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Analysis of Voluntary Forest Certification Potential within Forestry Sector of Georgia

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ACRONYMS

AAC	Annual Allowable Cut
EIA	Environmental Impact Assessment
FSC	Forest Stewardship Council
FC	Forest Code of Georgia
GD	Government Decree (Georgia)
IGI	International Generic Indicators
ILO	International Labour Organization
LGB	Local Governing Bodies
MENRP	Ministry of Environment and Natural Resources Protection (Georgia)
NWFP	Non wood forest products
P&C	Principles and Criteria of the FSC
SFF	State Forest Fund
WB	World Bank

1 Introduction

1.1 Initial project information

The European Union (EU) funded “*European Neighborhood and Partnership Instrument (ENPI) East Countries Forest Law Enforcement and Governance (FLEG) II Program*” (the “Program”) is aimed to support the participating countries strengthen forest governance through enhancing their forest policy, legislation and institutional arrangements, and implementing sustainable forest management models on a pilot basis. The Program will be implemented in seven countries of the EU’s European Neighborhood and Partnership Instrument (ENPI) East region: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine, and the Russian Federation.

The Program builds on initiatives undertaken under the first EU funded FLEG Program. It will be carried out over a four-year period, with end disbursement date of June 30, 2017. The Program is supported by the European Commission contributing to a single-donor trust fund administered by the World Bank (WB). Austrian Development Cooperation (ADC) provides additional funds to support Program activities in Armenia and Georgia. Implementation of the Program is led by the WB, working in partnership with the International Union for Conservation of Nature (IUCN) and the World Wide Fund for Nature (WWF). The Program has three Development Objectives:

- 1) To make progress implementing the 2005 St. Petersburg FLEG Ministerial Declaration in the participating countries and support the participating countries commit to a time-bound action plan to ensure its implementation and follow-up activities (regional level).
- 2) To review or revise (or establish a time-bound action plan to review or revise) forest sector policies and legal and administrative structures; improve knowledge of and support for sustainable forest management and good forest governance (including the impact of related EU regulations) in the participating countries (national level).
- 3) To test and demonstrate best practices for sustainable forest management and the feasibility of improved forest governance practices at the field-level on a pilot basis in all participating countries (sub-national level).

Main Program activities which will be implemented by WWF-Caucasus Programme Office (WWF-CauPO) in Georgia will include evaluation of biodiversity and ecosystem functions of forests, exploration of the forest certification potential and related market opportunities, promoting sustainable forest management planning, restoration of natural forest landscapes and conservation of forest biodiversity. Awareness raising activities about the importance of sustainable forest management and the respective role of the FLEG II program will also be conducted.

Voluntary forest certification is one of the important components of the FLEG II Program. Certification is an internationally renowned market-based tool used for achieving sustainable forest management. Georgian forests have essential ecological role and socio-economic potential, which could create favorable conditions for forest certification.

Nevertheless, the opinions about potential effectiveness of implementation of forest certification in Georgia vary significantly. Consequently, it is very important to conduct a comprehensive study, which would reliably assess the pros and cons of implementing this innovative market-based tool in Georgia. This analysis will focus on forest certification potential under the Forest Stewardship Council (FSC) scheme.

1.2 Objectives of the assignment

The study aims to demonstrate the potential of implementation of voluntary forest certification under FSC scheme in Georgia and provide concrete recommendations to help achieve progress in this field. The specific objectives are to obtain:

- A clear understanding of: a) current policy and institutional environment in terms of supporting voluntary forest certification in Georgia, and b) current market opportunities for certified Georgian wood and non-wood forest products;
- Knowledge of: a) necessary legislative changes, in order to better reflect the key FSC principles (including forests with High Conservation Value) in Georgian legislation and policy and b) other specific steps towards promoting FSC-based voluntary forest certification in Georgia.

2 Fact sheets on FSC

2.1 History

According to the Food and Agriculture Organization of the United Nations, half of the world's forests have already been altered, degraded, destroyed or converted into other land uses. Much of the remaining forests today suffer from illegal exploitation and otherwise poor management. FSC was established as a response to these concerns over global deforestation.

FSC is a global certification system for forests and forest products, established in the early 1990s. From the perspective of the WWF this voluntary mechanism can be regarded as one of the more interesting initiatives of the last decade to promote better forest management. A number of alternative national and regional forest certification bodies also exist around the globe.

Forest management according to FSC's internationally recognized standards delivers environmental services to local and global communities, including clean air and water, and contributes to mitigating the effects of climate change. FSC directly or indirectly addresses issues such as illegal logging, deforestation and global warming and has positive effects on economic development, environmental conservation, poverty alleviation and social and political empowerment.

FSC is an international association of members. It is a platform for forest owners, timber industries, social groups and environmental organizations to come together to find solutions to improve forest management practices. FSC works to ensure the permanent existence of forest areas through responsible forest management and conservation.

Use of the FSC logo is intended to signify that the product comes from responsible sources — environmentally appropriate, socially beneficial and economically viable. The FSC label is used on a wide range of timber and non-timber products from paper and furniture to medicine and jewelry. The logo gives consumers the option of supporting responsible forestry by purchasing products with an independent, global and credible label for forest products.

2.2 Mission and aim

FSC's mission is to "promote environmentally appropriate, socially beneficial and economically viable management of the world's forests". This mission is implemented through a Global Strategy with five Goals:

1. Advancing globally responsible forest management.
2. Ensure equitable access to the benefits of FSC systems.
3. Ensure integrity, credibility and transparency of the FSC system.
4. Create business value for products from FSC certified forests.
5. Strengthen the global network to deliver on goals 1 through 4.

FSC works towards these goals through activities which are managed and developed through six program areas: Forests, Chain of Custody, Social Policy, Monitoring and Evaluation, Quality Assurance and Ecosystem Services.

2.3 Structure and Governance

FSC is an international membership organization with a governance structure based on participation, democracy, equity and transparency. FSC is governed by its members, who join either as individuals or as representatives of organizations. They come from diverse backgrounds including environmental NGOs, the timber trade, community forest groups and forest certification organizations. Members apply to join one of three chambers – environmental, social and economic. Each chamber is divided into northern and southern sub-chambers, and votes are weighted to ensure that north and south each have 50% of the votes. This system is designed to ensure that influence is shared equitably between different interest groups without having to limit the number of members. FSC has three levels of decision making bodies: The General Assembly, the Board of Directors and the Executive Director.

The General Assembly, which takes place every three years, is made up of the three membership chambers and is the highest decision-making body in FSC. The most recent General Assembly took place in 2011. Every member has the right to attend, formulate and submit motions, and vote. The General Assembly represents an opportunity for everybody to share, learn, establish new alliances and exchange and explore business opportunities to create a better future of the forests.

The FSC Board of Directors is accountable to the FSC members. It is made up of nine elected individuals who are FSC members and advocates. One member of the Board of Directors is elected from each sub-chamber of the General Assembly. The Executive Director runs FSC on a day-to-day basis with the support of a multi-cultural professional team at the FSC International Center. He is accountable to the FSC Board of Directors.

While the FSC International Center is based in Bonn, Germany, it has a decentralized network of FSC Network Partners that promote responsible forest management on behalf of FSC. FSC Network Partners include FSC National Offices, FSC National Representatives and FSC National Focal Points. Today, FSC operates in more than 80 countries, wherever forests are present.

2.4 Georgia experience

There is some experience with attempts to introduce FSC system in Georgia. In the Decree of Georgia Government #132 issued in 2005 regarding rules and terms of issuing forest usage licenses article 8. License Terms requested from license holders: "Along with forest use plan provide Ministry of Environment and Natural resources with positive conclusion on plan issued by accredited in any OECD countries eco-audit organization. The conclusion should include along with other issues,

statement that plan is in line with Sustainable Forestry principles and requirements established by Georgian legislation in forestry sector”. Based on this legal requirement some companies, holders of long term forest use licenses did involve in 2008-2009 FSC accredited companies for evaluation of sustainability of forest management plans they have prepared.

Later Government removed this request from the license terms. In 2007 Forest Department of the MEPNR did sign a Partnership Agreement with FSC for the development independent forest certification system in Georgia. Such approach stimulated Georgia environmental NGO sector led by WWF Caucasus Program Office to establish working group for elaboration national FSC standard as well as to undertake trainings and their practical testing in the field. Soon, the enthusiasm accompanying this process from the beginning was gradually fading due to reason that process was not supported by Government through relevant forest reform plan.

3 Current policy and institutional conditions

Aim of the present document is to identify existing policy and institutional conditions in forest sector of Georgia, in particular to define how the sector is ready to start the independent forest certification and what the problems are or barriers will need to bypass for its effective implementation. Therefore, within of this short term assignment it is not envisaged to undertake full scale analysis of underlying causes in this sector, however, opportunity to be based on results of previous studies of the same field¹ considerable helped to draw up correctly number of key issues for further consideration.

3.1 Forest policy

First official forest policy document was elaborated and adopted In May 2002 by the government of Georgia² named “The main principles of government policy for Georgia’s forest sector development in 2002-2010”. The document stated, that the forest sector is one of the most important sector for social-economic development of the country and expressed commitment of the government of Georgia to elaborate the national policy of the forestry sector development and ensuring full compliance with requirements of UN resolution on sustainable development and management of forests. The above mentioned document represented also an action plan for the national policy of the forest sector. In 2004 Georgia became a first country involved in NFPF process initiated by FAO/UNDP and started elaboration of Georgia Forest Policy and Strategy. First draft of new policy document was ready in 2007, although further consideration by relevant state institutions for approval has not occurred.

And finally, in late December of 2013 Georgia Parliament adopted “National Forest Policy for Georgia” developed with support of Austria Government based on which Ministry of Environment and Natural Resources Protection initiated ongoing process of elaboration of National Forest Program.

