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REVIEW OF ACTIVITIES SINCE THE FIFTY-FIFTH SESSION
AND PROGRAMME OF WORK FOR 1999 TO 2003

JOINT FAO EFC/UN-ECE TIMBER COMMITTEE
KARELIAN FOREST STUDY TOUR
(24-26 October 1998)

(Item 6 of the Provisional Agenda)

Note by the secretariat

This document contains background information on the study tour and a registration form. It would be appreciated if national authorities could circulate this note, among interested experts and organisations in their respective countries.

The deadline for submission of the registration form is 4 September 1998.

INTRODUCTION

1. The joint FAO EFC/ECE Timber Committee study tour will take place from 24 to 26 October 1998 at the invitation of the governments of Finland and the Russian Federation. The tour will focus upon boreal forest management in the border region between the Russian Federation and Finland, with emphasis on the balance between the economic, social and ecological elements of sustainability. Participants will be able to discuss these aspects of forestry with experts from both countries. In addition, participants will discover these countries' landscapes and cultures.

2. This document contains background information on the study tour and a registration form.

3. It would be appreciated if national authorities who receive this document could circulate it to organisations and individuals within their respective countries. This document and the registration form may be duplicated or additional copies may be obtained from the UN-ECE Trade Division, Timber Section, Palais des Nations, CH-1211 Geneva 10, Switzerland (Fax: 41 22 917 0041, E-mail: info.timber@unece.org; it is also available on the Timber Committee home page at <http://www.unece.org/trade/timber>. Eventual changes to the programme will be posted on the above-mentioned home page.

BACKGROUND

THE FOREST SECTOR IN RUSSIA AND IN THE REPUBLIC OF KARELIA

4. The forests of the Russian Federation comprise over one fifth of the world's timber resources. The forested area per capita for Russia as a whole is 5.1 ha; this is much higher than the respective figures in Nordic countries and in North America, which is 3.4. Total forest land in Russia is 1 180.9 mill. ha, including stocked forest land which amounts to 763.5 mill. ha. The respective figures in Northwest Russia (Rep. of Karelia and Komi, Arkhangelsk, Leningrad, Murmansk and Vologda regions) are 85.7 and 83.5 mill. ha. The total growing stock in the Russian Federation is 80.7 bill. m³ and in Northwest Russia is 8.8 bill. m³.

5. Northwest Russia (NWR) plays a strategic role in the Russian forest industry. At present approximately half of the country's pulp and paper products and sawnwood are produced in the region. Northwest Russia provides wood raw material and forest industrial products for the entire country. Approximately 30% of NWR's forest-industry production is exported.

6. The Russian forest sector has faced severe difficulties in recent years. In practice, less than half of the allowable cut has been exploited. This has been the result of heavily rising transportation costs and the distances involved in the supply of raw material, inefficient and often less appropriate forest harvesting practices and an increasing share of forests needed for intermediate fellings because of the lack of appropriate harvesting methods and skills for forest work.

7. At the same time, forest industries have been running with a decreasing rate of production capacity, as low as 25-30% in many branches. With this capacity rate, it is not possible to hold the standard of production capacity at the level needed for international markets and competition. This has partly resulted in a degradation of production capacity and a growing need for renovation and new investments. However, international and foreign investors have not been very interested thus far in investments because of the relatively insecure investment climate and other obstacles in the foreign trade process of imported and exported goods.

8. In Northwest Russia the level of utilisation of the annual allowable cut has

been highest in the Republic of Karelia in recent years, where approximately 60% of the allowable cut has been realised. The volume harvested was 20 mill. m3 in the 1960's and 1970's and at that time the planned allowable cut was on the average 30 mill. m3. In recent years, the planned allowable cut in Karelia has been equal to annual forest growth, i.e. 10-12 mill. m3, with 8-9 mill. m3 of this comprising coniferous growing stock. The planned annual harvest volume to be obtained from thinnings is 1.5-2.0 mill. m3.

9. Over 50% of the clearfelled areas have been artificially regenerated during the last decades. The mean annual area for artificial regeneration was 46 000 ha from the 1960's to the end of the 1980's. Karelian forest authorities met severe difficulties with regeneration in the 1990's but the areas have grown again during the last few years. This theme is also emphasized in international cooperation with the Finnish authorities. An average one third of the clearfelled areas have been regenerated naturally.

10. Though there have at times been differences between forest conservation areas and forests used for commercial purposes, the forest balance provides a basis for the sustainable utilisation of forests and forest operations follow these guidelines and recommendations. The conservation and utilisation of forests are very well balanced in the Republic of Karelia and thus sustainability is not endangered, as a planned and systematic use of Karelian forests is increasing.

11. The most interesting international development activities in the Republic concern the comparison of traditional Russian and new Scandinavian forest management planning and forest harvesting methods that are practiced in the Finnish-Russian programme of the Taiga-model forest, located 30 km from Petroszavodsk.

