SUCCESS CASES AND GOOD PRACTICES OF FOREST OWNERS’ ORGANIZATIONS IN EASTERN EUROPEAN COUNTRIES

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GERHARD WEISS, IVANA GUDURIĆ, ZUZANA SARVAŠOVÁ, VILÉM JARSKÝ, DIANA MIZARAITE, MARIAN DRAGOI AND ENDRE SCHIBERNA

Project leader: Dr. Gerhard Weiss
Central-East European Regional Office (EFICEEC)
Universität für Bodenkultur Wien
Feistmantelstrasse 4
1180 Vienna, Austria
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CONTRIBUTIONS BY

Gerhard Weiss
Bernhard Wolfslehner
Ivana Gudurić
EFICEEC, BOKU University, Vienna (coordinator)

Zuzana Sarvašová
National Forest Centre, Zvolen

Vilém Jarský
Katerina Ventrubova
Luděk Šišák
Czech University of Life Sciences Prague

Diana Mizaraite
Institute of Forestry, Lithuanian Research Centre for Agriculture and Forestry

Marian Dragoi
University Stefan cel Mare Suceava, Faculty of Forestry

Endre Schiberna
Janos Gal
László Jáger
University of West Hungary Sopron, Faculty of Forestry
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<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ALFO</td>
<td>Association of Land Forest Owners</td>
</tr>
<tr>
<td>CEE</td>
<td>Central East European Countries</td>
</tr>
<tr>
<td>CEPF</td>
<td>Confederation of European Forest Owners</td>
</tr>
<tr>
<td>CZK</td>
<td>Czech crown</td>
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<tr>
<td>EFICEEC</td>
<td>EFI Central-East European Regional Office</td>
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<td>ELO</td>
<td>European Landowners Organization</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EUR</td>
<td>euro</td>
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<tr>
<td>FAO</td>
<td>Food and Agricultural Organization</td>
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<tr>
<td>FAGOSZ</td>
<td>Hungarian Federation of Woodworking Industries</td>
</tr>
<tr>
<td>FECOF</td>
<td>Federation of European Communal Forests</td>
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<tr>
<td>Fi</td>
<td>forest integrator</td>
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<tr>
<td>FOA</td>
<td>Forest owner association</td>
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<td>FOAL</td>
<td>Forest Owners’ Association of Lithuania</td>
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<tr>
<td>FOC</td>
<td>Forest owner cooperative</td>
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<td>FOO</td>
<td>Forest owner organization</td>
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<td>FP</td>
<td>Forest Policy</td>
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<tr>
<td>LTL</td>
<td>Lithuanian litas</td>
</tr>
<tr>
<td>MEGOSZ</td>
<td>Association of Hungarian Private Forest Owners (Hungary)</td>
</tr>
<tr>
<td>NFA</td>
<td>National Forest Administration</td>
</tr>
<tr>
<td>NFC</td>
<td>National Forest Centre (Slovakia)</td>
</tr>
<tr>
<td>NFP</td>
<td>National Forestry Program</td>
</tr>
<tr>
<td>NIPF</td>
<td>non-industrial private forestry</td>
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<tr>
<td>NGOs</td>
<td>Non-governmental organizations</td>
</tr>
<tr>
<td>PEFC</td>
<td>Program for the Endorsement of Forest Certification</td>
</tr>
<tr>
<td>SKK</td>
<td>Slovak koruna</td>
</tr>
<tr>
<td>SVOL</td>
<td>Association of Municipal and Private Forest Owners (Czech Republic)</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>VAT</td>
<td>value-added tax</td>
</tr>
<tr>
<td>ZOL</td>
<td>Association of Municipal Forests (Slovakia)</td>
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</table>
1. Introduction

Since the early 1990s, Eastern European countries have experienced institutional changes after the breakdown of communism. In the field of forestry, these changes included the re-organization of the forestry administration and management and the restitution and privatization of parts of their forests.

Following the restitution of land ownership in Eastern European countries, the new private forest ownership often consists of highly fragmented forests. Furthermore, the new private forest owners typically lack knowledge and experience in forest management. Forest owners’ organizations (FOOs), as an instrument for supporting the sustainable management of private forests, were an appropriate option in overcoming new challenges. However, there is a lack of experience of working through interest groups in the former socialist countries.

In 2011, EFICEEC conducted a study for FAO (“Review of forest owners’ organizations in selected Eastern European countries”), to improve knowledge on the origins, evolution and current situation of forest owners’ associations and cooperatives in selected Eastern European countries, assess their effectiveness, and analyse lessons learned from experience of legislation, policies, strategies, institutional support and economic aspects (Weiss et al., 2012).

Based on the results and conclusions obtained from the cited study, this follow-up study of successful cases of FOOs of different types was initiated, including forest owners’ associations (FOA) with the main aim to represent the members’ interest in the political arena and forest owners’ cooperatives (FOC) with the main aim in business cooperation.

The formation of associations face the problem of collective action (Olson, 1965) because the result of the work of an interest group – for instance, the consideration of private forest owners’ interest in the forest law – is a public good which is for the benefit of all owners. Large groups have therefore difficulties to organize themselves because many people will decide not to contribute voluntarily when they perceive that their small contribution will not make a noticeable difference and that they benefit from the joint action in any case (free rider problem). One way to improve the participation in interest groups is coercion by the state (e.g. the obligatory membership in the chambers of agriculture in Austria); another is that the associations offer selective incentives to active members, such as information services that are only provided to members. It should be noted that there are also other factors that may influence the participation or non-participation in interest groups, e.g. certain resentment against collectivism in the former socialist countries.

According to cooperative theory, there are several conditions for the successful performance of cooperatives: (1) act efficiently as a coordinating institution, (2) achieve economies of scale, (3) have a satisfactory number of members, and (4) members should gain social satisfaction. Nevertheless, a theory of cooperation shows that cooperative members also have other than economic incentives to join or create this type of enterprise. The literature says that social aspects are crucial to cooperative organizations. For a cooperative to function there must be at least some trust between the members, mutual understanding, a feeling of community, common problem conceptions, etc. (Hakelius, 1996).

This study will help not only to facilitate the healthy and sustainable development of FOOs in Eastern European countries, but also to contribute to a larger “best practices” document for forest producer organizations in developing countries of the world.
2. Methodology

The objective of the report was to identify success cases and good practices of FOOs in Eastern European countries based on a set of criteria and to analyze common factors for success.

Case study selection

The report describes five forest owner organizations from five Eastern European countries. These organizations represent different types of FOOS in the region, different objectives and approaches, and different scales. The selected cases are judged as successful cases and/or good practice examples from the region, according to the mentioned review study on FOOs (Weiss et al. 2012).

The specific FOOs were selected based on their strong representativeness and demonstration effect, as well as on their specificity regarding the type of FOOS (forest owners’ associations and cooperatives) and geographic distribution across Eastern Europe (north, central and south).

The following organizations were selected:
- Czech Republic: Association of Municipal and Private Forest Owners (SVOL) (FOA)
- Hungary: Association of Hungarian Private Forest Owners (MEGOSZ) (FOA)
- Slovakia: Association of Municipal forests (ZOL) (FOA)
- Lithuania: Forest owners cooperative “Aukštaitijos šilas” (FOC)
- Romania: Forest owner association Marsani (FOC).

The aim was to select three FOAs (as defined above, having their primary aim in political representation) and two FOCs (primary aim in business cooperation). It should be noted that these terms are not consistently used, which is why Marsani is named an association although they are of the cooperative type as defined in this study.

Criteria used for the assessment of case studies

The set of criteria and guidelines used in the report were defined together with FAO. The report describes each of the selected FOOS from the following four work areas:

a) Organizational strength and inclusiveness – specific elements that were looked into: member participation, human resources, financial management, governance, membership based and specific groups.

b) Institutional development - specific elements that were looked into: networking and formal arrangements.

c) Policy elaboration and advocacy - specific elements that were looked into: policy influence, advocacy and communication and local governance.

d) Forest owners’ economic development - specific elements that were looked into: marketing / enterprises development, finance, business development services, access to information and knowledge, research and development.

The used data comprised expert knowledge of the co-authors (study partners from the respective countries), the data collected as part of the previous study (Weiss et al. 2012) and data collected in course of this study through additional interviews with representatives of the FOOS.

3. Brief description of the different types of FOOs

Forest owner organizations (FOO) are understood as forest owner associations (FOA) and forest owner cooperatives (FOC). FOAs and FOCs are based on non-state and non-industrial private forestry (NIPF). NIPF excludes all public sector forests, all industrial forests owned or leased by processors and all forests held by charitable organizations and other NGOs. The study focuses on associations and cooperatives with majority members of individual owners, group owners and communities.
FOOs agendas can be classified into two broad categories. FOCs focuses on management, marketing support and service provision such as technical and financial and information and knowledge sharing; and FOAs focus on political support, including by representing private forest owners in policy processes, advocating and influencing policy and legal frameworks (FOA). FOAs are mostly larger (national level) and thus able to provide both categories of support services, while FOCs are smaller and typically focus on business support. These organizational situations vary from country to country and certain exceptions and modification can be also seen.

According to the FAO study (Weiss et al. 2012), in Eastern European countries, FOOs were usually established based on two criteria: geographical (regional organization) or a specific kind of ownership (e.g. in Slovakia). Many of FOOs are a mix of these types. As joint forest ownership has historical roots in Central Europe, in some of the countries the presence of historical FOOs is characteristic (e.g. Hungary, Romania, and Slovakia). With regard to the offered services, FOOs can be divided into organizations that aim at interest representation and such that aim at business cooperation. Nonetheless, these categories are overlapping because many organizations in fact offer a range of services, including interest representation to some extent and supportive services for their members, e.g. the provision of information and advice.

In this report, three FOAs (SVOL in Czech Republic, MEGOSZ in Hungary, ZOL in Slovakia) and two FOCs (Aukštaitijos šilas in Lithuania and the association Marsani in Romania) were analyzed.

4. Description of the success cases

4.1. Czech Republic: Association of Municipal and Private Forest Owners (SVOL)

4.1.1. Background

The principal share of forests in the Czech Republic is owned by the state (61.5 %). Municipalities, their forestry commissions and communities have a 17 % share in forest ownership and private owners a 19 % share. Of the total area of forest owned by the Czech Republic (1,596,700 ha) 1,340,800 ha is administered by Czech Forestry Commission, 125,000 ha by Army Forests and Estates of the Czech Republic, 6,000 ha by the Office of the President of the Republic and 95,600 ha are administered by National Parks Administration.