Clause 5.1.3 of the Section 5 – Priority directions of the Concept of the new forest policy document allocated particular attention to development of independent forest certification system in Georgia (see box 1):

¹ RWA International, Forest sector rationalization and institutional development plan: Government of Georgia, 2003; Merab Machavariani, Forest policy and institutional change analysis in Central Asian and Caucasus countries, FAO FOE/FAOSEC, 2009; Merab Machavariani, Standards and practice of forest management in Georgia, ENPI FLEG Program, 2010.

² Document was signed by the State Minister

Box 1 – Priority direction of the Forest Policy document concerning voluntary forest certification**5.1.3 Actions**

Ensure that forest management is based on up-to-date management plans that reflect current principles of sustainable forest management, including by:

- a. Regulating planning system by legal and sublegal acts that are obligatory for all bodies responsible for forest management.
- b. Ensure, by appropriate state supervision, that management of forest fund of Georgia is carried out in conformity to appropriate standards, in particular the “Operational Level Guidelines for Sustainable Forest Management” adopted by the Forest Europe.
- c. Promote voluntary and independent certification of forests to complement government regulation and inspection of forest management and use, including by:
 - c.a) Completing the process of developing a national forest certification standard and getting international organizations like the Forest Stewardship Council and Programme for the Endorsement of Forest Certification Schemes to recognize the standard;
 - c.b) Making independent certification an objective of state entities that carry out forest management;
 - c.c) The steps shall be taken to get private forest management companies interested in introduction of voluntary certification.

Therefore, official framework to start practical arrangements for introduction of voluntary and independent forest certification in Georgia exists.

3.2 Roles of the actors

3.2.1 The national and local administrations in charge of and related to forestry matters

Current picture of the institutional set up in forest sector is based on recent changes made by the Government of Georgia aiming to reform the system of state institutions that are responsible for managing Georgia’s forest fund and for supervising and controlling the activities of entities that have use rights and management responsibilities. The reforms are part of a wider set of reforms which include the elaboration and adoption of a forest policy and strategy (completed in 2013), and the elaboration and adoption of a new forest law and associated secondary legal acts.

Functions of the Natural Resources Agency (ANR) of the Ministry of Energy and Natural Resources which was responsible for the forestry issues from the period of March, 2011-May, 2013 has been transferred to the Ministry of Environment and Natural Resources Protection (MENRP) on the 4th of May 2013 including the ANR’s functions of managing the State Forest Fund and for supervising and controlling holders of long term licenses and other persons to whom rights have been assigned. Based on these changes following central level state institutions are established to exercise those functions:

- A new service within the ministry’s system - the Forest Policy Service (FPS) - is responsible under the Minister and respective Deputy Minister for coordinating the implementation of Georgia’s forest policy and strategy and for elaborating forestry legislation.
- A new legal body of public law - the National Forestry Agency (NFA) – responsible to manage that part of the forest fund which lies outside protected areas and which has not been assigned on long term use. The MENRP intends that the NFA will have the right to

generate income by harvesting and selling forest products, including cutting and selling wood, and providing services of various kinds including services for tourists.

- A new inspectorate within the MENRP's system - the Department for Environmental Supervision (DES) - responsible for controlling compliance of physical and legal persons, including forest property rights holders, with environmental protection law, and forest law as well. The DES is also responsible for controlling the compliance of holders of long term forest use licenses with the conditions of their licenses.

Forest Policy Service

Goals and objectives of this Service are described in their Statute adopted by Minister of Environment and Natural Resources Protection by Decree #18 of May 10, 2013. Total number of staff of the entity is comprised from five people. Head of the Service is nominated by the Minister. Following basic functions are identified by the Statute:

- Participation in elaboration of Forest Policy and Strategy;
- Within of their competence to contribute preparation of legal documents;
- Preparation of proposals for introduction of best forestry practice;
- development of capacity building programmes for enhancement of forest management bodies;
- To ensure adoption of forest management plans;
- Cooperation with scientific and nongovernmental organizations, as well as with local and international donor organizations.

National Forestry Agency

Statute of the NFA is adopted by Minister of Environment and Natural Resources Protection by Decree #25 of May 10, 2013. According to the Statute NFA is a Legal Body of Public Law. Goals, objectives and list of basic tasks are provided in Box 2:

Box 2 - Main goals of the Agency:

- a) Forest tending and restoration;
- b) Sustainable use of components of biological diversity at the territory of state forest fund;

Main objectives of the Agency:

- a) Management of forest fund;
- b) Implementation of activities related to forest tending and restoration;
- c) Control of the territory of state forest fund (except of control of license conditions);
- d) Forest registry.

Main rights and duties:

- a) Forest tending and restoration;
- b) Monitoring of forest fund and data processing;
- c) Forest inventory and management planning;
- d) Elaboration and implementation of measures against illegal forest use;
- e) Forest fire control;
- f) Timber harvesting in accordance to existing rules;
- g) Issue of certificates of provenance on wood harvested;
- h) Allocation of felling areas;
- i) Participation in development of forestry legislation;
- j) Promotion of skill improvement and training activities.

Head of the Agency is nominated by the Minister of the MENRP. Agency structure is comprised from Central office and nine regional offices. There are seven departments at the Central office:

- a) Forest registry;
- b) Forest use;
- c) Forest tending and restoration;
- d) Financial;
- e) Legal;
- f) Administrative;
- g) Analytical.

Total area under the management of the Agency is about 1, 8 million hectares, total staff number including regional offices is 869 of which 83 persons are at Central office and rest in Regional offices.

Department for Environmental Supervision

Statute of the DES is adopted by Minister of Environment and Natural Resources Protection by Decree #26 of May 10, 2013. There are number of objectives listed in the statute of the Department among of which are:

- To undertake state control over the use of natural resources;
- Control of implementation of conditions against of licenses and permits issued for the use of natural resources and environmental activities;
- Prevention and identification of violations justified by the Administrative code in the field of environmental protection;
- Monitoring of enforcement of environmental legislation, establishment of data base for the activities regulated and analysis of reports on implementation of conditions of licenses and permits;
- Planning and coordination of state control in the field of environmental protection;
- Preparation of guidelines and manuals in the field of use of natural resources and environment protection.

Rights and responsibilities of local self-governing bodies (LGB) in Forest Sector

Rights and responsibilities of LGBs in forest sector were subject of several changes during of the entire period since independence (1990). In Soviet period about 532 thousand hectares of forests, mainly directly adjacent to populated areas were managed by collective farms (so called *kolkhoz* and *sovkhos* forests). After independence these entities could not resist against new economic, social and market conditions and gradually dissolved which left their forests totally out of management for the period until they were returned for management to Forestry Authority. Due to difficult economic and social conditions these forests appeared under the high pressure from local population for getting firewood and other products to satisfy their subsistence demand as well as by many groups organized for illegal timber harvesting for commercial purposes. Today former *kolkhoz* and *sovkhos* forests are most devastated forest areas in Georgia.

Legal background for the management of local importance forests (this is the term used in Georgia for local/community forests) were regulated by organic law³ on Local Self-governance and Government which was enacted in 1995 and revised and changed in 2005 and 2014. Each version of those Laws identifies local forests as subject of local management and establishes an exclusive right for local governing bodies to make a decision on the management of the Local Forest Fund/Forests of Local Importance.

³ Organic Law is third in legal hierarchy after Constitution and International Treaties.

In spite of such responsibilities main function of LGBs in forest management presently is assistance of Central Government in identification of local needs for fuel wood and industrial timber. There is visible discretion from both Central and Local side to start practical implementation of forest management at local level identified by such factors as:

- No local forests are allocated and demarcated yet;
- No sublegal basis (including detailed description of obligations and responsibilities);
- lack of finances;
- Weak professional experience.

3.2.2 The private sector, academic and scientific-research institutions

Private sector

Presently timber production in Georgia is implemented only by private companies after obtaining of relevant forest-usage licenses. Therefore, companies involved in forest use and processing issues are the main actors presenting private sector. In accordance with the Forest Code of Georgia after obtaining of a license for the long-term (up to 20 years) or short term (up to 5 years) use of forest resources it is mandatory for the user in parallel with production of timber resources to ensure implementation of forest-protection and restoration measures provided by the forest management plan. Currently about 180 thousand hectares of forests are under the long term forest use license holders. They are obliged to undertake their activities in accordance of the license terms identified by Governmental Decree #132 of August 2005. List some of these requirements are provided in Box 3 below:

Box 3 - Article 8. Main license terms

1. Holders of forest use license are responsible for:
 - a) To protect identified by license forest fund territory including their protection from illegal activities;
 - b) Not later than 12 months upon receipt of license to submit MEPNR for approval forest use plan completed based on existing legislation. The rule of completion and approval of forest use plans to be adopted by MEPNR order.
 - c) Every next year for the April 1 provide MEPNR conclusion identified in point f).
 - d) Responsible for implementation of forest use plan.
 - e) Before approval of forest use plan not to transfer or allocate part of license.
 - f) When allocate part of license to ensure that territory to be allocated fits natural borders of given forest unit.
 - g) Allocate felling areas in accordance existing legislation.
 - h) To start use of felling areas of next year only after approval by MENPR results of last year fellings (checking of last year felling areas).
 - i) To ensure soil protection measures against erosion on given territory.
 - j) To ensure protection of High Conservation Value forests.
 - k) To ensure implementation forest tending, restoration and protection measures.
 - l) To combat illegal activities in accordance to existing legislation and provide information on such cases to relevant organs in due time.
 - m) Not disturb traditional activities of local population in use of forest fund lands, firewood, industrial wood and NWFP except of those included in licensing list.
 - n) Not disturb local population in use of given territory for tourism and recreation.
 - o) To employ not less than 80% of personnel for forestry activities from the local population of the Municipality/s which are covered by license.

