

## **The preparation of the Natura 2000 network**

Translation of performance audit report 140/2007  
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# National Audit Office of Finland

This is an English translation of the National Audit Office's report on "The preparation of the Natura 2000 network" (Audit report 140/2007). The summary goes over the key points in the Finnish report. The report was written by Vivi Niemenmaa and Markku Turtiainen. The initiative for the audit came from the EUROSAI Working Group on Environmental Auditing (WGEA). The SAI of France (Cour des comptes) will collate the results of Natura 2000 audits in different countries.

Helsinki August 2007

A handwritten signature in black ink, appearing to read "Vesa Jatkola". The signature is written in a cursive, flowing style.

Assistant Auditor General, Performance Audit Vesa Jatkola

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## Abstract

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The European Community's Habitats Directive and Birds Directive require the member states to set up a network of special protection areas and special areas of conservation under the title Natura 2000. The aim is to ensure the conservation of threatened species and habitats with the help of targeted measures. The Directives were implemented in Finland by the Nature Conservation Act. The Natura proposal was drafted by the Ministry of the Environment. The regional environment centres, Metsähallitus (formerly known as the Finnish Forest and Park Service), the Finnish Forest Research Institute and the Finnish Environment Institute participated in preparatory work.

This audit evaluated the preparation of the Natura 2000 network in the nature conservation administration. First it described the preparation process in Finland. The management of the preparation process was analysed according to the principles of project management. A second viewpoint and question concerned the impacts of the Natura 2000 network and a third concerned the cost of pre-paring the network and its significance for the state economy.

The audit revealed that the preparation of the Natura 2000 net-work in Finland was challenging in several ways. Especially the timetable in the Directives was very tight. The tight timetable meant that the nature conservation administration had to work at a very fast pace. In addition the Natura network was based on a different approach to nature conservation than Finns were used to. Natura's flexible, case-by-case approach to conservation was something new in Finland, and it took time to absorb it in the nature conservation administration.

The preparation of the Natura 2000 network can be considered too big a task in relation to the resources at the disposal of the nature conservation administration. The lack of resources was visible particularly in the inadequate number of competent personnel. In addition to the nature conservation administration, the entire state administration failed to see the significance of the Natura network and to allocate sufficient resources to the preparation of its initial stage. Nor did the Ministry of the Environment and the regional environment centres give the preparation of the Natura network sufficient priority over other work.

The preparation of the Natura network was not planned or supervised sufficiently at the beginning of the preparation process. This was partly due to the fact that in the initial stage Natura was poorly understood. The management of the regional environment centres varied in its commitment

to Natura. In the opinion of the National Audit Office, the supervision of the preparation of the Natura net-work took place excessively within the nature conservation sector. The general management of the Ministry of the Environment should have advised the general management of the regional environment centres more vigorously.

Conflicts related to the preparation of the Natura network came to a head in 1997. One reason for this was the unclear information that was provided by the nature conservation administration, which also came too late. Natura's flexible, case-by-case approach was not explained adequately. Instead Natura was viewed by landowners as a vague and threatening matter. It should be noted that in the conflicts surrounding Natura, 97% of the areas in the final proposal were already included in protected national areas or programmes. In previous decades landowners were not consulted in a similar way, and consequently some landowners did not even know that their land was included in protected areas. Natura information should have drawn attention to features associated with old protection areas.

Public hearing of land-owners and other stakeholders conducted in the Natura process according to the Nature Conservation Act. The National Audit Office points out, however, that although among the member states Finland's selection of Natura areas might be considered transparent, the idea of the role of stakeholders and participation that the Nature Conservation Act represents is quite old-fashioned compared e.g. with the Land Use and Building Act or the Act on Environmental Impact Assessment Procedure.

The preparation of the Natura network was made more difficult by problems with information systems. First of all the real-estate register system was incomplete and could not be used to determine landowners. Secondly the Natura 2000 database supplied by the European Commission was and remains rigid and outdated. Supplementing the Natura database is difficult because even small changes require a Government decision and consultations. Consequently revising information and changing incorrect borders is cumbersome.

Problems were also encountered in the mapping of Natura sites. At the time digital geographical information systems were being introduced. On the one hand the newness of geographical information and the incompleteness of available background material combined with the urgency of mapping caused problems and an unreasonable amount of work for mapmakers. On the other hand the in-formation, software and hardware procured in connection with Natura work significantly speeded up the shift to the geographical information era in environmental administration. A positive matter related to the collecting of information is

that, as a result of Natura work, information concerning Finland's conservation values increased and was made more systematic. In addition Natura spurred learning processes in the nature conservation administration: preparedness for interaction has increased in the nature conservation administration along with understanding of the social dimensions of conservation.

In preparing the Natura network there could have been more cooperation with local authorities in information activities, for example. Cooperation is still important so that local authorities can, for instance in their own land-use planning, pay sufficient attention to conservation values while avoiding the "over-protection" of Natura areas. The regional environment centres should draw attention to cooperation between nature conservation and land-use planning and support local authorities in this matter.

The audit calculated the administrative costs of preparing the Natura 2000 network. On this basis cost-effectiveness can be considered reasonable. The audit also calculated how much more it would have cost the state if all the Natura areas had been protected under the Nature Conservation Act. The extra cost was estimated at nearly 400 million euros. Although the calculation is subject to reservations, the size of the figure shows that the flexible approach to conservation represented by Natura is expedient and effective for the state economy.

From the viewpoint of the state economy a significant question involves compensation for any weakening of the Natura network. If a project or plan that significantly weakens the conservation values is allowed for reasons of overriding public interest, this must be compensated. This can take place by including a comparable area in the network. This has been interpreted to mean shifting cost responsibility to the state rather than to the party behind the project or plan. It is important for the state economy that responsibility for compensation belongs to the party that is responsible for weakening the Natura network, according to the polluter pays principle.

The selection of Natura areas alone does not ensure a favourable level of conservation. In the opinion of the National Audit Office, in order to achieve the objectives of the Natura network, it is important to develop financing mechanisms in which different parties such as the European Union, local authorities and local businesses cooperate in considering possibilities to arrange the management and use of Natura areas. The National Audit Office also believes that the present system in which two state organizations are responsible for the management and use of Natura areas should be re-evaluated.

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# 1 Introduction

The audit evaluates the preparation of the Natura 2000 network in the nature conservation administration. The legal basis for implementing Natura 2000 has been clarified in the past by the Supreme Administrative Court, the Chancellor of Justice and the Parliamentary Ombudsman. Since the legal basis of Natura 2000 has been tested several times, the primary purpose of this audit was not to evaluate legality.

A number of reports and studies have been conducted regarding the preparation of the Natura 2000 network in Finland. These have dealt extensively with interaction between the nature conservation administration and local landowners and related problems as well as legal issues. On the other hand they have not paid attention to the network's administrative preparation process or the cost of the network for the state economy. The objective of this audit is to produce new information concerning the preparation of the Natura 2000 network from this viewpoint.

## 2 Audit framework

### 2.1 Description of the audit topic

Before the preparation of the Natura 2000 network, nature conservation work had been conducted in Finland for decades. Finland's old Nature Conservation Act dated from 1923 and the first national parks and strict nature reserves were designated in the 1930s. In the late 1970s Finland began developing the nature reserve network by preparing national conservation programmes. This included the Mire Conservation Programme, the Waterfowl Habitats Conservation Programmes, the Herbrich Forest Conservation Programme, the Shore Conservation Programme, the Programme for the Protection of Old-Growth Forests and the Programme for the Protection of Gravel Eskers. The aim of these programmes had been to protect representative samples of Finnish nature. This was done primarily by designating areas as nature reserves.

The Habitats Directive and Birds Directive were implemented in Finland by the Nature Conservation Act (1096/1996). Section 64 of the Nature Conservation Act says that what is provided concerning the drafting and adoption of a nature conservation programme shall correspondingly apply, as appropriate, to the drafting of a proposal for sites to be included in the Natura 2000 network. The Natura proposal was drafted by the Ministry of the Environment. The regional environment centres, the Forest and Park Service (Metsähallitus), the Finnish Forest Research Institute and the Finnish Environment Institute participated in preparatory work.

When the Natura proposal is drafted, parties whose interests or rights are affected must be given an opportunity to state their opinions. When the drafting of a proposal starts, the Ministry of the Environment must provide information on the matter so as to create a basis for public discussion. According to the Nature Conservation Act, a public announcement must be posted on the municipal notice board, as stipulated in the Public Announcements Act (34/1925). The public must be forewarned of the announcement well in advance in at least one newspaper of general circulation within the locality concerned. Landowners and other right- and stakeholders, state and municipal authorities and NGOs can make comments on the proposal. The Natura proposal must be approved by the Government. The Government's decision can be appealed to the Supreme Administrative Court. The right

to appeal belongs to those whose rights or interests are affected by the matter in question.

Section 68 of the Nature Conservation Act deals with the implementation of the Natura 2000 network. It states that a site included in the Natura 2000 network shall be protected in a manner complying with its conservation objectives. Measures can vary considerably. Sites can be designated as nature reserves, as has been done in the case of conservation programmes. About half of the total area of the Natura 2000 network will be finally implemented as protected areas in conservation.

The implementation of conservation objectives can also be based on planning under the Land Use and Building Act (132/1999), the Land Extraction Act (555/1981), the Water Act (264/1961), the Environmental Protection Act (86/2000), the Rapids Protection Act (35/1987), the Forest Act (1093/1996), the Wilderness Act (62/1991), the Outdoor Recreation Act (606/1973) or contracts concluded with landowners based on provisions concerning temporary protection in the Nature Conservation Act or the use of environmental support for agriculture.

