

Impact assessment research of Motion 65 implementation for boreal forests of the Russian Federation

Motion 34/2017 report

Prepared by Andrey Ptichnikov

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1. Introduction

Motion 34/2017 of FSC General Assembly (GA) in Vancouver requires FSC to “enable the conducting of regional assessments of the short and long-term impacts – positive and negative – of the management and protection measures associated with the implementation of Motion 65/2014 and the International Generic Indicators (IGI)’... Assessment should compare different scenarios of implementing M65 and IGIs and consider environmental, social and economic dimensions... “(Annex 1, A).

FSC International has prioritized Russia / Boreal for the development of the assessments in 2018. The current report provides the assessment of the short and long-term impacts of the management and protection measures associated with Motion 65/2014 and IGIs for the boreal forests of Russia. The Impact assessment research for Russian boreal forests is applied at the moment of application of the current FSC-STD-RUS-V6-1-2012 Russia Natural and Plantations EN standard (hereinafter NFSS 6-1). This standard is already largely based on principles, compatible with Motion 65/2014. To some extent intact forest landscapes (IFLs) requirements of NFSS 6-1 (2012) served a certain basis for Motion 65 requirement in FSC GA 2014. Management regimes for intact forest landscapes (IFLs) in the current Russian standard, NFSS 6-1, in comparison with Motion 65/2014 are presented in Tab. 1. (Annex 1 B).

The expert assessment of compliance between the NFSS 6-1 and Motion 65/2014 requirements shows a high level of compliance between these two documents. The main requirements of M65 (with some exceptions) are already incorporated in the NFSS 6-1 fully or partially (Tab 2, Annex 1 B). It is possible to conclude that the use of NFSS 6-1 for the Impact assessment research (Motion 34) is justified. In addition to that, significant experience and statistical data are already available to demonstrate the impacts of Motion 65 /2014 through the current NFSS 6-1 on boreal forests in Russia. In the new draft NFSS agreed by SDG and Board of FSC Russia in November 2018 (FSC-STD-RUS-VER 7-0-1, hereinafter NFSS 7), the requirements for IFL management are close to the IFL requirements in the current standard, with exception of newly certified concessions with IFLs, fragmentation and low impact management. This report analyzes the impacts of current Russian NFSS 6-1 / M65 for FSC certificate holders (CHs) and stakeholders (SHs) and provides recommendations to the Russian FSC standard development group (SDG), Board of FSC Russia, FSC International on the IFL policy in Russian boreal forests in relation to M34.

The report is based on interviews with CHs, national and local level SHs, having close professional ties with affected traditional and indigenous people, indigenous people association. Interviews and research were conducted in the period of November 2018–January 2019. The FSC and IFL statistics are presented for the situation in the beginning of December 2018. In

January–February 2019, some CHs in Siberia and the Russian Far East with IFLs terminated their FSC certificates and IFL statistics changed. According our information some of them (Russian Forest Group companies) are planning to return to FSC scheme after reorganization of business later in 2019.

2. Compliance with Motion 34 Guidelines for National Terms of references and independent consultant selection

Following the FSC International Motion 34 Guidelines the Standard development group of FSC Russia appointed the task force, consisting of following representatives:

- Konstantin Kobayakov, environmental chamber.
- Elena Pyankova, economic chamber
- Antonina Kulasova / Nadezhda Efimova, social chamber.

In October 2018, the Task Force agreed terms of references (ToR) for the Impact Assessment Research, based on paragraph 3 of the Global M34 Guidelines as mandatory element of the research. The ToR was based on Guidelines for National standard development groups for Motion 34 (final version from October 2018).

In October 2018, the FSC Russia Board provided the selection process for independent consultant for Impact assessment research and proposed the candidature of Dr. Andrey Ptichnikov. Andrey Ptichnikov is the independent, qualified expert, who is not associated with environmental, social or economic interests in forest sector. In November 2018, the Task Force of SDG made the decision that compliance with Motion 34 Guidelines was achieved, and approved the ToR and consultant for the Impact Assessment Research, as proposed by Motion 34/2017.

3. Main findings of the impact assessment report Russia

3.1. Assessment of M65 impact on IFL protection in Russia

3.1.1. General information on intact forest landscapes in Russia

Russia accounts for more than 22% of the world's forests with 780 million ha of forest-covered area (FAO 2012). All forests belong to the Federal Government and their commercial use is implemented through leasing (concessions) to private forest companies. The management of forests is organized and controlled by federal and regional forest authorities. Around 223 million ha of forests are currently under commercial lease (concessions), of which around 175 million ha are under forest management concessions, and the rest are under hunting or agricultural concessions. (Federal Forest Service of Russia 2017). Although the Russian Federation is a signatory to the Convention on Biological Diversity (CBD) and participates in all processes relevant to CBD, the Russian legislation does not currently recognize the special value of intact forest landscapes (IFLs). IFLs are offered by the government for commercial use through concessions. Concession holders – harvesting companies – have full legal rights to cut IFLs if they are not protected by legislation as protected areas.

The area of intact forest landscapes is around 225 million ha according the latest Greenpeace report (Greenpeace 2017). According to Russian Forest Code and the map of IFLs (Fig. 1) most of IFLs are assigned to so-called *reserve forests*. Reserve forests are forest tracts not planned for commercial use during the next 20 years. The international analogue of reserve forests is wilderness areas. At the same time, minor part of IFLs belongs to commercial forests. At present *several million*¹ ha of IFL are given into concession for different commercial purposes – from forest management to hunting management (Ptichnikov, Dunn 2017).

The Strategy for Development of Forest Sector of Russia foresees the increase of annual harvesting level by **73 Mio m³**, from 213 Mio in 2017 to 286 Mio in 2030 (Strategy 2017). Most of the increase is anticipated in the intact forest areas of Russia (pioneer harvesting), and the pressure on IFL from Russian forest industry will be increasing in the coming years.

The Government of Russia is currently starting to consider the value of IFLs and other categories of high conservation value forest (HCVF). The Ministry of Natural Resources of Russia included a new special *protective* category of forests – known as the “national heritage” forests – in the new forest inventory instruction, which is now approved by Ministry of Justice of Russia (Yaroshenko 2017). This category is aimed, partially, to protect IFLs in some of the

¹ No exact estimate is available at the moment due to unavailability of hunting lease data. The share of FSC-certified and non-certified forest lease in IFL ranges from 19% in Khabarovsk region to 65% in Irkutsk region.

areas in most need of protection. However, there is no practice in place to use this new category, as development of guidance to the new forest inventory instruction is still pending.

