OUT OF CONTROL

HIGH CONSERVATION VALUE FOREST LOGGING UNDER FSC CONTROLLED WOOD IN FINLAND

GREENPEACE

Foreword

Finnish forest industry has actively sought to produce FSC controlled wood since 2006. Lack of transparency in their risk assessment and subsequent audits has made it very difficult for the civil society to gain access to the process. Some certifying bodies have carried out their audits without any consultation with environmental NGOs or indigenous organisations. Some have been more transparent but have failed to take into account information on controversial operations. This report compiles 40 cases of controversial logging operations from the last two years, all of which have links to Finnish companies seeking to produce controlled wood or already doing so. The aim of the report is to identify some of the most important challenges concerning the FSC Controlled Wood system. We hope this example and the recommendations presented in the report could be used to improve the system in order to maintain FSC's credibility as a proof of sustainable forest management.

Considering the threat posed to biodiversity by the current Finnish forest management model and the country's long history of unresolved conflicts between indigenous communities and forestry, Finland clearly should not be treated as a "low risk" country. This is the case especially for FSC Controlled Wood categories 2 and 3 on preservation of high conservation values and respect for indigenous and traditional rights. Yet, certifying bodies have adopted the industry's policy of turning a blind eye on the conflicts and accepted the risk assessments of the forest industry, claiming no problems exist.

The Finnish case shows that the FSC Controlled Wood system is currently not strong enough to effectively eliminate controversial sources. While some of the reasons arise from problems in the performance of certifying bodies, the situation is exacerbated by the standard which allows for a variety of interpretations on some key issues.

Helsinki, October 2008

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High Conservation Value Forest Logging under FSC Controlled Wood in Finland

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1. What is FSC Controlled Wood?

"FSC Controlled Wood" is a system aimed at eliminating "unacceptable" non-FSC certified wood from being mixed with FSC certified wood in FSC Mixed products. The requirements for FSC Controlled Wood are outlined in *FSC standard for company evaluation of FSC Controlled Wood* (FSC-STD-40-005)[1]. FSC Chain of Custody certified companies who are mixing FSC certified and non-FSC certified wood in their FSC product groups must demonstrate that the non-FSC certified wood has been controlled to avoid sources from five categories:

1) Illegally harvested wood;
2) Wood harvested in violation of traditional or civil rights;
3) Wood harvested from forests in which high conservation values are threatened by management activities;
4) Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses; and
5) Wood from forests in which genetically modified (GM) trees are planted.

The companies should implement a risk assessment in accordance to the five FSC Controlled Wood categories for all supplies from non-FSC certified forests. According to FSC guidelines, "*interpretation and guidance* [on the risk assessment] *provided by FSC accredited National Initiatives shall prevail*".[2]

Over 500-year old ancient pine trees are logged for pulp and paper in Finnish old-growth forests. Such high conservation values should be eliminated from FSC Controlled Wood sources.

2. Finnish forestry and biodiversity

Forest land covers 66% of Finland's land area (75% if low productive scrub land is included). Sixty percent of Finland's forest land is in small private holdings, while 26% is owned by the state, 9% by companies and 6% by other owners such as municipalities.[3]

Since early 20th century the state has promoted intensive forestry with the aim of converting natural forests to even-aged monocultures of pine or spruce through clear-cutting and intensive management of the young stands. The aim has been to maximise the flow of timber to the pulp and paper mills. In this respect the policies have been successful. Only about 0,5% of the world's forests are in Finland, but the country produces a fourth of world's printing papers, relying on domestic wood for 75% of the production. This equation shows that Finnish forestry is among the most effective in the world in maximizing its productivity. However, this economic miracle has come with a cost.

Managed industrial forests, which now represent a vast majority of Finnish forests lack key features of natural boreal forests[4]. Industrial forestry has significantly changed the structure, dynamics and species composition of the forest ecosystem[5]. Species such as the flying squirrel (*Ptemorys volans*), three-toed woodpecker (*Picoides tridactylus*), Siberian jay (*Perisoreus infaustus*) and hundreds of plants and invertebrates have been unable to sustain their populations in commercial forests. Old-growth forests and even individual old trees have become extremely rare.

