



Reverse auction pilots for forest ecosystem services in rural and peri-urban areas

Flanders, Belgium

This case study will test two models of reverse auction to stimulate the generation of much needed forest ecosystem services in a densely populated region, Flanders. This innovative approach should lead to a more efficient use of the limited financial resources and support initiatives that are considered important to stakeholders and society.



Flemish forests and their surroundings need alternatives to existing subsidy system to enhance biodiversity and reach new areas.

Setting the scene

Forest management in Flanders faces several challenges due to the fragmented character of the open space and the proximity of different land users. It is vital to engage multiple actors in protection and restoration measures, with positive involvement of the hunting and agricultural sectors in particular. Focusing on private owners, hunters and farmers should recognise the role these stakeholders play in the protection of our forests and offer them adequate support in order to take up that role.

Objectives

- Provide financial support to initiatives for habitat restoration that currently are not covered by existing subsidy system
- Stimulate the creation of wild boar buffers in order to limit the negative impact of the species on forest biodiversity and on crop production
- Test two innovative funding mechanisms to evaluate their feasibility, efficiency and replicability

Challenges

- There is no legal framework that takes into account the format of reverse auction as a subsidy scheme
- Different points of view between relevant actors regarding land-use and priorities
- Constant need to mitigate the risk of interfering with other existing subsidy systems

Innovation mechanism

We will test two types of reverse auction (first rejected price and discriminatory price auction) to determine whether these could offer a viable alternative for, or an addition to, the existing subsidy systems for forest and nature management in Flanders. The ecosystems to be included in the test pilots should be relevant for stakeholders and represent solutions to current societal demands. On that basis two types of forest ecosystem services have been selected: habitat restoration in forested hunting areas and wild boar buffers between forests and agricultural lands.

Expected impacts

- ✓ Better control of wild boar population, reducing its negative impact on forests and agricultural lands.
- ✓ Reduced impact of agricultural activities in corn fields on forest edges.
- ✓ More biodiversity through increasing variety in forest structure, restoring hydrology and creating open spaces.
- ✓ More actors willing to engage in activities that contribute to forest protection management.

The bigger picture

We hope the project will provide a thorough analysis of the pilots that will help inform policy makers in their quest to design more effective subsidy schemes. By bringing actors with different interests together, we hope to contribute to better mutual understanding, thus leading towards more acceptance of the importance of forests and forest ecosystem services.

Action

- ➔ Co-design the reverse auction and evaluation criteria for the projects with all relevant stakeholders.
- ➔ Implement and evaluate the two pilots in practice.
- ➔ Distill lessons learned and conclusions from the pilots and formulate recommendations for policy makers.

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