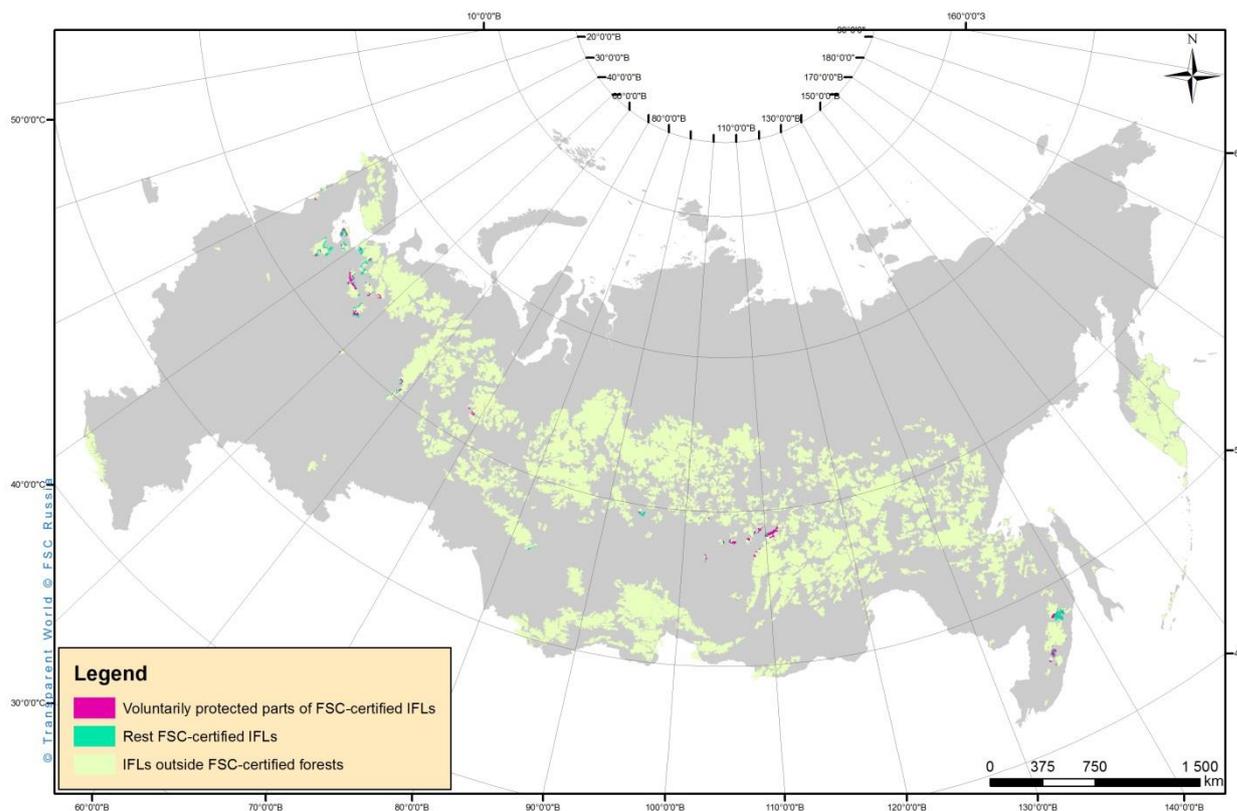


Figure 1. FSC-certified forests with intact forest landscapes in Russia. *Source M. Karpachevskiy.*

In the end of 2018 some representatives of the Russian Parliament and business initiated the discussion about ***new national forest certification scheme***, which will be independent from existing international certification schemes, and be fully in line with Russian legislation. That means that no special protection of IFLs through this scheme will be provided. It is expected, that the process of recognition of this new certification scheme will be done through intergovernmental agreements between Russia and its main forest product trade partners as China, CIS countries, Japan et al. (*United Russia party 2018*). According to the opinion of the head of the Russian Forestry Agency Ivan Valentik, all international certification schemes in Russia should be within the framework of the Russian legislation (*Rosleshoz 14/2017*). Due to that there is a risk that this certification scheme may replace, using power of legislation, FSC scheme in forest areas with intact forest landscapes, or the officials will ask FSC scheme to bring its IFL policies in agreement to the legislation². *That may become a significant barrier for FSC and M65 implementation in the IFL areas.*

² This opinion is based on discussion with some representatives of Russian forest agency (RFA) in roundtable in the Parliament and further press release on RFA web site: rosleshoz.gov.ru – news from 2019-11-14.

The only normative document that currently recognizes IFLs and requires their management and conservation is the *FSC Forest Stewardship Standard for Russian Federation*, FSC-STD-RUS-V6-1-2012 Russia Natural and Plantations EN (NFSS 6-1; FSC Russian National Office 2012) (Ptichnikov, Dunn, Karpachevsky, 2019). The current version of the standard is valid since 2012. The new Russian NFSS 7 will become operational most likely in 2020.

3.1.2. FSC role in voluntary protection of IFLs in Russia

As per December 2018 there are 46.9 million ha of FSC-certified forests in Russia, and 160 forest management certificates issued (*FSC data base*). Around 3.5 million ha of IFLs are in concession of 45 FSC certificate holders in Russia (Ptichnikov, Dunn 2017). The average share of IFL in concessions of the mentioned FSC-certified companies in Russia was around 14% in the end of 2016 (Lopatin et al, 2018). Of those, around 1 million ha of IFLs are voluntarily set aside from harvesting by FSC certificate holders in the frame of IFL moratoria agreements (the requirement of current *Russian FSC NFSS6-1*, Principle 9) (WWF Russia).

The FSC Russia NFSS 6-1 approach for protection of IFLs consists of setting aside areas of IFL through moratorium agreements between CH and stakeholders (SHs) or companies' IFL self-declarations. Every logging moratorium in IFLs is made for the duration of its associated FSC certificate, normally five years, but commitments are in many cases on a long-term basis (e.g. for the duration of concession). After that, it can be extended by an unlimited number of cycles of certification. The list of moratoria is available at www.hcvf.ru/ru/moratorium (HCVF.RU).

3.1.3. Difference of IFL distribution among FSC CHs and Motion 65 thresholds

The project of *Russian NFSS 7* keep valid moratorium agreements in place, while propose IFL protection thresholds for the new FM certifications. There are 3 main thresholds: 30, 50 and 80 percent of IFL to be protected by companies, following their commitment and efforts to protect IFLs. These efforts range from company full scale support of establishment of official protected areas (Pas) in core IFL zones and low impact logging in the agreed IFL areas (30% protection threshold) – to the absence of special efforts, except mapping and IFL zoning - 80% protection threshold. (*FSC Russia NFSS 7- see 9.2.4, Appendix H1, tab. 4*). Taking into account Government plans of expansion of forest operations into the intact forest areas up to 2030, the IFL thresholds may play a significant role in the future certification.

The distribution of FSC CHs by the share of IFLs in their concessions is shown on Figure 2.

The *traffic light colors* in the Fig. 1 legend reflects FSC CHs **dependence** on timber, coming from IFLs. The red colors refer to a high level of dependence (>40% IFLs), yellow, to a medium one (20-40%), and green colors show a relatively low or low level of dependence (0-20%). The

companies with low and light level of dependence from IFLs may demonstrate different management attitude to IFLs, than companies with medium and especially high level of dependence. The first ones may avoid logging in intact forest landscapes, and be not very sensitive to IFL thresholds, proposed by M65/2014. The companies with medium level of dependence from IFLs normally have harvesting operations in IFLs, are sensitive to M65 thresholds, normally may tolerate to 30%, and in exceptional cases, to 50% M65 threshold. The companies with high level of dependence from IFLs have harvesting operations in IFLs, are very sensitive to IFL thresholds, and normally may tolerate only lowest M65 threshold, such as 30%. This simplified scheme cannot reflect the whole range of CHs acceptance of M65 thresholds and provide only schematic vision of the situation.

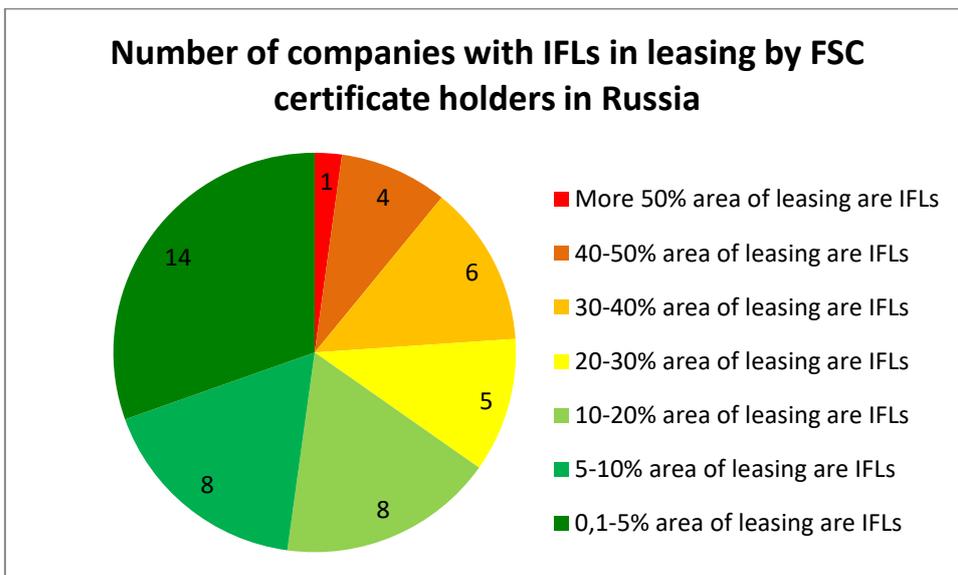


Figure 2. Number of companies with IFLs in concessions by FSC CHs (Lopatin et al, 2018).

In Russia 92% of IFL in concessions were distributed among nine forest holdings and only 8% of IFL in concessions belonging to fifteen independent companies (Lopatin et al, 2018). The role of nine forest holdings in overall certification policy and IFL management is very high. The share of IFLs in concessions of nine forest holdings varies significantly (Fig. 3).

