



Sharing-profits methodology for community forest arrangement

Introduction

The economical objective of PRI.FOR.MAN Project was to develop a new sharing-profit methodology to recognise the adequate profit from timber harvesting to each private forest owner in the context of community forest management.

The concept of "condominium" associated with forest areas has already been used in some initiatives of shared forest management, but in this case the innovation regards the method of profit-sharing. In fact, the easy profit-sharing method by adopting a millesimal system, thus based on surface area alone (similar to that used in condominium management), would have penalised small owners, who represent a very significant portion in the Italian context. In order to reach forest owners it's necessary to guarantee them a congruous timber annual payment that could induce them to assign the management of their area to an external logging company (private or public). On the other hand it's necessary to guarantee the external manager adequate financial reward for timber logging and harvesting.

The wood stock is determined by using drone and photogrammetry, then its effective value is expressed in function of the main relevant variables: accessibility, assortments and timber market value.

With regard to the annual quota due to each owner, it is made up of two components: a fixed one and a variable one. The fixed one is directly proportional to the surface of the shared forest (and will tend to be low), while the variable component is directly proportional to the ratio between the volume of each individual parcel (V_{ui}) and the total volume of the forest area. Some issues about the application of the sharing-profits methodology emerged in the case study in Tarvisio and need to be addressed in the project follow-up. Forest owners showed a common preference to sell the standing forest (in order to have a high periodic income rather than opting for an annualisation of profits from shared management), and the preference of purchasing contracts with logging companies for individual utilisations (rather than the possibility of taking multi-year management with the associated risks).

Lessons learned

The application of the sharing-profits methodology created by PRI.FOR.MAN gives the possibility of an allocation of profits not limited to timber extraction, but provided by multifunctional management based on the desiderata of the contractors of the community forest agreements and the reference regulations. It represents a sustainable model both from the economic point of view (as it allows not only a reduction in costs, but also an increase in profits), the environmental point of view (as it ensures proper management of forests), and the social point of view (as it represents a form of participatory forest management, which could also help to maintain the population of mountain areas). Even if underlying this proposal there is a careful assessment of available forest resources, a planning of their utilisation and timber market evaluation, still social awareness that need to be implemented because it's not easy to face the initial mistrust of the forest owners.

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Further information

https://lookerstudio.google.com/u/0/reporting/2f6c2f81-b78f-446c-ab07-96571d7b6984/page/p_w5k3gvls6c



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