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II PROGRAM



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Governance of Local Forests in ENPI East Countries and Russia

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Photo at title page: Fuel wood harvested by villagers in Kharagauli, Georgia. Photo: Stefan Michel

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Abbreviations and Glossary

AAC	-	Annual Allowable Cut
APA	-	Agency for Protected Areas of Georgia, subordinated to the Ministry of Environment and Natural Resources Protection
<i>BELGOSLES</i>	-	State enterprise in Belarus with the monopoly for forest inventory and management planning, which is subordinated to the Ministry of Forestry
CPC	-	Country Programme Coordinator(s)
ENPI-FLEG	-	European Neighbourhood and Partnership Instrument East Countries Forest Law Enforcement and Governance
FMP	-	Forest Inventory and Management Planning (in most cases synonymous to (Rus. <i>lesoustroystvo</i> = лесоустройство)
FRA	-	Forest Resources Assessment (of FAO)
GFI	-	Governance of Forests Initiative Indicator Framework
<i>Hayantar</i>	-	State forestry organization of Armenia, which is subordinated to the Ministry of Agriculture
ICAS	-	Forest Research and Management Institute of Moldova with the monopoly for forest inventory and management planning, which is a subunit of <i>Moldsilva</i>
MENRP	-	Ministry of Environment and Natural Resources Protection of Georgia
<i>Moldsilva</i>	-	State forestry agency of Moldova, which is subordinated to the Government
NFA	-	National Forestry Agency of Georgia, subordinated to the Ministry of Environment and Natural Resources Protection
NTFP	-	Non-timber Forest Products (includes fuel wood and other minor wood products)
NWFP	-	Non-wood Forest Products (excludes fuel wood and other minor wood products)
PA	-	Protected Area(s)
PC	-	IUCN ENPI FLEG Programme Coordinator
<i>Primăria</i>	-	Municipality (local public administration at the level of the commune) in Moldova

- Rosleskhoz* - Federal Forestry Agency of the Russian Federation
- SFRA - State Forest Resources Agency of Ukraine
- Ukrderzhlisproekt* - State enterprise in Ukraine with the monopoly for forest inventory and management planning, which is subordinated to the SFRA
- WB - The World Bank
- WWF - World Wide Fund for Nature

Executive Summary

Introduction

The regional Programme “European Neighbourhood and Partnership Instrument East Countries Forest Law Enforcement and Governance” (ENPI-FLEG) supports the participating countries Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia and Ukraine in strengthening forest governance through improving the implementation of relevant international processes, enhancing their forest policy, legislation and institutional arrangements, and developing, testing and evaluating sustainable forest management models at the local level on a pilot basis for future replication.

The forests in the ENPI-FLEG II countries fall within the northern boreal and temperate forest zones, including five biomes and 31 ecoregions with forests. Russia has the by far largest share of boreal forest in Eurasia with still large sections of forest classified as undisturbed by human activity. The Southern Caucasus region is one of the richest regions in the world for diversity of wild-growing fruits.

When regaining independence following the breakdown of the Soviet Union all seven ENPI-FLEG II countries had inherited a similar Soviet style forest management system and governance. During the transition period the countries enacted their national forest legislation and established new institutions. The further development of forest policies, legislation, institutional mandates, economic systems, planning and management was not any longer based on homogenous principles and resulted in diverse and in some cases even contrasting types of governance systems, currently present within the ENPI-FLEG II countries.

The forest governance systems in these countries include variations as well as similarities related, among others, to the specific governance of “local forests”. During the Soviet period a part of the forests was assigned to collective or state agricultural enterprises. These forests have been managed separately from the forests belonging to centrally ruled state forest enterprises and form now a substantial part of the “local forests”. Few of the participating countries recognize and include definitions such as “Forests of Local Importance”, communal forest management or ownership within their national forest legislation. But, also where forests are under exclusive state ownership, “local forests” can be managed by different levels and types of institutions.

The quality of governance often determines whether forest resources are used efficiently, sustainably and equitably, and whether countries achieve forest-related development goals. One of the important criteria, when assessing the quality of forest governance, is to analyse how local populations are involved in the management of forests in their vicinity. In the past decades some of the ENPI-FLEG II countries reviewed existing forest governance patterns and introduced new forms of forest management based on bottom-up approaches. However, with few exceptions, local communal authorities neither own forests nor possess management rights for them. At the same time many rural communities in the ENPI-FLEG II countries depend on their surrounding forests and the natural resources and on locally important ecosystem services they provide.

In order to study the differentiated patterns, this Regional Study on the governance of local forest in ENPI-FLEG II countries has been initiated as part of the Programme’s regional level activities. The main purpose of this Study is to serve as contribution to policy review and reforms by documenting and analysing the existing schemes of governance of local forests in the region. Further, the methodology applied in this Regional Study and the experiences made are expected to contribute to the further development of the IUCN Nature Resource Governance Framework by providing

practical test cases from a specific region.

This Regional Study largely builds on Case Studies from five out of the seven countries that participate in ENPI-FLEG. The full Case Studies are presented in the [Annex 2](#) to this Regional Study.

This Executive Summary presents the key aspects of methods, historic context and findings of the Regional Study in a concise and generalized form. More detailed and country specific facts can be accessed via the references to the Regional Study and the Case Studies.

Methods

Key for the determination of the scope of this Study is the definition of the key terms “[governance](#)” or “natural resource governance”, “[forests](#)”, “[local forests](#)” and some [others](#).

In this Study we apply the definition of **NATURAL RESOURCE GOVERNANCE** as “**the interactions among structures, processes and traditions that determine how power and responsibilities are exercised, how decisions are taken, and how citizens or other stakeholders have their say in the management of natural resources - including biodiversity conservation**”.

The definitions of “[forest](#)” in the legislation of the countries show differences to the FAO definition as well as between the countries. While forest lands can include lands temporarily or permanently without tree cover, there can as well be lands, the vegetation cover of which qualifies as forest, that are not considered as forest lands. These differences have been considered in a flexible way in the determination of the scope of the Regional Study and the Case Studies as well as in the assessment and analysis of governance. The Consultant in several cases considered areas as “forest” that qualify technically as such but do legally not belong to this category.

Table i. Key elements of legal definitions of Forest Lands in ENPI-FLEG II countries

COUNTRY	KEY ELEMENTS OF THE LEGAL DEFINITION OF “FOREST FUND” AND/OR “FOREST LANDS”	LEGAL DOCUMENT
<i>Armenia</i>	Lands with forest cover, lands assigned or planned for the conservation of fauna and flora, nature conservation, as well as land not covered by forests, but assigned or planned for the needs of forestry.	Forest code
<i>Azerbaijan</i>	The forest fund (including forests and lands without forest cover) is determined by the delimitation of the forest fund lands.	Forest code
<i>Belarus</i>	The forest fund (including forests and forest lands without forest cover and non-forest land) is determined by the delimitation of the forest fund lands.	Forest code
<i>Georgia</i>	No general definition is provided, only reference in the definition: “State Forest Fund – integrity of State Forests of Georgia, as well as lands and resources attributed to these forests”.	Forest code
<i>Moldova</i>	Forests, lands allocated for forestry as well as unproductive lands covered by the Forest Inventory or included in the Land Cadastre as forest form the forest fund independent of ownership and management.	Forest code

<i>Russia</i>	Forest can exist on lands of the Forest Fund and on lands of other categories. Borders are defined in accordance to the legislation on land-use, forests and urban planning.	Forest code of the RF
<i>Ukraine</i>	Forest lands include lands with forest plots as well as land not covered by forests, but assigned and used for the needs of forestry. Land plots are assigned to forest lands in accordance to the legislation on land-use. Forest plots are areas with defined borders, allocated for forestry without alienation from the land-user or landowner.	Forest Code

No generally accepted definition exists for the term “[local forests](#)”. The review of the national legislation of the ENPI-FLEG II countries showed that the term and understanding of “forests of local importance” exist only in the legislation of Georgia and is poorly defined even there. In countries where no such special definition is in place, policies, laws and regulations consider at least some involvement in various forest management aspects of local public bodies, such as the councils and administrations at local levels (sub-district, commune or municipality) and villages, and of local legal entities, households or individuals. The findings of this Study showed that, while in most Case Study areas forests formerly in the possession of agricultural units – such as *kolkhoz* or *sovkhoz* – form the majority of “local forests”, a broader and flexible understanding of the term is necessary. In the practice the Consultant and the interviewed stakeholders were not always able to draw a clear line between the governance of “local” and of other forests.

The Consultant and the Country Program Coordinators (CPCs) applied the following definition: **“Local forests” are forests, which are located in close distance to rural and urban settlements and are of special importance for the wellbeing of the respective local people in terms of provision of forest resources and ecosystem services.**

The term “Non-wood forest products” (NWFP) includes all forest products which are not wood, i.e. it excludes timber, fuel-wood and other wood materials. In contrast, the definition of the term **“Non-timber forest products” (NTFP) would include fuel-wood as well.**

The assessment and analysis of governance of local forests at a regional scale will require the use of several terms, like “community”, terms for administrative territorial levels and forestry organizations. Despite the common history of the ENPI-FLEG II countries these terms are not always understood in the same way, especially if used in English. Also sometimes different [terms](#) are used in these countries for comparable units, organizations, institutions and other aspects.

The [scope](#) of this Study does include forests in accordance to the FAO and national definitions, focusing on forests in a stricter sense, which are functional and self-sustaining ecosystems with some extent of management intervention. Less attention is paid to artificial and often short living plantations of cultivated and exotic species, entirely depending on management interventions for their short- and mid-term existence, and to wind breaks on agricultural lands. The Study as well considers spontaneously growing forest vegetation on abandoned or extensively grazed agricultural lands. The scope of this Study does not include shelterbelts protecting settlements, industrial sites, roads, railways etc., fruit tree plantations and parks in urban areas.

The absence of a common definition in the ENPI-FLEG II countries and in the context of the programme makes it difficult to determine the scope of this Study by distinguishing between “local forests” and other forests. The forests’ history as former property of agricultural units cannot exclusively determine the scope of this Study because more than twenty years have passed since the beginning of economic and political transformation. The determination of the scope of this Study by applying criteria of actual or potential future ownership or management responsibility turned out

being practical only in those countries that have in some extent developed communal management and ownership of forests (Georgia, Moldova, and Ukraine). Restricting the scope of the study by predetermining a type of ownership or management arrangement qualifying forests as “local” would have excluded typical situations from this Study and hindered the comparative analyses of different organizational settings between the countries.

In the course of this Study the Consultant adapted the scope: where history still influenced current governance former “*kolkhoz*” forests were considered as “local forests” (Azerbaijan (Case Study area only), Georgia, Moldova, Ukraine), where communal and other sub-national forms of forest management responsibilities or ownership exist or are legally possible (Armenia, Azerbaijan (Case Study area only), Georgia, Moldova, Ukraine) such forests were considered as “local forests”. Where both was not the case (Belarus, Russian Federation) the Consultant did not attempt to determine “local forests”, but looked into forest governance from the perspective of the involvement of local people and local administrations and their needs and interests.

The general characteristics of governance were analysed for all ENPI-FLEG II countries, comparing the provisions of policies and legal, regulatory and organizational frameworks with the situation in the practice as far as information was available. Specific aspects have been assessed in detail in five [Case Studies](#) in Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

The [frameworks](#) available for the assessment of governance of natural resources and of forests in particular are very comprehensive, some of them consisting of about one hundred indicators to be assessed. The [methodology](#) of this Study included elements of various frameworks, in particular of the frameworks of the Governance of Forests Initiative, of PROFOR/FAO and of The World Bank’s, and has been adapted and simplified, taking into considerations the key issues faced in the governance of local forests in the ENPI-FLEG II countries.

Table ii. Framework for the assessment of governance of local forests

PILLAR 1: POLICY, LEGAL, INSTITUTIONAL AND REGULATORY FRAMEWORKS	PILLAR 2: PLANNING AND DECISION-MAKING PROCESSES	PILLAR 3: IMPLEMENTATION, ENFORCEMENT AND COMPLIANCE
<i>Component 1.1: Policies</i>	<i>Component 2.1: Stakeholder participation</i>	<i>Component 3.1: Capacity of forestry organizations and territorial decision making bodies and administrations</i>
<i>Component 1.2: Legal and regulatory frameworks</i>	<i>Component 2.2: Planning and decision making on conversion of land from forest to non-forest and vice versa</i>	<i>Component 3.2: Forest law enforcement</i>
<i>Component 1.3: Ownership and user right systems</i>	<i>Component 2.3: Decisions on forest inventory and management planning</i>	<i>Component 3.3 Administration of forest and land ownership and user rights</i>
<i>Component 1.4: Mandates of forestry organizations and territorial decision making bodies and administrations</i>	<i>Component 2.4: Decisions on implementation of forest management activities</i>	<i>Component 3.4 Cooperation and coordination</i>
<i>Component 1.5: Financial arrangements, economic instruments and benefit sharing</i>		<i>Component 3.5 Measures to address corruption and ensure transparency</i>

The Consultant gathered the wealth of information available in the Programme team mainly via the CPCs, who provided all relevant official documents, reports and personal knowledge. The Consultant additionally communicated directly with national consultants in those countries where national consultants had worked on governance and related topics.

As sources of information the Consultant used the available and relevant national documents as primary sources, like:

- Policy documents;
- National and – where existing – sub-national laws, and relevant bylaws.

The consultant referred to secondary sources of information including:

- Reports prepared in the frame of ENPI-FLEG;
- Reports and publications prepared in the frame of other projects.

The Consultant visited six of the seven ENPI-FLEG II countries (except Russian Federation), conducted Case Studies (13 areas in five countries) and met with representatives of:

- Government agencies (in particular those in charge of forestry);
- Forest inventory and management planning organizations;
- Non-governmental organizations;
- Local administrations at different levels;
- Community representatives;
- Local forestry enterprises.

The Consultant interviewed stakeholders in most cases in Russian or English and relied only in few cases on translation from the official language. The stakeholder interviews followed the framework without necessarily covering all of its components entirely and with each stakeholder. The Consultant encouraged the interview partners to explain their own perspective on the governance of local forests and to highlight those aspects they considered most relevant. The Consultant as much as possible verified the reliability of gathered information by cross-checking, assessing the plausibility and comparing with information from other stakeholders in the Case Study areas.

This Study is focussed more on assessing the quality of governance as processes, rather than on measuring their impacts. Quality of governance of forests is, however, best assessed by its outcomes or impacts in terms of conditions and sustainability of the resource and by the direct and indirect benefits the society as a whole and the local households get from the use of the resource as well as the way economic benefits enable the sustainable management of the local forests. IUCN has determined a set of principles of good governance, which were taken into consideration for assessing the governance of local forests in the [Annex 1](#) of this Regional Study.

Historic Background

The history of forests belonging to local peasants and rural communities has its beginnings long ago in [pre-soviet](#) times. In Tsarist Russia the legislation on peasant forests origins in 1766 in the General Land Survey. Similarly in other regions, which became part of the Soviet Union, peasants owned forests either as individuals or as common property of the community. In some areas this pre-soviet history impacts on the governance of local forests until nowadays.

Already in 1923 the forests of the [Soviet Union](#) were divided into forests of “local importance” and of “general state importance”. With the collectivization of agriculture, the “local forests” became the basis for the establishment of forest of agricultural cooperatives and state farms, called “*kolkhoz* and

sovkhos forests”. All products harvested from these forests and all incomes generated belonged to the collective farms. The total area covered by these *kolkhoz* forests in 1962 was 39.2 Mio ha or 6-7% of the overall forest cover of the Soviet Union. Until the 1960s and 1970s most *kolkhozes* used the forests in their possession for the fulfilment of immediate needs without implementing a systematic silvicultural management. Because of the lack of forestry capacity in the *kolkhozes*, inter-farm forestry enterprises were established. On the other hand, agricultural farms also contributed to an increase of the forest cover by establishing artificial plantations and shelterbelts. The formal status as forests of shelterbelts on agricultural lands was subject of debate already in Soviet times. These shelterbelts were largely seen as not belonging to the forest fund as nowadays still reflected in some national legislation, while in other countries shelterbelts are explicitly included in the forests.

After the dissolution of the Soviet Union and the [independence](#) of its Republics, the status and governance of forests, formerly possessed by agricultural farms, developed in different ways in each country. The origin of many local forests in overused and unsustainably managed forests and poorly adapted exotic tree plantations challenge the development of stable forest ecosystems that can provide environmental services and be sustainably managed in an economically viable way. These inherent difficulties and the heritage of unclear legal status, ownership and/or management authority still affect their current governance.

Table iii. Overview of post-Soviet governance of agricultural and other local forests

COUNTRY	MAJOR TRENDS KOLKHOZ/SOVKHOZ FORESTS	MAJOR TRENDS OTHER LOCAL FORESTS
<i>Armenia</i>	Integration of most remaining <i>kolkhoz</i> forests into the forest fund managed by the State Forestry Organization “ <i>Hayantar</i> ” (1991). Already degraded at independence, further heavily logged in 1990s. Origin indicated in FMP.	New afforestation areas integrated into the forest fund managed by <i>Hayantar</i> .
<i>Azerbaijan</i>	Largely heavily degraded forests handed over to state forestry enterprises (1993-1995); some areas excluded from forest fund and integrated in agricultural lands.	New afforestation areas mainly artificial plantations.
<i>Belarus</i>	During early 2000s entirely integrated into the state forest fund managed by the local state forestry enterprises.	Some succession areas on abandoned agricultural lands still being handed over to the state forest fund.
<i>Georgia</i>	Integrated into the central forest management after transformation of agricultural units. Planned hand-over to municipalities (2007) did not take place.	Planned hand-over to municipalities (2007) did not take place. Exceptions: Tbilisi – “green plantations”, Akhmeta – forests of a protected landscape.
<i>Moldova</i>	After independence partly included into the State Forest Fund, managed by <i>Moldsilva</i> . Remaining areas handed over to municipalities.	Additional afforestation with assistance by <i>Moldsilva</i> and consecutive hand over to municipalities.
<i>Russia</i>	Included into the system of the Ministry of Agriculture of the Russian Federation. In 1998 new administrative system with specialized federal agency established. With new Forest Code 2006 category “agrarian forest” formally no longer existent, but status remained largely unsolved.	Since new Forest Code 2006 assignment to long-term leaseholders, in the result increasingly access problems for local forest users.

Ukraine	<p>“Inter-farm forestry enterprises” since 1996 became “communal” forestry enterprises that were reporting to the district councils. In 1999 all forests supposed to be state owned and managed by state forestry enterprises, but transfer not entirely realized. Those forests now managed by “communal” forestry enterprises at region or district level.</p>	<p>A total of 400,000 ha windbreaks, formally considered forest. Large areas of agricultural lands were abandoned and natural succession led to the development of forests on these lands, not formally considered forest and no effective governance in place.</p>
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Findings

Pillar 1: Policy, legal, institutional and regulatory frameworks

Component 1.1: Policies

All programme countries have adopted national policies on political, legal and economic reforms, forestry and other natural resource management as well as biodiversity, climate change and other environmental issues. The Programme countries differ much in terms of existence and being up-to-date of their policies on forests and forestry as well as the compliance of the forestry practice with these policies. Forest sector policies exist in varying extent – from virtual absence in Ukraine via narrow technical afforestation programs like in Azerbaijan and framework policy documents like in Georgia to elaborated and comprehensive policies and state programs like in Russia. Often policy changes are not expressed in form of policy documents and strategies, but they are visible in the content of new legislation, in the application of legislation and in ad-hoc decisions.

The forestry policies of the countries barely consider local forests. The National Forest Concept of Georgia explicitly refers to local forests and to communities as forest owners and managers, but remains vague on the aspects of local forests. The forestry policy documents of Russia recognize access of the rural population to forests and forest products and the special interests of local communities and indigenous people.

In the practice of some programme countries the implemented policy can substantially deviate from the adopted policy, especially where concerning local forests and the involvement of local communities and subnational territorial administrative units in forestry. For instance, in Armenia community forestry programs are officially stated in the policy, while *Hayantar* in the practice does not see potential in the active involvement of local communities in forest management. In contrast, in Moldova the officially adopted policy was oriented towards central level forest management, while the applied policy recognizes the potentials of communal forest ownership and supports its development. Similarly, in Ukraine “communal” forestry enterprises are de-facto recognized by the political decision makers. In Russia the policy of assigning forest use and management rights based on lease to large and often non-local forestry companies contradicts policy provisions on access for local people and involvement of local communities and indigenous people.

In some countries the policy on forests shows inner contradictions. For instance, in Azerbaijan and Moldova the policy of assigning all forests to the protected category contradicts the principles of sustainable forest management and creates disincentives for local people to comply with regulations and to support the expansion and reforestation of forests and their maintenance.

Table iv. Policy documents relevant for the forest sector in ENPI-FLEG II countries

COUNTRY	BROADER POLICIES AND STRATEGIES	FOREST SECTOR POLICIES AND STRATEGIES
<i>Armenia</i>	National Biodiversity Strategy and Action Plan (1999); Poverty Reduction Strategy Paper (2003); National Environmental Action Programme (2008).	National Forest Policy and Strategy (2004); Illegal Logging Mitigation Action Plan (2004); National Forest Programme (2005).
<i>Azerbaijan</i>	National Environmental Action Programme (1998); National Biodiversity Strategy and Action Plan (2008).	National Programme “On restoration and expansion of forests in the Azerbaijan Republic” (Ministry of Ecology and Natural Resources, 2003); National Forest Programme (Forest Policy Statement and the Action Plan) 2015-2030.
<i>Belarus</i>	National Strategy for the Sustainable Social-Economic Development of Belarus until 2030 (draft); National Biodiversity Strategy and Action Plan (2011).	State Programme for the Development of Forestry of the Republic of Belarus for the years 2011-2015.
<i>Georgia</i>	National Environmental Action Programme of Georgia 2012-2016 (2012); National Biodiversity Strategy and Action Plan (2014).	National Forest Concept of Georgia, (Parliament of Georgia, 2013).
<i>Moldova</i>	National Biodiversity Strategy and Action Plan 2015-2020 (2015).	Strategy for the Sustainable Development of the Forestry Sector of Moldova (2001); National Plan for forest vegetation extension 2014-2018 (2014); (Forestry Policy Note, The World Bank, 2014).
<i>Russia</i>	National Biodiversity Strategy and Action Plan (2002).	Forest Policy of the Russian Federation (2013); Basics of the State Policy on the Sphere of Use, Conservation, Protection and Reproduction of Forests in the Russian Federation for the Period until 2030 (2013); State Programme of the Russian Federation “Development of Forestry” 2013 – 2020.
<i>Ukraine</i>	National Biodiversity Strategy and Action Plan (1998); National Environmental Action Plan for 2011-2015.	

Case i: Georgia – Forests “of local importance” in the new forest policy

Forestry is an integral part of the National Environmental Action Programme 2012-2016, calling for a “full-scale sustainable forest management system” as long term goal, but without mentioning forests of “local importance” and any role of local communal bodies or communities.

The Ministry of Environment and Natural Resources Protection (MENRP) has established a special Forest Policy Service. The MENRP together with the National Forestry Agency has prepared the National Forest Concept, which is the basis for the development of forestry policy and legislation.

This Concept identifies as problem that “forests have not been transferred to local self-governance units due to weak municipal governance”, at the same time recognizing that (state) “forest management bodies cannot ensure effective management due to limited human and financial resources” and that the assignment of private concessions “has increased the pressure on other forest areas used for meeting social needs”. The Concept calls for a case by case identification of the best form of ownership and mentions “community ownership”, without getting more specific.

The Concept falls short to provide a clear policy direction on “local forests” and the role of municipalities as forest managers and/or owners and does not describe the future role of the private sector, in particular of long term concessions. The intended development of “State bodies” for on-the-ground forestry activities indicates a priority of state ownership and central state governance of forests. In contrast, the development of “community forestry” is politically intended, but the transfer of forests to the municipalities is not elaborated as element of the policy. No transfer of productive forests to municipalities is intended, thus hampering future their self-financing of communal forestry. Nevertheless, there exist high expectations towards the capacity and financing abilities of municipalities, but concepts how to achieve these are still to be elaborated.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Component 1.2: Legal and regulatory frameworks

All programme countries except of the Russian Federation have ratified the UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) and all programme countries are party to the Convention on Biological Diversity (CBD). Relevant national legislation has incorporated the provisions of these conventions at least in form of general recognition and framework regulations.

The national legal and regulatory frameworks are generally structured in a very similar way in all programme countries. The basic laws or constitutions of the countries contain very general provisions on the protection and use of natural resources and the environment, in some cases providing for state or public ownership on natural resources.

The key sector laws of all programme countries are the respective forest codes, which after independence were developed on the basis of the Forest Code of the Soviet Union and thus shared many similarities in structure and content. The Forest Codes are generally framework legislation, many regulations of which refer to specific bylaws or to other legislation. The systems of bylaws vary between the countries. Bylaws (statutes or regulations) define the structures, mandates and functioning of state agencies and forestry enterprises, the procedures of forest inventory and management planning, the procedures of decision making on logging and other forest management activities, on allocation of user rights, lease of forests, concessions and permits, and many other subjects. Further, instructions regulate in detail the technical aspects of forestry works. In some countries the detailed legal and regulatory frameworks may lead to overregulation and too many restrictions on the decision making by immediate forest users and forestry administrations, thus hampering adaptive management of forests. Legal and regulatory frameworks in some of the programme countries specifically address forests of “local importance” and/or provide opportunities for community forestry, private forests and involvement of the local administrations and self-governance bodies and other stakeholders in decision making.

The environmental legislation determines the legal basis for the protection of the environment as well as for natural resources use and conservation of biodiversity. These regulations are applied on aspects of forestry where the forestry legislation does not provide specific norms.

The designation of categories of land use, the use of lands of different categories, procedures for changes of designations as well as ownership, land-use rights and lease of lands are regulated in the Land Codes. Forest lands are defined as a category, distinct from categories like lands of protected areas, agricultural lands, lands of water objects and lands of urban areas. Forests and other tree and shrub vegetation can be found on lands of all these categories. This situation bears the potential of legal duplications, contradictions and gaps. Ownership and use-rights on lands and on the forests growing on these lands can potentially belong to different entities.

Other adjacent legislation is generally in place, e.g. on criminal acts, on administrative legal violations, on local self-governance bodies and their competencies on forests and other resources as well as on tender procedures for the provision of goods and services to the state or for the allocation of leases and concessions. But inconsistencies, gaps and regulations, which hinder effective governance and management of forests, do exist.

Table v. Overview about key forest legislation in ENPI-FLEG II countries

COUNTRY	FOREST CODE - YEAR OF ADOPTION	KEY RULES ON THE GOVERNANCE OF LOCAL FORESTS
<i>Armenia</i>	2005	<ul style="list-style-type: none"> • Opportunity of communal forest management; • Possible forest ownership by municipalities; • Possible community management of state forest.
<i>Azerbaijan</i>	1997	<ul style="list-style-type: none"> • Separation of forest fund and other tree and shrub vegetation; • Management of tree and shrub vegetation outside forest fund poorly regulated.
<i>Belarus</i>	2000 (new under preparation)	<ul style="list-style-type: none"> • Comprehensive uniform legislation on all forests without consideration of local forests; • Detailed bylaws and technical instructions; • Possibly limitation of adaptive management.
<i>Georgia</i>	1999 (frequent amendments, new under preparation)	<ul style="list-style-type: none"> • Forest Code vague on regulation of forests of local importance; • Legislation on local self-governance establishes communal mandate on local forests, which are insufficiently defined by bylaw; • Set of bylaws on various technical and administrative aspects; • Contradictions and inconsistencies in legislation.
<i>Moldova</i>	1996 (frequent amendments)	<ul style="list-style-type: none"> • Forest Code: categories of ownership and competencies municipalities; • Ownership of communal forests and other lands covered by tree and shrub vegetation; • Communal forests not specifically regulated in the acting Forest Code, revision in process.
<i>Russia</i>	2006 (frequent amendments)	<ul style="list-style-type: none"> • Delegation of forest use and of functions of forest protection to leaseholders and regions; • Local or “agrarian” forests not considered, applicability of Forest Code debated; • Insufficient regulation of key issues; • Barriers for local people to access forest resources; • Inconsistencies: Forest Code, bylaws, adjacent legislation, regional legislation.

Ukraine	2006 (several amendments)	<ul style="list-style-type: none"> • Regulation of forests of all forms of ownership, user-rights and protection status; • Regulations of “communal” ownership and assignment of forests to “communal” enterprises; • Comprehensive set of bylaws, but most not binding for “communal” forestry enterprise; • Need to complete legislation on “communal” forests.
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Case ii: Belarus – Detailed forestry legislation

The acting Forest Code has been adopted in 2000 and was amended several times since then. The Ministry of Forestry has prepared a new draft Forest Code. It is currently in the process of review and adoption. Presidential Decrees and bylaws adopted by the Council of Ministers define most details of the use and protection of forests. The Presidential Decree #214/7 May 2007 “On several measures for the improvement of activities in the sphere of forestry” adopted a number of bylaws that in detail regulate key issues of use and protection of forests.

The aforementioned legislation on forestry is completed by a number of technical instructions adopted by the Ministry of Forestry, which determine all practical aspects of the methods and technologies applied in forest management planning, forest regeneration, forest fire protection, determination and assessment of cutting areas and amounts, cutting, inspection of forest sections where forestry works are carried out.

The acting legislation is very comprehensive and provides together with the technical rules a rather narrowly determined framework for the implementation of all elements of forestry on the ground. These detailed bylaws bear the risk of overregulation and may sometimes hinder adaptive management.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Component 1.3: Ownership and user right systems

Ownership in the context of this Study concerns the ownership of land, on which the forest is located, of the forest and the user-rights related to both, and the ownership of the forestry enterprise. These objects can be owned or managed by different subjects. In most programme countries forests can be in central state ownership and the government assigns management and user rights to a state forestry enterprise or communal body. In some countries the local self-governance bodies (municipalities) can be owners of forests.

Ownership can have limits in terms of actual rights of the owners. In the programme countries state or communal owned forests and the lands, on which they grow, cannot be sold or privatized. Transfer of state owned forest into communal ownership is hardly possible. Limits of ownership rights also concern the opportunity to transform forests into other forms of land and vice versa, which are both legally restricted. Even the harvest of trees on privately owned lands and in forest stands established by the landowner can be substantially restricted.

Permanent land-use right is a concept inherited from the Soviet Union and still widely applied in the programme countries. Usually forests managed by state forestry enterprises are under permanent land-use rights by these entities. These entities are formally not the owner of these lands and forests, and are accordingly not allowed to sell them. All other rights and obligations can be similar to those of an owner, with certain restrictions and some decision making authority kept at higher levels in the state forest administration and/or the different levels of territorial administrations.

Temporary user rights can be assigned for several years as concession or lease. They are usually restricted in terms of allowable resource use. The same forest area can be assigned to different users at the same time for different purposes. Belarus, Georgia, and Russia assign concessions or leases for logging for timber, while other countries allow leases only for non-extractive use.

Access of citizens to forests outside of protected areas and the collection of NWFP for personal use do not require any permit and can sometimes even not be restricted by leaseholders. The harvest for commercial purposes requires permits, but individual households collecting for small-scale sale – the majority of NWFP users – are in the practice usually not required to obtain permits. The resulting open-access situation has caused concerns about overuse in heavily frequented areas.

Access to timber is comparably restricted. Armenia, Azerbaijan and Moldova have all their forests assigned to a category that formally prohibits logging as main use and restricts the harvest of trees to various forms of maintenance cutting. In none of the programme countries individuals are permitted to harvest timber for commercial use, but are forced to buy it from forestry enterprises, via auctions or otherwise on the free market. Harvest of timber for personal needs is either very restricted or prohibited. With the exception of Moldova and Ukraine, local households can obtain permits to collect standing or lying wood as fuel wood. Amounts of fuel wood per household can be limited and access can be restricted to local villages only.

The ownership and/or user rights on forest resources on forest fund lands are more or less defined. Unresolved issues concern the “forests of local importance” in Georgia, which have not yet been handed over from the National Forestry Agency to the municipalities. The ownership of tree and shrub vegetation on lands not belonging to the forest fund is in many cases less clear. Although the land owner might be recognized, his rights to use the trees on his land might not be well defined or even be formally restricted, presenting disincentives to afforestation and sustainable forest management and can even encourage illegal clearing.

Table vi. Overview about forest ownership and user-rights in ENPI-FLEG II countries

COUNTRY	COMMUNAL OWNERSHIP AND MANAGEMENT	PRIVATE OWNERSHIP AND MANAGEMENT	ACCESS TO WOOD AND NWFP FOR LOCAL PEOPLE
<i>Armenia</i>	Ownership legally possible; Management legally possible; So far only pilots on management.	Ownership and management legally possible.	Fuel wood (dead lying trees) in limited amount for collection by local people in specially determined villages; NWFP for personal use without permits, in practice also for commercial use no permit required.
<i>Azerbaijan</i>	No communal ownership or management of forests, but communal ownership of tree and shrub vegetation not belonging to the forest fund.	No private ownership and management of forests, but private management of tree and shrub vegetation not belonging to the forest fund (very restricted by permitting system for tree cutting).	Fuel wood harvest by local people based on forest cutting permits possible.

<i>Belarus</i>	No communal ownership or management.	No private ownership and management of forests; Lease by legal entities up to 15 years for NWFP use and recreational use possible; Lease for logging only for specifically eligible legal entities for shorter periods.	Fuel wood (dead trees) in limited amount for self-harvest by local people; No access to timber; NWFP for personal use (de-facto also for sale) without permits.
<i>Georgia</i>	Ownership (acc. to Code on Local Self-government); Management only (acc. to Forest Code); Management in exceptional cases only (real situation).	Private management (concessions) of large forest areas.	Fuel wood in limited amount for self-harvest by local people; Very complicated access to timber for households; NWFP for personal use without permits.
<i>Moldova</i>	Communal ownership, management can be delegated to state agency <i>Moldsilva</i> .	Private ownership only of planted forests with use restrictions on timber Lease of forest only for recreation, not for use of trees.	No legal access to wood for harvest by local people, only delivery by forestry agency; NWFP open access without restrictions.
<i>Russia</i>	No communal ownership or management.	Private management, large areas leased by private companies.	Fuel wood and timber for personal use based on sale contracts, but locally hindered by large scale lease of accessible areas; NWFP for personal use without permits, for sale only on lease basis.
<i>Ukraine</i>	“Communal” ownership and management (at district or region level, communal level possible but not existing).	Ownership and management are legally possible, but do exist in very small scale only (officially 0.01% of the forest area).	No legal access to wood for harvest by local people, only delivery by forestry unit; NWFP open access without restrictions.

Case iii: Moldova – Ownership and user rights in communal forests and their limitations

Forests can be in the ownership of the state (managed by *Moldsilva*), ownership of municipalities and in private ownership. Communal forests are managed separately from state forests, which can exist alongside communal forests within the administrative boundaries of municipalities.

Some municipalities would like to take back former kolkhoz forests, which had been transferred to *Moldsilva* in the 1990s; but *Moldsilva* resists against such a transfer. The transfer of forests from the State Forest Fund to the municipalities, even the exchange of forest plots to create larger sections, is considered legally not possible. Long-term use agreements might provide opportunities to include sections of forests owned by *Moldsilva* into the management by municipalities. Also municipalities can hand over the use rights on the local forests to *Moldsilva* on the basis of collaboration agreements. Based on temporary management, *Moldsilva* has assisted in the afforestation or reforestation of communal forest areas. Responsibility and full ownership are given back to the municipalities when the plantation is established as closed forest cover.

Non-wood forest products (NWFP) can be harvested by the local people without special permit for their own use and independent of lease contracts. Forest areas can be leased by individuals and legal entities. Only light housing can be erected, but no cutting of trees is allowed for the leaseholders and use of NWFP remains open access. These regulations limit the interest in leasing of forests for forest rehabilitation and sustainable use of forest products.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Component 1.4: Mandates of forestry organizations and territorial decision making bodies and administrations

The programme countries have either a forestry agency under or within a ministry or directly under the government, in Belarus a specialized ministry. The mandates of these national level forestry agencies include the development of policies and legislation, regulation, planning, supervision and control of forest management. Forest management can be carried out by branches of the national level forestry agency, by subordinated state forestry enterprises, municipalities and “communal” forestry enterprises and/or leaseholders/concessionaires. The forestry enterprises or branches of national agencies usually consist of local forestry units, which either are in charge of all silvicultural and harvest activities or they control their implementation by contractors, concessionaires, leaseholders and/or other forest users. The forestry enterprises have also law enforcement and forest protection mandates. Forestry organizations at region level exist in most countries, either with substantial mandates or fulfilling intermediary administrative functions. Forest inventory and management planning are in the mandate of the national level forestry agencies, which have either an internal specialized department or a subordinated organization.

Ministries in charge of environmental protection or independent State Inspections can have mandates related to the control of the forest sector as well as direct forest protection and law enforcement mandates.

The mandate of district authorities in most programme countries is limited and includes participation in the development and implementation of forest related programmes and activities. Only in Belarus the district authorities have a substantial mandate providing a formal basis for their participation in decision making on local forests. The communal authorities have very limited mandates, except of municipalities in Georgia and Moldova owning or managing forests.

The mandates related to local forests of national forest agencies and their subordinated forestry enterprises are in most cases clear and mutually supportive. Where local forests are in communal ownership, the mandates of the national forestry agencies may interfere with the mandates of the communal owners/managers.

The separation of different mandates between agencies and organizations is a common principle of administrative and economic reform, expected to reduce the risks of mismanagement, overuse of forest resources and corruption. Such division of mandates has proven efficient in some cases. Too much division of mandates can have unintended negative consequences due to the separation of inextricably connected elements of forestry and the removal of incentives for sustainable forest management.

So far only in Moldova the local municipalities keep the mandates related to local forests. In Georgia local forests are neither defined nor transferred to the municipalities and the respective mandates are kept by the central level forestry agency NFA. In Belarus mandates are divided between the

various levels of the forestry agencies and the district authorities. This assignment of mandates in the practice leads to sustainable forest management, satisfaction of the needs of local people and opportunities for local authorities to participate in decision making. In Ukraine the mandates on “communal” forests are with the forestry enterprises at region and district level and with the region state forest administrations, but not with the local level.

Table vii. Overview of key mandates of forestry organizations in ENPI-FLEG II countries

COUNTRY	POLICY AND LEGISLATION	REGULATION, PLANNING SUPERVISION AND CONTROL	FOREST MANAGEMENT AND USE	PROTECTION AND LAW ENFORCEMENT
<i>Armenia</i>	Ministry of Agriculture (MoA)	<i>Hayantar</i> (under MoA); State Forest Monitoring Centre under MoA; Ministry of Nature Protection (State Env. Inspection)	Local branches (forestry units) of <i>Hayantar</i> (outside PA) Bio-resources Management Agency of Ministry of Nature Protection (in PA)	<i>Hayantar</i> (local forestry units), Ministry of Nature Protection (State Environmental Inspection)
<i>Azerbaijan</i>	Ministry of Ecology and Natural Resources	Forestry Department of the Ministry of Ecology and Natural Resources	State forestry enterprises under the Forestry Department	State forestry enterprises (only forest fund) Territorial Unit for Environmental Protection and District Department for Ecology (also outside of the forest fund)
<i>Belarus</i>	Ministry of Forestry	Ministry of Forestry; <i>BELGOSLES</i> ; Territorial branches of Ministry of Forestry	Territorial branches of Ministry of Forestry and state forestry enterprises	State Inspection for the Protection of Animal and Plant World under the President
<i>Georgia</i>	Ministry of Environment and Natural Resources Protection (MENRP)	National Forestry Agency (NFA) and its regional Forestry Services; Agency of Protected Areas (APA) (forests in PA)	NFA’s Local representations / forestry units;; Concessionaires; APA (forests in PA); Municipalities (forests owned or managed by them)	NFA’s Local representations / forestry units;; Territorial administrations of APA; Environmental Supervision Department of MENRP; Local municipality (forests owned or managed by them)

<i>Moldova</i>	<i>Moldsilva</i>	<i>Moldsilva</i> ; ICAS; State Ecological Inspection of the Ministry of Environment	State forestry enterprises; Municipalities (forests owned or managed by them)	State Ecological Inspection of the Ministry of Environment
<i>Russia</i>	Ministry of Natural Resources	<i>Rosleskhoz</i> (forests on forest fund and land reserve lands) and its territorial forestry departments	<i>Rosleskhoz</i> (forests of Moscow region); Ministries of Forestry (and analogous organizations of Federal Subjects (not leased forests); Leaseholders; Administrations of PA under MNR (federal PA)	Federal Subjects; Leaseholders; <i>Rosprirodnadzor</i> (PA only)
<i>Ukraine</i>	Cabinet of Ministers; Minister of Agrarian Policy and Food	SFRA; <i>Ukrderzhlisproekt</i> ; Region state forest administrations; Ministry of Ecology and Natural Resources	State forestry enterprises; “Communal” forestry enterprises (at district and region level)	Region state forest administrations; State forestry enterprises; State Ecological Inspection

Case iv: Belarus – Possible impacts of changes of mandates in the forest sector

The Ministry of Forestry is the highest level state forestry organization. The state forestry enterprises are subordinated to the respective region units of the Ministry of Forestry and at the same time to the local district administrations. State forestry enterprises have the mandate to manage the forests that are assigned to them for permanent use. The mandates of forest protection and of control of forest use and management are assigned to the Ministry of Forestry and its subordinated structures. The state forestry enterprises fulfil the role of control and oversight in relation to their forestry units and to other forest users.

Stakeholders and experts have criticized the combination of functions of state control and forest use within one organization as potentially leading to abuse and unauthorized harvest of forest resources. However, the State Inspection for the Protection of Animal and Plant World under the President has a strong independent mandate of control of all activities of the state forestry enterprises and of any other forest users to prevent and prosecute of any illegal harvest of forest products. Despite the proven high effectiveness of this existing independent inspection in preventing illegal forest use, policy makers now consider changes in the structure and mandate of forestry organizations. By establishing separate units for timber harvest and processing, these functions would be separated from silvicultural activities of state forestry enterprises and from their control functions. Such a separation would disconnect the links between harvest and forest management or between profitable and costly operations. This can have unintended negative consequences due to the separation of genuinely connected functions and the removal of incentives for sustainable forest management and ecosystem friendly harvest practices. In the result it may lead to a higher dominance of clear cuts, more even aged forests, less natural rejuvenation and a more industrial forest structure as well as the reduction of material benefits for local people and districts. Further,

such systems can create additional opportunities for corruption and not transparent assignment of use contracts.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Component 1.5: Financial arrangements, economic instruments and benefit sharing

In all programme countries state forestry organizations from the national level through the sub-national level to the local state forestry enterprises and forestry units receive in varying extent state budget funding. This is often complemented by incomes from forestry activities, mainly from various fees paid by users for the use of forest resources and from the sale of forest products by the state forestry enterprises. Stakeholders in all programme countries, except in Belarus, consider the budget available for the forest sector as insufficient. In several programme countries the official policy is to make the forestry sector economically efficient and to reduce subsidies.

State forestry enterprises are legal entities and create own incomes. These enterprises can be largely self-financing if they manage productive forests and are able to sell forest products, which are in demand at the market. But also state forestry enterprises with highly productive forests can receive substantial transfers from the state budget. The state forestry enterprises pay taxes and provide contributions to the higher level forestry agencies. Thus the net subsidies, which the state forestry enterprises receive, are lower than the budget contributions suggest. Restrictions on forest resource use can negatively affect the financial situation of the state forestry enterprises.

The fees for the use of forest resources and services seem to be largely adequate. Many state forestry enterprises do not collect fees or have to transfer these revenues to other bodies. Fees for concessions and leases include larger one-time payments to central budgets while annual lower payments can be allocated to local budgets or the forestry enterprises themselves. Stumpage fees for cutting of fuel wood and timber can be shared between the state forestry enterprises and public budgets or between local and national budgets. Use of NWFP for personal use, and in the practice also small scale commercial collection, are possible without payment of fees.

Local budgets benefit from forestry through lease fees, stumpage fees and locally payable taxes. These contributions to local budgets can be lower than the costs imposed on these budgets by the forest use, e.g. due to the destruction of roads by the transport of logged timber.

Local people benefit from forests materially in various ways. Employment in the state forestry enterprises can be substantial for rural areas with limited employment opportunities. The level of employment varies, with state forestry enterprises in Belarus having several hundred employees per district and the forestry sector in Georgia and Russia having experienced severe cuts of staff to few dozen employees per former state forestry enterprise. Commercial concessions often employ workers from outside of the local villages and process the harvested wood centrally.

The forest dependency studies of ENPI-FLEG II and the Case Studies showed that local people can in different extent depend on the subsistence and commercial use of forest products. NWFP are the dominating source of income from forest products because fuel wood and timber can rarely be legally harvested and sold. Access to – compared to market prices – cheaper fuel wood and timber provides additional benefits to rural households. Local forests managed by “communal” forestry enterprises or municipalities can provide fuel wood to local households and social objects at cheaper prices than the state forestry enterprises. Representatives of municipalities in Georgia expect improved satisfaction of the local population’s needs in fuel wood and timber from the take-over of local forests. The access of forest dependent communities to forest products and related benefits are severely affected where large scale lease or concessions are assigned to external

companies, especially in areas in the vicinity of villages.

Where the local forests are integrated in the state forest fund, the financial arrangements in relation to local forests are the same as for any other state forest. Where local forests are managed by separate institutions, financial transfers from the national state budgets are not available for the management of these local forests. If at all, the management of the “communal” forests is only supported from the local or region budget. Further – compared to the state forests – poorer forest conditions allow for less harvest of lower quality, while the management of the smaller and more fragmented forest sections causes higher costs. In the result, the “communal” forestry enterprises are in a financially more difficult situation than the state forestry enterprises in the same regions.

Table viii. Overview of economic mechanisms

ECONOMIC MECHANISM	COUNTRY WHERE RELEVANT	KEY EFFECTS/ISSUES
State budget funding of forestry enterprises/forestry units.	All, but in varying extent; complemented by income from forest use, very low in Moldova; Communal forestry in Georgia, Moldova, Ukraine no state budget funding.	Public benefits from forests justify subsidies, insufficient financing results in poor performance.
Income of forestry enterprises/forestry units from forest use.	Substantial in Belarus, Moldova, Ukraine; Low in Azerbaijan, Armenia, Russia, in most communal forests in Moldova and Ukraine, very low in Georgia.	Quality of performance linked to income from forest use, low incomes cause poor care for the forest resources and result in lower productivity; In Armenia and Russia substantial informal incomes and losses for the forestry sector.
Contributions to local budgets (lease fees, stumpage fees, local taxes).	Belarus, Georgia, Moldova, Ukraine.	Contributions often very low, barely covering costs from commercial forest use (road maintenance, impacts), substantial in Belarus, recently reduced in Ukraine.
Employment for local people in forestry.	Belarus, Moldova, Ukraine, less Azerbaijan and Armenia, very low in Georgia, Russia.	Concessions and external contracting can reduce local employment.
Access of local people to NWFP.	All countries for personal use, de-facto also some commercial use.	Important income source; Unregulated commercial collection can cause depletion of the resources (Belarus).
Access to or provision of fuel wood and timber for local households.	All countries fuel wood, timber more restricted; Complicated procedures for access in Georgia and Russia due to concession and leases.	Important factor reducing costs; in some cases income source; insufficient legal access connected to illegal use.

Case v: Armenia – Fixed prices, supply-demand misbalance and loss of income for forestry

The national forestry organization *Hayantar* is financed from the state budget (approx. 65-70%) and from income created by the sale of forest products (approx. 30-35%).

The Armenian forestry sector suffers from large unaccounted illegal logging and an inflexible pricing

system for fuel wood and wood products sold by the local branches of *Hayantar*. Prices at which wood is sold by the state forestry units to intermediaries are fixed without adjustment for inflation. They were still the same in 2011 as in 2004, and thus over this period they had effectively fallen by over 39%. The prices charged by intermediaries to end users are determined by the market and are much higher than these fixed prices. The difference between legal supply and estimated demand of fuel wood and timber suggest that unaccounted harvest over years several times exceeded the legal supply. The profit from this unaccounted harvest and from the difference between officially set prices and market prices is captured outside of the forest sector – one of the main reasons for the financial problems of *Hayantar*. Access to forest resources and to informal income is an important driver for those seeking employment in the sector, and for this reason personal connections and mutual informal benefits instead of skills influence the selection of staff.

Attempts to assign management responsibility on local forests to communities were not successful due to the lack of economic viability. The allowable cut was too low to cover the costs of running communal forestry enterprises. Underlying reasons for the failure of pilot projects on community forest management might be complex and include inflexible requirements, insufficient economic incentives for the communities, possibly inadequate fees and even corruption.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Pillar 2: Planning and decision-making processes

Component 2.1: Stakeholder participation

The environmental and forestry legislation of all programme countries makes general provisions for stakeholder participation. At the national level government programmes, laws and bylaws before adoption undergo a consultation process involving ministries and sector agencies as well as scientific institutes and civil society organizations. Sometimes, their comments are not substantially taken into consideration if contradicting the interest of more powerful elites.

At local level legislation in all programme countries provides for opportunities of local self-governance bodies, civil society organizations and citizens to participate in the development of forest related decisions. In the practice this participation is often not realized. Representatives of state forestry organizations tend to blame a lack of interest in participation by the local people. Civil society organizations and experts highlight the lack of procedures and mechanisms for participation as provisions in the legislation are only of declarative character.

Even where formal mechanisms for participation and challenging of decisions are lacking, public opinion, media and civil society organizations can massively influence on the decision making in forestry, for instance negative public attitude towards cutting of trees. The consideration of the interests of stakeholders and, in particular of forest dependent communities, in decision making processes varies. The certification of forests in accordance to the requirements of the Forest Stewardship Council (FSC) there has substantially improved local participation.

The extent of scientific debate relating to planning and decision making on (local) forests in the programme countries is limited, and largely facilitated by and depending on externally funded projects. Detailed technical regulations on forestry activities provide little opportunities for adaptive decision making and management and thus for the involvement of science.

Table ix. Aspects of stakeholder participation

COUNTRY	LEGAL PROVISIONS	SPECIAL ISSUES
Armenia	Forest Code: participation of	In practice substantial influence of civil society on

	municipality bodies; citizens and civils society not regulated.	decisions; public pressure against cutting of trees.
<i>Azerbaijan</i>	Forest Code: participation of natural persons, legal entities, civil society organizations provided in very general terms with link to other legislation.	Highly centralized, top-down decision making, limited participation opportunities, even for communal and private land-users.
<i>Belarus</i>	Forest Code: right of citizens, NGOs and local self-governance organs to participate in decision making Law “On environmental protection” information and participation of NGO.	Lack of specific participation mechanisms; good collaboration of state forestry enterprises with district administrations and rural councils; very critical public opinion about logging; FSC certification indicates sufficient level of stakeholder participation.
<i>Georgia</i>	Environmental legislation and Forest Code: provision of access to information and public participation in decision making and planning.	Insufficient transparency and participation in sector reform, in legislation development, in decisions on the allocation of concessions; insufficient information and participation of municipalities on concessions; public pressure influences decisions and can hamper sustainable forest management.
<i>Moldova</i>	Forest Code: obligation of <i>Moldsilva</i> to ensure the free access to information and the participation of the population in the decision making.	Low stakeholders capacity, lack of resources, and low levels of citizen interest; insufficient information by forestry institutions; limited commitment of local authorities to engage citizens.
<i>Russia</i>	Federal Laws: regional state organs obliged to provide information on legislation and situation in forest sector.	Broad discussion on new Forest Code, but recommendations not incorporated in the law; insufficient information and participation in the regions; political pressure on civil society organizations and independent media.
<i>Ukraine</i>	Forest Code: right of civil society organizations to participate, access information; but no obligation of participation of other stakeholders.	Partly insufficient awareness about participation rights among local people and communal bodies as well as forestry enterprises; increasing demand for information and participation; general improvement, in particular in the context of FSC certification.

Case vi: Georgia – Forestry concessions and limits of participation

The environmental legislation and the Forest Code require the provision of access to information and public participation in decision making and planning at any stage. The Forest Code requires public information and participation, for instance, especially on the assignment of long-term use rights on forests (concessions). In the practice these provisions have not entirely been realized.

Civil society organizations have exposed the problems of insufficient transparency and public participation, among other issues, in the decisions on the allocation of concessions and have challenged concession allocations in administrative complains and court cases, based on wrong data in the documents, inadequate concession terms and lack of public and, in particular, local community participation. Although these claims were dismissed in lawsuits, finally several concessions were annulled and others were substantially modified.

Municipalities have insufficient access to information on concessions and lacked the opportunity to participate in the decision making when the concessions were assigned. Municipality organs had not been provided access to concession contracts and maps with accurate concession boundaries. At best municipalities have received very general information about the concession areas. No mechanisms are in place that would oblige concessionaires to share information or to allow the municipalities to influence on their work. It seems that in the context of the economic reforms the interests of perceived “investors” were rated higher than those of the local self-governance bodies. Further country-specific findings are presented in the Regional Study [section on this component](#).

Component 2.2: Planning and decision making on conversion of land from forest to non-forest and vice versa

The systems of planning and decision making on conversion of land from forest to non-forest and vice versa are similar in all programme countries. The Land Codes establish different designations of land categories, forest(ry) lands being one of these. Their boundaries are defined by the land cadastre and the designation category, but not by the real vegetation. Forestry lands include as well lands that are temporarily or permanently not covered by forests but are needed for forestry. The Land Codes also have the designation category Lands of Protected Areas that can include forests within PA. Forests or other “tree and shrub vegetation” can also be located on lands of other designation, like agricultural lands, infrastructure, water and urban lands.

Local forests are often located on lands of agricultural designation. As long as the designation of these lands is not changed to forestry, problems can arise that hinder the sustainable management of such forests. In some countries their legal use is hardly possible, what discourages the protection and development of forest vegetation on such lands.

State land use agencies are in charge of the delimitation of lands by land designation category. Changes of the designation category of lands are generally possible. The procedures vary between the countries and depend on the land categories. Conversion of forestry lands into other lands is formally difficult, but has been misused for privatization where forestry lands cannot be privatized. The change of the land designation category from agricultural to forestry is necessary for the inclusion into forests of afforestation sites and succession areas on abandoned agricultural lands. This change can be challenging because the land legislation considers agricultural lands as “higher value” category than forestry lands. Given the often cumbersome procedures, but also insufficient enforcement of the rules on changes of land designation categories, in the practice changes of the real land cover and land-use often happen without formal conversion of the land.

Table x. Key country specific issues related to changes of land designation category changes

COUNTRY	AGENCIES IN CHARGE OF CHANGE OF LAND DESIGNATION	KEY ISSUES RELATED TO CHANGE OF LAND DESIGNATION
Armenia	Review and approval by Government, incl. Ministry of Agriculture; no involvement of <i>Hayantar</i> .	Changes from agriculture to forestry possible and no difficulties involved.
Azerbaijan	Decision by Government (Cabinet of Ministers), involvement of different agencies.	Changes rarely take place, change from agriculture to forest land would lead to handover of possessor rights.
Belarus	Region administration: from agricultural to forest lands; President: Changes of protection forest to other category.	Forest lands delimited in overall land-use planning; inclusion of succession and afforestation areas into PA and forest lands ongoing.

<i>Georgia</i>	Ministry of Economy and National Agency of Public Registry, with formal approval by the MENRP.	New Forest Code may lead return of formerly changed lands into category of forests (Tbilisi city forests); inclusion of succession lands; delimitations often poorly documented.
<i>Moldova</i>	Agency for Land Relations and Cadastre: Land mapping and assignment to categories; Local public authority: changes of agricultural to forest; Government: allocation of forest land for state and public needs.	Afforestation only where low fertility or erosion.
<i>Russia</i>	Federal Government: Changes of category of forest land; Sub-national bodies: all lands in their responsibility, incl. forest on other than forest lands.	Land designation of former <i>kolkhoz</i> forests unclear, inclusion in forest lands would cause transfer of ownership to federal level; Conversion of forests for development common.
<i>Ukraine</i>	Cabinet of Ministers: conversion of forest land into lands of other designation; Territorial Administration of Land Relations at region level: change of designation from agriculture to forest.	Changes of land categories difficult and lengthy; conversion of forests also takes place illegally; Abandoned agricultural lands with forests remain in this category, but clearing prohibited, change of designation to forest only after declared “degraded”.

Case vii: Ukraine – Succession on abandoned lands and the difficult transfer into forest land

The delimitation of lands by categories, including lands of agricultural designation and lands for forestry, is done in the frame of the land-use planning. The State Land Agency is in charge of the mapping of the land categories. Rural councils, with participation of district forestry enterprises, prepare general plans (land-use) for their areas that are confirmed by the region councils.

After the land privatization large areas of agricultural lands were abandoned. These are lands either of low fertility and/or lands where ownership of specific plots was not defined after the privatization of *kolkhoz* shares. Abandoned agricultural lands with naturally developing forests remain in the category of agricultural designation. At the same time it is formally prohibited to clear this land from the forest grown there.

Uncertainties about land ownership of such lands, reclamation of such lands by owners of shares of former *kolkhozes* and complicated procedures for changing land designation and possession hinder this process. The land-use agency needs to declare agricultural land as “degraded” before its designation can be changed to forest by the Territorial Administration of Land Relations at region level. This situation leads to losses of newly developed forests in the course of reclamation of agricultural lands. These stands are further affected by unregulated cutting of wood and by wildfires caused by the burning of crop remnants and dry vegetation on adjacent agricultural lands.

Further country specific findings are presented in the Regional Study [section on this component](#).

Component 2.3: Decisions on forest inventory and management planning

The Forest Codes of all programme countries establish the forest inventory and management planning (FMP) as a mandatory requirement. But where updated FMP are not available, forest use is usually not brought on hold, and the forestry agencies would issue special permissions to carry on with forest use activities, based on outdated FMP or without reference to any FMP. The FMP

activities can be carried out by specialized enterprises under the national forestry agency, which have a monopoly on these works. In Georgia and Russia services are contracted to service providers. In Armenia and Azerbaijan the FMP are supposed to be elaborated by units under ministries. The FMP teams consult local foresters only in an initial meeting but do their work independently. The inventory findings and the proposed management plan are presented to the local foresters, but no approval of the FMP by the local forestry enterprise is required.

In all programme countries the legislation on forest inventories and management planning requires stakeholder participation. These requirements are met by one or several meetings at national, regional and/or local levels. Usually the district is the lowest participating level of public administration.

The FMP include the determination of boundaries of forestry units and forest sections, the definition of protection and use categories of forest, the inventory of forests (site conditions, species composition, age classes, stand density, volumes, natural rejuvenation, health etc.) and the planning of activities on protection, reproduction and use of forests. The focus of the FMP is on the determination of harvest; other silvicultural aspects play a secondary role, if any. Most FMP weakly consider and address the interests of local people and other forest users and of the local self-governance bodies as well as conservation needs.

Table xi. Key country specific issues related to forest inventory and management planning

COUNTRY	ORGANIZATION CARRYING OUT FMP	KEY ISSUES OF FMP
<i>Armenia</i>	<i>Hayantar</i> (formerly Forest Research and Experimental Centre under the Bio-resources Management Agency of the Ministry of Nature Protection.	FMP reference was for a long time 1991, but before 2011 in some areas updated; results of forest coverage assessment not publicly available.
<i>Azerbaijan</i>	Ministry of Ecology and Natural Resources; FMP team planned to be reinstalled.	FMP do not cover tree and shrub vegetation outside of the forest fund.
<i>Belarus</i>	State enterprise “ <i>BELGOSLES</i> ” under the Ministry of Forestry; mandatory state environmental expertise and approval by the Ministry of Forestry.	FMP available for all state forestry enterprises, updated in 10 years intervals; predetermined rules of forest management leave limited space for silvicultural decision making in the FMP.
<i>Georgia</i>	Private service providers based on ToR set by the Forest Inventory Department of the NFA; FMP approved by the MENRP.	Many forest areas are used that do not have updated FMP; FMP instructions not sufficiently considering modern approaches, local participation not required; FMP formally accessible for communal bodies, but in practice rarely accessed.
<i>Moldova</i>	“ <i>ICAS</i> ” (Forest Research and Management Institute) under the Agency <i>Moldsilva</i> .	FMP in state forests up-to-date; FMP in communal forests only with external funding and partly not timely updated; FMP more oriented on harvest amounts than on silvicultural targets.

<p><i>Russia</i></p>	<p>FMP includes at least three different documents; FMP in narrow sense elaborated by service provider and approved by <i>Rosleskhoz</i> or by land owner (communal), forest development projects by permanent forest user or leaseholder.</p>	<p>Since new Forest Code (2006) FMP system abolished; FMP in narrow sense largely outdated, many former <i>kolkhoz</i> forests no FMP available; FMP for forest on agricultural lands not mandatory; reconstruction of FMP system necessary for sustainable forest management.</p>
<p><i>Ukraine</i></p>	<p>State enterprise “<i>Ukrderzhlisproekt</i>” under the State Forest Resources Agency.</p>	<p>FMP obligatory, exist for most “communal” forests some outdated, no areas outside forest fund covered; focus on harvest amounts, no binding silvicultural objectives; district level more stakeholder participation in FMP for state forest than for “communal” forest.</p>

Case viii: Moldova – Forest inventory and management planning in communal forests

Forest inventory and management planning (FMP) are mandatory for the entire forest fund regardless of the ownership. All FMP is done by a specialized state organization. While the general methodology is the same for all forests, some simplification has been introduced for the communal forests.

The FMP in the state forests is financed by the forest enterprises themselves from their income. The costs of FMP of communal forests are supposed to be funded by the municipality budgets, but these activities in communal forests are funded largely by international projects. Since 2005 forest inventory and management planning of more than 20,000 ha of communal forests were updated, but the larger part of communal forests does not have up-to-date inventories and management plans, while the state forest is entirely covered by up-to-date FMP. The focus in the FMP is more on allowable harvest, and less on the determination of stand specific silvicultural options, definition of development targets, activities and related costs and benefits.

The procedure for forest inventory and management planning provides limited opportunity for local stakeholder involvement and for the consideration of needs and capacity at the local level. Where recently FMP of communal forests were elaborated with external project support municipality staff and, where available, local forestry employees as well as interested local inhabitants were involved in the process.

Further country specific findings are presented in the Regional Study [section on this component](#).

Component 2.4: Decisions on implementation of forest management activities

Decisions on where, in what extent and by what means forestry enterprises implement forest management activities are in all programme countries supposed to be based on the FMP and on a set of technical instructions. Additional procedures are in place for decision making on timber and wood harvest or other forestry activities, implying the approval or permitting by state forestry enterprises, higher level forestry authorities and State Environmental Inspections.

In all programme countries the decision making on harvest is based on the determination of annual allowable cuts (AAC) or at least takes them into consideration. The AAC should be determined in the frame of the FMP for each forestry unit, based on the wood volumes and increments and on the silvicultural development targets for each forest parcel. For planning and reporting purposes these site specific AAC are aggregated to forestry enterprises’, regions’ and country-wide AAC. The

determination of AAC can be influenced by political decisions and may not reflect the harvest potential and needs of the local forestry units and forestry enterprises. Most forestry enterprises and leaseholders or concessionaires determine the specific cutting areas and the harvested volumes by themselves. In some programme countries higher level forestry agencies and environmental inspections are formally involved in the approval of wood harvest.

The implementation of forestry activities outside of lease or concession areas is done either by workers of the forestry enterprises or by private service providers. The selection of service providers either follows strict tender procedures or can be based on personal connections. Forestry enterprises do hire seasonal workers, possibly informally and with in-kind payments. Leaseholders and concessionaires implement forestry activities with own workforce or with contractors. This can lead to dwindling local employment in forestry.

Table xii. Key country specific issues related to decision making on forestry activities

COUNTRY	ORGANIZATIONS IN CHARGE OF DECISION MAKING	KEY ISSUES
<i>Armenia</i>	Ministry of Agriculture; <i>Hayantar</i> .	Annual Allowable Cuts much below the harvest potential and demand; high level of unaccounted wood harvest.
<i>Azerbaijan</i>	Forestry Department of the Ministry of Ecology and Natural Resources; outside of the forest fund: environmental protection authorities of region and district.	Only sanitary cutting; outside of the forest fund maintenance activities not permitted, despite legally possible according to Forest Code, but without FMP formal precondition missing.
<i>Belarus</i>	Local AAC for main use approved by the Ministry of Forestry in agreement with the Ministry of Natural Resources and Environmental Protection; resulting country-wide AAC approved by Government; other decisions by state forestry enterprises and forestry units.	Forest maintenance and reforestation decided and implemented by forestry units in accordance to FMP; decision making process on harvest criticized as being potentially prone to abuse, but existing mechanisms ensure effective control and enforcement.
<i>Georgia</i>	NFA in charge of most decisions, approval of local foresters' determination of harvest by local people; in Protected Areas decisions require approval by MENRP.	Except wood harvest most silvicultural activities on hold; rarely interference of NFA into decisions by concessionaires on harvest activities; Code on Local Self-government provides the municipalities with exclusive authority over forests of local importance, national forestry authorities would stake in decision making, so far only in Tbilisi.
<i>Moldova</i>	<i>Moldsilva</i> ; cuts to be authorized by the State Environmental Inspection of the Ministry of Environment.	Cuttings in communal forests – areas and amounts to be approved in the field by <i>Moldsilva</i> .
<i>Russia</i>	General rules set by <i>Rosleskhoz</i> , “forestry regulations of the forestry unit” approved by <i>Roslekhos</i> or respective local bodies; “forest development project” pass formal expertise by responsible administrative level.	Forest users have to act in the frame of approved “forestry regulations of the forestry unit” and “forest development project”; allocation of sale contracts of standing timber and leases mainly via auctions; access for local people supposed to be simplified; clearing of burnt sites possible without contract and not accounted for against AAC.

Ukraine	“Communal” forests: “communal” forestry enterprises main use approved by the State Environmental Inspection; permits issued by region state forestry administration.	Approval of harvest in “communal” forests by State Environmental Inspection and permits by region state forestry administration; no influence on reforestation and silviculture by environmental agencies.
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Case ix: Ukraine – Decision making on forest use in “communal” forests

The decisions on the implementation of the forest management activities in “communal” forests are mainly made by the “communal” forestry enterprises themselves, mostly by the district forestry enterprises or by the local branches of region forestry enterprises. The rural councils and the district councils do not interfere with these decisions.

The decisions about determination of logging areas and the harvest amount of have to be in accordance to the FMPs. The district forestry enterprise prepares the draft document, which is checked and endorsed by the region forestry enterprise. Areas and amounts of felling for main use have to be approved by the State Environmental Inspection. The region state forestry administration then issues all forest cutting permits and the certificates of origin of timber for export. All harvest of wood products is done by the forestry enterprises and their contractors.

The district forestry enterprises prepare projects of reforestation activities in accordance to the general recommendations in the FMP and/or the forest type species composition that is determined by the stand conditions. These reforestation projects are confirmed by the region forestry enterprise. The State Environmental Inspection does not influence on reforestation and silvicultural activities, although these activities impact on the forests.

Decisions on forest lease are made by the region council, with agreement by the rural councils or the district councils, the region forestry enterprise and the region state forestry department. The use of NWFP for personal use, and in the practice as well for small-scale commercial purposes, does not require any permits and no formal decisions are made on such forest uses.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Pillar 3: Implementation, enforcement and compliance

Component 3.1: Capacity of forestry organizations and territorial decision making bodies and administrations

In all programme countries the capacity of the forest sector has suffered during the transition period. Low salaries caused the loss of experienced staff and reduced the attraction for young, qualified people. The capacity situation varies between the programme countries. The capacity of the national level forestry agencies in Belarus, Moldova and Ukraine is well developed. They are directly involved in the use of forests and accordingly create income from the use of forests. In these countries sufficient harvestable forest resources are available to support the state forestry agencies financially. In Armenia, Azerbaijan, Georgia and Russia the capacity of the national level and region level forestry agencies has substantially declined and is now assessed by most experts as insufficient. In Armenia financial shortage is caused by low state budget funding, limited harvest potential and insufficient income from wood harvest. In Azerbaijan among the reasons are a transfixed inherited system and the exclusively protectionist approach, which does not allow for sustainable and multifunctional forestry. In Georgia and Russia in the course of reforms and the delegation of key functions to private companies capacities of national forestry agencies have been

cut down in terms of financial resources, staff and other capacity.

The capacity of the local level state forestry organizations largely reflects the situation in the national and region level forestry agencies of the respective countries. For instance, in Belarus state forestry enterprises have large capacity in form of qualified and skilled staff, necessary infrastructure, equipment and technology. In Moldova and Ukraine the state enterprises also have sufficient capacity. In Azerbaijan the state forestry enterprises still exist, but entirely depending on the state budget funding they cannot attract qualified staff. Armenia’s former state forestry enterprises became branches of *Hayantar* and suffer from the same insufficient financial situation and capacity. The low salaries hardly attract qualified and motivated staff, while substantial informal incomes from unaccounted wood harvest cause recruitment being influenced by connections and informal economic abilities. Georgia and Russia have replaced state forestry enterprises with forestry units of the national or region state forestry agencies. These structures are have minimal staff allocated and lack any capacity for effective forest management and protection.

Belarus as well as Moldova and Ukraine have sufficient capacity for forest inventory and management planning in form of specialized organizations with qualified staff, suitable premises, modern technology, equipment and some economic freedom. In Armenia and Azerbaijan limited FMP capacity exists in the national forestry agencies. In Georgia and Russia the inventory and planning works are no longer a state monopoly but are contracted to the private sector, where capacity is developing. In FMP organizations of all programme countries human capacity is not sufficient for involving stakeholders in a participatory way to address their interests in the FMP and also for applying modern silvicultural approaches. These insufficiencies are largely caused by the prevalence of old, narrowly production oriented approaches in the forest sector. The national and regional forest agencies and their local branches or forestry enterprises have not always enough skilled experts to define the FMP tasks, to guide these works and to evaluate and use the results.

The “communal” forestry enterprises in Ukraine have staff, premises and equipment, although they are short of qualified staff and experience economic difficulties caused by their – in comparison to state forests – smaller, more fragmented and less productive forests. The capacity of Moldova’s municipalities to manage their communal forests mainly depends on the forest’s productive potential and on the prehistory of community management and support. In Georgia the municipality of Tbilisi has limited capacity to carry out basic oversight, but has not enough technical staff, and lacks any workforce and equipment. The municipality of Akhmeta, which manages the forests in Tusheti Protected Landscape, is in the process of developing capacity and already employs qualified staff and has purchased equipment. The MENRP and NFA of Georgia consider the development of sufficient capacity in the municipalities as a precondition for the handover of responsibility on forests of local importance to them, but currently their local forestry units also lack sufficient forest management capacity. In Belarus the district councils have mandates on the forests within their boundaries, but do not have the technical capacity. They rely on the capacity of local state forestry enterprises for the preparation of their decisions on forest related issues.

Table xiii. Overview of capacity of forestry organizations

FORESTRY ORGANIZATIONS	COUNTRIES	CAPACITY ASSESSMENT	KEY REASONS/ISSUES
<i>National level agencies</i>	<i>Belarus, Moldova, Ukraine</i>	High capacity	National budget support (Belarus), high productive potential of forests used for income generation.
	<i>Armenia, Azerbaijan</i>	Low capacity	National budget support insufficient, politically limited use of productive potential of forests, substantial informal capture of income.

	<i>Georgia, Russia</i>	Low capacity	Reforms oriented towards delegation of functions to regions (Russia) and private sector (both countries).
<i>FMP organization</i>	<i>Belarus, Moldova, Ukraine</i>	High capacity with limitations on participation	State enterprises with economic opportunities, forestry enterprises pay; Production oriented approaches with limited consideration of local interests.
	<i>Armenia, Azerbaijan</i>	Limited capacity	Units within state forestry agencies with limited funding, poor connection of FMP with productive forest use.
	<i>Georgia, Russia</i>	Limited capacity	Private service providers developing, approaches not sufficiently adapted by national forestry agencies, funding mechanisms not fully developed.
<i>State forestry enterprises/local forestry units</i>	<i>Belarus, Moldova, Ukraine</i>	High capacity	Same as national level.
	<i>Armenia, Azerbaijan</i>	Low capacity	Same as national level.
	<i>Georgia, Russia</i>	Low capacity	Local forestry units of national and region forestry agencies and regions (Russia) without or with limited funding and without substantial own income generation from forest use because of large-scale private management (lease, concessions).
<i>Communal forestry enterprises</i>	<i>Ukraine</i>	Medium capacity	No state budget and limited region budget support, lower income, compared to state forestry because of less productive and smaller stands; region forestry enterprises can develop some capacity due to economy of scale.
	<i>Moldova</i>	Not yet existing	Developing joint enterprises of several municipalities or multifunctional enterprises expected to allow for capacity development.
<i>Local self-governance bodies</i>	<i>Belarus</i>	Low capacity	No specialized staff in district bodies, collaboration with state forestry enterprises in fulfilment of local mandates seems effective.
	<i>Georgia</i>	Low capacity	Municipalities not yet in charge of local forests, except Tbilisi and Tusheti; Tbilisi - political and financial considerations; Tusheti – capacity under development.
	<i>Moldova</i>	Low to high capacity	No external budget support, limited financial opportunities of municipalities, capacity depending on productive potential of forests and commitment by local community – linked to history of forests.

	Ukraine	Low capacity	Rural and district councils with limited mandate, region councils delegate most mandates to “communal” forestry enterprises, only limited oversight considered necessary.
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Case x: Moldova – Forest conditions and history determine capacity of municipalities

The capacity of most municipalities to manage their forests is low. A municipality with four forestry staff employed and seasonal labour to manage its communal forests is rather an exception among the forest owning municipalities in Moldova.

The conditions of the forests in communal ownership are a key factor determining capacity for their management. Communes with productive forests are able to employ forestry staff, and forest products motivate community support. Most communal forests are of low area size and the majority of communal forests consist of artificial forest plantations of low productivity. Thus, the incomes from their use are too small for financing an own forest management unit and local households receive limited benefits from the forest. Some municipalities for creating the needed capacity plan establishing a joint forestry enterprise of several municipalities or consider the establishment of communal enterprises for integrating forest management with other communal tasks.

The history of the forest governance impacts on the general ownership felt by the community members in the studied municipalities. In municipalities, where the community has been the owner of the forests already since pre-Soviet times, ownership attitude and related informal mechanisms have continued throughout the Soviet and the transitional period. In the result these communities support the development of the forest and prevent illegal use. In areas where nowadays communal forests have been established during *kolkhoz* land ownership as artificial plantations community members did not develop ownership sense of their communal forests.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Component 3.2: Forest law enforcement

In all programme countries authority and responsibility for forest law enforcement are assigned to the national level forestry agencies, their regional agencies, local branches and in some extent to the state forestry enterprises. In Russia law enforcement has been weakened by the delegation of the forest protection functions to the regions and the abolishment of the federal forest protection. The law enforcement by the state forestry authorities can be complemented by state environmental inspections that can also be authorized to implement law enforcement in regard to the state forestry enterprises. In Ukraine the “communal” forestry enterprises have only limited law enforcement authority and therefore have to rely on the State Environmental Inspection.

Forest users rely on assistance by authorized state organs in case of encounter of illegal use by third parties. Where users are supposed to protect their forests against illegal use (Georgia, Russia) this protection is insufficient for replacing the law enforcement state forest protection staff. Where local communities develop a sense of ownership of local forests they can actively contribute to law enforcement. Joint public and state monitoring of illegal forest use can force the agencies in charge of law enforcement to persecute more effectively illegal and unaccounted tree cutting.

Administrative fines can either be issued by the authorized state forestry staff or by the state environmental inspections. Criminal punishment is issued by courts based on the criminal code of the respective country. Legislation normally distinguishes between the penalty for legal violation and

the compensation of damage, which is established in the environmental legislation.

Law enforcement effectiveness varies between the programme countries and is very high in Belarus, while in Armenia and Moldova unaccounted and illegal harvests make up a high proportion of all cuts. Similarly, in Ukraine unaccounted wood harvest under the disguise of legal harvest happens. Also in Russia law enforcement is of limited effectiveness and large quantities of timber are illegally harvested and largely exported. In Georgia large scale illegal or unaccounted logging does not seem to be an issue. Restrictions on regular cutting of trees can encourage forest users, e.g. in Azerbaijan, to deliberately damage trees for justifying of sanitary cuts.

Table xiv. Overview of law enforcement issues in the programme countries

COUNTRY	MAIN ORGANIZATIONS IN CHARGE OF LAW ENFORCEMENT	KEY ISSUES
<i>Armenia</i>	Forest Control Division of State Environmental Inspection controls forestry enterprises and PA; <i>Hayantar</i> .	Substantial illegal and unauthorized harvest (up to 85% of consumed wood), recently established involvement of civil society improved law enforcement.
<i>Azerbaijan</i>	State Forestry Enterprises; District Departments of ecology (outside of the forest fund).	Restrictions on legal harvest and permission of sanitary cuts encourage deliberate damage of trees.
<i>Belarus</i>	State Forest Protection – rangers of all levels of forestry organizations; State Inspection under the President controls also forestry enterprises.	Very high law enforcement effectiveness, but some cases of overreaching by State inspection under the President on minor violations by forestry workers.
<i>Georgia</i>	Local forestry units of region forestry services of NFA; concessionaires; Environmental Supervision Department of the MENRP; APA; municipalities in communal forests (Tbilisi – no staff, Akhmeta/Tusheti – local forest rangers).	Limited illegal harvest of fuel wood; concessionaires of limited law enforcement effectiveness and causing alienation of local communities; Tusheti – communal law enforcement effective; potential of social control in communal forests after handover to municipalities.
<i>Moldova</i>	<i>Moldsilva</i> ; State Ecological Inspection of the Ministry of Environment controls also forestry enterprises; communal forest owners.	Unaccounted harvest substantial; violations of rules of lease common; municipalities - usually weak enforcement, few communities with sense of ownership effectively protect communal forests.
<i>Russia</i>	Region forestry authorities, forestry units, private leaseholders.	Weak legal basis in Forest Code; federal forest protection abolished and insufficiently replaced by regional and private protection; large scale illegal harvest and export.
<i>Ukraine</i>	State forestry enterprises, State Environmental Inspection.	“Communal” forestry enterprises rely on State Environmental Inspection; decrease of violations in “communal” forests because of consolidated user-rights and collaboration.

Case xi: Belarus – Effective law enforcement and the risks of overreaching

The prevention of violations and enforcement of the forest legislation is the task of the State Forest Protection which is formed by the rangers and technical staff of all state forestry organizations, including the state forestry enterprises, the six region state production forestry associations and the

Ministry of Forestry. About 13,000 official persons are patrolling the forest areas.

An additional and important law enforcement agency is the State Inspection for the Protection of the Plant and Animal World under the President with its local branches, which carries out independent law enforcement and controls the forest users, including the state forestry enterprises. The establishment of an independent inspection service with direct highest level subordination proved as highly effective and in collaboration with the state forestry enterprises it almost entirely eradicated – formerly rampant – illegal harvest of forest products. The level of documented illegal harvest of timber and its impact on the country's forests must now be considered as insignificant.

The number of detected violations is an (at least unofficial) indicator of the effectiveness of the State Inspection. With the success of the law enforcement the inspections cannot meet the expectations of constant or increasing numbers of detected violations. Probably for this reason, the inspection service tends to apply rules in an overly rigid and inappropriate way and tightens the control of the activities of the state forestry enterprises. Even minor technical aberrations from plans and permits are now considered as violations and lead to fines and the imposing of very high compensation payments on the involved workers. State forestry enterprises increasingly face difficulties to attract workers, as people consider the danger high to be heavily fined.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Component 3.3 Administration of forest and land ownership and user rights

The land-use agencies keep the documentation of land-use designations, ownership and permanent land-use rights. Land-use maps are accessible for the public and any stakeholders. These are in most cases still on paper and present simple schemes without topographic reference. Electronic, GIS-based maps in some countries cover the designated forest areas, including forests of “communal” enterprises and municipalities. The forest enterprises and forestry units have these maps on paper, and where the technical capacity exists they are also electronically available.

Reportedly in all programme countries boundaries of lands of state forestry enterprises and forestry units are well documented and ownership or permanent user rights are certified. The ownership and user rights of Moldova's municipalities on their communal forests are well documented. In Georgia so far the “forests of local importance” that would fall under management and/or ownership of the municipality are not defined. Documentation of former *kolkhoz* forests is partly outdated and does not cover all “forests of local importance”. In Ukraine the documentation of ownership and permanent user-rights on many “communal” forests is still in process.

Boundaries of forest sections and their protection and exploitation categories are documented in the FMP and form the basis for the assignment of user rights. Temporary user rights like leases, concessions, contracts of sale of standing stock and area based permits are documented by the forestry agencies, forestry enterprises and/or public administrations. The comprehensiveness and accuracy of these documentations varies and information is not always accessible for stakeholders.

Ownership rights on agricultural lands that have been distributed between members of former collective farms are not in all cases properly documented. Where these lands were of low value they were abandoned for decades and forest developed there naturally. The unresolved ownership documentation prevented reclamation of the land by the owner, but also possible changes of the land designation category to forest.

Table xv. Overview of issues of the administration of land and forest ownership rights

COUNTRY	KEY ISSUES
<i>Belarus</i>	Documentation in process of being updated, registration renewed and new certificates issued.
<i>Georgia</i>	Documentation largely outdated and incomplete; need to re-identify all forest borders, in particular of former <i>kolkhoz</i> forests and other forests of local importance; documentation of concession boundaries not available to municipalities.
<i>Moldova</i>	Boundaries of communal forests well documented; leased plots documented by municipalities.
<i>Russia</i>	In the Russian Federation the documentation on forest lease is kept at the level of the Federal Subjects and their districts
<i>Ukraine</i>	“Communal” forest lands were supposed to be formalized as permanent land-use of “communal” forestry enterprise by 1.1.2014, but large areas formalization process still ongoing; succession areas on abandoned agricultural lands not inventoried, ownership not fully determined and not included into the forest fund, hindering sustainable management.

Case xii: Ukraine – Problems of registration of user rights of “communal” forestry enterprises

The issue of delimitation of lands in state and “communal” ownership has not been solved entirely. New legislation in 2013 determined that lands, on which objects in permanent land-use by “communal” enterprises are located, are considered as being in “communal” ownership, including lands of the forest fund. By this law the “communal” administration were obliged to formalize until 1.1.2014 the permanent land-use rights of the “communal” enterprises.

This process was not finalized in many locations, and for some “communal” forestry enterprises the administrative costs of this process were beyond their financial capacity. In 2014 only one third of the “communal” enterprises had documents confirming their permanent land-use rights on the whole area and another fifth on the majority of forest lands used by them. The certification of forest land ownership of local councils and “communal” forestry enterprises is ongoing but still not yet completed.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Component 3.4 Cooperation and coordination

Coordination and cooperation on local forest-related activities are necessary between national forest agencies, forest enterprises and local administrations. Further, other government agencies coordinate and cooperate on local forests with forest agencies and local administrations. Law enforcement organs and environmental protection and protected areas agencies cooperate with forestry organizations. Cooperation and coordination can be required by formal procedures, where subordinations between organizations or decision making mechanisms force them to cooperate. Also informal cooperation takes place, often depending on the personal initiative of involved agencies’ staff and other stakeholders.

Within the system of state forestry the coordination between national level forestry agencies, their region branches and local state forestry enterprises or local branch offices is determined by internal regulations and procedures. The cooperation and coordination of forestry agencies of different levels with region administrations is formalized where reporting requirements and subordination exist. Where the local forestry enterprises and region offices of the forestry agency are only reporting to their central national level head office, their cooperation and coordination with region and local bodies depend more on the individual initiative of the officials involved.

Cooperation and coordination of state forestry agencies with forest managing municipalities or with “communal” forestry enterprises are usually determined by the formal regulations and procedures in place, but also depend on personal initiative. Where state forestry agencies have to be involved in decision making procedures cooperation and coordination are required. Without such formal requirements cooperation between communal forest managers and state forestry agencies is limited and depends on personal initiative.

Cooperation and collaboration between forestry enterprises and local administrations and self-governance bodies vary between the countries. Most forestry enterprises – independent of their ownership type – have limited coordination with rural councils. Coordination and cooperation is reportedly better where forestry enterprises underwent FSC Certification, which requires at least some coordination. Intensive cooperation only takes place where region or district bodies have some decision making mandates on the forests and their management.

Table xvi. Overview of cooperation and coordination issues

INVOLVED ACTORS	COUNTRIES	QUALITY OF COORD. AND COOPERATION KEY REASONS/ISSUES
<i>State forestry agencies: National level agencies; Region level agencies; State Forestry Enterprises and local branch offices</i>	<i>All programme countries</i>	Good cooperation and coordination between different levels.
	<i>Russia</i>	Increased the need for coordination due to delegation of functions to region level, contributing to the reported overload of forestry staff with paperwork on planning and reporting.
<i>State forestry agencies with region bodies (administrations and councils)</i>	<i>Belarus, Russia</i>	Formalized reporting requirements and subordination of region forestry agency under region bodies.
	<i>Armenia, Azerbaijan, Georgia, Moldova, Ukraine</i>	No reporting requirements and subordination of region forestry agency under region bodies; cooperation and coordination depending on personal initiative.
<i>State forestry agencies with forest managing municipalities or with “communal” forestry enterprises</i>	<i>Moldova,</i>	Involvement in decision making (<i>Moldsilva</i>), generally good cooperation and coordination at all levels.
	<i>Georgia</i>	No formal involvement required; Tbilisi - no cooperation, Tusheti PL – limited collaboration, potential future forest owning communes – personal initiative by leading NFA staff, but weak with local representations/forestry units of NFA.
	<i>Ukraine</i>	Involvement in decision making (region state forestry administration).
<i>Forestry enterprises and local administrations and self-governance bodies</i>	<i>Belarus</i>	Intensive cooperation and coordination with district bodies, due to their decision making authority on forestry.
	<i>Ukraine</i>	Independent of ownership type limited coordination with rural councils and districts; “communal” forestry enterprises coordinate with region bodies due to direct subordination.
<i>Forestry agencies and other agencies</i>	<i>All programme countries</i>	Coordination and cooperation with protected areas agencies, environmental protection (state environmental inspection), law enforcement organs.

