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The Effects of FSC-Certification in Russia

An Analysis of Corrective Action Requests

A study by the WWF European Forest Programme
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1. Summary:

Russia is the largest forest country in the world, which houses about 22% of the world forests. Forests in Russia cover a total area of 1.2 billion hectares which is about 69% of the entire territory. All forests are state property and administered by forest management agencies called leskhozes on the local level. Private timber companies have the possibility to rent forest sites, mostly for a 5 or 10 years term. Operations are based on a 10 years management plan.

At present 14 forest management certificates under FSC are issued in Russia, but one is currently suspended. The study assesses 12 forest companies covering a total area of more than 3.5 million hectares. The analysis is based on 394 Corrective Actions Requests (CARs) raised in main assessments and surveillance audits since 1999.

46% of Corrective Actions Requests (CARs) were raised to cover environmental issues, 24 % were raised in the social and 29 % in the economic sector.

The performance of the certified forest companies has a broad variation in quality. Nearly half of all CARs were raised at just one company. The performance of the other 11 forest companies is comparable to certified forest companies in other European countries.

The main environmental effect through certification according to FSC was conservation and enhancement of biodiversity. This was mainly done by assessment and enhanced protection of high conservation value forests as well as other habitats and biotopes. FSC certification required the identification and adequate protection of High Conservation Value Forests and woodland key habitats over a total forest area of more than 1.9 Million ha. This guarantees that old growth forests are not destroyed irrevocably by inappropriate forest management. Certification enforced also protection of rare, endangered and protected species by assessing red listed species and raising the awareness of forestry staff. Certified forest companies had to increase the amount of biotope trees and dead wood, habitat for many endangered forest species, and the quality by using trees of various species, also with a large diameter**.**
Certification under FSC improved the assessment of environmental impacts and introduced ecosystem based management planning on a landscape level, which is a new approach in Russian forestry.
Another important issue is the protection of resources like soil and water including the adequate disposal of waste left on forest sites after logging operations.
FSC certification reduced the risk of soil damage and compaction by considering the adequate season for harvesting operations and the development of an appropriate system of skidding trails.
Certification raised the awareness of forestry staff regarding chemical substances and the protection of water resources. Waste related to logging operations is now collected and disposed in an environmentally appropriate manner.

The main social improvement by certification under FSC was the implementation of the safety and health guidelines at site level. As forestry continues to be one of the most hazardous sectors, this is a key issue of socially sustainable forest management. The implementation of the safety and health requirements on site level was enforced by systematic controls of compliance. At one forest company FSC certification improved significantly the social conditions of forest workers, including a fair wage payment. The cooperation with the labour union was enforced too.

Another important improvement is the involvement of all relevant stakeholders and the participation of local communities in the planning process of forest activities. One company had to recognize officially the traditional rights of indigenous people for prioritized right to use resources of flora and fauna as an indigenous Udegeitsi settlement is located in the certified forest area leased.
The implementation of the requirements of FSC certification on site level was ensured by additional training of forestry staff on relevant aspects.

The main economic improvement effected by certification under FSC was the enhancement of the quality of forest management planning, including appropriate documentation, monitoring and the verification of the long-term sustainability of the actual harvesting volume. A specific issue for Russia is respecting all relevant legal requirements and paying taxes in time.

The study shows that Russian forestry still has large room for improvement. Certification under FSC introduced new or uncommon approaches like ecological landscape planning or thinning.

Another important improvement, which cannot be shown by an analysis of Corrective Actions Requests, is the creation of an intersectoral dialogue between environmental NGOs, business representatives and administration.

2. Methodical Preamble:

This study is based on the data of public summary reports describing the assessment of each company certified under FSC by a team of independent experts. Therefore a short description of the certification process is essential to understand the method of this study.
The Forest Stewardship Council is an international non-profit organisation founded in 1993 to support environmentally appropriate, socially beneficial and economically viable management of the world‘s forests. FSC’s governance structure ensures that FSC is independent of any one interest group by requiring an equal balance in power between its environmental, social and economic chambers as well as a balance between interests from the economic north and south. The FSC International Centre sets the framework for the development and maintenance of international, national and sub-national FSC standards based on FSC's 10 Principles and Criteria of responsible forest management.
FSC itself does not certify forest operations or manufacturers, but accredits certification bodies to carry out Forest Management (FM) or Chain of Custody (CoC) certifications. An owner or manager wishing to undergo certification selects a certifying body and then goes through a process of scoping or pre-assessment, a formal application, an audit and then certification. At the audit corrective action requests (or conditions) are raised.
A **Major CAR** (or precondition) is a fundamental failing that must be addressed prior to certification.
A **Minor CAR** (or condition) is a partial failing that does not prevent certification, but must be addressed within an agreed timescale.
There is ongoing monitoring of the certified party with an annual surveillance audit over the term (5 years) of the certification.
Each of the certifying bodies is obliged to publish a public summary of the main assessment and the annual surveillance audits of all certifications. These public summaries are freely accessible via the Internet. With each report all the CARs raised are listed.

