

Regional Conference
“Sustainable Diversified Use of Forest:
Legislation and Governance, Challenges and Solutions”
(18-19 May 2016, Joensuu, Finland)

A Regional Conference “Sustainable Diversified Use of Forest: Legislation and Governance, Challenges and Solutions” took place on 18-19 May 2016 in Joensuu, Finland, being organized as a Regional Event under the ENPI FLEG 2 “European Neighborhood and Partnership Instrument East Countries Forest Law Enforcement and Governance 2”.

Baseline Sustainable forest management development largely depends on comprehensive, multipurpose use of products and services provided by forest ecosystems. Logging is only the one of many potential ways to use forest resources. Diversified (multipurpose, comprehensive) forest management provides a potential to use various forest resources and forest ecosystem services in a rational way which enables continuous flow of products and services, increased profit from a forest management unit and an opportunity to organize forest management in a sustainable way in many cases, preserving and increasing environmental and social values.

Local communities, forest and related sectors’ businesses as well as forest management authorities should be provided with tools to diversify their profits derived from forests through production and marketing new products and services for increased financial sustainability. However, there are certain barriers and bottlenecks which hamper diversified use of forest resources - imperfect forest legislation, ‘traditional’ view of forests as a source of timber only, without due consideration of potential of other types of forest resources, lack of relevant expertise and examples.

Exchange in lessons learned and best practices in improvement of forest legislation to promote sustainable diversification of forest resources use between forest management officials and practitioners, forest sector business representatives, academia and non-profit organizations from countries participating in the ENPI FLEG 2 Program and EU member states will increase awareness and build capacity for legal and sustainable use of forests, improve the flow of economic and non-financial benefits derived from forests with preservation and further enhancement of high ecological and social values, improve perception of forest professionals in the society.

Short description of the event

The event took place on 18-19 May 2016 in the city of Joensuu, Finland. It was organized by WWF Russia in cooperation with Natural Resources Institute Finland (LUKE) and European Forest Institute (EFI). Two-day programme included holding a round table and a field trip (Annex 1. Programme). The goal of the event was to build the capacity for legal and sustainable use of forests through diversification of sustainable use of forest resources in the countries involved into the ENPI FLEG 2 Program. The organizers had the following objectives

1. Discuss issues of sustainable diversified use of forest resources in the European Neighborhood and Partnership Instrument East countries, Finland and Russia;
2. Share the best practices and opportunities for improvement of the relevant legislation, incentives mechanisms and management practices, illustrated by lessons learned by public authorities and enterprises based in ENPI FLEG 2 countries and EU member states.

The round table was held in the Joensuu Science Park and was arranged as combination of countries’ presentations and facilitated interactive discussions. This discussion offered an opportunity for

participants to interact with each other, and to better understand the challenges and emerging opportunities that diversified forest use and its governance is facing. It addressed specific questions:

- What are the major challenges for the diversified forest use at a country level?
- What are possible solutions?
- What lessons learned in different countries could be useful?
- Are there need and opportunities for international cooperation to promote diversified and sustainable use of forests?
- What should be done to improve legislation and governance at a country level?

The field trip programme included various aspects of diversified forest use to be demonstrated in practice based on Finnish experience, in particular: opportunities for local businesses for non-timber forest products based on trade of wild berries and wine production; using of low value wood for production of bioenergy with focus on benefits for forestry and local economy; forest research as a basis for predicting and monitoring of berry and mushroom yields.

Scope of participants

The Joensuu conference gathered 42 participants (Annex 2 - List of participants). Scope of participants included representatives of forest management authorities of the European Neighborhood and Partnership Instrument East countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine), Russia and Finland, representatives of the state-owned and private forest sector enterprises of these countries, academia and non-governmental organizations (NGOs).

Vision

Among different types of forest use, wood harvesting and production of wood-based products is still dominating in the world. At the same time, over the past decades an increasing number of governmental and non-governmental organizations and institutions, as well as the private sector, have become involved with the promotion of sustainable use of non-wood forest products (NWFPs). Quite much information has been collected on the socio-economic importance and potential of NWFP utilization and its effects on the environment. For example, official statistics for production of NWFPs in Europe indicates a sector worth € 2.76 billion as minimum (Forest Europe, UNECE & FAO 2011). In many European countries local households depends heavily on NWFP for subsistence and/or income. NWFP have also attracted considerable global interest in recent years due to the increasing recognition of their contribution to environmental objectives, including the conservation of biological diversity.