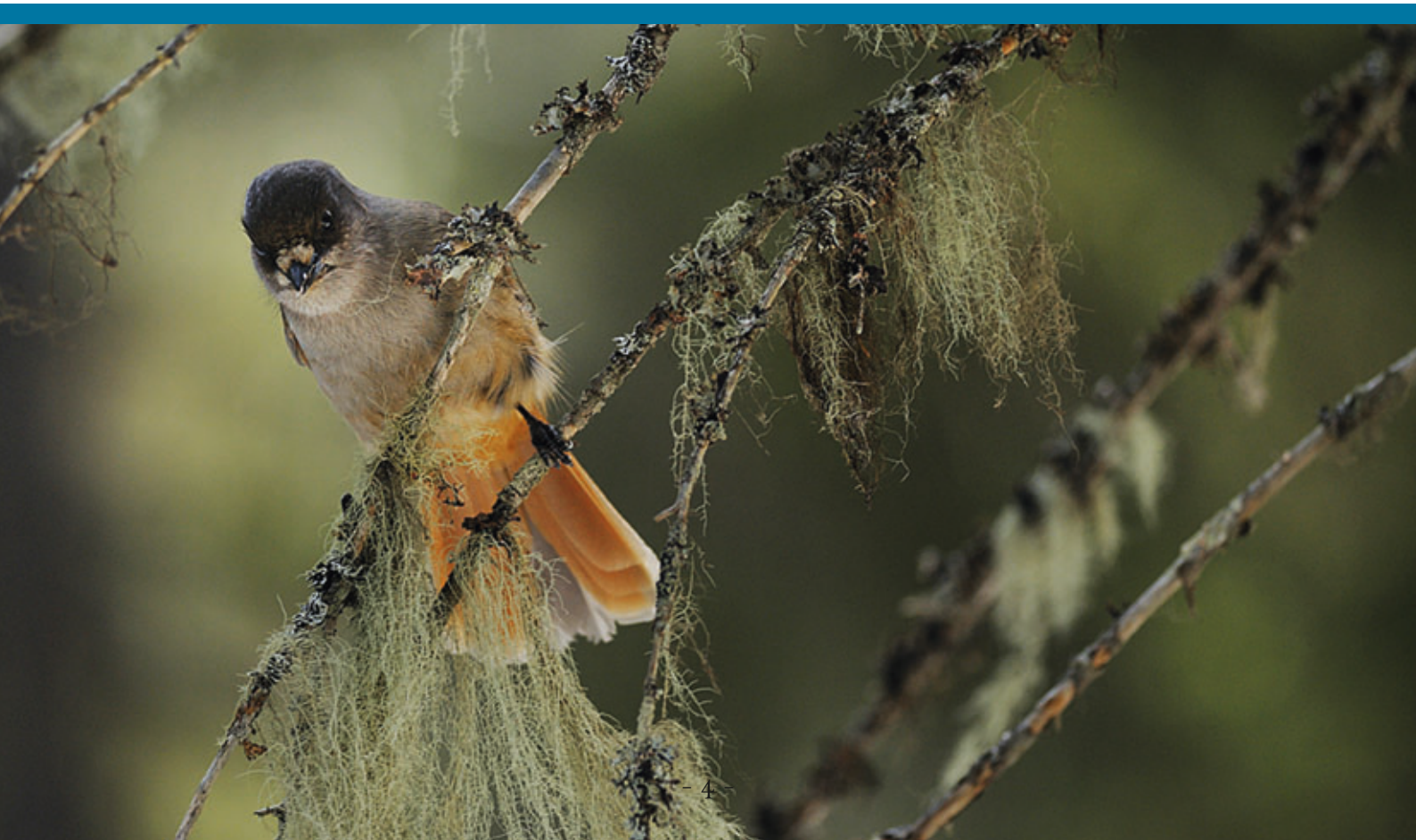
ENDANGERED HABITATS AND SPECIES

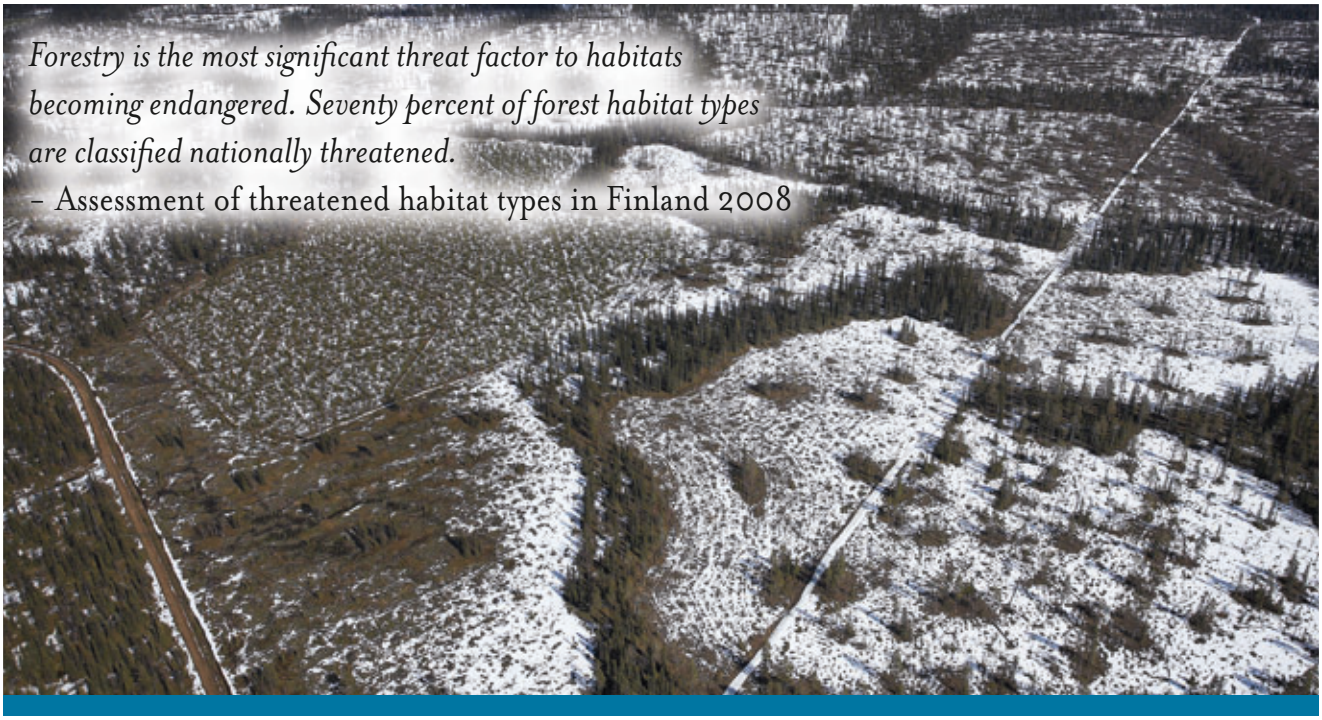
The first assessment of threatened (endangered) habitat types in Finland was published in 2008 by the Finnish Environment Institute. The results are alarming. Forestry is the most significant threat factor to habitats becoming endangered. Seventy percent of forest habitat types are classified nationally threatened. Forestry is also threatening mire and inland water habitats. Old-growth forests, but also younger stages of natural boreal forest habitats are endangered. Forestry threatens the quality of habitats by changing some of their key features such as tree species composition, amount of dead wood, age structure and water ecosystem.[6]

According to the most recent Red Data Book for Finland, seventy-one forest species are considered to be nationally extinct, 690 species are threatened, and 497 species have been classified as near threatened; a total of 1,258 species.[7] In reality, the amount of threatened species is probably much greater, since sufficient data to assess the level of threat were available only for 35% of all the species. According to professor Ilkka Hanski, it is "*a reasonable assumption that the level of threat is the same among classified and non-classified species, which puts the number of nationally extinct, threatened and near-threatened forest species at around 3,600. This comprises 18% of all forest-inhabiting species*".[8]

Forests are the primary habitat for 37% of Finland's threatened species (IUCN categories CR, EN, VU) and combined effects of forestry are the most common

Hundreds of species are threatened because of forestry in Finland. Siberian jay is one of the species suffering from degradation of forest habitats. The habitat of this Siberian jay is threatened with clear-cut. Pahalamminvuori, South Finland.





Industrial forestry has significantly changed the structure of forest ecosystems in Finland and caused a crisis for biodiversity. Recent clear-cuts in Savukoski, eastern Lapland.

threat factor for threatened species[9]. In short, Finnish biodiversity is in a serious crisis because of the current forest management methods and the trend is not for the better. The Finnish Environment Institute has estimated that the number of species threatened because of forestry will increase by 2010 in the next assessment of threatened species[10].

The most seriously threatened species (a total of 608 of so called especially protected species) are protected by the Conservation Act. However, their habitats become protected only after the Environment Centre has officially demarcated the habitat. With very little resources to map even these most seriously threatened species, most of the habitats are never identified in time and can be legally destroyed. According to the Ministry of Environment, only 120 habitats of especially protected species have been demarcated after the law came into force in 1997. The state forest service Metsähallitus has also identified some habitats but the vast majority of the habitats of threatened species are without any practical protection measures because of the lack of resources and political will to invest in biodiversity.

PROTECTED AREAS AND FOREST LEGISLATION

5,1% of Finland's forest land is strictly protected. In South Finland, the proportion is only 1,8%, while in North Finland 9,1% is reached.[11]

The system of protected areas is most clearly insufficient in South Finland. In the hemiboreal, South boreal and middle boreal zones, which cover more than a half of Finland, the network of protected areas has been assessed insufficient to preserve typical forest species.[12]

According to the latest assessment of threatened species, the extinction risk of several species that live in old-growth forests of South Finland is clearly increasing. [13] Majority of these species inhabit detached fragments of suitable habitat in a "sea" of commercial forest, and they are likely to go extinct unless protected areas and other protection measures are swiftly increased. Government measures (a voluntary protection programme Metso) to improve the protected area network in South Finland will only increase the proportion of protected forests from the current 1,8% to 2–3% by 2016. This is not likely to bring remedy to threatened species that are already in a critical situation. Biologists estimate that 10% is a minimum acceptable level of forest protection "*if protected forests and those to be restored are chosen carefully so that they form a functional network of various forest types*". [14]

In North Finland, the network of protected areas is better. However, it is not sufficient to safeguard rare old-growth forests, many of which are still threatened by clear-cutting.

