



First of all, thank you for the opportunity to participate in this important dialogue.

I am representing the forest owners – in Europe - and globally. Even if today and tomorrows dialogue is concentrated to Europe, we should also look at the subject in a bit wider perspective.

I am speaking on behalf of CEPF – The Confederation of European forest owners – among other things in the capacity of chairing the CEPF Cooperatives Working Group. (By the way, the Working Group met in this room yesterday)

I am also the vice chair of IFFA, the International Family Forestry Alliance, and this is my global hat.

I will also draw upon my day to day occupation as a representative of the forest owners' and the forest owners cooperatives on Norway.

And I have a personal background from family forestry and sustainable forest management in Norway in four generations.

I have been challenged to set the scene – the scene from the forest owners' point of view. I will concentrate on the European scene, but also take some brief looks in a global perspective.

My assignment was to give an overview of

- the forest owners' situation
- scale of ownership
- complexity of land ownership
- challenges in the market
- verification of sustainable forest management
- and challenges of working with different service providers

In short, normal everyday strive of forest owners and their organisations

Setting the scene – from the forest owners point of view – will however include challenging the background set by the organisers. Due to our different basis and experience one of the objectives of this dialogue should be to align our perception on the realities.

As an economist I am used to start with an analyses of the problem, and try to seek the facts. My experience is however, that in the real world facts are scares and the interpretation of the facts available will vary between starting point and employer.

I have tried to put together many factors needed on the seen. The scene is however complicated and we need a lot of facts and angels. I have tried to point at parts of the picture I find valuable, not to be complete, but to point at ways of thinking.

In the slides and the written presentation you may find more details. Within the time frame of my oral presentation I will briefly go through the elements, pointing at areas that later could elaborated and supplemented.



From our background papers I have interpreted the description of facts as:

Family forestry and community forest

- Responsible for the majority of the worlds 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?

The last point of harvesting industrial resources is my own interpretation, or rather a question.

How important the harvest of resources should be dealt with in our dialogue today?

When setting the scene we must also seek background in the historic development of forestry and forest policy in Europe – and globally.

And one of the most important parts in my scene setting is the role of forest owners' organisations and forest owners' cooperatives.

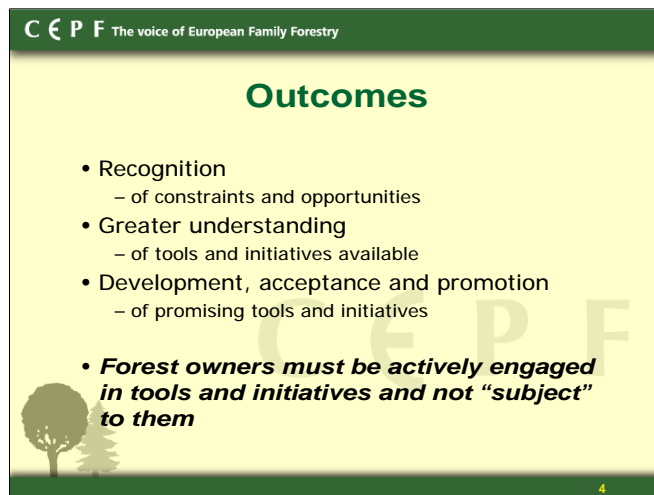
Objectives

- 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



In order to set the relevant scene, we must quickly look at the proposed objectives of today and tomorrow's dialogue.

- Share and discuss strategies and tools to
 - enhance practice and recognition of sustainable forest management in family forestry
 - equal access to markets
- Identify key barriers
- Review initiatives and tools for improvement



I have interpreted the proposed outcomes to be recognition, understanding and the development, acceptance and promotion of tools and initiatives.

The organisers have used the expressions tools and initiatives and we could choose to interpret that in a very broad sense – opening up for a very broad minded dialogue.

One of the crucial questions we will have to discuss is however – tool for whom and who should take the initiative. From the forest owners' perspective I would like to set the scene by putting the forest owners themselves firmly in that scene.

I will right away make the following postulate:

The only workable solution is to develop tools for the forest owners and with forest owners as vital parts of the initiatives.

We will not have others tools used on us – without our consent and participation

And we will not be exposed to others initiatives without being taken onboard.

Forest owners must be actively engaged in tools and initiatives and not only “subject” to them.

Firstly: we will not allow it

Secondly: externally forced initiatives will not work!



In briefly setting the organisational scene:

CEPF – the Confederation of European Forest Owners – is the voice of European family forestry.

Founded in 1994, or rather “re-shaped” in 1994, CEPF is the umbrella federation of family forestry in Europe. CEPF assembles national forest owner associations of 24 European countries. Offices in the European Forestry House in Brussels and in Budapest.

Represents the interests of family forest owners vis-à-vis the European Institutions and participates in international and global forest policy fora.

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 very mission of CEPPF is connected to promoting sustainable forest management, and thereby firmly entering into our scene today.



The International Family Forestry Alliance is the global voice of family forestry. National associations are united under the IFFA banner. One of the most important part of IFFA is also the promotion of sustainable forest management, and then we bring IFFA to the scene.

Another angle that IFFA promotes is not only to promote sustainable forest management, but also to communicate that family forestry is a main contributor and guarantee for sustainable forest management.

This brings perhaps a slightly new angle to our scene and problem description.



Family forestry is not necessarily a problem – as the background scenario seems to apply – but that family forestry and small forest owners – all over the world – in fact are a vital part of the solution! This must be taken further in our dialogue.

In the following I will bring more evidence of this to the scene.

Important in our global I also that IFFA cooperates closely and are now discussing a memorandum of understanding with the Community forest organisation GACF.

Global Alliance of Community Forestry

Sustainable Forest Management, Local development
and Poverty reduction

GACF/IFFA side event
23rd April 2007, UNFF7

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GACF, the Global Alliance of Community Forestry was founded in 2004 and have 11 focal organisation in South America, Asia, Africa – and Europe. The community forestry concept covers a whole range of land tenure and property rights. We find community forest in many of the European CEPF organisations as well. We have found that the common denominator for family forestry and community forestry is the promotion of sustainable forest management.

GACF Background

Second Encounter of the Global Alliance of Community Forestry, Nov. 2006 Nepal.

Definition of

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



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Family and community foresters work for sustainable forest management and they represent owners and stewards with long term commitment to forestry – working out in every day life the concept of sustainable forest management. This is a picture from the GACF meeting in Nepal last year, and for those who know him

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You will recognise Peter de Marsh from the Canadian Wood Lot Owners organisation and IFFA in the picture.

Now we also have GACF on the scene.



And how many forest owners are we talking about, and where do we find them and how are they. I will bring some facts to the scene.

