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## **The use of financial incentives by Estonian private forest owners**

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### **Abstract**

The core principles of the forest management in Estonia during the last 15 years have been the profitability and self-sufficiency. The results of EFFE (Evaluation of the Financing of Forestry in Europe) project indicated that in 1990s the share of public financing in Estonian forestry was the lowest compared to other countries. Since the turn of the century, the situation is changing step-by-step: the number of measures, supported by public financing, has increased. The EU membership and the budget period 2007-2013 make available the financing of private forestry in rather larger extent than earlier.

The survey of private forest owners was carried out to explain the needs and ability to apply for financial support. The plans, motivation, readiness for self-financing of forest owners were asked concerning the financial measures of forest management. The respondents were 24 forest owners associations, 47 enterprises and 472 forest owners. The answers showed that first of all, forest owners will apply for the grants for reforestation, tending, first thinning, forest melioration and buying of equipment. The awareness about grants is highest among forest owners associations. In opinion of respondents, the biggest difficulties for them, when applying for the grants are bureaucracy and changing rules. As the solutions for improvement they suggest internet-based procedures, spreading of information and quicker processing of applications.

Background information concerning the private forest ownership was gathered also within survey. The main goal of the forest management is continuously timber production. The size of forest property belonging to one owner is increasing, mainly because of the privatization and market transactions.