At the conference, discussion was focused mostly at two broad groups of diversified forest use. One group is NWFPs: edible plant products (e.g. fruits, nuts, mushrooms, herbs and saps); animal products (e.g. honey, game meat and pelts); medicinal plants; bark, foliage and vegetation; Christmas trees; some others (e.g. gums, resins and oils). Another group is ecosystem services (ES) provided by forests: recreation; mitigation of climate change; conservation of biodiversity; protection of soil, water and infrastructure; and cultural aspects.

It was stated during the conference, that NWFPs is quite widely used in all participated countries for diversification of forest use as an approach, but use of ES as a forest management approach as well as mechanisms of payments for ecosystem services (PES) are not so well known in majority of participating countries.

It was mentioned in many conference presentations that the considered area of forest sector has a great potential for increase in the participating countries. For example, analysis of potential of NWFPs in the Trans-Carpathian region, including Ukraine showed that using allowable harvest limits of NWFPs would be equal to the value of harvested timber resources from the region, but currently only near 6% are used. Unfortunately, in many countries harvesting and use of NWFPs tend to decrease and there are particular challenges and obstacles the sector is facing currently.

Challenges

The scale of challenges participated countries are facing in their attempts to diversify forest use is quite different: global challenges, challenges in forest management and use at country level as whole, challenges for the diversified forest use at a country as well as at regional and local levels.

Such global challenges as climate change, poverty, population growth, shortage of traditional raw materials' supply, urbanization, etc. were mentioned in the context of growing need to diversify forest use. At the same time, diversification of forest use, in fact, is one of the tasks of national systems of forest management. All the countries participated in the conference are characterized by particular specificity of forests. Forests in these countries are quite different in terms of areas, types, species, distribution, dynamics in forest area and growing stock, role and functions, etc. But with regard to EaP countries and Russia, it is important to understand that starting from the late 1980s, the countries went through deep political and economic reforms. These reforms are still going on. This is reflected in all aspects of their economic and social life, including those related to the forest sector. In many presentations, participants underlined that potential of their national forests is significant but not fully used. Following factors were mentioned as reasons of such situation: lack of sufficient legislation, lack of governance, supervision and control mechanisms, environmental factors, economic factors, lack of forest inventory data, illegal logging problems, lack of capacity, etc.

Major challenges for the diversified forest use at a country level identified by participants in their presentations and in further discussions can be assigned to specific groups: *legislative, administrative, logistical, financial, informationa, and educational.*

Legislative challenges include the following: access to non-timber resources, for example, in some countries there is not equal access to forest resources for citizens and business companies; in many cases it is the imperative nature of the forest law; disproportionality of legislative requirements for different types of forest use; unresolvedness of the use of forest resources in the forests with different designated status (exploitation forests, forest in protected areas, etc.); lack of alternative forms of civil-law relations for different types of use of forests; the unsettled state of leased territories for multiple use of forest resources; lack or absence of legislative initiatives supporting development use and marketing of ecosystem services, etc.;

Administrative challenges include following: lack of power and capacities for informed decision-making in forest management at the municipal level; lack of administrative support for the multiple use of forests; poor mechanisms for leasing forests for use of NWFPs, including complicated bureaucratic procedures, etc.;

Logistical challenges include the following: complexity of the organizational management for multiple forest use; conflict between different types of forest use; inaccessibility of territory for transport vehicles; lack of options to lease smaller forest plots (compared to the ones needed for timber production); need for large investments (e. g. to establish various infrastructure facilities for processing of different types of NW resources); necessity of a flexible marketing and business planning; lack of specialized units for NWFPs collecting and processing; weak material and technical base; forest areas occupied by specialized NWFPs plantations decreased and are inefficiently used; annual NWFPs volumes are dependent on weather conditions and crop years; lack of information on emerging demand for different types of NWFPs, etc.;