The Forest Act is considered as the most important means of preserving biodiversity in managed forests. However, recent research shows that the Forest Act has dramatically failed in preserving the conservation values of the habitats it intends to protect[i]. Only a small fraction of the habitats listed in the Forest Act are actually protected and identified by forest authorities. Majority of the habitats are left out and the sites chosen for conservation are often not the most valuable. The average size of the habitats demarcated for protection is only 0,6 ha[15]. Because of the inadequate demarcation of the habitats that are finally preserved, the threatened species inhabiting the patches are often not preserved in forestry or they disappear shortly after forestry operations.[16]

i These are: immediate surroundings of springs, streams, wet hollows and small pools; herb-rich and grassy spruce mires and eutrophic fens (types of peatland habitat) south of Lapland province; fertile patches of herb-rich forest; heathland forest islets in undrained wetlands; gorges and ravines; steep bluffs and underlying forest; and a group of low productivity habitats such as sandy soils, exposed bedrock and boulder fields.

3. Old-growth forests and other HCVFs

Old-growth forests are perhaps the most significant high conservation value forest (HCVF) habitat in Finland. Finland has some of the last fragments of ancient or old-growth forest area left in Europe, but these have been rapidly reduced in size. Old-growth forests differ from industrial commercially managed forests in terms of their multi-layered canopy structure, the presence of dead trees of various ages and very old trees and the occurrence of species that are no longer found in abundance in managed forests[17]. Less than 5% of Finnish forests – about one million hectares – are old-growth, of which about half is protected[18].

In 2007 a group of researchers appealed to the Finnish Ministry of Agriculture and Forestry to preserve the remaining old-growth forests. Over 150 Finnish researchers, every third of them professors, signed the letter. [19] The value of old-growth forests was described as follows: "*Northern Finland's natural forests have exceptionally great importance for biodiversity because they are large and continuous. These features make the long-term survival of species possible as well as the functioning of natural disturbance dynamics and evolutionary processes. (...) Hence it can be reasonably stated that logging of natural forests causes irreversible change of habitat, and destroys an important part of our national heritage as well as genetic and species diversity.*"

Furthermore, the researchers stated, "*the natural development of Lapland's* [northernmost province of Finland] *forest ecosystems is so slow that logging in its remaining old natural forests cannot be considered a sustainable use of natural resources*".

They also noted that although the level of protection is considerably higher in the North than in southern Finland, current trends are alarming: in the northern boreal zone the area of old forest with characteristics of old-growth forest has decreased from 17 % to 14.5% in a decade[i].

The researchers called on the minister of forestry to "*cease the initiated loggings in old natural forests of demonstrated values*" because "*in a global context the need to preserve what little remains of the EU's undisturbed landscapes should need no discussion*". Some of the "initiated logging operations" referred to in the statement were carried out shortly after the publication of the letter and are included in the case studies of this report (areas called Pokka-Pulju, Jooseppitunturi and Peurakaira). The letter also asked Finland to, as soon as possible, "*supplement the nature reserve network in southern Finland with sites that have remained in as biologically a natural state as possible*".

Protection programmes for old-growth forests were carried out in Finland in early 1990s. These set aside a total of 343,000 ha of forest.[20] Decisions were based on political considerations and the programmes left hundreds of thousands of hectares of old-growth forest for industrial use. This was true especially for the northernmost parts of Finland (the so called Forest Lapland and Saami Homeland), which were left out of the inventory process through which protected areas were chosen[ii]. The programmes have been complemented with some additional areas, such as in 2005 when the state forest service Metsähallitus decided to protect certain old-growth areas after negotiations with Finnish NGOs. However, a significant part of Finland's rare old-growth forests are still under threat.

Snowy old-growth forest in Jooseppitunturi, Lapland. The forest is threatened with several logging plans.

In South Finland, there are hardly any natural state forests left or they exist in extremely small fragments. HCVFs of South Finland are typically forests that have retained some of the key features of natural boreal forests and thus they still support populations of threatened species although the forests are not "old-growth" according to strict criteria on their natural state.

HCVF MAPS

Finnish environmental NGOs have been mapping old-growth forests in Finland since the 1990s to cover for the deficiencies in governmental inventories and programmes. Much of the remaining old-growth forests that have been left out of protection programmes have now been mapped and inventoried by NGOs. Most old-growth forest is found on state owned land in eastern and northern Finland. NGOs have identified more than 10,000 occurrences of threatened species in these forests. The most important old-growth areas that are especially valuable for their relatively big size, intactness and highly natural state, are described in three sets of maps. These are:

i Some of the forests included in this figure are old-growth forests, some degraded old forests that however still show some key characteristics of natural old-growth forest. Thus this figure is not completely equivalent with the forests included in NGO maps of old-growth forest, of which an even smaller proportion is left.

ii This was because the area already had a number of national parks and wilderness areas, which however had not been chosen based on inventories of old-growth forest values.

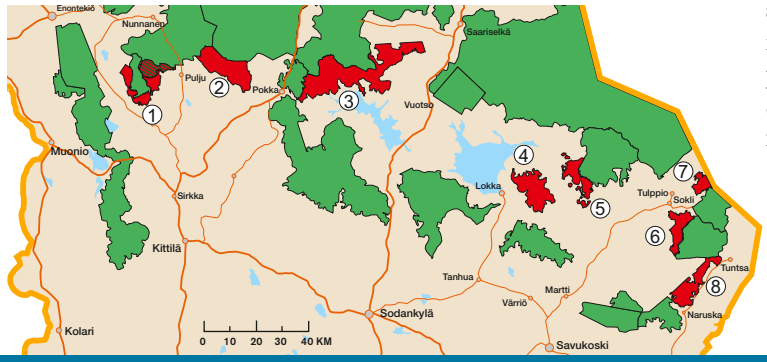
Global map of Intact Forest Landscapes
http://www.intactforests.org/

IFL maps describe intact forest areas larger than 500 square kilometres in size. In Finland, even several of the most important protected areas are not big enough to qualify because of a long history of road construction and settlement in the country. Thus, only a fraction of Finnish HCVFs are included in the global IFLs, but the global maps are complemented by other old-growth forest maps described below.

Intact Forest Landscapes of Forest Lapland
http://www.forestinfo.fi/forestlapland

NGOs Finnish Association for Nature Conservation, Nature League and Greenpeace have mapped the eight most significant and intact old-growth forest areas of Forest Lapland outside protected areas. Thousands of occurrences of threatened species have been found in these forests but majority of the forests is still threatened by logging. Some of the areas described in these maps are direct continuations of the global IFLs and parts of the same HCVF areas.

The red areas are intact old-growth forests as mapped by NGOs in Forest Lapland. Areas 2, 3 and 5 are also parts of the global Intact Forest Landscapes.

