

**Protocol of the meeting of the representatives of Swedwood and Environmental
NGO's in Petrozavodsk, hotel Karelia, 25 April 2006**

Attended:

- 1) Clas Bostrom, Swedwood International.
- 2) Sofia Cherepova, Swedwood Russia
- 3) Mats Nordberg, Swedwood International
- 4) Lennart Oloffson, Swedwood Karelia
- 5) Peter Gritsenko, Swedwood Karelia
- 6) Alexander Markovskiy, SPOK
- 7) Olga Iliena, SPOK
- 8) Andrey Rodionov, magazine «LespromInform» in Karelia
- 9) Kristian Tonisson, NEPCo (the SmartWood partner in Russia, Eastern Europe and Scandinavian Countries)
- 10) Tatyana Yanitskaya, WWF Russia

Two core issues were discussed by the participants:

- 1) Preservation of intact and old growth forests, part of which is located at the leased territory of Swedwood Karelia.
- 2) Biodiversity preservation in the process of final felling.

Clas Bostrom talked on the first item of the agenda. He told about plans and investments into Swedwood Karelia on the territory of Karelia Republic (for realization of the project on new furniture production LLC Swedwood Karelia, for which there is lack of 50 000 m³ of wood volume under the Agreement with the Government of Karelia Republic, not taking into account additional 6 000 m³ under the new leasing contract). Aleksandr Markovsky told about SPOK activity on finding out and mapping of intact and old growth forests; about the SPOK's position on such forests preservation. Tatyana Yanitskaya told how different documents cover the value of intact forests (HCVF 2 of national level) and old growth forests (HCVF 2 of regional level). Lennart Oloffson took the floor and talked on nature features of different leased sites. All who spoke pointed out negative attitude of Karelian Forestry Agency to preservation of intact and old aged forests. 4 sites on the leased territory of Swedwood Karelia were found out to be intact or old aged forests. They are the following:

- 1) Kelevala leskhoz, Kepsk lesnichestvo (quarters 95-103 and quarters 53-55 partly) – wet pine forests. Forestland is valuable in relation to nature, as for wood reserves, they are not big. It is desirable to create specially protected natural territories (OOPT).
- 2) Kostomuksha leskhoz, Voknavoloksk lesnochestvo, (quarters 11-13, 29, 30, 32, 33). This is a whole forest land including National park, there are rare species and key biotopes. But there is also the letter from Greenpeace (to the Head of local authority of self government of Kostamuksha dated 28.01.2003) and agreement with Greenpeace Russia dated December 15, 2005, allowing to execute there logging.
- 3) Kalevala leskhoz, Voynitsk lesnitchestvo (quarters 96-101, 126-137). It is a bordering zone of the forest where National park and planned State nature

landscape sanctuary Voinitsa are located. But forest has already been fragmented, besides, the line of the quarters between national park and «Swedwood» forest lease is in rented by Ukhtuales, where the cutting is being executed already.

- 4) Kalevala leskhoz, Voynitsk lesnichestvo (quarters 71-74). This area of old growth forests is of Regional value. It is partly fragmented but probably there are forests of high conservation value (place of rare and close to extinction species habitat and rare ecosystems). At the same time, Swedwood is interested in these quarters exploitation.

For each of these areas separate solution is required.

It was also noted that under the agreement with Greenpeace Russia, Swedwood Karelia had to refuse from some forest quarters being considered as intact, nevertheless which were rented by another company.

Solutions concerning the first item of the agenda:

- 1) To exclude cutting at the site of Kepsk lesnichestvo of Kalevala leskhoz fully quarters 95-103, and quarters 53-55 partly. To solve separately the question of Swedwood Karelia's support of creating a specially protected zone here.
- 2) To let logging to the company (with spare technologies application, and on condition that preservation of key biotopes and rare species habitat to be provided) at the sites of Kalevala and Kostomuksha leskhoz (according pp. (2) and (3) of this Protocol, page 1) located at the bordering zone of forest being a part of National park.
- 3) It is necessary to compose relative Agreement concerning these two sites, which has to be signed by Swedwood Karelia, SPOK, Greenpeace and WWF Russia. To commission Tatyana Yanitskaya with composing of Draft Agreement.
- 4) Previous Agreement with Greenpeace dated 15.12.2005 should be annulled after the signing of this new.
- 5) To study quarters 71-74 in Voynitsk lesnichestvo of Kalevala leskhoz both to determine nature conservative value and to define economical expediency of its development. In this context the company is ready to stop cutting at these quarters till 01.09.2007 to give time for examination of these quarters and to make a reasoned decision. This decision is to be drawn up as an Agreement between LLC Swedwood Karelia, SPOK and Greenpeace Russia.
- 6) Thus, the Forestry Agency and Rosprirodnadzor of Karelia might claim from the company development of all quarters being in lease, there is a necessity for joint work of the company, SPOK, Greenpeace Russia and other nongovernmental nature-conservative organizations aimed at coordination of these questions with the Agency and Rosprirodnadzor.

The second item of the agenda was highlighted by Clas Bostrom and Sofia Cherepova. They talked on the company's plans for biodiversity preservation in the process of final felling. There is a great Swedish experience in forestry management with biodiversity preservation (by key biotopes preservation). This method is supposed to be applied here as well. To this end, it is required to make Field Handbook on key biotopes identification and to conduct series of training workshops. The nearest workshop is to be held in May, this year. This Handbook will be in use at other leased territories. It is

desirable to cooperate with SPOK during certification, mainly in this Handbook creation. SPOK's representatives showed great interest to these plans and demonstrated readiness to participate in this work in some extent. However, some obstacles might occur on the Forestry Agency's part. The result of work (the Handbook) must be marked with Swedwood logo. Clas Bostrom pointed out the necessity joint efforts of all interested parties: NGO's, State bodies (Rosleskhoz, Karelleskhoz and Rosprirodnadzor) and Swedwood company.

Solutions concerning the second item of the agenda:


- 1) To hold one-day workshop regarding biodiversity and rare species preservation on cutting (on key biotopes identification and finding out places with rare species) in Petrozavodsk, on June, 7, 2006. To invite representatives of Greenpeace Russia.
- 2) To organize the meeting in the Federal Forestry Agency in Moscow on June, 8, 2006 with the goal to get support of the Forestry Agency in these issues.

The Protocol is signed by:

Swedwood International

 Clas Bostrom


SPOK

 Alexander Markovskiy

NEPCon

 Kristian Tonisson

WWF Russia

 Tatyana Yanitskaya