It is estimated that 25 percent of the world's population, to varying degrees, depends on forests for their livelihood. However, the ownership to forest land varies a lot. Public ownership dominates in many regions. But included in public ownership we find communal forests of at least 5 per cent of the global forest area. And communal, or municipality forest, is management mostly like community forest.

Family forestry plays a significant role in many parts of the world. For instance in Europe representing 55 per cent of the forest production, in Japan 60 %, North America 40% and in New Zealand 30 %.

Also in

Australia,

Canada and

Costa Rica

individuals or local communities plays an significant role in forest management. We do not know exactly how many family forest owners there are in the world, but in Europe and North America alone, we can count 25 millions.

In addition comes the community foresters all over the world – sharing the same goals and visions.

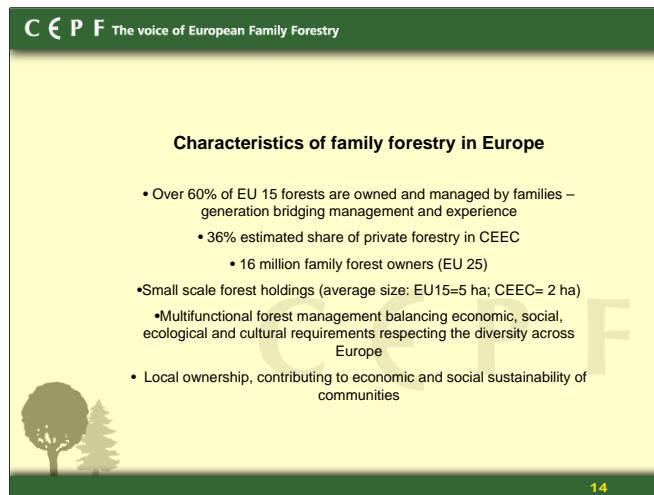
GACF in numbers

- ✓ 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

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To briefly look at the community forest in numbers, we find that there is around 9 million hectares of community forests and that around 9 million people directly depend on products and community forest income.

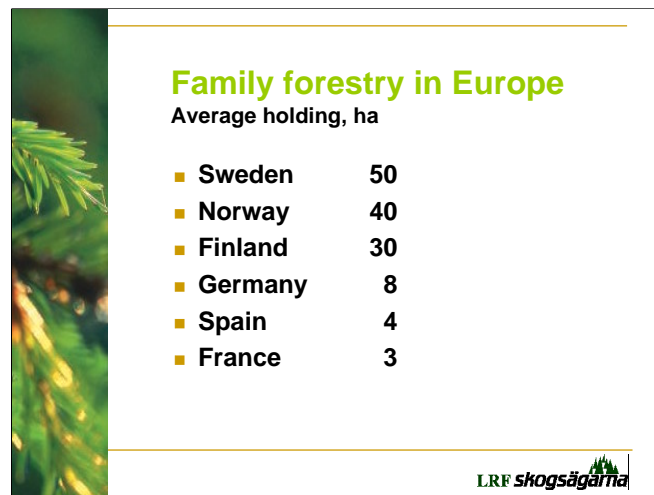
The effects from community forests, however, also have large indirect effects and important for reducing rural poverty and securing rural livelihood in many countries.



In Europe we find that over 60 per cent of the EU 15 forests are owned and managed by families – managing their properties through generation. The generation forestry secure long term and personal commitment – sustainability – and are bridging management and experience. The per percentage of private owners in the CEEC countries (the ten new Central and East European EU countries) are estimated to 36 per cent and that we in total find about 16 million family forest owners in total in EU 25.

The holdings in average is relatively small with and average of 5 hectares in EU 15 and only 2 in the CEEC countries. Even with small properties we find a multifunctional forest management balancing economic, social, ecological and cultural requirements respecting the diversity across Europe. Local ownership contributes to the sustainability in local communities, forming important economic and social networks and taking care of the environmental values and the long term vitality of the forestry eco system.

In our dialogue size of forest holding have to be brought to the scene, and we find large differences between countries.



Compared to an average of 5 hectares we find the average ranging from 50 (and above) to down to 3 and only 2 as average in the CEEC countries.

I have to add that this is Swedish figures. When we make the statistics in Norway we find the Norwegian average more than 50 hectares – and by the way on 65 hectares among the members of the forest owners cooperatives. But since we today are having a European and global dialogue we will rest the Nordic family argument.

When we are using statistics, we should avoid confusing our conclusions.

Norwegian example

Importance of small properties?S

	Under 25 ha	Under 10 ha
Number	57 %	30 %
Area	10 %	3 %
Production	7 %	1,3 %
Potential	1 – 3 ?	0,5 ?

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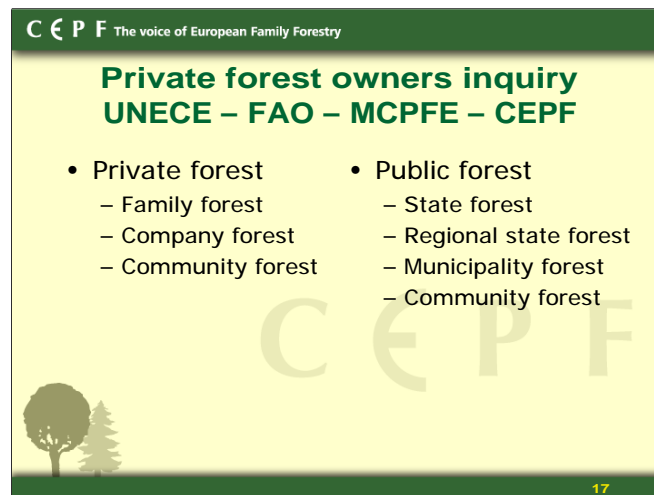
To take the Norwegian example, we make the public statistics on every holding classified as forest down to 2,5 hectares. But if we should exclude from the statistics properties under 25 hectares, the average increases from 57 to 118 hectares, more than a doubling of the average.

The smaller properties represents 57 per cent in number, but only 10 per cent of the area and only 7 per cent of the registered production.

The properties under 10 hectares, represent 30 per cent in numbers, but only 3 per cent of the area. The registered production on properties under 10 hectares is just above 1 per cent.

If we look at the potential missed, either in production or statistics, I have estimated a possible 1 – 3 per cent increase if we could have the same average production on the small properties as the average. Due to practical and economic reasons the number will be nearer 1 per cent – or under.

My point is that we may have included in the formal statistics forest properties that not necessarily represent real forest or real forest production, especially if they are spread close to city or villages and mixed into lots of other kind of land use. We should therefore be careful when drawing conclusions regarding the “small owner problem”.



From a survey from 2006 on European forestry made by the European part of the UN system, UNECE, FAO, the European ministerial forestry process and CEPF we have other interesting facts about forest and ownership, and let me briefly try to divide the owner categories in order to define the set the scene. Different use of the categories in different statistics and analyses may also confuse the picture.