<i>Armenia</i>	State Forest Monitoring Centre under Ministry of Agriculture cooperates with <i>Hayantar</i> and Ministry of Nature Protection, its agencies as well as civil society; Collaboration of Ministers of Nature Protection and Agriculture in form of joint orders.
<i>Georgia</i>	NFA with Forest Policy Service of MENRP and APA, with Ministry of Agriculture and Ministry of Interior; Tusheti PL (Akhmeta municipality) – weak coordination by MENRP.
<i>Russia</i>	Collaboration in combatting large forest fires with fire brigades of regions and of the Ministry for Emergency Situations; Region inter-agency commissions for coordination and collaboration e.g. on control of timber trade; Regions established public councils for coordination.
<i>Ukraine</i>	Cooperation of “communal” forestry enterprises in law enforcement required;

Case xiii: Ukraine – Cooperation and coordination on “communal” forests

The mandates of different agencies, enterprises, representative and administrative bodies in relation to “communal” forests require cooperation and coordination. These seem to work well between the district and region forestry enterprises, between the latter and the region councils as well as between “communal” forestry enterprises and the region state forest administrations and the State Environmental Inspection.

In contrast, cooperation and coordination are virtually not existent between “communal” forestry enterprises and district councils and administrations and between forestry enterprises of different ownership. The cooperation and coordination of “communal” enterprises with the rural councils seem to be insufficiently developed, mainly because of the subordination of all forestry enterprises to a higher administrative level and because of the lack of formal mechanisms of cooperation and coordination of the forestry enterprises with the rural councils. In this situation the determining factor of cooperation and communication is the relationship between the individual heads and staff of the rural councils and of the local district forestry enterprises.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Component 3.5 Measures to address corruption and ensure transparency

The measures to address corruption and ensure transparency are part of the programme countries’ general anti-corruption policy, legislation and action. Rarely anti-corruption is specifically targeted in the forest sector and more specifically in the context of local forests. The general situation in terms of corruption and transparency varies between the programme countries. The scores and rankings of the Corruption Perceptions Index (CPI) by Transparency International for 2014 were: Georgia – Scores 52, Rank 50/175; Armenia – 37, 94/175; Moldova – 35, 103/175; Belarus – 31, 119/175; Azerbaijan – 29, 126/175; Russia – 27, 136/175; Ukraine – 26, 142/175. This ranking differs from the Consultant’s impressions by assigning better ranks to Armenia and Moldova and a less favourite rank to Belarus than suggested by his observations. The CPI is an important indicator used in the FSC Controlled Wood system and in the PEFC chain of custody requirements for avoiding controversial sources. These certifications do not provide information on the effectiveness of anti-corruption measures in the certified forestry enterprises.

In the forest sector the existence, effectiveness and independence of governmental oversight mechanisms external to the forest agencies as reflected in their [mandates](#) (Component 1.4) can influence on corruption and transparency. Independent oversight is in place in some programme countries in form of the mandate to control the compliance of the forest sector with the legislation being assigned to the ministries in charge of environmental protection and their state environmental inspections. In all programme countries the forest sector is additionally subject to control by the state agencies that control compliance with public procurement rules, public spending and taxes.

Concentration within one system or agency of planning, implementation and control and law enforcement increases the risks of manipulation, unsustainable and illegal use tend compared to where these mandates are separated. However, corrupt systems can also evolve across agencies and having more actors involved may not necessarily prevent corrupt practices. Independent oversight can contribute to the reduction of corruption and ensure more transparency, but overly strict separation of functions can also cause risks. The forestry operations on the ground should be controlled by an inspection service that is organizationally and economically not connected to the forestry enterprises. In some of the programme countries, policy makers consider separating the functions of state forestry enterprises in forest regeneration and maintenance from harvest and initial wood processing. Systems that address this through the sale of standing timber, temporary lease for logging and concessions create additional opportunities for corruption and not transparent assignment of use contracts. Further, they disconnect the links between profitable harvest and costly forest management, thus creating disincentives for sustainable forest management.

In some programme countries a massive discrepancy between supply of wood and market demand suggests illegal logging in a substantial scale. In such situations it is very likely that first, forestry enterprises and their contractors are directly involved in unaccounted logging, and second, that recruitment into key positions is influenced by corruption and does not comply with transparency requirements. Procurement rules can also increase costs of operations and hamper the use of local workforce and small enterprises, while at the same time increasing the costs for the public.

Local forests might be less under risk of corrupt practices because of lower attractiveness for larger logging operations and the possibility of public control by local people, where these identify themselves as forest owners. On the other hand, local people, depending on fuel wood and timber, might be forced to pay informally to local forestry staff for getting access to these resources. Harvest quotas for local people reduce this corruption risk if they are issued in a simple procedure.

Table xvii. Overview of corruption issues and measures to ensure transparency

COUNTRY	KEY ISSUES	EXAMPLES OF MEASURES
<i>Armenia</i>	Discrepancy between legal wood supply and demand – large amounts of unaccounted harvest and related corruption.	Legal access to fallen dead wood for local villagers; joint monitoring of forest use by State Forest Monitoring Centre, <i>Hayantar</i> , civil society and citizens.
<i>Belarus</i>	Formerly poaching by influential people, illegal logging; combination of planning, silvicultural activities, permitting and wood production in one organization has been criticized.	Tight control by State Inspection under the President; legal access to wood for local people; intended separation of silvicultural functions from production functions - possibly unintended impacts.
<i>Georgia</i>	Generally effective ant-corruption policy; assignments of concessions in the past not entirely transparent.	Phasing out of concessions, no new assignments.

<i>Moldova</i>	Discrepancy between legal wood supply and demand – large amounts of unaccounted harvest and related corruption; misuse of forest lease for private housing and business.	No specific measures reported; in communal forests low corruption risk due to low harvest potential and social control.
<i>Russia</i>	Risks of misuse of federal subsidies for forestry at region level; high illegal harvest and export of timber; conversion of forests for private housing by elites.	No specific measures and/ or low effectiveness.
<i>Ukraine</i>	Reports about conversion of forests for private housing and illegal logging; low local ownership and social control of local/“communal” forests; informal employment of forest workers.	Ongoing reform process addresses corruption, but effect not yet clear; in some “communal” forests development of sense of possession and social control facilitated by FSC certification.

Case xiv: Armenia – Reducing illegal and unaccounted harvest and corruption

The forests are exploited for the private income of officials and entrepreneurs. Because the annual allowable cut is far below the demand for fuelwood, it is impossible for *Hayantar* to register the real amounts of wood sold and corruption through under-invoicing is the rule. *Hayantar* assigns the logging rights to brigades, which would in excess to the permitted amounts harvest large unaccounted volumes of wood. These rights to cut and sell trees are allocated without a fair selection process, and it can be assumed that the brigades share their gains with the officials who grant them access. Police and state environmental inspection collect bribes from the brigades transporting unaccounted fuel wood. The political and economic environment makes the implementation of effective measures to prevent corruption in the forestry sector very difficult.

The assignment of limited rights of using fallen dry wood as fuelwood by villages close to forests may have led to a modest reduction of corruption. Additional proposed measures include targeted gas subsidies for forest dependent households and liberation of prices for wood sold by *Hayantar*.

The Armenian Forests Public Monitoring, a joint monitoring by the civil society and the state was recently established with support by ENPI-FLEG II. Communities, civil society organizations, the State Forest Monitoring Centre and *Hayantar* jointly monitor illegal and unaccounted logging. This substantially counters the corruption risk due to its institutional cooperation and transparency. Engaging the public in the monitoring of its forests can make forest management and activities more transparent and – if combined with legal access to fuel wood – generates a direct interest within local communities for protecting the forests. This can reduce the opportunities for illegal forest use tolerated by corrupt officials. The Armenian Forests Public Monitoring is already contributing to a higher effectiveness of law enforcement.

Further country-specific findings are presented in the Regional Study [section on this component](#).

Conclusions - Impact of Governance of Local Forests

The pillars and components of the governance framework finally contribute to the situation in the local forests and in the communities depending on these forests.

Impacts of governance of local forests on forest cover and forest conditions

Changes in forest cover can either be assessed from official reports or from studies using remote

sensing. Officially reported changes in forest cover are based on the forest definitions applied in the respective countries, which do not always include trees outside of the borders of the state forest fund. However, such areas can make up substantial parts of “local forests”. Remote sensing analysis has shown significant changes in the forest cover of some of the programme countries. Remote sensing based assessments are suitable for detecting real changes in forest cover independent of formal definitions, but they cannot distinguish between temporary loss because of logging and permanent loss because of transformation of forests into other land-use types. Also gain of forest cover through regeneration of formerly logged areas cannot be distinguished from new afforestation. For methodical reasons forest gain and forest loss can be difficult to compare. The definition of “local forests” is too vague to allow for measuring the specific trends by clipping the available data on forest cover with the borders of local forests.

The conditions of forests can change over time due to human influence. Tree harvest changes the age structure, volumes and other features of forests. The type of cutting influences on the forests’ vertical and horizontal structure and species composition. Reforestation and afforestation create stands of single age classes and – depending on the choice of planting material – of more or less autochthonous or exotic origin. Silvicultural maintenance of young growth and older forests, sanitary cutting, fire prevention, grazing and use of NWFP – all have impact on the conditions of forests. The elements of governance determine these forms of use and management of forests and thus impact on the conditions of the forests and the trends of the areas covered by forests.

Table xviii. Overview of key findings on impacts of governance on forest coverage and conditions

COUNTRY	TRENDS OF FOREST COVER	TREND OF FOREST CONDITIONS	KEY CONTRIBUTING FACTORS
<i>Armenia</i>	Decline of forested area from 11.6 % of total land area in 1990 to 9.4% in 2005; recent years – annual tree cover loss significantly reduced; local gains in areas close to villages.	Degradation of forests, selective cutting of valuable trees, reduced standing volumes and increment of forest stands; livestock largely hinders regeneration.	Unaccounted logging because of discrepancy between AAC and demand; inadequate financial mechanisms; corruption; failed attempts of community-forestry development.
<i>Azerbaijan</i>	Forest cover 1 Mio ha or 11.8% of the country’s area; loss of tree cover since 2000, decline of annual tree cover loss	Gradual degradation, livestock grazing, deliberate damaging of trees for “sanitary” cutting; new afforestation – mainly exotic species plantations.	Gas supply reduced fuel demand; discrepancy between supply and demand due to use restrictions; lack of incentives for sustainable forest management.
<i>Belarus</i>	Continuous increase, since WWII almost doubled; afforestation of abandoned agricultural lands.	Dominance of even-aged young forests changes slowly towards mixed and older forest.	Governance supportive to increase of forest cover and improvement of forest conditions; considered functional separation may challenge positive trends.
<i>Georgia</i>	1992 to 2007 increase; after 2007 deforestation in some areas because of illegal logging.	Degradation because of unsustainable use; selective cutting of large trees; lack of systematic silvicultural activity.	Weak state forestry organizations; insufficient control of concessions; pending status of “forests of local importance”; insufficient forest inventory data and FMP coverage.
<i>Moldova</i>	Slight increase over the	Decrease in standing	Afforestation largely on

	recent years and further increase is planned.	volumes and reduction of species in demand caused by unaccounted logging; poor conditions of communal forests due to their origin and limited economic potential.	communal lands, possibly hampered by need of land designation change; discrepancy between supply and demand; restrictive use policy; insufficient incentives for sustainable management.
<i>Russia</i>	Slight increase since 1995; tree cover loss 2000-2014 much higher than gain; probably negative trend.	Degradation caused by unsustainable logging (partly illegal), poor regeneration, large scale forest fires.	Negative impacts of reform following new Forest Code; abolishment of federal forest protection; insufficient control and law enforcement; status of former <i>kolkhoz</i> forests not fully determined.
<i>Ukraine</i>	Stable, increase by succession on abandoned lands, but loss due to reclamation.	“Communal” forests poorer conditions than state forests, due to their origin and past use; shelterbelts degrading.	Succession on abandoned lands not included in forest fund; “communal” forestry enterprises economically disadvantaged by lower harvest potential; insufficient sense of local ownership.

Further country-specific findings are presented in the Regional Study [section 6.1](#).

Impacts of governance of local forests on economic and other benefits from these forests

The governance of forests impacts on the direct economic benefits and their distribution as well as on the indirect and non-material benefits from these forests. The forest dependency studies showed the economic importance of local household income from the harvest of forest products. Additional economic benefits for local households are forest related employment, supply of forest products by forestry enterprises, illegal harvest of forest products and indirect benefits like protection from erosion and floods. Beyond the immediate forest dependent communities, the local forests and forests in general provide goods and services for the society at large. In forest rich countries or regions forest products are of importance in the national or regional economy.

The organizations managing forests in the programme countries rely in varying proportions on funding by the state and on incomes created by own economic activities. Where local forests are not integrated in the state forest, but are managed by the municipalities or by “communal” enterprises, incomes created by forest use are the major source of funding for their management.

The governance systems influence on the extent, in which forests provide benefits to local communities, to the wider society and in what extent forest use funds sustainable forest management. Overly restrictive use regulations can reduce the benefits from legal use and cause disincentives for sustainable forest management. Economic benefits from forests can also be largely captured by external actors. Deforestation and forest degradation caused by inadequate governance reduce the benefits from forests.

Table xix. Overview of key findings on impacts of governance on benefits from forests

COUNTRY	BENEFITS AND LIMITATIONS	KEY CONTRIBUTING FACTORS
<i>Armenia</i>	Large part of income from forest use not available for forest management due to capture by external actors and corruption; short-term interests outweigh long-term benefits; local communities have legal access to fallen dry wood.	High level of unaccounted harvest; fixed harvest fees below market value for the brigades; costs of protection of young growth from livestock not born by livestock owners/herders.
<i>Azerbaijan</i>	Limited income of forestry enterprises from maintenance cuts; access to NTFP for local people; reduction of benefits for the society due to degradation.	Restrictions on harvest encourage provoked sanitary cuttings and provide disincentives to sustainable forest management.
<i>Belarus</i>	Forest sector economically important; income of forestry enterprises for sustainable forest management; local budget contributions; employment; access to fuel wood and timber for local people.	Governance system largely adequate, high forest cover, productive forests; certification improves market position. Intended separation of functions of state forestry enterprises may challenge economic efficiency.
<i>Georgia</i>	Commercial use only concessions; NTFP use by local people; limited income from forest use available for forest management; low employment; no local budget contribution.	Economic benefits largely captured by concessionaires; very limited staff in local NFA representations/forestry units; procedures for contracting forestry activities and sale of forest products by public forest owners are not cost effective and preventing local employment; transfer of forests to communes undetermined.
<i>Moldova</i>	State forestry enterprises self-financing from forest use; communes rarely able to create enough income from forest use to fund professional management; few communal forests provide substantial economic benefits to local households.	Communal forests of small area, fragmented and low productivity; neither legal provisions nor political will for transfer of additional forests into communal ownership; attempts made to create larger units by joint management of forests of several municipalities.
<i>Russia</i>	Income opportunities for private companies; reduced access of local communities to forest products; loss of jobs in state forestry enterprises and small enterprises; reduced ecosystem services from forests.	New Forest Code prioritizes large private lease of forests; assignment of leases without consideration of needs of local communities; barriers on access to timber for small enterprises; large scale forest destruction by forest fires and illegal logging.
<i>Ukraine</i>	“Communal” forestry enterprises funded from forest income; budget contribution for communes from forest use and benefits for local people independent of ownership type.	“Communal” forests include smaller, fragmented and less productive forest than state forest; efficiency of parallel “communal” and state forestry in some areas questionable – transfer of forests or management may improve efficiency; communal share of stumpage fees inadequate.

Further country-specific findings are presented in the Regional Study [section 6.2](#).

1. Introduction

The regional Programme “European Neighbourhood and Partnership Instrument East Countries Forest Law Enforcement and Governance” (ENPI-FLEG) supports the participating countries in strengthening forest governance through improving the implementation of relevant international processes, enhancing their forest policy, legislation and institutional arrangements, and developing, testing and evaluating sustainable forest management models at the local level on a pilot basis for future replication.

In this context ENPI-FLEG has commissioned the Consultant with the preparation of this Regional Study on Governance of Local Forests. In a Preliminary Report the Consultant presented the Study’s scope, methodology and structure, which were agreed with the programme’s experts. The methodology applied in this Regional Study refers to the IUCN Nature Resource Governance Framework and is expected to contribute to its further development, by providing practical test cases from a specific region. IUCN is committed to developing this framework that enables practical improvements in the making and implementation of decisions that address these complex realities with:

- The overarching goal of setting standards and guidance for decision-makers at all levels to make better and more just decisions on the use of natural resources and the distribution of nature’s benefits, following good governance principles, such that improved governance will enhance the contributions of ecosystems and biodiversity to equity and sustainability.
- The purpose of providing a robust, credible approach to assessing and strengthening natural resource governance at multiple levels in diverse contexts. (IUCN, 2013)

The forests in the ENPI-FLEG II countries together make up more than 20% of the World’s forests. The region’s forests belong to several biomes and ecoregions (Olson et al. 2001), from North to South including:

- the subarctic, humid boreal forests or taiga
 - (11 ecoregions);
- temperate coniferous forests:
 - Carpathian montane conifer forests;
 - Altai montane forest and forest steppe;
 - Khangai Mountains conifer forests;
 - Sayan montane conifer forests;
- temperate broadleaf and mixed forests:
 - Central European mixed forests;
 - Pannonian mixed forests;
 - Sarmatic mixed forests;
 - West Siberian broadleaf and mixed forests;
 - Ussuri broadleaf and mixed forests;
 - South Sakhalin-Kurile mixed forests;
 - Caspian Hyrcanian mixed forests;
 - Caucasus mixed forests;
 - Colchic deciduous forests;
 - East European forest steppe;
- Temperate grasslands, savannahs, and shrub-lands, of which have some forests cover:
 - Eastern Anatolian montane steppe (very limited forest area);
 - Daurian forest steppe;
 - Kazakh forest steppe;
 - Selenge-Orkhon forest steppe;
 - South Siberian forest steppe;

- Deserts and xeric shrublands:
 - Azerbaijan shrub desert and steppe.

Russia has the by far largest share of boreal and temperate forests in Eurasia. Russia (45%), Georgia (40%) and Belarus (39%) are countries with high forest cover, while Ukraine (16%), Moldova (13%), Armenia (12%), and Azerbaijan (11%) have a low forest cover. The Southern Caucasus region is one of the richest regions in the world for diversity of wild-growing fruits. (Bakkegard, 2014)

When regaining independence following the breakdown of the Soviet Union all seven ENPI-FLEG II countries had inherited a similar Soviet style forest management system and governance. During the transition period the countries enacted their national forest legislation and established new institutions. The further development of forest policies, legislation, institutional mandates, economic systems, planning and management was not any longer based on homogenous principles and resulted in diverse and in some cases even contrasting types of governance systems, currently present within the ENPI-FLEG II countries.

In all these countries during the Soviet period a part of the forests was assigned to collective or state agricultural enterprises. These forests have been managed separately from the forests belonging to centrally ruled state forest enterprises (Rus. *leskhoz* - лесхоз) and were commonly referred to as Rus. “*kolkhoz*” (колхоз) forests. These former “*kolkhoz*” forests now form a substantial part of the “local forests”, the governance of which is subject of this Study. However, as explained below in Section 2, for the purpose of this Study “local forests” may as well include other forests of local importance and the term “local forests” cannot be sharply defined.

The forest governance systems in the programme countries include variations as well as similarities related, among others, to the specific governance of “local forests”. Few of the participating countries recognize and include definitions such as “Forests of Local Importance” or communal forest management or ownership within their national forest legislation. Also where forests are under exclusive state ownership, “local forests” can be managed by different levels and types of institutions. The right of local community members to access forests and to use forest resources is safeguarded to some extent within the legislative frameworks and local management practices. Also, in varying extent, some rights of communities to participate in decision making related to the management, use and conservation of their local forests are provided.

Generally, the quality of governance often determines whether forest resources are used efficiently, sustainably and equitably, and whether countries achieve forest-related development goals. One of the important criteria, when assessing the quality of forest governance, is to analyse how local populations are involved in the management of forests in their vicinity. In the past decades some of the ENPI-FLEG II countries reviewed existing forest governance patterns and introduced new forms of forest management based on bottom-up approaches. However, with few exceptions, in general local communal authorities neither own forests nor possess management rights for them. At the same time many rural communities in the ENPI-FLEG II countries depend on their surrounding forests and the natural resources they provide, including wood for construction and fuel, non-wood forest products such as mushrooms, berries, nuts and medicinal plants, and grazing for domestic animals (Bakkegard, 2014). Forests also provide locally important ecosystem services like protection of villages from landslides and floods and prevention of erosion of arable lands.

In order to study the differentiated patterns, this Regional Study on the governance of local forest in ENPI-FLEG II countries has been initiated as part of the regional level activities of ENPI-FLEG II Programme. (Activity 20 under the Regional Work Programme, approved Jan 9th, 2014) The main purpose of this Study is to serve as contribution to policy review and reforms by documenting and

analysing the existing schemes of governance of local forests in the region.

The Objectives of this Regional Study on the Governance of Local Forests in ENPI-FLEG II countries are:

- Document patterns of governance of local forests, which are currently in place in the participating countries, by utilizing information from country experts;
- Provide a comparison of the existing administrative and social systems, legal background and institutional structures that relate to the governance of local forests in the region;
- Present information that can help define and clarify the effectiveness of governance and participation by the local forest dependent population in forest management and decision making processes;
- Identify common trends and national differences, as well as hurdles and best practices of local forest governance;
- Make concise information on these issues accessible in a structured and systematized form to stakeholders and decision makers for enabling improved governance of local forests in the participating countries.

This Regional Study is also intended to contribute to the development of the IUCN Natural Resource Governance Framework, which aims at the provisioning of an independent method to determine the strengths and weaknesses of natural resource decision-making and implementation globally.

This Regional Study largely builds on Case Studies from five out of the seven countries that participate in ENPI-FLEG. The full Case Studies are presented in the [Annex 2](#) to this Regional Study.

2. Definition of key terms and of the scope of the Regional Study

The ToR for this consultancy tentatively defined the scope of the Regional Study on Governance of Local Forests. In the frame of the Preliminary Study the scope of the Regional Study and the Case Studies has been specified and agreed upon.

2.1 *Definition of key terms*

The determination of the scope of this Study requires the definition of the key terms “governance” or “natural resource governance”, “forests”, “local forests” and of some other related terms.

2.1.1 Governance

For the term “**governance**” no generally accepted definition exists. Moore et al. (2011) state: “At the 2002 World Summit on Sustainable Development, governments made a commitment to improve governance. The term is often used, however, without specifying what the writer or speaker actually means by it.”

Kjaer (2005) defines “governance” as “... the setting of rules, the application of rules, and the enforcement of rules”. At an even broader scale, Rayner et al. (2010) characterise Governance simply as “any effort to coordinate human action in order to achieve certain goals”. (Both quoted in FLEGT, 2013)

The World Bank Land Governance Assessment Framework (The World Bank, 2012) defines “governance” in general “... as the traditions and institutions by which authority in a country is exercised. This includes (i) the process by which governments are selected, monitored and replaced; (ii) the capacity of the government to effectively formulate and implement sound policies; and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them (Kaufmann et al., 2002)”; and in the context of land, the term Governance “concerns the process by which decisions are made regarding access to and use of land, the manner in which those decisions are implemented and the way that conflicting interests in land are reconciled. Key elements of the definition include decision making, implementation and conflict resolution, with dual emphasis on process and outcomes. (GLTN, 2008)”

PROFOR/FAO (Cowling et al., 2014) suggest a very broad definition as follows: “Forest governance comprises all the social and economic systems that affect how people interact with forests, including bureaucracies, laws, policies, traditional norms and culture, patterns of land tenure, and markets.”

Governance “is about representation, style of interaction, authority, and decision rules. It also refers to processes that support governance, such as fostering scientific and public learning; and building civic and political will” (Vasilijević et al., 2015). Often the term Governance is used synonymous with “management” (Moore et al., 2011), as in the ENPI-FLEG context, where in Russian language the same term “*upravlenie* - управление” is applied for both. As explained in Table 1 below, governance is more about “the process of deciding what to do, while management is more about implementing appropriate strategies derived at the governance level to address the substantive issues. While governance and management differ, they complement each other, through iterative processes: governance informing management and experience in management influencing governance.” (Vasilijević et al., 2015)

Table 1 Differences between governance and management

<p>GOVERNANCE</p>	<p><i>is about process</i></p>	<ul style="list-style-type: none"> ○ Who decides what the objectives are, what to do to pursue them, and with what means? ○ How to bring together the appropriate people with the best available information to determine what ought to happen? ○ How the decisions are taken? ○ Who holds power, authority, and responsibility? ○ Who is or should be held accountable? ○ Reconciling differences between and among stakeholders. ○ Deciding amongst choices that lead to trade-offs.
<p>MANAGEMENT</p>	<p><i>is about substance</i></p>	<ul style="list-style-type: none"> ○ What is done in pursuit of given objectives? ○ The means and actions to achieve such objectives. ○ Generate, implement, and assess the effectiveness of alternative policies, programmes, and plans.

Source: Adapted from Borrini-Feyerabend et al. (2013)

In this Study we apply the definition as adopted by the IUCN's Assembly, which has defined **NATURAL RESOURCE GOVERNANCE** as “the interactions among structures, processes and traditions that determine how power and responsibilities are exercised, how decisions are taken, and how citizens or other stakeholders have their say in the management of natural resources - including biodiversity conservation” (WCC, 2004; Graham et al., 2003).

The IUCN Nature Resource Governance Framework (NRGF) addresses the set of *norms, institutions and processes that frame decision-making and citizens' engagement in policy development and how its implementation impacts nature and people*. This provides a basis for understanding how governance in the “real world” affects livelihoods, food security, climate adaptation, human wellbeing and how natural resource interventions can facilitate and support positive change. Consequently the NRGF takes us beyond an understanding of the “intention and scope” of law and stated policy to real situations. (IUCN, 2013)

2.1.2 Good governance

Often the term “Good governance” is applied as a general concept or goal of reform processes. Defining Good governance as a term is even more challenging than defining Governance as such. The Consultant therefore refrains here from the attempt of developing a definition of Good governance, but will assess the findings of the governance analysis in accordance to commonly accepted principles or criteria of Good governance, as applied in various frameworks, e.g. the Governance of Forests Initiative (GFI) Indicator Framework (Davis et al., 2013), the Framework for Assessing Forest Governance (Profor/FAO, 2011) and in particular in the set of principles of good governance that are considered for integration into the Natural Resources Governance Framework currently under development (Walters, IUCN, pers. comm. by Email 24 March 2015).

2.1.3 Forests

The definition included in the Terms and Definitions of the Forest Resources Assessment (FRA) of 2015 (FAO, 2015) is commonly used in forest resources assessments allowing for international comparison:

FOREST

Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds *in situ*. It does not include land that is predominantly under agricultural or urban land use.

Explanatory notes

1. Forest is determined both by the presence of trees and the absence of other predominant land uses. The trees should be able to reach a minimum height of 5 meters.
2. Includes areas with young trees that have not yet reached but which are expected to reach a canopy cover of at least 10 percent and tree height of 5 meters or more. It also includes areas that are temporarily unstocked due to clear-cutting as part of a forest management practice or natural disasters, and which are expected to be regenerated within 5 years. Local conditions may, in exceptional cases, justify that a longer time frame is used.
3. Includes forest roads, firebreaks and other small open areas; forest in national parks, nature reserves and other protected areas such as those of specific environmental, scientific, historical, cultural or spiritual interest.
4. Includes windbreaks, shelterbelts and corridors of trees with an area of more than 0.5 hectares

and width of more than 20 meters.

5. Includes abandoned shifting cultivation land with a regeneration of trees that have, or are expected to reach, a canopy cover of at least 10 percent and tree height of at least 5 meters.
6. Includes areas with mangroves in tidal zones, regardless whether this area is classified as land area or not.
7. Includes rubber-wood, cork oak and Christmas tree plantations.
8. Includes areas with bamboo and palms provided that land use, height and canopy cover criteria are met.
9. Excludes tree stands in agricultural production systems, such as fruit tree plantations, oil palm plantations, olive orchards and agroforestry systems when crops are grown under tree cover.
Note: Some agroforestry systems such as the “Taungya” system where crops are grown only during the first years of the forest rotation should be classified as forest.

The definition of “forest” presented above, in some aspects differs from definitions applied in the ENPI-FLEG II countries:

- In some ENPI-FLEG II countries the area size threshold (0.5 ha in this definition) is lower or no specific threshold is determined.
- In some ENPI-FLEG II countries the minimum width (20 m as described in the Explanatory notes to this definition) for linear tree stands like shelter belts and wind breaks is lower or higher; in some countries no specific threshold is determined, or the definition of forests explicitly excludes shelter belts.
- In one ENPI East country (Armenia) the tree canopy threshold is higher (10% in this definition); in the other countries no specific threshold is determined.
- Some ENPI-FLEG II countries do not include into the technical definition of “forest” young growth (from afforestation, reforestation or natural rejuvenation after logging) that has not yet developed a closed crown cover.

The category “Other wooded land” as applied by FAO (2015) in some ENPI-FLEG II countries may qualify technically as well as forest, in particular in zones with low cover of forests in the sense of stricter definitions.

OTHER WOODED LAND

Land not defined as “Forest”, spanning more than 0.5 hectares; with trees higher than 5 meters and a canopy cover of 5-10 percent, or trees able to reach these thresholds; or with a combined cover of shrubs, bushes and trees above 10 percent. It does not include land that is predominantly under agricultural or urban land use.

Explanatory notes

1. The definition above has two options:
 - The canopy cover of trees is between 5 and 10 percent; trees should be higher than 5 meters or able to reach 5 meters.
- or
 - The canopy cover of trees is less than 5 percent but the combined cover of shrubs, bushes and trees is more than 10 percent. Includes areas of shrubs and bushes where no trees are present.
2. Includes areas with trees that will not reach a height of at least 5 meters and with a canopy cover of 10 percent or more, e.g. some alpine tree vegetation types, arid zone mangroves, etc.
3. Includes areas with bamboo and palms provided that land use, height and canopy cover criteria are met.

Table 2. Key elements of legal definitions of Forests in ENPI-FLEG II countries

COUNTRY	KEY ELEMENTS OF THE LEGAL DEFINITION OF “FORESTS”	LEGAL DOCUMENT
<i>Armenia</i>	Dominance of tree and shrub vegetation at areas of at least 0.1 ha, minimum width of 10 m and tree canopy cover of at least 30%, including forestless areas of formerly forest-covered forest lands.	Forest code
<i>Azerbaijan</i>	Interconnected and mutually influencing lands, water, trees, bushes, grasses, animals and microorganisms and other elements. Not included in the forest fund are: trees, shrubs, shelter belts at agricultural lands, and of transportation and water infrastructure, as well as within urban areas and on household plots.	Forest code
<i>Belarus</i>	Defined by shrub and tree vegetation and other elements forming a forest biocoenosis; and by its multiple use functions.	Forest code
<i>Georgia</i>	Forest - a part of geographical landscape, comprising trees attributed to forest by Georgian legislation, land under these trees, as well as shrubs, grass, animals, and other components biologically linked in the process of their development, affecting each other and the environment.	Forest code
<i>Moldova</i>	Defined as landscape element and functional unit of the biosphere consisting of forest vegetation (dominance of shrubs and trees) and other elements, minimum area size covered by forest vegetation is 0.25 ha. Not included in the forest fund are: shelter belts and parks, but their management is nevertheless regulated by the Forest Code.	Forest code
<i>Russia</i>	Forest is understood as ecological system or as natural resource.	Forest code of the RF
<i>Ukraine</i>	Forest is defined as natural complex, dominated by tree and shrub vegetation, together with its soils and other interrelated natural components. Minimum area size 0.1 ha, including shelter belts. All forests belong to the Forest Fund and are protected by the state, independent of the lands they are growing on, their allocated purpose and ownership.	Forest code

The comparison of the definitions of “forest” in the legislation of the countries shows differences to the FAO definition as well as between the countries. These differences have been considered in a flexible way in the determination of the scope of the Regional Study and the Case Studies as well as in the assessment and analysis of governance. For instance, in the Case Study area in Azerbaijan forests had been designated as pasture with “tree and shrub vegetation” and in one Case Study area in Georgia (municipality of Tbilisi) as “recreational zone” or “green plantation”.

The FRA (FAO 2015) do not define the terms “forest lands” or “lands of the forest fund”, but these terms are commonly used as designation of land or category of land-use in the ENPI-FLEG II countries and other post-soviet countries. Usually the national legislation defines these “forest lands” as:

Lands with or without forest cover which are used for the purposes of forestry and/or are under the tenure (ownership or permanent land-use) by forestry organizations (forest agencies or forestry enterprises).

These lands, in addition to forests and temporary not tree-covered forest areas (logging areas, young growth), can include e.g. forest roads, forest nurseries, areas used for the administrative and technical functions of forestry enterprises, lands under tenure of forestry enterprises used as

pasture, haymaking and arable lands as well as not tree-covered areas like rocks, waterbodies and openings in the forests. Forest lands without actual forest cover are sometimes leased out to individual farmers and agricultural enterprises.

While forest lands can include lands temporarily or permanently without tree cover, there can as well be lands, the vegetation cover of which qualifies as forest, that are not considered as forest lands. Some ENPI-FLEG II countries provide legal options to formally exclude certain areas covered by trees and shrubs from the land designation of forests even if the technical thresholds of the definition of “forest” are met. Depending on the national legislation, forest agencies may or may not have some authority over such lands and the forest vegetation covering them.

Table 3. Key elements of legal definitions of Forest Lands in ENPI-FLEG II countries

COUNTRY	KEY ELEMENTS OF THE LEGAL DEFINITION OF “FOREST FUND” AND/OR “FOREST LANDS”	LEGAL DOCUMENT
<i>Armenia</i>	Lands with forest cover, lands assigned or planned for the conservation of fauna and flora, nature conservation, as well as land not covered by forests, but assigned or planned for the needs of forestry.	Forest code
<i>Azerbaijan</i>	The forest fund (including forests and lands without forest cover) is determined by the delimitation of the forest fund lands.	Forest code
<i>Belarus</i>	The forest fund (including forests and forest lands without forest cover and non-forest land) is determined by the delimitation of the forest fund lands.	Forest code
<i>Georgia</i>	No general definition is provided, only reference in the definition: “State Forest Fund – integrity of State Forests of Georgia, as well as lands and resources attributed to these forests”.	Forest code
<i>Moldova</i>	Forests, lands allocated for forestry as well as unproductive lands covered by the Forest Inventory or included in the Land Cadastre as forest form the forest fund independent of ownership and management.	Forest code
<i>Russia</i>	Forest can exist on lands of the Forest Fund and on lands of other categories. Borders are defined in accordance to the legislation on land-use, forests and urban planning.	Forest code of the RF
<i>Ukraine</i>	Forest lands include lands with forest plots as well as land not covered by forests, but assigned and used for the needs of forestry. Land plots are assigned to forest lands in accordance to the legislation on land-use. Forest plots are areas with defined borders, allocated for forestry without alienation from the land-user or landowner.	Forest Code

2.1.4 Local Forests

No generally accepted definition exists for the term “local forests”. The ToR for this Study state that “The majority of the participating countries recognizes and includes definitions such as “Forests of Local Importance” within their national forest legislation. Despite the fact that forests in the participating countries are under state ownership, local forest is being managed by different levels (of decentralization) and types of institutions.” The review of the national legislation of the ENPI-FLEG II countries showed that the term and understanding “forests of local importance” exists only in the legislation of Georgia and is poorly defined even there.

In countries where no special definition of “forests of local importance” is in place, at least some involvement in various forest management aspects of local public bodies, such as the councils and administrations at the levels of sub-district (“community”, “commune” or “municipality”) and villages, and of local legal entities, households or individuals are considered in policies, laws and regulations.

Proposed definition:

“Local forests” are forests, which are located in close distance to rural and urban settlements and are of special importance for the wellbeing of the respective local people in terms of provision of forest resources and ecosystem services.

Explanatory notes

1. “Local forests” may typically include forests which in the Soviet past were in the possession of or managed by agricultural units, such as *kolkhoz* or *sovkhos* (совхоз).
2. Forests formerly belonging to such agricultural units might have been privatized, handed over to rural administrative units, other subnational level administration or to forestry enterprises managing state owned forests (*leskhoz*es).
3. “Local Forests” may as well include forests that have been in the past or are currently in the possession of state forestry enterprises, have been managed either by these forestry enterprises or by other users, and are currently used by local people, living in the vicinity of these forests, for provision of forest resources and/or ecosystem services.
4. In some countries the administrative boundaries of the sub-districts do not include all lands and substantial forest areas can be located outside the boundaries of the communes, e.g. in Armenia. There, according to official cadastral data, around 33% of the areas of the land designation category “forest lands” are located inside of administrative boundaries of sub-districts (communes). However, the applied classification by the Land Code includes both, areas with and without tree cover. (Gevorgyan, 2009)

The findings gathered during the course of the elaboration of this Study showed that while in most Case Study areas forests that were formerly in the possession of agricultural units, such as *kolkhoz* or *sovkhos*, form the majority of “local forests” but that a broader and flexible understanding of the term is necessary. An unequivocal and generally applicable definition, however, could not be applied and in the practice the Consultant and the interviewed stakeholders were not always able to draw a clear line between the governance of “local forests” and of other forests.

Table 3. Key elements of legal definitions of Local Forests in ENPI-FLEG II countries

COUNTRY	KEY ELEMENTS OF THE LEGAL DEFINITION OF “LOCAL FORESTS”	LEGAL DOCUMENT
<i>Armenia</i>	No specific definition is provided. “Local forests” can legally belong to all three categories of ownership, be managed and used by local self-administrations as well as by local households, individuals or legal entities.	Forest code
<i>Azerbaijan</i>	No definition is provided.	Forest code
<i>Belarus</i>	No definition is provided, but significant decision making competencies on all forests are assigned to the level of district administrations.	Forest code

<i>Georgia</i>	<p>“Local Forest Fund – a part of the Usable State Forest Fund legally regulated by the local governing and self-governing bodies”</p> <p>“Forest Fund of Local Significance is the Forest Fund that is transmitted to the local self-governing bodies and might be used by the local communities to meet their needs based on the order stipulated in the law.”</p>	<p>Forest code; Decree of Government of Georgia#105/2007, “On the order of the determination of the forests of local significance”</p>
<i>Moldova</i>	<p>No definition is provided. Forests can be in public ownership and be managed by the central state body <i>Moldsilva</i> or by local public administrations (municipalities) as well as in private ownership.</p>	<p>Forest code</p>
<i>Russia</i>	<p>No specific definition is provided. Forests can be on lands in the ownership of municipalities.</p>	<p>Forest code of the RF</p>
<i>Ukraine</i>	<p>No definition is provided. In communal ownership are forests not owned by the state or by private owners within the boundaries of human settlements, and as well other forests transferred to the communes.</p>	<p>Forest code</p>

2.1.5 Non-wood Forest Products (NWFP) and Non-timber Forest Products (NTFP)

The term “**Non-wood forest products**” (NWFP) includes all forest products which are not wood, i.e. timber, fuel-wood and other wood materials are excluded from this term. In contrast, the definition of the term “**Non-timber forest products**” (NTFP) would include fuel-wood as well. In the Forest Codes of the ENPI-FLEG II countries usually the term NWFP is applied in form of “ancillary forest use” (Rus.: *pobochnye lesnye polzovaniya* – побочные лесные пользования), while the term NTFP would include both NWFP as well as so called “secondary forest (wood resources)” (Rus.: *vtorostepennye lesnye resursy* – второстепенные лесные ресурсы).

2.1.6 Other terms

The assessment and analysis of governance of local forests at a regional scale will require the use of several terms which despite the common history of the ENPI-FLEG II countries are not always understood in the same way, especially if used in English. Also sometimes different terms are used in these countries for comparable units, organizations, institutions and other aspects.

The term **Community** (Rus. *obshchina* – община; *soobshchestvo* – сообщество) is generally applied to a wide variety of formal and informal institutions, including administrative territorial units of different levels. In this Study we will apply the term in cases where a group of people lives in a common location and is interacting in the use of certain resources, in particular forests and/or dependent on the ecosystem services provided by them. Thus, the term “community” can refer to the people in a neighbourhood, in a village or town or even several settlements, but does not necessarily include all people residing in this location. The term in this Study is not applied for territorial administrative units.

In the ENPI-FLEG II countries different English terms are applied to **Territorial and Administrative Levels**, their assemblies and legislative organs and their administrations. For assessment and comparative analysis in this Regional Study the Consultant attempted using the same terms for the same levels throughout all countries, where appropriate, providing additionally or interchangeably the term used in the respective country’s language.

Region – In a sub-national context this term refers to the level below the country, often called *oblast* (Rus. *oblast* – область); in the context of the Russian Federation the term will include any Subject of the Federation, i.e. *oblast*, republic, *krai* (край), etc., if not otherwise specified.

District – This term refers to the level usually below the level of the region, in Russian called *rayon* (район); in countries where no regional level exists, it can also be subordinated directly to the national level.

Sub-district, Commune and/or Municipality – These terms will be used as a generic terms for the territorial administrative units below the district, including one or several villages, formerly in rural areas often corresponding to an agricultural production unit like a *sovkhoz* or *kolkhoz* and being governed by a rural council (Rus. *selsoviet* – сельсовет); these units are also referred to as “commune” (adj. “communal”) or “municipality” (adj. “municipal”). In Georgia the district level has been replaced by the municipality, and the former sub-districts do not have own status as administrative units anymore. In Ukraine all levels below the central level can be called “communal”, including region, district and sub-district level. If not otherwise specified in this Study the term “communal” applies only to the sub-district or municipality level.

District Administration and Council – These terms will be used if reference is made to the respective administrative level. In the legislation of the ENPI-FLEG II countries different terms are applied specifically to this administrative level. This can be misleading, like the commonly used term “local administration” and similar terms, which actually refer to the district level.

Sub-district Administration and Council – Similarly to the district administration, in the legislation of the ENPI-FLEG II countries different terms are used for this level, not always understandable without specific knowledge. Sometimes terms like “local self-governance body” (Rus. *organ mestnogo samoupravleniya* – орган местного самоуправления) are used for this administrative level, which may or may not be included in the understanding of the term “state” (Rus. *gosudarstvo* – государство, *gosudarstvennyy* – государственный), and different terms like “communal” or “municipal” are applied for this level, e.g. with reference to ownership and authority.

The terms used for **Forest Management Organizations** at different levels also vary and it is difficult to define generic terms that are applicable in all ENPI-FLEG II countries and that characterise with sufficient precision the respective organizations. In some cases the distinction between “forest agencies”, i.e. organizations of rather administrative and controlling character, and “forestry enterprises”, i.e. economic units carrying out the management of forest areas, can be difficult where both types of functions are combined. When referring to specific organizations the term most appropriately describing the functions will be used together with the actual name of the organization. In the context of regional analyses the most appropriate generic term will be applied.

National Level Forest Agencies – This term will be used for any state organization that is in charge of forestry at national level. This might be an independent agency of whatever name and organizational structure, a subordinated organization under a ministry or a ministry itself. Such a “national level forest agency” can have the status of a state owned enterprise, but fulfil administrative functions of supervision, control and decision making aside with economic functions. “National level forest agencies” can have sub-units at the regional or district level. At district level sub-units of the “national level forest agencies” will be called “forestry enterprises” (see below), if they fulfil economic functions and are directly involved in the management of forests on the ground.

Forest Agencies at Sub-National Level – Where territorial administrative units at the sub-national level have ownership or delegated authority over forests, forest agencies may exist at the respective level that fulfil functions of supervision, control and decision making. In cases where they fulfil

economic functions and are directly involved in the management of forests on the ground, they might be called “forestry enterprises” (see below).

Forestry Enterprise – This term will be applied for the level of forest management organizations that are usually legal entities and were formerly called “*leskhoz*” (*лесхоз*), fulfilling economic functions and being directly involved in the management of forests on the ground.

Forestry Unit – sub-unit (Rus. *lesnichestvo* – лесничество) of a forestry enterprise (or where those do not exist – of a forestry agency) being not legally and economically independent and being usually led by a forester (Rus. *lesnichiy* – лесничий). In Georgia also called “local representation” of the National Forestry Agency and belonging to its Forestry Services in the respective region.

Forest (Inventory and) Management Planning (FMP) – Complex of activities for assessing forest conditions, harvestable wood and NWFP and defining forestry activities, usually updated every 10 years (Rus. *lesoustroystvo* – лесоустройство).

2.2 Scope of the Study

2.2.1 Scope in terms of characteristics of forests

This Study covers issues of governance of local forests in the sense of the above quoted definitions. These definitions are not identical between the countries and not entirely consistent with the FAO definition. Generally, the Consultant in the Regional Study and in the Case Studies considered all forests in the sense of the FAO definition and – where appropriate – also “other woodlands”. In countries, where the definition of “forest” includes thresholds, these have been considered during the assessment and analysis for the respective country. Differences between the countries in terms of what vegetation or land-cover qualify as forests have been taken into consideration in comparative analyses.

While the FAO definition includes artificial tree plantations, with the exception of those in agricultural production systems and agroforestry systems when crops are grown under tree cover, some of the programme countries highlight the ecosystem aspects of forests in their definitions. Artificial plantations, entirely dependent on continuous management interventions and not forming self-sustaining forest ecosystems, like tree plantations dependent on irrigation, or plantations of poplar and other cultivated or exotic species, however, in the practice of all ENPI-FLG countries are considered as forest. Such plantations can regularly be found on lands close to rural and urban settlements, may well qualify as “forests of local importance” and were consequently considered in this Study.

Similarly, the legislation and forestry practice in some countries do not consider shelterbelts or windbreaks as forests, while in other countries they do. Where tree stands but they Tree stands that qualify as forests by their characteristics, but do formally not belong to the forest fund, will be considered under this Study.

Thus the scope of this Study does include forests in accordance to the FAO definitions and to the national definitions, with a focus on forests in a stricter sense, which are functional and self-sustaining ecosystems with some extent of management intervention. Less attention is paid to purely artificial and often short living plantations of cultivated and exotic species (e.g. poplar hybrids), entirely depending on management intervention for their short- and mid-term existence (planting, irrigation), and to wind breaks on agricultural lands. The Study as well considers spontaneously growing forest vegetation on abandoned or extensively grazed agricultural lands. The

scope of this Study does not include shelterbelts protecting settlements, industrial sites, roads, railways etc., fruit tree plantations and parks in urban areas. The forests of Tbilisi municipality (Georgia), although formally designated as “green plantation”, i.e. parks, have been considered in this Study due to their fulfilment of all criteria of the FAO and national forest definitions and their designation to another land category for purely political reasons.

2.2.2 Scope in terms of status as “local forests”

The determination of the scope of this Study by distinguishing between “local forests” and other forests is difficult due to the absence of a common definition in the ENPI-FLEG II countries and in the context of the programme. “Forests of local importance” are not defined or even mentioned in the legal frameworks of most countries. The forests’ history as former property of agricultural units (*kolkhoz* and *sovkhos*) cannot exclusively determine the scope of this Study because more than twenty years have passed since the beginning of economic and political transformation. During this time changes of ownership and management rights of these forest stands took place. The historic designation as forests of former agricultural units in some cases lost its relevance for nowadays governance, while in other cases this history is still influencing governance and decision making on these forests.

The Case Studies and the regional analysis showed that formal and informal governance systems are complex and diverse. The determination of the scope of this Study by application of criteria of actual or potential future ownership or management responsibility turned out being practical only in those countries that have in some extent developed communal management and ownership of forests (Georgia, Moldova, and Ukraine). Restricting the scope of the study by predetermining a type of ownership or management arrangement qualifying “local forests” would have excluded typical situations from this Study and hindered the comparative analyses of different organizational settings between the countries.

This Study also considered forests as “local” where local rural and urban populations are dependent on the use of wood and NWFP as well as ecosystem services from these forests. The Consultant considered the findings of the ENPI-FLEG Regional Study on forest dependency of local communities for specifying the scope of the present study. However, it turned out that the forest dependency is a too vague criterion for the determination of “local forests” as distance of forests from rural settlement is not always correlated to their importance for local people (often due to access restriction) and in some cases quite remote forests provide essential goods and services.

In the course of this Study the Consultant adapted the scope: where history still influenced current governance former “*kolkhoz*” forests were considered as “local forests” (Azerbaijan (Case Study area only), Georgia, Moldova, Ukraine), where communal and other sub-national forms of forest management responsibilities or ownership exist or are legally possible (Armenia, Azerbaijan (Case Study area only), Georgia, Moldova, Ukraine) such forests were considered as “local forests”. Where both was not the case (Belarus, Russian Federation) the Consultant did not attempt to determine “local forests” but looked into forest governance from the perspective of the involvement of local people and local administrations and their needs and interests.

2.2.3 Geographic scope

The geographic scope of this Regional Study corresponds to the scope of the entire ENPI-FLEG II programme. The governance of local forests in general was analysed for all ENPI-FLEG II countries, comparing the provisions of policies and legal, regulatory and organizational frameworks with the

situation in the practice as far as information was available. This analysis and the regional comparison were based on information available from reports and publications, provided by the CPCs or obtained from stakeholders through email requests and/or personal or phone interviews.

Specific aspects have been assessed in detail in five Case Studies in Azerbaijan, Belarus, Georgia, Moldova and Ukraine. These Case Studies provided the opportunity of a more in-depth analysis and assessment of the governance of local forests in selected areas, of specific aspects of forest governance and of the application of the national or sub-national frameworks in the local practice. The Case Studies' focus was on specific local situations in selected sites, suggested by the CPC, but in the respective countries the Consultant gathered also more detailed information on their national level frameworks.

3. Methodology

3.1 Existing tools and frameworks

Currently a number of different frameworks are available for the assessment of governance of natural resources and of forests in particular (e.g. Cowling et al., 2014; Davis et al., 2013, Moore et al., 2011, PROFOR/FAO 2011, The World Bank, 2012, USAID, 2013, Williams et al., 2013). The most important frameworks reviewed for the identification of a suitable methodology are:

- “Framework for Assessing and Monitoring Forest Governance”, developed by FAO (PROFOR/FAO, 2011) and completed by “Assessing Forest Governance - A Practical Guide to Data Collection, Analysis, and Use” (Cowling et al., 2014);
- The GFI framework of the World Resources Institute, “Assessing Forest Governance. The Governance of Forests Initiative Indicator Framework” by Davis et al. (2013) with the GFI Guidance Manual (Williams et al., 2013) for the application of this indicator framework;
- The World Bank (2012) has developed a “Land Governance Assessment Framework”, which includes Forestry as a thematic module;
- USAID (2013) provided a simple set of “Guidelines for Assessing the Strengths and Weaknesses of Natural Resource Governance in Landscapes and Seascapes” that take the groups involved in governance as a starting point.

The Governance Research Agenda for FLEGT (EU FLEGT Facility, 2013) looks into how FLEGT does influence institutional, regulatory frameworks, planning and decision making, legal compliance and implementation and enforcement of laws. “Good governance” is inherently normative. In the broader context of global efforts to improve forest governance, FLEGT is expected to support such normative aims as participation, fairness, accountability, transparency, efficiency, effectiveness, equity, openness and coherence. In documenting existing governance practices and identifying elements of governance that are most effective in particular situations, research can help create an impetus for reform. This research framework builds on PROFOR/FAO (2011). FLEGT studies include the study on Forest Tenure in Asia (Dahal et al., 2011) and the Baseline Studies on Indonesia (Prasetyo et al., 2012) and the Philippines (Hin Keong et al., 2012).

IUCN since 2012 is in the process of developing its own Natural Resources Governance Framework (NRGF). This Framework will comprise a set of normative principles that are applied through a suite of diagnostic and decision support tools that are context specific. It is planned to develop indicators to assess the state of governance of natural resources in different decision contexts, and to facilitate the identification of concrete approaches and measures for gradual improvements. This process has not yet led to a draft framework and indicators that could be tried and tested in the frame of this

Study. The present assessment is expected to contribute practical experience to the development of the NRGF, in particular by providing input from a specific geographical region otherwise not yet covered.

Best Practice Guidelines on governance of protected areas have been published by IUCN (Borrini-Feyerabend, 2013) and provide frameworks for assessing and evaluating governance specifically for systems of protected areas and individual areas, including IUCN's broad principles of good governance of protected areas. While specifically developed for the protected areas context, these assessment frameworks can as well be referred to in the assessment of governance of local forests.

Further, in a number of studies different frameworks and methods have been applied for assessing the governance of forests at different scales – locally, nationally and regionally. The World Bank (2006) summarized the efforts on strengthening global forest law enforcement and governance with a focus on prevention of forest crime and on law enforcement.

3.2 Proposed Methodology

The methodology of this Study included elements of the various frameworks and has been adapted to fit to the specific context and cover the issues of special relevance in the ENPI-FLEG II countries. The Consultant applied key elements of the framework of the GFI (Davis et al., 2013) and of the PROFOR/FAO (2011) frameworks. The forestry governance indicators of The World Bank's (2012) framework cover some additionally considered issues.

The reviewed frameworks are very comprehensive, some of them consisting of about one hundred indicators or dimensions to be assessed. The full application of these frameworks or combination of them would have required more resources than available for this Regional Study. All frameworks have been developed as general toolboxes for a wide range of situations. Thus in this Study a specific and simplified framework was applied, taking into considerations the key issues faced in the governance of local forests in the ENPI-FLEG II countries. This framework was followed as much as possible in a flexible manner as information became available and specific aspects turned out being more or less relevant than tentatively expected.

3.2.1 Gathering of Information and Analysis

This Regional Study used the wealth of information available in the Programme team. The Consultant gathered this information mainly via the CPCs, who provided all relevant official documents, reports and personal knowledge. The Consultant additionally communicated directly with national consultants in those countries where national consultants had worked on governance and related topics.

As sources of information the Consultant used the available and relevant national documents as primary sources, like:

- Policy documents on topics like, e.g.:
 - forestry and other natural resource management issues;
 - biodiversity, climate change and other environmental issues;
 - political, legal and economic reforms and decentralization;
- National and, where existing, sub-national laws, and relevant bylaws regulating:
 - Forestry;
 - Land-use;

- Environmental protection, protected areas, use of natural resources like flora and fauna;
- Access to environmental information;
- Competencies of decision making bodies and administration at various levels,
- Other issues of relevance.

The consultant referred to secondary sources of information including:

- Reports prepared in the frame of ENPI-FLEG;
- Reports and publications prepared in the frame of other projects.

The Consultant visited six of the seven ENPI-FLEG II countries (except Russian Federation), conducted Case Studies (13 areas in five countries) and met with representatives of:

- Government agencies (in particular those in charge of forestry);
- Forest inventory and management planning organizations;
- Non-governmental organizations;
- Local administrations at different levels;
- Community representatives;
- Local forestry enterprises.

The Consultant interviewed stakeholders in most cases in Russian or English. Only in few cases in Moldova and Ukraine the Consultant had to rely on translation from the official language that was provided by the CPC or other participants of meetings. The stakeholder interviews followed the framework without necessarily covering all of its pillars and components entirely and with each stakeholder. Instead of schematically going through the framework, the Consultant encouraged the interview partners to explain their own perspective on the governance of local forests and to highlight those aspects they considered most relevant. The conduction of structured questionnaire assessments had not been planned because of expected methodical and logistic challenges. The Consultant as much as possible verified the quality and reliability of gathered information by cross-checking, assessing the plausibility and comparing with information from other stakeholders in the Case Study areas.

3.2.2 Framework for assessing the governance of local forests under this Study

The Consultant applied the elements of the framework to local forests. In many cases provisions for local forests are not different from those for any other forests. Wherever specific provisions on local forests are in place or the situation of local forests and their governance differs from other forests the Consultant analysed these specifics.

The following table provides a brief overview of the topics covered in the governance assessment framework applied:

Table 4. Framework for the assessment of governance of local forests

PILLAR 1: POLICY, LEGAL, INSTITUTIONAL AND REGULATORY FRAMEWORKS	PILLAR 2: PLANNING AND DECISION-MAKING PROCESSES	PILLAR 3: IMPLEMENTATION, ENFORCEMENT AND COMPLIANCE
<i>Component 1.1: Policies</i>	<i>Component 2.1: Stakeholder participation</i>	<i>Component 3.1: Capacity of forestry organizations and territorial decision making bodies and administrations</i>

<i>Component 1.2: Legal and regulatory frameworks</i>	<i>Component 2.2: Planning and decision making on conversion of land from forest to non-forest and vice versa</i>	<i>Component 3.2: Forest law enforcement</i>
<i>Component 1.3: Ownership and user right systems</i>	<i>Component 2.3: Decisions on forest inventory and management planning</i>	<i>Component 3.3 Administration of forest and land ownership and user rights</i>
<i>Component 1.4: Mandates of forestry organizations and territorial decision making bodies and administrations</i>	<i>Component 2.4: Decisions on implementation of forest management activities</i>	<i>Component 3.4 Cooperation and coordination</i>
<i>Component 1.5: Financial arrangements, economic instruments and benefit sharing</i>		<i>Component 3.5 Measures to address corruption and ensure transparency</i>

Assessment of impact of governance of local forests

Governance is largely about process; and this Study is focussed more on assessing the quality of processes rather than on measuring their impacts. The Pillars and Components however address issues that will finally contribute to the situation in the local forests and in the communities depending on those forests. The Consultant as much as possible therefore considered these impacts of governance on forest cover, forest conditions and economic benefits and services from forests.

Quality of governance (of natural resources like forests) is best assessed by its outcomes or impacts in terms of quality and sustainability of the resource and by the direct and indirect benefits the human society as a whole, and the local households get from the use of the resource as well as the way economic benefits enable the sustainable management of the local forests. Both can be difficult to measure. The quality of the resource and its sustainability can be hard to assess as benchmarks are difficult to define and setting of benchmarks can be subjective. For example one stakeholder may see the species composition of a forest in accordance to the Potential Natural Vegetation and undisturbed ecosystem dynamics as the benchmark, while others may see as a benchmark a forest, partly or entirely composed of exotic tree species, providing the optimal and most efficient economic production potential at given site conditions and market demands. Also in terms of benefits for the society, expectations between stakeholders usually differ largely and the assessment of different benefits like ecosystem functions, recreation opportunities, water regulation, NWFP and wood production etc. as well as of the access to these benefits are rarely uniformly valued. The Consultant in the [Conclusions](#) section (6.) of this Regional Study provides some findings on the impact of governance on [forest cover, forest conditions](#) and [economic and other benefits](#).

Assessment of findings by criteria of “good governance”

As “Good governance of local forests” is difficult to be defined in strict terms of its outcomes, attempts are made to evaluate its characteristics allowing for decision making processes that optimally balance different interests. IUCN has determined a set of principles of good governance (Walters, IUCN, pers. comm. by Email 24 March 2015), which the Consultant used in assessing the governance of local forests as presented in [Annex 1](#) of this Regional Study:

1. Democracy (inclusion and deliberative democracy, participation and voice, respect and trust, empowerment, meaningful and respectful dialogue, political equality);
2. Respect, Dignity and Reciprocity (respect for diverse perspectives, respect for difference,

- appreciation of others, freedom to dissent, valuing the human-nature relationship, diversity of institutional arrangements, non-interference, recognition and support for indigenous knowledge);
3. Sustainability and Valuing Nature (managing ecosystems and landscapes, valuing nature, balancing interconnectedness, promoting good conservation practice);
 4. Equality (equal opportunity and non-discrimination, level playing field);
 5. Equity (access and benefit sharing, break system traps that curtail resilience, responsive policy);
 6. Justice (access to information, transparency, participation, redress, recognition for all peoples and communities, access to justice and legal process, respect for rights of others, rule of law, respect for diversity in legal systems and values);
 7. Humility (respect and kindness, openness and tolerance, precautionary principle, recognition of limitations);
 8. Legitimacy (integrity and commitment, authority and representation, legitimacy);
 9. Vision (strategic vision, interconnectedness, coherence and contextualization);
 10. Performance (responsiveness, effectiveness and efficiency, subsidiarity, resilience, financial sustainability).

The framework of PROFOR/FAO (2011) suggests the assigning of scores for indicators on different “subcomponents” of governance. These scores would allow for the measuring of governance quality and its change over time. The Consultant carefully considered the application of scores on governance indicators in this Study. Various reasons listed in the Preliminary Study would have made the assigning of scores for indicators of governance in the context of this Study very challenging and likely misleading. Therefore the Consultant refrained from assigning scores when assessing and analysing the various elements of governance in the ENPI-FLEG II countries and in the Case Studies.

Given the difficulties associated with the assigning of scores, the Consultant evaluated the quality of governance without attempting to apply scores as quantitative measurement of indicators by its impacts on forests and benefits from these forests ([section 6](#)) and as far as possible by compliance with the above mentioned general principles of good governance ([Annex 1](#)).

3.2.3 Case Studies for assessing specific aspects in selected countries with focus on selected sites

Azerbaijan

In Azerbaijan the [Case Study](#) described the governance of the forests in the sub-district Ivanovka of Ismayilli district. This is a very special case as it represents the only collective farm (*kolkhoz*) continuously being functional since Soviet times. This collective farm as well manages the forests on its lands. In this Case Study the specifics of the governance of Ivanovka’s forests have been studied in the context of the entire district, where other local forests and their management have been integrated in the local state forest enterprise.

Belarus

The Consultant visited the state forestry enterprise managing the state forest area in Logoysk district of Minsk region and the government institutions in charge of forests at republic and region level. As in [Belarus](#) all forests are managed by state forestry enterprises under centralized management by the Ministry of Forestry and its territorial units, this case is typical for the governance of forests at local level and the interactions between the state forestry enterprises and the sub-district and district

authorities. Based on advice by the CPC explaining the homogeneity of governance of forests in the country, the Consultant refrained from assessing additionally the situation in the communes studied for the Regional Study on forest dependency.

Georgia

In [Georgia](#) since 2005 legislation stipulated the transfer of the management of forests of “local importance” into the ownership and exclusive authority of the municipalities. This legislation has so far not been implemented. A KfW funded project in 2007/2008 had supported an unsuccessful attempt to develop “communal forestry” in the municipality of Kharagauli. The municipality of Tbilisi in 2010 took over the Tskhneti Forestry Unit with 8,600 ha forests and thus became the first communal possessor of forests in a significant scale. The Tusheti Protected Landscape in Akhmeta municipality is the first communally managed protected area in Georgia, and since 2014 the administration of the protected area is in charge of about 3,700 ha of forests. Thus Akhmeta is the first rural municipality in Georgia taking over the management responsibility over substantial forest areas.

The consultant visited as Case Study areas the municipality of Tbilisi, Akhmeta municipality with Tusheti Protected Landscape, which has been model area of ENPI-FLEG, Kharagauli municipality where the unsuccessful communal forestry pilot project had taken place, the municipality Baghdati, where the Head of the municipality had expressed his interest in taking over forests of local importance, and Tianeti municipality, which represents another typical case of a rural municipality with significant forest cover.

Moldova

In [Moldova](#) former “*kolkhoz*” forests have been handed over to the local administrations and are managed as communal forests. In the frame of the Case Study the consultant visited three typical municipalities: Mereni, Milești and Boghenii-Noi. These three municipalities represent diverse conditions of forests (varying dominance of low productivity artificial plantations and productive natural forests), different quality of actual governance and accordingly a variety of views of stakeholders on future governance options.

Ukraine

In [Ukraine](#) the term “communal” is applied to all administrative territorial levels below the level of the central state. Accordingly regions are also called “commune” and forests possessed by the district or region and managed by enterprises at district or region level are referred to as “communal” forests managed by “communal” forestry enterprises. As a rule these “communal” forests are former “*kolkhoz*” forests and thus fall into the definition of “local forests” applied for this Study. For the Case Study the two “communal” forest enterprises of L’viv region (western Ukraine) and Vinnytsia region (central Ukraine) were visited. Additionally the Consultant in Transcarpathia region of western Ukraine met forest experts that provided valuable information on the history and governance of local forests in this region and beyond.

4. History of Local Forests in the ENPI-FLEG II countries

4.1 Pre-soviet Period

The history of forests belonging to local peasants and rural communities has its beginnings long ago in pre-soviet times. In the Tsarist Russia the beginnings of legislation on peasant forests origins in 1766 in the General Land Survey. Systematic management of peasant forests is connected to the land reform of 1861. In pre-revolutionary Russia 11.258 Mio ha forests were in the possession of peasants. (Торцев, 2003) Similarly in other regions, which became part of the Soviet Union, peasants owned forests either as individuals or as common property of the community. In some cases, like in the municipality of Boghenii-Noi in Moldova, this pre-soviet history impacts on the governance of local forests until nowadays (Case Study Moldova).

4.2 Soviet Period

After the revolution the forests of Russia were nationalized by the “Decree on Forests”. But already in 1923 the forests of the Soviet Union were divided into forests of “local importance” and of “general state importance”. With the collectivization of agriculture the “local forests” became the basis for the establishment of forest of agricultural cooperatives and state farms, called “*kolkhoz* and *sovkhos* forests”. With the passing of the “Order on *Kolkhoz* Forests” (Положение о колхозных лесах) in 1948 these forests became finally recognized as a separate forest category and forest covered areas were assigned to the *kolkhozes* as permanent land-use. The collective farms were recognized as users of these forests with all user rights and responsibilities. All products harvested from these forests and all incomes generated belonged to the collective farms. (Торцев, 2003)

In Moldova already in 1918-1924 in the context of the land reform all forests were nationalized. With the establishment of *kolkhozes* some of them established tree plantations, but few also got ownership of natural forests. After World War II many natural forests were handed over from the *kolkhozes* to the state forest fund. (Case Study Moldova)

In Ukraine with the establishment of Soviet power in the 1920s and in the western part of the country in 1939, most forests were nationalized and included into state forestry enterprises. However, during the collectivization as well substantial forest areas were together with arable lands and pastures incorporated into the collective farms. E.g. in 1982 in Transcarpathia, out of approximately 650,000 ha of forest lands, 140,000 ha of forests were in the possession of *kolkhozes*. (Case Study Ukraine)

The total area covered by these *kolkhoz* forests in 1962 was 39.2 Mio ha or 6-7% of the overall forest cover of the Soviet Union. Already this time the management of many *kolkhoz* forests was not satisfactory and accordingly these forests did not sufficiently fulfil their protective and productive functions. At the same time the status of these forests was subject to legal discussions. Key issue was the question if these forests are part of the state forest fund of the Soviet Union or if they form an independent forest category. It seems that although being located on lands in the permanent land-use of the collective farms, these forests were seen as part of the state forest fund and should therefore be subject to the same control by state forestry organs and other state agencies as any other forest, thus in some extent limiting the authority of the collective farms. (Заславская, 1962)

Until the 1960s and 1970s (Заславская 1962, Торцев 2003, Case Study Ukraine, Case Study

Belarus) most *kolkhozes* used the forests in their possession for the fulfilment of immediate needs without implementing a systematic silvicultural management, and these *kolkhoz* forests already in Soviet times were in worse conditions than the state forests managed by state forestry enterprises. The reason for this situation was seen in the priority of the *kolkhozes* on exploitation only and the lack of forestry capacity in the *kolkhozes*. As forest management by the collective farms increasingly became considered unsustainable, inter-farm forestry enterprises (Rus. *mezhkolkhoznyy leskhoz* – межколхозный лесхоз) were established. In 1965 in Leningrad region 161 agricultural farms possessed forests. Here the first inter-farm forestry enterprise was established in 1962 in Volkhovsk district, seven more in 1971 and one in 1974. These inter-farm forestry enterprises were united under a joint administration, the Production Association *Mezhsovkhozles*. (Торцев 2003) Similarly in other parts of the Soviet Union, namely in Ukraine, during the mid-1970s inter-farm forestry enterprises were established in some areas. These forestry enterprises were governed by a council with representatives of each agricultural farm. (Case Study Ukraine)

In Transcarpathia reportedly (Case Study Ukraine) the *kolkhozes* maintained the existing situation, i.e. the use of forests without significant investment into reforestation and silvicultural activities. The forestry enterprise did not fully function because the *kolkhozes* remained permanent land-users of the forest lands, while the forestry enterprises were only technical implementers that had to supply the needs of the *kolkhozes*. Despite at least some experts were employed by the inter-kolkhoz forestry enterprises, in most *kolkhoz* forests still until 1982 real forest management did not happen. (Case Study Ukraine)

While the management of existing forests in the possession of agricultural farms in the Soviet period was often considered unsatisfactory and not sustainable, these agricultural farms also contributed to an increase of the forest cover on their lands by establishing artificial plantations and shelterbelts. In Moldova the majority of nowadays communal forests, i.e. former *kolkhoz* forests, have their origin in such plantations, mostly of exotic black locust *Robinia pseudoacacia* (Case Study Moldova). Agricultural farms all over the Soviet Union established such plantations, often of non-native tree species (mainly black locust, poplar cultivars *Populus spec.* and pine *Pinus spec.*) and on agricultural lands of poor fertility or of relief unfavourable for agriculture. The formal status of shelterbelts on agricultural lands and their belonging to forests was subject of debate already in Soviet times. Due to their specific functions to improve the conditions for agricultural production and the land-use rights and authority of agricultural farms, these shelterbelts were largely seen as not belonging to the forest fund. (Заславская, 1962) This position is nowadays still reflected in some national legislation, e.g. in the Forest Codes of Azerbaijan and Moldova, while e.g. in Ukraine shelterbelts are explicitly included in the forests.

4.3 Post-Soviet Period

After the dissolution of the Soviet Union and the independence of its Republics the status and governance of forests formerly possessed by agricultural farms developed in different ways in each country. Frequent changes in the legislation and in the structure and naming of government and forest management authorities make it difficult to understand the full picture in every country in detail. For this reason this Study presents only the general developments and some typical situations.

In Armenia already in 1991 the Government integrated 56,000 ha of *kolkhoz* forests into the forest fund managed by the State Forestry Organization “*Hayanta*”. The already in Soviet time degraded *kolkhoz* forests have been heavily logged in the 1990s. The FMP indicate the origin of these forests as former *kolkhoz* forests, but their management does not differ from the management of other

forests. (Petrosyan, *Hayantar*, pers. comm., 2015)

In Azerbaijan at the time of the dissolution of the Soviet Union agricultural farms had permanent land-use rights over 125,000 ha of forests, i.e. roughly 10% of the current forest area. Although during Soviet times the state forestry enterprises twice a year conducted control visits on *kolkhoz* forests, these forests when Azerbaijan's gained its independence were largely heavily degraded. Between 1993 and 1998 these forests were step by step handed over to the state forestry enterprises. As the legislation in Azerbaijan defines the forest fund by the delimitation of its land-use borders, and consequently explicitly excludes "trees, shrubs, shelter belts on agricultural lands, and of transportation and water infrastructure, as well as within urban areas and on household plots", some areas with tree and shrub vegetation remained outside of the forests managed by the state forestry enterprises. (Case Study Azerbaijan)

In Belarus, after the transformation of the *kolkhozes* in 1998-1999, during the early 2000s all *kolkhoz* forests were handed over to the Ministry of Forestry and integrated into the state forest fund managed by the local state forestry enterprises. Some smaller areas with tree and shrub vegetation, in particular succession areas on abandoned agricultural lands, are still to be handed over to the state forest fund. (Case Study Belarus)

In Georgia after the transformation of the collective and state agricultural farms, the forests that had been in their possession were integrated into the central forest management. In the frame of the reform of the forest sector in the mid-2000s significant areas of forests with high economic potential have been assigned as long term concessions to commercial companies, in most cases of foreign origin. At the same time the law stipulated the transfer of the management of forests of "local importance" into the ownership and exclusive authority of the municipalities. However, the legislation was vague what forests actually belong to the category of "local importance", but the broad perception was that this category would include all former *kolkhoz* forests as well as substantial other forest areas. By September 2007 it had been planned to hand over to municipalities 850,000 ha of forests, out of which 530,000 ha were former *kolkhoz* forest. But, until nowadays the transfer of forests of "local importance" to the municipalities did not take place anywhere in Georgia with few exceptions that present special cases (Tbilisi – designated as "green plantations", Akhmeta – the forests of a protected landscape managed by the municipality). The legislation still stipulates the issue of transfer of management authority of forests of "local importance", policy makers consider this issue and municipality representatives clearly expressed their interest in the handover of authority over local forests. (Case Study Georgia)

In Moldova after independence 30,000 ha of former *kolkhoz* forests of different condition were included into the State Forest Fund, managed by *Moldsilva*. The remaining former *kolkhoz* forests, together with pastures and other commonly used areas, were handed over to the Local Public Authorities or municipalities (the *primăria*). The former *kolkhoz* forests were subject to heavy illegal use during the years of transition. After the transfer of these forests to the municipalities *Moldsilva* assisted in their protection and planting of additional new communal forests on lands managed by municipalities. Most of these forests are now officially managed by municipalities. In 2009 these communally owned forests made up a share in the forest fund of 10.7% while 82% of the forests were in state ownership and managed by State Forestry Agency *Moldsilva*; with a very small share of private ownership (and 6.4% belonging to the forest fund of the self-proclaimed region of Transnistria). Some tree covered areas on communal lands may not belong to the forest fund (e.g. shelter belts, tree and shrub vegetation on pastures) but nevertheless are supposed to be managed in accordance to the Forest Code. (Case Study Moldova)

In the Russian Federation the former *kolkhoz* forests, now called "agrarian forests" (*selskie lesa* – сельские леса), have been included into the system of the Ministry of Agriculture of the Russian

Federation (Торцев, 2003). In 2003 these forests made up 44.5 Mio ha managed under the territorial administrations of the Ministry of Agriculture of the Russian Federation in 45 Federal Subjects by more than 900 agrarian forestry enterprises, comprising of more than 22,000 forestry units. In Leningrad region only 10 agrarian forestry enterprises existed, managing almost 0.9 Mio ha of forest and employing 945 staff. The soviet-time Production Enterprise “Mezhsovkhozles” in Leningrad Region in 1992 had been restructured into the Association of Production Enterprises “Lenagropromles”. In 1998 in accordance to the Forest Code of 1997 a new administration system of agrarian forests was set up in form of the Federal State Agency Agrarian Forest Administration of Leningrad Region. (Торцев, 2003) The mandate of this organization is not described. Tortsev (Торцев, 2003) reports that in 2003 in Leningrad Region 198 agricultural farms possessed 838,900 ha of forests and produced 374,500 m³ of wood in 2002. Thus the number of forest users, area size and wood production together with the NWFP and environmental services provided by these local forests are substantial. However, in the new Forest Code of the Russian Federation (December 2006) the category of agrarian forests was not mentioned and Tortsev (Торцев, 2008) quoted the Head of the Natural Resources Committee of the State Duma, N. Komarova, that “agrarian forests ceased to exist”. Since the elaboration of the Forest Code and its adoption in 2006 debates continue about the legal status, user rights and other aspects of governance of these agrarian forests (e.g. Торцев, 2008, Forest Forum of Greenpeace Russia¹).

In Ukraine during the 1990s a unique policy on land-use and forests was virtually inexistent. The organizational structure changed several times as the *kolkhozes* were restructured and renamed. The “inter-farm forestry enterprises” since 1996 became “communal” forestry enterprises that were reporting to the district councils. In 1999 the renamed and restructured *kolkhozes* formally lost the permanent land-use rights on all lands except agricultural lands, all forests were supposed to be state owned, and the state forestry enterprises were understood as the only permanent land-users of forest lands. This transfer of former *kolkhoz* forests into the state forest fund, managed by the state forestry enterprises, was only partly realized because these enterprises were not interested in large areas of these forests, which they considered without (economic) perspective. The Ministry of Agrarian Policy and Food (*Minagripol*) established in 2001-2003 its own agency for the administration and management of the *kolkhoz* forests through own district level forestry enterprises in some areas. Former *kolkhoz* forests that have not been transferred to the state forest fund or incorporated into state protected areas are now managed as “communal” forests by forestry enterprises at region level that have either daughter enterprises or branches at district level. According to FORZA (2010) the total area of national forest land of Ukraine is 10.8 million ha (including 1.6 million ha of protected forests), the area covered by forest is 9.7 million ha, or 15.7% of the land area and the area of forest under the management of “communal bodies” is 950,000 ha (9% of the total forest area). Nowadays most “communal” forests are secondary forests of low value. In addition to forests, there are a total of 400,000 ha windbreaks in the country. Further, during the last 25 years large areas of agricultural lands were abandoned and natural succession led to the development of forests on these lands. The future of these forests is so far not determined and as long as these lands are not formally considered forest lands no effective governance of these forests is in place. (Case Study Ukraine)

The history and origin of the local forests in mainly overused and unsustainably managed forests and artificial plantations of exotic trees, which are poorly adapted to local site conditions, make it now difficult to develop stable forest ecosystems that can provide environmental services and be sustainably managed in an economically viable way. These inherent difficulties and the heritage of often unclear legal status, ownership and management authority still affect the current governance and the perspective of its development.

¹<http://forestforum.ru/viewtopic.php?f=37&t=11860>

Table 5. Overview of post-Soviet governance of agricultural and other local forests

COUNTRY	MAJOR TRENDS KOLKHOZ/SOVKHOZ FORESTS	MAJOR TRENDS OTHER LOCAL FORESTS
Armenia	Integration of most remaining <i>kolkhoz</i> forests into the forest fund managed by the State Forestry Organization “ <i>Hayantar</i> ” (1991). Already degraded at independence, further heavily logged in 1990s. Origin indicated in FMP.	New afforestation areas integrated into the forest fund managed by <i>Hayantar</i> .
Azerbaijan	Largely heavily degraded forests handed over to state forestry enterprises (1993-1995); some areas excluded from forest fund and integrated in agricultural lands.	New afforestation areas mainly artificial plantations.
Belarus	During early 2000s entirely integrated into the state forest fund managed by the local state forestry enterprises.	Some succession areas on abandoned agricultural lands still being handed over to the state forest fund.
Georgia	Integrated into the central forest management after transformation of agricultural units. Planned hand-over to municipalities (2007) did not take place.	Planned hand-over to municipalities (2007) did not take place. Exceptions: Tbilisi - “green plantations”, Akhmeta - forests of a protected landscape
Moldova	After independence partly included into the State Forest Fund, managed by <i>Moldsilva</i> . Remaining areas handed over to municipalities.	Additional afforestation with assistance by <i>Moldsilva</i> and consecutive hand over to municipalities.
Russia	Included into the system of the Ministry of Agriculture of the Russian Federation. In 1998 new administrative system with specialized federal agency established. With new Forest Code 2006 category “agrarian forest” formally no longer existent, but status remained largely unsolved.	Since new Forest Code 2006 assignment to long-term leaseholders, in the result increasingly access problems for local forest users.
Ukraine	“Inter-farm forestry enterprises” since 1996 became “communal” forestry enterprises that were reporting to the district councils. In 1999 all forests supposed to be state owned and managed by state forestry enterprises, but transfer not entirely realized. Those forests now managed by “communal” forestry enterprises at region or district level.	A total of 400,000 ha windbreaks, formally considered forest. Large areas of agricultural lands were abandoned and natural succession led to the development of forests on these lands, not formally considered forest and no effective governance in place.

5. Findings

5.1 Pillar 1: Policy, legal, institutional and regulatory frameworks

Component 1.1: Policies

All programme countries have adopted national policies on political, legal and economic reforms, forestry and other natural resource management as well as biodiversity, climate change and other environmental issues. The CPCs have provided the Consultant with most relevant documents and the Consultant has additionally searched for policy documents of relevance. Often policy changes are not expressed in form of policy documents and strategies, but they are visible in the content of new legislation, in the application of legislation and even in ad-hoc decisions.

The programme countries have implemented different policies on political, legal and economic reforms. Georgia and Ukraine have undergone rapid, frequently changing directions and sometimes contradicting reforms. Also in the Russian Federation and Moldova reforms took place, in particular aimed at the introduction of market principles in so far government dominated sectors like forestry. Policies on reforms in Armenia, Azerbaijan and in particular in Belarus have prioritized stability, the maintenance of a substantial role of the state in the economy as well as centralized systems of public administration and a careful transition towards a market economy. In all programme countries policies on reforming the government and public administration have been aimed at separating policy making from implementing functions and a division of the responsible departments and organizations in the sectors of natural resources management and forestry. The implementation of reform policies in some countries, e.g. Georgia, Ukraine and Russia, has led to frequent legal and institutional changes, which affected the governance of forests.

Decentralization can be a factor positively contributing to good governance, because it can improve the participation of those people living close and being dependent on a resource like local forests. In the Soviet Union, although formally a being a federal system with councils of representatives at different levels from the Union down to the village, the political, administrative and economic systems had been very centralized. Decisions were made at the central level and executed locally. With independence and transformation in all programme countries decentralization in some extent took place.

The institutional structure of public administrations and the division of authority between the different administrative levels has remained more or less stable in Armenia, Azerbaijan and Belarus where the administrative territorial levels, their decision making authorities and the nomination of heads of administrations as well as the centralized management in certain sectors through territorial divisions of central level ministries and state agencies remained largely unchanged since independence. The political developments in Moldova are oriented towards institutional reforms at all levels of the public administration. One element of these reforms is the development of the municipalities as self-governance bodies of the communes, with certain autonomy and own decision making structures. In the Russian Federation devolution of authority to the Federal Subjects has taken place in the 1990s, but substantial decision making authority remained at federal level and was in some cases even transferred back from the Federal Subjects to the federal level.

Some programme countries have adopted National Environmental Action Programs (NEAP) and all have Biodiversity Strategies and Action Plans (NBSAP)². Forest sector policies exist in varying extent from virtual absence in Ukraine via narrow technical afforestation programs like in Azerbaijan

²<https://www.cbd.int/nbsap/search/default.shtml>

and framework policy documents like in Georgia to elaborated and comprehensive policies and state programs like in the Russian Federation.

The ENPI-FLEG II countries differ much in terms of existence and being up-to-date of their policies on forests and forestry as well as the compliance of the forestry practice with these policies. In Armenia, Azerbaijan, Moldova and Ukraine the respective government adopted key policy documents more than ten years ago. In Azerbaijan the policy document is of mainly technical character focussing on expansion of the forest cover, while a broader forestry policy document so far has not been adopted. In Belarus, Georgia and Russia the governments or parliaments more recently adopted new or updated forestry policy documents.

The forestry policies of the countries barely consider local forests. The National Forest Concept of Georgia explicitly refers to local forests and to communities as forest owners and managers, but remains vague, especially if considering the existing legal provisions on “forests of local importance” and in comparison to more elaborated policy objectives on the state forestry management. The forestry policy documents of the Russian Federation recognize access of the rural population to forests and forest products and the special interests of local communities and indigenous people.

In the practice of some programme countries the implemented policy, as visible in legislation, institutions and forestry practice, can substantially deviate from the adopted policy, especially where concerning local forests and the involvement of local communities and subnational territorial administrative units in forestry. For instance, in Armenia community forestry programs are officially stated in the policy, while *Hayantar* in the practice does not see potential in the active involvement of local communities in form of joint or community forest management. In contrast, in Moldova the officially adopted policy was oriented towards central level forest management, while the policy applied recognizes the important potentials of communal forest ownership and supports its development. Similarly in Ukraine, the role of “communal” forestry enterprises is de-facto recognized by the political decision makers. In Russia the policy provisions on access of local people and involvement of local communities and indigenous people are largely contradicted by the policy of assigning forest use and management rights based on lease to large and often non-local forestry companies.

In some countries the policy on forests shows inner contradictions. For instance in Azerbaijan and Moldova the policy of assigning all forests to the protected category contradicts the principles of sustainable forest management and creates disincentives for local people to comply with regulations and to support the expansion and reforestation of forests and their maintenance.

The following paragraphs present country specific findings on forestry policies and their implications for local forests.

