The role of service providers for enabling environment - experiences from Finnish family forestry

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Content of the presentation

- Characteristics of enabling environment
- Family Forestry in Finland - defining Finnish enabling environment
- Forest Owners’ Organisation in Finland – services at all levels
- MTK development projects – delivering the results of 100 years experience
Characteristics of enabling environment

• Enabling environment = the right balance of guiding tools, legislation, funding, advice and service providers to reach set goals

• The weights of different factors vary according to circumstances and can change over time but all of them are needed

• Different goals require different balance

• Service providers form the interface to forest producers and are thus critical

• Both state-owned and private service providers can effectively transmit policy guidance

• Also mixture of state and private in service provision is possible (case Finland)
The role of forests in Finland

Total land area 30 415 thous. ha, forest land area 20 150 thous. ha

- Forests key driver in Finnish industrialisation since 1850
- Hundred years ago over 80% of Finnish export was forest-based
- Nowadays ~25% of export revenues from forest industry
- The sector, its structures, actors and laws reflect the importance of forests
  → State a central actor

Source: Finnish Forest Research Institute
The basis - forest ownership structure

Private families own 62 % - how to secure their access to services?

- 345 000 private forest holdings - 632 000 forest owners
- Average size 30 hectares
- Half of the holdings under 10 hectares

Source: Finnish Forest Research Institute
Family forest owners’ priorities

MTK promotes sustainable family forestry in accordance with the following principles:

• Landowners’ constitutional rights are respected
• Forest owners have the right and the opportunity to manage and use their forests in compliance with their objectives
• Forestry is economically profitable
• Forests are managed in compliance with the principles of sustainable forestry
• All forest owners regardless of the size and location of forest has to have access to advisory and management services
Forest owners’ organisation in Finland
Background of Finnish forest owner organisation

- Slash and burn – agriculture and emerging forest industry led to deforestation

- In 1886 first Forest Act to prohibit destruction of forests

- Deforestation and lack of negotiation power towards forest industry reasons to organise forest owners

- First forest management association in 1906

- In 1906 GDP/capita ~ 200 € (2012: 35 000 €)

• Eero Järnefelt, Under the Yoke, 1893
http://commons.wikimedia.org/wiki/File:Raatajat_rahanalaiset.JPG
Effective organisation of forest owners is the key

The Organization of MTK

150 000 MEMBERS

FARMERS

RURAL ENTREPRENEURS

FOREST OWNERS

LOCAL FARMERS ASSOCIATIONS (364)

FOREST MANAGEMENT ASSOCIATIONS (FMA) (96)

REGIONAL FARMERS UNIONS (14)

FUR BREEDERS’ ASSOCIATION

REGIONAL FOREST OWNERS’ UNIONS (7)

THE OFFICE OF THE CENTRAL UNION OF AGRICULTURAL PRODUCERS AND FOREST OWNERS
Maaseudun Tulevaisuus (Newspaper)
Organization of Private Forest Owners

Protection of forest owners’ interests at all levels:
- local
- regional
- national & international

- Members of Forest Management Associations 345,000 Forest Holdings, which have 632,000 Forest Owners
- Forest Management Associations 96
- Regional Forest Owners’ Unions 7
- Central Union of Agricultural Producers and Forest Owners (MTK)
Central Union of Agricultural Producers and Forest Owners (MTK)

• A national central organisation of private forest owners, ~ 100 workers
  • to influence forest policy legislation
  • to guide the activities of the Regional Forest Owners' Unions, to protect the interests of the Forest Management Associations
  • to look after the private forest owners' interests in timber trade

• MTK has no position to oblige FO Unions or FMAs – all co-operation is based on voluntariness
• 30% of operating costs is covered by membership fees, 70% by capital income
Regional Forest Owners’ Unions

• Regional central organs for local Forest Management Associations, ~30 workers
  • to promote private forestry and to protect private forest owners’ interests
  • to guide and develop the activities of the Forest Management Associations and co-operation between forest owners

• The Unions are mainly financed by Forest Management Associations’s membership fees.
• MTK and Forest Owners’ Unions are not granted any state subsidies
Forest Management Associations

• Voluntarily founded, administrated and funded by forest owners
• Advice to forest owners seen critical → FMA law regulates the functions and financing of FMAs
• Currently 96 associations covering the whole country and every municipality → fusions decrease the amount of FMAs
• Employ 1000 officials and 620 permanent forest workers
• Employ also high number of contractors and entrepreneurs

• Forest owners’ service organisation on local level to support forest owners in all matters related to forests:
  • forest management services (planning, harvesting, regeneration, thinning, ditching etc.)
  • timber sales services
  • training and advisory services
  • practical organiser of PEFC group certification
Forest Management Associations – a key player in Finnish forestry

• 80% of the forest management activities in private forests are carried out by FMAs

• 70% of preliminary planning of timber sales, 45% of timber sales through power of attorney

• Mandatory forest management fee for holdings over 4 hectares → ca. 25 – 30 million €/year for FMA advisory services = ca. 12% of FMA’s total annual turnover

• Average 30 hectare forest holding in Southern Finland pays around 100 €/year

• Activities financed by forest management fee and business activities have to be separated

• New FMA law (in force 2015) will be based on voluntariness and level playing field for all service providers
Finnish forestry has reached the goals of forest policy
Forest owner Organisation has played a central role

In the future new and more diverse services are needed!

Source: Finnish Forest Research Institute
MTK development projects – supporting forest owners in developing countries
Ongoing forest development projects

Suomalaiset maaseutuhankkeet kehitysmaissa

**Tansania**
- Tansanian vihannesten kasvattajat, Zanzibar – Puutarhanaiset ry
- Tansanian mehiläisten hoitajat – Suomen Mehiläishoitajain Liitto
- Tansanian metsähanke – Päijät-Hämeen mhy
- Machamen (Kalalin ja Nrongan) naisten maito-osuuskunta – Kainuun Maa- ja kotitalousnaisten piirikeskus

**Nepal**
- Nepalilaisten naisten kalankasvatushanke – Suomen Kalan- kasvatusliitto
- Nepalin metsähanke – Koillis-Savon mhy

**Vietnam**
- Thua Thien Hue maakunnan metsäosuuskunnat – Ylä-Savon mhy
- Quang Tri maakunnan metsäosuuskunnat – Ylä-Savon mhy

**Sambia**
- Sambian kansallinen tuottajajärjestö – järjestön kehittäminen – MTK-VS
- Sambian kansallinen tuottajajärjestö – metsätalouden kehittäminen – Länsi-Suomen moliitto

**Etiopia**
- Zenbaba Cooperative Union, Ethiopia – Kyyjärven mhy
- Kogan vihannesliitto – MTK-VS
- Bahir Darin ja Deha Ansit meijeriosuukunnat – MTK-Lammi-Tuulos

**MT** Lähde: FFD
Project model and objectives

• All projects based on twinning principle: Finnish twinning partner supports – local organisation is in charge of implementation

• Ultimate goal is to contribute to poverty reduction through:
  ✗ establishing and strengthening forest owners’ organisations
  ✗ training forest producers in sustainable forest management
  ✗ creating and improving market information system on forest products
  ✗ creating and improving advisory services
Key challenges and lessons learnt

• Land tenure and ownership rights have to be secured

• Producers need free market access in order to get economic benefits → short-term income and results are expected even in long-term projects

• Organisational strengthening is needed but it is a slow process

• Advisory services and forest management plans are key components when striving towards SFM

• Study visits to Finland are important for new thinking, methods or technologies for development
THANK YOU FOR YOUR ATTENTION!

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