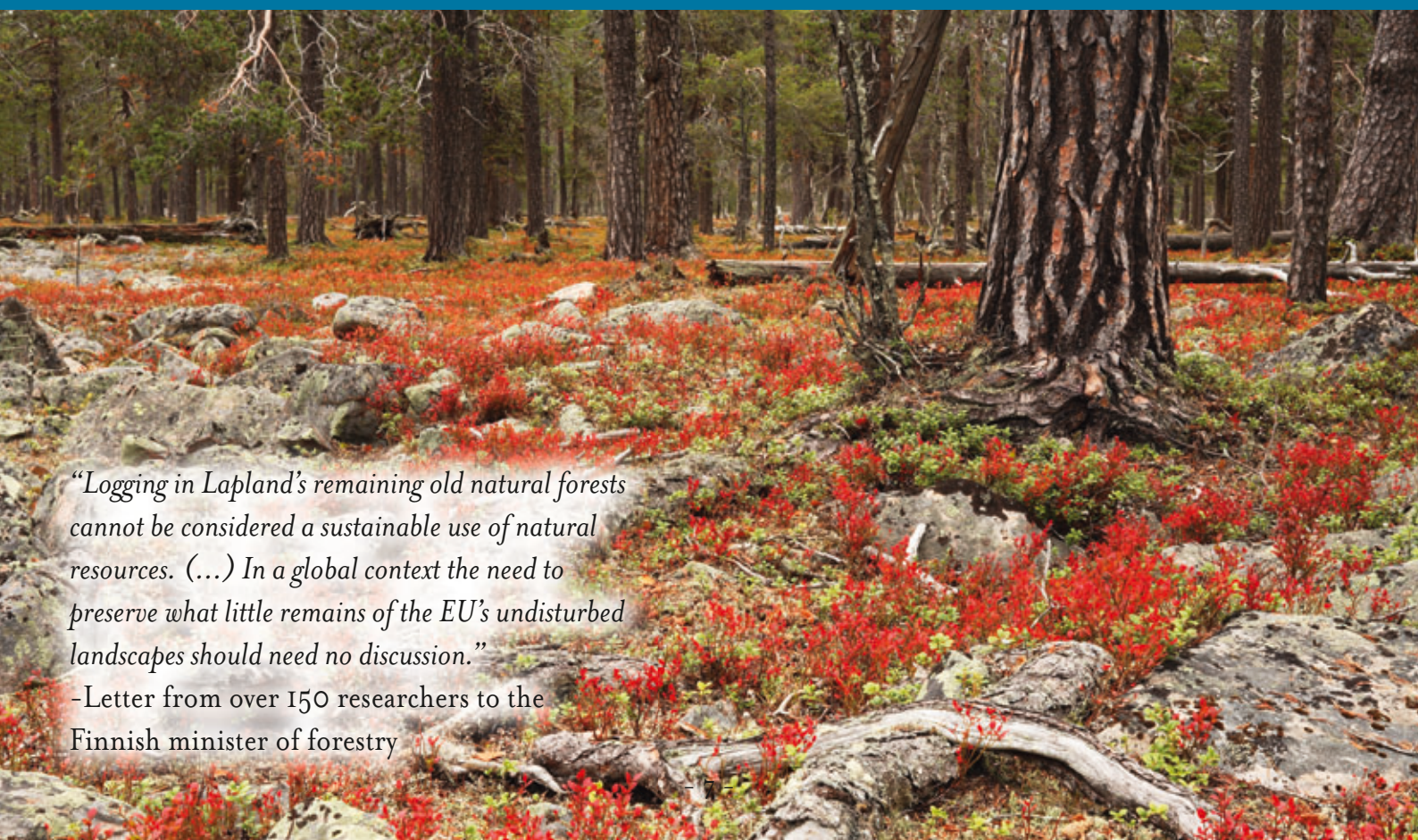


HCVFs of the Saami Homeland
http://weblog.greenpeace.org/metsa/archives/dokumentit/PLKSLLGPInarinRajaukset.pdf

The HCVFs of Inari municipality in the Saami Homeland have been mapped together by Greenpeace and Finnish Association for Nature Conservation and the local reindeer herders. The forests described in the maps are essential to traditional reindeer herding of indigenous Saami people and the reindeer-herding co-operatives in question have requested the State forest service Metsähallitus to refrain from logging in the areas until decisions on their management have been taken in a fair process. Most of the forests are also HCVFs in ecological terms, including natural state old-growth forests where 500-year old pine trees are common and endangered species exist in great abundance.

HCVFs of South Finland
The level of knowledge on the HCVFs of South Finland is clearly insufficient. However, NGOs have published some maps on HCVFs in South Finland such as a set of examples of threatened HCVF sites where protection measures should be concentrated (http://www.etelasuomenmetsat.fi/english/15_kohteet.shtml) and a collection of HCVFs on state land in the South (www.forestinfo.fi/etelasuomi). In addition, NGOs have carried out several inventory projects in state and company owned forests in South Finland and produced maps and reports of the HCVFs for the owners. Some of these will be published in the internet in the near future.

Autumn colours in the ancient pine forests of Peurakaira, Lapland. The forests are threatened with logging despite their exceptional values. Over 1000 occurrences of threatened species have been identified in the forests of Peurakaira.