Some of forest holdings have medium level dependence from IFL timber. In the same time some of their daughter harvesting companies may have higher levels of dependence from IFLs. For example RFP group has two daughter companies with more than 40% of IFLs in concession, Titan Group and Solikamskumprom – at least one with more than 40% IFL in concession, Russian Forest Group – one company with more than 35% IFLs. FSC cannot exclude daughter companies with high percentage of IFL from holding certification due to limitations of FSC partial certification (FSC-POL-20-002) for large ownerships. *Due to that the overall certification policy of forest holdings depends largely of presence of daughter companies with higher dependence on IFLs.*

Recently the large forest holding RFP group from Russian Far East decided to terminate their FSC FM certification and moved to PEFC certification. One of the main reasons was high dependence of their few daughter companies from IFLs, in combination to relatively weak FSC demand in China for their key forest product – lumber. Another forest holding in Siberia with medium dependence of IFLs is on the edge of leaving FSC scheme due to the same reason in one of their daughter companies.

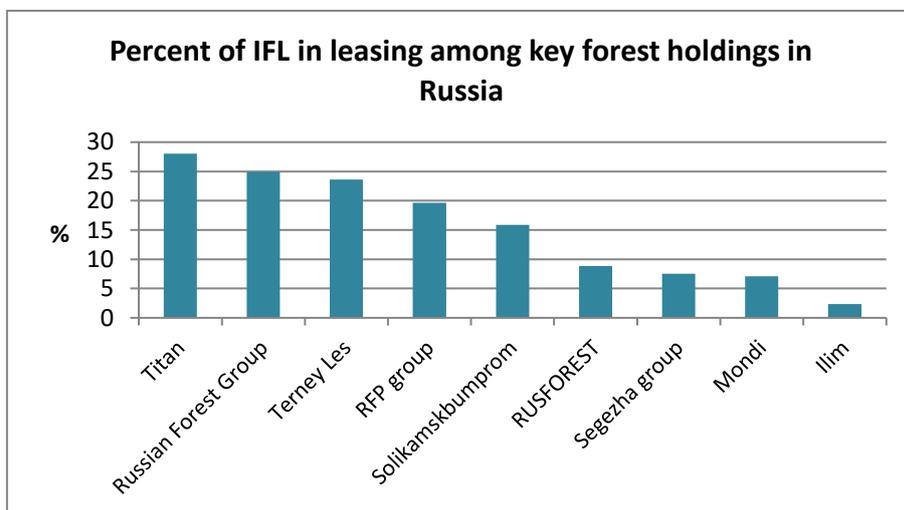


Figure 3. The share of IFL in overall forest holdings concessions in Russia (Lopatin et al, 2018).

3.1.4. IFL loss in Russia and the role of FSC certificate holders

In its report, Greenpeace International (*Greenpeace 2017*) says that between 2000 and 2013, around 17.7 million ha of IFL were destroyed in Russia, at a rate of 1.36 million ha per year. In order to reverse the loss of IFLs, it is important to understand the causes of IFL loss.

According to a recent analysis by the environmental organization Transparent World (Ptichnikov, Dunn 2017), of the 17.7 million ha of IFL lost, around 2.1 million ha of loss happened in forests that were in concession of companies that are currently FSC certified. However, it is important to note that the requirements to protect IFLs were introduced only in 2009, and FSC certification cannot therefore be considered responsible for the loss of IFLs between 2000 and 2008. According to the calculations, of the 2.1 million ha lost, around 1.5 million was lost due to logging and forest fires, and the remainder due to main road and pulp line building and mining projects, which are done by non-forestry businesses.

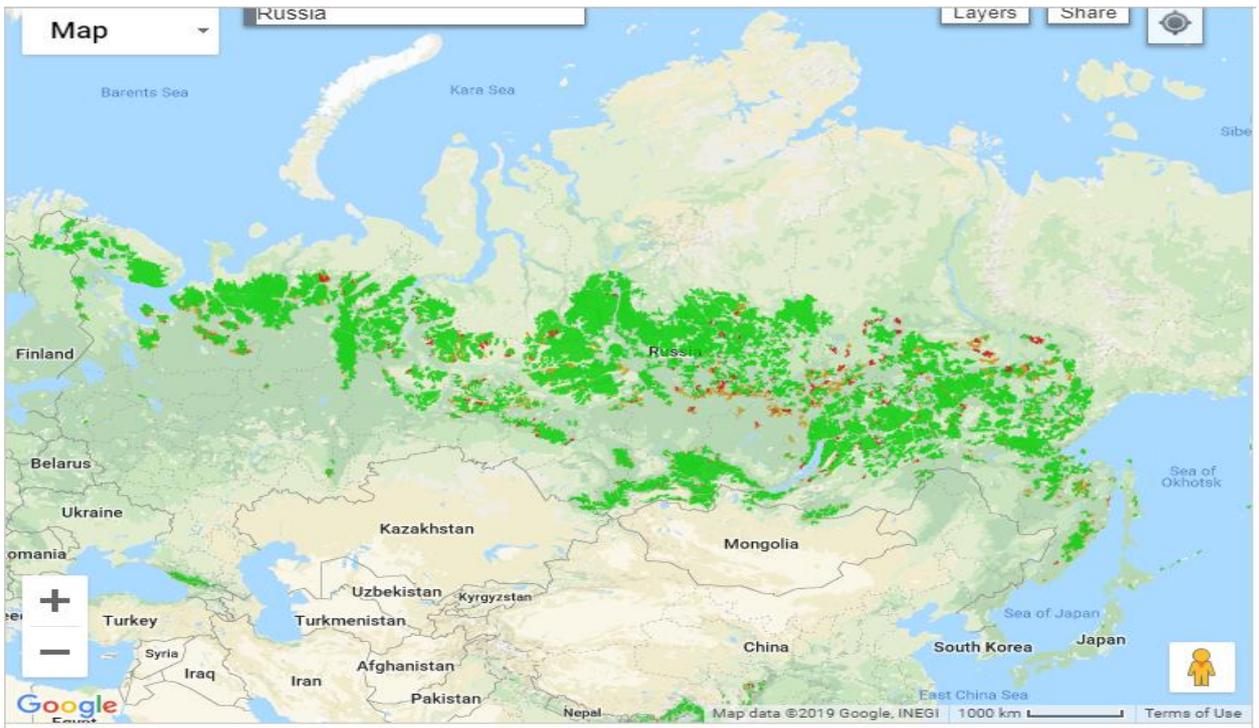


Figure 4. Intact forest losses in Russia between 2000 and 2013 (<http://intactforests.org>).

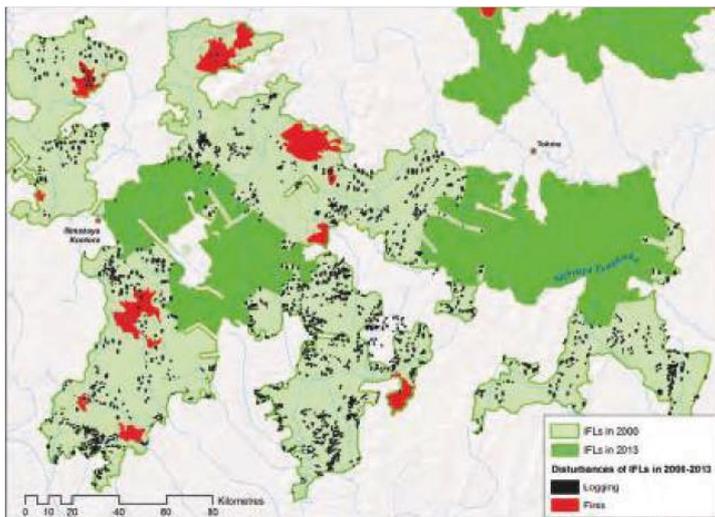


Figure 5. Example of intact forest landscape loss and fragmentation between 2000 and 2013 in the Krasnoyarsk Krai of Russia due to logging and forest fires (WWF Russia. https://wwf.ru/upload/iblock/4d9/mlt_eng.pdf).

The large intact forest landscape in the center of the map, which had a total area of 660 000 hectares, was divided into two parts through various disturbances. Their combined total area now stands at 227 000 hectares, or 34% of its initial size. The key factors contributing to the loss are logging and the building of roads for timber transportation.

