

## Impact assessment of revisions to PEFC FI criteria standard - Abstract

Tapio Palvelut Oy and Pellervo Economic Research PTT have approved this English-language abstract, based on the abstract of the Finnish-language report 'Impact assessment of revisions to criteria of PEFC FI criteria standard'.

Note: The phrase 'PEFC FI criteria standard' refers to the PEFC FI 1002:2022 standard.

### Abstract

The criteria of the PEFC Forest Certification are checked every five years. The assessment made in collaboration by Tapio Palvelut Oy and Pellervo Economic Research PTT concerned the impact on forests and forestry and, to some extent, society at large, of the differences between the forest management standard PEFC FI 1002:2014 currently used in Finland and the standard version elaborated in 2019–2021 by the PEFC Standard Setting Working Group.

The version approved by the Standard Setting Working Group was published as the standard PEFC FI 1002:2022.

In this abstract, references to criteria follow the numbering used by the Standard Setting Working Group and the numbering of requirements in the standard PEFC FI 1002:2022

Tapio Palvelut Oy and Pellervo Economic Research PTT were commissioned to produce this assessment by PEFC Finland – Finnish Forest Certification Council. The work was supported by the Development Group of PEFC Finland, which was requested to comment on the assessment's text to clarify interpretations of the standard version.

The impact of buffer zones of mires and water bodies (Criteria 11 and 17 / requirements 8.16 and 8.17) on the area of land available for forestry and the timber volume available for utilization was examined using Tapio's geodata analysis. Using the data derived with the analysis, calculations were made on the impact of the revised criteria on felling volumes and revenue. Impact assessment of revisions related to retention trees (Criterion 14 / requirement 8.14) was based on data concerning the current number and quality of retention trees, derived through assessments of current nature management measures. Regarding other criteria, the impact assessments consist of assessments by experts, based on research carried out in various fields. Other material used consists of interviews dealing with social impact, social responsibility and corporate economics.

Increasing the width of buffer zones bordering mires and water bodies with their vicinities will decrease the volume of timber that can be sold. Fellings are restricted on these buffer zones, whose area will increase by about 395,000 hectares. It is estimated that this will decrease the annual fellings by about 143,000 cubic metres. Increasing the number and diameter of retention trees will decrease fellings by about 425,000 cubic metres per year. Taken together, the above revisions will decrease the annual volume of timber available for felling by about 570,000 cubic metres, which is less than one percent of actual felling volumes per year.

On the national level, it is estimated that these revisions will decrease the annual felling revenue of forest owners by about EUR 20.5 million. This corresponds to about 0.9% of the total annual stumpage earnings. During 2015–20, the average total of stumpage earnings per year was about EUR 2,200 million.



Revisions designed to support biodiversity also promote forest health. This is also promoted by the requirement to prevent the spread of root rot (*Heterobasidion*) on all felling sites instead of on risk sites only (Criterion 6 / requirement 8.5). None of the revisions were assessed to have a negative impact on forest health.

The maintenance of structural features important for forest biodiversity is supported by revisions concerning the number of retention trees, the sparing of deadwood, sparing trees left on areas suffering from forest damage, leaving high stumps and preserving thickets and mixed stands. All these are widely known means to promote forest biodiversity, based on research information. As regards impact, foremost among the revisions is the one requiring that both live retention trees and deadwood must be left on felling sites (Criterion 14 / requirement 14).

The most significant revision related to natural sites concerns hardwood-spruce swamps as a habitat type. Safeguarding these is promoted through requirements related to both natural sites (Criterion 10 / requirement 8.11) and mire habitats (Criterion 11 / requirement 8.16). Requirements concerning ecotones between open mires and water bodies serve to focus continuous-cover forestry to areas where, in addition to timber production, advantages related to biodiversity, water protection, landscape and recreational use can be gained.

The revised requirements are assessed to have a fairly low impact on employment, combating grey economy, recreational use and the opportunities of activity of indigenous peoples. Revisions affecting the use of forests (Criteria 11 and 17 / requirements 8.16 and 8.17) have a slight negative impact on employment on the national level, even though they will increase the need for planning work somewhat. Combating grey economy is assisted by the revision (Criterion 24 / requirement 6.4) which allows the exclusion from competitive bidding of service bidders that do not meet their obligations, as early as at the bidding stage. In future, fewer agreements will be concluded with bidders who are undergoing or have applied for debt restructuring, thus being likely to have neglected their statutory obligations even in their earlier operations and having thus gained a competitive edge. Certain revisions (Criteria 11 and 17 / requirements 8.16 and 8.17) may lead to an increase in the potential of commercial forests to offer recreational benefits. These benefits are likely to be more visible in commercial forests close to cities and other settlements. Revisions to the opportunities of activity of the Sámi (Criteria 31 and 32 / requirements 8.21 and 6.5) have little impact.