In Finland the position of land ownership is quite solid compared with many other European countries. According to the Nature Conservation Act, conservation measures should primarily be implemented on a voluntary basis. Property can be expropriated by the state for conservation purposes, however. The property owner is entitled to full compensation for economic loss as a result of expropriation.

Conservation measures restrict only projects that would significantly weaken special protection areas or special areas of conservation that have been proposed or approved for the Natura 2000 network. In Finnish legislation there are situations in which compensation is not paid when a permit that is required for a measure is denied, because restrictions and conditions that have been imposed on activities are generally considered so important that no one has the right to engage in activities that are in conflict with the public interest. Examples of this are the ban on contaminating water in the Water Act, the ban on spoiling the landscape and valuable natural deposits in the Land Extraction Act and the requirement in the Land Use and Building Act that activities must be adapted to the environment and take conservation values into consideration. In forest legislation, the public interest related to the sustainability of wood production has been considered so great that landowners can be obliged by law to take active measures.

## 2.2 Audit viewpoints, audit questions, audit criteria and audit focus

The audit evaluated the preparation of the Natura 2000 network in the nature conservation administration. It went over the preparation process as a whole in Finland. (This is summarized in table form in section 3.1.) The reason was, on the one hand, that from the viewpoint of administration a thorough presentation of the Natura 2000 network was not available. On the other hand the National Audit Office wanted to review and describe the preparation process because the nature conservation administration has been criticized for the poor quality of preparation. Above all the aim was to create a basis for the observations made later in the audit.

The first viewpoint in the audit, the management of the preparation process, was analysed according to the principles of project management. Project management includes a clear project plan, the organization of the project, the defining of the project's purpose, tasks, responsibilities and resources and the setting of a timetable. The implementation of a project is directed and progress is monitored systematically. Afterwards follow-up monitoring is conducted. Citizens' possibilities to participate in a project add a special feature to the management of a public project: interaction and communications play an essential role. Systematic project management can be regarded as part of good governance.

A project cannot be taken out of the context in which it is conducted or viewed without considering the conditions within the framework of which it is carried out. The observation section of the audit therefore investigates questions regarding these conditions (section 3.2):

*What were the basic starting points in preparing the Natura 2000 network? What room for manoeuvre did the nature conservation administration have?*

From the viewpoint of project management the audit question was to investigate (section 3.3):

*How well did the nature conservation administration govern the preparation of the Natura 2000 network?*

This was divided into the following sub-questions:

1. *How were activities planned and directed?*
2. *Were resources allocated correctly?*

3. *Were officials trained?*
4. *How were activities organized and what were different parties' roles and relations?*
5. *Were technical (map and data) systems used effectively?*
6. *Were activities transparent to citizens: did communications and consultation work?*
7. *Were activities evaluated subsequently? Were lessons drawn from the process?*

A second viewpoint concerned the impacts of the Natura 2000 network (section 3.4). Here the audit was expanded to include the management and use of Natura sites. Audit questions were:

*What functional impacts did the preparation of the Natura 2000 network have on the nature conservation administration?*

*How did Natura affect nature conservation?*

A third viewpoint concerned the cost of preparing the network (section 3.5). Audit questions were:

*How cost-effective was the preparation of the Natura 2000 network?*

*What is Natura's significance for the state economy?*

## 2.3 Materials and methods

The materials used in the audit included written documents, reports and studies, interviews, questionnaires, statistics and cost estimates. Written materials included legislation concerning nature conservation and Natura, directives and instructions, and a large number of other papers, reports and administrative documents. The auditors went over the Ministry of the Environment's Natura archives. They also had access to information materials regarding Natura as well as the nature conservation administration's training programmes from 1995 onwards. The auditors also examined the Finnish Environment Institute's Natura database.

During the audit interviews were conducted with representatives of the Ministry of the Environment, eight regional environment centres (out of thirteen), the Finnish Environment Institute, the Forest and Park Service (Metsähallitus) and its regional organizations, the Ministry of Finance, the Prime Minister's Office, the Ministry of Agriculture and Forestry and the

Supreme Administrative Court. The rapporteur on the productivity programme for the nature conservation administration was also interviewed. In addition interviews were conducted with representatives of major stakeholders (the Central Union of Agricultural Producers and Forest Owners, the Finnish Association for Nature Conservation and the Association of Finnish Local and Regional Authorities). Interviews were semi-structured theme interviews.

To determine the cost of Natura, an e-mail questionnaire was sent to the managing authorities, since the Ministry of the Environment had not made this type of evaluation. To determine its significance for the state economy an e-mail questionnaire was sent to the regional environment centres enquiring what it would have cost if Natura sites had been protected under the Nature Conservation Act.

Material analysis methods were mainly qualitative. Archive materials and interviews complemented each others in the audit, the former being used to reconstruct the Natura process and the latter to identify problems and conflicting interpretations among different parties.

The draft audit report was circulated at the Ministry of the Environment and comments were taken into consideration in the final audit report. The audit was conducted by Senior Auditors Vivi Niemenmaa and Markku Turtiainen. It was supervised by Audit Manager Arto Seppovaara and Audit Director Jarmo Soukainen.

## 3 Audit observations

### 3.1 Stages in the preparation of the Natura 2000 network

This section of the Finnish audit report gives a detailed account of the preparation of the Natura 2000 network in Finland, from the start. The purpose of the section is not to evaluate the preparation process but to describe its progress together with key processes and features. This provides a basis for the observations made in subsequent sections of the audit. This English summary presents the main points in the form of a table.

1994	<p>Ideas concerning Natura are still quite sketchy.</p> <p>Scientific preparatory work begins.</p> <p>Possible division of labour with the regional environment centres playing a leading role.</p>
11/1994	Natura working group established. Initially limited to representatives of administration and the science communi. In 1996 key stakeholders were included.
1/1995	Finland joins the EU. Obligation to implement the Habitats Directive and Birds Directive.
5/1995	The Ministry of the Environment sends the first guidance letter to the regional environment centres.
1995	The Forrest and Park Service (Metsähallitus) inventories state-owned land and prepares a proposal for the Natura 2000 network regarding state-owned land. Work is hurried.
1/1996	A tentative proposal is submitted to the European Commission: 370 sites and 2.5 million hectares. Most of the sites are old natural parks and nature reserves, mire conservation areas and other protected areas. An annex notes that, since the notification is tentative and not binding, a separate public consultation will not be arranged at this stage. In connection with the final proposal a public consultation must be arranged. This could also influence the revision of the tentative proposal.
1996	Regional environment centres start preparation in privately owned areas. They assess potential Natura sites. Field work is carried out hurriedly in the summer.
9/1996	The European Commission sends Finland a letter of formal notice for failing to implement the Birds Directive.
early 1997	<p>Map materials are prepared hurriedly by the Finnish Environment Institute.</p> <p>The Ministry of the Environment plans information work together with a communications consultant.</p>

<p>7.4.- 6.6.1997</p>	<p>Official public consultation on the proposal: 1,486 sites, 5.05 million hectares (including 3.5 million hectares of land). About 100,000 hectares of privately owned land which were out of official nature conservation programmes.</p> <p>The ministry publicizes the proposal. The public reaction is quite negative, however. Particularly in rural areas negative attitudes towards the EU are mixed with criticism of Natura.</p> <p>The Ministry of the Environment receives 13,480 complaints and 1,067 statements concerning the Natura proposal. Numerous complaints deal with old protection areas. The Central Union of Agricultural Producers and Forest Owners helps landowners draft complaints.</p>
<p>7/1997</p>	<p>The European Commission sends Finland a second letter of formal notice for failing to implement the Habitats Directive.</p> <p>The Ministry of the Environment and regional environment centres work busily to respond to complaints. Responses are an extra service designed to dispel misconceptions.</p>
<p>summer 1997</p>	<p>Natura is highly politicized: a ministerial working group is established to prepare Natura.</p>
<p>autumn 1997</p>	<p>Natura management at the Ministry of the Environment changes: supervision is improved and a new model is adopted with the ministry playing a leading role. The reason is the unevenness of proposals under the old model.</p> <p>Complaints and statements are handled by regional environmental centres. Sites are eliminated to the point that the working group of the Ministry of the Environment is nicknamed the "guillotine group".</p> <p>The Ministry of Agriculture and Forestry demands that all measures be based on the Nature Conservation Act, since this would guarantee compensation for landowners.</p>
<p>10/1997</p>	<p>The European Commission approves an amendment to the Habitats Directive with Finland's and Sweden's additions to Annexes I and II.</p>
<p>10/1997 - 7/1998</p>	<p>The ministerial working group meets regularly.</p> <p>An impact assessment is conducted for the Natura proposal.</p>
<p>20.1. - 20.2.1998</p>	<p>New public consultation on 13 additional areas. Only includes sites approved by landowners.</p>
<p>4/1998</p>	<p>Revised proposal is published. The Ministry of the Environment strives to serve landowners personally with a hotline.</p>