In this case, an additional factor destroying the IFL is fire, all instances of which were located close to felling sites and forest roads.

3.1.5. Indigenous communities and local and traditional people in IFLs and around it

In contrast with Africa and Amazonia, intact forest landscapes in Russia are not *significantly* inhabited by indigenous communities and traditional / local people. The exceptions are some IFLs in the Russian Far East and Siberia, having some settlements of Udege, Evenk and other indigenous people within IFLs. Some traditional people and indigenous communities live in proximity of IFLs; these people are traditionally using IFLs for their purposes (normally hunting and fishing). The map how IFLs overlap with municipalities with the presence of indigenous communities for Northern European Russia is shown in Fig. 6. Significant overlap does not mean, that these areas are heavily inhabited by indigenous people, it only means, that there is a presence of indigenous people in some settlements within the municipality in a certain territory.

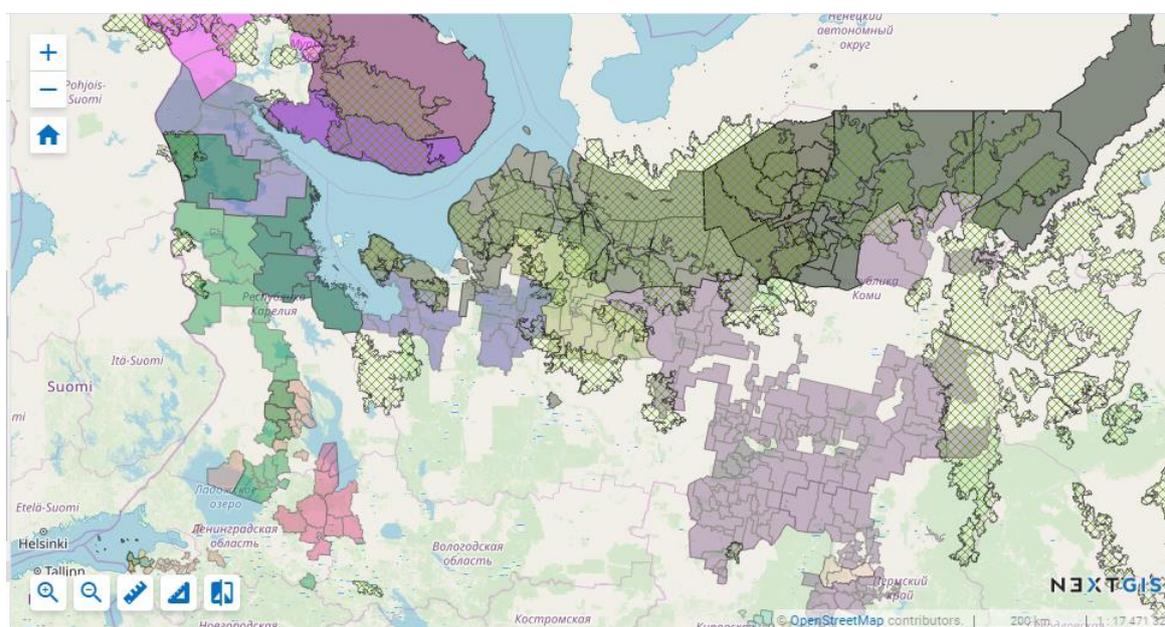


Figure 6. Indigenous people and IFLs in European part of Russia (FSC Russia <http://fscrus.nextgis.com/resource/98/display?panel=layers>).

The municipalities (districts) with the presence of indigenous people (in accordance to FSC requirements) is shown with different colors, the IFLs are shown as hatching. Some areas where districts with indigenous settlements overlap with FSC certified IFLs are indicated by red arrows.

3.2. Economic impacts

Terms of Reference for the Impact assessment research was based on the *Global guidelines for SDG*. Global Guidelines questions were translated in Russian, adapted and sent to all certificate holders (CHs) with IFLs in their concessions through *Survey Monkey* questionnaire (see <https://ru.surveymonkey.com/r/YT239J7>). Despite several reminders the activity of responders

was not high. In order to improve feedback direct interviews were conducted with key forest holdings, having IFLs in concession. CHs included companies Ilim Group, Titan Group, Mondi SLPK, Solikamskumprom, Russian Forest Group (includes TSLK and Igirma LDK). In addition to that, we got the feedback from DOK Enisey from Siberia. These companies have in concession around two-thirds of IFLs in certified forests of Russia and are representative for the impact assessment research.

Key findings of the impact assessment research are summarized below. Detailed findings are presented in Table 3 (Appendix 1 B). Interview minutes (in Russian) are available by request.

3.2.1. *Is the implementation of Motion 65 economically viable, attractive and/or acceptable to all interested parties?*

Implementation of current M65 compatible NFSS 6-1 standard is difficult, but still economically viable for the most of assessed CHs. We found that at least two CHs (from interviewed ones), have significant economic problems associated with M65 requirements. One of them is planning to likely terminate their FSC certificate in a 2-5-year horizon due to the complexity of M65 requirements. Some of interviewed CHs have problems associated with *painful stakeholder consultation process* on IFL management. They complained on the difference of opinions among several stakeholders on IFLs management and the impossibility to find a consensus. From the interviews it is evident that *implementation of M65 requirements is not economically attractive for the vast majority of FSC CHs with high and medium dependence from IFL due to economic losses and painful stakeholder consultations*. At the same time the burden for the companies with low or light dependence of IFL the problem seems not be very high.

There are no specific benefits of IFL IGIs, which minimize the economic burden of companies. *At the moment the single benefit for IFL voluntary protection is FSC certification*. One carbon sequestration project, managed by the FSC CH in Russian Far East for protected IFL was not yet accepted by potential clients at the voluntary market of the green house sequestration trade. *Company image or ecosystem services certification* benefits are not feasible yet as benefits for the CHs with IFLs in concessions.

Some of the interviewed holdings are planning to expand their harvesting operations in IFLs in the future. The implementation of current moratorium obligations or 30% protection threshold for new operations in IFLs is generally accepted by FSC CHs, while many of them consider that as the maximum acceptable level for their business. As far as 50% and 80% scenarios is concerned, they are possible mostly for the companies with low dependence from IFLs or on temporary basis for CHs with a higher IFL dependence.

The case of one large FSC-certificate holder is the very good example of investment scenario, where new IFLs are engaged in forest management. In 2017 the CH started new five-year

investment in Siberia 920 Mio USD worth aimed to obtain a new concession in lease and to provide additional 2.5 Mio m³ of timber to production. The company plans to conduct FSC certification of the new concession. The social effect of the project will be in increasing tax revenues on all levels (federal, regional, and local) 50 Mio USD worth, and creating 100 new jobs in forest management. 800 000 m³ of timber out of 2 500 000 m³ of the annual allowable cut (AAC) in the concession overlap with IFL areas. The scenarios for different IFL thresholds calculated by the CH shows that the profitability of investment can be reached only for 50% and 30% threshold, while 80% in case of 32% of area of IFL in leasing is not profitable (IRR=-14%) (IFL solution forum 2017). CH is aimed to obtain 50% threshold and later 30% by implementing the project on the *national heritage forest site* establishment in IFL. At the same time implementation of investment project in new concession with IFLs is connected with the supply of non-IFL timber from company's suppliers. The costs of low impact forest management in IFL seems not to be included in the calculation, but it can be significant as well as the impact on the overall profitability. It is possible to say that the investment projects in concessions with medium (around 20-30%) dependence from IFL timber are profitable mainly within the range of 30-50% IFL protection thresholds.

IFL preservation share significantly affects economic efficiency of the investment project

The simulation scenario results with different IFL preservation share

General economic parameters of the investment project	Baseline scenario	Scenarios with different IFL preservation share		
		80 %	50 %	30 %
Additional costs for IFL preservation, million \$	0	14	9	5
NPV	positive	minus	positive	positive
IRR, %	19	14	16	18

These parameters are unacceptable for investment project

These scenarios could be discussed with stakeholders

Note. 1. The IFL preservation require of finding alternative sources of wood, which lead to increased costs for the wood supply. The cost of alternative sources of wood are higher by about 60-80% than the cost of wood from IFL.
 2. All scenarios include no purchase of IFL wood from third-party suppliers.

