

Innovation in territorial services: results from Working Group 1 of COST E51



Bill Slee

Some realities about rural Europe today

- The primary industries have been in decline for many years
- A 'perfect storm' of climate change, food and water shortages could change this situation dramatically
- European rural policy is not really that rural- it is still largely agricultural, though it has embraced forestry to a greater extent in the last two rounds of Pillar 2 spending
- Increasingly policy makers are looking at the full suite of ecosystem services delivered by rural land; such a view tends to favour forestry because forestry delivers high levels of non-market ecosystem services

What is a forest-related territorial (good or) service?

- A wood product or service where place or territoriality are a significant attribute of the product's/ service's value
- i.e. a special type of Non-Timber Forest Product (NTFP)

- The obvious parallel is with food products, where place-specificity of a wide range of foods is recognised as part of the culture and character of the European Union and protected by EU legislation
- The schemes provide a means for land managers to add value to their produce and market it in a more imaginative way, particularly given consumers' growing interest in food with a clear regional provenance



A bit more on what we mean by TGSs

- We can consider territorial goods and services as broadly equivalent with non-timber forest products (NTFPs)
- But we need to go beyond the FAO definition of NTFPs as “products of biological origin other than wood derived from forests, other wooded land and trees outside forests..(that) may be gathered from the wild, or produced in forest plantations, agroforestry schemes and from trees outside forests”
- We are interested in the non-biological services as well as the FAO- style NTFPs
- TGSs from our perspective can be seen as any non-timber benefit arising from woodland, including all forms of microclimatic, climate change mitigation, hydrological, edaphic, hunting, cultural, recreational and educational benefits

And a bit more on territoriality as a product attribute

Just how much distinctiveness is there in a place or a product?



Il fungo di Borgotaro

It clearly varies greatly from product to product and service to service

What was our focus in COST E51?

■ Recreational goods and services

- The quintessential territorial service- people use them because of the specific character of places

■ Environmental goods and services

- Often territorial because it links to the specific ecologies, environments and ecosystem services of particular places
- Some of the environmental NTFPs such as carbon sequestration although not a TGS *stricto sensu* were just too big and too important to leave out

■ Forest foods- game, nuts, fungi, berries and associated value added products

There are many different models of forestry



Conservation forestry- Cairngorms National Park



Production forestry - Clashindarroch



Recreational forestry –Woburn Woods

Different models and different multifunctional mixes prevail in different places, offering different potentials for marketable Territorial Goods and Services

What types of innovation?

- New market development
- New (or neo-endogenous) product development
- New technology in production or marketing
- New forms of owner organisation
- New networks of linked actors
- Individualistic innovation within the creative class
- New policy means for 'internalising the externality'

Barriers to innovation (1)

- Public good characteristics of many environmental services...
- ...But what is and is not a public good depends on prevailing property rights and these can change or be changed
- Ownership structure of forests- especially small scale ownership....
-But these problems can be overcome by new organisational structures such as Forest Owners Associations, LAGs etc

Barriers to innovation (2)

- ‘Crowding out’- when state investments squeeze out private sector development – the case for and against public sector provision of mountain biking facilities in the UK?
- Timber-centric (old style productivist) forestry may make the provision of some Territorial Goods and Services more difficult
 - Biodiversity
 - Recreation

Not seeing the non-wood for the trees

- We may need to think more in terms of territorial rather than sectoral innovation systems- these horizontal cross-sectoral networks matter
- Path dependencies of policy and practice may militate against the enhanced provision of Territorial Goods and Services
- Constructive alliances between different actors (often public-private-NGO partnerships) are likely to be of crucial importance in creating opportunity – but transaction costs must be kept reasonable
- New policy means may be needed to internalise externalities- especially, but not just in the case of carbon

How can we anticipate innovation here?



Conservation forestry- Cairngorms National Park

- It is mostly privately owned –landowners may respond to Payment for Environmental Services (PES) Schemes
- Wildlife viewing opportunities and market creation- e.g. Rothiemurchus estate- many quasi-public goods can be ‘marketised’

How can we anticipate innovation here?



Recreational forestry –Woburn Woods

- Institutional innovation may be key here- a new ‘management agreement’ is being developed between landowner and the local state- many partners are involved
- This will compensate the landowner for the environmental services provided
- But self-organised innovation is also occurring through club activity—even if it yields no benefits to landowner

Two key arenas for innovation

- Private or social entrepreneurship based on new market opportunities, especially linked to tourism e.g. Go-Ape



<http://www.goape.co.uk/>

- Networks or other multi-actor partnerships
 - LEADER as key
 - Often many actors linked



There are many examples of good practice

- Leadership by key agencies can make a difference
- Individual entrepreneurship can make a difference
- New framework conditions relating to policy can make a difference
- Many good examples of active networks in rural tourism
- Good examples of FOOs providing key public goods
- Developing new and more effective carbon markets would greatly benefit new forestry



The 2010 Winter Games will have generated an estimated 118,000 tonnes of carbon emissions by the time the gas-fired Olympic flame leaves Vancouver, and Olympic organizers have selected five British Columbia firms to offset those emissions through new carbon-reducing energy projects to be completed over the next three years.

"We could have gone out into the market and bought carbon offsets," James Tansey told The Tye. "What we chose to do instead is to take this opportunity to show the world what great technologies B.C. has."

Tansey is CEO of Offsetters, a Vancouver firm that is the official supplier of carbon credits to VANOC. Offsetters is responsible for supplying an estimated 118,000 tons of credits. At the going rate of around \$25 per tonne, those credits are worth roughly \$3 million



Conclusions with respect to TGSs

- There are elements of innovation-enabling system in some places, but, overall,
 - it is fragmentary rather than coherent and
 - It is rooted more in a territorially configured triple helix in which the interface between public goods and private sector is understood and built upon
 - It is not heavily dependent on a strong sectoral innovation system
 - It is sometimes endogenous and sometimes formally constructed

Conclusions (2)

- Empowerment of local actors and stakeholders in a LEADER-style local partnership/network can help, but
 - the overall level of funding is low
 - there are potential tensions between local partnerships and sectoral innovation systems
 - in many countries forestry is not seen as integral to the LEADER programme; representation is patchy
- Often it is just the entrepreneurial innovator not the innovation system- we should not underestimate the creative class

Thank you

**And thank-you to the working groups
and the core team from BOKU**