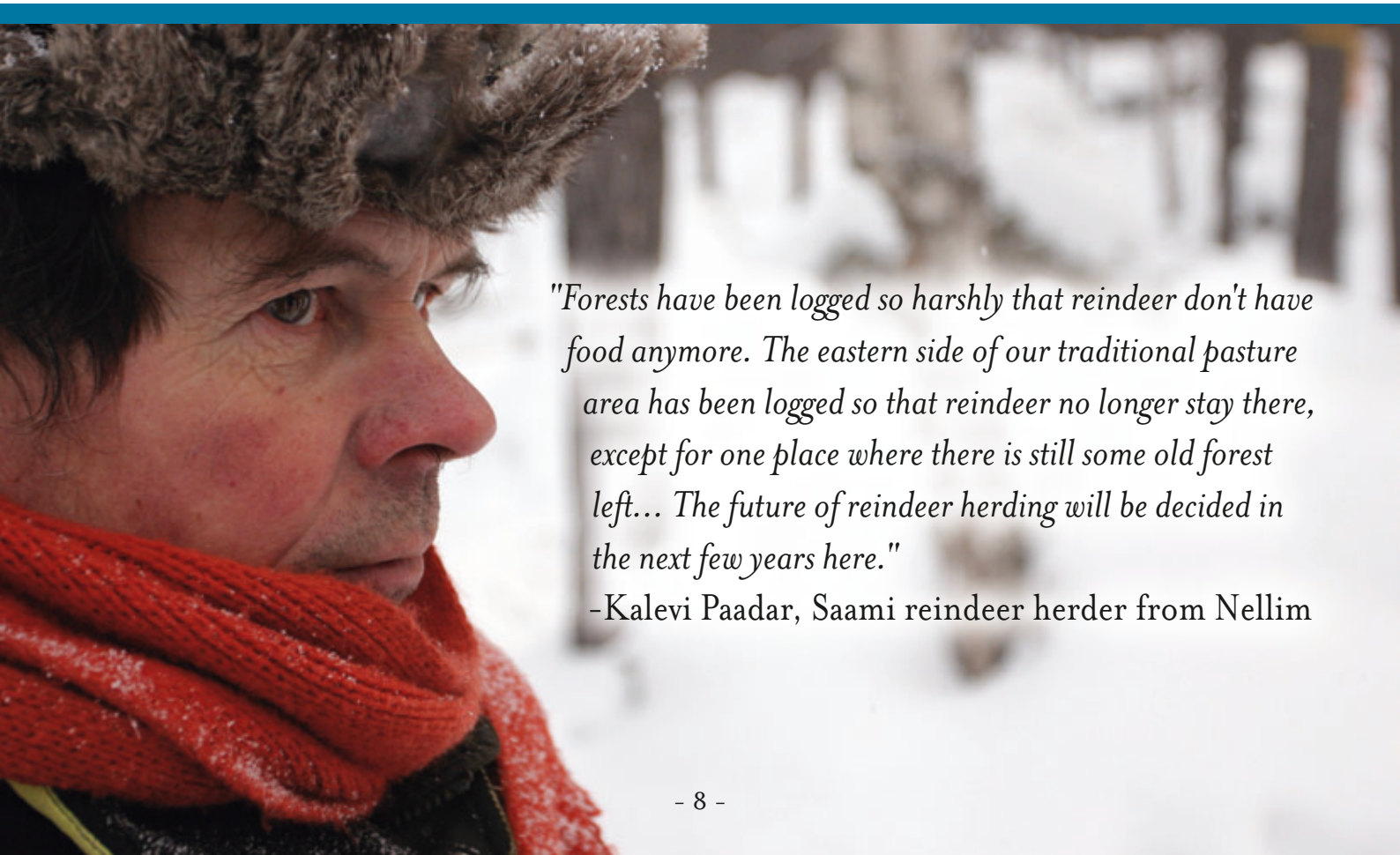
"Logging in Lapland's remaining old natural forests cannot be considered a sustainable use of natural resources. (...) In a global context the need to preserve what little remains of the EU's undisturbed landscapes should need no discussion."
-Letter from over 150 researchers to the Finnish minister of forestry

4. Forest conflicts in the Saami Homeland

Northernmost Finland is part of the Homeland of the Saami, indigenous people of North Europe and Russia. In the traditional territory of the Saami people 90 % of the land area is currently owned by the state. Forestry, which is practiced in state forests by the state forest enterprise Metsähallitus, has a great impact on the Saami as traditional reindeer herding needs old forests to survive. Traditional reindeer herding is threatened as forests suitable for reindeer as pasture diminish, and fragmentation of the landscape interferes with traditional pasture cycles.[21]

There is a long history of forest conflict between reindeer herding and State forestry in the Saami Homeland. The conflicts are unresolved, largely because the Finnish State has been unable to set up a fair process where the rights and needs of the reindeer herders could be taken into account. The Saami reindeer herders have extensive legal rights set by national and international legislation, but the state forest manager considers these rights respected by inviting the reindeer herders to be heard in collaborative planning sessions along with tens of other stakeholder groups. There is no due negotiations process, nor any functional means of recourse for the reindeer herders to ensure that their rights are respected.[22] According to reindeer herders, the "negotiations" offered by Metsähallitus consist mostly of informing communities of where and when logging will take place. At best the reindeer herders have been told they can choose which area in their co-operative is logged first.[23]

Finland has been unable to ratify the ILO Convention 169 on Indigenous and Tribal Peoples because the current management system of the state lands does not give the Saami any legally secured role in the decision making regarding the land use in their traditional territory. The UN has criticized Finland on numerous occasions for their failure to ratify ILO 169 and pass legislation dealing with Saami rights. For instance, the UN Human Rights Committee appealed to the Finnish Government in November 2004: "*The State party should, in conjuction with the Saami People, swiftly take decisive action to arrive at an appropriate solution to the land dispute with due regard for the need to preserve the Saami identity (...). Meanwhile it is requested to refrain from any action that might adversely prejudice settlement of the issue of Saami land rights*"[24]. Even after this, Metsähallitus has continued logging on crucial pasture areas. Three reindeer herders from Nellim sued Metsähallitus in 2006. The UN Human Rights Committee set the disputed forests in the Nellim area under a temporary logging moratorium already in 2005 when it learned that the reindeer herders were preparing the lawsuit. The domestic process is still on-going and the dispute unsettled.



"Forests have been logged so harshly that reindeer don't have food anymore. The eastern side of our traditional pasture area has been logged so that reindeer no longer stay there, except for one place where there is still some old forest left... The future of reindeer herding will be decided in the next few years here."

-Kalevi Paadar, Saami reindeer herder from Nellim

5. Forest certification in Finland

Ninety five percent of Finnish forests are FFCS-certified (accredited by the PEFC). Thus, most FSC controlled wood from Finland will be FFCS certified. The forest industry presents FFCS as sufficient proof of the indicators for FSC controlled wood being met. However, just reviewing the FFCS standard shows that major issues on biodiversity and indigenous rights are not addressed by the scheme.[25]

According to the FFCS standard, known habitats of threatened species have to be preserved, but FFCS does not require any mapping prior to logging, not even in habitats that are highly likely to host threatened species such as old-growth forests. Furthermore, FFCS allows to log habitats of threatened species if the "*current population of the species is maintained*". This is a perverse rule, because without systematic mapping of the species there is not enough information to assess the long-term viability of the species in the area. Also, given that the species are already threatened, maintaining the current population is not enough to reverse the declining trend. Rather, as a part of sustainable forest management, there should be an aim to restore the populations to a state which no longer justifies a classification as threatened. Instead, further destruction of the habitats is allowed by the FFCS.

The FFCS addresses the preservation of old-growth forests with a criterion that requires "*the characteristic features*" of old-growth forests to be preserved. In practice the criterion has hardly any impact. Firstly, in forest holdings of less than 10 000 ha in a region (most forest owners), only old-growth forests "*not exceeding one hectare*" in size are considered. This is almost a contradiction in terms as an old-growth forest of only one hectare in size is hardly a forest let alone an old-growth forest. Furthermore, the criterion states that "*protection of old growth-forest as defined in this criterion does not apply if the share of protected forests exceeds 5% on a forest holding*". Conveniently, most old-growth forests in Finland are owned by the state or the major forest companies, whose protected forests exceed the 5% limit. Thus, the criterion on old-growth forests is almost void in any practical conservation effect, and old-growth forests are in a vast majority of cases not protected by FFCS certification.

On indigenous issues, FFCS in practice adopts Metsähallitus collaborative planning as a sufficient means of safeguarding the rights of the Saami and reindeer herders. FFCS does not include any performance-based indicators that would truly verify consensus with the Saami or require prior informed consent of the reindeer herders on logging.

PEFC certified wood labeled for StoraEnso from high conservation value forests of Siivikkovaara in eastern Finland.

Old-growth forests of Peurakaira in the Saami Homeland are of crucial importance for the traditional reindeer herding of the local community.

6. FSC Controlled Wood in Finland

The three biggest Finnish paper companies StoraEnso, UPM and Metsäliitto Group have been seeking to produce FSC Controlled Wood from 2006.