FOREST SECTOR IN FINLAND, AND IN NORTH KARELIA IN PARTICULAR

North-Karelia is the easternmost part of Finland and the European Union - a region whose forests provide good potential for future development both with regard to its dense and well-growing forest and abundant timber resources and its beautiful natural landscape with rafts and wilderness areas. Today the forest sector is one of the main sectors by employment and regional income. It is also given special emphasis when reflecting the future of the region.

| | North-Karelia | Finland |
|-----------------------|---------------------------|---------------------------|
| Total land area | 17 728 km ² | 304 620 km ² |
| Arable land | 4.1% | 10% |
| Population | 177 271 inh. | 5 080 000 inh. |
| Population density | 9.94 inh./km ² | 16.4 inh./km ² |
| GDP per capita (1994) | 71 000 FIM | 88 000 FIM |
| GDP by sector (1994) | | |
| Primary sector | 13.1% | 6.1% |
| Industry | 31.4% | 32.5% |
| Services | 31.6% | 42.6% |
| Public activities | 23.9% | 18.8% |
| Employment by sector | | |
| Primary sector | 13.1% | 7.8% |
| Industry | 31.4% | 27.6% |
| Services | 55.5% | 64.6% |
| Unemployment (1995) | 24.0% | 17.2% |

Source: *Regional Council of North-Karelia, 1997 and Statistical Year Book of Forestry 1996.*

| | North-Karelia | Finland |
|--|--|---|
| Forest area | 1.42 mill.ha | 19.5 mill. Ha |
| Exploitable forest area of total area | 80.1% | 64% |
| Forest area per capita | 8.80 ha/inh. | 4.68 ha/inh. |
| Share of forestry land | | |
| forestry land | 78.7% | 65.8% |
| scrub land | 4.8% | 9.8% |
| waste land | 3.4% | 10.3% |
| roads, depots, etc. | 0.8% | 0.5% |
| Growing stock per hectare | 146.8 mill m ³ 98 m ³ /ha | 1886.6 mill m ³ 91.9 m ³ /ha |
| Tree species by growing stock volumes (%) | | |
| pines | 50.0 | 45.8 |
| spruce | 33.2 | 36.6 |
| birch | 13.6 | 14.6 |
| other broadleaves | 3.1 | 3.1 |
| Removals (1995) | 5.0 mill m ³ | 56.7 mill m ³ |
| Nature conservation areas on State land | | |
| National parks | 11 700 ha | 681 800 ha |
| Stric nature reserves | 2 100 ha | 149 000 ha |
| Peatlands | 5 000 ha | 404 900 ha |
| Herb-rich forest | - | 1 200 ha |
| Old-growth forests | 1 000 ha | 8 800 ha |
| Wilderness areas | - | 1 378 600 ha |
| Other | 6 700 ha | 45 800 ha |

Source: *Statistical yearbook of forestry, 1996.*

FOREST RESOURCES

12. Forest land in North-Karelia represents 80% of the total area, with good growing potential. The average annual growth of forests is around 5 million m³, but during the past decades annual fellings have varied between 3.2 and 4.8 million m³. The extensive forest resources in North-Karelia do not only cover the above indicated timber resources, but also non-wood resources: hunting, fishing, picking berries and mushrooms, landscape values and possibilities for

outdoor activities, forest-based tourism and recreation.

FOREST OWNERSHIP

13. When comparing forest ownership structure, the share of forests owned by companies in North-Karelia is higher than the country average (7.7%) and the share of state forests is higher in country comparison (33.4%)

| | |
|-----------|-----|
| Private | 54% |
| Companies | 22% |
| State | 21% |
| Others | 3% |

Source: *Statistical Yearbook of Forestry, 1996*

EMPLOYMENT AND INCOME FROM FOREST SECTOR

14. For generations the forest resources of North-Karelia have provided job opportunities both in forestry and forest-based industries. Today, a total of 6000 people earn their living directly from forestry or forest industries.

15. The characteristics of the forest industry in the region is large-scale industry, such as the pulpmill, sawmills and paperboard mills of Enso Ltd., the plywood factory of UPM-Kymmene Ltd., and the sawmills of Vapo Timber Ltd. In addition to the large-scale sector, there are over 300 small and medium sized forest enterprises employing over 1000 people.

16. The employment effect of the forest sector extends not only to forestry or forest industries, but also to work opportunities in transportation, services for forest industries and in related sectors, such as metal and engineering industries and manufacturing forest machines and machinery.

