

Financial incentives in Greek forest policy; implication for financing a NFP

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Abstract

The present papers attempts to outline the financial incentives in state and private forestry during the 90s in Greece and how these influence the formulation and implementation of National Forest Policy in Greece. Following the Rio Conference in 1992, the EU has instituted a grant aid scheme for forestry measures in agriculture to control agricultural production and increase forest cover. Most of afforestation practices are largely EU grant driven either through Reg. 2080/92 and reforestation of burned areas provisions included in the Regional Operational Programmes financed under the Structural Funds. Subsidies are seen as necessary to buy contributions of forests to society, are highly supported by rural communities, but what remains controversial is how strong the role of this economic policy instrument should be. Recent research findings have associated the limited success of afforestation schemes with small-size forest aids, long driven agricultural character in most rural areas in Greece as well as weak experience in forestry and lack of extension services provided to farmers by the Forestry Service.

The same holds true for other forestry projects in Greece, such as forest road construction and improvements and forest and wildlife reserves, whose implementation has been, to a great extent, co-financed by the EU. Subsequently, the available national financial resources are there only as the matching funds needed for the co-financing percentage. Only a fraction of forestry projects and mainly research and education is financed by national sources. Thus, the fulfillment of forest goals, set by the Greek administrative authorities, is hindered upon fiscal weaknesses, which poses severe threats and drawbacks in the planning of forestry projects.

It is concluded that since the accession of Greece to the EU and especially during the last decade, when the regional planning has been changed based on a the provisions of Structural Funds, Greece has used its finance only as supplement to the EU contribution. This practice has resulted in restricting forestry projects only to the available tools in the various forestry regulations, thus allowing for a fragmented action framework and not allowing the development of coherent projects and programmes tailored to country's needs and aiming at enhancing sustainable forest management. Within the context of a NFP, this article establishes the financial incentives as a vital instrument to pursue the process of planning and implementing forest activities in the country.