The European Forest Owner Scene Setter

TFD Forest Owner Dialogue on tools for small landowners

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CEPF Cooperatives Working Group
International Family Forestry Alliance
Background

• Family forestry and community forest
  – Responsible for the majority of the world’s forest and significant fibre resources
  – Heterogeneous sector beyond the reach of conventional mechanisms to promote and recognise sustainable forest management
  – Problems of land tenure, lack of skills, resources and infrastructure are limiting factors of particular relevance to the global industry and society
  – Harvest industrial resources?
Objectives

• To share and discuss strategies and tools
  – To enhance small family forest owners practice and recognition of sustainable forest management
  – And equal access to markets

• Identify key barriers
  – To successful implementation of sustainable forest management by small holders

• Review initiatives and tools
  – Drive improvement
  – Explore means of recognition by public and markets
Outcomes

• Recognition
  – of constraints and opportunities

• Greater understanding
  – of tools and initiatives available

• Development, acceptance and promotion
  – of promising tools and initiatives

• Forest owners must be actively engaged in tools and initiatives and not “subject” to them
CEPF – in 24 countries
Mission

Assist and strengthen national forest owners’ organisations in Europe to maintain and enhance an economical viable, social beneficial, cultural valuable and ecological responsible sustainable forest management.
The International Family Forestry Alliance (IFFA) is the global voice of family forestry, representing more than 25 million forest owners worldwide. National forest owners’ organisations are united under the IFFA banner to promote sustainable forestry and to raise awareness about family forestry.
Sustainable forest management

Family forestry and small forest owners are not the problem – they are vital parts of the solution
Global Alliance of Community Forestry

Sustainable Forest Management, Local development and Poverty reduction

GACF/IFFA side event
23rd April 2007, UNFF7
GACF Background


Definition of

- Vision
- Mission
- Principles
- Values
- Strategies
- Membership Criteria
- Structure
- Immediate actions.
GACF Background


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Family forestry - facts and figures

- 25% of the world’s population depends on forests
- Family forestry plays a significant role
  - but public ownership dominates
- No reliable global statistics of the number of family forest owners:
  25 million in Europe and North America
GACF in numbers

✓ Around 9 millions hectares of community forests.

✓ More than 9 millions persons approximately depending directly on products and community forest incomes.

✓ Important economical, ecological and social potential to reduce rural poverty
Characteristics of family forestry in Europe

• Over 60% of EU 15 forests are owned and managed by families – generation bridging management and experience
  • 36% estimated share of private forestry in CEEC
    • 16 million family forest owners (EU 25)
  • Small scale forest holdings (average size: EU15=5 ha; CEEC= 2 ha)
    • Multifunctional forest management balancing economic, social, ecological and cultural requirements respecting the diversity across Europe
  • Local ownership, contributing to economic and social sustainability of communities
Family forestry in Europe
Average holding, ha

- Sweden  50
- Norway  40
- Finland  30
- Germany  8
- Spain    4
- France   3
Norwegian example

Importance of small properties?

<table>
<thead>
<tr>
<th></th>
<th>Under 25 ha</th>
<th>Under 10 ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>57 %</td>
<td>30 %</td>
</tr>
<tr>
<td>Area</td>
<td>10 %</td>
<td>3 %</td>
</tr>
<tr>
<td>Production</td>
<td>7 %</td>
<td>1.3 %</td>
</tr>
<tr>
<td>Potential</td>
<td>1 – 3 ?</td>
<td>0.5 ?</td>
</tr>
</tbody>
</table>
Private forest owners inquiry
UNECE – FAO – MCPFE – CEPF

• Private forest
  – Family forest
  – Company forest
  – Community forest

• Public forest
  – State forest
  – Regional state forest
  – Municipality forest
  – Community forest
Private – public ownership

Share [%] in area of forest and other wooded land in Europe

- Private ownership: 56.3%
- Public ownership: 43.6%
- Other ownership: 0.12%
Family Forest Ownership, percent of total forest area
Many small owners

Total number of holdings [%] according to size classes
Small: owners-area-volume

Share (ha) of size classes [ha] in total area of holdings
(11 countries)
Demographic factors

- Age – average 50-60
- Urbanised forest owners
- Non-farmers – employees
  - Pensioners
- 20-40 % females
Who Owns Finnish Forests?

Share of Forest Area, %

Private Families 62 % *

Wage & salary earners 15,5%

Farmers 20,4%

Entrepreneurs 3,7%

Forest Industry 8,9%

Pensioners 19,8%

Other private 2,4%

Others 4,9%

State 24,4%

Source: Finnish Forest Research Institute

* 2007-
Private families 60 %
State 26 %
Observations

- Fragmentation – small holdings
- Knowledge, infrastructure, management
- Local cooperation – forest owners organisations – forest owners’ cooperatives – service units
- Restitution programmes – motivation
- Capacity building – informed decisions
  - Private – public cooperation
- Sustainability – mobilisation of renewable resources
Forestry in Europe

EU 25

Forest area, million ha 147

Annual cut, million m³ 377 (~ 75% softwood)

Family forestry (%) 65
Mobilisation of wood
European potential

The Economic and Social Committee estimates:

• Annual increment 560 mill m3
• Fellings 350 mill m3
• 10% protected or outside commercial exploitation
• Estimation
  ⇒ 30 mill m3 from low grade timber (thinnings)
  ⇒ 70 mill m3 from forest residues

• Total potential 100 mill m3
Increment and cutting
Norway 2005

Total increment: 25.5 mill m³

- Not harvested: 3.5 million m³
- Industrial wood harvest: 7.7 million m³
- Fire wood: 14 million m³
Price pulpwood in Norway
1979 – 2003 (2002 price level - index)
Roundwood price 1946-2005
Norway

Average roundwood price delivered industry

Kr

0 200 400 600 800 1000 1200


Løpende kroneverdi
2004-kroner
The future is here
New Owner Profile

- 35 percent non residents (urban owners)
- 35 percent female owners
- Only 20 percent in combined enterprises (with agriculture)
- Less dependence of forestry income
- Strongly attached to their forest
- Keeping up responsibility
- and informed decision making
REMEmber?