Table 6. Policy documents relevant for the forest sector in ENPI-FLEG II countries

COUNTRY	BROADER POLICIES AND STRATEGIES	FOREST SECTOR POLICIES AND STRATEGIES
Armenia	National Biodiversity Strategy and Action Plan (1999) Poverty Reduction Strategy Paper (2003) National Environmental Action Programme (2008)	National Forest Policy and Strategy (2004) Illegal Logging Mitigation Action Plan (2004) National Forest Programme (2005)

<i>Azerbaijan</i>	National Environmental Action Programme (1998) National Biodiversity Strategy and Action Plan (2008)	National Programme “On restoration and expansion of forests in the Azerbaijan Republic” (Ministry of Ecology and Natural Resources, 2003) National Forest Programme (Forest Policy Statement and the Action Plan) 2015-2030
<i>Belarus</i>	National Strategy for the Sustainable Social-Economic Development of Belarus until 2030 (draft) National Biodiversity Strategy and Action Plan (2011)	State Programme for the Development of Forestry of the Republic of Belarus for the years 2011-2015
<i>Georgia</i>	National Environmental Action Programme of Georgia 2012-2016 (2012) National Biodiversity Strategy and Action Plan (2014)	National Forest Concept of Georgia, (Parliament of Georgia, 2013)
<i>Moldova</i>	National Biodiversity Strategy and Action Plan 2015-2020 (2015)	Strategy for the Sustainable Development of the Forestry Sector of Moldova (2001) National Plan for forest vegetation extension 2014-2018 (2014) (Forestry Policy Note, The World Bank, 2014)
<i>Russia</i>	National Biodiversity Strategy and Action Plan (2002)	Forest Policy of the Russian Federation (2013) Basics of the State Policy on the Sphere of Use, Conservation, Protection and Reproduction of Forests in the Russian Federation for the Period until 2030 (2013) State Programme of the Russian Federation “Development of Forestry” 2013 - 2020
<i>Ukraine</i>	National Biodiversity Strategy and Action Plan (1998) National Environmental Action Plan for 2011-2015	

Armenia

In Armenia forests are considered in national development plans and strategies (like the Poverty Reduction Strategy Paper, 2003) and “the improvement of the sphere of preservation, protection, reproduction and the use of forests of the Republic through appropriate state programs will also be one of the most important policy priorities of the RA Government” (UNFF 2014). The second NEAP (2008) of the Republic of Armenia among environmental strategy documents that have been adopted and shall be deemed as parts of the NEAP lists the National Forest Policy and Strategy of the Republic of Armenia (2004)³, the National Forest Programme of the Republic of Armenia (2005)⁴

³National Forest Policy and Strategy of the Republic of Armenia, Governmental Resolution #38/30 Sep, 2004

⁴National Forest Programme of the Republic of Armenia, Governmental Resolution #1232-N/21 July, 2005

and the Illegal Logging Mitigation Action Plan (2004)⁵. The main goal of the NFPS is to ensure sustainable management of forests and forest lands (Gevorgyan, 2009).

The National Forest Policy and Strategy (2004) and the National Forestry Programme (2005) articulated the following strategic directions of the Government of Armenia for forestry development (FAO 2012):

- i) the provision of sustainable forestry management,
- ii) the restoration of degraded forest land and expansion of forest covered areas, and
- iii) the prevention of illegal woodcutting.

The main goal of the National Forest Programme is to conserve forest ecosystems, rehabilitate degraded forest ecosystems, use forest resources in a continuous and efficient manner and ensure sustainable forest management strategy. The National Forest Programme of the Republic of Armenia has the following objectives:

- a) Plan and implement activities aimed at sustainable management of forests and forest lands in line with the National Forest Policy and Strategy;
- b) Promote the development of state, community and other types of ownership;
- c) Stimulate cooperation at national and international levels;
- d) Support the involvement of internal and external investments;
- e) Implement measures promoting sustainable forest management in compliance with international treaties.

The National Forest Programme includes measures to be implemented in short, mid and long-term time frames. (Gevorgyan, 2009; UNFF 2014)

With the energy crisis of the 1990's illegal logging driven by poverty and commercial interests became one of the key reasons of forest degradation and deforestation. The rates of illegal logging exceeded the legally harvested volumes several times. The Illegal Logging Mitigation Action Plan of the Government of Armenia, adopted 2004, included the following components (Gevorgyan, 2009):

- Increasing public awareness;
- Alleviating rural poverty;
- Community forestry programs;
- Alternative fuel supplies;
- Increasing supply of legitimate wood products;
- Restructuring forest institutions and capacity building;
- Improved monitoring and control and Forest Certification.

The quoted policy priorities and components do not show real consideration of an active role of local communities and communal institutions in sustainable forest management. According to Petrosyan (*Hayantar*, Chief Forester, pers. comm. 2015) pilot projects on community forestry that were implemented with donor support have been unsustainable and failed finally. Since 2004 a World Bank project on poverty alleviation has attempted to development community based forest management in up to 13 villages. *Hayantar* has been supportive, but the approach was not successful due to lack of community sense, insufficient forest resources for economically viable management and interest in immediately harvestable timber and fuel wood. These negative experiences have influenced the current policy, and despite being legally still possibly *Hayantar* considers the approach of community forestry and forest governance by local communal administrations or community-based organizations not feasible. The current policy thus prioritizes centralized governance and management of all forests by *Hayantar*, improved law enforcement, reforestation and forest management with external donor support and supply of fuel wood to rural households by *Hayantar*.

⁵Action Plan for Mitigating Actions to help Address the Problems Associated with Illegal Logging, Governmental Resolution #38/30 Sep, 2004

Azerbaijan

The state policy of Azerbaijan is directed toward forest conservation and sustainable forest management, which includes the efficient and rational utilization of land and forest resources. The priority strategic objectives of the country's forest sector are reforestation, increase of the forest cover, and forest conservation and protection. All forests of Azerbaijan are designated as so-called first group forests according to the Soviet classification of protection and exploitation forests and are thus not subject to logging for main use. (ENPI-FLEG 2014) This classification in the practice has led to a de-facto ban on legal harvest of wood from forests, even in the context of forest maintenance and silvicultural activities.

The "Forest Policy Statement and Action Plan" had been prepared in 2012-2013 with FAO support as a National Forest Programme for 2015-2030. This document is available only as draft⁶.

The National Programme "On restoration and expansion of forests in the Azerbaijan Republic" was adopted in 2003 by the Ministry of Ecology and Natural Resources as official policy document. This document is mainly an action programme focussed on technical aspects of expansion of the forest coverage, in a significant extent by planting non-native to the afforested sites species, sometimes depending on irrigation. Aspects of sustainable use of forests for fuel wood and timber production as well as of governance and management of forests and forestry are not subject of this document. The state policy on forests and forestry does not refer to tree and shrub vegetation outside of the state forest fund, with the exception of tree belts along highways, railways, canals and the seashore.

Belarus

Belarus has a governmental policy of sustainable use of forests underlined by respective statements by the country's President. The draft "National Strategy for the Sustainable Social-Economic Development of Belarus until 2030"⁷ contains a chapter on the development of forestry, hereby showing the recognition of this sector by the Government. In this document as objectives of forestry are highlighted: economic effectiveness, ecological responsibility and social orientation, based on the principles of balanced and sustainable use and continuity. Indicators for the achievement are the increase of the forest cover to 40.3% by 2030 (i.e. plus 1% of the country's surface area) and the increase of the possible logging volume under main use (Rus. расчетная лесосека по рубкам главного пользования) by 100% during this time, the improvement of the age structure of the forests and the increase of the share of mature and over-mature stands from 11.6% (2013) to 16% in 2030.

The acting official policy document is the "State Programme for the Development of Forestry of the Republic of Belarus for the years 2011-2015"⁸. In accordance to the Forest Code the President of Belarus determines the overall state policy in the sphere of use and conservation of the forest fund, and the government, i.e. the Council of Ministers, is in charge of its realization, while its implementation is in the responsibility of the Ministry of Forestry. The forestry policy as reflected in the legislation is based on the principles of sustainable, complex, multifunctional use of forest resources under the condition of securing the conservation of biological and landscape diversity of forests and the improvement of their ecological functions. The forestry management system is based on the state ownership of forests and on the organization of forestry by the state. Priority directions of the strategic development of the forest sector are (Красовский, Усеня, 2015):

⁶ <http://www.fao.org/forestry/39774-0e03f4576d53ec8aeeba6da1d02f63922.pdf>

⁷ http://www.belta.by/economics/view/kakoj-budet-belarus-v-2030-godu-59755-2014#_Toc402435641

⁸ Approved by the Decree of the Council of Ministers of the Republic of Belarus #1626/3 November 2010

- Improvement of the management structure of forestry with consideration of the division of forest management and productive activities (logging and processing);
- Development of the forestry service sector, in particular the development of enterprises for logging works;
- Reduction of the share of state budget funding in the overall financial turnover in forestry;
- Modernization of forestry production;
- Introduction of modern information technology in forestry;
- Increase of the productivity and biological sustainability of the forests;
- Development of the forest roads infrastructure;
- Inclusion in the economic activities of all economically interesting forest resources and multifunctional forest use;
- Renewal of the existing forestry infrastructure and equipment;
- Certification of forest management systems and production in accordance to international standards;
- Development of ecological tourism.

Neither targets for the overall weight of the forest sector in the national economy nor contributions to the wellbeing of the rural people living in the vicinity of the forests were mentioned in this summary provided by Krasovskiy and Usenya (Красовский, Усеня, 2015). A “Strategic Plan for the Development of Forestry of Belarus for the years 2015-2030” is currently elaborated in the frame of the ongoing ENPI-FLEG II Programme. As far as documented in publicly accessible sources this new strategic document is not yet adopted and published.

In his message in April 2014 the President of Belarus mentioned the planned separation of production functions from management and control functions in the forestry sector. This would have implications that will lead to changes in the structure and mandate of forestry organizations. This Presidential statement corresponds with changes already in 2010 made in the legislation on privatization of state owned objects, which now would allow for the privatization of state owned enterprises in the forestry sector. The sub-units established in some forestry enterprises for production activities might thus in the future become not only independent entities but even private companies.

Georgia

Forestry is an integral part of the National Environmental Action Programme 2012-2016⁹, establishing the “improvement of the overall condition and ecological functions of forests through development and implementation of a full-scale sustainable forest management system” as long term goal. The NEAP does not mention forests of “local importance” and any role of local communal bodies or communities.

The Government of Georgia in its Ministry of Environment and Natural Resources Protection (MENRP) has established a special unit for the development of the country’s forestry policy - the Forest Policy Service. The MENRP together with the National Forestry Agency (NFA) has prepared the National Forest Concept of Georgia¹⁰, which is the basis for the further development of the forestry policy and the ongoing revisions of the legal and regulatory frameworks.

The goal of the National Forest Concept and of the country’s policy is “... to establish a system of sustainable forest management that will ensure: improvement of the quantitative and qualitative characteristics of Georgian forests, protection of biological diversity, effective use of the economic

⁹ Approved by the Resolution of the Government of Georgia #127/24 January 2012

¹⁰ Decree of Georgian Parliament “On adoption of National Forest Concept” #1742-Is/December 26, 2013

potential of forests taking into account their ecological value, public participation in forest management related issues, and fair distribution of derived benefits. ...". The main principles listed in this concept are:

- Sustainable Management of Forests;
- Precautionary principle;
- "All forests are local";
- Separation of policy, management and supervision functions; and
- Forestry as an integral part of the sustainable development of the country." (MENRP/NFA 2014)

As one of the problems of the sector the National Forest Concept states that "forests have not been transferred to local self-governance units due to weak municipal governance". However, at the same time it recognizes that "forest management bodies (i.e. the NFA, the Consultant) cannot ensure effective management due to limited human and financial resources" and that "leasing of productive forests to the private sector for long-term use (i.e. concessions, the Consultant) has increased the pressure on other forest areas used for meeting social needs". The National Forest Concept states that the practice of management of "local forests" by local self-governance bodies does not exist, calls for a case by case identification of the best form of ownership and explicitly mentions "community ownership" (that so far does not exist), but does not get more specific. The section "6 Legislation and Institutional Governance" mentions "communities, private sector, the State etc.", but does not specify the roles of these actors. In contrast to this, the development of "new forest management bodies that will have forest management powers ..." is explained comparably in detail, and "the Georgian Government shall ensure adequate funding of those State bodies ...".

The National Forest Concept falls short to provide a clear policy direction in terms of "local forests" and the role of municipalities as forest managers and/or forest owners and does not describe the intended future role of the private sector, in particular of long term concessions. The intended development of (currently not existing) "State bodies" for local on-the-ground forest management activities indicates a priority of state ownership and management of forests, and the intention of rather limited if any transfer of forests to the municipalities.

The MENRP, despite the legal provision of transfer of forests of "local importance" to municipalities, prioritizes the rehabilitation of central state governance of forests. This impression has been confirmed by statements of the head of the Forest Policy Service of the MENRP (Amirgulashvili, MENRP, pers. comm. 2015). He explained that the development of "community forestry" is politically intended, without specifying any respective concepts. In fact, the transfer of forests to the municipalities is not fully elaborated as element of the forestry policy. However, the draft new Forest Code is said to provide specific regulations for communal forestry and requirements for the transfer of forests into communal management and possibly later into communal ownership. The transfer of productive forests to the municipalities is not intended, thus hampering future self-financing of communal forestry. Nevertheless, there exist high expectations towards communal bodies in terms of capacity development and self-financing abilities, but without clear concepts how to achieve these. In remarkable contrast to the vague conceptual ideas on communal forestry are the much more elaborated and comparably clear concepts on the planned state funding for forestry by state forest management bodies and their capacity development. The state forestry administration, planned as an independent economic entity, would only be in charge of own areas, i.e. of state forest in the narrow sense, and implement forest management. All supervisory (sovereign) functions would be held in the MENRP, for all types of forest ownership and management. The approach of commercial forestry concessions was considered not successful by the MENRP and will be phased out. Private forest ownership is thinkable for forests established through natural succession or afforestation of lands without forest cover. No privatization of existing forest is envisaged.

Moldova

The national policy on forests was formulated in the Strategy for Sustainable Development of the Forest Sector of the Republic of Moldova till 2020 (Parliament Decision #350/2001). This policy document has not been updated since then and accordingly does not reflect the newer developments. This strategy emphasized the importance of restructuring the forestry sector and had the clear direction of handing over all communal forests to *Moldsilva*, including all newly afforested stands. In contrast, the current de-facto national forest policy is oriented on the strengthening of a system of diverse ownership of forests with a significant role of the municipalities. This policy change is realized through a number of projects already implemented or under implementation, including activities on capacity development of communal forest owners by ENPI-FLEG. Private forests cover increasing areas, but so far include only planted forests as privatization of existing forests is not allowed by the Forest Code (1996), and tree vegetation originating from natural succession on private lands is not yet recognized as private forests. The Government of Moldova has established the target of expanding the forest cover from currently 13.7% to 15% by 2020, thus effectively increasing the share of communally and privately owned forests.

The element of sustainable use of forest products and the assignment of secure user rights on these products as key incentive to establish and maintain forests is weakly developed in the current policy. The government retains the right on harvest of trees and would not assign such rights to private owners and leaseholders of state or communally owned forests. In previous and current national policies the protective and environmental functions of forests are clearly prescribed as primary forest functions. This policy is reflected in the acting Forest Code that assigns (Art. 14) all forests of the Republic of Moldova to the “first group as (forests) having exclusively an environmental protection function”. This approach is only partly reflected in other regulations of the Forest Code and in the bylaws that nevertheless allow for certain forest uses, including extractive uses. However, the “exclusive environmental protection function” is often interpreted in ways that hinder sustainable forest management, provide disincentives for reforestation and forest maintenance and perverse incentives for use of forests for not forestry related purposes (“recreational use”, i.e. construction of cottages, restaurants and similar structures on leased forest lands). The policy as expressed in the legislation is thus contradictory and does not achieve the stated objective of forest conservation for achieving environmental benefits.

Russian Federation

The Russian Federation has adopted several documents defining the policy of federal government on forests and forestry:

- Basics of the State Policy on the Sphere of Use, Conservation, Protection and Reproduction of Forests in the Russian Federation for the Period until 2030 (2013);
- Forest Policy of the Russian Federation (2013);
- State Programme of the Russian Federation “Development of Forestry 2013 – 2020”.

The “Basics of the State Policy” among other principles include:

- “Keeping forests in federal ownership while strengthening the role of private investments in the sector”; and
- “Public participation in the planning and implementation of activities in the forests”.

The “Basics of the State Policy” list the following “goals, to be achieved for the realization of the state policy in the sphere of use, conservation, protection and reproduction of forests:

- a) In the economic sphere – effective management of the forest sector and increase of the GDP

- in the forest sector based on market demand;
- b) In the environmental sphere – favourable environment for the citizens and conservation of the biosphere role of Russia’s forests;
 - c) In the social sphere – raise of the living standard of citizens connected to forest and sustainable social-economic development of forest territories.”

For the achievement of these objectives the “Basics of the State Policy” list a number of objectives or tasks to be fulfilled. These are focusing on: “the increase of the management effectiveness in the forests sector; intensification of use and reproduction of forests, domestic market development for wood and cellulose products and formation of a market for forest ecosystem services; improvement of compatibility of the Russian forest industries; increased effectiveness of fire prevention and pest control; increased productivity and improved composition by varieties of forests on lands of various designation categories; conservation of the forest’s ecological potential; scientific-technical, technological and personnel capacity development in the forest sector; development of international cooperation; and formation of conditions for the participation of citizens in the sphere of forest relations.” The document then lists mechanisms for the realization of the goals and objectives of the state policy on forests. These among many others include the following points of special relevance for the governance of local forests:

- Improvement of the system of delimitation of mandates of state organs of different levels and local self-governance bodies in the sphere of forest relations;
- Improvement of the instruments for control of the implementation by Federal Subjects of their mandates;
- Improvement of the federal control and protection of forests;
- Modernization of the forest inventory, management planning and monitoring systems;
- Development of public (voluntary) forest control;
- Development and establishment of incentivizing conditions for small and medium enterprises and farmers at the use of forests;
- Various measures for increased public participation, including of scientific and civil society organizations, in the development of legislation and in decision making on forest related issues (including the establishment of public forest councils at state organs of different levels).

While the “Basics of the State Policy” do not contain any specific provisions concerning local forests and their governance, the document explicitly mentions the development and legal fixation of mechanisms for the securing of traditional forest use by small indigenous peoples as well as by rural communities in forest areas.

According to the “Forest Policy”, local self-governance bodies and people should be involved in the management of forests, but the document does not specify which forests this should concern. The state is supposed to ensure the access of the rural population to wood and NWFP, the development of forest related income for the local population and indigenous peoples and the consideration of their interest in the development of territories. Further, the state is supposed to establish conditions that allow for “broad stakeholder participation, including civil society, in the elaboration and application of legislation and in decision making related to forests”. The document does not mention “agrarian” forests (i.e. former *kolkhoz* forests) or any other form of forests of “local importance”.

The State Programme of the Russian Federation “Development of Forestry 2013 – 2020” is a comprehensive document of 255 pages, oriented on the goal of “increased effectiveness of use, conservation, protection and reproduction of forests, securing the stable satisfaction of public needs of forest resources and functions under the condition of guaranteed conservation of the resource and ecological potential and the global functions of forests”. The objectives of the Programme focus

on the reduction of losses for the forestry sector that are caused by fires, pests and logging, on intensive and rational forest use while conserving their ecological functions and biodiversity, on balancing the loss and rehabilitation of forests and on the improvement of their productivity and quality and on the general increase of the effectiveness of forest management. The Programme does not specifically mention “agrarian” or local forests.

The assessment of the implementation of the state policy and the achievement of the stated goals and objectives is not possible in the context of this Regional Study. Various media article¹¹, however, suggest the existing of substantial gaps between the official policy and the reality on the ground. For instance, the forest fires in the Baikal region in summer 2015, destroying millions of hectares of forest¹², show that the intended improvement of fire control is by far not yet achieved.

Ukraine

Currently Ukraine does not have a formulated and officially adopted policy on the development of the forest sector. A national state policy of the forestry sector is missing that would determine the functions of different institutions and ownership types as well as issues of the intended division of management and control functions. So far reforms in the sector seem to be developed and implemented in an ad-hoc and sometimes inconsistent way.

Since independence, and in particular with the transformation and privatization of the kolkhozes, the Government of Ukraine rather preferred the central management of all forests, in contrast to the communal management of pastures as common property of villages. Until 2014 the policy was that all forests should be in the hand of a state monopolist organization. This policy was officially changed by a decree of the Cabinet of Ministers when in 2014 Yatsenyuk became the new prime minister. The State Forest Resources Agency (SFRA) still has the official position that it would better if this agency would take over all forests in the country and the currently existing “communal” forests would be integrated into the state forest fund managed by this central level agency and its state forestry enterprises. However, no indication of policy development is currently visible towards full centralization of forestry and the integration of local forests into the centrally managed state forest fund.

The decentralization policy of the government is expected to impact as well on the governance of “communal” forests and may have both positive and negative consequences (Zhyla in lit. 2016). More authority is supposed to be delegated to the basic level. In the result some of the local rural councils may expect to get the management authority on forests handed over, especially where rural communes are merged and thus larger basic level administrative territorial units are created. However, representatives of L’viv regional council interviewed by the Consultant in 2015 intent to keep the existing forest management system, managing the “communal” forests in a unified way in larger units. Similar views are likely determining the policy on “communal” forests as well in other regions of the country and so far no policy changes are visible towards communalization of local forests to the basic level of sub-districts. However, national experts (Zhyla in lit. 2016) assume that in the areas, where the “communal” forestry enterprises are owned by the district councils (Khmelnysky and Cherkasy regions) changes will happen and reorganization of districts would fragment the management system of “communal” forest territories, but it can potentially contribute to better meeting the needs of local communities.

¹¹E.g. <http://www.warandpeace.ru/ru/commentaries/view/105846/>;

¹²<http://forest.ru/articles/nemetskiy-uchenyy-frank-edom-o-posledstviyakh-pozharov-v-pribaykale/>

Component 1.2: Legal and regulatory frameworks

All program countries except of the Russian Federation have ratified the UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) and all program countries are party to the Convention on Biological Diversity (CBD). Relevant national legislation has incorporated the provision of these conventions at least in form of general recognition and framework regulations. The provisions of the Aarhus convention on access to information and participation of environmental NGOs in decision making seem not always fully implemented due to the lack of specific legal regulation in environmental and forestry legislation how these rights can be realized in the practice.

The national legal and regulatory frameworks in the programme countries are generally structured in a very similar way. Only in the Russian Federation laws can be adopted at two different levels – the Federation (federal laws) and the subjects of the Federation. The basic laws or constitutions of the countries contain very general provisions on the protection and use of natural resources and the environment, in some cases (e.g. Azerbaijan, Moldova) providing for state or public ownership on natural resources or specifically forests.

The key sector laws of all programme countries are the respective forest codes. These forest codes after independence were developed on the basis of the Forest Code of the Soviet Union and thus shared many similarities in structure and content. Over the years new national Forest Codes have been developed or the original Forest Codes at least underwent frequent changes. The Forest Codes are generally framework legislation, many regulations of which refer to specific bylaws or to other legislation.

The systems of bylaws vary between the countries in terms of the bodies adopting the bylaws and the spheres of regulation. Bylaws (statutes or regulations) define the structures, mandates and functioning of state agencies and forestry enterprises, the procedures of forest inventory and management planning, the procedures of decision making on logging and other forest management activities, on allocation of user rights, lease of forests, concessions and permits, and many other subjects. These bylaws can be enacted by presidential decrees (e.g. in Belarus), government decrees (by the cabinet of ministers), parliament decisions, or by ministerial decrees. Further, the regulative framework in all countries contains technical instructions that as rule are legal documents enacted by the respective ministry or the state agency in charge of forestry. Such technical instructions describe in detail aspects of forestry, like the forest inventory and management planning, determination of amounts and areas of timber harvest, logging operations, marking and accounting for timber, afforestation and reforestation and other forestry works. In some countries the detailed legal and regulatory frameworks may lead to overregulation and too many restrictions on the decision making by immediate forest users and forestry administrations of various levels thus actually hampering the adaptive management of forests.

Table 7. Overview about key forest legislation in ENPI-FLEG II countries

COUNTRY	FOREST CODE - YEAR OF ADOPTION	KEY RULES ON THE GOVERNANCE OF LOCAL FORESTS
Armenia	2005	<ul style="list-style-type: none"> • Opportunity of communal forest management; • Possible forest ownership by municipalities; • Possible community management of state forest.
Azerbaijan	1997	<ul style="list-style-type: none"> • Separation of forest fund and other tree and shrub vegetation; • Management of tree and shrub vegetation outside forest fund poorly regulated.

<i>Belarus</i>	2000 (new under preparation)	<ul style="list-style-type: none"> • Comprehensive uniform legislation on all forests without consideration of local forests; • Detailed bylaws and technical instructions; • Possibly limitation of adaptive management.
<i>Georgia</i>	1999 (frequent amendments, new under preparation)	<ul style="list-style-type: none"> • Forest Code vague on regulation of forests of local importance; • Legislation on local self-governance establishes communal mandate on local forests, which are insufficiently defined by bylaw; • Set of bylaws on various technical and administrative aspects; • Contradictions and inconsistencies in legislation.
<i>Moldova</i>	1996 (frequent amendments)	<ul style="list-style-type: none"> • Forest Code: categories of ownership and competencies municipalities; • Ownership of communal forests and other lands covered by tree and shrub vegetation; • Communal forests not specifically regulated in the acting Forest Code, revision in process.
<i>Russia</i>	2006 (frequent amendments)	<ul style="list-style-type: none"> • Delegation of forest use and of functions of forest protection to leaseholders and regions; • Local or “agrarian” forests not considered, applicability of Forest Code debated; • Insufficient regulation of key issues; • Barriers for local people to access forest resources; • Inconsistencies: Forest Code, bylaws, adjacent legislation, regional legislation.
<i>Ukraine</i>	2006 (several amendments)	<ul style="list-style-type: none"> • Regulation of forests of all forms of ownership, user-rights and protection status; • Regulations of “communal” ownership and assignment of forests to “communal” enterprises; • Comprehensive set of bylaws, but most not binding for “communal” forestry enterprise; • Need to complete legislation on “communal” forests.

The general environmental protection laws of the programme countries determine the legal basis for the protection of the environment as well as for natural resources use and conservation of biodiversity. In forestry these regulations are applied on aspects where the forestry legislation does not provide specific norms. The laws on the use and protection of wild growing plants also are applied in forestry only where forestry legislation does not establish specific rules concerning the use and conservation of plant species and vegetation. Laws on Protected Areas determine specific requirements for the use of forests in protected areas. Fees for the use of forest resources can be established either by specific law on fees for the use of natural resources or in bylaws.

The designation of categories of land use, the general regulation of the use of lands of different categories, procedures for changes of designations as well as the regulation of ownership, land-use rights and lease of lands are regulated in the Land Codes in all programme countries. Forest lands are defined as a distinct category. Other categories of relevance are lands of protected areas, agricultural lands, lands of water objects and lands of urban areas and settlements. Forests by the definition of the Forest Codes as well as other tree and shrub vegetation not falling under the definition of forests can be found on lands of all these categories. This situation bears the potential

of legal duplications, contradictions and gaps. Ownership and use-rights on lands and on the forests growing on them can potentially belong to different legal entities or physical persons.

Other adjacent legislation is required for the implementation of the forest sector legislation, e.g. legislation on administrative legal violations and the criminal codes, on local self-governance bodies and their competencies on forests and other resources as well as legislation regulating tender procedures for the provision of goods and services to the state or for the allocation of leases and concessions. This legislation is generally in place in all programme countries, but inconsistencies and gaps as well as regulations hindering effective governance and management of forests do exist.

Legal and regulatory frameworks in some of the programme countries specifically address forests of “local importance” and/or provide opportunities for community forestry, private forests and involvement of the local administrations and self-governance bodies and other stakeholders in decision making. In the following paragraphs specific findings of relevance for the governance of local forests in the programme countries are presented.

Armenia

The Forest Code, adopted in 2005, provides the standard set of regulations. It includes the opportunity to develop communal forest management. Forests can be owned by the municipalities and state owned forest can be handed over into management for periods up to ten years by communes without tender.

Azerbaijan

The Forest Code of the Republic of Azerbaijan was adopted in 1997 and refers to the forest fund as well as to other tree and shrub vegetation, including trees and shrubs on agricultural and other land, shelterbelts, trees and shrubs in urban areas and on private plots. Several sections and articles of the Forest Code explicitly regulate only issues of the forest fund. The regulation of these aspects in relation to tree and shrub vegetation not included in the forest fund is consequently missing. Several bylaws were adopted before the Forest Code, most bylaws immediately after the Forest Code.

The Law of Azerbaijan “On administration municipal lands” regulates the allocation to users of lands belonging to the municipalities. These can be lands with trees and shrubs not belonging to the forest fund.

Belarus

The acting Forest Code has been adopted in 2000 and was amended several times since then. The Ministry of Forestry has prepared a new draft Forest Code, which passed the first two readings in the Chamber of the Representatives of the National Assembly of Belarus.

Presidential Decrees and bylaws adopted by the Council of Ministers define most details of the use and protection of forests. The Presidential Decree #214/7 May 2007 “On several measures for the improvement of activities in the sphere of forestry” adopted a number of bylaws that in detail regulate key issues of use and protection of forests, including:

- Rules on the release of standing timber (on the roots) and its harvest in the forests of the Republic of Belarus;
- Rules for the sale of timber at the domestic market of the Republic of Belarus;

- Bylaw on the state forest protection of the Republic of Belarus and list of official persons carrying out the functions of forest protection;¹³
- Bylaw on the allocation of forest sections for lease by legal entities and (or) for forest use¹⁴;
- Rules for the designation of forests by groups and categories of protection and the change of these designations as well as the determination of specially protected forest sections¹⁵.
- Bylaws adopted by the Government of the Republic of Belarus regulating the key issues of:
 - Forest inventory and management planning, state census and cadastre of forests as well as forest monitoring;
 - Control of forest conditions, use, protection and regeneration of forests;
 - Issuing of permitting documents for forest use; and
 - Age of forests at logging.

The aforementioned legislation on forestry is completed by a number of technical instructions adopted by the Ministry of Forestry, which determine all practical aspects of the methods and technologies applied in forest management planning, forest regeneration, forest fire protection, determination and assessment of cutting areas and amounts, cutting, inspection of forest sections where forestry works are carried out.

The acting legislation is very comprehensive and provides together with the technical rules a rather narrowly determined framework for the implementation of all elements of forestry on the ground. These detailed bylaws bear the risk of overregulation and may sometimes hinder adaptive management. Further, national experts of ENPI-FLEG considered the regulations on lease of forests as contradictory and inadequate.

Georgia

The Forest Code of Georgia enacted in 1999 has been amended in 2009, 2010 (two times), 2011 (six times), and 2013. Some rules and regulations of the acting Forest Code do not fully correspond to the actually intended forest policy. A new Forest Code is under development. During the time of adoption of the acting Forest Code basically all forests of Georgia belonged to the state forest fund in the narrow sense. The Forest Code is vague about what regulations apply to the entire forest fund and what regulations concern only the state forest fund managed by the NFA. The implementation of the regulations of the Forest Code is specified in a number of bylaws. Bylaws of importance for the governance of local forests include:

- “Regulation on the order of the determination of forests of local significance”¹⁶;
- “Rules of Forest Inventory, Planning and Monitoring”¹⁷;
- “On development and approval of forest use plan”¹⁸;
- “On approval of regulations on the rules and terms of issuing licenses (i.e. concessions, the Consultant) for use of forest”¹⁹;
- “On establishing boundaries of state forest fund”²⁰;
- “On general care and reforestation”²¹;

¹³All adopted by Presidential Decree #214/7 May 2007 “On several measures for the improvement of activities in the sphere of forestry”

¹⁴Presidential Decree from #444/9 September 2009

¹⁵Presidential Decree # 364/7 July 2008

¹⁶Decree of the Government of Georgia #105/May 23, 2007

¹⁷Decree of the Government of Georgia #179/2013

¹⁸Order of the Minister of Energy and Natural Resources #277/August 27, 2012

¹⁹Government Decree #132/August 11, 2005

²⁰Government Decree #240/August 13, 2010

²¹Government Decree #241/August 13; 2010

- “On approval of rules of forest use”²²;
- “On the exclusion and inclusion of certain plots of the State Forest Fund”²³.

Bylaws were subject to frequent changes and for instance the Government Decree “On approval of regulations on the rules and terms of issuing licenses for use of forest” #132/2005 (on the assignment of long-term forest concessions) has been changed sixty times until 2012 and the Government Decree #242/2010 “On approval of the rules of forest use” 27 times. These changes have not always removed contradictions in the legislation but some have even added inconsistency and have caused instability of the regulatory framework.

The Code of Georgia on Local Self-Government (2014) regulates the mandate and rights of local self-governance bodies on natural resources, including forests, within the boundaries of the respective administrative territorial units.

Moldova

The acting Forest Code²⁴ defines the forest fund and the categories of ownership as well as competencies of local public administration authorities. Local public administration authorities own communal forests as well as lands covered by tree and shrub vegetation but not considered being part of the forest fund. Communal forests are not specifically regulated in the acting Forest Code, but the new edition that is currently under preparation by *Moldsilva* in cooperation with ENPI FLEG will contain own sections (Chapters) dedicated to private and communal forests and the specifics of their management.

The Land Code (1991, amended several times since then, last in 2013) mentions the use of forest lands for agricultural land-use and the expropriation of forest lands.

Russia

The forest legislation of the Russian Federation has been substantially changed with the adoption of the new Forest Code²⁵, which came into force at January 1, 2007. This Forest Code stipulates forest use and management by private leaseholders and delegates substantial functions from the federal level to the regions and also to the private sector. For instance, forest protection, including forest fire prevention and control, became a task of private leaseholders and, outside of leased forests, of the regions.

The Forest Code immediately after its adoption became subject to substantial criticism by experts and by NGOs, among them those that had been involved in its elaboration, but the majority of whose suggestions had been rejected by the lawmakers²⁶. Between 2008 and July 2014 the Forest Code was amended 24 times, in some months up to three times. According to Shvarts and other experts (Шварц et al., 2010) these changes were made unsystematic and did not address the key problems of the legislation. A quick check by the Consultant showed that the changes suggested by WWF and other NGOs already in 2009²⁷ are still not included in the acting version (last changes July 2014). Other problems are caused by inconsistencies between the Forest Code and adjacent

²² Government Decree # 242/August 20, 2010

²³ Government Decree #96, May 10, 2007

²⁴ #887/1996, amended several times

²⁵ Лесной кодекс Российской Федерации от 4 декабря 2006 г. N 200-ФЗ,

<http://ivo.garant.ru/document?id=12050845&sub=0>

²⁶ www.wwf.ru/data/forests/ye_popravki_k_lesnomu_kodeksu_9_oktybry_2009.doc

²⁷ www.wwf.ru/data/forests/ye_popravki_k_lesnomu_kodeksu_9_oktybry_2009.doc

legislation, legislation of the Subjects of the Federation and the system of federal and regional bylaws.

In the acting Forest Code the spheres covered by the forest legislation are poorly defined and a clear definition of forests is lacking. This leads to uncertainties about the applicability of the Forest Code and related regional laws and bylaws. The Forest Code mentions as key principle the participation of citizens and civil society organization in the preparation of decisions potentially impacting on forests, but lacks any specific regulation how this principle is to be implemented. The Forest Code poorly regulates selective cuttings, clear cuts in protection forests and the construction of buildings in the frame of so called recreational use of forests thus risking the destruction of valuable forests. These risks are exacerbated by the lack of mandatory environmental assessment of projects related to the use of forests and the forest fund.

The abolition of the federal state forest protection and the delegation of its functions to the regions and to private leaseholders or concessionaires seriously hinder the prevention, control and liquidation of large scale forest fires as in European Russia in summer 2010 and in the Baikal region in summer 2015. For this reason also an increase in illegal logging is feared by experts (Шварц et al., 2010), especially as the Forest Code does not contain a definition of “illegal logging” and does not stipulate any measures to combat illegal logging.

The Forest Code and its implementation gives preference to the use and management of forests by large companies, while establishing serious barriers to the access to forest resources for local people and small and medium enterprises. This is expected to increase the problem of illegal logging outside of the areas leased by large companies (Шварц et al., 2010).

The legislation of the Russian Federation since 2007 does not any longer include any understanding of “local forests” or “agrarian forests”. While the Forest Code states that forests can be located at lands of the forest fund as well as lands of other categories it formally applies only to forests on forest fund lands, on protected areas lands, on lands of defence and security as well as urban forests. Thus the Forest Code does not apply to a substantial part of the forests and shelterbelts, in the first place those located on lands of agricultural designation (Шварц et al., 2010)²⁸. Most “agrarian” forests, i.e. former *kolkhoz* forests, are located on such lands. There is a gap in the legislation provided by the Forest Code and by the acting bylaws on forestry, which however seems not to be recognized by the Federal Forestry Agency (Anonymous 2013²⁹).

Subjects of the Russian Federation adopt their own legislation in accordance to the Forest Code of the Russian Federation on specific aspects of forest management in their competency. For instance the Irkutsk Region has its own laws “On the order of the harvest and collection by citizens of non-wood forest products for own needs”, “On the order of collection of food forest resources and harvest of medicinal plants by citizens for own needs” and “On the order and norms of harvest by citizens of wood for own needs in the Irkutsk Region” and the Republic of Komi has its law “On the Regulation of forest relations”, defining the mandates of state organs of the Republic of Komi in the sphere of forest relations. Similar laws in all Subjects of the Federation specify the provisions of the Forest Code under the local conditions. These laws can vary in their provisions substantially between the regions, not necessarily following any social-economic, ecological and forestry reasoning (Пронькин, Григорьев, 2010). In particular the access of local people to essential forest products – fuel wood and timber for personal needs, has been regulated incoherently in the laws of different Federal Subjects.

²⁸ http://www.wwf.ru/data/publ_period/forest_mag25/01.pdf

²⁹ <http://forestforum.ru/viewtopic.php?f=37&t=11860>

Ukraine

The most recent law governing Ukraine's forests and their management is the Forest Code of 2006, with most recent changes in December 2014. The Land Code of Ukraine from 2001 has been amended in accordance to this Forest Code. The Forest Code regulates the management of all forests in Ukraine, including forests of all forms of ownership, user-rights and protection status. The Forest Code, beyond the regulations what forests can be in "communal" ownership and the assignment of user-rights on these forests to "communal" enterprises, does not establish substantial differences between the management and use of "communal" and state forests.

A large number of bylaws regulate the details of the implementation of the forest code. Some bylaws, like the bylaw "On the confirmation of values for the calculation of the amount of damage caused to forest"³⁰ were adopted by the government, while a number of bylaws have been adopted at the level of the SFRA. Bylaws issued by the SFRA without registration by the Ministry of Justice have only internally binding character, i.e. their application is not mandatory for "communal" forestry enterprises and the forests they manage. These bylaws are in the practice taken by "communal" forestry enterprises as guidance. Representative of "communal" forestry enterprises, of administrations and of rural councils expressed the need to improve and complete the legislation on "communal" forests (Zhyla et al. 2014).

The definition of designations of the land categories "forest lands" and "agricultural lands" by the Land Code has impact on the inclusion of natural or planted forests on agricultural lands into the forest fund and the application of regular forest management. The Land Code provides the opportunity to change the designation of lands and to transfer state owned land into "communally" owned land.

Other laws that influence forest management at local level are the law "On local self-governance in Ukraine", defining the authorities and functions of local councils and administrations without specific reference to forestry enterprises, and the "Code on administrative legal violations", defining the authorities of various officials in the context of law enforcement.

Component 1.3: Ownership and user right systems

Ownership in the context of this Study concerns the ownership of land on which the forest is located, of the forest and the user-rights related to them, and the ownership of the forestry enterprise. These objects can be owned or be under management by different subjects. In the programme countries, as elsewhere in the former Soviet Union, the concept of "ownership" is commonly not very sharply defined and its distinction from other form of possession or user rights is not always entirely clear. Forests in most countries can possibly be in state ownership and the government assigns only temporary or permanent management and user rights to, e.g., a state forestry enterprise. This can as well be the case if such user rights are assigned to a communal body. In such situations the state forestry enterprise or the communal body would formally not be the owner of the forest, but its permanent or long-term user. In contrast in some countries, e.g. in Moldova, the concept of public ownership includes state ownership and communal ownership as different ownership types. Thus the communal bodies in form of the Local Public Administrations (municipalities) are the owners of their forests.

Ownership can have limits in terms of actual rights of the owners. In the program countries forests and the lands on which they grow that are in state or communal ownership cannot be sold or otherwise privatized. In Moldova a transfer of state owned forest into communal ownership is hardly

³⁰Decree of the Cabinet of Ministers #655 from 23 July 2008

possible despite both types are public ownership. Limits of ownership rights as well consider the opportunity to transform forests into other forms of land and vice versa which are both legally restricted and require formal procedures that may involve the highest level of administration. Even the harvest of trees on privately owned lands and in forest stands established by the landowner can be substantially restricted, thus limiting the ownership rights.

Permanent land-use right is a concept inherited from the Soviet Union and still widely applied in the programme countries. Usually forests managed by state forest enterprises are under permanent land-use rights by these entities. This means these entities are formally not the owner of these lands and the forests on them, and are accordingly not allowed to sell them. All other rights and obligations can be similar to those of an owner, with certain restrictions and some decision making authority kept at higher levels in the state forest administration and/or the different levels of territorial administrations.

Temporary user rights can be assigned for several years as temporary management (e.g. in Armenia), concession (Georgia) or lease (all countries). These temporary user-rights are usually restricted in terms of allowable activities and resource use. In some countries, e.g. in Russia, the same forest area can be assigned to different users at the same time for different purposes, for instance as hunting concession and logging area. In Georgia logging for timber is in the user-rights of long-term concession and in Russia of long-term leases. Lease of forests in Moldova does not include the right to harvest trees, but is restricted to non-extractive use, i.e. erection of temporary structures for recreational use, while at the same time the leaseholder is not entitled to restrict access of others to NWFP.

Short-term use of forests can be possible without special permits or in the basis of required permits. In all programme countries access of citizens to forests outside of protected areas and the collection of NWFP like fruits and mushrooms for personal use do not require any permit and (as the case in Moldova) can sometimes even not be restricted by leaseholders. The harvest of NWFP for commercial purposes requires permits by the entity in whose possession the forest is, but individual households collecting for small-scale sale, which make up the majority of NWFP users, are in the practice usually not required to obtain such permits. The resulting open-access situation has caused concerns about overuse and degradation of certain resources in heavily frequented areas, e.g. in Belarus (Lazarava, 2014).

Access to timber is comparably restricted. In Belarus standing timber can be sold at auctions or harvested by the state forestry enterprises and then be auctioned. Some countries, in particular Armenia, Azerbaijan and Moldova, have all their forests assigned to a category that formally prohibits logging as main use and thus restricts the harvest of trees to various forms of maintenance cutting. Access of individuals, including local people, to timber and fuel wood is formally restricted. In none of the countries individuals are permitted to harvest timber for commercial use, but are forced to buy it from forestry enterprises, via auctions or otherwise on the free market. Also harvest of timber for personal needs is either very restricted (Georgia, Russia) or prohibited. Access to fuel wood is easier and in all program countries, except Moldova and Ukraine, local households can obtain permits to collect standing or lying wood as fuel wood, usually from trees or areas marked by the responsible forest rangers. Amounts of fuel wood per household can be limited and access can be restricted to local villages only (e.g. in Armenia and Georgia).

In all countries and in most areas the ownership and/or user rights on land and forest resources formally belonging to the forest fund are more or less defined. Most noticeable, unresolved issues concern the “forests of local importance” in Georgia, which should be in the ownership of the municipalities but with few exceptions still remain in the ownership of the central level state and in the possession of the National Forestry Agency. The ownership and user rights situation of tree and

shrub vegetation or forests on lands not belonging to the forest fund is in many cases less clear. Although the land owner might be recognized, e.g. a private owner or the municipality, his rights to use the trees on his land might not be well defined or even be formally restricted. This uncertainty about ownership and user rights presents disincentives to afforestation and forest development by natural succession outside of the boundaries of the forest fund and to the sustainable management of such stands and can even encourage illegal clearing.

The specific situation in terms of local forests, their ownership and user right systems are in brief explained by countries in the table below and in the following paragraphs.

Table 8. Overview about forest ownership and user-rights in ENPI-FLEG II countries

COUNTRY	COMMUNAL OWNERSHIP AND MANAGEMENT	PRIVATE OWNERSHIP AND MANAGEMENT	ACCESS TO WOOD AND NWFP FOR LOCAL PEOPLE
<i>Armenia</i>	Ownership legally possible; Management legally possible; So far only pilots on management.	Ownership and management legally possible.	Fuel wood (dead lying trees) in limited amount for collection by local people in specially determined villages; NWFP for personal use without permits, in practice also for commercial use no permit required.
<i>Azerbaijan</i>	No communal ownership or management of forests, but communal ownership of tree and shrub vegetation not belonging to the forest fund.	No private ownership and management of forests, but private management of tree and shrub vegetation not belonging to the forest fund (very restricted by permitting system for tree cutting).	Fuel wood harvest by local people based on forest cutting permits possible.
<i>Belarus</i>	No communal ownership or management.	No private ownership and management of forests; Lease by legal entities up to 15 years for NWFP use and recreational use possible; Lease for logging only for specifically eligible legal entities for shorter periods.	Fuel wood (dead trees) in limited amount for self-harvest by local people; No access to timber; NWFP for personal use (de-facto also for sale) without permits.
<i>Georgia</i>	Ownership (acc. to Code on Local Self-government); Management only (acc. to Forest Code); Management in exceptional cases only (real situation).	Private management (concessions) of large forest areas.	Fuel wood in limited amount for self-harvest by local people; Very complicated access to timber for households; NWFP for personal use without permits.

<i>Moldova</i>	Communal ownership, management can be delegated to state agency <i>Moldsilva</i> .	Private ownership only of planted forests with use restrictions on timber; Lease of forest only for recreation, not for use of trees.	No legal access to wood for harvest by local people, only delivery by forestry agency; NWFP open access without restrictions.
<i>Russia</i>	No communal ownership or management.	Private management, large areas leased by private companies.	Fuel wood and timber for personal use based on sale contracts, but locally hindered by large scale lease of accessible areas; NWFP for personal use without permits, for sale only on lease basis.
<i>Ukraine</i>	“Communal” ownership and management (at district or region level, communal level possible but not existing).	Ownership and management are legally possible, but do exist in very small scale only (officially 0.01% of the forest area).	No legal access to wood for harvest by local people, only delivery by forestry unit; NWFP open access without restrictions.

Armenia

Forests can be in state, communal and private ownership. Local self-administration bodies, i.e. municipalities, in accordance to the Forest Code have the “right of possession, use, disposal and forest management of municipal forests as well as of management of state forests given in municipal management”. State owned forests can be leased or assigned for management to forest users for up to ten years with possible renewal, in the case of municipalities without tender. Despite these legal opportunities, currently neither do communally owned nor do communally managed forests exist in Armenia. All forest areas still are exclusively state-owned, including those lands located inside administrative limits of the communes. According to official cadastral data around 33% of the land designation category “forest areas” are located inside of the administrative boundaries of communes (sub-districts). However, the definition of forest lands applied in the classification by the Land Code contains both forest covered and not forest covered areas. An open issue in this context is the status of shrub-lands that are included in the category of forest lands by the Land Code, but are not mentioned in the Forest Code. The majority of these shrub-lands (82%) are located within the boundaries of rural communes, according to cadastral data from 2007. (Gevorgyan, 2009)

In 2004 a World Bank project on poverty alleviation planned pilots on communal forest management in 13 villages, project activities started in seven villages and management was handed over in three or four villages. These communes established communal forest management organizations with project support. The pilots were not sustainable beyond the project lifetime because of lack of economic viability and missing community attitude. (Petrosyan, *Hayantar*, pers. comm. 2015)

Cutting of trees is done only by the workers of *Hayantar* and by brigades authorized by *Hayantar*. These are typically brigades, who log the trees themselves and transport logs on trucks. People are not allowed to harvest trees themselves. Surveys showed that in 2003 40% of the households collected fuelwood directly from the forest, dropping to 28% in 2010. The demand for fuelwood by households as well as restaurants and the demand in timber exceed the legal supply several times. It is likely that most demand is met by brigades who cut and extract more trees than permitted, with the explicit or implicit approval and support of persons charged with forest management. Another

mechanism is misclassification of timber logging as “sanitary cutting”. (Junge, Fripp, 2011) According to the Decree on “Providing privileges to the forest communities of RA for the use of non-industrial fallen wood as fuel-wood”³¹ households in 270 villages located directly close to forests out of in total 850 villages are allowed to collect up to 8 m³ lying dead wood for free, agreed with the local forester. (Petrosyan, *Hayantar*, pers. comm. 2015) The government and *Hayantar* expected that this regulation would not only address immediate needs of forest dependent communities, but would as well reduce the illegal logging for fuel-wood (Gevorgyan, 2009). Despite such a decree has been enacted, its implementation is poorly regulated and generated new corruption risks³². Fallen dead wood is in most areas only available in remote locations, and most households rely on logging remnants. Especially elderly people and women headed households still depend on the help of *Hayantar* or middlemen who would transport and deliver the wood for them, but they charge transportation costs or "cashback" in the form of wood. (Balyan, CPC Armenia, in lit. 2016)

Citizens have the right to access forests owned by the state and by municipalities and to collect there wild growing plants for their personal needs. In the reality even commercial users do not take permits. It is planned to annul the respective requirement in the Forest Code. (Vardanyan, pers. comm. 2015)

Azerbaijan

According to the Forest Code the forest fund belongs to the state, is its property and the lands of the forest fund are not subject to privatization. Forests are managed by local units of the central level forest administration. In contrast, tree and shrub vegetation located on not forest fund lands, being in the property of a physical or legal person, belongs to it based on property rights, but use of trees and shrubs has to be carried out by the proprietor according to requirements of the forest and other legislation. Not privatized lands with tree and shrub vegetation outside of the forest fund are in the property of the municipality and can be assigned to permanent or temporary land-users.

The acting Forest Code allows for maintenance cutting, sanitary cutting, regeneration cutting as well as other cutting if they support the improvement of the tree and shrub vegetation and the fulfilment of its functions. In the practice, however, the respective state agencies usually do not permit the cutting of trees and shrubs outside of the forest fund by the respective land-users.

In the forests of the state forestry enterprise people can obtain permits to harvest trees marked by the forest rangers as fuel wood.

The forests and other tree and shrub vegetation can be used by people for recreation, beekeeping and use of NWFP (bee-keeping, collection of fruits, and limited grazing at the edges of tree and shrub areas with not too dense stands) without the need for special permission.

Belarus

The Constitution of the Republic of Belarus determines that all forests are in the exclusive ownership of the state. But there can also be lands with tree and shrub vegetation outside of the forest fund. The Ministry of Forestry possesses 87.7% of the forest fund area; the remaining belongs to various other state entities. The state possessor of the forest fund lands assigns these for their management to legal entities carrying out forestry, in the case of the Ministry of Forestry to state forestry enterprises. Forest use is partly restricted by the designation of forests to groups and protection categories.

³¹ Adopted by Government Decision in 2011

³² <http://www.enpi-fleg.org/news/2015-fleg-roadshow-the-hotline-between-yerevan-and-your-village/>

Forests can be leased for up to 15 years, e.g. for the harvest of wild fruits. For logging operations forest can be leased only by especially listed specialized organizations, and for shorter periods. Only legal entities can lease forests for logging and for recreation. Leaseholders have to pay a leasing fee and in addition the fee for the use of the resource use, while users have to pay only the resource use fee, but no lease fee. Forest plots can be assigned at the same time to different users for different types of use.

Standing timber for final logging (main use) is partly sold through the timber stock exchange by the Open Joint Stock Company “Belarussian Universal Commodity Exchange” and the remaining standing timber is allocated to the state forestry enterprise for logging and sale as well via the above mentioned stock exchange. In the domestic timber market natural persons and legal entities can purchase logged timber, and natural persons for their personal use as well standing timber (damaged and dead trees) outside of the stock exchange. Timber harvested by private enterprises is mostly processed for the production of furniture and construction materials while most wood harvested by citizens is fuel wood. Self-harvesting of fuel wood by local people is also permitted on the basis of forest permits on plots marked by the forest ranger. The fee for the self-harvest is very low.

NWFP are used by individuals for their personal use without the need for a special permit. However, in the practice NWFP like fruits and mushrooms are often sold by these collectors and this practice is tolerated, despite the formal need for a permit in case of commercial collection of NWFP. The assignment of use rights on areas for collection of NWFP is not much developed, more areas are assigned for tourism and hunting.

Georgia

Forests can be in state, communal or private ownership. Private ownership of forests by natural persons or legal entities does not yet play a major role, and this type of ownership is of relevance only for new afforestation areas. It will become formally recognized in the new Forest Code, which is currently under preparation. Communal ownership by municipalities is usually seen as a form of state ownership. Accordingly, the Forest Code treats the “Local Forest Fund” as part of the “State Forest Fund”. However, the “Regulation on the order of the determination of forests of local significance”³³ regulates “forests of local significance” as separate from the “State Forest Fund” and interviewed stakeholders referred to municipality (i.e. communal) ownership as a form of ownership different from state ownership (Case Study Georgia). The Forest Code establishes that the Local Forest Fund is managed (but not owned, the Consultant) by the self-governance units “within the scope of the authority granted by the legislation of Georgia and the requirements envisaged by the present Code”. However, no proper legal definition is provided what forests actually belong to the “Local Forest Fund” because of circular references within the legislation³⁴, and the transfer of forests into communal ownership and management so far did not take place. The provision that forests within the boundaries of the respective self-governing unit “on the territories of the former *kolkhoz* forests and forest lands owned by Soviet Farming Administrations” and “on the lands located next to the(se) territories” are considered as forests of local importance would allow for the transfer of substantial forest areas into communal possession.

The “Code of Georgia on Local Self-Government” (2014) states that local self-government units own (i.e. not just manage, the Consultant) the forests “having local importance” on the territory of the self-governing unit and their management is in the “exclusive authorities of the self-governance unit”. The MENRP and the NFA see this exclusiveness as removing any outside control by the state

³³Government Decree #105/2007

³⁴“Regulation on the order of the determination of forests of local significance” (Government Decree #105/2007) and Forest Code 1999.

on forest management and use by the municipalities, as it happened in the case of the forests handed over to the municipality of Tbilisi.

The transfers of forests in Tusheti into the management by the local self-governance body of Akhmeta municipality occurred on the basis of the legislation on the Protected Landscape as a protected area managed by the local municipality. Since the transfer of forests in 2012 their use, which formerly was mainly illegal, occurs in accordance to clear rules³⁵, which provide very restricted use opportunities for local use and only for selective (sanitary) cuttings.

State forests under the NFA are allocated for short-term (up to one year, or seasonal) or long-term (up to 49 years, concessions) forest use. Forest use permits for short term use, for instance the harvest of fuel wood, are issued by the local representations (usually located in the municipalities) of the NFA for limited time periods and specific areas. Local people shall be given priority in receiving cutting permits for defined amounts of fuel wood per household. Local stakeholders complain that access to fuel wood is hampered by late allocation of permits and difficult accessible and remote harvest locations assigned (Case Study Georgia). Local household can apply for the allocation of standing timber at their local municipality. The municipality would forward the list of applicants to the region level administration (governor's office) for submission of the application to the NFA. The NFA decides about allocation of timber and sends the approved list of household names to the bank, where the household representative pays the fee. The local forester assigns the standing the timber and after cutting the forester has issues a special permission for transportation of the timber out of the forest. (Kavtarishvili, CPC Georgia, in lit. 2016) However, municipality representatives complained to the Consultant that local households do not have direct access to construction timber from the forests, neither for personal construction nor for fencing and vineyard poles. It is not clear if local households either do not know about the procedure or find it too complicated or, if despite the existence of the procedure, the access to timber is not approved in the practice. The lack of direct access to timber has also affected local wood processing businesses.

Grazing and haymaking on forest fund lands are considered agricultural forest use. Permits are to be issued based on forest management plans. In the reality in many areas none of the smallholders has a contract nor obtains a permit for livestock grazing in the forests.

Commercially attractive forest plots have been assigned as concessions to foreign and domestic companies based on auctions, and most are assigned to foreign (often Chinese) companies. Concessions do not entitle for full scale cutting³⁶, but concessionaires have to implement entire management plans. The municipalities do not have access to the contracts and do not know the contract terms, including rights and obligations of the concessionaires and often even the boundaries of the assigned concessions. Local people are not allowed to use the concession areas to collect as fuel wood commercially valueless dead wood and logging remnants. At the other hand concessionaires are blamed for not implementing any forest management except harvest and even for logging outside of the assigned areas. (Case Study Georgia)

Moldova

In Moldova forests can be in the ownership of the state (managed by *Moldsilva*), ownership of municipalities and in private ownership. The latter concerns only forests established by private land-users on formerly not forested lands.

Communal forests are managed separately from state (i.e. *Moldsilva*) forests, which can exist alongside communal forests within the administrative boundaries of municipalities. Despite separate

³⁵ in accordance to rules for forests of protected areas defined in the Government Decree #242/2010

³⁶ According to Government Decree #132/2005, amended 2006

ownership and management, people have access to the state forests too. *Moldsilva* has assisted in the afforestation or reforestation of some communal forest areas, which for this purpose are in temporary management by this state agency. Responsibility and full ownership are given back to the municipalities after 7 years, when the plantation is considered as established closed forest cover.

Some municipalities would like to take back former *kolkhoz* forests, which had been transferred to *Moldsilva* in the 1990s; but *Moldsilva* resists against such a transfer. The transfer of forests from the State Forest Fund (i.e. forests managed by *Moldsilva*) to the municipalities, even the exchange of forest plots of equal size for realignment boundaries to create larger sections, is considered legally not possible. However, long-term use agreements might provide opportunities to include sections of forests owned by *Moldsilva* into the management by municipalities. Also municipalities can hand over the use rights on the local forests to *Moldsilva* on the basis of collaboration agreements.

Non-wood forest products (NWFP) can be harvested by the local people without special permit for their own use and independent of lease contracts. Forest areas can be leased by individuals and legal entities. No cutting of trees is allowed for the leaseholders, only light housing (without fundament) can be erected and use of NWFP remains open access.

Russia

In the Russian Federation forest sections on lands of the forest fund are federally owned and cannot be transferred into communal ownership, while forests on other land categories can be in different ownership as defined by the land legislation. In this context forest stands on lands of the category of agricultural designation are of significance. The extent in which the regulations of the Forest Codes are to be applied to forests on such agricultural lands, to which a substantial area of former *kolkhoz* forests belongs, is not entirely clear, a problem repeatedly criticized by civil society organizations and other stakeholders (Шварц et al., 2010; Anonymous, 2013/2014³⁷).

Attempts have been made to change the land category designation of areas with “agrarian” forests from agricultural lands to forestry lands, e.g. in Yaroslavl region. These changes affected the lease contracts that had been concluded by the possessors of the agricultural lands and were challenged by them in court cases. In the result the court annulled the respective decisions and designated the land category back to agricultural lands. Some of these forests due to their status have been intensively logged, as the owners considered them not being of different status than any other agricultural crop. (Anonymous 2012³⁸) In other cases, e.g. in Rostov region, companies privatized such forests for large scale logging, leading to the alienation from their user rights of leaseholders and local people (Anonymous 2013/2014³⁹). These cases illustrate the uncertainty in terms of ownership and user rights on forests on agricultural lands that can make up a significant part of the local and in particular of the former *kolkhoz* forests in some regions.

Forests can be in permanent use, limited use of other possessors’ forest sections (servitude), lease and temporary use without payment. Agricultural land is leased to farmers for long-term period but is not privately owned. Only small plots of land around houses are owned by people.

For many indigenous people forest is the main environment and for the modern Russian population forest is the most important recreational resource. Picking mushrooms, berries, medicinal plants and hunting are not only traditional recreation but also economic necessity for many people. Especially in rural areas, more people are becoming dependent upon the natural resources collected in the forest. (ENPI-FLEG, 2014) As in the other programme countries, citizens have the right to visit

³⁷ <http://forestforum.ru/viewtopic.php?f=37&t=11860>

³⁸ <http://forestforum.ru/viewtopic.php?f=37&t=11860>

³⁹ <http://forestforum.ru/viewtopic.php?f=37&t=11860>

forests and to collect NWFP for their personal use for free and without special permit, except of species being protected by listing in the Red Book of the Russian Federation and/or the Red Books of Subjects of the Federation or being listed as narcotic drugs. These rights cannot be restricted by forest owners, possessors or users. The use of NWFP for other than personal use, i.e. also for small scale sale, requires lease contracts. Civil society organizations have criticized this regulation because the requirement of lease contracts presents a substantial barrier for local people in forest areas, where small scale collection and sale of NWFP provides the main source of income.⁴⁰ Owners of forests located on private agricultural lands have challenged the free access by people and their right to harvest for personal use (Anonymous 2013/2014⁴¹). According to ENPI-FLEG (2014) in some regions (e.g. Chelyabinsk Oblast) collecting of mushrooms and berries requires permits, in other regions use of such “minor” products does not.

Timber harvest by citizens or legal entities has to be based on lease of forests. Logging by federal state organizations can be based on permanent use rights. Only in exceptional cases for the needs of the state or municipalities cutting of trees can be based on contracts of sale of forest stands. These regulations and requirements significantly limit the opportunities of small and medium enterprises to get access to timber and negatively impact on their economic viability.⁴²

Citizens can as well get the right to harvest wood for their personal use as fuel wood or construction timber. This access is based on sale contracts, which are issued in accordance to the regulations and procedures provided by the legislation of the respective Federal Subjects. These regulations are very incoherent between the regions and do not sufficiently take into account the specifics of the local needs and of the forest resources. (Пронькин, Григорьев, 2010) The procedures for getting permits (contracts of sale) to cut fuel wood (even dead trees) and timber for personal use are time consuming and complicated, but illegal use by local people can be heavily penalized⁴³. Further, in many regions the lease by logging companies of forests close to villages affects this access right of local people. NGOs and forestry experts had suggested that local forests around villages of a size of 5 ha per inhabitant should be exempt from commercial leases in order to provide the local people with the opportunity to realize their right of use of wood for personal use.⁴⁴ So far this suggestion has not been introduced in the legislation.

Ukraine

The Land Code of Ukraine (2001) first provided for the opportunity of “communal” ownership (i.e. by sub-national territorial administrative units) of forest lands which would be permanently assigned for land use by “communal” forestry enterprises. This provision contradicted the Forest Code acting this time, which limited ownership on forests exclusively to the state. Only the new Forest Code of 2006 established the existence of state, “communal” and private forest ownership in accordance to the acting Land Code. In “communal” ownership are primarily the forests within the boundaries of settlements (towns, villages). Also forests outside of settlement boundaries can be in “communal” ownership under the condition that lands in state and communal ownership are delimited. Permanent use by “communal” forestry enterprises would only be newly assigned for forests on lands in “communal” ownership. But user-rights that have been assigned to “communal” users earlier on forests on lands in state ownership would stay in force. The issue of delimitation of lands in state and “communal” ownership, which is important for the determination of management and user rights on local forests, is discussed under component 3.3.

⁴⁰http://www.wwf.ru/data/forests/ye_popravki_k_lesnomu_kodeksu_9_oktybry_2009.doc

⁴¹<http://forestforum.ru/viewtopic.php?f=37&t=11860>

⁴²http://www.wwf.ru/data/forests/ye_popravki_k_lesnomu_kodeksu_9_oktybry_2009.doc

⁴³<http://forestforum.ru/viewtopic.php?f=36&t=16200>

⁴⁴http://www.wwf.ru/data/forests/ye_popravki_k_lesnomu_kodeksu_9_oktybry_2009.doc

A typical ownership and use right scheme of “communal” forests looks as follows:

- “Communal” forest lands and the forests growing on these are owned by the commune;
- Permanent user-rights on the “communal” forest lands are assigned (or in process of being assigned) to the region forestry enterprise;
- Management of the “communal” forests is delegated by the region forestry enterprise to district forestry enterprises or district forestry units;
- Region forestry enterprises are “communal” enterprises, owned by the region council, possibly co-owned by region councils;
- District forestry enterprises are legal entities, daughter enterprises of and owned by the region forestry enterprises, or alternatively, district forestry units are branches of region forestry enterprises.

The situation can vary between regions, e.g. in Khmelnytsky and Cherkasy regions “communal” forestry enterprises are owned by the district councils (Zhyla in lit. 2016), and this scheme of ownership is not always fully developed. In particular the ownership of lands and the permanent use-rights are not always formally certified. In some regions the Ministry for Agricultural Policy and Food either owns forestry enterprises and/or is in charge of state owned forest not belonging to the SFRA.

Forests can also be leased by natural persons and legal entities. Leaseholders have to pay annual lease fees and a one-time fee for “compensation of damage” caused by the use of the leased forest. There is no limit on the size of leased areas, but usually leaseholders would lease small areas to avoid large compensation payments. The decision making on lease requires agreement from the rural council, the region forestry enterprise and the region state forestry department. This involvement of various parties also illustrates the unclear ownership and user-rights on forests and forest lands.

All harvest of wood and timber is done by the forestry enterprises or their contractors. Other legal entities and private persons are not permitted to cut standing trees or even collect logging remnants or dead wood.

Local people have access to forests independent of the ownership type and can use NWFP for their personal needs. Military forests are also accessible for people as any other forest, except for temporary restrictions during exercises. In the practice NWFP are harvested by everybody without restrictions, where enough resources are available also for commercial purposes (sold at market). With the open access to NWFP resources no restrictions can be established in the interest of their sustainable use. Livestock grazing in forests is generally prohibited.

Component 1.4: Mandates of forestry organizations and territorial decision making bodies and administrations

At the national level the programme countries have either a forestry agency under or within a ministry (Armenia, Azerbaijan, Georgia, and Russia) or directly under the government (Moldova, Ukraine). Belarus has a specialized Ministry of Forestry. The mandates of these national level forestry agencies include the development of policies and legislation (to be adopted by the government or parliament), regulation, planning, supervision and control of forest management that can be carried out by branches of the national level forestry agency (Armenia, Georgia), by subordinated state forestry enterprises (all other programme countries), municipalities (Moldova, Georgia) and “communal” forestry enterprises (Ukraine) and/or leaseholders/concessionaires (Belarus, Georgia, Russia).

The forestry enterprises or branches of national agencies usually consist of local forestry units (Rus. *lesnichestvo* – лесничество) without the status of legal entities on their own. These forestry units are in charge of all silvicultural and harvest activities or they control their implementation by contractors, concessionaires, leaseholders and/or other forest users. The forestry enterprises have also law enforcement and forest protection mandates. The law enforcement mandate of “communal” forestry enterprises in Ukraine is limited and does not include the same competencies as are in the mandate of state forestry enterprises.

Forestry organizations at sub-national level exist in most countries with substantial mandates in Russia (Federal Subjects), Belarus and Ukraine, while in other countries fulfilling rather intermediary administrative functions. In Ukraine the region state forest administration have decision making authority and control over key aspects of forest use by “communal” forestry enterprises.

Forest inventory and management planning are in the mandate of the national level forestry agencies, which have either an internal specialized department (Armenia, Azerbaijan, Georgia) or a subordinated organization (Belarus, Moldova, Ukraine).

Ministries in charge of environmental protection have mandates related to the control of the forest sector as well as direct forest protection and law enforcement mandates in Armenia, Azerbaijan, Moldova and Ukraine. In Belarus this mandate is with the State Inspection for the Protection of Animal and Plant World under the President, which is independent of any ministry.

The mandate of district authorities in most programme countries is limited and includes participation in the development and implementation of forest related programmes and activities. Only in Belarus the district authorities have a substantial mandate that includes decision making on a number of forest related issues. In the practice there district authorities do not have sufficient technical capacity to fulfil these mandates and rely on the state forestry enterprises for preparing the necessary decisions. However, these mandates provide at least a formal basis for substantial participation of the local administrative level in decision making on local forests.

The sub-district or local level authorities have very limited mandates in all countries, except of municipalities in Georgia and Moldova owning or managing forests. Even in Ukraine the mandate of the municipalities in terms of “communal” forests is very limited. There most authority is with the region councils that are the owners of the “communal” forestry enterprises, managing these forests.

Table 9. Overview about key mandates of forestry organizations in ENPI-FLEG II countries

COUNTRY	POLICY AND LEGISLATION	REGULATION, PLANNING SUPERVISION AND CONTROL	FOREST MANAGEMENT AND USE	PROTECTION AND LAW ENFORCEMENT
Armenia	Ministry of Agriculture	<i>Hayantar</i> under the Ministry of Agriculture; State Forest Monitoring Centre under the Ministry of Agriculture; Ministry of Nature Protection (State Env. Inspection).	Local branches (forestry units) of <i>Hayantar</i> (outside PA). Bio-resources Management Agency of Ministry of Nature Protection (forests in PA).	<i>Hayantar</i> (local forestry units) Ministry of Nature Protection (State Env. Inspection).

<i>Azerbaijan</i>	Ministry of Ecology and Natural Resources.	Forestry Department of the Ministry of Ecology and Natural Resources.	State forestry enterprises under the Forestry Department.	State forestry enterprises (only forest fund); Territorial Unit for Environmental Protection and District Department for Ecology (also outside of the forest fund).
<i>Belarus</i>	Ministry of Forestry.	Ministry of Forestry; <i>BELGOSLES</i> ; Territorial branches of Ministry of Forestry.	Territorial branches of Ministry of Forestry and state forestry enterprises.	State Inspection for the Protection of Animal and Plant World under the President.
<i>Georgia</i>	Ministry of Environment and Natural Resources Protection (MENRP).	National Forestry Agency (NFA) and its regional Forestry Services; Agency of Protected Areas (APA) (forests in PA).	NFA's Local representations / forestry units; Concessionaires; APA (forests in PA); Municipalities (forests owned or managed by them).	NFA's Local representations / forestry units; Territorial administrations of APA; Environmental Supervision Department of MENRP; Local municipality (forests owned or managed by them).
<i>Moldova</i>	<i>Moldsilva</i> .	<i>Moldsilva</i> ; ICAS; State Ecological Inspection of the Ministry of Environment.	State forestry enterprises; Municipalities (forests owned or managed by them).	State Ecological Inspection of the Ministry of Environment.
<i>Russia</i>	Ministry of Natural Resources.	<i>Rosleskhoz</i> (forests on forest fund and land reserve lands) and its territorial forestry departments.	<i>Rosleskhoz</i> (forests of Moscow region); Ministries of Forestry (and analogous organizations of Federal Subjects (not leased forests); Leaseholders; Administrations of PA under MNR (federal PA).	Federal Subjects; Leaseholders; <i>Rosprirodnadzor</i> (PA only).

Ukraine	Cabinet of Ministers; Minister of Agrarian Policy and Food.	SFRA; <i>Ukrderzhlisproekt</i> ; Region state forest administrations; Ministry of Ecology and Natural Resources.	State forestry enterprises; “Communal” forestry enterprises (at district and region level).	Region state forest administrations; State forestry enterprises; State Ecological Inspection.
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The mandates related to local forests of national forest agencies and their subordinated forestry enterprises are in most cases clear and mutually supportive.

Where local forests are in communal (Moldova) or sub-national (Ukraine) ownership or management, the mandates of the national forestry agencies and their branches interfere in some extent with the mandates of the owners/managers of local forests, whose mandates in terms of decision making and/or law enforcement are limited compared to those of the state forestry agencies.

In contrast, in Georgia the Ministry of Environment and Natural Resources Protection (MENRP) and its National Forestry Agency (NFA) would have very limited if any mandate on local forests if these would be, as stipulated by the law, in the exclusive authority of the municipalities. This situation is already experienced in the city of Tbilisi where after the takeover of the forests in the city boundaries and their designation as “green plantations” or “recreational zones” the MENRP and NFA do not have any mandate anymore.

In the Russian Federation the abolition of the federal state forest protection and the transfer to the regions and leaseholders of its mandate on protection of forests against fire and illegal logging had a negative impact on the forests. After this transfer of the mandate large scale forest fires and illegal logging had a massive negative impact on some of the country’s forests. The transfer of the mandate on forest use to leaseholders has affected the access of local households and small and medium enterprises to timber, fuel wood and NWFP. With the lack of any recognition of local, “agrarian” or former *kolkhoz* forests in the acting legislation the mandate of supervision and control of their management and use is not clearly assigned.

The separation of different mandates between agencies and organizations is a common principle of administrative and economic reform, which is said to reduce the risks of mismanagement, overuse of forest resources and corruption. Such division of mandates has proven efficient in some cases. For instance, the establishment of the State Inspection under the President of Belarus has brought close to zero the previously high levels of illegal logging and poaching. This remarkable success has led to a situation where this inspection is keen to persecute any minor aberration from planned and permitted forest management activities and thus effectively hinders the adaptive management of forests and affects the motivation of forestry staff. The intended further division of mandates in Belarus’ forest sector by separating timber harvest and processing from all silvicultural activities can have unintended negative consequences due to the separation of inextricably connected elements of forestry and the removal of incentives for sustainable forest use and management. Similarly, in the other programme countries expected positive and negative effects of possibly planned further separation and allocation of mandates to different agencies and different levels need to be carefully assessed before being implemented.

So far only in Moldova the local level, i.e. the municipalities, keeps the mandates related to local forests. This would as well be the case in Georgia, if the acting legislation would be accordingly applied. With few exceptions, local forests in Georgia are neither defined nor transferred to the municipalities and the respective mandates are kept by the central level forestry agency NFA,

although being partly executed by its local offices. In particular, local stakeholders perceived as inappropriate the assignment of concessions by the central level. In Belarus mandates are divided between the central, sub-national and local level of the forestry agencies and the district authorities. While at the first glance this assignment of mandates looks rather centralized, in the practice it leads to sustainable forest management, satisfaction of the needs of local people and opportunities for local authorities to participate in decision making. In Ukraine, although “communal” forests formally exist, the mandates on these forests are with the forestry enterprises at region and district level and with the region state forest administrations thus being de-facto distant from the local level.

Armenia

The Ministry of Agriculture has the mandate of development and implementation of the state policies in the areas of preservation, protection, reproduction, and utilization of the forests. The Ministry of Agriculture is the state management body authorized by the Government in the field of guarding, protection, reproduction and use of state forests.⁴⁵ The functions of development of policies and regulations are fulfilled by the Forestry Development Division under the Ministry’s Department of Crop Production, Forestry and Plant Protection. The Ministry’s State Forest Monitoring Centre has the mandate of forest monitoring and surveying of illegal forest logging. The Ministry has delegated all regulation, planning and supervision functions to its subordinated State Non-commercial Organization “*Hayantar*”, which through its local forestry units is also in charge of all forest management on the ground. The former state forestry enterprises are since 2003⁴⁶ no longer legal entities but became regional branches of *Hayantar*. (Gevorgyan, 2009)

The function of control of forest management is vested to the Ministry of Nature Protection since 2004 and is fulfilled by the Division of Forest Control of this Ministry’s State Environmental Inspection. (Gevorgyan, 2009)

The mandate for forest inventory and management planning is according to Gevorgyan (2009) in the Forest Experimental Research Centre under the Bio-resources Management Agency of the Ministry of Nature Protection. According to national experts (pers. comm. 2014/2015) forest inventories and management plans are elaborated by *Hayantar*.

The mandate of territorial bodies of the regions (Arm. *Marz*) as defined by the Forest Code includes only participation in the development and implementation of forest related programmes and activities, but no decision making authority.

By the opinion of *Hayantar* (Petrosyan, *Hayantar*, pers. comm. 2015) the rural councils (self-governance bodies at sub-district level), despite having their own administration and account, do not fulfil the institutional requirements for taking over forest management and would need to establish a special legal entity for this purpose. This statement seems to contradict the provisions by the Forest Code that explicitly include in the competencies of local self-government bodies the “management of state forests given for community management”.

Azerbaijan

The Forestry Department of the Ministry of Ecology and Natural Resources is in charge of regulation, control and oversight of forestry in the country. Its subordinated state forestry enterprises manage the forests locally.

⁴⁵ Governmental decision #7-N/15 January 2004

⁴⁶ Government decision #388-N/16 January 2003

The state forestry enterprises do not have any mandates in regard to tree and shrub vegetation on non-forest lands. However, in case of violations, the state forestry enterprise would be involved there as well in the assessment of the damage and confiscate the illegally harvested wood products.

The District Department for Ecology is in charge of control of the protection and use of the tree and shrub vegetation outside of the forest fund, including the enforcement of the ban on felling of trees. Further, control is executed by the Territorial Units for Environmental Protection (Rus. Территориальный отдел охраны окружающей среды), sub-units of the Ministry of Ecology and Natural Resources, which are in charge of all districts of one Economic Region.

The Forest Code does not define any specific mandate of the communes, and there only general reference is made to the Constitution and other legislation.

Belarus

The Ministry of Forestry is the highest level state forestry organization. For the management of the forests in the Ministry's possession subordinated structures exist at region and district level. The organizations at region - State Production Forestry Associations (Rus. государственные производственные лесохозяйственные объединения) - and district level - state forestry enterprises (Rus. *leskhoz*es -лесхозы) - are legal entities on their own, which are in a hierarchical subordination to the republic level Ministry of Forestry.

The Ministry of Forestry establishes rules and procedures to be followed by the forest managers, advises the Government on forestry issues, plans country wide production targets and supervises its territorial (region) units in the six regions of the country.

The specific mandate of the region level of the forestry administration, the state production forestry associations, is not defined by the Forest Code, but by the respective bylaws of these organizations. The state production forestry associations are in double subordination, under the Ministry of Forestry and under the respective region administration (Rus. *oblispolkom* – облисполком). These region level forestry organizations fulfil planning, control and production functions.

The state forestry enterprises are subordinated to the respective region units of the Ministry of Forestry and at the same time to the local district administrations. State forestry enterprises have the mandate to manage the forests that are assigned to them for permanent use, and which are divided into forestry units (Rus. *lesnichestva* - лесничества). The plans of the region level forestry organizations and the FMPs set the frame for the management decisions made by the state forestry enterprises. The state forestry enterprises fulfil the role of control and oversight in relation to their forestry units and to other forest users.

The Forest Code states a number of mandates of the district councils and administrations in the sphere of forestry. In the reality the district administrations fulfil only a part of the functions assigned to them in the sphere of forestry, while the majority of these functions are fulfilled by the state forestry enterprises, which would prepare the decision that is then accordingly adopted by the district administration.

The state enterprise *BELGOSLES* is the central unit with the monopoly for forest inventory and management planning. It is subordinated to the Ministry of Forestry. *BELGOSLES* does all forest inventory and management planning in the state forests of its Ministry as well as in forests in the possession of other entities, like railway and road protection belts for the Ministry of Transportation, as well as contract work in other countries. The potential for private services for forest inventory and management planning is now studied.

The mandates of forest protection and of control of forest use and management are assigned to the Ministry of Forestry and its subordinated structures, the state production forestry associations and the state forestry enterprises. Stakeholders and experts have criticized the combination of functions of state control and forest use within one organization as potentially leading to abuse and unauthorized harvest of forest resources. The official policy is now to divide management from economic functions. Independently of the organizations in charge of forestry, a strong mandate of control of all activities of the state forestry enterprises and of any other forest users as well as the prevention and prosecution of any illegal harvest of forest products and game animals is assigned to the State Inspection for the Protection of Animal and Plant World under the President⁴⁷. Thus an independent external control and protection service is already in place. (Kriskevich, pers. comm. 2015)

Georgia

The Ministry of Environment and Natural Resources Protection (MENRP) is the state body having the mandate to develop the national forest sector policy that is then adopted by the Parliament of Georgia. The MENRP also has the mandate of supervision and control of the subordinated National Forest Agency (NFA) and the Agency for Protected Areas (APA) as well as all forest use and forest users. At the same time the MENRP assigned the forest use concessions. All control as well as permitting and use functions related to forests are combined under one umbrella.

The National Forestry Agency (NFA) was established in its current form in May 2013⁴⁸. The NFA has departments for forest maintenance and reforestation, forest inventory, forest use, finances, legal issues, administration and internal control. The NFA plans, organizes and supervises reforestation activities only in the forests managed by the NFA. The NFA regulates forest use, and through its nine regional Forestry Services and its local representations/forestry units the agency determines wood cutting areas for firewood harvest; plans forest roads and prepares the documentation and draft contracts for forest use concessions and controls the implementation of these activities.⁴⁹ Further, the NFA drafts legal regulations.

The local representations/forestry units of the NFA are in charge of the state forest fund under the NFA within the boundaries of the respective municipality, but not subordinated to the municipality bodies. Their mandate includes issuing of permits for forest use (short-term use), allocation of forest plots for fuel wood harvest, control of forest use by short-term users and concessionaires and law enforcement. The local representations/forestry units do not have any workforce for implementing forest rejuvenation, maintenance, silviculture or harvest activities.

The Agency for Protected Areas is in charge of all protected areas. Protected landscapes are to be managed by the administration established by the respective local municipality, which governs the area in cooperation with the Agency of Protected Areas (APA, 2015)^{50,51}.

The mandate of local-self-governance bodies, municipalities, legally includes the exclusive authority on management of “forest (...) resources of local importance”. This authority is so far not

⁴⁷ Presidential Decree #580/8 December 2005

⁴⁸ the Government resolution #93/25 April 2013 “On reorganization, defining the rights and responsibilities of the legal entities of public laws under the Ministry of Environment and the Ministry of Energy and Natural Resources” and Decree #25/10 May 2013 of the Minister of Environment and Natural Resources Protection “On approval of the statute of the LEPL National Forestry Agency”

⁴⁹ <http://forestry.gov.ge/en/about-us/departments/forest-use-department#sthash.WZh6AbjG.dpuf>

⁵⁰ <http://apa.gov.ge/en/protected-areas/managedReserve>

⁵¹ <http://apa.gov.ge/en/protected-areas/Protected-Landscape>

executable, as “forest resources of local importance” are neither legally defined nor has authority on defined forests been formally transferred to the municipalities on the basis of this legislation. Other relevant exclusive authorities of local self-governance bodies are management and disposal of property and land resources, budget authority, introduction of local taxes and fees within the limits envisaged by the law, collection of local fees and land-use planning.

Moldova

The Agency *Moldsilva* is the central public authority, subordinated to the Government, with the main responsibility to implement the state policy in the sectors of forestry and hunting. *Moldsilva* is in charge of issuing the regulatory framework for forestry, of the development of the state policy on forests, and of the implementation of this policy in all forests independent of their ownership type. *Moldsilva* has 25 subdivisions implementing forest management in the State Forest Fund, encompassing 16 state forest enterprises, 4 state forest and hunting enterprises, 4 natural reserves and recently established Orhei National Park. There are 80 forestry units below the level of state enterprises carrying out the practical forest management on the ground, including fire prevention and pest control. The Forest Research and Management Institute (ICAS) is also a subunit of *Moldsilva*. The competency of *Moldsilva* is in certain aspects limited to the State Forest Fund managed by them, but it has as well mandates concerning the communal forests. The elaboration of all Forest Inventories and Management Plans (FMPs) is in the responsibility of *Moldsilva*'s ICAS. Further, *Moldsilva* has the mandate of marking areas of communal forests in which cuttings are planned and determine harvest composition and amounts.

The Ministry of Environment exercises the thematic control on the activity of the forest enterprises through its State Ecological Inspection⁵². Cuts of any type and in any forest, including those in communal forests, have to be authorized and are controlled by this State Ecological Inspection.

The municipalities have the authority to decide on forestry and other natural resource management issues on the lands within the boundaries of the commune. However, this decision making authority is limited to public lands in the ownership of the municipality and does not include any authority over protected areas (PAs) and forests in state ownership that are managed by the local units of *Moldsilva*. The municipality councils have commissions on ecology, construction and agriculture that make decisions on forest management as far as these are in the communal competency. They decide about the allocation to local households of wood that is harvested from the communal forests. The management of communal forests is in the mandate of the municipality, including planting, maintenance, harvest, fire and pest control as well as allocation for lease.

Decisions about the change of the land category of agricultural lands to forest lands for the purpose of expansion of forest cover are in the competency of municipality and district councils. This concerns only lands of fertility less than 40 scores in the 100 score fertility scale, while agricultural lands with a higher fertility level can be transferred into another land category only by decree of the national government.

Russia

At the federal level of forest governance, the mandates are divided between the Ministry of Natural Resources and Environment (MNR), which has the legislative initiative, and the Federal Forestry Agency “*Rosleskhoz*” under this Ministry, headed by the deputy minister. *Rosleskhoz* is in charge of the coordination of organizational actions related to forest use, protection and renewal, including interregional cooperation; supervision over the execution by Federal Subjects of powers to govern forest delegated them; administration of payments and supervision of the use of federal budget

⁵²Gov. Decree #847/2009

subventions by Federal Subjects; provision of public services and management of public property in the area of forest relations. Forests within federal PA are under direct jurisdiction of the MNR, which is executed by the Ministry's protected area administrations. The Federal Oversight Service for Natural Resource Management (Rospirodnadzor) directly or through its territorial bodies has the mandate of official inspection and oversight of compliance with the nature conservation legislation within PAs. (ENPI-FLEG 2014) Forests on lands of the Ministry of Defence are managed by this Ministry's subcontractors and are not controlled by *Rosleskhoz*. The management of forests within the boundaries of cities and towns is in the mandate of the respective municipalities.

Federal mandates in the area of forest relations are implemented at the regional level through forestry departments in eight federal districts and the 83 Federal Subjects of the Russian Federation (FAO 2012). As far as forests are not leased, their management is carried out by local forestry units (*lesnichestvo* – лесничество) or forest parks (*lesopark* – лесопарк) that are subordinated to the Federal Subjects.

With the adoption of the new Forest Code in 2006 the functions of protection of forests against fire and illegal logging were entirely delegated from the federal level to the regions (Federal Subjects) and to the leaseholders. The previously existing federal state forest protection system was abolished (ENPI-FLEG 2014).

At regional level the Ministries of Forestry (and analogous organizations) of Federal Subjects are in charge of the management of forests that are not assigned to leaseholders and of the control of forest management in leased forests. The following powers have been delegated to government authorities of the Federal Subjects: (1) elaboration and validation of forest plans, legal forestry regulations, implementation of state expertise on forest exploitation projects; (2) lease and concession of forest parcels, conclusion of contracts for purchase and sale of wood stock, organization and carrying out of wood auctions; (3) issuance of permits for undertaking geological works on forest land; (4) organization of management, conservation, protection and regeneration of forests; (5) maintenance of state forest register; (6) implementation of federal forest supervision; and (7) establishment of lists of officials authorized to perform federal forest supervision (FAO 2012). At local level the leaseholders are in charge of management of their leased forests. They can contract for this purpose either state forestry enterprises or specialized private companies.

