NOBEL - Novel business models and mechanisms for the sustainable supply of and payment for forest ecosystem services

Harald Vacik

University of Natural Resources and Life Sciences, Vienna - Austria

Madrid, 28th of September 2022



https://nobel.boku.ac.at/



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 773324

NOBEL Project Partners

- Forest Sciences and Technology Centre of Catalonia, Spain
- French National Institute for Agricultural Research, France
- Norwegian University of Life Sciences, Norway
- School of Agriculture / Instituto Superior de Agronomia, Portugal
- Swedish University of Agricultural Sciences, Sweden
- Technische Universität München, Germany
- University of Natural Resources and Life Sciences Vienna, Austria



Project NOBEL is supported under the umbrella of ERA-NET Cofund ForestValue by BMLFUW (AT), ANR (FR), FNR (DE), Vinnova (SE), MINECO-AEI (ES), RCN (NO) and FCT (PT).

ForestValue has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement N°773324.



Total project budget: 1.477.736.- €

Project start and end date: 01/02/2019 - 30/09/2022

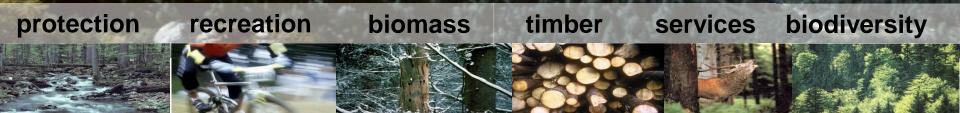
CTFC



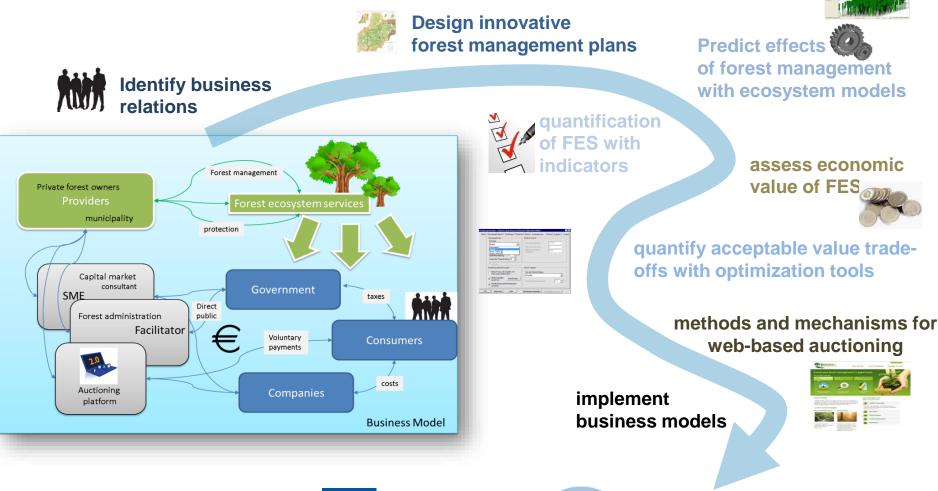


Introduction and motivation

- demand for timber, non-timber products and ecosystem services is increasing due to growing populations and socio-economic changes
- many important forest ecosystem services have no direct monetary value
- forest management often favour timber production over other services
- Hindering and success factors for payments for ecosystem services identified
- Innovative mechanism, business models and policies for payments for ecosystem services explored in NOBEL
- trade-offs among different forest ecosystem services in pilot demonstrations analyzed
- Demonstration of business models with web-based auction platform