In private forest we have

the personal owned forest – normally under the family forest umbrella – and the company forest or industry forest.

We have, however personal owned properties, large land estates, that could seem a bit far from the small scale family forestry. We also find monasteries and other institutions which often are represented by family forestry organisations.

Community forestry is, as mentioned earlier, forestry normally in the private sector, but will in some parts of the world be publicly owned, but the usage rights are private.

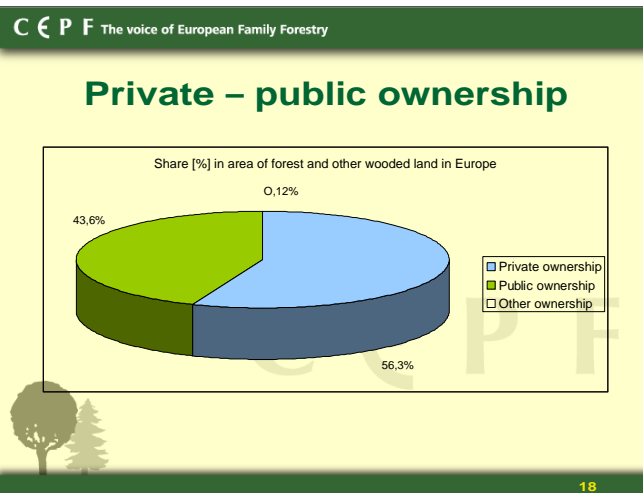
In public forest we find th

state forest and the
regional state forest.

The municipality forest is public, but will often be managed like private forest and we find many of them as members in the private forest owner organisations.

The survey found the availability of data on private forests significantly lower than on public forests. They also found large differences between countries and few demographic data.

When discussing the small forest owner scene we can say that we know the forest, but we do not know the people.

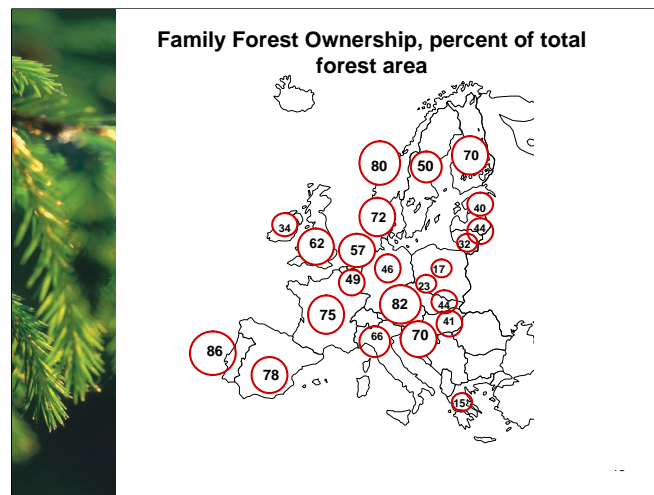


In the survey that found 46,6 private – 56,3 public – 0,12 other

More than 75 % private: Austria, France, Norway, Slovenia and Sweden

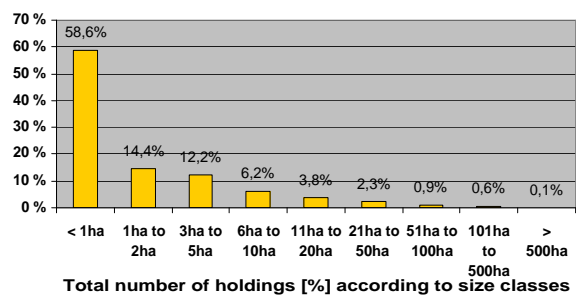
Less than 20 % private: Poland, Bulgaria, Turkey

In a majority of countries the structure had been stable the last 15 years, but there had been large changes in the CEEC countries in recent years.



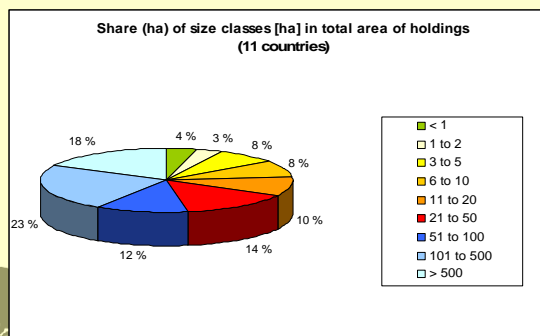
This picture confirms the differences spread in the family forestry ratio, varying from over from nearly 90 per cent and down to under 20. As a general rule we see however that in the countries in Europe where Forestry is most important we find a high private ownership rate, naturally with exceptions in CEEC countries.

Many small owners



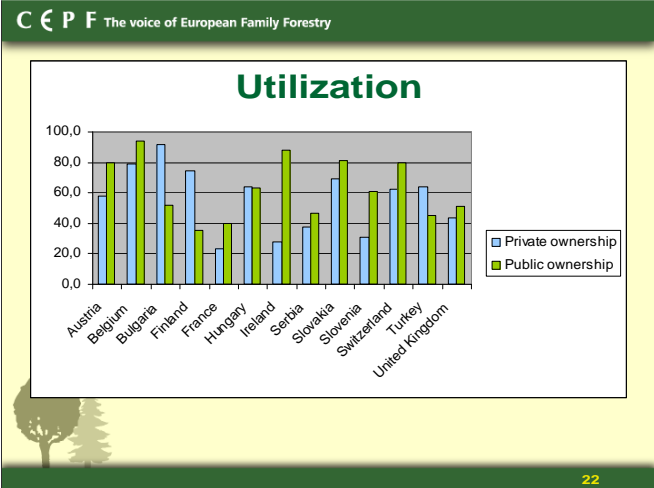
The survey confirmed the well known fact of a large number of small owners. 72 % of the private forest holdings smaller than 3 hectares.

Small: owners-area-volume



The smallest holdings represented however a small share of the area.

Holdings less than 3 ha have only 7 % of the total area, and the forest volume on the area was supposed to be even lesser.



The survey also found differences utilisation of the forest, measured by annual fellings compared to gross annual increment.

The utilisation in private forest was higher than in public forest. When you look at the countries represented in the statistics you miss however important private forest countries. In many countries with less private traditions, the utilisation in public forest was found higher than in private forest.

