

SOIL AND FORESTRY SERVICES: A NEW LAND CARE AND RESTORATION AGENCY FOR ICELAND

Executive Summary

This paper responds to the request from Guðni Agustsson for advice on the merger of Landgræðsla ríkisins and Skograekt ríkisins to form a new agency. Following setting out my credentials to contribute, the paper provides possible reasons for the merger; identifies ways of measuring success in the shorter and longer terms; discusses the remit of the agency and the tools required to carry out its functions; proposes a name; describes the culture required for success; discusses governance options; identifies structural options; and discusses delivery locations.

Introduction

The proposed merger of Landgræðsla and Skograekt provides many opportunities to benefit the land, those who own it and those who use it. And it creates many opportunities for satisfying the needs of Icelandic society and to make progress in Iceland's position globally on the restoration and management of its natural environment.

My Credentials

During 14 visits to Iceland to date, I have had many discussions with staff of the two agencies, have seen their work on the ground, and been involved in liaison between the two bodies.

In Scotland, I was the lead government official responsible for developing the strategy, legislation and plans for the merger of the government's two agencies for nature and landscape conservation. I led and managed the integration of the new organisation, Scottish Natural Heritage, as its first Chief Executive for 10 years. This was recognised as a success by government and many partner organisations.

I am actively involved in organisational strategy and development in a number of organisations as a non-executive director on the Board. Most relevant for this paper is the Scottish Agricultural College: a knowledge transfer organisation for the land-based sector in Scotland, specifically agriculture and other rural land uses.

Internationally, I advise governments, government agencies, and voluntary bodies on the structure and strategy of organisations.

Reasons for the merger

I cannot second guess the reasons for the merger that the Minister had in mind when making his decision. But I shall consider possible reasons for the decision because staff of the organisations and those partners closely involved with the organisations will wish to know what the reasons are. In my experience, articulation of those reasons will help to gain greater support for the merger and reduce the cynical reaction that some are bound to have.

At present, the two organisations have broadly the same ultimate purpose: the stabilisation of the land surface and the restoration of the vegetation. So why can Iceland justify two separate organisations funded by the same Ministry? There is inevitably overlap and duplication. Despite some cooperation, this is inadequate.

There is a degree of competition between the organisations. There is separate delivery of restoration when an entirely integrated approach would be a more cost-effective use of scarce government cash. This is also confused by the existence of the regional forestry bodies with a separate reporting line. The geographical separation of the two organisations does not help, nor does the different perspectives of the two Directors.

From an external perspective, what Iceland needs is an integrated land care and land restoration body working with the farmers and other landholders, reporting to a ministry for the land, agriculture and environment.

Criteria for success

No new agency should be established without a clear view of what it should achieve and an ability to assess whether it is being successful. This is best done by identifying the criteria for success. These can be turned into specific measurable targets that can then be used to assess the performance of the new agency in the short and longer terms. I offer the following suggestions for consideration under two headings: first, in relation to the land care and restoration outcomes, and second, in relation to the administrative and financial benefits of merger for government services.

(1) Success for the land

1. Benefits to land productivity: soil formation and increased nutrient status of the land to have the ability to be more biologically productive for farming and other uses.
2. Increasing resilience to natural events and calming effects on natural catastrophes such as tephra deposition, wind blow, jokulaups, through stabilisation of the surface and development of vegetation.
3. Benefits to biodiversity: habitats created and restored for breeding species and for improved functioning of the natural food web.
4. Environmental benefit to the nation: carbon sequestration increased.
5. National feel good factor: healing the land from the misuse since The Settlement, and increased environmental tourism.

(2) Success for delivery of government services

6. Financial savings in administration and operation. The savings to be used for land restoration.
7. Clearer lines of accountability within the organisation and with central government.
8. Easier access to advice for key clients, especially farmers and rural communities.

Remit of the new agency

It is important that the remit of the new agency is not just a bolt together of the two predecessor bodies. There is a real opportunity to create a body with a wider remit that will help the Government of Iceland to fulfil its own programme and many of its international obligations as well.

(1) To deliver Iceland's domestic programme

1. Deliver land restoration projects using all relevant techniques and appropriate plant types working with land owners and land users.
2. Contribute to the delivery of the sustainable development targets.

3. Contribute to the maintenance of population in rural communities around Iceland.
4. Contribute to recreational opportunities, especially hiking and non-vehicular access.
5. Contribute to the reconnection between urban communities and their environment through action projects and volunteer groups.

(2) To deliver Iceland's international obligations

6. Support for moderation of climate change under the Climate Change Convention by reduction of greenhouse gasses through sequestration of carbon by soil formation and by new vegetation cover and maintenance of existing cover.
7. Support for the reduction of desertification under the Convention to Combat Desertification through the planting of vegetation of all appropriate types and the consequent development of soil.
8. Support for the increase in biodiversity as a contribution to the Convention on Biological Diversity targets.

Tools for the new agency

If the new agency is to be able to fulfil all of the domestic and international tasks described above, then it should have a wide range of tools and mechanisms available for it to use. These should include the following:

1. to undertake itself and also to fund research and development activities;
2. to own land for the purposes of research and demonstration of land restoration and land care techniques;
3. to establish demonstration and pilot projects on its own land and on others land with the agreement of the owners;
4. to establish partnerships with farmers, other land owners, local communities, and any other relevant interests;
5. to provide financial incentives for land restoration and land care projects where there are no other resources available;
6. to provide funds for projects by any partners which will further land restoration and land care.