Scientific-research Institutions

There were two basic scientific-research institutions studying forest and forestry. Vasil Gulisashvili Forest Institute established in 1945 many years has been implementing fundamental and applied scientific research in the following spheres:

- Study of biological and ecological characteristics (timber species, genesis, bio-ecology, forest growth and regeneration, formation of stands, natural restoration and etc) and biodiversity of the forests of Georgia;
- Elaboration of scientifically approved measures for promotion improving of social-economic functions of forests;
- Elaboration of scientific basis for rational methods of restoration and renovation of forest resources;
- Elaboration of new methodology for rational and sustainable use of forest resources.

Chief objective of Levan Kanchaveli Plant Protection scientific-research institutewas research of vermin, causing damage to agricultural crops and forest species and elaboration of integrated methods of fighting with vermin and the damage caused by them. The institute was involved in numerous studies related to research of biological and ecological aspects and identification of linkages between the vermin and certain species.

In 2010 Government of Georgia started radical changes related to scientific-research institutions focused on merging them and transferring under the different University's umbrella. Forest Institute and Plant Protection Institute were transferred to Agriculture University. Agriculture University at the same time was given private status and all the staff and properties of those institutions in no time occurred in private hands. "Reforms" were continued by private owner towards further reduce of staff and related infrastructure and today it might be concluded that **scientific institutions in forest sector practically do not exist anymore.**

3.2.3. The civil society and NGOs

Public organizations – Involvement of public as well as non-governmental organizations in the process of decision-making is of crucial importance for the purposes of ensuring sustainable development of the forestry sector and promotion of its efficiency. According to chapter X of the Forest Code of Georgia citizens and public organizations are entitled to the following:

- a) Obtain full and objective information on condition of the State Forest Fund in a timely manner;
- b) Participate in planning of the State Forest Fund management measures at any stage of elaboration of plans;

It must be stated, that as a result forestry activities became much more transparent and society has been more actively involved in the decision-making process.

Environmental organizations - With obtaining of independence in Georgia non-governmental organizations have become more actively involved in environmental issues. There are many projects elaborated and implemented by NGOs which are targeted towards rising of public awareness, research of current state of natural resources, monitoring, protection and promotion of sustainable use of resources. There are several non-governmental organizations, which are working in the sphere of forest management. Among them are WWF Caucasus Program Office, Georgia Green Movement, NACRES –the Center for Conservation of species, Green Alternative, CENN, REC, etc.

Activities of non-governmental organizations working in the environmental sphere have substantially increased public awareness and education. All these in its turn has a positive impact on the process of decision-making and promotion of social and economic development, as well as helps an understanding the concept of forest management.

4 Existing challenges, barriers and difficulties

Since independence (1990) Government of Georgia did made some attempts to elaborate an effective plan to undertake reform in Forest sector towards of best European experience, and looking on the results of these reforms today, we can conclude that the state of the sector is no better than it was in the early 1990s. To have a better understanding of the issue on development of forest sector in Georgia the period since independence (1990) is proposed to be divided by following stages:

1990 -1999 – From the beginning of independence forestry activities in Georgia were based on former Soviet law with some minor changes and amendments. Only in 1999 new Forest Code were prepared and adopted. According to the Code the most important innovation was an opportunity of private ownership of forests after elaboration of relevant law⁴. The Code made clear identification of obligations and responsibilities of the local Governments and general public in the field of forest sector planning and management. It also established the legal basis for the organization, management and financing of Georgian forestry. One of the most important changes was that the Code introduced the possibility to dedicate long-term use rights to public or private bodies whilst the land remains the property of the state. According to the Code, Georgia's State Department of Forestry deprived of the right of commercial harvesting directly, with aim to separate control and operational functions, delegating the latter to private enterprises.

1999 - 2003 - In order to launch the process of the matching of the existing practices of Georgian forest management with international standards within the frame of the World Bank's Forest Development project⁵, as the result of the fundamental research the plan of comprehensive restructuring of forest sector was prepared and agreed by Government. The main idea of the reform was to separate the strictly government functions of policy, legislation and regulation from the functions directly concerned with the physical management of forests. In this context The Agency in charge for physical management of forests (State Forest Department) will have the right to engage in harvesting and processing activities by itself or in partnership with Georgian and/or foreign investors and to provide chargeable services to non-state forest institutions and private persons.

2004-2012 – New Government of Georgia nominated after “Rose revolution” in late 2003 did not follow forest reform proposal prepared in 2003. The main approach of the Government during this period regarding of management of natural resources, in particular forest resources was to undertake quick transfer of basic responsibilities into private hands and reduce as much as possible share of state funding for the sector. Because of such approach institutional structure of the forest Department has been changed through merging of district forest offices into regional forest offices and consequently significant reducing number of employees. Totally, Forest Department staff number has been reduced 2.6 times from 1694 to 654. At the same time Government forced early termination of World Bank Forest Development Project, due to some long lasting components of the project (gradual restructuring of the sector, establishment of new legal base, implementation of forest inventory and management planning) contradicted to realization of their goals. Fortunately, the idea of rapid privatization was not greeted enthusiastically by the private sector, especially from the side of foreign

⁴ Such law was not drafted at all.

⁵ Project was initiated in 1995 and after Ratification by Georgia Parliament officially started in 2001.



investors and only few companies, holders of long term forest use licenses issued in this period present result of this action. This period shortly might be characterized as a period when economic interests were prevailing over ecological aspects in spite of the fact that Government facilitated establishment of forest certification system in Georgia⁶.

2012 – up to date – Again, with nomination of new government new goals and objectives are set toward development of forest sector. Visible progress for the moment is adoption of National Forest Policy for Georgia and redesign of institutional framework in forest sector. There is much work left in the field of improvement of forest legislation including forest management standards, improvement of skill and qualification of the personnel involved in forest management, update information on forest resources, establishment of stable system of state funding of the sector, etc. These are important preconditions to start independent forest certification process in Georgia.

Basic challenges, barriers and difficulties which may complicate development of FSC system in Georgia might be characterized as:

Forestry institutions are bureaucratic and over-centralized. Power is concentrated in organizations' central apparatus. Staff is not empowered and innovation by subordinate units is stifled. Management is conducted literally by Decree; all important decisions related to natural resources are under the responsibilities of central offices of the MENRP and NFA.

Institutional capacity is weak. Funding of institutions is increasing though there are number of obstacles identifying insufficient use of allocated funds, such as (i) Most of the forest areas are out of updated Management plans; (ii) Basic forestry operations, such as forest tending and restoration, thinning, pest and disease control, forest fire management, etc. are poorly funded or not funded at all; (iii) Competencies are weak in some areas, staff needs professional and technical development to enable them to perform their functions; (iv) Institutions' physical infrastructure is improving though modern information technology such as forest management information system does not exist.

Forest related laws contain much collision and needs to be changed. Provisions between laws, in particular enacted after 2004 are contradicting to provisions of basic law – Forest Code. They establish overlapping powers and responsibilities. Many provisions are not clear because terms are not properly defined or not defined at all. The forest Code and most of sublegal acts regulating forestry operations need to be harmonized with best European practice.

Corrupt and illegal activity goes undetected or unpunished. Lack of operational capacity and ineffective control identifies high risk to continue corrupt or illegal activity with only a small risk of detection. The risk is considerable increased since local population is officially allowed to undertake timber harvesting for their needs themselves. Weak qualification and limited number of field staff of relevant forestry authorities makes much more difficult to control plenty of people operating in forest. Entrepreneurs struggle to operate within the law because they face inadequate information on resources and license conditions. All these make significant adverse impact on forest ecosystems causing their degradation and in some areas even loss.

⁶ In 2007 FD signed Memorandum of Understanding with FSC to ensure development of Georgian FSC standard and its implementation.

5 Opportunities

There are some important factors which motivates establishment of best forestry practices as an important mechanism for the sustainable development of the country as well as need to validate of the process through approved tool such as independent forest certification. These factors are identified by following:

Physical environment of Georgia

The Caucasus, in which Georgia is part, is one of the Global 200 Eco-regions of critical importance for the conservation of the world's biodiversity, identified by WWF. At the same time, of 34 global biodiversity "hotspots" identified by Conservation International, Georgia is part of the Caucasian and Iran-Anatolian hotspots. This is because of the high diversity and endemism of the plant and animal species, important for the conservation of biodiversity on a global scale.

Georgia is rich in forest. Total area of forest fund is about 2822, 5 thousand ha, i.e. 40.6% of the territory of the country. Forest, as a part of natural resources, is the significant component of physical environment. Correspondingly there is a need to identify and discuss the links between the environment and macro economy. The macro economy of the country has a considerable effect on forest management. Macroeconomic stability creates the necessary conditions for forest conservation, on the other hand instability, that is characterized by the high level of inflation, huge fiscal deficit, instable exchange rate, low or negative economic grow and high level of unemployment, suspends or stops investments in forest sector and supports to extensive and uncontrolled utilization of forest resources. In such case the Government of Georgia is insecure to get corresponding value out of use of forest resources that fully reflects the real value of these resources. These problems are proposed to be addressed by government through sectoral policies, and therefore give us hopes that finally forest sector will take an adequate role among of other economic sectors of Georgia.

Social attitudes

Awareness and participation of forest sector stakeholders outside government is increasing.

General public in Georgia is recognizing the high level of interdependence of man and forest resources in Georgia and is convinced that the Georgian forests constitute a resource of great environmental, economic, cultural, scientific, and recreational value, the loss of which would be irreparable. In spite of this there was a little scope for stakeholders outside government to participate in decision-making and influence policies, programmes and plans at the beginning of 1990th. Many stakeholders did not understand the importance of the forest sector, the factors which impact on the value of forest assets, the economic and financial conditions within which the forest sector operates, and social-cultural interactions with forests. Fortunately, Georgia Society (local population, NGOs, private sector, etc.) step by step recognizing importance of forest sector and is making attempts to take part in decision-making process related to forests.