Financial challenges include following: high financial risks (including because of the productivity factors mentioned above); lack of 'user-friendly' procedures and costs of lease accustomed to small business holders focused on NWFP use (high cost of the lease of forest plot ; high cost of preparing documentation for lease); absence of a mechanisms stimulating the development of multiple use of

forests at the country and regional levels; high interest rate on bank loans and short period of credit reimbursement; the necessity to pay for the norm of use instead of the harvested resource; absence of long-term perspective and contracts; lack of available investments for NWFPs processing, etc.;

Informational and educational challenges include following: unreliability of the data on forest resources; lack of information about the best practices on multiple use of forest; lack of information about the features of business planning in the field of multiple use of forests; lack of information about the specifics of the harvesting and profitability of multiple forest use; information gap and lack of awareness and communication in the area of potential and use of forest ecosystem services; lack of trained professionals in the areas of NWFPs and forest ES, etc.

Possible solutions and lessons learnt

At the conference, participants have had an opportunity to share lessons learnt as well as to discuss solutions for mentioned above challenges. Country's representatives demonstrated in their presentations many interesting cases of diversified use of forests at local, regional and national levels and shared this experience with each other. All the presentations are available on the web <http://www.wwf.ru/resources/news/article/14288>¹. Solutions proposed by the countries included a number of initiatives in the area of strategic planning, legislation and governance. In particular, it was discussed that sustainable diversified use of forest is already considered as a logical part of rapidly developing in Europe concept and practice of **bio-economy**. Being installed into national forest policy and national forest strategies and programmes, this concept can be supported by development and approval of relevant initiatives and legislation.

Taking into account global importance of this topic, solution of broad scale **international cooperation** was proposed. It is needed to provide countries with better understanding, knowledge, guidance and tools to support stakeholders in optimising the management of multi-purpose forests. There is a need also to get international lessons with the purpose to develop innovative approaches for increasing the marketability and profitability of NWFP for a more competitive rural economy.

Another set of solutions is related to specific **national legislative initiatives** in the area of use of forests or NWFPs which affect permits to access, conditions and rights of citizens and companies to visit forests, to harvest products as well as citizens' rights to use forest for cultural and recreational activities.

As one of the important solutions, the participants proposed different types of **research and analytical work** to be used or taken into account in the processes of decision making related to diversified use of forests. Scope of this work can be very wide – from analytical work on identification different types of barriers for diversified and sustainable use of forest resources up to practical research in the field on forecasting yield of wild berries and mushrooms.

Interesting practical solutions were presented by the countries as cases of **successful commercial activities** of based on NWFPs local business companies.

Another direction of practical solution was illustrated by the cases of countries' efforts on exploring forest ecosystem services as a part of forest management in particular in the area of **nature-based tourism**. Additionally, a case related with **climate change mitigation/adaptation CDM² afforestation project** was demonstrated.

Particular set of solutions proposed are linked to the area of **education and capacity building**. They included variety of activities from developing basic educational programmes for higher and continuing education up to training programmes for locals and forestry schools.

¹ All presentations are also available at <https://www.dropbox.com/s/nkae8gh5dqfzxf/FLEG%20CONFERENCE%20presentations.zip?dl=0>

² Clean Development Mechanism

Specific lessons to be learnt were gained by the participants from the discussion on **ecosystem services**. They can be formulated as following: building awareness, education programmes and capacity building around PES; pulling public and private interests is key for sustainable financing of PES schemes; novel financing approaches can be explored; awareness-raising on PES issues among policy-makers, decision-makers, landowners and other relevant stakeholders is an essential step towards promoting their use; developing a network of PES pilot studies and coordinating them across countries; identification and dissemination of best practice.

It was also underlined that it is important to use diversified set of **public institutions** to ensure proper forest governance: state and private organizations, NGOs, research institutions, etc.