Must be kept in mind when discussing sustainability and mobilisation

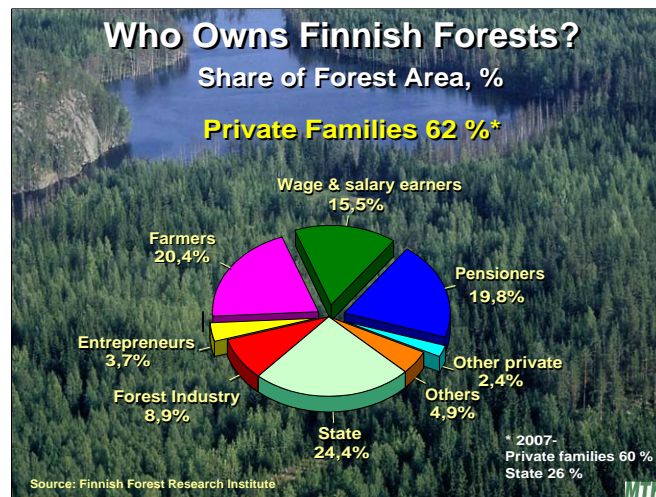
Demographic factors

- Age – average 50-60
- Urbanised forest owners
- Non-farmers – employees
 - Pensioners
- 20-40 % males



The demographic information was scares, but the average age of the forest owners are relatively high, due to obvious reasons since the transfer of properties normally takes place when the owners is close to normal pensions age. Then the new generation will also be of mature age.

We see an increase in urbanised forest owners, in non-farmers, in employees and in some countries in pensioners, due to tax reasons. The fact to bring to the scene is that we see a change in the forest owner population, and that will be part of our discussion. We see a distinctive male dominance.



To take an example from Finland with in general more than 60 per cent family forestry, we find state forest about 25 per cent and company forest about 15 per cent. Among the family foresters, the 60 per cent, about one third are farmers, one third wage and salary owners and other private, and one third is pensioners. The is a special case, but illustrates the diversity.

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




The survey bring to our scene some interesting observations. The fragmentation and small holdings underline the challenge to keep up knowledge, infrastructure and informed management.

Local cooperation is increasingly important. Forest owners' organisations and forest owners' cooperatives is a vital tool in order to support small forest owners. The restitution programmes represent a special challenge in knowledge and supporting motivation among small owners.

The report underlines the need for capacity building on order to empower smaller owners in taking informed decision. There lies possibilities in private and public cooperation. But I will add that we talk about cooperation and not public forest "take-overs" of private responsibilities. The report underlines the concerns of keeping up sustainability and mobilise renewable resources.



Forestry in Europe	
	EU 25
<i>Forest area, million ha</i>	147
<i>Annual cut, million m³</i>	377 (~ 75% softwood)
<i>Family forestry (%)</i>	65

LRF skogsägarna 

If we look at the magnitude of the forest in Europe, we find at forest area of around 150 million hectares and an annual cut of nearly 400 million cubic meters, mostly, at 75 % softwood. And as covered earlier around 65 per cent comes from family forestry which to a large extent is small properties.

We find on most of the countries a growing stock. In many countries we find a higher standing volume and a larger increment than ever before. In average we only use around 60 per cent of the increment in today's forests in Europe.



Mobilisation of wood is an important issue in Europe today, due to the high focused climate change policies and the very ambitious targets set for bio energy. This has also brought to focus the question of small forest owners.



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

NORGES SKOGEIERFORBUND 28

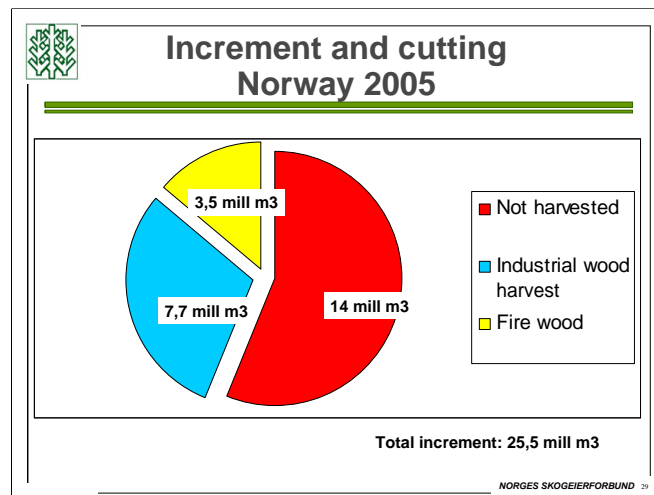
At European level the European Economic and Social Committee has produced a very valuable opinion on wood energy. In that opinion the European Economic and Social Committee estimates the annual increment in the European forests to 560 million cubic meter and the fellings to 350 million. 10 per cent of the growth is in protected areas or outside commercially exploitable areas.

The theoretical potential can never be harvested, since some residues must and will remain in the forest. The Economic and Social Committee concludes however that we have an unused potential of 30 million cubic meters from low grade timber from thinnings and 70 million cubic meters from forest residues and stump.

When we look at the difference between theoretical growth and fellings we have a total difference of 210 million cubic meter – and the realistic potential is 100 million – at relatively short sight.

We could bring into our discussion what relevance this has regarding small forest owners. The focus on mobilisation of wood is however connected to small owners, and we need to have more qualified information on the connection. The potential connected to small owners not managing their forest – if they exists – are unclear, as I stated in my example.

An important point is also the uncertainty in statistics. This is of special relevance for the small forest owners' scene.

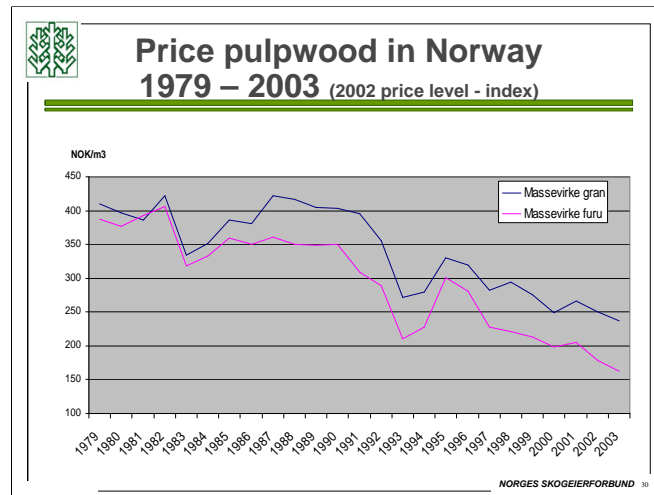


Let us look at another Norwegian example where we experience a huge growth today from various reasons. The potential seems over 50 per cent but when we look into the non-harvested area find many natural reason among them the large proportion of young stands which later will bring up the harvest when they come to age. One important fact is however that the measure of increment is the biological increment not the harvestable volume. In general we can say that 80 per cent cut of increment will be a biological and practical maximum.

