



WP3 - Output 3.3. Financial Compensation Model

Compensation system establishment to forest owners due to restrictions on management or increased costs in the Urban forests of Ljubljana - SUMMARY



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1. Kazalo vsebine

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Background

The City of Ljubljana determined by a Decree on the declaration of forests with special purpose (GPN Decree - Official Gazette of the Republic of Slovenia, no. 60/2010, 64/2010 and 48/2015) forests with special purpose in The City of Ljubljana, the management regime of these forests, the management, arrangement and equipment of forests with special purpose. The City of Ljubljana also took responsibility to provide funds for costs arising from a special management regime or a special regime of arrangement and equipment of forests with special purpose. The Urban Forest Development Strategy 2020 – 2045 defines all forests of special purpose as Urban forests.

Situation and Purpose

According to the management regime, forest owners are obliged to dispose of wood residues along multipurpose paths (forest trails, that are dedicated for skidding of wood as well as for recreation), and they are also not allowed to haul forest wood assortments along these paths, but can only transport them with the tractor trailers. The City Authority responsible for economic activities is responsible for preparation of operational plan for the arrangement and equipment of special-purpose forests, which includes the arrangement of educational, recreational, mountain trails, rest areas, viewpoints and the equipment of special-purpose forests, such as information, guidance and educational tables, benches etc. As part of the URBforDAN project, the Ljubljana Forest Development Strategy and the Operational Plan for the Golovec Urban Forest Area are being prepared. In accordance with the GPN Decree, the City of Ljubljana is obliged to provide funds for costs arising from a special management regime or a special regime for the arrangement and equipment of special purpose forests. Until now, the City of Ljubljana has regulated the issue of compensation to landowners, mainly in the form of arranging forest infrastructure, which is also used for recreational purposes. The purpose of the Financial Compensation model is to prepare an overview of mechanisms that would compensate forest owners for any reduced income from forests, which is the result of restrictions on forest management or increased costs of forest management.

Solutions

Prepared compensation model is consisted of Financial and Non-financial compensation.

- **Financial compensation**
 - **forest purchase:** The City of Ljubljana has the Pre-emption Rights for buying Urban forests. The City offers for urban forests 1 €/m².
 - **compensation for additional requests for skidding:** in Urban Forests of the City of Ljubljana, on the multipurpose trails the skidding of logs is not allowed. The owners have to take the wood out of forests with the tractor trailers. The calculation of normative shows that due to this fact the skidding costs are higher for 4,43 €/m³.
 - **compensation for additional requests for removing wood residues:** Along the multipurpose trails all felling material should be removed. The calculation of normative shows that the felling costs increase for 1,82 €/m³.

- **Non-financial compensation**

- **Assistance in connecting forest owners:** supports the networking activities of forest owners and supports them to organize initiative
- **Assistance in organizing works in forests:** As a part of future initiative, The City of Ljubljana supports forest owners in organizing common felling, and other forest works
- **Recruitment of quality contractors:** The City of Ljubljana, along with the Slovenian Forestry Service supports forest owners with assessment of forest companies that work in the urban forests. Assessment shows the quality of work performed by different companies and helps forest owners in selecting among the most favorable companies.
- **Execution of cultivation works:** Due to the ice storm in 2014, following the bark beetles attack to the spruce, the Urban forests were damaged in many places and a lot of stands were regenerated. The City of Ljubljana will support the forest owners in the implementation of silvicultural works
- **Ensuring safety:** Urban forests are under permanent pressure of recreation. The City of Ljubljana supports forest owners during the implementation of works with the closing areas to visitors and thus preventing accidents. Along with this measure the City of Ljubljana also maintains the areas along the trails and removes the dangerous trees.
- **Maintenance of recreational infrastructure:** This is one of the most important measure. The City of Ljubljana maintains all forest infrastructure in a higher standard. That means the forest roads, trails are better maintained and suitable also for the recreational activities.
- **Construction of forest infrastructure:** In some parts where forest or recreational infrastructure need to be improved, the City of Ljubljana take responsibility for documentation preparation and also co-financing the construction depending on the public interest of new infrastructure.
- **Supervision of performed works:** Implementation of works should be controlled by the forest owners and Slovenian Forest Service. Due to the ownership situation a lot of forest owners are not in position to control what is happen in their forests. The City of Ljubljana gives support also to those owners
- **Transfer of good practices:** The City of Ljubljana organizes events and education and study tours for forest owners to exchange knowledge with others.
- **Connection with consumers:** The City of Ljubljana helps the forest owners in finding local consumers, lowering the transport costs and makes the wood chain as short as possible.
- **Involvement in works, which are financed from the budget:** The City of Ljubljana invests every year into the improvement and maintenance of infrastructure in Urban forests. The idea is to organize some specific tenders for the implementation of works on a way that forest owners will be slightly favored. With such approach, local wood could be locally built-in the infrastructure.

- **Support in ensuring forest order along the paths:** If forest owner is not interested to implement the forest order after the felling along the multipurpose trail, the City of Ljubljana ensure its implementation. In such case the forest owner is not justified for the financial compensation.
- Awards and recognitions: The City of Ljubljana will organize contest among the forest owners on different topics. The idea of the contest is still developing.

Preparation and Implementation

The compensation model was prepared in a participatory manner. Professional organizations, experienced experts, as well as owners and users of urban forests were involved in its preparation. During the preparation of the Ljubljana Urban Forests Development Strategy, proposals for improvement urban forest management were collected from the target groups. Harmonized proposals have been built into the compensation system, mechanisms for their implementation have been developed and will start implementing in 2022. Funds for implementation of the system will be provided by the City of Ljubljana budget. Nevertheless, some measures from the compensation model are already being implemented during the project implementation (eg organization of joint felling, removal of timber residues along the paths,..). The compensation model was presented to forest owners, and activities will continue with presentations on how to prepare applications for compensation.

Applicability and Replicability

There are several countries in the Danube area where forests, which are important for maintaining the quality of life for the local population, are privately owned. These are mainly urban and suburban forests, which on the one hand mitigate climatic extremes, and on the other hand are also popular recreational spots. For their owners, the increased number of visitors means an additional burden, which is reflected in higher management costs. The differences between individual countries and cities are great, the problem to be solved depends on local conditions and legislation. The example of the compensation model developed within the URBforDAN project for the urban forest area of Ljubljana will serve other cities in the Danube area as an example of solving the problem of the use of private land for public purposes. The example is useful mainly in two respects:

- the principle of participatory solution design
- direct or indirect use of the proposed compensation to forest owners

The compensation model can be adapted for other urban forests in Slovenia without major changes, while in other countries it must be adapted to the legislative framework of each country and, of course, to the specific problems that we want to solve with the compensation system. As such, the compensation model is not limited to the Danube area. It can be implemented anywhere where the issue of the use of private forests for the public benefit is being addressed.