Figure 7. Calculation of the profitability of an investment project in IFLs based on different thresholds for FSC CH in Siberia for the real investment project.

The implementation of M65 requirements seems fully attractive and acceptable for environmental stakeholders. However, there are regional differences in acceptance of M65 by

social stakeholders. It seems that the majority of rural population in forests does not receive economic benefits from forest management, but with some exceptions (e.g. Ust-Pokshenga in Archangelsk et al). Forestry and forest industry related stakeholders, local administration may be in favor of logging of IFLs, while traditional and not forestry dependent people normally not. There is a geographical differentiation of opinions. As example in Archangelsk and Perm regions some local population is more engaged in forest management, while in Komi Republic mostly not. Indigenous people are more connected to IFLs than other groups, as IFLs are often belongs to their traditional lands. They are largely against any logging, including in IFLs. As a compromise *some* social stakeholders may tolerate 80% and are less tolerant to 50% and 30% scenarios of IFL protection for new projects. The geographical aspects of local stakeholders' attitude to harvesting, including in IFLs, need a special research³.

3.2.2. What are the budget and financial sustainability implications of the implementation of Motion 65 for the certificate holder?

Most of interviewed forest holdings report about 5-20% of their timber supplies coming from IFLs in own leasing, while two holdings report higher figures (up to 40%). The specific investments related to implementation of M65 are investments to secure protection of some core IFLs, agreed with SHs. These investments include *payment of the leasing fee* (for voluntary protected forests) and *costs of substitution of timber from IFLs to similar volume of non-IFL timber from suppliers*. These costs are generally 25-30% higher than own harvesting. At the moment there is no agreed methodic of calculating economic losses from protection of IFLs, but it is likely that such costs may be equal to *millions* or *first dozen millions* of USD for tree rotation cycle for a typical forest holding with IFLs. The investments required for implementation of the new Russian NFSS 7 for new certifications are connected with the new requirements, such as low impact forestry in non-core IFLs in 30% and 50% threshold scenario. The research (*Lopatin 2018 et al*) indicated, that around **38%** of existing CHs in IFL may have long-term problems with sustainability of harvestings, where the real harvesting rates in combination with other disturbances, such as forest fires, forest pests exceed real reforestation. With current level of timber consumption they may at the end of 80 years rotation cycle start to use timber from protected core IFLs. Sustainability aspects (long-term securement of IFLs in FSC certified concessions) may become the third cornerstone of IFL policy by SDG, in addition to protection of core IFLs and low impact management in other parts of IFLs.

The real issue is the requirement of new NFSS 7, Appendix 1H, that after 1st of January 2022 all newly certified IFLs should be 100% excluded from logging. This big issue probably reflects

³ The attitude may change with development of intensive forest management model, where local population may be engaged much more in thinning and reforestation operations, than nowadays.

international political debates around IFLs. In the same time they are not directly in line with M65 requirements, which do not contains such time closures for certification in IFLs. Such a radical requirement does not fully correspond to FSC three-chamber balanced approach to forest management and present political risk for FSC in conditions of development of national forest certification scheme and current government ideas to develop restrictions for certification in IFLs.

3.3. Social impacts

3.3.1. *How are the returns and costs of the implementation of Motion 65 benefitting or disadvantaging the different stakeholder groups?*

To define the social impacts, questionnaires were sent, and interviews were conducted with key social stakeholders, such as Center of Independent Social Research, Network for Sustainable Development of Rural Areas, Center for Support for Indigenous People of the North, the Union of Salvation of Pechora and Silver Taiga. The outcomes of interviews can be found in Table 4 (Appendix 1B). The summary of social impacts is provided below.

There is a mix impact of returns and costs of M65 implementation for different stakeholder groups in Russia. In the places, where local population *is significantly engaged* in forest management (FM), implementation of M65 may have *negative impact* on jobs, level of wages, social services. In places, where local population is *not engaged* in FM works, protection of part of IFLs has *moderate positive impacts* on well-being of people due to conservation of part of their traditional lands. Indigenous people are the most vulnerable group, they often have traditional hunting and fishing areas in IFL and they mostly welcome M65 approach.

3.3.2. *How are Indigenous Peoples, traditional peoples and/or forest dependent communities recognized and impacted (positively and/or negatively) by the Intact Forest Landscape, particularly within the certified concession?*

Collection (and sales) of wild berries, mushrooms, Siberian and Korean pine nuts, hunting and fishing provides a significant part of income for traditional and indigenous people, forest dependent communities in Russia. Some researches shows, that the share of income for self-employed or retired traditional people from forests may reach 60-80% of the overall income (*Non-timber forest products, WWF*). Normally these people use forests ecosystem services in 5-10 km range from settlements, if there are no car roads (only trails). Longer distances can be covered by traditional hunters and pine nuts pickers. In some places, like Onega peninsula in

Archangelsk region, IFL is located close to the settlements, while in other places the distance may be 30-50 km and more.

Intact forest landscapes are the area of traditional nature use by indigenous people, traditional people and forest dependent communities. Normally it serves as hunting and fishing areas and as recreation areas (for some traditional people). IFLs with Siberian and Korean pines in Siberia and the Russian Far East are used also for collection of pine nuts (non-timber forest products). Some northern pre-tundra IFLs in European part of Russia serves as pasture land for domesticated reindeer. It is important to note that intact forest landscapes form the traditional environment and natural heritage for such people, and change of this environment due to logging affects, to some extent, not only well-being, but also people lifestyles and mind. The value of forests, including IFLs, to traditional people depends on proximity of forests to settlements.

Protection of core IFLs in FSC certified concessions is a positive factor for the majority of indigenous and traditional people, which wellbeing does not depend on forest management. In certified forests, the companies carry out consultations with indigenous and traditional people in order to define and protect some of most important HCVF 5 and 6. In some places they may overlap with IFLs (HCVF 2).

3.4. Environmental impacts

To define the environmental impacts, the questionnaires were sent, and interviews were conducted with key environment stakeholders, such as WWF Russia (having representatives in several offices in Russia), Silver Taiga organization. The summary of findings is presented below.

Fragmentation of non-core IFLs, agreed for management by CHs with stakeholders, happens within the FSC-certified concessions (Fig. 5). The current NFSS 6-1 does not provide enough requirements to stop IFL fragmentation. The requirements of the new *NFSS 7* are much more focused on decreasing fragmentation even for non-core IFLs agreed for forest management. No government policies and mechanisms are in place to protect IFLs, the “*national heritage forests*” category is not yet operational and the discussion is on-going in the Federal Forest agency about its relevance to IFLs.

At the moment zoning of IFL for the purposes of protection and management is provided on the basis of negotiations between CH and stakeholders. Some CHs complain that stakeholders have different views and cannot agree with each other, or a company is in disagreement with stakeholders. Some consultants started to talk about forests of high economic values, which have priority over natural values. In such situation it is worth to explore more scientific based approach based on assessment of costs of ecosystem services. The relevant example for

Russia is the Belarus normative document – *Technical Code of Practice* (TCP) for assessing the value of biological diversity. Belarus Forestry Ministry uses this method, when disputes arise among different parties about the allocation of forest to commercial use or protection.

4. Recommendations of the Impact assessment research

The current IFL policy and NFSS 6 and draft NFSS 7 in Russia are largely based on environmental NGOs positions on protection and management of IFLs. This vision is based on significant practical socio-ecological experience, but does not fully incorporate economic aspects, which are important to safeguard FSC certification and ensure at least partial protection of IFLs in long term.

This research identified different impacts of NFSS 6-1 and M65 on IFLs, certificate holders and social stakeholders, including indigenous people. The overall recommendation of the M34 assessment to FSC Russia Board, SDG and FSC International is to develop a more balanced and site-adapted policy for protection and management of IFLs, to make it more flexible to the needs of stakeholders and certificate holders with the aim to ensure long-term and secure protection of IFLs by FSC scheme. This policy may be transformed later into Russian NFSS requirements during its next revision. The following action points are proposed to establish such a policy.

