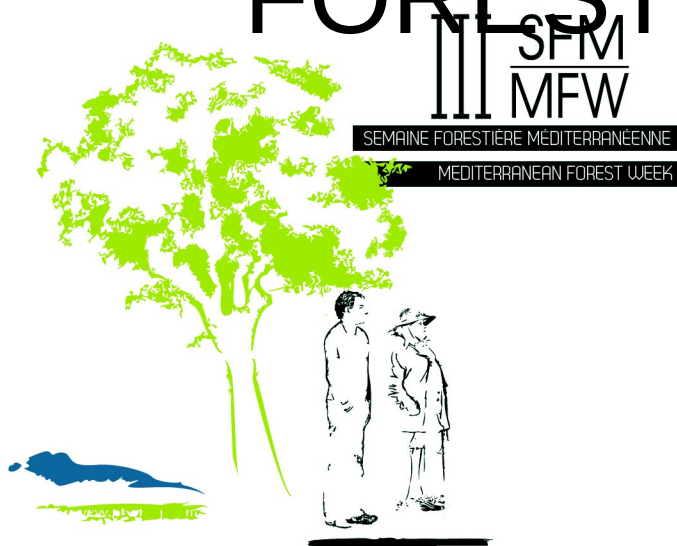


IMPLICATION OF GREEN TAX IN CROATIAN FORESTRY



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INTRODUCTION

- Croatian experience presented through collection of green tax, distribution and issues related to tax collection

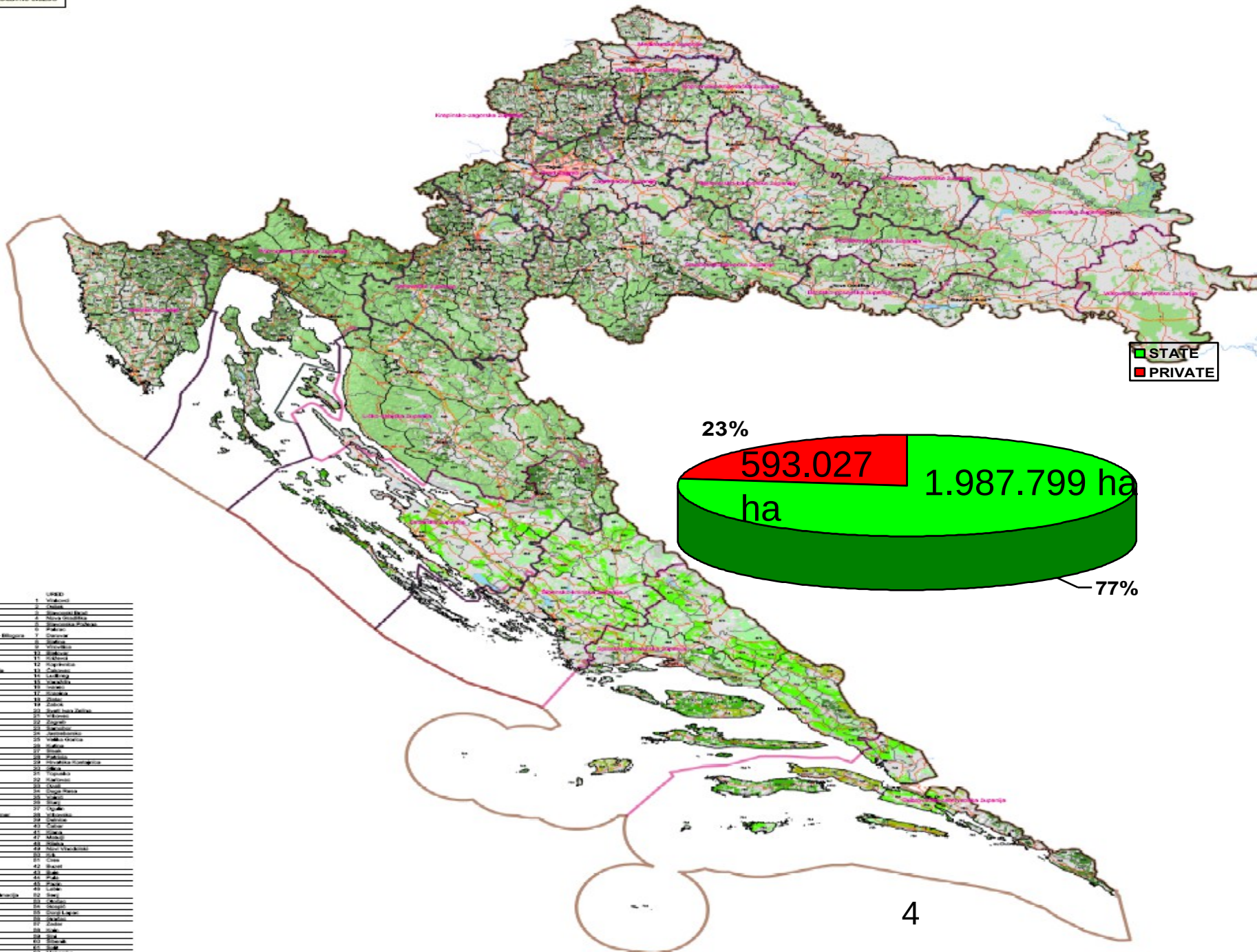
- Ecological (protective), social and combined social/eco-physiological functions (genetics, biodiversity, env. protection, carbon seqv.)



