

**National Report to the Third Session of the
United Nations Forum on Forests**

Finland

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II. Progress and issues related to implementation of IPF/IFF proposals for action

General

1. Please provide additional or new information on initiatives taken or lessons learned further to the information on forests included in your national reports to the Commission on Sustainable Development on the following points:

- *assessment (including of the relevance, priority, status of implementation, planned actions) of the IPF/IFF proposals for action in the national context*

Both IPF and IFF proposals have been assessed, IPF proposals in 1998 and IFF proposals in 2001. For the assessment of IPF proposals, the Ministry of Agriculture and Forestry established a working group with representatives from the Ministry for Foreign Affairs, the Ministry of Trade and Industry, the Ministry of the Environment, the Finnish Forest Research Institute, the Central Union of Agricultural Producers and Forest Owners (MTK), Metsähallitus (the Finnish State Forests), the Finnish Forest Industries Federation and the Forestry Development Centre Tapio. In addition, other groups invited but unfortunately with less regular participation were the Finnish Environment Institute, the Finnish Association for Nature Conservation and WWF-Finland.

Implementation of IFF proposals was assessed both in national and international contexts. As the Finnish assessment of the IPF proposals was performed in 1998, it was decided that this new assessment should concentrate only on recent developments (after 1998) and take a clear focus on IFF. The assessment was performed by interviewing experts from the Ministry of Agriculture and Forestry, the Ministry of the Environment, the Ministry for Foreign Affairs, the Ministry of Trade and Industry, the Finnish Forest Industries Federation, the Central Union of Agricultural Producers and Forest Owners, The Finnish Forest Research Institute, Metsähallitus (the Finnish State Forests), the Finnish Association for Nature Conservation and WWF Finland. The draft report was widely circulated for comments.

- *development and implementation of your national forest programme or similar national policy framework for forests,*
- *mechanisms or initiatives to facilitate stakeholder participation in forest sector planning, decision-making and/or forest management.*

Finland's National Forest Programme 2010 was approved by The Government on 4 March, 1999. The programme is implemented as a learning process, which is oriented and revised according to changes in the operating environment and new information. On 26 May 1999 the Government appointed a broadly based Forest Committee for the implementation and follow-up of the NFP. The Forest Committee supports the Ministry of Agriculture and Forestry in extensive and cross-cutting forest policy issues. The Committee is chaired by the Minister of Agriculture and Forestry. The members of the Forest Committee represent the Ministry of the Environment, the Ministry of Finance, the Ministry of Trade and Industry, the Wood and Allied Workers' Union, Svenska Lantbruksproducenternas Centralförbund, SLC (Central Union of Swedish-Speaking

Agricultural Producers in Finland), the Finnish Association for Nature Conservation, Woodmarketnet Oy, the Central Union of Agricultural Producers and Forest Owners, the Union of Finnish Foresters, the Trade Association of Finnish Forestry and Earth Moving Contractors (TAFEC), Kainuu Regional Centre of Women's Advisory Organisation for the Development of Rural Areas, Finnish Sawmills, Suomen Partiolaiset – Finland's Scouter, the Society of Finnish Professional Foresters, WWF Finland and the Finnish Forest Industries Federation.

The Forest Committee appointed a Working Committee, which acts as the secretariat of the Forest Committee. The chairman of the Working Committee is the Director of the Department of Forestry of the Ministry of Agriculture and Forestry. The members come from the Ministry of Social Affairs and Health, the Finnish Environment Institute, the Forestry Development Centre Tapio, Metsähallitus (Finnish State Forests), the Central Union of Agricultural Producers and Forest Owners, the Finnish Forest Research Institute, Pohjois-Savo Forestry Centre and the Finnish Forest Industries Federation. Ad-hoc work groups may be appointed by the competent Ministry to develop the different objectives of Finland's National Forest Programme 2010. The work groups report to the Forest Committee on their work.

The Forest Committee is a forum where the state of implementation and future of the NFP is discussed and potential conflicts may be solved. In recent discussions environmental NGOs have criticized the NFP of being too production oriented.