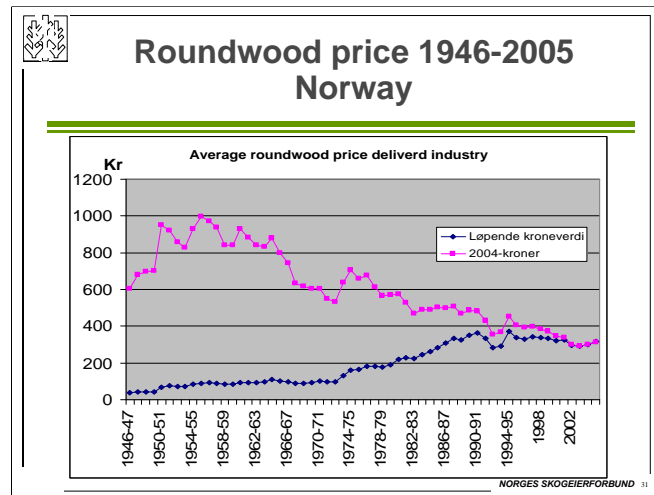
Another important point is the yellow segment, here called fire food. This segment is estimated, because most of the statistics have reasonable accurate information on the blue segment, harvest for industry purposes, but the rest is normally not very well counted for. This is local supply of consumptions to fire wood, to small saw mill etc.

We have similar experiences in many countries in Europe. When we go into the mobilisation question, the total harvest and the local consumption will be considerably higher than in the official figures.

Local demand and price is other important factors affecting especially the small owner part of forestry. We have experience that when for instance new saw mills are build in Europe this creates new local demand and there will be supply, especially if you have present organised forest owners who also will take new suppliers into their local network when the opportunity to market their wood increases.

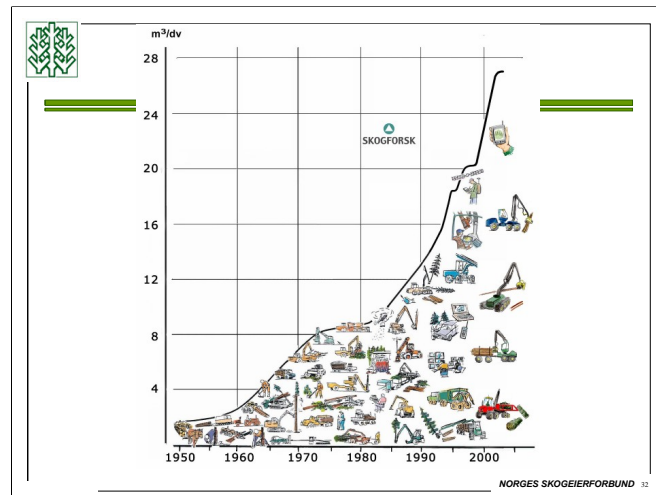


One of my assignments was to bring market considerations to the scene, and here you see the real price development of pulpwood in the last 25 years. We see a similar picture all over Europe. The real value of pulp wood have constantly decreased and made it less possible and attractive for many forest owners to bring their wood to the market.



When we compare with the development of the nominal price we see a slight upward trend, but considerably lower than the cost increase. I mean this explains why we in many countries have seen a similar downward trend in harvesting. This has created a need for the small forest owners to cooperate in cooperatives in order to be more effective in forest service and market operations.

Luckily we now see an upward shift.



Forest owners have fought against the long term decrease in real value commodity price by increasing the forest productivity. The development of productivity in forestry has been tremendous during the last 50 years. In 1950 a day's work in the forest produced less than two cubic meters of wood. Today the man-day production in the forest approaches 30 cubic meters.



In earlier days many of the forest owners did much of the work themselves in the forest. This secured income, employment and the possibility to devote time and occupation to their forest. Many forest owners could live from their forest income.



But the economic development made it necessary to increase the productivity. For many forest owners the property could no longer support the family and going into other employment, both productivity and time constraints forced much of the manual labour out of the forest.




The future is here



And in come the highly effective harvesters. Too expensive for forest owners to buy, and too effective to work uncoordinated on small woodlots. In many countries more than 90 per cent of the harvest is done by highly mechanised and technologically advanced machinery.

As forest owners we have seen dramatic changes in our every day life in a few years. Forest owners have a long term perspective and at the same time we are used to rapid changes. This makes me believe that we will also experience new solutions based on long term sustainability.



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

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There is developing a new generation of forest owners with new owner profiles. The traditional forest owner working all year in own forest is not so frequent and urban forest owners are increasing in number. They are less dependent on forestry income, but research show they are still strongly attached to their forest. Their management role is still be very important. It is vital to underline the responsibility of the owners. We must not contribute to the drain of knowledge and responsibility from the forest areas, but support the new role of committed and personal management. This cannot be done by taking over the responsibility, but developing means to support informed decision making and services provided under the supervision of the owner.

We may find that the forestry structure in Europe is a problem. We may find ways of encouraging voluntarily and gradually changes in the property structure. But this must build on respect for property rights and use the rural networks.

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



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Let us go back and set the scene in Europe and the background for the work on sustainable forest management.


In the 19th century the situation in many of the forest areas in Europe were bad, due to exploitation and lack of sustainable management. This led to a series of programs and processes and the modern forestry management was developed mostly guided and supported by governmental aid and many committed private persons. The private commitment led often into today's forest promotion organisations and forest owners' organisations in Europe.

During the nearly two hundred years that have passed, the European forests have made a remarkable recovery. This is part of the scene when we look into the European processes leading up to today's forestry and sustainable management.

C E P F The voice of European Family Forestry

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
- CEPPF – the focal point for the Major group “Small forest landowners”
 - FAO – the technical expert




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In modern times we have had another sustainable wake up. In the Rio summit, where by the way a Norwegian prime minister in a leading position, much of the modern scene of sustainable development was set. The legacy of Rio have led into a series of other processes, among them the United Nations Forum on Forest and the forestry work in FAO. The European part of UN and FAO have worked hard in supporting forestry and coordinating governmental policies.

C E P F The voice of European Family Forestry

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)



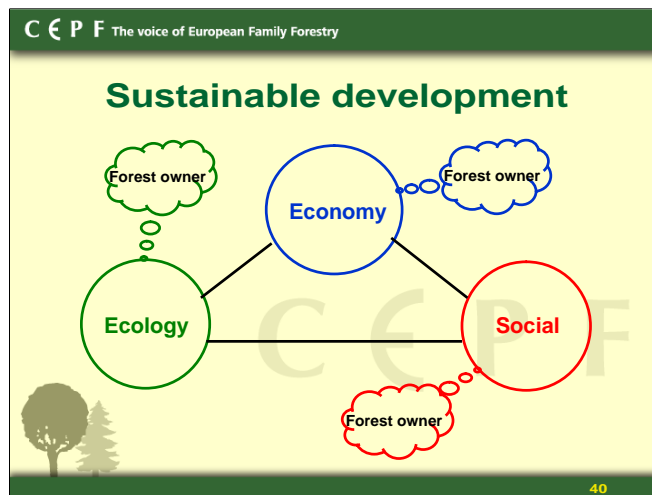
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Most important in Europe, the Legacy of Rio has led into the European process MCPFE, the Ministerial Conference on the Protection of Forests in Europe. Starting in 1990 the conference every fourth year have been a light house in the European forest policy development. The work between the conferences has paved the way step by step. In November the conference will be held in Poland and Norway takes over the responsibility for the next four years.