Forests that have developed through natural succession on abandoned agricultural lands can be used in an unregulated way by the possessors of these lands. Currently no organization has the mandate of control and management of these forest stands, but *Rosleskhoz* is making attempts to get such mandate assigned. Similarly the mandate of control and management of forests on agricultural lands that formerly had the status of *kolkhoz* forests is not properly defined.

Ukraine

The State Forest Resources Agency (SFRA) is the main state body in the forestry sector. Until 2012 the mandate of the SFRA included the right to bring up suggestions for new legislation. At the same time the SFRA carried the functions of execution of laws and of control of this execution. This multiple mandate provided the agency with a position of being able to make its own rules, implement them as seen appropriate and without real external control. After 2012 a part of the authorities of the SFRA has been changed aiming at a separation of legislative, execution and control functions. The SFRA is now formally subordinated to the Cabinet of Ministers with the supervision carried out by the Minister (not Ministry) of Agrarian Policies and Food⁵³.

⁵³http://dklg.kmu.gov.ua/forest/control/uk/publish/article?art_id=110632&cat_id=79022

The state forests within the management authority of the SFRA are managed by state forestry enterprises that are subordinated to the region state forest administrations in each region. These region state forest administrations are the territorial structures of the SFRA and should not fulfil economic (business) functions, but do so in the reality by interfering with the state forest enterprises. Thus for the state forests the SFRA through its subordinated structures still carries the mandates of general supervision, administration, forest management and control. Further, the agency for forest inventory and management planning “*Ukrderzhlisproekt*” is a structure of the SFRA. The territorial structures of the SFRA, i.e. the region state forest administrations and the state forestry enterprises, are not subordinated to any region, district or rural council or the respective local administrations.

The State Ecological Inspection in a limited extent executes external control on the management of state forests as well as of “communal” and private forests. It has to approve the areas for main use felling (final logging).

The mandates of forestry organizations and territorial decision making bodies and administrations in relation to “communal” forests are not clearly defined by law. The Consultant therefore relied on the statements by interviewed stakeholders which may in some extent reflect their perceptions but not entirely be in accordance to bylaws that formalize these mandates. The communes, as the basis level of local-self-governance, do not take any decisions about the management of forests, but have a person in charge of land division that may participate in the definition of forest areas boundaries.

The mandates on “communal” forests are distributed over various institutions, varying from region to region:

- The SFRA is mainly determining the overall forest sector policy and strategy of the state and through the development of bylaws directly influences on key aspects of forest management on the ground and on the economic situation of the forestry enterprises, independent of the type of ownership and user-rights of the enterprises and the forests they manage;
- The forest inventory and management planning (FMP) is done by the only authorized institution, the agency *Ukrderzhlisproekt* under the SFRA;
- The region state forest administrations issue forest cutting permits for main use felling and certificates of origin for export of timber, and they control all forest users, including the “communal” forestry enterprises;
- The State Ecological Inspection approves the size of annually harvested areas and amounts felled and deals with violations of forestry regulations in “communal” forests,
- In some regions the region forestry enterprises coordinate, monitor and control the management of the “communal” forests by district forestry enterprises and make decisions on forest use by them;
- The district forestry enterprises fulfil similar functions as the state forest enterprises do: they carry out all forest management activities in the frame of the FMP, propose cutting areas, issue forest cutting permits (except for main use felling), hire and oversee contractors;
- The region forestry enterprises are controlled by and report to the region councils, while the district and rural councils do not have full authority over the district forestry enterprises;
- District councils make the decisions on lease of forest lands and participate in the appointment of directors of district forestry enterprises;
- Rural councils participate in the recruitment of the local forest rangers (Rus. *lesnik* - лесник) and in decisions on lease.

In contrast to the state forestry enterprises the “communal” forestry enterprises do not possess the authority of issuing protocols and penalties for violations of forest regulations, but have to rely on the State Ecological Inspections to deal with offenders.

Overall, in the state forest the fulfilment of functions regarding decision making, management, forest use and control may benefit from a clearer separation of these functions and more control by a body independent from the SFRA. In what extent the State Ecological Inspection has such mandate is not clear. Zhyla et al. (2014) quoted that most stakeholders involved in the management of “communal” forests considered as serious insufficiency of the current system the lack of a central state organ in charge of overall oversight of forest management independent of the type of ownership.

Component 1.5: Financial arrangements, economic instruments and benefit sharing

In all programme countries the state forestry sector is directly connected to the central state budgets. State forestry organizations from the national level through the sub-national level to the local state forestry enterprises and forestry units in varying extent receive state budget funding that is often complemented by incomes from forestry activities, mainly from various fees paid by users for the use of forest resources and from the sale of forest products by the state forestry enterprises. This Regional Study did not assess the programme countries’ ratio between state budget contributions to the forest sector, the financial contributions of the sector to the public revenues of the states and the net extent in which the state forest sectors are subsidized. There is a high complexity in the financial flows within the forest sector, between the sector and the public budgets of different levels as well as between these public budgets of different levels and gathering data on these financial flows would be very difficult.

Stakeholders in all programme countries, except in Belarus, consider the budget available for the forest sector as insufficient. In several programme countries, like e.g. Belarus, Georgia and Russia, the official policy is and efforts are made to make the forestry sector economically efficient and reduce subsidies. In Georgia and Russia the spending on state forestry organizations has been substantially reduced leading to massive cuts of personnel (Georgia) and the abolishment of the federal state forest protection (Russia) while forest management and use were partly transferred to concessionaires and leaseholders. In Armenia, Azerbaijan and Moldova, the programme countries with comparably low forest cover, the state, often with donor support, subsidizes the state forestry organizations in the interest of general benefits expected from the preservation of forests and the increase of the forest cover.

The national state forestry agencies in all countries are directly funded from the state budget. The sub-national (regional) agencies are territorial branches of the national forestry agencies and are financed by those. In the Russian Federation the forestry agencies of the Federal Subjects are financed by their respective region budgets. The local level of the state forestry organizations, the state forestry enterprises (Azerbaijan, Belarus, Moldova, Russia, and Ukraine) or local branches of the national forestry agencies (Armenia, Georgia) are either in some extent or entirely funded by transfers from the higher level forest sector budgets.

State forestry enterprises are legal entities and create own incomes. Where these enterprises manage productive forests and are able to sell forest products that are in demand at the market, they can be largely self-financing, e.g. in Belarus, Moldova, Russia and Ukraine. But even in Belarus, with its highly productive forests, the state forestry enterprises in the average receive 35% of their budget in form of transfers from the state budget. The state forestry enterprises pay taxes and provide contributions to the higher level forestry agencies. For instance, in Belarus the regional forestry organizations, the state production forestry associations, sell the timber produced by the state forestry agencies and keep a share of the revenues. Thus the net subsidies, which the state forestry enterprises receive, are lower than the above mentioned figure suggests. Restrictions on forest use (Azerbaijan) or on the export of timber (Ukraine) can negatively affect the financial situation of the state forestry enterprises. Local branches of the national forestry agencies (Armenia,

Azerbaijan) are economically not independent but are entirely funded by the state budget allocated to them and transfer their incomes to the central level.

The fees for the use of forest resources and services seem to be largely adequate and neither interviewed stakeholders, CPCs of the programme nor did reports or publications mention any overly high or low fees. The state forestry enterprises in many cases do not collect fees for use of forests and harvest of forest products or have to transfer these revenues to other bodies. Fees for concessions and leases include larger one-time payments that go to central budgets while annual but comparably lower payments can be allocated to local budgets or the forestry enterprises themselves. Lease fees may go to the budgets of the administrative territorial units owning the forest lands, the state forestry enterprise may receive only the one-time “payment for compensation of damage” (Ukraine). Fees for the allocation of concessions for forest logging in Georgia went to the national budget and did not directly benefit the local forest management. Stumpage fees for cutting of fuel wood and timber can be shared between the state forestry enterprise and public budgets (Belarus) or between local and national budgets (Georgia, Ukraine). Use of NWFP for personal use, and in the practice also small scale commercial collection, are possible without payment of fees. In Belarus and Russia leases of forests for commercial collection of NWFP exist and contribute to the income created by state forestry enterprises.

Local budgets benefit from forestry through the above mentioned lease fees, stumpage fees and locally payable taxes. These contributions to local budgets can be lower than the costs imposed on these budgets by the forest use, e.g. due to the destruction of roads by the transport of logged timber.

Local people benefit from forests materially in various ways. Employment in the state forestry enterprises can be substantial in rural areas with limited employment opportunities. In Belarus state forestry enterprises have several hundred employees per district. In Georgia and Russia reforms of the forestry sector have cut the employment by state forestry enterprises and in some areas where formerly hundreds of jobs existed in the state forest sector now only about a dozen people might be employed.

The forest dependency studies of ENPI-FLEG II (Bakkegard, 2014)⁵⁴ showed that local people can in different extent depend on the subsistence and commercial use of forest products. The forest dependency study was conducted by IUCN in frames of FLEG II Program in 2014 and was based on the over 1,250 households surveys completed in communities close to forest. In the study areas incomes from the harvest and sale of forest products accounted for 4-16% of the incomes of interviewed rural households, with forest income comprising higher shares of total incomes of certain, especially poorer, households. These figures do not include income from employment in the forest sector. NWFP were the dominating source of income from forest products because fuel wood and timber can rarely be legally harvested and sold. The Case Studies and research for this Study showed that access to – compared to market prices – cheaper fuel wood (collection by households themselves in Armenia, Azerbaijan, Belarus and Georgia, sale to local households by state forestry enterprises in all programme countries) and timber provides additional benefits to the local population in rural areas located close to forests.

The access of local people of forest dependent communities to forest products and the benefits they receive from the forests are severely affected where large scale lease (Russia) or concessions (Georgia) are assigned to external companies, especially in areas in the vicinity of villages. In Russia the adoption of the new Forest Code and the delegation of forest management to leaseholders have affected local people that are no longer allowed to use fuel wood from the forests

⁵⁴ <http://www.enpi-fleg.org/docs/executive-summary-regional-analysis-of-forest-and-environmental-product-use-and-dependence-amongst-rural-households-in-south/>

as well as small and medium wood processing enterprises (ENPI-FLEG, 2014, Шварц et al., 2010). In Georgia the same problems have been reported being caused by the concessions, which in violation of the law even do not permit for small scale collection of dead wood and logging remnants by local people. The concessionaires employ mostly workers from outside of the local villages, often foreigners (Chinese companies) and process the harvested wood centrally. Local wood processing enterprises have no longer access to local timber and ceased to work. (Case Study Georgia) These factors not only affect the economic situation of the local population but also the local public budgets.

Where the local forests are integrated in the state forest fund and are managed in the same way and by the same organizations, the financial arrangements in relation to local forests are the same as for any other state forest. Where local forests are managed by separate institutions (Moldova and Ukraine) the financial transfers and subsidies from the national state budgets, which are enjoyed by the state forestry organizations, are not available for the owners and managers of these local forests. In Moldova the management of communal forests depends entirely on the municipality budgets and the income they create from the use of the forests. These forests are often small and of low productivity, and most municipalities are not able to finance the management of their forests properly. In Ukraine “communal” forestry enterprises are mostly owned by the regions (possibly co-owned by the districts) with district forestry enterprises being daughter enterprises of region forestry enterprises. Thus, if any, budget support for the management of the “communal” forests is only available from the region budget. Further, poorer forest conditions compared to the state forests, allow for less harvest of lower quality, while the management of the smaller and more fragmented forest sections compared to state forests causes higher costs. In the result, according to Zhyla et al. (2014) and the Case Study Ukraine, the “communal” forestry enterprises are in a financially much more difficult situation than the state forestry enterprises in the same regions.

In Ukraine and Moldova stakeholders reported that local forests managed by “communal” forestry enterprises or municipalities provide fuel wood to local households and social objects at cheaper prices than the state forestry enterprises (Case Studies Ukraine and Moldova). In Georgia representatives of municipalities attempting to take over local forests into their possession expect from this change the improved satisfaction of the local population’s needs in fuel wood and timber (Case Study Georgia).

Table 10. Overview of economic mechanisms

ECONOMIC MECHANISM	COUNTRY WHERE RELEVANT	KEY EFFECTS/ISSUES
State budget funding of forestry enterprises/forestry units.	All, but in varying extent; complemented by income from forest use, very low in Moldova; Communal forestry in Georgia, Moldova, Ukraine no state budget funding.	Public benefits from forests justify subsidies, insufficient financing results in poor performance.
Income of forestry enterprises/forestry units from forest use.	Substantial in Belarus, Moldova, Ukraine; Low in Azerbaijan, Armenia, Russia, in most communal forests in Moldova and Ukraine, very low in Georgia.	Quality of performance linked to income from forest use, low incomes cause poor care for the forest resources and result in lower productivity; In Armenia and Russia substantial informal incomes and related losses for the forestry sector.

Contributions to local budgets (lease fees, stumpage fees, local taxes).	Belarus, Georgia, Moldova, Ukraine.	Contributions often very low, barely covering costs from commercial forest use (road maintenance, impacts), substantial in Belarus, recently reduced in Ukraine.
Employment for local people in forestry.	Belarus, Moldova, Ukraine, less Azerbaijan and Armenia, very low in Georgia, Russia.	Concessions and external contracting can reduce local employment.
Access of local people to NWFP.	All countries for personal use, de-facto also some commercial use.	Important income source; Unregulated commercial collection can cause depletion of the resources (Belarus).
Access to or provision of fuel wood and timber for local households.	All countries fuel wood, timber more restricted; Complicated procedures for access in Georgia and Russia due to concession and leases.	Important factor reducing costs; in some cases income source; insufficient legal access connected to illegal use.

In the following paragraphs some country specific aspects of financial arrangements and other economic aspects are presented.

Armenia

The national forestry organization *Hayantar* receives about 65-70% of its financial means from the state budget and the remaining 30-35% from income created by the sale of forest products (Balyan, CPC ENPI-FLEGII Armenia, pers. comm. 2015). Substantial investments from the state budget and a number of international funds were utilized to restore central and regional forestry offices, to update forest management plans, to implement reforestation and afforestation activities etc. (Gevorgyan, 2009). The state budget allocations to the forest sector budget have risen several times between the period 2000 - 2004 and 2005 – 2009 but have fallen again in 2010 and at the same time own income of the forest sector decreased. (Junge, Fripp, 2011)

The Armenian forestry sector suffers from large unaccounted illegal logging and an inflexible pricing system for fuel wood and wood products sold by the local branches of *Hayantar*. Prices at which wood is sold by the state forestry units to intermediaries are fixed by *Hayantar* and the Ministry of Agriculture without adjustment for inflation. These official prices were in 2011 still the same as in 2004, and thus over this period the real prices had effectively fallen by over 39%. The prices charged by intermediaries to end users (community members, industry, or foreign importers) are determined by the market and are much higher than the fixed prices of *Hayantar*. Thus intermediaries make substantial profit that is lost for the funding of the forestry sector. Also the illegal timber and fuel wood market can be considered a free market, where prices reflect demand and supply. The difference between legal supply (harvest and import) and estimated demand of fuel wood and timber suggest that unaccounted harvest (both harvest by illegal users as well as harvest above the permitted limit by legal users) over years several times exceeded the legal supply. The profit from this unaccounted harvest and from the difference between officially set prices and market prices is captured outside of the forest sector. This situation where financial benefits from the use of forests are not captured by the official forestry organizations is one of the main reasons for the financial problems of *Hayantar*. Access to forest resources and to informal income is an important driver for those seeking employment in the forest sector, and for this reason personal connections and mutual informal benefits are criteria for hiring staff not based on qualification. (Junge, Fripp

2011)

As reported by Petrosyan (*Hayantar*, pers. comm. 2015) attempts to assign management responsibility on local forests to communities were not successful due to the lack of economic viability. The allowable cut was too low to cover the costs of running communal forestry enterprises and the communities were interested only in immediately harvestable timber and fuel wood but not in maintenance, protection from grazing and other investment in the development of the forest resource. The Consultant was not able to verify the validity of this assessment. The findings of Junge, Fripp (2011) on the institutions and political economy of the forest sector in Armenia and own observations (Michel, 2014) suggest that underlying reasons for the failure of pilot projects on community forest management might be more complex and include inflexible requirements set by *Hayantar*, insufficient economic incentives for the communities, possibly inadequate fees and even corruption.

Azerbaijan

In Azerbaijan the state almost entirely funds the forestry sector. In 2015 the state budget allocation to forestry was 12 Million AZN (that time about 12 Mio EUR), less than 0.05% of the state budget expenditures⁵⁵. The state forestry enterprises receive low incomes from the use of forests due to the official status of all forests as protection forests with only maintenance and sanitary cuttings being permitted (ENPI-FLEG II, 2014a).

The state forestry enterprises provide local people with fuel wood by issuing permits for harvest of dead trees and selling fuel wood to local households (Case Study Azerbaijan). The restrictions on cutting of trees in some areas lead to the deliberate damage of trees to allow for their future harvest under sanitary cutting permits (Dieterich, State University Baku, pers. comm. 2015). The supply of gas to many rural villages has reduced the demand for fuel wood (ENPI-FLEG II, 2014a; Case Study Azerbaijan).

In the case of tree and shrub vegetation outside of the forest fund, to which parts of the former *kolkhoz* forests belong, the owner or use of the land does not get any direct monetary benefits from the “forest”, but has to pay full land tax by the rates applicable for pastures. No use of wood is formally possible in such areas, only use of NWFP and grazing of livestock. This presents disincentives to the conservation and development of these “forests” and encourages the conversion of suitable sections into open pastures. (Case Study Azerbaijan)

The current financial arrangements, economic instruments and benefit sharing rather discourage effective protection, maintenance and expansion of the forest, both in the forest fund and on other lands.

Belarus

The state budget contributes to the forestry sector at national, sub-national and local level. The sub-national forestry organizations, the state production forestry associations, channel the state budget allocation to the state forestry enterprises, which depending on the local conditions for self-financing of their operations can receive maximum 40% of their budget as contribution from the state budget. In the average 35% of the general budget of the enterprises is funded by the state, this funding is supposed to support specific activities that are in public interest but do not create substantial income, e.g. protection, pest and fire control, planting, forest roads etc. The state production forestry associations sell the wood and timber, harvested by the state forestry enterprises, and receive a share of the income.

⁵⁵http://www.maliyye.gov.az/sites/default/files/Budget_law_2015.pdf

The sale of harvested timber and fuel wood as well as of other forest products, e.g. hunts and NWFP, create incomes for the state forestry enterprises, which are used for the funding of their forests management activities. The state policy aims at increasing these incomes and by this at reducing the share of state funding of the forest sector.

The state forestry enterprises provide significant local economic benefits in form of employment and forest products. The state forestry enterprises with several hundred employees in each district are an important employer in small towns and rural areas. Also small enterprises providing forestry services to the state forestry enterprises are developing. The taxes from the state forestry enterprise go into the budget of the local district. The state forestry enterprises receives the stumpage fees paid for logging by the enterprises that lease forest, in case of main use 50% of the total amount, the remaining 50% go to the central budget. The provision of wood for local needs is an important instrument for the maintenance of good relations between the local communities and the state forestry enterprises, motivating their support of the forestry activities. Fuel wood is allocated for the needs of local people at affordable prices and delivered to public objects. Timber is sold via auctions, but sufficient amounts are available for local people for their personal construction needs, with no resale being permitted. (Case Study Belarus)

The current financial arrangements and economic mechanism in Belarus satisfy the needs of the local population and allow for the sustainable management of the forests by the state forestry enterprises. Intended institutional changes, aimed at the separation of harvest and initial wood processing from silvicultural activities, will alter the current system and possibly reduce incentives for sustainable forest management as well as reduce the benefits for local people and districts.

Georgia

The MENRP and NFA are financed by the state budget. The local forestry units of the NFA only have a budget allocation for their staff, office and operational costs, but not for the implementation of forest management activities like rejuvenation, maintenance, silviculture and harvest. Neither the local offices/forestry units nor the regional forestry services are authorized to carry out own economic activities and reinvest the earned incomes into forestry activities. The incomes created by the use of forest resources are transferred to the budget of the NFA at national level which allocates funding to its regional forestry services and their local offices/forestry units. Thus the economic system of the NFA is highly centralised.

The Ecology and Green Spaces Department of Tbilisi does not create any relevant income or revenues from its forests and is entirely dependent on the budget allocation from of the municipality (Giorgobiani, Ecology and Green Spaces Department Tbilisi, pers. comm. 2015). The lack of own workforce and the legal requirements for contracting companies for carrying out forestry works made the pilot operations on thinning in pine monoculture stands not cost efficient (Michel 2014). In Akhmeta municipality the administration of the protected landscape can have own income from forest use, but they are not allowed to harvest wood resources for sale outside of the community. (Case Study Georgia)

The financial arrangements on the concessions are not transparent. The concessionaires had to pay a one-time high fee for the assignment of the concession, which went to the central budget. Annually the concessionaires have to pay fees per harvested amount (stumpage fee), which go partly to the communal budget and partly to the central budget. Municipalities complain about having no net benefit from the concessions. Heavy damage to roads, water and forest and the negative impact are said to outweigh by far the limited contribution to the municipality budget from stumpage fees and the benefits of limited employment of local people. In some areas concessions cover easy

accessible forests forcing the inhabitants to get fuel wood from remote and difficult accessible forests. (Case Study Georgia)

Employment in the forestry sector is very limited. Most local forestry units of the NFA have only 10-20 employees in one municipality. Concessionaires often hire workers from outside of the local municipalities. Chinese concessionaires just log the assigned concessions and take the logs to a processing facility they run in Kutaisi. With the assignment of concessions to external companies and the sale of timber through auctions only, the cost of raw materials and related transaction costs became prohibitively expensive for the economic viability of local wood processing industry, e.g. furniture production plants, which in the past provided local incomes.

Use of fuel wood is essential for local people in rural areas. The local NFA offices/forestry units allocate fuel wood to local households. People from forest rich areas sell surplus fuel wood, which they harvest based on their forest cutting permits, to households in areas with limited forest cover. The Ecology and Green Spaces Department of Tbilisi gives wood from necessary felling and maintenance of trees for free to public objects and to people in need (Giorgobiani, Ecology and Green Spaces Department Tbilisi, pers. comm. 2015). Timber and fuel wood harvested in 2012 in thinning operations had been sold at auctions, but the earned income barely covered the costs of the works that were carried out by contractors (Michel 2014). In Akhmeta municipality firewood and very small amounts of timber from its communal forests in Tusheti Protected Landscape are sold to households in the local villages. Non-timber forest products used by locals are: mushrooms, berries and herbs. (Case Study Georgia)

In Akhmeta the forests protect an important water catchment basin, supplying the Mingechevir Reservoir in Azerbaijan. Payments for ecosystem services would be thinkable as economic mechanism to fund forest protection and management in the area of the municipality but so far no steps are known being taken to achieve such mechanism.

Moldova

The state forestry agency *Moldsilva* (as manager of the state owned forests) receives very limited budget funding but is able of self-financing from forestry and 98% of its income is created from harvesting of wood and from other forest use (NWFP, hunting, forest lease). The forests managed by *Moldsilva* provide a much higher amount of harvestable forest products per area size and per management unit than most communal forests. In contrast to *Moldsilva*, communal forest owners may need to cross fund forest management from other incomes.

The Local Public Authorities have their own budget and can make their own decisions about the use of these budgets. Contributions from the state budget to the financial needs of the communes are restricted to expenses for education (kindergartens, schools) which are fully financed. The municipalities earn local taxes (no share of the income tax, which is paid at the state level), collect fees for services, can sell or lease property and receive project funding. No subsidies or other contributions are available from the national or subnational budgets for financing of forest management of communal forests. Several international projects have funded forest inventory and management planning of existing communal forests as well as afforestation activities on communal lands.

The municipalities receive very limited income from the communal forests due to their limited size and often low productivity and wood quality. In most cases the incomes received from lease of forest lands and from sale of fuel wood and timber are insufficient for effective forest protection and management. Only in exceptional cases, where municipalities own productive forests of sufficient size they can employ forestry staff and hire workers for carrying out forestry works. Municipalities

make attempts to create communal enterprises that would be in charge of communal environmental, cultural and service issues and/or to establish joint forest management enterprises of several municipalities, thus creating units of sufficient size and budget to make the communal forestry activities financially possible. (Case Study Moldova)

Where communal forests allow for harvest, a part of the harvested timber and fuel wood is sold by the municipalities to local people, with priority allocation to vulnerable categories of the population, at a lower price than the market price at which *Moldsilva* sells fuel wood from the state forestry units (Case Study Moldova).

Russia

According to Muran (2014) the budget of the forest sector has increased from 35.9 billion RUB (2009) to almost 73 billion RUB (2014, planned). Out of the latter 6.95 billion RUB were allocated for the federal forestry agency *Rosleskhoz* and affiliated organizations, and 24.5 billion RUB subventions to regions, making a total federal budget share of about 43% of the forestry expenses of the regions. Further, 9.9 million RUB (13.5%) were planned to be allocated by budgets of Federal Subjects and 30.7 billion RUB (42%) by leaseholders and from other sources.

The new Forest Code provided for the delegation of forest management functions to the Federal Subjects and the private sector and has caused a substantial reduction of the share of direct federal funding for centralized forest management and protection. In particular the abolishment of the federal forest inspection has left forests without control (ENPI-FLEG II, 2014b) and fire protection. The new Forest Code was adopted with the intention to promote private investment in the forestry sector. This did not yet happen in the expected extent. (ENPI-FLEG II, 2014b)

The forest dependency study (ENPI-FLEG II, 2014b) found that many people are dependent on forest resources due to the bad economic situation, collecting mainly firewood. The latter is only partly provided by the state, and many people have to collect it illegally. Differences were found between the regions assessed in that study, with wealthy people in the villages often having financial success due to forest products (cranberries in north-western Russia, pine nuts in the Altai and timber in the Russian Far East). Some important forest products are collected by “professionals” – sometimes non-local people.

The new Forest Code established new barriers for local people to access forest products due to requirements to conclude lease contracts, stricter rules for local people and increased fines (ENPI-FLEG II, 2014b, Шварц et al., 2010). During the Soviet period, the vast majority of logging had been done by the state, and people were employed in this industry having substantial salaries. People were provided with fuelwood and sawn wood in amounts they needed. This system was in some extent in place until the adoption of the new Forest Code. Currently, the vast majority of wood products are illegally harvested and often smuggled, in the Russian Far East by groups of the organized crime that involve mainly Chinese companies. The incomes local people earn from these activities could not be estimated. (ENPI-FLEG II, 2014b; Лалетин et al., 2011) Further, Laletin et al. (Лалетин et al., 2011) found a sharp decline of legal amounts of round timber harvested and annually exported from Russia after the new Forest Code was adopted. This might partly be caused by unfavourable conditions set by the new legislation but also by a growth of the informal segment of the forest sector. The losses for the forestry sector and in the result for the conservation and sustainable use of Russia’s forests must be enormous. The current economic mechanisms favour unsustainable, informal and illegal use of forest resources and provide disincentive to the sustainable management of forests.

Ukraine

The share of state financial support for forestry in Ukraine is around 15-30% of the total financial volume of the forestry sector. The share of government support in the total budget of state forestry enterprises varies in accordance to the availability of forest resources. In southern regions of Ukraine with the lowest forest cover the share of state budget is higher, while in the northern part with more forest cover the state forest enterprises receive less state budget support. The state budget allocation is mainly used to fund activities on afforestation, protection of forests against fire, pests and diseases, purchase of forestry equipment and construction of forest roads.⁵⁶

The financial situation of the “communal” forestry enterprises differs from the state forestry enterprises. The region and district forestry enterprises are entirely self-reliant in financial terms and do not get any state support for their regular operations. Limited state budget funding has been allocated for reforestation of communal forest lands. Only 20% of the “communal” forestry enterprises receive contributions by the local budgets (Zhyla et al. 2014). The costs of the FMP activities are paid by the region forestry enterprises and contributions from the region budgets. The income taxes of the region and district forestry enterprises go to the region budgets and the profit is used by decision of the respective region or district council.

District forestry enterprises contribute a share of their income to the region forestry enterprise. The region forestry enterprise in turn provides certain services to the district enterprises and makes use of the economy of scale. Incomes of the district forestry enterprises are mainly from the sale of fuel wood and timber. For leased areas the district forestry enterprises receive the “compensation of damage”, which is calculated and paid for the entire lease period, but leaseholders usually take only small plots to avoid large compensation payments. There are no cross-subsidies between wealthier and less wealthy district forestry enterprises. 90% of the “communal” forestry enterprises studied by Zhyla et al. (2014) lamented about significant financial shortages, affecting the viability of the forestry enterprises, mainly because of the - compared to state forests - poor composition and amount of available timber for harvest and sale and the higher expenses of forestry operations due to the fragmented patterns and small size of their forest areas.

The region and district forestry enterprises and the forests managed by them directly contribute to local livelihoods. The stumpage fees for main use go now entirely to the state budget; for intermediate use the stumpage fee is shared as follows: to the rural council 25%, district 25%, region 50% (formerly shares of the rural councils- main use felling 50%, other cuts (maintenance, sanitary) 100%) independent of the ownership of the forest. The harvest of timber and the transportation of the logs cause damage to local roads and stumpage fees are hardly sufficient to invest in major road repair. The reduction of the share of the stumpage fees received by rural councils is seriously affecting the budget of rural councils in areas with significant forest cover. In the state forests main use felling dominates and thus the rural councils receives little income from stumpage fees, despite compared to “communal” forests similar or larger areas covered by state forest. The application of the same (low) shares of stumpage fees for all types of ownership does not support the development of a sense of ownership for “communal” forests in rural councils and districts.

One of the direct economic benefits for the local populations is employment of local people. Reportedly, many forestry enterprises mainly employ workers informally with payment in-kind in form of wood or in cash from sold wood. Access to forest products is another benefit local people receive from the forests. Fuel wood cutting or collection of lying wood by private persons is not permitted, but sometimes cut remnants are used by local people. State and district forestry enterprises sell fuel wood to local people at similar prices. The region forestry enterprises as well as the district forestry

⁵⁶http://www.un.org/esa/forests/pdf/cpf-oli/CPF_OLI_20_Sept_WG2_Poliakova.pdf

enterprises provide some fuel wood for free or at reduced prices for social institutions and for poor or otherwise eligible families. Everybody harvests NWFP in forests independent of the ownership without restrictions, also for commercial purposes. The economic benefits for local people from forests of all ownership types are similar.

5.2 Pillar 2: Planning and decision-making processes

Component 2.1: Stakeholder participation

The opportunities of general stakeholder participation in the planning and decision making processes are difficult to assess because formal provisions of the legislation can substantially differ from the practice. The Consultant relied on impressions from the country visits in connection with available reports and media articles. The analysis of this component might therefore be biased by the availability and character of information. Critical public statements by experts and civil society representatives on access to information and participation opportunities indicate in some extent about the existence of participation while the absence of such critical statements may not necessarily show that participation is well developed but in the contrary can indicate a more severe lack of participation opportunities.

The environmental and forestry legislation in all programme countries makes general provisions for stakeholder participation. At the national level government programmes, laws and bylaws before adoption undergo a consultation process involving various ministries and sector agencies. Scientific institutes and civil society organizations can get involved in these processes. Sometimes, their comments are not substantially taken into consideration if contradicting the interest of more powerful elites. For instance, various experts and civil society organizations commented on the draft Forest Code of the Russian Federation, and after its adoption made suggestions for amendments. Despite this broad discussion barely any suggestions were reflected in the Forest Code or in its numerous amendments. In Georgia, civil society organizations criticized the way large scale forest concessions were assigned, and initiated lawsuits to challenge concession contracts. Although these lawsuits were not successful, a number of concession contracts were annulled.

At local level legislation in all programme countries provides for opportunities of local administrations, self-governance bodies, civil society organizations and citizens to participate in the development of forest related decisions. However, for various reasons in the practice this participation is often not realized. Representatives of state forestry organizations of all levels tend to blame a lack of interest in participation by the local people. Civil society organizations and experts, e.g. in Georgia and Belarus, highlight the lack of procedures and mechanisms for participation as provisions in the legislation are only of purely declarative character.

However, even where formal mechanisms for participation and challenging of decisions are lacking, public opinion, media and civil society organizations can massively influence on the decision making in forestry. The Consultant observed that in Armenia, Azerbaijan and Georgia negative public attitudes towards any cutting of trees affected the implementation of silvicultural measures (cuts for transformation of artificial pine monocultures into more natural and better adapted native deciduous forests). The involved international NGO, its country branches, their experts and the national forestry agencies feared negative publicity in such an extent that necessary measures were even not considered (Michel, 2014). Similarly, in Belarus and Ukraine negative public opinion about cutting of trees influences decision making in forestry and forces local foresters to seek dialogue with stakeholders.

The consideration of the interests of stakeholders and, in particular of forest dependent

communities, in decision making processes varies. In Russia (Пронькин, Григорьев, 2010) regional legislation insufficiently considered the interests of the local forest dependent population, leading in the practice to an increase in informally tolerated and illegal forest use. In Georgia and Ukraine (Case Studies) representatives of rural communes complained that state forestry organizations of different level insufficiently considered the interests of the local population in their decision making. In Georgia this problem has been highlighted as one of the key reasons why communes insist in the transfer of forests into their possession. In Ukraine the level of participation hardly differs substantially between “communal” forestry enterprises (owned by the regions) and state forestry enterprises. The certification of forests in accordance to the requirements of the Forest Stewardship Council (FSC) there has substantially improved participation at the local level.

The extent of scientific debate relating to planning and decision making on (local) forests in the programme countries is limited, and largely facilitated by and depending on externally funded projects requiring the involvement of scientific institutes and scientists. In Belarus and Ukraine the Consultant noticed that detailed regulations, e.g. on silvicultural targets, reforestation and maintenance, do provide little opportunities for adaptive decision making and management and thus for the involvement of science.

Table 11. Aspects of stakeholder participation

COUNTRY	LEGAL PROVISIONS	SPECIAL ISSUES
<i>Armenia</i>	Forest Code: participation of municipality bodies; citizens and civils society not regulated.	In practice substantial influence of civil society on decisions; public pressure against cutting of trees.
<i>Azerbaijan</i>	Forest Code: participation of natural persons, legal entities, civil society organizations provided in very general terms with link to other legislation.	Highly centralized, top-down decision making, limited participation opportunities, even for communal and private land-users.
<i>Belarus</i>	Forest Code: right of citizens, NGOs and local self-governance organs to participate in decision making; Law “On environmental protection” information and participation of NGO.	Lack of specific participation mechanisms; good collaboration of state forestry enterprises with district administrations and rural councils; very critical public opinion about logging; FSC certification indicates sufficient level of stakeholder participation.
<i>Georgia</i>	Environmental legislation and Forest Code: provision of access to information and public participation in decision making and planning.	Insufficient transparency and participation in sector reform, in legislation development, in decisions on the allocation of concessions; insufficient information and participation of municipalities on concessions; public pressure influences decisions and can hamper sustainable forest management.
<i>Moldova</i>	Forest Code: obligation of <i>Moldsilva</i> to ensure the free access to information and the participation of the population in the decision making.	Low stakeholders capacity, lack of resources, and low levels of citizen interest; insufficient information by forestry institutions; limited commitment of local authorities to engage citizens.

<i>Russia</i>	Federal Laws: regional state organs obliged to provide information on legislation and situation in forest sector.	Broad discussion on new Forest Code, but recommendations not incorporated in the law; insufficient information and participation in the regions; political pressure on civil society organizations and independent media.
<i>Ukraine</i>	Forest Code: right of civil society organizations to participate, access information; but no obligation of participation of other stakeholders.	Partly insufficient awareness about participation rights among local people and communal bodies as well as forestry enterprises; increasing demand for information and participation; general improvement, in particular in the context of FSC certification.

In the following paragraphs some country specific findings are presented without attempting to achieve a comprehensive assessment of stakeholder participation in forestry related planning and decision making. Some aspects of this component will be further explained in the other components of this pillar of the governance framework.

Armenia

According to the Forest Code the local self-governance bodies of municipalities and the local administrations of districts have some general right to participate in the elaboration and implementation of state programmes on forestry concerning their territories but this provision does not concern forest management planning. The participation of citizens and civil society organizations is not regulated in the Forest Code.

While the formal participation mechanisms are poorly developed, civil society organizations can in the practice influence decision making. As mentioned above, a generally negative attitude towards any cutting of trees can even prevent the consideration of necessary silvicultural measures. Junge, Fripp (2011) mentioned that NGO would make pressure against an increase of annual allowable cuts and legal logging, although this would reduce illegal and unaccounted cutting and substantially contribute to the sustainability of forest use in the country.

Azerbaijan

The Forest Code provides for the participation of natural persons and legal entities, civil society organizations in the ensuring of “rational use, conservation, protection and reproduction of forests” in a very general form, referring to the “legislation of the Azerbaijan Republic”. Similarly, the law mentions in very general terms the participation of municipalities in forest related issues. Information by stakeholders suggest that all decision making processes are highly centralized and top-down and providing very little opportunities for any participation by citizens, civil society organizations, science and local self-governance bodies in decision making on forests.

There is not much room for decision making by the land-users on the management of the tree and shrub vegetation on their lands, being these privately used or communal lands. The local rural councils are elected by the inhabitants of the commune, but these councils have no stake in the decision making on forests and limited decision making authority on tree and shrub vegetation outside of the forest fund.

Belarus

Article 14 of the Forest Code establishes the right of citizens, NGOs and local self-governance organs to participate in the consideration of forestry issues that concern their interests through discussions, referendums and other forms of direct participation in decision making. This includes issues related to the assignment of forests, their use, protection and regeneration. Further, citizens, NGOs and local self-governance organs are called to educate the broader public about forest conservation and protection needs and to support directly forest protection and other forestry activities. The state organs of forestry have to provide the public with the relevant information. The national experts of ENPI-FLEG (Лаевская et al., 2011) have criticized the lack of specific mechanisms for implementing in the practice these rights of participation as well as the broader rights of environmental NGOs established in article 15 of the law “On environmental protection” and by the Aarhus Convention.

State forestry enterprises have good relations with the district administrations and with the rural councils. The state forestry enterprises preliminarily inform about planned forestry works at boards in each rural council. Some forestry enterprises have a school forestry units for involving school children in their work and raise general public awareness (e.g. garbage, fire prevention). The public opinion is very critical about any logging and open complains are expressed, even in cases where cuttings are necessary for maintenance and silviculture. (Case Study Belarus)

The certification of 55% of the total forest area by the FSC system indicates that stakeholder participation in forest related planning and decision making is at least in accordance to the requirements set for the certification.

Georgia

The environmental legislation (law of Georgia “On the Environmental Permit”) and the Forest Code of Georgia require the provision of access to information and public participation in decision making and planning at any stage. The Forest Code requires public information and participation, for instance, especially on the assignment of long-term use rights on forests (concessions). The “bodies authorized for managing the State Forest Fund shall consider comments and suggestions made by citizens and representatives of public organizations prior to making respective decisions”. In the practice these provisions have not entirely been realized.

Civil society organizations, in particular the NGO “Association Green Alternative”, have exposed the problems of insufficient transparency and public participation in the reform of the forest sector, in the development of its legislation and in the decisions on forest use, on the allocation of concessions as well as in the elaboration of forest management plans (Macharashvili, 2012). Green Alternative challenged a number of concession allocations in administrative complains and court cases, based on wrong data in the documents, inadequate concession terms and lack of public and, in particular, local community participation. Although these claims were dismissed in lawsuits, finally four out of 12 concessions were annulled and two were substantially modified.

Information and participation at the local level and in particular of municipality organs is weak, especially on all issues concerning the forestry concessions. Municipalities have insufficient access to information on concessions and lacked the opportunity to participate in the decision making when the concessions were assigned. Municipality organs had not seen at least basic information on terms and conditions of the concessions. Attempts by municipalities to receive concession contracts and maps with accurate concession boundaries from the NFA or the MNERP generally failed. At best municipalities have received very general information about the concession areas. No mechanisms are in place that would oblige concessionaires to share information or to allow the

municipalities to influence on their work. It seems that in the context of the liberal economic reforms in Georgia the interests of perceived “investors” were rated much higher than those of the local communities and their self-governance bodies. Some concession contracts might be legally problematic, and hiding them is therefor in the interest of concessionaires and state representatives involved.

In contrast to the weak participation on concessions, mass-media campaigns can effectively hamper reasonable and sustainable forest management as broad public perception is very negative towards any forestry works, and there is obviously little opportunity to counter with good arguments. Insufficient information and lack of public participation are major reasons for this negative attitude. (Case Study Georgia)

The size of Georgia’s municipalities, which correspond to the former districts, may in the future hamper participation in decision making and forest management at the village level. The sub-units of the municipalities, corresponding to the former lowest level of local self-governance, currently do not have their own status. Establishing some level of public self-governance of the sub-units would allow for more substantial participation of local stakeholders in the communities.

Moldova

The Forest Code obliges the central forestry organ, i.e. *Moldsilva*, to ensure the free access to information and the participation of the population in the decision making.

The Government of Moldova has adopted a policy of proactive disclosure of information through its Open Data Initiative and established mechanisms for citizen engagement in decision making processes. The establishment of the National Council for Participation, for instance, allows civil society organizations to participate systematically in issues of the public administration.

Notwithstanding these efforts, low stakeholder capacity, lack of resources, and low levels of citizen demand for accountability hinder progress. Forestry institutions do provide some information on their websites. However, information on their performance, budget, and spending is largely missing. At a local level, the scarce resources of municipalities, coupled with a lack of demand for accountability, also hinder provision of information on forestry related decisions. The situation with citizen feedback mechanisms is similarly unsatisfactory. Usually, public authorities register and respond to citizen complaints and requests in due time. However, there is no publicly available information about the types of complaints and the quality of the authorities’ responses. Lastly, public participation in forestry related issues is rather weak and the commitment of local authorities to engage citizens is limited. (Mitchell et al., 2015)

Russia

The development of the new Forest Code was critically observed and commented by a number of civil society organizations and experts. Also after adoption of the law constructive comments and specific suggestions⁵⁷ were provided to improve the Forest Code in the course of later amendments (Шварц et al., 2010⁵⁸, Пронькин, Григорьев, 2010). Despite a high frequency of amendments these contributions were not incorporated in the law.

After the forestry legislation, also the federal legislation on access of citizens to information was changed when January 1, 2010 the Federal law “On securing the access to information about the

⁵⁷ http://www.wwf.ru/data/forests/ye_popravki_k_lesnomu_kodeksu_9_oktybry_2009.doc

⁵⁸ http://www.wwf.ru/data/publ_period/forest_mag25/01.pdf

action of state organs and organs of local self-governance⁵⁹ came into force. This law requires regional state organs to provide, among other information, regional legislation in accessible form, including via internet. A Decree of the Federal Government⁶⁰ further specifies the provisions of this law and lists the information that shall be provided, which includes information on the situation in the forest sector. The regional legislation should thus be available at the websites of the state organs of the Federal Subjects, but a survey in 2010 showed that 78% of these websites do not contain the required information about forests and their use and the related regional legislation. This not only violated the rights of the citizens of these regions on access to information but also practically made impossible their participation in legal forest use. Similarly operational information on disaster situations, like forest fires, is not timely and accurately published by the regional governments of the Federal Subjects. (Пронькин, Григорьев, 2010)

The recently increasing pressure against civil society organizations and independent media makes it unlikely that the situation in terms of stakeholder participation in planning and decision making on forests has improved since 2010, the time of the publication of quoted assessments.

Ukraine

The Forest Code, without differentiating between types of ownership of forests, provides civil society organizations (nature conservation organizations) with the right to participate in the elaboration of forest related plans and programs, to access information on forest conditions and forestry, to participate in activities of international NGOs, to provide suggestions on legislation and to appeal against rejections of information requests. The Forest Code, however, does not provide for participation of other stakeholders, except the central state forestry organ, in decision making, neither of citizens nor of local administrations or self-governance organs.

Information on stakeholder participation in the planning and decision-making process on “communal” forests is partly contradictory. Zhyla et al. (2014) that the acting legislation provides the local communes with sufficient authority to decide on a broad range of issues in the activities of “communal” forestry enterprises. However, local people by their opinion are not aware about their rights and do not have the knowledge and skills to realize their rights of participation. Local people are said being convinced that decisions are made at region and state level only. Some of the directors of the forestry enterprises are at the same time members of the respective councils, which might provide opportunities for stakeholder involvement, but as well bears the risks of conflicts of interest. One of the authors of the study commented to the Consultant (Boroska, in lit. 2015) that local rural councils rarely intervene into the work of the “communal” forest enterprises, and thus there is little conflict. On the other hand, allegedly, local people, due to their passiveness do not participate in the management of the “communal” forests and often do not see a difference between state and “communal” ownership of forests. However, there are as well examples where local people stood up and expressed their disagreement with cuttings in local forests and transportation of logs damaging local roads.

The director of one district forestry enterprise bluntly stated to the Consultant: “The law does not require any public participation of local people; the district forestry enterprise is only required to agree with the region state forestry department and with the region environmental department.” After the Consultant’s visit this district forestry enterprise informed all rural councils about the locations

⁵⁹ Федеральный закон от 09.02.2009 № 8-ФЗ «Об обеспечении доступа к информации о деятельности государственных органов и органов местного самоуправления»

⁶⁰ Постановление Правительства Российской Федерации № 953/ 24.11.2010 «Об обеспечении доступа к информации о деятельности Правительства Российской Федерации и федеральных органов исполнительной власти».

and amounts of cutting and the stumpage fees to be transferred to the budgets of the rural councils (Zhyla, in lit. 2015).

The heads of rural councils often do not possess any economic information on local operations of the district forest enterprise. The rural councils and local people are not involved in the FMP decision making. Also special forestry activities, like cut areas, are not agreed with the rural councils. Rural councils concluded that the level of participation is the same and for local communities no real difference exists between “communal”, state and military forestry enterprises. Communication and participation entirely depend on the directors of the forestry enterprises. In areas with FSC certification of district forestry enterprises participation of the rural council became more systematic due to the certification requirements. (Case Study Ukraine)

Component 2.2: Planning and decision making on conversion of land from forest to non-forest and vice versa

The systems of planning and decision making on conversion of land from forest to non-forest and vice versa are similar in all programme countries. The Land Codes of the countries establish different designations of land categories (Rus. *tselevye naznachenia* – целевые назначения). Forest(ry) lands are one of these designation categories. The category of forestry lands includes as well lands that are temporarily or permanently not covered by forests but are needed for forestry or are in the land-use of forestry enterprises. These may include clear cut and reforestation areas, gaps in the forest cover, bare lands in forest areas, forest roads, forest nurseries, compounds of forestry enterprises and so on. The Land Codes also have the designation category Lands of Protected Areas that can include forests within PA. These forests might accordingly be in the responsibility of another government agency.

Depending on the legal definition of forest in the respective programme country, forests or other “tree and shrub vegetation” can also be located on lands of other designation categories, like agricultural lands, infrastructure (shelterbelts at roads and railways), water (e.g. shelterbelts and gallery forests at canals and rivers) and towns and settlements. For instance, in Azerbaijan tree and shrub vegetation on agricultural lands is generally not considered as forests. Similarly in Moldova and Ukraine the boundaries of forest lands are defined by the land cadastre and the designation category of the land, but not by the real vegetation.

Local forests are often located on lands of agricultural designation. Formerly agricultural enterprises have established forest plantations on agricultural lands, silvo-pastoral areas belonged to them or natural succession on abandoned agricultural lands has led to the development of forests. As long as the designation of these lands is not changed to forestry, problems can arise that hinder the sustainable management of such forests. In some countries, e.g. Azerbaijan, legal use of trees outside of forest lands is hardly possible, what discourages the protection and development of forest vegetation on such lands as it cannot be used. In other situations, the lack of authority of forestry organizations on such lands prevents them from intervening in case of cutting of these forests or even in case of fires (Russia).

State land use agencies are in charge of the delimitation of lands by land designation category in all programme countries. These agencies have branch offices at all territorial administrative levels, i.e. regions and districts, and usually at least an officer as representative in each sub-districts.

In all programme countries changes of the designation category of lands are generally possible. The procedures vary between the countries and depending on the involved land categories. Conversion of forestry lands into other lands is formally difficult, in particular where forests are in exclusive state

or public ownership and are not subject to privatization. The change of land-use designation from forestry to other designation has often been misused for privatization of lands where forests cannot be privatized (e.g. in Georgia, Macharashvili, NGO Green Alternative, pers. comm. 2015). Accordingly in all programme countries legislation set requirements in terms of justification and barriers against the change of forest lands into other categories. Nevertheless, such changes are possible, e.g. in Georgia where the municipality of Tbilisi has changed the status of forests within the city boundaries into “green spaces”. In Georgia, in the context of the transfer of “forests of local importance” into the responsibility of municipalities, municipality representatives perceive the issue of long deforested forest lands as problem, because of fearing being blamed of illegal conversion of land cover after these lands have been accepted as forest lands.

The change of the land designation category from agricultural to forestry is necessary for the inclusion into forests of afforestation sites and succession areas on abandoned agricultural lands. This change can be challenging because in the land legislation agricultural lands are considered as “higher value” category than forestry lands. This is reflected in different applicable land taxes as well as in legal requirements. E.g. in Moldova and Ukraine barriers for the change of designation categories of agricultural lands have so far largely prevented the inclusion into the forest fund of newly established forests (from afforestation and natural succession) located on agricultural lands. In the Russian Federation forests belonging to the lands of the forest fund are in federal ownership, while forests on other lands can be in other forms of ownership. The change of the designation category of agricultural lands to forestry lands would thus legally imply a change of the ownership and is accordingly resisted.

Given the often cumbersome procedures but also insufficient enforcement of the rules on changes of land designation categories, in all programme countries in the practice changes of the real land cover and land-use often happen without formal conversion of the land.

Table 12. Key country specific issues related to changes of land designation category changes

COUNTRY	AGENCIES IN CHARGE OF CHANGE OF LAND DESIGNATION	KEY ISSUES RELATED TO CHANGE OF LAND DESIGNATION
<i>Armenia</i>	Review and approval by Government, incl. Ministry of Agriculture; no involvement of <i>Hayantar</i> .	Changes from agriculture to forestry possible and no difficulties involved.
<i>Azerbaijan</i>	Decision by Government (Cabinet of Ministers), involvement of different agencies.	Changes rarely take place, change from agriculture to forest land would lead to handover of possessor rights.
<i>Belarus</i>	Region administration: from agricultural to forest lands; President: Changes of protection forest to other category.	Forest lands delimited in overall land-use planning; inclusion of succession and afforestation areas into PA and forest lands ongoing.
<i>Georgia</i>	Ministry of Economy and National Agency of Public Registry, with formal approval by the MENRP.	New Forest Code may lead return of formerly changed lands into category of forests (Tbilisi city forests); inclusion of succession lands; delimitations often poorly documented.
<i>Moldova</i>	Agency for Land Relations and Cadastre: Land mapping and assignment to categories; Local public authority: changes of agricultural to forest; Government: allocation of forest land for state and public needs.	Afforestation only where low fertility or erosion.

<i>Russia</i>	Federal Government: Changes of category of forest land; Sub-national bodies: all lands in their responsibility, incl. forest on other than forest lands.	Land designation of former <i>kolkhoz</i> forests unclear, inclusion in forest lands would cause transfer of ownership to federal level; Commonly conversion of forests for development.
<i>Ukraine</i>	Cabinet of Ministers: conversion of forest land into lands of other designation; Territorial Administration of Land Relations at region level: change of designation from agriculture to forest.	Changes of land categories difficult and lengthy; conversion of forests also takes place illegally; Abandoned agricultural lands with forests remain in this category, but clearing prohibited, change of designation to forest only after declared “degraded”.

The following paragraphs present some country-specific issues of planning and decision making on changes of land categories and conversion of lands.

Armenia

Changes of land designation categories are reviewed and approved by a commission of all Government structures, including the Ministry of Agriculture. The state forestry agency *Hayantar* is not involved in this process as it is only a subordinated structure of the Ministry of Agriculture. It would be involved, if *Hayantar* would be an independent structure directly subordinated to the Government. Generally, changes of land designation from agriculture to forestry are possible and do not present special difficulties. (Nazeli Vardanyan, NGO representative involved in afforestation programmes, pers. comm. 2015)

Azerbaijan

Changes of land designation categories from forest into other or vice versa rarely take place. The stakeholders met by the Consultant were entirely aware about the actual procedure and considered the issue as not very relevant. It seems the Land-use Committee is in charge of keeping records on land designations and land-use rights and preparing decisions on changes. The Ministry of Ecology and Natural Resources and the State Committee for Property (Rus. *Goskomimushchestvo* - Госкомимущество) are also to be involved in cases concerning forest lands and the decision has to be approved by the Cabinet of Ministers.

The lands of farmers and municipalities that are covered by tree and shrub vegetation are all designated agricultural lands. Change of the land designation to forest land would automatically lead to the handover of the property rights from the municipality to the state and of the user rights from the farmer to the state forestry enterprise.

Belarus

Forestry lands have been delimited in the frame of the overall land-use planning. The change of the land category from agricultural to forestry is made by decision of the region administration. Changes of the status of forests of the first group (protection forests) can only be made by Presidential Decree and thus a high barrier is established against the transformation of forests of a higher protection status.

Currently the inclusion of areas suitable for forest development is in process, including lands covered by shrub and tree vegetation due to natural succession and agricultural lands suitable for afforestation. Succession areas are not necessarily included into the forest fund, but they can also

get other designations, e.g. protected areas.

Georgia

Generally, the change of the designation of land is not difficult to achieve. Changes of designations had been done via the Ministry of Economy and National Agency of Public Registry under the Ministry of Justice, after formal approval by the Ministry of Environment and Natural Resources Protection and the National Forestry Agency. In case the new Forest Code with a more technical forest definition will pass, forests like those of Tbilisi would automatically be again designated as forest lands and consequently fall back under the control of the MENRP.

Succession areas in some cases have been included into the forest fund by changing the designation of the lands. This change of land designation can be reversed on request by the land-owners.

Municipalities as well as the Ministry of Regional Development and Infrastructure consider an inventory and proper determination of forested and deforested lands, and the change of the land designation category of the latter, as a prerequisite for the transfer of local forests to the municipalities (Case Study Georgia).

Moldova

Land categories are mapped by the Agency for Land Relations and Cadastre of the Republic of Moldova; these maps are publicly accessible. The assignment of lands to the forest fund, including lands that are temporary or permanently without forest cover, is done either in the process of forest inventory and management planning (FMP) or in the frame of the land cadastre. In the practice FMP cover only lands assigned to the forest fund in existing land-use documentation and do not change the designation of lands to categories. So far, areas with succession of tree and shrub vegetation on lands of other designation than forest are not properly mapped. Shelterbelts are usually included in the category of agricultural lands, but remained mostly in communal ownership.

The afforestation of agricultural land not covered by forest and its formal designation to the land-use category of forest is possible only in special cases, where the soil fertility or erosion problems justify such a transfer. According to the Land Code a decision by the respective local public authority is required for the transfer of land from one the category of agricultural lands to forest lands.

Neither the Forest Code nor the Land Code provides any specific regulations on the change of the land-use category from forest to other land types. The Forest Code defines that the government has the authority of deciding about the “allocation of lands of the forest fund for state and public needs”, i.e. the government is authorized to decide about the transfer of forest lands into other land categories.

Russia

The Government of the Russian Federation has the mandate of change of the designation category of forest lands as of any other lands in federal ownership. Other changes of designation are done by those organs in which responsibility the respective lands are located. This can also concern forests as these can be located on lands of different designation category.

The issue of the land designation category of former *kolkhoz* forests is not entirely solved. These forests can formally be considered agricultural lands with tree and shrub vegetation as well as forests on agricultural lands that have not been transferred into lands of the forest fund. Some of

these forests have been subject to forestry inventory and management planning. Stakeholders had made suggestions to establish legislation that would allow for the declaration of such areas as forests, without change of the ownership but with forest management by the owner under the overall control and supervision by the forestry agency. These suggestions were not included in the Forest Code, and in the result the change of the land designation category to forest automatically leads to the transfer of the land into federal ownership. Some areas were included in the state forest fund by decision of the federal forestry agency *Rosleskhoz*, and such decisions have been challenged in court cases.⁶¹

Former *kolkhoz* forests have received different designations in different documents. In the context of forest inventories forests that were formerly in the possession of *kolkhozes* have been accounted for as forest lands in the materials of the state forest survey. According to the Land Code (Art. 77) agricultural lands include forest stands with protective functions for agriculture, but not former *kolkhoz* forests as such. However, in the state land cadastre these lands are accounted as “forested lands of agricultural designation”. (Сетуридзе Д.Э., Желясков А.Л., 2012)

Conversion of forests belonging to different categories, including the state forest fund and protected areas, regularly take place for the development of housing, infrastructure and other objects. Such conversions received special attention in the context of the construction of the road Moscow-St. Petersburg through the Khiminsk forest⁶² or of the developments of objects for the Winter Olympics in Sochi 2014⁶³.

Ukraine

The delimitation of lands by categories, including lands of agricultural designation and lands for forestry, is done in the frame of the land-use planning. The State Land Agency is in charge of the mapping of the land categories. Rural councils, with participation of district forestry enterprises, prepare general plans (land-use) for their areas that are confirmed by the region councils.

Forest land is not allowed to be sold, but agricultural land can be private. Conversion of forest land into lands of other designation requires a decision by the Cabinet of Ministers. Conversion also takes place illegally, and sometimes lease of forests can be a starting point for such conversion. Especially after the dissolution of the *kolkhozes* their forests were grabbed and transferred into other lands of other designations. (Case Study Ukraine)

After the land privatization large areas of agricultural lands were abandoned. These are lands either of low fertility and/or lands where ownership of specific plots was not defined after the privatization of *kolkhoz* shares. Abandoned agricultural lands with naturally developing forests remain in the category of agricultural designation. At the same time it is legally prohibited to clear this land from the forest grown there. (Case Study Ukraine)

Changes of land categories and designations require a difficult and lengthy procedure. The land-use agency needs to declare agricultural land as “degraded” before its designation can be changed to forest. The “communal” forest enterprise can prepare a project about the change of land category to forest land. The Territorial Administration of Land Relations (Rus. Территориальное управление по земельным отношениям) at region level would have to decide about this project. The same issues concern the designation of afforestation areas as forests. (Case Study Ukraine)

⁶¹<http://forestforum.ru/viewtopic.php?f=37&t=11860>

⁶²http://www.greenpeace.org/russia/Global/russia/report/forest/Khimki/Khim_Concl-v2.pdf

⁶³<http://www.greenpeace.org/russia/ru/campaigns/forests/valuable-natural-objects/olympic-games-sochi-2014/>

The exchange of areas between state and “communal” forest for alignment of boundaries is theoretically possible, but seems rarely or never to happen.

Component 2.3: Decisions on forest inventory and management planning

The Forest Codes of all programme countries establish the forest inventory and management planning (FMP; Rus. *lesoustroystvo* – лесоустройство) as a mandatory requirement for forest use and management. Formally forest use and management without updated FMP is illegal. However, where updated FMP are not available, forest use is usually not brought on hold and the forestry agencies would issue special permissions to carry on with forest use activities, either based on outdated FMP or even without any reference to previous FMP. For instance, in Armenia the main reference are FMP from 1991; in Russia 50% of the state forests are managed on the basis of FMP older than 10 years and 3 Mio ha former kolkhoz forest are without any FMP (Страхов, 2010); and in Moldova in communal forests FMP can be formally one year outdated; in Georgia in many areas last FMP were prepared in the 1980s and are not any longer used as reference for decision making on forest use.

In all programme countries the organizational responsibility for FMP is in the national level forestry agencies (in Russia delegated to the Federal Subjects). The forestry agencies in charge of the FMP prepare and adopt the technical instructions, keep record on FMP for each forestry area (usually at the level of forestry enterprises or administrative district, in Georgia forestry units, which sometimes match with the municipality boundaries, but might be smaller or larger), require updates of the FMP (every ten years), approve the terms of reference and approve the prepared or updated FMP.

The inventory and planning activities can be carried out by specialized institutions, enterprises under the national forestry agency, which have a monopoly on these works, in Belarus – *BELGOSLES*, in Moldova – *ICAS*, and in Ukraine – *Ukrderzhlisproekt*. In Georgia and the Russian Federation services for carrying out the FMP are contracted to private service providers. In Armenia and Azerbaijan the FMP are supposed to be elaborated by units under ministries, but these seem to be currently not entirely functional.

The FMP teams are supposed to carry out their work without direct involvement of the local forestry staff of the forestry enterprises or of local branches of the national forestry agencies. The local foresters are only consulted in an initial meeting and for clarifying boundaries of forestry units and forest sections. The inventory findings and the proposed management plan are to be presented by the FMP team to the local foresters. None of the programme countries requires approval of the FMP by the local forestry enterprise or by the branch of the national forestry agency.

In all programme countries the legislation on forest inventories and management planning includes requirements on stakeholder participation. These requirements usually are met by one or several meetings at national, regional and/or local levels. The lowest participating level of public administration is usually the district. The sub-districts are not involved in the decision making on FMP, with the exception of Moldova, where FMP for communal forests, prepared with foreign assistance, involved the municipalities as the owners and managers of the forests.

The FMP includes the determination of boundaries of forestry units and forest sections, the definition of protection and use categories of forest, the inventory of forests (site conditions, species composition, age classes, stand density, volumes, natural rejuvenation, health etc.) and the planning of activities on protection, reproduction and use of forests. In the Russian Federation the Forest Code does not mention the determination of specifics of cutting, harvest volumes and other aspects of use as part of the FMP in the narrow sense (Rus. *lesoustroystvo* – лесоустройство) but indicates

these in an additional planning document - the forestry regulations of the forestry unit (Rus. *lesokhozyastvennyy reglament lesnichestva* – лесохозяйственный регламент лесничества) and they might also be part of the forest development project (Rus. *proekt osvoeniya lesov* – проект освоения лесов) that is to be elaborated by the permanent forest users or leaseholders. In other programme countries the focus of the FMP is on the determination of harvest and other silvicultural aspects play a secondary role, if any. Some FMP, notably in Belarus, Moldova and Ukraine, seem to be especially weak in the development of site specific silvicultural targets for the development of forest stands and the determination of maintenance activities for their achievement. Also the interests of local people and other forest users and of the local self-governance bodies as well as conservation needs are weakly considered and addressed in most FMP.

Table 13. Key country specific issues related to forest inventory and management planning

COUNTRY	ORGANIZATION CARRYING OUT FMP	KEY ISSUES OF FMP
<i>Armenia</i>	<i>Hayantar</i> (formerly Forest Research and Experimental Centre under the Bio-resources Management Agency of the Ministry of Nature Protection.	FMP reference was for a long time 1991, but before 2011 in some areas updated; results of forest coverage assessment not publicly available.
<i>Azerbaijan</i>	Ministry of Ecology and Natural Resources; FMP team planned to be reinstalled.	FMP do not cover tree and shrub vegetation outside of the forest fund.
<i>Belarus</i>	State enterprise “ <i>BELGOSLES</i> ” under the Ministry of Forestry; mandatory state environmental expertise and approval by the Ministry of Forestry.	FMP available for all state forestry enterprises, updated in 10 years intervals; predetermined rules of forest management leave limited space for silvicultural decision making in the FMP.
<i>Georgia</i>	Private service providers based on ToR set by the Forest Inventory Department of the NFA; FMP approved by the MENRP.	Many forest areas are used that do not have updated FMP; FMP instructions not sufficiently considering modern approaches, local participation not required; FMP formally accessible for communal bodies, but in practice rarely accessed.
<i>Moldova</i>	“ <i>ICAS</i> ” (Forest Research and Management Institute) under the Agency <i>Moldsilva</i> .	FMP in state forests up-to-date; FMP in communal forests only with external funding and partly not timely updated; FMP more oriented on harvest amounts than on silvicultural targets.
<i>Russia</i>	FMP includes at least three different documents; FMP in narrow sense elaborated by service provider and approved by <i>Rosleskhoz</i> or by land owner (communal), forest development projects by permanent forest user or leaseholder.	Since new Forest Code (2006) FMP system abolished; FMP in narrow sense largely outdated, many former <i>kolkhoz</i> forests no FMP available; FMP for forest on agricultural lands not mandatory; reconstruction of FMP system necessary for sustainable forest management.
<i>Ukraine</i>	State enterprise “ <i>Ukrderzhlisproekt</i> ” under the State Forest Resources Agency.	FMP obligatory; exist for most “communal” forests some need revision, no areas outside forest fund covered; mainly determination of harvest, no binding silvicultural objectives defined; at district level more stakeholder participation in FMP for state forest than for “communal” forest.

The following paragraphs present country-specific aspects of the systems of forest inventory and management planning.

Armenia

FMP are a formal requirement and all forestry areas except two have FMP. The main reference of the FMP, however, is the inventory from 1991 carried out by the forestry institute in Tbilisi. According to Junge, Fripp (2011) the Forest Research and Experimental Centre has developed FMPs over the past several years.

The Forest Research and Experimental Centre (FREC) had been established in 1998 as State Joint-Stock Company under the MoNP, and since 2002 it has the status of a State Non-commercial Organization (Gevorgyan, 2009) as a unit under the Bio-resources Management Agency of the Ministry of Nature Protection. The FREC deals with the forest resources inventory and planning (Rus. *lesoustroystvo*– лесоустройство), forestry training, and forest field experiments. However, the Consultant during his mission in 2015 was told (Vardanyan, NGO representative, pers. comm. 2015) that *Hayantar* prepares the FMP, but not the FREC. Also Annex 8 of Gevorgyan (2009) indicates that the responsibility for FMP had been transferred from the FREC to *Hayantar*.

The German development agency GIZ did an assessment of forest coverage. Based on satellite imagery area extent of deforestation and succession were determined. The results have not been made accessible to the public. NGO suspect that *Hayantar* put pressure against the publication, to conceal inconsistencies in official forest cover statistics.

Azerbaijan

Forest inventory and management planning (FMP) are mandatory for the forest fund and are the precondition for the implementation of any forestry activities. Updates are required every ten years. The tree and shrub vegetation outside of the forest fund is not covered by the FMP. The FMP were directly financed by the Ministry of Ecology and Natural Resources. In the past a FMP team had been working under the Ministry of Ecology and Natural Resources. A new FMP unit is now planned to be reestablished under the Ministry's Forestry Department. (Case Study Azerbaijan)

Belarus

Forest inventory and management planning (FMP) is mandatory for the entire forest fund and is carried out by the state unitary enterprise “*BELGOSLES*” under the Ministry of Forestry, which has the monopoly for these services. FMP are available for all state forestry enterprises, and these are updated in 10 years intervals.

The forest inventory and management planning includes the determination of forest sections of all levels, the verification of the assignment of forests to different groups and protection categories, description of site and stand conditions, assessment of qualitative and quantitative characteristics of forest resources, the determination of necessary silvicultural works, intermediary and final cutting as well as the use of NWFP and other uses of the forests. In accordance the forestry activities for the ten-years planning period are established. Each FMP is mandatorily undergoing a state environmental expertise and approval by the Ministry of Forestry. The FMPs are the binding framework for the forestry activities of each state forestry enterprise and determine their annual planning and implementation. Use of forestry resources in areas without up-to-date FMP or in excess of or deviation from the provisions of the FMPs is prohibited. (Красовский, Усенья, 2015)

During the course of the process of FMP elaboration or update the FMP team holds two so-called technical meetings and two forest inventory and management planning meetings. In case of necessity, additionally intermediary meetings can take place. The meetings involve the respective state forestry enterprise, the district land-use officer as district administration representative and the district environmental department. Usually the rural councils are less involved, but sometimes their representatives participate in the meetings. (*BELGOSLES*, pers. comm. 2015)

Most silvicultural and harvest issues are predetermined by the established applicable norms, and thus there is not much space for disagreement between the FMP team, the state forestry enterprise and the representatives of district and rural councils. The FMP does not make explicit decisions on the silvicultural targets, e.g. on the mix of species. (Case Study Belarus)

Georgia

The acting Forest Code describes the forest inventory and management planning, which is supposed to be updated every ten years. The Forest Code suggests that inventory is obligatory for planning of forest use, but management plans are not mandatory as a basis for issuing permits for the actual use of forests. Possibly some bylaws set stricter rules, but in the practice many forest areas are used that do not have updated FMPs. In many areas the most recent forest inventory and management planning are from the mid-1980s. (Case Study Georgia)

The agency in charge of the forest inventory and management planning is the NFA's Forest Inventory Department. This department determines the forest fund boundaries and prepares suggestions for their correction; draws cadastral plans; organizes the monitoring and inventory of the state forest fund, as well as the development of forest management plans.⁶⁴ The guiding legal document for the implementation of forest inventory and management planning are the "Rules of Forest Inventory, Planning and Monitoring"⁶⁵. The "Rules" provide enough flexibility to elaborate and adopt specific Terms of Reference (TOR) for each planning area. The forest inventory and management planning is conducted by contracted private companies, based on a tender announced by the organization in charge of the respective forest, i.e. in most areas the NFA, in communal forest areas the municipality.

The inventory for each smallest homogenous parcel contains data on: species; general stand characteristics; height, average diameter; density; volume; dead wood. The management plan contains a determination of the target stand conditions. The TOR also require the determination of local demand for fuel and timber, but this is difficult to assess as local people would always claim higher needs to get access to surplus wood for sale. Stakeholders from the NFA and private service providers complained that the FMP are partly in old Soviet approach and style; ecological conditions as well as socio-economic aspects are not integrated and considered in the management planning, parts of practical relevance for local people are missing and local needs are inadequately reflected. (Case Study Georgia)

While the Forest Code requires full public participation in the forest management planning, neither operationalize the "Rules" this requirement nor is there any other established mechanism in place for public participation. In the practice the information about the FMP process is shared via internet; a meeting takes place at central level (but not necessarily at local level); the contractor reacts on comments received with responses and changes to the project. Finally the FMP is to be approved by the MENRP. The interviewed service provider always meets in the process with heads of local municipalities, but this is not required by the "Rules". FMP are public documents and formally accessible for communal bodies. But visited municipality representatives stated that they are not

⁶⁴ <http://forestry.gov.ge/en/about-us/departments/forest-inventory-department#sthash.1LShNxXP.dpuf>

⁶⁵ Enacted by the Decree of the Government of Georgia #179,2013

informed about the results of the inventory and planning and the management plan is not shared with them. It seems that in the practice neither the NFA actively shares the FMP nor do municipalities make requests for access to them. (Case Study Georgia)

For the forests of the municipality of Tbilisi an updated FMP does not exist and the status of the city's forests as formally not belonging to the forest fund should exempt them from the requirement of the FMP. In the communally managed Protected Landscape Tusheti the FMP is from 1986, but the administration does not have these for their forest areas. (Case Study Georgia)

Moldova

Forest inventory and management planning are mandatory for the entire forest fund regardless of the ownership. All forest inventory and management planning is done by a specialized state organization, the state enterprise "ICAS" (Forest Research and Management Institute) under the Agency *Moldsilva*. While the general methodology is the same for all forests, some simplification has been introduced for the communal forests possessed by the municipality councils. The revision period is ten years.

FMP is considered a state task and should be financed by the state, but no funding is allocated by the state for the FMP, neither in communal nor in state forests. The FMP in the state forests is financed by the forest enterprises themselves from their income. The costs of forest inventory and management planning of communal forests are supposed to be funded by the budget of the respective municipality, but these activities in communal forests are funded largely by international projects.

Since 2005 forest inventory and management planning of more than 20,000 ha of communal forests were updated, but the larger part of communal forests does not have up-to-date inventories and management plans. In contrary, for the forests managed by *Moldsilva* the FMP are largely up to date, with no more than one year delay in updating. The forest enterprises of *Moldsilva* manage more productive forests and are thus able to pay for the FMP services provided by ICAS. As these FMPs are the basis for any forest use, there is as well economic pressure to allocate funds for inventory and planning. The focus in the FMP is more on allowable harvest, and less on the determination of stand specific silvicultural options, definition of development targets, activities and related costs and benefits.

The procedure for forest inventory and management planning provides limited opportunity for local stakeholder involvement and for the consideration of needs and capacity at the local level. Two conferences are formally required supposed to be hold at local level with participation of the municipality itself, *Moldsilva*, ICAS, the Ministry of Environment and the Academy of Sciences, the first to present the intentions, the team and the purpose and area of the work and the second to present the elaborated Forest Inventory and Management Plan. Where recently FMP of communal forests were elaborated with external project support municipality staff and, where available, local forestry employees as well as interested local inhabitants were involved in the process.

Russia

In Russia forest inventory and management planning according to the Forest Code includes the inventory and management planning in the narrow sense (Rus. *lesoustroystvo* – лесоустройство), forest plans of Federal Subjects, the "forestry regulations of the forestry unit" (Rus. *lesokhozyastvennyy reglament lesnichestva* – лесохозяйственный регламент лесничества) and the "forest development project" (Rus. *proekt osvoeniya lesov* – проект освоения лесов). Further, the Forest Code mentions the state forest inventory (Rus. *Gosudarstvennaya inventarizatsiya lesov*

– Государственная инвентаризация лесов), the state forest register (Rus. *Gosudarstvennyy lesnoy reestr* – Государственный лесной реестр). The content of these activities and documents as far as determined in the Forest Code is partly overlapping. Their relation to the inventory and management planning in the narrow sense (sense (Rus. *lesoustroystvo* – лесоустройство) is not clear, in particular in what extent the “forestry regulations of the forestry unit” and the “forest development project” have to be based on the inventory and management planning in the narrow sense.

The “forestry regulations of the forestry unit” are the document determining the specifics of forest use as well as protection and reproduction of forests for a period of ten years. They are approved by the federal forestry agency (*Rosleskhoz*) or (in case of communal ownership of the lands) by the local self-governance bodies. The “forest development project” as well contains information on forestry activities. The “forest development projects” are to be elaborated by the permanent forest user or forest leaseholder, and they are subject to expertise by the state or the municipality depending on the land ownership.

The forest inventory and management planning in the narrow sense is carried out by service providers. The state enterprise *BELGOSLES* under the Ministry of Forestry of Belarus has done inventory and planning works in Russian forests based on contracts.

Forest inventory and management planning in the narrow sense in 2010 for about half of Russia’s forests were outdated (i.e. older than 10 years). For more than 3 Mio ha state forests that had been formerly in the possession of *kolkhozes* it did not exist at all (Страхов, 2010). However, Seturidze and Zhelyaskov (Сетуридзе, Желясков, 2012) stated that in the past also in *kolkhoz* forests forest inventory and management planning had been carried out.

While FMP are required on lands of the forest fund, defense and security, towns and settlements as well as protected areas, such requirement does not exist for forests on other lands, including agricultural lands. Forest inventory and management planning on these areas can be considered voluntary as a basis for the elaboration of the “forest development project” that would include the determination of the use of the forest. (Anonymous 2012⁶⁶)

The change of the FMP system after the adoption of the new Forest Code caused the rapid decline of the amount of inventory and planning works and the loss of orientation in the forestry and forest use system (Лалетин et al. 2011). The changes led to the abolishment of the forest inventory and management planning in the narrow sense (Rus. *lesoustroystvo*) as uniform system. The documents of the current forest management system (forest plans of Federal Subjects, the forestry regulations of the forestry units and the forest development projects on leased forest areas) were elaborated on the basis of outdated materials of the forest inventory and management planning. Further, during the period since 1990 the forest inventory and management planning system lost significant technical and human capacity. (Страхов, 2010) The entire system of forest inventory and management planning in Russia seems to require substantial reformation and rehabilitation for becoming an operational tool for sustainable forest management.

Ukraine

In Ukraine forest inventory and management planning (FMP) are carried out by the enterprise “*Ukrderzhlisproekt*” under the State Forest Resources Agency. The FMP services are to be paid by the forest owner. In the case of state forest enterprises the services are financed by the state (via the State Forest Resources Agency) while “communal” forest enterprises have to finance the FMP on their own or with support by the region budget. (Case Study Ukraine)

⁶⁶<http://forestforum.ru/viewtopic.php?f=37&t=11860>

The requirements for FMP are the same for all types of ownership of the forests. FMPs are obligatory for permitting of any forest use. Currently FMPs exist for most “communal” forests but some areas require revision. Where no up-to-date FMP exists, annual cuts are defined by *Ukrderzhlisproekt* based on the old FMP. The FMP have to ignore any forests outside the established boundaries of the forest fund. The succession areas on abandoned agricultural lands are in reality forest, but there is no formal mandate to include these areas into the FMP. (Case Study Ukraine)

The FMPs contain the determination of the categories of forest areas and general taxation data on stands. Based on this they determine the allowable harvest during the FMP period. The FMP do not contain recommendations or binding requirements on reforestation activities and silvicultural objectives. FMP does not provide flexibility for the determination of intermediary or main use, and the types of cuts are determined only by the age of the stands, applying a silvicultural approach based on clear cutting and age class forests. Local forestry enterprises via free GIS software can access forest inventory and management data, which have been provided by *Ukrderzhlisproekt*. (Case Study Ukraine)

Participation of stakeholders in the process of forest inventory and management planning is realized through advice by the respective forestry enterprise to the FMP team and through the FMP meeting. In case of “communal” forests the FMP meeting takes place at region level and involves various stakeholders, including representatives of representatives of SFRA, of the region environmental department, region and district forestry enterprises, the region, council as well as NGOs. Various stakeholders reported that district and rural councils are not represented and do not have a voice in the FMP decision making. No local meetings are held about the FMPs for district forestry enterprises, in contrast to the FMPs for state forestry enterprises. Thus the local participation in decision making about “communal” forest is even less than about state forests. As the region forestry enterprises have the overall management and control and organize the FMP activities, they seem to be responsible for the low level of local participation. (Case Study Ukraine)

Component 2.4: Decisions on implementation of forest management activities

Forest management activities include, e.g., afforestation of non-forested land, reforestation, maintenance of rejuvenation, thinning, prevention and fighting of forest fires, pest control, and harvest. Decisions on where, in what extent and by what means forest management activities are implemented by forestry enterprises are in all programme countries supposed to be based on the FMP and on a set of technical instructions. In the state forests of Azerbaijan (partly), Belarus, Moldova and Ukraine up-to-date FMP are in place. Not all communal forests in Moldova and forests of “communal” forestry enterprises in Ukraine are covered by recent FMP. Many forest areas in Armenia and Georgia have only outdated FMP. In Russia the new system of “forestry regulations of the forestry unit” and “forest development projects” of leased forests is largely based on outdated inventories. Nevertheless, forestry activities, in particular harvest, take place in all these forests, either with reference to acting FMP, to outdated FMP, or even without any formal reference to FMP.

The FMP should set the frame for the implementation by the forestry enterprises and other forest users of all forest management activities during the planning period, which is in all programme countries ten years. In varying extent, depending on the ownership of the forest, the user and the type of forest use, additional procedures are in place for decision making on timber and wood harvest, but often as well for any other forest management activities. These procedures imply the approval or permitting by state forestry enterprises where external users or contractors implement activities, by higher level forestry authorities where state forestry enterprises are implementers, and

in communal forests (Moldova, Ukraine) by state or region forestry authorities and additionally by the State Environmental Inspections.

In all programme countries the decision making on harvest is based on the determination of annual allowable cuts (AAC) or at least takes them into consideration. The AAC should be determined in the frame of the FMP for each forestry unit, based on the wood volumes and increments and on the silvicultural development targets for each forest parcel. For planning and reporting purposes these site specific AAC are aggregated to forestry enterprises', regions' and country-wide AAC.

The determination of country-wide AAC, however, also contains elements of a centralized planning economy. AAC can be influenced by political decisions and may not reflect the harvest potential and needs of the local forestry units and forestry enterprises. For instance, in Armenia the country-wide AAC is politically determined much lower than the combined potentially possible harvest from all forestry units. Accordingly, lower AAC are allocated to the forestry units than planned in the FMP. There are multiple reasons for these decisions, including a deduction because of inaccessible forest areas, the intention to increase the volume in the country's forests, concerns about negative public opinion in case of higher official harvest and the consideration of illegal cuts. The discrepancy between AAC and demand is one of the main factors causing unauthorized and accordingly unregulated and unsustainable wood harvest. (Junge, Fripp, 2011)

In Azerbaijan only sanitary and other maintenance cutting is permitted. In the other programme countries the permitted amounts of harvest seem to correspond largely to the potential and the amounts planned in the FMP, as far as these are available and up-to-date. In Georgia during the last years reportedly in some areas concessionaires harvested significantly lower volumes of timber than permissible, due to low demand. In contrast, fuel wood is allocated to local households rather based on demand than on actual estimates of sustainable harvest volumes. (Case Study Georgia)

Most forestry enterprises and leaseholders or concessionaires determine the specific cutting areas and the harvested volumes by themselves. In Azerbaijan, Belarus, Georgia and Russia the foresters would mark trees or cutting areas for limited self-harvest by local people. The permits for fuel wood collection (and in Russia also timber for personal needs) are issued on the basis of eligibility criteria, like local residency and others. In Armenia, Moldova and Ukraine only workers of the forestry enterprises and contractors can harvest trees, and the state forestry enterprises would indicate the locations and the amounts to be harvested. The communes in Moldova are not authorized to carry out the definition and marking of cutting areas and the determination of the harvest volumes. They therefore have to rely on the local representatives of the state forestry agency *Moldsilva*. Similarly in Ukraine the "communal" forestry enterprises have to get their harvest for main use (final logging) approved by the State Environmental Inspection and the felling permits issued by the region state forest administration. In Georgia the Code on Local Self-government, if implemented verbally, would provide the municipalities with exclusive authority over forests of local importance, and the national forestry authorities fear they would lose any stake in decision making on the implementation of forestry activities. This situation already exists in the municipality of Tbilisi.

The implementation of forestry activities outside of lease or concession areas is done either by workers of the forestry enterprises or by private service providers. The selection of service providers either follows strict tender procedures (in Georgia) or can be based on personal connections, as it seems to be largely the case in Armenia. In some cases forestry enterprises would hire seasonal workers, in Ukraine often informally and with in-kind payments. Leaseholders and concessionaires implement forestry activities with own workforce or with contractors. This can lead to dwindling local employment in forestry, as reported from Georgia and Russia.

Lease agreements and contracts of sale of standing timber in Russia and concessions in Georgia

are awarded on the basis of auctions. Also in Belarus standing and logged timber is sold on auctions, with restricted contingents available for the needs of local people.

Table 14. Key country specific issues related to decision making on forestry activities

COUNTRY	ORGANIZATIONS IN CHARGE OF DECISION MAKING	KEY ISSUES
<i>Armenia</i>	Ministry of Agriculture; <i>Hayantar</i> .	Annual Allowable Cuts much below the harvest potential and demand; high level of unaccounted wood harvest.
<i>Azerbaijan</i>	Forestry Department of the Ministry of Ecology and Natural Resources; outside of the forest fund: environmental protection authorities of region and district.	Only sanitary cutting; outside of the forest fund maintenance activities not permitted, despite legally possible according to Forest Code, but without FMP formal precondition missing.
<i>Belarus</i>	Local AAC for main use approved by the Ministry of Forestry in agreement with the Ministry of Natural Resources and Environmental Protection; resulting country-wide AAC approved by Government; other decisions by state forestry enterprises and forestry units.	Forest maintenance and reforestation decided and implemented by forestry units in accordance to FMP; decision making process on harvest criticized as being potentially prone to abuse, but existing mechanisms ensure effective control and enforcement.
<i>Georgia</i>	NFA in charge of most decisions, approval of local foresters' determination of harvest by local people; in Protected Areas decisions require approval by MENRP.	Except wood harvest most silvicultural activities on hold; rarely interference of NFA into decisions by concessionaires on harvest activities.
<i>Moldova</i>	<i>Moldsilva</i> ; cuts to be authorized by the State Environmental Inspection of the Ministry of Environment.	Cuttings in communal forests – areas and amounts to be approved in the field by <i>Moldsilva</i> .
<i>Russia</i>	General rules set by <i>Rosleskhoz</i> , “forestry regulations of the forestry unit” approved by <i>Roslekhov</i> or respective local bodies; “forest development project” pass formal expertise by responsible administrative level.	Forest users have to act in the frame of approved “forestry regulations of the forestry unit” and “forest development project”; allocation of sale contracts of standing timber and leases mainly via auctions; access for local people supposed to be simplified; clearing of burnt sites possible without contract and not accounted for against AAC.
<i>Ukraine</i>	“Communal” forests: “communal” forestry enterprises main use approved by the State Environmental Inspection; permits issued by region state forestry administration.	Approval of harvest in “communal” forests by State Environmental Inspection and permits by region state forestry administration; no influence on reforestation and silviculture by environmental agencies.

The following paragraphs present country-specific aspects of the decision making on the implementation of forestry activities.