In June 2001 the Ministry of Agriculture and Forestry appointed regional forest committees to support the Forestry Centres in the implementation and follow-up of the forest programmes. Cooperation and interaction between the regional forest committees and National Forest Committee is developed.

The Implementation and Follow-up Plan of the programme (National Forest Programme 2010. Implementation and...2000) included a decision on a mid-term evaluation of the programme after a few years of implementation. The Department of Forestry of the Ministry of Agriculture and Forestry commissioned an independent party to conduct the evaluation based on an invitation to tender.

The primary objective in the evaluation was to identify the most important challenges in the development of the programme and produce appropriate proposals to respond to these in order to support the implementation process as well as to revise the contents of the programme. Another objective was to compile and analyse the discussion on the Finnish forest policy in general and the National Forest Programme in particular as well as support the commitment of the different parties to the programme process and its implementation.

A development-oriented and learning approach which starts from the operators in the sector was adopted for the evaluation. The evaluation was strongly based on the views of the actors in the forest sector. The operators were harnessed to evaluate the objectives and means of the forest programme from their own perspective – as well as to consider challenges and proposals for the development of the programme.

Economic aspects of forests, including trade

2. Please provide information on: i) activities undertaken in your country, ii) progress made, iii) lessons learned, iv) constraints encountered (including those related to financing, transfer of environmentally sound technologies, and needs for capacity-building) and v) initiatives planned and vi) the role of enhanced cooperation and policy and programme coordination to facilitate progress in:

- *valuation of forest goods and services (this may include, among other things, the development and use of new valuation methodologies, valuation of a wider range of goods and services, and policy decisions that reflect a more comprehensive assessment of forest values)*

The revision of the regional forest programmes compiled by the Forestry Centres (regional target programmes for forestry) according to the outlines set out in the National Forest Programme 2010 was completed in spring 2001. The objectives for the management and use of forests have been redefined in the revised programmes. The most important ones are the new sustainable harvesting objectives, where the special characteristics of each region have been taken into account. The objective set for roundwood production in the regional forest programmes (2001-2005) is about 3 million m³/year higher than in the earlier programmes (regional target programmes for forestry 1998). The revision did not lead to any significant changes in the difference between the estimated maximum sustainable roundwood production calculated at the Finnish Forest Research Institute and objectives for roundwood production set in the regional forest programmes. The introduction of forest certification at the turn of the millennium has lowered the roundwood production objective.

Quantitative data on economical aspects of forestry are very well covered. Environmental and social impacts are measured fairly well though some indicators still need further elaboration.

Quantitative data concerning forests is regularly reported to the CBD secretariat and UNEP.

- *the amount, scope, or quality of market data and information for wood and non-wood forest products and their substitutes, use of economic and policy instruments to facilitate progress toward sustainable forest management (these may include improved tax policies and forest revenue collection systems)*

Data on timber markets, including information on volumes, prices etc, are collected and published by the Finnish Forest Research Institute, the Forest Industries Federation and MTK.

Finland has a long tradition in thorough monitoring and evaluating of forest resources. National forest inventories have been made since 1921 by Finnish Forest Research Institute. Different companies, Metsähallitus (Finnish State Forests) and Forest Management Associations gather comprehensive forest management data about most of Finland's forests.

Forest Research Institute estimates and collects information of some non-wood products such as estimated crops of wild berries. Annual game quarries are surveyed by Finnish Game and Fisheries Research Institute, the reindeer husbandry is surveyed by the Association of Reindeer Herding Co-operatives. The market supply of foremost wild berries and edible mushrooms are collected by Food and Farm Facts Ltd. Also other indicators concerning non-wood products and social functions of forests are gathered by various organisations, but not systematically.

A national set of criteria and indicators "Criteria and Indicators for Sustainable Forest Management in Finland" has been renewed and published in 2000. Regional sets of indicators, based on national indicators, are used to monitor regional forestry target programmes.