Private companies involved in forest sector are willing to work within of modern, clear legal frame in accordance to best European standards. Weak and unclear legal basis and forestry operating standards, hot social environment, and inadequate data about forest resources forces high risk of violations and illegal activities for entrepreneurs and puts them in the permanent "guilty" position. Any attempts from the government side for improvement of their working conditions will be much appreciated and supported by private sector stakeholders.

State policy

All forests in Georgia, all the resources contained in forests, the land on which forests grow and all resources on or under the land are owned by the State. The Ministry of Environment and Natural Resources Protection owns and undertakes management of almost of all forests and allowed to develop and implement national wide forest policy. This is an important precondition which makes easier to introduce and develop new forest policy approaches over the entire forest cover at the national and local level.

National Forestry Policy (NFP). Recently Georgia officially adopted national Forest Policy document. Document envisages establishing the range of functions to be served by the national forest resource, the priority to be given to each function, and the outputs that Georgia's citizens want and expect from the resource. Among of broad scope of goals and objectives document dedicates particular attention to promotion of establishment of independent voluntary system of forest certification in Georgia.

6 Review of FSC Principles & Criteria

The aim of this section is to make thorough analysis each of ten FSC principles and relevant criteria against existing Georgian conditions which will make possible to identify number of issues to be changed or improved in the field of legal, institutional or practical forestry activities, and therefore to establish proper basis for development of forest certification process.

The FSC Principles and Criteria were originally published in November 1994, and amended in 1996, 1999 and 2001. FSC Principles and Criteria V 5-0, approved in February 2012 are used as basis for this research. This version is a result of a comprehensive review and revision of the Principles and Criteria that commenced in January 2009 and was completed in February 2012. This document contains the FSC Principles and Criteria for Forest Stewardship, and is a key document in the FSC certification system. The Principles and Criteria consist of the Preamble, ten Principles and their associated Criteria, and a Glossary of terms. All of these, the Preamble, Principles, Criteria and Glossary of terms, are considered normative.

It should be noted that this standard shall be effective for the commencement of the development of the FSC International Generic Indicators (IGI). The IGIs are a suite of indicators based on the new version 5 of the FSC Principles and Criteria (P&C). They are being developed to act as a starting point for all national standards, as well as an interim standard for regions without applicable standards. The IGIs underwent consultation in the spring of 2013, and are currently undergoing their second round of public consultation.

6.1 Principle 1: Compliance with laws

Text of the principle is given below in box 4:

Box 4 – Principle 1: Compliance with laws

The Organization⁷ shall comply with all applicable laws*, regulations and nationally-ratified* international treaties, conventions and agreements.

⁷ The terms marked with an asterisk are explained in FSC Principles and Criteria document FSC-STD-01-001 (V5-0)

- 1.1 The Organization* shall be a legally defined entity with clear, documented and unchallenged legal registration*, with written authorization from the legally competent* authority for specific activities.
- 1.2 The Organization* shall demonstrate that the legal status* of the Management Unit*, including tenure* and use rights*, and its boundaries, are clearly defined.
- 1.3 The Organization* shall have legal* rights to operate in the Management Unit*, which fit the legal status* of the organization and of the Management unit, and shall comply with the associated legal obligations in applicable national and local laws* and regulations and administrative requirements. the legal rights shall provide for harvest of products and/or supply of ecosystem services* from within the Management unit. the organization shall pay the legally prescribed charges associated with such rights and obligations.
- 1.4 The Organization* shall develop and implement measures, and/or shall engage with regulatory agencies, to systematically protect the Management Unit* from unauthorized or illegal resource use, settlement and other illegal activities.
- 1.5 The Organization* shall comply with the applicable national laws*, local laws*, ratified* international conventions and obligatory codes of practice*, relating to the transportation and trade of forest products within and from the Management Unit*, and/or up to the point of first sale.
- 1.6 The Organization* shall identify, prevent and resolve disputes over issues of statutory or customary law*, which can be settled out of court in a timely manner, through engagement* with affected stakeholders*.
- 1.7 The Organization* shall publicize a commitment not to offer or receive bribes in money or any other form of corruption, and shall comply with anti-corruption legislation where this exists. In the absence of anti-corruption legislation, the organization shall implement other anti-corruption measures proportionate to the scale* and intensity* of management activities and the risk* of corruption.
- 1.8 The Organization* shall demonstrate a long-term commitment to adhere to the FSC Principles* and Criteria* in the Management Unit*, and to related FSC Policies and Standards. a statement of this commitment shall be contained in a publicly available* document made freely available.

1.1 The Organization shall be a legally defined entity with clear, documented and unchallenged legal registration, with written authorization from the legally competent authority for specific activities

According to Glossary of terms, part of the P&C the Organization means the person or entity holding or applying for certification and therefore responsible for demonstrating compliance with the requirements upon which FSC certification is based. Georgia has established a very simple, clear and fast procedure for the registration of legal or physical bodies to authorize them to undertake entrepreneur or other types of activities which is managed by Ministry of Justice.

1.2 The Organization shall demonstrate that the legal status of the Management Unit, including tenure and use rights, and its boundaries, are clearly defined

Forest Code of Georgia (FC) (1999) provides basic definitions of the forest territories. According to the Code State Forest Fund (SFF) is identified as the territory which is covered by Law. Further allotment of the SFF by smaller units follows provisions established by sublegal document #179 approved by Georgia Government “on the rules of forest registry, planning and monitoring” (latest version is

approved at July, 2013). Articles 9 and 10 of the Forest Code are regulating provisions related to forest tenure and use rights, and article 116 rules on identification of boundaries of SFF.

1.3 The Organization shall have legal rights to operate in the Management Unit, which fit the legal status of the organization and of the Management unit, and shall comply with the associated legal obligations in applicable national and local laws and regulations and administrative requirements. the legal rights shall provide for harvest of products and/or supply of ecosystem services from within the Management unit. the organization shall pay the legally prescribed charges associated with such rights and obligation

Issues under this criterion are clearly regulated by national laws, in particular forestry matters are covered by Forest Code and its supplementary legal acts, as well as by specific laws and regulations related to forest use licenses and their terms, and tax Code regulates issues associated with legally prescribed charges, fees or other charges.

1.4 The Organization shall develop and implement measures, and/or shall engage with regulatory agencies, to systematically protect the Management Unit from unauthorized or illegal resource use, settlement and other illegal activities

Private companies holding long term forest use licenses according to license conditions identified by Governmental Decree #132 of August 2005 among of other requirements (see Box 3 in section 3.2.2) are obliged as well “To protect identified by license forest fund territory including their protection from illegal activities”. It should be noted that without well-established cooperation with Department of Environmental Supervision of the MENRP license holders are not empowered themselves to undertake immediate actions to stop illegal case. Taking in account weak capacity of DES and freedom of action given to local population for forestry operations aimed to get firewood, risk of illegal activities including undetected cases still is too high.

1.5 The Organization shall comply with the applicable national laws, local laws, ratified international conventions and obligatory codes of practice, relating to the transportation and trade of forest products within and from the Management Unit, and/or up to the point of first sale

There is special Government Decree #96 which regulates movement of timber from the management unit up to the first destination (sale or further processing or just use in case of fire wood taken by local population). Primary purpose of this regulation is to control illegal timber movement and sometimes it seems as an effective instrument. Though, for establishment of sustainable forestry practices main approach to be on measures which will minimize risk of corruption and illegal activities and not a measures which support their detection.

1.6 The Organization shall identify, prevent and resolve disputes over issues of statutory or customary law, which can be settled out of court in a timely manner, through engagement with affected stakeholders

There is no in place such requirement in Georgian legislation.

1.7 The Organization shall publicize a commitment not to offer or receive bribes in money or any other form of corruption, and shall comply with anti-corruption legislation where this exists. In the absence of anti-corruption legislation, the organization shall implement other anti-corruption measures proportionate to the scale and intensity of management activities and the risk of corruption

Issues related to bribes or any other forms of corruption are regulated by Criminal Code of Georgia which covers any legal or physical body, and any entrepreneurial activities. Therefore, there is no additional legal need to establish such requirements in the field forestry, however, if such a thing happens, it will not contravene to existing legislation.

1.8 The Organization shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria in the Management Unit, and to related FSC Policies and Standards. a statement of this commitment shall be contained in a publicly available document made freely available

This criterion will be activated upon practical start of certification process.

Conclusion for Principle 1: The obvious contradictions that would prevent introduction of Principle 1 have not been observed. Setting of additional requirements against corruption for forest managers in forestry legislation may ensure more efficient implementation of general requirements of existing legislation.

6.2 Principle 2: Workers rights and employment conditions

Box 5 – Principle 2: Workers rights and employment conditions

The Organization* shall maintain or enhance the social and economic wellbeing of workers*.

2.1 The Organization* shall uphold* the principles and rights at work as defined in the ILO Declaration on Fundamental Principles and rights at Work (1998) based on the eight ILO Core labour Conventions.

2.2 The Organization* shall promote gender equality* in employment practices, training opportunities, awarding of contracts, processes of engagement* and management activities.

2.3 The Organization* shall implement health and safety practices to protect workers* from occupational safety and health hazards. these practices shall, proportionate to scale, intensity and risk* of management activities, meet or exceed the recommendations of the ILO Code of Practice on Safety and Health in Forestry Work.

2.4 The Organization* shall pay wages that meet or exceed minimum forest industry standards or other recognized forest industry wage agreements or living wages*, where these are higher than the legal minimum wages. When none of these exist, The Organization shall through engagement* with workers* develop mechanisms for determining living wages.

2.5 The Organization* shall demonstrate that workers have job-specific training and supervision to safely and effectively implement the management plan* and all management activities.