The Association of Municipal and Private Forest Owners (SVOL) is a nationwide voluntary non-profit making organization of non-state forests owners.

The contemporary history of SVOL dates back to April 2, 1992, when the constituent general meeting of the Association of Municipal Forests Owners was held. After 1989, Law on Restitution was adopted, which initiated a process of organizing both the former and new forest owners. The Czech state returned historical forest properties to communities that they owned before December 31, 1949. The process of transferring land ownership to previous owners caused a lot of problems, because there was still forest legislation from the communistic period absolutely unsuitable for the new situation.

In order to overcome the new situation in forestry field, the new forest owners decided to organize themselves. A good historical model they found in the pre-World-War-II tradition of the Loose Association of Forest Districts in Bohemia, Moravia and Silesia, which in 1938 had 671 members managing 50 % of forests and woods in the Republic. Based on this example SVOL was established.

At the very beginning of its existence SVOL associated 93 members. In that time membership was limited to communities and towns. A few years later, other categories of non-State forest owners were allowed to enter SVOL.

SVOL is the biggest and the most important association of forest owners established after the political changes that were initiated in November 1989.
The dominant position of the State Forest Enterprise on the timber market, a fast developing concentration of costumers and the formation of new wood-processing capacities, forced private forest owners and managers of municipal and private forests associated in SVOL to establish joint-timber trade so they could strengthen the position of the non-state sector on the market.

4.1.2. Institutional arrangement

Organizational structure

SVOL represents more than 1.010 non-State forest owners (communities, towns, private forests, forest cooperatives, unions of small-scale owners) managing 360 000 ha of forests, which represent 14 % of the total forest area in the Czech Republic.

SVOL composes of two chambers: Private Forest Chamber and Communal Forest Chamber (Figure 1). Private Forest Chamber is a legal entity; it is a collective member of the SVOL. The chairman of the Private Forest Chamber is the first vice-chairman of the SVOL. In spite of existence of two chambers, the separation is only of formal character; all members have the same conditions.

The Republic Conference works as a prime body of the SVOL. Plenary session of the Republic Conference is regularly held once a year with main goal to share and update information and to make key decisions at the national level, such as agreement on SVOL strategy for further period, evaluation on joint-timber trade etc. Between Conference sessions, the association is led by the Republic Committee. The Republic Committee composes from the SVOL Board and representatives from the regional organizations. Executive body and body representing SVOL publicly is the SVOL Board (Figure 2). The SVOL Board is elected for two-year period. All bodies cooperate together; each body could contribute and take point to discussion on board during the SVOL Republic Conference.

SVOL members are obliged to pay regularly a membership fee. The amount of the fee depends on forest area (Table 1). The membership fee is mostly spent for administration costs, organization of the Republic Conference and for some other activities provided by SVOL, such as field trips or expert consultation for its members.

Table 1. Amount of membership fee (in CZK and USD)

<table>
<thead>
<tr>
<th>Forest area in ha</th>
<th>CZK</th>
<th>USD*</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 50</td>
<td>600,-</td>
<td>32,2</td>
</tr>
<tr>
<td>51 – 100</td>
<td>900,-</td>
<td>48,3</td>
</tr>
<tr>
<td>101 – 1000</td>
<td>10,-/ 1 ha</td>
<td>0,5</td>
</tr>
<tr>
<td>1001 – 2000</td>
<td>12.000,-</td>
<td>643,6</td>
</tr>
<tr>
<td>2001 – 3000</td>
<td>15.000,-</td>
<td>804,5</td>
</tr>
<tr>
<td>3001 – 4000</td>
<td>18.000,-</td>
<td>965,5</td>
</tr>
<tr>
<td>4001 - 5000</td>
<td>21.000,-</td>
<td>1.126,4</td>
</tr>
<tr>
<td>&gt; 5001</td>
<td>24.000,-</td>
<td>1.287,3</td>
</tr>
</tbody>
</table>

*The average rate CZK /USD – 18,644/1 (for the year 2011)
Membership fee of forest owner with forest area more than 100 ha with PEFC certification is decreased about 1 CZK/1 ha of forest area. New members are obliged to pay enrolment fee in amount of 25 % of regular membership fee.

There is no exception regarding male and female owners, in terms of rights and obligations prescribed by the statute of SVOL. The principles of gender equality are fully respected.

**Institutional development**

In the beginning membership in SVOL was limited to communities and towns. In 1996, upon the application of a number of forest community’s cooperatives and private owners, the decision was made that other non-State forest owners become members of SVOL. This change of the statute and of the name of the Association (from Association of Municipal Forest Owners to Association of Municipal and Private Forest Owners) was approved on plenary session in April, 1998. This step has meant a significant strengthening of the member base and a fundamental change in the existence of the Association.

Upon the decision of plenary session in 2000, the Executive Committee started preparing preconditions for regional organization of SVOL. Following the reorganization of state administration and transferring the competencies from the ministries to other organizations on regional level, SVOL further developed regional structure in order to strengthen cooperation among SVOL members.

At the plenary session of the SVOL in 2002, new organizational structure of the association has been approved. Today SVOL has 9 regional organizations (Jihočeský, Jihomoravský, Karlovarský, Plzeňský, Severní Morava, Severočeský, Středočeský, Vysočina and Východočeský). They were created according to the republic scope based on regional level. Each regional SVOL organization may develop its activities within neighbouring regions.

From international point of view, since March 1999, SVOL has become a member of the Federation of European Communal Forests (FECOF), and since July 1999, a member of the European Confederation of Forest Owners (CEPF).
Since 2005, SVOL has become a member of the European Landowners Organization (ELO), which is an umbrella organization of forest, agricultural and fishpond owners.

**Policy participation and advocacy**

Since the beginning of its existence, SVOL has focused on a few areas of activities. One of the main political activities was to safeguard the interests of the original municipal forest owners in the process of restitution. In order to carry out these tasks, it was necessary to draw up a policy for the development of the association, which in the beginning was primarily on an informal level.

Defending forest owners’ interests was a demanding task that was successfully done through the involvement of enthusiastic individuals. Such engagements were of crucial importance for SVOL establishment. The advocacy of members’ interests was slowly developed from informal to formal level with professional relations. This development caused a need for changes in the internal structure and in a standardisation of SVOL policy. Reinforcement of the SVOL structure by means of elaborating regional organizations resulted in an interest from the government side to involve SVOL in negotiations concerning forestry issues.

Communication and cooperation is mainly based on personal relations both at national and regional level.

**Forest owners’ economic development**

The main principle of SVOL is to have healthy and prosperous forests for today and further generation. In the SVOL interest is to manage forests in sustainable manner, recognizing all three pillars of sustainable development. To achieve this goal, common activities both at national and regional level are perceived as one of the most important elements of economic development. Such activities are joint timber-trade (collaboration at national level) and joint purchase of chemical detergents (collaboration in some regions).

Importance of sharing information is perceived by SVOL, particularly because of its contribution to economic development. SVOL is publishing bulletin three times a year with all relevant and updated information. In cases of urgent matter, SVOL members are immediately informed via emails from the SVOL secretariat.

Nowadays, cooperation with research institutions is not of a high interest from SVOL side. On the other hand, it was stressed by some SVOL members that this type of cooperation should be useful for both sides. However, it could be mistake from the side of these institutions, because promotion of their capability and potential are missing and foresters and experts are not informed on possibility to cooperate.

**4.1.3. Results and impacts**

*Organizational strength and inclusiveness:* Changes in SVOL structure and in policy strategy led to expansion of activities that are provided. Among other things, SVOL monitors development in forest sector and rearranges if needed the statutory rules of SVOL and orders in force or in preparation, organize workshops and excursions for owners and administrators of non-State forest properties, provides joint purchase of forest material within regions, and offers advisory services and juridical consultancy for SVOL members.

*Institutional development:* Joining of private forest owners consolidated the position of SVOL, its influence and importance, not only in the Czech Republic but also towards neighbouring countries and the EU. SVOL made contacts and started cooperation with relevant international associations and organizations.

*Policy elaboration and advocacy:* SVOL played a decisive role in pursuing amendments to the Act on Land reform, thus enabling transfer of real property to the former community forest cooperatives. Thanks to SVOL, communities were given back, inter alia, historical forests in national parks and real properties, private roads and small buildings used for performing forest functions (e.g. for execution of hunting rights),
which were allocated to communities pursuant to Decrees of the President of the Republic or returned in compliance with Acts on Land Reform.

Establishing of regions caused that members are more active and are more eager to cooperate. All regions are collaborating very well. Moreover, they become interested in participating in national level activities and not only in the annual conferences.

The main SVOL’s task is, inter alia, to participate in formulation of forestry policy and to advocate the respect of property rights, thus ensuring balance among all aspects of forest management in related legal regulations. This approach ensures that attention is drawn to social, economical and environmental benefits of community and private forest properties for stability and development of country areas. Moreover, SVOL is taking part in improving standards of forest management, by providing its expertise. The clear orientation to advocating sustainable forest management is approved by supporting the PEFC certification of forests. Furthermore, SVOL is promoting consumption of wood as a renewable resource, and contribute to organization/development of joint business mechanisms for long-term supplier-customer relations, thus influencing the steadiness of the markets and higher appreciation of the wood produced. With such activities SVOL is increasing prestige of forest staff.

SVOL common forest policy provides the basis for sustainable forest management. It provides present and future decisions, determines actions and provides direction over a period of time. SVOL strategy is a shared vision on forests and trees and their use, negotiated and agreed by its members. The main goal of the common policy is to keep abreast of changing circumstances and to enhance the value of forests.

Forest owners’ economic development: The joint timber-trade is developing with regard to interest of important purchasers, esp. focusing on cooperation with non-State forest owners. At the SVOL level, volume of timber in time and in range of products is guaranteed. Purchasers offer financial motivation and other services (e.g. transport organization, prolongation of due date etc.) as counter value to the cooperation. These agreed framework conditions and obligations are set in agreements on mutual cooperation at the SVOL level and are valid for one year.