Armenia

In Armenia forest activities are exclusively implemented by *Hayantar* and the harvest brigades

authorized by *Hayantar*, with the exception of limited collection of fallen dry wood by local households. Most cutting and transportation of fuel wood and timber is done by these brigades. *Hayantar* issues and allocates via its 18 local branches (former state forestry enterprises) the permits for harvest to these brigades. Brigades carry a permit and operate with the knowledge of authorities, but the permits issued do not correspond with the actually harvested levels. (Junge, Fripp, 2011)

The permitted cutting levels are based on the allocations of the AAC to the forestry units, and the AAC is supposed to be based on the FMP, which had been developed over the past several years by the Forest Research Experimental Centre (FREC). As explained above, the government has set nation-wide AAC in recent years even lower than the aggregated amount of local harvest determined by the FMP. For instance, in 2010 the national AAC was only 35,000 m³ (in 2015 it was only 22,000 m³, Petrosyan, pers. comm. 2015), compared to an estimated annual forest growth of 393,000 to 686,000 m³. *Hayantar* justifies the reduced AAC by the facts that only 63% of the forested area is accessible; lowered AAC allows forests to recover and accumulate volume; concerns over the reaction of environmental NGOs; and the attempt to offset continuing unaccounted and illegal harvest. (Junge, Fripp, 2011)

The AAC and the legal collection of fallen wood by villagers can by far not meet the estimated annual demand of at least 475,000 m³ of fuel wood only. Also imports are insufficient to cover the supply gap. Thus the majority of fuel wood is harvested unaccounted, but almost exclusively by the brigades that are authorized by *Hayantar*. Junge, Fripp (2011) argue that “a low AAC, which does nothing to address demand, actually guarantees that the vast majority of cutting will be done illegally/informally” and recommend that the nation-wide AAC should be based on accurate data in the FMP and reflect a summation of the local AACs, but should not be artificially changed by the Ministry of Agriculture.

Azerbaijan

The state forestry enterprises implement their forestry activities with own work force and on the basis of plans decided by the Forestry Department of the Ministry of Ecology and Natural Resources. Decisions on permitting local households to harvest fuel wood for their own needs are taken by the state forestry enterprises, which would issue the necessary permits and their rangers would mark the trees that can be cut.

The owners and users of lands covered by tree and shrub vegetation outside of the forest fund do not implement any forest management activities. The Forest Code in theory provides for the opportunity to carry out activities that improve the conditions of the stands and the fulfilment of their functions, including various forms of cutting of trees. In the reality the region and district authorities in charge of environmental protection do not permit any cutting of trees. These stands are not included in the forest inventory and management planning, and for this reason a mandatory formal precondition for any forestry activities is lacking.

Belarus

The local AAC for main use, based on the FMP, are approved by the Ministry of Forestry in agreement with the Ministry of Natural Resources and Environmental Protection and the resulting aggregated country-wide AAC for main use is approved by the government. The local state forestry enterprises determine their logging areas by themselves. The state forestry enterprises issue the respective permitting documents for the use of forest resources to the forest users. The forest cutting permits contain all specifics on the amount, type of wood and time for logging and transportation of the harvested wood. (Красовский, Усенья, 2015)

The forester of the forestry unit makes his decisions on the silvicultural targets, in particular on the mix of species, in the frame of the FMP. Thinning operations are used to regulate the species composition. The FMP defines all thinning for each section, except of the first thinning in newly planted young growth (Rus. *osvetlenie* – осветление), which is done according to standard instructions. Reforestation is done according to reforestation projects, which are elaborated by the state forestry enterprises. Reforestation is required within three year after logging, where natural rejuvenation is insufficient. (Case Study Belarus)

District administrations make decisions on the lease of forests, except about leases for the purpose of logging, which are decided by the region administration in agreement with the state forestry enterprises. Fuel wood and timber is sold by the state forestry enterprises at affordable prices. Local people can as fuel wood also cut trees, marked by forest rangers for selective maintenance cutting, based on permits issued by the local forester. (Case Study Belarus)

The decision making process on harvest activities has been criticized as being potentially prone to abuse and corruption. The legal entity that is carrying out the forest management and does the harvest themselves also issues the forest cutting permits, thus possibly allowing for illegal harvest. (Лаевская et al., 2011) Substantial abuse and violations are very unlikely, because of the existing procedures of decision making, control and oversight within the hierarchical structures of the Ministry of Forestry, the region state production forestry associations and the state forestry enterprises, and the independent elaboration of the FMP by *BELGOSLES*, in combination with additional external control and law enforcement by the State Inspection for the Protection of the Plant and Animal World under the President.

Georgia

Decisions on the implementation of forest management activities should be based on the approved and up-to-date FMP, but most FMP are long outdated, and decisions on the implementation of forest management activities are made on an ad-hoc basis. Currently, with the exception of timber (and fuel wood) harvest, all main silvicultural activities are practically on hold. (Case Study Georgia)

The local representations or forestry units of the NFA's region forestry services issue cutting permits for fuel wood (and based on the complicated procedure described under [1.3](#) for timber) for personal use by the local population. These local foresters would as well determine the specific locations and type of trees to be cut. As the system is centralized, these decisions are made after approval from the NFA⁶⁷. In protected areas additionally any management and use have to be authorized by the MENRP.

Concessionaires make their decisions on forest management activities in the frame of the concession contracts, annual limits and FMPs - if existing - and are responsible for the correct marking of cutting areas⁶⁸. The NFA rarely interferes in the decision making of concessionaires on their forest management.

Moldova

Moldsilva in the frame of its own hierarchical structures makes all decisions on the management of the state forests on the basis of the FMP. Forest management activities have to be implemented in accordance to the requirements set by the approved FMPs during their ten-year revision period. Where the revision period of these plans expired without renewal of the plan, in practice decisions

⁶⁷Government Decree #242/2010

⁶⁸Government Decree #242/2010

on forest management activities are made with reference to the outdated plans and under consideration of the actual situation. Any cuts, including those in communal forests, have to be authorized by the local office (district level) of this State Ecological Inspection (SEI) of the Ministry of Environment.

The councils of the municipalities make most decisions concerning their forest, e.g. on the allocation of harvested fuelwood to needy and other families and applicable prices and the allocation of communal forest for lease. Areas of communal forests, in which cuttings are planned, have to be marked and harvest amounts have to be determined by *Moldsilva*. The municipalities use own work force or hire local workers for most of the forestry works in older stands and for harvest of trees. In many communal forests afforestation and maintenance activities in newly afforested and reforested areas are implemented by *Moldsilva*.

Access to NWFP for personal use is unrestricted and does not require any permit with the exception of especially established stands, e.g. of walnut. Use of such stands can be restricted and be allowed based on permits only.

Russia⁶⁹

Forest management in Russia has largely been transferred into the responsibility of leaseholders. Further, contracts of sale of forest stands are possible for standing timber that can be harvested within a defined period. Both lease and contracts of sale are auctioned, with few exceptions. Local households can apply for the allocation without auction of forest sections under contracts of sale for cutting of fuel wood and timber for personal use.

The forest management has to follow a number of rules that are established for each forest region by *Rosleskhoz*: age classes for tree stands to be harvested, rules for harvest of timber and other forest resources, rules of fire safety in forests, rules for sanitary safety in forests, rules for reforestation and rules for maintenance of forests.

The decision making on forestry activities is connected to the inventory and planning, as described under Component 2.3. The inventory and management planning in the narrow sense (*lesoustroystvo* – лесоустройство) is the basis for all decisions on forestry management, but most of these inventories are long outdated. The forest plans of Federal Subjects, the “forestry regulations of the forestry unit” (*lesokhozyastvennyy reglament lesnichestva* - лесохозяйственный регламент лесничества) and the “forest development project” (*proekt osvoeniya lesov* - проект освоения лесов) contain further planning of forest management activities. The available information suggests that forest users can implement forest management activities based on these documents – in the case of state enterprises as permanent forest users based on the “forestry regulations of the forestry unit” and in the case of private leaseholders based on the “forest development project” elaborated by them. The “forestry regulations of the forestry unit” are approved by *Rosleskhoz* or (in case of communal ownership of the lands) by the local self-governance bodies. The “forest development projects” have to pass a formal expertise by the state or the municipality depending on the land ownership. Forest users have to report annually in a standardized format about their forest use activities in accordance to their “forest development projects”. The violation of the provisions of the “forestry regulations” and “forest development projects” lead to the cancellation of lease contracts or contracts of sale as well as termination of permanent and temporary user rights on forest sections.

⁶⁹ If not indicated otherwise, based on the Forest Code of the Russian Federation #200-FZ/4 December 2006, last edits 21 July 2014 (Лесной кодекс Российской Федерации от 4 декабря 2006 г. N 200-ФЗ, с изменениями и дополнениями от 21 июля 2014 г.)

Timber harvest is possible in exploitation and protection forests, if not otherwise prohibited. The timber harvest has to be in the frame of the annual allowable cut, determined for the respective forestry unit, and has to be in accordance to the determined age classes for harvest. Timber harvest by citizens and legal entities is permitted on the basis of lease contracts. The leaseholders have the right to build forest roads and other infrastructure for the harvest of timber. Where protection forests, e.g. in managed reserves (*zakaznik* – заказник), are under lease the opportunities for regular harvest can be very limited. For this reason leaseholders seek to get sanitary cuts, even as clear cuts, permitted despite being technically not justified⁷⁰. In exceptional cases timber harvest can be permitted for the needs of the state or municipalities on the basis of contracts of sale of forest stands. Citizens can harvest fuel wood and timber for personal needs on the basis of contracts of sale of forest stands, with members of indigenous small peoples being entitled to harvest higher amounts for their personal needs than established by the acting norms. Inconsistencies between established norms and the real needs and forest conditions in different Federal Subjects have been criticized (Пронькин, Григорьев, 2010). The contracts of sale of forest stands contain the decisions on the specific section and parcel where the timber can be harvested and on the amount of harvestable timber. These contracts are valid up to one year.

Forest sections can also be leased for the growing of forest fruits, decorative and medicinal plants and similar forest resources. Temporary structures can be erected in such sections. Also forest sections can be leased for the establishment of forest plantations (tree plantations). In such plantations cuttings are possible without limitations.

Fire prevention measures have to be implemented by permanent forest users and leaseholders on the basis of the forest development project. Shvarts et al. (Шварц et al., 2010) and other experts criticized that many forest users and leaseholders are not able to implement sufficient fire prevention measures and to effectively fight occurring forest fires. The large scale forest fires, in particular in 2010 in western Russia and in 2015 in the Baikal region, confirm these concerns. Burnt forest areas can be declared as “disaster areas”, and in such areas selective and clear cuttings are possible without lease or contract of sale. Citizens have priority rights to use timber, fuelwood and NWFP from such areas. The amounts of wood harvested in the context of the “liquidation of disaster situations in forest fire areas” are not accounted for against the AAC. There might be a risk that forest fires are used as pretext, similar to other sanitary cutting, for otherwise not permissible forest use.

Forest regeneration has to be done by the leaseholders of forest sections used for harvest. Outside of leased areas the forest regeneration is task of the state organs and municipalities. Forest regeneration can be reforestation or natural regeneration or a combination of both and is to be realized in accordance to the rules established by *Rosleskhoz*⁷¹, to the accepted “forest development projects” and to site specific forest regeneration projects. No permission or approval is required for the implementation of the forest regeneration projects. Failure to implement the provisions on forest regeneration of the “forestry regulations” and “forest development projects” lead to the cancellation of lease contracts or contracts of sale as well as to the termination of permanent and temporary user rights on forest sections.

Ukraine

The decisions on the implementation of the forest management activities in “communal” forests are mainly made by the “communal” forestry enterprises themselves, mostly by the district forestry enterprises or by the local branches of region forestry enterprises. The rural councils and the district councils do not interfere with these decisions. (Case Study Ukraine)

⁷⁰ <http://novayagazeta.spb.ru/articles/10014/>

⁷¹ Приказ МПР России от 16.07.2007 N 183 (ред. от 05.11.2013) "Об утверждении Правил лесовосстановления"

The decisions about determination of areas for logging and the amount of harvest have to be made in accordance to the FMPs and are supposed to follow different bylaws in state forests of the SFRA⁷² and in other forests⁷³. The district forestry enterprise prepares the draft document, which is checked and endorsed by the region forestry enterprise. Areas and amounts of felling for main use have to be approved by the State Environmental Inspection. The region state forestry administration then issues all forest cutting permits and the certificates of origin of timber for export. All harvest of wood products is done by the forestry enterprises and their contractors. The forestry enterprises seasonally hire local workers, often informally and for in-kind payment. (Case Study Ukraine)

The district forestry enterprises prepare projects of reforestation activities in accordance to the general recommendations in the FMP and/or the forest type species composition that is determined by the stand conditions. These reforestation projects are confirmed by the region forestry enterprise. The State Environmental Inspection does not influence on the implementation of reforestation and silvicultural activities, although these activities have a major impact on the future composition and structure of the forests, determining their biodiversity and ecosystem functions and services. (Case Study Ukraine)

Decisions on lease of forest lands are made by the region council, with agreement by the rural councils or the district councils, the region forestry enterprise and the region state forestry department. The use of NWFP for personal use, and in the practice as well for small-scale commercial purposes, does not require any permits and no formal decisions are made on such forest uses. (Case Study Ukraine)

5.3 Pillar 3: Implementation, enforcement and compliance

Component 3.1: Capacity of forestry organizations and territorial decision making bodies and administrations

In all programme countries the capacity of the forest sector as of any other public sector has suffered in some extent during the transition period. Low salaries in all public sectors and in forestry in particular, caused the loss of experienced staff and reduced the attraction for young qualified people. The capacity situation, however, varies between the programme countries.

The capacity of the national level forestry agencies in Belarus, Moldova and Ukraine is comparably well developed. There the capacity of the subnational or region level in terms of human capacity and resources is also satisfactory, in particular in Belarus. Given the overall more problematic macroeconomic situation in Moldova and Ukraine, one can conclude that capacity of the national and subnational level forestry agencies might not be as good as in Belarus. However, as suggested by the Consultant's findings during the Case Studies as well as other available information, the agencies' capacities seem generally sufficient to fulfil their mandates. The forestry agencies are

⁷²"Methodical instructions on the determination and valuation of forest cuttings, issuance of the forest cutting permit and review of the areas of harvest of timber in forests of the State Forestry Resources Agency of Ukraine" approved by the decree of the State Forestry Resources Agency of Ukraine from January 21, 2013 #9 (Rus. «Методические указания по отводу и таксации лесосек,

выдачи лесорубочного билета и осмотра мест заготовки древесины в лесах Государственного агентства лесных ресурсов Украины» утверждены приказом Государственного агентства лесных ресурсов Украины от 21.01.2013 № 9)

⁷³"Guidelines in the determination and valuation of forest cuttings in the forests of the USSR" approved by the decree of the Committee for Forestry of the Council of Ministers of the USSR from December 27, 1968 (Rus. «Руководство по отводу и таксации лесосек в лесах СССР», утвержденное приказом Государственного комитета лесного хозяйства Совета Министров СССР от 27.12.1968 года.)

directly involved in the use of forests and accordingly create income from the use of forests. In the mentioned three countries sufficient harvestable forest resources are available that are in demand by the market to support the state forestry agencies financially.

In Armenia, Georgia and the Russian Federation the capacity of the national level and region level forestry agencies has substantially declined since the dissolution of the Soviet Union and is now assessed by most experts as insufficient. In Armenia the state forest agency *Hayantar*, despite some increase in the budget after 2005, is severely underfunded by the state and the income created from the sale of forest products is insufficient. While Armenia as a rather forest poor country has generally less potential for profitable forestry than e.g. Belarus and Ukraine, the reasons for the low income of the state forestry agency are more in the fixed wood prices not accounting for inflation and for market prices and in the fact that the majority of harvest goes unaccounted and not paid to *Hayantar*, factors that are explained under pillar [1.5](#) and [2.4](#). In Georgia the national and region level forestry agencies have been continuously cut down in terms of financial resources, staff and other capacity in the course of the market oriented reforms. Also the forest research institute has been closed. Only with the recent National Forest Concept⁷⁴ the insufficient capacity has been officially recognized, and now substantial capacity development is planned. Similarly to Georgia, in Russia with the reform of the forest sector and the delegation of functions from the federal level to the Federal Subjects and to private leaseholders the capacity of the national level forestry agency has been cut back, the federal forest protection was abolished and skilled staff left the agency without being replaced by new qualified staff. In Azerbaijan human and technical capacity is obviously declining in the national level forestry agency, the forestry department of the Ministry of Ecology and Natural Resources. Here the reasons seem to be not in poorly developed reforms, but in contrast, in a rather transfixed inherited system and the exclusively protectionist approach, which does not allow for modern sustainable and multifunctional forestry.

The capacity of the local level state forestry organizations largely reflects the situation in the national and region level forestry agencies of the respective countries. In Belarus state forestry enterprises have large capacity in form of qualified and skilled staff, necessary buildings, other infrastructure, equipment and technology. A state forestry enterprise in Belarus can have in the range of 450 employees. In Moldova the state enterprises also have sufficient capacity. This is also indicated by provision of assistance to communes in reforestation and maintenance of young growth as well as their readiness to take over the management responsibility for communal forests even if these are of low productive potential. The state forestry enterprises in Ukraine are functional, and stakeholders their assessed capacity as sufficient, although the current economic crisis and intended restrictions on the export of round-wood may negatively impact on their economic situation and in the result on their capacity. In Azerbaijan the state forestry enterprises still exist, but due to the prohibition of substantial harvest their incomes are low, and while entirely depending on the state budget funding they cannot develop their capacity and attract qualified, motivated staff. After most of Armenia's state forestry enterprises went bankrupt and had to sell premises and equipment they have lost their status as legal entities. They are now just branches of the state forestry agency *Hayantar*, suffering from the same insufficiencies in terms of financial situation and capacity as does the national level. The low salaries hardly attract qualified and motivated staff, while the large unaccounted wood harvest and sale provides for substantial informal incomes, accordingly causing recruitment being more motivated by connections and informal economic abilities than qualification and motivation. In Georgia and Russia in the course of the reforms forest management was intended to be privatized to concessionaires and leaseholders and accordingly state forestry enterprises have been replaced by local offices or forestry units of the national or region state forestry agencies. These structures have very minimal staff (in the range of one to three percent of former state forestry enterprises' staff) and lack any capacity for effective forest management and protection.

⁷⁴MENRP/NFA. 2014. National Forest Concept. Tbilisi

Similar to the capacity situation in the state forestry agencies and their local level forestry organizations, the capacity of the institutes or enterprises in charge of forest inventory and management planning varies much between the programme countries. Again, Belarus as well as Moldova and Ukraine have sufficient capacity in form of specialized organizations, which are subordinated to the national level forestry agencies but function as enterprises. These three organizations, *BELGOSLES* in Belarus, *ICAS* in Moldova and *Ukrderzhlisproekt* in Ukraine, have qualified staff, suitable premises, modern technology and equipment and some extent of economic freedom to fulfil their functions. *BELGOSLES*, for instance, is able to provide inventory and planning services to forest possessors in Russia. However, in all these organizations human capacity is not sufficiently developed to involve local people and other stakeholders in a participatory way to address their interests in the FMP as well as to apply modern silvicultural approaches. These insufficiencies are largely caused by the prevalence of old, narrowly production oriented approaches in the forest sector of these countries and in particular in the national level agencies, which supervise the FMP organizations and develop the technical instructions and terms of reference for the inventory and planning works. These problems also exist in some extent in Georgia and Russia, although organizational structures and approaches of inventory and planning have changed there. In both countries the inventory and planning works are no longer a state monopoly but are contracted to the private sector. Capacity in the private sector is either developing as FMP services are contracted or can be bought from outside of the country. The national and regional forest agencies and their local branches or forestry enterprises have not always enough skilled experts to define the inventory and planning tasks, to guide the works and to evaluate and use the results.

The efficiency of state forestry agencies and their local forestry enterprises and branches is hard to assess. In Belarus, Moldova and Ukraine these organizations are in some extent self-financing economic units and thus in their own interest they have to work efficient. On the other hand, some state forestry agencies and their local branches suffer from an overload of paperwork on planning and reporting. For instance, in Russia paperwork is said to occupy three quarters of the working time of staff of forestry units and forest parks. (Шварц et al., 2010)

The capacities of those forestry enterprises that are managing “communal” forests in Ukraine are largely sufficient, despite their, compared to state forestry enterprises, more difficult economic situation. The “communal” forestry enterprises have adequate staff, premises and equipment, although most of these “communal” forestry enterprises complain about shortage of qualified staff. The region forestry enterprises provide some technical and administrative services to the district forestry enterprises and thus achieve some economy of scale, compensating in some extent the economic difficulties caused by the, in comparison to state forests, smaller and more fragmented forests of lower productivity managed by “communal” forestry enterprises.

In Moldova the municipalities manage their forests themselves. Multifunctional and/or joint communal enterprises are still in early stages of establishment. Many municipalities lack of almost any capacity to manage their communal forests. Few municipalities have small teams of foresters with technical education and access to the necessary equipment. The level of capacity of communes to manage forests mainly depends on the productive potential of the forest and the income achieved by its use as well as on the prehistory of community management and support.

In the capital of Georgia, Tbilisi, the municipality’s capacity to manage its forest is limited to some very basic oversight due to insufficient technical staff, and lack of any workforce and equipment. The municipality does not have a forest protection service and all forestry works have to be contracted to private enterprises through tender procedures. The municipality of Akhmeta which manages the forests in Tusheti Protected Landscape as communal forests is in the process of developing the necessary capacity within the PA administration and already employs qualified staff and has purchased equipment. The MENRP and NFA of Georgia consider the development of sufficient

capacity in the municipalities as a precondition for the handover of responsibility on forests of local importance to them. But as long as the handover is not decided, municipalities have little opportunities and justification to develop forestry capacity. On the other hand, currently the local representations or forestry units of the NFA themselves lack the capacity to implement forest management activities and even to control effectively the work of the concessionaires.

In Belarus the district councils have a number of mandates on the forests within their boundaries. Most district councils do not have the technical capacity and thus rely on the capacity of local state forestry enterprises for the preparation of their decisions on forest related issues. In Ukraine region councils and district councils that own “communal” forestry enterprises usually do not have own forestry capacity. The territorial administrations of the other programme countries have only limited authority on forests.

Table 15. Overview of capacity of forestry organizations

FORESTRY ORGANIZATIONS	COUNTRIES	CAPACITY ASSESSMENT	KEY REASONS/ISSUES
<i>National level agencies</i>	<i>Belarus, Moldova, Ukraine</i>	High capacity	National budget support (Belarus), high productive potential of forests used for income generation.
	<i>Armenia, Azerbaijan</i>	Low capacity	National budget support insufficient, politically limited use of productive potential of forests, substantial informal capture of income.
	<i>Georgia, Russia</i>	Low capacity	Reforms oriented towards delegation of functions to regions (Russia) and private sector (both countries).
<i>FMP organization</i>	<i>Belarus, Moldova, Ukraine</i>	High capacity with limitations on participation	State enterprises with economic opportunities, forestry enterprises pay; Production oriented approaches with limited consideration of local interests.
	<i>Armenia, Azerbaijan</i>	Limited capacity	Units within state forestry agencies with limited funding, poor connection of FMP with productive forest use.
	<i>Georgia, Russia</i>	Limited capacity	Private service providers developing, approaches not sufficiently adapted by national forestry agencies, funding mechanisms not fully developed.
<i>State forestry enterprises/local forestry units</i>	<i>Belarus, Moldova, Ukraine</i>	High capacity	Same as national level.
	<i>Armenia, Azerbaijan</i>	Low capacity	Same as national level.
	<i>Georgia, Russia</i>	Low capacity	Local forestry units of national forestry agencies and regions (Russia) without or with limited funding and without substantial own income generation from forest use because of large-scale private management (lease, concessions).

<i>Communal forestry enterprises</i>	<i>Ukraine</i>	Medium capacity	No state budget and limited region budget support, lower income, compared to state forestry because of less productive and smaller stands; region forestry enterprises can develop some capacity due to economy of scale.
	<i>Moldova</i>	Not yet existing	Developing joint enterprises of several municipalities or multifunctional enterprises expected to allow for capacity development.
<i>Local self-governance bodies</i>	<i>Belarus</i>	Low capacity	No specialized staff in district bodies, collaboration with state forestry enterprises in fulfilment of local mandates seems effective.
	<i>Georgia</i>	Low capacity	Municipalities not yet in charge of local forests, except Tbilisi and Tusheti; Tbilisi – political and financial considerations; Tusheti – capacity under development.
	<i>Moldova</i>	Low to high capacity	No external budget support, limited financial opportunities of municipalities, capacity depending on productive potential of forests and commitment by local community – linked to history of forests.
	<i>Ukraine</i>	Low capacity	Rural and district councils with limited mandate, region councils delegate most mandates to “communal” forestry enterprises, only limited oversight considered necessary.

The following paragraphs present country-specific aspects of the decision making on the capacity of organizations involved in forest issues, in particular of local forests.

Armenia

The state forestry agency *Hayantar* is under-resourced (in terms of budget, equipment and qualified personnel). Foresters have a low status and low salaries and receive minimal training. (Junge, Fripp, 2011)

The technical capacity of *Hayantar* is very low at all levels. The agency lacks forestry professionals, particularly in the spheres of management, inventory & cadastre and forest rehabilitation. Despite graduates with forestry education finished university during the last years, in 2000 only 4% of *Hayantar*'s staff had an educational background in forestry. One reason for the poor human capacity of *Hayantar* are not transparent recruitment procedures based more on personal connections than on professional qualification. (Gevorgyan, 2009)

Under the Ministry of Agriculture a specialized State Forest Monitoring Centre has been established in 2007. It is in charge of monitoring of illegal cuts, monitoring of areas of assigned cuts and general monitoring of forest use, pests and fires. The centre has only monitoring functions, but no law enforcement authority. While this centre is technically well-equipped and capable, Junge, Fripp (2011) found a substantial discrepancy between reported illegal logging and de-facto unauthorized

logging, and (given the currently still similar demand and supply situation) this has likely not changed. Currently the annually reported numbers of illegally cut trees or violations provided by *Hayantar* are even higher than those of State Forest Monitoring Centre (Balyan, CPC Armenia, in lit. 2016). The reason for this discrepancy might be rather in political and power relations than in insufficient monitoring capacity.

Azerbaijan

The Forestry Department of the Ministry of Ecology and Natural Resources and of its state forestry enterprises do not have a substantial mandate on the tree and shrub vegetation in the possession of communes and used by agricultural land-users. The capacities of the Territorial Unit for Environmental Protection (Rus. *Territorialnyy otdel okhrany okruzhayushchey sredy* – Территориальный отдел охраны окружающей среды) in charge of the districts of one region and of the District Department for Ecology to fulfill their mandate of control seem to be limited and their staff does not regularly patrol lands with tree and shrub vegetation outside of the forest fund. However, these local level units for environmental protection do not have decision making authority on the management of the tree and shrub vegetation, and their capacity is therefore of limited relevance. (Case Study Azerbaijan)

Belarus

The capacity in the forestry sector of Belarus is adequate in terms of staff qualification and technology as well as equipment, infrastructure and finances. The forestry inventory and management planning enterprise “*BELGOSLES*” is even able to provide its services to forestry enterprises in Russia. The regional state production forestry associations have sufficient staff and are capable to fulfil their functions. The state forestry enterprises and their forestry units are adequately staffed and equipped and have necessary infrastructure (central administration building, forestry unit building, roads, machinery etc.). The certification of the production from 57 state forestry enterprises and 55% of the total forested area in accordance to the FSC requirements and of 98% in accordance to the weaker PEFC (Programme for the Endorsement of Forest Certification schemes) system indicates the adequate capacity of the state forestry enterprises and their forestry units. (Case Study Belarus)

The region and district level administrations lack the technical capacity to fulfil entirely their substantial decision making mandate. At region level the state production forestry associations are subordinated to the first deputy head of the region, but these administrations do not have a unit of qualified staff. Similarly the district administrations that according to the Forest Code have substantial decision making authority on the forests in their jurisdiction do not have qualified staff for carrying out these functions. Thus all these functions are in fact executed by the state forestry enterprises, which prepare the decisions that are then adopted by the district administrations. This compensation of insufficient capacity in region and district administrations by the capacity of the forestry organization is functioning and some directors of state forestry enterprises are elected deputies of the region council, and conflicts of interest are possible. (Case Study Belarus)

Georgia

The capacity of forestry organizations declined over the years since the independence of Georgia. Staff numbers were cut several times. The NFA does not have own capacity to do forest inventory and management planning but contracts external private companies for this purpose. The capacity of the departments of the central level of the NFA is barely sufficient to fulfil its current tasks. (Case Study Georgia)

With the assignment of long-term concessions and the intended hand over of local forests to the municipalities the capacity of the NFA at local level was reduced to the bare minimum. Usually the NFA in its local forestry units has one head and ten to 15 forest rangers. These local representations are not economic units or enterprises and they do neither have own income nor budget, but belong to the regional forestry services and the NFA makes all management decisions centrally. The capacity of these forestry units is just sufficient for issuing the fuel wood cutting permits, assigning of locations for cuts and some very limited control of the forest areas and of the compliance by the concessionaires. These forestry units do not have the capacity to implement planting activities or any other forestry works. Very few of the employees in the local forestry units have an educational background in forestry. (Case Study Georgia)

The National Forest Concept of Georgia recognized the insufficient capacity of the state forestry agencies and provides for a substantial capacity development of state forestry organizations with local units that would implement all practical forest management activities. Further, university and college education programs are now starting to educate qualified young staff for the intended development of the forestry organizations. (Case Study Georgia)

The capacity in the two communes already managing forests is still weak. In the Ecology and Green Spaces Department of the City Hall of Tbilisi the capacity is only sufficient for some general oversight and planning of their forests, but it has neither any inspection staff for control on the ground (forest rangers) nor an own workforce for forestry. All works are contracted through tender. The municipality has a separate inspection unit that is independent from the Ecology and Ecology and Green Spaces Department and in some extent assists in control and law enforcement. The capacity of the administration of Tusheti Protected Landscape under the Municipality of Akhmeta, which is in charge of the forests of this PA, is still under development. It has a very knowledgeable Head of Administration and an educated Natural Resources Specialist that would be leading all forestry related works. The administration owned one UAZ 4x4 vehicle. (Case Study Georgia)

Other municipalities do not yet have any staff with even minimum capacity to lead and manage forestry related activities. Some municipality representatives suggested that in case of transfer of forests to the municipalities the local offices of the NFA with the respective staff might as well be taken over by the municipalities or alternatively municipalities would become able to hire qualified staff. Some municipality administrations already have elaborated concepts how to develop their capacity for communal forest management. (Case Study Georgia)

The MENRP refers to the lack of capacity at municipal level when arguing against the handover of forests of local importance, while its own NFA itself currently does not have sufficient capacity for effective forest management. Thus the argument of insufficient capacity of the municipalities appears in some extent as political pretext and is possibly caused by reluctance in the MENRP and NFA to devolve authority to the local level and by competition for possible state funding for capacity development in forestry and for forest management.

Moldova

The capacity of *Moldsilva* and its subunits seems appropriate. Its enterprise ICAS has the capacity to do all FMP according to the required standards. *Moldsilva* is also able to provide certain services to the municipalities, in addition to its functions in the forests under its own management. The marking of cutting areas in communal forests is done for free by *Moldsilva*, in accordance to applicable regulations and out of the interest in the quality (accuracy) of the work. Further, *Moldsilva* is doing planting and maintenance of young plantations on communal forest lands in case of availability of project funding. (Case Study Moldova)

The capacity of most municipalities to manage their forests is low. A municipality with four forestry staff employed and seasonal labour to manage its communal forests is rather an exception among the forest owning municipalities in Moldova. Most communal forests are of low area size and the majority of communal forests consist of artificial forest plantations of low productivity. Thus, the incomes earned by most of these municipalities are too small for financing an own forest management unit. *Moldsilva* would be ready to take over the management or even ownership of these forests. Some municipalities for creating the needed capacity plan to establish a joint forestry enterprise that would manage the forests of several municipalities or consider the establishment of communal enterprises for integrating forest management with other communal tasks. (Case Study Moldova)

Russia

The capacity of the federal state forestry agency *Rosleskhoz* has been substantially reduced with the delegation of forest management functions to the Federal Subjects in accordance to the new Forest Code from 2006. Staff numbers, funding etc. of the federal forestry agency were cut, the federal forest protection service with its aerial fire protection was abolished. Despite the transfer of state budget funding through subsidies for the forest management by Federal Subjects their capacity in particular organizational and technical capacity remained insufficient for effective forest management and protection against fire and illegal logging. Almost no exchange of information and experience takes place between Federal Subjects.

With the abolishment of the federal forest protection, the forests are no longer patrolled by forest rangers, and the much reduced number of staff of the forestry units and forest parks is overloaded with other tasks, and not able to protect the forests and to detect and extinguish fires before they spread. In the current system economically viable state forestry enterprises that would be able to implement costly forest management activities in the interest of the public, including fire prevention and firefighting do not any longer exist. Short-term contracting of forestry works to external enterprises, lack of mandatory direct use of incomes from forest use for forest regeneration, maintenance and protection, and insufficient federal funding are limiting factors for the development of capacity to implement forest regeneration, maintenance and protection. The expectation that leaseholders have the capacity to implement these works did not materialize because only a part of the forests (20% in 2010) are leased, most leaseholders remain in a state of decay and do not have the capacity to replace the state forestry enterprises. (Шварц et al., 2010)

All reorganizations in the forest sector (five between 2005 and 2015) reduced the capacity of forestry organizations, in particular the personnel numbers. A typical example is the Bitsevsk forest (Битцевский лес) with an area of 2,200 ha. Its administration does not have any longer workforce, drivers and most of the forestry experts left. The Zagorsk state forestry enterprise (Загорский лесхоз) in Moscow region in the past consisted of ten forestry units with each about 40 staff - forest rangers, workers and tractor drivers that were able to react quickly on any forest fire. After 2006 the former state forestry enterprises were downgraded to forestry units and their staff has been reduced from e.g. formerly 500 to 5, usually one forester and few rangers. These are totally overloaded with paper work on planning and reporting and hardly spend any time in the forests.⁷⁵ This problem seems typical for the entire federal forestry system. The about 12,000 staff of all forestry units and forest parks of Russia spend about 75% of their working time for paper work on planning and reporting, thus having an effective capacity equivalent to only 3,000 staff for real forest control and protection (Шварц et al., 2010).

⁷⁵<http://www.the-village.ru/village/city/experience/226787-woodman>

The level of qualification and knowledge of many forestry experts is considered very low, including of those teaching in colleges and forestry schools, and in the result also of the graduates from these schools (Anonymous, 2014)⁷⁶.

Ukraine

The capacities of the SFRA and its state region forest administrations as well as their state forestry enterprises have not been specifically assessed in the frame of this Regional Study and of the Case Study on Ukraine. The fact that forests managed by the state forestry enterprises are larger and less fragmented and have higher timber volumes and better qualities, together with anecdotal information from stakeholders, suggest that their financial situation and accordingly their capacities are better than those of “communal” forestry enterprises.

The forest inventory and planning agency of the SFRA, *Ukrderzhlisproekt*, meets the main capacity needs in terms of financing, available technology and equipment as well as qualification of staff. The FMP is one-sided focussed on wood harvest; there are deficiencies in public participation in the process; and socio-economic, environmental and nature conservation aspects are insufficiently considered. The reasons might either be in the approach and guidelines determined by the SFRA and/or in the capacity of the staff of *Ukrderzhlisproekt*.

Zhyla et al. (2014) reported that the majority of interviewed representatives of “communal” forestry enterprises assessed the financial and personnel capacity of their enterprises as insufficient. Close to 40% of the interviewed representatives assessed their own knowledge of the legal and regulatory framework as not sufficient for fulfilling their duties. However, the Consultant found that the capacity of the visited “communal” forestry enterprises in terms of financial situation, staff and equipment seemed adequate. (Case Study Ukraine)

The region forestry enterprises can provide certain services and make use of the economy of scale by purchasing equipment or employing specialized experts in the staff that would be beyond the financial opportunities of district forestry enterprises. The capacity to involve local people and other stakeholders of “communal” as well as state forestry enterprises is rather low. Most forestry staff has an attitude of considering local people more as potential offenders and public participation as an undue interference in their own sphere. FSC certification requirements have helped to develop knowledge of and interest in stakeholder participation and involvement of local communities.

The local councils (rural, district and region) not always have members or staff with the expertise that would be necessary to make decisions or provide opinions on forest related issues. Most of the representatives of councils owning “communal” forest enterprises interviewed by Zhyla et al. (2014) assessed their own knowledge as only low or medium. Some of the councils have members that are at the same time leading staff of the forest enterprise, thus representing technical expertise in the council while bringing in conflict of interest.

Component 3.2: Forest law enforcement

Available information on the governance component of forest law enforcement is largely anecdotal as forest and environmental legislation tend to be not very specific and internal regulations, court decisions and statistics on violations and persecution are difficult to access.

In all programme countries authority and responsibility for forest law enforcement are assigned to the national level forestry agencies, their regional agencies, local branches and in some extent to

⁷⁶<http://forestforum.ru/viewtopic.php?f=37&t=11860>

the state forestry enterprises. In Russia law enforcement has been weakened by the delegation of the forest protection functions to the regions and the abolishment of the federal forest protection. The law enforcement by the state forestry authorities can be complemented by state environmental inspections and similar structures that operate independent from the state forestry authorities. These environmental inspections can also be authorized to implement law enforcement in regard to the state forestry enterprises, e.g. in Armenia, Belarus and Moldova. In Ukraine the “communal” forestry enterprises have only limited law enforcement authority and therefore have to rely on the State Environmental Inspection.

Forest users have only limited law enforcement authority but have to rely on assistance by authorized state organs in case of encounter of illegal use by third parties. In Georgia concessionaires and in Russia leaseholders are supposed to protect their forests against illegal use, but in the reality this protection by users is insufficient for replacing the loss of law enforcement caused by the massive reduction of state forest protection staff.

Where local communities feel that local forests are owned by them, through municipalities or “communal” forestry enterprises, they can actively contribute to law enforcement. Such a situation is reportedly found in few communes in Moldova. Even where forests belong to the state local people can assist in law enforcement, as e.g. in Armenia, where violations of forestry regulations are reported through a special hotline and recently joint public and state monitoring of illegal forest use has been established⁷⁷ and forces the agencies in charge of law enforcement to persecute more effectively illegal and unaccounted tree cutting.

Neither the available documentation nor interviewed stakeholders mentioned financial rewards for forest rangers and other enforcement personnel for the capture of illegal forest users.

The applicable penalties for offences against the forest legislation are determined by other legislation, usually the code on administrative legal violations and possibly the criminal code as well as bylaws. Administrative fines can either be issued by the authorized state forestry staff or by the environmental inspection. Criminal punishment is issued by courts based on the criminal code of the respective country. Legislation normally distinguishes between the penalty for legal violation and the compensation of damage caused by the violation, which is established in the environmental legislation.

Law enforcement effectiveness is very high in Belarus where illegal or informally accepted unauthorized logging are impossible because of the tough control of the State Inspection for the Protection of the Plant and Animal World under the President. In contrast, in Armenia during the last years as much as 85% or more of all consumed wood is illegally harvested, mostly informally accepted but unaccounted by the involved authorities (Junge, Fripp, 2011). Similarly in Ukraine unaccounted and informally tolerated by forestry authorities wood harvest under the disguise of legal harvest happens. In Moldova the estimated consumption of fuel wood is nearly three times the official harvest, suggesting substantial illegal cuttings. Also in Russia law enforcement is of limited effectiveness. In particular in the Far East, large quantities of timber are illegally harvested and largely exported. In Georgia large scale illegal or unaccounted logging does not seem to be an issue, but violations occur in smaller scale. Restrictions on regular cutting of trees can cause forest users, e.g. in Azerbaijan (Dieterich, Baku State University, pers. comm. 2014/2015), to deliberately damage trees for justifying of sanitary cuts.

⁷⁷https://www.iucn.org/fr/nouvelles_homepage/nouvelles_par_theme/forets_news/?20205/Not-in-Our-Forest

Table 16. Overview of law enforcement issues in the programme countries

COUNTRY	MAIN ORGANIZATIONS IN CHARGE OF LAW ENFORCEMENT	KEY ISSUES
Armenia	Forest Control Division of State Environmental Inspection controls forestry enterprises and protected areas; <i>Hayantar</i> .	Substantial illegal and unauthorized harvest (up to 85% of consumed wood), recently established involvement of civil society improved law enforcement.
Azerbaijan	State Forestry Enterprises; District Departments of ecology (outside of the forest fund).	Restrictions on legal harvest and permission of sanitary cuts encourage deliberate damage of trees.
Belarus	State Forest Protection consisting of rangers of all levels of forestry organizations; State Inspection for the Protection of the Plant and Animal World under the President controls also forestry enterprises.	Very high law enforcement effectiveness, but some cases of overreaching by State inspection under the President on minor violations by forestry workers.
Georgia	Local forestry units of region forestry services of NFA; Environmental Supervision Department of the MENRP; APA; municipalities in communal forests (Tbilisi – no staff, Akhmeta/Tusheti – local forest rangers).	Limited illegal harvest of fuel wood; concessionaires of limited law enforcement effectiveness and causing alienation of local communities; Tusheti – communal law enforcement effective; potential of social control in communal forests after handover to municipalities.
Moldova	<i>Moldsilva</i> ; State Ecological Inspection of the Ministry of Environment controls also forestry enterprises; communal forest owners.	Unaccounted harvest substantial; violations of rules of lease common; municipalities - usually weak enforcement, few communities with sense of ownership effectively protect communal forests.
Russia	Region forestry authorities, forestry units, private leaseholders.	Weak legal basis in Forest Code; federal forest protection abolished and insufficiently replaced by regional and private protection; large scale illegal harvest and export.
Ukraine	State forestry enterprises, State Environmental Inspection.	“Communal” forestry enterprises rely on State Environmental Inspection; decrease of violations in “communal” forests because of consolidated user-rights and improved collaboration.

The following paragraphs present country-specific aspects of the law enforcement in forestry, with the focus on local forests where differences to forests in general can be found.

Armenia

In Armenia forest law enforcement is a task of the State Environmental Inspection and its Forest Control Division (one of six divisions in the central structure) with 15 staff and its divisions in the regions (*Marz*) with in total 250 staff. The Forest Control Division annually inspects each local branch of *Hayantar* and controls the compliance of forest use with the FMP and the annual implementation plans. (Gevorgyan, 2009)

The State Environmental Inspection under the Ministry of Nature Protection is responsible for control of both state forests (managed by *Hayantar*) and protected areas (managed by the Bio-resources Management Agency under the Ministry of Nature Protection) (Gevorgyan, 2009). While in relation to *Hayantar* the State Environmental Inspection carries out an external control function, in relation to the protected areas due to the inspection's subordination under the same ministry the control is rather internal. According to Vardanyan (NGO representative, pers. comm. 2015) this only internal control is one reason for the comparably higher level of violations in the protected areas compared to state forests.

Law enforcement effectiveness in Armenia's forestry sector is generally low. The fuel wood demand and consumption are in an order of magnitude larger than the official harvest and limited import and non-forest fuel wood sources make illegal or unauthorized and unaccounted harvest the main source of supply to meet this demand. The annually detected illegal cut (In 2009 officially recorded illegal timber sale was just 2,287 trees) is negligible compared to the real illegal harvest. Illegal cuts by local villagers make up the smaller share of all illegal cuts because their access can be rather effectively prevented by *Hayantar* and its harvest brigades. The recently opened opportunity for households in villages close to forests to collect fallen wood in determined amounts per households may have reduced the need for illegal harvest by those people. The brigades contracted and authorized by *Hayantar* for legal harvest are responsible for the majority of illegal cuts by cutting several times more wood than indicated in the permits and accounted for. As this unaccounted harvest occurs with the knowledge of forestry and other authorities, including the State Environmental Inspection and the traffic police, law enforcement is effectively not possible without fundamental changes in the political and economic system in the forest sector and beyond. (Junge, Fripp, 2010)

The State Forest Monitoring Centre under the Ministry of Agriculture contributes to law enforcement by detecting illegal logging by remote sensing and determination of the situation on the ground. It would provide the information to the Ministry of Nature Protection (forests in PA) or *Hayantar* (other forest) and these would have to initiate the investigation and persecution and to report on the steps undertaken. The State Forest Monitoring Centre does not detect the enormous illegal cuttings either because of political and other non-technical reasons and/or because of the largely remote sensing based monitoring, the resolution of which might be insufficient for the detection of selective illegal cutting without clear cuts. The website and hotline of the State Forest Monitoring Centre can be used for reporting of violations by citizens. The Armenian Forests Public Monitoring⁷⁸, a joint monitoring by the civil society and the state was recently established with support by ENPI-FLEG II. This joint monitoring of illegal cuttings by communities, the broader public and the State Forest Monitoring Centre in collaboration with *Hayantar* is already contributing to a higher effectiveness of law enforcement.⁷⁹

Azerbaijan

The law enforcement in the forests of the forest fund is in the responsibility of the state forestry enterprises. There are reportedly not many reported violations in the state forests. The main problem of the state forestry enterprise is livestock grazing, hindering the natural rejuvenation of trees in easy accessible areas (Case Study Azerbaijan). The opportunity to fell trees in the frame of sanitary cuts motivates local people, groups involved in fuel wood trade and/or possibly forestry staff to damage trees deliberately for later harvest under the disguise of sanitary cuts. Even in some protected areas a large proportion of trees are damaged for this reason. (Dieterich, Baku State University, pers. comm. 2014/2015)

⁷⁸ <http://www.afpm.am/en>

⁷⁹ https://www.iucn.org/fr/nouvelles_homepage/nouvelles_par_theme/forets_news/?20205/Not-in-Our-Forest

The *kolkhoz* “Nikitin” is probably the only user of tree and shrub vegetation outside of the forest fund that has appointed “forest” protection staff, which collaborates with the police. The district and territorial units in charge of environmental protection do not effectively patrol these areas. In case of unauthorized cutting of trees outside of forests of state forestry enterprises the District Department for Ecology would issue a protocol, the state forestry enterprise would assess the damage and confiscate the wood. The case would be brought to the court that would decide about the penalty. (Case Study Azerbaijan)

Belarus

The prevention of violations and enforcement of the forest legislation is the task of the State Forest Protection which is formed by the rangers and technical staff of all state forestry organizations, including the state forestry enterprises, the six region state production forestry associations and the Ministry of Forestry. About 13,000 official persons are patrolling the forest areas. (Красовский, Усеня, 2015)

An additional and important law enforcement agency is the State Inspection for the Protection of the Plant and Animal World under the President with its local branches. This inspection service carries out independent law enforcement and controls the forest users, including the state forestry enterprises (Красовский, Усеня, 2015). After the independence of Belarus poaching and illegal forest use by influential people were hard to address by state forestry organizations. The establishment of an independent inspection service with direct highest level subordination proved as highly effective. In collaboration with the state forestry enterprises it almost entirely eradicated illegal harvest of forest products and poaching. (Case Study Belarus) The level of documented illegal harvest of timber in the range of 0.004% of the total timber harvest and its impact on the country’s forests must be considered as insignificant. (Красовский, Усеня, 2015)

The state forestry enterprises install gates, automatic cameras and warning signs to prevent unauthorized vehicle access to forests and related fire risk and pollution with trash.

The number of detected violations is an (at least unofficial) indicator of the effectiveness of the State Inspection for the Protection of the Plant and Animal World under the President. With the success of the law enforcement the inspections cannot meet the expectations of constant or increasing numbers of detected violations. Probably for this reason, the inspection service tends to apply rules in an overly rigid and inappropriate way and tightens the control of the activities of the state forestry enterprises. Even minor technical aberrations from plans and permits are now considered as violations and lead to fines and the imposing of very high compensation payments on the involved workers. In the result of such cases state forestry enterprises increasingly face difficulties to attract local people as workers, as people consider the danger very high to be heavily fined for minor mistakes. (Case Study Belarus)

Georgia

Illegal wood harvest mainly concerns fuel wood that is cut by small groups of local people who sell it to the local population. Also sometimes local households would cut higher amounts than indicated in their fuel wood harvest permits and consume or sell the surplus. (Case Study Georgia)

The forest rangers of the local NFA offices/forestry units are in charge of law enforcement. They control forest use and issue penalties for unauthorized use. However by their number and due to limited budgets, these NFA forest rangers are insufficient for protection of all forests. The concessionaires are also obliged to implement own protection activities. In the reality this is not or only partly done. In some concession areas local people feel alienated by the concessionaires, as

they have insufficient access to wood for their own needs, and are thus motivated to steal wood, while the NFA has insufficient capacity to prevent this illegal use. This conflict has led some communities to oppose perceived illegitimate activities by concessionaires in forests that are in the possession of the NFA, but may as well qualify as “forests of local importance”. (Case Study Georgia)

Additionally the Agency for Protected Areas (APA) in PA territories and the Environmental Supervision department of the MENRP have law enforcement functions.

In Tbilisi municipality the department in charge of the communal forests does not have any law enforcement staff and relies on the municipality’s environmental inspection. In Tusheti Protected Landscape illegal forest use was common until 2012. Since the establishment of the administration under the local municipality and the takeover of forests into communal management legal access to wood and the work of local forest rangers ended the illegal cuttings. Communal ownership and management of forests may provide potential for improved law enforcement if local communities become again legitimate owners and managers of the forests and in the result law enforcement can take advantage of social control in villages and traditional knowledge on forestry in the communities. (Case Study Georgia)

Moldova

The level of violations of forest regulations, in particular illegal cuts, is considered by all stakeholders as low, but relevant. The total consumption of fuelwood in 2010 had been estimated at just below 1.1 Mio m³ per year, more than 2.5 times the official harvest. The scale of the imbalance indicates significant volumes of illegal harvesting (Mitchell et al., 2015). In forests in attractive locations obvious violations of the rules on lease of forests can be seen in form of erected permanent housing with massive fundamentals. Enforcement of law seems weak at least in cases where the violators are wealthy and/or influential. (Case Study Moldova)

In communal forests noncompliance with established rules, like unauthorized cutting of trees and the destruction of reforestation/afforestation sites by grazing cattle, by the local population is common where the municipality lacks the financial means for implementing the necessary law enforcement activities and at the same time in the community does not feel a sense of collective ownership and does not expect legitimate benefits from the forests. Wherever possible, municipalities collaborate with *Moldsilva* in law enforcement. Few communes in Moldova have a tradition of community forestry and possess productive forests that benefit the local population. In such communes the inhabitants have an attitude of ownership, and they would participate in “collective guarding” of their forests, actively preventing illegal cutting. (Case Study Moldova)

The State Ecological Inspection, the subdivision of the Ministry of Environment responsible for law enforcement, in the first place enforces the compliance with laws and regulations by the forest owners and managers. However, the interviewed stakeholders also stated that this inspection is not sufficiently undertaking (hinting on corruption) law enforcement in supporting communities against illegal forest use by nonlocals. (Case Study Moldova)

Russia

The absence in Russia’s legislation of forest protection, and the existence of only supervision and control, is one reason for the practical lack of prevention and early detection of violations of the forest regulations. In the past the forest protection, supervision and control were combined with the forest management and use within the state forestry enterprises and the higher level forestry agency. Policy makers considered this combination of functions as a problem and as potentially

encouraging unauthorized and unaccounted forest use. With the handover of all functions to the Federal Subjects this combined system de-facto continues to exist at the region level. Russian NGO had suggested to keep the functions of protection, supervision and control in the federal forestry agency and to delegate only those authorities to the regions that are related to the use of forests.⁸⁰ These suggestions have not been implemented and the federal forest protection was abolished in the course of the reforms after the adoption of the new Forest Code 2006. Further, the term “illegal cutting” is not defined in the Forest Code, which makes its prevention and persecution difficult. According to recommendations of a parliamentary hearing in 2010⁸¹ the forest supervision and control organs do not have the authority to control natural persons in the forests, but are only authorized to check on the compliance with the legislation of the activities of enterprises or entrepreneurs on their leased forest sections, which in 2010 made up only 15% of the forest lands. In some regions now this share is much higher and reached e.g. in February 2015 in Leningrad region 90%⁸². The effectiveness of the supervision and control of the compliance of these leaseholders and also in what extent they are able to prevent illegal use by third parties would deserve additional analysis.

This situation means that law enforcement in Russia’s forests is virtually inexistent in large areas. The forest dependency study (ENPI-FLEG II, 2014b) confirms this for some of the studied areas in the Russian Far East. The studied village Mukhen in Lazo district of Khabarovsk Krai was an important centre of processing of logged timber during Soviet times and immediately after. “Now the wood processing plant is abolished, and the wood is exported by illegal, mainly, Chinese companies.” The proportion of illegally exported timber from the Russian Far East is extremely high. In 2012, officially a little more than 30 Mio m³ of timber were exported from Russia to China, while, according to experts, about 24 Mio m³ were exported illegally⁸³.

Ukraine

Illegal forest use includes unauthorized wood harvest by local people for meeting their own needs and illegal logging for sale. The first type seems sometimes tolerated by forestry staff as long as remaining in a small scale. In contrast, the latter is allegedly often done with active involvement of the forest enterprises and involves corruption over several levels of authority.

The level of violations in “communal” forests seems to be either the same or even lower than in state forests. One reason might be the generally lower availability of commercially interesting wood resources in “communal” forests, compared to state forests. In some communes, where “communal” enterprises actively interact with rural councils and the population, local people develop a sense of ownership and the work of the district forestry enterprise becomes more accepted, although some violations may still happen. (Case Study Ukraine)

Zhyla et al. (2014) reported that the long undetermined legal status and ownership of these forests caused abuse of power by rural councils and unauthorized forest use by local people. Recently cases of legal violations and conflicts substantially decreased due to the consolidation of the ownership and user-rights of these forests, improved communication and collaboration between forestry enterprises rural councils and communities.

The “communal” forestry enterprises have limited law enforcement authority compared to state forestry enterprises. The “Code on administrative legal violations” does not provide their staff with

⁸⁰ http://www.wwf.ru/data/forests/ye_popravki_k_lesnomu_kodeksu_9_oktybry_2009.doc

⁸¹ Государственная Дума Российской Федерации 23 сентября 2010 г.: Рекомендации парламентских слушаний на тему: «Развитие системы правового обеспечения охраны лесов от пожаров»

⁸² <http://www.wood.ru/ru/lonewsid-61451.html>

⁸³ Reference in ENPI-FLEG 2014: http://eiaglobal.org/images/uploads/EIA_Liquidating_Report_Edits_1.pdf

the power to deal with and penalize offenders of forest legislation, in contrast to the staff of state forestry enterprises. This limited law enforcement authority of staff of “communal” forestry enterprises requires the involvement of the State Environmental Inspection in case of detection of violations. This limitation of the mandate of “communal” forestry enterprises reduces law enforcement effectiveness and undermines generally the authority of “communal” forestry institutions.

Component 3.3 Administration of forest and land ownership and user rights

The documentation of land-use designations, ownership and permanent land-use rights in the programme countries is kept in the land-use agencies. These are national level agencies that have branch offices at each territorial level, at least down to the districts, but often also in the sub-districts. These branch offices keep land-use maps that are accessible for the public and any stakeholders. These maps are in most cases still on paper and present simple schematic maps with reference to landmarks, where existing, but without topographic reference. Electronic, georeferenced maps exist in the documentation of the forest inventory and management planning in Belarus, Moldova and Ukraine and in some extent in Russia and Georgia. These electronic, GIS-based maps only cover the designated forest areas, including forests of “communal” enterprises and municipalities if recently covered by FMP. The forest enterprises and forestry units have these maps on paper, and where the technical capacity exists (most forestry enterprises in Belarus and Moldova, some in Ukraine, Russia and Georgia) they are also available electronically to them, in advanced form on handheld devices with GPS allowing for identification of land-use boundaries in the field.

Reportedly in all programme countries boundaries of lands of state forestry enterprises and forestry units are well documented and ownership or permanent user rights are certified. The ownership and user rights of Moldova’s municipalities on their communal forests as well as in the two municipalities with communal forests in Georgia (Tbilisi and Akhmeta) are well documented. In all other municipalities in Georgia so far the “forests of local importance” that would fall under management and/or ownership of the municipality are not defined. Documentation of former *kolkhoz* forests is still available but is partly outdated and does not cover all “forests of local importance”. In Ukraine the ownership and permanent user-rights on “communal” forests are not yet completely documented and certified. The process of delimitation of state forests and “communal” forests was supposed to be finalized by 1.1.2014, but many “communal” forestry enterprises did not meet this deadline and the process is still ongoing.

Boundaries of forest sections and their protection and exploitation categories are documented in the FMP and form the basis for the assignment of user rights. In the programme countries they are well documented where up-to-date FMP exist, while where these are missing, e.g. in Georgia, forest maps showing the borders of sections and parcels tend to be outdated and incomplete. Temporary user rights like leases, concessions, contracts of sale of standing stock and area based permits are documented by the forestry agencies, forestry enterprises and/or public administrations. The comprehensiveness and accuracy of these documentations varies and information is not always accessible for stakeholders. In Georgia the documentation of concessions is kept at the national level state forestry agency NFA or the ministry (MENRP), and neither local land-use officers nor municipalities have access to this documentation. In the Russian Federation the documentation on forest lease is kept at the level of the Federal Subjects and their districts.

Ownership rights on agricultural lands that have been distributed between members of former collective farms are not in all cases properly documented. In Ukraine the documentation of privatized shares of *kolkhoz* lands often stated only the area size and the general land section, but not the exact location of the privatized land plot. Where these lands were of low value they staid

abandoned for decades and forest developed there naturally. The unresolved ownership documentation prevented reclamation of the land by the owner, but also possible changes of the land designation category to forest. In Georgia abandoned agricultural lands with forest development by natural succession have been incorporated into the forest fund. Where owners of such land have proper documentation they can re-establish their ownership and user rights in a simple administrative procedure.

Table 17. Overview of issues of the administration of land and forest ownership rights

COUNTRY	KEY ISSUES
<i>Belarus</i>	Documentation in process of being updated, registration renewed and new certificates issued.
<i>Georgia</i>	Documentation largely outdated and incomplete; need to re-identify all forest borders, in particular of former <i>kolkhoz</i> forests and other forests of local importance; documentation of concession boundaries not available to municipalities.
<i>Moldova</i>	Boundaries of communal forests well documented; leased plots documented by municipalities.
<i>Russia</i>	In the Russian Federation the documentation on forest lease is kept at the level of the Federal Subjects and their districts.
<i>Ukraine</i>	“Communal” forest lands were supposed to be formalized as permanent land-use of “communal” forestry enterprise by 1.1.2014, but large areas formalization process still ongoing; succession areas on abandoned agricultural lands not inventoried, ownership not fully determined and not included into the forest fund, hindering sustainable management.

The following paragraphs present specific aspects of administration of ownership and user rights in some of the programme countries.

Belarus

The administration of forest and land ownership and user rights is in the authority of the land-use agencies at different levels, mainly at district level. *BELGOSLES* is in the process of updating the registration of all forest fund lands with their borders and size of areas for subsequent land registration and issuing of new state certificates to the state forestry enterprises as possessors of state forest. (Case Study Belarus)

Georgia

Forest land ownership and historic *kolkhoz* forest lands as well as boundaries of municipalities and their sub-units are often poorly documented. Maps sometimes do not exist or are outdated land-use schemes from Soviet times without geographic references. The NFA does not have clear knowledge about the categories of all forest sections; there is no complete land cadaster on forest lands and all boundaries would need to be re-identified. Sometimes the land-use maps from the 1980s defining the boundaries between major land-users (that time agricultural units “*sovkhoses*”, “*kolkhoses*” and forestry enterprises “*leskhoses*”) are still used as references to identify the actual current land-users. Most agricultural land-users’ areas, as far as not privatized, became the land units of municipalities. The former *kolkhoz* forests together with the *leskhoz* areas became the State Forest Fund managed currently by the NFA. Neither detailed documentation of the boundaries of former *kolkhoz* forests nor updated maps of the forests of “local importance” are available. (Case Study Georgia)

Documentation of the boundaries of assigned concessions is probably kept in the MENRP, in the NFA and/or in some other state agency, but is not available to the municipalities. (Case Study

Georgia)

Moldova

The municipalities have proper documentation (land-use maps) of the forest areas assigned to them. One of the reasons why *Moldsilva* keeps the right of marking forest for cuttings is the checking the borders of communal towards state forest. Leased plots of communal forests are documented by the municipalities. (Case Study Moldova)

Ukraine

The issue of delimitation of lands in state and “communal” ownership has not been solved entirely. New legislation in 2013 determined that lands, on which objects in permanent land-use by “communal” enterprises are located, are considered as being in “communal” ownership, including lands of the forest fund. By this law the “communal” administration were obliged to formalize until 1.1.2014 the permanent land-use rights of the “communal” enterprises. This process was not finalized in many locations, and for some “communal” forestry enterprises the administrative costs of this process were beyond their financial capacity. Zhyla et al. (2014) found that only one third of the “communal” enterprises had documents confirming their permanent land-use rights on the whole area. Another fifth had formal permanent land-use rights on the majority of forest lands used by them. The certification of forest land ownership of local councils and “communal” forestry enterprises is ongoing but still not yet completed. (Case Study Ukraine)

One reason for the development of natural forest succession on abandoned agricultural areas was the lack of plot specific documentation of privatized individual shares of former *kolkhoz* lands. During the recent years the certification of these parcels as individual property progressed and is still ongoing. An inventory of actually forested lands and their formal inclusion into the forest fund, where appropriate, would allow of the inclusion of such areas into sustainable forest management, possibly in private, “communal” or state ownership.

Component 3.4 Cooperation and coordination

The extent and adequacy of coordination and cooperation between national forest agencies, forest enterprises and local administrations on local forest-related activities and the extent to which other government agencies coordinate and cooperate with forest agencies and local administrations concerning local forests are very difficult to assess. The available documents, reports and stakeholder statements provided only anecdotal information. A comparison between the programme countries is therefore difficult. Generally, cooperation and coordination can be required by formal procedures, where subordinations between organizations or decision making mechanisms force them to cooperate. Also informal cooperation takes place in the programme countries, often depending on the personal initiative of involved agencies’ staff and other stakeholders.

Within the system of state forests the coordination between national level forestry agencies, their region branches and local state forestry enterprises or local branch offices is determined by internal regulations and procedures. In the Russian Federation the delegation of functions from the federal level to the Federal Subjects may have increased the need for coordination, contributing to the reported overload of forestry staff with paperwork on planning and reporting. The cooperation and coordination of forest sector agencies of different levels with local administrations in the regions is formalized where reporting requirements and subordination exist, e.g. at region level in Belarus and the Russian Federation. Where the local forestry enterprises and region offices of the forestry agency are only reporting to their central national level head office, e.g. in Georgia, their cooperation

and coordination with region and local bodies depend more on the individual initiative of the officials involved.

Cooperation and coordination of state forestry agencies with forest managing municipalities (Moldova, Georgia) or with “communal” forestry enterprises (Ukraine) are usually determined by the formal regulations and procedures in place, but also depend on personal initiative. In Moldova and Ukraine state forestry agencies have to be involved in a number of decision making procedures, forcing the establishment of cooperation and coordination. In addition, the state forestry agency *Moldsilva* directly assists the municipalities in Moldova in some forestry activities. In Georgia the NFA has no formal influence on the management of the communal forests of Tbilisi, but cooperates in a limited extent with the communal administration of the Tusheti Protected Landscape.

Cooperation and collaboration between forestry enterprises and local administrations and self-governance bodies vary between the countries. In Ukraine forestry enterprises, independent of their ownership type, have limited coordination with rural councils. Compared to the state forestry enterprises’ cooperation, the “communal” forestry enterprises might cooperate slightly better with the rural councils, in particular where FSC certification required establishing at least some coordination. Coordination and cooperation between “communal” forestry enterprises and districts are limited, while the region councils and administrations as owners of the “communal” forestry enterprises are intensively involved with them. In Belarus the district councils have some decision making mandates on the forests and their management and accordingly intensive cooperation takes place.

Collaboration and coordination between the forestry agencies and other agencies concerns mostly the agencies in charge of environmental protection and protected areas and law enforcement organs. In the Russian Federation forestry agencies of the Federal Subjects collaborate with the firefighting services of these regions and with the firefighting brigades of the Ministry for Emergency Situations in the combatting of large forest fires.

Table 18. Overview of cooperation and coordination issues

INVOLVED ACTORS	COUNTRIES	QUALITY OF COORD. AND COOPERATION KEY REASONS/ISSUES
<i>State forestry agencies: National level agencies; Region level agencies; State Forestry Enterprises and local branch offices</i>	<i>All programme countries</i>	Good cooperation and coordination between different levels.
	<i>Russia</i>	Increased the need for coordination due to delegation of functions to region level, contributing to the reported overload of forestry staff with paperwork on planning and reporting.
<i>State forestry agencies with region bodies (administrations and councils)</i>	<i>Belarus, Russia</i>	Formalized reporting requirements and subordination of region forestry agency under region bodies.
	<i>Armenia, Azerbaijan, Georgia, Moldova, Ukraine</i>	No reporting requirements and subordination of region forestry agency under region bodies; cooperation and coordination depending on personal initiative.
<i>State forestry agencies with forest managing municipalities or with “communal” forestry enterprises</i>	<i>Moldova,</i>	Involvement in decision making (<i>Moldsilva</i>), generally good cooperation and coordination at all levels.
	<i>Georgia</i>	No formal involvement required; Tbilisi - no cooperation, Tusheti PL - limited collaboration, potential future forest owning communes - personal initiative by leading NFA staff, but weak with local representations/forestry units of NFA.

	<i>Ukraine</i>	Involvement in decision making (region state forestry administration).
<i>Forestry enterprises and local administrations and self-governance bodies</i>	<i>Belarus</i>	Intensive cooperation and coordination with district bodies, due to their decision making authority on forestry.
	<i>Ukraine</i>	Independent of ownership type limited coordination with rural councils and districts; “communal” forestry enterprises coordinate with region bodies due to direct subordination.
<i>Forestry agencies and other agencies</i>	<i>All programme countries</i>	Coordination and cooperation with protected areas agencies, environmental protection (state environmental inspection), law enforcement organs.
	<i>Armenia</i>	State Forest Monitoring Centre under Ministry of Agriculture cooperates with <i>Hayantar</i> and Ministry of Nature Protection, its agencies as well as civil society; Collaboration of Ministers of Nature Protection and Agriculture in form of joint orders.
	<i>Georgia</i>	NFA with Forest Policy Service of MENRP and APA, with Ministry of Agriculture and Ministry of Interior; Tusheti PL (Akhmeta municipality) – weak coordination by MENRP.
	<i>Russia</i>	Collaboration in combatting large forest fires with fire brigades of regions and of the Ministry for Emergency Situations; Region inter-agency commissions for coordination and collaboration e.g. on control of timber trade; Regions established public councils for coordination.
	<i>Ukraine</i>	Cooperation of “communal” forestry enterprises in law enforcement required.

The following paragraphs present specific aspects of cooperation and coordination in some of the programme countries.

Armenia

The State Forest Monitoring Centre under the Ministry of Agriculture cooperates with *Hayantar* (under the same ministry) and with the Ministry of Nature Protection and its Bio-resources Management Agency and State Environmental Inspection. The Monitoring Centre informs these agencies about detected illegal cuts and other facts. The Monitoring Centre is under the oversight of a board of directors representing most ministries, the vice prime minister, and NGOs, and reports annually to this board. Each agency reports as well to the Monitoring Centre about detected illegal cuts and conditions of forests, number of trees and volumes harvested.

The two Ministers of Nature Protection and Agriculture have issued a joint order on the regulation of harvest, transportation and sale of timber.

Hayantar does not have established mechanisms for cooperation and coordination with local communes, but informally such collaboration takes place, in particular in the context of the implementation of externally funded forestry projects involving local communities (Vardanyan, NGO representative, pers. comm. 2015; Michel, 2014). Petrosyan (*Hayantar*, pers. comm., 2015) mentioned the failure of all projects aiming at the development of community-based forest

management and Michel (2014) observed limited consideration of local interests by *Hayantar*. This anecdotal information suggests that coordination and cooperation between *Hayantar* and local communities is not yet effective enough for development of community commitment and of acceptance of local people's interests by *Hayantar*.

Azerbaijan

Anecdotal information suggests that collaboration between the state forestry enterprises and the local administrations as well as land-users managing lands with tree and shrub vegetation is limited. The collaboration of an agricultural cooperative (*kolkhoz*) managing such lands with the District Department for Ecology seemed partly difficult. This *kolkhoz* collaborates with the police in law enforcement. (Case Study Azerbaijan)

Belarus

Cooperation is well developed at region level between the region councils and administrations and the state production forestry associations of the Ministry of Forestry. Locally state forestry enterprises cooperate well with the respective district administrations and rural councils. The forestry agency, its regional branches and its forestry enterprises also cooperate and coordinate on law enforcement with the State Inspection for the Protection of the Plant and Animal World under the President, but cases of excessively strict interpretation of regulations and initiated persecution of forestry workers by this inspection have caused tension. (Case Study Belarus)

Georgia

Cooperation and coordination between the forestry sector organizations and the municipalities seem to depend more on personal contacts and the initiative of those involved than on established mechanisms. The current Deputy Head of the NFA for many years has been involved in various projects and is very interested in collaboration at the local level. He is in personal contact with municipalities that have expressed their interest in taking over local forests. (Case Study Georgia)

The NFA cooperates well with the Forest Policy Service and in protected areas with APA. There is also some case-based cooperation, e.g. with the Ministry of Agriculture on problems related to fighting against box tree disease and with the Ministry of Interior regarding forest fires. (Kavtarishvili, CPC Georgia, in lit. 2016)

In Tusheti PL the collaboration between the Agency for Protected Areas (APA) and the municipality administration of the PA is good, but cooperation and coordination with the MENRP is poor, despite its responsibility for control of the PA. (Case Study Georgia)

The existence of a regional level, the NFA's forestry services in the regions, was not specifically mentioned by any stakeholder and direct cooperation seems limited. Their local representations/forestry units of the NFA contact the municipalities only in case of special needs, but do not involve them in any forest management decision. Municipality councils and administrations seem to have more intensive contacts even with the central level of the NFA. This might be related to the limited capacity and mandate of the local and region level branches of the NFA. Cooperation between municipalities and concessionaires is virtually nonexistent. (Case Study Georgia)

Moldova

Good cooperation is in place between the communal forest managers and the state forestry agency *Moldsilva*, namely at technical staff level. This cooperation is facilitated through various projects.

Coordination and cooperation include local state forestry enterprises, the national level as well as the inventory and planning enterprise ICAS, which all have direct contacts with the forest owning municipalities. (Case Study Moldova)

Russia

In the Russian Federation the transfer of responsibility for forest management to the Federal Subjects requires their cooperation with the federal level forestry agency *Rosleskhoz* and their territorial subunits in the seven federal districts (Rus. *federalnyy okrug* – федеральный округ), six of which cover several Federal Subjects each and one Moscow region only. Some regions have established inter-agency commissions for coordination and collaboration on specific subjects, e.g. in the Republic of Sakha (Yakutia) a commission on control of illegal trade in timber. Further, some regions have established public councils under their forestry agency. In the Republic of Sakha (Yakutia) such council has been established in 2014 consisting of nominated representatives of non-commercial non-governmental organizations, private and state enterprises and of the forestry department of the Republic.

Ukraine

The mandates of different agencies, enterprises, representative and administrative bodies in relation to “communal” forests require cooperation and coordination. These seem to work well between the district and region forestry enterprises, between the latter and the region councils as well as between “communal” forestry enterprises and the region state forest administrations and the State Environmental Inspection. In contrast, cooperation and coordination are virtually not existent between “communal” forestry enterprises and district councils and administrations and between forestry enterprises of different ownership. The cooperation and coordination of state and “communal” enterprises with the rural councils seem to be insufficiently developed, mainly because of the subordination of all forestry enterprises to a higher administrative level and because of the lack of formal mechanisms of cooperation and coordination of the forestry enterprises with the rural councils. In this situation the determining factor of cooperation and communication is the relationship between the individual heads and staff of the rural councils and of the local district forestry enterprises as well as of the state forestry enterprises. (Case Study Ukraine)

Component 3.5 Measures to address corruption and ensure transparency

The measures to address corruption and ensure transparency in the programme countries are part of the general anti-corruption policy, legislation and action in those countries. Rarely anti-corruption is specifically targeted in the forest sector and more specifically in the context of local forests. The formal existence of anti-corruption and transparency policies, legislation and even specialized agencies does not necessarily correspond with the effective combat of corruption and not necessarily ensure transparency. Anti-corruption measures often just add another layer of corruption if this corresponds with the political and economic environment and is in the interests of involved elites. Often mechanisms to ensure transparency can be circumvented and accordingly have limited impact as can be seen in scandals exposed by journalists on procurement of public services or recruitment by government agencies in countries with a generally low corruption level or by international organizations with high transparency standards. On the other hand, overly sophisticated procedures can add unnecessary administrative burden and impose additional costs while failing to achieve the intended transparency.

The general situation in terms of corruption and transparency varies between the programme countries. The anti-corruption measures implemented in Georgia after the Revolution of Roses in

2003 succeeded in leading to the widespread disappearance of corrupt practices. In Ukraine since the Maidan Revolution 2013/2014 attempts are made to address corruption and improve transparency. But most Ukrainians and external observers agree that progress is slow. On the other end Moldova, Armenia, Russia and Azerbaijan have a high level of corruption affecting all spheres of politics, economy and society. Belarus with its comparably harsh law enforcement and tight control seems to have less corruption problems than these countries, but transparency is similarly affected by the priority of political loyalty and connection with the ruling elites over other objective criteria in recruitment and tender processes.

The scores and rankings of the Corruption Perceptions Index by Transparency International⁸⁴ show this picture for 2014 (from least perceived corruption to highest): Georgia – Scores 52, Rank 50/175; Armenia – 37, 94/175; Moldova – 35, 103/175; Belarus – 31, 119/175; Azerbaijan – 29, 126/175; Russia – 27, 136/175; Ukraine – 26, 142/175. This ranking differs from the Consultant's impressions by assigning better ranks to Armenia and Moldova and the less favourite rank to Belarus than suggested by the Consultant's observations. The Corruption Perceptions Index by Transparency International is an important resource for companies that need to carry out risk assessment under the EU Timber Regulation or other legal frameworks. It is also an important indicator used in the FSC Controlled Wood system and in the PEFC chain of custody requirements for avoiding controversial sources.⁸⁵ The FSC and PEFC certifications do not provide any additional information on the implementation of anti-corruption measures and their effectiveness in the certified forestry enterprises. An additional problem is associated with the transparency of the certification itself. "The certifying bodies (assessors) are paid by the companies wanting to get certified. It is in the assessors' interest not to get a reputation for being too "difficult", otherwise they will not be hired in future. This is a clear conflict of interest."⁸⁶

In the forest sector the existence, effectiveness and independence of governmental oversight mechanisms external to the forest agencies as reflected in their mandates (Component 1.4) can influence on corruption and transparency in some extent. Independent oversight is in place in some of the programme countries in form of the mandate to control the compliance of the forest sector with the legislation being assigned to the ministries in charge of environmental protection (Armenia, Azerbaijan, Moldova, Ukraine) and to their state environmental inspections. In Belarus such an inspection, independent of the forest sector and directly subordinated to the President, has proven being highly effective, although in some extent now overreaching. In Moldova the establishment of another separate forestry inspection is considered as the state environmental inspection does not effectively prevent illegal logging. In Georgia the NFA is under the MENRP and thus the control is not entirely institutionally separated. In the Russian Federation the federal state forestry agency is independent of the Federal Subjects to which most forest management tasks are delegated, but no effective control of compliance with forestry regulations externally to the forest sector exists. In all programme countries the forest sector is additionally subject of control by the state agencies that control compliance with public procurement rules, public spending and taxes.

The separation of functions and external oversight are often expected to reduce corruption risks and provide more transparency. Where planning (e.g. determining of allowable cut), implementation (e.g. cutting operation) and control and law enforcement (e.g. inspection service) are concentrated within one system or agency, the risks of manipulation, unsustainable and illegal use tend to be higher, than where these mandates are separated. However, corrupt systems can also evolve across agencies and sectors and having more actors involved may not necessarily prevent corrupt and illegal practices, but may just increase the costs and losses they cause. For instance, in Armenia,

⁸⁴ <https://www.transparency.org/cpi2014/results>

⁸⁵ <http://www.nepcon.net/newsroom/corruption-index-latvia-turkey-and-malaysia-move-above-controlled-wood-threshold>

⁸⁶ <http://fsc-watch.com/2014/06/01/the-10-worst-things-about-the-forest-stewardship-council/>

Moldova and Russia the large unaccounted and illegally harvested amounts of wood are only possible with the involvement of different agencies, the forestry agencies, environmental inspections, traffic police and in case of exports (Russia) the customs and border guards, which all seem to profit more from these activities than they would from enforcing the law.

While an independent oversight can contribute to the reduction of corruption and ensure more transparency, an overly strict separation of functions can also cause risks. The agency approving the allowable cuts should ideally not be economically benefiting from the harvest. For instance, in Armenia *Hayantar* sets the annual allowable cuts (AAC), which are approved by the Ministry of Agriculture, to which *Hayantar* is directly subordinated. *Hayantar* at the same time is in large extent financing its operations from wood harvest, and - probably more important - low AAC and high unaccounted cuts provide personal economic benefits for those involved. The forestry operations on the ground, not only harvest but also forest regeneration (reforestation, support of natural regeneration), other silvicultural activities as well as pest control and fire prevention, should be controlled by an inspection service that is not organizationally and economically connected to the forestry enterprises. In Belarus, despite the proven high effectiveness of the existing independent inspection, policy makers now consider a further separation of the functions of state forestry enterprises in forest regeneration and maintenance from their functions in harvest and initial processing of wood, by establishing separate units for these functions. Similar considerations are made in other countries. In Belarus, Russia and Georgia sale of standing timber, temporary lease for logging and concessions already exist. Such systems do create additional opportunities for corruption and not transparent assignment of use contracts. Further, they disconnect the links between harvest and forest management or between profitable and costly operations. These disconnections may create disincentives for sustainable forest management and ecosystem friendly harvest practices.

Forestry enterprises procure services where they do not have the workforce to implement all forestry works themselves and where forests are not leased to leaseholders or concessionaires, which are supposed to implement the forestry activities. Planting material is often procured from external nurseries, except in Armenia, where only *Hayantar* runs forest tree nurseries. Also machinery and equipment has to be purchased. In all programme countries procedures are in place, which should formally ensure that these goods and services are procured by the public forest sector in a transparent manner and no corruption is involved. The effectiveness of these procedures is hard to assess in the context of this Study, but only limited anecdotal information suggests the existence of some problems. On the other hand, the absence of such information may not necessarily indicate the effectiveness of these procedures.

In some programme countries, like Armenia and Moldova, a massive discrepancy between supply of wood and market demand suggests illegal logging in a substantial scale, and at the same time, harvest of trees is a monopoly of the state forestry enterprises and their contractors. In such a situation it is very likely that first, these forestry enterprises and their contractors are directly involved in the unaccounted logging, and second, that recruitment into key positions controlling this informal business and contracting of brigades or companies doing harvest, transportation and resale, are influenced by corruption and do not comply with transparency requirements. On the other hand, procurement rules can also increase costs of operations and hamper the use of local workforce and small enterprises for the provision of forestry services. For instance, in Georgia according to procurement procedures companies contracted for providing of forestry services or planting materials have to fulfil high requirements, e.g. in terms of years of operation, turnover etc., which effectively exclude small scale local businesses and individuals while at the same time increasing the costs for the public.

Local forests in the wider sense might be less under risk of corrupt and not transparent practices.

They are often of lower attractiveness for larger logging operations in terms of possible harvest amounts and assortments. Further, there is the possibility of more public control by the inhabitants of nearby located towns and villages. On the other hand, local people, depending on fuel wood and timber, might be forced to pay informally to local foresters or forest rangers for getting access to these resources. Difficult procedures for official access, as e.g. in Russia⁸⁷, tend to increase the risk of this type of corruption. Harvest quotas for local people reduce this corruption risk if they are issued in a simple procedure, as recently introduced in Armenia for the collection of fallen wood by villagers of close-to-forest villages.

In those countries where local forests are managed by the municipalities (Moldova, possibly evolving in Georgia) or by “communal” enterprises (Ukraine) the measures to address corruption and to ensure transparency may partly differ from those in place in the state forests. In Moldova and Ukraine the state forestry agencies, their region branches and/or their local state forestry enterprises have certain mandates on local forests as well. These mandates can provide more transparency, in particular though an independent approval of wood harvest. But on the other hand these agencies themselves are economically involved in forestry and are in fact competitors with municipalities and “communal” forestry enterprises. This situation certainly bears a high risk of conflict of interest. The municipalities and “communal” forestry enterprises can locally be under more public control where local people and communities identify themselves as forest owners, and thus corruption risks can be reduced informally. In some communes in Georgia, Moldova and Ukraine such sense of possessorship is developing.

Table 19. Overview of corruption issues and measures to ensure transparency

COUNTRY	KEY ISSUES	EXAMPLES OF MEASURES
<i>Armenia</i>	Discrepancy between legal wood supply and demand – large amounts of unaccounted harvest and related corruption.	Legal access to fallen dead wood for local villagers; joint monitoring of forest use by State Forest Monitoring Centre, <i>Hayantar</i> , civil society and citizens.
<i>Belarus</i>	Formerly poaching by influential people, illegal logging; combination of planning, silvicultural activities, permitting and wood production in one organization has been criticized.	Tight control by State Inspection under the President; legal access to wood for local people; intended separation of silvicultural functions from production functions - possibly unintended impacts.
<i>Georgia</i>	Generally effective ant-corruption policy; assignments of concessions in the past not entirely transparent.	Phasing out of concessions, no new assignments.
<i>Moldova</i>	Discrepancy between legal wood supply and demand – large amounts of unaccounted harvest and related corruption; misuse of forest lease for private housing and business.	No specific measures reported; in communal forests low corruption risk due to low harvest potential and social control.
<i>Russia</i>	Risks of misuse of federal subsidies for forestry at region level; high illegal harvest and export of timber; conversion of forests for private housing by elites.	No specific measures and/ or low effectiveness.
<i>Ukraine</i>	Reports about conversion of forests for private housing and illegal logging; low local ownership and social control of local/“communal” forests; informal employment of forest workers.	Ongoing reform process addresses corruption, but effect not yet clear; in some “communal” forests development of sense of possessorship and social control facilitated by FSC certification.

⁸⁷<http://forestforum.ru/viewtopic.php?f=36&t=16200>

The following paragraphs present some more specific aspects of corruption and measures to address it and to ensure transparency in some of the programme countries.

Armenia

Junge, Fripp (2011) found that the forest sector in Armenia is characterized by pervasive corruption. The state owned forests and their resources are exploited for the private income of officials and entrepreneurs. Police and state environmental inspection collect bribes from the brigades transporting the unaccounted fuel wood. Because the AAC is so far below the demand for fuelwood, it is impossible for *Hayantar* to register the real amounts of wood sold. Therefore, corruption through under-invoicing will be inevitable as long as demand outweighs supply. The annually lost state revenue in fuelwood alone is estimated being the equivalent of between USD 7.2 Mio and USD 21.8 Mio. Added to this is an unknown quantity of high quality wood for domestic processing and export. *Hayantar* assigns the logging rights to brigades, which would in excess to the permitted amounts harvest large unaccounted volumes of wood. These rights to cut and sell trees are allocated without a fair selection process, and it can be assumed that the brigades (have to) share their gains with the officials who grant them access. Most activities in the forest sector occupy a grey area between legal and illegal, formal and informal. Illegal and corrupt activities often depend on the existence of legitimate rules (like the setting of an AAC) and institutions. The political and economic environment makes the implementation of effective measures to prevent corruption in the forestry sector very difficult.

The assignment of limited rights of using fallen dry wood as fuelwood by villages close to forests may have led to a modest reduction of corruption. The assignment of more user rights, management and control of local forests to the communities living close to these forests and having vital interests in their sustainable use may actually reduce the opportunities for unaccounted harvest by commercial brigades using corruption. However, it is likely that those powerful structures profiting from the current situation are effectively preventing the transfer of power to the local level. The negative attitude found in *Hayantar* towards communal or community forestry (Michel, pers. observations 2014 and 2015) might be caused by such motivations and not only by negative experiences with pilot projects on community forestry. Further, it is possible that the specific challenges that caused these pilot projects to fail, in particular the insufficient economic viability and low motivation of local communities were caused by the limited access to wood. These reasons likely have not been properly addressed, possibly because of limited interest in successful projects of community forest management.

Junge, Fripp (2011) proposed as policy measures that would among other impacts also reduce corruption: targeted gas subsidies for forest dependent households, elimination of the permit fee for fallen wood and liberation of prices for wood sold by *Hayantar*. In contrast, finding alternative livelihoods for the brigades involved in unaccounted logging would not change the situation, as others would immediately take their place. Increasing inspections might simply cause an increase of the corruption. The recently started (ENPI-FLEG II-supported) joint monitoring of illegal logging by communities, civil society organization, the State Forest Monitoring Centre and *Hayantar*⁸⁸ substantially counters this risk due to its institutional cooperation and transparency. Engaging the public in the monitoring of its forests can make forest management and activities more transparent and - if combined with legal access to fuel wood - generate a direct interest within local communities in protecting the forests, which support their livelihoods and wellbeing. This can substantially reduce the opportunities for unaccounted cutting and other illegal forest use tolerated by corrupt officials.

⁸⁸ https://www.iucn.org/fr/nouvelles_homepage/nouvelles_par_theme/forets_news/?20205/Not-in-Our-Forest

Belarus

The below median ranking by Transparency International (score 31, rank 119/175)⁸⁹ does not fully correspond with statements of stakeholders interviewed by the Consultant, including representatives of forestry organizations, the CPC as well as occasional people not related to the sector, which all stated about low corruption levels and effectiveness of anti-corruption measures initiated by the government.