Action point 1. Urgently to resolve the conflict between the Government strategy's goal to increase the harvesting volume to 70 Mio m³ in 12 years mainly in IFL areas and FSC clause that foresees 100% protection of IFLs after 1st of January 2022

The Russian government adopted in 2018 the new forest sector strategy aimed to increase revenues from forests for the national economy. FSC clause, which requires 100% protection of IFLs after 2022, is based on the credibility issue and is largely connected with the Greenpeace vision on IFL (Greenpeace 2017). Possible consequences for the FSC scheme in Russia: the Government may decide to regulate FSC IFL requirements through the national legislation. Some announcements were already made on this subject by top officials (Rosleskhoz 17/2018). Whether FSC will not be able to conduct certification in IFL areas, other less demanding certification schemes that do not provide for protection for IFLs will certify these IFLs instead. As the result IFLs within the area of forest industry expansion may be lost.

Recommendations to FSC Russia board / SDG Russia: To revise this clause ASAP in the current standard setting cycle or after accreditation of the standard.

Action point 2. To fine-tune IFL protection thresholds for FSC CHs with a different level of dependence on IFL timber

The new draft NFSS 7 foresees three IFL protection thresholds: 30%, 50% and 80%. The significant number of FSC CHs with IFL in their concession has low percentage of IFLs (Fig 2). For example, around 30% of FSC CHs have 0.1-5% of concession area as IFL. These CHs have low dependence from IFL timber in their supply. It is recommended to test, whether other (e.g. higher) M65 thresholds are relevant for the CHs with low dependence from IFL timber. In case of moderate dependence from IFL timber (e.g. IFLs make up 20-30% of a concession), the more flexible thresholds, stretching from 30 to 50% are recommended. In case of high dependence only lowest threshold is feasible, while it may be revision of NFSS requirements for such category is needed. At the moment exemptions to the rules are regulated individually, while the more clear and objective procedures are needed for high IFL dependency situation.

Recommendation to SDG Russia: To elaborate a more flexible approach to IFL protection, than the current three-threshold approach, especially for situations with high dependency on IFLs.

Action point 3. To conduct a research on social policy in IFLs, with focus on practical solutions for certification of forest holdings

It was found that nine large forest holdings in Russia are responsible for 92% protection of IFLs. FSC aim is to ensure long term conservation of IFLs within the certified concessions. This can be achieved only if forest holdings will have continuous certification according to FSC scheme and will be satisfied by the outcomes of FSC certification. One large holding has already left FSC, one or two holdings may follow in 2-5 years. It is recommended for FSC Russia / SDG to conduct a research, which will focus on social aspects of IFL protection within forest holdings. As an example, some forest holdings have 1-2 harvesting companies, where the % of IFLs in the concession is higher, than average (e.g. Ust-Pokshenga LPH, Krasnovishersk Les et al) and the requirements for their protection are high. At the same time local population there may be dependent from forest management. Strict IFL requirements may lead to social collapses, which cannot be the goal of FSC and organizations, which seek the harmony between nature and people. It is important to investigate the situations in depth, to elaborate suggestions how to deal with such difficult social situations, and to provide recommendations for amendment, if necessary, existing FSC policies and procedures.

Recommendation to SDG / Board FSC Russia: To provide a research of social situations in forest holdings, discuss and adapt existing IFL obligations and future IFL policy to the social and economic situations of forest holdings.

Action point 4. To resolve contradiction between long-term conservation of IFLs in FSC certified concessions and current volumes of harvesting and timber consumption

The recent research (*Lopatin et al, 2018*) indicates that around 38% of existing CHs in IFL may have long-term problems with the sustainability, and with the current level of timber consumption it may start to use timber from core IFLs at the end of a 80-year rotation cycle. Sustainability aspects (long-term securement of IFLs in FSC certified concessions) should become the third cornerstone of IFL policy by SDG in addition to protection of core IFLs and low impact management in other parts of IFLs.

Recommendation to SDG / Board of FSC Russia: To continue research the sustainability of harvesting in IFL areas, but to do that in a dialogue with forest holdings and with the use of a better set of data.

Action point 5. To improve stakeholder consultations for IFL zoning

It was found that some FSC CHs complained on the quality of negotiations with stakeholders, especially in situations, when stakeholders have different opinions about zoning of IFLs. As stakeholders are part of FSC scheme, it is necessary to discuss and propose clearer rules for stakeholder consultations, and the role of SDG in case of disagreement between stakeholders. This is especially important in the case of government's active engagement in IFL process and possibilities for unexperienced stakeholders (from Parliament's organized regional forest forums) to be engaged in IFL consultations.

Recommendations to SDG Russia: To prepare recommendations for stakeholder consultations.

Action point 6. To provide additional economic and image incentives for certificate holders in IFLs

Very high costs of protection of IFLs by CHs were identified. The single incentive for companies to cover these costs is FSC certification. It is important to offer additional incentives for FSC CHs in IFLs. One of the incentives is application of FSC ecosystem services to the companies in IFL. There is a need to develop communication templates which will emphasis company commitment to protect IFL and inform market about it.

Recommendations to FSC International: To develop pilot project on ecosystem certification for FSC CH in IFL in Russia. To develop communication package / template for FSC CHs with IFL, aimed to deliver information about company commitment to protect IFL. Inform market players about this initiative.

Action point 7. To test monetary assessment of ecosystem services for biodiversity protection in IFL zoning

Difficult and painful stakeholder consultations to develop zoning of IFL (and other HCVF), may be improved and in some cases replaced by the approach, successfully implemented in Belarus (*Technical Code of Practice, 2012*) and some other countries. This approach consists of application of monetary assessment of ecosystem services to define areas suitable for conservation and areas for management. The use of this approach may help in case of disagreements and disputes between stakeholders and CH. It can be also regarded as a step toward implementation of FSC long-term aim – the true value of forests is recognized and fully incorporated into society.

Recommendation to SDG / FSC Russia board: To provide a pilot project on the use of monetary assessment of ecosystem services to define areas suitable for conservation and areas for management.

Action point 8. To amend the FSC Russia Web resource about traditional and indigenous people with focus on IFLs

The analysis of CB audit reports in the areas, where traditional and indigenous people are potentially present, according the map (maps.fsc.ru) shows, that only in a limited amount of cases such groups were mentioned and touched in the audits reports. To fill this gap, and according the requirement of the new draft NFSS 7 for Russia it is recommended to amend the existing web resource (GIS), addressed to CBs, stakeholders, experts about indigenous and traditional people presence *in and nearby IFLs*, their legal and common rights, ownership and land-use rights, their intentions and plans in IFLs, existing disputes et al. This web resource will cover current information gaps and facilitate better stakeholder consultations.

Recommendation to FSC Russia: To amend existing FSC web resource that provides information about the presence of traditional and indigenous people, by incorporating information on indigenous people rights, intentions and plans with focus on the areas within and nearby IFLs.

5. Annex 1. Additional information and results of assessment

a. Motion 34 / 2017. Source: ic.fsc.org

34 / 2017	Regional assessments of the impacts of the implementation of Motion 65/2014
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Policy Motion

Original language: English

	PROPOSER:	1st SECONDER:	2nd SECONDER:
Name:	Benoit Jobbe Duval	Dr Marie Mbolo	Mr. Elie Olivier Ngoa
Organization:	ATIBT	Individual	Individual
Chamber:	Economic North	Social South	Environmental South
E-mail:	benoit.jobbeduval@atibt.org	mbolo821@gmail.com	Elie.Ngoa@gfa-group.de

Policy Motion (high-level action request):

Enable the conducting of regional assessments of the short and long-term impacts – positive and negative – of the management and protection measures associated with the implementation of Motion 65/2014 and the International Generic Indicators (IGI) which are the starting point for developing National Standards. In accordance with item 5 of the Motion, these assessments should compare various scenarios of implementing Motion 65/2014 and the IGIs and consider the environmental, social, and economic dimensions. Particular effort will be made to ensure the inclusion of impacts on indigenous Peoples, traditional peoples and forest dependent communities in these assessments.

b. Findings of the M34 assessment

Table 1. Management regimes for IFLs in the current Russian NFSS 6-1 and Motion 65/2014. Source: FSC Russia web site