Recommendations

Based on the materials presented by the countries as well as on outcomes of discussions, participants of the conference recommend the following actions to be implemented at the international, national and local levels to promote and develop sustainable diversified use of forest:

- To develop further international cooperation to ensure exchange in lessons learned and best practices in improvement of forest legislation and governance to promote diversification of forest resources use with participation of forest management officials and practitioners, forest sector business representatives, academia and NGOs;
- To promote further principles of sustainability in the process of forest use diversification and pay equally serious attention to economically, ecologically and socially sustainable management and use of the forests;
- To consider a rapidly developing in Europe and in the world concept of bio-economy, including forest based bio-economy, as an appropriate framework to manage forests in a diversified and sustainable way;
- To recognise cross-sectoral nature of diversified use of forest in forest management planning and practice and integrate in decision making process stakeholders from different areas: forestry, agriculture, environment, etc., to ensure larger integration at a landscape level and get a bigger picture and better understanding;
- To use research as a reliable source of information and a basis for decision making in the area of diversified use of forest, to develop well targeted research projects to solve problems;
- To strengthen research cooperation, including at an international level, promote sharing research experience, existing methodologies and approaches, etc.;
- To diversify governance and develop opportunities of different groups of society and stakeholders' involvement in decision making process on diversified use of forest at the local, regional and country levels to avoid potential conflicts and ensure synergy for better solutions;
- To strengthen support and assistance to small and medium business in their intention to commercialize diversified use of forest through subsidies and improving investment climate to make it possible to place NWFPs to the market;
- To strengthen support and assistance to small and medium business to commercialize diversified use of forest where it may be done in a sustainable way through maintaining existing and creating new capacities for use and processing of NWFPs;
- To build knowledge and capacities in the area of NWFPs and in exploring forest ecosystem services as a direction of diversified forest use through educational, training and exchange programmes including international cooperation in this area;
- To build communication and awareness around the topic of diversified forest use to ensure that different stakeholders, including governmental structures, to ensure understanding of importance and prospective of diversified forest use;
- To disseminate information on ongoing projects and positive experience in the area of diversified forest use, including those which are dealing with NWFPs and PES.

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A Regional Event under the ENPI FLEG 2 “European Neighborhood and Partnership Instrument East Countries Forest Law Enforcement and Governance 2”.

Goal:

Build the capacity for legal and sustainable use of forests through diversification of sustainable use of forest resources in the countries involved into the ENPI FLEG 2 Program.

Objectives:

1. Discuss issues of sustainable diversified use of forest resources in the European Neighborhood and Partnership Instrument East countries, Finland and Russia;
2. Share the best practices and opportunities for improvement of the relevant legislation, incentives mechanisms and management practices, illustrated by lessons learned by public authorities and enterprises based in ENPI FLEG 2 countries and EU member states.

Participants: representatives of forest management authorities of the European Neighborhood and Partnership Instrument East countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine), Russia and Finland, representatives of the state-owned and private forest sector enterprises of these countries, academia and non-profit organizations.

Baseline:

Sustainable forest management development largely depends on comprehensive, multipurpose use of products and services provided by forest ecosystems. Logging is only the one of many potential ways to use forest resources. Diversified (multipurpose, comprehensive) forest management provides a potential to use various forest resources and forest ecosystem services in a rational way which enables continuous flow of products and services, increased profit from a forest unit and an opportunity to organize forest management in a sustainable way in many cases, preserving and increasing environmental and social values. Forest and related sectors’ businesses should be provided with tools to diversify their profits derived from forests through production and marketing new products and services for increased financial sustainability. However, there are certain barriers and bottlenecks which hamper diversified development of forest resources - imperfect forest legislation, ‘traditional’ view of forests as a source of timber only shared by some business people and government officials, without due consideration of potential of other types of forest resources.

Exchange in lessons learned and best practices in improvement of forest legislation to promote sustainable diversification of forest resources use between forest management officials and practitioners, forest sector business representatives, academia and non-profit organizations from countries participating in the ENPI FLEG 2 Program and EU member states will increase awareness and build capacity for legal and sustainable use of forests, improve the flow of economic and non-financial benefits derived from forests with preservation and further enhancement of high ecological and social values, improve perception of forest professionals in the society.