7/1998	<p>The European Commission sends Finland a letter of formal notice for failing to implement the Birds Directive.</p> <p>The ministerial working group completes its final proposal.</p>
20.8.1998	<p>Government decision on the Natura 2000 proposal: 1,458 sites, 4.77 million hectares (74% land areas). Includes 3.72 million hectares that is state-owned, 1.05 million hectares that is privately owned. The total area is 6% smaller than in the proposal that was prepared by the Ministry of the Environment in 1997. If eliminated sites are part of old protection areas or programmes, they are still subject to old protection provisions, which are generally stricter than Natura. About 97% of the sites in the decision are old protection areas.</p>
18.9.- 19.10.1998	<p>Decision on display. The Ministry of the Environment's hotline is open during this period.</p> <p>The decision can be appealed to the Supreme Administrative Court. It received a record number of appeals: over 1,600 appeals, in which some 750 sites are challenged.</p> <p>Supreme Administrative Court's answers to the appeals total about 40,000 pages. Most of the appeals are disallowed.</p>
12/1998	<p>Proposal submitted to the European Commission. The reason for the rush is the threat of action by the Court of Justice. Finland reserved the possibility to change the proposal after rulings by the Supreme Administrative Court.</p>
spring 1999	<p>The European Commission evaluates the proposal in a seminar and requests supplementary work.</p> <p>Supplementary work begins.</p> <p>The ministerial working group begins to meet again.</p> <p>Meetings are effectively publicized.</p> <p>Contacts with landowners are improved.</p> <p>The Natura working group also begins to meet again.</p>
6/2000	<p>The Supreme Administrative Court issues decisions on Natura appeals: most of the Natura proposal gains legal force. Some sites have to be reconsidered. The decision is made to keep the preparation of these sites separate from preparation resulting from the Commission's request for supplementary work.</p>
3.-28.7. & 21.8.- 4.9.2000	<p>Public consultation on supplementary proposals concerning alpine sites. No complaints.</p>
8.11.- 4.9.2000	<p>Public consultation on supplementary proposals concerning boreal sites. Over 200 complaints.</p>

4/2001	Intention to submit supplementary proposal to the Government for approval. The proposal is withdrawn after the Chancellor of Justice receives a complaint about the legality of preparatory work.
4/2002	Chancellor of Justice: no illegalities in preparation.
8.5.2002	Government decision on supplementary proposal: 289 new sites or expansions, information on 190 sites supplemented.  In the background is the request for supplementary work made at the EU's scientific evaluation seminar.
11.6.- 11.7.2002	Supplementary proposal on display: 23 appeals to the Supreme Administrative Court.  The ministerial working group disbands. The Ministry of the Environment is responsible for further work.
15.4.- 15.5.2003	Public consultation on supplementary proposal: 5 new sites or expansions, reduction of 27 sites and elimination of 1 site. 128 complaints.
22.1.2004	Government decision on supplementary proposal.  This concerns sites that had to be reconsidered on the basis of decisions issued by the Supreme Administrative Court in 2000.
22.12.2003	European Commission approves the list of alpine sites.
13.1.2005	European Commission approves the list of boreal sites.  The intention is to add sites to both lists later on.
6.9.-6.10. 2004	Supplementary proposal concerning boreal sites and special protection areas on display. In the background is the request for supplementary work made at the boreal evaluation seminar and a judgment issued by the Court of Justice on 6.3.2003 concerning a breach of the Birds Directive.
2.6.2005	Government decision to supplement the proposal: 44 new SCIs and 8 expansions, updating of information on 80 sites, 14 new bird areas.  The Finnish network includes 1,860 sites covering 4.94 million hectares or 15% of Finland's total area (338,000 square kilometres). 4.8 million hectares are SCIs and, often overlapping these, 3.2 million hectares are SPAs (Figure 1.).
13.10.2006	First written warning that Finland must comply with the Court of Justice's 2003 judgment concerning the Birds Directive. Demands concern the autonomous Åland Islands, which have their own Nature Conservation Act.
23.11.2006	Government decides on one SPA that had to be reconsidered on the basis of a ruling by the Supreme Administrative Court in 2004.

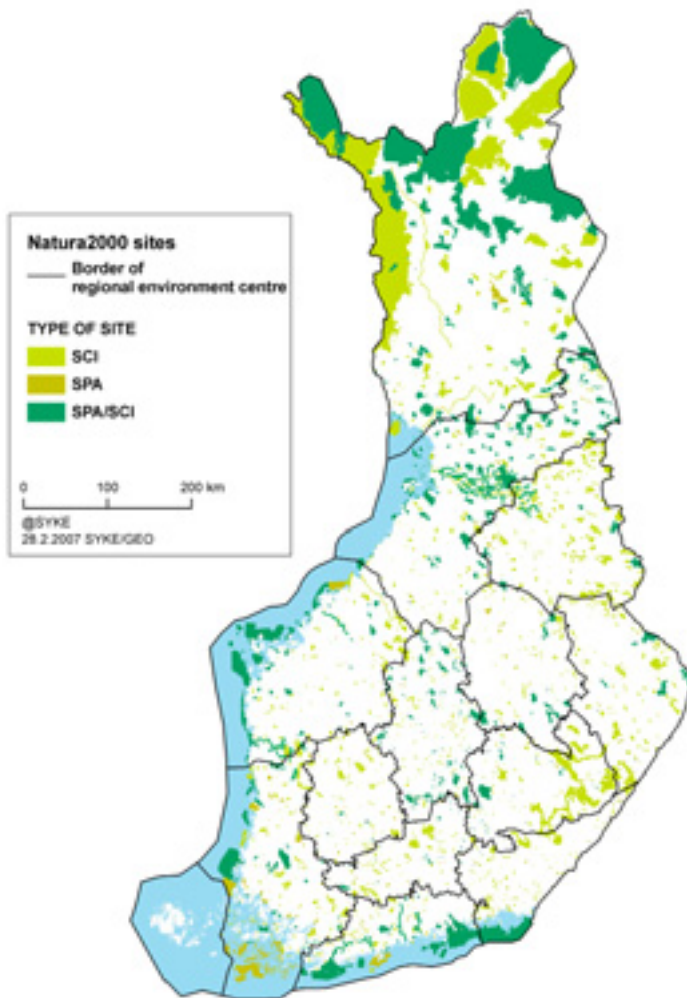


FIGURE 1. Finland's Natura 2000 network.

## 3.2 Starting points and restrictions in the preparation of the Natura 2000 network

The general impression regarding the preparation of the Natura 2000 network, both in Finland and in European connections, was that Finland would be able to draft its proposal easily since Finnish conservation work was already highly developed. Finland had also appeared in international conferences regarding nature conservation as an exemplary country that met international requirements without problems. However, drafting a proposal for the Natura 2000 network proved to be a difficult task in Finland. Conflicts related to Natura came to a head in 1997 and the process became highly politicized. The reason for difficulties was not just the conflicts that came to light during the publication stage; the process was also challenging in several ways.

First of all the Natura process had to be prepared at a very fast pace. Finland joined the EU in 1995, but the Habitats Directive, which was binding on Finland, had already come into force in 1992. The tightness of the timetable was made worse by the fact that many of the EU's procedures were new for Finland. Owing to the threat of the European Commission's monitoring procedure, work was deliberately planned on tight schedules. The assumption was that the preparation of the Natura 2000 network would be completed rapidly because it was based on existing protection areas and programmes. This assumption turned out to be false. The conflicts that arose and particularly the difficulty of legal processes were not foreseen or anticipated.

The constant rush exacerbated conflicts with landowners. Because of the tight timetable, information concerning protected area was not always complete. Many of those who participated in the preparation of the Natura 2000 network wound up doing an enormous amount of overtime. On top of long days, public occasions also had to be arranged in the evenings. The hurried pace put excessive pressure on employees, and this was increased by the publicity that the process received.

Secondly, implementing Community legislation in Finland presented its own challenges. The Habitats Directive and its translations into different languages were not always clear, and there were differences between translations. This allowed conflicting interpretations of the directive. Disagreements arose between the Ministry of the Environment and the Ministry of Agriculture and Forestry in evaluating the relative significance of areas, for example. The Ministry of Agriculture and Forestry had demanded that a full inventory of Finland should be made and the most representative sites should be selected on this basis. The

Supreme Administrative Court later agreed with the Ministry of the Environment that the requirement in the annex to the Habitats Directive concerning a national list only concerned the areas included in the proposal.

A special legal impact memorandum was prepared concerning Natura and it played a significant role in the public consultation stage. The memorandum is a legally valid paper but it is full of jargon. It does not explain Natura's flexible, case-by-case approach or the difference compared with traditional national nature conservation. Nor does it explain the opportunities presented by Natura, for example through EU projects.

Thirdly, the scientific basis of Natura is different from what Finns were used to. The European CORINE habitat classification was used as the basis for selecting the habitat types in the directive. This in turn relies on the classification developed by the central European Braun-Blanquet school. This is based on differences in plant communities, while Nordic nature conservation has traditionally paid more attention to endangeredness. Thus in Finland attention has been focused more on rare species than on plant communities.

In addition to scientific differences in classification systems, another significance difference was between the Finnish natural environment and nature in central Europe. The CORINE habitat type classification did not contain habitat types in the boreal zone, but practically all of Finland and most of Sweden are in this zone. When Sweden and Finland joined the EU, boreal habitat types and species had to be added to the directive.

Finland prepared its own habitats manual, adapting the EU's habitats manual. In summer 1996 inventory work for Natura sites was carried out on the basis of the Finnish draft habitats manual. One problem in drafting the habitats manual and in inventory work was the uncertainty resulting from the fact that a proposal concerning boreal habitat types was still being considered by the European Commission. The assumption was made - and because of the timetable had to be made - that habitat types would be those that had been presented to the Commission. The timetable in preparing habitat types and in inventory work was tight, but on the other hand Finland had to wait for a decision concerning habitat types.