What's in a name?

Often there is great debate, and even dispute, on the name for a new organisation. But the name does set the tone and help to establish the credentials of an organisation. There is never a right answer and ultimately this is best left to the Minister to decide.

But I suggest that some key words should be included in the title. 'Iceland' should be in the name given the international track record that the predecessor organisations had, and given the delivery of international obligations as proposed above. Essentially the new agency is about the 'land' and its 'restoration' and proper 'care'. Also it is preferable that the names of the predecessor organisations are not included in the title to make it clear that this is a genuinely new body.

I propose therefore for discussion that the new agency should be called **Land Care Iceland**.

The culture of the new agency

Any new agency, particularly one derived from a merger of existing agencies, must have a clearly defined culture. Experience suggests that this should not be a continuation of the cultures of the existing, as new approaches and new horizons should be part of the culture of the new agency.

The following are key aspects of culture that should be imparted to the Chief Executive of the agency.

1. The agency should be focussed on **outcomes** rather than activities. What is to be achieved rather than the manner of achieving it should be the objective.
2. The agency should be **client orientated** rather than being an inward looking body. Key clients will be at both the national level: all relevant government ministries, and the local level: the owners and managers of the land, and the local communities.
3. The agency should be a **knowledge transfer** body, i.e. creating new knowledge, gathering knowledge from others and ensuring that it has effective mechanisms to distil and disseminate all of this knowledge to field staff in the agency and to farmers and other land owners and users.
4. The agency should take an **integrated approach** to its functions. There is a danger that the forestry and the soil conservation cultures will continue but this will not be helpful to achieving the purposes of the new agency.
5. The agency should deliver the majority of its functions at the **local level**. This is where the real success of the organisation will be achieved.

Governance of the agency

The two predecessor bodies report through their Directors to the Minister for Agriculture. The Minister may well wish this system to continue as it is the standard mode of operation in all of the Icelandic government agencies that I am familiar with.

On the other hand, there are many government agencies in other countries where there is a non-executive board responsible for the strategic direction and the wise use of the resources of the agency within the context of the government policy and direction from the sponsor ministry. In addition to continuing with the present system, there are two other possibilities which should be considered.

First, in many countries the Minister appoints a non-executive Board to oversee the work of the organisation. This is chosen from those who have knowledge and experience in the sector in which the agency is operating. The Chief Executive and the Executive Directors can be members of the Board or be advisors to it. There is a clear line of accountability of the Board, through its Chairman to the Minister. The performance of the Board should be appraised independently on behalf of the Minister who has the power to remove Board members who are not effective.

Second, the Minister can establish an Advisory Committee or Advisory Board that does just that: it provides advice and guidance to the executive management of the

agency but has no power of direction over them. This can be a useful model in making sure that the organisation is connected with and listens to its clients.

In addition, and given the importance of delivering the agencies activities on the ground all around Iceland, the new agency should consider whether setting up of regional advisory committees would help to establish the credentials of the agency and help it with its work in different parts of Iceland. Such structures do carry a cost of administration but generally experience from Scotland, for example, shows that they are beneficial.

Structure of the agency

The structure of the agency should be determined by the remit and the culture as set out above. It should not be just an amalgamation of the structures of the two agencies; that would be disastrous as it would perpetuate the differences and divides and not allow the new management to develop the new organisation to achieve the Minister's wishes.

The key functions and how they could be brigaded is suggested as follows:

1. strategy and policy development and advice, and government relations;
2. research, development, demonstration, knowledge transfer;
3. regional and local advisory services;
4. communications and outreach, education and training;
5. financial, human and other corporate management., and infrastructure management.

The reporting lines for these units is a matter for the new Chief Executive to determine. However, it is good practice that the first function listed reports directly to the CEO, whereas the others report through a Director to the CEO.

It is for the CEO to decide on the need for a deputy or deputies. They can help to share the management load and lead on particular current issues. On the other hand, they can be very costly, and get in the way of relations between the CEO and the Directors.

Locations for delivering the agencies services

The new agency should have a variety of locations for the delivery of its functions.

Most obvious is the need for a **network of offices around Iceland** located near to the majority of clients and also to other relevant parts of government. Lanðgraeðsla has a network of offices, as do the regional forestry associations. These should be used as the basis of offices rather than setting up offices in new locations. Co-location with other parts of government is very helpful to clients and partners who are frequently confused about what different parts of government can do to help them.

There are two separate research facilities: one at Mogilsa and one at Gunnarsholt. It would be very wasteful to retain two separate facilities and the decision of which to retain and which to dispose of should be based on the quality of the facilities and the interaction of the research staff with other colleagues performing other functions in the new agency. Consideration should also be given to the link between the research

and related activities of the new agency and the research and teaching activities of the Icelandic Agricultural University. There is no need for a merger as the demonstration and knowledge transfer roles must be part and parcel of the new agency.

The agency should retain some of the owned sites of the predecessor bodies, but it is essential to review the need to retain all of them. The acid test should be whether the land is necessary or likely to be necessary for research, development and demonstration and cannot be supplied through leasing arrangements with private landowners.

The new agency should have a small office in Reykjavik given the proximity of key ministries and parliament. It should have minimal staff space, should be in a cost effective location, and should have the space for meetings.

The headquarters needs to be in one location. Certainly Egilsstadir is too far from the majority of clients and partners to be appropriate. Gunnarsholt has all of the facilities needed and would save money compared with a new location.

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October 2005