Working languages: English (translation into Russian)

Round table 18 May

Venue: Louhela Hall in the Joensuu Science Park (Länsikatu 15)

Indicative agenda

08.30 –09.00	Registration of participants
09.00 – 09.30	Opening addresses Representatives of the European Commission, World Bank. LUKE (Timo Karjalainen), EFI (Georg Winkel) and WWF (Costel Bucur)
Sustainable Diversified Use of Forest Resources: Legislation and Governance, Challenges and Solutions – part 1	
<ul style="list-style-type: none"> • What are the major challenges for the diversified forest use at a country level? • What are possible solutions? 	
09.30-09.50	Legislation and the best practices on organization of diversified and sustainable use of forests in Finland. By Matti Mäkelä, Ministry of Agriculture and Forestry, Finland
09.50-10.10	Analyses of barriers for diversified and sustainable use of forest resources. By Alexander Bondarev, Sukachev Forest Institute, Russian Academy of Science
10.10-10.30	Diversification of sustainable use of forest resources in Ukraine: current state and perspectives. By Tatiana Enzel, State Forestry Agency
10.30-10.50	State of the European non-wood forest products: diversified use of forest resources as a tool for sustainable forest management. Presentation of the StarTree project. By Georg Winkel, EFI.
10.50- 11. 20 Facilitated discussion	
11.20-11.40 Coffee break	
Sustainable Diversified Use of Forest Resources: Legislation and Governance, Challenges and Solutions – part 2	
Questions to be discussed: <ul style="list-style-type: none"> • What lessons learned in different countries could be useful? • Are there need and opportunities for international cooperation to promote diversified and sustainable use of forests? 	
11.40-11.55	Current State of Forests in Armenia and Perspectives of Diversified Use of Forest Resources. By Ruben Petrosyan, State Forest Management Authority “Hayantar” SNCO
11.55-12.10	Non-market forest services: from values to payments, by Irina Prokofieva, PhD, CTFC Forest Sciences Centre of Catalonia, Solsona, Spain
12.10-12.25	Rethinking the role of forest-based sector services. Contribution of nature-based recreation and tourism in Finland to well-being. By Liisa Tyrväinen, LUKE
12.25-12.40	Management and use of non-timber forest products. Experience for the Republic of Moldova. By Petru Rotaru, Agency “Moldsilva” and Dumitru Galupa, National Forest Research Institute of Moldova
12.40 -12.55	Pilot project on briquetting in Tavush Region of Armenia. By Avagyan Samvel, NGO “Green Land” and Siranush Galstyan, ENPI-FLEG 2 national coordinator
12.55- 13. 25 Facilitated discussion	
13.25 – 14.25 Lunch	
Sustainable Diversified Use of Forest Resources: Legislation and Governance, Challenges and Solutions – part 3	
Question to be discussed: <ul style="list-style-type: none"> • What should be done to improve legislation and governance at a country level? 	
14.25-14.40	Legal regulation of the use of wood forest resources for local people in Russia. By Evgeny Kuzmichev (World Bank)
14.40-14.55	Current forest legislation in Azerbaijan. By Shamil Huseynov, Natural Resources, Energy and Ecological Legislation Department, Parliament of Azerbaijan
14.55-15.10	Improvement of legislation on the non-timber forest resources use in the Republic of Belarus. The main aspects of the NTFP management. By Sazonov Sergey, Ministry of Forestry of the Republic of Belarus
15.10-15.25	Development of legislation on non-wood forest products. By Akaki Chalatashvili, Forest

	Policy Service, Ministry of Environment and Natural Resources, Georgia
15.25-15.40	Management of non-timber products as an alternative for logging in high conservation value forests for proposals for improvement of the Russian legislation. By Evgeny Lepeshkin, WWF Russia
15.40-16.00 Coffee break	
16.00-16.40 Facilitated discussion and brainstorming on a roadmap for the partner countries to promote a more diversified use of forests	
16.40-17.00 Round up of the first day Representatives of the EFI, LUKE and WWF	

Field trip 19 May

9.00	Departure from the hotel Kimmel
Local businesses for non-timber forest products	
	Trade of wild berries. Marja-Carelia Oy
	Production sparkling wines, wines, liqueurs and spirits made of berries. Hermann Winery
11.45	Lunch
Bioenergy	
	Using of low value wood for production of bioenergy, benefits for forestry and local economy. Eno Energy Cooperative
Predicting and monitoring of berry and mushroom yields	
	Visit to research plots of Luke. Short term prognosis of berry and mushroom yield. Modeling of long term berry and mushroom yields, and effect of forest management practices. Senior Research Scientist Jari Miina
	Coffee
18.00	End of field trip (via railway station → hotel)