Nowadays 44% of all SVOL members are part of the joint timber-trade. The joint timber-trade is still open for other applicants, both from SVOL and for new purchasers. The joint timber-trade offers to owners placing their timber on the market, guaranteed purchase in time and interesting benefit conditions. On the other hand, there are advantages for purchasers in guarantee of smooth and fluent supplies in prearranged volume.

Wood-processing or buying organizations realizing the joint timber-trade with SVOL guarantee same prices, same benefits and due dates for all contractors from SVOL involved in system of the joint timber-trade. New contractors and purchasers are able to access to the system at the beginning of each quarter of a year.

4.1.4. Key to success: why does it work?

One of the key elements to success of SVOL is that its membership is opened to various owners’ types, like private forest owners, and owners of municipal and church forests. Moreover, according to the statute of SVOL, there is possibility to accept a State institution (e.g. University) as a member.

Individual private forest owners have realized that advocating his/her interests as owner is much easier to achieve if they are part of association. That was the main motivation for them to become the SVOL’s member.

Furthermore, there is possibility for members to take advantage of technical and legal consultation regarding to assessment of their forest management or of participation in expert field trips.

In this context, the decision on establishing regional organizations has to be stressed. Comparing to previous situation, where only one organization with an Executive Committee was in charge of organizing activities across the whole republic, nowadays, regional organizations organize their own actions focused on
local issues (e.g. joint shopping of chemical resources, gauze, etc.). This has led to more active interest of SVOL members in actual events in forestry.

Due to establishment of regional organizations, forest owners are more interested in situation in their region than in general situation cross the whole republic. They can share common issues and are presenting the questions and problems as results of joint collaboration.

Voluntary participation in joint timber trade represents the great potential for SVOL’s members and is seen as one of the key factors for the success of the association. The approach and scope of the trade was taken from Austrian experiences. If SVOL members are fulfilling supply requests, they have a claim to benefit in form of economical bonuses. The joint timber trade has proven well and works effectively. The volume of trade is still increasing.

4.1.5. Conclusions: main lessons and outlook

Nowadays in the Czech Republic, when the forestry gain low interest from governmental policies, it is realized that such kind of broader association, like SVOL, could operate as an important lobby fraction within policy- and decision-makers and have a big potential to influence crucial decisions. In this context, the decision on establishing regional organizations is assessed in very positive sense. Forest owners are involved and more interested in forest sector, if they can discuss their problems and hot issues, first at sub-national level and then have the possibility to present it at national level as commonly agreed. It seems to be the right way how to involve not only big forest owners but also small forest owners in to the discussion.

The intention of SVOL is to maintain the current status and to strengthen its position toward to state, especially to forest policy set up by state. Number of members is slowly but continuously increasing. Important general task of the SVOL Board is to keep and extend cooperation among regions and also abroad, since it is easier to advocate and defend interests of forest owners when they are speaking as unanimous body.

Other challenge for SVOL is to set up closer cooperation with research institutions, especially with forest faculties, to have data and arguments for discussions so that the forestry sector will be highlighted.

A stronger international cooperation and involvement in European activities, such as participation in negotiation on new legislation as representative of private forest owners, could also help for discussions with careless government representation.

4.2. Hungary: Association of Hungarian Private Forest Owners (MEGOSZ)

4.2.1. Background

Hungary is a country with relatively low forested cover (approx. 20% of the territory). The natural forest cover is characterized by mixed broadleaved forests, 57% of which consist of indigenous tree species.

Hungary maintains a strict, accurate and detailed forest management planning system. The planning is carried out by State Forest Service and provided for both private and State forest management organizations.

At the beginning of the communist era in Hungary large agricultural estates were nationalized, while small estates were forced to join into cooperatives. As a part of the political and economic reform in the early 1990s, approx. 40% of the forest land had been privatized. One of the ways to implement privatization was a voucher system. Citizens and their inheritors were eligible for compensation voucher if they suffered financial losses or moral indignity for political reasons during the communist times. These vouchers were used in auctions of State owned land designated to privatization. Another way of privatization was the allotment of the agricultural cooperatives’ forests among their members.
As a result of the privatization process, 40% of the forested land in Hungary became privately owned. Significant share of those private forests can be found in undivided common properties, where forest management is subject to the agreement and the cooperation of forest owners.

From the very beginning of privatization process, forest policy was trying to force the new forest owners into joint management forms. According to the regulation in that time, neighbouring forest areas, which used to have one forest manager before the privatization, could only have one forest manager after the privatization, too. The idealized organizational form for management of such forest properties was Forest Association. This was the model of how forests could be given to a large number of people and managed on a relatively large-scale at the same time.

The development of the private forestry sector started very slowly, partly because forest policy followed the above mentioned model of large-scale forest management, which has a long tradition in Hungary (from the late 19th century), but it was not favoured by the new owners. This period ended around 2000 when forest policy gave up its former 'safety approach' and tried to find more rational tools to support development in the sector, and address specific problems on a more pragmatic way.

Since forest owners and their forest management organizations heavily relied both on contractors and forest professionals as information sources, from the year 2000, forest service centres were established. These forest service centres were private entities (companies or self-employed persons) called ‘Integrators’. The institution of Forest Integrator (FI) is a strategic alliance, where the forest integrator provides expertise by consulting, thus the partner forest enterprises can benefit from the integrator’s marketing skills and business experience. The consulting service is based on a long-term contract, while the other services of the integrator such as forestry operations and timber trade are negotiated in the specific cases (e.g. the integrator is competing with other actors on the market in these transactions).

Other changes in forest policy emerged as a consequence of the accession of Hungary to the EU, in 2004. It did not bring sudden changes in the forest policy, but there was a definite shift from country-specific solutions to applying 'EU solutions'. From that time, specific national budget for forestry decreased and forest policy had to rely more and more on the European Agriculture Fund for Rural Development. Since the utilization of EU funds are regulated on EU level the possible tools for forest policy are limited to the ones offered by the EU. While the problem areas and the possible solutions are regulated on EU level, it is clearly a period where the set of tools available for forest policy was and is still expanding.

MEGOSZ has been one of the most active forestry related interest representation organization in the past 15 years in Hungary. Its distinctive characteristics are the clear focus on private forestry issues (while others are dealing with forestry issues in a general way), and a skilled and agile management. The active participation in political processes made MEGOSZ unavoidable in decision making. As it became more and more respected, it had positive influence even on the acceptance of private ownership in forests, which raised concerns when the idea of privatization emerged.

4.2.2. Institutional arrangement

Organizational structure

MEGOSZ was established in 1994, and it had 27 members. Today it has more than 1400 members, including 2 regional associations. The total represented forest area sums up to more than 115 000ha.

The majority (approx. 90%) of their members are males. MEGOSZ has no targeted program to encourage females to register, however they apply principle of equality in recruiting their employees. Considering the past 10 years all together the Secretariat’s employees were approx. 50% females.

MEGOSZ has 7 regional offices (Figure 3), in some cases on the premises of their voluntary members or in cooperation with the State Forest Service. These offices provide information on forest management, on official processes, and on available forestry professionals.
The ultimate decision making body in MEGOSZ is the General Assembly. It has a Board of Directors with 7 elected directors\(^1\), who are engaged in these positions on voluntary bases.

Administration of MEGOSZ is run by a Secretariat of two employees including the Executive Director. There have been some fluctuations in the Secretariat and their number varied from 2 to 5. Executive Director has always been forestry professional, and the team temporarily included a forester, a game manager, a lawyer and other relevant experts (Figure 4).

The daily task of the Secretariat includes the maintenance of the information flow through their mailing system and via website (http://www.megosz.org/). However, the organization could not maintain a permanent staff due to the lack of financial sources.

MEGOSZ is financed from membership fees and outer sources. Membership fee is differentiated by the member’s organizational form, and the size of forest area with classes 0-49 ha, 50-500 ha, 501 ha-.. Special fee is applied for registered forestry professionals and for the Forest Integrators. The management of MEGOSZ is trying to utilize outer sources as well. Relying on its network of members it can effectively take part in dissemination projects funded by the European Rural Development Fund. MEGOSZ is also using national sources available to foster activity of the civil society, and it takes part in research projects in cooperation with the University of West Hungary. MEGOSZ also accepts sponsorships usually from large companies trading with forest machines and accessories.

**Institutional development**

Soon after its establishment, MEGOSZ was re-organized triggered by the development of the private forestry sector, which needed more agile and efficient management. MEGOSZ put a special emphasis on gathering the most active forest enterprises together as they were the driving forces in the development of the forestry sector, and soon they became the backbone of the organization. From 2001, when Forest Integrators started their operation, MEGOSZ gained more support because the membership in MEGOSZ was one of the prerequisites to acquire the position of an integrator.

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\(^1\) The members of the Board of Directors are elected by the General Assembly. In some cases the members of the Board of Directors overlap with the directors of regional offices.
Forest Integrators\(^2\) indirectly represented a large forest area through their consulting services (a few thousand hectares each) and they had very strong interests in the development of the private forestry sector, as well as in the rural development processes in general.

In order to get physically closer to their existing and to their potential members, MEGOSZ established network of 7 Regional Offices offering information on forest management in general, legal regulations and providing advices in specific problems.

During the time, MEGOSZ was trying to increase the efficiency of its operation. In order to reduce costs it stopped publishing their own magazine ‘Erdőgazda’ and started publishing their news in NGOs magazine ‘Erdészeti lapok’. The inner communication considerably improved when e-mail system was introduced, and web-page developed. However, it should be stressed that a large number of MEGOSZ’s members are not using these electronic sources yet.

**Policy participation and advocacy**

The primary focus of MEGOSZ is to represent member’s interests in forestry related legislation and in the management of the forest related subsidy schemes.

The president of the organization represents MEGOSZ in public forums and his personality has a great impact on the effectiveness of representing interests through networking in the political arena.

The Board of Directors has an important role to formulate MEGOSZ’s standpoints in the political processes, and they allocate responsibility areas among themselves. These responsibility areas typically are supported by projects and task forces which are allocated to one of the directors.

The Secretariat had employees with various backgrounds therefore the organization can represent its interest better. For example, the Secretariat had a young engineer to manage projects, and a lawyer to be more effective in legislation processes etc.