In 1997 Forest Act, Nature Conservation Act and Act on the Financing of Sustainable Forestry were renewed to promote sustainable forestry. Forest management guidelines have been reformed accordingly. During the 1990s silvicultural methods improved distinctly in taking into consideration the biological values of forests.

In 1999 the Act on Forest Management Associations was renewed with the aim to promote co-operation between forest owners and advisory services in forestry. NFP has been formulated accordingly.

The State supports private forest owners with subsidies and loans on measures directed to maintaining the sustainability of timber production, the maintenance of biological diversity of forests and managing the forest ecosystems. Forest owners are eligible for compensation in cases where significant economic loss is caused by the restrictions of using the forest on the habitats of special importance defined by Forest Act and Nature Conservation Act.

In Finland the regeneration of harvested areas is required by Forest Act and it is supervised that regeneration takes place within reasonable time.

Sustainable forestry is in some cases guided by means of economical incentives. National policies on energy and regional development have also implications on forestry.

The taxation of forests is now (1993–2005) in a transition period in order to replace the taxation system based on soil productivity by a system based on net earnings from timber sales.

3. Please provide information on i) initiatives taken, ii) progress made, iii) lessons learned, iv) constraints encountered (including those related to financing, transfer of environmentally sound technologies, and needs for capacity-building) and v) initiatives planned, and vi) the role of enhanced cooperation and policy and programme coordination to facilitate progress related to trade in forest products or environmental services (e.g. carbon trading), including in:

- *efforts to reduce negative impacts of trade,*

- *participation in forest certification and labeling schemes and work toward mutual recognition and comparability of such schemes,*

In December 2000 the Government appointed a committee to draft a proposal for an objective, financing and action programme for forest protection in Southern Finland, western parts of the Province of Oulu and South-western Lapland. The METSO Committee (committee for forest conservation in Southern Finland) had the task to propose an action programme that would not cause any costs to the State economy prior to 2008. The term of the committee ended on 30 June 2002. The METSO programme was approved by the Government in October 2002.

In relation to trade in environmental services, the METSO Committee proposes testing out new instruments for protection on a voluntary basis: trade with natural values, competitive bidding, and a biodiversity network. The trade with natural values is a system where the landowner, under a special contract, maintains or adds to the natural values in his forests, and is compensated with an income from the buyer of natural values, such as the state or a foundation. In competitive bidding, the authorities ask the landowners to offer areas for protection. The best offers of the competition are approved for implementation. The Committee proposes that pilot projects be started next year to test the functioning of these methods. The Committee also proposes local co-operation between forest owners so as to safeguard natural values in more extensive areas. Such networks could also include other local bodies. The authorities would channel state funds to voluntary protection considered to have local value, according to the proposals emanating from the pilot projects.

Different organisations have devoted a lot of work lately on forest certification. Finland's forests are mostly certified by FFCS, which is based on Pan-European criteria and indicators for sustainable forestry. FFCS has been approved under the label of PEFC and has also the approval of Dutch Keurhout system. Finland's national FSC standard is under development and one private forest holding is FSC-certified. FFCS criteria is now being evaluated and revised accordingly.

Forest certification is a voluntary market-based tool. Governments can facilitate the mutual recognition processes but should not be involved e.g. in decision making on different certification schemes.

- *efforts to reduce illegal trade (exports from or imports into your country) in wood or non-wood forest products. Please indicate achievements made, lessons learned, constraints encountered, and planned initiatives.*

In Finland, a forest use declaration has to be made by landowner or holder of the rights of possession to the forestry centre before the start of felling operation. Forestry Centres supervise that illegal fellings do not take place.

Major Finnish companies performing the import and export of forest products have environmental management systems (ISO 14001) that contain the demand of the surveillance of chain of custody. When importing timber, the Finnish forest industry applies the means at its disposal to eradicate illegal logging. Forest industry enterprises can promote legal operations in

two ways. Firstly, by giving expert assistance to the public administration system in both national and international processes. Finnish companies also lead the way in verifying the origin of wood.