2.6 The Organization* through engagement* with workers* shall have mechanisms for resolving grievances and for providing fair compensation to workers for loss or damage to property, occupational diseases*, or occupational injuries* sustained while working for the organization.

All criteria under Principle 2 are regulated by Organic Law “On Labor Code of Georgia” (2010). No specific forest industry standards are in place. Therefore, in most cases workers rights and employment conditions whether they relate to field forestry activities or operations at factory are not met at all. There is an obvious need for elaboration of forestry, including industry operational guidelines or manuals for different forestry activities regulating safety requirements as well.

Conclusion for Principle 2: Harmonized with Georgian legislation National FSC Standard, which will focus on strengthening of workers' rights and working conditions including safety to be elaborated.

6.3 Principle 3: Indigenous peoples' rights

Box 6 - Principle 3: Indigenous peoples' rights

*The Organization** shall identify and *uphold** indigenous peoples'* legal and *customary rights** of ownership, use and management of land, territories and resources affected by management activities.

3.1 *The Organization** shall identify the *indigenous peoples** that exist within the *Management Unit* or are affected by management activities. ~~the~~ organization shall then, through *engagement** with these indigenous peoples, identify their rights of *tenure**, their rights of access to and use of forest resources and *ecosystem services**, their *customary rights** and legal rights and obligations, that apply within the *Management unit*. ~~the~~ organization shall also identify areas where these rights are contested. ~~the~~ organization shall also identify areas where these rights are contested.

3.2 *The Organization** shall recognize and *uphold** the legal and *customary rights** of *indigenous peoples** to maintain control over management activities within or related to the *Management Unit** to the extent necessary to protect their rights, resources and lands and territories. Delegation by indigenous peoples of control over management activities to third parties requires *Free, Prior and Informed Consent**.

3.3 In the event of delegation of control over management activities, a binding agreement between *The Organization** and the *indigenous peoples** shall be concluded through *Free, Prior and Informed Consent**. The agreement shall define its duration, provisions for renegotiation, renewal, termination, economic conditions and other terms and conditions. ~~the~~ agreement shall make provision for monitoring by indigenous peoples of ~~the~~ organization's compliance with its terms and conditions.

3.4 *The Organization** shall recognize and *uphold** the rights, customs and culture of *indigenous peoples** as defined in the United Nations Declaration on the Rights of Indigenous Peoples (2007) and ILO Convention 169 (1989).

3.5 *The Organization**, through *engagement** with *indigenous peoples**, shall identify sites which are of special cultural, ecological, economic, religious or spiritual significance and for which these indigenous peoples hold legal or *customary rights**. ~~these~~ sites shall be recognized by ~~the~~ organization and their management, and/or protection shall be agreed through engagement with these indigenous peoples.

Directly Georgian legislation does not recognize term "Indigenous people", though there is a special Law which covers population living in high mountain areas "On social economic and cultural development of high mountain regions" (1999) to support their culture and traditional activities among which forestry is listed. It should be also noted that in some regions local population still keeps "Heritage rights" on forests which belonged to particular families or communities in past. Therefore, it is recommended in the process of elaboration Georgian FSC standard requirements of Principle 3 to adjust Georgian conditions.

Conclusion for Principle 3: Issue to be clarified in National FSC standard harmonized with national legislation.

6.4 Principle 4: Community relations

Box 7 – Principle 4: Community relations

The Organization shall contribute to maintaining or enhancing the social and economic Wellbeing of local communities**

4.1 *The Organization* shall identify the local communities* that exist within the Management Unit* and those that are affected by management activities. The organization shall then, through engagement* with these local communities*, identify their rights of tenure*, their rights of access to and use of forest resources and ecosystem services*, their customary rights* and legal rights and obligations, that apply within the Management unit.*

4.2 *The Organization* shall recognize and uphold* the legal and customary rights* of local communities* to maintain control over management activities within or related to the Management Unit* to the extent necessary to protect their rights, resources, lands and territories. Delegation by local communities of control over management activities to third parties requires Free, Prior and Informed Consent*.*

4.3 *The Organization* shall provide reasonable* opportunities for employment, training and other services to local communities*, contractors and suppliers proportionate to scale and intensity of its management activities.*

4.4 *The Organization* shall implement additional activities, through engagement* with local communities*, that contribute to their social and economic development, proportionate to the scale, intensity and socio-economic impact of its management activities.*

4.5 *The Organization*, through engagement* with local communities*, shall take action to identify, avoid and mitigate significant negative social, environmental and economic impacts of its management activities on affected communities. The action taken shall be proportionate to the scale, intensity and risk* of those activities and negative impacts.*

4.6 *The Organization*, through engagement* with local communities*, shall have mechanisms for resolving grievances and providing fair compensation to local communities and individuals with regard to the impacts of management activities of the organization*

4.7 *The Organization*, through engagement* with local communities*, shall identify sites which are of special cultural, ecological, economic, religious or spiritual significance, and for which these local communities hold legal or customary rights*. These sites shall be recognized by the organization, and their management and/or protection shall be agreed through engagement with these local communities.*

4.8 *The Organization* shall uphold* the right of local communities* to protect and utilize their traditional knowledge and shall compensate local communities for the utilization of such knowledge and their intellectual property. a binding agreement as per Criterion 3.3 shall be concluded between the organization and the local communities for such utilization through Free, Prior and Informed Consent* before utilization takes place, and shall be consistent with the protection of intellectual property rights.*

4.1 The Organization shall identify the local communities that exist within the Management Unit and those that are affected by management activities. The organization shall then, through engagement with these local communities, identify their rights of tenure, their rights of access to and use of forest resources and ecosystem services, their customary rights and legal rights and obligations, that apply within the Management unit

There are no provisions in current forestry legislation which require identification of local communities existing or closely populated to particular forest management unit. General rights of Georgia citizens are described in article 88 of the FC, which allows free access to forest for recreation, tourism, collection of non-wood forest products (NWFP) for personal use as well as to care for forest and protect its assets and comply with fire safety rules, not break or cut trees and shrubs, not affect forest flora, not litter or otherwise damage the natural environment. Regarding of customary rights of local

population related to forest areas which present aesthetical and cultural values, places for religious events there is special request to detect such places while preparing forest management plans in the sublegal document #179 approved by Georgia Government “on the rules of forest registry, planning and monitoring”.

4.2 The Organization shall recognize and uphold the legal and customary rights of local communities to maintain control over management activities within or related to the Management Unit to the extent necessary to protect their rights, resources, lands and territories. Delegation by local communities of control over management activities to third parties requires Free, Prior and Informed Consent

Implementation of this criterion will require legal background. The best way is that FC as an umbrella law in forest sector is amended by relevant article concerning of interrelations of local communities and forest managers and further to be described in any sublegal document/s.

4.3 The Organization shall provide reasonable opportunities for employment, training and other services to local communities, contractors and suppliers proportionate to scale and intensity of its management activities

Government Decree #132 “On the rules of issue forest use licenses and their terms” in article 8 – License terms (see section 3.2.2 Box 3) requires from license holders to ensure at least 80% of personnel hired for different forestry activities to be representatives of local population. As for the training and other services to local communities, contractors and suppliers it is up to forest manager to decide whether they will do this or not.

4.4 The Organization shall implement additional activities, through engagement with local communities that contribute to their social and economic development, proportionate to the scale, intensity and socio-economic impact of its management activities

Subject for discussion during elaborating national FSC standard.

4.5 The Organization, through engagement with local communities, shall take action to identify, avoid and mitigate significant negative social, environmental and economic impacts of its management activities on affected communities. The action taken shall be proportionate to the scale, intensity and risk of those activities and negative impacts

Implementation of this Criterion require inclusion of forestry activities (forest management planning and other operations which may have significant adverse impact on environment) in the official list of activities as subject of Environmental Impact Assessment (EIA).

4.6 The Organization, through engagement with local communities, shall have mechanisms for resolving grievances and providing fair compensation to local communities and individuals with regard to the impacts of management activities of the organization

Identification of possible conflicts of interest between forest managers and local communities is an important issue to be done at the early stage of forest management planning. Therefore, it seems reasonable to make relevant changes in Forest Code and other sublegal documents.

4.7 The Organization, through engagement with local communities, shall identify sites which are of special cultural, ecological, economic, religious or spiritual significance, and for which these local communities hold legal or customary rights. These sites shall be recognized by the organization, and their management and/or protection shall be agreed through engagement with these local communities

This is similar to requirements of Criterion 4.1. As it was already explained there is legal requirement in place to make prior detection of such sites in the process of forest management planning. Further details of interrelations between forest managers and local communities to be justified in national standard.

4.8 The Organization shall uphold the right of local communities to protect and utilize their traditional knowledge and shall compensate local communities for the utilization of such knowledge and their intellectual property. A binding agreement as per Criterion 3.3 shall be concluded between the organization and the local communities for such utilization through Free, Prior and Informed Consent before utilization takes place, and shall be consistent with the protection of intellectual property rights

To be included in national FSC standard.

Conclusion for Principle 4: Need for number of legal changes along with elaboration of National Standard is obvious. It is also strongly recommended to establish clear public participatory mechanisms in relevant forestry legislation. Forest planning and particular activities to be subject for EIA procedure. Identification of possible conflicts of interest between forest managers and local communities at early stage of forest planning to be also part of forestry legislation.

6.5 Principle 5: Benefits from the forest

Box 8 – Principle 5: Benefits from the forest

*The Organization** shall efficiently manage the range of multiple products and services of the *Management Unit** to maintain or enhance long term *economic viability** and the range of environmental and social benefits.

5.1 *The Organization** shall identify, produce, or enable the production of, diversified benefits and/or products, based on the range of resources and *ecosystem services** existing in the *Management Unit** in order to strengthen and diversify the local economy proportionate to the *scale** and *intensity** of management activities.