In June 2006, StoraEnso finalised their first risk assessment. NGOs asked StoraEnso repeatedly for the assessment to be able to comment on it but did not get it after more than half a year later, despite the fact that they should have consulted with these relevant NGOs during the assessment. Stora Enso's risk assessment concluded that Finland should be considered "low risk" with regard to all indicators of the FSC Controlled Wood standard. The grounds presented for this assessment were extremely brief, main arguments being that the network of protected areas and collaborative planning in state forests are enough to secure both indigenous rights and high conservation values (HCVs).

In February 2007, the board of the Finnish FSC National Initiative sent a letter to certifying bodies about the risk assessment of Finland. The letter emphasised that "*after review of the current ecological and social conditions in forest use in this country, Finland belongs for the time being in its entirety to the 'unspecified risk' category*". The decision was made based on "*a lack of evidence as to satisfactory conditions prevailing*" concerning the indicators 2.4, 2.5, 3.1 and 3.2 of the Controlled Wood standard FSC-STD-40-005. Indicators 2.4 and 2.5 concerning indigenous people and traditional use require that there are equitable processes to resolve conflicts concerning traditional rights (2.4), and that there is no violation of ILO 169 treaty on indigenous people (2.5). Indicators 3.1 and 3.2 concern the preservation HCVs. The NI referred to statements by Saami organisations and reindeer herders on the ongoing conflicts as well as to the fact that Finland has been unable to ratify ILO 169. There is also extensive evidence that the current system of protected areas is insufficient (3.2) and NGOs have presented hundreds of examples of destructive HCVF logging (3.1) during the last few years.

StoraEnso's risk assessment resulted in more than a year of communication between the certifier and NGOs in 2007 and 2008. NGOs and Saami organisations informed the certifier of tens of examples of HCVF logging and neglect of Saami rights related to StoraEnso's major supplier Metsähallitus. The certifier, Soil Association, carried out audits in Finland but despite requests, never met NGOs or Saami organisations in the forests where they thought violations had been made. Soil Association's only meeting with NGOs was a brief meeting at the airport.

In April 2008, Soil Association accepted StoraEnso's risk assessments, in which all of Finland is labeled as "low risk" for FSC Controlled Wood. The risk assessment for Forestry Centre area of Lapland, which includes the Saami Homeland and is the home of most of the HCVFs in Finland, simply states that conflicts on indigenous rights and Intact Forest Landscapes "*do not concern the district*" and thus, "low risk" applies.[26] No evidence or sources used is presented to support these claims, although this is required by the FSC guidelines[27]. Soil Association has also failed to answer any questions posed by NGOs as to how it came to the conclusions. There was no explanation in the assessment on why the NI's views were not respected either.

The transparency of the process hasn't been any better for the other big paper companies UPM and Metsäliitto. UPM has completely omitted stakeholder consultation in the process. In October 2008, UPM told that "*audits have almost been finalised*" and production of controlled wood will soon begin. Neither the auditor of UPM nor UPM as a company have been in any contact with Finnish NGOs, Saami organisations or reindeer herding communities during the whole process. Instead, the company has deliberately logged several valuable HCVFs although NGOs have informed them on the values of these areas in time (examples listed in the case studies of this report).

Metsäliitto's whole procurement chain is also currently covered by the CW certificate. Metsäliitto's auditor, Bureau Veritas, has met representatives of Greenpeace and the Finnish NI once for a couple of hours. They have not been in any contact with relevant Saami organisations or reindeer herding communities, although Greenpeace informed them about a disputed logging case in the Saami Homeland from where the wood was supplied to Metsäliitto. Despite requests by Greenpeace, Bureau Veritas has not given any information on where, when and how the field audits have been made. The risk assessment has not been published although this is required by the FSC[28].

Most probably these certifiers have also accepted the Finnish forest industry's view that Finland can be considered "low risk" for all categories of FSC Controlled Wood. The view of the industry is based on complete ignorance of the information provided by the Finnish NI, Saami and NGO stakeholders and neglect of both traditional rights and HCVs. The fact that it is accepted by the certifiers is a sign both of poor processes and an ambiguous standard as well as of outright violation of FSC guidelines according to which "*interpretations of the NI shall prevail*".

7. Case studies

The case studies presented in this report are examples of HCVF logging in Finland from the last two years, during which all major paper companies have been audited against the FSC Controlled Wood standard. The case studies include clear violations of FSC Controlled Wood categories 2.4 (concerning traditional rights) and 3.1 and 3.2 (preservation of HCVs).

Almost all cases include destruction of habitats of threatened species (which should in most cases be considered as HCVFs). Some also involve illegal operations. There have been several cases of destructive logging in old-growth forests included in NGO maps of HCVFs (see chapter 3) although this kind of information should be taken into account in Controlled Wood risk assessments. The HCVF maps and related information on the quality of the forest areas and habitats of threatened species have been available for the companies and certifiers during the whole process. Each case alone should be enough to question the risk assessments of the Finnish paper companies, but together they paint a picture of systemic neglect of indigenous rights and HCVs such as threatened species and old-growth forests.

All of the cases have links to at least one of the three big paper companies StoraEnso, UPM and Metsäliitto Group, and many are connected to the state forest enterprise Metsähallitus, a major supplier for all three companies. Most of the cases have been reported by NGOs to the companies and certifiers during their risk assessment and audit processes. This information seems to have had no effect on the risk assessments of the forest industry and Finland has been labeled "low risk" for HCVF logging and violation of traditional rights.

All of the case studies are compiled in Table 1 on pages 14–15. Some are described in more detail below.

HCVF LOGGING IN POKKA-PULJU

The 130 km^2 area of Pokka-Pulju is one of the largest threatened old-growth forest areas in Finland. It is part of the global Intact Forest Landscape maps and also covered by the national maps for IFLs of Forest Lapland. Over 500 occurrences of red-listed species have been found from the forests of Pokka-Pulju.

The NGO report on IFLs of Forest Lapland and their HCVs was published in 2006. Next winter, in 2007, state forest service Metsähallitus started logging the area. After this destructive operation, NGOs were informed of next logging plans in the area. The forests included in the logging plan were inventoried with special care. Field surveys identified 30 occurrences of 8 different red-listed species (bracket fungi and lichens) in the logging area. The forest was old-growth forest in natural state. The complete list of the threatened species was sent to Metsähallitus in November 2007. The findings of red-listed species in the logging plan area were reported in detail also to Metsäliitto Group, who had previously bought from the area. Both the buyer Metsäliitto and forest manager Metsähallitus ignored all the information and the logging was carried out as planned in February 2008. According to their certifier Soil Association, also StoraEnso who was being audited for controlled wood at the time, bought wood from the logging. More logging is planned in the area.

Old-growth forest clear-cut by UPM in 2007. Miesjärvi, eastern Finland.

Clear-cut in Ilosenkangas, eastern Finland. The forest had been identified by environmental authorities as an intact old-growth forest with significant high conservation values.

Clear-cut of an intact old-growth forest in Jooseppitunturi. The area is included in NGO maps of intact old-growth forests of Forest Lapland. This ancient forest is home to hundreds of occurrences of threatened species.