Management regime for Intact forest landscapes according FSC-STD-RUS-V6-1-2012 National Forest stewardship standard for Russia	Management requirements for Intact forest landscapes according Motion 65/2014
<p>Criterion 9.1. Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.</p> <p>Criterion 9.2. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof</p> <p>Criterion 9.3. The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary</p> <p>9.3.3. Large forest landscapes minimally disturbed by human agency shall be conserved.</p> <p>Guidance: Types of human agency that threaten these HCVF see by the example of intact forest landscapes (national level HCVF). Similar approaches can be used for identifying this HCVF category at the</p>	<p>To ensure the implementation of Principle 9 and the protection of Intact Forest Landscapes – the world’s remaining large undisturbed forest areas contained in HCV2 - across FSC certified operations, FSC will direct Standard Development Groups (SDGs) and Certification Bodies (CBs), where no SDG exists, to develop, modify, or strengthen (according to standards revision processes) indicators within National Standards and CB standards that aim to protect the vast majorities of IFLs. Taking into account scale, intensity and risk as well as respecting the activities, customary and legal rights of traditional forest communities, this process will:</p> <ol style="list-style-type: none"> 1) Be based on best available, independent, peer-reviewed science and other information; 2) Take into consideration IFL degradation in FSC FMUs since 2000; 3) Respect Free Prior and Informed Consent of indigenous Peoples, traditional peoples and forest dependent communities in affected FMUs; 4) Within IFL cores ensure that Certificate Holders implement protection measures (for example, set-asides, legal protected areas, conservation reserves, deferrals, community reserves, indigenous protected areas etc.) ensuring management for intactness, in areas within their

<p>regional level. Approaches to management see Annex E, section Management of HCVF.</p> <p>9.3.4. In cases when a large forest landscape minimally disturbed by human agency cannot be completely conserved due to specific local social conditions, strict conservation zones completely excluded from road and forestry development activities shall be established at part of its area.</p> <p>Guidance: See further Annex E, section Management of HCVF</p> <p>9.3.5. Strict conservation zones (see 9.3.4) shall be surrounded with buffer zones</p> <p>9.3.6. Within the buffer zones (see 9.3.5), best available forestry technologies and practices with regard to conservation of biodiversity and forest ecosystem shall be implemented.</p> <p>Guidance: Such technologies shall include harvesting techniques that mimic natural dynamics of a particular forest type (see 6.3.5) and provide maximum preservation of forest environment and its patchiness, key habitats (see 6.2), key stand elements (6.3.9, 6.3.14), as well as HCVF (9.1). See Annex E, section Management of HCVF</p>	<p>control;</p> <p>5) Require a comparative assessment of the viability and effectiveness of alternative land use options, in maintaining and enhancing intactness of IFLs including in areas outside FSC FMUs (landscape level);</p> <p>6) In limited circumstances, allow limited development of IFL cores if such operations produce clear, substantial, additional, long-term conservation and social benefits;</p> <p>7) Where applicable, address the need to reduce timber harvesting rates to reflect any reduction in the timber volume due to removal of IFL areas from harvesting;</p> <p>8) Prioritize development of low-impact/small scale forest management, non-timber forest; products in unallocated IFL areas, and provide first access to local communities an taking into consideration section iii;</p> <p>9) Promote alternative models for forest management/conservation (for example, ecosystem services etc.) within the IFLs,</p> <p>If by the end of 2016 a relevant standard has not been implemented, a default indicator will apply that mandates the full protection of a core area of each IFL within the management unit. For this purpose, the core area of the IFL will be defined as an area of forest comprising at least 80% of the intact forest landscape falling within the FMU</p>
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Table 2. Level of compliance of current FSC-STD-RUS-V6-1-2012 National Forest stewardship standard for Russia and Motion 65/2014 requirements

Main requirements of Motion 65/2014	Level of compliance
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Aims to protect the vast majorities of IFLs	Full
Takes into account Scale, Intensity, Risks	None
Takes into account customary and legal rights of traditional forest communities	Full
Based on best available, independent, peer-reviewed science and other information	Partial
Takes into consideration IFL degradation in FSC FMUs since 2000	Partial
Respects Free Prior and Informed Consent of indigenous Peoples, traditional peoples and forest dependent communities in affected FMUs	Partial (FPIC is incorporated in the new NFSS 7)
Within IFL cores ensures that Certificate Holders implement protection measures	Full
Requires a comparative assessment of the viability and effectiveness of alternative land use options, in maintaining and enhancing intactness of IFLs including in areas outside FSC FMUs (landscape level);	Partial
In limited circumstances, allows limited development of IFL cores if such operations produce clear, substantial, additional, long-term conservation and social benefits	Partial
Where applicable, addresses the need to reduce timber harvesting rates to reflect any reduction in the timber volume due to removal of IFL areas from harvesting	Partial
Prioritizes development of low-impact/small scale forest management, non-timber forest products in unallocated IFL areas, and provide first access to local communities an taking into consideration section iii	Full
Promotes alternative models for forest management/conservation (for example, ecosystem services etc.) within the IFLs	Partial

Table 3. Summary of certificate holders and stakeholders answers to Motion 34 questions (as per Guidelines for M34/2017). Adapted by A. Ptichnikov

3.1.1.1 How much of the total revenue and how	The average share of IFLs among FSC forest holdings is 13.5%. That figures varies from 2.3% for Ilim Group up to 28% for Titan
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<p>much of the annual harvest of the company is coming from Intact Forest Landscapes?</p>	<p>Group. Most of interviewed forest holdings report about 5-20% timber coming from IFLs, while 2 holdings report higher figures (up to 40%). The share of IFL in controlled wood supply is not counted there. It is likely that the similar amount of holdings revenue is coming from IFLs</p>
<p>3.1.1.2 What are the costs and benefits flow for (potentially interested) certificate holders?</p>	<p>The costs of implementation of M65 are associated with the protection of core parts of IFLs and needs to exchange timber from core IFL by a timber from suppliers. It is reported by CHs, that suppliers wood may cost more 20-25%, than own wood. Payments of forest fees for protected IFLs are another cost of M65 implementation. It varies from low levels, in case if the company implements priority investment project (50% discount on leasing fee), up to sufficient levels, if company already had not such discount.</p> <p>At the moment the single benefit for IFL voluntary protection is FSC certification. One carbon sequestration project, managed by a CH in Russian Far East for protected IFL is not yet successful and is expensive in implementation. Company image or ecosystem services certification benefits are not feasible yet as benefits for the CHs</p>
<p>3.1.1.3 How do IFL IGI and the Instructions for Standard Developers contribute to minimizing the economic burden and improving economic viability for (potentially interested) certificate holders / stakeholders (scenarios: no protection, 30% protection, 50% protection, 80% protection)?</p>	<p>It was difficult for companies to define what are the specific benefits of IFL IGIs that minimize the economic burden of companies. The opinion is that M65 and IGIs raised requirements for IFLs, comparing the current Russian FSC NFSS 6-1. At the same time few interviewed companies reported that implementation of 30% protection threshold in IFLs protection may slightly decrease their current burden. As for 50% and 80% scenarios, they are difficult for the most CHs, except with low dependence from IFLs (see p. 3.1.3 in the text)</p>
<p>3.1.1.4 What is the economic impact of</p>	<p>Social stakeholders, including indigenous and traditional people, living in or adjacent to IFLs, may have different attitude to harvesting</p>

<p>protecting a percentage (see scenarios in 3.1.1.3) of a Management Unit for different stakeholders (e.g. Indigenous and Traditional Peoples and local communities) living in or adjacent to the Management Unit?</p>	<p>in IFLs. If the local population employment is dependent from forestry and forest industry, some of them may see the economic value from logging IFLs. For the people, who are self-employed as hunters, fishermen, collectors of non-timber forest products there is almost no economic benefits from harvesting IFLs. As closer social stakeholders settlements are to IFL area, as their consolidation is higher against the logging, and vice versa. Their main perception is that road building and opening access to their traditional hunting (and fishing) areas to loggers, poachers will have negative impact on their economic well-being. As the compromise they are in favor for less damaging M65 scenarios (50%, and especially 80%). In the same time the general attitude of local communities depends upon employment in forest sector: in some communities the overall attitude to logging in IFL may be different from generally negative</p>
<p>3.1.1.5 What do (potentially interested) certificate holders / stakeholders consider as an acceptable economic threshold of protecting IFL areas within the MU (i.e. % of MU)?</p>	<p>The current general level of IFL voluntary protection is around 28% from the leased IFLs. Some CHs have higher current IFL protection thresholds. The majority of interviewed CHs see the current level of IFL voluntary protection as the maximum acceptable threshold. As to economic thresholds - see p. 3.1.3 in the text. At the same time some CHs with high dependence from IFLs, or holdings with some daughter companies with high dependence express opinion on lowering IFL threshold for these CHs on exception basis. This is very important area for further consideration for Russian SDG to set-up IFL policy for such type of CHs. At the same it is also important to verify, if such companies have sustainable forest management plans in a longer term. The sustainability aspect may become the third cornerstone of IFL policy by SDG, in addition to protection of core IFLs and low impact management in other parts of IFLs.</p> <p>The stakeholders position is shown above in 3.1.1.4</p>
<p>3.1.2.1 What investments of the (potentially interested) certificate holders were / will be required which are specifically related to</p>	<p>The specific investments related to implementation of M65 are investments to secure protection of some core IFLs. These investments include <i>payments of the leasing fee</i> (for voluntary protected forests) and <i>costs of substitution of timber from IFLs to similar volume of timber from suppliers</i>. These costs are generally 25-30% higher than own harvesting.</p>