Croatian mediteranean forests

- 43% (1.143.250 ha) of total forests area
- highly valuable for providing NWFPS-tourism
- Total value 31,9 billions Euro
(Mediterranean forests monography 2011)
- small income, big protection costs
- Mediterranean forest history dated in 1878
(City of Senj)-littoral karst organization





PODRUČJE	URED
1 Slavonija	1 Vukovar
	2 Čakma
	3 Bjelovinski Bani
	4 Nova Gradiška
	5 Sisak-Moslavina
2 Obala - Podunavlje - Biljeva	6 Pula
	7 Zadar
	8 Varaždin
	9 Šibenik
	10 Makarska
3 Zavrđe - Jadransko	11 Zagreb
	12 Koprivnica
	13 Čakovina
	14 Lika - Srednja
	15 Srijem
	16 Vukovar
4 Zadar	17 Zadar
	18 Središnja Dalmacija
	19 Šibenik
	20 Makarska
	21 Dubrovnik
5 Dalmacija	22 Makarska
	23 Šibenik
	24 Dubrovnik
6 Jadransko - Primorski	25 Dubrovnik
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7 Slavonija - Posavina	30 Dubrovnik
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8 Istra	41 Dubrovnik
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9 Lika - Sjeverna Dalmacija	46 Dubrovnik
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Croatian Forests Ltd.

-Vision, mission

- Ecologic - sustainability
- Economic – sustainability balanced scorecard
- Social – rural development
- Afforestation with Aleppo pine, cypress, cedar, stone pine and maritime pine



THE HISTORY OF GREEN TAX REGULATION

- In 1980, Forest Law from 1977 - provide funding for afforestation, forest renewal and fire protection
- In 1990 new Forest Law - **obligatory** payment for all economic subjects who are registered in Croatia, in amount of **0.07%** of annual income for using forest services.
- Evaluation methodology developed at the Faculty of Forestry Zagreb (prof. Prpić)