HCVF LOGGING IN JOOSEPPITUNTURI

The old-growth forests of Jooseppitunturi are included both in the global IFL maps and the national maps for IFLs in Forest Lapland. Metsähallitus has logged in the area in 2006, 2007 and 2008 and is planning further logging. All of the logging operations are located in intact old-growth forests in an area that hosts almost 200 occurrences of threatened species. StoraEnso is the most probable buyer.

http://www.forestinfo.fi/forestlapland/loggingsite/jooseppitunturi/

HCVF LOGGING IN BREACH OF TRADITIONAL RIGHTS IN PEURAKAIRA

Peurakaira is one of the largest threatened old-growth forest areas in Finland. It is included in both the global and national maps of Intact Forest Landscapes. Peurakaira is located in the Homeland area of the indigenous Saami and the forests are crucial for the reindeer herding of the local community. The area hosts over 1000 occurrences of red-listed species. The forests are intact old-growth forests in their natural state. Pine trees born in the 16th century have been found in the old-growth forests labeled as commercial forest.

The local reindeer herding co-operative has demanded the protection of the area since the 1970s. On October 7th, 2007, the co-operative sent once again a letter to Metsähallitus demanding a logging moratorium for Peurakaira. Metsähallitus ignored the statement and logging for StoraEnso was started on October 18th in an intact old-growth forest.

In January 2008, Metsähallitus started new logging close to the intact forests area of Peurakaira, in an adjacent non-old-growth forest area that the reindeer herders have also asked to be protected because of its value for the traditional reindeer herding. Several hundreds of truckloads of wood were logged from this area during January-March. This wood was bought by Metsäliitto and delivered to Botnia mill in Kemi.

HCVF LOGGING IN ISOKANGAS

In January and February 2008 Metsähallitus clear-cut in old-growth forests of Isokangas in eastern Finland. The clear-cut destroyed a legally protected ancient pathway and police is investigating the matter. Trees up to 400 years old were observed in the log piles. In earlier reports from 1990s, Metsähallitus describes the area as "*old pine forest in natural state*". The same report recommended the protection of the area because of ecological and scenic values. StoraEnso and UPM bought from the logging.

HCVF LOGGING IN PAHAMAAILMA

Old-growth pine forest area of Pahamaailma is among the most valuable old-growth forest areas in eastern Finland as a habitat for pine-dependent threatened fungi. The area holds the record of findings of red-listed fungi with nearly 1200 individuals of 35 species (IUCN categories NT, VU, EN). Most of these (1017 findings) are located in unprotected parts of the area. Many old-growth forest species that are extinct in most of Finland are rather common in Pahamaailma. According to researchers from University of Helsinki, the area is "*an extremely, uniquely valuable area*". Even a new species to science (fungus *Rhodocollybia sp.*) was discovered there in 2006. Metsähallitus has clear-cut in the area in 2006 and 2007, and intends to continue the logging in the future. StoraEnso and UPM are probable buyers.

HCVF LOGGING IN ILOSENKANGAS

This forest area in Suomussalmi, eastern Finland, has been identified as an ecologically valuable old-growth forest and a small waterway- area of high conservation value in a report published by regional environmental authorities. In the winter of 2006–2007 Metsähallitus carried out large clear-cuts in the area. Habitats of threatened old-growth forest species were logged. Scenic and ecological values described in the environmental authorities´ report were destroyed.

HCVF LOGGING IN MIESJÄRVI

This old-growth forest owned by UPM in eastern Finland

hosts the threatened Flying squirrel and several threatened fungi species as well as the Siberian jay and Capercaillie (*Tetrao Urogallus*). Information on the special ecological values of the area has been reported to UPM already in 2004. However, in the autumn of 2007, UPM carried out extensive clear-cuts in the area. The operation was also in violation of the FFCS standard as clear-cuts and soil scarification were extended to ecologically valuable peatlands without buffer zones. More logging is planned in the area by UPM.

ILLEGAL HCVF LOGGING IN KYTÄJÄ

Metsäliitto has carried out several controversial operations in a HCVF area in South Finland. In 2008 Metsäliitto logged four habitats of the legally protected Flying squirrel and a connecting forest between them. The habitats and the connecting forest had been defined to be protected by environmental authorities prior the logging and logging them was clearly against the law. Areas had been marked on the ground and Metsäliitto was informed of the protection decision. Police is investigating the clear-cutting. Close to the same area in 2006–2007, Metsäliitto destroyed HCVs in a Natura 2000 protected area. This operation was against the EU's Habitats Directive as the company did not wait for the evaluation of the habitats which should be done before any logging in a Natura 2000 site.

HCVF LOGGING IN HABITATS OF THREATENED BIRD SPECIES

Metsähallitus logging is in a process to completely wipe out the few habitats of regionally threatened bird species Siberian jay and Three-toed Woodpecker, which are threatened to go extinct in southern Finland. Metsähallitus has systematically and deliberately logged and is further planning to log the rare habitats of these birds. Most recent logging took place in **Niitosneva** in municipality of Ruovesi in January 2008, when a habitat of Siberian jay and Three-toed Woodpecker was clear-cut despite detailed information on the exceptional value of the area supplied to Metsähallitus by NGOs and bird researchers already over 5 years ago. Similar clear-cuts were carried out in **Riponeva** in December 2006 and logging is planned for the habitats of these birds in **Pahalamminvuori** and **Musturi**.

Wood from HCVFs of Liperinsuo, where Metsähallitus clear-cut forest inhabited by several threatened species. StoraEnso refused to tell if it was buying from the forest. Greenpeace followed timber trucks from the area to Stora Enso Oulu paper and pulp mill on March 6th, 2008.

8. Conclusions

Based on the experience in Finland, the FSC Controlled Wood system allows companies and certifiers to work in an extremely nontransparent manner. Civil society may never be aware of Controlled Wood audits in their country, although the information provided by NGOs should be of crucial importance to the risk assessment. The standard is ambiguous on key issues like HCVFs and stakeholder consultation and guidelines are inconsistent. This allows for multiple standards – better certifying companies will work more rigorously and some will not contact any stakeholders during their audit.

In Finland it seems clear that the system is currently not sufficient to guarantee that no controversial sources are included in FSC Controlled Wood. This raises serious doubts about how the system could work in countries with poor governance and lack of basic law enforcement.

GREENPEACE RECOMMENDS THAT:

- Requirements on stakeholder consultation for Controlled Wood risk assessment and audits are clarified immediately.
- All relevant information and HCVF maps by NGOs and indigenous peoples should be listed as mandatory sources of information for the risk assessments and audits for Controlled Wood.
- Risk assessments and audit reports are as complete and transparent as possible, allowing for public discussion on their contents.
- FSC IC shall facilitate and endorse FSC National Intiative risk guidance.
- The Controlled Wood system is phased out within five years or changed into a stepwise programme that leads to full certification in 3–5 years. FSC Mixed Product label is modified to include a component and truth labeling addressing the "transitional" inputs from operations committed to the FSC stepwise certification programme.