In the background of the Habitats Directive is the idea of comprehensive planning in which information concerning sites is expected to be practically complete. On the basis of this information it would be easy to select sites for protection. At least in a country like Finland, which covers a relatively large area and has lots of nature, this is not true in practice. The level of basic information was by no means comprehensive and it would not have been possible to prepare any general report on the

timetable required by the Commission. The problem was due above all to the fact that the directives behind Natura had been drafted in countries that were different from Finland, which joined the European Union at a later date.

The difference between nature conservation in Finland and in central Europe was not limited to differences in nature; conservation practices also differed. In Finland land use in protected areas has typically been quite restricted. In central Europe, on the other hand, there is a long history of conservation in which protecting conservation values is tied to the continuation of traditional land use. In this kind of conservation it is not necessary to prohibit human activity: sometimes human activity is in fact essential, as in the case of traditional agricultural landscapes. The Natura 2000 network represents the central European tradition in conservation practice and therefore takes a more flexible, case-by-case approach compared with what Finns were used to. Understanding this basic difference took time and clearly created problems in Finland's Natura process.

On the basis of the audit it appears that Natura's special features and differences compared with the Finnish conservation tradition were not sufficiently explained and communicated publicly during the preparation of the Natura 2000 network. The reason appears to be that understanding Natura and all its features took its own time even in the nature conservation administration.

The Natura 2000 network was prepared on a scientific basis according to the Habitats Directive. The financial framework for nature conservation programmes in 1996 - 2007 that was approved by the Cabinet Economic Policy Committee in 1996 also placed cost limits on the network. In December 2005 the financial framework was extended to 2008 - 2009. The objective is to protect most of the areas in national conservation programmes and on privately owned land in the Natura 2000 network and to pay compensation to landowners by the end of 2009.

Because of the financial framework the Ministry of the Environment had to exclude some areas that were proposed by the regional environment centres. On the one hand this was understood by the regional environment centres, but it was not considered very wise at least scientifically. Regional administration also viewed the exclusion of some areas as a means to pacify upset landowners. Some interviewees thought that areas were excluded to keep down the costs of nature conservation programmes rather than for scientific reasons.

### 3.3 Preparation of the Natura 2000 network from the viewpoint of project management

#### 3.3.1 Planning and supervision of activities

On the basis of the documents and interviews conducted in the audit, the preparation of the Natura 2000 network does not appear to have been planned thoroughly to begin with. Since no one had a good idea of Natura and the size of the project, work started on an ad hoc basis without systematic job descriptions or work plans.

In the early stage of Natura work a regional approach was adopted. The proposals that were submitted by the regional environment centres concerning privately owned land were not consistent, however. Later on the Ministry of the Environment did a better job of supervising the regional environment centres. The ministry's "guillotine group" went over the regional environment centres' proposals and harmonized the criteria used in selecting sites. In the background were the problems that had been encountered in the process but also the fact that the director in charge of Natura at the Ministry of the Environment had been replaced.

The commitment of the regional environment centres' managers to Natura varied considerably. At some regional environment centres, managers were completely outside the loop and did not support employees or even understand how demanding the project was. At some regional environment centres, employees felt that they were left on their own in Natura work. The varying commitment of managers can be regarded as a problem in the Ministry of the Environment's management style: the ministry did not succeed in getting managers to commit to Natura work. The problem was worsened by the fact that the regional environment centres' managers did not receive enough information about Natura. A lot of information was supplied directly at the expert level, from the ministry's nature conservation sector to the persons in charge of Natura work at the regional environment centres.

One problem in supervising the Natura process was that Natura work was done too strictly in the environmental administration's nature conservation sector. Natura was not a project in which the whole environmental administration was involved but was viewed at the Ministry of the Environment and at the regional environment centres too much as a matter for the nature conservation sector alone. It would seem that the Ministry of the Environment's general management did not have a good picture of the efforts required by Natura before conflicts began to

dictate the process. The probability of conflicts could have been deduced from earlier conservation programmes, however, such as the 1990 Coastal Conservation Programme and the opposition it met. Although Natura caused many unexpected conflicts, the Ministry of the Environment could have prepared itself better for Natura on the basis of experience with old conservation programmes.

### 3.3.2 Resources

Working at a very fast pace and under public pressure placed a big load on the state's nature conservation administration. The employees who prepared Natura had to do a lot of overtime and on the basis of interviews they had to bear a heavy mental load, which also affected occupational health.

The scope of preparatory work was not fully understood at the Ministry of the Environment to begin with. In 1996 and 1997 the regional environment centres were not given nearly as much resources as they requested. Officially it was only in the 1998 and 2000 supplementary budgets that the Ministry of the Environment presented the need for additional resources. The commentary contains blunt words to the effect that if additional funds are not received, Natura cannot be prepared.

The audit indicated that the preparation of the Natura 2000 network was much too big a task for the Finnish nature conservation administration in relation to the resources at its disposal. Particularly there was a shortage of competent personnel, and this was reflected in overtime hours. On the other hand a number of interviewees said that simply adding personnel would not have solved the problem: what was needed was people with an understanding of the substance and technology, who are not easy to find unless some sort of training is arranged. The shortage of personnel was thus related to the tightness of the timetable.

The core of the problem was the failure of the environmental administration and state administration as a whole to anticipate the resources required for the Natura 2000 network and its preparation. The Ministry of the Environment did not give the preparation of the Natura 2000 network sufficient priority over other work. The same problem came up at several regional environment centres. Nor did the Government react to resource needs in the early stage of Natura work.

If the environmental administration was not able to give Natura sufficient priority, the Supreme Administrative Court appears to have done a better job in this respect. According to the Supreme Administrative Court, no additional resources were received for Natura work, but it was

able to handle Natura cases by prioritizing them. As a result the handling of other cases was delayed and the average time required for all decisions rose in 2000 to 13.5 months, compared with 8.5 months the year before.

### 3.3.3 Training

The nature conservation administration arranged training concerning the Natura 2000 network for the first time in 1995 at the nature conservation days. After this training was arranged on the collecting of information, IBAs, the new Nature Conservation Act, Natura 2000 forms and the Natura database, geographical information software, habitat types, the designation of Natura sites and criteria.

Citizens' participation issues, interaction with different parties and nature conservation authorities' interaction skills were not treated as a special theme at the nature conservation administration's negotiation days. Landowners' viewpoint received attention for the first time at a training session that was arranged in May 1997. The change in the nature conservation administration's attitude towards interaction is shown by the fact that, at the Natura days in May 2000, the programme included information and cooperation with stakeholders and the arranging of public consultations. After 2000 the programme at the nature conservation administration's negotiation days was dominated by other themes besides Natura.

Interviews that were conducted in the audit indicated that the training arranged by the Ministry of the Environment in connection with Natura work was considered scant or practically non-existent. According to training programmes the subject was not overlooked completely, however. Furthermore the hurried pace of preparation would have hardly allowed key representatives to participate in long training sessions.

Training regarding Natura was limited to actors in state administration. When public announcements were posted on municipal notice boards, municipal environmental officers could also have been messengers. This would have required the extension of training to the municipalities' environmental protection administration. Some regional environment centres in fact arranged training and discussion sessions for local authorities.

### 3.3.4 Organization of activities and actors' roles and relations

Responsibility for preparing the Natura 2000 network was divided so that the Forest and Park Service (Metsähallitus) and its regional organizations prepared the first proposal that was sent to the European Commission in 1996 with regard to state-owned land. After this the regional environment centres prepared a proposal with regard to privately owned land.

The division of labour between the Forest and Park Service (Metsähallitus) and the regional environment centres appears to have worked well. In practice the regional environment centres faced a more demanding situation than Metsähallitus in Natura work, because there was less nature information regarding privately owned land than in the case of state-owned land. Since Metsähallitus and the regional environment centres had different geographical information software, in practice the regional environment centres had to redo maps to make them compatible with their own systems. The regional environment centres also took care of public consultations that concerned state-owned land.

A Natura working group was established in 1994 and later on stakeholders were included in it. Interviews indicated that this working group did not play a very significant role because it could not make binding decisions. It was mainly a discussion forum.

The working group's most important task was to convey information from the Ministry of the Environment to other parties. It did not succeed very well in this task, however. The Central Union of Agricultural Producers and Forest Owners (MTK) complained publicly about poor information concerning Natura, although it was represented in the working group. In interviews different parties said that the negative tone of this criticism was surprising especially since MTK's representatives had been quite vocal in the working group. The opposition to Natura startled the environmental administration. Although cooperation with MTK's local organizations went well in many areas, MTK's central organization was much more critical of the Natura proposal and demanded that it be cut back sharply. On the other hand nature conservation organizations demanded as large a network as possible and criticized the Ministry of the Environment for not going far enough.

Another significant working group was the ministerial working group that was established in 1997. According to interviews, the ministerial working group was necessary to prepare the Natura 2000 network once the whole process had become highly politicized. Owing to the ministerial working group's tight schedule and the need for numerous meetings, this

took a long time. At this phase The Government showed commitment to Natura work.

Primary responsibility for nature conservation belongs to the state. Although the local authorities are not assigned special responsibilities in the Nature Conservation Act, the audit indicated that cooperation with local authorities could have made it possible to do more in Natura work, in a more systematic way. Information regarding Natura could have been passed on through local authorities in other ways besides posting announcements on municipal notice boards.

Cooperation in conservation work between the state and local authorities has a strong economic significance. Good shoreline planning at the master plan and local plan level can facilitate negotiations concerning compensation for nature conservation areas with landowners. If building rights are specified in a plan, they do not have to be negotiated separately when nature conservation measures are implemented.