Scientific approach





Forest Value ERA-NET Cofund



PICUS v1.43 Waldökosystemmodel

Results: Indicators for assessment of forest ecosystem services

Section	Division	Group	Class		Indicators				Regulation & Maintenance			c Filtration/sequestration/sto	
Provisioning (Biotic)	Biomass	Wild plants (terrestrial and aquatic) for nutrition, materials or energy	Wild plants (terrestrial and aquatic, including fungi, algae) used for nutrition	and fr Produ	uction of mushrooms	g (Abio	tic) Water	Surface water used fo nutrition, materials or energy	Surface water used a material (non-drinkin	king Volume of water extracted a Volume of water extracted	tion of nuisances of	c age/accumulation by micro- organisms, algae, plants, and animals Smell reduction	Tree cover density arou
			Fibres and other materials from wild plants for direct use or processing (excluding	Tim Ig spec	(Piotic)	 29.5% —		Biomass	burposes)	^	pogenic origin		infrastructure infrastructu infrastructu nrisk or eros
			genetic materials)				Genetic material from seed, spore or Transformation of bio	gamete production)		_			against roci against
				Tim Proc	Regulation & Maintenance (Biotic)	28.7% ·	ir Regulation of p	puts to ecosystems hysical, chemical or iological conditions		_			against Ian I tlands locat
			Wild plants (terrestrial and aquatic, including fungi, algae) used as a source of	Abo woo Wo		-	Direct, in-situ, and outdo living systems that dep	or interactions with end on presence in					infrastru
		Wild animals (terrestrial and aquatic) for putrition	energy Wild animals (terrestrial and acuatic) used for nutritional	Pop (Bio	Cultural (Biotic)	17.2%	Indirect, remote, often with living systems	vironmental setting indoor interactions that do not require vironmental setting					tree height is diversity vs. deciduo ik reguation lex for pollit
Section		Provisioning	lother materials	Pop	Provisioning	12.3%		Water					es diversity
Division		Biomass Water	cessing (excluding aterials)		(Abiotic)		Non-aqueous natura Transformation of bio	outputs					iversity Labundan : of large :
Group		ultivated Wild Reared plants plants animals	res and other erials collected for ng or establishing a		Regulation & Maintenance (Abiotic)	7.4%	ir Regulation of p	puts to ecosystems hysical, chemical or iological conditions					of large levels
Class Cultivated plants for nutrition Cultivated plants for energy		d lower plants ganisms) used to	Pote of fo mate	Cultural	-	Direct, in-situ, and outdo natural physical syste presence in the en						rsity and cmatter o	
Class type	Cereals		strains or	Net	(Abiotic)	4.9%	Indirect, remote, often with physical systems presence in the en						rogen-fixir ried by rip
ommon In	ternational	Classificatior	n of	NEF			existence value		0 5	Marcolo -	15 6 of total indicate	20 prs	25 tlands loca
	Services (CIC						Characteristics or f living systems that option or bequest	have an	to pay (WTP) option or I		pheric composition nditions	Regulation of chemical composition of atmosphere and oceans	Above ground carbon Below ground carbon Dead wood carbon (s and coarse woody dei
4 groups, 5	53 classes, 8	5 Indicators	syste		cteristics of living Other thave cultural		Other		nature-based			Regulation of temperature	Soil carbon Avoided CO2 release fire mitigation Evapotranspiration
10.10.20)22		200	*		est NFT	Value	NOBEL	(Grim	a et al. 20	22)	and humidity, including ventilation and transpiration	5



ERA-NET Cofund

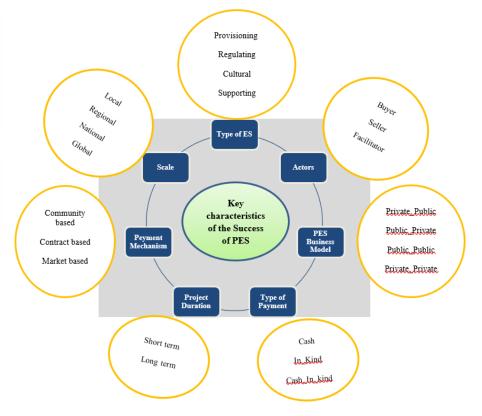
NOBEL

Results: Analysis of PES schemes



185 case studies were analyzed:

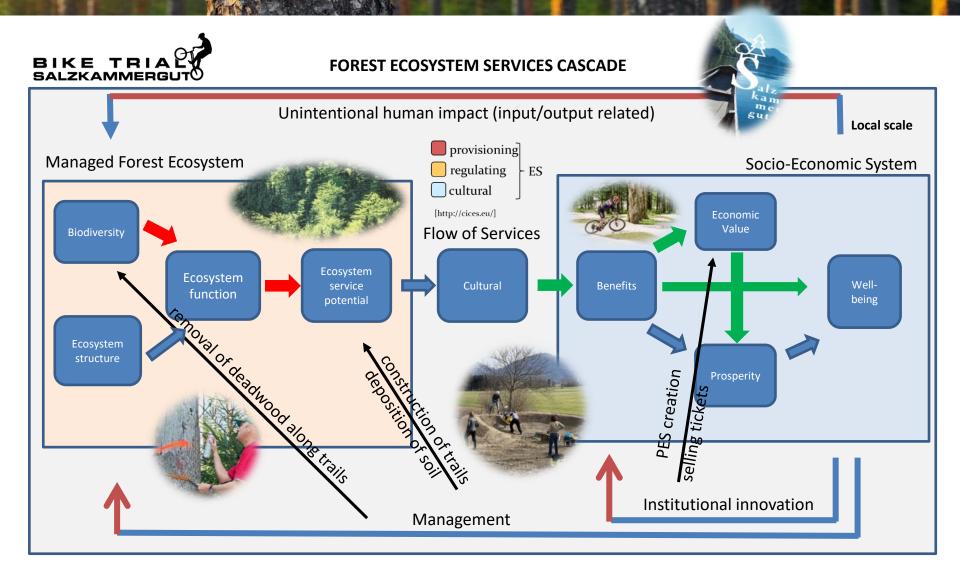
- (a) extent to which the goals of the PES scheme were met,
- (b) overall improvement of the ecological, economic and social conditions of the region
- (c) Factors leading to a successful implementation



(Nazari 2020; Grima et al , 2022)











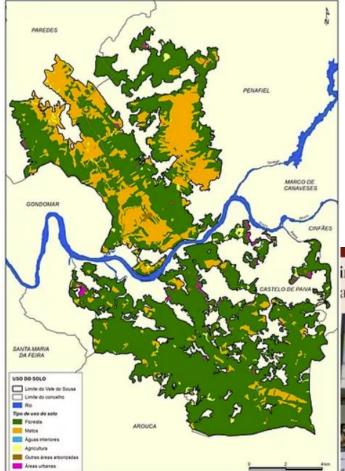
Results: Auctioning web-platform











Example for Impact:

- Testing Auctioning platform with stakeholders in pilotstudy Portugal
- Different combinations of ecosystem services in a participatory approach defined
- corresponding management plans selected
- Bidding process implemented in different settings

int Lab Session

adores : Cynthia Zurita, Miguel Sottomayor, Alexandra Leitão & Logan Bingham





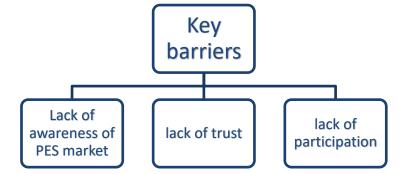
Photo credits : Nahorna, O (Set. 2021

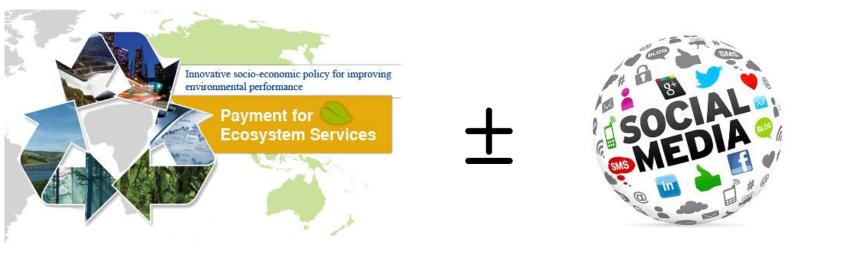




Example for further research: Supporting PES with social media

 How can social media influencers facilitate to overcome the barriers in PES initialisation, implementation and ES provision?









Policy Brief Four pathways to govern Europe's multiple forest ecosystem services

Europe's forests provide many different products and services, such as wood, hunting, and tourism, among many others. Yet, some services of great value to people are not usually traded on markets: these include **carbon sequestration**, water **regulation**, **biodiversity conservation**, and **recreational experiences**. With markets absent, private forest owners do not have sufficient incentive to enhance quality and quantity in supplying these services, a costly market failure.

This policy brief outlines **four pathways** to secure better alignment between landowner incentives, stakeholder interests, and societal objectives towards Forest Ecosystem Services (FES) in Europe. These pathways are primarily based on findings from the H2020 project <u>SINCERE</u> and ERA-NET project <u>NOBEL</u>.



An integrated forest policy framework is critical to ensure that various forest related policies at EU and member state level do not impede each other but work together in a manner that supports the management of Europe's forests for multiple FES. Increasing policy coordination and consistency in forest policy decision-making, in congruence with addressing trade-offs in implementation, implies: (a) aligning different forest-related policy instruments and ensuring that their objectives are backed-up by legal and financial means.