5.2 *The Organization** shall normally harvest products and services from the *Management Unit** at or below a level which can be permanently sustained.

5.3 *The Organization** shall demonstrate that the positive and negative *externalities** of operation are included in the *management plan**.

5.4 *The Organization** shall use local processing, local services, and local value adding to meet the requirements of The Organization where these are available, proportionate to scale, *intensity* and *risk**. If these are not locally available, the organization shall make *reasonable** attempts to help establish these services.

5.5 *The Organization** shall demonstrate through its planning and expenditures proportionate to *scale, intensity* and *risk**, its commitment to long-term *economic viability**.

5.1 The Organization shall identify, produce, or enable the production of, diversified benefits and/or products, based on the range of resources and ecosystem services existing in the Management Unit in order to strengthen and diversify the local economy proportionate to the scale and intensity of management activities

Multipurpose forest management planning is one of the objectives identified by current legislation in the field of forestry (FC, sublegal Decree #179 “On the rules of forest registry, planning and monitoring”, and #242 “On the rules of forest use”).

5.2 The Organization shall normally harvest products and services from the Management Unit at or below a level which can be permanently sustained

The main consent with this criterion is that forest managers should ensure timber harvesting within of annual allowable cut (AAC) identified on the basis of sustainability. It is worldwide recognized principle that timber harvesting is always to be done within or less than annual increment of particular forest management area. Georgia did follow this principle which was legally expressed in FC (article 72). In 2010 it was removed from FC and put in Government Decree of 2013, #179 “On the rules of forest registry, planning and monitoring”. Due to calculation of AAC is one of the basic principles of sustainable forestry it is strongly recommended to bring back this principle into the Frame Law (in case of Georgia this is FC). There are some considerations also with regard of approach used in Georgia for calculating AAC which significantly differ from best European practice. In particular, in Georgia only wood received after final cut⁸ is included in AAC. European countries calculating AAC consider all wood received from any cycle of selective cut or other types of cut which allows keeping wood balance in sustainable level.

5.3 The Organization shall demonstrate that the positive and negative externalities of operation are included in the management plan

Development of indicators to address negative externalities which are possible to arise to be done in the process of elaboration of national standard.

5.4 The Organization shall use local processing, local services, and local value adding to meet the requirements of The Organization where these are available, proportionate to scale, intensity and risk. If these are not locally available, the organization shall make reasonable attempts to help establish these services

As it was described for criterion 4.3 license holders are obliged to involve local population in forestry activities. Though provisions of articles 37 and 37¹ of FC are prohibiting primary wood processing⁹ at the territory of State Forest Fund which in many rural areas may cause difficulties since they (local communities) are completely allocated inside of SFF. Revision of FC in this regard is recommended.

5.5 The Organization shall demonstrate through its planning and expenditures proportionate to scale, intensity and risk, its commitment to long-term economic viability

It is advisable inclusion of the issue into official regulation for forest management planning.

Conclusions for Principle 5: For the proper implementation of requirements of this Principle numbers of legal changes are envisaged. In particular: (i) establishment a transparent AAC calculation mechanism through the frame law to be based on wood balance received from any kind of cut, (ii) reconsider the issue of primary wood processing at the territory of SFF, (iii) revise regulation for forest management planning toward inclusion of long-term economic viability elements.

⁸ Another serious issue is system of forest cut used in Georgia which also requires significant revision toward best European practice.

⁹ According to existing regulation GD #46 “On primary processing of round logs at the territory of Georgia” (2010) primary processing is recognized as sawing of logs at sawmill.

6.6 Principle 6: Environmental values and impacts

Box 9 – Principle 6: Environmental values and impacts

*The Organization** shall maintain, conserve and/or restore *ecosystem services** and *environmental values** of the *Management Unit**, and shall avoid, repair or mitigate negative environmental impacts.

6.1 *The Organization** shall assess *environmental values** in the *Management Unit** and those values outside the *Management Unit* potentially affected by management activities. This assessment shall be undertaken with a level of detail, scale and frequency that is proportionate to the *scale, intensity and risk** of management activities, and is sufficient for the purpose of deciding the necessary conservation measures, and for detecting and monitoring possible negative impacts of those activities.

6.2 Prior to the start of site-disturbing activities, *The Organization** shall identify and assess the *scale, intensity and risk** of potential impacts of management activities on the identified *environmental values**.

6.3 *The Organization** shall identify and implement effective actions to prevent negative impacts of management activities on the *environmental values**, and to mitigate and repair those that occur, proportionate to the *scale, intensity and risk** of these impacts.

6.4 *The Organization** shall protect *rare species** and *threatened species** and their *habitats** in the *Management Unit** through *conservation zones**, *protection areas**, *connectivity** and/or (where necessary) other direct measures for their survival and viability. These measures shall be proportionate to the *scale, intensity and risk** of management activities and to the conservation status and ecological requirements of the rare and threatened species.

The Organization shall take into account the geographic range and ecological requirements of rare and threatened species beyond the boundary of the Management unit, when determining the measures to be taken inside the Management unit.

6.5 *The Organization** shall identify and protect representative sample areas of native ecosystems and/ or restore them to more natural conditions. Where representative sample areas do not exist, The organization shall restore a proportion of the *Management Unit** to more natural conditions. The size of the areas and the measures taken for their protection or restoration shall be proportionate to the conservation status and value of the ecosystems at the landscape level, and the *scale, intensity and risk** of management activities.

6.6 *The Organization** shall effectively maintain the continued existence of naturally occurring native species and genotypes, and prevent losses of *biological diversity**, especially through habitat management in the *Management Unit**. The organization shall demonstrate that effective measures are in place to manage and control hunting, fishing, trapping and collecting.

6.7 The Organization* shall protect or restore natural water courses, water bodies, riparian zones and their connectivity. The Organization shall avoid negative impacts on water quality and quantity and mitigate and remedy those that occur.

6.8 The Organization* shall manage the landscape* in the Management Unit* to maintain and/or restore a varying mosaic of species, sizes, ages, spatial scales and regeneration cycles appropriate for the landscape values* in that region, and for enhancing environmental and economic resilience*.

6.9 *The Organization** shall not convert *natural forest** to *plantations**, nor natural forests or plantations to any other land use, except when the conversion:

- a) affects a very limited portion of the area of the *Management Unit**, and
- b) will produce clear, substantial, additional, secure long-term conservation benefits in the Management unit, and



c) does not damage or threaten *High Conservation Values**, nor any sites or resources necessary to maintain or enhance those High Conservation Values.

6.10 *Management Units** containing *plantations** that were established on areas converted from *natural forest** after November 1994 shall not qualify for certification, except where:

- a) clear and sufficient evidence is provided that *The Organization** was not directly or indirectly responsible for the conversion, or
- b) the conversion affected a very limited portion of the area of the Management unit and is producing clear, substantial, additional, secure long term conservation benefits in the Management Unit.

Georgia forest legislation provides due concern to ensure protection of environmental values which are reflected in FC, as well as in sublegal acts such as Government Decree of 2013, #179 “On the rules of forest registry, planning and monitoring”, Government Decree #132 of August 2005 “On the rules of issue forest use licenses and their terms”, Government Decree #242 of August 2010 “On the rules of forest use”. All these acts established quite strong requirements to protect and restore an important environmental sites and values in forest planning and practices the main approach for which is adequate zoning of target territory and identification of ecologically important and ecologically sensitive areas to ensure their due conservation and maintenance. In mountainous forests, such as Georgia this element has particular value and importance.

List of environmentally important values, landscapes and species to be identified and detected during the planning stage is provided below:

- Watershed forests (areas which are serving protection of drinking water);
- Sub alpine forests;
- Protection Lines along rivers and water reservoirs;
- High Conservation Value Forests;
- Ecological corridors;
- Forest with specific recreational, esthetical, cultural and spiritual value;
- Forests with domination of Red List, relict and endemic species;
- Forest lines along avalanche;
- Forest located on slopes above 35°;
- Critical condition forests (low density, degraded, etc.).

The problem which significantly impedes practical implementation of these obligations by forest managers or license holders is lack of relevant guidelines, manuals or methodologies to be used as an effective support tool towards conservation and sustainable management of Georgia forests. However, elaboration of guideline for functional zoning of forests is already initiated.

Conclusion for Principle 6: Elaboration of detailed guidelines, manuals or methodologies for correct identification, assessment and management of environmental values and potential impacts is an essential work to ensure their protection and conservation.

6.7 Principle 7: Management planning

Box 10 – Principle 7: Management planning

*The Organization** shall have a *management plan** consistent with its policies and *objectives** and proportionate to *scale, intensity and risks** of its management activities. The management plan shall be implemented and kept up to date based on monitoring information in order to promote *adaptive*



*management**. The associated planning and procedural documentation shall be sufficient to guide staff, inform *affected stakeholders** and *interested stakeholders** and to justify management decisions.

7.1 *The Organization** shall, proportionate to *scale, intensity and risk** of its management activities, set policies (visions and values) and *objectives** for management, which are environmentally sound, socially beneficial and economically viable. Summaries of these policies and objectives shall be incorporated into the *management plan**, and publicized.

7.2 *The Organization** shall have and implement a *management plan** for the *Management Unit** which is fully consistent with the policies and *objectives** as established according to Criterion 7.1. The management plan shall describe the natural resources that exist in the Management Unit and explain how the plan will meet the FSC certification requirements. The management plan shall cover forest management planning and social management planning proportionate to *scale, intensity and risk** of the planned activities.

7.3 *The management plan** shall include verifiable targets by which progress towards each of the Prescribed management *objectives** can be assessed.

7.4 *The Organization** shall update and revise periodically the management planning and procedural documentation to incorporate the results of monitoring and evaluation, stakeholder *engagement** or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.