In land-use planning local authorities also make decisions that are significant for nature conservation. Adequate attention must be paid to conservation values in planning. It is important for the Ministry of the Environment to provide local authorities sufficient supervision through the regional environment centres. On the other hand it is necessary to make sure that local authorities avoid the "over-protection" of Natura sites. On the basis of the audit there are signs that Natura work may cause excessively strict conservation because local authorities may not know what a Natura site could signify in planning. If a Natura site is automatically marked as a protected area, this can lead to unnecessary costs for the state as compensation demands are exceeded.

Despite all the conflicts in the preparation of the Natura 2000 network, in interviews different parties said that negative moods turned positive with surprising speed. One significant factor was that in planning the management and use of Natura sites, people began to understand the economic opportunities presented by Natura. Natura as a European brand can be a significant factor in the future especially in the tourist business.

### 3.3.5 Technical systems: maps

During the preparation of the Natura 2000 network a key technical question was marking the limits of the network, which had to be done on maps. The Finnish Environment Institute took charge of map production. The European Commission did not give detailed instructions concerning map work but only called for the use of maps drawn on a 1:100,000 scale,

for example. In Finland maps drawn on a 1:20,000 scale have traditionally been used, and the decision was made to do likewise in Natura work.

Natura was prepared at a time when digital geographical information systems were being introduced. In Finland the decision was made to go digital in the mapping of Natura sites. This meant that maps had to be purchased in numerical form from the National Land Survey of Finland. The first maps that were purchased did not show property borders, however. It was not even possible to provide property borders for all parts of Finland in numerical form at that time. When property borders were finally obtained at the end of 1996, they did not fit base maps perfectly. So in the public consultation stage it was necessary to correct maps by hand. This roused suspicions among landowners concerning the reliability of materials.

Map work was done on a very tight timetable for the first Natura proposal. Maps were printed around the clock and if lined up would have stretched for about 20 kilometres. Map production was also hampered by the coordination of Natura work at the Ministry of the Environment. The ministry did not appoint a project manager or other person whom those involved in map production could have asked for advice. One reason is that the whole geographical information system was so new that few people understood it fully.

Although there were many problems in map production because of the tight timetable and the issue of property borders and the precise limits of the network, the actual map materials were high in quality by European standards. In 2001 the European Commission evaluated map materials and found them to be of high quality and consistent, and digital materials were almost perfect. The maps themselves were very good but producing them and using them in conservation work were more difficult.

The audit indicated that the problems that were encountered in map production reflect a poor understanding of the basic nature of Natura. In selecting sites attention was focused on borders and their precise location, according to the Finnish conservation tradition. It is part of Natura's flexible approach that many human activities are allowed within sites, however. Furthermore conservation is not merely something that takes place within the borders of sites, but conservation values may not be compromised outside these borders either. In contrast with the Finnish conservation tradition, the precise location of borders did not necessarily have a decisive significance for conservation in the Natura 2000 network.

### 3.3.6 Technical data systems: database

Information concerning Natura sites was collected in the European Commission's database. Forms were intended for recording information (notification form) and transmitting information to the Commission (standard data form), nor were they intended for informing landowners in the public consultation stage, for example. The standard data form is difficult for the layman to understand, because it uses codes and the scientific names of species. In Finland forms were used as public consultation materials, however. This was based on a proposal by the Ministry of Agriculture and Forestry.

To make the standard data form more understandable, a Finnish summary was prepared during the public consultation stage and information that was used in selecting sites was gleaned from the form. The Finnish summary was thus a shorter version of the standard data form. This roused suspicions among landowners that information had been concealed. Some landowners demanded to see the whole form, which was printed out for them on request. When the two versions were found to differ, there were allegations that the content of databases had been manipulated. During supplementary rounds of Natura work, both the standard data form and a Finnish (or in some cases Swedish or Sami) summary have been available in the public consultation and communication stages.

Owing to the hurried pace of work, there was not time to fill in all the information on forms. The idea was that information could be supplemented later on, but in practice this proved difficult because it would have required a new public consultation and a Government decision.

In interviews the nature conservation administration strongly criticized the European Commission's Natura database and described it as terribly rigid and outdated. A key weakness of the database is that it is not suitable for any other form of data management besides reporting to the Commission. The database is not online and therefore cannot be used at the same time in different places.

Despite the Commission's efforts and the member states' requests, the database has not been updated technically. Consequently, at present the official database can only be updated on one old computer that is located at the Finnish Environment Institute. Furthermore the database as it now stands does not serve the monitoring of Natura sites. This means that in practice the member states cannot utilize the database in their own conservation work but must maintain their own databases alongside it.

The problem is complicated by the rigid administrative decision-making procedure in Finland. Updating information in the Natura database

requires a Government decision and this in turn requires a public consultation. Information may need to be updated if mistakes are noted or as a result of new inventories, for instance. Past conflicts in the preparation of the Natura 2000 network lie behind the rigid procedure for updating the database. The procedure was meant to ensure that the nature conservation administration could not be accused of manipulating information. In practice the rigid decision-making procedure means that updates are seldom made. Instead some regional environment centres maintain their own parallel databases and this is where new information is recorded. The same applies to numerical mistakes in map materials: they cannot be changed even if they are obvious and affect the use of sites. In order for administration to work more smoothly, it is important to make it easier to update the database. Borders should also be corrected even if this requires a new public hearing.

### 3.3.7 Transparency: communications

The preparation of the Natura 2000 network was the broadest information and communications operation in the history of the Ministry of the Environment. Nevertheless the ministry received a lot of criticism with regard to information and communications.

Since no project plan was drafted for the Natura project as a whole, no information and communications strategy was drawn up in advance. All the same the need to provide information was discussed from the start of the process. Although the importance of information was discussed, on the other hand preparation was not made transparent in all respects. For example, information was not provided on nature inventories. In the background was fear that landowners might intentionally weaken conservation values before measures were taken.

The first brochure regarding Natura appeared in April 1996. In terms of content this brochure was quite general and vague, however. The ministry emphasized information activities in the guidelines that it sent to the regional environment centres, but the ministry itself was not very active in providing information at the national level or in preparing information materials. This reflects the leading role that was assigned to the regional environment centres in the early days.

In late 1996 the nature conservation administration began to realize the scope of the project and the possibility of conflicts. The Ministry of the Environment subsequently hired a communications consultant. According to the consultant's analysis, a key problem was that this was an EU project that focused on parts of Finland in which anti-EU sentiment was high. The

situation was complicated by the fact that the Government parties represented "city people". In addition to having insufficient funds, according to the analysis the Ministry of the Environment was not able to give clear answers about what could be done in Natura sites and neighbouring areas and how inclusion in Natura would be compensated. The consultant found it harder to work because the ministry did not have a clear picture of how Natura should be implemented. This made it more difficult to prepare information and impeded communications.

The volume of Natura information reached a peak in April 1997, when a proposal for the network was published. Information was directed to regional centres, journalists and citizens. Broad information only took place after the inventory work of the previous summer, however, or at a stage when the proposal was already on the table. This roused suspicions among landowners, some of whom felt that inventory takers had come "snooping around" on their land the previous summer without informing them of the matter.

In spite of broad information by the Ministry of the Environment, public opinion had turned against Natura. Many critical articles appeared in the press. In one rural municipality landowners even went on a hunger strike. Opposition to Natura was influenced by the fact that the preparation of the Natura 2000 network took place at a time when rural landowners and particularly the Central Union of Agricultural Producers and Forest Owners had become critical of EU measures following accession to the EU and structural change in rural areas. According to studies, negative attitudes towards the EU and concern about the future of rural areas were channeled into opposition towards Natura.

The ministry's initial response to public arguments was weak. As a result many misconceptions about Natura stayed alive. The information officer who was hired by the ministry in 1997 finally convinced the ministry that arguments and criticism presented in the press should be answered as far as possible. However, the need to write responses added further to the work load of ministry employees, who were already under great pressure.

In 1998 policy changed and instead of repeating general principles about Natura the ministry began focusing on providing personal service within the framework of available resources. The ministry established a hotline that people could call to get information about Natura. Although large masses could not be reached in this way, the ministry could use the hotline to provide the kind of personal and individual site-based service which it had been criticized for not providing in preparing the Natura 2000 network.

The audit indicated that the nature conservation administration's communications regarding Natura failed in the early stage of the preparation of the network. Information was provided at a late stage and the content was also vague. Information did not clearly explain Natura's special features, what it is all about, or its relation to existing conservation programmes. The old and quite complicated network of conservation areas and programmes was also a mystery to many people. It appears that the possibility to change the proposal that was on display in 1997 on the basis of the public consultation was not impressed on people enough. Opponents apparently felt that everything had already been agreed.

Furthermore the Ministry of the Environment failed to communicate Natura's positive features: its flexible, case-by-case approach and the economic opportunities presented by it. Instead landowners felt that they were being forced to give the state administration and the EU some vague "open power of attorney". Nor was material obtained from the European Commission at an early enough stage to support communications and the interpretation of Natura work. Information material was not received from the Commission until after the first round of consultation was over.

The failure of communications was also due to the methods that were used. An effort to reach landowners in a more personal way would have helped get across information. Of course this would have required considerably more resources. In addition to insufficient resources, it became clear during the audit that the nature conservation administration's own attitude and people skills were also partly to blame. In the background were apparently the bureaucratic culture and tradition of nature conservation, in which conservation was something that happened through a top-down approach without a lot of interaction with stakeholders. This is also visible in the Nature Conservation Act, in which participation receives remarkably little attention compared with other environmental legislation that was enacted around the same time.