TABLE 1. EXAMPLES OF UNACCEPTABLE LOGGING WITH REGARD TO FSC CONTROLLED WOOD CATEGORIES

Name of area	Region	Owner/Forest Manager	Buyer	HCVs / Old-growth forest	HCVs / habitat of threatened species
Muddusjärvi	Saami Homeland	State/Metsähallitus	unknown, potentially SE, ML or UPM	x	
Peurakaira	Saami Homeland	State/Metsähallitus	SE, ML	x	x
Pokka-Pulju	North Finland	State/Metsähallitus	SE, ML	x	x
Jooseppitunturi	North Finland	State/Metsähallitus	unknown, probably SE	x	x
Turjalaiset	North Finland	State/Metsähallitus	SE, ML	x	x
Ilosenkangas	East Finland	State/Metsähallitus	SE, UPM, potentially ML	x	x
Siivikkovaara	East Finland	State/Metsähallitus	SE, UPM, potentially ML	x	x (also the flying squirrel especially protected by law)
Kuikanvaara	East Finland	State/Metsähallitus	SE, UPM, potentially ML	x	x (also the flying squirrel especially protected by law)
Riuskanselkonen	East Finland	State/Metsähallitus	SE, UPM, potentially ML	x	x (also the flying squirrel especially protected by law)
Isokangas	East Finland	State/Metsähallitus	SE, UPM, potentially ML	x	
Kylmäluoma	East Finland	State/Metsähallitus	SE, UPM, potentially ML		x
Luolavaara	East Finland	State/Metsähallitus	SE, UPM, potentially ML	x	x
Syrjävaara	East Finland	State/Metsähallitus	SE, UPM, potentially ML	x	x (also the flying squirrel especially protected by law)
Pahamaailma	East Finland	State/Metsähallitus	SE, UPM, potentially ML	x	x (one of the richest areas known in East Finland for threatened species)
Miesjärvi	East Finland	UPM		x	x
Myhkyri	East Finland	UPM		x	x
Jänismäki	East Finland	UPM		x	x
Holivaara	East Finland	UPM			
Losonvaara	East Finland	UPM			
Loutenvaara	East Finland	UPM		x	x (also the flying squirrel especially protected by law)
Salminen	East Finland	Tornator	SE		x (also the flying squirrel especially protected by law)
Liperinsuo	South Finland	Metsähallitus	SE		x
Kivimäensalo	South Finland	Metsähallitus	unknown, potentially SE, ML or UPM		x
Niitosneva	South Finland	Metsähallitus	unknown, potentially SE, ML or UPM		x (regionally threatened Siberian jay and three-toed woodpecker)
Riponeva	South Finland	Metsähallitus	unknown, potentially SE, ML or UPM		x (regionally threatened Siberian jay)
Pahalamminvuori	South Finland	Metsähallitus	unknown, potentially SE, ML or UPM		x (regionally threatened Siberian jay)
Musturi	South Finland	Metsähallitus	unknown, potentially SE, ML or UPM		x (regionally threatened Siberian jay and three-toed woodpecker)
Liesvuori	South Finland	Metsähallitus	unknown, potentially SE, ML or UPM		x (also the flying squirrel especially protected by law)
Evo	South Finland	UPM		x	x
Nevajärvi	South Finland	UPM			x (regionally threatened bird species)
Särkivuori	South Finland	UPM		x	x (regionally threatened bird species)
Paljärvi	South Finland	Tornator	SE		x (endangered white-backed woodpecker protected by law)
Kuohunkangas	South Finland	Vapo	SE		x
Kytäjä	South Finland	private/ML	ML		x
Kerimäki	South Finland	Metsähallitus	UPM		x (endangered white-backed woodpecker protected by law)
Rastikenkut	South Finland	Metsähallitus	unknown, potentially SE, ML or UPM		
Monå	South Finland	Private/ML	ML		x (flying squirrel especially protected by law)
Sundby	South Finland	Private/ML	ML		x (flying squirrel especially protected by law)
Eugmo 1	South Finland	Private/UPM	UPM		x (flying squirrel especially protected by law)
Eugmo 2	South Finland	Private/UPM	UPM		x (flying squirrel especially protected by law)

SE=StoraEnso, ML=Metsäliitto Group

Other HCVs	Logging in a protected area or habitat	Logging against indigenous and traditional rights	Time of operation
		Logging opposed to by local reindeer herders. Important reindeer pasture.	July 2008
		Logging opposed to by local reindeer herders. Important reindeer pasture.	2007, 2008 and future plans
			winter 2008
			2006–2008
			2007, 2008
			winter 2006–2007
			2007
			2007, 2008
			winter 2007–2008
	A legally protected historical site was destroyed.		winter 2008
	Natura 2000 area		planned for near future
			planned for near future
			planned for near future
			2006, 2007, more plans for near future
			autumn 2007
			planned for 2008
			autumn 2008
threatened mire habitat destroyed			2008
HCVF with abundant dead wood and OGF indicator species			2006, 2007
			2007
HCVF with abundant dead wood			2006
HCVF with abundant dead wood			winter 2008
HCVF with abundant dead wood			2007, 2008
			winter 2008
			winter 2006
			plans for near future
			plans for near future
HCVF with abundant dead wood and threatened habitats	Possibly a violation of the Forest Act		October 2008
HCVF with abundant dead wood and threatened habitats			plans for near future
HCVF with abundant dead wood and threatened habitats			plans for near future
			plans for near future
HCVF with abundant dead wood and threatened habitats			May 2007, July 2008
HCVF with abundant dead wood and threatened habitats			autumn 2007
	Habitats of flying squirrel destroyed illegally, Natura 2000 site logged		2006–2007, 2008
	Established protection site logged right after the protection decision but before legal enforcement		spring 2007
HCVF with abundant dead wood and threatened habitats	Legally protected area		autumn 2008
	Logging in protected habitat of flying squirrel, nesting tree destroyed. Police investigating.		2007
	Logging in protected habitat of flying squirrel. Police investigating.		2007
	Logging harmed the protected flying squirrel habitat and habitat was abandoned.		2007
old spruce forest with HCVs			2007

Endnotes

1 FSC (2006)
2 FSC (2007)
3 The Finnish Forest Research Institute (2007)
4 Siitonen (2001)
5 Siitonen (2001)
6 Finnish Environment Institute (2008)
7 Rassi et al. (2001)
8 Hanski (2008)
9 Rassi et al. (2001)
10 Finnish Environment Institute (2005)
11 Finnish Forest Research Institute (2008)
12 Ministry of Environment (2000)
13 Rassi et al. (2001)
14 Hanski (2003)
15 Yrjönen (2004)
16 Pykälä (2007)
17 Airaksinen and Karttunen (1998)
18 Virkkala (1996), Turunen (1999)
19 Open letter to the minister of forestry (2007)
20 Ministry of Environment (1996)
21 Reindeer herding co-operatives of Inari (2008). Statements at http://www.inarinpaliskunnat.org/forestd.html; Raitio (2008); Sipilä et al (2000)
22 Raitio (2008)
23 Raitio (2008), Heikkinen et al. (2003), Hukkinen et al. (2002), Harkki (2005)
24 UN Human Rights Committee (2004)
25 FFCS (2003)
26 Woodmark (2008)
27 FSC (2008)
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