3. Forests in Russia

Forests in Russia cover a total area of 1.2 billion hectares which is about 69% of the entire territory. All forests are state property and administered by the Ministry of Natural Resources. On the local level, forestry is administered by forest management agencies called leskhozes. Operations are based on a 10 years management plan developed by the Forest Inventory Agency. The leskhozes have small input in the formulation of the management plan, but they have the authority to rent forest sites to private timber companies as well as the task to carry out maintaining management activities such as thinning and to protect the forest from natural calamities and illegal logging activities.
The leskhozes have to ensure that the management activities of private timber companies are carried out in compliance with law and legal regulations. The rent paid by timber companies is transferred into state budget. The leskhozes are funded from the federal budget, but the funding level is often below the one needed to avoid lacks in forest governance.
At the time this study was conducted 14 forest management certificates under FSC were issued in Russia. One report is available only in Russian, another is not published yet. Therefore only 12 certificates could be assessed. These certificates cover a total area of 3,558,047 ha with a total allowed annual cut of 2.843.387 m³ FSC certified timber.

Table 1: FSC certified forests in Russia

Company	Certificate	Issue date	Ownership	Area (ha)	AAC (m³)
Kosikhinsky Forest Enterprise	SA-FMU/COC-1137	17.03.2000	Public	32.712	44.000
Holz Dammers	IMO-FM/COC-2099	22.12.2000	Private	172.105	112.587
Madok GmbH	SGS-FM/COC-0849	04.12.2001	Private	31.200	89.200
Koverninskij Leschoz	GFA-FM/COC-1011	02.07.2002	Private	116.368	180.000
Priluzje Leskhoz Model Forest	SW-FM/COC-242	15.03.2003	Public	794.409	406.800
OAO Maloshuykales	GFA-FM/COC-1078	03.05.2003	Public	336.445	139.300
STF Strug	SW-FM-283	01.08.2003	Public	18.440	51.400
Novoyeniseisky Forest Complex	SA-FM/COC-1357	03.02.2004	Private	49.333	125.400
JSC “Svetlosersk Les“	GFA-FM/COC-1114	13.08.2004	Private	171.900	184.300
OAO Belozersky lespromkhoz	SGS-FM/COC-1828	25.08.2004	Public	221.492	551.900
JSC “Terneyles”	SGS-FM/COC-1925	16.11.2004	Private	1.394.488	503.500
OAO «Lesosibirsky LDK-1»	SGS-FM/COC-1987	30.12.2004	Public	219.155	455.000

Source: Public main assessment and surveillance reports of SGS and Smartwood

Since September 2004 the certificate of Koverninskij Leschoz is suspended. The certificate of Holz Dammers was also suspended, but renewed in 2003. Seven of the 12 certified forest companies are located in North West Russia, one in West Russia and 3 in Central Russia. One forest company covering a forest area of nearly 1.4 Million hectares is located in the Russian Far East.

Three certificates are held by federal forest management agencies. The other certified forest companies have leasing or concession contracts for 5 or 10 year terms. Sometimes this creates difficulties in ensuring sustainable forest management on a long term. The range of forest management activities carried out differs depending on the type of leasing contract. In the case that the certified forest company carries out only harvesting operations, while management activities to maintain and improve forest conditions are carried out by the leskhoze, the assignment of responsibilities is complicated.

4. Overview:

The most room for improvements were found in the environmental sector, where 46% of all Corrective Action Requests were raised. The implementation of the corrective actions was most difficult in the environmental and social sector.

A total of 394 Corrective Actions Requests (CARs) had to be addressed by the 12 Russian forest companies certified under FSC. 46% of the CARs affect the environmental sector, 24 % the social and 29 % the economic sector.

In total 87 **major CARs** were raised. They had to be implemented during or following the assessment in order to avoid suspension of the certificate.

49% of the major CARs were raised in the environmental sector:

The key issues were the protection of endangered species listed in the red book as well as the conservation of old growth forests. This was especially in relation to a moratorium of logging old growth forests at one company. Other issues were an environmental impact assessment, the precautious use of mineral oil and limiting the damage by harvesting operations as they had to be addressed prior certification.

26% of the major CARs were raised in the social sector:

Most mentioned issues were participation of stakeholders and local communities, including conflict settlement and information of the public as well as safety and health requirements, especially personal protective equipment.

24% of the major CARs were raised in the economic sector:

Key issues were monitoring and documentation.