7.5 *The Organization** shall make *publicly available** a summary of the management plan* free of charge. Excluding confidential information, other relevant components of the management plan shall be made available to *affected stakeholders** on request, and at cost of reproduction and handling.

7.6 *The Organization** shall, proportionate to *scale, intensity and risk** of management activities, proactively and transparently engage *affected stakeholders** in its management planning and monitoring processes, and shall engage *interested stakeholders** on request.

As it was mentioned already there is number of existing legal documents which set a system of forest management planning in Georgia which mostly cover FSC requirements as well. This system requires periodical revision (every 10 years) and update of the management plan. To make elaborated management plans more practical and efficient it is recommended to establish legal requirement for preparation annual operational plans.

Conclusion for Principle 7: Introduction of legally based practice for elaboration of annual operational plans will much support practical implementation of goals and objectives set by long-term forest management plans.

6.8 Principle 8: Monitoring and Assessment

Box 11 – Principle 8: Monitoring and assessment

*The Organization** shall demonstrate that, progress towards achieving the management *objectives**, the impacts of management activities and the condition of the *Management Unit**, are monitored and evaluated proportionate to the *scale, intensity and risk** of management activities, in order to implement *adaptive management**.

8.1 *The Organization** shall monitor the implementation of its *management plan**, including its *policies and objectives**, its progress with the activities planned, and the achievement of its verifiable targets.

8.2 *The Organization** shall monitor and evaluate the environmental and social impacts of the activities carried out in the *Management Unit**, and changes in its environmental condition.

8.3 *The Organization** shall analyze the results of monitoring and evaluation and feed the outcomes of this analysis back into the planning process.

8.4 *The Organization** shall make *publicly available** a summary of the results of monitoring free of charge, excluding confidential information.

8.5 *The Organization** shall have and implement a tracking and tracing system proportionate to *scale, intensity and risk** of its management activities, for demonstrating the source and volume in proportion to projected output for each year, of all products from the *Management Unit** that are marketed as FSC certified.

System of Long-term forest monitoring and assessment is essential to evaluate the trend resulted with current forestry practices, particularly for timely detection of any changes in the quality of ecosystems, habitats and status of species. Monitoring will enable planning and taking immediate actions to eliminate/minimize adverse effect on natural and social environment. In addition, monitoring is an important tool to assess the success of existing or new approaches in forestry.

Legal basis of forest monitoring and assessment is established by FC (article 25) and Government Decree (GD) of 2013, #179 “On the rules of forest registry, planning and monitoring”, though they provide very general statement for the issue. It is reasonable to work further for elaboration more detailed regulations and methodologies to improve existing legislation. Works related to National FSC standard also may support this activity.

Conclusion for Principle 8: Revision of existing legislation related to forest monitoring and assessment and development detailed regulations and methodologies to be recommended.

6.9 Principle 9: High Conservation Values

Box 11 – Principle 9: High Conservation Values

The Organization shall maintain and/or enhance the High Conservation Values* in the Management Unit* through applying the precautionary approach*.*

9.1 *The Organization**, through *engagement** with *affected stakeholders**, *interested stakeholders** and other means and sources, shall assess and record the presence and status of the following *High Conservation Values** in the *Management Unit**, proportionate to the *scale, intensity and risk** of impacts of management activities, and likelihood of the occurrence of the High Conservation Values:

HCV 1 - Species diversity. Concentrations of *biological diversity** including endemic species, and *rare, threatened or endangered** species, that are significant at global, regional or national levels. HCV 2 - Landscape-level ecosystems and mosaics. Large landscape-level *ecosystems** and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.

HCV 3 - ecosystems and habitats. *rare, threatened, or endangered ecosystems, habitats* or refugia**. HCV 4 - Critical ecosystem services. *basic ecosystem services** in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.

HCV 5 - Community needs. Sites and resources fundamental for satisfying the basic necessities of *local communities* or indigenous peoples** (for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous peoples.

HCV 6 - Cultural values. Sites, resources, habitats and *landscapes** of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/ sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples.

9.2 *The Organization** shall develop effective strategies that maintain and/or enhance the identified *High Conservation Values**, through *engagement** with *affected stakeholders**, *interested stakeholders** and experts.

9.3 *The Organization** shall implement strategies and actions that maintain and/or enhance the identified *High Conservation Values**. These strategies and actions shall implement the *precautionary approach** and be proportionate to the *scale, intensity and risk** of management activities.

9.4 *The Organization** shall demonstrate that periodic monitoring is carried out to assess changes in the status of *High Conservation Values**, and shall adapt its management strategies to ensure their effective protection. The monitoring shall be proportionate to the *scale, intensity and risk** of management activities, and shall include *engagement** with *affected stakeholders**, *interested stakeholders** and experts.

Issues related to protection and conservation of high conservation values of forests are spread out in different legal documents like FC and relevant sublegal acts. In more detail it is described in Government Decree #132 of August 2005 “On the rules of issue forest use licenses and their terms” (article 1¹). There is an obvious need to harmonize existing legislation between each other as well as with International Treaties, Agreements and Conventions and already elaborated and adopted National Policies and Strategies related to environment protection and nature conservation. Elaboration of detailed guidelines and methodologies on determination and management for high conservation values is also an urgent measure.

Conclusion for Principle 9: Clear provisions for high conservation values of forests to be established in frame forest law. Preparation of supplementary normative acts to be initiated.

6.10 Principle 10: Implementation of management activities

Box 12 – Principle 10: Implementation of management activities

Management activities conducted by or for *The Organization** for the *Management Unit** shall be selected and implemented consistent with the organization's economic, environmental and social policies and *objectives** and in compliance with the *Principles** and *Criteria** collectively.

10.1 After harvest or in accordance with the *management plan**, *The Organization** shall, by natural or artificial regeneration methods, regenerate vegetation cover in a timely fashion to pre-harvesting or more natural conditions.

10.2 The *Organization** shall use species for regeneration that are ecologically well adapted to the site and to the management objectives*. the organization shall use native species* and local genotypes* for regeneration, unless there is clear and convincing justification for using others.

10.3 *The Organization** shall only use *alien species** when knowledge and/or experience have shown that any invasive impacts can be controlled and effective mitigation measures are in place.

10.4 *The Organization** shall not use *genetically modified organisms** in the *Management Unit**.

10.5 *The Organization** shall use *silvicultural** practices that are ecologically appropriate for the vegetation, species, sites and management objectives*.

10.6 *The Organization** shall avoid, or aim at eliminating, the use of fertilizers. When fertilizers are used, the organization shall prevent, mitigate, and/or repair damage to *environmental values**.

10.7 *The Organization** shall use integrated pest management and *silviculture** systems which avoid, or aim at eliminating, the use of chemical *pesticides**. the organization shall not use any chemical pesticides prohibited by FSC policy. When pesticides are used, the organization shall prevent, mitigate, and / or repair damage to *environmental values** and human health.

10.8 *The Organization** shall minimize, monitor and strictly control the use of *biological control agents** in accordance with *internationally accepted scientific protocols**. When *biological control agents** are used, the organization shall prevent, mitigate, and/or repair damage to *environmental values**.

10.9 *The Organization** shall assess risks and implement activities that reduce potential negative impacts from natural hazards proportionate to *scale, intensity, and risk**.

10.10 *The Organization** shall manage infrastructural development, transport activities and *silviculture** so that water resources and soils are protected, and disturbance of and damage to *rare* and threatened species*, habitats*, ecosystems* and landscape values** are prevented, mitigated and/or repaired.

10.11 *The Organization** shall manage activities associated with harvesting and extraction of timber and *non-timber forest products** so that *environmental values** are conserved, merchantable waste is reduced, and damage to other products and services is avoided.

10.12 *The Organization** shall dispose of waste materials in an environmentally appropriate manner.

Most of conditions identified in this Principle are considered by existing forestry legislation, in particular FC and supplementary acts (GD's #132, #179, #242). The main problem with their implementation is that they provide very general statements which in practice cause difficulties for forest managers. For example it is not clear what they have to do to control GMO, or how to undertake soil protection measures against erosion. Issues related to integration of pest management into silviculture systems are also unclear. Biological Control agents (Criterion 10.8) are not regulated at all. Results of study "Standards and practice of forest management in Georgia" conducted in 2010 under the ENPI FLEG program also confirmed that existing forestry practices in Georgia are very far from the practice of sustainable forestry.

Conclusion for Principle 10: Implementation of requirements of Principle 10 needs to be harmonized with best European forestry practices national standards and regulations.

6.11 Summary and recommendations

Based on review of existing policy, legal and institutional conditions in forest sector of Georgia with regard to requirements established by FSC Principles & Criteria it might be concluded that there is a sufficient ground to be used as starting point for the development FSC certification system which is identified by following factors:

- Official National Forestry Policy recognized importance of promotion and development of voluntary and independent forest certification;
- General provisions of existing forestry legislation are mainly in line with P&C requirements;
- Georgia gained some experience in development of FSC standards and their practical testing in the field;
- Stakeholders involved in forest sector (local population, state and private companies, environmental NGO's) are motivated to facilitate FSC certification process in Georgia.

At the same time study identified some an important preconditions which to be worked out or improved to ensure further development of voluntary and independent forest certification. These preconditions are related to:

- Revision of existing frame law in forest sector;
- Development of forest practices standards harmonized with best European experience and the requirements of FSC;
- Development of comprehensive training system for forest workers and professionals;
- Development of National FSC Standards based on adopted International Generic Indicators.

Next section of this document will provide in more detail what kind of necessary legislative and other changes are needed to reflect FSC principles in Georgia.

