

Group 1.

Finance

Models can help the business case for smallholder forestry attractive?

Is there too much focus on forestry only (in the guideline) instead of the whole value chain? Need to understand the whole value chains? One investor need to understand the whole value change, even if he/she will not invest in all part of the value change.

Investor should invest in driving forces (e.g. build a sawmill) instead of forestry directly – there are so many complicating factors. Point of entry for investment

Make use of soft investment already made, find partners.

How to make it attractive to invest in these countries. Good enough governance

e.g. Southern perspective: Some countries have not yet recognised land use rights – need for soft investment (capacity building, influence policy). There should be some ToT as part investment strategy.

Change perception how the farmers perceive themselves (they do not see themselves as entrepreneurs). Need for empowerment (e.g. through capacity building, networking with other communities)

Making hard investment is the easy part, but need e Soft investment is the key

Södra model: Forest owners are partners in the investment to demonstrate different form or investment

Are there examples in developing countries (Small scale)

Issue in some countries – lack of trust. Investors would need to live in the community ofr many years.

There are strength in numbers – organise people

Retailers want reliable chain of supply (Certification, Fair trade...)

How can they compete with those who does not take this consideration??

Partnerships

How should company partner with a local community

Power in numbers (Södra example)

e.g. logging 2-3 ha ? possible because of number.

Investor accepting fair rules, sharing profits

Need to make this to a market advantage

ILFC should be a case for different investors regardless of how far they would go.

Who should ILFC guide serve?

People partner if there is a level of urgency – how to use this without actual end up in a state of urgency.

Conditions

Examples

Stora Enso remove mines

Who needs to invest

What is the blend of hard & soft investment