5 major CARs were still open at the time the study was conducted. 80 major CARs were met in time, 11 of them only partially, but they could be downgraded to minor CARs. 2 major CARs could not be met in time. These CARs regarded a forest company hold by Holz Dammer at the time of the main assessment. Thus only two other forest companies owned by Dammer could be certified, but not the third one that did not implement the major CARs.

The analysis of the effectiveness was done on the basis of 247 CARs where verification by the following audit was available. The other 149 CARs were still open at the time this study was conducted.

74% of the CARs could be fulfilled in the time given by the certifier; another 9% were partially met. 17% of all CARs were not done in time. Therefore, 13 of the 41 CARs not met were upgraded to major CARs. In the environmental and social sector 20% of the CARs were not met, while in the economic sector only 9% were not met.

The ecological CARs not met regard dead wood and biodiversity trees, construction of skidding trails as well as habitats and biotopes, endangered species and high conservation value forests. The social CARs not met were in relation to the rights of employees as well as training of forestry staff, followed by involvement of local communities and safety and health requirements. The economic CARs not met concerned compliance with legal requirements.

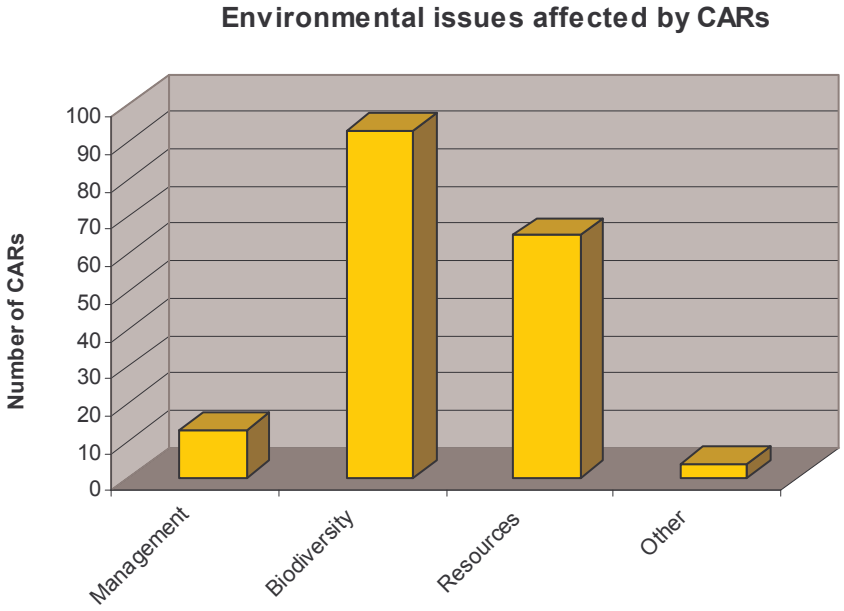
34 of the 41 CARs not met were raised with the company Holz Dammers, while the other 11 certified forest companies together failed to meet 7 CARs, showing an overall better performance by these companies. Leaving aside Holz Dammers, 86% of all CARs were met in time, another 7% partially. Only 7% were not met in time.

The quality of the certified forest companies has a broad variation. Nearly have of all CARs raised regard the forest company Holz Dammer. After 4 years of certification the performance of this company seems however to improve. Certification of Holz Dammer prevented the cutting of old growth forests.

Due to the fact that no national standard for Russia exists, the assessment was complicated. Every certifying body has its own interim standard for specific regions of Russia. Although all standards are based on the global principles of FSC, the criteria differ. The participation of stakeholders during the development of the interim standards varies.

5. Ecological changes addressed through the CARs

The main environmental effect through certification according FSC was conservation and enhancement of biodiversity. This was mainly done by assessment and enhanced protection of high conservation value forests (24 CARs). In addition, another 11 CARs required the assessment and adequate protection of other biotopes and habitats. Another important issue was the protection of resources like soil and water including the adequate disposal of waste left on forest sites after logging operations. Neither game damage nor exotic or genetically modified tree species are an important issue in certified Russian forestry.



5.1 Environmental management:

On a total area of more than 3 million hectares certification according to FSC improved the assessment of environmental impacts and ecosystem based management planning on landscape level.

An adequate management is the basic requirement for environmental protection. This includes planning as well as monitoring. The understanding and evaluation of the impact of forest management practices on the environment is essential for assuring progressive improvement of forest ecosystems in that respect. Bearing in mind that each forest operation has both positive and negative environmental consequences, this assessment plays a key role as basis for the promotion of sustainable forest management. An Environmental Impact Assessment (EIA) is accepted to be an adequate instrument for this issue.

According to the FSC standard the assessment of environmental impacts shall be completed appropriate to the scale and intensity of the forest management and the uniqueness of the affected resources and adequately integrated into the management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. The environmental impacts shall be assessed prior to the commencement of site disturbing operations (Criterion 6.1).

The 13 CARs on this issue regard 7 forest companies covering a total area of more than 3 Million hectares. The key issue was an Environmental Impact Assessment including consideration of features of the natural landscape. One forest company had to determine the extent and primary cause of illegal and unauthorized harvesting and to develop a forest control system that reduces the number of illegal and unauthorized harvests. Another company had to assess the economic and ecological advantages of new de-branching equipment, so that de-branching can be carried out on the felling site without transporting the branches.

Certification under FSC introduced a new landscape planning approach in Russian forestry. Environmental impact is assessed on site level as well as on landscape level. This is essential to decide which management measure or type of operation is appropriate under specific conditions. Thus, FSC certification reduced the environmental impact of forest management activities on a total area of more than 3 million hectares.

5.2 Biodiversity:

FSC certification enhanced biological diversity in Russia through an improved protection of habitats and endangered species as well as by specific measures in managed forests.

The conservation and enforcement of biodiversity is a key issue of sustainable forest management. Biological diversity includes diversity within species (genetic diversity), between species and of ecosystems. Forests with high biological diversity are usually more stable against outside influences than those with low biodiversity.

The FSC standard requires therefore the conservation of biodiversity and its associated values (*Principle 6*). This can be done by protecting endangered and rare species and their habitats as well as areas with a high biodiversity like high conservation value forests. Another approach is the enhancement of biodiversity in managed forests. The role of managed forests, and of sustainable forest management, is of vital importance for the conservation and enhancement of biological diversity. Biodiversity in managed forests can be enhanced by a broad range of indigenous tree species and the retention of biotope trees and dead wood with a broad range of species and diameters. Appropriate management, including monitoring of specific aspects is essential for the conversation and enhancement of biodiversity.

3 forest companies had to improve the monitoring of composition and changes in Flora and Fauna.

Even if corrective actions on management and monitoring of biodiversity in general were required only three times, the effects of certification on the improvement of biodiversity should not be underestimated, as many corrective actions were required in related issues like the protection and conservation of endangered species and their habitats, the retaining of dead wood and biodiversity trees and the tree species composition.

The analysis shows that FSC certification improves the protection of key habitats and endangered species, but also the conversation and enhancement of biodiversity in managed forests.

a) Habitats, High Conservation Value Forests (HCVF) and Conservation Zones:

The FSC certification required the identification and adequate protection of High Conservation Value Forests and woodland key habitats over a total forest area of more than 1.9 Million ha. This guarantees that old growth forests are not destroyed irrevocably by inappropriate forest management.

Habitat loss is the main cause for species extinction. The protection of the habitat is therefore essential for the conservation of rare and endangered species. Protected areas per se focus on the conservation of biological diversity and the maintenance of natural ecological processes. Protected areas represent one of the oldest instruments for protecting nature and natural resources and are included as a main pillar in nature conservation laws in all European countries.

As however only a small percentage of the world´s forests can be found in protected areas, additional measures are needed in managed forests. One of the most important improvements by FSC certification is protection of high conservation value forests. These are forests especially worthy of environmental protection because they constitute rare ecosystems or habitats for particular rare animal and plant species. Russia still has a high share of old growth and pristine forests. Inappropriate forest management activities would destroy their characteristics irrevocably.

The FSC Standard therefore requires that management activities in high conservation value forests shall maintain or enhance the attributes, which define such forests. Decisions regarding these forests shall always be considered in the context of a precautionary approach (*Principle 9*). Furthermore, the standard requires the protection of representative samples of existing ecosystems within the landscape in their natural state as well as the identification and establishment of conservation zones and protection areas, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources (*Criterion 6.2 and 6.4*).

14% of all ecological CARs required the identification and adequate protection of High Conservation Value Forests, another 13% the protection of biotopes and habitats. This regards 10 of the 12 certified forest companies covering a total forest area of nearly 2 Million hectares. For that purpose definitions and criteria of High Conservation Value Forests had to be developed in cooperation with environmental NGOs and other stakeholders. High Conservation Value Forests were assessed, documented in all relevant maps and considered in the forest management plan. The efficiency of measures to preserve HCVF attributes is monitored.
Holz Dammers obliged himself to a moratorium on logging in old growth forests located in the leased forest area. Although Dammers is obviously the forest company with the most deviation from FSC standard, environmental NGOs like Greenpeace supported the renewal of FSC certification after suspension in 2002. Otherwise the conservation of old growth forests on the territory rent by the company could not be guaranteed.
In addition, on clear cut sites key habitats have to be left intact and should be surrounded by broadleaved dominated buffer zones.

b) Endangered Species:

FSC certification enhanced the protection of rare, endangered and protected species over a total forest area of nearly 1.3 Million ha by assessing red listed species and raising the awareness of forestry staff.