Ten largest forest companies in North-karelia

| | |
|------------------|--------------------------|
| Total employees | 1841 |
| Turnover | 3.8 billion FIM |
| Wood consumption | 5.8 mill. m ³ |

Forest sector SMEs in North-Karelia (1995)

| | | |
|---------------------------|-----------|----------------|
| Sawing, planing, dressing | 141 firms | |
| Wood construction | 55 firms | |
| Carpentry | 97 firms | |
| Other wood products | 44 firms | |
| Total | 337 firms | 1072 employees |

Forest sector exports from North-Karelia

| | | |
|------|-------------------|------------------------|
| 1994 | 1.756 billion FIM | of total exports 61.3% |
| 1995 | 2.090 billion FIM | 60.5% |
| 1996 | 1.918 billion FIM | 56.6% |

Sources: *FORWARD project, 1996; PuuSuomi project, 1995 and the Foresign Trade Associan, Regional Office in Joensuu*

17. The forest sector represents approximately 60% of the export income for the region - a high share compared with the approximately 40% level in national figures. Main markets for North-Karelian products are in the European Union, but products are also sold to Russia, USA and Japan.

CONCENTRATION OF KNOW-HOW AND EXPERTISE

18. North-Karelian forestry and forest industry, together with forestry education and research form a regional concentration of know-how and industrial investments. There is training available at all levels from vocational training to polytechnics and university degrees. These units are also active in research and international co-operation. In addition, the Finnish Forest Research Institute has a research station in Joensuu and the European Forest Institute (EFI) is a node of international contacts and networking.

PROVISIONAL PROGRAMME

| | |
|----------------------------|---|
| Saturday 24 October | Participants arrive at Joensuu |
| 14.00 | Opening of the seminar |
| | Presentations of Finnish and Russian border regions and forestry cooperation |
| 17.00 | Multilateral forestry cooperation in the northern part of Europe |
| 18.30 | Presentation of European Forest Institute |
| 19.30 | Dinner |
| Sunday 25 October | |
| 8.00 | Departure by bus to Russia |
| | Presentation of forest management, logging and biodiversity matters |
| | Return to Joensuu in the evening |
| Monday 26 October | Excursion in the Joensuu region: |
| | Presentation of forest management and comparison of biodiversity in Russian and Finnish forests |
| | (A more detailed programme will be sent upon request) |

COSTS OF THE STUDY TOUR

19. Participants will pay their own travel to and from Joensuu. The tour fee of US\$ 670 includes: all transportation during the excursions; all meals from lunch on Saturday 24 October through lunch on Monday 26 October, excluding the evening meal on Sunday 25 October; hotel accommodation in single rooms; services of guides and interpreters. Please note that hotel accommodation for the night of Monday 26 October is not included.

PAYMENT

20. The entire fee of US\$ 670 should be sent for each person to the following account:

EFI
104030-308969
Merita Joensuu (name of Bank)
Siltakatu 12 (address)
80100 Joensuu
Finland

Please clearly state the name of the participant and the name of the organization represented for each payment, and fax a copy of the bank draft to:

Ms. Pajari
EFI
Fax. No.: 358 13 124 393

21. The attached registration form should be sent by 4 September 1998 to:
Sari Linnankari
Ministry of Agriculture and Forestry
Hallituskatu 3 A
00100 Helsinki Telephone: 358-9-160 9171
Fax: 358-9-160 2266

LANGUAGES

22. The tour and the seminar will be conducted in English and Russian with interpretation into the other languages when needed.

WEATHER AND CLOTHING

23. Daytime temperatures may vary between +5 and -10 C. During forest visits participants should wear appropriate boots, rain coats etc.

PASSPORTS AND VISAS

24. Participants must hold valid passports and a visa for Russia. In case a personal invitation is needed or problems arise, contact:
Ms. Ulla Westermarck
The Ministry of Agriculture and Forestry
International Affairs
Hallituskatu 3a
00100 Helsinki Telephone: 00358 9 1602427
Fax: 00358 9 1602266
email: ulla.westermarck@mmm.fi

REGISTRATION FORM
(Please use typewriter or block letters)

FAO-EUROPEAN FORESTRY COMMISSION/UN-ECE TIMBER
COMMITTEE KARELIAN FOREST STUDY TOUR

24-26 October 1998

To be completed and sent with evidence of payment of the study tour fee (US\$670) by 4 September 1998 to:

Sari Linnankari
Hallituskatu 3 A
00100 HELSINKI (Finland)
Fax:358-9-160 22 66
E-mail:sari.linnankari@mmm.fi

with a copy for information to:
Mr.C.Prins
UN-ECE Trade Division
Timber Section
Palais des Nations
CH-1211 Geneva 10 (Switzerland)
Fax: 41 22 917 0041
E-mail: info.timber@unece.org

Family name: Mr./Ms.

First name:

Title:

Address:

.

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Telephone:

Fax:

E-Mail:

Representative of (country/organization)

Accompanied by:

I shall arrive in Joensuu on. at hours

by plane (flight No.)/or by

Payment made on

(copy of bank receipt sent to Ms. Pajari on)

Date:

Signature: