

Translation from Finnish

Legally binding only in Finnish and Swedish

Ministry of Agriculture and Forestry, Finland

Act on a Temporary Forestry Incentive Scheme

(71/2023)

By decision of Parliament, the following is enacted:

Chapter 1

General provisions

Section 1

Objectives

The objective of this Act is to promote and coordinate economically, ecologically and socially sustainable management and use of forests. Under this Act, measures are financed that aim to:

- 1) increase the growth of forests;
- 2) safeguard and increase the biodiversity of forests;
- 3) promote water protection in forestry;
- 4) mitigate climate change and promote the adaptation of forests to climate change;
- 5) maintain the road network for forestry purposes.

Section 2

Scope of application and limitations concerning the targeting of financing

Financing referred to in this Act may be targeted, within the limits of an appropriation allocated annually in the Budget, only at forests that fall within the scope of application of the Forest Act (1093/1996) or at private nature reserves based on a government resolution where the activity to be financed is permitted under the protection regulations. However, in such a case financing shall not be targeted at environmental aid contracts concluded on the nature reserves referred to above. Financing is targeted at forests owned or controlled by beneficiaries specified in this Act. Peatland forest water protection measures, embankment road construction, forest nature

management, forest road construction and private road improvement are considered to be targeted at forests owned or controlled by beneficiaries specified in this Act even where measures and work in part takes place in another area if the impacts sought by the work or measures are targeted at the beneficiaries. Financing is granted as aid.

Financing referred to in this Act shall not be used for compensation paid on the basis of a contract concluded on the fixed-term protection of a privately owned site under section 48 of the Nature Conservation Act (9/2023) or for compensation on which separate provisions are laid down in section 111 or section 124, subsection 2 of the said Act, nor for compensation based on corresponding provisions in force prior to the entry into force of the said provisions.

Financing referred to in this Act shall not be used for planning or studies carried out by an authority or a party attending to a public administrative task.

In this Act, forest means forest land, poorly productive forest land, unproductive land and other forestry land.

Section 3

Relationship with the Act on Discretionary Government Grants and provisions concerning public procurements

In addition, the Act on Discretionary Government Grants (688/2001), excluding its section 13, subsections 3 and 4, applies to aid referred to in this Act.

The Finnish Forest Centre, hereinafter the *Forest Centre*, acts as the government grant authority as regards aid laid down in this Act. As regards decisions concerning the recovery of aid granted by the Forest Centre and the dissolution and termination of environmental aid contracts, however, the Finnish Food Authority acts as the government grant authority. In the case of return of environmental aid and termination of contracts in forest damage situations, the Forest Centre and the Finnish Food Authority act as the government grant authorities in accordance with the provisions laid down below.

Provisions on public procurements apply to procurements to be financed by means of aid referred to in this Act to the extent that the procurements fall within the scope of public procurements. If the value of the procurement is below the national threshold value and if the amount of the aid is based on eligible costs, the beneficiary shall ensure that a sufficient number of tenders is invited concerning the procurement related to implementing the work or measure for which aid is to be

granted. However, tenders need not be invited concerning the organisation of subcontracting or supervision and guidance of the work of a subcontractor if the purchaser responsible for implementing the work or measure for which aid is to be granted is the author of the implementation plan.

Section 4

Beneficiaries

Aid under this Act shall only be granted to a private landowner. In this Act, *private landowner* means:

- 1) a natural person;
- 2) a holder of a land lease, a usufruct based on a will, a right of possession of a surviving spouse, a pension right or other similar right if the holder is a natural person;
- 3) a corporation, partnership or the estate of a deceased person where the partners, parties or shareholders only comprise natural persons and where the primary purpose of the corporation or partnership is to practise farming or forestry;
- 4) a foundation the primary activity of which is farming or forestry;
- 5) the partnership of a jointly owned forest or the joint property management association of a joint property referred to in the Joint Property Act (758/1989) where at least half of the shares are held by natural persons, or the partnership of a jointly owned forest or the joint property management association of a joint property that was formed before 1 March 2003.

In addition, a private landowner means natural persons who own a real estate unit together with a company if their ownership share of the real estate unit is at least 50 per cent and if the primary purpose of the company is to practise farming or forestry. However, funds on which provisions are laid down in the Act on Common Funds (213/2019) or in the Act on Alternative Investment Fund Managers (162/2014) are not considered as a private landowner.

Natural persons who are shareholders of a partnership are responsible for the obligations related to the aid.

Further provisions are given by government decree on what is considered as primarily practising farming or forestry as referred to in subsections 1 and 2 and on when the practising of farming or forestry can be considered as the primary activity of a foundation.

Section 5

Compliance with certain state aid rules

Aid is not granted to those that meet the requirements of the Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (2014/C 249/01). Aid is also not granted to those from whom unlawful and incompatible aid is being recovered under a decision by the European Commission.

Aid referred to in this Act shall not be used to cover costs for which the beneficiary could have taken out an insurance.

The Forest Centre shall publish the information on the aid granted in a public information network in the manner required in European Union legislation to the extent that the aid granted exceeds EUR 100,000. Provisions on submitting information on grants to the data repository of discretionary government grants and the related publication of information on grants are laid down in the Act on Discretionary Government Grants.

Aid for seedling stand and young forests management shall be granted as de minimis aid in accordance with the legal act of the European Union in force at each time that can be applied to de minimis aid concerning forestry. However, the provisions of subsections 1–3 do not apply to aid for seedling stand and young forests management. The legal act of the European Union referred to above is specified by decree of the Ministry of Agriculture and Forestry.

Section 6

General conditions for granting aid

The work for which aid is granted shall be appropriate both economically and with regard to the preservation of forest biodiversity. To the extent possible, work shall be coordinated in such a way that it can be undertaken in the most economically advantageous manner. Work shall be carried out in accordance with the good professional practice of the forest sector.

Aid shall not be used for work or a measure which is provided by law as the obligation of the landowner. However, environmental aid may be granted if it compensates the landowner for any

part in excess of financial loss or harm which is greater than minimal as referred to in section 11 of the Forest Act.

The work or measure for which aid is granted shall be in accordance with the relevant legislation. Aid shall not be used for work or a measure that is due to activity that has been found to be unlawful. Work shall not cause any reasonably avoidable harm to the rest of the environment.

Section 7

Restrictions on granting aid

Aid is not granted to large enterprises referred to in European Union legislation.

Aid is not granted if a private landowner has made an asset or other arrangement to receive the aid and the legal form of the arrangement is not compatible with the true nature or purpose of the matter. Aid is also not granted if a private landowner has given a form to another matter related to the granting of the aid that does not correspond to the actual nature or purpose of the matter.

Further provisions on the definition of a large enterprise are laid down by government decree.

Section 8

Other public support

A condition for aid granted under this Act is that no other benefit from public funds has been granted for the work or measure to be financed. In addition, a condition for granting environmental aid and aid for forest nature management and prescribed burning is that no measures on the site in question have been financed from state funds under nature conservation legislation during the five years preceding the application.

Aid granted under this Act is recovered if it becomes apparent after the payment of the aid that another benefit from public funds has been granted for the work or measure.

Section 9

Own work, commissioning work and joint project

Work referred to in this Act may be carried out as own work or commissioned to be done by an external party. Aid is not granted for a measure done as a landowner's own work if the amount of aid is based on eligible costs.

A project that is implemented in the area of at least two real estate units that do not belong to the same landowners is considered as a joint project if each landowner is eligible for the aid referred to in this Act. Seedling stand and young forest management cannot be implemented as joint projects.

Further provisions on own work referred to in subsection 1 are given by government decree.

Section 10

Implementation plan, implementation notification and peatland forest management plan

A condition for granting aid for remedial fertilisation, peatland forest water protection measures and embankment road construction, forest road construction, forest nature management and prescribed burning referred to in this Act is that an implementation plan approved by the Forest Centre exists. The implementation plan for peatland forest water protection measures and embankment road construction shall be based on a peatland forest management plan drawn up previously and financed under this Act. An implementation notification concerning the completion of the above-mentioned work carried out in a forest and of a peatland forest management plan shall be made to the Forest Centre within the time limit set by the Forest Centre. In addition, an implementation notification on the implementation of a measure concerning seedling stand and young forest management shall be made to the Forest Centre in conjunction with submitting an application for aid.

The author of an implementation plan, implementation notification and peatland forest management plan shall have sufficient expertise in relation to the type and scope of the measure for which aid is granted.

An implementation plan and an implementation notification may be drawn up as own work referred to in section 9. A peatland forest management plan may not be drawn up as own work. Aid may be granted for drawing up an implementation plan if the document is drawn up as work other than own work.

Provisions on the requirements for the content of an implementation plan, implementation notification and peatland forest management plan are laid down by decree of the Ministry of Agriculture and Forestry.

Section 11

Amount of aid and allocation of funds

The amount of aid may be differentiated by region on the basis of forestry conditions and administrative boundaries. The amount of aid for private road improvement may be differentiated on the grounds of whether the project concerned is a joint project or a project implemented by a jointly owned forest or a project implemented in another manner. Aid for a peatland forest management plan may be differentiated on the basis of the number of real estate units in the planning area or the surface area of the planning area. Aid is granted as a percentage share of eligible costs or on the basis of a calculated criterion. In the case of a joint ownership referred to in section 4, subsection 2, aid is granted at an amount corresponding to the relative ownership shares of natural persons.

Environmental aid compensates the landowner for loss of income from wood production less any part of financial loss or harm which is greater than minimal as referred to in section 11 of the Forest Act. In addition, environmental aid may include an incentive compensation paid for deadwood amounting to a maximum of 20 per cent of the total amount of environmental aid.

Aid for prescribed burning includes aid for implementing the measure and a separate compensation to the landowner for loss of income from wood production with regard to growing stock left on the prescribed burning site. The amount of the growing stock taken into account in the separate compensation is a maximum of 50 cubic metres of wood. In addition, aid for forest nature management includes a compensation for loss of income from wood production caused by the measures undertaken when such losses have been incurred.

Further provisions on the amount of aid, regional differentiation, eligible costs, calculation criteria of environmental aid and the related incentive compensation and on other grounds for determining the amount of aid are given by government decree. Provisions on the average stumpage price of a cubic metre of wood used in calculating the felling value of growing stock are laid down by decree of the Ministry of Agriculture and Forestry.

Section 12

Maximum and minimum amount of aid and minimum project size in certain cases

Aid granted for an individual project may not exceed EUR 100,000 per beneficiary. Environmental aid and aid for forest road construction may, however, be granted up to EUR 300,000 per beneficiary.

Aid is not granted if, in a joint ownership referred to in section 4, subsection 2, the relative share of natural persons of the size of the project to be financed does not meet the requirement for the minimum size of a project.

Environmental aid is not granted if the amount to be granted per contract would be less than EUR 500. Aid for forest nature management is not granted if the amount to be granted would be less than EUR 500. In a joint ownership referred to in section 4, subsection 2 of this Act, natural persons are not eligible for aid if their relative total combined share of environmental aid or aid for forest nature management to be granted would be less than EUR 500.

Provisions on the maximum amount of de minimis aid to be granted to a single undertaking are laid down in the legal act of the European Union referred to in section 5, subsection 4.

Chapter 2

Ecological aid and aid promoting forest growth

Section 13

Seedling stand and young forest management

Aid may be granted for the early clearing of a seedling stand, thinning of a seedling stand and young forest and removal and thinning of nurse crops. A condition for granting aid is that the measure is not commercially viable. In addition, aid may be granted for harvesting small-diameter wood cut in conjunction with the above-mentioned work.

A condition for granting aid is that the site, which may be divided into multiple areas, fulfils the requirements concerning the minimum area and removal of growing stock and the post-treatment requirements concerning the density and average height of growing stock and stock left growing and that no immediate need for management remains on the site after the treatment.

Aid is granted subject to the condition that the beneficiary complies with the management and maintenance obligation laid down in this Act.

Further provisions are given by government decree on the minimum area of a seedling stand and young forest management site, removal of growing stock and post-treatment requirements concerning the stock left growing and the density and average height of growing stock, verification of seedling stand or young forest management work carried out, and on other conditions for granting aid laid down in this section.

Section 14

Remedial fertilisation

Aid may be granted for ash fertilisation of peatlands. In addition, aid may be granted for fertilisation on sites where the soil is boron deficient.

The conditions for granting aid are that:

- 1) the fertilisation site, which may be divided into multiple areas, fulfils the minimum requirements concerning the minimum area, growing stock and soil;
- 2) the necessary forest management work has been carried out on the site;
- 3) there are no significant felling needs on the site;
- 4) the hydrology of the area is in order.

If aid is granted on the grounds that the soil of the site is boron-deficient, a further condition for granting the aid is that the work is carried out in forests where, despite forestry measures, the development of the growing stock is declining due to soil nutrient imbalance and that can be revived through fertilisation. A further condition is that the fertiliser product is suitable for correcting the nutrient imbalance.

Aid is not granted unless, in planning the measure, special attention has been paid to the impacts of the measures on waters and the environment and to reducing any harm caused by the measures.

Aid is granted subject to the condition that the beneficiary complies with the management and maintenance obligation laid down in this Act.

Further provisions are given by government decree on the minimum area of a remedial fertilisation site, fertilisation site, criteria for selecting the fertiliser product, application of fertilisers, minimum requirements concerning growing stock and soil and forest management work necessary on remedial fertilisation sites, and on when there are no significant felling needs and when the hydrology of an area is in order, and on other conditions for granting aid laid down in this section.

Section 15

Peatland forest management plan

Aid may be granted for drawing up a peatland forest management plan if the plan includes the planning of measures necessary for water protection and the assessment of nature values and the planning of at least two other necessary forest treatment measures.

The conditions for granting aid are that:

- 1) the peatland forest management plan coordinates the improvement of the conditions for wood production, water protection, climate change mitigation and safeguarding biodiversity;
- 2) the planning area fulfils the requirement concerning the minimum area;
- 3) the planning area is located in the same peatland area or its sub-catchment area in such a way that it forms an appropriate whole with regard to the regulation of soil water table level and planning of water protection measures;
- 4) no previous peatland forest management plan financed under this Act has been drawn up for the same planning area.

Aid for drawing up a peatland forest management plan is granted subject to the condition that:

- 1) forest treatment measures outside the planning area are taken into account in planning if the information is available from open datasets provided by the Forest Centre when starting planning;
- 2) when drawing up the plan, the best available planning methods are used and use is made of the open datasets of the Forest Centre or other corresponding data available when drawing up the plan is started;
- 3) nature sites and potential nature management sites, including restoration sites, are assessed in the area of the real estate units covered by the planning;
- 4) the completed plan includes a water protection plan, a description of the nature sites and potential nature management, restoration and continuous cover sites in the planning area, and a description of the forest treatment measures and embankment roads and measures related to collector ditches, drainage ditches and supplementary ditches and repair of erosion damage implemented in the planning area during the next five years;
- 5) the plan specifies the ditches where cleaning is not necessary to improve the drainage status and where cleaning should be avoided to minimise adverse impacts on water bodies;
- 6) the planned measures enable sustainable forestry and minimise adverse impacts on biodiversity, climate and water bodies;

- 7) the plan identifies the most likely and the most significant adverse environmental impacts and describes what will be done to minimise them;
- 8) the landowners in whose ownership or control the real estate unit where the water protection measures are intended to be implemented is apply for aid for peatland forest water protection measures and embankment road construction following the completion of the peatland forest management plan and commit themselves to implementing the measures within the time limit set by the Forest Centre; and
- 9) no ditches are cleaned within five years from the completion of the plan that are intended to be left uncleaned under the plan.

By way of derogation from subsection 3, paragraph 8, aid for water protection measures and embankment road construction need not be applied for if the water protection measures are financed by other public financing or if the forest treatment measures presented in the peatland forest management plan can be implemented in such a way that the adverse impacts of the measures on water bodies are minimised. The Forest Centre shall be notified of the measures implemented by other public financing within the time limit set by it.

Further provisions are given by government decree on the minimum area of a planning area, the definition of the boundaries of a planning area eligible for aid, eligible measures that are being planned and minimisation of their environmental impacts, a water protection plan, and other conditions for aid laid down in this section.

Section 16

Water protection measures and embankment road construction

Aid may be granted for water protection measures and embankment road construction if the measures are specified in a peatland forest management plan financed in accordance with section 15.

The conditions for granting aid are that:

- 1) the measures are based on a single peatland forest management plan and an implementation plan drawn up on the basis of it;
- 2) in the implementation the best available water protection methods and structures are used that are suitable for the area and the costs of which are reasonable;

- 3) the water protection measures are necessary to reduce sediment and nutrient pollution;
- 4) the embankment road can be constructed to provide an access zone to load-bearing ground nearest to the ditch network.

Aid is granted subject to the condition that the beneficiary complies with the management and maintenance obligation laid down in this Act.

Further provisions on eligible water protection measures and embankment roads and on other conditions for aid laid down in this section are given by government decree.

Chapter 3

Forestry road network

Section 17

Forest road construction

Aid may be granted for the improvement of a private road required for forestry transport and the construction of a new forest road. Private road improvement may concern an entire road or its part and structures and may include constructing a section of a new forest road. Private road improvement or construction of a new forest road may also concern the construction of a separate storage area related to a forest road. Private road improvement may concern the construction of a separate storage area or the construction of a bridge or installation of a culvert corresponding to a bridge related to a forest road even if no other improvement of the road takes place. In this Act, forest road means a forest road referred to in section 3, subsection 1, paragraph 4 of the Private Roads Act (560/2018).

The conditions for granting aid are that:

- 1) the private road to be improved or the new forest road is suitable in terms of its structure for year-round forestry transport, excluding frost damage periods;
- 2) the improvement of the road or the construction of a new road can be regarded as appropriate with regard to the lower-class road network as a whole;
- 3) a right of way under the Private Roads Act and a road maintenance association maintaining the road and consisting of members of the road maintenance association have been established;

however, with respect to a project implemented by a private landowner alone their establishment is not required;

- 4) to the extent that the project concerns the construction or repair of a bridge, an external supervisor who is independent of the implementer and has sufficient professional skills has been designated for the project before submitting the aid application;
- 5) to the extent that the project concerns measures related to culverts and bridges, the unobstructed movement of aquatic organisms is enabled.

In addition, a condition for aid granted for private road improvement is that the road maintenance association has fulfilled its obligation laid down in section 50, subsection 1 of the Private Roads Act. Aid for the construction of a new forest road is granted subject to the condition that the said obligation has been fulfilled before submitting an acceptable implementation notification to the Forest Centre after the completion of the road.

Aid is granted subject to the condition that the beneficiary complies with the management and maintenance obligation laid down in this Act.

Further provisions on the construction of a storage area referred to in subsection 1 and on other conditions for granting aid laid down in this section are given by government decree.

Section 18

Further conditions for granting aid concerning private road improvement

The conditions for granting aid concerning private road improvement are that:

- 1) the road to be improved has been constructed at least in compliance with the technical requirements applicable at the time of construction concerning the construction of main haul roads;
- 2) the road to be improved is in poor condition or technically obsolete;
- 3) the implementation plan includes a soil survey, load-bearing measurement protocol or other report showing that the planned load-bearing capacity of the road to be improved enables year-round timber transport, excluding frost damage periods;

- 4) the road to be improved fulfils the requirements concerning the target load-bearing capacity and minimum length and width of the road and maximum road density of the area impacted by the road and the estimated percentage of forestry transport;
- 5) to the extent that the private road improvement involves the construction of a section of a new forest road, the new road fulfils the requirements set concerning the target load-bearing capacity and maximum length and minimum width and the maximum road density of the area impacted by the road;
- 6) the road to be improved has been maintained.

In addition, a condition for aid is that in the past 20 years no improvement of the road has been financed from funds under the Private Roads Act or the Private Roads Act of 1962 (358/1962). This condition may, however, be derogated from if the use of the road has changed substantially due to an increase in forestry transport or will change due to an estimated increase, or if the road is no longer structurally suitable for the use of current timber transport equipment, wood chips transport equipment or transport equipment for non-road mobile machinery. In addition, a condition for a derogation is that at least ten years have elapsed since the previous financing of an improvement of the road in question from the said public funds. The time limit is calculated from the final payment of the financing.

Further provisions are given by government decree on the requirements concerning the target load-bearing capacity and minimum length and width of the road, maximum road density of the area impacted by the road, the estimated share of forestry transport and the target load-bearing capacity of a new road, the share of the maximum length and minimum width and of the maximum road density of the area impacted by the road, and on the condition concerning carrying out road maintenance and other conditions for granting aid laid down in this section.

Section 19

Further conditions for granting aid for the construction of a new forest road

A condition for granting aid for the construction of a new forest road is that the new forest road fulfils the requirements concerning the target load-bearing capacity and minimum length and width of the road, and the maximum road density of the area impacted by the road and estimated share of forestry transport. In addition, a condition is that a previous access track can as a general rule be used in the routing of the road and that no forest area whose connectivity has been preserved will become fragmented.

Aid is granted for the construction of a new forest road implemented either as a joint project of private landowners or alone by a jointly owned forest.

Further provisions are given by government decree on the target load-bearing capacity and minimum length and width of a new forest road, maximum road density of the area impacted by the road and estimated share of forestry transport and on other conditions for granting aid laid down in this section.

Chapter 4

Maintenance of forest biodiversity and forest nature management

Section 20

Environmental aid

Environmental aid may be granted if measures related to the management or use of forests take account of the maintenance of forest biodiversity, nature management or use of forests for purposes other than wood production more extensively than what is laid down in the Forest Act as the obligation of a private landowner. In addition, aid may be granted for preparing an environmental aid contract.

A condition for granting aid is that a private landowner concludes a contract with the Forest Centre under which the landowner commits to preserving forest biodiversity in a certain area and to not carrying out forestry measures in the area without the consent of the Forest Centre.

A condition may be included in the contract between the Forest Centre and a private landowner whereby the landowner commits to complying with a management and use plan that promotes the preservation of the characteristic features of a habitat located in the area covered by the contract.

The contract is in force for ten years. The contract remains in force even if the area is wholly or in part transferred to a new private landowner.

Further provisions are given by government decree on the targeting of environmental aid and on when the measures referred to in subsection 1 are more extensive than what is laid down on them in the Forest Act, and on other conditions for granting aid laid down in this section.

Section 21

Management and use plan and other preparation of an environmental aid contract

A management and use plan shall contain information on the nature management measures to be carried out in the area covered by the contract and their implementation schedule.

The provisions of section 10 on an implementation plan apply to a management and use plan.

The preparation of an environmental aid contract means the drawing up of a management and use plan, mapping of environmental aid sites, assessing nature values and defining the boundaries of nature sites, and establishing the value of the contract site and of the marketable growing stock of the forest holding where the contract site is located. The preparation of an environmental aid contract may also include the collection of data required for the calculation of the incentive compensation. Aid for the preparation of an environmental aid contract may be granted only if it is carried out as work other than the private landowner's own work and if the author has sufficient expertise for the performance of the task.

Section 22

Forest nature management

Aid may be granted for:

- 1) management and rehabilitation work in habitats important for biodiversity and restoration of forest and peatland habitats;
- 2) preventing or remedying adverse impacts on water bodies caused by past forest drainage if the significance of the measure is more extensive than usual with regard to the management of water bodies and the aquatic nature and the costs cannot be pinpointed to a certain party;
- 3) improving game habitats or developing landscape, cultural and recreational values of forests or promoting other multiple use of forests carried out alongside measures referred to in paragraphs 1 and 2.

Aid is granted subject to the condition that the beneficiary complies with the management and maintenance obligation laid down in this Act.

Aid may be granted on the basis of a call for project proposals. Aid may also be granted without a call for project proposals for a joint project of private landowners or for management work implemented by an individual private landowner. When granting aid, the Forest Centre shall give precedence to the priorities for nature management set in regional forest programmes.

Further provisions on the targeting of aid for forest nature management and on other conditions for granting aid laid down in this section may be given by government decree.

Section 23

Prescribed burning

Aid may be granted for prescribed burning of a regeneration area.

The conditions for granting aid are that:

- 1) the prescribed burning site fulfils the requirement concerning the minimum area and nutrient level;
- 2) the retention trees remaining on the site are burnt in conjunction with the work;
- 3) liability insurance has been taken out for the prescribed burning;
- 4) the prescribed burning work is supervised by professionally skilled staff.

Aid is granted subject to the condition that the beneficiary complies with the management and maintenance obligation laid down in this Act.

Further provisions on the minimum area and nutrition level of a prescribed burning site and the minimum requirements and type of retention trees and on other conditions for aid laid down in this section are given by government decree.

Chapter 5

Granting and payment of aid

Section 24

Application for aid

Aid is applied for in writing from the Forest Centre. The application shall provide the personal identity code of a natural person and the business identity code of any other applicant. In addition to the personal identity code, a natural person shall also provide the business identity code if the person has obtained one for the pursuit of an economic activity. If the applicant is a corporation or the estate of a deceased person, the application shall provide the names of shareholders of the corporation or parties to the estate of a deceased person and attach an account to the application

indicating that the shareholders or parties consent to applying for the aid. The provisions on personal and business identity codes above in this subsection also apply to shareholders of corporations and parties to estates of deceased persons.

Applications for aid shall be submitted prior to starting the measures. Measures may be started only after the Forest Centre has approved the application and the implementation plan. The provisions laid down above in this subsection on the time of starting the measures do not apply to planning of work. However, an application for aid for seedling stand and young forest management shall be submitted within a time limit bound to the start and completion of the work after the work has been carried out.

Notwithstanding the provisions of subsection 2 on simultaneous application for aid for an implementation plan and for project implementation, aid may be applied for separately for the drawing up of an implementation plan if the measure is intended to be financed as a joint project.

Further provisions on the application for aid and on information to be provided in the application and on the time limit for applying aid for seedling stand and young forest management are laid down by decree of the Ministry of Agriculture and Forestry.

Section 25

Call for project proposals

The Forest Centre may select the implementers of a project concerning forest nature management on the basis of a call for project proposals. The implementer selected in a call for project proposals shall collect the landowners' applications and submit them in a single delivery to the Forest Centre by the time limit set by the Forest Centre. There may be a maximum of three calls for project proposals per year.

The Forest Centre shall communicate, to the appropriate extent, on the possibility to apply for aid referred to in subsection 1, criteria for selecting projects and other procedures to be followed in the application, and on the main conditions for granting aid.

Further provisions on the selection criteria and procedures of a call for project proposals may be given by government decree.

Section 26

Procedure concerning contracts

When an application for environmental aid is pending, the Forest Centre shall negotiate with the private landowner on the contents of the environmental aid contract. In the negotiations, an agreement shall be reached on defining the boundaries of the site covered by the contract and on restrictions on the use of the site and any environmental management work.

The Forest Centre shall draw up minutes on the negotiations. The Forest Centre and the aid applicant shall sign the minutes. The following information shall be entered in the minutes:

- 1) the definition of the boundaries and description of the site covered by the contract and information on restrictions on the use of the site;
- 2) the conditions concerning the termination, dissolution and transfer of the contract;
- 3) the management and use plan and the cost estimate of the environmental management work related to it if such work has been agreed upon;
- 4) the owners of the site covered by the contract and any other persons referred to in section 4, subsection 1, paragraph 2;
- 5) information needed for calculating environmental aid;
- 6) reference to the entry of the site in the Land Information System; and
- 7) details of technical nature concerning the negotiation and the management and use plan.

The Forest Centre makes the decision on environmental aid on the basis of the information contained in the minutes. The environmental aid contract will only be concluded after the Forest Centre has made the aid decision. The aid decision of the Forest Centre and the minutes constitute the contract.

Further provisions on the information to be entered in the minutes referred to in subsection 2 are laid down by decree of the Ministry of Agriculture and Forestry.

Section 27

Obligation of the Forest Centre to establish certain facts

Before deciding on a matter, the Forest Centre shall establish whether the intended measure is subject to restrictions arising from section 16, chapter 5, or sections 47, 53, 64, 65, 77-79, 81, 85, 91-94, 104, 124 and 125 of the Nature Conservation Act. The Forest Centre shall, if necessary,

request an opinion on the application from the Centre for Economic Development, Transport and the Environment in the operating area of which the measure is intended to be implemented. The Forest Centre may, however, decide on the matter without an opinion of the Centre for Economic Development, Transport and the Environment once two months have elapsed since the submission of the request for opinion to the Centre for Economic Development, Transport and the Environment.

Section 28

Certain evidence submitted by an applicant required for deciding on an application and launching a call for project proposals

A decision on the implementation of a joint project shall not be made before evidence of the commitment of private landowners participating in the project to implementing the project has been submitted to the Forest Centre. In the case of a call for project proposals related to a project concerning forest nature management, the Forest Centre shall obtain the commitment of private landowners before launching the call for project proposals.

The provisions in subsection 1 do not apply to forest road projects. In the case of a forest road project implemented as a joint project, the decision on aid for implementation shall not be made before the decision of a road maintenance association on private road improvement or the construction of a new forest road and an up-to-date list of the road maintenance association members and the road units assigned to them have been submitted in writing to the Forest Centre. In addition, in the case of the construction of a new forest road, an extract of the minutes of the survey establishing the road maintenance association shall be submitted to the Forest Centre.

The evidence referred to above in subsections 1 and 2 shall be duly signed. In this context it is sufficient that a copy of the original signed document is available for decision-making purposes. The original signed documents may be inspected even after the payment of the aid, if necessary.

If an environmental impact assessment procedure referred to in the Act on Environmental Impact Assessment Procedure (252/2017) is applied in the implementation of the measure for which aid is to be granted, the aid decision shall not be made before the Forest Centre has gained access to the assessment report in accordance with section 19 of the said Act and to the related reasoned conclusion of the competent authority. The aid decision shall indicate how the assessment was taken into account when considering the decision.

A decision on aid for peatland forest water protection measures or for embankment road construction shall not be made before the ditch drainage notification to the Centre for Economic Development, Transport and the Environment and any opinion issued on it have been submitted to the Forest Centre, if a ditch drainage notification in accordance with the Water Act (587/2011) is to be submitted for a measure included in the peatland forest management plan. A decision concerning forest road construction shall also not be made without the said evidence if a ditch drainage notification in accordance with the Water Act is to be submitted on a measure included in the implementation plan in question.

Section 29

Admonition and temporary prohibition

The Forest Centre may issue an admonition to an agent or assistant who draws up applications, implementation plans, implementation notifications or management and use plans related to aid referred to in this Act or other documents related to application matters referred to in this Act if the agent or assistant has in the said documents given misleading or incorrect information to the Forest Centre and if the said information is material to the assessment of the conditions for granting aid.

The Finnish Food Authority may upon proposal by the Forest Centre prohibit an agent or assistant from drawing up documents referred to in subsection 1 if the provision of misleading or incorrect information has, despite an admonition issued by the Forest Centre, been repeated and if the said conduct of the agent or assistant would without its discovery have led to the Forest Centre having granted or paid aid erroneously due to the misleading or incorrect information.

A prohibition decision shall specify the period of validity of the prohibition. A prohibition may be imposed for a maximum period of one year and shall be limited geographically. A prohibition lasting one year may be imposed only if the activity has been extensive.

Section 30

Procedure concerning jointly owned real estate units

Joint owners of a jointly owned real estate unit that own at least 60 per cent of the real estate unit and that include joint owners managing the real estate unit jointly have the right with regard to the entire real estate unit to undertake a measure for which aid under this Act is granted and to receive aid if they refrain from claiming the implementation costs from others than the joint owners joining the measure. A single joint owner that owns 60 per cent of a real estate unit and

that is a joint owner managing the real estate unit also has the same right. In such a case, the joint owners to whom the aid has been granted are responsible for the obligations related to the aid.

A joint owner to be considered as one managing a real estate unit is a joint owner that:

- 1) has been designated as the manager of the real estate unit in a contract referred to in chapter 24, section 1 of the Code of Inheritance (40/1965);
- 2) has been defined to act as a joint owner managing the real estate unit referred to in this Act under a contract concluded by the joint owners;
- 3) is a joint owner residing in a real estate unit where no contract referred to in paragraph 1 or 2 has been concluded.

The provisions of subsections 1 and 2 apply to parties to an undistributed estate of a deceased person whose estimated share is 60 per cent of the real estate unit at the time of granting the aid. The provisions laid down above in this section on real estate units also apply to unseparated parcels of real estate units governed by unofficial partition.

The application shall specify how joint owners that are not applicants for the aid have been notified of the planned measure and how they have been advised to notify the applicants of their possible objection to the matter. The notification need not be provided, however, if reaching them is not possible without great difficulty.

A decision referred to in this section is considered as having been disclosed to the joint owners when notification of it has been provided to one of the joint owners managing the real estate unit. Provisions on service on the estate of a deceased person are laid down in section 57, subsection 2 of the Administrative Procedure Act (434/2003).

Section 31

Insufficiency of budget authority

The Ministry of Agriculture and Forestry has the right, for a fixed term or an indefinite period, to order the Forest Centre to reject aid applications that become pending after the publication of its decision if sufficient budget authority required to finance the aid no longer exists for the year when the applications become pending.

A decision to reject aid applications referred to above in subsection 1 shall be published in the collection of regulations of the Ministry of Agriculture and Forestry. In addition, the Forest Centre shall communicate the decision of the Ministry of Agriculture and Forestry to the appropriate extent.

Applications that have become pending before the publication of the decision referred to in subsection 1 are decided upon in their order of receipt within the budget authority allocated to the measures. If budget authority no longer exists for the year the applications became pending, the remaining applications shall be carried over for processing in the following year within the budget authority allocated to the measures. Where budget authority no longer exists for the following year either, the applications shall be rejected.

Section 32

Decisions concerning aid based on an implementation plan

Aid for drawing up an implementation plan may be granted separately if the measures are intended to be financed as a joint project. In other cases, the decision on aid for an implementation plan and for its implementation shall be made at the same time.

A decision by which aid for an implementation plan is granted separately shall indicate that the aid is granted subject to the condition that the project is implemented within the time limit set by the Forest Centre. In addition, a condition for granting aid for drawing up an implementation plan is that the implementation plan that fulfils the requirements laid down in this Act, an application for aid for the implementation of the project and a report on the completion of the work are submitted to the Forest Centre within the time limits set by it. If the work is intended to be financed with other financing, the conditions for granting aid include that a report on the completion of the project in accordance with the implementation plan is submitted to the Forest Centre within the time limit set by it.

Section 33

Obligations in aid decisions arising from European Union legislation

In addition to the provisions on information to be provided in an aid decision concerning de minimis aid laid down in the legal act of the European Union referred to in section 5, subsection 4, a decision on aid for seedling stand and young forest management shall indicate that any aid in breach of the said legal act will be recovered.

Aid decisions other than those referred to in subsection 1 shall separately specify the requirements Finland is obliged to follow in the implementation of the forestry aid scheme approved by the European Commission. The beneficiary shall be informed that the aid, including interest, will be recovered if the requirements of the approval decision of the Commission were not complied with when granting the aid. At the same time, the beneficiary shall also be informed that the aid will be recovered if otherwise required by European Union legislation. Further provisions on the requirements concerning aid that shall be specified in an aid decision as being based on the approval decision of the Commission are laid down by government decree.

Section 34

Time extension granted to implement measures

The Forest Centre may decide to grant a time extension of a maximum of two years for the completion of work based on an implementation plan. A condition for granting a time extension is that the implementation of the measure has been delayed due to an unforeseeable obstacle faced by the implementation work. A time extension is not granted if the completion of the measures has been delayed due to the conduct of the beneficiary, author of the implementation plan or other agent used by the beneficiary or by the implementer of the project for which aid has been granted. For a special reason, the Forest Centre may extend the time extension it has granted by up to two years.

Section 35

Certain decisions related to the amount of aid

To the extent that the amount of aid for implementation based on an implementation plan is determined on the basis of actual costs incurred, the Forest Centre shall, in addition to the decision referred to in section 11 of the Act on Discretionary Government Grants, decide separately on the final amount of aid after the project has been completed and an acceptable implementation notification of it has been provided to the Forest Centre. The same applies to aid for peatland forest management plans and environmental management work.

The Forest Centre shall, after having been notified of the matter, separately decide whether the amount of labour and supplies and costs exceeding the amounts specified in the application may be approved. A condition for the approval is that the overrun was unforeseen. However, the decision on any minor overruns will not be made until in conjunction with the decision on the final amount of aid.

Section 36

Decision-maker, signing of a decision and automated decision-making

The name of the decision-maker and of the presenting official shall be entered in an administrative decision made by the Forest Centre under this Act that is made upon presentation.

The decision of the Forest Centre on granting, paying or rejecting aid may be signed electronically.

By way of derogation from the provisions of section 14, subsection 3 of the Act on the Finnish Forest Centre (418/2011), the Forest Centre may take automated decisions on granting aid for seedling stand and young forest management and for remedial fertilisation and on the final amount of aid, in compliance with the provisions on enabling automated decision-making by the authorities laid down elsewhere in the law. By way of derogation from the provisions of section 6, subsection 1 of this Act on implementing the work for which aid is granted in a manner that is appropriate both economically and with regard to the preservation of forest biodiversity, these matters are taken into account when granting aid only to the extent that the geographic information in question related to the assessment of the appropriateness of the work for which aid is granted is electronically available in the automation of decision-making.

Section 37

Payment of aid

Aid up to the maximum of EUR 300 is paid in one instalment.

To the extent that the amount of aid based on an implementation plan is determined on the basis of actual costs incurred, the beneficiary, author of the implementation notification or other agent used by the beneficiary shall, at the request of the Forest Centre, submit copies of documentary evidence of the actual costs incurred to the Forest Centre.

Notwithstanding the provisions of subsection 1, environmental aid is paid in one instalment at the start of the contract period. However, environmental aid exceeding EUR 10,000 may be paid in more than one instalment. Aid based on environmental management work is paid only after the Forest Centre has made a decision on the final amount of aid.

Aid for forest nature management is paid to the implementer if the aid is granted on the basis of a call for project proposals.

The provisions of section 12, subsection 4 of the Act on Discretionary Government Grants on the information to be provided for the purpose of paying aid apply to the author of an implementation plan and implementation notification and other agent used by the beneficiary.

Section 38

Information to be entered in the Land Information System

The Forest Centre shall ensure that information in an environmental aid contract is entered in the Land Information System when the decision on granting aid has been made or the contract has been amended or the landowner has terminated the contract because the area will become a nature reserve. The Finnish Food Authority shall ensure that information on the termination and dissolution of these contracts is entered in the Land Information System.

Chapter 6

Obligations and supervision related to aid

Section 39

Obligation to allow the use of a road for recreational purposes

A landowner to whom aid has been granted for the construction of a forest road is obliged to allow the use of the forest road or private road for recreational purposes free of charge. However, the use may be restricted if necessary to prevent damage to the road, to protect sensitive areas, to ensure the safe use of the road, or to ensure that the road can be appropriately used for forestry transport. The provisions on recreational use above in this subsection do not apply to the use of the road for economic activities other than forestry.

The obligation referred to above in subsection 1 remains in force for ten years from the date of the full payment of the aid granted for the measure.

Section 40

Management and maintenance obligation

A private landowner that has received aid for seedling stand and young forest management is obliged to ensure the management and maintenance of the area subject to the measure for five years from the date of the final payment of the aid granted for the measure. A private landowner that has received aid for remedial fertilisation, peatland forest water protection measures and embankment road construction, forest road construction, forest nature management or prescribed

burning is obliged to ensure the management and maintenance of the area or forest road subject to the measure for ten years from the date of the final payment of the aid granted for the measure. The area subject to maintenance shall not be used in a way that materially prevents the use of the area for forestry purposes.

The management and maintenance obligation includes:

- 1) with regard to aid for seedling stand and young forest management, ensuring the further development of the stand so that there is no need to grant aid for seedling stand and young forest management on the site until five years have elapsed from the final payment of the aid granted;
- 2) with regard to aid for peatland forest water protection measures and embankment road construction, that the equipment and structures made are kept in a condition that is fit for their purpose;
- 3) with regard to aid for forest road construction, that the necessary gravelling, culvert and bridge repair and opening of blocked ditches and other work required for the maintenance of the road are carried out in the forest road, other private road and separate storage area;
- 4) with regard to aid for forest nature management, that the equipment and structures made in the management area are kept in a condition that is fit for their purpose;
- 5) with regard to prescribed burning, that the burnt retention trees are not removed.

The management and maintenance obligation related to aid for seedling stand and young forest management, remedial fertilisation, forest nature management and prescribed burning includes that that the private landowner does not carry out regeneration felling or felling that is not appropriate with regard to silviculture in the area subject to the measure within the period of five or ten years from the final payment referred to in subsection 1. Regeneration felling may be carried out only if natural damage that requires regeneration felling has occurred on the site.

Financing referred to in this Act shall not be used for work carried out under the management and maintenance obligation.

Section 41

Transfer of management and maintenance obligation and other obligations related to aid

When the owner or holder of a special right of a real estate unit or other area changes, the management and maintenance obligation is transferred to the new private landowner. The Forest Centre shall, upon application, abolish the management and maintenance obligation if the real estate unit or area is expropriated and the use of the real estate unit or area for forestry purposes is thereby materially prevented. In such a case, the landowner is not obliged to return the aid.

The private landowner shall ensure that, when the owner or holder of a special right changes, the new private landowner is informed of the statutory management and maintenance obligation and of the obligation concerning allowing the use of a road for recreational purposes. Similarly, a private landowner that has received aid for a peatland forest management plan shall inform the new private landowner of the obligation under section 15, subsection 3, paragraph 8.

The Forest Centre may approve the transfer of obligations related to aid it has granted to a party other than a private landowner if the owner or special right holder of a real estate unit or area has changed and if the new owner or holder fulfils the requirement laid down in section 5, subsection 1. In addition, a condition for the approval is that the transfer of obligations related to aid granted by the Forest Centre can be considered appropriate in terms of the use of state funds and the objectives of the financing. By the decision of the Forest Centre, the new owner or holder replaces the private landowner, including with respect to the obligations and rights concerning the aid in question under this Act. A matter referred to in this subsection may be instituted by the new owner or holder alone or together with the previous private landowner. If obligations related to the aid are not transferred to the new owner or holder in the above manner, the previous private landowner is obliged to repay the aid.

Section 42

Abolishment of management and maintenance obligation

The Forest Centre may abolish the management and maintenance obligation of an area or forest road if:

- 1) the private landowner has to a material extent lost the financial benefit based on work financed from state funds;
- 2) the loss of benefit referred to in paragraph 1 was caused by natural damage or another cause independent of the landowner; and
- 3) it is not appropriate to repeat the work.

The Forest Centre may abolish the management and maintenance obligation of an area or forest road if the financial benefit based on the work that has been financed is lost because:

- 1) the area or a significant part of it is designated for a use other than forestry land in a land use plan;
- 2) an environmental aid contract or other similar contract is concluded on the area or a significant part of it; or
- 3) restrictions on use or prohibitions of measures are imposed on the area by virtue of an act.

If a private landowner discontinues the use of the area or a significant part of it as forestry land, the Forest Centre shall abolish the management and maintenance obligation of the area.

The private landowner is not obliged to return the aid received if the management and maintenance obligation is abolished by virtue of subsection 1 or 2. If the management and maintenance obligation is abolished by virtue of subsection 3, the landowner is obliged to return the aid received.

Section 43

Obligation related to aid to provide information

A condition for receiving aid is that, if necessary, the original documentary evidence of the actual costs incurred specified in the application documents can also be inspected after the payment of the aid. The original documentary evidence and the original signed evidence referred to in section 28 shall be retained for ten years after the final payment of the aid.

The provisions of section 14 of the Act on Discretionary Government Grants on the duty of a recipient of a discretionary government grant to provide information apply to authors of implementation plans and other agents used by beneficiaries and to implementers of projects for which aid is granted.

The private landowner shall notify the Forest Centre without delay of the change of the owner or holder of a special right of an area on which an environmental aid contract has been concluded. In addition, a private landowner shall notify the Forest Centre of any change in circumstances in an area covered by an environmental aid contract caused by natural damage or another cause independent of the landowner.

Section 44

Supervision duty of the Forest Centre and documents related to state aid

It is the duty of the Forest Centre to supervise the conditions related to the granting, payment and use of aid and to the compliance with obligations related to the aid, in compliance with sections 15–17 of the Act of Discretionary Government Grants. In addition, the Forest Centre has the right to audit whether the implementer of a project for which aid is granted has fulfilled the obligations related to the aid. The above-mentioned provisions of the Act on Discretionary Government Grants apply to the right of the Forest Centre to audit and to the performance of audits. In addition, provisions on the procedure to be followed in inspections are laid down in section 39 of the Administrative Procedure Act. Inspections may not be performed in premises used for residence of a permanent nature.

The Forest Centre shall provide the beneficiary with the opportunity to rectify any shortcomings identified in field audits if the shortcomings are minor and can be rectified without unreasonable inconvenience. If a negligence of the obligation concerning allowing the use of a forest road for recreational purposes is minor, the Forest Centre shall advise the landowner that has received aid of the content of the said obligation and provide the landowner with the opportunity to rectify the negligence. In such a case, the Forest Centre shall set a time limit for the rectification of the shortcomings or negligence.

The Forest Centre shall retain the information related to aid granted under this Act for ten years from the date of granting the aid. However, if retaining the information is necessary for the performance of a statutory duty or due to a pending matter, it shall not be erased. Information shall be erased when the grounds laid down in law for its processing no longer exist. Notwithstanding secrecy provisions, documents related to state aid shall be submitted to the European Commission if so required by European Union legislation.

Provisions on the numbers and targeting of audits falling within the duties of the Forest Centre and on other technical details of organising the supervision are laid down by decree of the Ministry of Agriculture and Forestry.

Chapter 7

Return and recovery of aid and dissolution and termination of contracts

Section 45

Return and recovery of aid

Provisions on the grounds for the return and recovery of aid are laid down in the Act on Discretionary Government Grants. Aid that is to be returned under section 20 of the Act on Discretionary Government Grants shall be paid back to the Forest Centre. If the aid has been paid in multiple instalments, the interest on the amount to be returned or recovered referred to in section 24 of the Act on Discretionary Government Grants shall be paid from the date of the final payment of the aid. When aid is recovered, interest in accordance with the said section shall be paid until the date on which the Forest Centre makes the proposal referred to in subsection 2 of this section to the Finnish Food Authority.

The Forest Centre shall make a proposal to the Finnish Food Authority for the recovery of aid if grounds for recovery laid down in section 21 or 22 of the Act on Discretionary Government Grants come to its knowledge. After that, the Finnish Food Authority decides on the recovery of aid. The Forest Centre shall make a proposal to the Finnish Food Authority on the recovery of aid without delay or, for a special reason, within 12 months from the date when the grounds for recovery have come to its knowledge in a manner referred to in section 28, subsection 1 of the Act on Discretionary Government Grants. The Finnish Food Authority shall decide on the matter without delay or, for a special reason, within 18 months from the date when the Forest Centre made the proposal. In the case of a breach of a management and maintenance obligation or an obligation concerning allowing the use of a road for recreational purposes, the time limit referred to in section 28, subsection 2 of the Act on Discretionary Government Grants is calculated from the end of the period during which the obligation was in force.

If provisions on the procedure concerning jointly owned real estate units have been applied when granting the aid, the aid cannot be recovered from a joint owner that has not received any of the aid, unless such a joint owner or a new joint owner has personally participated in the activity that constitutes the grounds for the recovery of the aid.

Section 46

Recovery of certain aids

Aid is recovered from the beneficiary, unless otherwise provided below in this section. Aid granted for seedling stand and young forest management, peatland forest water protection measures and embankment road construction, forest road construction, forest nature management and prescribed burning is recovered from the new private landowner that has breached the management and maintenance obligation. Aid granted for forest road construction is also recovered from the new private landowner that has not complied with the obligation concerning

allowing the use of the road for recreational purposes. Environmental aid is recovered from the private landowner that has not complied with obligations related to the environmental aid contract.

Where aid is recovered due to a breach of the management and maintenance obligation, the management and maintenance obligation of the area or road and, with regard to aid for forest road construction, also the obligation concerning allowing the use of the road for recreational purposes cease to exist once the aid has been repaid. Where aid for forest road construction is recovered due to a breach of the obligation concerning allowing the use of the road for recreational purposes, the obligation to allow the use of the road for recreational purposes and the management and maintenance obligation cease to exist once the aid has been repaid. Where environmental aid is recovered due to a neglect of obligations under the contract, the obligations cease to exist once the environmental aid has been repaid.

Aid for a peatland forest management plan is recovered from private landowners that have not complied with the commitment referred to in section 15, subsection 3, paragraph 8. The amount to be recovered is at most the share of the real estate unit of the private landowners concerned of the aid for the management plan. If the commitment has been complied with only in part, aid is recovered to the extent that water protection measures have not been implemented.

Section 47

Return of environmental aid and termination of a contract in forest damage situations

Where, by virtue of the Forest Damage Prevention Act (1087/2013), forest damage occurring on an environmental aid site requires the removal of damaged trees from the area, the private landowner shall apply for the authorisation of the Forest Centre for the removal of the trees. The Forest Centre shall grant the authorisation and, if necessary, attach the conditions necessary to preserve nature values and prevent forest damage to the authorisation decision. The private landowner shall return the calculated share of the environmental aid corresponding to the trees removed to the Forest Centre.

The Forest Centre shall terminate the contract if the environmental aid site is damaged to such an extent that it is no longer justifiable to continue the validity of the contract. In such a case, the private landowner shall return the share of the aid paid that corresponds to the calendar months remaining in the contract period to the Forest Centre. The private landowner is not obliged to pay the interest laid down in section 24 of the Act on Discretionary Government Grants on the amount to be returned. If the private landowner objects to the termination of the environmental aid

contract, the Forest Centre shall make a proposal to the Finnish Food Authority to terminate the contract.

Section 48

Dissolution of a contract

Upon proposal of the Forest Centre, the Finnish Food Authority may by its decision order an environmental aid contract to be dissolved and aid that has already been paid to be recovered if a private landowner has through own conduct knowingly weakened the biodiversity of an environmental aid site or otherwise materially breached the terms of the contract. In such a case, the private landowner is obliged to return the aid paid to the Finnish Food Authority.

Aid may also be recovered after the period of validity of the contract if the contract has been breached in a manner referred to in subsection 1 during the period of validity of the contract.

Section 49

Right of the Finnish Food Authority to terminate a contract

Upon proposal of the Forest Centre or application of a landowner, the Finnish Food Authority may by its decision order an environmental aid contract to be terminated and the aid already paid partially recovered if the circumstances concerning the biodiversity of the site or other circumstances affecting the fulfilment of the obligations under the contract have changed in such a way that grounds for the validity of the contract no longer exist or the continuation of the period of validity of the contract would be unreasonable.

In situations referred to in subsection 1, the private landowner is obliged to return the share of the aid paid that corresponds to the calendar months remaining in the contract period to the Finnish Food Authority. If the owner or holder of a special right of the area has changed, the new private landowner of the area is obliged to return the amount. In situations referred to in subsection 1, the private landowner is not obliged to pay the interest laid down in section 24 of the Act on Discretionary Government Grants on the amount to be returned.

Section 50

Right of a private landowner to terminate a contract

If the owner or holder of a special right of an area covered by a contract changes, the new private landowner has the right to terminate the contract by written notice of termination to the Forest

Centre within six months from the transfer of the right of ownership. The termination takes effect once the new private owner has repaid the share of the environmental aid paid that corresponds to the full calendar months remaining in the contract period to the Forest Centre.

If they wish to do so, a private landowner also has the right to terminate a contract in a situation other than that referred to in subsection 1 if the amount referred to in subsection 1 increased by 10 per cent is repaid to the Forest Centre. The termination takes effect once the said amount has been paid.

The private landowner shall terminate the environmental aid contract if the area covered by the contract is designated as a nature reserve. In such a case, the private landowner shall repay the amount referred to in subsection 1 to the Forest Centre. The private landowner is not obliged to pay the interest laid down in section 24 of the Act on Discretionary Government Grants on the amount to be returned. The obligations of the environmental aid contract cease to exist from the date on which the Forest Centre receives the return of the environmental aid.

Section 51

Obligations related to recovery arising from European Union legislation

Notwithstanding the provisions of this Act or the Act on Discretionary Government Grants on recovery, the aid included in an aid scheme notified to the European Commission shall be recovered if it does not meet the requirements of the Commission's approval decision. The aid shall also be recovered if the requirements laid down in the legal act of the European Union referred to in section 5, subsection 4 have not been complied with in granting de minimis aid. The downward adjustment of the amount recovered or of the interest payable on the amount is possible only in case of exceptional circumstances that the beneficiary or a party authorised by the beneficiary could not have influenced through diligence. The aid shall, however, be recovered in full if otherwise so required in European Union legislation. Provisions on the interest payable on the amount recovered are laid down in the Act on Discretionary Government Grants.

Provisions on Commission decisions on recovery are laid down in the Act on the Application of Certain State Aid Rules of the European Union (300/2001).

Section 52

Targeting of funds

The Ministry of Agriculture and Forestry decides, within the limits of the authority to grant aid and the appropriation allocated in the Budget, on the targeting of funds at measures referred to in this Act, taking account of the objectives of the National Forest Strategy. The Forest Centre shall draw up annually a proposal to the Ministry of Agriculture and Forestry on the authority to grant aid and targeting of the appropriation, taking account of the objectives presented in regional forest programmes referred to in section 26 of the Forest Act.

Chapter 8

Miscellaneous provisions

Section 53

Supervisory duty of the Ministry of Agriculture and Forestry

It is the duty of the Ministry of Agriculture and Forestry to supervise the activities of the Forest Centre and the Finnish Food Authority when they attend to the duties laid down in this Act. The Ministry has the right to obtain general usage and monitoring information related to its supervisory duty from the Forest Centre and the Finnish Food Authority and to perform audits of the activities of the Forest Centre and the Finnish Food Authority necessary to supervise compliance with this Act. The audits may include audits of document and on-site audits if these are of material significance to ensure compliance with this Act in the granting and payment of aid and supervising the use of aid. Provisions on the Ministry's right to audit and on the performance of audits are laid down in sections 16 and 17 of the Act on Discretionary Government Grants.

Notwithstanding secrecy provisions, the Ministry of Agriculture and Forestry has the right to obtain from the Forest Centre and the Finnish Food Authority information necessary for the performance of its duties on aid applicants and beneficiaries that is of material significance to ensuring compliance with this Act in the granting and payment of aid and in supervising the use of aid.

Section 54

Supervisory duty of the Finnish Food Authority

It is the duty of the Finnish Food Authority to perform audits of the activities of the Forest Centre necessary to supervise compliance with this Act as ordered in further detail by the Ministry of Agriculture and Forestry. In such a case, the provisions of section 53 on the supervisory duty of the Ministry of Agriculture and Forestry are complied with as regards the supervisory duty of the Finnish Food Authority.

Notwithstanding secrecy provisions, the Finnish Food Authority has the right to obtain information from the Forest Centre necessary for the performance of its duties on aid applicants and beneficiaries that is of material significance to ensuring compliance with this Act in the granting and payment of aid and supervising the use of aid.

Provisions on the number and targeting of audits falling within the duties of the Finnish Food Authority and on other technical details of organising the supervision are laid down by decree of the Ministry of Agriculture and Forestry.

Section 55

Requests for review

The provisions of the Act on Discretionary Government Grants on requests for review apply to requests for review of decisions made under this Act. In matters concerning recovery, dissolution and termination of contracts and temporary prohibitions imposed on agents or assistants, however, requests for review are made by appeal to an Administrative Court without a request of administrative review procedure.

Section 56

Field measurements

Measurement and assessment methods commonly used in forestry are used in measurements related to this Act performed in the field.

Section 57

Duty of the Natural Resources Institute Finland

The Natural Resources Institute Finland shall annually by the end of August submit to the Ministry of Agriculture and Forestry information on the arithmetic average of the average stumpage price of a cubic metre of wood by region for the past three calendar years.

In addition, the Natural Resources Institute Finland shall submit the other information required for the implementation of aid referred to in this Act to the Ministry of Agriculture and Forestry.

Chapter 9

Entry into force

Section 58

Entry into force

Provisions on the entry into force of this Act laid down by government decree. This Act will remain in force until 31 December 2029.

Provisions of this Act other than those concerning the granting of aid apply, however, to aid granted under this Act following the expiry of this Act. However, extension for completing a work based on the implementation plan may not be granted after the expiry of the Act. After the expiry of the Act, the Forest Centre may for a special reason extend the extension granted when the Act was in force by a maximum of two years. The said decision shall be made before 1 October 2030. Aid granted under this Act shall be paid no later than on 31 December 2032.

Financing under this Act can be applied for as from 1 March 2024 and the applications shall be submitted no later than on 1 October 2029. The Forest Centre shall request submitters of applications to submit any missing information referred to in section 22, subsection 1 of the Administrative Procedure Act no later than on 1 November 2029. Applicants shall submit the said and any other information supplementing an application to the Forest Centre no later than on 1 December 2029. Aid for seedling stand and young forest management under this Act may be granted only for a measure started after the entry into force of this Act. Aid for seedling stand and young forest management may be granted for a measure that is completed no later than on 31 September 2029.

Notwithstanding the provisions of section 6, subsection 2, aid may be granted under section 13 for seedling stand and young forest management even if the management and maintenance obligation related to forest regeneration were still in force. Aid may not be granted for seedling stand and young forest management under section 13 unless five years have elapsed since the final payment of the aid for young forest management or early tending of seedling stands on the same site financed under the Temporary Act on the Financing of Sustainable Forestry (34/2015).

Aid may not be granted for remedial fertilisation under section 14 unless 20 years have elapsed since the final payment of aid for the same site for remedial fertilisation under the Act on the Financing of Sustainable Forestry or ten years have elapsed from the final payment of aid for the same site for remedial fertilisation under the Temporary Act on the Financing of Sustainable Forestry.

Aid may not be granted for the drawing up of a peatland forest management plan or carrying out peatland forest water protection measures and embankment road construction under sections 15 and 16 unless at least 20 years have elapsed since the final payment of aid for ditch cleaning and supplementary ditching under the Act on the Financing of Sustainable Forestry or ten years have elapsed from the final payment of aid for peatland forest management under the Temporary Act on the Financing of Sustainable Forestry. Aid for peatland forest protection measures and embankment road construction may be granted under section 16 if the implementation of the measures is based on an implementation plan in accordance with section 9 of the Temporary Act on the Financing of Sustainable Forestry. A condition for granting the aid is that the drawing up of the implementation plan started before the entry into force of this Act and the completed plan is submitted for approval by the Forest Centre within nine months from the entry into force of this Act.

Aid for forest road construction under sections 17–19 may not be granted unless at least 20 years have elapsed since the final payment of the financing of a road project under the Act on the Financing of Sustainable Forestry or ten years have elapsed from the final payment of aid for a road project under the Temporary Act on the Financing of Sustainable Forestry. This condition may, however, be derogated from if the use of the road has substantially changed due to an increase in forestry transport or will change due to an estimated increase, or if the road is no longer structurally suitable for the use of current timber transport equipment, wood chips transport equipment or transport equipment for non-road mobile machinery. In addition, a condition for a derogation is that at least ten years have elapsed since the final payment of the previous financing of the construction or improvement of the road from public funds.

A plan on remedial fertilisation, forest road construction and a forest nature management project financed under the Temporary Act on the Financing of Sustainable Forestry may be approved as an implementation plan on remedial fertilisation, forest road construction and a forest nature management project if the plan as such or when supplemented fulfils the requirements laid down in section 10 and if aid for remedial fertilisation, forest road construction and a forest nature management project may be granted for the implementation of the work on the basis of the plan. No aid is granted for supplementing a plan.