The most recognisable form of depletion of biodiversity lies in the loss of species (fauna and flora). Slowing down the rate of species extinction due to anthropogenic factors is a key objective of the conservation of biodiversity. Changes in forest species population levels may also provide an early warning of changes in vital forest ecosystem functions.

The FSC standard requires therefore the identification and monitoring of endangered, rare and protected species and the establishment of safeguards for their protection (Criterion 6.2).

The 12 CARs on this issue, including 4 major CARs, regard five forest companies. They had to assess which red-listed species can be found in their forest areas. At one forest district the assessment had to be carried out by an independent expert. The results have to be considered in the management planning. The awareness of forestry staff was improved by guidelines and training. In the Republic of Komi a forest company had to reduce the incidences of illegal hunting of Red Book species. The documentation of rare species and their habitats created some difficulties due to the risk that poachers would get this information too.

c) Dead Wood and Biodiversity Trees:

Over a total area of more than 675.000 ha certification according to FSC increased the amount of biotope trees and dead wood, habitat for many endangered forest species, and the quality by using trees of various species, also with a large diameter.

Individual biotope trees and dead wood are essential for the conservation of biodiversity. Biotope trees fulfil special functions like nesting sites or habitat for rare epiphytes, insects, mushrooms and other organisms living on old trees. Deadwood in form of snags (dead standing trees) and logs (dead lying trees) is a habitat for a wide array of organisms and after humification an important component of forest soil. Many species are dependent, during some part of their life cycle, upon dead or dying wood of moribund or dead trees (standing and fallen), or upon wood-inhabiting fungi or other species. It provides even a source of food for large mammals like bears. Because of the lack of deadwood many of the dependent species are endangered. In addition to the total amount of deadwood a broad range of diameter and dead tree species is an important factor, as some of these species are dependent on a single tree species or specific diameters[1].

The FSC standard requires the maintenance and restoration of natural cycles (*Criterion 6.3*). Therefore retention of 10 trees with ecological value per ha in average as well as the retention of standing and fallen dead wood. This requirement is in contradiction to Russian forest law. Therefore two forest companies had to apply for a certificate of exemption with the regional authorities first.

11 CARs were raised on this issue regarding 5 forest companies with a total forest area of more than 675.000 hectares. They had to develop and enforce a system for the retention of dead wood as well as of biodiversity trees and seed trees for natural regeneration on clear cuts. In order to avoid an unintentional felling of these trees during harvesting these trees have to be marked clearly.

[1] WWF; Dead wood – Living Forests; 2004

5.2 Protection of resources

a) Soil:

FSC certification reduced the risk of soil damage and compaction on a forest area of nearly 1.5 Million hectares by considering the adequate season for harvesting operations and the development of an appropriate system of skidding trails.

The soil condition is the basic source of ecosystem stability. Acidification and changes in chemical soil properties directly or indirectly affect crown condition and species composition. Soil compaction reduces the pore space and therefore the intake capacity for water available for the trees. This leads to a higher surface run-off and in some cases to erosion, while plants suffer from water shortage. The main cause for soil compaction is the use of heavy machinery, especially on wet soil.

The FSC standard requires that written guidelines are prepared and implemented to control erosion and soil compaction (*Criterion 6.5*).

35 CARs were requested on the issue of soil protection from 6 forest companies with a total area of nearly 1.5 Million hectares. To fulfil this requirement two forest companies had to optimize the planning of roads and trails first. They had to keep a minimum distance between the skidding lanes appropriate to the forest site and the kind of forest operation. The size and location of temporary timber yards has to be optimized. In order to avoid soil compaction and disturbance, harvesting operations on moist ground have to be carried out in the winter when the soil is frozen. Erosion of soil is limited by reducing the proportion of clear cuts. For compensation, the share of thinning is enhanced. The soil condition is controlled after harvesting operations are carried out.

A high number of corrective actions were required on the protection of soil, especially to avoid or limit soil compaction. FSC certification enforced a better consideration of the weather conditions when conducting forest operations. As soil compaction is caused by heavy machinery mainly during skidding, a system of roads and trails appropriate to the site condition is essential. On the other hand the share of roads and trails on the total forest area has to be limited, as productive soil gets lost. Therefore appropriate planning, including minimum distances between the trails, is essential.

b) Water Pollution Control, Chemicals and Waste:

Certification raised the awareness of forestry staff regarding chemical substances and the protection of water resources.

