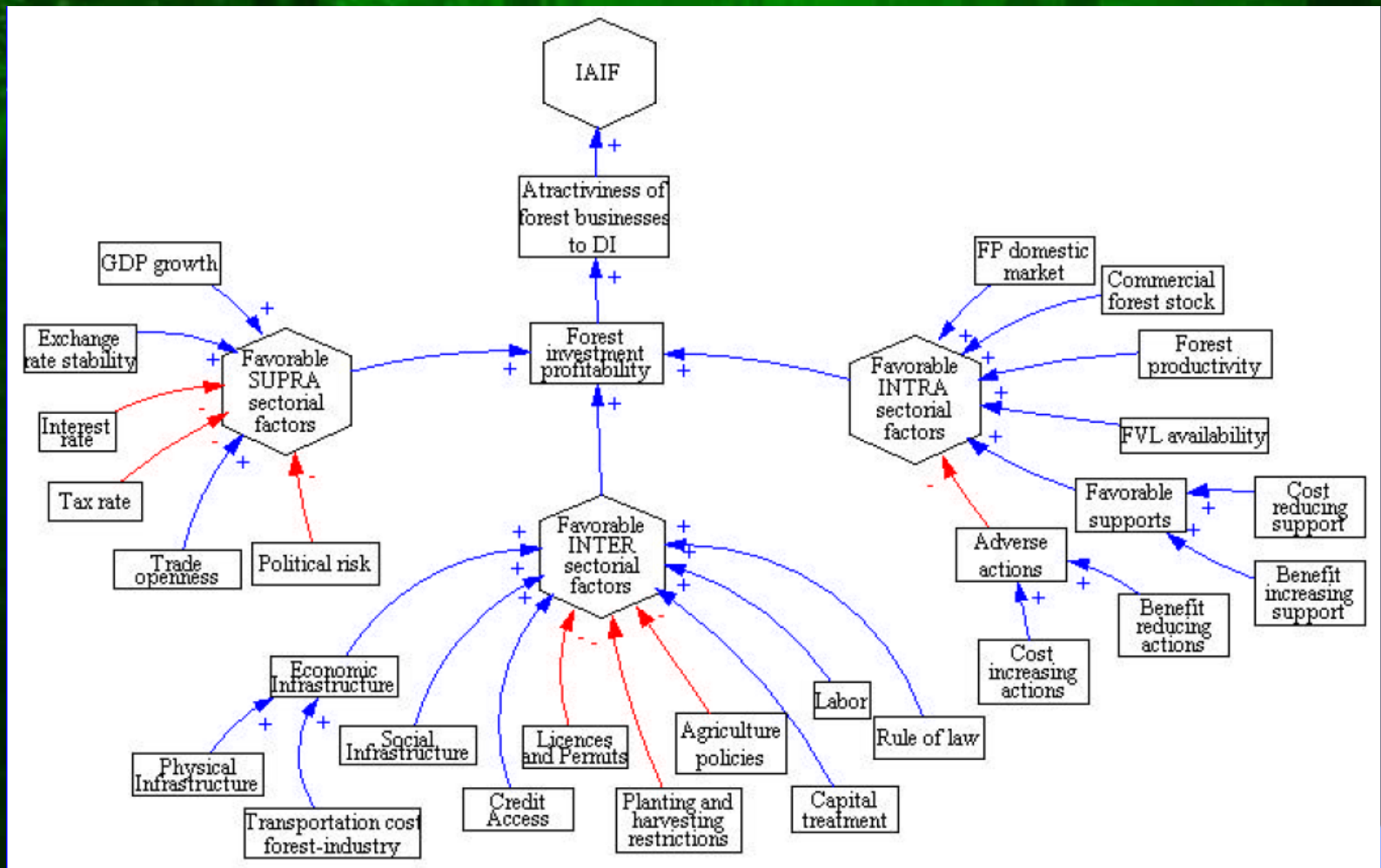
Differential
(potential improvement)

Potential
(potential maximum)

