

PRILUZYE MODEL FOREST CERTIFICATION CASE

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THE PRILUZYE MODEL FOREST PROJECT

The Priluzye Model Forest (PMF) is the project implemented at the area of 795,000 ha of the Priluzye Lekshoz – the state forest management unit – since 1999. The area is administratively situated in the Obyachevo district, the Komi Republic, northeastern European Russia. The project has an office in the village of Obyachevo but its headquarters are located 185 km northeast in Syktyvkar, the capital of the Komi Republic.

The declared goal of this project is to establish a functioning model of sustainable forest management in compliance with international standards and dissemination of the gained experience throughout northern European Russia. The PMF project has evolved from the *Boreal Forest Conservation and Management: Pechoro-Ilych Model Project, the Komi Republic, Russia*, which Prezemyslaw Majewski initiated in 1996.

The purpose of project is to provide effective protection of Pechoro-Ilych Zapovednik in the Ural mountains with its intact landscapes during the transitional period in Russia and to stimulate protection of virgin forests with their high biodiversity values located outside of protected areas by demonstrating possibilities of sustainable forestry with its alternatives to the current roundwood exploitation and economic development of the local societies by providing an example of a model area. Besides practical activities within the model forest area, the project maintains strong presence in Syktyvkar because real changes at the model area require political support at the level of the republic from authorities, forest management, big timber companies, education institutions etc.

The project is scheduled to last until 2005 and consists of three stages:

- 1996-1999 – provision of effective functioning and protection of the Pechoro-Ilych Zapovednik
- 1999-2002 – establishment of the Model Forest, certification of the PMF area according to the standards of Forest Stewardship Council
- 2002-2005 – improvement of socio-economic conditions within the PMF area, dissemination of project results to the Komi Republic and neighboring regions of Russia

From 1996 until 2002 the whole project was under the aegis of World Wide Fund for Nature Russian Project Office while day-to-day project activities were performed by Syktyvkar Division of WWF or WWF Komi. In 2002 the PMF became an independent entity being run by the regional non-commercial foundation *Silver Taiga*. Financial support during the course of the project is being provided by the government of the Switzerland through the Swiss Agency for Development and Cooperation (SDC). Currently it is the only major donor of the project. Some project activities were financed by the John D. and Catherine T. MacArthur Foundation and

World Bank/WWF Alliance. However, it is expected that at the stage of results dissemination more donors will join the project.

FOREST AND FORESTRY IN THE AREA

When compared to the rest of Komi, the forest of the model area appears to be somewhat of a more southern variant of Eastern European taiga enriched with plant species characteristic of temperate forests. The Obyachevo District located in the southwestern corner of the Komi Republic was settled and intensively used since the 18th century. Original forests represented a mosaic of spruce (*Picea abies* and *P. obovata*)–fir (*Abies sibirica*) forests with presence of linden (*Tilia cordata*) on interstream areas, pine (*Pinus sylvestris*) forests along watercourses and small spots of lowland bogs. After the 1930s, forestry, initially being mainly high-grading and selective logging, was totally dominated by wide-scale clear cutting. Presently forest still covers 96% of the area, although historical logging, agricultural clearing and accompanying human-induced fires resulted in predominance of aspen and birch (which together now occupy more than half of the area) and spruce-birch stands. Due to this fact, the proportion of virtually untouched forests is much lower compared to the rest of Komi. Only a small part of a large intact forest landscape is present within the model area (see Aksenov et al. 2002 for the precise definition and a map) as well as small fragments of virgin (old-growth) forests, occupying 10-20% of the total area.

The forest management within the area is divided into commercial logging (made by private logging companies) and silvicultural management (performed by State Priluzye Leskhoz). During the Soviet times the Leskhoz area was logged by a special state-owned logging enterprise. After privatization in the 1990s it was divided into small private enterprises, most of which went bankrupt. After bankruptcy some of them were re-established with the same owner and staff and continued to work until the next financial crisis. In the early 2000s, the situation changed somewhat. Presently there are around 20 medium-size concessionaires within the Leskhoz area. However, there are also still more than 100 small logging companies with an uncertain future working in this area. Most of the local timber companies deliver roundwood, mainly to pulp and paper mills in Kotlas (Arkhangelsk Oblast) owned by Ilim Pulp Enterprise and in Syktyvkar – Neusiedler Syktyvkar presently owned by the Austrian Neusiedler, part of the Mondi Group. Some of the logging enterprises are now controlled by these companies. In addition, some companies which declared interest in FSC certified wood at a different time expressed interest in timber from the area. According to managers of Volga PPM (Balakhna, Nizhny Novgorod Oblast) – the newsprint supplier to Springer Verlag (Germany) – this company gets some timber from this area. Local processing is still practically absent. At some point in time, IKEA wanted to procure timber from this area, by assisting local processing, but this project was not realized.