Water is an essential resource for life. Well managed natural forests provide benefits also to local populations in terms of high quality drinking water[2].
However, forest operations carry the risk of water pollution e. g. through mineral oil. Also the inappropriate use of chemicals and toxics can lead to water pollution. Furthermore these toxics may contaminate the soil and accumulate in the food chain beyond their intended use.

The FSC standard requires to promote the development and adoption of environmentally friendly non-chemical methods of pest management and to avoid the use of chemical pesticides (*Criterion 6.6*). Chemicals, containers, liquid and solid non-organic wastes including fuel and oil have to be disposed of in an environmentally appropriate manner at offsite locations (*Criterion 6.7*).
Furthermore, written guidelines have to be prepared and implemented to protect water resources (*Criterion 6.5*)

In order to avoid contamination of water resources, 5 forest companies had to establish guidelines for the use of mineral oil and to control their implementation. Forest workers have to take along oil binding agents and to clean up accidental oil spills.
The commitment to avoid the use of chemical pesticides has to be integrated into the operational concept. The water conditions have to be monitored.

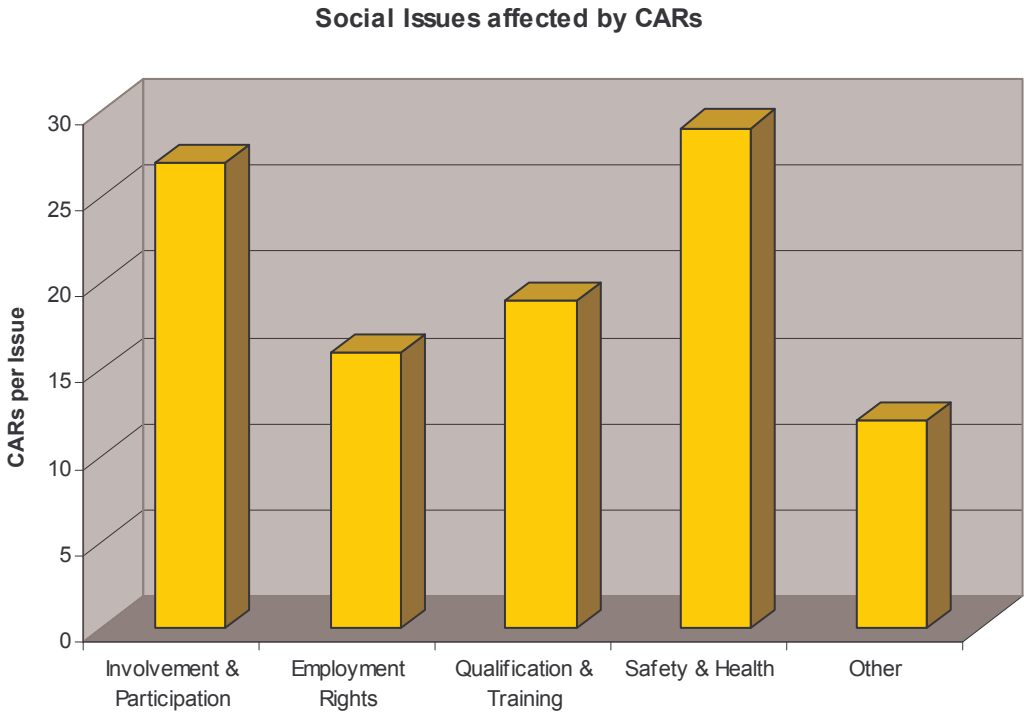
A common problem is waste left on the forest site after management activities are carried out. 12 CARs demanded from 8 forest companies that waste related to logging operations is collected and disposed in an environmentally appropriate manner. To ensure this, written guidelines had to be developed. The implementation is controlled on site level after harvesting. One company had to appoint a responsible person for this issue.

Thus certification under FSC reduced the disposal of waste on a total forest area of more than 3 Million hectares.

[2] WWF / World Bank: Running Pure, 2003

6. Social changes addressed through the CARs

The main social improvement by certification under FSC was the implementation of safety and health guidelines at site level (29 CARs). Another important issue was the involvement of all relevant stakeholders and the participation of local communities in the planning process of forest activities (27 CARs), including respecting indigenous peoples' rights. A specific issue in Russia are the rights of the employees mentioned by 16 CARs, but mainly concerning one specific forest company.
Alltogether 103 CARs concerned the social sector.



6.1 Safety and Health:

The implementation of the safety and health requirements on site level is a key issue in the social sector and was enforced by systematic controls of compliance.

Forestry continues to be one of the most hazardous sectors in most European countries. The prevention of occupational accidents and occupational diseases of the forestry workforce is an important social aspect of sustainable forest management.