The results of the analysis of the elements of governance related to legal framework, mandates of organizations, planning, decision making, harvest, processing and marketing of forest products and control and law enforcement suggest that there are currently limited opportunities for corruption in the forest sector and in particular in the context of harvest and sale of timber and other wood products. The Consultant could not find confirmation of the concern about substantial corruption potential provided by the combination of functions of allocation of forest resources to users and state control of protection and use of forests on one side and on the other side of being the immediate forest user within the state forestry enterprises. The forest inventory and management planning by *BELGOSLES*, which is independent from the state forestry enterprises, the decision making on timber harvest and the rules on timber marketing in combination with the independent strict control by the entirely independent State Inspection for the Protection of the Plant and Animal World under the President seem to be largely effective in the prevention of corruption related to timber harvest. (Case Study Belarus)

Georgia

Georgia during the last decade has very effectively eradicated corruption, and this is reflected in the forestry sector as well. Not a single stakeholder reported any cases of bribery for access to fuel wood and timber at local level. One municipality representative mentioned that access to illegal fuel wood had been provided by NFA staff for gaining local political support. This seemed to refer to the past, but may possibly as well indicate a return of previous corrupt practices. However, the lack of transparency about the concession contracts provides reason for concern that violations might have happened when the concessions were assigned. The current policy is to let the concessions phase out and not to assign new concessions. (Case Study Georgia)

Moldova

The mentioned obvious and long lasting violations of regulations in form of erection of buildings with massive fundaments in leased forests and the high unaccounted and illegal wood harvest indicate a significant level of corruption. In the communal forests, however, no obvious risks for substantial corruption are visible. This is partly caused by their comparably lower attractiveness for timber harvest and the higher level of local control. The risk of provision of undue benefits in form of cheap fuelwood or of selective purchase of services from certain inhabitants might be low due to the peer pressure and social control in the communes. (Case Study Moldova)

Russia

The system by which the Federal Government supports the Subjects of the Federation with subventions for the implementation of functions delegated to the regional level does not sufficiently require accounting for the achievement of the final results. It is also not transparent. Both factors establish the fundament for possible corruption. (Шварц et al., 2010) Reportedly high levels of illegal harvest and export (ENPI-FLEG II 2014b) and the transformation by powerful elites of attractive

⁸⁹<https://www.transparency.org/cpi2014/results>

forest sites for private housing suggest abundant corruption and low level of effectiveness of anti-corruption measures.

Ukraine

Ukraine has been suffering from abundant corruption in all sectors, reflected in the lowest ranking of all programme countries in the Corruption Perceptions Index of Transparency International (score 26, rank 142/175)⁹⁰. Reports about grabbing of forest land for development of housing or illegal logging facilitated by forestry enterprises show that the forest sector was not an exclusion from this problem. The ongoing reform process in the country is supposed to address especially corruption and improve transparency. It is still too early for assessing the success of these reforms. Stakeholders did not report any recent or current cases of substantial corruption in relation to “communal” forests. The ownership of “communal” forest lands and forestry enterprises at higher administrative levels, instead of ownership and management at the level of rural councils, impedes the development of local ownership and social control in the communities. The unofficial use of local work force with in-kind or unaccounted cash payments is the most obvious and widespread issue, which is practiced also by state and military forestry enterprises. At local level small scale corruption might be possible in relation to the use of services by forestry enterprises, priority access to timber and provision of fuel wood below market prices. (Case Study Ukraine)

6. Conclusions – Impact of Governance of Local Forests

An assessment of governance of forests is largely about processes, but what finally determines the quality of these processes is the impact they cause. The pillars and components of the governance framework analyse elements of governance of local forests, which finally contribute to the situation in the local forests and in the communities depending on these forests. Assessing these impacts and attributing them to the quality of the governance systems in the respective countries, or even to specific features of the elements that constitute these government systems, is very challenging. A full evidence based assessment is therefore not possible in the frame of this Regional Study. In the following sections the Consultant attempts drawing some conclusions from the findings on the elements of governance, the observations and reported situation in terms of trends of forest cover and its conditions as well as benefits for the society from the forests. These conclusions highlight specific issues where an impact of the actual governance is obvious or likely.

6.1 Impacts of governance of local forests on forest cover and forest conditions

Changes in forest cover can either be assessed from official reports or from studies using remote sensing. Both methods have their inherent challenges and their results cannot be directly compared. Officially reported changes in forest cover are based on the forest definitions applied in the respective countries. These definitions vary and do not always include forests, woodlands and shelterbelts outside of the borders of the state forest fund, and accordingly such forests in the broader sense are not covered by the statistics. However, such areas can make up substantial parts of “local forests”, e.g. in Azerbaijan, Moldova and Ukraine. Remote sensing based assessments are suitable for detecting real changes in forest cover independent of formal definitions. These methods, on the other hand, cannot distinguish between temporary loss of forest cover because of logging

⁹⁰<https://www.transparency.org/cpi2014/results>

and permanent loss of forest cover because of transformation of forests into agricultural, urban and other land-use types. Also gain of forest cover through reforestation or natural regeneration of formerly logged areas, afforestation or natural succession on formerly not forested areas cannot be distinguished from each other. Further, data are not always available for the same time period for all programme countries. In some cases forest gain and forest loss cannot be compared against each other for methodical reasons, thus not allowing for the determination of net losses or net gains of forest cover.⁹¹ Local forests are difficult to define and the definition applied in this Regional Study is too vague to allow for clipping the available data on forest cover with the borders of local forests to measure the specific trends in local forests.

Remote sensing analysis has shown substantial changes in the forest cover of some of the programme countries. Between 1985 and 2012 Moldova experienced a net gain of forest cover of 28.9% and Russia of 4.0%⁹² (Potapov et al., 2015). Similarly an analysis of a stratified random sample of 12 Landsat footprints showed an increase in forest cover in the temperate zone of European Russia of 4.5% between 1985 and 2010, but the changes in forested area varied over time: a decline in forest area between 1990 and 1995 (-1%) was followed by an increase in overall forest area, possibly caused in part by forest regrowth on abandoned farmlands (Baumann et al., 2012).

The conditions of forests can change over time due to human influence. The harvest of trees changes the age structure, volumes and other features of forests. The type of cutting, i.e. selective single tree, group, clear cutting, shelter wood etc., influence on the vertical and horizontal structure and species composition of forests. Reforestation and afforestation create stands of single age classes and of more or less autochthonous or exotic origin, depending on the choice of planting material. Silvicultural maintenance of young growth and older forests, sanitary cutting, fire prevention, grazing and use of NWFP - all have impact on the conditions of forests. The elements of governance determine these forms of use and management of forests and thus impact on the conditions of the forests and the trends of the areas covered by forests.

Table 20. Overview of key findings on impacts of governance on forest coverage and conditions

COUNTRY	TRENDS OF FOREST COVER	TREND OF FOREST CONDITIONS	KEY CONTRIBUTING FACTORS
<i>Armenia</i>	Decline of forested area from 11.6 % of total land area in 1990 to 9.4% in 2005; recent years - annual tree cover loss significantly reduced; local gains in areas close to villages.	Degradation of forests, selective cutting of valuable trees, reduced standing volumes and increment of forest stands; livestock largely hinders regeneration.	Unaccounted logging because of discrepancy between AAC and demand; inadequate financial mechanisms; corruption; failed attempts of community-forestry development.
<i>Azerbaijan</i>	Forest cover 1 Mio ha or 11.8% of the country's area; loss of tree cover since 2000, decline of annual tree cover loss.	Gradual degradation, livestock grazing, deliberate damaging of trees for "sanitary" cutting, new afforestation – mainly exotic species plantations.	Gas supply reduced fuel demand; discrepancy between supply and demand due to use restrictions; lack of incentives for sustainable forest management.

⁹¹<http://www.globalforestwatch.org/country/AZE>

⁹²<http://earthobservatory.nasa.gov/IOTD/view.php?id=86221> based on (Potapov et al., 2015)

<i>Belarus</i>	Continuous increase, since WWII almost doubled; afforestation of abandoned agricultural lands.	Dominance of even-aged young forests changes slowly towards mixed and older forest.	Governance supportive to increase of forest cover and improvement of forest conditions; considered functional separation may challenge positive trends.
<i>Georgia</i>	1992 to 2007 increase; after 2007 deforestation in some areas because of illegal logging.	Degradation because of unsustainable use; selective cutting of large trees; lack of systematic silvicultural activity.	Weak state forestry organizations; insufficient control of concessions; pending status of “forests of local importance”; insufficient forest inventory data and FMP coverage.
<i>Moldova</i>	Slight increase over the recent years and further increase is planned.	Decrease in standing volumes and reduction of species in demand caused by unaccounted logging; poor conditions of communal forests due to their origin and limited economic potential.	Afforestation largely on communal lands, possibly hampered by need of land designation change; discrepancy between supply and demand; restrictive use policy; insufficient incentives for sustainable management.
<i>Russia</i>	Slight increase since 1995; tree cover loss 2000-2014 much higher than gain; probably negative trend.	Degradation caused by unsustainable logging (partly illegal), poor regeneration, large scale forest fires.	Negative impacts of reform following new Forest Code; abolishment of federal forest protection; insufficient control and law enforcement; status of former <i>kolkhoz</i> forests not fully determined.
<i>Ukraine</i>	Stable, increase by succession on abandoned lands, but loss due to reclamation.	“Communal” forests poorer conditions than state forests, due to their origin and past use; shelterbelts degrading.	Succession on abandoned lands not included in forest fund; “communal” forestry enterprises economically disadvantaged by lower harvest potential; insufficient sense of local ownership.

The dynamics of forest cover of local forests as well as the trends in the condition of forests vary between the programme countries and between regions within the countries. In the following paragraphs general trends and typical examples are presented.

Armenia

In Armenia local forests are not formally differentiated from the overall state forest fund. Reportedly during the years of crisis and economic blockade in the 1990s illegal logging for meeting immediate needs of the rural and urban populations heavily affected the forests and likely local, easily accessible forests suffered more than remote forested areas. This pressure caused both deforestation and degradation. The forested area declined from 11.6 % of total land area in 1990 to 9.4% in 2005 (The World Bank, 2007). During recent years the situation has changed and Global

Forest Watch data⁹³ show that annual “tree cover loss” has been significantly reduced in 2013 and 2014 compared to the decade before.

Reforestation and afforestation projects in areas close to villages have led to gains in forest cover in those areas, while illegal and unaccounted logging shifted towards remoter but still accessible forests with higher wood volumes. In some areas also reduction of livestock numbers, of livestock mobility and abandonment of agricultural lands may have contributed to some local increase in forest cover but leading to stands of poor timber quality (Petrosyan, pers. comm. 2015). Afforestation is generally only successful with barbed wire fencing. Artificial plantations, sometimes with non-autochthonous planting material or non-native species, cannot offset the loss of environmental and economic functions of old-grown forests. Unaccounted logging rarely causes immediate deforestation, but rather gradual degradation of forests. The trees, which are larger and more valuable in terms of assortment, are cut. In the result standing volumes and accordingly the increment of the forest stands are reduced. Unregulated selective cutting reduces the resilience and negatively affects the functionality of the forest ecosystems.

The negative trends in forest cover and forest conditions can be partly attributed to several governance problems. The ongoing unaccounted logging has one reason in the discrepancy between supply (restricted by the artificially low set AAC) and demand in fuel wood and timber. This situation creates a large incentive for illegal cutting. At the same time, *Hayantar* contracts logging brigades, which harvest much larger amounts than permitted, tolerated by different authorities in a corrupt system. In some forest areas thinning and maintenance cutting operations could provide more fuel wood than currently harvested and at the same time provide positive silvicultural effects (Michel, own observations 2014). However, hesitations by *Hayantar* to cut more trees officially and the market preference for larger dimensions so far limit the use of this opportunity to increase supply. Setting the AAC in accordance to the natural potential of the forests would increase the supply and reduce the incentives for unaccounted logging. The change of legislation allowing for easier access of households in close-to-forest villages to fallen dry wood already contributes to a reduction of the unregulated harvest pressure.

So far any attempts to develop community-based forest management have failed, despite the legal framework provides the options of both communal forest ownership and communal management of state owned forests. The reasons for this lack of success of management of local forests by local people seem to lie in the framework conditions set by *Hayantar* (Petrosyan, pers. comm. 2015): communes were forced to set up a special organization with a director and other staff being paid salaries; no harvest of trees was possible (or permitted) in the assigned forest areas, only NWFP; and it seems the forest areas were neither transferred into ownership nor were they assigned in long-term use (ten years would have been possible but for the pilot shorter terms were applied). In the result salaries consumed all funding and the limited income achieved, local people did not develop any ownership and interest in long-term results, and livestock grazing and insufficient maintenance hampered the success of afforestation activities due to short-term assignment and lack of tangible benefits from the forest stands. This limited available information shows how economically not viable organizational requirements and inadequate user-rights and use potentials caused the failure of an approach that is possible by the legal framework, has been successful in many countries and should lead to an increase of forest cover and improved forest conditions. One could imagine that integrating the responsibility for forest management within the existing rural local self-governance structures and reliance on unpaid work for the sake of current small and future increasing direct benefits from the forest, long-term user rights, assignment of areas with at least

⁹³Hansen, M. C., P. V. Potapov, R. Moore, M. Hancher, S. A. Turubanova, A. Tyukavina, D. Thau, S. V. Stehman, S. J. Goetz, T. R. Loveland, A. Kommareddy, A. Egorov, L. Chini, C. O. Justice, and J. R. G. Townshend. 2013. “Hansen/UMD/Google/USGS/NASA Tree Cover and Tree cover Loss and Gain, Country Profiles.” University of Maryland, Google, USGS, and NASA. Accessed through Global Forest Watch on 12/07/2015. www.globalforestwatch.org.

limited wood harvest opportunities and introduction by the commune of responsibility of livestock owners or herders for livestock-caused damage to trees might address the reasons for the reported failure.

Azerbaijan

The forest cover of Azerbaijan is about 1 Mio ha or 11.8% of the country's area⁹⁴. The data of Global Forest Watch suggest a general loss of tree cover since 2000, with a declining trend of tree cover loss⁹⁵. The expansion of natural gas supply into more and more rural areas likely contributes to this decrease of deforestation by reducing the demand in fuel wood. The official harvest of trees is set very conservative and limited to maintenance cuttings, mainly sanitary. In tree and shrub vegetation outside of the forest fund, which makes up large parts of the former *kolkhoz* forests, the cutting of trees is de-facto even more restricted. These restrictions cause a misbalance of supply and demand, motivate illegal cutting, partly under the disguise of sanitary cutting of previously deliberately damaged trees, and create disincentives for sustainable forest management.

In many forest areas, even in protected areas like national parks, the conditions of the forests gradually deteriorate because of illegal cuttings and damage of trees for the justification of sanitary cuttings. Livestock grazing in forest areas close to villages or at the edge of pastures prevents natural rejuvenation. The exclusion of tree and shrub vegetation on agricultural lands from the forest fund and the de-facto ban on its use for wood production prevent the valuation of such areas as forests, remove incentives for their sustainable management and encourage their use as silvo-pastoral areas with gradually degrading tree cover. Newly planted forests have largely plantation character, composed of exotic tree species and sometimes depending on irrigation. These plantations do not contribute to the increase of the area of forests as ecosystems. The policy of the government favours the establishment of such plantations in semi-arid and arid areas.

Belarus

In Belarus the forest cover is continuously increasing. Since the historical low after World War II the area covered by forests has almost doubled and this trend is continuing. The former *kolkhoz* forests are completely integrated in the state forests. The forest cover increases due to afforestation and natural succession on abandoned agricultural lands of low productivity. (Case Study Belarus) This increase of forest in some areas occurs on the expense of meadows and drained peatlands which are valuable ecosystems in themselves. From the perspective of carbon sequestration and ecosystem conservation the rehabilitation of the hydrological system of drained peatlands should be preferred instead of afforestation or natural succession towards forests. In Belarus both situations can be found and the current state forestry policy favours afforestation, but a recently passed national peatland strategy may indicate a change of policy towards higher valuation of peatlands and their restoration⁹⁶.

The forests of Belarus in a large extent are even aged forests that are dominated by young and middle age stands younger than 70 years; and mature and over-mature stands are less represented than in continuously sustainably managed forests. The dominance of even-aged forests of younger age was mainly caused by the deforestation during and after World War II and subsequent reforestation, but also by the forest management system with mainly clear cuts and artificial reforestation. A more balanced age structure is aimed for and is currently developing. Clear cuts still dominate the harvest, but other approaches are increasingly applied, which allow for a more continuous forest use and the development of mixed age stands. (Case Study Belarus)

⁹⁴ <http://www.fao.org/forestry/39774-0e03f4576d53ec8aeeba6da1d02f63922.pdf>

⁹⁵ <http://www.globalforestwatch.org/country/AZE>

⁹⁶ <http://bahna.land/2016/01/05/strategija-sohraneniija-bolot/>

The current governance of the forests of Belarus thus seems to be supportive to the continuation and further development of forest cover, ecologically and economically satisfactory forest conditions and a sustainable forest management. Currently considered changes in the governance system are aiming at the separation of the wood production functions of the state forestry enterprises from all other silvicultural activities. Such a separation of genuinely connected functions may challenge the positive trends and lead to a higher dominance of clear cuts, more even aged forests, less natural rejuvenation and a more industrial forest structure.

Georgia

Forests cover about 40% of Georgia's territory, i.e. approx. 27,800 km², and 95-95% of the forests are of natural origin. Between 1992 and 2007 the forest cover increased due to natural succession on small abandoned fields and pastures, but at the same time forests degraded because of unsustainable use. Illegal logging after 2007 caused significant deforestation in some areas. Commercial logging is restricted to concessions and during the last years a number of concessions have been cancelled. Further, some concessions seem to use not the entire allowable cuts due to market demand fluctuations. The general lack of transparency on the concessions, including on exact assigned areas, forest conditions and impacts, makes an assessment difficult, but must be considered as an indicator of poor governance. (Case Study Georgia) While systematic forest management in state forests outside of the concessions does not take place, local households use fuel wood based on permits and a use quota. This fuel wood use contributes to a degradation of forests because of harvest amounts above the increment and selective cutting of preferred tree species of large dimensions (DFS 2007, DFS et al. 2008, Case Study Georgia). Forests at the edge of pasture areas are affected by livestock that hinders natural regeneration or impacts on its quality and composition.

Reasons for this degradation of forest conditions can be found in elements of governance like inappropriate regulation, lack of technical requirements, and the still not decided possession on forests of local importance and the resulting insufficient incentives for their sustainable management. The possibility that municipalities manage forests of local importance, including but not limited to the former *kolkhoz* forests, is legally provided since 2005. In the practice this is not yet realized due to a number of unsolved issues of delimitation of these local forests and of the distribution of mandates between national environmental and forestry agencies and local municipalities. At the same time the capacity of local representations/forestry units of the NFA is insufficient to implement any effective forest management. So far only two municipalities manage their local forests entirely or in parts.

In the case of the City of Tbilisi the forests have been declared as "green plantations", and they are now outside of the control of the national environmental and forestry authorities. These forests consist largely of artificial pine plantations that are in poor health conditions due to drought events and maintenance backlog. Financial limitations and political pressure by the broad public have hindered the implementation of necessary silvicultural measures for the transformation of these stands into more resilient and more natural, mixed, deciduous forests. (Case Study Georgia; Michel, 2014)

The second example of communally managed forests is the forest of Tusheti Protected Landscape, which is managed by the administration of this protected area under the municipality of Akhmeta. These forests are in good condition and cover a stable area due to their difficult accessibility and the low intensity use by the local population. The transfer into communal management has led to more effective management and regulated legal use. (Case Study Georgia)

Moldova

The forest cover of Moldova has slightly increased over the recent years and further increase is planned by the government. The areas assigned to the state forestry agency *Moldsilva* are all covered by forests except areas where regeneration is going on. For this reason the expansion of the forest cover has to take place largely on communal lands and can potentially lead to an increase of the area of communal forests. This process might be hindered by perceived or real formal difficulties to change the designation of agricultural land for the purpose of afforestation.

A large gap between official harvest and market demand for fuel wood and timber suggests high amounts of illegal or unaccounted cuts, which prevent an improvement of forest conditions and may locally lead to a decrease in standing volumes and reduction of those tree species that are in high demand. The formal restrictions on harvest of trees, allowing only maintenance and sanitary cuttings, and the low set AAC may contribute to this situation. Higher official cuts for main use may allow for a more sustainable use of the forests if implemented in accordance to principles of close-to-nature forestry and combined with effective law enforcement. The lease of forests is only possible for recreational purposes, while cutting of wood is not possible and exclusive use of NWFP only in special cases. This limits the incentives for private participation in the sustainable management of forests. Under the current framework lease of forests is more often than not leading to conversion of forests into semi-urban developed areas for private housing, restaurants and similar objects, causing in attractive areas substantial loss and degradation of forests.

In some municipalities communal ownership of forests has allowed for the expansion of forest cover and for the maintenance of existing forests in good condition. These impacts have been possible where forest areas of sufficient size and sustainable harvest potential provided the needed income to the municipality and benefits for the local community. The management of the majority of communal forests is challenged by their small size and for historical reasons low quality of the stands, thus providing limited incentives for investments into their expansion and improvement by the municipalities and local people. The lack of suitable mechanisms for involvement of local users and provision of incentives to them, in particular restrictions on use of trees and on exclusive access to NWFP, are further limiting factors.

Russia

The extent of the forest cover in Russia has slightly increased since 1995, probably due to development of trees and shrubs on abandoned agricultural lands (Baumann et al. 2012). However, Global Forest Watch indicates a “tree cover loss (2001-2014)” of 41 Mio ha which is about 5% of the “tree cover (2000)” and much higher than the “tree cover gain (2001-2012)”⁹⁷. Despite these three figures for methodical reasons should not be directly compared against each other, they indicate probably a negative trend of the forest cover in Russia.

The results of the reform of the entire governance system of Russia’s forests in the context of the adoption of the new Forest Code in 2006 have negatively impacted on the extent and even more on the conditions of the forests in Russia. The abolishment of the federal forest protection service is thought to be one of the reasons for the disastrous forest fires destroying forests in a previously unprecedented scale in 2010 in western Russia and in 2015 in the Baikal region. The burned forests in the latter area may not entirely regenerate because the forests in this region exist at the natural border between forests and steppe. There ongoing climate change and the fires have made the site conditions largely unsuitable for rejuvenation of trees (Edom, pers. comm. 2015⁹⁸). Illegal logging in a large scale in the Russian Far East, but also in other parts of Russia, causes degradation of forest

⁹⁷ <http://www.globalforestwatch.org/country/RUS>

⁹⁸ <http://forest.ru/articles/nemetskiy-uchenyy-frank-edom-o-posledstviyakh-pozharov-v-pribaykale/>

conditions. In many areas in Russia unsustainable logging and poor silvicultural regeneration have caused the replacement of highly valued trees by stands of pioneer species that only in the course of long-term succession will again develop into the climax forest. The delegation of most forest use and regeneration to temporary users and leaseholders is very likely contributing to continuing unsustainable use and management of forests and consequently to a decrease of forest cover and conditions.

Local forests in the sense of former *kolkhoz* or agrarian forests are no longer a distinct category. Parts of these forests have been included into the state forest fund, while other forests remained in a poorly determined legal status. Reportedly in the result such stands have been clear cut in some areas⁹⁹.

Ukraine

The total forest cover in Ukraine is about 9.7 Mio ha out of 10.8 Mio ha of designated forest lands (FORZA 2010). On abandoned agricultural lands during the last two decades trees and shrubs established naturally and have led to a succession towards forests. These lands are, however, so far not included in the forest fund. Global Forest Watch states for 2000 a “tree cover” of even 11 Mio ha, probably because remote sensing analysis included such lands with tree and shrub vegetation, which are officially not included in the forest fund. About 950,000 ha forests are under the management of “communal” bodies, i.e. the authorities of territorial units below the national level, including regions, districts and communes. The study focussed especially on these forests that are managed by “communal” enterprises, owned by the regions and sometimes co-owned by the districts. In addition to the forests managed by the “communal” enterprises, there are another 400,000 ha of lands under shelterbelts.

Trends of forest cover of “communal” forests are not available. The accessible information suggests that the area covered by forest in the management of “communal” forest enterprises is more or less stable, and harvest and regeneration are in balance. Neither large scale permanent deforestation nor conversion into other land-use types is reported. No substantial newly afforested or naturally developed forests been formally included into the forests of “communal” enterprises. In some regions, e.g. in Vinnytsia, efforts are made to include such new forests into the “communal” forest area, suggesting a slight general increase in the forest cover of “communal” forests. Uncertainties about land ownership of such lands, reclamation of such lands by owners of shares of former *kolkhozes* and complicated and long procedures for changing land designation and possession hinder this process. This situation leads to losses of newly developed forests in the course of reclamation of agricultural lands or clear cutting for the use of wood. These spontaneously developed forest stands on abandoned agricultural lands are affected by unregulated cutting and by wildfires caused by the burning of crop remnants and dry vegetation on adjacent agricultural lands.

The “communal” forests tend to be of lower commercial value in terms of timber volumes, qualities and assortments compared to the state forests. These less favourable conditions are to a lesser extent the result of current governance. They can be attributed to the history of these forests with forests of lower value being assigned to *kolkhozes*, past forest use, e.g. with dominant coppice, and the origin of a large proportion of these forests in artificial plantations. The “communal” forestry enterprises make attempts to improve the conditions of their forests. Shelterbelts or windbreaks on agricultural lands are also included into the “communal” forests and are considered forest lands. These shelterbelts are largely in a degraded condition because of lack of maintenance and regeneration. Many of them do not anymore fulfil their protective functions and may in some cases even contribute to local wind erosion.

⁹⁹<http://forestforum.ru/viewtopic.php?f=37&t=11860>

6.2 Impacts of governance of local forests on economic and other benefits from these forests

The governance of local forests as well as of any other forests impacts on the direct economic benefits and their distribution as well as on the indirect and non-material benefits from these forests. The studies on forest dependence of rural communities in the programme countries (Bakkegard, 2014), the findings of this Regional Study and of the Case Studies as well as other reports show the economic importance of forests for rural communities living close to these forests. The forest dependency studies hereby focussed on direct income from the (mainly) legal harvest of forest products by the local households, but did not account for forest related employment, supply of (cheaper) forest products by forestry enterprises, illegal harvest of forest products for personal use or sale and the indirect benefits of forests, like protection of agricultural lands, villages and infrastructure from erosion and floods. Taking into account these benefits, the real economic value of local forests for these communities is even higher than the rather narrow focus of the forest dependency studies already suggests.

Beyond the immediate forest dependent communities the local forests and forests in general provide goods and services for the society at large. In forest rich countries or regions like in Belarus, Georgia, Russia and Ukraine forest products are of importance in the national or regional economy.

The organizations managing forests in the programme countries in varying proportions rely on funding by the state and on incomes created by own economic activities. Where local forests are not integrated in the state forest, but are managed either by the municipalities (Georgia, Moldova) or by “communal” enterprises (Ukraine), incomes created by the use of these forests are the major source of funding for their management because those local administrations possessing these forests are rarely able to subsidize forest management in a substantial scale.

The governance systems in a significant part influence on the extent, in which forests provide benefits to local communities, to the wider society and in what extent forest use funds partly or entirely sustainable forest management. Overly restrictive use regulations can reduce the benefits from legal use and cause disincentives for sustainable forest management. Economic benefits from forests can also be largely captured by external actors. Also deforestation and forest degradation caused by inadequate governance reduce the benefits from forests.

Table 21. Overview of key findings on impacts of governance on benefits from forests

COUNTRY	BENEFITS AND LIMITATIONS	KEY CONTRIBUTING FACTORS
<i>Armenia</i>	Large part of income from forest use not available for forest management due to capture by external actors and corruption; short-term interests outweigh long-term benefits; local communities have legal access to fallen dry wood.	High level of unaccounted harvest; fixed harvest fees below market value for the brigades; costs of protection of young growth from livestock not born by livestock owners/herders.
<i>Azerbaijan</i>	Limited income of forestry enterprises from maintenance cuts; access to NTFP for local people; reduction of benefits for the society due to degradation.	Restrictions on harvest encourage provoked sanitary cuttings and provide disincentives to sustainable forest management.

<i>Belarus</i>	Forest sector economically important, income of forestry enterprises for sustainable forest management, local budget contributions, employment, access to fuel wood and timber for local people.	Governance system largely adequate, high forest cover, productive forests; certification improves market position. Intended separation of functions of state forestry enterprises may challenge economic efficiency.
<i>Georgia</i>	Commercial use only concessions; NTFP use by local people; limited income from forest use available for forest management; low employment; no local budget contribution.	Economic benefits largely captured by concessionaires; very limited staff in local NFA representations/forestry units; procedures for contracting forestry activities and sale of forest products by public forest owners are not cost effective and preventing local employment; transfer of forests to communes undetermined.
<i>Moldova</i>	State forestry enterprises self-financing from forest use; communes rarely able to create enough income from forest use to fund professional management; few communal forests provide substantial economic benefits to local households.	Communal forests of small area, fragmented and low productivity; neither legal provisions nor political will for transfer of additional forests into communal ownership; attempts made to create larger units by joint management of forests of several municipalities.
<i>Russia</i>	Income opportunities for private companies; reduced access of local communities to forest products; loss of jobs in state forestry enterprises and small enterprises; reduced ecosystem services from forests.	New Forest Code prioritizes large private lease of forests; assignment of leases without consideration of needs of local communities; barriers on access to timber for small enterprises; large scale forest destruction by forest fires and illegal logging.
<i>Ukraine</i>	“Communal” forestry enterprises funded from forest income; budget contribution for communes from forest use and benefits for local people independent of ownership type	“Communal” forests include smaller, fragmented and less productive forest than state forest; efficiency of parallel “communal” and state forestry in some areas questionable - transfer of forest sections or management rights may improve efficiency; communal share of stumpage fees inadequate.

The impacts of the governance of (local) forests on economic and other benefits vary between countries and specific situations.

Armenia

The current governance situation does not provide for a sharing of costs and benefits from forests in a way that would sufficiently support the needs of local communities, of the society as whole and enable sustainable forest management. The high level of unaccounted tree harvest causes a large proportion of the economic benefits being captured by private actors that do not bear the costs of forest management. These benefits are lost for *Hayantar* and also for the local communities living close to the forests. The artificially low AAC and the fixed fees and prices for sale of wood by *Hayantar* cause legally available economic benefits being much below the illegally possible incomes. This favours short-term interests of all involved actors – harvest brigades, local people, *Hayantar* staff dependent on “informal” income and other corrupt officials – over long term

sustainable management of the resource by *Hayantar* and local communities.

Although livestock grazing is prohibited in all forests, the damage caused by livestock is a key limiting factor for the success of afforestation and reforestation and fencing against livestock damage is an important cost factor (Michel, 2014). The existing governance of forests and pastures obviously fails to force or motivate the livestock owners or herders to bear these costs. Those causing the damage should have to pay for the damage or for the fencing. Further, afforestation and reforestation in areas used for livestock grazing should be planned with participation of the local communities, ideally with their active involvement and providing direct benefits from forest use to them. In that case local people would avoid livestock damage by careful herding practices and/or contribute to the costs of erection and maintenance of fences. In the result reforestation and afforestation would become more successful and cost efficient.

Azerbaijan

The official economic benefits for state forestry enterprises from the forests are currently limited by the restrictive regulation of wood harvest. No information is available, in what extent regular harvest, not limited to sanitary cuts, would potentially allow for an economically more viable and at the same time sustainable and ecosystem friendly forest management. Illegal tree harvest and provoked sanitary cuttings create economic benefits for private actors while preventing investment into the conservation and sustainable management of forests and creating costs for the public because of reduced economic value and ecosystem services from degraded forests. These factors are of special relevance for local forests in the vicinity of villages and those protecting important river catchments.

The restrictions on the use of tree and shrub vegetation on agricultural lands (in fact local forests) may in some extent contribute to the protection of such stands from overly intensive cutting and thus preserve their protective and other ecosystem functions. On the other hand, these restrictions limit the tangible economic benefits for the land user from their existence as forest and make a degradation of these stands and their conversion into pastures economically more attractive than their preservation.

Belarus

Belarus' forestry sector is economically important and in a large extent self-financing. The government intends to reduce the share of the state budget in the financing of forest management. The state forestry enterprises are able to sell their produced timber through centrally organized auctions at the internal market, and at the same time they provide raw materials for Belarus' processing industry. State forestry enterprises are important employers in rural areas and provide affordable fuel wood and timber for the local population, which has also access to NWFP, like berries and mushrooms for subsistence and commercial use. These benefits are largely recognized. Illegal forest use is a rare exception, thanks to the tangible benefits from the forests, to legal access to forest products and to effective law enforcement. (Case Study Belarus)

The government, supported by several experts, intends to separate the wood production functions from other forest management by transferring of harvest activities to separate units that might become privatized in the future. This intended change would bear several risks. The income created by timber use would no longer be directly used for forest management. This disconnection may lead to an underfunding of costly forest management activities. But if these would be paid by the government, it may also provide incentives to implement unnecessary (and environmentally harmful) activities, which the state forestry enterprises in the case of self-financing from their own income would not implement. On the other hand, harvest activities would less be oriented on a minimization

of impact on the forest ecosystem and on the potential of natural regeneration. Thus the entire forest management and use, in particular forest regeneration and silvicultural approaches, can become less cost effective and also have more negative impacts on the forest ecosystems, their functions and services. (Case Study Belarus)

Georgia

Commercial use of Georgia's forests is limited to the concessions. The financial contributions of these concessions to the budgets of the forestry agencies is low and does not support the maintenance and development of these agencies' capacities and the implementation of forestry activities. Also the fees for use of fuel wood for personal needs of local households are not significantly contributing to the forestry budget. Employment in the forest sector is low because of the massive reduction of staff of the state forestry agencies and because of tender procedures that make the temporary employment of local people for forestry activities very difficult (Michel, 2014). The concessions mainly employ not local people and process the harvested woods in central plants. Local wood processing plants have mainly shut down. Thus economic benefits from forests are largely captured by the concessionaires that are often foreign companies and limited benefits are available for local households in form of fuel wood access, livestock grazing and other NWFP. (Case Study Georgia)

The City of Tbilisi does not have any budget to employ permanent forest workers and forest rangers. Pilot activities on forest maintenance cuttings had to be contracted through tender and the harvested wood sold through auctions, barely covering the costs of the contracted services. The procedural requirements for the procurement of services and for the sale of wood are highly ineffective, reduce the potential of economic benefits from the city's forests and indirectly affect the ecosystem services by hindering adequate forest management. (Case Study Georgia, Michel, 2014)

In the communally managed forest in Tusheti benefits for the local communities are access to fuel wood and timber for local needs in limited amounts and the ecosystem services provided by the forests like erosion control, flood risk mitigation and attractiveness for tourism. The protected area's administration expects that income from the use of these forests and the protected area will be sufficient to finance its operations. Also other municipalities in Georgia expect that they will be able to establish economically viable forest management benefiting their communities and creating incentives for compliance with forest use regulations and contributions to sustainable forest management. So far these potentials cannot be realized, because neither time frame nor requirements for the handover of local forests into the possession of the municipalities are determined by the government.

Moldova

The use of the state forests, despite the likely high proportion of unaccounted harvest and the limitations on cuttings for main use, provides enough income for the funding of the operations of the state forestry enterprises and of the national level forestry authorities including the forest inventory and management planning.

The forests in communal ownership are of smaller size, consist of fragmented sections and have in most cases much lower harvest potential. For these reasons only in few communes incomes created by their use are sufficient to finance full scale forestry operations. Few communal forests create in a substantial scale income from employment and short-term labour and provide fuel wood and timber at competitive prices for local households. In these areas local people are ready to invest in the protection of the forests against unauthorized use and the maintenance of these forests.

In most areas income from communal forests are too low to support their professional management by the municipality and direct material benefits are insufficient to motivate community contributions. The actual area size and conditions of these forests are main reason for this situation, but lack of formal opportunities and suitable approaches for communities and local households to improve and use these forests is a contributing factor. The handover of additional forest sections from *Moldsilva* into ownership or management by the communes would in some areas improve the conditions for sustainable forest management by the municipalities. But there are neither legal provisions nor political will to consider such options of optimizing the shape, size and location of forest sections in state and communal possession. Indirect benefits and ecosystem services, especially erosion protection, are not sufficiently recognized by local people to stimulate effective forest protection and contributions to forest management. Some municipalities attempt, with support by ENPI-FLEG II and other programmes, to create larger and thus more viable communal forestry institutions, and to support inventory and management planning, afforestation and the improvement of the conditions of the communal forests. The potential of development of common property approaches and direct community involvement in the management and use of communal forests deserves exploration and testing in pilot areas. (Case Study Moldova)

Russia

The reforms of the forest sector in the context of the adoption of the new Forest Code in 2006 had large impacts on the economic benefits of the forests. The large scale privatization of the forest use provided opportunities for income generation by private companies. However, many of these companies have not reinvested into the protection, regeneration and maintenance of the leased forests. The complicated procedures for access to forest products and the lease of areas close to villages without consideration of the needs of local communities have caused reduced access of local households to forest products, in particular fuel wood and timber for personal needs. Also serious barriers on access to timber for local small and medium wood processing enterprises, which provide about 100,000 jobs in rural areas, challenges their survival. The growth of illegal logging and the involvement of local people in these activities is also a result of reduced legal access to economic benefits from the forests. The large scale forest destruction by forest fires and illegal logging impacts the availability of forest products and the ecosystem services provided by forests. Especially in the Baikal region impacts on local streams and rivers and in the result on Lake Baikal likely impact the entire ecosystem (Edom, pers. comm. 2015;¹⁰⁰), and in the result the economic benefits from fishing, hunting and recreation.

Ukraine

The use of “communal” forests funds the operations of the region and district forest enterprises. The income situation of these “communal” enterprises is determined by the conditions of the forests managed by them. As “communal” forests tend to include smaller and more fragmented forest sections with lower harvestable volume and commercially less attractive assortments, the “communal” forestry enterprises are in a tighter financial situation compared to state forestry enterprises. (Case Study Ukraine)

For the local communes and their self-governance bodies the material benefits from the “communal” forests within their boundaries are similar to those from forests of other ownership and possession type. The rural councils get a percentage of the stumpage fee from intermediary cuts but not from cuts for main use. These fees are identical for all forest possession types, but – caused by their usually lower share of cuts for main use – the “communal” forests provide higher income to the communes per harvested unit of wood. The application of the same stumpage fees and shares for all types of forests and the recent reduction of the shares rural councils receive reduce the

¹⁰⁰ <http://forest.ru/articles/nemetskiy-uchenyy-frank-edom-o-posledstviyakh-pozharov-v-pribaykale/>

incentives for local communes and their inhabitants to support the protection and management of forests in the possession of “communal” forestry enterprises. The allocation of the entire fee for main use felling to the central budget additionally removes incentives and does not reflect the costs from timber harvest, which the communes (damage to roads) and local households (negative impact on NWFP) have to bear. (Case Study Ukraine)

Local households in rural areas close to forests benefit similarly from all forests, independent of “communal” or other ownership and management. All types of forestry enterprises prefer to hire their temporary workers informally, and official employment seems limited. Access to NWFP is also free in all ownership types of forests, but no self-harvest of fuel wood and timber is permitted. “Communal” forestry enterprises sell fuel wood and timber directly to local households. Some “communal” forestry enterprises sell wood to needy groups of the local population and social objects at subsidized prices that are much below the market price or provide it for free. Some state forestry enterprises provide similar benefits to rural communes and households. (Case Study Ukraine)

Given the rather marginal differences between “communal” forests and state forests in terms of benefits for local people and rural communes and the generally poorer income situation of “communal” forestry enterprises, the economic viability of keeping separate “communal” and state forestry systems might be questionable. Differences between both types are very small because of the ownership of the “communal” forestry enterprises by regional authorities and the similar levels of local involvement, participation and benefits at the level of rural councils. The integration of suitable local sections of current state forests into “communal” forest management might in some areas increase the benefits from “communal” forests. In some areas an integration of both systems might provide more benefits than the maintaining of separate systems. Independent of the form of ownership, at local level more intensive participation and involvement as well as more tangible direct benefits from the sustainable use of forest resources, for local people as well as for communities as whole, would contribute to more sense of ownership and higher willingness of local people to contribute to the protection and management of local forests. (Case Study Ukraine)

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Annexes

- Annex 1 Applying principles of “good governance” to the governance of local forests
Annex 2 Case studies:
“Azerbaijan: Ivanovka – the last Kolkhoz and its Forest”
“Belarus: Governance of Local Forests by State Forestry Enterprises”
“Georgia: The Long Way to Communal Forest Management”
“Moldova: Municipal Forests – Development towards Communal Forestry or Handover to the Central Level?”
“Ukraine: “Communal” forests – Effective Governance of Local Forests or Parallel System of Centralized Management?”

1 Applying principles of “good governance” to the governance of local forests

IUCN has drafted a set of principles of good governance (Walters, IUCN, pers. comm. by Email 24 March 2015), which are considered for integration into the Natural Resources Governance Framework currently under development. Here the application of these principles on the findings on governance of local forests in the ENPI-FLEG II countries is in brief reviewed and conclusions for each principle are presented. Each principle consists of a title and of some elements describing this principle in brackets.

Principle 1: Democracy

(Inclusion and deliberative democracy, participation and voice, respect and trust, empowerment, meaningful and respectful dialogue, political equality)

The assessment of the compliance of governance of local forests in the programme countries with the principle “Democracy” is challenging. The application of democratic concepts to a single sector – forestry – and within this sector to a special object of governance – local forests – is difficult, and would require a broader assessment of the political systems of the respective countries from the national to the local level. This is not possible in the scope of this Study. Further, many components of governance in a single sector and of special objects within this sector are rarely subject of democratic decision making procedures, even in countries commonly considered highly democratic. Although parliaments decide about policies and laws, these are usually elaborated by the respective sector authorities. These sector authorities are ideally not subject to massive changes after every election leading to changes in the political power balance.

Most of the elements mentioned in brackets under this principle are difficult to apply to governance systems, and some rather characterize attitudes and behaviour of persons and their relations.

The Economist Intelligence Unit (EIU)¹⁰¹ compiles annual Democracy Indices, and Democracy Ranking (DR)¹⁰² produces an annual ranking using six differently weighed dimensions. The programme countries represent a diverse spectrum of democracy ranks (2014)¹⁰³¹⁰⁴: Azerbaijan (EIU 148/167; DR not ranked), Russia (EIU 132/167; DR 97/112) and Belarus (EIU 125/167; DR not ranked) are usually considered less democratic and even authoritarian, while Armenia (EIU 113/167; DR 92/112), Ukraine (EIU 92/167; DR 73/112), Georgia (EIU 81/167; DR 57/112) and Moldova (EIU 69/167; DR 56/112) are considered as more democratic countries. Generally, a higher level of democracy at all levels and broader opportunities to participate in political processes can have positive impacts on governance. However, the governance of local forest is not necessarily better in more democratic systems and weaker in more authoritarian states.

For instance in “democratic” Georgia, similarly as in “authoritarian” Russia, large areas of forests have been assigned to private, mostly foreign, concessionaires. Communal self-governance organs did not have any say in this decision making, which has affected the benefits for local households and enterprises from local forests. In Ukraine members of the parliament (*Verhovna Rada*) representing a political party originating from the democratic Maidan movement have moved forward legislation, which bans the export of unprocessed round timber and thus reduces income of forestry enterprises and thus is potentially harmful for the sustainable use of forests. On the other hand, “authoritarian” Belarus has effectively included its local forests into the state forests. The (elected)

¹⁰¹ <https://www.eiu.com/>

¹⁰² <http://www.democracysranking.org/>

¹⁰³ https://en.wikipedia.org/wiki/Democracy_Index#cite_note-10

¹⁰⁴ http://democracysranking.org/wordpress/ranking/2014/data/Scores_of_the_Democracy_Ranking_2014_a4.pdf

district councils and the respective administrations have substantial mandates in the decision making on the state forests within their district boundaries. Compared to this, the authority of district councils in more “democratic” Ukraine, even on forests in “communal” ownership is much more limited and mainly in the mandate of the region councils (in case of “communal” forests) or the national level State Forestry Agency and its territorial substructures (state forests).

The highest level of democratic decision making on local forests exists currently in Moldova, which also ranks best in the above mentioned democracy indices and rankings. The elected municipality councils and the (also elected) *primar* (head of the municipality) have the main decision making authorities on their communal forests. These authorities are, however, restricted by the legislation that assigns some mandates to state agencies in charge of forestry and environmental protection. In Georgia the level of democratic decision making on issues of local forests would be the highest if the provisions of the respective legislation from 2005 would be implemented that give the local municipality “exclusive authority” over local forests. So far this is the case only in the city of Tbilisi. Here the results are mixed, and in particular economic restraints and public pressure have hindered the implementation of meaningful forest management activities.

Principle 2: Respect, Dignity and Reciprocity

(Respect for diverse perspectives, respect for difference, appreciation of others, freedom to dissent, valuing the human-nature relationship, diversity of institutional arrangements, non-interference, recognition and support for indigenous knowledge)

The principle itself and most of the elements mentioned in brackets under this principle are difficult to apply to governance systems and largely rather characterize attitudes and behaviour of persons and their relations. The assessment of the adherence of decision makers and actors to this principle in the context of governance of local forests is beyond the scope of this Study. Available anecdotal evidence is not sufficient to draw justified conclusions on the general compliance of governance with this principle.

Principle 3: Sustainability and Valuing Nature

(Managing ecosystems and landscapes, valuing nature, balancing interconnectedness, promoting good conservation practice)

This principle has in many aspects been covered by [6.1](#), interpreting forest cover and forest conditions as elements of “managing ecosystems and landscapes”. The application of this principle is difficult because most of the elements used for characterizing this principle are subject to interpretation by the society and by different stakeholders.

Whatever action taken is taken, including no action – ecosystems and landscapes are always “managed”, being it setting them aside as strict nature reserve (no action) or transforming them into an open pit mine. Terms like “valuing nature”, “balancing interconnectedness” and “promoting good conservation practice” are difficult to grasp. A practical example: in the frame of an EU-funded project in one of the ENPI-FLEG II countries openings in a forest area, so far used as pasture with single old fruit trees, had been afforested with broad leaved trees. The involved foresters saw this clearly as “good conservation practice”, while the external evaluator negatively assessed the loss of biodiversity to be expected due to the reduction of structural and species diversity, the introduction of planting material originating from other areas (risking genetic pollution of native gene fund or dissemination of diseases) and the prevention of natural succession and traditional use of this site. This example shows the difficulty of determining the compliance of governance with the mentioned values.

Additionally, even if set elements of governance are aimed at this principle, the results achieved

may be substantially different from what is formally intended. The governance systems of all programme countries contain elements, in particular in policy, legislation, decision making and law enforcement aiming at the achievement of sustainability in forest management through balanced use and regeneration and also at integrating of conservation into the regular management of used forests and at conservation by setting aside forest areas with higher formal protection. However, in some of the programme countries regulations of forest use, in contrast to their official intention, are contributing to adverse conservation outcomes. For instance, extremely conservatively set annual allowable cuts have in some programme countries caused high illegal and unaccounted wood harvest and have thus contributed to forest degradation and deforestation instead of achieving sustainability and rehabilitation of forest stocks. Permission of sanitary cuts, formally intended at keeping forests in a healthy condition, in some contexts have led to deliberate damage of trees to provide pretexts for such harvest.

Principle 4: Equality

(Equal opportunity and non-discrimination, level playing field)

In the context of governance of local forest this principle may apply to various ways of access to forest resources, to access to decision making processes and also to access to employment and contracts for the provision of goods and services. The schematic application of this principle might actually lead to governance problems. Access to a limited resource, like local forests, or the opportunity to create income from the provision of goods and services for their management, requires the setting of exclusion or selection criteria, which lead to differentiated opportunity and possibly can be considered discrimination.

Some positive discrimination of local actors, like local households, local entrepreneurs, communities and communal bodies can be necessary to avoid either open access situations or alienation of the local actors by more powerful external actors. For instance, in Georgia and Russia the assignment through competitive bidding of user rights to concessionaires and leaseholders led to assignments to local actors only in those exceptional cases where external powerful bidder were not interested. In contrast, if the Georgian legislation on local self-governance would be applied on local forests, and these forests would come under the authority of the municipalities, external actors would lose opportunities and would be discriminated. Given the dependence of local households on forests and the creation of incentives for sustainable forest management by the assignment of user rights to local communities, the impact of such discrimination can be positive from the perspective of governance of the local forests. In Moldova and Ukraine municipalities and “communal” forestry enterprises provide forest products from local forests to local households based on social need criteria and to communal entities at lower prices or for free. This selective access to forest products at lower prices presents a form of inequality and discrimination, which has, however, positive consequences from the perspective of governance of local forests.

Principle 5: Equity

(Access and benefit sharing, break system traps that curtail resilience, responsive policy)

The application of the principle of equity to the governance of local forests is difficult. Similarly to other principles and their elements, terms like “equity” are not universally defined, and it is difficult to assess the compliance of governance systems with such concepts. More detailed explanation of the elements “break system traps that curtail resilience, responsive policy” would be necessary for their application in the context of the principle “Equity” in the governance of local forests.

Many aspects of access and benefit sharing are covered in section [6.2](#) of this Study, assessing the access to economic benefits from local forests and the sharing of these benefits between actors. The governance systems in the programme countries lead to different levels of access and benefit

sharing for different actors. In all programme countries access to local forests and their resources is regulated. The forestry enterprises and other entities managing the forests are normally using the income created from the use of the forests for entirely or partly covering their expenses. Local people have access to forests for non-extractive use, to NWFP and in some extent to fuel wood and timber for their personal needs. Problems with access to wood and timber for local needs exist in particular in Georgia and Russia where assignments of forests as concessions and long-term lease have caused access restrictions for local households. In recognition of the broader benefits from forests for the society as a whole, the forest sector in all countries is in some extent funded from national and/or local budgets. The ecosystem services of forests are widely recognized, but – beyond the general subsidizing of the forest sector – so far no systems of payment for these benefits have been established.

In some situations external actors that do not contribute to the conservation and management of the forest resources capture large portions of the benefits from these forests. Such state of affair is highly problematic and causes insufficient forest management and protection and in the result degradation and deforestation. One example is the large scale unaccounted tree harvest in Armenia by harvest brigades. In Georgia concessionaires and in Russia leaseholders in some extent use the forests without sufficiently contributing to their management. Also situations are problematic, where fees are collected at the central level, but costs occur locally, for instance, in Ukraine the allocation to the national budget of stumpage fees for main use, while local budgets bear the costs of maintaining the roads damaged by the transportation of logged timber.

Principle 6: Justice

(Access to information, transparency, participation, redress, recognition for all peoples and communities, access to justice and legal process, respect for rights of others, rule of law, respect for diversity in legal systems and values)

The systems of governance of local forests in all ENPI-FLEG II countries contain various elements of the principle “Justice”. Formally all programme countries are governed by the “rule of law”. Rankings like the Worldwide Governance Indicators¹⁰⁵ provide some indication of the realization of the “rule of law”. The Worldwide Governance Indicators (WGI) “are a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms.”¹⁰⁶ The ENPI-FLEG II countries ranked in the WGI in 2014 as follows (best to worst, percentile rank 0 – 100): Georgia (64), Moldova (47), Armenia (44), Azerbaijan (31), Russia (26), Ukraine (23), and Belarus (23). Such country rankings have their limitations because of the inherent complexity. Drawing of conclusions on the specific sector and sub-sector from the country ranking leads to even more uncertainty.

Access to justice and legal processes is formally given in all programme countries for natural persons and physical entities, including civil society organizations. Local self-governance bodies and territorial administrative authorities of district and region level as well as sector agencies and their subordinated entities might be either formally or informally restricted in their access to justice and legal processes. Neither CPCs nor stakeholders mentioned any issues related to this topic. In Georgia civil society organizations initiated law suits against the government agency in charge of assignment of forest concessions and, despite the court rejected their claims, the authorities annulled several of the incriminated concession contracts.

¹⁰⁵ <http://www.govindicators.org/>

¹⁰⁶ <http://info.worldbank.org/governance/wgi/index.aspx#reports>

The environmental and other legislation of all programme countries, in compliance with the Aarhus Convention, provides for access to information, transparency and participation. The realization of these rights in relation to the governance of local forests is partly satisfying, depending on the country and the topic. For instance, in Georgia information on the details of concession contracts is not accessible even for those municipalities, on the territories of which these concessions are located. In Russia for several years after the delegation of important governance functions to the Federal Subjects essential regulations and information were not or only with difficulties publicly available.

The governance in the ENPI East countries does not make any distinction in term of ethnic groups or similar categories. In contrast, the Russian legislation, e.g. the Forest Code, specifically recognizes access rights to forests and forest products for indigenous small peoples. In all other issues and all other countries rights of local communities are independent of their ethnic identification. Rights of community members can be realized via the local self-governance bodies (usually rural councils at sub-district level) and other representative organs, through the establishment of legal entities and/or individually. In the practice local communities have limited chances to resist against more powerful interests. Such cases are especially known from Russia, where access to forests and forest products has been restricted, being it the assignment of forests to logging companies as leaseholders, housing development by influential people, infrastructure projects or the exploitation of mineral resources, and local communities and indigenous ethnic groups had little or no success in defending their interests and rights in the justice system.

The elements of “redress, respect for rights of others, respect for diversity in legal systems and values” do not play a major role in the governance on local forests in the programme countries.

Principle 7: Humility

(Respect and kindness, openness and tolerance, precautionary principle, recognition of limitations)

This principle is difficult to apply for the characterization of the governance of local forests because the principle and many of its elements, in particular respect and kindness, openness and tolerance, rather describe personal character traits and relations between people than institutions.

The “precautionary principle”, without being specifically mentioned in any document in the programme countries, plays some formal role in forest management planning, determination of annual allowable cuts and transformation of forests into other land-use. In the practice the precautionary principle is often poorly applied and forest management that risks the integrity of forest ecosystems is common practice, like clear cuts or the establishment of exotic and potentially invasive tree species. The sector agencies only approve the FMP and focus on allowable cuts, while assessments of silvicultural objectives and planned activities from the perspective of ecological sciences, ecosystem functions and nature conservation do not take place, with the exception of the FMP for some protected areas. Limitations are one element of the regulation of forest use in the programme countries, for instance in form of the definition of annual allowable cuts.

Principle 8: Legitimacy

(Integrity and commitment, authority and representation, legitimacy)

Legitimacy can be based on democratic representation, as described above under the principle “Democracy”. If referring to the leading staff and representatives of forestry agencies and forestry enterprises, legitimacy should be based on qualification, skills, experience and other criteria that are normally applied in recruitment processes.

In those programme countries, where forestry education exists and enough suitable experts are

available, the qualification of forestry staff is normally higher. In Belarus, Moldova and Ukraine staff of forestry agencies of various level and of forestry enterprises has an educational background in forestry, which is adequate for the respective positions. Here qualification and experience are the key criteria for recruitment.

In Azerbaijan, Armenia, Georgia and Russia the availability of qualified forestry expert has declined because of the vanishing of education opportunities, largely caused by declining demand and low students' numbers due to the very limited employment and income perspectives in the forest sector. In Georgia now many foresters that lead local forestry units of the NFA do not have a background in forestry.

On the other hand, in countries with comparably weaker law enforcement and higher corruption levels, Armenia, Azerbaijan, Moldova, Ukraine and Russia, positions in forestry agencies, in addition to low official salaries, can provide access to informal income sources – unaccounted harvest of forest resources, allocation of forest plots for lease for housing development, bribes and so on. Under such circumstances qualification becomes a secondary recruitment criterion and other criteria become more important, like personal connections, loyalty and mutual informal benefits, possibly also buying of positions. Often in such entities few qualified forestry experts that are genuine enthusiasts, often with educational background from Soviet times and practical experience, ensure that forestry works are implemented at least at minimum technical level.

Principle 9: Vision

(Strategic vision, interconnectedness, coherence and contextualization)

The official forest policies of the programme countries establish strategic visions or goals for their forest sector as a whole. These policies barely recognize local forests and accordingly do not contain specific visions for these forests.

In Moldova the Strategy for Sustainable Development of the Forest Sector of the Republic of Moldova till 2020 from 2001¹⁰⁷ had the vision of handing over all forests to the state agency *Moldsilva*. During the recent years the government recognized the potentials of communal forests and with the assistance of international projects, in particular ENPI-FLEG II, strategic visions are developed. These visions aim at the improvement of the economic viability of communal forests and their management by increasing the areas with forest cover, improvement of silvicultural quality of stands and the establishment of effective and more efficient management structures, like joint enterprises of several municipalities.

In Georgia since 2005 the acting legislation reflects the political goal of handing over the responsibility on “forests of local importance” to the municipalities. But so far this transfer was not implemented. The more recent National Forest Concept¹⁰⁸ vaguely establishes the goal of developing “community” ownership of forests, but remains vague and provides much less detail than on the development of the state forestry institutions. In contrast to the national level policy makers' vaguely defined goal on local forests, several municipalities in Georgia have developed visions on the transfer of “forests of local importance” into their possession and management.

The Government of Ukraine only in 2014 changed its policy on local forests, which until then had the vision of transfer of all local forests to the SFRA as a monopolist. However, the country still lacks a clear vision on the local forests and the “communal” enterprises managing many of them. With the general policy of decentralization, national and regional decision makers may consider new visions, possibly including devolution of some authority on local forests to the communal level (sub-districts).

¹⁰⁷Parliament Decision #350/2001

¹⁰⁸ Adopted by Decree of the Parliament #1742-Is/December 26, 2013

But also negative consequences are possible if the management of forest territories would become more fragmented in the course of reshaping of administrative districts.

In Armenia legislation provides for communal forest ownership and communal management of state forests. However, in the reality both do not exist. The vision of decision makers does not differentiate local forests and sees their management only as integrated part of the state forests, managed by the local branches of the centralized state forest agency *Hayantar*. Decision makers, forestry agency staff, NGO representatives and communal level authorities, all do not seem to have any vision about a more substantial role of communes of communes and a possible transfer of responsibility on local forests.

Also the other programme countries have no specific vision on local forests. In Belarus these forests are effectively and successfully integrated in the state forest fund and no separate vision seems to be necessary. In Azerbaijan and Russia visions for those local forests that are currently not integrated in the state forest fund would be necessary as well as for forests that are part of the state forest fund and are of high importance for local rural households and accordingly may provide a potential for involvement of communities or communes in forest management.

Principle 10: Performance

(Responsiveness, effectiveness and efficiency, subsidiarity, resilience, financial sustainability)

The performance of the governance of local forests can best be assessed by its impacts on forest cover and forest conditions (Section [6.1](#)) and on the benefits the forests provide to the forest management entities, local households and the society as a whole ([6.2](#)). The findings of this Regional Study and the Case Studies show that overall performance in terms of impact can vary even within countries.

None of the programme countries in relation to the governance of local forest has fully implemented the principle of subsidiarity, in the sense that issues should be dealt with at the most immediate (or local) level consistent with their solution, and that a higher level authority should have a subsidiary (that is, a supporting, rather than a superior) function, performing only those tasks which cannot be performed effectively at a more immediate or local level. In all programme countries local forests are in parts or entirely managed by higher level authorities or with substantial interference of such authorities. In the practice the assessment of the implementation of the principle of subsidiarity can be challenging because views can vary substantially about what authorities and functions can only be carried out by higher level authorities. In what extent subsidiarity is actually an element of the principle "Performance" might also be subject to debate.

Among the programme countries the governance of local forests is in some parts most decentralized in *Moldova*. Communes are the owners of parts of the local forests within the boundaries of their territories. However, there are as well forests in the immediate vicinity of villages, even bordering communal forests, which are in the ownership and management of the central level forestry agency *Moldsilva*. But this agency is locally acting through its subordinated state forestry enterprises, which are legal entities with some level of independence. These state forestry enterprises are not subordinated to the local public administrations, the municipalities. Further, the state forestry agency and national level environmental authorities retains a set of authorities over communal forests as well. On the other hand *Moldsilva* assists the forest owning municipalities in forestry activities in their communal forests if communal capacity is not sufficient for their effective implementation.

The general performance of the communal forest ownership and management in Moldova varies. Some communes with larger forest areas and a majority of forests of natural origin and higher productivity performing very well in terms of effectiveness and efficiency and being financially viable.

The other end of the performance spectrum can as well be found in Moldovan communes – communal forests that are small and fragmented and consist mainly of poorly maintained and low productive artificial plantations. The municipalities owning such low quality communal forests are not able to implement effective, efficient and financially sustainable management. The municipalities see the immediate reasons for these problems in the characteristics of their forest stands, but components of governance contribute to this low performance, e.g. fragmented ownership between communal and state forests, regulations that provide disincentives for the improvement of the stands.

The governance of local forests in *Belarus* has been entirely integrated in the hierarchical system of state forests and their management under the Ministry of Forestry. In the practice there is no difference between the governance of local forests and any other state forests. This governance system shows a very high performance in terms of effectiveness (impact on forest cover, forest conditions, economic and other benefits), efficiency and financial sustainability. In addition to the governance system, the positive ratio between available forest products and local demand contributes to this high performance.

Ukraine's governance of local forests varies regionally. In some regions local forests are entirely integrated into the state forest fund managed by the state forestry enterprises of the SFRA. In other regions local forests consisting of former *kolkhoz* forests are owned and managed separately through “communal” forestry enterprises owned by the region authorities, possibly co-owned by district authorities. The performance of this governance system is mixed. Impacts in terms of forest cover and conditions are similar, but for historical reasons “communal” enterprises regularly manage smaller and more fragmented forests of lower productivity what impacts on their efficiency and financial viability. The central level SFRA and its region branches and other agencies have certain mandates over the “communal” forests in terms of planning, decision making and law enforcement. In contrast, the rural councils of the communes do not have any real stake in the “communal” forests. Benefits at local level are similar between state and “communal” forests. The efficiency of keeping “communal” forests in a separate system might be lower compared to the thinkable and regionally practiced integration into the state forests. On the other hand, the “communal” forestry system might provide opportunities for the application of the subsidiarity principle in the course of further decentralization and the planned reform of the communal territories.

Georgia's local forests are with few exceptions in the possession of the national level forestry agency, the NFA, although legislation since 2005 provides for the transfer of “forests of local importance” into the responsibility of the municipalities. While this transfer so far has not been realized, large forest areas – mainly outside of the (poorly defined) “forests of local importance” – were assigned as long-term concessions and the capacity of the state forestry system was reduced to a level that does not allow for the implementation of any forest management activities beyond permitting and control of forest use by local households. The governance of local forests in the current form performs poorly in terms of effectiveness – forest use is hardly controlled, and efficiency – low expenses of the forest sector for the governance of forests corresponds with low benefits and neither economically nor ecologically sustainable. The governance of the local forests by the municipality of the City of Tbilisi is not performing satisfactorily. The conditions of the – largely artificial pine – forests deteriorate due to unsuitable stand conditions and lack of silvicultural activities, which are hampered by insufficient financial means, inefficient and costly procedures and negative public opinion. The communal management of the forests in Tusheti Protected Landscape is still in its initial phase and has the potential of performing well in terms of impact on forests and local benefits; but the comparably small area size, remoteness and limited harvest potential reduce the efficiency and put at risk the financial sustainability of the communal protected area administration. The Government of Georgia, in accordance to the National Forest Concept, plans therefore substantial reforms, most noticeable the phasing out of the concessions and the

rehabilitation of state forestry management. The development of economically viable communal management of local forest could improve the general performance of the governance of Georgia's forests.

In Russia local forests are in parts integrated in the state forest fund, while large parts of former *kolkhoz* or agrarian forests have an undefined status. The decentralization and privatization of forest management and use to the level of the Federal Subjects and through assignment of lease contracts combined with the abolishment of most forestry functions of the federal level forestry agency *Rosleskhoz* has contributed to a further decline of the performance in the forest sector. Large forest areas have suffered deforestation and forest degradation from extensive forest fires and illegal logging. The Federal Subjects and the leaseholders were not able to replace the federal forest protection service, not to mention the achievement of the expected higher effectiveness and efficiency. The reforms of the forest governance system have affected the legal access of local household and small and medium enterprises to forest products, causing social hardship, reduced employment in the forest sector for local people and higher reliance on illegal forest use.

In Armenia local forests are under the same governance system as any other forests. The communal ownership of forests and communal management of state forests that are possible by the legislation have so far not been implemented. The large proportion of illegal and unauthorized logging indicates the low effectiveness of the state forestry system. Loss of substantial potential income from forest use due to an inflexible and outdated fee and price system and the scale of unauthorized wood harvest and related corruption cause low efficiency and financial sustainability. The very limited and perhaps inappropriate piloting of communal or community-based forest management so far did not lead to the establishment of an effective and cost efficient alternative and complement of the branches of the state forestry agency *Hayantar*.

Azerbaijan has integrated larger and economically attractive former *kolkhoz* forests into state forests while smaller, fragmented, degraded and naturally low productive forests remained as "tree and shrub vegetation" outside of the forest fund. The performance of the governance of both types of local forests is below the potential. Restrictions of regular cuts in all forests create disincentives for sustainable forest management and favour irregular cuts under the disguise of sanitary cutting in the state forests. Most afforestation is made with non-native species, often relying on irrigation at sites that are naturally not suitable for forests. The operations of the state forestry enterprises are not efficient and economically sustainable. Low salaries force forestry staff to rely on informal income from the use of forest products and not forestry related activities, like growing of crops on forest lands.

Tree and shrub vegetation outside of the forest fund cannot be used for any wood harvest by the land-users and no incentive for the management and improvement of these stands exist. The land-users of these areas receive only very limited benefits from the existence of the tree and shrub vegetation and protection and effective management cannot be economically viable. In the result the majority of these unrecognized forests are used as silvo-pastoral areas and livestock grazing hinders rejuvenation and forest succession.

2 Case Studies

“Azerbaijan: Ivanovka – the last *Kolkhoz* and its Forest”



Fig. 1: Entering the case study village Ivanovka

1. Introduction

Azerbaijan has a forest cover of 1.012 Mio ha or 11.8% of the country’s territory (including the areas of Nagorno-Karabakh Republic). Most of the country’s forests are located in the mountains of the greater Caucasus and other mountain ranges and few forests, mostly artificial plantations, and woodlands are found in the lowlands.

The collective farms (*kolkhoz*) established in Azerbaijan in Soviet times were the permanent land-users of pastures and agricultural lands as well as of some forests outside of larger and commercially interesting forest areas. Since 1953 these forests were already partly handed over to state forestry enterprises. Nevertheless at the time of the dissolution of the Soviet Union *kolkhozes* had permanent land-use rights over 125,000 ha of forests in Azerbaijan, i.e. roughly 10% of the current forest area. Although during Soviet times the state forestry enterprises twice a year conducted control visits on *kolkhoz* forests, large areas of these forests at the time of Azerbaijan’s independence were heavily degraded. (Garibov, pers. comm. 2015)

In the District Ismayilli, where the case study site is located, between 1993 and 1998 the *kolkhoz* forests of 17,650 ha were step by step handed over to the state forestry enterprise. No *kolkhoz* forests were included into the National Park. Only 1,000 ha of forests stayed in the permanent land-use of *kolkhozes*, mainly stands that had been transformed into orchards and vineyards. The *kolkhozes* and their user-rights on arable lands were later privatized. (Garibov, pers. comm. 2015) This case study describes an exceptional case where a *kolkhoz* continues to function until nowadays and manages some forests on the lands assigned to it in form of permanent land-use.

The definition of “forest” in the Forest Code of Azerbaijan is vague: “from the biological point of view

the unity of lands, waters, trees, bushes and grasses, animals, microorganisms and other components of environment that are interconnected and mutually influencing their development”. The forest fund is defined by the formal delimitation of its land-use borders and consequently explicitly excludes “trees, shrubs, shelter belts on agricultural lands, and of transportation and water infrastructure, as well as within urban areas and on household plots”. The Consultant during his visit got the information that the forests of the case study site are officially considered as “tree and shrub vegetation on non-forest lands”, i.e. do not formally belong to the forest fund.

2. Study methods, areas visited and stakeholders interviewed

2.1 Stakeholders interviewed

The Consultant met at the state forestry enterprise of Ismayilli

- **Deputy Director and Main Forester** – Jabbar Garibov

In the “*Kolkhoz Nikitin*” in Ivanovka the Consultant met with:

- **Vasiliy Ivanovich Uryupin** – Deputy Head of the “*Kolkhoz Nikitin*”;
- **Ivan Pavlovich Prokofev** - Chairman of the Council of the “*Kolkhoz Nikitin*”.

2.2 Study methods and areas visited

The Consultant visited the state forestry agency of the District Ismayilli and the administration of the “*Kolkhoz Nikitin*” in the municipality Ivanovka and conducted semi-structured interviews with representatives of the *kolkhoz*, forestry experts at local level and national level. Due to the limited time for this case study and the special focus on the *kolkhoz* forest in Ivanovka no central level stakeholders, like the Forestry Department of the Ministry of Ecology and Natural Resources were visited. The role of the Territorial Unit for Environmental Protection became only obvious during the interviews and no meeting could be scheduled on short notice.

During his site visit the Consultant was accompanied by **Azer Garaev** (CPC Azerbaijan of ENPI-FLEG II, IUCN component) and by **Nariman Agayev** (member of National Project Advisory Council of ENPI-FLEGII).

The general study methods are explained in the method section of the Regional Report and at the beginning of the section on case studies.



Fig. 2: Municipality and kolkhoz administration in the same building – Ivanovka village

Kolkhoz Nikitin” in Ivanovka

Ivanovka is located in the District Ismayilli of Daghlig Shirvan Economic Region. The district is located at the southern slope of the Greater Caucasus and includes mountains and foothills. The forest fund area has a size of 71,000 ha, out of which approx. 35,500 ha belong to the state forest fund and approx. 35,500 ha are national park, where no forestry activities take place. This forest cover area does not include tree and shrub vegetation on lands not designated to the forest fund. The size of the areas of tree and shrub vegetation in Ivanovka is about 350 ha, all located on lands not assigned to the forest fund, and thus formally not considered as forests. These “forests” are mainly composed of oak, ash, hawthorn, various shrub species. (Garibov, pers. comm. 2015)

The “Kolkhoz Nikitin” in Ivanovka municipality of Ismayilli District is probably the only collective farm in Azerbaijan still existing in its previous form as *kolkhoz*. The Consultant did not find official information why this *kolkhoz* became an exception from the transformation and privatization that other *kolkhozes* underwent. The main reason is likely the special ethnic, social and religious composition of the community of Ivanovka. The majority of the village’s inhabitants are ethnically Russian and originate from the Old Believers, Russian Orthodox that did not accept the reforms introduced by Patriarch Nikon of Moscow between 1652 and 1666 and fled to remote places to avoid persecution¹⁰⁹.

The village of Ivanovka has 1,070 households with 4,000 inhabitants. Until 1996 all families in the village were members of the *kolkhoz*. It is managed as a cooperative and governed by a Council that is elected by the General Assembly. Members are annually paid a bonus depending on the economic results. The *kolkhoz* receives support by the government in form of subsidies and has crop insurance. (Representatives of “Kolkhoz Nikitin”, pers. comm. 2015)

After 1996 the *kolkhoz* accepted no new members (or last time in 2005, dissenting information by interview partners). Those members who left the *kolkhoz* did not get a share of the assets. Now the *kolkhoz* has only 960 members (individuals, not households), and new people are only involved as employees on a contractual basis. The heritage of the membership and shares seems unclear as well as the opportunity for people newly moving to Ivanovka to become members. (Representatives of “Kolkhoz Nikitin”, pers. comm. 2015) The interviewed representatives admitted that there is need to decide about these issues the general perspective of the *kolkhoz* as cooperative and possibly the statute would be adapted.



Fig. 3: Kolkhoz and village – Ivanovka

¹⁰⁹ https://en.wikipedia.org/wiki/Old_Believers

3. Findings

While these findings refer to the elements of the governance frameworks (as explained in the method section of the Preliminary Report), the Consultant did not attempt to cover here all pillars and their components in all detail but presents the specific aspects identified at the visited sites and being of relevance for this Case Study.

Pillar 1: Policy, legal, institutional and regulatory frameworks

Component 1.1: Policies

The state policy of Azerbaijan is directed toward forest conservation and sustainable forest management, which includes the efficient and rational utilization of land and forest resources. The priority strategic objectives of the country's forest sector are reforestation, increase of the forest cover, and forest conservation and protection. (ENPI-FLEG 2014) During the last decades the government has made efforts to increase the forest cover through afforestation, mostly with non-native to the afforested sites species, sometimes depending on irrigation.

As an official policy document the National Programme "On restoration and expansion of forests in the Azerbaijan Republic" was adopted in 2003 by the Ministry of Ecology and Natural Resources. This document is mainly an action programme, focussed on technical aspects of expansion of the forest coverage in a significant extent by planting non-native trees. Aspects of sustainable use of forests for fuel wood and timber production as well as governance and management of forests and forestry are not subject of this document. The state policy on forests and forestry does not refer to the governance, management and sustainable use of tree and shrub vegetation outside of the state forest fund with the exception of tree belts along highways, railways, canals and the seashore.

All forests of Azerbaijan designated as the so-called first group forest according to the Soviet classification of protection and exploitation forests and are thus not subject to logging for main use. (ENPI-FLEG 2014) This classification in the practice has led to a de-facto ban on legal harvesting of wood from forests, even in the context of forest maintenance and silvicultural activities.

Component 1.2: Legal and regulatory frameworks

The legal and regulatory framework on forestry is based on the Constitution of the Republic of Azerbaijan, which makes environmental protection an obligation of every citizen. Article 14 states that natural resources belong to the Republic of Azerbaijan, but the article does not specifically highlight forests.

The Law of the Republic of Azerbaijan "On environmental protection" does not contain any regulations on the conservation and use of forests and other tree and shrub vegetation.

The Forest Code of the Republic of Azerbaijan was adopted in 1997 and refers to the forest fund as well as to other tree and shrub vegetation, including trees and shrubs on agricultural and other land, shelterbelts, trees and shrubs in urban areas and on private plots. Several sections and articles of the Forest Code explicitly regulate only issues of the forest fund. The regulation of these aspects in relation to tree and shrub vegetation not included in the forest fund is consequently missing. The

bylaws specifying the implementation of the regulations of the Forest Code were available only in Azeri language (FLEG 2011). Several bylaws were adopted before the Forest Code, most bylaws immediately after the Forest Code. The content of these bylaws and their applicability for tree and shrub vegetation outside of the forest fund were not analysed by the Consultant.

The Law of Azerbaijan “On administration municipal lands” regulates the allocation to users of lands belonging to the municipalities.

Component 1.3: Ownership and user right systems

According to the Forest Code the forest fund in the Azerbaijan Republic belongs to the state, is its property and the lands of the forest fund are not subject to privatization. In contrast, tree and shrub vegetation located on lands, being in the property of a physical or legal person, belongs to it based on property rights, if the legislation does not establish otherwise. Possession, use and disposal of specified tree and shrub vegetation are to be carried out by the proprietor according to requirements of the forest legislation and other acts of the Azerbaijan Republic.

The lands with tree and shrub vegetation outside of the forest fund are in the property of the municipality. The permanent land-use rights on these lands in the Case Study area are assigned to the “*Kolkhoz Nikitin*”, which has to pay the land tax.

In the forests of the state forestry enterprise people can harvest fuel wood based on forest cutting permits (лесорубочный билет) and warrants (ордер) for trees marked by the rangers of the state forestry enterprise. Local people can also buy fuel wood from the state forestry enterprise. (Garibov, pers. comm. 2015)

The *kolkhoz* does not exploit the wood products of its “forests” as this is legally not possible. The “forest” is used by people for recreation, beekeeping and use of NWFP (hawthorn and other fruits, and limited grazing at the edges of tree and shrub areas with not too dense stands) without the need for special permission (Representatives of “*Kolkhoz Nikitin*”, pers. comm. 2015) The *kolkhoz* does not have the right to cut trees or to permit others the felling of trees because all tree felling on lands not belonging to the forest fund is prohibited. All requests for permission of cuts on non-forest lands would have to be made to the Ministry of Ecology, except for the cutting of single trees on private lands which is possible with permission by the District Department for Ecology. This department, however, does not issue any permits for felling of trees on other non-forest lands. (Garibov, pers. comm. 2015)

The prohibition of cutting of trees in the “forests” of the *kolkhoz* seems to contradict the acting Forest Code which in article 76 explicitly allows for maintenance cutting, sanitary cutting, regeneration cutting as well as other cutting if they support the improvement of the tree and shrub vegetation and the fulfilment of its functions.

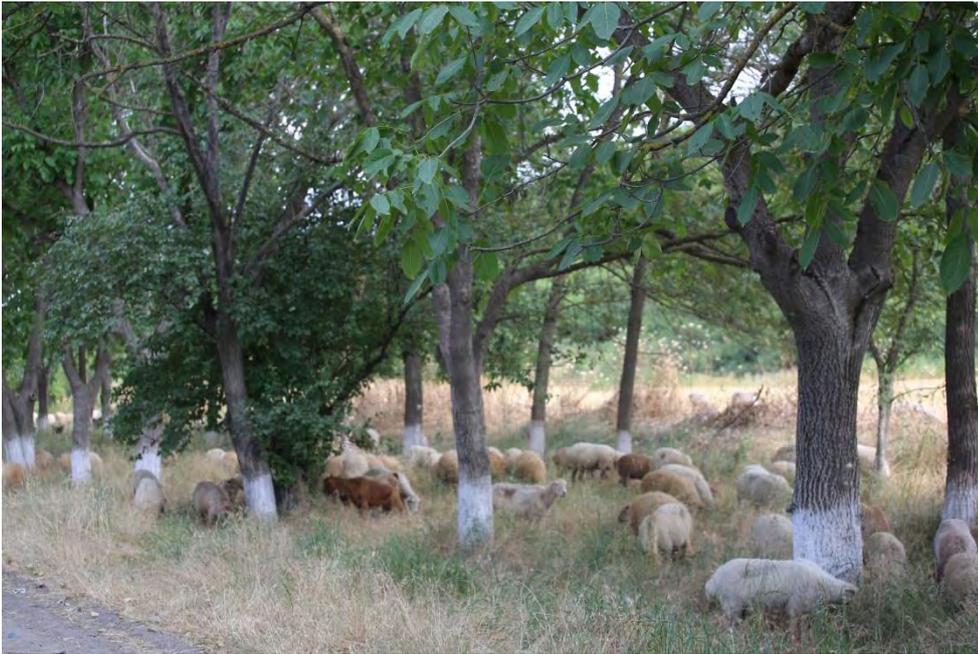


Fig. 4: Sheep grazing at shelterbelt – near Ivanovka (neighboring municipality)

Component 1.4: Mandates of forestry organizations and territorial decision making bodies and administrations

The Forestry Department of the Ministry of Ecology and Natural Resources is in charge of regulation, control and oversight forestry in the country. Its subordinated state forestry enterprises manage the forests locally.



Fig. 5: “Forests” of kolkhoz Nikitin, Ivanovka municipality; in the background forests of the state forestry enterprise

As the “forests” of “*Kolkhoz Nikitin*” as well as other tree and shrub vegetation on non-forest lands do not belong to the forest fund, the state forestry enterprise of Ismayilli District does not have any mandates in regard to them. However, in case of violations, the state forestry enterprise would be involved in the assessment of the damage and confiscate the illegally harvested wood products.

The District Department for Ecology is in charge of control of the protection and use of tree and shrub vegetation outside of the forest fund, including the enforcement of the ban on felling of trees (Garibov, pers. comm. 2015). Further, control is executed by the Territorial Unit for Environmental Protection (Rus: Территориальный отдел охраны окружающей среды), which is in charge of the four districts of Daghlig Shirvan Economic Region (Representatives of “*Kolkhoz Nikitin*”, pers. comm. 2015).

Component 1.5: Financial arrangements, economic instruments and benefit sharing

The *kolkhoz* does not get any direct monetary benefits from the “forest”, it enjoys only non-material environmental benefits and forest access for community members, but has to pay full land tax by the rates applicable for pastures. The “forest” areas are effectively not grazed because of too dense vegetation. Only a small portion of them is grazed on the “forest” edges. The *kolkhoz* owns about 2,000 cattle and 8,500 sheep and goats. All livestock is grazed by herders, often by two herders, who use herd protection dogs to prevent depredation by wolves and jackals. For livestock movements special drift routes are assigned. But there are no herding dogs and pastures are not fenced. Thus livestock grazing in the “forests” is not entirely controlled. (Representatives of “*Kolkhoz Nikitin*”, pers. comm. 2015)

Local people collect hawthorn and other fruits, and use the “forest” for beekeeping. No cafes or restaurants are located in the “forest”, but more open areas are used for recreation during holidays and weekends. These uses do not require any permits and no payment is involved. Also access is not limited to members of the *kolkhoz* only. (Representatives of “*Kolkhoz Nikitin*”, pers. comm. 2015)

No use of wood is formally possible, and the *kolkhoz* does not harvest any trees. Local people collect some fuel wood without authorization, but only dry wood, no live trees and in very small amounts. (Representatives of “*Kolkhoz Nikitin*”, pers. comm. 2015) Generally the demand for fuel wood is low because Ivanovka is connected to the gas grid. However, there might be a market demand for fuel wood, e.g. for restaurants that offer barbecue.

The current financial arrangements, economic instruments and benefit sharing rather discourage effective protection, maintenance and expansion of the forest and may in some extent motivate the conversion of suitable sections into pastures.

Pillar 2: Planning and decision-making processes

Component 2.1: Stakeholder participation

There is not much space for decision making by the “*Kolkhoz Nikitin*” on the management of the tree and shrub vegetation on its lands. Local stakeholders, i.e. members of the *kolkhoz*, participate in the decision making process through the General Assembly and the Council of the *kolkhoz*. Other community members have limited participation opportunities but have the same access to the “forest” for non-extractive use and collection of wild fruits as do the *kolkhoz* members.

Component 2.2: Planning and decision making on conversion of land from forest to non-forest and vice versa

During the last years no conversions of land took place in the case study area. The lands of the *kolkhoz* that are covered by tree and shrub vegetation are all designated agricultural lands. Change of the land designation to forest land would lead to the handover of the property rights from the municipality to the state and of the user rights from the *kolkhoz* to the state forestry enterprise of Ismayilli District.

The general legal procedure for changes of land-use rights and designations was not entirely known by the interviewed stakeholders. Formerly the Land-use Committee was in charge of land designations and land-use rights. The Ministry of Ecology and Natural Resources and the State Committee for Property (Rus. *Goskomimushchestvo* - Госкомимущество) are also to be involved in cases concerning forest lands and the decision should be approved by the Cabinet of Ministers. However, the issue was seen as not very relevant in the district as even the Deputy Director of the local state forestry enterprise was not entirely aware about the actual procedure.

Component 2.3: Decisions on forest inventory and management planning (лесоустройство)

Forest inventory and management planning (FMP) are mandatory for the forest fund and are the precondition for the implementation of any forestry activities. The FMP is directly financed by the Ministry of Ecology and Natural Resources. In the past a FMP team had been working under the Ministry of Ecology and Natural Resources, but this unit does not exist anymore. A new FMP unit is now planned to be reestablished under the Ministry's Forestry Department. (Garibov, pers. comm. 2015)

In the forests of the state forestry enterprise of Ismayilli District the most recent FMP was done in 2005. It is required to be updated after 10 years, but so far the update is not yet scheduled. In Ismayilli new maps have been prepared as a "FMP light" under a project implemented by WWF with participation of the local communities. (Garibov, pers. comm. 2015) It is not likely that these materials are formally recognized as fulfilling the mandatory requirement of an updated FMP.

The *kolkhoz* "forests" are not covered by the FMP due to their status as tree and shrub vegetation outside of the forest fund. (Garibov, pers. comm. 2015).

Component 2.4: Decisions on implementation of forest management activities

The *kolkhoz* does not implement any forest management activities on its lands covered by tree and shrub vegetation. The Forest Code would provide for the opportunity to carry out activities that improve the conditions of the stands and the fulfilment of their functions, including various forms of cutting of trees. In the reality no cutting of trees is permitted, and as these "forests" are not included in the forest inventory and management planning one mandatory formal precondition for any forestry activities is lacking.

Pillar 3: Implementation, enforcement and compliance

Component 3.1: Capacity of forestry organizations and territorial decision making bodies and administrations

The capacity of the Forestry Department of the Ministry of Ecology and Natural Resources and of its state forestry enterprise in Ismayilli District have not been assessed as they do not have a substantial mandate on the tree and shrub vegetation in the possession of the “*Kolkhoz Nikitin*”.

The capacities of the Territorial Unit for Environmental Protection (Территориальный отдел охраны окружающей среды) in charge of the four districts of Daghlig Shirvan Economic Region and with the District Department for Ecology to fulfill their mandate of control seem to be limited. The representatives of “*Kolkhoz Nikitin*” (pers. comm. 2015) stated that the no regular patrols by their staff take place. These local level units do not have decision making authority on the management of the tree and shrub vegetation of the *kolkhoz*, and their capacity is therefore of limited relevance.

Component 3.2: Forest law enforcement

In the forests of the forest fund the state forestry enterprise themselves does the law enforcement. There are not many violations in the state forests of Ismayilli State Forestry Enterprise. The main problem of the state forestry enterprise is livestock grazing hindering the natural rejuvenation of trees in easy accessible areas. In the frame of the WWF implemented forest reconstruction project 300 ha of state forest have been protected with barbed wire fences and reseeded.

The *kolkhoz* has appointed 10 workers for the protection of the “forests”. Some violators from other villages had been caught in collaboration with the police. The district and territorial units in charge of environmental protection do not effectively patrol the areas but come only when called. (Representatives of “*Kolkhoz Nikitin*”, pers. comm. 2015)

In case of unauthorized cutting of trees the District Department for Ecology would issue a protocol, the state forestry enterprise would assess the amount of wood and get the confiscated wood. The case would be brought to the court that would decide about the penalty. (Garibov, pers. comm. 2015)

Component 3.3 Administration of forest and land ownership and user rights

In the municipality of Ivanovka land-use maps and certificates about the permanent user rights of the “*Kolkhoz Nikitin*” are in place.