The profits from logging remain low. One reason is the low level of forestry due to poor qualification of forest workers and managers. Another reason are stable low domestic prices for coniferous pulpwood together with weak demand for broadleaved roundwood, especially aspen, which comprises the majority of the productive growing stock.

Other economic activities (like agriculture and collecting of mushrooms and berries) exist but do not create real alternatives to forestry so far.

Making the Model Forest

From very beginning, the project staff refused to temporarily invite external experts to participate in solving particular local problems, but preferred to create a permanent local team, training mainly local (Komi) human resources.

Insignificant interest of local forest companies in FSC certification and their poor level of forest management forced the project staff to choose the Priluzye Leskhoz as a main partner in certification. On the one hand, this was an advantage because the Leskhoz, who actually controls logging operations and performs forest management, has significant influence over logging companies and is more flexible in changing forestry practices. On the other hand, owned by the state, Leskhoz is a part of the huge bureaucratic system of the Russian Forest Service, very conservative and not eager to make practical decisions and changes in forestry regulations. Furthermore, all Leskhoz in Russia are not adequately paid for their practical activities from the federal and regional budgets, therefore the quality and intensity of silvicultural management is very low. Having no right to perform commercial harvesting, the Leskhoz do not have a strong economic motivation to go for FSC certification.

Therefore, practical preparation of the model forest area for certification was mainly done by the project staff. Recommendations on logging and silvicultural practices, as well as some economic calculations of different logging approaches and of value of the growing stock were prepared by invited experts. The project staff made intense efforts to contact local authorities, foresters, loggers and local people – with varying degrees of success. Special demonstration trails and plots were established within the PMF to demonstrate to visitors the consequences of conventional logging practices and advantages of new approaches. During 1998-2002 the demonstration trails were visited by 400 people, representing foresters, forest industrialists, local authorities, students from the Komi Republic and neighboring Arkhangelsk and Kirov oblasts.

Another important direction of project activity was a refinement of the methodology for mapping of high conservation value forests known in Komi as virgin forests. From the very beginning this work was based on state forest inventory data and all mapping techniques were therefore designed to be directly implemented by state forest surveyors. The identified HCVF were first ranked based on stand-level parameters. Possibilities for protection of the most valuable of them were later negotiated with local forest management and logging companies. The procedure for establishing an inventory of virgin forests was adopted in 2001 by the regional department of the Ministry of Natural Resources, while the list of particular HCVF (virgin forests) was established by the head of the Komi Republic. However, the decision on officially protecting these forests, which is made at the federal level, did not go into effect. In the early 2000s, the project received political and financial support of regional forest authorities to implement this technology in five other Leskhoz of the Komi Republic. After mapping of 5.5 million ha this project was stopped because financing was terminated. The advantage of this methodology was that it was based on existing stand-level forest inventory data and made by

forest surveyors. Its weaknesses resulted from an unjustified trust in official forest data, while poorly taking into account biodiversity, forest history and ecology considerations. In addition, all valuing parameters were developed for a specific location, which prevented getting reliable data on HCVF in places with other factors of human influence.

A special Environmental Education Center was established at the local library in Obyachevo. Local people take part in special Forest Club meetings which were devoted to local forest-related problems. In nine villages project support groups were established.

The project staff also worked hard to get support for the idea of FSC certification and protection of virgin forests by regional forest management authorities and officials. Officials were invited to visit the model forest area and participated in the meetings of the PMF Working Group and Regional FSC Working Group. Their involvement in hot debates helped the evolution of regional authorities and later eased them into making practical decisions regarding the PMF at the regional level. Some project activity was directed to the elaboration of regional recommendations on forest policy and protection of virgin forests. The project actively collaborates with higher education institutions. Some classes on biodiversity are taught at the Arkhangelsk Forestry Institute, the Syktyvkar State University and the Syktyvkar Forest Institute.

