

# **Promotion of forest environmental services**

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- ❖ **Introduction**
- ❖ **General socio-economic and forestry differences amongst Central and Eastern European Countries**
- ❖ **Essence and structure of forest environmental services**
- ❖ **Relationships between forest market services and forest environmental services**
- ❖ **Instruments promoting forest environmental services**
  - **Types of instruments**
  - **Economic instruments**
- ❖ **Conclusions**

## **General socio-economic and forestry differences amongst Central and Eastern European Countries**

- ❖ Differences in economic, social, cultural, historical and natural conditions.**
- ❖ Influence of the process of transition to market economy.**
- ❖ Position of forestry in the CEECs.**
- ❖ Public interest in forests and forestry services.**
- ❖ State of forests.**
- ❖ Different structures of forestry sectors in individual countries.**
- ❖ Decreasing level of economic efficiency but still no such economic problems and losses as in agriculture.**
- ❖ Forestry – important stabilising factor in rural areas.**
- ❖ Need of financial support of forestry in the period of transition to market economy.**
- ❖ Multifunctional forestry and forest services promotion.**

## **Essence and structure of forest environmental services**

- ❖ Complex societal purpose-built forest environmental services systems.**
- ❖ Reflection of different environmental needs and demands of the society in given time.**
- ❖ Forest environmental services handled in different ways, promoted with different intensity by different instruments.**
- ❖ Environmental forest services of mediated market (tangible) character:**
  - hydric (hydrology), soil protection and air protection services.**
- ❖ Environmental forest services of non-market (intangible) character:**
  - health-hygienic (recreational, health) and cultural-educational services (nature conservational, educational, scientific, institutional).**
- ❖ Socio-economic efficiency of promotion of the services based on evaluated outputs of the services:**
  - costs of prevention, costs of compensation, expert approaches, consumer surplus approaches, etc.**

## **Relationships between forest market services and forest environmental services**

- ❖ Generally, man existentially depends both on production (market) and environmental (non-market) services of natural resources.**
- ❖ Timber production: very high environmental importance – environment friendly material produced in the renewable and sustainable way.**
- ❖ Close connection of forest timber market service with forest non-market environmental services – timber consumption for reduction of greenhouse gasses.**
- ❖ Forest market services – gradually limited and affected by public requirements for forest environmental non-market services.**
- ❖ Timber production (market) service considered as significant forest environmental service and needed to be promoted in this sense.**

## **Types of instruments promoting forest environmental services**

- ❖ Normative, administrative instruments (acts, regulations: limits, standards, permissions, licences)**
- ❖ Economic instruments (a large set of financial and other economic measures)**
- ❖ Information instruments (education, extension, information campaigns)**
- ❖ Voluntary approaches (unilateral engagements, obligations, public voluntary systems, negotiated agreements, contracts)**
- ❖ Management and planning (environmental management systems, determining and zoning of protected areas with important environmental services, landscape planning)**
- ❖ Institutional instruments (establishment of state, regional, district or local organs engaged in protection and promotion of environmental forest services)**

## **Economic instruments**

- ❖ **Grants**
- ❖ **Compensations**
- ❖ **Tax concessions**
  - **Concessions on direct taxes**
  - **Concessions on indirect taxes**
- ❖ **Soft loans**
- ❖ **Purchase of forestlands**
- ❖ **Fees for deforestation**
- ❖ **Ecolabelling**
- ❖ **Sanction payments**
- ❖ **Indirect economic measures**

## **Conclusions**

- ❖ Forest environmental services treated in different countries in different ways (structure, importance and intensity of promotion).**
- ❖ Economics of forest market services affected by increasing public requirements for forest environmental non-market services.**
- ❖ Timber as environment friendly and sustainable material becomes less competitive compared to other materials on the market.**
- ❖ There are quite different sets of instruments promoting non-market forest services amongst individual CEECs (difficult comparisons).**
- ❖ Financial means come from different sources (very often weak coordination amongst them).**
- ❖ Efficiency of promotion of non-market environment forest services can be expressed only partially and with great difficulties.**
- ❖ Forestry as a part of market and not budget economy, affected by restrictions due to non-market environmental needs of the society, should be promoted by effective promotion systems.**