According to the FSC standard, forest management should meet or exceed all applicable laws and regulations covering the health and safety of the employees and their families (*Criterion 4.2*).

Mentioned by 29% of all social CARs the compliance with safety and health requirements is the key issue in the social sector. 6 forest companies had to modernize the personal protective equipment. Due to the extreme climate the purchase of adequate protection clothes created difficulties. The implementation of safety and health requirements had to be controlled and was enhanced by a bonus for employees wearing personal protective equipment. In 2 companies forest brigades had to stop applying dangerous felling methods. Safety and health was improved also by training measures for the staff and by controlling the compliance of subcontractors. A specific requirement due to the huge forest areas in Russia is to equip brigades of forest workers with radios to ensure evacuation in the case of emergency. In three cases the compliance with safety and health requirements had to be certified.

FSC certification improved safety and health in 11 forest companies. As forest workers are now equipped with modern protective clothes the implementation of safety and health requirements on site level has to be assured.

6.2 Employment Rights:

FSC certification improved social conditions of forest workers significantly at one forest company including a fair wage payment. The cooperation with the labour union was enforced.

Employment provided by forestry is an important indicator for the social benefits generated by forests, especially for a sustainable rural development. Forest companies are often the only major employer in villages situated in the Russian forest.

The FSC standard requires ensuring the right of workers to organize and voluntarily negotiate with their employers as outlined in Conventions 87 and 98 of the International Labour Organisation.

13 of the 16 CARs on this issue regard the certificate of Holz Dammers. Dammers is the majority share holder of two independently working forest companies which leased the forest from the Lekhoze. The non-regular payment of forest workers caused severe conflicts between the company and the labour union. The solvency of the company depends on the timber sales revenue. As the timber is delivered by ship, a long winter delays the wage payment. FSC certification required developing a concept to pay workers on time. In cooperation with the labour union they had to implement a new system to guarantee fair wages. FSC certification also improved the accommodations of forest workers which did not correspond to sanitary-hygienic norms before. After 4 years of FSC certification labour “peace” seems to be renewed and the conflict between company and labour union is eased. Accommodations are renewed and workers are paid in time.

6.3 Involvement, Participation and indigenous people's rights:

The involvement of all relevant stakeholders and the participation of local communities in the planning process of forest activities were improved by certification under FSC.

Due to the various social functions forest management is also an important issue for local communities. Along with the timber supply forests provide other invaluable protective functions. Forest products, including non-timber forest products, are important for a large part of the Russian population. Forests are an important means of living especially for people in rural areas providing berries, mushrooms and fire-wood as well as hunting opportunities.
For small Russian villages situated in the forest the development and maintenance of infrastructure by the forest company is also an important factor. Therefore the interests of local communities and relevant stakeholders should be taken into account and incorporated into forest management planning.

The FSC standard requires the consultation with people and groups directly affected by management operations (*Criterion 4.4*). Furthermore the forest manager shall make publicly available a summary of the primary elements of the management plan (*Criterion 7.4*).

Participation of local communities is another main issue mentioned by 26% of all social CARs. The forest companies had to inform the public about FSC certification and the planned management activities. They had to consider the input of local residents on forest management planning and to develop a policy on conflict resolution. Social commitments to local communities were fixed in collective contracts.
In addition Holz Dammers had to consult with NGOs and other stakeholders on the definition of old growth forests and to develop a concept for conservation of HCVF in cooperation with them.

Certification under FSC led to an increased participation of stakeholders and local communities. Local communities can participate in discussions to ensure that forest sites important for collecting mushrooms and berries remain intact.

An indigenous Udegeitsi settlement is located in the certified forest area leased by a forest company in Russia Far East. The FSC standard requires respecting indigenous people's rights in principle 3. The company officially recognized the traditional rights of indigenous people for a prioritized right to use resources of flora and fauna and also the exceptional importance of maintenance and protection, but there was no signed agreement between the company and official representatives of the community that would prove the voluntary and deliberate consent of people for logging activities. The Udegei community fears a significant decrease of game and fish resources in the future through the company´s activities, which would influence their income. The company has to communicate well with the Udegei community in order to avoid negative impacts of forest operations on the Udegei community. As the certificate for this forest company was issued in November 2004 information about the implementation of these two CARs is not available yet.

6.4 Qualification:

The implementation of the requirements of FSC certification on site level was ensured by additional training on relevant aspects.