Component 3.4 Cooperation and coordination

The *kolkhoz* fulfills many tasks of the municipality, while the municipality is seen as a not very effective structure that is “only selling lands belonging to it”. The collaboration with the District Department for Ecology seems partly difficult as “sometimes people from neighboring villages cut illegally in the *kolkhoz* forests and the District Department for Ecology would then blame the *kolkhoz*”. When necessary, the *kolkhoz* collaborates with the police in law enforcement. (Representatives of “*Kolkhoz Nikitin*”, pers. comm. 2015)

Component 3.5 Measures to address corruption and ensure transparency

This component was not assessed due to the inherent difficulty this subject presents. An in-depth assessment of the effectiveness of any measures to address corruption and ensure transparency is not possible in the frame of a short visit for a case study but would require long-term involvement and building of trust.

Conclusions

The area selected for this case study is unique as it represents probably the only *kolkhoz* in Azerbaijan and the only “*kolkhoz* forest”. The management of the tree and shrub vegetation in permanent land-use by the “*Kolkhoz Nikitin*” shows the potential of protection and use of local forest areas as collective property of the local communities. Similarly governance of tree and shrub vegetation on municipality lands might be possible if the rural councils of these municipalities establish the necessary institutions.

The future perspective of the *kolkhoz* as a cooperative of originally all households of the municipality is unclear. The moratorium of accepting new members leads to a continuously shrinking portion of the local population being members of the *kolkhoz* and possessing collective user rights on the land and its resources. With the ageing of the members of the *kolkhoz* this process may accelerate and finally lead to the privatization by the remaining members.

Limitations in the governance of the “forests” of “*Kolkhoz Nikitin*” have their reasons in gaps in the acting regulation, in particular in the Forest Code, and in the prohibition of wood harvest in stands not included in the forest fund. The Consultant during his mission was not in the position to conduct an assessment of the conditions of these “forests”, their potential for sustainable use and the possible positive impacts and risks of implementing forestry activities in these stands. Impressions of few stands from the roadside suggest that the “forests” of “*Kolkhoz Nikitin*” are in a good condition compared to tree and shrub vegetation on lands of adjacent municipalities, where due to previous harvest low growing coppice regeneration with small standing volume dominates. The harvest potential of the “forest” stands in the case study area is nevertheless low and would provide only fuel wood and small amounts of timber. Careful thinning for maintenance and supported rejuvenation of preferred species like oak and wild fruit trees might provide the opportunity of increasing the income and benefits the *kolkhoz* receives while at the same time creating incentives to improve the conditions of the stands and directly contributing to this improvement.



Fig. 6: The “forests” of kolkhoz Nikitin, Ivanovka municipality, are in satisfactory condition and fulfil their protective functions

The lack of use options for trees and shrubs growing on lands outside of the forest funds might limit the interest of municipalities to support the regeneration of such vegetation on their lands, for instance by establishing temporary or permanent exclusion from grazing.

4. Recommendations

The management of tree and shrub vegetation on municipality lands as common property of the local communities deserves more attention. The size of areas with the potential of forest regeneration, site conditions and vegetation of such lands should be assessed and potential costs and benefits estimated. The legislation should be amended to allow for the management of such stands as forests without their inclusion into the forest fund, thus allowing that these stands remain in the property of the municipalities. Options should be explored of closing the gaps in the governance of this tree and shrub vegetation, e.g. in the Forest Code, in terms of inventory and management planning and sustainable use of wood products from such stands.



Fig. 7: Tree and shrub vegetation in neighbouring municipality of Ivanovka – potential areas for future communal management?

The “*Kolkhoz Nikitin*” may serve as a model area for developing of such “community forest management”. The *kolkhoz* would provide an already existing institutional frame. The silvicultural and economic potential of allowing for sustainable harvest of trees and implementation of silvicultural measures by the *kolkhoz* should be explored. An inventory and management planning of the *kolkhoz*'s tree and shrub vegetation would be necessary, possibly in a modified format, which compared to the standard FMP might be simplified but be based on stronger participation of the *kolkhoz* and the entire community.

5. References

Reports and publications

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Legal documents

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Forest Code #424-IQ/1997, last changes by law #448-IIIQD from April 1, 2008.

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“Belarus: Governance of Local Forests by State Forestry Enterprises”

1. Introduction

This case study presents the results of the Consultant’s mission to Belarus during 13-16 May 2015. The Consultant visited the government institutions in charge of forests at republic and region level and the state forestry enterprise managing the state forest area in Logoysk District of Minsk Region.



Fig. 1: Mixed spruce and pine stand with high value trees - Logoysk Leskhoz.

Belarus is a forest rich country, with 46% of the country’s surface formally belonging to the forest fund and 39.3% (8.16 Mio ha) actually covered by forest in 2014 (Красовский, Усеня, 2015). The remaining 7% of the forest fund surface are recently cut areas and young growth of less than 7 years of age that formally are not yet accounted for as forests as well as wetlands and mires (Yurevich, Ministry of Forestry, pers. comm. 2015). The area covered by forests has almost doubled since 1945 when it was at a historical low due to World War II. This increase in forest cover and also in standing volume currently still continues. The age classes in Belarus’ largely even-aged forests are hence dominated by young and middle age stands younger than 70 years; and mature and over-mature stands are less represented than in continuously sustainably managed forests. Over the next decades substantial areas of forest stands will grow into these age classes. Accordingly a more balanced age structure will develop that will allow for an increase of sustainably harvested timber volumes.

The contribution of the forestry sector to Belarus’ GDP is currently 2.7 % and the share of the forestry sector in the economy will likely remain in a similar range due to the continuous growth of the harvest (Шатравко, Усеня, 2015). The certification of the production from 57 state forestry enterprises and 55% of the total forested area in accordance to the FSC requirements and of 98% in accordance to the PEFC system supports the export of processed timber from Belarus.

In Belarus the systems of natural resources governance inherited from the Soviet past have been

moderately transformed while preserving the main management approaches and organizational structures. During the Soviet Union state forests that were managed by the state forestry enterprises dominated the forest sector in terms of covered area and economic weight. The state forests were considered well managed and their conditions were similar to those found nowadays. Smaller forest areas within larger sections of agricultural lands and in closer vicinity of villages had been allocated to collective farms (*kolkhozes*). These *kolkhoz* forests already in Soviet times were in worse conditions than the state forests because of poor management and little silvicultural maintenance. The reason for this situation was seen in the priority of the *kolkhozes* on exploitation and the lack of forestry capacity in the *kolkhozes*. After the transformation of the *kolkhozes* 1998-1999, during the early 2000s all *kolkhoz* forests were handed over to the Ministry of Forestry and became integrated in the state forest fund managed by the local state forestry enterprises. (Yurevich, Ministry of Forestry, pers. comm. 2015)

Some smaller areas with tree and shrub vegetation, in particular succession areas on abandoned agricultural lands, are still to be handed over to the state forest fund. The inclusion of additional areas suitable for forest development is in process. Tree and shrub vegetation covers about 600,000 ha of land of different categories outside of the state forest fund. ENPI-FLEG supports an inventory of the forest fund and of potentially suitable lands for its further expansion (planned increase of forest cover from currently 39% to 41%), especially through the inclusion of succession areas. (Yurevich, Ministry of Forestry, pers. comm. 2015)

This case study is based on the findings from the visited state forestry enterprise “*Logoyskiy Leskhoz*”, which had been selected by the FLEG CPC as typical example, and on the information gathered in the interviews with representatives of the higher level forestry authorities. “Local” forests are not distinguished in terms of governance and management from any other forests and the former *kolkhoz* forests have been integrated into the state forests. For this reason the Consultant looked into governance of forests in general, but could not differentiate forest categories that ceased to exist about 15 years ago. However, the Consultant focussed in his interviews in particular on issues of interaction between local people and local administrations and forests and forestry organizations.

2. Study methods, areas visited and stakeholders interviewed

2.1 Stakeholders interviewed

The Consultant met at local level:

- Evgeniy Kriskevich, director of the **State Forestry Enterprise “Logoyskiy Leskhoz”**;
- Aleksandr Grishchenya, forester of the **Forestry Unit “Kozyrskoe Lesnichestvo”** of State Forestry Enterprise “*Logoyskiy Leskhoz*”.

At region level the Consultant met:

- Aleksandr Dmitriev, acting Main Forester of **Minsk State Production Forestry Association**

At Republic level the Consultant interviewed:

- Mikalai Yurevich, Head of Forestry Department and several experts of the department, **Ministry of Forestry**
- Mr. Kulagin, Director General, Aleksandr Luchkov, Deputy Director General, Andrey Tarkan, Main Engineer Republic Unitary Enterprise “**BELGOSLES**”

2.2 Study methods and areas visited

The Consultant visited one state forest area and the capital city of Minsk. He conducted semi-structured interviews with representatives of the local state forestry enterprise, forestry experts at region and national level. Due to the limited time for this study and required formalities it was not possible to visit the state administrations at village, district or region levels.

During his site visits and meetings the Consultant was accompanied by Marina Belous (CPC Belarus of ENPI-FLEG II, IUCN component). As additional information sources the Consultant used the reports prepared in the frame of ENPI-FLEG by experts on legal and regulatory frameworks and on forest management, two recent overview articles (Красовский, Усенья, 2015 and Шатравко, Усенья, 2015) and information on forestry organizations available on their internet websites.

The general study methods are explained in the method section of the Regional Study.

Brief characteristics of the State Forestry Enterprise “Logoyskiy Leskhoz” and the forests managed by it

The state forestry enterprise is one out of 95 state forestry enterprises in the system of the Ministry of Forestry, and out of 19 state forestry enterprises in the region of Minsk. The total area of forest lands in Minsk Region is 1.7 Mio ha, out of which 1.464 are managed by state forestry enterprises belonging to the region territorial unit of the Ministry of Forestry, the Minsk State Forestry Organization. The state forestry enterprise in Logoysk manages a total area of 111,100 ha, of which currently 104,500 ha are covered by forests. Thus the area size of state forests managed by this state forestry enterprise is above the average size of areas managed by state forestry enterprises in the region and in the country. The forests and forest products of 16 out of 19 state forestry enterprises of the Minsk Production Forestry Association, including *Logoyskiy Leskhoz*, are certified as meeting the requirements of the FSC standards¹¹⁰.

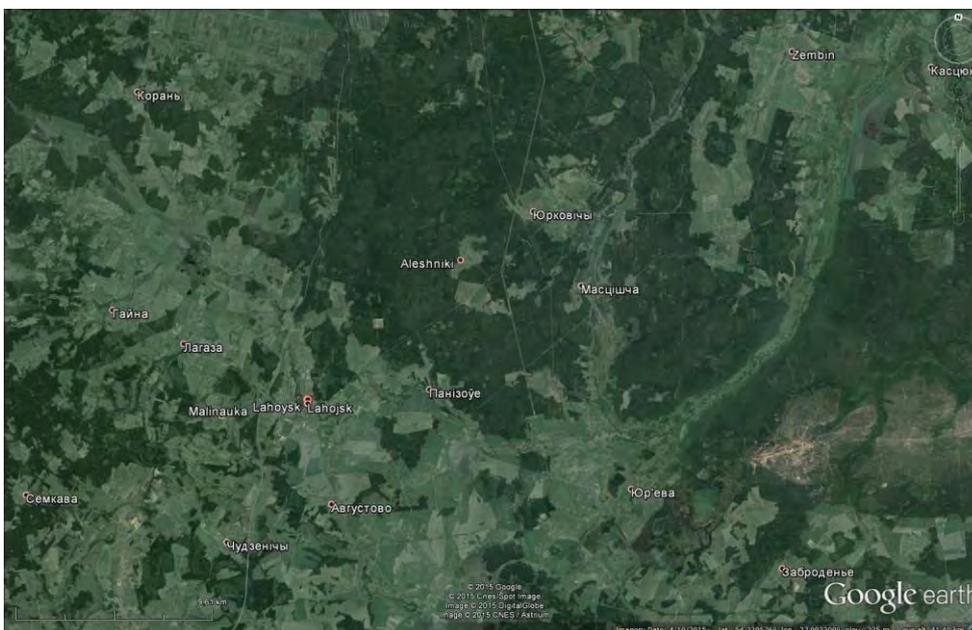


Fig. 2: Logoysk Leskhoz (here spelled “Lahoysk” in Minsk region – Google Earth.

¹¹⁰ <http://www.mplho.by/ru/produkcija/cert.html>

The state forestry enterprise includes 11 forestry units (*lesnichestvo* – лесничество), one wood processing workshop “*Pleshchenitsy*” («Плещеницы») and one tree nursery. The forestry units are divided in subunits (*obkhod* - обход) of about 1000 ha area and each managed by one forest ranger (*lesnik* - лесник). The total staff consists of 445 persons (by January 1, 2015).

The visited state forests are located in a hilly and undulating glacial landscape (end moraine). The forests are dominated by coniferous stands (71%) with a majority of pine (54%). Deciduous forests (29%) are mainly represented by stands of birch (23%), aspen (3%) and black alder (2%). Stands with oak dominance make up only 0.5% of the total forested area. The age structure represents intensively used forests with even-aged stands, average age of 58 years and dominance of young and medium age stands and only 8% “mature and over-mature” stands. This situation reflects the general conditions of Belarus’ forests, which suffered heavily during World War II. The dominance of younger age classes reflects the post-war reforestation efforts. The average standing volume is 240 m³/ha, in mature stands 283 m³/ha. The state forest lands include some former *kolkhoz* forests and some succession areas and agricultural lands for afforestation that were handed over together with the *kolkhoz* forests.

The wood harvest in 2014 was 112,000 m³ from intermediary cuts and 119,000 m³ from main cuts (final logging). The state forestry enterprise processes its harvested wood to sawn timber, round timber and wood chips.



Fig. 3: Intermediary cut (thinning) in age class forest of pine.

The state forestry enterprise manages a part of the forest in four forestry units and adjacent lands as hunting ground. Its total size is 55,400 ha, out of which 32,600 ha are forests, 21,800 ha are fields and meadows and 1,000 ha are wetlands. Within this hunting ground a quiet zone of 5,100 ha is established where no hunting is permitted. The hunting unit has four rangers and one game management engineer. Hunting takes place on wild boar, roe and red deer, moose as well as wood grouse and black grouse, the grouses being of special interest for western European hunters.

Data from website of *Logoyskiy Leskhoz*¹¹¹ and from Kriskevich, pers. comm. (2015)

3. Findings

While these findings refer to the elements of the governance frameworks (as explained in the method section of the Preliminary Report), the Consultant does not attempt to cover here all pillars and their components in all detail but presents the specific aspects identified at the visited sites and being of relevance for this case study.

Pillar 1: Policy, legal, institutional and regulatory frameworks

Component 1.1: Policies

The representatives of the Ministry of Forestry explicitly referred to the Governmental policy of sustainable use of Belarus' forests and respective statements by the country's President. The acting official policy document is the "State Program for the Development of Forestry of the Republic of Belarus for the years 2011-2015" which has been approved by the Decree of the Council of Ministers of the Republic of Belarus from the 3 November 2010 #1626.

The following characteristics of the policy on forestry are presented by Krasovskiy and Usenya (Красовский, Усеня, 2015):

In accordance to the Forest Code the overall state policy in the sphere of use and conservation of the forest fund is determined by the President of Belarus; the government, i.e. the Council of Ministers, is in charge of its realization, while its implementation is in the responsibility of the Ministry of Forestry, which is also possessing 87.7% of the forest fund lands.

The forestry policy as reflected in the legislation is based on the principles of sustainable, complex, multifunctional use of forest resources under the condition of securing the conservation of biological and landscape diversity of forests and the improvement of their ecological functions. The system of management of forestry is based on the state ownership of forests and the organization of forestry by the state.

Priority directions of the strategic development of the forest sector are:

- Improvement of the management structure of forestry with consideration of the division of forest management and productive activity (logging and processing);
- Development of the forestry service sector, in particular the development of enterprises for logging works;
- Reduction of the share of budget funding in the overall financial turnover in forestry;
- Modernization of forestry production;
- Introduction of modern information technology in forestry;
- Increase of the productivity and biological sustainability of the forests;
- Development of the forest roads infrastructure;
- Inclusion of all economically interesting forest resources in the economic activities and multifunctional forest use;
- Renewal of the existing forestry infrastructure and equipment;
- Certification of forest management systems and forest production in accordance to the requirements of international standards;

¹¹¹ http://leshoz-logoysk.by/?page_id=162

- Development of ecological tourism.

The Consultant noticed that in this summary neither targets for the overall weight of the forest sector in the national economy nor contributions to the wellbeing of the rural people living in the vicinity of the forests were mentioned.

A “Strategic Plan for the Development of Forestry of Belarus for the years 2015-2030” is currently elaborated with support by the ongoing ENPI-FLEG II program. As far as documented in publicly accessible sources this new strategic document is not yet adopted and published.

The draft “National Strategy for the Sustainable Social-Economic Development of Belarus until 2030”¹¹² also contains a chapter on the development of forestry. Here as objectives of forestry are highlighted: economic effectiveness, ecological responsibility and social orientation. Forestry should be based on the principles of balanced and sustainable use and continuity. Indicators for the achievement are the increase of the forest cover to 40.3% by 2030 (i.e. plus 1% of the country’s surface area) and the increase of the Annual Allowable Cut under main use (*raschetnaya lesoseka po rubkam glavnogo polzovaniya lesom* - расчетная лесосека по рубкам главного пользования лесом) by 100% during this time. This includes the improvement of the age structure of the forests and the increase of the share of mature and over-mature stands from 11.6% (2013) to 16% in 2030.

In his message in April 2014 the President mentioned the separation of production functions from management and control functions in the forestry sector. The implementation of this policy statement would have implications leading to changes in the structure and mandate of forestry organizations. This Presidential statement corresponds with changes made already in 2010 in the legislation on privatization of state owned objects, which now would allow for the privatization of state owned enterprises in the forestry sector. The sub-units established in some forestry enterprises for production activities, like the wood processing workshop “*Pleshchenitsy*” in the visited state forestry enterprise in the future might thus become not only independent entities but even private companies. This change would need to be reflected as well in the Forest Code (Лаевская et al. 2011). The implications of these changes on the structure of and economic relations between the different organizations and administrative levels involved in forest governance and forestry activities on the ground are so far not determined. In particular, if harvest activities are carried out independently from other silvicultural activities and by different entities, problems can be expected for the sustainability of forest use and management as well as for the financing of those forestry activities that do not create immediate income.

Component 1.2: Legal and regulatory frameworks

The legal and regulatory documents determining governance of forests in Belarus are the Constitution, the Forest Code, related bylaws and laws regulating environmental protection, land use and law enforcement. The following overview is based on the article by Krasovskiy and Usenya (Красовский, Усеня, 2015).

The acting Forest Code has been adopted in 2000 and since then several times amended. A new draft Forest Code is in preparation by the Ministry of Forestry and has been in the first reading in the Chamber of the Representatives of the National Assembly of Belarus in October 2014 and in the second reading in spring 2015 (Yurevich, Ministry of Forestry, pers. comm. 2015).

¹¹² http://www.belta.by/economics/view/kakoj-budet-belarus-v-2030-godu-59755-2014#_Toc402435641



Fig. 4: Mixed age pine forest.

Most details of the use and protection of forests are defined by a Presidential Edict or Decree (*dekret, ukaz* – декрет, указ). The Presidential Decree from 7 May 2007 #214 “On several measures for the improvement of activities in the sphere of forestry” adopted a number of bylaws that in detail regulate key issues of use and protection of forests, including:

- Rules on the release of standing timber (on the roots) and its harvest in the forests of the Republic of Belarus;
- Rules for the sale of timber at the domestic market of the Republic of Belarus;
- Bylaw on the state forest protection of the Republic of Belarus and list of official persons carrying out the functions of forest protection.

Further by the Presidential Decree from 9 September 2009 #444 has been adopted the

- Bylaw on the allocation of forest sections for lease by legal entities and (or) for forest use.

The Presidential Decree from 7 July 2008 # 364 has adopted the rules for the designation of forests by groups and categories of protection and the change of these designations as well as the determination of specially protected forest sections.

Bylaws adopted by the Government of the Republic of Belarus regulate the key issues of:

- Forest inventory and management planning, state census and cadastre of forests as well as forest monitoring;
- Control of forest conditions, use, protection and regeneration of forests;
- Issuing of permitting documents for forest use; and
- Age of forests at logging.

The aforementioned legislation on forestry is completed by a number of technical instructions, which determine practical aspects of the methods and technologies applied in forest management planning, forest regeneration, forest fire protection, determination and assessment of cutting areas and amounts, cutting, and inspection of forest sections where forestry works are carried out. These

technical rules are adopted by the Ministry of Forestry and provide a rather narrowly determined framework for the implementation of all elements of forestry on the ground.

The law of Belarus “On environmental protection” determines the legal basis for the protection of the environment as well as for natural resources use and conservation of biodiversity. In forestry it is applied on aspects where the forestry legislation does not provide specific norms. The law “On the plant world” is also applied where forestry legislation does not establish specific rules concerning the use and conservation of plant species and vegetation. The Land Code of Belarus determines the designation of forest lands, the types of lands belonging to this designation and their use for the purposes of forestry

In the frame of ENPI-FLEG national experts have prepared two reports in legal framework and recommendations for its improvement (Лаевская et al. 2010 and 2011). A detailed assessment of these findings and recommendations and the extent in which they are addressed in the new draft of the Forest Code is beyond this case study. The national experts highlighted as an important aspect in accordance to the Aarhus Convention, to which Belarus is a signatory, the provisions of the Forest Code and the law “On environmental protection” for access to information and participation of environmental NGOs in decision making, and the lack of detailed legal regulation how these rights of participation are realized in the practice. Further, the regulations on lease of forests are considered contradictory and inadequate.

The acting legislation provides a comprehensive and applicable framework for all of forest management. The detailed bylaws may even bear the risk of overregulation and unnecessarily reducing the flexibility of state forestry enterprises to apply adaptive management.

Component 1.3: Ownership and user right systems

The Constitution of the Republic of Belarus determines that all forests are in the exclusive ownership of the state. But there can also be lands with tree and shrub vegetation outside of the forest fund. Currently 8.3 Mio ha of the forest fund (87.7%) are in the possession of the Ministry of Forestry, the remaining belonging to various other state entities. The state possessor of the forest fund lands assigns these for their management to legal entities carrying out forestry, in the case of the forests under the Ministry of Forestry to state forestry enterprises, which are typically established for managing the forests within one administrative district.

Forests can be leased for up to 15 years, e.g. for the harvest of wild fruits. For logging operations forest can be leased only by especially listed specialized organizations and for shorter periods. The management of two state forests had been experimentally entirely handed over to commercial enterprises for a period of five years. The lease concerned not just the harvest, but the entire forest management. The leaseholders only exploited the forests and no effective forest management took place. Finally, when the forest areas were returned under the authority of the Ministry of Forestry, the forests as well as forestry infrastructure and equipment were in poor shape. (Yurevich, Ministry of Forestry, pers. comm. 2015)

According to the analysis by national experts of ENPI-FLEG (Лаевская et al. 2011), the acting regulations of forest use are combining different issues (use of forest sections, basis for these use rights, and immediate conditions for the harvest of resources). Legislation on of lease of forest is contradictory, and bylaw #444/2009 establishes that only legal entities can lease forests for logging and for recreation. Another possible problem is that leaseholders have to pay a leasing fee and in addition the fee for the use of the resource use, while users have to pay only the resource use fee, but no lease fee. In contrast, in the case of lease of other resources, the lease fee is already

considered as fee for resource use.

The allocation of forests to users is in the authority of a broad range of state bodies. Forest plots can be assigned at the same time to different users for different types of use. (Лаевская et al. 2011)

Forest use is partly restricted by the designation of forests to groups and protection categories. Currently 52% of all forests belong to the first group with restricted use, including recreation forests (17.6%), water protection forests (16.8%), protected areas (14.2%) and protective forests (3.4%). The remaining 48% of Belarus' forests are exploitation forests with unrestricted use. The new draft Forest Code includes a provision for reducing the width of protective forests along railroads and roads, which would slightly increase the share of exploitation forests. (Красовский, Усеня, 2015)

Standing timber for final logging (main use) is partly sold through the timber stock exchange by the Open Joint Stock Company "Belarussian Universal Commodity Exchange", in 2013 about 50% of the calculated harvest from main use. The remaining standing timber was allocated to the state forestry enterprise for logging and sale as well via the above mentioned stock exchange. Further, in the domestic timber market natural persons and legal entities can purchase logged timber, but as well standing timber outside of the stock exchange. The latter concerns the cutting of damaged and dead trees and stands for their personal use. (Шатравко, Усеня, 2015) In 2009 79.8% of the standing volume was logged by governmental enterprises, 16.1% by private sector enterprises and 4.1% by individuals. Timber harvested by private enterprises is mostly processed for the production of furniture and construction materials while more than 90% of the volume harvested by citizens is fuel wood. (Кузьменков et al. 2010)

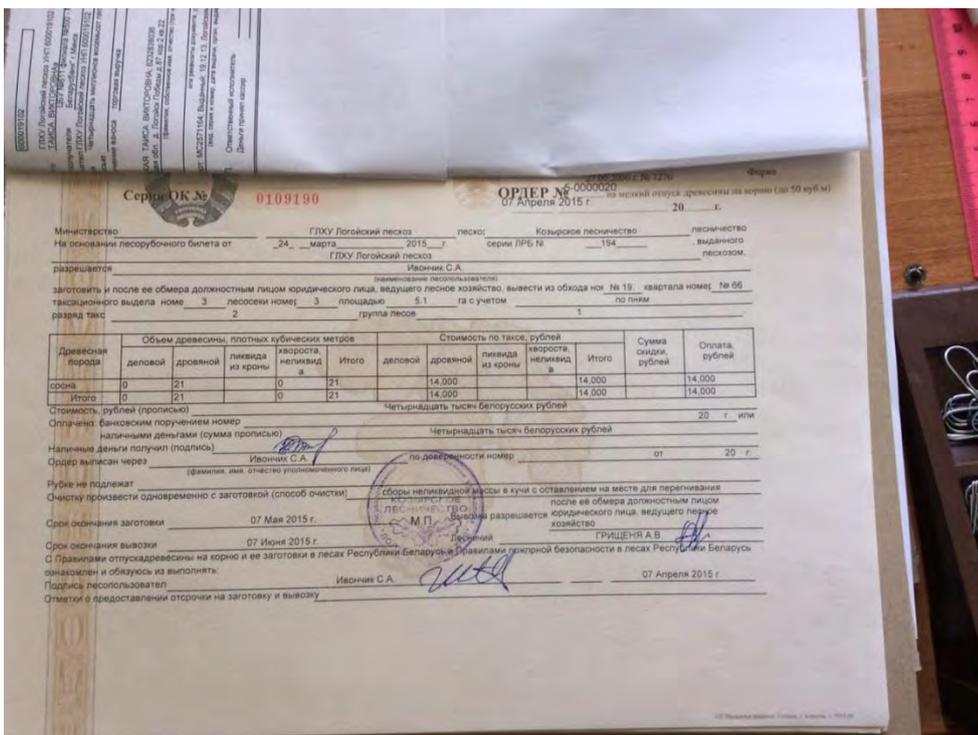


Fig. 5: Permit for fuel wood use - Logoysk Leskhov.

NWFP can be used without the need for a special permit by individuals for their personal use. However, in the practice NWFP like fruits and mushrooms are often sold by these collectors and this practice is tolerated, despite the formal need for a permit in case of commercial collection of NWFP. The assignment of use rights on areas for collection of NWFP is not much developed; more areas

are assigned for tourism and hunting. (BELGOSLES, pers. comm. 2015)

In the visited case study area of “*Logoyskiy Leskhoz*” all forests are in the full possession of the state forestry enterprise and no forest areas are leased for use of forest products. The harvested timber is in large parties sold via the timber stock exchange and remaining pieces are sold by the state forestry enterprise to natural persons for personal construction needs with no resale being permitted.

Fuel wood can be purchased by local people and enterprises from the state forestry enterprises. Self-harvesting of fuel wood by local people is also permitted on the basis of forest permits (лесной билет/ордер на мелький отпуск). Usually people on plots marked by the forest ranger use broken trees only, rarely standing trees (because of danger), except if the forest ranger fells them himself for the local users. The fee for the self-harvest is very low (1,000 BYR/m³). (Kriskevich, pers. comm. 2015)

The state forestry enterprise “*Logoyskiy Leskhoz*” as well possesses the hunting and game user rights and management responsibilities on 55,400 ha, out of which 60% are forests and the remaining agricultural lands and wetlands. (Kriskevich, pers. comm. 2015)

Component 1.4: Mandates of forestry organizations and territorial decision making bodies and administrations

The Ministry of Forestry is the highest level state forestry organization and for the management of the forests it possesses it has subordinated structures at region and district level. The region level structures are called State Production Forestry Associations (Государственные производственные лесохозяйственные объединения (ГПЛХО)) and the district structures are called state forestry enterprises (*leskhoz*es - лесхозы). The organizations at both region and district level are each legal entities on their own that are in a hierarchical subordination to the republic level Ministry of Forestry.

The Ministry of Forestry establishes rules and procedures to be followed by the forest managers, advises the Government on forestry issues, plans country wide targets and supervises its territorial (region) units in the six regions of the country.

The Forest Code only twice refers to the region level of the forestry administration, the state production forestry associations. Thus the specific mandate of this level is not defined by the law, but by the respective bylaws of these organizations. The state production forestry associations are in double subordination, under the Ministry of Forestry and under the respective region administration (*oblispolkom* - облисполком) with the first deputy head in charge of agriculture and forestry being the supervisor, but without specialized staff. Their directors are appointed by the Ministry with agreement by the region administration.

The region level organizations fulfil both control and production functions, with an internal functional separation. They issue the annual plans for all subordinated state forestry enterprises based on the respective forest inventory and management plans (FMPs). Based on these plans each state forestry enterprise prepares its own business plan, to be approved by the state production forestry association, which has the final decision making authority, and to which the state forestry enterprises report. These plans determine volumes of harvest, but also include targets and conditions for reforestation activities to be realized by each state forestry enterprise.

The state production forestry associations channel the state budget allocation in the forest sector to the state forestry enterprises that depending on the local conditions for self-financing of their

operations can receive maximum 40% of their budget as contribution from the state budget. The state production forestry association sells the wood and timber harvested by the state forestry enterprises and receives a share of the income. The Minsk State Production Forestry Association, to which this case study's state forestry enterprise belongs, has 45 staff, a part of which are paid from the state budget and the other part from own income. The Minsk State Production Forestry Association manages an annual harvest of 2.5 Mio m³, of which 30% is fuel wood and 70% is timber.

The state forestry enterprises are subordinated to the territorial (region) unit of the Ministry of Forestry, the state production forestry association and at the same time to the district administration. State forestry enterprises have the mandate to manage the forests that are assigned to them and which are divided into forestry units (*lesnichestva* - лесничества) with a forester (*lesnichiy* - лесничий) in charge of each. The frame for the decisions made by the state forestry enterprises is set by the state production forestry association to which they are subordinated and by the FMPs. Harvest plans set are never allowed to exceed the limits set in the FMP, but they can be below these targets if the economic effectiveness of the enterprise is ensured as, for instance, in the visited "Logoyskiy Leskhoz" in 2014. The state forestry enterprises fulfil the role of control and oversight in relation to their forestry units and to other forest users.



Fig. 6: Information plaque on the forestry unit "Kozyrskoe Lesnichestvo" of Logoysk Leskhoz.

The Forest Code in article 13 states a number of authorities of the district councils and administrations in the sphere of forestry. In the reality the district administrations fulfil only a part of the functions assigned to them in the sphere of forestry, while the most of them are fulfilled by the state forestry enterprises themselves, and where required endorsed by the district administrations. For instance, the district administration has the authority to assign forest parcels to a commercial entity for the harvest of wild growing berries. The state forestry enterprise would prepare the decision that is then accordingly adopted by the district administration.

The state enterprise BELGOSLES is the central unit with the monopoly for forest inventory and

management planning, and is subordinated to the Ministry of Forestry. BELGOSLES does all forest inventory and management planning in the state forests of its Ministry as well as in the forests in the possession of other entities, like of the railway and road protection belts for the Ministry of Transportation, and on contractual basis also in other countries. The potential for private services for forest inventory and management planning is now studied.

The mandates of forest protection and control of forest use and management are assigned to the Ministry of Forestry and its subordinated structures, the state production forestry associations and the state forestry enterprises. The combination of functions of state control and forest use within one organization has been repeatedly criticized as potentially leading to abuse and unauthorized harvest of forest resources. The official policy is now to separate management from economic functions. The establishment of production subunits for timber harvest and processing under state forestry enterprises is in process. The functions of management (supervision) as well as reforestation, silviculture, forest protection, pest and fire control would remain with the state forestry enterprises. In the perspective the production subunits might become independent entities.

Independently of the organizations in charge of forestry, a strong mandate of control is assigned to the State Inspection for the Protection of Animal and Plant World under the President in accordance to the Presidential Decree from 8 December 2005 #580. The mandate of this inspection service includes the direct control of all activities of the state forestry enterprises as well as of any other forest users as well as the prevention and persecution of any illegal harvest of forest products and game animals. Thus an independent external control and protection service is already in place that according to information from the visited state forestry enterprise “*Logoyskiy Leskhoz*” effectively fulfils its mandate. (Kriskevich, pers. comm. 2015)

Component 1.5: Financial arrangements, economic instruments and benefit sharing

The local state forestry enterprises are partly self-financing and partly receive financing from the state budget. In the average 35% of the overall budget of the enterprises is funded by the state, this funding is supposed to support specific activities that do not create substantial income, e.g. protection, pest and fire control, planting, forest roads etc. (Yurevich, Ministry of Forestry, pers. comm. 2015). The state forestry enterprises of the Minsk State Production Forestry Association receive up to 40% of their budget from the state, depending on the conditions for self-financing, determined e.g. by the productive potential of the state forests managed by these enterprises.

Currently state forestry enterprises fulfil all tasks of local forest management and use, as planting, maintenance, protection, fire prevention, pest control and logging. The sale of harvested timber and fuel wood as well as other forest products, e.g. hunts, creates incomes for the state forestry enterprises that are used for the funding of their forests management activities. The state policy aims at increasing these incomes and by this reducing the share of state funding of the forest sector. If the planned separation of functions would be implemented and the harvest would no longer be done by the state forestry enterprises, new economic mechanisms would become necessary to fund those forestry activities that do not directly create income. This may result in certain risks for the economic viability of forestry and lead to undesired consequences caused by perverse incentives. Such perverse incentives may exist in some extent already nowadays, e.g. if reforestation is be financed by the state this may result in preference for reforestation at the expense of natural rejuvenation. Commercial harvesting units on the other hand are interested in low cost clear cuts and have less incentive to preserve seed producing trees and natural rejuvenation.

The state forestry enterprises are seen as an important employer in small towns and rural areas. Also small enterprise providing forestry services to the state forestry enterprises are developing

(Шатравко, Усеня, 2015). So far all reforestation works are carried out by state forestry enterprises, but in the perspective this could possibly be also done by contractors. Currently this is not possible as respective requirements and regulations do not yet exist (Yurevich, Ministry of Forestry, pers. comm. 2015).

The visited state forestry enterprise “*Logoyskiy Leskhoz*” provides significant local economic benefits, in form of employment and forest products. According to the director, also the ecological benefits of the forest are broadly recognized by the local population. The state forestry enterprise hires local workforce and has currently 445 staff. Thus it is an important employer in this rural area. The taxes from the state forestry enterprise go into the budget of the local district (income taxes of the enterprise and income taxes on salaries of the employees). The state forestry enterprise receives the stumpage fees paid by the enterprises that lease forest (entire forest units) for logging, in case of main use, 50% of the total amount; the remaining 50% go to the state budget. In case of intermediary use, the state forestry enterprise receives the entire stumpage fee. (Kriskevich, pers. comm. 2015)

The provision of wood for local needs is an important instrument for the maintenance of good relations between the local communities and the state forestry enterprise, motivating their support of the forestry activities. In the areas of Minsk State Production Forestry Association annually 100,000 m³ of fuel wood are allocated for the needs of local people and public objects. As the rural population is declining, more fuel wood is available than needed. The state forestry enterprise “*Logoyskiy Leskhoz*” sells fuel wood to local people in 1 m logs at prices of 100,000 BYR/m³ for birch, 95,000 BYR/m³ pine and 90,000 BYR/m³ ash, plus costs for delivery. In case of self-harvest, the price is only 1,000 BYR/m³. For comparison, the monthly pension of rural people is in the range of 2.5 Mio BYR. Enterprises can purchase fuel wood at costs of 150,000 BYR/m³. For comparison, the exchange rates as of 14 May 2015 were USD 1 = BYR 14,160 and EUR 1 = BYR 15,920. Timber is sold via auctions, but sufficient amounts are available for local people for their personal construction needs, with no resale being permitted. (Kriskevich, pers. comm. 2015)

Pillar 2: Planning and decision-making processes

Component 2.1: Stakeholder participation

Article 14 of the Forest Code establishes the right of citizens, NGOs and local self-governance organs to participate in the consideration of issues in forestry concerning their interests through discussions, referendums and other forms of direct participation in decision making. This includes issues related to the assignment of forests, their use, protection and regeneration. Further, citizens, NGOs and local self-governance organs are called to educate the broader public about forest conservation and protection needs and to support directly forest protection and other forestry activities. The state bodies in charge of forestry have to provide the public with the relevant information. The national experts of ENPI-FLEG (Лаевская et al. 2011) have criticized the lack of specific mechanisms for implementing in the practice these rights of participation as well as the broader rights of environmental NGOs, established in article 15 of the law “On environmental protection” and by the Aarhus Convention.

In the case study areas the state forestry enterprise has good relations with the district administration and with the rural councils. The state forestry enterprise preliminarily informs about planned forestry works at boards in each rural council. Pesticides are not used for pest control as there has not been any calamities of a scale requiring their use; but if necessary it would be advertised in the same way. The “*Logoyskiy Leskhoz*” has a school forestry unit for involving school children in its work and raise general public awareness (e.g. garbage, fire prevention). The public

opinion is very critical about any logging and open complains are expressed, even in cases where cuttings are necessary for maintenance and silviculture. (Kriskevich, pers. comm. 2015)

Component 2.2: Planning and decision making on conversion of land from forest to non-forest and vice versa

Forestry lands have been delimited in the frame of the overall land-use planning. Currently the inclusion of further areas suitable for forest development is in process, including lands covered by shrub and tree vegetation from natural succession and agricultural lands of low productivity, which are suitable for afforestation. Succession areas are not necessarily included into the forest fund, but they can also get other designations, e.g. as protected areas. The change of the land category from agricultural to forestry is made by decision of the region administration. Changes of the status of forests of the first group can only be made by Presidential Decree, and thus a high barrier is established against the transformation of forests of a higher protection status.

Component 2.3: Decisions on forest inventory and management planning

Forest inventory and management planning (FMP; *lesoustroystvo* - лесоустройство) is mandatory for the entire forest fund and is carried out by the state unitary enterprise “BELGOSLES” under the Ministry of Forestry, which has the monopoly for these services. No private forest inventory and management planning companies exist. FMP are available for all state forestry enterprises and these are updated in 10 years intervals.

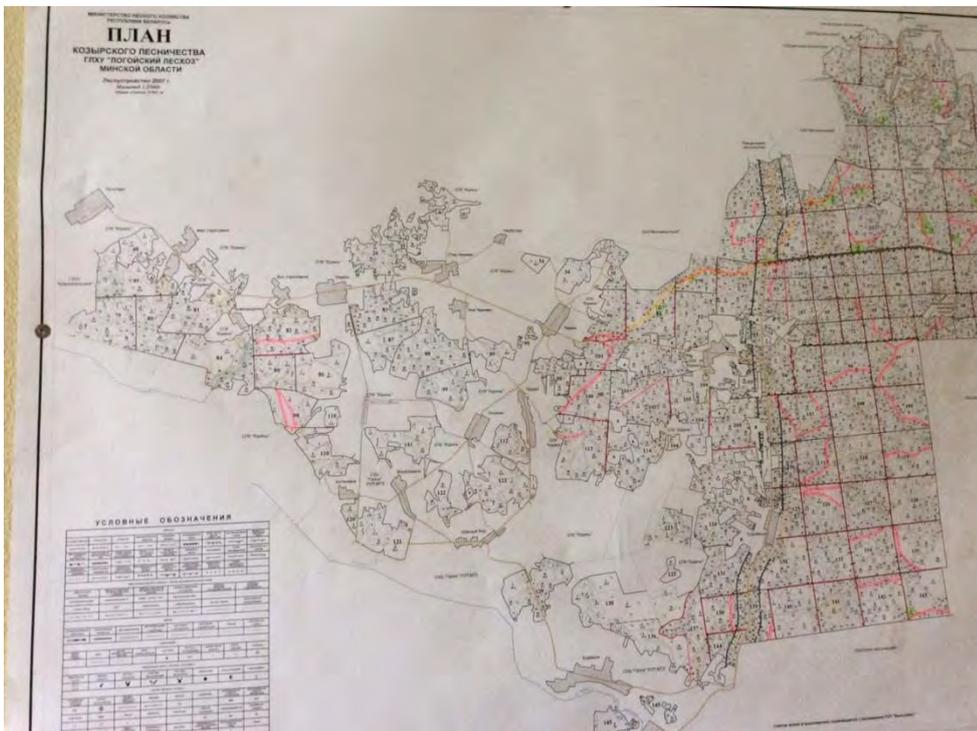


Fig. 7: Forest map of forestry unit.

The forest inventory and management planning includes the determination of forest sections of all levels, the verification of the assignment of forests to different groups and protection categories, description of site and stand conditions, assessment of qualitative and quantitative characteristics of

forest resources, the determination of necessary silvicultural works, intermediary and final cutting as well as the use of NWFP and other uses of the forests. In accordance for the ten-years planning period the forestry activities are established. Each FMP is mandatorily undergoing a state environmental expertise and approval by the Ministry of Forestry. The FMPs are the binding framework for the forestry activities of each state forestry enterprise and their annual planning and implementation. Use of forestry resources in areas without up-to-date FMP or in excess of or deviation from the provisions of the FMPs is prohibited. (Красовский, Усенья, 2015)

The FMP team holds two so-called technical meetings and two forest inventory and management planning meetings during the course of the process of elaboration or update of the FMP. In case of necessity, additionally intermediary meetings can take place. The meetings involve the respective state forestry enterprise, the district land-use officer as district administration representative and the district environmental department. Usually the rural councils are less involved, but sometimes their representatives participate in the meetings. (BELGOSLES, pers. comm. 2015)

In the case study area “*Logoyskiy Leskhoz*” the next revision of the FMP is due in 2017. The FMP team holds a forestry inventors and planning meeting at the beginning of the process, but works independently from the state forestry enterprise, which does not participate in the inventory and in the planning. The state forestry enterprise marks the forest parcels (*kvartaly* - кварталы) as basic inventory and planning units. The FMP team normally would ask the forest rangers only about borders and similar issues but not about technical opinions. Most silvicultural and harvest issues are predetermined by the applicable established norms, and thus there is not much space for disagreement between the FMP team, the state forestry enterprise and the representatives of district and rural councils. In the frame of the FMP, the team defines the stand density (stumpage area), volume of stands and the necessary types of cuts. The FMP does not make explicit decisions on the silvicultural targets, e.g. on the mix of species. The FMP materials are available in electronic format on computers and mobile devices. The hunting and game management planning has been done separately from the FMP in 2008. (Kriskevich, pers. comm. 2015)

Component 2.4: Decisions on implementation of forest management activities

The overall annual harvest amounts for main use are based on the FMPs and approved by the Ministry of Forestry in agreement with the Ministry of Natural Resources and Environmental Protection. The resulting aggregated country-wide annual allowable cut for main use is approved by the government. The determination of the logging areas is done by the local state forestry enterprises. For the use of forest resources the respective permitting documents are issued by the state forestry enterprises to the forest users. The forest cutting permits contain all specifics on the amount, type of wood and time for logging and transportation of the harvested wood. (Красовский, Усенья, 2015)

The decisions on the silvicultural targets, in particular on the mix of species are made by the forester of the forestry unit in the frame of the FMP (Kriskevich, pers. comm. 2015). Thinning operations are used to regulate the species composition. All thinning is for each section defined in the FMP, except of the first thinning in newly planted young growth (*osvetlenie* - осветление) (Dmitriev, Minsk State Production Forestry Association, pers. comm. 2015).

Decisions on the lease of forests are made by the district administrations, except about leases for the purpose of logging which are decided by the region administration in agreement with the state forestry enterprises. (Dmitriev, Minsk State Production Forestry Association, pers. comm. 2015)



Fig. 8: Integration of harvest and regeneration.

Within three years after logging reforestation has to take place, usually this is done within one year. The state forestry enterprises elaborate their own reforestation projects, based on the local forest stand conditions (Dmitriev, Minsk State Production Forestry Association, pers. comm. 2015). Observations in the “*Logoyskiy Leskhoz*” showed that the state forestry enterprise makes decisions on the use of natural rejuvenation techniques, where suitable, and carries out main use logging in a way that support natural rejuvenation. As long as young growth of the required quality and quantity is established in this way, the state forestry enterprise is not forced to carry out reforestation.

National experts of ENPI-FLEG have criticized the decision making process on harvest activities as being potentially prone to abuse and corruption. This concerns in particular the procedure for issuing the forest cutting permit by the legal entity that is carrying out the forest management and is themselves doing the harvest. This combination of regulatory and controlling functions with the role of being the forest user is seen as possibly allowing for illegal harvest. Another critical issue of the decision making on forestry activities is the possibility of issuing the permit within one month post factum in case of urgency (trees causing danger or trees cut under specific circumstances). (Ляевская et al. 2011) The Consultant, based on his interviews and his impressions from the case study area, does not share the concerns expressed by the national consultants on the decision making on harvest of wood but has got the impression that the decision making procedures largely fulfil their functions. The existing system of decision making, control and oversight within the hierarchical structures of the Ministry of Forestry, the elaboration of the FMP by BELGOSLES independently from the state forestry enterprise, the region state production forestry associations and the state forestry enterprises, in combination with the existence of the State Inspection for the Protection of the Plant and Animal World under the President as an effective external control and law enforcement organ, make substantial abuse and violations very unlikely.

Pillar 3: Implementation, enforcement and compliance

Component 3.1: Capacity of forestry organizations and territorial decision making bodies and administrations

The capacity of all visited organizations and hierarchical levels in the forestry sector of Belarus is fully adequate in terms of staff qualification and technology as well as equipment, infrastructure and finances. The forest inventory and management planning enterprise “BELGOSLES” is even able to provide its services to forest users in Russia. The Minsk State Production Forestry Association has 45 staff and is capable to fulfil its functions.



Fig. 9: Harvester in Logoyskiy Leskhoz.

The state forestry enterprise visited in the case study, “Logoyskiy Leskhoz” and its forestry unit “*Kozyrskoe Lesnichestvo*” are adequately staffed and equipped and the visited infrastructure (central administration building, forestry unit building, roads, machinery etc.) are in good condition. The conditions of the visited forests and quality of the forest management activities (marking of perspective trees for selection purposes, thinning areas, logging areas with natural rejuvenation, reforestation with seedlings) indicate the adequate capacity of this state forestry enterprise and its forestry units.

The region and district level administrations lack the technical capacity to fulfil entirely their substantial decision making mandate. At region level the state production forestry associations are subordinated to the first deputy head of the region, but without a unit of qualified staff existing in these administrations. Similarly, the district administrations, which according to article 13 of the Forest Code have substantial decision making authority on the forests in their jurisdiction, do not have qualified staff for carrying out these functions. Thus all these functions are in fact executed by the state forestry enterprises, which prepare the decisions that are then adopted by the district administrations. (Dmitriev, Minsk State Production Forestry Association, pers. comm. 2015) This compensation of insufficient capacity in region and district administrations by the capacity of the

forestry organization is working well, where the relations between them are good as it is the case in the “Logoyskiy Leskhoz”. Generally, in Minsk Region this collaboration is functioning and some directors of state forestry enterprises are elected deputies of the region council.

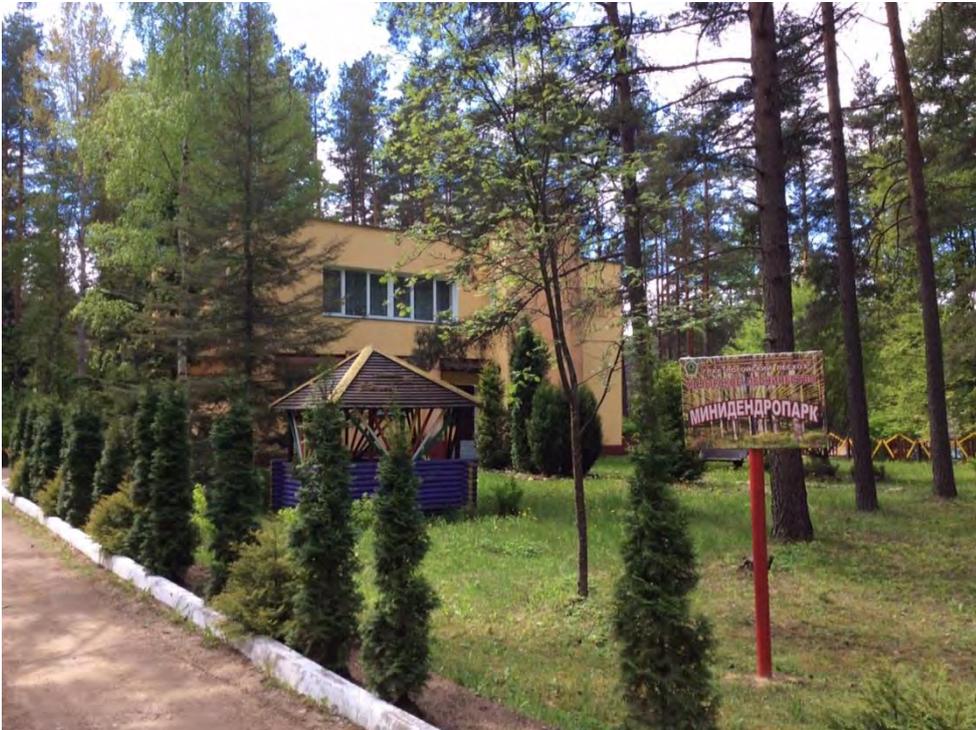


Fig. 10: Administration building of forestry unit.

Component 3.2: Forest law enforcement

The prevention of violations and enforcement of the forest legislation is the task of the State Forest Protection which is formed by the rangers and technical staff of the state forestry organizations, including the state forestry enterprises, the six region state production forestry associations and the Ministry of Forestry. About 13,000 official persons are patrolling the forest areas. (Красовский, Усеня, 2015)

The State Inspection for the Protection of the Plant and Animal World under the President with its local branches is an additional and important law enforcement agency. This inspection service is directly subordinated to the President and carries out independent law enforcement and control of the forest users, including the state forestry enterprises (Красовский, Усеня, 2015). The inspection service was established mainly to prevent illegal hunting and fishing, which after the independence of Belarus had substantially increased. During this time poaching by VIP and illegal forest use by influential people were hard to address by state forestry enterprise staff. In this situation the establishment of an independent inspection service with direct highest level subordination was highly effective. The inspection service established good collaboration with the state forestry enterprises. Due to the effectiveness of the law enforcement, problems with illegal harvest of forest products and poaching almost disappeared. (Kriskevich, pers. comm. 2015)

The level of documented illegal harvest of timber in the range of 0.004% of the total timber harvest and its impact on the country’s forests must be considered as insignificant. (Красовский, Усеня, 2015)

In the case study area in the past there had been issues with illegal harvest of timber due to lack of legal supply. This is no longer an issue and there is neither illegal cutting by people nor unauthorized harvest by the state forestry enterprise's staff or by contractors of leaseholders. The state forestry enterprise installed gates, automatic cameras and warning signs for the prevention of unauthorized vehicle access to forests and related fire risk and pollution with trash.



Fig. 11: Control of access to the forests and warning sign.

With the success of the law enforcement, the pressure on the state forestry enterprises by the State Inspection for the Protection of the Plant and Animal World under the President grew. It seems that the number of detected violations is an indicator by which the inspection is perceived to show the effects of its activity. This indicator of constant or increasing numbers of detected violations is actually not suitable for measuring effective law enforcement (the indicator should be the decrease of violations, not the increase of detections), and it leads to unintended problems. The inspection service tends to apply rules in an overly rigid and inappropriate way. For instance, in the case study area in the FMP for one plot only pine were considered for harvest, but during the forestry works some birch trees, which that are generally considered being of lower value, were damaged; and the staff of the state forestry enterprise cut and removed these damaged trees. In the result, the inspection service considered the entire cut as illegal cut, not just the few birches, which were not mentioned in the FMP and were accordingly missing in the forest cutting permit. The state forestry enterprise was fined for this violation; and the prosecutor demanded that the worker in charge would be fined in accordance to the damage, calculated by the entire cut. This amount would be far beyond the financial opportunities of a forest worker. In the result of this and similar cases, it becomes increasingly difficult for the state forestry enterprise to attract local people to work in forestry as people consider the danger very high to be heavily fined for minor mistakes.

Component 3.3 Administration of forest and land ownership and user rights

The administration of forest and land ownership and user rights is in the authority of the land-use agencies at different levels, mainly at district level. Currently “BELGOSLES” realizes a new work program for an update of the registration of all forest fund lands with their borders and size of areas for subsequent land registration and issuing of state certificates to the possessors of state forest.

Component 3.4 Cooperation and coordination

The cooperation between the state forestry enterprise and the district administration and rural councils in the area of the “*Logoyskiy Leskhoz*” has been characterised as satisfactory and effective (Kriskevich, pers. comm. 2015). Similarly the cooperation at the level of Minsk Region has been positively described by the Minsk State Production Forestry Association (Dmitriev, pers. comm. 2015). In contrast, the cooperation between the state forestry enterprise “*Logoyskiy Leskhoz*” and the State Inspection for the Protection of the Plant and Animal World under the President seemed tense due to the above mentioned cases of overreaching in law enforcement. The Consultant did not have the opportunity to crosscheck the statements with the region and district administrations, rural councils and the inspection service. The CPC, however, confirmed the impressions for the specific region and forestry enterprise as well as their typical character for the general situation in the country.

Component 3.5 Measures to address corruption and ensure transparency

The Consultant specifically asked all interviewed persons about corruption problems and measures to address these. Belarus was rated by Transparency International in the corruption perception index 2014 with a score of 31 and a rank of 119 out of 175¹¹³. This is the medium perceived corruption in the ENPI countries (with Georgia, Armenia and Moldova receiving better rankings). This ranking was not reflected in the interviews with representatives of forestry organizations, the CPC as well as in talks with occasional people not related to the sector, which all stated a low corruption level and effectiveness of anti-corruption measures by the government.

The results of the analysis of the elements of governance related to legal framework, mandates of organizations, planning, decision making, harvest, processing and marketing of forest products and control and enforcement suggest that there are currently limited opportunities for corruption in the forest sector and in particular in the context of timber and other wood products. The national experts of ENPI-FLEG (Ляевская et al. 2011) mentioned the potential of corruption provided by the combination in the state forestry enterprises of functions of allocation of forest resources to users and state control of protection and use of forests on one side and on the other side of being the immediate forest user. The Consultant could not find a confirmation for the validity of this concern. The forest inventory and management planning by BELGOSLES, an institution independent from the state forestry enterprises, the decision making on timber harvest and the rules on marketing of harvested timber in combination with the independent and obviously strict control by the entirely independent State Inspection for the Protection of the Plant and Animal World under the President seem to be largely effective in the prevention of corruption related to timber harvest.

The Consultant did not receive any information about possible corruption problems related to the allocation of forest areas for lease for logging and for other uses or to the transformation of forest lands into lands of other designation.

¹¹³ <https://www.transparency.org/cpi2014/results>

Conclusions

In Belarus the former *kolkhoz* forests have been effectively integrated into the overall system of centrally managed state forests. Additionally, areas with succession of tree and shrub vegetation and areas suitable for afforestation were included into the forest fund or are in the process of being included. “Local forests” are part of the state forests that are managed locally by the state forestry enterprises and are indistinguishable in terms of their governance.

The provisions of the Forest Code provide the local district authorities with significant decision making authority on forest issues. In the practice of the visited region and state forests, which can be considered as typical for the entire country, these mandates are almost entirely delegated to the state forestry enterprise. Nevertheless, the district administrations, and at the next higher level the region administrations, have the opportunities to carry out their decision making authority and directly influence on the forests and their management.

The legislation does not provide the opportunity to assign user rights on wood products to individuals, but only to specialized enterprises. The local population has access to NWFP, even for small-scale commercial use, and to fuel wood as well as to timber for personal use. Given this access to fuel wood and timber, the conditions of forests and the markets for forest products, there seems to be no need for and interest in individual lease of forests for harvest of wood products. Also illegal use of forest products, in particular unauthorized logging and poaching, are virtually absent.

The current system of forest governance appears to be effective and satisfactory in terms of improving the conditions of the forests, ensuring the fulfilment of their ecological functions and increasing the area covered by forests while meeting the needs of the local population and contributing to the local and national economy. The certification of 55% of the total forest area by the FSC system and of 98% by the competing PEFC shows that the governance of Belarus’ meets the requirements of international standards.



Fig. 12: FSC certificate of the Minsk region state forestry production association

The Consultant did not find convincing justification for the separation of functions at the level of the state forestry enterprises by establishing units for timber harvest and processing that would become separate entities from the state forestry enterprises, as recommended by the national experts (Лаевская et al. 2011; Кузьменков et al. 2010) and included into the state policy. The expected positive impact of this intended division on the risks of illegal or unauthorized logging and corruption is not obvious while other measures addressing these risks are already effectively in place.



Fig. 13: Marked “premium tree”.

The suggested separation of timber harvest and processing from silvicultural activities and forest protection may have unintended consequences affecting the sustainability of forest management and economic viability of the state forestry enterprises. The same entity being in charge of harvest, reforestation and silvicultural maintenance of the forest stands establishes incentives to carry out harvest in a way that allows for as much as possible natural rejuvenation. Where suitable site and stand conditions exist, even-aged forests, which are used in main use by clear cutting, can be transformed into mixed stands, which are used by selective logging without clear cuts, thus providing for the continuous preservation of the ecological character and functions of the forests and - by mainly relying on natural rejuvenation - reducing the costs of reforestation and maintenance of young growth. Further, keeping income creating activities of harvest and processing of timber within the same entity as the costly activities of reforestation, rejuvenation support, silvicultural maintenance and protection of forests, maintains the economic linkages between the different elements of forestry at local level and is likely more economically effective than a separation of these elements, which would also require new economic mechanisms for funding of the more costly elements of forest management. The separation of timber harvest and processing in independent legal entities may as well have negative impacts on local employment and the provision of and access to forest products for local people.

The risk of negative economic and social impacts of radical changes of the forestry governance and management system, including those based on the principle of functional separation have as well

been recognized by the national experts of FLEG. Nevertheless these experts suggested three different models for the reorganization of the forestry sector of Belarus, the implementation of which would lead to more or less significant changes of the existing governance of forests (Кузьменков et al. 2011) with associated risks.

4. Recommendations

The system of governance of Belarus' forests is in permanent development in accordance to technical progress and changing ecological, economic, social and political conditions. National experts have prepared detailed analytic reports on the legal and regulatory frameworks of forestry as well as on the forest management and use systems in Belarus and made recommendations on their improvement. These recommendations might partly be already implemented or will be reflected in new policy documents and in the new Forest Code of Belarus and the updated related bylaws.

The findings of this case study suggest that the existing system works rather effective and from the perspective of governance may not require substantial changes. The Consultant therefore recommends reassessing the potential risks and benefits of the intended separation of functions and authorities of the state forestry enterprises by establishing independent entities for timber harvest and processing. The Consultant recommends the consideration of alternative options. As additional preventive measure against unauthorized use and corruption, the authority of issuing of the forest cutting permits might be transferred from the state forestry enterprises to the region state production forestry associations, possibly with obligatory agreement with or endorsement by the region level environmental protection authorities. It is recommended to keep in the same entity and economically and institutionally linked the income creating elements of forestry, in particular logging activities, with the more costly functions of regeneration of forests, silvicultural maintenance, protection and control of forest use by external users.



Fig. 14: Natural supported rejuvenation and shelter trees few years after logging – integration of timber production and silviculture.

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“Georgia: The Long Way to Communal Forest Management”

1. Introduction

The following case study presents the findings from the mission to Georgia during June 15-21, 2015. The Consultant visited five municipalities that represent different situations in terms of forest conditions and relations of local self-governance bodies to the governance of local forests.

Forests cover about 40% of Georgia’s territory, i.e. approx. 27,800 km², and 95-95% of the forests are of natural origin (MENRP/NFA 2014). Between 1992 and 2007 the forest cover increased due to natural succession on small abandoned fields and pastures, but at the same time forests degraded because of unsustainable use. Illegal logging after 2007 caused significant deforestation in some areas. (Bagaturia, pers. comm. 2015)

Georgia undertook a number of reforms of its forest sector and of the administrative structures at local level since its independence from the Soviet Union. This case study does not attempt to present a full history of these reforms and to analyse their results but refers only to the aspects that are important for the understanding of the current situation, dynamics and perspectives in governance of the country’s local forests.

Prior to the enactment of the “Organic Law on Local Self-Government” in 2005, the communes (in Soviet times “*selsovet*”), comprising one or several villages, were the lowest administrative territorial level with a self-governing body (DFS et al. 2008). With enactment of the “Organic Law on Local Self-Government” the next higher level, the districts (in former times “*rayon*”) became the lowest administrative territorial level with a self-governing body. This lowest level with a representative body (council, in Georgian “*sakrebulo*”) and an administrative body (administration or city hall, in Georgian “*gamgeoba*”) is now called and referred to in this study as “municipality”. The formerly lowest level of administrative territorial which could in rural areas consist of one or several villages, sometimes called by stakeholders “community” or “village (administration)” is in this study referred to as “sub-unit”.

The “Organic Law on Local Self-Government” stipulated the transfer of the management of forests of “local importance” into the ownership and exclusive authority of the municipalities. What forests actually belong to the category of “local importance” was not defined, but the broad perception was that this category would include all forests that in the Soviet past were in permanent land-use by collective farms (kolkhoz). By September 2007 it had been planned to hand over to municipalities 850,000 ha of forests, out of which 530,000 ha were former kolkhoz forest (Macharashvili, pers. comm. 2015). The KfW German Development Bank, with financial support by the French Development Agency, after a long preparation and negotiation phase in 2007 launched the Communal Forest Pilot Project Kharagauli (DFS et al. 2008). For reasons that are not publicly documented this project was not successful. So far the transfer of forests of “local importance” to the municipalities did not take place anywhere in Georgia with few exceptions: forests within the City boundaries of Tbilisi (designated as “green plantations”), the forests of Tusheti Protected Landscape in the municipality of Akhmeta and about 1,500 ha in the municipality of Ambrolauri (region Racha-Lechkhumi and Kvemo-Svaneti). The forests in Ambrolauri were communalized in 2006 with the aim to privatize the land. This did not happen and these forests are in the reality without exercised ownership and any management (Macharashvili, pers. comm. 2015). The Sachkhere Municipality (Imereti) has kept its former kolkhoz forests since the end of communism (Tokliksihvili, Center for Development of Municipality Reform, pers. comm. 2015).

Since around 2007 significant areas of forests with high economic potential have been assigned as long term concessions to commercial companies, in most cases of foreign origin. These

concessions had and have in some areas substantial impact on the access of local people to forests, on the conditions of forests and of the local infrastructure.

The issue of transfer of management authority of forests of “local importance” is still stipulated in the law, considered by policy makers and vaguely reflected in the National Forest Concept for Georgia. Local stakeholders and municipality representatives repeatedly raised their voices and requested the handover of authority over local forests. For these reasons the existing governance of local forests and the potential of its future development are of high relevance for Georgia’s forest sector and can provide an interesting example for the region of the ENPI-FLEG II programme. As forests of “local importance” are not clearly delimited this case study assesses the situation mainly from the perspective of the municipalities and their perception of forests of “local importance”.



Fig. 1: Meeting in Akhmeta municipality with the Head of municipality and representatives of Tusheti PL

2. Study methods, areas visited and stakeholders interviewed

2.1 Stakeholders interviewed

The Consultant met at local level representatives of the municipalities of:

- **Tbilisi:** Bidzina Giorgobiani – Head of **Ecology and Green Spaces Department** of Tbilisi Municipality City Hall,
- **Kharagauli:** Inga Magradze – Head of **Municipality Council** Kharagauli,
- **Baghdati:** Irakli Gegeshidze – Head of the **Municipality Administration** of Baghdati,
- **Tianeti:** Mindia Shetekauri - Head of **Municipality Council** Tianeti,
- **Akhmeta:** Gela Jugashvili - Head of **Municipality Council** Akhmeta; Eristo Lagazidze – Head of **Tusheti Protected Landscape** and Giorgi Mezvrishvili – Natural Resources Specialist of **Tusheti Protected Landscape**

In the **Ministry of Environment and Natural Resources Protection (MENRP)** the Consultant met with:

- **Forest Policy Service** – Head Karlo Amirgulashvili;
- **National Forestry Agency (NFA)** – Deputy Head Merab Machavariani;

In the **Ministry of Regional Development and Infrastructure** the Consultant met with:

- **Centre for Reform of Municipality Management** - Giorgi Toklikishvili
- **Legal Department** – Irakli Kakhidze

As representative of the civil society organizations working on environmental and forestry issues the Consultant met

- Irakli Macharashvili – **Association Green Alternative**

The Consultant further visited the private company carrying out forest inventories and management planning

- **“M3” Ltd.** – Giorgi Bagaturia

2.2 Study methods and areas visited

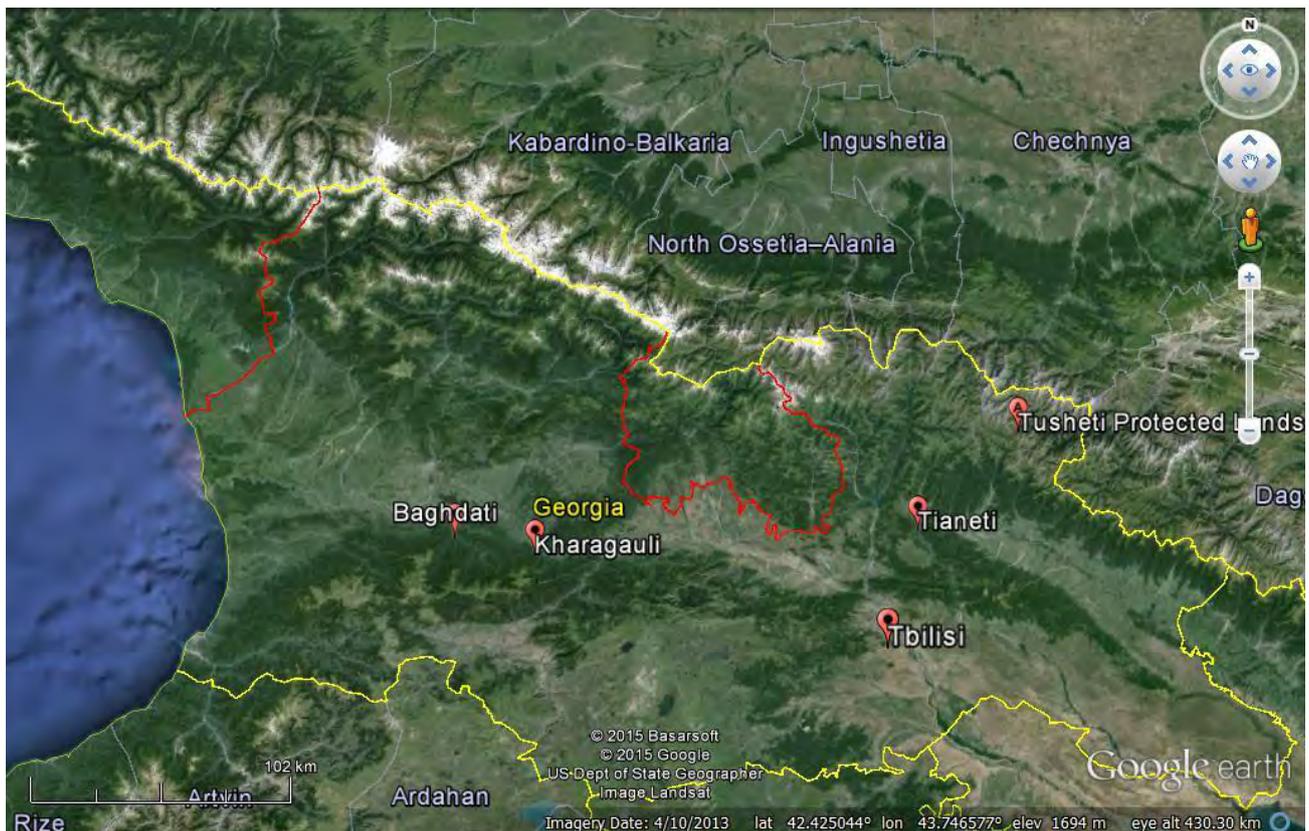


Fig. 2: Locations of the visited municipalities Tbilisi, Kharagauli, Baghdati, Tianeti and Akhmeta (Tusheti PL)

The Consultant visited the municipality of the capital city Tbilisi and four rural municipalities in different regions of Georgia. He conducted semi-structured interviews with representatives of the municipalities and with forestry experts in different state, private and non-commercial organizations

at national level. It was not possible to visit the local representations/forestry units¹¹⁴ under the NFA because of the limited time for this study and the absence of their representatives from their offices during the site visits.

During his site visits the Consultant was accompanied by Marika Katarishvili (CPC Georgia of ENPI-FLEG II, IUCN component).

Tbilisi

The municipality of Tbilisi in 2010 took over the Tskhneti Forestry Unit with 8,600 ha forests, dominantly artificial pine plantations (Giorgobiani, Ecology and Green Spaces Department Tbilisi, pers. comm. 2015). By Government Decree all forest areas of the municipality were declared as “recreational zone” or “green plantation” (MENRP/NFA 2014), i.e. the designation of the land was changed to non-forest. This allowed also for easy transformation of attractive plots into other use and has caused e.g. housing development on riverbanks that where in June 2015 affected by the flood. The MENRP has no authority on the territory of Tbilisi and does not control the management of the de-facto forests there. (Macharashvili, pers. comm. 2015)



Fig. 3: Pine forests and smaller patches of deciduous forest designated as “green plantations” - Tbilisi

Kharagauli

The municipality of Kharagauli is located in the Region of Imereti. The municipality includes 20 sub-units with 77 villages. (Magradze, municipality council, pers. comm. 2015) Its total are is 914 km²

¹¹⁴ The term local office/forestry unit of the NFA refers to the local structures headed by a forester, which the NFA has in under its region forestry services in each municipality with forests.

and the population was 27,855 in 2002, 27,400 in 2008, 27,100 in 2014¹¹⁵¹¹⁶ and 29,688 in 2015 (official website¹¹⁷).

In the south the municipality includes parts of Borjomi-Kharagauli National Park. Here, state forest lands were included into the park when it was established in 2001. Forest areas between the park and the villages north of it are former kolkhoz forests. In the northern part of the municipality both former kolkhoz forest and other state forest exist.



Fig. 4: Deciduous forest with chestnut (*Castanea sativa*) flowering - Kharagauli

The area of former kolkhoz forests and other state forests intended in 2007 to be transferred to the municipality was around 18,000 to 25,000 ha (38-53% of the total forest area of 47,000 ha within the municipality boundaries) (DFS et al. 2008). This transfer was not realized, but the municipality has recently again expressed its interest to take over the forests of “local importance”. In the central and western part of the municipality area larger state forest lands do not belong to any sub-unit of the municipality. Some of the forest sections have been assigned as concession. The municipality is not informed about the exact boundaries. As these sections do not belong to the former kolkhoz forests, the municipality does not see the assigned concession as an obstacle to the transfer of other forest areas. (Magradze, municipality council, pers. comm. 2015)

¹¹⁵ https://ru.wikipedia.org/wiki/%D0%A5%D0%B0%D1%80%D0%B0%D0%B3%D0%B0%D1%83%D0%BB%D1%8C%D1%81%D0%BA%D0%B8%D0%B9_%D0%BC%D1%83%D0%BD%D0%B8%D1%86%D0%B8%D0%BF%D0%B0%D0%BB%D0%B8%D1%82%D0%B5%D1%82

¹¹⁶ www.geostat.ge/cms/site_images/files/english/population/01%20Population%20by%20municipalities%20for%20the%20beginning%20of%20the%20year.xls

¹¹⁷ http://www.kharagauli.ge/%E1%83%96%E1%83%9D%E1%83%92%E1%83%90%E1%83%93%E1%83%98_%E1%83%AA%E1%83%9C%E1%83%9D%E1%83%91%E1%83%94%E1%83%91%E1%83%98_%E1%83%AE%E1%83%90%E1%83%A0%E1%83%90%E1%83%92%E1%83%90%E1%83%A3%E1%83%9A%E1%83%96%E1%83%94

Baghdati

The municipality of Baghdati is located in the Region of Imereti. The municipality has 15 sub-units with 29 villages (Gegeshidze, municipality administration, pers. comm. 2015). The municipality area is 815 km² and the population was 29,235 in 2002, 28,600 in 2008 and 28,500 in 2014.^{118,119}

The municipality area includes substantial forests. The area of former kolkhoz forests is 12,800 ha. The Ajameti managed reserve (*zakaznik*) is 4,848 ha, mostly oak forests. Originally 16 concessions had been assigned in the state forest fund, but some concentration took place and currently the number is lower. (Gegeshidze, municipality administration, pers. comm. 2015)

The municipality wants to get at least the former kolkhoz forests transferred into its authority, but would be interested to take over also as much as possible of the remaining state forest, as far as not assigned to concessions. The municipality suggests that forests assigned as concessions remain under control of the NFA until the phasing out of the contracts and afterwards may transfer under the municipality's authority might be considered. (Gegeshidze, municipality administration, pers. comm. 2015)

Tianeti



Fig. 5: Silvo-pastoral vegetation - Tianeti

Tianeti Municipality is located in the mountains of the Greater Caucasus in Eastern Georgia in the region Mtskheta-Mtianeti. The municipality center Tianeti is located at an altitude of 1,100 m (ENPI-FLEG 2014). The Municipality consists of 12 sub-units with 80 villages of which 75 are inhabited.

¹¹⁸ <https://ru.wikipedia.org/wiki/%D0%91%D0%B0%D0%B3%D0%B4%D0%B0%D1%82%D1%81%D0%BA%D0%B8%D0%B9%D0%BC%D1%83%D0%BD%D0%B8%D1%86%D0%B8%D0%BF%D0%B0%D0%BB%D0%B8%D1%82%D0%B5%D1%82>

¹¹⁹ www.geostat.ge/cms/site_images/files/english/population/01%20Population%20by%20municipalities%20for%20the%20beginning%20of%20the%20year.xls

The population size is 12,900 inhabitants (13,100 in 2008)¹²⁰ in 4,000 households of which Tianeti town has 1,500 households. The area of the municipality is 903 km² of which 70% are forests (about 33,000 ha) and pastures (about 30,000 ha) and 30% villages and gardens. The main energy source of the local people is fuel wood from the forests, so far only Tianeti town is connected to the gas grid, but more villages are planned to join. The municipality wants to develop as “eco district”. (Shetekauri, municipality council, pers. comm. 2015)

Substantial forest areas have been assigned in 2008 as concessions to a Chinese enterprise. One concession lasts for 20 years (until 2027 or 2028), a second one for 35 years beyond 2030. No information is available on boundaries and size of areas of former kolkhoz forests and other state forests. The former kolkhoz forest is in poor condition because of overuse for fuel wood supply for Tbilisi in the 1990s. The municipality had conversations with the MENRP about the potential transfer of authority over local forests to the municipality. The municipality is generally ready to take over forests, but would also be satisfied if the interests and needs of the local population would be addressed through the management of the state forests under the NFA. (Shetekauri, municipality council, pers. comm. 2015)

Akhmeta / Tusheti Protected Landscape

Akhmeta municipality is a part of Kakheti region in the Greater Caucasus in the Northeast of Georgia. The municipality has 42,300 inhabitants (41,500 in 2008)¹²¹ in 10,000 households. Approx. 70% of the households have gas supply, but to save expenses people use fuel wood in substantial amounts. The total municipality area is 264,000 ha, of which 74,000 ha forest, with about 50% kolkhoz forest.

About 5,000 ha of the state forests outside Tusheti Protected Landscape are since 2008 assigned for 25 years as concession to a Chinese company. Local companies hold smaller concessions but are recently inactive because of economic difficulties. Forest is the main resource of municipality territory, local people recognize the protective functions of forests against floods and other disasters and the forests have an important protective function for the water catchment basin towards Azerbaijan (Mingechevir Reservoir). The municipality is ready and interested to take over the authority over local forests, preferably not only the kolkhoz forests. They consider direct local management more effective than centralized forest management. The municipality thinks that the potential of support by local people would be high.

Tusheti Protected Landscape (PL) is a protected area managed by the municipality Akhmeta. The PL covers an area of 31,518 ha and together with Tusheti Strict Nature Reserve and Tusheti National Park forms the Tusheti Protected Areas (IUCN CCC 2014). In the PL live about 2,500 – 3,000 people in 48 villages of Tusheti mountains, most of them seasonally in summer, and only 30 people stay year-round in the area. The population of those 48 villages since 1930 had been resettled to three villages, located lower in Akhmeta municipality. The main occupation is pastoralism (sheep, horses and cattle). (Jugashvili, municipality council, pers. comm., 2015)

With the establishment of the protected area the forests in the PL fell automatically under the authority of the municipality, but only in 2014 by Government Decree the management authority of Akhmeta municipality over these forests became formally recognized. (Lagazidze, Tusheti PL, pers. comm. 2015) The forest cover is about 3,700 ha, mainly on steep slopes and dominated by pine *Pinus kochiana* and in much lower extent birch *Betula* spp. (IUCN CCC 2014).

¹²⁰ www.geostat.ge/cms/site_images/files/english/population/01%20Population%20by%20municipalities%20for%20the%20beginning%20of%20the%20year.xls

¹²¹ www.geostat.ge/cms/site_images/files/english/population/01%20Population%20by%20municipalities%20for%20the%20beginning%20of%20the%20year.xls

3. Findings

While these findings refer to the elements of the governance frameworks (as explained in the method section of the Regional Study), the Consultant does not attempt to cover here all pillars and their components in all detail, but presents the specific aspects identified at the visited sites and being of relevance for this case study.

Pillar 1: Policy, legal, institutional and regulatory frameworks

Component 1.1: Policies

The Government of Georgia in its Ministry of Environment and Natural Resources Protection (MENRP) has established a special unit for the development of the country's forestry policy - the Forest Policy Service. The MENRP together with the National Forestry Agency (NFA) has prepared the National Forest Concept of Georgia, which was approved by the Parliament in December 2013 (MENRP/NFA 2014). This document is the basis for the further development of the forestry policy and the ongoing revisions of the legal and regulatory frameworks.

The goal of the National Forest Concept and of the country's policy is "... to establish a system of sustainable forest management that will ensure: improvement of the quantitative and qualitative characteristics of Georgian forests, protection of biological diversity, effective use of the economic potential of forests taking into account their ecological value, public participation in forest management related issues, and fair distribution of derived benefits. ...". The main principles listed in this concept are "1. Sustainable Management of Forests; 2. Precautionary principle; 3. "All forests are local"; 4. Separation of policy, management and supervision functions; and 5. Forestry as an integral part of the sustainable development of the country." (MENRP/NFA 2014)

The National Forest Concept states as one of the problems of the sector that "forests have not been transferred to local self-governance units due to weak municipal governance". However, among a number of other fundamental problems of the sector, at the same time it is recognized that "forest management bodies cannot ensure effective management due to limited human and financial resources" and that "leasing of productive forests to the private sector for long-term use (i.e. concessions, the Consultant) has increased the pressure on other forest areas used for meeting social needs". (MENRP/NFA 2014) The impact on the exploitation forests themselves of being assigned as concessions was not evaluated in this concept.

In the section "5 Priority Directions" of the National Forest Concept, under "5.3 Forest ownership, management and user-rights" it is stated that the practice (stipulated by the law) of management of "local forests" by local self-governance bodies does not exist. "For its implementation relevant legislation and resources are needed". The respective "Actions" section vaguely calls for a case by case identification of the best form of ownership and explicitly mentions "community ownership" (that so far does not exist) but does not get more specific. The section "6 Legislation and Institutional Governance" in the section "6.1 Legal framework" mentions "communities, private sector, the State etc.", but does not specify the roles of these actors. In contrast to this, in section "6.3 Forest management institutions" the development of "new forest management bodies that will have forest management powers ..." is explained comparably in detail, and the authors state that "the Georgian Government shall ensure adequate funding of those State bodies ..." (MENRP/NFA 2014).

The Consultant concludes that the National Forest while incorporating key issues of modern sustainable forestry and paying adequate attention to the development of state forestry structures falls short to provide a clear policy direction in terms of “local forests” and the role of municipalities as forest managers and/or forest owners. The concept also does not describe the intended future role of the private sector, in particular of long term concessions. The intended development of (currently not existing) “State bodies” for local on-the-ground forest management activities indicates a priority of state ownership and management of forests, and the intention of rather limited if any transfer of forests to the municipalities.

The meeting with the head of the Forest Policy Service of the MENRP (Amirgulashvili, MENRP, pers. comm. 2015) confirmed that the development of “community forestry” is politically intended. But so far the respective concept is rather vaguely developed. The MENRP sees technical and financial capacity lacking in the municipalities. A requirement for any transfer of forests into communal management and/or ownership would be that municipalities develop own capacity. No budget funding would be available for communal forestry, only self-financing is expected (“municipalities have enough income”). (Amirgulashvili, MENRP, pers. comm. 2015) This statement on financing of forest management by municipalities is in remarkable contrast to the planned state funding for forestry by state forest management bodies as illustrated by the above mentioned intention in the National Forest Concept.

The MENRP representative explained that only “control functions” for local forests could be funded by the state budget (Amirgulashvili, MENRP, pers. comm. 2015). But the Consultant understands that the intended division of functions would likely place these control functions outside of the mandate of the municipalities. On the other hand, the MENRP does not want to transfer productive forests to the municipalities (Amirgulashvili, MENRP, pers. comm. 2015). These statements show that so far the transfer of forests to the municipalities is not fully elaborated as element of the forestry policy. However, the draft new Forest Code is said to provide specific regulations for communal forestry and requirements for the transfer of forests into communal management and possibly later into communal ownership.

In contrast to the plans for communal forestry, the presented intentions of the Forest Policy Service in terms of state forest management and private forest management appeared much more elaborated and showed comparably clear concepts. Amirgulashvili (pers. comm. 2015) explained the following intentions: The forestry administration planned as an independent economic entity, i.e. state-owned Ltd. with territorial units, that would do the forest management on the ground, but no local state forestry enterprises would be established. This state forestry administration would only be in charge of own areas, i.e. of state forest in the narrow sense, and implement forest management. All supervisory (sovereign) functions would be held in the MENRP, for all types of forest ownership and management. The approach of commercial forestry concessions was considered not successful by the MENRP. Since 2013 no new concessions were assigned. Only 45 concessions are currently left, and these will be phased out. Private forest ownership is thinkable for forests established through natural succession or afforestation of lands without forest cover. No privatization of existing forest is envisaged. The problem for the development of private forests is that in Georgian law private owners are not bound to ensure public benefits. (Amirgulashvili, MENRP, pers. comm. 2015)

Component 1.2: Legal and regulatory frameworks

The Forest Code of Georgia enacted in 1999 has been amended in 2009, 2010 (two times), 2011 (six times), and 2013. Some rules and regulations of the acting Forest Code do not fully correspond to the actually intended forest policy. A new Forest Code is under development and supposed to be adopted in the nearest future (Amirgulashvili, Forest Policy Service MENRP, pers. comm. 2015).

The acting Forest Code is vague about what regulations apply to the entire forest fund and what regulations concern only the state forest fund managed by the NFA. This indifference is possibly caused by the fact that during the time of adoption of the Forest Code basically all forests of Georgia belonged to the state forest fund in the strict sense. The implementation of the regulations of the Forest Code is specified in a number of bylaws. Bylaws of importance for the governance of local forests include:

- “Regulation on the order of the determination of forests of local significance”, enacted by the Decree of the Government of Georgia #105, May 23, 2007;
- “Rules of Forest Inventory, Planning and Monitoring”, enacted by the Decree of the Government of Georgia #179, 2013;
- According to Bagaturia (pers. comm. 2015) the aforementioned “Rules of Forest Inventory, Planning and Monitoring” are still acting, however (Macharashvili 2012) mentioned another bylaw on the same topic, the Order of the Minister of Energy and Natural Resources “On development and approval of forest use plan” #277, August 27, 2012;
- Government Decree “On approval of regulations on the rules and terms of issuing licenses for use of forest” #132, August 11, 2005;
- Government Decree “On establishing boundaries of state forest fund” #240, August 13, 2010;
- Government Decree “On general care and reforestation” #241, August 13, 2010;
- Government Decree “On approval of rules of forest use” # 242, August 20, 2010;
- Government Decree “On the exclusion and inclusion of certain plots of the State Forest Fund” #96, May 10, 2007.