SIUCELE

80°

NOBEL

Those instruments should be flexible enough to meet regional priorities and socio-economic demands; (b) involving concerned societal groups and scientists systematically in goal formulation and implementation processes; and (c) monitoring policy implementation and adapting policies based on information.

2 Develop an EUwide system for payments for forest ecosystem services (PES) An EU-wide PES system holds significant potential to advance the provision of such services in line with the novel EU forest policy framework. Guiding principles for establishing an EU-wide payment system for forest ecceystem services to incentivize their provision are: (a) pre-agreeing on systemic objectives and funding; (b) selecting cost-effective and flexible implementation mechanisms; (c) combining scientific knowledge with participatory co-design; (d) adopting long-term perspectives and commitments; and (e) identifying priority areas for different FES (e.g. blodiversity hotspots, FES demand hotspots such as peri-urban forests).

However, some FES, such as watershed protection, are more locally rooted – and may thus also be better addressed through locally or nationally conceived incentive systems.



Improve

information to

monitor FES

supply and demand

4

Innovations relating to multiple FES exist across Europe, but forest policy has been traditionally focusing on innovations for wood supply. There is a need to encourage and support innovation for the provision of multiple FES across Europe, through stakeholder engagement, and networking across sectors and policy levels.

Participatory approaches in forest modelling and planning can reduce conflicts and secure societal acceptability of selected management alternatives. Based on experimentation with various policy instruments, coordination (or competition, where appropriate) between landowners could enhance the effectiveness of supplying multiple FES.

Improving the system for monitoring FES supply and demand is crucial, especially for regulating services (e.g. habitat provision and improvement of air quality) and cultural services (e.g. education and recreation). Agreeing on harmonized FES definitions, accompanied by standardized indicators, could greatly improve their monitoring on different spatial and temporal scales.

It is important to link this with spatially explicit information about societal demand for FES and forest owners' preferences.

Find out much more in a commentary paper available here https://doi.org/10.5281/zenodo.6393968



Authors & Contributors:

Marko Lovrić - European Forest Institute

Helga Puelzi - European Forest Institute

Sarah Adams - European Forest Institute

Sven Wunder - European Forest Institute

Gerard Fernández - European Forest Institute

Harald Vacik - University of Natural Resources and Life Sciences, Vienna

Thomas Lundhede - University of Copenhagen

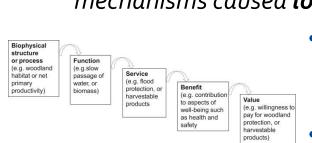
Bo Jellesmark Thorsen - University of Copenhagen

Georg Winkel - Wageningen University & Research



Unexpected peculiarities

- COVID-19 pandemie reduced the options for ۲ interaction with stakeholder and less face to face *meetings* caused higher effort for the planning of online meetings to engage with partners
- Rules and expectations from different national • funding organizations caused administrative work
- lack of awareness about the PES market mechanisms caused low participation or mistrust



The ecosystem service cascade model (Potschin and Haines-Young, 2011)

- Offline / online workshops for different groups made stakeholders (especially forest owners) aware of the opportunities related to PES
- The Ecosystem Service Cascade model was identified as useful analytical framework for the system analysis on rural/social innovations in forest sector



Forest Value ERA-NET Cofund





METHODES,

SERVICES

FIFS (ourils Economicaes)

The value of scientific cooperation

- Different **mechanism and business models** for forest ecosystem services were explored at national and regional level in Europe
- Broad expertise from scientific partners allowed to analyze also the **socio-economic and political dimension** of PES schemes with different methodological approaches



• Learning about the **demands from forest owners** and the willigness to support PES by the public through



- Auction platform provides **easy access** to harmonized information about forest ecosystem services and bring providers and buyers in the market together
- **Policy brief** worked out in collaboration with SINCERE project, additional value beyond ForestValue





Thank you!



UNIVERSITÄT FÜR BODENKULTUR WIEN

Harald Vacik

Institute of Silviculture, Department of Forest and Soil Sciences University of Natural Resources and Life Sciences Vienna Peter Jordanstraße 82, A-1190 Wien E-Mail: harald.vacik@boku.ac.at | Telefon: +43-1-47654-91312



https://nobel.boku.ac.at/

ForestValue

Website: <u>https://forestvalue.org/</u> Twitter: <u>https://twitter.com/ForestValue2017</u> LinkedIn: <u>https://www.linkedin.com/groups/12110816/</u>