

Landscape and Recreational Values Trading

Location

Country: Finland

Scale: regional

Region: Ruka-Kuusamo tourism area in northeastern Finland

Compensated /improved ecosystem services

- recreational services

Management

Tourism and related services in Ruka-Kuusamo have currently significant role in the region's economy. Annually, around one million tourists visit Kuusamo leaving total revenue of over 90 million € and providing full-time employment to over 800 persons. Nature based tourism is dependent on beautiful forest landscapes and recreation possibilities, which are often negatively affected by forest management practices such as clear cutting, soil preparation and ditching.

In order to take into account, the interests of both tourism and forestry sector, a new idea for development of a PES scheme has been proposed, called Landscape and Recreational Value Trade. Under this PES, forest owners would make voluntary fixed-term contracts. Based on the contracts, they would maintain and increase scenic and recreational values in a certain forest area within their holdings and get monetary compensations.

LRVT contract would define areas important for recreation and tourism within private forests, typically along outdoor recreation routes, roads, resting places and shores, in which the scenic and recreational quality would be secured. Instead of clear cutting, for example, that might potentially be prohibited in LRVT agreement, regeneration may be allowed through patch clear-cutting or small scale seed tree or shelter wood harvesting only.

It has been suggested that the funds for the compensation would be collected e.g. from the visitors and/or tourism entrepreneurs using the forest areas (payments charged in connection with accommodation prices were suggested as a way of collecting funds to guarantee the payment of compensations to forest owners).

Two studies were conducted in the Ruka-Kuusamo tourism area to assess the possibilities of stating a trade dealing with landscape and recreation values between forestry and tourism sector. The studies suggest that the basic prerequisites for the proposed LRVT scheme seem to be fulfilled. The tourists showed a significant willingness to pay for enhanced forest amenities such as the landscape. Relatively large share of forest owners was generally interested in participating in the suggested scheme. The next step is to conduct a pilot study in Ruka Kuusamo area to develop a more detailed mod with local stakeholders and pilot the model in the region (2016-2018).

Stakeholders

Service providers:

- forest landowners

Beneficiaries of services:

- tourists and tourism entrepreneurs

- Knowledge providers:
▪ Natural Resources Institute LUKE

Intermediaries:

- Kuusamo Forest Management Association
- Ruka-Kuusamo Tourist Association
- Representatives of Kuusamo municipality

Timeline

Establishment year: /

Time horizon: medium term

Status of PES: development phase of the scheme

Availability of economic data

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References / Source of information

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