Negative publicity and legal cases also made it more difficult for the nature conservation administration to formulate the content of communications. When the huge number of legal cases came to light, the Ministry of the Environment became very cautious in the phrasing of information. The nature conservation administration wanted to stick to the wording of legislation and directives so that it could not be accused of misleading information. This happened at the expense of clarity, however: bureaucratic language did not make it easier to build confidence between the nature conservation administration and landowners.

In the background of the failure of the nature conservation administration's communications regarding Natura was the fact that the necessary resources were not invested in communications early enough.

According to interviewees the Communications Unit at the Ministry of the Environment recognized the problem but was not able to obtain additional resources. Here the Ministry of the Environment made an error of judgment. At least some of the conflicts that arose later on in the preparation of the Natura 2000 network could probably have been avoided through better information and a careful communications strategy in the initial stage. With the failure of the nature conservation administration's communications, the Central Union of Agricultural Producers and Forest Owners was able to exploit the situation in its own communications.

In connection with supplementary decisions regarding Natura, information was planned more carefully, and employees at the Ministry of the Environment participated more in regional information work. On the one hand steps were taken to improve communications. On the other hand the areas that were added to the network at this stage were not very large and resources were more adequate for personal communications.

Problems in communications related to the Natura 2000 network have helped bring about a change in the Finnish approach to nature conservation. Nowadays more emphasis is placed on voluntary conservation measures. On the other hand it would have hardly been possible to make the Natura 2000 network comprehensive through voluntary measures alone. The shift could be made to a voluntary approach, once large basic areas had been protected.

The conflicts caused by Natura are not exceptional. Conflicts between the local population and administration over land use are nothing new. In the 1970s the planning of protection and recreation areas as part of regional planning caused conflicts, and just a few years before Natura, the Shore Conservation Programme met opposition. For this reason it is strange that the Ministry of the Environment did not anticipate conflicts over Natura and try to reduce them through information and open cooperation beginning early on. The reason may be that the ministry thought it could stand behind EU regulations.

At present general plans have been made for Natura sites and the planning of the management and use of sites has begun. If plans regarding the management and use of sites had been made at the same time that sites were selected, it would have been easier to communicate to landowners what Natura is about and the possible benefits of the management and use of sites later on.

On the basis of the audit, management and use plans could have communicated Natura's special features during the selection of sites, if there had been time to make them. In practice Finland did not have time for the more systematic planning of management and use before the present decade. The Commission itself did not publish a document dealing

with the use and management of Natura sites or the provisions in Article 6 of the Habitats Directive until 2000.

### 3.3.8 Transparency: consultation

The Habitats Directive does not contain detailed provisions concerning the consultation procedure. Each member state has therefore followed its own administrative practices and the European Commission has not intervened in the member states' different practices. In Finland landowners were consulted when Natura sites were selected.

The idea initially was to send a letter to landowners particularly with regard to "new" Natura sites. This had to be abandoned when information concerning landowners could not be obtained easily. Problems resulted from fragmented land ownership and the estates of deceased persons, whose beneficiaries could even be living abroad. Some regional environment centres made real efforts to contact landowners, however. Thus in parts of the country it was possible to provide this kind of extra service, which was not required by law.

The idea of sending a letter to landowners only with regard to "new" Natura sites was based on the assumption that the owners of old protection areas were aware that these were part of the conservation network. This assumption proved false, however. The establishment of old conservation programmes, with the exception of the Shore Conservation Programme in the 1990s, had not included consultations. In practice landowners had been informed of the matter if they applied for permission to carry out measures in the area. Otherwise they were not necessarily informed. Consequently many landowners only found out that their land had been part of the conservation network for some time in connection with Natura work. This partly explains why so many complaints and appeals were made during the preparation of the Natura 2000 network about sites that were already part of existing conservation networks. The conflicts that arose during Natura work were thus influenced by the old administrative procedure according to which old conservation programmes had been prepared.

In particular landowners' organizations criticized the Natura consultation process for not sending landowners information personally. The Ministry of the Environment complied with the law in arranging consultations, however. It is an entirely different matter that the consultation procedure required by law can be considered old-fashioned in view of public opinion and other environmental legislation that was enacted during the same period. The Government bills for the Act on

Environmental Impact Assessment Procedure (GB 319/1993) and the reform of the Building Act (GB 101/1998) emphasized participation and interaction, for example. The Government bill for the Nature Conservation Act (GB 79/1996), on the other hand, talks about ensuring landowners' rights but not about interaction.

The section of the Nature Conservation Act dealing with consultation is old-fashioned in that consultation is only arranged after a proposal has been drafted, instead of including parties in the drafting of the proposal. The idea that municipal notice boards could serve as an effective information channel is also old-fashioned. The procedure also restricts the flow of information. How can it ensure that owners of holiday cottages receive information outside the holiday season, for example?

Some regional environment centres clearly exceeded the minimum requirements in the Nature Conservation Act and contacted landowners directly. During the preparation of the Natura 2000 network practices also changed to give greater attention to landowners' opinions.

### 3.3.9 Ex-post evaluation and learning

The environmental administration did not conduct a systematic and documented ex-post evaluation of the preparation of the Natura 2000 network. Consequently experience has not been put to use as effectively as possible in the whole organization. Especially since the preparation of the Natura 2000 network placed excessive pressure on employees in the nature conservation administration, the lack of an ex-post evaluation can be considered worrying. Experiences have been shared at different training occasions, but in view of the heavy load caused by the process a more systematic ex-post evaluation would have been in order.

On the basis of the audit it can, however, be stated that the nature conservation administration has learned from the preparation of the Natura 2000 network particularly with regard to process management, interaction and communications. Largely as a result of experience gained in the Natura process, the Finnish approach to nature conservation has developed and now places more emphasis on voluntary measures.

## 3.4 Effects of the preparation of the Natura 2000 network

### 3.4.1 Effects on the nature conservation administration

The Finnish nature conservation tradition has been based on a kind of total approach in which a valuable site is marked out and then nothing can be done within it. The main thing in the Natura 2000 network is not to mark borders but to preserve conservation values. Restrictions on human activities can extend outside a site, but in many cases activities can also be allowed within a site. Human activity may in fact be essential to preserve natural and cultural environments, such as traditional agricultural landscapes.

The preparation of the Natura 2000 network began according to the Finnish nature conservation tradition. A false picture of Natura work also helps explain why the site selection process caused such a difficult conflict situation in Finland. Although the borders of Natura sites are not the most decisive thing, this is what disputes focused on during the preparation of the Natura 2000 network in Finland.

The new approach represented by Natura would have required significant information work on the part of the nature conservation administration. It failed to get across Natura's flexible approach to conservation, however. The task cannot be considered very easy. In many of the interviews that were conducted during the audit, experts said that the new approach to conservation had not been easy to absorb.

The conflicts that arose during the preparation of the Natura 2000 network eroded trust in the nature conservation administration, at least for a while, or reinforced landowners' negative attitudes. The lack of trust was not limited to the nature conservation or environmental administration, however, but involved public administration in general. The failure of state administration as a whole to get behind the nationally important Natura project before a crisis was reached thus resulted in a defeat for public authority. The lack of trust between the key ministries, the Ministry of the Environment and the Ministry of Agriculture and Forestry, in the preparatory work reflects the fact that Natura was not a project of state administration as a whole.

Natura, however, had also positive effects. One of these was to make conservation work more systematic. Experts who were interviewed in the audit said that Finland's earlier conservation programmes were not very consistent. The Natura 2000 network with its common principles was an improvement. The Natura process also increased scientific information in

Finland and harmonized its quality. Thus the preparation of the Natura 2000 network, no matter how difficult, served to evaluate and harmonize Finnish conservation. From the viewpoint of the state it also provided a one-time evaluation of conservation values on state-owned land.

The nature conservation administration's interaction skills developed as a result of the Natura 2000 network. The change in communications became visible during the Natura process. If in the early stage of the preparation of the Natura 2000 network communications was quite limited, in the supplementary stages the strategy verged on an excess of information.

A significant change in the Finnish approach to nature conservation has been the shift towards voluntary conservation measures. One reason is that all the most important areas have already been protected, so now it is possible to focus on protecting smaller areas through voluntary measures. However there has also been a change in the nature conservation administration's approach, away from total protection and towards cooperation with landowners favouring voluntary measures.

Natura has also had positive operational effects. With it the environmental administration took a giant step into the geographical information age. This required the procurement of software, hardware and training. One problem in the nature conservation administration's geographical information systems is that different organizations still use different software. Since the Forest and Park Service (Metsähallitus) used different software, in practice the regional environment centres had to redo maps to make them compatible with their own systems.

As a result of Natura, various EU projects have been started particularly in connection with the planning of the management and use of sites. Up to 2006 Finland received over 35 million euros in LIFE funds, for instance. EU projects are characterized by cooperation with different actors, and accordingly the nature conservation administration's cooperation with local authorities, for example, has increased. The potential benefits of nature conservation are also starting to be realized with an increase in eco-tourism, among other things. Many large LIFE projects are under way in Lapland, and these have helped turn opinions towards Natura - and nature conservation - in a more favourable direction.

When a crisis was reached in the Natura process, more attention was paid to the nature conservation administration's resource situation. As a whole the Natura process was difficult for the nature conservation administration, however. On the positive side, it appears to have welded together the nature conservation administration and working groups. This positive feature does not cancel the fact that some employees burned out during the Natura process.

A positive effect on nature conservation administration at the EU level is that Finland began cooperating with new member states through the PHARE fund before they joined the European Union. Finns were able to share their experiences with the new member states in cooperation projects. These countries were thus in a better position to put together their own Natura 2000 networks and avoid the problems that were encountered in Finland.