Currently, MEGOSZ is working on recruiting more members to gain more political power. For promotion a road show was launched, which means 4-5 public consultations a year in various regions of the country.

MEGOSZ intensively participates in many important political processes within the forestry sector. One example is the elaboration of the National Forest Program (NFP), which contains a private forestry sub-program based largely on the contributions from MEGOSZ. Even though the NFP had very little effect on forest management level or on the economic conditions of private forest owners, it was an important step in developing MEGOSZ’s reputation.

MEGOSZ takes its visibility very serious, as they are represented in all major forest related occasions. Their annual assembly also shows convincing power. MEGOSZ is trying to be present in various forums, such as:

- members of the National Council of Forest, which is a consultation body established by the Forestry Law
- members of the Forest Based Industry Technology Platform in Hungary
- charring the Forestry sub-Council within the Monitoring Council of ‘New Hungary Rural Development Program’.

MEGOSZ is a member of CEPF and it is actively taking part in its operation. In 2004, MEGOSZ hosted CEPF’s General Assembly, and they express their opinion and help a better interest representation with their suggestions. However, the increasing membership fee of CEPF is a considerable burden on MEGOSZ’s decreasing budget.

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\(^2\) “In the beginning of the 2000s, ‘Forestry Integrations’ (FI) became the new form of cooperation in private forestry. A FI is a strategic alliance between the core enterprise called the ‘integrator’ and the partner enterprises. There was a subsidy scheme especially targeted to the operation of the FIs, and they developed very fast, and showed good results also in decreasing unmanaged forest area in their region of operation” (Weiss et al., 2012, p.10)
Success Cases and Good Practices of Forest Owners’ Organizations in Eastern European Countries

Forest owners’ economic development

Although MEGOSZ provides business services for their members, it is limited to circulating advertisements, job opportunities and trade offers. Nevertheless, MEGOSZ’s persistent lobbying activity in order to open new subsidies from national budget, or to urge better operation of EU funds, has a clearly positive effect on the financial situation of all private forest owners.

MEGOSZ is one of the most important sources of information regarding the private forestry related news, such as legislation and political processes, and changes of subsidy systems. Besides providing information MEGOSZ also organizes trainings for private forest owners (Figure 5), and it runs a consulting service as well. In case of some of the subsidies MEGOSZ offers help in writing applications.

![Figure 5. Meetings and events organized by MEGOSZ](source: Lajos Puskas)

4.2.3. Results and impacts

Unlike other national forestry related interest representation bodies, MEGOSZ is focused exclusively on private forestry issues. Theoretically, MEGOSZ represents only interests of its members, but its activities have a positive effect on the whole private forestry sector.

Through active participation in various policy processes and in development of subsidy schemes MEGOSZ was able to influence subsidy system in favor of private forest owners. As a result there are new programs in private forestry to foster employment through public works. The ‘New Hungary Rural Development Plan’ consists of several forest related sub-programs, but only a few of them has been launched since it came to force. MEGOSZ was the most active to promote the start of these subsidy programs, and it was continuously represented the interest of the participants.

MEGOSZ is in close cooperation with the key decision makers, which help in better positioning of the organization as an actor in the Hungarian forest policy setting. Over the years the decision makers have changed frequently, but MEGOSZ was able to establish good relationship with many of them. Those relationships were demonstrated by participation of ministers, members of Parliament, Secretaries of State and other high ranking officials in MEGOSZ assemblies. MEGOSZ is also taking part in legislation processes, where it managed to incorporate favorable clauses into the new Forestry Law passed in 2009.

MEGOSZ is very successful in building alliances with its partner organizations. Instead of rivalry the most important NGOs concerned about forestry have a good understanding of MEGOSZ competencies, and they respect these share of subject areas. It does not mean that the other NGOs abandon private forestry issues completely, but they accept MEGOSZ as a leader in this field. In 2000 for instance FAGOSZ (Hungarian Federation of Woodworking Industries) signed an agreement with MEGOSZ including that FAGOSZ will resign from its CEPF membership in favour of MEGOSZ, acknowledging its accomplishments.

4.2.4. Key to success: why does it work?
MEGOSZ realized the **importance of uniting the biggest private forest enterprises**. These enterprises had strong interests to be represented, so they needed an organization, while MEGOSZ needed these **enterprises willing to finance its operation**. This is why MEGOSZ is sometimes accused to be a speaker for only the large forest owners. However, MEGOSZ is clearly not working only for their members with large forest area, and not even only for their members. Their achievements are beneficial for the private forestry as a whole.

It is very difficult to build a powerful organization based on small-scale forest owners, since there is no one to **finance the initial stage** of the development when the main objective is to achieve the critical mass. This is why MEGOSZ started with the large enterprises, and still has a policy to encourage more of the top forest enterprises that are indirectly benefiting from their activities, to join the organization and with their membership fee help stabilizing MEGOSZ’s budget.

However, MEGOSZ takes care of the small-scale forest owners as well, and they are recruiting new members. MEGOSZ is representing these members’ interests as well, since there are no serious conflicts of interests between small and large-scale forest owners. On the other hand MEGOSZ strives on increasing its representative power and it needs a larger membership that can justify that they are not only a small group of the elite.

Besides the **clear objectives** both in terms of interest representation and organizational development, **efficient operation** was of a crucial component of MEGOSZ’s success. The **involvement of the Board of Directors into the everyday operation** increased the capability of the organization considerably with almost no additional costs. Cost-efficient **communication** like the active use of e-mailing list and the webpage, as well as switching from their own magazine to a cooperation with another NGO’s magazine were rationalizing its operational budget.

The management was very successful in **combining outer sources with MEGOSZ’s objectives**. Many times their assemblies and road shows were coupled with other events, projects, trainings and disseminations co-financed by various organizations. This was a result of their outstanding ability to find common interest and build cooperation with their partners.

Summarized, the reasons of MEGOSZ’s success are based on capability, visibility, credibility and good political connections (Figure 6).

**Figure 6.** Key factors of MEGOSZ’s success

4.2.5. **Conclusions: main lessons and outlook**

In Hungary MEGOSZ is obviously considered to be the most important **representative of the interests** of private forest owners.
One of the key factors for the present success of MEGOSZ is that it was the first private forest interest organization on national level. There is little chance for newcomers to gain support, especially because the most important private forest enterprises (most of them are former Forest Integrators) are already engaged with MEGOSZ. Becoming the most important FOA, however, is not enough to get fully recognized in the political arena. MEGOSZ is the largest FOA in the country, but it is comparable to other NGOs in the forestry sector in terms of lobbying power, activity in the public life of the forestry sector, and general respect. Even though private forestry, including private ownership as a concept was very unpopular in the early 1990s, especially among forestry professionals, the activity and the success of MEGOSZ contributed to the gradual change of this general opinion. Success can be identified in many ways, among which effective lobbying; strong alliances with other NGOs and the credible standpoints in political processes are the achievements of the organization. Another key for its success is the personal examples of the charismatic members, including the president and the Board of Directors. They run successful private forest enterprises, and it proves their personal skills and capabilities.

MEGOSZ is looking for new opportunities to provide better services for their members. One possibility for that is taking part in PEFC forest certification, which will probably be available within a few years. In spite of its successes in many areas, MEGOSZ is facing financial challenges. Membership fees are not sufficient to maintain its operation, and additional sources are occasional. Under these conditions MEGOSZ cannot easily maintain a stable level of operation in terms of infrastructure or personnel.

4.3. Slovakia: Association of Municipal Forests (ZOL)

4.3.1. Background

The ownership structure of Slovak forests (2 009 000ha) is very complicated due to historical and political reasons. Nowadays, 47.6% of all forestland is in state property. State forests are managed by State enterprises. The non-State sector includes private, municipal, church and forests of cooperatives, but also a specific form of a historical join forest ownership – “urbariat”. Several associations of non-State forestry owners operate in Slovakia at the country to local level, but there is still quite a substantial group of non-State forest owners (that are managing 264 000ha or 33 % of forests) who do not belong to any association.

After the political changes in 1990, the regulations for non-State forestry sector did not exist. New forest owners had no experience with administration and management of private properties; therefore they join together to build up associations that could advocate their interests aimed at formation of suitable economic, social, organizational and legislative conditions. Over the past decades, there has been an increase in non-State forest owners due to successfully returned forests during restitution process.

Restitution process in forestry brought the new situation among the former forest owners and their inheritors. The users’ rights were interrupted during the socialistic regime. That led to the lack of knowledge on forestry within the group of new forest owners. From the new forest owners’ point of view, the reason to establish interest or stakeholder organizations was to protect and represent the common interests of forest owners in the policy-making process.

Many forest owners association (FOA) were established because of the common problems with restitution of the same type of estate on the basis of ownership. First association of non-State forest owners – Association of private, associated and communal forests was set up early after the adoption of Law on Restitution in 1991.

With a very few exceptions, non-State subjects started to operate without any financial support, any mechanization or technical support, as well as, without administration and technical equipment for forest production. That means that they had bad access to the timber market.

Furthermore, municipalities faced challenges to develop their own institutions that will manage their restituted forests. Their problems were different in comparison to small private owners. The municipal forests were included in the first FOA in 1991, later they were considering a separate chamber, but this idea
did not succeed. In 1994, there was a resolution to establish an independent FOA for municipal forests - Association of Municipal Forests of Slovakia (ZOL).

In Slovakia, municipal forests are usually managed by subsidized or limited companies founded by the municipality. Many of such companies maintain also parks and other green areas within their respective municipalities. Municipal forests were in 90s the strong group of enterprises leaded mostly by forest professionals with the background in state enterprises. The advantage was that they held the necessary skills and competences in forest management.

4.3.2. Institutional arrangement

Organizational structure

Association of Municipal Forests was established on 10th November 1994 as an independent FOA associating owners or management organizations of municipal forests with the main aim to protect interests of their members. At the beginning, 38 organizations of municipal estates formed a membership basis in ZOL. It was a lengthy and complicated process for ZOL to become stronger and more inclusive.