Things to discuss at each spot:

- What are the challenges facing by the non-timber forest 'sector' in Finland as a whole and a specific segment in particular?
- How are governance and legislation helping?
- Are the current governance and legislation good enough to support effective diversified use of forest resources and ensure sustainability in Finland as a whole and a specific segment in particular?
- Was it always this way? Were there any changes in the last 2-3 decades, negative or positive?
- What should be improved, if any?
- What is the forward vision for the development of the non-timber forest 'sector' in Finland as a whole and a specific segment in particular?

Annex 2. List of participants

	Last name	First name	Country	Organisation
1.	Abdulova	Nargiz	Azerbaijan	WWF Azerbaijan
2.	Ahmadova	Konul	Azerbaijan	WWF Azerbaijan
3.	Avagyan	Samvel	Armenia	NGO "Green Land"
4.	Bondarev	Alexander	Russia	Sukachev Forest Institute, Russian Academy of Science
5.	Bucur	Costel	Romania	WWF Danube-Carpathian Programme Office
6.	Chalatahshvili	Akaki	Georgia	Ministry of Environment and Natural Resources Protection of Georgia
7.	Costea	Antoanela	Romania	WWF Danube-Carpathian Programme Office
8.	Dobrynin	Denis	Russia	WWF Russia

9.	Dolkhanov	Allahverdi	Azerbaijan	Baku State University
10.	Enzel	Tatiana	Ukraine	State Forestry Agency of Ukraine
11.	Galstyan	Siranush	Armenia	WWF Armenia
12.	Galupa	Dumitru	Moldova	Forest Research and Management Institute
13.	Hakobyan	Hermine	Armenia	WWF Armenia
14.	Huseynov	Shamil	Azerbaijan	The Parliament of Azerbaijan
15.	Ivannikova	Tatiana	Russia	WWF Russia
16.	Ivonchyk	Andrei	Belarus	Ministry of Forestry of Belarus
17.	Karabchuk	Dmytro	Ukraine	WWF Danube-Carpathian Programme Office
18.	Karasev	Aleksei	Russia	Association for cedar forests of the Far East
19.	Karjalainen	Timo	Finland	Natural Resources Institute Finland (Luke)
20.	Karvinen	Sari	Finland	Natural Resources Institute Finland (Luke)
21.	Kiknadze	Lily	Georgia	WWF-Caucasus Programme Office
22.	Kovbasa	Nikolay	Belarus	Belarus State University
23.	Kuzmichev	Evgeny	Russia	World Bank
24.	Lepeshkin	Evgeny	Russia	WWF Russia
25.	Lopatin	Eugene	Finland	Natural Resources Institute Finland (Luke)
26.	Mirakyan	Narine	Armenia	WWF Armenia
27.	Mäkinen	Matti	Finland	Ministry of Agriculture and Forestry of Finland
28.	Osepashvili	Ilia	Georgia	WWF-Caucasus Programme Office
29.	Petrosyan	Ruben	Armenia	State forest management authority "Hayantar" SNCO
30.	Petrulevich	Oksana	Belarus	Ministry of Forestry of Belarus
31.	Prokofieva	Irina	Finland	CTFC Forest Sciences Centre of Catalonia
32.	Rotaru	Petru	Moldova	Agency "Moldsilva"
33.	Sarukhanova	Sevinj	Azerbaijan	WWF Azerbaijan
34.	Sazonov	Sergey	Belarus	Ministry of Forestry of Belarus
35.	Schmitt	Michelle		WWF International
36.	Shmatkov	Nikolay	Russia	WWF Russia
37.	Terentev	Vladimir	Russia	LLC "Innovative forest technology"
38.	Tihonova	Angelina	Russia	WWF Russia
39.	Tsintadze	Ana	Georgia	WWF-Caucasus Programme Office
40.	Tyrväinen	Liisa	Finland	Natural Resources Institute Finland (Luke)
41.	Usov	Vladimir	Russia	Primorskaya State Academy of Agriculture
42.	Winkel	Georg		European Forest Institute