The process have led to a serious of public and private follow up initiatives. One example is the work on criteria, indicators and operational level guidelines that has been adapted by forest certification and the basis for combining governmental obligations into the ISO certification and International Accreditation system, leading into the PEFC certification system.

I will heavily bring to the scene that the job of achieving sustainable forest management is a highly political, governmental and international responsibility. In Europe sustainable forest management is a commitment undertaken by all the European governments. Forestry is vital for the society and the nations. We therefore have a political framework with political commitments, support, rules and regulations.

Within that framework forest owners and the other political actors take on their responsibility. Sustainable development is not a market driven operation. The market driven operations have to contribute within the legal framework.

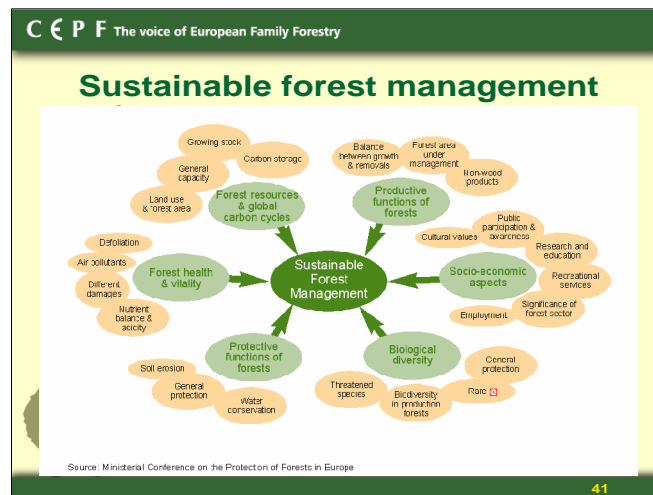


Let me now try to set some of the scene regarding sustainable development, what our dialogue is all about. Sustainable development is a balancing act between economic, ecologic and social considerations – at the same time. Sometimes cultural considerations are included, but mostly they are regarded covered through the social dimension.

The vital concept is however that all these three considerations must be satisfied at the same time – and that they are inseparable.

When someone talks, about for instance ecological sustainability, this is a misuse of the sustainability concept. Regarding our forest owners, it is important to accept that sustainable forest management requires economy in forestry, thus being able to take the necessary ecological considerations keeping up the long term health and stability and integrating forestry in the local social context.

Family forestry with long term commitment, the generation bridging approach and the integration in local society is the incarnation of sustainable development.



MCPFE have made the sustainability forest management concept a bit more elaborate and have tried to include, at the scene, the even more complex picture, but based on the three dimensions being present at the same time.

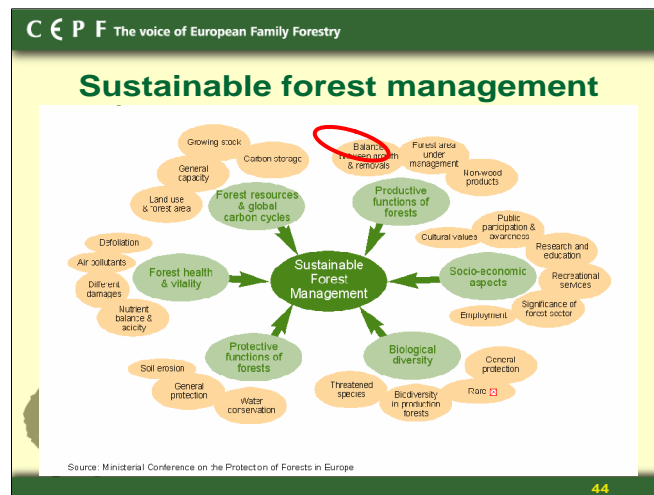
My point is, however, that sustainable forest management is the long term management of all elements considering forestry. It is the total management system that is required and not only single operation.



Sustainability goes from the seedling or plant



To the final wood product.



We can not single out a special operation or element in the sustainability composition and call that sustainability. We can for instance not single out the harvest operation without including the whole 100 year of sustainable management behind it.

Of course, sustainable forest management, requires that each element in the composed operation is contributing to sustainability. In Sweden, for instance, they have separate sustainability training for harvesting contractors and they can be certified in their part job of sustainability, assuring that the forest owner can trust to let them into her wood. But this is only one component in the long and committed life of sustainable forest managing.



I will bring to the scene the distinction between sustainable forest management and the communication and documentation of sustainable forest management – where certification is the most common tool of verification and documentation.

One example is the Norwegian Living Forest Process, starting in mid 1990s and ending with a consensus among all stakeholders, including WWF, in 1998. The Living Forest was a sustainable management process, developing a guideline to sustainable management. This was started before any certification system was developed for Norwegian conditions. The discussion was on management and not on certification. The Norwegian Forest Owners Federation participated on behalf of their members, with the mandate to commit all the members to carry out sustainable management in the Living Forest way, if we were able to reach an agreement.

And we did. We had a rather tough and thorough internal process, not without vivid debate. But the commitment was made and the first two years more than 20.000 forest owners went through personal training.

The result is a strong, long term commitment among all the Norwegian forest owners to align their sustainable management practice with the agreed norm.



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



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Then we embarked into the documentation, verification and communication process using certification. The Norwegian PEFC scheme was developed, based on the committed sustainable forest management standard and the ISO and International Accreditation way of effectively and credibly transform the management into documentation and communication.

This was done through group certification based on the long term commitment between the forest owners, represented by their own organisation – controlled and owned by themselves.

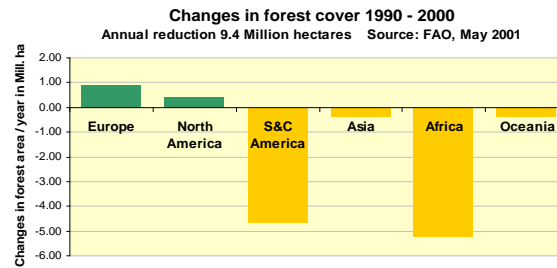
My point is that sustainable forest management reaches far beyond merely certification. The management is the basis and the certification the flag waving of the management.

The commitment came before any certification system and is to be consistently carried out. Members not complying with sustainable forest management will not be able to sell their wood and will be expelled from the foresters community.

Certification is used as a practical tool only.