<p>the implementation of M65/2014 on Intact Forest Landscapes? (e.g. funds needed to cover operating expenses)</p>	<p>The CHs report the following overall economic losses from non-logging IFLs, which should be compensated by investments (based on companies estimates): Ilim Group – 400 Mio Rub, Solikamskbumprom – 224 Mio Rub, Titan Group – 1.1 Billion Rub! That is equal to 26 Mio USD for these 3 companies only. The method used by companies is discussionable, it does not consider the costs of road building, which are normally not included in the calculation of costs of harvesting and other aspects and refer to indefinite period, likely forest rotation period (100 years). At the same time it is likely that the costs of such investments make up <i>millions or first dozen millions</i> of USD for the area of IFL protected for rotation long period.</p> <p>The investments required for implementation of the new draft NFSS for new certifications are connected with new requirements, such as low impact forestry in non-core IFLs in 30% and 50% threshold scenarios. This investment may be significant, as it requires change of planning methods and change of equipment and working methods. At present only one company (Ilim Group) demonstrates the readiness for low impact forestry investments, while other companies. At the same time the establishment of official protected areas within the voluntary protected forests may decrease leasing fees and decrease companies investments.</p> <p><i>The real time bomb is the requirement of Appendix 1H, that after 1st of January 2022 all newly certified IFLs should be 100% excluded from logging.</i> This time bomb probably reflects political issues around IFLs, but it is not in line with M65 requirement, does not fully correspond to FSC three chamber balanced approach to forest management and present political risk for FSC in conditions of development of national forest certification scheme. It is recommended to SDG to discuss again implications of this close</p>
<p>3.1.2.2 What are the cash flow implications for the (potentially interested) certificate holder over time? How does this influence sustainable</p>	<p>Additional investment to secure IFLs is described above (3.1.2.2). The new draft NFSS 7 will require special investments to ensure low impact forestry (see above), which will affect cash flows. At the moment it is not possible to estimate the level of cash flow implications due to absence of experience in this area.</p> <p>More important is to ensure that the harvesting level of CHs with IFL</p>

<p>management of the forests?</p>	<p>is sustainable (inexhaustible). The research (<i>Lopatin et al, 2018</i>) indicated that around 38% of existing CHs in IFL may have long-term problems with the sustainability and with the current level of timber consumption may at the end of a 80-year rotation cycle start to use timber from core IFLs. In this sense, additional cash flows will be associated with the procurement of additional timber for the CHs with problems with the sustainability to ensure additional procurement of timber from suppliers to compensate the reduction in own harvesting</p>
<p>3.1.2.3 How stable and predictable are the costs and benefits flows for the (potentially interested) certificate holder?</p>	<p>At the moment there are two unpredictable costs for CHs with IFL: the costs of low impact forest management in IFLs (according to the new draft NFSS 7) and the costs of additional wood procurement to compensate the reduction of own harvesting due to harvesting sustainability problems (future cost)</p>
<p>3.1.3 Are subsidies, investments or other incentives received (from government) to make the implementation attractive?</p>	<p>The only incentive provided by the Government of Russia for priority investment projects in the forest sector is the 50% discount on leasing fee for the limited period. This incentive may support expansion of company harvesting operations into new IFLs areas. This incentive is valid during the limited time of establishment of priority investment projects, normally 5 years</p>
<p>3.1.4 How do affected stakeholders react to various economic impact scenarios? (e.g. continuing certification, dropping certification, moving to a less demanding certification scheme)</p>	<p>The informed and active affected stakeholders normally support FSC certification of nearby forests. At the moment we do not have evidences or examples of stakeholder's reaction to various certification scenarios. Most likely stakeholders will react negatively to the drop of certification or transfer certification to less demanding schemes that do not provide for sufficient rights to affected stakeholders</p>
<p>3.1.5 What indirect/intangible economic benefits may arise from the implementation of</p>	<p>No indirect / intangible benefits are currently used by CHs from protection of IFLs. There is a certain interest of CHs to ecosystem service certification and greenhouse gases emission reduction projects connected with conservation of IFLs. In the same time CH would like to see of feel economic benefits from these new</p>

Motion 65? (e.g. protecting IFLs improves the image and value of the FSC brand). What risks may arise from the implementation of Motion 65?	approaches. The risks of implementation M65 is connected with the criticism of CH due to their IFL protection from Government officials. In some cases (e.g. Khabarovsk region in 2011) that criticism created significant problems for CHs
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3.2.1.1 To which degree do they impact on people

3.2.1.1.1 Social services (access to health care, schools, security) of the rural municipalities and indigenous groups	<i>Low and mix impact of M65.</i> The access to social services in settlements nearby IFLs depends on amount of populations, availability of jobs and payment of taxes. There is no connection between social services and implementation of M65. In some settlements, where people may lost job in forest sector, some negative social consequences may occur
3.2.1.1.2 Tax from the concessions	<i>Almost no impact of M65.</i> Leasing fee go to a regional, not a local level, to impact on people from it. At the moment CHs continue to pay concession tax (leasing fee) if the core IFL are voluntary protected
3.2.1.1.3 Employment of forest workers	<i>Medium and mix impact of M65.</i> In some settlements (like Ust-Pokshenga in Archangelsk) the reduction of logging in IFL may lead to unemployment. In other places there is no impact, as local people are not involved in forest sector
3.2.1.1.4 Indigenous peoples access	<i>Medium positive impact of M65.</i> Harvesting in IFL sometimes lead to loss of traditional hunting and fishing areas of some indigenous people. In some places indigenous people receives small subsidies from CHs for engagement in their areas, but it is rather small to compensate losses.
3.2.1.1.5 Recreation	<i>Medium positive impact of M65.</i> IFLs have a value for recreation in some areas, especially for outdoor tourists (hikers, kayakers)
3.2.2.1 With respect to traditional knowledge?	We do not have facts that companies use the traditional knowledge of these people

3.3.1 What is the historical	Some IFLs, especially in European Russia and the Southern
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<p>background of the IFL in which the (potentially interested) certificate holders is operating?</p>	<p>Russian Far East were previously inhabited and may have a network of small villages or settlements. In 50-60s years of 20th century due to policy of settlements centralization, many of these villages were abandoned. At the moment nearly all IFLs are not inhabited, but some of the them visited and used to some extent by traditional and indigenous people (see 3.2.2)</p>
<p>3.3.1.1 Is fragmentation happening in the IFL in which the (potentially interested) certificate holder has its operations? If so, what are the main reasons?</p>	<p>An example of fragmentation of IFL is shown on Fig. 5. Fragmentation also happens within the FSC certified IFLs, as part of IFL may be used for forest management (by agreement with stakeholders), and the current standard does not provide strong requirements to stop fragmentation of IFLs agreed for harvesting. The new Russian NFSS 7 provides for more strict requirements against fragmentation</p>
<p>3.3.2 What mechanisms or policies are in place to protect the IFLs in the region/country? How effective are they?</p>	<p>At the moment there are no government policies and mechanisms to protect IFLs, except the possibility to nominate IFL “hotspots” as national heritage forests. This mechanism is not operational yet, last month’s Federal Forest Agency expresses doubts about the relevance of <i>national heritage forests</i> to IFLs, as they do want to reduce AAC due to FSC/IFLs.</p>

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