#### 3.4.2 Effects on nature conservation: focus on management

Natura has influenced the state of Finnish nature conservation by drawing attention to new habitat types such as coastal areas, waterways and sea areas, and by improving the protection of some species of animals such as the white-backed woodpecker. It has also improved the approach to nature conservation in the sense that if activity that is liable to weaken conservation values is planned in or near a site, the impacts of this activity must be assessed. Compared with old national conservation work, Natura has increased the stability of the protected area network.

In considering the overall effect of Natura on the level of nature conservation, the matter must be seen in relation to the aim of the Habitats Directive or whether the network has allowed the achievement of "favourable conservation status". Although the audit does not attempt to make a scientific evaluation of the achievement of favourable conservation status, below are brief comments on conditions for achieving this aim and implications for the state economy.

The drafting of the Natura proposal does not actually tell of the achievement of favourable conservation status. It is important for the whole what happens outside protected areas. Favourable conservation status cannot be achieved for habitats and species simply by establishing the Natura 2000 network. The essential thing is what happens in sites afterwards. In some sites conservation values can only be maintained with the help of systematic management. Old-growth forests are meant to be left alone (or at most restored), but herb-rich forests and some bird waters must be cared for. Traditional habitats require constant care.

The Habitats Directive requires the planning of the management and use of Natura sites. Since attention in Finland was on the selection of Natura sites up to the present decade, the planning of the management and use of Natura sites is only getting under way. By 2006 general plans had been prepared for all the regional environment centres. The purpose of general plans is to determine for how many Natura sites an actual management

and use plan is required, for which sites a lighter operational plan is sufficient and what sites do not require a plan. The general plan also sets priorities for planning the management and use of different Natura sites.

There are many positive features in the planning of the management and use of Natura sites. In the management and use stage the financial possibilities for conservation usually become clear. The management and use of Natura sites requires resources, however. On the basis of the audit it appears that the environmental administration and the state's financial management in general have not prepared adequately for this. The state administration should develop financing mechanisms in which different parties such as the EU, local authorities and local businesses cooperate to consider possibilities to arrange the management and use of Natura sites.

With regard to the management and use of Natura sites, it is also necessary to decide whether the present system, in which two state organizations (the Forest and Park Service and the regional environment centres) share responsibility, is effective. Although the divisions of labour between the Forest and Park Service (Metsähallitus) and the regional environment centres seems to have worked well enough in the preparation of the Natura 2000 network, it should be reconsidered in the management stage. A rapporteur appointed to study the nature conservation administration's productivity programme has drawn attention to this matter. According to his recommendation it does not make sense to divide management and use on the basis of land ownership. The rapporteur has proposed that operational tasks in the management of privately owned land be shifted to the Forest and Park Service (Metsähallitus) and that the regional environment centres concentrate on the general planning of the management and use of Natura sites as well as the programming of management and use plans and operational plans.

### **3.5 The cost of preparing the Natura 2000 network for the state economy**

#### **3.5.1 Administrative costs and cost-effectiveness**

The audit evaluated the cost of preparing the Natura 2000 network by sending a questionnaire to the Ministry of the Environment, the regional environment centres, the Forest and Park Service (Metsähallitus) and the Supreme Administrative Court concerning the administrative costs of preparation. Evaluating costs after the fact is difficult because there was

no systematic cost monitoring at the beginning of preparation. Nor did the nature conservation administration calculate the cost of preparing Natura.

On the basis of estimates the total cost of preparing the Natura 2000 network was about 12.4 million euros. What does the result of the questionnaire tell about the preparation of the network? This was a significant project for the state economy simply from the viewpoint of the resources needed to prepare it. On the other hand, if we divide the sum by the total area included in the network (4.94 million hectares), the cost per hectare was 2.50 euros. If we only count land area (3.67 million hectares), we obtain a cost of 3.40 per hectare. In view of the size of the project, the cost does not seem excessive. The project not only updated the entire Finnish conservation system but was also necessary to implement Community legislation.

In examining Natura's preparation cost per hectare, one must also keep in mind differences between Finland's regions and the history of conservation in them. Most of the Natura sites were areas that were already protected and included in conservation programmes, and the preparation costs were considerably lower than in the case of new areas, where the number of landowners could be large. For example, conservation costs in large wilderness areas in Lapland and in small areas in southern Finland vary enormously. The basic idea in estimating costs is that all sites had to be prepared for the Natura 2000 network and they should therefore be included in the cost estimate.

The estimated cost per hectare can be used to approach the question of whether the investment in Natura was good value for money or in other words whether preparation was cost-effective. From a cost-benefit perspective the cost of preparing Natura should be viewed in relation to all the benefits that were obtained. On the benefit side one must take into account the positive effects of the preparation of the Natura 2000 network on the nature conservation administration and nature conservation (see section 3.4). On the cost side is the erosion of trust in the nature conservation administration, public authority in general and the EU. Although it is difficult to put a monetary value on these effects, it would appear that the benefit/cost ratio is favourable.

The cost of preparing Natura can be compared to the money obtained from the LIFE fund, most of which has gone to planning management and use. This figure is 35 million euros. Project financing has thus supplied nearly three times as much money as was spent on the preparation of the Natura 2000 network. Around 4% of the LIFE-Environment budget in 1995 - 2006 was granted to Finnish projects.

Some of the costs of preparing Natura could have probably been avoided if more resources had been available for nature inventories and

communications in the early stage. This would have required not only more resources, but also more time, however. It is very difficult to estimate the extra costs resulting from weaknesses in resources and preparation, because it is possible that even good preparation would not have prevented conflicts entirely. Conflicts were largely due to shortcomings in the preparation of old conservation programmes and general anti-EU sentiment. The attitude of key stakeholders might also have been the same regardless of the quality of preparation.

Part of the cost of preparing Natura can be chalked up to the "price of democracy". Citizens' participation and possibility to appeal clearly influenced the cost of preparation. On a European scale the preparation of Finland's Natura 2000 network can be considered to have been transparent, since landowners were consulted when sites were selected.

### 3.5.2 Natura's significance for the state economy

Compared with the Finnish tradition the Natura 2000 network represents a different approach to nature conservation, with the emphasis on flexibility and case-by-case consideration. The use of each Natura site depends on the situation: the important thing is not to weaken conservation values. Human activity may therefore be allowed in Natura sites. The Nature Conservation Act is not always needed to protect areas. Consequently including a site in the Natura 2000 network does not always result in compensation for the landowner.

In the preparation of the Natura 2000 network the Ministry of Agriculture and Forestry and landowners' organizations considered the traditional total protection approach better than Natura's flexible approach. They wanted all measures to be based on the Nature Conservation Act. This approach was also supported by the Finnish Association for Nature Conservation, albeit for different reasons.

To evaluate Natura's flexibility and significance for the state economy a questionnaire was sent to the regional environment centres enquiring how much more it would have cost if all Natura sites had been protected under the Nature Conservation Act - particularly by procuring land for the state. The extra cost was estimated at nearly 400 million euros.

The estimate is subject to several reservations. First of all the regional environment centres used average prices for land areas. A second problem involves water areas, for which there is no real market on the basis of which values could be estimated. Estimating the value of eskers was also considered problematic by the regional environment centres. Furthermore

it is impossible to estimate the value of building rights, since the planning situation can change in the future.

The estimated figure reflects the flexibility of Natura, even if we assume the actual value to be only one-fourth of this, for example - which would still be nearly 100 million euros. Natura's flexible approach to nature conservation is therefore beneficial for the state. From the viewpoint of the state economy this flexibility, which allows the achievement of conservation values without having to pay compensation, appears to give good value for money. The "over-protection" of sites can also be avoided, saving the state money.

In considering Natura's significance for the state economy, one must also take into account the obligation to compensate for the deterioration of the network in the Habitats Directive and the Nature Conservation Act (section 69). A protection order on a site can be lifted if for imperative reasons of overriding public interest a permit is granted for a project or plan that is likely to have significant adverse effect on the ecological value of a site included in or proposed for inclusion in the Natura 2000 network for the purpose of protecting this ecological value. Compensation can take place by designating a new site in which the appropriate species or habitat type is found in a similar scope.

The Nature Conservation Act says that the Ministry of the Environment must take immediate action to compensate for any deterioration of the network. In the legal literature this has been interpreted to mean the shifting of cost responsibility to the state rather than to the party behind the project or plan, which should be the starting point according to the principle that the polluter pays. Furthermore the EU's state aid regulations in principle limit the state's possibilities to cover costs instead of the party that is responsible for weakening the Natura 2000 network. It is important for the state economy that responsibility for compensation belongs to the party that is responsible for weakening the Natura 2000 network, according to the polluter pays principle.

## 4 The National Audit Office's conclusions and recommendations

The audit evaluated the preparation of the Natura 2000 network in the nature conservation administration. It went over the administrative preparation process, with regard to which observations were analysed according to the principles of project management. The audit also evaluated the starting points of Finnish Natura work. In addition it evaluated the effects of Natura on nature conservation and the nature conservation administration as well as the cost of the network for the state economy. With regard to costs the audit also examined the planning of the management and use of Natura sites. This English summary presents the National Audit Office's positions in their entirety.

### *Natura had new starting points*

The preparation of the Natura 2000 network in Finland was challenging in several ways. On the one hand it involved the implementation of Directives that Finland had not participated in preparing. On the other hand the timetable in the Directives was very tight and this caused significant problems. The Ministry of the Environment also drafted the timetable for the initial stage quite optimistically. The preparation of Finland's Natura proposal fell behind schedule, but it should be pointed out that this also happened in many other member states. The tight timetable meant that the nature conservation administration had to work at a very fast pace.