ZOL was founded as a civic organization and does not own any property. Two most active members: Kremnica and Zvolen towns supported the establishment of ZOL with material and office. The main mission of ZOL was to push forward justified requirements of municipalities possessing the forests. Later the activities of the association have been aimed at processing the comments to various conception materials on state level, and legislation dealing with forestry, nature protection and related policies. Nowadays, ZOL is an association of legal entities, open for whole non-State forestry sector. At the beginning it was based on strong individual actors involved in restitution process of municipal forests. Still the majority of the work is done voluntary. Only Secretary and head an Executive director have one and a half paid position.

The budget of ZOL consists of membership fee, donations and subsidies. Membership fee is decided by General Assembly according to area of forests: for protected forests 0.10 EUR and for commercial forests 0.22 EUR/ha/year. Annual membership fee is due by 30th June of the same year. The maximum amount of annual fee is 1,659.70 EUR per member. The financial support is much related to the decisions of particular members of municipal councils (parliaments). Finances are mostly used for education, excursions and other activities for their members.

Changes in membership can occur due to sale of property or changes on the post of majors. This kind of organizations is very sensible to local policy. From 61 members 5 are women representatives.

Institutional development

A formal arrangement of ZOL is typical for this type of organization. The bodies of the association are the General Assembly, the Executive Committee and Advisory Council (Figure 7). ZOL has its Status with definition of responsibilities and duties of particular parts. Each subject has one vote in General Assembly.

ZOL belongs to four of the most important forest associations at the country level with a Slovak-wide
competence. Together with the Slovak Union of Regional owners associations, the Slovak Union of Diocese Forests and the Union of Owners of Private, Community and Municipal Forests of Banská Bystrica Region they are members of Council of the Non-state Forest Owner Associations (Figure 8).

![Council of Non-state Forest Owners Associations](image)

Figure 8. Connection to the umbrella organization

The Council of Non-state Forest Owner Associations was established in 2006 as an informal umbrella organization for non-State forest owners by the initiative of Minister of Agriculture.

ZOL is not a member of any international organization directly, but through The Council, they have a contact with CEPF at an international level.

**Policy participation and advocacy**

ZOL supports the discussion and formulation of common interests of its members and their enforcement, and cooperates with the other forestry institutions and government bodies. They participated in drafting of Forest Strategy, Utilisation of natural resources, National Forest Program and other documents.

According to ZOL Statute, ZOL’s mission is to participate in the formulation and implementation of forestry policy. It defends the property rights of non-State forest owners at the Ministry of Agriculture and Rural development and Ministry of Environment. All conceptual materials are discussed with the relevant authorities in interdepartmental comment procedure – in Slovakia it is formally organized according to national legislation. Obligatory are involved Ministry of Finance, Ministry of Labour, Ministry of Economy and Ministry of Environment. In addition, if the material is related to economic and social interests concerning authorities and institutions, their representatives, and the public are involved in the discussion prior to the submission of material to the Government. ZOL’s Executive Committee nominates their candidates and through their participation it has a voice in the policy-making process. At least one representative participates in all main actions organized by the forestry sector for political decisions, like discussion forums or advisory boards. The representative of ZOL is a permanent member in Monitoring committee for Rural Development Programme 2007-2013 of the Slovak Republic. Through this mechanism they have a direct influence on steering the upcoming calls for project proposals. It is two way communication and members are first hand informed.

Very important task is to support specific interests of its members in relation to the self-governing authorities. They organize for their members a consultancy service.

**Forest owners’ economic development**

Increased market competitiveness was particularly important for municipalities. It was necessary to focus more on business cooperation.
At the beginning the access to information and knowledge were concentrated in State sector. The best way for research and education were the excursions that are organized for the members. The transfer of good practices for forest owners came from other European countries.

Fifteen of ZOL members started to cooperate among their timber businesses in 2002, through the company ZOLKA Ltd. The basic possession was 1 million SKK (33 thousand EUR). The goal was to establish a trading company funded by the municipal forest enterprises, to acquire a better position on the Slovak timber market (which is dominated by the State Forests) and to develop diversified forest-related services. Models for such cooperation were founded in Finland and Sweden.

![Slovakian Forests](source: prof. Vladimir Čaboun National Forest Centre (NFC))

4.3.3. Results and impacts

Organizational strength and inclusiveness: The connection with Council of Non-state Forest Owner Associations, and through them with CEPF, is seen as very useful because sharing of the problems and finding of solutions to daily activities of ZOL became easier. Moreover, it leads to awareness raising and better networking of non-State forest owners.

It also coordinates joint activities of its members, provides advisory services, education, excursions and other events according to their interest (e.g. competitions in different forestry skills or sports).

Institutional development: Thanks to active engagement of management team and leaders of ZOL, nowadays ZOL has more members (61) - Ltd. companies, municipalities and other legal persons e.g. subsidized organizations of municipalities, which together manage 145 000 ha of forests (80% of municipal forests of Slovakia).

The mayors and members of municipal corporations are powerful actors in decision-making about the membership in ZOL.

Policy elaboration and advocacy: Very important result of participation of ZOL in policy making is that municipal forest enterprises are eligible subjects for all forestry measures of Rural Development Programme. Forestry measures were designated to improve the forest management and fulfil the National Forest Program that are designed with the significant contribution from EU founds.

Furthermore, thanks to valuable provision of advices and expertise from ZOL experts, the members are in better positions regarding the negotiation with municipalities today.

Forest owners’ economic development: Through the ZOLKA Ltd, the municipal forests were able to negotiate higher prices of pulpwood for 1/2 of EUR/ m³. Net profit of company was around 35 000 EUR during the first year of business. The positive side of this cooperation were better prices on timber market and ability to pay dividends timely and regularly to the share-holding municipal forest enterprises.
However, due to the economic and organizational changes within company, imperfect and non-transparent market economy frames and suspicion of management for interests in self-benefit the success was reached only partially. In 2007, after the reestablishment, ZOLKA Ltd. is become an independent organization without direct connection with ZOL. Today, the members of association are only informed about the possibility to join common timber market through ZOLKA Ltd. Still it is a successful example of economic activity from non-State forests. The annual turnover was around 60 000 EUR during the last years.

There were very good ideas at the beginning to support and develop common timber market activities, rent a forest machines etc., but without big success. It seems that the voluntary basis is not sufficient for such kind of activities.

4.3.4. Key to success: why does it work?

The better position of municipal forests comparing to other non-State owners (especially private with shared ownership) helped easier establishment of ZOL. They had a relatively well-developed organizational structure beforehand, and the restitution process was far enough for them to manage their forest independently.

Strong bottom-up initiatives, clearly identified members and their interests influenced the success in the first phase. At the beginning, indirect financial support (office and personal capacities) was served from two most active members: Kremnica and Zvolen municipalities. Later the engagement of charismatic leaders and reliability of steering team was the most important factor for development of ZOL.

One of the signs of ZOLs success is certainly increased number of its members. This enlargement can be highly related to the very dedicated and reliable management of ZOL. Due to stable principles and clear policy ZOL still attracts new members. During the last year, the biggest municipal forests estate of Kosice city with nearly 20 thousand ha of forests joined the ZOL. On the other hand, 3 of the former members left the association because of changes in leadership in their local parliament. The ZOL has to take in to account the periodical political changes on the local level.

ZOL co-operates with other FOAs and ensures consultation and advocacy assistance for their members.

The Council of the Non-state Forest Owner Associations mainly undertakes policy-lobbying activities. The main issues identified by the ZOL are related to the land taxes, payments and subsidies from rural development policy and conflicts between forestry and nature protection.

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<tr>
<th>Forestry professionals, enthusiastic leaders</th>
<th>Capability</th>
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<tr>
<td>Motivated actors from the most active municipal forests</td>
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<td>Continuous flow of information and reliability of steering team</td>
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<tr>
<td>Consultation, advocacy assistance and professional events for members</td>
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<tr>
<td>Active participation in political processes</td>
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<td>Special public relation (PR) events for general public and politicians</td>
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Figure 10. Key factors to success of ZOL
Furthermore, the active participation of representatives of ZOL in professional events organized by the forestry organizations for general public and for politicians, for example annually organized “Forestry Days” or “Day of the tree” is key factor influencing the visibility and credibility of association. These events create a platform for visualisation of municipal forests and their functions in the society.

The accession of Slovakia to EU in 2004, opened up the possibilities to apply for the support from European founds, especially for rural development, which represent key potential for further development of various economic activities also for ZOL.

Participation of ZOL representatives in design of Rural Development Programme SR 2007-2013 was a key success for the ZOL, as this policy instrument is the main source that supports economic development of forestry sector in Slovakia.

4.3.5. Conclusions: main lessons and outlook

ZOL was created to represent members’ interests in the restitution process but later it developed additional aims in representing owner’s interests in political forums. This association has a strong focus on political representation on the local and national level. The cooperation in the common management of the forests is not a target of this kind of FOA.

According to members, the benefit from membership is in form of access to first hand information, which could positively improve the management of municipal forests. ZOL had a time to develop and expand the range of services they offer, therefore it can be characterised as the most successful and the most consolidated forest owners association in Slovakia.

Challenges for the future are connected with the improvement of their power in the political processes and maintenance of the status of ZOL among representatives of municipalities. ZOL would like to continue with development of activities for their members in the following areas:

Education - with focus on one day's training on current issues organized directly in individual regions of Slovakia (e.g. new tax legislation, changes in hunting law) and excursions in other countries.

Advice service- the aim is to create a functional system with individual experts who are members of ZOL and further develop information system with the focus on the communication support from the secretariat to the members and other way round.

Advocacy - will still actively participate in commenting legislations and regulations in cooperation with other associations of non-State forest owners in Slovakia. It will delegate its representatives to the committees and commissions.

4.4. Lithuania: Forest owner cooperative “Aukštaitijos šilas”

4.4.1. Background

Before the Second World War, 85% of Lithuania’s forests were managed by the State and the remaining 15% were privately owned. After the war, when Lithuania became fully integrated into the economy of the former Soviet Union, Lithuanian forests were generally in poor condition. In 1948, agricultural cooperatives were established and private forest ownership was abolished. Until 1990, Lithuania’s forests were almost exclusively managed by the State forest enterprises and the collective farming system.

Today, 38.6% of the forest area has been restituted to private forest owners, and another 257 000 ha is reserved for restitution (Lithuanian Statistical Yearbook of Forestry. 2011, p. 184.). Major challenges facing the forest restitution process include: complex bureaucratic procedures; the limited forest areas subject to restitution – up to 10 ha in the first phase, 25 ha in the second, and 150 ha in the third; and the lack of restitution of protected and other forests of national importance.
There are now approximately 803 275 ha of private forests owned by 245 000 individuals whose average holding is 3.3 ha. Information about the ratio of male and female owners is not available (Lithuanian Statistical Yearbook of Forestry. 2011, p. 184.). Private forest owners have little knowledge of forest management, and many new owners do not live near their forests, but in distant cities or even abroad (Mizaraite, 2000).

The Forest Law of 1994 introduced the basic principles of sustainable forest management and biodiversity conservation. Since Lithuania’s accession to the EU, its forest policy has been influenced by EU directives, particularly regarding protected areas. A new Forest Policy and implementation strategy were approved in 2002. One of the strategic objectives of this policy is to create the legal and economic conditions for promoting the merging of small forest holdings through association and cooperation among forest owners.

All the forests, irrespective of their size and purpose, must be well managed and cared for. The owners of large forest holdings can afford hiring forest managers or rangers for management and protection of their forest property, while small and middle-sized forest owners could not do that (Hägglund, 2008). One of the ways how to solve this problem was to create cooperation. Even when a forest owner is a member of cooperative, he/she could decide how to manage the forest property and to what extent wants to use the cooperative’s services. Forest Owners Association of Lithuania (FOAL) initiated the establishment of first private forest owners’ cooperatives in Lithuania.

Official definition of cooperative according to the Law on Cooperatives of the Republic of Lithuania is following: “A cooperative society (cooperative) is an economic entity established on the basis of law on a voluntary basis by a group of natural and (or) legal persons for the purpose of satisfying business, economic and social needs of its members and functioning on their initiative and at their risk” (Law on co-operative societies (Co-operatives) of Republic of Lithuania, 1993). Cooperative should have 5 or more persons. The first private forest owners’ cooperative was founded in the year 1998 and several others were created with a short time after. The main reason for establishment was rapid increase in the industrial demand for round wood and owners’ demand for forestry services. Today on the Register of Legal Entities are 21 officially registered private forest owners’ cooperatives in Lithuania (http://www.registrucentras.lt/).

During the last decade cooperation among private forest owners was getting stronger. The Forest Owners’ Association of Lithuania (FOAL) developed a network of FOCs and other enterprises that provided all forestry-related services, including trade of roundwood. In 2001, FOAL created the market information system “Infomedis” (meaning “info tree”), a monthly bulletin supplying up-to-date market information on roundwood sales and prices in private forests, distributed by electronic mailing. This system operated till the year 2008.


Private forest owner’s cooperative “Aukštaitijos šilas” was established in 1998. It is one of the FOC in Lithuania. The cooperative is located in Molėtai District of Utena County. FOC “Aukštaitijos šilas” is a typical example of FOC in Lithuania.

4.4.2. Institutional arrangement

Organizational structure

FOC “Aukštaitijos šilas” has 5 members (physical persons). Today, the cooperative owns 700 ha of forest land area. During its existence the number of members did not change.

All commercial decisions in the FOC makes Executive Director, he is also a member of FOC. The Board has a right to cancel or change decisions of the director, if necessary. At the beginning, FOC started its
activities by providing two services for private forest owners - preparation of the individual forest management plans and forest owners' advising (Figure 11).

Today this cooperative provides broad scale of services for private forest owners such as timber trade, long-term forest management of property, consultation and training related forest management, agriculture land afforestation, improvement of recreational areas, organization of commercial hunting etc. Today six high skilled professional foresters, who provide forest related services for private forest owners, are working in FOC (Figure 11).

There are now approximately 21 263 ha of private forests owned by 9981 individuals whose average holding is 2.13 ha in Molėtai District. Large number of private forest owners in Molėtai District creates excellent opportunity for this cooperative activity development in this District.

Main policy incentives available to small-scale forestry that directly influence management behavior are: the support for forest sanitary (against insects and diseases) protection, forest fire protection as well as afforestation of abandoned agriculture land. There are no incentives from institutions responsible for forestry sector, which enable strengthening or support of FOCs in Lithuania. Favorable legal bases and tax policy could create more favorable conditions for private forest owners’ cooperation and association.

Since the accession of Lithuania to the EU in 2004, any company registered in the country was entitled to purchase forest, but today legal entities (even individuals), which are registered in Lithuania, have the right to purchase the forest land.

**Institutional development**

Private forest owners can directly participate in activities of FOAL, but FOAL is not allowed to provide commercial services. Therefore, FOAL created the network of forest owners’ cooperatives and other enterprises that provide all forestry-related services. Forest owners can participate in the network in different ways:

- to be full members of a cooperative;
- to sign a long-term forest management agreement;

![Organizational structure of FOC “Aukštaitijos šilas”](image-url)
• to sell standing timber (or a whole forest) through the network;
• to get free consultation and training related to forest management;
• to purchase forest related services etc.

Example of FOC “Aukštaitijos šilas” showed the actual possibilities for private forest owners to participate in the cooperation network in a different ways, which are previously mentioned.

**Policy participation and advocacy**

FOC “Auštaitijos šilas” is a member of FOAL and through this organization could influence and take part in forest policy creation. Executive director of the cooperative is a member of FOAL Board. Cooperative membership in FOAL is allowing submit proposal to governing institutions responsible for private forest sector.

**Forest owners’ economic development**

The main objectives of forest owner’s cooperative are following: (1) to benefit the members of private forest cooperative due to sustainable way of forest management activities; (2) increasing efficiency of private forest holdings management; (3) defense of private forest owners economical interests; (4) representation of forest owners towards business partners. During last year’s this enterprise developed the infrastructure and provision forest related services. Today cooperative could provide broad scale services for local private forest owners of Molėtai district and Utena County. The main services provided by private forest owners cooperative “Aukštaitijos šilas” are:

- information, consultancies, teaching and education (free service) (Figure 12);
- timber trade;
- forest management plans;
- afforestation;
- forest cuttings;
- improvement of recreational areas;
- forest production marking and evaluation of timer volume;
- sawn timber production;
- organization of hunting;
- agrotourism and others.

By joining cooperative forest owners can get professional help to manage their forests. Specialists working in cooperative are well acquainted with the problems that forest owners’ deal and they can suggest the best solution to those problems. Private forest owners, which are not members of cooperative, could sign one year or long-term contract with a cooperative for forest holding management.

![Figure 12. Teaching and education of private forest owners organized by FOC “Aukštaitijos šilas”](source: Diana Mizaraite)
4.4.3. Results and impacts

Opportunities for private forest owners to use EU structural funds for forest management and afforestation of agriculture land have created a niche for forest owners' cooperative “Aukštaitijos šilas” in providing specific services for private forest and agriculture land owners such as: preparation of special projects and documentation for getting EU support; afforestation of agriculture land, etc.

Today private forest owners’ cooperative “Aukštaitijos šilas” actively participate in education and training system for private forest owners. Cooperative organizes special educational courses and trainings, publishes special informational material about forests and forest management.

Annually cooperative producing about 20 000 thousand m³ round wood, preparing individual forest management plans, which are covering more than 400 ha, afforesting about 200 ha of abandoned agricultural land etc.

4.4.4. Key to success: why does it work?

It could be identified several reasons and conditions for successful activity of FOC “Aukštaitijos šilas”:

- **free advice and consulting of private forest owners** created a trust between the cooperative and private forest owners;
- **broad scale of forest related services and flexibility on services provision** by cooperative. Private forest owners can get all necessary forest related services. The activity FOC “Aukštaitijos šilas” showed the actual possibilities for private forest owners participate in the cooperation network in a different ways;
- **authority** among private forest owners and professional work of the cooperative’ key employees.
  Today FOC “Aukštaitijos šilas” helps to private forest owners solve the forest management problems;
- **organizing trainings and special educational courses** for private forest owners;
- a large number of owners has created market for forest related services providing;

Restitution of private forests to their former owners resulted in an emergence of problems that requires special efforts, skills and resources to be addressed (Lazdinis, M. et al, 2005). Created network of local cooperatives and other enterprises provides private forest owners to get them necessary forests related services. Today 15 private forests owners’ cooperatives are working in different Districts of Lithuania and help to private forest owners solve the forest management problems.

The activity FOC “Aukštaitijos šilas” showed the actual possibilities for private forest owners to participate in the cooperation network in a different ways.

4.4.5. Conclusions: main lessons and outlook

Cooperation in private forestry of Lithuania is in initial stage. Some positive processes of development could be observed. One of the strongest facts is creation of network of cooperatives and others enterprises by FOAL. In the future higher production costs and strong competition in the wood products markets will make private forest owners to join and create classical the private forests owners’ cooperatives with a large number of members and strong positions on wood products markets.

Created network of local cooperatives and other enterprises provides private forest owners to get them necessary forests related services. Lithuanian case showed that private forest owners can participate in the cooperation in a different ways: to be full members of a cooperative; to sign a long-term forest management agreement; to sell standing timber (or a whole forest) through the network; to get free consultation and training related forest management; to purchase forest related services etc

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The data on income/profit from wood selling were not possible to obtain.
FOC “Aukštaitijos šilas” is a good example that cooperation of private forest owners is a long process. This cooperative was established in the year 1998 and until today cooperative has only 5 private forest owners members of this cooperative. This fact shows several problems:

1) The cooperative managers and members are not interested in the increasing number of cooperative members.
2) private forest owners do not want to become cooperative members.

However, the cooperative has developed the perfect forest related services providing system for private forest owners.

4.5. Romania: Forest owner association “Renasterea Padurii Marsani”

4.5.1. Background

Nowadays, in Romania, the state and private sector almost equally share the structure of the forest ownership (58%;48%).

The forest restitution process kicked off in 1991, when the first Law on Land Restitution was issued by the Parliament; unfortunately, this first wave of forest restitution was a fiasco, for two reasons at least: 1) only one hectare per claim was restituted, letting the problem of social justice opened but not solved, and 2) without having adopted any legal framework to prevent illegal cuttings, most of the forest areas restituted by this law (about 65 000 ha) were doomed to clear-cuttings. Need for organizing private forest owners was urgent, and that was recognized by certain individuals.

