**O.Labenko, I.Ivolga FINANCING FOREST REPRODUCTION**

Forests of Ukraine in its purpose and location are predominantly water-safety, sanitation, health and other functions and address the needs of society in forest resources.

The special features of forests and forestry Ukraine include:

- Relatively low average forest cover of the country;

- Growth forests in various natural areas (Woodlands, steppe, steppe, Ukrainian Carpathian and Crimean Mountains) containing significant differences in forest conditions, forest management practices, forest use and useful properties of forest;

- Mainly ecological importance of forests and their high proportion (50%) with a limited regime of forest use;

- a high percentage of protected forests (15.8%), which tends to increase;

- historically formed situation securing permanent forest for many forest users (for forestry forests provided for permanent use to enterprises, institutions and organizations of several dozen ministries and agencies);

- considerable forest area is in the zone of radioactive contamination;

- half the forests of Ukraine are artificially created and require intensive care.

At this stage in the field there is a situation, organizational and management structure formed during the previous administration regulated economic system, despite the radical economic reforms in recent decades the country has not experienced positive changes; lisoresursnyh relations reform unreasonably restrained; economic factors and levers (price, profit, profitability, efficiency, rent, motivation, ownership, etc.) lisoresursne phased in at a high enough level of market-oriented; absent investment activity on augmenting lisoresursnoho potential of ahrolandshaftnyh formations modernization processes of lisovyroschuvannya and use of forest resources [2].

**Purpose of research - score in funding forestry Ukraine, the study of foreign experience raising funds for the development of the forestry sector. Estimated amount of international obligatory payments for use of forest resources**.

Given the fact that most forests in Ukraine under state ownership, financing and playing them is their own funds or funds of state enterprises state budget. Thus, according shown in Figure 1 from the state budget is funded by only 2% of capital investment in forestry.

The total volume of capital investments in forestry in 2012 is 273.3 million USD. Capital investment by region reveals that leaders are those areas in which the largest forest area and lisozaynyata area. The area with the largest forest areas on the common region is the western and central regions of Ukraine. Zhytomyr region is the undisputed leader in terms of capital investment in forestry.

Estimated volume of financial resources allocated to fixed investment forestry compared to other sectors is insignificant. Their share for the period is less than 0.1% in absolute terms they are 200 million USD in 2012. This low amount of financial resources allocated to fixed investment forestry can explain the virtual absence of private property in the territory occupied by forest. In turn, the state does not have sufficient financial resources for investment in fixed assets forestry. In this context, the experience of Latin America, where the largest forest area may be of interest. These countries encourage private forest, increasing amounts of financial resources for investment in forestry, actively attract international financial assistance, implement tax incentives for private forest managers and others.