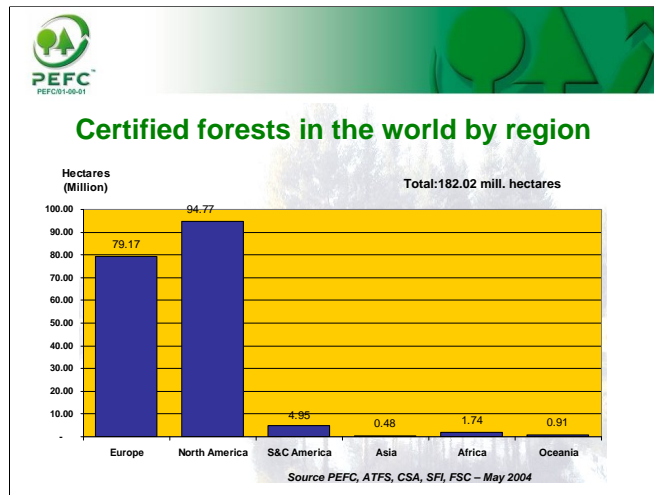
I will not rule out that certification may represent some guidance and impose some market pressure to promote sustainable forest management. But the role of certification must not be confused with the much more fundamental concept of sustainable management.

Current Situation



Let me also bring some sustainability and certification facts on to the scene without moving into details and certification systems.

The current situation is that the forest cover increases in Europe and North America and is being reduced in the rest of the world.



When we look at the certified forests we find that the areas with increasing forest cover practically have all the certified forest.

As an economist and statistician I see two obvious possibilities. One is that certification has led to the positive situation in Europe and North America. The other that we have allocated our certification efforts very badly from a cost-benefit point of view, wasting our resources on the areas with less need.



I will rest the case on certification and bring to the seen, as requested, tools and initiatives that could promote or reinforce sustainable forest management. And we must have in mind that this huge challenge is not only a private responsibility, but is also a very important political commitment in Europe and globally.

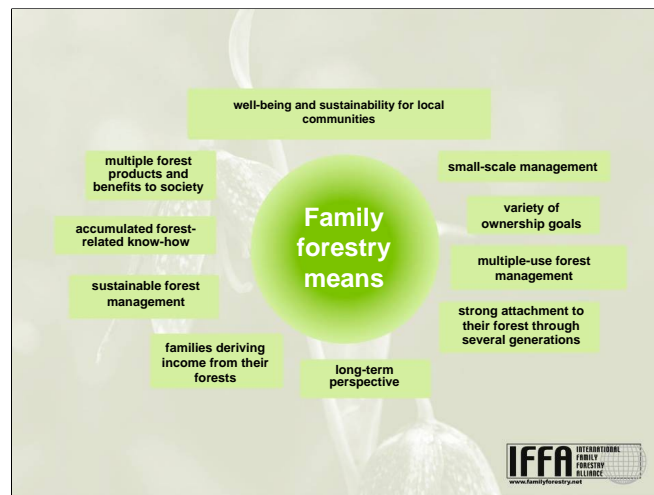
Built on many sources, but most of all from CEPF, The International Family Forestry Alliance, seconded by the Global Community Forestry Alliance has produced a set of cornerstones for implementing sustainable forest management. They include governmental tasks of forming the political framework and requirements for the forest owners and other partners in the value chain.

The cornerstones include long term political commitment, respect for property rights and long-term stewardship, economic viability, investments, rural development, cross-sectoral partnerships, local livelihood and research.



The very values of family forest owners coincide with the values behind sustainable forest management.

The management and use of forests in family forestry are directed by a sense of responsibility and the principle of sustainability. Forests are tended with due consideration for their special characteristics. Private forest ownership is a guarantee of continuity: people want to pass on their forests to the next generation in an even better state than before. Sustainable family forestry is economically productive, it promotes people's social and cultural well-being, and it preserves ecological values.



The characteristics of Family forest ownership is very good adapted to the task and making an advantage out of small scale, personal committed and local adapted forestry.

- Small scale management
- Owners having a variety of ownership goals and facing a variety of circumstances
- Families, including all ages and genders, deriving income from their forests
- Strong stewardship values - multiple-use forest management
- Owners having a strong attachment to their forests - ownership for several generations
- Owners providing multiple forest products and benefits to society
- Long-term perspective - investments for future generations
- Local ownership contributing to economic and social sustainability of communities

(Taken from the IFFA Mission Statement)



This is family forestry – this is sustainable forest management.

This is small scale forestry with all the small elements working together in achieving the huge task of sustainable development.

I am putting small scale on the scene, and asking the question: Is it true that small is beautiful?

I said that family forestry is not the problem – it is the solution.

But is small size beautiful or bad in forestry?

Which problem are we really trying to solve?

We have to define the problem before we can find the solution.

And I will ask the following questions in order to open up our dialogue:



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



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Is it true that small owners cannot make large mistakes – small owners should then be a minor problem. (On the contrary: large owners can make large mistakes and monocultures.)

The small owners will not all do the same mistake – therefore they represent diversity and possible problems should level themselves out.

One issue is to do mistakes – but if you do nothing – being a passive small forest owner – is doing nothing also a mistake?

Could small dispersed lots represent volume – either of forest area, wood - or problems – or are they mixed in between other wood lots in a way that they do not represent continuous areas of possible problems. My earlier examples have indicated that they do not represent a large over all area or volume.

On the contrary: Could passive, small owners contribute significantly to the environment by producing valuable bio diversity set asides and in that way contributing to the European model of multifunctional forestry?



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



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It is important to bring to the scene the dialogue what problems are we discussing when small forest owners and sustainable forest management is put on the agenda.

Is it what the small forest owners do – or what they do not do?

In which part of the sustainability balance could the problem be – mostly in the economic dimension, the social dimension or the environmental dimension?


Is the problem that the small owner represents area, volume or number?

Is the problem that they lie close as neighbours over large areas or widely spread?

If not a problem today, do they represent a potential problem in the future?

Could there be that we only perceive a problem – a problem of disturbing “disorder” – but not a real problem?

And if the small forest owners represent a problem, a problem for whom? Themselves or others?



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


LRF skogsägarna

I will now bring to scene what I see as the main solution – the main tool and initiative – forest owners associations and forest owners' cooperatives.

This tool and initiative is pointed at as the solution in many documents from the United nation system, FAO, European Commission, the European Ministerial process etc.

What are the forest owners associations and what do they represent. Many of them are political, interest organisations representing the small (and larger) forest owners. Many of them are in combination economic cooperative organisations – or working in close collaboration with forest owners' cooperatives.

They represent democracy – one member one vote – and economic responsibility. The cooperatives provide investment power and the possibility of profit sharing from their joint activities.



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

LRF skogsägarna

Why associations? There are a number of reasons:

Benefit for members and benefit for society, including enabling sustainable forest management.

There is a lot of ways and many different lists could be made.