In order to help the organizing of private forest owners, the Romanian Government and the World Bank initiated, in 2006, a special pilot project (ALFO). The main aim of the project was setting up and supporting creation of pilot FOAs. As expected some new associations were effectively created from scratch, one of them being Marsani FOA that is created in 2007. The driving force for creation of this FOA was unfavorable environmental conditions in the region, such as the problems with wind erosion. The community had problems with send blown by the wind. Therefore, people decided to plant new trees in the areas where the forests existed before, and from where it was harvested at the 90s (Figure 13). For the implementation of this demanding activity, organization of private forest owners was seen as crucial.

![Figure 13. Forestland in Marsani pilot area](image)

Organization of Marsani FOA was a real success story, without any doubts, because people were scared of unfavorable environmental conditions. They have set it up in a very short period of time; moreover, shortly after the FOA has created a private forest district, the largest one in Romanian plains. Marsani FOA had 2500 at the beginning, and today it has 4520 members.
Marsani community is located in the southwestern Romania. The whole area situated on the sandy soils, which had been stabilized against wind erosion with locust tree plantations (Figure 14), with forest belts and intensive agriculture (including watering systems), during the Communist period.

Although the whole region is underdeveloped, the new private forest district works out satisfactorily. Nevertheless, external support for afforestation was very important and helped people get organized.

![Typical locust tree forest for Marsani area](source: Marian Dragoi)

**Figure 14.** Typical locust tree forest for Marsani area

4.5.2. Institutional arrangement

*Organizational structure*

Although Marsani FOA is a successful story, its evolution was not easy. Initially the forest owners were reluctant towards registration at the court. They were afraid that they would need to pay more taxes and have more legal obligations. Even though, for example, everybody was complaining about illegal loggings, nobody was able to document it, so the forestry officials were loitering in coming up with solution to this problem. The reasons were no clear demarcations or landmarks between ownerships. Consequently, many landowners had opinion that restitution process was a first step towards new cooperatives that would eventually lead into a new nationalization. This scenario was the main reason why people in plain areas were so reluctant in setting up FOA.

The official establishment of Marsani FOA was possible due to a favorable combination of opportunities and threats. The crucial ‘incentive’ was the environmental concern: people were more and more afraid of sand storm and production loss due to land erosion. Another important incentive was the good cooperation with the local administration that supported the FOA organization with logistic assistance: the mayor house employees went door-to-door and distributed application forms for joining the FOA. Beside this, they have been hosting the FOA office since the very beginning.

The internal organization is presented in Figure 15, where the forest district is subordinated to the FOA steering committee.

The General Assembly is joined each year, by the end of February, when the Steering Committee, the Financial Department and the Chief of the forest district present their annual reports.

According to the legal statute, the Steering Committee is convened each month for making the operative decisions and payroll approval. Another important issue which is being analyzed is the degree to which the administration fee is collected from the forest owners, since this fee is the main source of money paid as salaries to the forest rangers.
Now, the most important incentives for keeping the FOA is the diminished administration fee paid by each forest owner, since the association has its own forest district, while the most important incentive for creating the FOA was the opportunity to create new plantations using the Land Reclamation Fund, which was created in 1992 by an amendment to the land restitution law.

**Institutional development**

In 2010, Marsani FOA has created its own private forest district. Even though, this district can be characterized as the least efficient private district in the country, it is the most effective in terms of social responsibility and capacity building. The forest owners have a real sense of their environmental liabilities, while the forest rangers, employed by the community, are also more responsible when it comes to the forest service’s that they provide.

Marsani FOA is represented in the general assembly of forest owners’ representatives at national level, which is the new National Federation of Forest and Pasture Land Owners, ‘Silva nostra’. Marsani FOA is also an umbrella organization for the neighboring FOAs: Celaru, Urcica, Daneti and Ostroveni.

The name of the forest district owned and created by the association is “Renaşterea Pădurii Marsani” (Marsani Forest Revival). The total area managed by this forest district is 6007.66 ha, which are spread out in surrounding commune and counties. The personnel of the forest district consist of 13 forest rangers and 2 engineers. The services provided to the forest owners are: monitoring the illegal activities in forests (e.g. illegal logging), timber cruise, pest control, thinning and reforestation. The salary paid to the rangers is equal to the minimum wage on economy, which is less than 200 EUR.

**Policy participation and advocacy**

Since 2004, when the last Law on Land Restitution has been adopted by the Parliament, the private stakeholders are influencing to a great extent the Romanian forest policy. Unfortunately the forest owners did not manage to organize themselves in a national meta-association, in due time. By the end of 2011; a national confederation of forest owners was created and Marsani FOA is represented in the Committee of Representatives by its president.

The Law 247/2005 referring to forest restoration and the Law 38/2006 referring to forest administration require that any private forest owner shall manage forest on contractual bases signed with a State forest district unless the forest is included into an association, which has its own private forest district. Forest authorities are now severely applying this provision, and the role played by Marsani FOA was to apply as
cheaper forest management as possible.

Although Marsani FOA is not so visible at national level, it is the most important private forest stakeholder at county and plain region level. It is functioning as sort of benchmark in using Land Reclamation Fund.

Being a member of the national federation of forest owners associations, the member can be assisted and represented by professional lawyers for free in case of any trail on land restitution or other causes.

**Forest owners’ economic development**

The most important incentive when it comes the setting up of the private district was the high administration fee paid by all forest owners to Sadova State forest district, which reached about 23 EUR/year/ha plus VAT (initially 19%, now 24%).

The Marsani FOA members did their best for reducing this administration fee, and having the logistic and support for setting up their own forest district; they immediately took advantage of this opportunity. The administration fee paid now by the forest owners of managing the forests has diminished significantly to approximately 15 EUR and the VAT is no longer paid because the forest-related services are provided internally, not externally, on contractual bases.

Another economic activity envisaged by the FOA is beekeeping, since the FOA members own the largest locust tree forest. For the time being this opportunity business is not used, but it is an important issue of the association development strategy.

This FOA is also a pilot area for different research projects on afforestation works on extreme site conditions and forest extension, i.e. new seedbeds for a local breed of locust tree, registered as Robinia pseudaccacia, var. Oltenia.

**4.5.3. Results and impacts**

In Marsani FOA, the direct support provided by professional foresters is very helpful and prove that a well-organized community can take advantage of any financial aid provided by the land reclamation fund.

Another beneficial outcome is the private forest district itself, thanks to which the administration fee paid by each forest owner is smaller than the initial fee (paid to a state forest district), according to the fiscal legislation and Forest Act. By creation of its own forest district, Marsani FOA stroke at the root of the monopolistic position hold by the National Forest Administration (NFA) in the plain region. This represents a real success in promoting competitiveness in Romanian forestry.

Furthermore, the visibility of private forestry has been improved due to this success story and demonstrated that economic advantages of joining together can be found with lower costs too, not only in higher revenues, as happened in most other cases, where the growing stocks and allowable cuts are considerably larger.

In terms of social cohesion, this association is a perfect example for the plain regions, where the resentfulness brought by the so-called production cooperatives from the communist period is still experienced by the old generation. What really made the difference between Marsani FOA and similar attempts made by other people who own forests in the plain region was the afforestation project, which revitalized the sense of ownership and the social responsibility, at the same time.

**4.5.4. Key to success: why does it work?**

The story of Marsani FOA is a successful one, at least for being a good example of people’s capacity to overcome minor personal divergences of opinions about the role of any kind of association. Due to a good cooperation with forest administration structures, with the state forest administration and with their own private forest district, the FOA staff has managed to gradually reduce the cost per hectare of managing the forest.
The most important key factor was the **capacity** of the FOA staff to **negotiate** within and out the organization.

The second key to success was the **technical support provided by a good specialist** in forestry who ‘dared’ to put the owner’s interest in front of the interest of his own professional body. Due to good **communication skills**, Mr. Dan Popescu has managed to motivate the land owners that, with a little help, they can revitalize the area in ecological terms, although nothing was explicitly told in this respect.

Another factor was the **patience** demonstrated by the FOA president, Mr. Alexandru Dunoiu in convincing people that their effort will be gratified pretty soon, when the shabby landscape will turn into green, due to their endeavor.

Although the political support is still lacking, the FOA staff determination in joining the national umbrella organization provided a good momentum for local people to enter the FOA, being very proud from the very beginning of their visibility at national level. In this respect, the two key actors who played prevailing roles in setting up the FOA and the private forest district (Mr. Axandru Dunoiu and Mr. Dan Popescu) managed easily to cooperate with all important stakeholders at regional and national level in order to kick off the afforestation works that made the difference between having and having not a large local organization of landowners.

The success story of Marsani FOA is also a good example for the outcome of the Land Reclamation Fund, which, in the rest of the country, was accessed mainly by the NFA. The afforestation works have demonstrated that large projects can be implemented by private landowners associations, located in very poor regions, providing good professional skills, expertise and determination.

### 4.5.5. Conclusions: main lessons and outlook

The main challenge with which is faced any new FOA is the shortage of basic forest management concepts, like sustained yield or breakeven basal area, beyond which it is not recommended to prune a stand of trees.

**Awareness rising** of forest owners was essential in establishing Marsani FOA, as well as **good cooperation** with local authorities, irrespective to the abundance in wood resources.

The **provision of information** on legislation in appropriate proved to be important for people. Beside this, **provided timeframe and a checklist of duties** to the initiative committee of the further FOA, was equally important in the initial stages. The illegalities reported during the restitution process were a hurdle in creating a Marsani FOA, as long as this subject seriously distorted any public debate where local authorities were represented.

At Marsani, it was evident that without **external support** the FOA would not survive, due to the many bureaucratic barriers and authorities’ lack of willingness to support such endeavours. An important issue worth being highlighted in this context was the **good cooperation with the local mayor**, who did not perceive the FOA president, as a potential opponent. From the very beginning, the message delivered by the committee of initiative was clear: ‘the association shall not be supported by any means by a political parties, it’s only a question of people’s willingness to join for having some commonly shared advantages; and our task is to find out these advantages’. Doing so, it was clear that FOA won’t enter any political debate, but will seek for different types of cooperation with relevant and local stakeholders, like beekeepers and farmers.