In the beginning of the 19th century, Europe had a forest crisis Alpirsbach, Black Forest, Germany, 1839
The global perspective

- The legacy of Rio – Agenda 21 (IPF, CBD, CCD, FCCC)
- IPF, IFF, UNFF – from an ad hoc panel to a permanent forum
  - The role of Major groups
    Women, Children and Youth,
    Indigenous People, Non-Governmental Organisations,
    Local Authorities, Workers and Trade Unions,
    Business and Industry, Scientific and Technological Communities,
    Farmers
    and their Multi-Stakeholder Dialogue
- CEPF – the focal point for the Major group “Small forest landowners”
  - FAO – the technical expert
The pan-European perspective

- MCPFE – 1990 until today and beyond
- Sincere dialogue and participation towards a common objective
- Voluntary commitment with direct impact on the ground (PEFC as most prominent example)
- UNECE – Timber Committee (e.g. trade and timber market, bio-energy, EFSOS)
Sustainable development

Ecology

Economy

Social

Forest owner
Sustainable forest management

Source: Ministerial Conference on the Protection of Forests in Europe
Standarder for et bærekraftig norsk skogbruk
Sustainable certified

- Sustainable management commitment
- Living Forest management
- PEFC documentation and communication
- The whole forest area PEFC certified
- Mostly group certification
- Commitment throughout forestry and organisations
Current Situation

Changes in forest cover 1990 - 2000
Annual reduction 9.4 Million hectares    Source: FAO, May 2001
Certified forests in the world by region

Hectares (Million)

<table>
<thead>
<tr>
<th>Region</th>
<th>Hectares</th>
</tr>
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<tbody>
<tr>
<td>Europe</td>
<td>79.17</td>
</tr>
<tr>
<td>North America</td>
<td>94.77</td>
</tr>
<tr>
<td>S&amp;C America</td>
<td>4.95</td>
</tr>
<tr>
<td>Asia</td>
<td>0.48</td>
</tr>
<tr>
<td>Africa</td>
<td>1.74</td>
</tr>
<tr>
<td>Oceania</td>
<td>0.91</td>
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Total: 182.02 million hectares

Source: PEFC, ATFS, CSA, SFI, FSC – May 2004
Cornerstones for implementing SFM

Sustainable Forest Management through

- Long-term political commitment from governments and global and regional forest policy processes
- Respect for property rights and long-term stewardship
- Economic viability
- Investments at local and regional level
- Rural development
- Cross-sectoral partnerships
- Livelihood for local peoples
- Research
Family forest owners’ values

- Diversity through individuality
- Generation bridging ownership and long-term stewardship
- Securing a dynamic approach to implementing
  - Economic
  - Ecologic
  - Social
  - Cultural
values
Family forestry means well-being and sustainability for local communities

- small-scale management
- variety of ownership goals
- multiple-use forest management
- strong attachment to their forest through several generations

- multiple forest products and benefits to society
- accumulated forest-related know-how
- sustainable forest management
- families deriving income from their forests
- long-term perspective
Small owners making only small mistakes

- Small owners cannot make large mistakes
- The small owners will not all do the same mistakes
- Will doing nothing be a mistake
- Could small dispersed lots represent volume
- Could passive, small owners contribute significantly to the environment by set asides
What is the small problem?

- What they do, or what they do not do
- Economic, social or environmental
- Representing area, volume or number
- Being neighbours or wide spread
- A present or potential problem
- Perception or reality
- Problem for whom
Forest Owners Associations
Cooperative principles

- **Economic association**
  
  - Democracy: One member one vote
  
  - Economic Responsibility to equity capital limit
  
  - Investment power
  
  - Profit sharing via wood price bonus, interest on equity capital and capital emissions
Why associations?

- Benefit for member:
  - Higher economic yield from property

- Benefit for society:
  - Higher economic yield from forests
  - Enabling sustainable forest management

- THROUGH:
  - Mobilizing family forestry potential
  - Avoiding structural drawbacks
  - Effective use of resources
  - Stronger part in timber market
  - Better capacity building
  - Increased lobbying strength
Activities of associations

- Sales and purchases of roundwood
- Forestry services
- Training, extension, information
- Counseling and planning
- Influencing forest and industrial policies
- Industrial processing
8 District Cooperatives

- 40,000 members / owners
- 50% of forest owners taking part in forest owner co-operatives
- 86% market share
- Combined political and economic organisations
- Marketing wood, providing service and counselling
- Business development
- Industry investments
100 years in 2003
Cooperatives provide solutions

- Effective wood mobilisation
- Marketing channel for members’ wood
- Raw material use optimisation
- Council and forest management services for forest owners
- Promotion of sustainable forestry
- Wealth creation from renewable source
- Social networks
Cooperatives overview

• Austria
• Denmark
• Estonia
• Finland
• France
• Germany
• Greece
• Hungary
• Ireland
• Latvia
• Lithuania
• Norway
• Sweden
• Switzerland
The roles of membership

- Forest Owner
- Part Owner
- Customer
- Business Partner

LRF skogsägarna
Research and development

Forest-Based Sector Technology Platform

A Strategic Research Agenda for Innovation, Competitiveness and Quality of Life