Activities of associations

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



The activities in the associations depended on the country, tradition and degree of development. This could include

Sales and purchases of roundwood

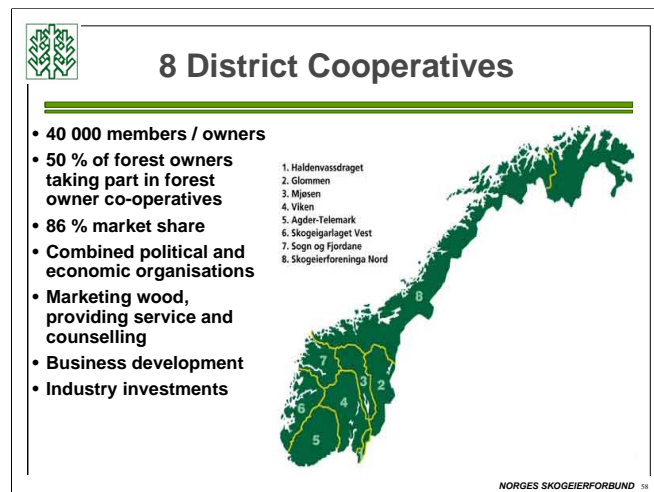
Forestry services

Training, extension and information

Counseling and planning

Influencing forest and industrial policies

And even industrial processing



To take another example from Norway.

We have eight cooperatives under the Forest Owners' Federation umbrella

<more than 40.000 members who also are part owners of the cooperatives

In number they are less than 50 per cent of the forest owners, but they represent nearly 90 per cent of the private wood production. Those not taking part are primarily the very small, representing less than 3 per cent of the area.

The cooperatives combine political and economic activities, market the wood, provide services and counselling, and are also engaged in business development of the members properties and joint industry investments.



The development of these cooperatives have taken 100 years of sustainable effort.

The cooperative as a tool and initiative represent however possibilities that even today could start in small scale and grow through the years.



The cooperatives represent also valuable social networks among the forest owners. Through the education, through the meetings, exchanging experience and being sources of inspiration. Research in Norway has shown that the social networks in rural societies represent huge potential. Mobilisation of small forest owners and mobilisation of wood goes primarily through these local networks where activity and best practise is contagious.

C E P F The voice of European Family Forestry

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



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CEPF has made a summing up of the solutions that the cooperatives provide – what this tool and initiative represent.

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

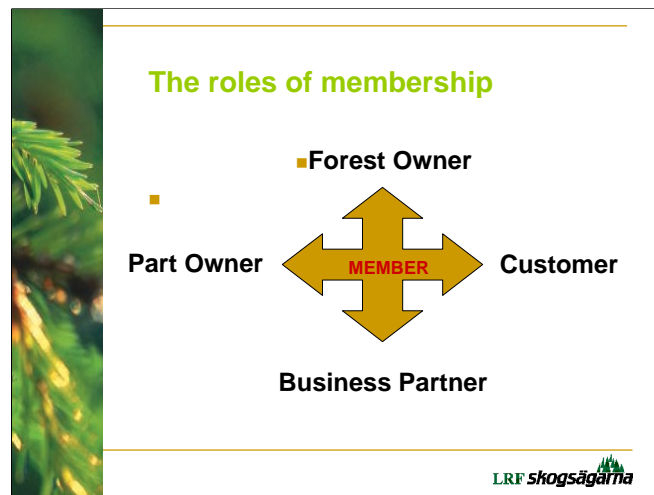
Social networks

Cooperatives overview

- Austria
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Latvia
- Lithuania
- Norway
- Sweden
- Switzerland



CEPF has formed a CEPF Cooperatives working group and we have started seeking better knowledge of the forest owners cooperatives in Europe. We have at present valuable information from 14 countries with different forms and stages of the development of cooperatives. This work represent promising possibilities for further exploration, forming networks and exchanging experience and counselling.



There is however, very important to distinguish between forest owners' cooperatives and ordinary service providing private enterprises in forestry. This is due to the role and the integration of the forest owner and the organisation. In the cooperative the forest owner is not only a customer and business partner. The forest owners are part owner and are in the joint democratic and economic control of their own organisation. There is also a unique long term commitment between the forest owner and the cooperative, going through generations and building up common resources and mutual trust.

In achieving sustainable forest management the key is organised cooperation between forest owners. Forest owners organisations cannot be replaced by state forest, industry, contractors or environmental organisations.



Let me now come to the end by building bridges between the various stakeholders in the dialogue. The picture is from one of the wood promotion projects in Norway where a Norwegian artist processed an original drawing of a bridge by Leonardo da Vinci and got Norwegian glue lam producers and road constructors to erect a modern version of Leonardo da Vinci's vision.

I will bring to the scene the need for cooperation and collaboration of all stakeholders interested in promoting sustainable forest management.

As sustainable forest management is a complex of innumerable factors, we need the help of all good parties in order to achieve the great task. We need forest owners, industry and all parties in the value chain, governments and non governmental organisations.

We need help of many kinds, not at least help for funding project that can develop forest owners' organisation and cooperatives, in Europe especially in the CEEC countries. From our own experience in the Baltic countries we know that this task is huge and require time, resource and support from all good parties.

From industry, especially, we need the help of common understanding that forest owners' cooperative is effective tools and partners for industry in making wood sourcing more effective and less costly – not the opposite. There is a challenge for the industry, that otherwise easy could break down forest owners' initiative that could lead to mutual benefit in the long run.

The same goes for environmental organisations seeing the mutual benefit in committed cooperation with forest owners' organisations. Even if they may be disputing environmental requirements on behalf of their members the forest owners' organisations may also be able to go into mutual committed agreements that will far more effectively lead to progress. Such commitments are more effective than disputes and actions of protest.

The challenge is to make all stakeholders working together and not fighting each other in the search for and the promotion of certain tools and initiatives. There must, however, be respect for the principle that those who are part in the sustainability issue also must be an active partner regarding tools and initiatives. The mutual respect of all stakeholders is another aspect of the balancing act of sustainability.



I will bring to the scene research as vital support for the promotion of sustainable forest management. Research must cover the whole field from sustainable forest management and primary wood production, through harvesting and logistic techniques to the development of effective production, transport and the marketing of wood based products. I would also include research supporting the development of forest owners' co-operatives.

There is also a huge demand for cooperation when the knowledge is to be implemented in day to day forestry.



Wood promotion is one of the areas where we can use as tools and initiatives. The climate challenge have made forest, bio energy and wood a political hotspot. Now is the time for exploiting this opportunity – and in the long run – perhaps a short window of opportunity



Let me finish by looking very optimistic at the possibilities for a good dialogue on tools and initiatives promoting sustainable forest management.

As forest owners we are in the front line of securing sustainable forest management. We want to have influence on the tools and initiatives suggested to form or change our lives. I believe that active and respectful cooperation is the most effective way of achieving our common goal of sustainability.

We must take the challenge and make a difference!

On the screen you find three web addresses where additional information about European, global and Nordic forestry can be found in English

Thank you for your attention!