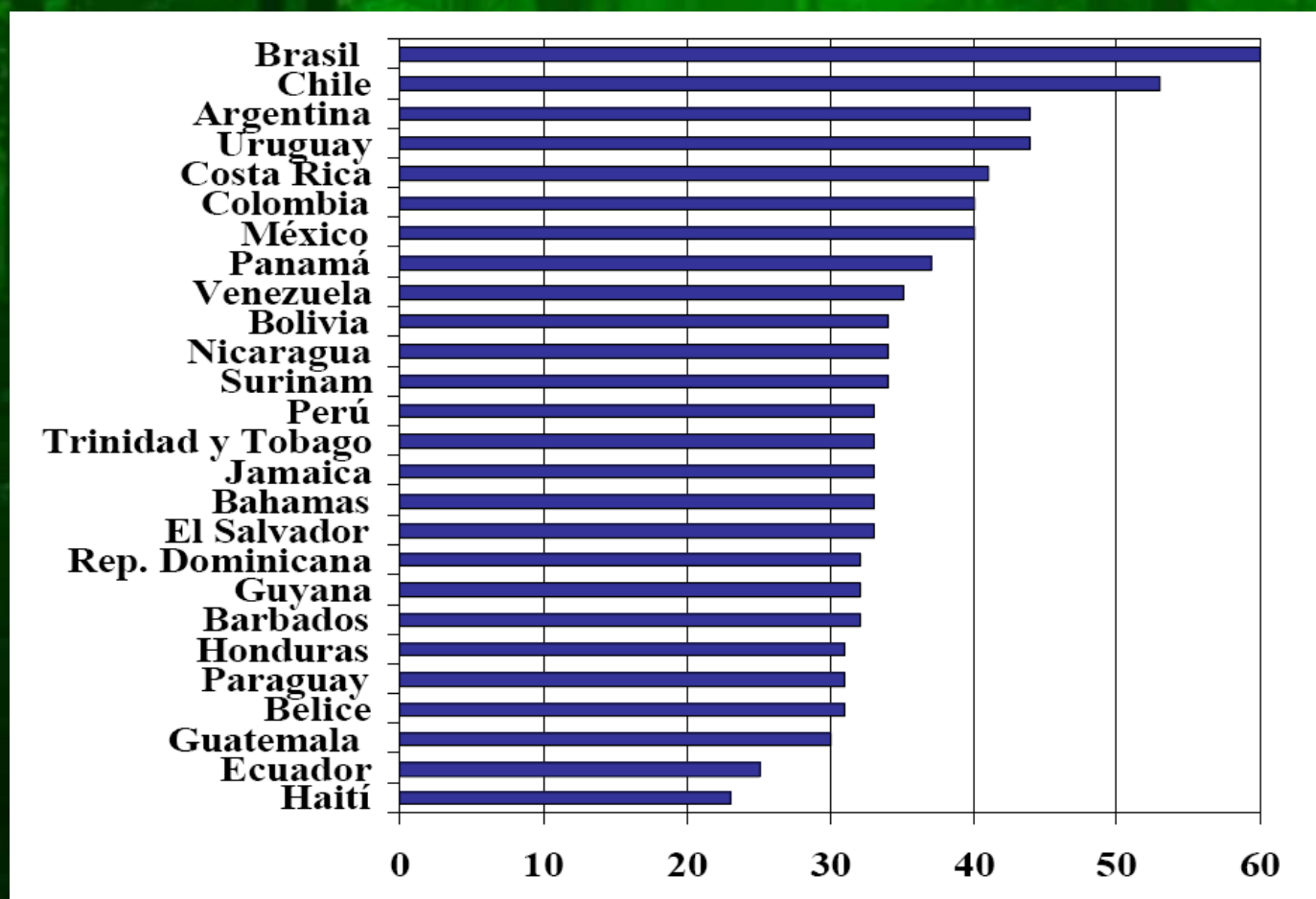
Simulations

Methodology

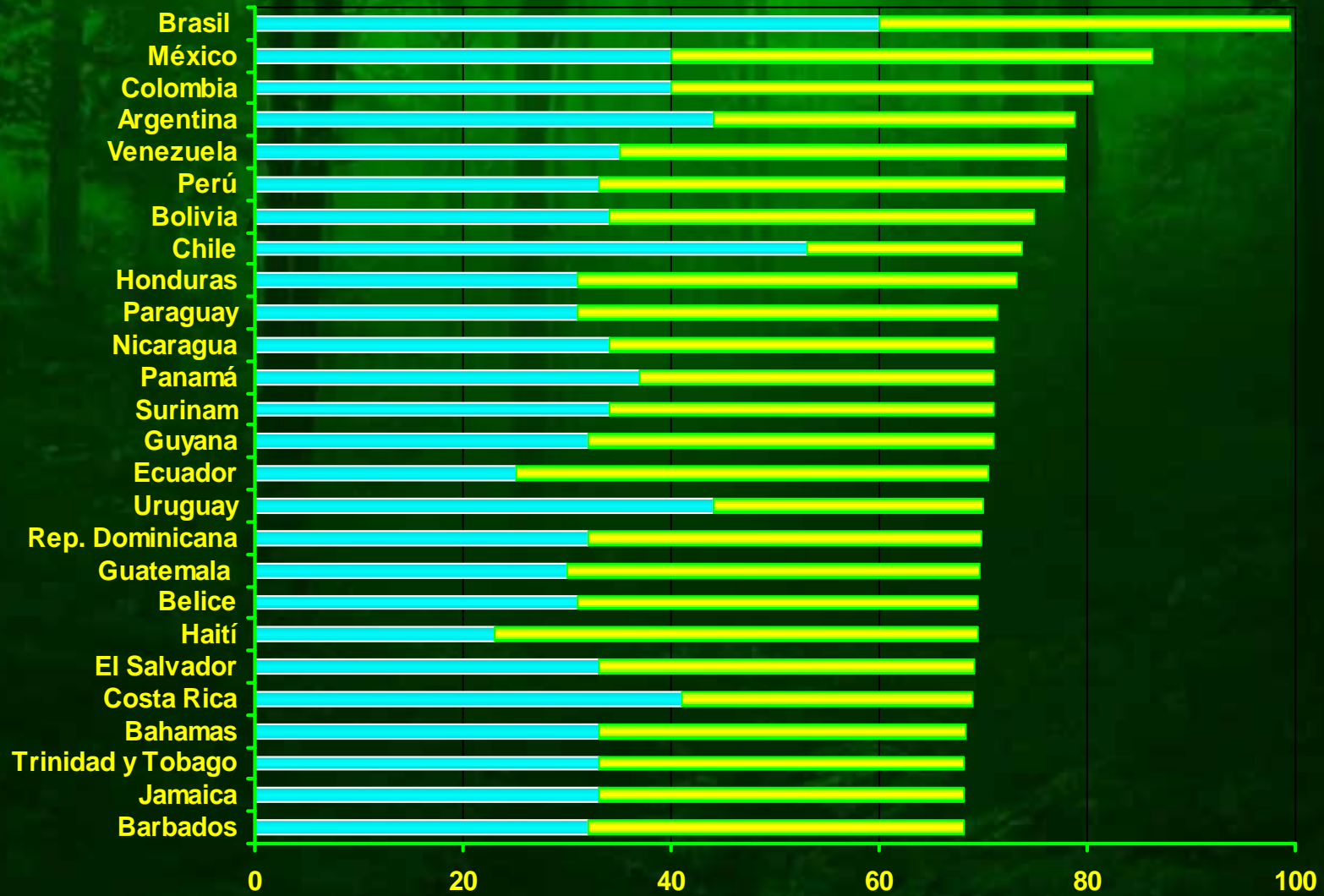
20 indicators; >80 variables



IAIF Real (measured) - 2002



IAIF real, potential, and differential



■ IAIF ACTUAL (2002) ■ IAIF DIFERENCIAL (2002)



Recent developments

- IDB licensed FGV and INCAE to calculate the IAIF every two years and to provide associated goods and services to governments and the private sector
- **IAIF 2004** will be published later in 2006
- **IAIF-BRAZIL**: Index will be adjusted and calculated for Brazil's states.
- Development of **Sub-Indices** for plantations and natural forests.
- Possible implementation in **Africa and Asia** (ITTO, FAO).

IAIF 2006 (2004 data) Preliminary Results

- For South America
 - Getulio Vargas Foundation
- For Central America, Caribbean, and Mexico
 - INCAE Business School