The preparation of the Natura 2000 network was also challenging because it was based on a different approach to science and conservation than Finns were used to. In the Finnish conservation tradition the borders of a valuable site are marked and then nothing can be done within them. What matters in Natura is not so much borders but preserving conservation values. Consequently restrictions on human activity can extend outside Natura sites, but on the other hand in many cases activities may be allowed within sites.

Natura's flexible, case-by-case approach to conservation was something new in Finland, and it took time to absorb it in the nature conservation administration. Ultimately the number of sites that were included in the

Natura 2000 network was limited by the financial framework for nature conservation programmes that was approved in 1996: the cost of Natura sites had to remain within this framework. Supplementing the network proposal later on was made more difficult by conflicts with landowners over Natura. The negative public reaction and the large number of complaints slowed down the process.

As a result of the tight timetable, particularly in the early stage work had to be done on the basis of various assumptions. The Natura 2000 network had to be prepared before anyone could be sure of habitat types or the exact content of the Nature Conservation Act. The European Commission's meagre communication with the member states made the job even more difficult.

#### *Inadequate resources, management problems in the early stage*

The audit indicated that the preparation of the Natura 2000 network was too big a task in view of the resources at the disposal of the nature conservation administration. Particularly there was a shortage of competent personnel. The problem was the failure of the environmental administration and state administration as a whole to see the significance of Natura and allocate sufficient resources to its preparation in the early stage. In addition the Ministry of the Environment and the regional environment centres did not give the preparation of the Natura 2000 network sufficient priority over other work. This caused the process to fall behind schedule.

The preparation of the Natura 2000 network was not planned and directed sufficiently at the beginning of the process. This was partly because ideas concerning Natura were quite sketchy in the early stage. Only after landowners and especially landowners' organizations began to voice strong criticism in public was the direction of the process improved by the Ministry of the Environment and responsibility shifted to it. Up until then the regional environment centres had played a leading role and this had resulted in the unevenness of proposals.

The commitment of the regional environment centres' managers to Natura varied considerably, and this was reflected in the generally scant resources that were allocated to preparation. In the opinion of the National Audit Office, the supervision of the preparation of the Natura 2000 network took place excessively within the nature conservation sector. The general management of the Ministry of the Environment should have supervised the general management of the regional environment centres more vigorously.

The Ministry of the Environment did not make clear within the state administration the national significance of Natura before it received massive publicity. As a result the process took longer and became considerably more difficult. In the opinion of the National Audit Office, the environmental administration and the state administration in general should develop capabilities so that they can carry out nationally significant projects more speedily.

### *Conflicts with landowners*

Conflicts related to the preparation of the Natura 2000 network came to a head in 1997. One reason for this was the unclear information that was provided by the nature conservation administration, which also came too late. Natura's flexible, case-by-case approach was not explained adequately. Instead Natura was viewed by landowners as a vague and threatening matter.

Landowners should have been informed in a more personal way in the early stage of preparation. In retrospect the nature conservation administration cut communications costs in the wrong place: as a result of conflicts Natura became a much longer, difficult and expensive process than was initially anticipated. Conflicts with landowners roused suspicions towards the nature conservation administration and placed an excessive load on employees.

It should be noted that in the conflicts surrounding Natura, 97% of the areas in the final proposal were already included in protected national areas or programmes. In previous decades landowners were not consulted in a similar way, and consequently some landowners did not even know that their land was included in protected areas. Natura information should have drawn attention to features associated with old protection areas and explained the already complicated conservation system. On the other hand opposition to Natura was also caused partly by negative attitudes towards the EU.

During supplementary stages the nature conservation administration worked to improve information. More personal tools such as the Ministry of the Environment's hotline were introduced in the course of preparation. In retrospect, however, it is remarkable that the Ministry of the Environment did not pay enough attention to cooperation with landowners in the early stage of Natura work, despite experience of conflicts in connection with the Shore Conservation Programme at the beginning of the 1990s.

Interested parties were consulted in the Natura process according to the Nature Conservation Act. In some places the nature conservation administration went beyond statutory obligations and allowed interested parties to make follow-up comments. The National Audit Office points out, however, that although among the member states Finland's selection of Natura sites can be considered to have been transparent, the concept of interaction under the Nature Conservation Act is quite old-fashioned compared with other Finnish environmental legislation of the period.

Some regional environment centres made efforts to contact landowners personally. Most of the regional environment centres were not able to do this because of the timetable and incomplete real-estate information, however. Consequently landowners in different parts of the country were not treated equally with regard to this "extra service".

The audit indicated that Natura's flexible, case-by-case approach is still not fully understood by landowners. Consequently the nature conservation administration's information activities and interaction with landowners are still timely.

#### *Problems with information systems*

The preparation of the Natura 2000 network was made more difficult and mistakes were caused by problems with information systems. First of all the real-estate register system was incomplete and could not be used to determine landowners. Secondly the audit indicated that the database supplied by the European Commission was poor. The Natura database remains rigid and outdated and is not suitable to support national conservation work. Supplementing the Natura database is difficult because even small changes require a Government decision and consultations. Consequently revising information and changing incorrect borders is cumbersome. This cannot be considered expedient.

Finnish summaries of data forms that were printed out from the database were used in consultations. Resulting problems roused suspicions among landowners that information had been manipulated, however. These suspicions have not yet been put to rest, which can be considered problematic. A positive matter related to the collecting of information is that, as a result of Natura work, information concerning Finland's conservation values increased and was made more systematic.

Problems were also encountered in the mapping of Natura sites. At the time numerical geographical information systems were being introduced. This caused both negative and positive effects in the nature conservation administration. On the one hand the newness of geographical information

and the incompleteness of available background material combined with the urgency of mapping caused problems and an unreasonable amount of work for mapmakers. Map data are still not entirely accurate. On the other hand the information, software and hardware procured in connection with Natura work significantly speeded up the shift to the geographical information era in the environmental administration. Without Natura development would have been slower.

### *Cooperation and learning*

The Nature Conservation Unit at the Ministry of the Environment was responsible for the preparation of the Natura 2000 network. The Forest and Park Service (Metsähallitus) began work regarding state-owned land. After this the regional environment centres proceeded with work regarding privately owned areas. The division of labour between Metsähallitus and the regional environment centres appears to have worked well. The regional environment centres faced more public pressure, however, because they had to arrange consultations with private landowners.

The role of the Natura working group, which included stakeholders, was limited to providing information. Because of the conflicts that arose, a ministerial working group was established to help prepare the Natura proposal. This was necessary for political reasons but it tied up a lot of ministers' and administration's time.

In preparing the Natura 2000 network there could have been more cooperation with local authorities in information activities, for example. Cooperation is still important so that local authorities can, for instance in their own land-use planning, pay sufficient attention to conservation values while avoiding the "over-protection" of Natura sites. The regional environment centres are responsible for supervising local authorities in land-use planning. In the opinion of the National Audit Office, the regional environment centres should draw attention to cooperation between nature conservation and community planning and support local authorities in this.

Although the Ministry of the Environment did not conduct a systematic ex-post evaluation, Natura spurred learning processes in the nature conservation administration. The audit indicated that preparedness for interaction has increased in the nature conservation administration along with understanding of the social dimensions of conservation.

Natura has also helped change the Finnish approach to nature conservation. In this respect there has been a shift towards voluntary

measures. These appear to increase landowners' positive attitudes towards nature conservation.

### *Cost-effectiveness and flexibility*

The audit calculated the administrative costs of preparing the Natura 2000 network. On this basis cost-effectiveness can be considered reasonable.

For the state economy Natura's flexibility is connected to the fact that a Natura site can be protected on the basis of other legislation besides the Nature Conservation Act. The audit hypothetically calculated how much more it would have cost the state if all the Natura sites had been protected under the Nature Conservation Act. The extra cost was estimated at nearly 400 million euros, which the state would have had to pay with traditional conservation. Although the calculation is subject to reservations, the size of the figure shows that the flexible approach to conservation represented by Natura is expedient and effective for the state economy.

A significant question for the state economy involves the obligation to compensate for any deterioration of the Natura 2000 network. If a permit is granted for a project or plan that is likely to have significant adverse effect on the ecological value of a site included in or proposed for inclusion in the Natura 2000 network for the purpose of protecting this ecological value, compensatory measures must be taken. Compensation can take place by designating a new site to replace the old one. According to the Nature Conservation Act, the Ministry of the Environment must take immediate action to compensate for any deterioration of the network. This has been interpreted to mean the shifting of cost responsibility to the state rather than to the party behind the project or plan. It is important for the state economy that responsibility for compensation belongs to the party that is responsible for weakening the Natura 2000 network, according to the polluter pays principle.

The selection of Natura sites alone does not ensure a favourable level of conservation. The essential thing is what happens in sites subsequently. In addition to the preparation of the Natura 2000 network, the audit draws attention to the management and use of Natura sites. The conflicts that arose were caused partly by the failure to provide concrete information regarding potential benefits when sites were selected. This is important in planning the management and use of sites. In the opinion of the National Audit Office, in order to achieve the objectives of Natura, it is important to develop financing mechanisms in which different parties such as the European Union, local authorities and local businesses cooperate in

considering possibilities to arrange the management and use of Natura sites.

The National Audit Office also believes that the present system in which two state organizations (the Forest and Park Service and the regional environment centres) are responsible for the management and use of Natura sites should be re-evaluated.



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