**Transparency in collecting and spending the membership fees**, no matter how small this fee was, also provided a strong confidence in the Marsani FOA staff. The wisdom to collect enough money for the next step forward and to explain how this money was spent is also an important lesson about building up social cohesion.
5. Concluding analysis of success factors and good practices of the selected FO0s

The countries of our case studies underwent a similar history concerning the development of the forest sector and the development of private forest owners’ organizations. After the restitution process, which resulted in a large share of fragmented properties and unknowledgeable new private forest owners who were often reluctant toward joint ownership or management, all countries recognized the need of creating FO0s. Although severe challenges were to be overcome, both policy makers and private forest owners saw FO0s as important means for representing the interests of landowners in the policy-making process and for improving forest management practices.

For the purpose of this study, five FO0s were selected as success cases and good practices of FO0s in Eastern European countries. These organizations represent different types of FO0s in the region, three organizations are important interest groups on national level (Association of Municipal and Private Forest Owners (SVOL) – CZ; Association of Municipal and Private Forest Owners (SVOL) – HU; Association of Municipal forests (ZOL) – SK) and two are cooperations on local level (Forest owners cooperative “Aukštaitijos šilas” – LT; and Forest owner association Marsani - RO) (Table 2).

All case examples were established after the institutional changes, after communism and in relation to the restitution process. Mostly they were organized in the need to overcome challenges of restitution process, but also in general for better forest management of the newly established private forest properties (Table 2). Therefore, private forest owners recognized the need for associating, both with regard to political representation and business cooperation.

The comparison of the FO0s shows a considerable variability which was a selection criterion for the study in order to show different types of organisations: FOAs are typically active on national level while FO0s rather on local level. The associations typically represent all ownership types today although SVOL and ZOL were initially founded by municipality owners. They may be organized in regional sub-units or not (case of ZOL). The FO0s presented here differ from each other as well: while the five members of Aukštaitijos šilas cover 700 ha, Marsani covers only 6.000 ha with more than 4.000 members.

The FO0s were generally initiated from bottom up. There was only limited support from the state or local authorities in most cases, in particular in the beginning. What was favorable in all countries was a change in the style of forest policy, which started to allow the participation of interest groups. Governments started to favor the process of establishment of FO0s. Therefore, many FO0s from that time had the main goal to represent the members’ interests in the policy-making process. The representation of interests of certain FO0s had positive effects for all private owners, not just their members. Consistent with Olson’s theory, the interest groups also developed further services such as the provision of information or joint timber trade schemes which are typically only available for members and which are incentives to become a paying member or to maintain membership.

Besides the representation of interests, some FO0s are organized in order to provide specific services to their members (e.g. in Lithuania) or to solve specific environmental problems (e.g. in Romania) which then have more local character. In general, the management related services such as joint timber trade, management planning or advice on forest management are more strongly developed in local/regional cooperatives.
Table 2. Main characteristics of selected FOOs

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Association of Municipal and Private Forest Owners (SVOL) CZ</th>
<th>Association of Hungarian Private Forest Owners (MEGOSZ) HU</th>
<th>Association of Municipal forests (ZOL) SK</th>
<th>Forest owners cooperative (Aukštaitijos šilas) LT</th>
<th>Forest owner association (Marsani) RO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level</td>
<td>national</td>
<td>national</td>
<td>national</td>
<td>local</td>
<td>local</td>
</tr>
<tr>
<td>Reasons for establishing FOOs</td>
<td>Supporting restitution/privatization</td>
<td>Supporting restitution/privatization</td>
<td>Supporting restitution/privatization</td>
<td>Cooperating in forest management</td>
<td>Cooperating in forest management/Solving environmental problems</td>
</tr>
<tr>
<td>Number of members (at the beginning/currently)</td>
<td>93/1010</td>
<td>27/1400</td>
<td>38/61</td>
<td>5/5</td>
<td>2500/4520-</td>
</tr>
<tr>
<td>Represented forest area (ha)</td>
<td>360 000</td>
<td>115 000</td>
<td>145 000</td>
<td>700</td>
<td>6 007</td>
</tr>
<tr>
<td>Regional offices</td>
<td>9</td>
<td>7</td>
<td>none</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>Financing</td>
<td>Membership fee; other sources/projects/national sources for civil society</td>
<td>Membership fee, donations, subsidies (no data)²</td>
<td>Membership fee</td>
<td>Membership fee</td>
<td></td>
</tr>
<tr>
<td>Government involvement</td>
<td>none</td>
<td>none</td>
<td>from city councils</td>
<td>none</td>
<td>partly</td>
</tr>
<tr>
<td>Primary services</td>
<td>Represent members interests</td>
<td>Represent members interests</td>
<td>Represent members interests</td>
<td>Providing services to members (preparation of management plans/advising)</td>
<td>Providing forest-related services to members (technical support/advising)</td>
</tr>
<tr>
<td>Additional services</td>
<td>- Education</td>
<td>- Indirect (Education/business cooperation)³</td>
<td>- Education</td>
<td>- Education</td>
<td>- Education</td>
</tr>
<tr>
<td></td>
<td>- Joint-timber trade</td>
<td></td>
<td>- Forest management planning</td>
<td>- Forest management planning</td>
<td>- Forest management planning</td>
</tr>
<tr>
<td></td>
<td>- Joint purchasing of materials</td>
<td></td>
<td></td>
<td>- Monitoring the illegal activities</td>
<td>- Monitoring the illegal activities</td>
</tr>
<tr>
<td></td>
<td>- Forest management planning, etc.</td>
<td></td>
<td></td>
<td>- Timber cruise, etc.</td>
<td>- Timber cruise, etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International memberships</td>
<td>CEPF, FECOF ELO</td>
<td>CEPF</td>
<td>Indirectly in CEPF²</td>
<td>Indirectly in CEPF⁵</td>
<td></td>
</tr>
</tbody>
</table>

¹At the beginning, the membership was limited to communities and towns, later it was expanded to all non-State owners; ²information was not possible to obtain; ³voluntary for the members, they are informed about the possibility for cooperation with ZOLKA Ltd.; ⁴Member of CEPF through the Council of Non-state Forest Owner Association; ⁵Member of CEPF through membership in the national association FOAL

An important factor for the development of FOOs is time. In all cases it took considerable time for the FOAs to become influential, visible and powerful in the forest policy arenas as well as for the FOCs to become accepted by forest owners as service organizations. The time was needed in order to develop
successes in the form of increased capacities, knowledge, experience, networks and trust. This persistence and commitment of FOOs members, as well as clear objectives and efficient operations of FOOs, are recognized and thus new members are attracted to join them – an observation which is in line with the success factors described by Hakelius (1996). In most cases, the crucial role of engaged and charismatic leaders was also reported.

The increased number of members, more efficient and profitable management, better visibility in forestry circles, application of good practices from abroad, broadened networks are important results of those FOOs (Table 3).

<table>
<thead>
<tr>
<th>Association of Municipal and Private Forest Owners (SVOL) CZ</th>
<th>Association of Hungarian Private Forest Owners (MEGOSZ) HU</th>
<th>Association of Municipal forests (ZOL) SK</th>
<th>Forest owners cooperative (Aušštaitijos šilas) LT</th>
<th>Forest owner association (Marsani) RO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy influence - Influence in policy-making - Influential position in forestry sector</td>
<td>Become leader in the private forestry sector - Influence in policy-making</td>
<td>Influence in policy-making - Better position in negotiation processes -</td>
<td>- -</td>
<td>- Become visible in the private forestry sector</td>
</tr>
<tr>
<td>Improved collaboration - Improved collaboration between members, and with other private forest organization</td>
<td>Improved collaboration between members, with other private forest organization and policy-makers</td>
<td>Improved collaboration between members, and with other private forest organization - Increased number of members</td>
<td>- Improved collaboration between members</td>
<td>- Improved collaboration between members</td>
</tr>
<tr>
<td>Provision of services - Expansion of provided services - Organization/development of joint business mechanisms and activities</td>
<td>Runs a consulting service (writing application for obtaining subsidies for PFOs) - Start organizing trainings for PFOs?</td>
<td>Organization/development of joint business mechanisms and activities -</td>
<td>Active participation in education and training of private forest owners - Provision of wide range of services to private forest owners - Better/improved results of forest management activities</td>
<td>Organization/development of joint activities</td>
</tr>
<tr>
<td>Wider impacts - Improving standards of forests management</td>
<td>Positive effects on other private forest owners (raised awareness) - Better market prices for timber and wood products</td>
<td>Positive effects on other private forest owners (raised awareness) -</td>
<td>- Positive effects on other private forest owners (raised awareness) -</td>
<td>Positive effects on other private forest owners (raised awareness) - Promote competitiveness in forestry sector</td>
</tr>
</tbody>
</table>

When comparing the results and impacts of the case examples and the success factors behind, there are more similarities than differences, even though the characters of the FOOs differ. Important factors that commonly influenced the success of the presented FOOs are summarized in the following list:

- Organizational strength and inclusiveness
  - Strong bottom-up initiatives

Table 3. Results and impacts of FOOs activities
- Clearly identified potential members
- High interest of private forest owners
- Charismatic leaders (human capacity)
- Reliability and leadership of organizers (key members)
- Involvement of trained and professional experts
- External support/technical support (Romania)
- Transparency in financial aspects
- Strengthening of the member base (Czech Republic)

- Institutional development
  - Participatory elements in the forest policy-making
  - Clear and stable policy goals and principles over time
  - Establishing regional organizations (Czech Republic)

- Policy elaboration and advocacy
  - Active coordination and cooperation with other FOOs, NGOs, government and public administration
  - Active participation in political processes (effective lobbying/strong alliances)
  - Active communication (internal/external)
  - Raised awareness of forest owners for cooperation

- Forest owners’ economic development
  - Accession to EU – support from EU funds
  - Free advice and consulting services for private forest owners (Lithuania)
  - Broad range of forest related services
  - Flexibility of service provision (Lithuania)
  - Organizing trainings/educational courses/events
  - Marketing activities
  - Business cooperation (Slovakia, Lithuania)
  - Established joint-timber trade (Czech Republic, Romania, Lithuania)

The FOOs were presented as success cases, even though they often still struggle with limited participation of land owners, limited operational capacities or restricted financial resources. Although they are facing challenges in order to maintain their status and to further develop their activities, they have a certain representativeness and demonstration effect in their own countries.

6. References


Online sources: