

# Finland moves to support privately grown forests, tree plantations

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Speaking at the signing ceremony of the Outgrow Supporting Project (OSP) held in Dar es Salaam, the Finland Ambassador to Tanzania Pekka Hukka said the beneficiaries are small holder tree growers and village cooperative outgrowing.

Ambassador Hukka said small and medium enterprises will also benefit, while the government stands to benefit in collecting tax revenues from the plantation business.

He said in 2014 the Tanzania government initiated the Private Forest Program (PFP) in the Southern Highlands area, therefore the Finland government is supporting the programme by helping small scale farmers get on with plantations.

“We work to improve an enabling environment for forest plantation investment and improving the forest value chain with small and medium enterprises in the sawmilling industry,” he explained.

Since 2015, two companies participating in the private forest programme, KVTC and NFC based in Kilolo and Kilombero districts respectively have helped to plant 606 hectares of outgrower plantations owned by 371 small scale farmers.

With such encouraging results, during the last two years the two governments decided to enhance support to small holder tree growers, he said, noting that support to famers totals 1,660,000 EUR with the two governments covering 50 per cent and the two local firms 50 per cent.

He said that the fund will enable the establishment of 2000 hectares of plantation owned by the farmers and entrepreneurs.

Finnish government support to Tanzania in the forest sector stands at euro 30million and has during the last few years shifted strongly to promote private sector actors in plantation forestry and natural forest management, he elaborated.

Finland was seeking to boost economic growth through the forest sector, which all started with investment from abroad which first sawmilling and then slowly towards products with more added value. “Many of our current large industries including Nokia are a heritage of a strong forest sector,” the envoy added in a statement.