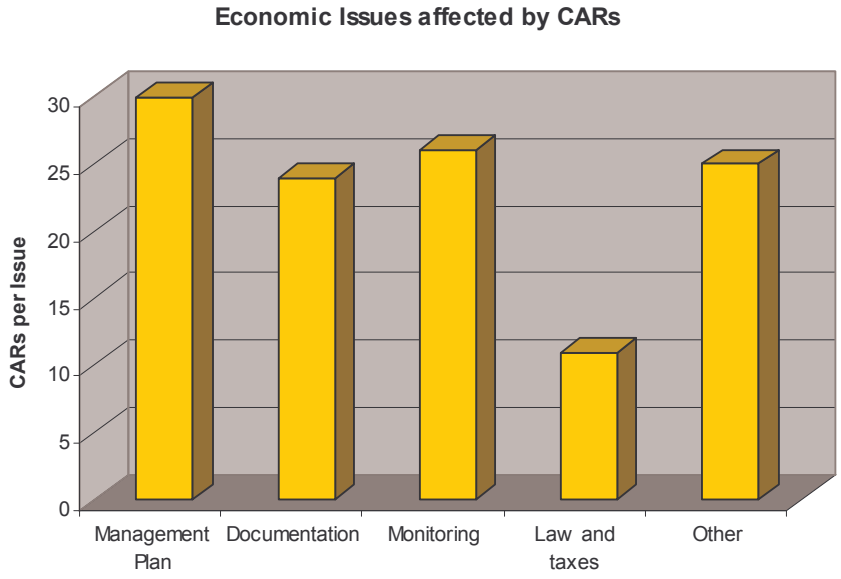
An adequate qualification of forest workers and contractors is essential so that the quality of work carried out in the forest is according to the FSC standard. As forestry is one of the most hazardous sectors an adequate qualification is vital for the safety and health of the forest workers. Regarding the changes in forest management practice required by certification according to FSC, , additional training also of experienced forest workers may be necessary, e. g. on the issue of biodiversity trees and dead wood.

According to the FSC standard forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan (*Criterion 7.3*).

Six forest companies had to train their staff, which included the management according to the requirements of FSC certification. Specific issues covered in the training were the conservation of biodiversity trees and deadwood as well as safety and health. Another key aspect in training were forest operations such as thinning which are not very common in Russia.
Additional training on relevant aspects is an important instrument to implement the requirements of FSC certification on site level. A high qualification also safeguards the job of the forest worker as well as his health.

7. Economic changes addressed through the CARs

The main economic improvement effected by certification according to FSC was the enhancement of the quality of forest management planning, including appropriate documentation, monitoring and the verification of the long-term sustainability of the actual harvesting volume. This issue was mentioned by 69% of all economic CARs. A specific issue for Russia mentioned by 10% of the economic CARs is respecting all relevant legal requirements and paying taxes in time. Tracing of certified forest products is not such a big issue than in other countries, as many of the forest companies deliver the timber exclusively to one, mostly western European customer. It was mentioned by 7% of the economic CARs. Altogether 116 CARs concerned the economic sector.



7.1 Management Plan and Harvesting Volume:

Certification under FSC improved sustainable forest management also in the traditional sense, as it enhanced the long term prediction of sustainable harvest levels. In addition, ecological and social aspects have to be considered in forest management planning on a landscape level. This applies to the total certified forest area of more than 3.5 Million hectares.

In view of the large areas and the long production periods an appropriate forest management plan is essential to ensure the sustainability of forest management. The management plan has to include the management objectives, the description of the current state (inventory) and the determination of the forest management measures. Monitoring of the results of all management activities carried out is a key issue in order to detect and to avoid negative environmental or social impacts. The results have to be documented and included in the forest management planning. For this purpose an adequate documentation is essential.

According to Principle 7 of the FSC Standard a forest management plan has to be written, implemented and kept up to date. The content of the management plan and supporting documents is specified in criteria 7.1.

11 of the 12 forest companies had to improve their monitoring system and adapt it to the requirements of FSC. Specific issues were harvest site control and monitoring flora, changing soil and water conditions as well as the efficiency of measures to preserve HCVF attributes.
7 forest companies had to improve their documentation. The main issue was an adequate mapping of forest functions and planned management activities.
10 out of 12 forest companies had to develop a management plan in compliance with FSC requirements. The results of monitoring as well as of environmental impact assessments are implemented. The management plans are now based on a landscape level and ecosystems are taken into account. Management planning considers measures to enhance protective functions of forests as well as the economic productivity.
One of the forest companies held by Holz Dammer had a permanent problem determining the sustainable harvesting volume. Due to a moratorium on old growth logging they had to adapt the harvesting volume to the reduced forest area. Especially in former uncommon management practices as thinning calculating and comply with the allowed harvesting volume created serious difficulties. This was one of the factors that lead to a temporary suspension of the certificate.

Certification under FSC enhanced the long term prediction of sustainable harvest levels and the appropriate consideration of ecological and social aspects in forest management planning on a landscape level. This regards the total certified forest area of more than 3.5 Million hectares.

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