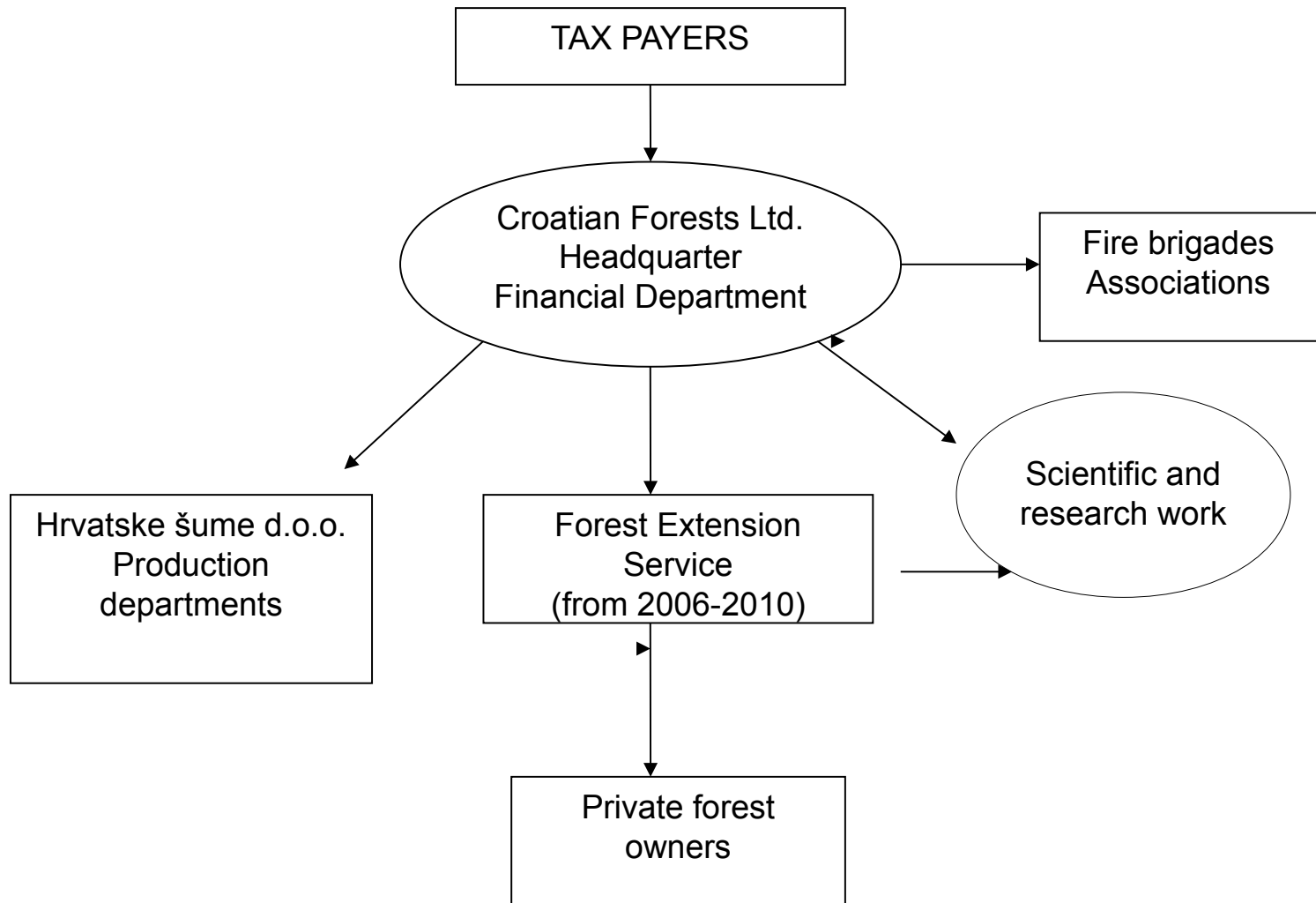


- Collection started in 1991 to the special account of Public Forest Enterprise
- Companies (legal subjects) obliged to pay quarterly based on total annual income
- In 2005 New Forest Law - Public Forest Enterprise Croatian Forests became Ltd.
- In 2010 Government reduce the rate for 25%, to **0.0525%** of annual income
- In March 2012 reduction to: **0.0265%**



- Fund is managed by Croatian Forests Ltd.
- In 2006 Forest Extension Service used that fund until 2010 for support of private forest owners
- company is obliged to send annual report to Croatian Parliament on tax collection, its distribution, as well as planned distribution for next year.





ECONOMIC ISSUES (EUR)

MINE SWEEPING (STATE AND PRIVATE FORESTS)	9.965.257
FOREST STAND PREPARATION	354.930
YOUNG S TANDS NURSING	1.744.888
STANDS THINNING	793.372
SOWING AND PLANTING	1.049.956
BURN OUT AREA RESTORATION	492.516
FOREST PROTECTION AND PRESERVATION	8.961.251
FOREST MANAGEMENT PLANS	7.767.882
RESTORATION OF TREATENED FOREST	904.439
FOREST ROADS BUILDING (FIRE BREAKS)	9.227.690
PROTECTION OF GENE DIVERSITY	197.241
PRIVATE FORESTS	10 5.788.099

Mediterranean countries 2000-2010 year

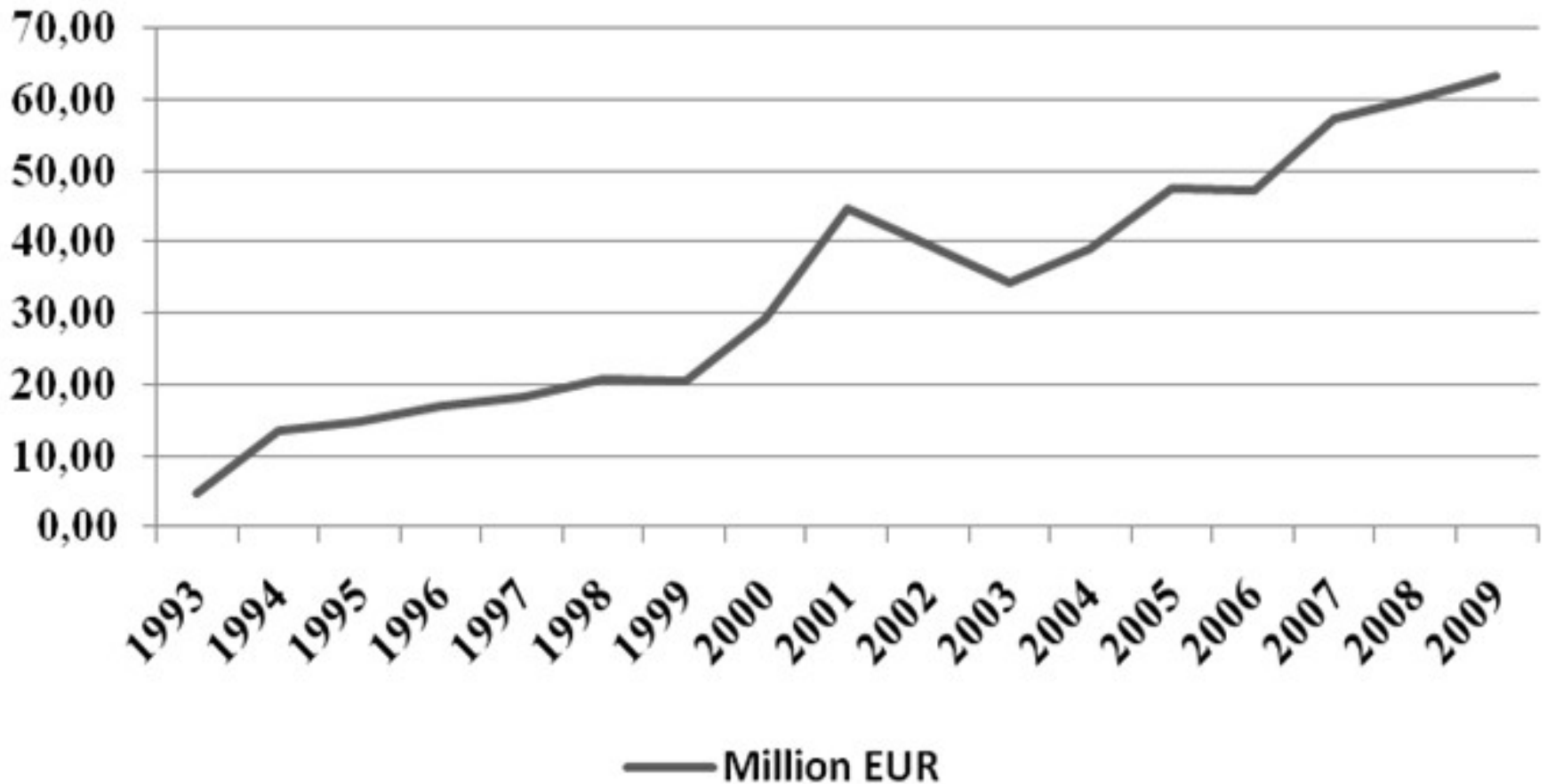
State	Portugal	Spain	France	Italy	Grece
Average number of fires per year	24.684	17.736	4.360	9.834	1.636
Average burnt area per year (ha)	148.555	118.833	21.247	80.483	45.577

Number of fires and burnt area (CRO)

Year	2009	2010	2011
Number of fires	181	131	280
Burnt area (ha)	2900	1122	15.554



Green tax collection 1993-2009 in million EUR



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Burden in recession

- FOREST PROFESSIONALS – proof for multifunctional forest functions
(green tax + FSC)
- Croatian Association of Employers – parafiscal tax on company income



Conclusion

- Government – governance
- Decisions related to green tax implementation were brought in non-participatory manner, i.e. solely by governmental directives.
- The prescribed amount was not based on valuation of forest resources - political decision.



- Transparency of tax distribution and better public relations could improve public acceptance of green tax,
- raise awareness of values of forest resources and important issues forestry sector is dealing with
- preservation of forests on karst



- Annual report for tax payers!
- Who should pay and how much?
- Marketing in forestry-public participatory process
- From July 2012-EU regulation and experience
- Proposed Agency for green tax distribution
- Future research



Thank you for your attention!



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