When the project staff decided to certify the area of the model forest, FSC development in Russia was at a very early development stage. A FSC Initiative Group was based in Moscow and there was one FSC certification case in the Altay Kray, while timber industry, foresters and regional authorities were absolutely ignorant about certification and sustainable forestry in general. Therefore, the project put enormous efforts into establishing the *Regional Working Group on Forest Certification in the Komi Republic*. The main purpose of this group was to develop reliable standards for certification and to get regional stakeholders interested in FSC certification. At some stage, even nation-wide NGOs like Biodiversity Conservation Center and Greenpeace Russia participated in this work. The efforts of the Working Group were financially supported by World Bank/World Wide Fund for Nature Alliance and the John D. and Catherine T. MacArthur Foundation. At present, the Komi regional group has some informal standards, which were tested in the fall of 2001 within the model forest area. Some parts of the Komi standards were used in the National FSC Standard Framework developed by the National FSC Group.

The Thorny Way to FSC Certification

In 1999 the project staff decided to check the readiness of the PMF for FSC certification. In order to do that the so-called test certification was conducted in October 1999 by the SmartWood/Rainforest Alliance using a grant from the John D. and Catherine T. MacArthur Foundation. The test certification took place following FSC international standards. Additionally, the early draft of regional standards developed by the FSC Komi Republic Working Group for Forest Certification was tested. The results revealed that PMF had major shortcomings in meeting the FSC requirements, with 10 pre-requirements and 29 requirements being listed as non-compliant. Aspects of special concern were the poor quality of logging operations, and work safety and the social benefits for loggers. The project staff worked hard to change the situation.

In March 2002, SmartWood conducted the main assessment of the Komi Priluzye Model Forest and found that eight of nine original pre-requirements were met by the Leskhoz, and the number of problematic conditions was reduced to 21. In October 2002, a second pre-requirement audit was carried out, focusing specifically on the protection of soil and water during harvest operations. After a careful evaluation of findings and extensive consultation with prominent local, national and international stakeholder groups, including Greenpeace Russia, the Biodiversity Conservation Center in Moscow, the Social and Ecological Union, the Russian FSC working group and WWF International, SmartWood reached a positive certification decision only on March 25, 2003.

The FSC certificate was issued for five years (2003-2008) to the state of Leskhoz, with the stipulation that 23 requirements still have to be met during this period. Currently the certificate only forest management of 795 thousand hectares. Chain-of-custody certificates are not available so far mainly because of the lack of long-term interest from local logging enterprises in FSC certified wood, since certified forests do not produce end-products, while demand for certified roundwood is restricted and does not provide an incentive for serious investments. This is aggravated by the fact that logging companies at best have short-term concessions and an insufficient logging performance. In addition, because of the tense socio-economic situation, the probability of serious investments in this area is low. Nevertheless, presently two logging enterprises announced their wish to get a COC certificate with the help of the PMF.

Conclusions

Strong sides of the project:

- Forest management in the model area was seriously improved, although practical changes in forestry practices were not so significant.
- Having the project in a particular area, the PMF staff at the same time strongly promoted certification development at a national level in Russia by taking part in the refinement of regional and national FSC standards and methods for protection of HCVE.
- Project staff gained valuable experience in practical preparation for forest management certification and gave local communities expertise in the area of sustainable forestry.
- The project significantly changed the attitude of regional authorities and foresters to sustainable forestry and certification.
- As a result of the project, the model forest area has attracted much more attention to the area which has improved better opportunities for local employment and investment. If interest in FSC certified roundwood keeps growing, the model may attract serious investments from nearby big pulp and paper mills.
- The project promoted local participation in decision-making processes related to forest management and furthered local communities' interest in sustainable forest management.

Weak sides of the project:

- The economic benefits of forest certification are insignificant so far; the hope is that they can be achieved in the long-term.
- The delay of practical benefits from forest certification, including better economic profits, social benefits and large investments, is mainly due to problems outside of the scope of the project: initial low level of the socio-economic development and poor qualification of workers in the area.
- The project is extremely dependent on regional authorities, which have an uncertain and varying degree of interest in the project.

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