7 Necessary legislative and other changes to reflect FSC principles (including HCV forests) in Georgian forest policy and legislation

As it is identified by National Forestry Policy (section 6) improvement of forestry legislation is one of the main priorities which consider:

- Completing the task of preparing a new Forest Code that provides for the new or revised systems and mechanisms that will be implemented within the framework of the forest policy and strategy;
- Preparing the secondary legislation necessary to implement the Forest Code;
- Amending other primary legal acts that contradict the new Forest Code.

Completing the task of preparing a new Forest Code that provides for the new or revised systems and mechanisms that will be implemented within the framework of the forest policy and strategy

It would be recommended that new Forest Code (or law) will consider following issues:

- Establishment of clear public participation mechanisms;
- Introduction of EIA procedure for forest planning and forestry operations;
- Establishment a transparent AAC calculation mechanism to be based on wood balance received from any kind of cut;
- Reconsider the issue of primary wood processing at the territory of SFF;
- Introduction of annual operational plans for practical implementation of goals and objectives set by long-term forest management plans;
- Establish clear provisions for High Conservation Values of forests.

Preparing the secondary legislation necessary to implement the Forest Code

Following existing regulations to be revised:

- Government Decree of 2013, #179 “On the rules of forest registry, planning and monitoring”;
- Government Decree #132 of August 2005 “On the rules of issue forest use licenses and their terms”;
- Government Decree #242 of August 2010 “On the rules of forest use”.

Following new regulations to be prepared:

- The Rules on identification, planning and management of high conservation values of the forest;
- The Rules on Delivery of the Annual Operational Plan, its form, substance and procedures for its Approval;
- The Rules on Planning, Monitoring and Implementing the Measures against Forest Fires;
- The Rules on Planning, Monitoring and Implementing the Measures against Forest Pests;
- The Rules on Change of the Forest Status¹⁰;
- Forest terms and definitions;
- The rules on training and accreditation of the personnel involved in forest management and activities.

Additionally, there is much work envisaged for preparation of detailed guidelines and manuals, as well as national FSC standard which may ensure starting point for sustainable management of Georgia’s forests and forest certification accordingly.

¹⁰ Currently existing situation provides very unclear provisions related to change of status of forest lands (SFF) which is resulted with withdrawal of many forest territories from the SFF.

8 Market opportunities for certified forest products

There is high demand on Georgian forest products (both wood and non-wood) at national and international market. Results of Study initiated by World Bank¹¹ identified high economic potential of forest sector and provides some assumptions on economic revenues generated from the forest (see table 1 below).

Table 1. Indicative Evaluation of the Potential Annual Economic Value of the Potential Share of Forest Products and Service from Georgian Forests

PRODUCT	VALUE OF THE POTENTIAL REVENUE (MILLION GEL)
Round log material	17.5
Wood	23.0
Mushrooms and nuts	4.0
Medical herbs	6.9
Hunting	0.7
Fishing	7.3
Grazing	65.0
Total	124.4

Taking into account the fact that the table does not provide evaluation of the role of the forest in the field of tourism and recreation, which undoubtedly bears high economic significance, it will become obvious that only the insignificant share of the overall economic potential of Georgian forests is currently utilized.

Below is provided major economic activities in the forest sector.

Wood processing

Prior to 1950, approximately 1, 5 million cubic meters of wood was cut in Georgia per annum. After 1950, due to the fact that the forests of Georgia were ascribed to the First category, the volume of wood materials for primary usage reduced down to 432 thousand cubic meters per annum. After gaining independence (1990) import of cheap wood materials from Russia stopped what laid heavy burden on Georgian forests especially for fire woods and partially due to processing of high quality export beach logs. Wood processing and manufacturing facilities existing in Soviet period were practically degraded, the new ones are in the process of development and establishment. The table below reflects data on export of wood from Georgia.

Table 2. Export of wood in Georgia in 1999 per countries of import

COUNTRY	LOG			PROCESSED WOOD			TOTAL		
	Volume (cub. m)	Value (USD)	Value (USD /cub. m)	Volume (cub. m)	Value (USD)	Value (USD /cub. m)	Volume (cub. m)	Value (USD)	Value (USD /cub. m)
Armenia				235	23,000	98	235	23,000	98

¹¹ Total economic valuation of Georgia forests, T. Arin, J. Siry, 2000

Austria	34	3,000	88				34	3,000	88
China	1,355	139,000	103	569	89,000	156	1,924	228,000	119
Cyprus	43	3,000	70	1,265	108,000	85	1,308	111,000	85
Egypt	62	5,000	81	801	43,000	54	863	48,000	56
France	163	15,000	92	186	14,000	75	349	29,000	83
Germany	175	22,000	126	190	53,000	279	365	75,000	205
Greece	571	58,000	102	76,440	215,000	3	77,011	273,000	4
India				88	17,000	194	88	17,000	194
Iran				624	46,000	74	624	46,000	74
Ireland				86	15,000	174	86	15,000	174
Israel	15	3,000	200	8,082	118,000	15	8,097	121,000	15
Italy	763	95,000	125	59	11,000	186	822	106,000	129
Netherlands	40	4,000	100				40	4,000	100
Russia				2,205	50,500	23	2,205	50,500	23
Saudi Arabia				338	30,000	89	338	30,000	89
Slovakia	214	15,000	70	275	25,000	91	489	40,000	82
Slovenia	248	17,000	69				248	17,000	69
Spain	121	14,000	116				121	14,000	116
Turkey	28,058	2,523,000	90	201,209	1,764,000	9	229,267	4,287,000	19
Ukraine	50	2,000	40	80	4,000	50	130	6,000	46
USA				2,391	1,013,000	424	2,391	1,013,000	424
Uzbekistan				60	13,000	217	60	13,000	217
Total	31,911	2,918,000	91	295,183	2,450,000	8	327,094	5,368,000	16

Note: where only the weight of timber was given, it was converted applying conversion factor to the capacity 1 m³ = 0.65 tons; *Source: Department of Statistics, Tbilisi*

Since 1991 to date it is difficult to calculate the factual volume of production of the fuel timber production per annum, inasmuch as unofficial production of this resource by the private sector has a serious implication. Since as most of the forests are spread on steep slopes approximately only 600 000 ha i.e. 21% of the forest land is considered as exploitation forests. Roughly 70% of the existing wood reserve is spread on the slopes with more than 25 degree of inclination, such slopes require utilization of facilities which are environmentally safe and accordingly increase the value of output.

Non Timber Wood Resources

According to the findings of the WB research net value of consumption of non timber resources of the forest in the country is evaluated as 8,35 million USD, what is distributed as follows: 1,5 million USD – mushrooms; 0,58 million – nuts; 2 million – berries and 0.08 million – herbs. Also, it is notable that 0,44 million USD from production and export of fir seeds and 3,75 million USD from production of three million tons of fodder each year at the territory of the state forestry fund.

Hunting and Hunting Industries

Under the legislation adopted after gaining the independence the new system was developed for arrangement and functioning of hunting industries. To date according to this system, 158 926 thousand ha is covered by 14 hunting industries, which may be transformed into the strong bases of hunting tourism in future (hunting tourism, eco-tourism).

Tourism and Recreation

Prior to gaining independence, approximately 4 million tourists were hosted by Georgia each year. Georgia had a significant potential with its 102 resorts, 15 thousand historical monuments (among them 4 are included in UNESCO world treasury list), main purpose of which was to visit natural ecosystems, which mostly were composed of forests. Unfortunately, political conflicts strongly reduced tourists flow in our country. Revival and facilitation of tourism and recreation as one of the priority directions and source of revenues of Georgia corresponds to the current economic policy of the country as well as the principles of sustainable development of forest industry management. According to calculations of the international experts, Georgia may receive 1 million tourists and the gained revenues may comprise up to 1 billion USD. Based on the foregoing, facilitation of tourism as one of the alternative forms of forest usage, is highly important.

Provided above short review of different use directions of forest resources in Georgia is fairly convincing evidence that in case of establishment of sustainable forest management practices accompanied with independent and voluntary forest certification system, products derived from such forests, in particular with FSC logo will easily find relevant niche at domestic and international market.

9 Steps towards promotion of voluntary forest certification in Georgia

Following steps are envisaged to be done at different level of Georgia society to ensure development of voluntary and independent forest certification process in harmonized manner:

Governmental level

1. Get an overview of major requirements
2. Identify possible conflict with legislation and act
3. Adjust requirements for management planning
4. Adjust protection regimes for protected areas
5. Training of key persons in certification requirements and procedures
6. Support development of national FSC standards
7. Raise public awareness on certification

Stakeholder level

1. Get an overview of major requirements
2. Identify potential social, economic and ecologic stakeholder groups
3. Form a FSC national initiative
4. Prepare first draft of standard based on other standards from the region
5. Agree on draft for Georgia
6. Public consultation
7. Develop final draft for FSC Endorsement

Forest Enterprise level

1. Decision to certify
2. learn the rules



3. Selection of certifier
4. Sign assessment contract
5. Preparation (training, procedures, internal check
6. Pre-assessment – field visit by certifier
7. Additional training, adjusting practice
8. Additional training, adjusting practice
9. Additional training, adjusting practice



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2. RWA International, Forest sector rationalization and institutional development plan: Government of Georgia, 2003;
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About FLEG II (ENPI East) Program

The Forest Law Enforcement and Governance (FLEG) II European Neighbourhood and Partnership Instrument (ENPI) East Countries Program supports participating countries' forest governance. At the regional level, the Program aims to implement the 2005 St. Petersburg FLEG Ministerial Declaration and support countries to commit to a time-bound action plan; at the national level the Program will review or revise forest sector policies and legal and administrative structures; and improve knowledge of and support for sustainable forest management and good forest governance in the participating countries, and at the sub-national (local) level the Program will test and demonstrate best practices for sustainable forest management and the feasibility of improved forest governance practices at the field-level on a pilot basis. Participating countries include Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia, and Ukraine. The Program is funded by the European Union.
<http://www.enpi-fleg.org>

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