Forest health and productivity

4. If damage to forests from air pollution is a significant problem in your country, please provide information on recent national strategies or programmes to minimize damaging air pollution. Please indicate if your country is involved in any international cooperation efforts aimed at strengthening scientific knowledge, increasing information access or reducing the impacts of long-range air pollution on forests, as well as your views on the role of enhanced cooperation at the regional and international levels to facilitate such work.

Finland has ratified the Convention on Long-Range Transboundary Air Pollution, and the protocols adopted under that Convention concerning the reduction of damaging air pollutants, as well as the United Nations Framework Convention on Climate Change. Finland is also participating in the ICP-Forests Programme, which includes extensive and intensive monitoring of forest health. Despite the large-scale extensive monitoring of the ICP-Forests Programme carried out over the past ten years, it has not been possible to show unambiguously that airborne pollution has had an effect on our forests. The development of suitable methods for intensive monitoring has been relatively slow and only preliminary results are currently available. Further investment in the development of monitoring systems is urgently required. Continuous monitoring of forest ecosystems is an expensive process and there may be difficulties, especially for countries in transition, to carry out intensive monitoring. Although the results of continuous monitoring do not fully live up to expectations, international co-operation with neighbouring countries should encourage these countries to participate in monitoring and its development.

Although the reduction of airborne pollution is of course a considerably more important task than monitoring, the results of the monitoring work carried out so far have had a considerable impact on public opinion as well as on the implementation of abatement policies. As a result, there has already been a considerable decrease in the emissions of airborne pollutants in Finland. In order to bring about further improvements in air quality in our country, however, co-operation with those neighbouring countries that are the primary sources of transboundary airborne pollution in Finland must be stressed in the near future. Clarification about how issues concerning airborne pollution are dealt with in the countries neighbouring Finland is also of extreme importance and, when appropriate, they must be encouraged to take all the actions needed to implement international agreements on the reduction of long-range transboundary air pollution.

The criteria and indicators formulated in connection with the follow-up to the Second Ministerial Conference on the Forests in Europe also include indicators for monitoring and depicting air pollution and its impacts. However, the indicators need further development. A lack of appropriate research knowledge is the main constraint for further development. Criteria and indicators again came to the fore in the third Ministerial Conference held in Lisbon in June 1998.

During the preparation of the Finnish government's Programme for Sustainable Development, issues concerning the reduction of negative effects on the environment and support to environmentally sound technology have been discussed.

Maintaining forest cover to meet present and future needs

5. *Please indicate progress made and lessons learned in efforts to harmonize or to make compatible policy frameworks in your country (e.g. national forest programme or a similar policy framework for forests, biodiversity strategies and action plans, national action plans to combat desertification, etc.) that collectively address the full range of forest values.*

6. *Please provide information on recent efforts to assess long-term trends in national supply and demand for wood, non-wood forest products and services and whether your country's national forest programme or similar policy framework for forests takes into consideration future needs for forest goods and services. Please provide views on how enhanced cooperation at the regional and international levels, including through UNFF, could further facilitate implementation of the IPF/IFF proposals for action*

Other information and emerging issues

7. *Please provide any additional relevant information on the implementation of proposals for action or emerging issues¹ related to: i) economic aspects of forests, ii) forest health and productivity, or iii) maintaining forest cover to meet present and future needs.*

III. Preparation of the Report

8. *Describe the process of preparing this report, including which government agencies and stakeholder groups were involved, and the extent to which they contributed. Provide information on challenges encountered and lessons learned in the preparation of this report.*

This report is partly based on the assessments of IPF and IFF proposals which had rather broad participation. The whole text has been discussed in the Committee on International Forest Policy.

¹ “Emerging issues” refer to issues that have not been addressed by UNFF but that are related to UNFF “elements”. For example, some countries may consider forest fires and forest pests and diseases as important emerging issues for the UNFF to address under the UNFF element, forest health and productivity. Kindly limit the emerging issues to three per UNFF element addressed by this report.