The Consultant was not able to check what bylaws are still acting, what have been replaced or formally abolished and what lost relevance by being overruled by newer legislation, but the ENPI-FLEG II CPC confirmed that all above mentioned are still acting (Katarishvili, pers. comm. 2015). Bylaws were subject to frequent changes and the Consultant was not able to get access to the most recent versions of the bylaws. According to Macharashvili (2012), for instance the abovementioned Government Decree “On approval of regulations on the rules and terms of issuing licenses for use of forest” #132/2005 has been changed sixty times until 2012 and the Government Decree #242/2010 “On approval of the rules of forest use” 27 times. These frequent changes have not always removed contradictions in the legislation but some have even added inconsistency and have caused instability of the regulatory framework.

Other laws of relevance (after Macharashvili 2012) are the law of Georgia “On Environment Protection” (1996) which is a framework law that is providing general principles of environment protection and legal terminology and regulates among other issues the rights and obligations of citizens in the sphere of environmental protection. The law of Georgia “On the Fees for Use of Natural Resources” (2004) entered into force on 1 January 2005. It defines the fees for the use of bulbous plants and fir cones – per kilogram, for wood – per cubic meter and provides that fees go to the local budget of the region, where the resources were extracted. The law of Georgia “On Licenses and Permits” (2005) provides a full list of activities that are subject to licensing and permitting as well as types of licenses and permits, which in the sphere of forestry include the special logging license and licenses for use for exporting purposes of fir cones and of plant species, listed in the annexes to CITES. No other licences related to forestry are issued at present. Accordingly, harvest of fuel wood for personal use by the local population is not subject of licensing. This law as well governs the permits for “environmental impact” and for “export, import, re-export and introduction from the sea of species listed in annexes to CITES”. The law of Georgia “On the protected areas system” #136-lls, March 7, 1996 is of relevance for the governance of forests in protected areas. The Protected Landscape in Tusheti, one of the case study sites, has been established by a separate law “On the establishment and management of Tusheti, Batsara-

Babaneuri, Lagodekhi and Vashlovani Protected Areas” #2086-Is, April 22, 2003. The Code of Georgia on Local Self-Government (2014) regulates the mandate and rights of local self-governance bodies on natural resources within the boundaries of the respective administrative territorial units.

Component 1.3: Ownership and user right systems

Forests can be in state, communal or private ownership. Private ownership of forests by natural persons or legal entities does not yet play a major role and the Forest Policy Service (Amirgulashvili, MENRP, 2015) sees a perspective of this type of ownership only for newly established forests on lands formerly not covered by forests. It will become formally recognized in the new Forest Code, which is currently under preparation (Katarashvili, in lit., 2016). Macharashvili (pers. com. 2015) considers municipality ownership as a form of state ownership. Similarly, the Forest Code in Art. 5.f treats the “Local Forest Fund” as part of the “State Forest Fund”. However, the “Regulation on the order of the determination of forests of local significance” (Government Decree #105/2007) regulates “forests of local significance” as separate from the “State Forest Fund” and interviewed local stakeholders as well as Amirgulashvili (MENRP, pers. comm. 2015) referred to municipality (i.e. communal) ownership as a form of ownership different from state ownership.

Article 16, part 2 of the Forest Code establishes that the Local Forest Fund is managed (but not owned, the Consultant) by the self-governance units “within the scope of the authority granted by the legislation of Georgia and the requirements envisaged by the present Code”. However, the “Local Forest Fund” is defined as the “part of the Usable State Forest Fund legally regulated by the local governing and self-governing bodies in accordance with this Code and Georgian legislation”. Thus no proper legal definition is provided what forests actually belong to the “Local Forest Fund” and are to be managed by the municipalities. In this context it is contradictory that the Forest Code refers to the “Local Forest Fund” as part of “Usable State Forest Fund” only, while the forests in Tusheti Protected Landscape are now in communal management despite formally belonging to the separate category mentioned in Art. 14 of the Forest Code, the “Forests of Protected Areas”.

The “Code of Georgia on Local Self-Government” (2014) was not available in English. The interviewed people explained that the relevant formulation in its article 107.l.d are the same as in the previous “Organic Law on of Georgia on Local Self-Government” (2005), which in article 47.d states that local self-government units own the forests “having local importance” on the territory of the self-governing unit (DFS, 2007). The “exclusive authorities of the self-governance unit”, as defined in Art. 16.2.g include the “management of forest (...) resources of local importance”. The new “Code on Local Self-Government” confirms this exclusive character of the rights of local self-governance bodies on resources of “local importance” within the borders of the respective municipality. The MENRP and the NFA see this exclusiveness as removing any outside control by the state on forest management and use by the municipalities. In the case of the forests handed over to the municipality of Tbilisi this actually happened, confirming that this concern is not without justification. This case should not be seen as typical because of the change of the designation of the forests of Tbilisi to “recreational zones” or “green plantations”. Thus they formally do not longer belong to the Forest Fund and accordingly the Forest Code provides only guidance but not binding regulation anymore (Giorgobiani, Ecology and Green Spaces Department Tbilisi, pers. comm. 2015).

The “Regulation on the order of the determination of forests of local significance” (Government Decree #105/2007) defined in Art. 3 that “Forest Fund of Local Significance is the Forest Fund that is transmitted to the local self-governing bodies and might be used by the local communities to meet their needs based on the order stipulated in the law” thus making a logically not acceptable circular reference to Art. 47.d of the Forest Code. Art. 4 of these regulations determine “Basic rules for the determination of the forest fund of local significance” and include here forests within the boundaries

of the respective self-governing unit “on the territories of the former Kolkhoz forests and forest lands owned by Soviet Farming Administrations” and “on the lands located next to the territories of the former Kolkhoz forests and forest lands owned by Soviet Farming Administrations”. Forests of the State Forest Fund could be recognized as “forests of local significance” only after these forests are excluded from the State Forest Fund. As above mentioned this regulation contradicts the acting Forest Code that in Art. 5.f treats the “Local Forest Fund” as part of the “State Forest Fund”. However, this bylaw has so far not been implemented and as understood by the Consultant the transfers of forests to local self-governance bodies in Tbilisi and Tusheti occurred on the basis of other legal documents.

In the forests managed by the municipality of Tbilisi currently very little systematic use takes place. Only wood from felling and maintenance of trees is given for free to public objects and to people in need. The municipality did not continue thinning operations that in 2012 had been experimentally undertaken to facilitate transformation from pine monocultures to mixed forests with a higher share of deciduous species and had led to good results. The income from the sale of the timber from these operations had been barely enough to cover the costs. Further, public reaction on these meaningful from a silvicultural perspective cuts had been very negative.

In Tusheti PL (Akhmeta Municipality) until 2012 forest use was mainly illegal. Now with the administration of the PL in place and in charge of the forests clear rules for forest use are in place (in accordance to rules for forests of protected areas defined in the Government Decree #242/2010) that provide very restricted use opportunities and allow only for local use, and only for selective (sanitary) cuttings. (Lagazidze, Tusheti PL, pers. comm. 2015) A special phenomenon in Tusheti is the existence of sacred forests that, together with the other sacred sites, are a very important component of the religious life in Tusheti. They are a kind of “reserves”, created and protected due to religious considerations and are almost intact and often distinguished by high aesthetic value and rich biodiversity. (IUCN CCC 2014)

Forests under the NFA are allocated for short-term (up to one year, or seasonal) or long-term (up to 49 years, concessions) forest use. Forest use permits for short term use, for instance the harvest of fuel wood, are issued by the local representations of the NFA for limited time periods and specific areas. Local people shall be given priority in receiving permits. Local household can apply for the allocation of standing timber at their local municipality. The municipality would forward the list of applicants to the region level administration (governor’s office) for submission of the application to the NFA. The NFA decides about allocation of timber and sends the approved list of household names to the bank, where the household representative pays the fee. The local forester assigns the standing the timber and after cutting the forester has issues a special permission for transportation of the timber out of the forest. (Katarashvili, CPC Georgia, in lit., 2016) However, municipality representatives complained to the Consultant that local households do not have direct access to construction timber from the forests. It is not clear if local households either do not know about the procedure or find it too complicated or, if despite the existence of the procedure, the access to timber is not approved in the practice.

In the case study areas of Tianeti (Shetekauri, municipality council, pers. comm. 2015) and Akhmeta (municipality council, pers. comm. 2015) local representatives complained that the local NFA offices issue the permits late in the season and in the result the access to the assigned areas is difficult and harvest in fall would not provide enough time for drying of the fuel wood before the heating season. Proper drying of fuel wood would actually require storing it for at least one, better two summers. This would substantially reduce the fuel wood consumption, but would require initially higher harvest quota to store wood for later years. However, Bagaturia (pers. comm. 2015) expects that local people may sell the surplus instead of storing it, as it is already now the case.

The access to fuel wood and timber for local people seems to depend in some extent on the local representations/forestry units of the NFA. In the case-study area Kharagauli (Magradze, community council, pers. comm. 2015) the NFA (local office/forestry unit of the Imereti Forestry Service) does issue forest cutting permits (6 GEL/m³) for fuel wood. Per household 7 m³ are allocated, formerly 5 m³. But in the reality people use even more. In Tianeti, which has a harsher climate and longer winter than Kharagauli, the need is estimated with 15 m³/ per household (Shetekauri, municipality council, pers. comm. 2015). In Baghdati last year the municipality obtained with some pressure a permit from the NFA for cutting of 600 m³ to support local people. The municipality hired a local company to do the selective logging. However, there are no permanent or long term rights in place. (Gegeshidze, municipality administration, pers. comm. 2015)

The municipality representative in Kharagauli (Magradze, pers. comm. 2015) complained about the lack of access to construction timber, even for fencing and vineyard poles. A private sawmill in the municipality has to buy logs at auctions, as the NFA does neither issue timber logging permits nor sells timber locally. The representative of Akhmeta municipality council (Jugashvili, municipality council, pers. comm. 2015) explained that a long and cumbersome procedure is needed for local people to get access to timber for their personal needs. People have to apply to their local representative of municipality; then the head of the municipality would have to submit the application to the NFA. This procedure is also to be applied for the forests already transferred to the municipality (according the Government Decree #242/2010). Akhmeta had been famous for wood processing; now none of the workshops is active due to lack of material because timber for processing is only harvested in concession areas. (Jugashvili, municipality council, pers. comm. 2015)



Fig. 6: Log towed from the forest as fuel wood – Kharagauli 2007

Grazing and haymaking on forest fund lands are considered agricultural forest use. Permits are to be issued based on forest management plans. In the reality in many areas none of the smallholders has a contract nor obtains a permit for livestock grazing in the forests, e.g. in Kharagauli (DFS 2007). But despite free ranging of cows, no conflict about forests and grazing was mentioned by

Magradze (Municipality Council, pers. comm. 2015). In the other visited case study areas the use of forests for grazing was not mentioned as an issue, although the Consultant observed in many areas in Georgia that grazing affects the edges of forests and areas with not too dense tree and shrub vegetation.



Fig. 7: Horses grazing at the edge of forest – Kharagauli 2007

Commercially attractive forest plots have been assigned as concessions to foreign and domestic companies based on auctions. According to Amirgulashvili (MENRP, pers. comm. 2015) currently still 45 concessions exist. Concessions do not mean full scale cutting (according to Government Decree #132/2005, amended 2006), but concessionaires have to implement entire management plans. (Macharashvili pers. comm. 2015) In all visited case-study areas, except Tbilisi, concessions exist and most are assigned to Chinese companies. The contract terms, including rights and obligations of the concessionaires and often even the boundaries of the assigned concessions, are not known to the municipalities. Local people are not allowed to use the concession areas and to collect as fuel wood commercially valueless dead wood and logging remnants. This seems to be in contradiction to the Government Decree #132/2005 that states that the concessionaires are not allowed to hinder the state forest authorities in issuing of permits for fuel wood harvest for personal use by the local population (IUCN CCC 2014). While legally a concession does not include the lease of the land itself, most concessionaires behave as it would be their land and not just limited to specific use rights of forests. (All interviewed municipality representatives, pers. comm. 2015). The representative of Akhmeta municipality assumed that concessionaire should not only do harvest activities but also forest management and own protection of the forests in the concession area. But in fact nothing except logging takes place and even cases of the concessionaire cutting outside of the assigned areas have been reported. (Jugashvili, municipality Council, pers. comm. 2015)

Component 1.4: Mandates of forestry organizations and territorial decision making bodies and administrations

The Ministry of Environment and Natural Resources Protection (MENRP) is the state body having the mandate to develop the national forest sector policy that is then adopted by the Parliament of Georgia. The MENRP also has the mandate of supervision and control of the subordinated National Forest Agency (NFA) and the Agency for Protected Areas (APA) as well as all forest use and forest users. At the same time the MENRP assigned the concessions. Macharashvili (pers. comm. 2015) sees this combination of all control as well as permitting and use functions under one umbrella as problematic.

The National Forestry Agency (NFA) was established in its current form in May 2013 by the Government resolution #93/2013 (25/04/2013) "On reorganization, defining the rights and responsibilities of the legal entities of public laws under the Ministry of Environment and the Ministry of Energy and Natural Resources" and Decree #25/2013 (10/05/2013) of the Minister of Environment and Natural Resources Protection "On approval of the statute of the LEPL National Forestry Agency" (both available in Georgian only). The NFA has departments for forest maintenance and reforestation, forest inventory, forest use, finances, legal issues, administration and internal control. The NFA plans, organizes and supervises reforestation activities only in the forests managed by the NFA. The NFA regulates forest use, and through its regional Forestry Services and local representations/forestry units determines wood cutting areas for firewood harvest, plans forest roads and prepares the documentation and draft contracts for forest use concessions and controls the implementation of these activities.¹²² Further, the NFA drafts legal regulations.

The NFA has nine regional units, the Kakheti Forestry Service¹²³, Kvemo Kartli Forestry Service, Mtskheta-Mtianeti Forestry Service, Shida Kartli Forestry Service, Samtskhe-Javakheti Forestry Service, Imereti Forestry Service, Guria Forestry Service, Racha Lechkhumi-Kvemo Svaneti Forestry Service and Samegrelo-Zemo Svaneti Forestry Service. Each of the Forestry Services is in charge of the forests under the NFA in the municipalities of the respective region. The legal document defining the mandate of the territorial units of the NFA was not available for the Consultant and the website of the NFA only lists the regional forestry services without explaining their mandate. None of the stakeholders specifically mentioned the regional forestry services. Municipality representatives in the interviews referred usually to the NFA without specifying the level. It seemed that at the level of the municipality of relevance are mainly the local representations/forestry units of the NFA, which are in charge of the state forest fund under the NFA within the boundaries of the respective municipality. Their mandate was described by the representative of the visited municipalities Kharagauli, Baghdati, Tianeti and Akhmeta (pers. comm. 2015) as issuing of permits for forest use (short-term use), allocation of forest plots for fuel wood harvest, control of forest use by short-term users and concessionaires and law enforcement. The local representations/forestry units do not have any workforce for implementing any significant forest rejuvenation, maintenance, silviculture or harvest activities.

¹²² <http://forestry.gov.ge/en/about-us/departments/forest-use-department#sthash.WZh6AbjG.dpuf>

¹²³ <http://forestry.gov.ge/en/about-us/region/kakheti>

Scheme 1: Overview of main mandates in the governance of local forests

Organization

Key mandates

Government	Adoption of bylaws in Gov't. competence
Parliament	Adoption of national forest policy
Ministry of Economy and National Agency of Public Registry under the Ministry of Justice	Adoption of laws
MENRP	Change of land designation of forest and other lands
	Elaboration of national forest policy
	Elaboration of legislation
	Approval of wood harvest in protected areas
	Assignment of long-term forest concessions
	Supervision and control of the National Forest Agency (NFA)
	Supervision and control of the Agency for Protected Areas (APA)
	General control of activities in the forest sector
	Law enforcement
NFA	Initiation (ToR) and Approval of FMP
	Planning, organizing and supervision of reforestation activities in the forests managed by the NFA
	Definition of harvest areas and determination of harvest volumes for fuel wood needs of local households
	Control of forest use by local households and by concessionaires and law enforcement
Private Service Providers	Elaboration of forest inventories and forest management plans
Municipality	Application to the NFA for allocation of areas and volumes for fuel wood harvest by local households
	Ownership and exclusive authority over forests of local importance (so far only in few exceptional cases and only partly executed,)

The Agency for Protected Areas is in charge of all protected areas (strict nature reserves, national parks, managed reserves, natural monuments, protected landscapes and multi-purpose use areas). Managed reserves can be assigned as hunting concessions and protected landscapes are to be managed by the administration established by the respective local municipality, which governs the area in cooperation with the Agency of Protected Areas (APA 2015¹²⁴¹²⁵). The management of Tusheti Protected Landscape is accordingly in the hand of the municipality of Akhmeta which cooperates with APA in the frame of Tusheti Protected Areas that include as well a strict nature reserve and a national park, and the MENRP has the mandate to control their protection, management and use. So far the Tusheti PL is the only protected area in Georgia not managed by APA but by the local municipality (Kavtarishvili, pers. comm. 2015).

The mandate of local-self-governance bodies is defined by the “Code of Georgia on Local Self-Government”, which was not available for the Consultant. As mentioned under component 1.3, according to the previous “Organic Law of Georgia on Local Self-Government” the self-governance bodies have exclusive authority on management of forest (...) resources of local importance. This authority is however so far not executable as “forest resources of local importance” are neither legally defined nor has authority on defined forests been formally transferred to the municipalities, with the exceptions mentioned in the introduction of this case study. Other relevant exclusive authorities under this law are management and disposal of property and land resources, budget authority, introduction of local taxes and fees within the limits envisaged by the law, collection of local fees and land-use planning.

The Ecology and Green Spaces Department of the City Hall of Tbilisi manages the forests, parks and trees on public areas in the city of Tbilisi as well as the zoo and the botanical garden. The department has own workforce only for the latter two, but it has to contract all other works to service providers. The department has no rangers for forest protection and prevention of illegal felling of trees despite having the respective mandate. For control and law enforcement the municipality has a separate inspection, which is independent of the Ecology and Ecology and Green Spaces Department.

Component 1.5: Financial arrangements, economic instruments and benefit sharing

The MENRP and NFA are financed by the state budget. The local forestry units of the NFA only have a budget allocation for their staff, office and operational costs, but not for the implementation of forest management activities like rejuvenation, maintenance, silviculture and harvest. Neither the local representations/forestry units nor the regional forestry services are authorized to carry out own economic activities and reinvest the earned incomes in forestry activities. The incomes created by the use of forest resources are transferred to the budget of the NFA at national level which allocates funding to its regional forestry services and their local representations/forestry units. Thus the economic system of the NFA is highly centralised.

The Ecology and Green Spaces Department of Tbilisi does not create any relevant income or revenues and is entirely dependent on the budget allocation from of the municipality (Giorgobiani, Ecology and Green SpacesDepartment Tbilisi, pers. comm. 2015).

The financial arrangements on the concessions are not transparent. None of the municipality representatives had seen the concession contracts. According to Gegeshidze (Baghdati municipality administration, pers. comm. 2015) the concessionaires had to pay a one-time high fee for the assignment of the concession. This fee went to the central budget. Annually the concessionaire has

¹²⁴ <http://apa.gov.ge/en/protected-areas/managedReserve>

¹²⁵ <http://apa.gov.ge/en/protected-areas/Protected-Landscape>

to pay fees per harvested amount (stumpage fee) in the range of 22 GEL/m³ for coniferous and 47 GEL/m³ for deciduous species. The municipality of Baghdati reportedly receives only 10,000 – 12,000 GEL/year from the concessionaires. This amount seems very low, and would be equivalent to 212 to 545 m³ harvested timber only.

The representative of the municipality of Tianeti (Shetekauri, municipality council, pers. comm. 2015), in addition to the one-time concession fee going to the central level and the harvest dependent stumpage fee, mentioned an area dependent fee of 3 GEL/ha for concessions that is not paid in the practice. Attempts by this municipality failed to receive from the concessionaires this “lease fee”. The stumpage fees would be 6 GEL/m³ for fuel wood, of which 50% go to the local budget and 50% to the central budget. The fee for timber of deciduous species is 45 GEL/m³ that goes entirely to the municipality. The municipality has no means of controlling the real harvested volumes and assortments of timber. In Akhmeta (Jugashvili, municipality council, pers. comm. 2015) in 2014 officially 1,500 m³ of wood have been harvested by the Chinese concessionaire. This is below the permitted amount and was limited by the demand. The municipality received 47 GEL/m³ of fir timber. The head of Tusheti Protected Landscape mentioned the sharing of the fees between the state budget and the budget of Akhmeta municipality. The administration of the protected landscape can have own income, but it seems that they are not allowed to harvest wood resources for sale outside of the community. (Lagazidze, Tusheti PL, pers. comm. 2015)

The municipality in Baghdati complained that they do not have a net benefit from the concessions. Heavy damage to roads, water and forest and the negative impact on the nearby health resort are said to outweigh by far the limited contribution to the municipality budget from stumpage fees and the benefits of limited employment of local people (Gegeshidze, municipality administration, pers. comm. 2015). In Akhmeta the stumpage fees the municipality receives are said to be insufficient for repairing the damage caused to roads by the transportation of the logs from the concession (Jugashvili, municipality council, pers. comm. 2015). In Tianeti (Shetekauri, municipality council, pers. comm. 2015) concessions may cover 15% of the forests in the municipality, in particular easy accessible forests forcing the inhabitants to get fuel wood from remote and difficult accessible forests.

Employment in the forestry sector is very limited. Most local forestry units of the NFA have only 10-20 employees in one municipality. Concessionaires often hire workers from outside of the local municipalities. In Kharagauli and, more significant, in Akhmeta local wood processing industry, e.g. furniture production, in the past provided local incomes. With the assignment of concessions to external companies and the sale of timber through auctions only, the cost of raw materials and related transaction costs became prohibitive for the economic viability of these small-scale factories. Chinese concessionaires just log the assigned concessions and take the logs to a processing facility they run in Kutaisi. In Akhmeta Municipality in response local people even blocked roads and demanded local processing of locally logged timber.

Use of fuel wood is essential for local people in rural areas. People from forest rich areas sell fuel wood to households in areas with limited forest cover. In the 1990 the kolkhoz forests of the municipality of Tianeti and other mountain regions were heavily exploited for the supply of fuel wood for the city of Tbilisi.

The Ecology and Green Spaces Department gives wood from necessary felling and maintenance of trees for free to public objects and to people in need (Giorgobiani, Ecology and Green Spaces Department Tbilisi, pers. comm. 2015). Timber and fuel wood harvested in 2012 in thinning operations had been sold at auctions, but the earned income barely covered the costs of the works that were carried out by contractors (Michel 2014).

In Tusheti the total harvest of pine and some birch is about 2000 m³/season, mainly fuel wood (6 GEL/m³) and very small amounts of timber (22 GEL/m³) (Lagazidze, Tusheti PL, pers. comm. 2015). The firewood is used by approximately 300–400 households in the local villages. Non-timber forest products used by locals are: mushrooms, berries and herbs (for tea and medicine). They are used by approximately 38% of the households, generally gathered in small quantities, mostly for self-consumption. In addition, the Tusheti PL aims to develop recreational use activities. (IUCN CCC 2014)

In Kharagauli 7 m³ fuel wood is allocated per household and local people sell surplus fuel wood, which they harvest based on their forest cutting permits. Some people provide services of cutting and transportation of fuel wood for other people based on either their own permits or their clients' permits.

In Akhmeta the head of the municipality council (pers. comm. 2015) explicitly mentioned that local people understand protective functions of forests against floods and other benefits. As these forests protect an important water catchment basin, supplying the Mingechevir Reservoir in Azerbaijan payments for ecosystem services would be thinkable as economic mechanism to fund forest protection and management in the area of the municipality.

Pillar 2: Planning and decision-making processes

Component 2.1: Stakeholder participation



Fig. 8: Local stakeholder participation – Kharagauli 2007

Macharashvili (2012) in detail presented the problems of insufficient transparency and public participation in the reform of the forest sector, the development of its legislation as well as in the decisions on forest use, in particular on the allocation of concessions as well as in the elaboration of forest management plans. The NGO “Association Green Alternative” challenged a number of concession allocations in administrative complains and court cases, basing their claims on wrong data in the documents, inadequate concession terms and lack of public and in particular local community participation. Although the claims of Green Alternative were dismissed in lawsuits, finally four out of 12 concessions were annulled and two were substantially modified. The forest management planning procedure was modified and a new bylaw (#179/2013) enacted since the report of Macharashvili (2012). Participation in forest inventory and management planning is assessed in component 2.3.

In line with the facts presented by Macharashvili (2012) the Consultant found that information and participation at the local level and in particular of municipality organs is weak, especially on all issues concerning the forestry concessions. All representatives of the four municipalities with concessions expressed serious dissatisfaction about the information available to them on concession and the lack of opportunities to participate in the decision making when the concessions were assigned. None of the municipality organs, neither administrations nor councils, had seen the concession contracts or received at least basic information on terms and conditions and maps indicating the boundaries of the concessions. Attempts by municipalities to receive concession contracts and maps with accurate concession boundaries from the NFA or the MNERP generally failed. One municipality even expressed doubts that the MNERP possesses maps with the concession boundaries. The lack of maps and of exact demarcation of concession boundaries makes it difficult to identify possible overlaps of concessions with former kolkhoz forests and other forests of “local importance”. Even the contacts of the concessionaires the municipality had to find out by themselves. Municipalities were told on their request for information that “concession contracts are “commercial secret”, which cannot be made accessible for the municipality” (Gegeshidze, municipality administration, pers. comm. 2015). At best municipalities have received very general information about the concession areas. No mechanisms are in place that would oblige concessionaires to share information or to allow for influence of the municipalities on their work.

It seems that in the context of the liberal economic reforms in Georgia the interests of perceived “investors” were much higher rated than those of the local communities and their self-governance organs. Now legal solutions of the issue are difficult to achieve. Some concession contracts might be legally problematic, and hiding them is therefore in the interest of concessionaires and state representatives involved. Generally Chinese companies dominate the concessions in the case study areas and have often longer contract terms and larger areas assigned than domestic companies. In one municipality a concession was assigned to a domestic company owned by the former head of the municipality. In the municipality Baghdati (Gegeshidze, municipality administration, pers. comm. 2015) the protection zone of a health resort was substantially reduced in favor of a concession.

While access to information and public participation are weak as far as concerning the concessions, in contrast mass-media campaigns and public perception can effectively hamper reasonable and sustainable forest management. In Tbilisi mass-media and broad public are very negative towards any forestry works, and there is obviously little opportunity to counter with good arguments. This situation has been the major reason for not continuing the thinning operations in unstable pine monocultures in Tbilisi with the purpose of their transformation to more natural mixed broad-leaved forests and has even facilitated the resignation of the forestry expert involved (Giorgobiani, Ecology and Green Spaces Department Tbilisi, pers. comm. 2015). Similarly WWF in its forest transformation project has been influenced by this negative public attitude and refrained from any cuttings in artificial pine monocultures, which would have been necessary to support their transformation in close-to-nature forests (Michel 2014). At the other hand insufficient information and transparency and lack of public participation are major reasons for the negative attitude and general resistance towards any logging by the broad public, even if it would be technically meaningful. (Macharashvili, pers. comm. 2015)

The size of Georgia’s municipalities that correspond to the former districts may in the future hamper participation in decision making and forest management at the community level (village level). The sub-units of the municipalities in rural areas correspond to the former lowest level of local self-governance, the rural councils. These sub-units currently do not have their own status. Establishing some level of public self-governance of the sub-units, as considered in the context of changes to the Code on Local Self-Governance planned for 2016 (Magradze, municipality council Kharagauli, pers. comm. 2015), would allow for more substantial participation of local stakeholders in the communities.

Component 2.2: Planning and decision making on conversion of land from forest to non-forest and vice versa

Generally, the change of the designation of land is not difficult to achieve. The change of land-use designation from forestry to other designation has often been misused for privatization of lands as forests cannot be privatized (Macharashvili, pers. comm. 2015). In the past some changes of designations had been done via the Ministry of Economy and National Agency of Public Registry under the Ministry of Justice, sometimes even without asking the Ministry of Environment and Natural Resources Protection and the National Forestry Agency (Machavariani, NFA, pers. comm. 2015). Formally any kind of changes in forest land require the formal approval by the MENRP, based on a request from the Ministry of Economy (Kavtarishvili, in lit. 2016)

In the frame of the new Forest Code a more technical forest definition will be applied that is in accordance to the FAO definition. In case this will pass, the forests of Tbilisi would automatically be again designated as forests and consequently fall back under the control of the MENRP. (Amirgulashvili, MENRP, pers. comm. 2015)

Succession areas in some cases have been included into the forest fund by changing the designation of the lands. Where people would ask for revision of this change of land designation this would be done quickly where land-owners can present their certificate. (Machavariani, NFA, pers. comm. 2015)

In the case study area Baghdati the municipality (Gegeshidze, municipality administration, pers. comm. 2015) intends to do a full inventory of the forest lands and to exclude deforested lands from the forest fund and change their designation to pasture. Similarly the Ministry of Regional Development and Infrastructure considers an inventory and proper determination of forested and deforested lands as a prerequisite for the transfer of local forests to the municipalities (Toklikishvili, MRDI, pers. comm. 2015).

Component 2.3: Decisions on forest inventory and management planning

The acting Forest Code in Art. 23 and 24 describes the forest inventory and management planning (FMP, Rus. *lesoustroystvo* - лесоустройство) which is supposed to be updated every ten years. The Forest Code in Art. 24 suggests that inventory is obligatory for planning of forest use, but management plans are not mandatory as a basis for issuing permits for the actual use of forests. Possibly some bylaws set stricter rules, but in the practice many forest areas are used that do not have updated FMPs. The areas covered by the FMPs do not necessarily match with municipality boundaries. The NFA has its own system of dividing the local forestry units, and those units might be smaller or larger than a municipality

The agency in charge of the forest inventory and management planning is the NFA's Forest Inventory Department. This department determines the forest fund boundaries and prepares suggestions for their correction; draws cadastral plans; organizes the monitoring and inventory of the state forest fund, as well as the development of forest management plans.¹²⁶ The forest inventory and management planning is conducted by contracted private companies, based on a tender. The guiding legal document for the implementation of forest inventory and management planning are the "Rules of Forest Inventory, Planning and Monitoring", enacted by the Decree of the Government of Georgia #179,2013. Based on these rules the NFA develops the terms of reference

¹²⁶ <http://forestry.gov.ge/en/about-us/departments/forest-inventory-department#sthash.1LShNxXP.dpuf>

(ToR) for the FMP development and contracts a private service provider. The “Rules” provide enough flexibility for the forest management body to elaborate and adopt specific ToR for each planning area (Machavariani 2014), which allows for a certain level of flexibility. The costs of the FMP are in the average 11 GEL/ha.

The inventory is not always based on fixed sample plots. These are only used for planned cutting areas; otherwise general eye taxation is used. The inventory for each smallest homogenous parcel contains data on: species; general stand characteristics; height, average diameter (but not measurement of the basal area); density (“*polnota*” and/or canopy closure); volume (based on old standard tables); dead wood, standing and lying. The inventory is done with software developed by “Geographic” that can be joined to GIS, but is not entirely satisfactory. A web-based application for the foresters to get mobile access to inventory data is currently in preparation. The management plan contains a determination of the target stand conditions. The TOR also require the determination of local demand for fuel and timber, but this is difficult to assess as local people would always claim higher needs to get access to surplus wood for sale.

According to one service provider, in accordance to the TOR the FMP has to contain a large number of tables of limited use, which are often not understood even by the local forestry staff, but parts that people could understand are missing and local needs are inadequately reflected in the FMP. The interviewed service provider would prefer modern forest management plans, but so far the MENRP/NFA insisted in the old style, although by his opinion the FMP methodology is poorly understood in MENRP and NFA. (Bagaturia, pers. comm. 2015) Similarly the Deputy Head of the NFA (Machavariani, pers. comm. 2015) was not satisfied with the content of the recently elaborated FMP of Kharagauli. He found that the FMP was partly in old Soviet approach and style; ecological conditions as well as socio-economic aspects were copied and pasted from older documents, but not updated, and not integrated and considered in the management planning. Both, the private service provider and the NFA representative suggested that the separation of the inventory and the management planning and separate contracting might lead to more practically applicable, integrated management plans. A thinkable option would be that the experts of the NFA would themselves do the management planning, instead of letting the inventory company elaborate the plans. The Consultant would be concerned that such separation may make the integration of inventory results with the planning difficult and the inventory might become even less relevant for the planning than it is currently.

While the Forest Code requires full public participation in the forest management planning, neither the “Rules” (Government Decree #179) operationalize this requirement nor is there any other established mechanism in place for public participation in the practice. The “Rules” include the following steps of information and participation (Machavariani, NFA, pers. comm. 2015): information about the FMP process is shared via internet; a meeting takes place at central level (but not necessarily at local level); the contractor reacts on comments received with responses and changes to the project. The interviewed service provider always meets in the process with heads of municipality, but this is not required by the “Rules” (Bagaturia, pers. comm. 2015). Finally the FMP is to be approved by the MENRP. FMP are public documents and formally accessible for communal bodies. But visited municipality representatives stated that they are not informed about the results of the inventory and planning and the management plan is not shared with them. It seems that in the practice neither the NFA actively shares the FMP nor do municipalities make requests for access to them.

For the forests of the municipality of Tbilisi an updated FMP does not exist. The results of the last inventory in 2006 were not processed and no management plan was elaborated. A new FMP would be necessary urgently. Although the head of the Ecology and Green Spaces Department (Giorgobiani, pers. comm. 2015) stated that formally only one year management with a temporary

regulation is possible, the status of the city's forests as formally not belonging to the forest fund should exempt them from the requirement of the FMP.

In the case study area in Kharagauli the new FMP was not yet approved by the MENRP during the Consultant's visit (Amirgulshvili MENRP and Machavariani NFA, pers. comm. 2015). The inventory has been done, but the municipality council does not have any of the materials. The FMP process had been announced via the information website of the local newspaper, but the municipality council and administration were neither formally informed nor otherwise involved by the inventory and planning team, which did not conduct any meetings at local level either. On special request by the municipality, Merab Machavariani (Deputy Head NFA) held two meetings with local communities in which 25 people from all sub-units participated in one meeting and 45 people attended a separate meeting in one village only. However, nothing is known about the results of the inventory and planning and the management plan was not shared with the municipality. (Magradze, municipality council, pers. comm. 2015)

In Baghdati (Gegeshidze, municipality administration, pers. comm. 2015) the most recent forest inventory and management planning are from 1985. The state budget is thought to have no funds allocated for the update of FMP. This, however, did not prevent the assignment of long-term concessions. The municipality would prefer to do the FMP themselves after the forests are handed over to it.

In Tianeti the conduction of forest inventory and management planning is planned until the end of 2015 (Shetekauri, municipality council, pers. comm. 2015).

In Akhmeta (Jugashvili, municipality council, pers. comm. 2015), similarly as in Baghdati, the most recent FMP is from 1986. The municipality does not have these materials, which are only kept in the NFA. The administration has only the map for Tusheti Protected Landscape, but obviously even not the inventory materials for these areas. A special management plan for Tusheti PL, for the period of 2014-2019, has been prepared by the Nature Conservation Agency of the Czech Republic (NCA CR) and Krkonose Mts National Park Administration (KNPA) (IUCN CCC 2014). The interviewed stakeholders did not mention this management plan and this plan has been approved only recently by Governmental resolution #272/2015 (17/06/2015). Its provisions for forest management are the application of the approach of close-to-nature forest management supplying local people with needed fuel wood and timber and prevention of bark beetle outbreaks and forest fires. An inventory and the development of rules for forest use are envisaged. The separate Management Plan for Tusheti Protected Areas (2014-2019) covers only the Tusheti Strict Nature Reserve and the Tusheti National Park and was approved by the Government of Georgia on January 2014 (IUCN CCC 2014). Machavariani (2014) suggests providing adequate technical assistance for the administration of Tusheti PL in the elaboration of simple and pragmatic ToR for their forest inventory and management planning.

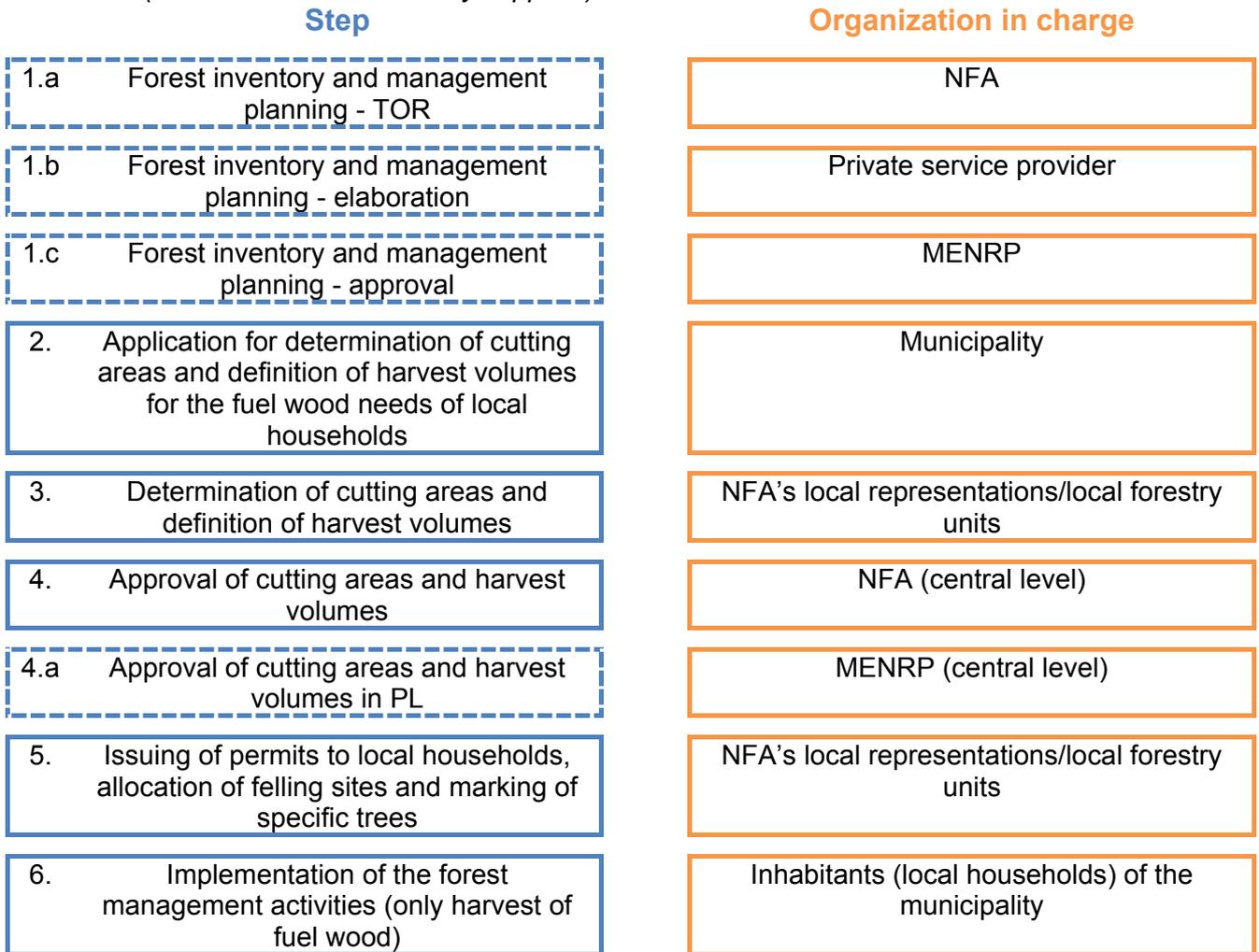
Component 2.4: Decisions on implementation of forest management activities

Decisions on the implementation of forest management activities should be based on the approved and up-to-date FMP. However, as in most areas FMP are long outdated, decisions on the implementation of forest management activities are made on an ad-hoc basis. Currently the main silvicultural activities are practically on hold, with the exception of timber (and fuel wood) harvesting; no afforestation/reforestation, no early and mid-term tending (thinning), no pest, disease and forest fire control are implemented (Machavariani 2014).

Cutting permits for fuel wood for personal use by the local populations are issued in the

municipalities by the local representations or forestry units of the regional forestry services of the NFA that would as well determine the specific locations and type of trees (species, dead or live) to be cut (representatives of municipalities in case study areas, pers. comm. 2015). No stakeholders mentioned if and in what extent higher levels of the NFA (regional forestry services or central level department for forest use in the NFA) are involved in the decision making on these harvest activities. But the ENPI-FLEG II CPC (Katarishvili, pers. comm. 2015) explained that “usually the system is centralized and all decisions are made after approval from the NFA”.

Scheme 2: Key steps of decision making on cutting of trees for the needs of local community members (Dashed boxes – not always applied)



Concessionaires seem to be largely autonomous in their decision making on forest management activities, in the frame of the concession contracts, annual limits and FMPs if existing. According to the Government Decree #242/2010 forest users with long-term licenses (concessions) shall be responsible for the correct marking of cutting areas. The Consultant could not obtain information in what extent, if at all, the NFA interferes in the decision making of concessionaires on their forest management.

Decisions on permission of timber harvest for the needs of local people follow the procedure determined in the Government Decree #242/2010 (See also Component 1.3 of this case study). In Tusheti PL additionally any management and use has to be authorized by the MENRP because of

the protected area status. (Lagazidze, Tusheti PL, pers. comm. 2015)

Pillar 3: Implementation, enforcement and compliance

Component 3.1: Capacity of forestry organizations and territorial decision making bodies and administrations

The capacity of forestry organizations declined over the years since the independence of Georgia. Staff numbers were cut several times. The NFA does not have own capacity to do forest inventory and management planning but contracts external private companies for this purpose. The capacity of the departments of the central level of the NFA is barely sufficient to fulfil its current tasks.

In particular with the assignment of long-term concessions and the intended hand over of local forests to the municipalities the capacity of the NFA at local level was reduced to the bare minimum. The management structure of the NFA at local level is very thin. Usually the NFA in its local forestry units per district (municipality) has one head and ten forest rangers. These local representations are not economic units or enterprises, but belong to the regional forestry services and all management decisions are centralized. (Machavariani, NFA, pers. comm. 2015) The Consultant did not assess capacity of the regional forestry services of the NFA due to their not obvious role in the governance of local forests.

In the case study areas the municipality representatives described the capacity of local NFA offices/forestry units as just sufficient for issuing of the fuel wood cutting permits, assigning of locations for cuts and some limited control, but not for implementation of planting activities or any other forestry works. In Kharagauli the local forestry unit is led by a forester who is supported by seven forest rangers (Magradze, municipality council, pers. comm. 2015). The NFA in Baghdati has one forester and 15 forest rangers. The head of the municipality administration was not knowledgeable about their qualification (Gegeshidze, pers. comm. 2015). The local NFA forestry unit in Tianeti has about 15 staff. None of the staff are forestry experts (Shetekauri pers. comm. 2015). In Akhmeta according to the head of the municipality council (Jugashvili, pers. comm. 2015) the local forestry unit is led by a forester (without special education) and employs 16 forest rangers (some with college education). The head of the municipality council Akhmeta noticed that the forest rangers are insufficient for the control of the forest areas and the compliance by the concessionaires.

The National Forest Concept of Georgia provides for a substantial capacity development of state forestry organizations at central as well as local level. This includes the development of a country wide forest management organization with local units that would implement all practical forest management activities. Further, university and college education programs are now starting to provide sufficient qualified young staff for the intended development of the forestry organizations. (MENRP/NFA 2014, Amirgulashvili, MENRP, pers. comm. 2015)

In the Ecology and Green Spaces Department of the City Hall of Tbilisi the capacity is only sufficient for some general oversight and planning, but any inspection staff for control on the ground (forest rangers) is missing. The head of the department would like to employ at least ten forest rangers, but so far he did not get a personnel budget allocated for this purpose. The department also has no own workforce for forestry and maintenance of city parks or trees. All works are contracted through tender. Sanitary cuttings and thinning in the city forests would be needed, but due to lack of money they concluded a MoU with the Ministry of Defense for carrying out such activities in exchange for fuelwood from these activities for military units. The municipality has a separate inspection unit that is independent from the Ecology and Ecology and Green Spaces Department and in some extent

assists in control and law enforcement. (Giorgobiani, pers. comm. 2015)

The capacity of the administration of Tusheti PL is still under development. According to IUCN CCC (2014) the administration recently consisted of nine employees. It lacked the capacity to carry out proper forest management. The essential infrastructure of the administration was very limited. There was still general lack of knowledge and experience among the staff. The administration of Tusheti PL had developed a concept on increasing the number of the staff and raising their qualification in the future.

During the Consultant's visit in June 2015 the administration had a very knowledgeable Head of Administration (Eristo Lagazidze) and an educated Natural Resources Specialist (Giorgi Mezvrishvili) that would be in charge of leading all forestry related works. The administration owned one UAZ 4x4 vehicle. Because of difficult access the rangers of the administration can work only during a season of four months (June-September) in Tusheti PL. (Lagazidze, Tusheti PL, pers. comm. 2015)

The other municipalities did not have any staff with even minimum capacity to lead and manage forestry related activities. In Kharagauli (Magradze, municipality council, pers. comm. 2015) the municipality does not have its own land-use administration or land-use expert and accordingly does not possess land-use maps. There is only a local representative of the Ministry of Agriculture, but he is not part of the municipality administration. Some of the municipality representatives interviewed by the consultant had clear ideas how to develop necessary capacity in the case that the forests are handed over. All representatives of the municipalities assessed the capacity of the local representations/forestry units of the NFA as very low. Some suggested that in case of transfer of forests to the municipalities these local representations with the respective staff might as well be taken over by the municipalities. In any case municipalities would be able to hire qualified people if forests are transferred. In Tianeti, e.g. it was mentioned that none of the staff in the local FA office/forestry unit are forestry experts, despite in municipality live people with background in forestry. These people could be hired if the municipality would take over the forests. (Shetekauri, municipality council, pers. comm. 2015)

The head of the municipality administration in Baghdati (Gegeshidze, pers. comm. 2015) already has elaborated a local forestry development concept and presented clear ideas how to develop the municipality's capacity for communal forest management. The municipality would establish a forestry enterprise (Ltd), which would be 100% owned by municipality. Staff would be sent to training in Tbilisi and abroad. The enterprise would at the beginning have to get initial subsidies and would later become self-financing. Commercial operations would be used to fund the general operation of the enterprise and the social (non-commercial) functions of forests and forestry.

The representatives of the Ministry of Regional Development and Infrastructure noticed that the MENRP always refers to the lack of capacity at municipal level while the NFA itself has as well insufficient capacity for effective forest management (Tolkikishvili, Center for Reform of Municipality Management, pers. comm. 2015). Thus the argument of insufficient capacity of the municipalities is in some extent a pretext and possibly caused by reluctance in the MENRP and NFA to devolve authority to the local level as well as competition for possible state funding for capacity development in forestry and for forest management. Interestingly the forestry expert Bagaturia (pers. comm. 2015) could even imagine a hand over to the municipalities of the entire state forest fund outside the strictly protected areas and national parks.

Component 3.2: Forest law enforcement

Limited information was collected on law enforcement. Illegal wood harvest sometimes involves groups of local people, 3-5 persons, who illegally harvest fuel wood and sell it to the local population (Katarashvili, CPC ENPI-FLEG II, pers. comm. 2015). Also sometimes local households based on their fuel wood harvest permits would cut higher amounts than indicated (various stakeholders, pers. comm. 2007 and 2015). Gegeshidze (municipality council Baghdati, pers. comm. 2015) mentioned that NFA staff would have tolerated illegal wood harvest by local people to gain political support.

In Kharagauli the local NFA office controls forest use and issues penalties for unauthorized use. Similarly in other municipalities the forest rangers of the local NFA offices/forestry units carry out control and are in charge of law enforcement. In Akhmeta the head of the municipality council (Jugashvili, pers. comm. 2015) mentioned that the NFA forest rangers would be insufficient for protection of all forests, and the concessionaires should implement own protection activities. In the reality this is not done and even cases were reported of illegal cutting by workers of the concessionaires outside of the assigned concessions. After the concession was assigned an increase in illegal cutting was noticeable. It seems that local people there feel alienated and have insufficient access to wood for their own needs. Thus they might be more motivated to steal wood, while the NFA has insufficient capacity to prevent this illegal use.

In Tusheti PL local people used forests illegally until 2012 because of the absence of legal access mechanisms and the same time lack of any law enforcement (Lagazidze, Tusheti PL, pers. comm. 2015).

Communal ownership and management of forests may provide potential for improved law enforcement if local communities become again legitimate owners and managers of the forests. In Kharagauli the head of the municipality council (Magradze, pers. comm. 2015) still remembers social control in villages and traditional knowledge on forestry in the communities.

Component 3.3 Administration of forest and land ownership and user rights

Forest land ownership and historic kolkhoz forest lands as well as boundaries of municipalities and their sub-units are often poorly documented. Maps sometimes do not exist or are outdated. Land-use maps from Soviet times are schemes without geographic references.

The NFA does not have clear knowledge on all forest what parcel belongs to what forest category and there is no complete land cadaster on forest lands and all boundaries would need to be re-identified. Bagaturia (pers. comm. 2015) tried developing such cadaster when in the past working in the NFA, but that time no staff was available for this work.

This statement is in line with the Consultant's observations in 2007. That time in Kharagauli boundaries of the municipality and its sub-units were provided on the administrative map of Georgia (1:200,000) and on a cadastral map. Both versions showed significant inaccuracies. Some orientation was provided by the land-use maps from the 1980s defining the boundaries between major land-users (that time agricultural units "sovkhoses", "kolkhoses" and forestry enterprises "leskhoses"). Most agricultural land-users' areas became the land units of municipalities. The former kolkhoz forests together with the leskhos (forest enterprise) areas became State Forest Fund managed currently by the NFA. (DFS, 2007) Neither detailed documentation of the boundaries of former kolkhoz forests nor updated maps of the forests of "local importance" are available in the visited municipalities and probably all over Georgia.

The head of the municipality council in Kharagauli confirmed this situation (Magradze, pers. comm. 2015). The municipality does not have proper land-use maps. The head of the municipality administration of Baghdati considers a new mapping of the borders of all forests necessary as no accurate and up-to date documentation exists (Gegeshidze, pers. comm. 2015). In Akhmeta the head of the municipality council (Jugashvili, pers. comm. 2015) explained that the boundaries of municipality are well defined, but those of its sub-units are not. The forest map from 1986 is kept in the local office of the NFA only, but the municipality and the administration of Tusheti PL have maps showing the borders of the different protected areas in Tusheti.

Documentation of the boundaries of assigned concessions is probably kept in the MENRP or some other state agencies (Possibly in the National Agency of Public Registry?) but is not available to the municipalities.

Component 3.4 Cooperation and coordination

Cooperation and coordination between the forestry sector organizations and the municipalities seem to depend more on personal contacts and the initiative of those involved than on established mechanisms. The Deputy Head of the NFA for many years has been involved in various projects and is very interested in collaboration at the local level. Thus he is in personal contact with municipalities that have expressed their interest in taking over local forests.

The NFA cooperates well with the Forest Policy Service and in protected areas with APA. There is also some case-based cooperation, e.g. with the Ministry of Agriculture on problems related to fighting against box tree disease and with the Ministry of Interior regarding forest fires. (Katarashvili, CPC Georgia, in lit. 2016)

In Tusheti PL the collaboration between the Agency for Protected Areas (APA) and PL administration is good. In contrast the MENRP, which has an inspection that should control the implementation of the protected area's regime "was not yet there" (in the PL) and "has no real interest"; the administration of the PL would "dream about seeing interest from Tbilisi" (Lagazidze, Tusheti PL administration, pers. comm. 2015). These comments indicate some insufficiencies in the cooperation and coordination. The head of the municipality council Akhmeta (Jugashvili, pers. comm. 2015) mentioned that the local office/forestry unit of the NFA contacts the municipality only in case of special needs, but does not involve them in any management decision. The other visited municipalities, with the exception of Kharagauli that explicitly mentioned good collaboration (Magradze, municipality council, pers. comm. 2015), also showed rather limited cooperation and collaboration between the local representations/forestry units of the NFA and the municipality councils and administrations. The Consultant has got the impression that contacts of the municipalities are even more intensive with the central level of the NFA than with its local level units. This might be related to the limited capacity and mandate of the local level of the NFA. Interestingly the existence of a regional level, the forestry services in the regions, was even not mentioned by any stakeholder.

Cooperation between municipalities and concessionaires is virtually nonexistent in the case study areas.

Component 3.5 Measures to address corruption and ensure transparency

This component was not specifically assessed due to the inherent difficulty this subject presents. An in-depth assessment of the effectiveness of any measures to address corruption and ensure

transparency would be difficult in the frame of a short visit for a case study. Georgia during the last decade has very effectively eradicated corruption, and this is reflected in the forestry sector as well. No cases of bribery for access to fuel wood and timber at local level were reported by any stakeholder. The access to illegal fuel wood provided by NFA staff for gaining local political support, mentioned by Gegeshidze (Municipality administration Baghdati, pers. comm. 2015) was unspecific and seemed to refer to the past, but may possibly as well indicate a return of previous corrupt practices.

However, the lack of transparency about the concession contracts provides reason for concern that violations might have happened when the concessions were assigned.

Conclusions

The forests of “local importance” in Georgia are supposed to be under the authority of local self-governance bodies since many years. Latest in 2007 the legislative basis for the transfer of management responsibility and ownership has been in place. The hand-over, however, did not take place with the exception of the case study sites Tbilisi and Tusheti PL, which both present untypical situations, and two other areas mentioned by interviewed stakeholders, seemingly also representing very special cases. Stakeholders mentioned as reasons for the delay in the implementation of communal management of forests of “local importance”: inconsistencies in the legislation, lack of up-to-date inventories, insufficient forest management capacity in the municipalities and lack of interest by local self-governance bodies.

The consultant additionally noticed that lack of political will and resistance within the state forestry organizations likely have played a substantial role and may in some extent still do. There is a certain discrepancy between the expectations of the MENRP and the NFA in terms of technical capacity of the municipalities on one side and on the other side the decline of capacity within the MENRP, the NFA and its local representations, which has led to a generally unsatisfactory governance and management of forests under their jurisdiction. Similarly control of forest management and use by state, in particular the MENRP, has been weakened by cuttings of staff and budget. Also the assignment of state forests to commercial concessions reportedly did not lead to their sustainable management. At the same time the MENRP is concerned that transfer of local forests under the authority of the municipalities will lead to a loss of control by the MENRP and eventually to unsustainable forest use leading to their degradation.

The cases of municipalities managing their forests in Tbilisi and Tusheti PL are untypical. Tbilisi’s forests have been excluded from the forest fund and designated at “green plantations”. The municipality of Tbilisi has implemented very limited forest management activities in the recent past and despite these activities had been in accordance to the best practice and were even guided by a German forestry expert they have not been expanded onto other forest plots. So far the municipality did not establish a forest management unit that would implement regular forest management activities. The forests in Tusheti PL belong to the forests of protected areas and are only in a very restricted and limited extent used for supply of forest products. The administration of the PL is in the process of developing capacity for sustainable forest management. However, use restrictions, limited forest area and difficult decision making procedures may hinder the development of a viable forestry unit that could serve as an example for other municipalities. On the other hand the integration of forest management in the conservation of the wider landscape as PL and the development of not extractive use forms like tourism can improve the viability of the management unit and provide an interesting example with replication potential.

The local forest management by the NFA’s local representations/forestry units at municipality level is

currently limited to permitting and control functions with no active management of forests being implemented by these units. This situation raises the question of the future of these units and their functions in the perspective. Similarly, the current roles of the NFA's forestry services at region level and their perspective are not obvious. Potential perspectives of these organizational units are briefly discussed in section 4 of this case study.

The representatives of the visited municipalities in Kharagauli, Baghdati, Tianeti and Akhmeta expressed their concerns about the currently weak governance and on the ground management of forests within the municipality boundaries combined with the insufficient satisfaction of the needs in forest products of local people and enterprises. They were all very interested in taking over responsibility and rights on the forests of "local importance" and would generally like to take over as well forests that have never been "kolkhoz forests". They would further accept a division of functions, by which the MENRP or the NFA would keep the mandate of supervision of control of forest management and use while the municipalities would manage the forests for the benefit of the local population with their employees or a specially established municipality owned enterprise.

All interviewed stakeholders from the MENRP to local municipality representatives have criticized the long-term assignment of large logging concessions to often foreign enterprises. There seems to be consent that this approach should be faced out and no new concession contracts should be concluded. Beyond the results in terms of forest management and local economic benefits, which were generally described as unsatisfactory, the municipality representatives massively complained about a total lack of transparency about concession contracts and related rights, obligations, conditions and even boundaries of assigned areas. Although all or most concessions are assigned outside of the former kolkhoz forests, which were anyway economically less attractive, some of the concessions have negative impacts on forests of "local importance" and on the infrastructure of the municipalities.



Fig. 9: Pollard trees and fattening of pigs with acorns are relics of traditional forest use by local peasants, supporting the biological, structural and aesthetic diversity of local forest landscapes – Kharagauli 2007

The forest policy, as expressed in the National Forest Concept (MENRP/NFA 2014), is vague on communal forestry and the statements on "community forestry" in absence of a specification of the term and any specific proposed actions remain purely declarative. The acting legislation, in contrast to the policy, provides a good basis for the development of communal forestry, and the handover of forest ownership and management to the municipalities. The Consultant agrees with the opinion of the Deputy Head of the NFA (Machavariani, pers. comm. 2015) that there is no need to wait for the adoption of the new Forest Code and subsequent bylaws, as suggested by the Head of the Forest

Policy Service of the MENRP (Amirgulashvili, pers. comm. 2015), but that the transfer to interested municipality can take place under agreements that could be concluded on the basis of the existing legislation.

4. Options and Recommendations

Recommendations for the development of the governance of Georgia's forests and in particular of local forests can be made for different scenarios. The Consultant is not in a position to present a clear preference for one or another scenario. The principal scenarios, each with a number of possible modifications in terms of key elements of forest governance, might be:

- 1) Exclusive state ownership and management of all forests under the NFA or another more or less centralized state structure;
- 2) Communal management of all forests (with the exception of certain protected areas of national importance and under central management) with or without a division of functions and keeping in a central state forestry organization certain authorities on supervision and control as well as possibly management planning;
- 3) A combination of 1) and 2) with some forests owned and managed by the municipalities and other forests managed by local units of a central state forestry organization.

The Consultant has got the impression that currently neither the NFA nor the municipalities have the capacity to implement proper management of forests on the ground. This capacity has to be developed because privatization of the forests is certainly not a considered option, and the concession approach has not delivered the expected results. If, as described by the Head of the Forest Policy Service (Amirgulashvili, pers. comm. 2015) and indicated in the National Forest Concept (MENRP/NFA 2014), new forest management organizations will be developed under the central state administration, it might be worth to consider the abandoning of the communal forestry approach and taking (or keeping) all forests under the respective management units of the developed state forestry organization. This approach might have advantages as all forests (possibly except those in protected areas of the categories strict nature reserve and national park that are excluded from any extractive use and active management) would be under one umbrella and could be managed in accordance to a unified system and at the same standard. Needs of local people and enterprises as well as participation of the local population and local self-governance organs could well be addressed without transfer of ownership and management responsibility.

Given the currently extremely low capacity of the NFA at local level, a thinkable alternative would be to transfer forest management functions for all forests (also except those in strict nature reserves and national parks) to the municipalities, and not to keep any centrally managed state forest fund. The municipalities would establish their own forest management units or enterprises and carry out all forest management and use functions on their own. The NFA and/or a new forestry department within the MENRP would provide guidance, control and supervision to the local municipality forestry operations. The division of functions and the involvement of central level forestry organizations would ensure adequate management and protection of forests while the local level communal ownership would provide benefits and raise commitment at the local level. Also the approval of FMPs might remain in the mandate of the MENRP or the NFA. The role of the local communities or sub-units below the level of the large municipalities would require determination. The size of the forests under communal management by the municipalities would provide for effectiveness, efficiency and economic viability.

For the third option of combining centralized state forest management of some forests with communal management of other forests, the question needs to be answered if it is effective and

efficient to develop the necessary capacity twice. This would mean establishing fully functional local forest management units under the NFA and in parallel municipalities would develop their own capacity. It needs to be assessed if other arrangements might not be more effective and cost efficient. The parallel existence of state and communal forests may cause the risk of fragmentation of forests and duplication of functions. The current situation and opinions expressed by some stakeholders give reason for concerns that only forests of limited economic value might be transferred to the municipalities while productive forests may largely or exclusively remain under the NFA. Such a division of the forest fund may lead to economically not viable communal forestry.

The current situation seems to favour the third option despite its likely disadvantages. The reason might be that this option is perceived as balancing best different perceptions and interests, at least in the short term. The Consultant however recommends assessing carefully the advantages and disadvantages of different options. The communal forestry should be tested in suitable pilot areas before one or the other approach would be implemented in any large scale. Municipalities with a strong interest in taking over forests like Kharagauli and Baghdati might provide opportunities for pilot projects. Also Akhmeta with the initial experience of Tusheti PL and its emerging forest organization would be a suitable pilot area for the development of communal forestry.

The findings of this case study show that in Georgia the way to communal forestry and governance of local forests through local self-governance bodies has been long, so far results are very limited and the viability of the approach is still uncertain. But the continuous interest of local communities in taking over rights and responsibility on the forests in their vicinity, expressed by their representatives at municipality level, suggests that it is time to start the implementation of the approach in a broader scale in pilot areas. The necessary legislation and concepts, and probably also the political will, are in place, but donor assistance will likely be needed for the initial stages of the implementation of communal forestry (Machavariani 2014).

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“Moldova: Municipal Forests – Development towards Communal Forestry or Handover to the Central Level?”

1. Introduction

The following case study presents the findings from the Consultant’s mission to Moldova during May 1-5, 2015. The Consultant visited three municipalities representing different typical situations in terms of forest conditions and capacity of local self-governance bodies and analysed the interaction between these aspects and the governance of the local forests.

During the transition period forests that were formerly in the ownership of collective and state farms (“kolkhoz” forests) have not been privatized as were arable lands, but were handed over to the Local Public Authorities (LPAs) or municipalities (the *primăria*)¹²⁷ together with pastures and other commonly used areas. Most of these forests are now officially managed by municipalities. In total in 2009 the share in the forest fund of these communally owned forests was 10.7% while 82% of the forests were in state ownership and managed by *Moldsilva*; with a very small share of private ownership (and 6.4% belonging to the forest fund of Transnistria¹²⁸). There can also be tree covered areas on communal lands that do not belong to the forest fund (e.g. shelter belts, tree and shrub vegetation on pastures) but nevertheless are supposed to be managed in accordance to the Forest Code. Municipalities are owners of a little less than 100,000 ha of forests and protection belts (World Bank 2015).

The former kolkhoz forests were subject to heavy illegal use during the years of transition (collapse of Soviet Union and way to independence). After the transfer of these forests from the dissolved kolkhozes to the municipalities *Moldsilva* assisted in their protection. Between 2001 and 2014, *Moldsilva* planted officially ca. 60,000 ha of new communal forests on lands managed by LPAs. After 5 or 6 years, when these plantations were considered as established forest, *Moldsilva* started to hand the management of these new forests¹²⁹ over to the respective municipalities in the ownership of which these areas are (T. Botnari¹³⁰, *Moldsilva*, pers. comm. 2015).

According to the Strategy for Sustainable Development of the Forestry Sector of Moldova (2001), by 2020 the total forest cover of Moldova is supposed to increase to 15% of the country area (compared to currently 13.7%) – a target achievable only through afforestation on private and communal lands. This fact makes the issue of governance of local forests even more relevant than it is at present (T. Botnari, *Moldsilva*, pers. comm. 2015).

This case study entirely focuses on the communally owned forests and leaves out other types of ownership despite such forests may as well be of local importance in terms of provision of goods and services.

¹²⁷ The system of local self-government in Moldova is formed of two levels. The first level is presented by the local authorities in villages and cities. The second level is presented by the local authorities in rayons (districts) and in the municipalities of Chisinau and Balti. The territorial entity with special status – the autonomous region of Gagauzia – consists of three rayons, and has its own parliament and government. (A. Lozan, ENPI-FLEG II CPC, pers. comm. 2015)

¹²⁸ Transnistria is a self-proclaimed region. The structure of self-government in the separatist region of Transnistria (Pridnestrovye) is highly centralized, and local public authorities have largely a decorative role.

¹²⁹ Many experts suggest the official figure of 60,000 ha as inflated and the real figure is less as many plantations just did not lead to the establishment of forest cover because of various factors (overgrazing, illegal cutting, droughts and pests/diseases). (A. Lozan, ENPI-FLEG II CPC, pers. comm. 2015)

¹³⁰ Deputy Director General of Agency *Moldsilva* from 2011 till 2015.

2. Study methods, areas visited and stakeholders interviewed

2.1 Stakeholders interviewed

The Consultant met at local level the heads of the communes of:

- **Mereni** - Eugeniu Salcuțan,
- **Milești** - Dr. Petru Leuca, and
- **Boghenii-Noi** - Gheorghe Filipovici.

In the commune **Mereni** the Consultant met additionally with:

- Gheorghe Chiriță, Forest inventory and management planning engineer.

And in the commune **Boghenii-Noi** the Consultant met with

- Victor Filipovici, forest engineer (former forest master of Boghenii-Noi community and, presently, chief of forest district Cornești of *Moldsilva*).

In the **State Agency *Moldsilva*** the Consultant met with:

- the Vice General Director Tudor Botnari; and with
- the expert of the Department of forest protection, pest control and hunting management Dr. Victoria Covali.

In the **Institute for Forest Research and Management Planning (ICAS)** the consultant met:

- the Director Dumitru Galupa and the Deputy Director Ion Talmaci.

2.2 Study methods and areas visited

The Consultant visited three municipalities and the capital city of Chișinău and conducted semi-structured interviews with representatives of local municipalities, forestry experts at local level and national level. Due to the limited time for this study it was not possible to visit the administrations of local forest enterprises under *Moldsilva*.

During his site visits the Consultant was accompanied by Aurel Lozan (CPC Moldova of ENPI-FLEG II, IUCN component) and by Nicolae Talpă (Forest inventory and management planning engineer of the Forest Research and Management Institute).

The general study methods are explained in the method section of the Regional Study and at the beginning of the section on case studies.

Mereni

The municipality Mereni belongs to the district (rayon) Anenii-Noi and is located east of Chișinău. The commune has about 6,500 inhabitants and is comparably flourishing, with a meat processing factory in the village and comparably good employment opportunities due to its proximity to Chișinău. The commune is connected to the gas grid and most households use gas for heating with (guessed) only about 10% of the energy used by households being fuel wood.

The total area of forest is 415 ha. The forests owned by the municipality are all of artificial origin – consisting of planted species only, or of planted species mixed with spontaneous vegetation that established after planting. The forest plantations are fragmented plots of several ten hectares each spread over the agricultural landscape and partly bordering pastures with some shrub vegetation and with used and abandoned fruit tree plantations. The forests include some walnut stands, but

plantations of young or regrown coppice of black locust (*Robinia pseudoacacia*) on heavy loamy soils dominate. These plantations seem to be of limited productivity due to site conditions and possibly also because of lack of maintenance, in particular thinning and regeneration assistance. Some groups of Crimean or black pine (*Pinus nigra*) are of older age than most black locust. We did not see any rejuvenation of the pine trees. The forest stands, largely or entirely, seem to be established on long-time deforested lands. Very few trees of autochthonous species are growing in the black locust plantations, mostly elm (*Ulmus spec.*) and only single oaks (*Quercus spp.*). Thus prospects of transformation of these plantations into more natural and more productive stands appear currently limited. However, if a proper management would be applied, there is a potential of transformation of these plantations into more natural stands, composed of native species. In this case only some black locust plantations may be kept in the future, if managed accordingly and their invasive potential being controlled.

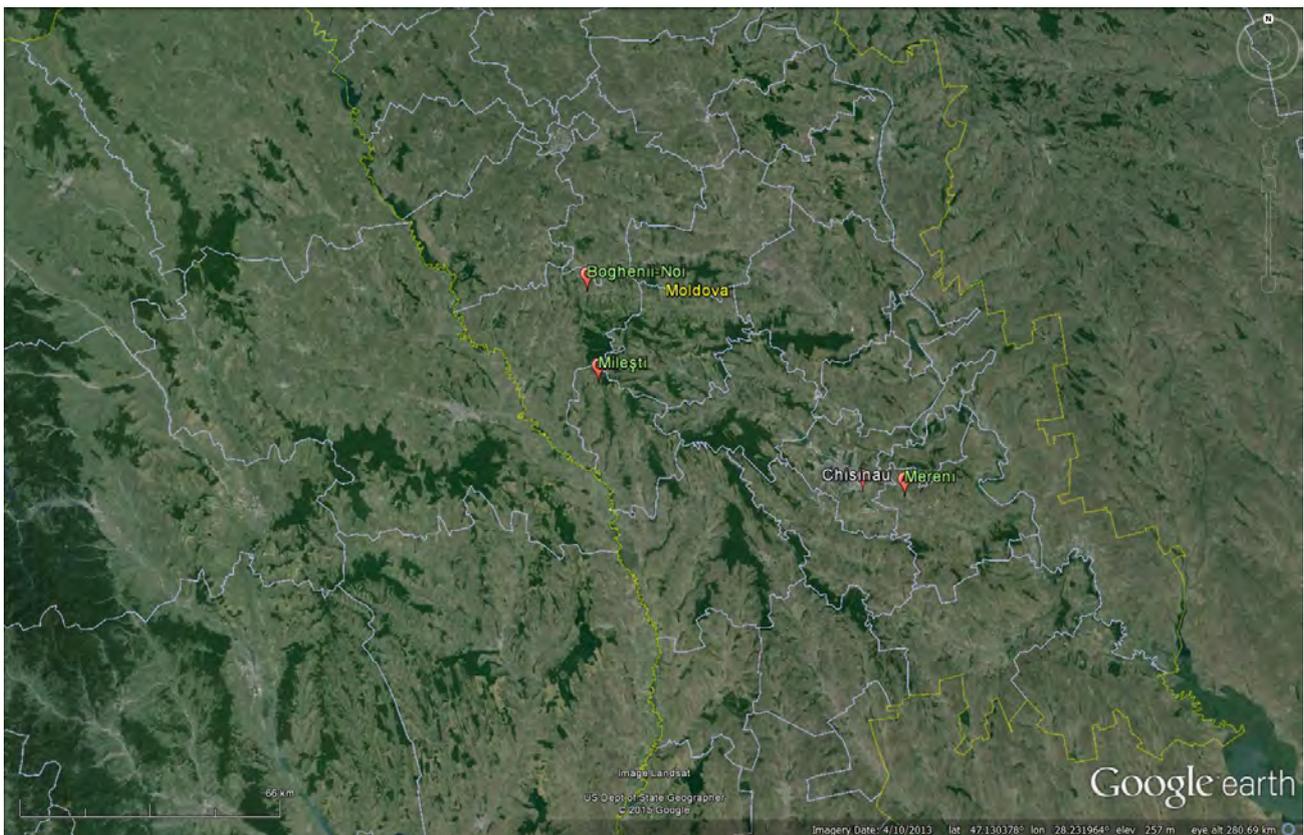


Fig. 1: Locations of the three visited municipalities Mereni, Milești and Boghenii-Noi

In one location we saw signs of illegal cuts of black locust trees. One herd of sheep and goats crossing the forest under the power line and a small group of cattle were under control by herders. Impact of grazing on the forest stands visited seemed insignificant, but, according to national forest experts, unauthorized grazing is considered a decisive factor for young plantations and grazing is strongly affecting forests throughout the country.

The shelterbelts on agricultural lands belong to the commune and are to be managed by the *Primăria* as well. These shelterbelts were not yet covered by forest inventory and management planning activities. Observations during the site visit suggested that at least some of the shelterbelts may require rejuvenation, possibly in this process also providing some low quality wood products, mainly fuel wood.



Fig. 2: Silvo-pastoral vegetation and black locust plantation in Mereni

Milești

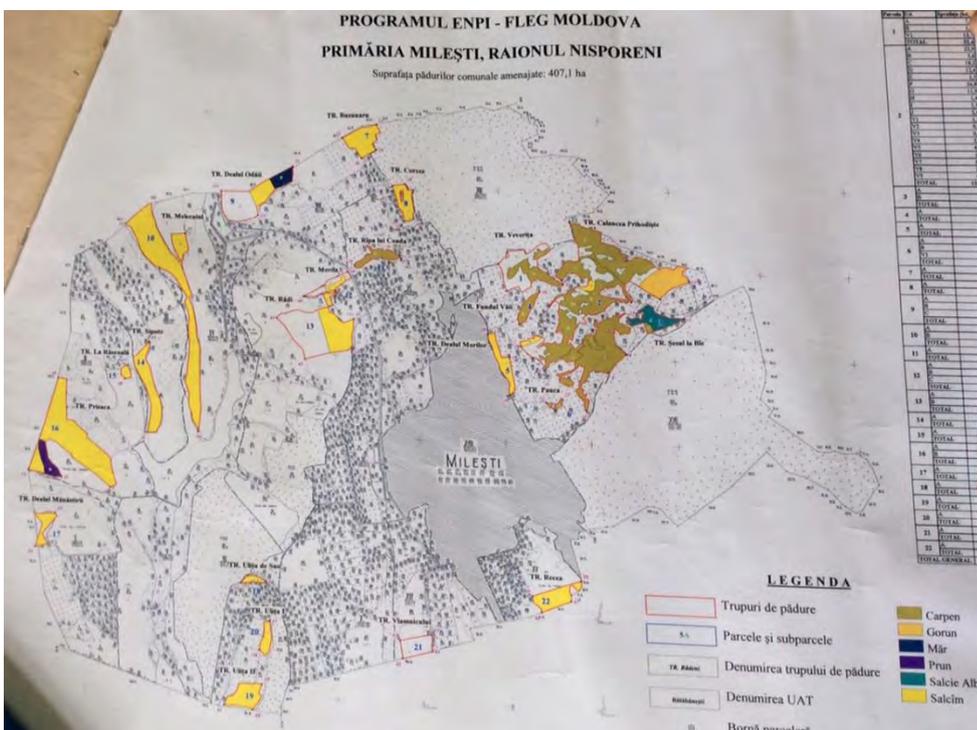


Fig. 3: Map of the communal forests of the municipality Milești (Legend right part: hornbeam, oak, apple, prune, white willow, black locust), from the Forest Management Plan prepared by the ENPI FLEG phase I.

The municipality is located in the district of Nisporeni, one of the districts with the highest forest

cover in the country. The municipality has about 3,500 inhabitants. 407 ha of forests are in the possession of the *primăria*, with a large part being forest ecosystems of natural origin, but also including plantations and 25 ha recently reforested by *Moldsilva* on degraded communal lands. Key species are hornbeam (*Carpinus betulus*), oak (*Quercus petraea*) and black locust (*Robinia pseudoacacia*). The soil conditions are considered not suitable for long-term cultivation of black locust and after few (one to three) harvest cycles the productivity drops drastically. Some plots of communal forest lands are temporarily handed over to *Moldsilva* for planting and maintenance of young plantations over the first seven years. After the young growth on these plots will be considered closed forest cover they will be returned into the management responsibility of the municipality.

During the site visit forest plots of different composition – natural oak-hornbeam forest and plantations of black locust were shown. As far as could be judged without detailed assessment, the natural forests made a generally intact impression, while black locust plantations seemed to be of poor productivity. There is an old park in the town of Milești, which is managed by the *Primăria* as an arboretum with some impressive old trees.

Boghenii-Noi



Fig. 4: Oak forest in Boghenii-Noi – managed by the local community.

The municipality belongs to the district of Ungheni, belonging to those districts with the highest forest cover in the country, and includes the villages Boghenii-Noi, Boghenii-Vechi, Mircești, Izvoreni and Poiana. The total area of the municipality is approx. 3,033 ha, including the village areas. The municipality has approx. 2,000 inhabitants in 720 households. Most households use fuelwood for heating, consuming about 4 m³ per household and year. Maximum 5% of the households use coal as mean heating energy source. Thus the community is to be considered highly forest dependent in terms of heating energy; at the same time it is highly independent from *Moldsilva*'s resources due to the availability of productive communal forests.

The total forest area of the municipality is about 700 ha, including 300 ha natural forest, dominated by oak (*Quercus petraea* and *Qu. robur*) as well as plantations of black locust and pine. The area size and composition date provided by Filipovici (head of municipality Boghenii-Noi, pers. comm. 2015) slightly differs from the data provided in the FLEG study on collective management of forests (Lozan and Kobernik-Gurkovskaya, 2012): According to the data in the FLEG study, provided by the community forestry personnel (such data are based on the provisions from the Forest Management Plans), forest resources of Boghenii Noi comprise 588.9 hectares of forest (more than half of it is of natural origin), 23.4 hectares of forest protection belts, and 59.7 hectares of other forest vegetation. Main species are: black locust (47%), oak (21%), hornbeam (7%), ash (5%), cherry (4.5%) and others species. The average age of the trees: black locust - 15 years, oak - 78 years, hornbeam - 44 years, ash - 66 years, cherry - 28 years.

The majority of these forests in the past have been in ownership of private owners and/or monasteries, then in community ownership during Soviet times. The CPC considers the communal collectively-owned forests of Boghenii-Noi as the best example of co-existence of communities and forests in the country. People consider themselves as guardians of their own forests; they live in close relations with the forests they own and they seem to realize their forests are essential for their living. The municipality of Boghenii-Noi partners with FLEG in the development of communal forestry. (A. Lozan, pers. comm. 2015)

3. Findings



Fig. 5: Lease of state forest for “recreational purposes”.

While these findings refer to the elements of the governance frameworks (as explained in the method section of the Preliminary Report), the Consultant does not attempt to cover here all pillars and their components in all detail but presents the specific aspects identified at the visited sites and being of relevance for this case study.

Pillar 1: Policy, legal, institutional and regulatory frameworks

Component 1.1: Policies

The interviewed stakeholders did not refer to formulated policies. However, from the statements made and from the information available in reports and documents the Consultant could conclude on some elements of the national policies.

Moldova has implemented political, legal and economic reforms. The political developments in Moldova are oriented towards institutional reforms at all levels of the central administration, as outlined in the Reform Strategy of Central Public Administration (Gov. Decree #1402/2005) and in the Government activity program “European Integration: Liberty, Democracy, Welfare” (World Bank 2014). One element of these reforms is the development of the municipalities as self-governance bodies of the communes, with a certain level of autonomy and own decision making structures. The council and the head of the LPAs (so-called the *Primar*) are elected.

The municipalities have authority to decide on forestry and other natural resource management issues on the lands within the boundaries of the commune. However, this decision making authority is limited to public lands in the ownership of the municipality and does not include any authority over protected areas (PAs) and forests in state ownership that are managed by the respective local units of national level agencies (Ministry of Environment and Agency *Moldsilva*). Further, decision making authority of the municipalities related to forests in their ownership is restricted as far as it concerns forest inventory and forest management planning (FMP) and decisions about the harvest of wood/trees in accordance to these plans. Decisions about the change of the land category of agricultural lands to forest lands for the purpose of expansion of forest cover are in the competency of municipality and district councils, but only for lands of fertility less than 40 scores in the 100 score fertility scale, while agricultural lands with a higher fertility level can be transferred into another land category only by decree of the national government.

The national policy on forests was formulated in the Strategy for Sustainable Development of the Forest Sector of the Republic of Moldova till 2020 (Parliament Decision #350/2001). There is a need to elaborate and enact a new policy document that reflects the newer developments since the adoption of the strategy of 2001. This strategy emphasized the importance of restructuring the forestry sector and had the clear direction of handing over all communal forests to *Moldsilva*, including all newly afforested stands. In contrast, the current national forest policy seems to be oriented on the strengthening of a system of diverse ownership of forests with a significant role of the municipalities. This policy change is de-facto realized through a number of projects already implemented or under implementation such as Development of the Communal Forestry Sector in Moldova, the Moldova Soil Conservation Project, the Moldova Community Forestry Project, Community Support Program for Sustainable and Integrated Forest Management and Carbon Sequestration through Forestation and by activities on capacity development of communal forest owners by ENPI-FLEG.

The communal sector transgresses together with the private forest sector. Thus, purely private forests (though small) owned by individuals or legal entities cover increasing areas. These so far are only planted forests as privatization of existing forests is not allowed by the Forest Code (1996), and tree vegetation originating from natural succession on private lands is not yet recognized as private forests. The area size of forests in communal or collective form of management increases, when a given commune plants forests on its lands, and this land is collectively managed by the commune's inhabitants.

The Government of Moldova has established the target of expanding Moldova's forest cover from

currently 13.7% to 15% by 2020 as it is stipulated in the Strategy from 2001; thus effectively increasing the share of communally and privately owned forests. However, it seems that in the current policy the element of sustainable use of forest products and the assignment of secure user rights on these products as key incentive to establish and maintain forests is weakly developed. The government (according to T. Botnari, *Moldsilva*, pers. comm. 2015) retains the right on harvest of trees and would not assign such rights to private owners and leaseholders of state or communally owned forests. In previous (e.g. expressed in legislation like the Forest Code, 1996; Parliament Decision #350/2001) and current national policies the protective and environmental functions of forests are clearly seen as primary forest functions. This policy is reflected in the acting Forest Code that assigns (Art. 14) all forests of the Republic of Moldova to the “first group as (forests) having exclusively an environmental protection function”. This approach is only partly reflected in other regulations of the Forest Code and the bylaws that nevertheless allow for certain forest uses, including extractive uses. In fact almost all forests (except a few strictly protected zones within Nature Reserves) are managed and forest products are legally used. However, the “exclusive environmental protection function” is often interpreted in ways that hinder sustainable forest management, provide disincentives for reforestation and forest maintenance and perverse incentives for use of forests for not forestry related purposes (“recreational use”, i.e. construction of cottages, restaurants and similar structures on leased forest lands). The policy as expressed in the legislation is thus contradictory and does not achieve the stated objective of forest conservation for achieving environmental benefits.

Component 1.2: Legal and regulatory frameworks

The key legal and regulatory documents determining governance of local forests are the Constitution, the Forest Code, the Land Code, other laws and a number of bylaws.

The Constitution, along with propositions on environment and natural resources in Articles 37, 59 and 126, states in Art. 127 Property “(4) All (...) forests used to the benefit of the public at large (...) shall constitute the exclusive province of the public property.”

The acting Forest Code (#887/1996, amended several times since then) defines the forest funds and the categories of ownership as well as competencies of local public administration authorities. Local public administration authorities own communal forests as well as lands covered by tree and shrub vegetation but not considered being part of the forest fund. Communal forests are not specifically regulated in the acting Forest Code, but the new edition that is currently under preparation by *Moldsilva* in cooperation with ENPI FLEG will contain own sections (Chapters) dedicated to private and communal forests and the specifics of their management.

The Land Code (1991, amended several times since then, last in 2013) regulates the transfer of land between different categories, thus defining the procedure by which agricultural lands can be transferred (Art. 62 and 71) into lands of the forest fund. The Land Code as well as mentions the use of forest lands for agricultural land-use and the expropriation of forest lands.

Component 1.3: Ownership and user right systems

In Moldova forests can be in the ownership of the state (managed by *Moldsilva*), ownership of municipalities and in private ownership. The latter concerns only forests established by private land-users on formerly not forested lands.

Already in 1918-1924 in the context of the land reform all forests were nationalized. With the

establishment of kolkhozes some of them established tree plantations, but few also got ownership of natural forests. After World War II many natural forests were handed over from the kolkhozes to the state forest fund, and after independence further 30,000 ha of former kolkhoz forests of different condition were by Government decision included into the State Forest Fund, managed by *Moldsilva* (D. Galupa and I. Talmaci, ICAS, pers. comm. 2015).

Communal forests are managed separately from state (i.e. *Moldsilva*) forests that exist alongside communal forests within the administrative boundaries of the visited municipalities of Milești and Boghenii-Noi. Despite separate ownership and management, people have access to the state forests too. Also there is a strong cooperation between the communal and state forest managers, namely at staff level and facilitated through various projects (including ENPI FLEG). In all three visited sites *Moldsilva* has assisted in the afforestation or reforestation of some areas (e. g. 25 ha in Milești). These areas are in temporary management by this state agency. Responsibility and full ownership are given back to the municipalities after 7 years, when the plantation is considered as established closed forest cover. In Boghenii-Noi, according to the local informants (Filipovici and Filipovici, pers. comm. 2015), 200 ha of old grown former community or kolkhoz forest have been transferred to *Moldsilva* in the 1990s. The municipalities of Boghenii-Noi and Milesti would like to take such forests back, but *Moldsilva* resists against such a transfer.

The transfer of forests from the State Forest Fund (i.e. forests managed by *Moldsilva*) to the municipalities, even the exchange of forest plots of equal size for realignment boundaries to achieve of larger sections, is considered legally not possible (T. Botnari, *Moldsilva*, pers. comm. 2015). However, long-term use agreements might provide opportunities to include sections of forests owned by *Moldsilva* into the management by municipalities. Also municipalities can hand over the use rights on the local forests back to *Moldsilva* on the basis of collaboration agreements. In the case of Mereni the head of the municipality intends to conclude an agreement that would allow the commune to continue existing lease contracts and even allow for additional leases.

Non-wood forest products (NWFP) can be harvested by the local people without special permit for their own use and independent of lease contracts. Forest areas can be leased by individuals and legal entities. No cutting of trees is allowed for the leaseholders, only light housing (without fundament) can be erected and use of NWFP remains open access. Outside of the three visited municipalities, on state forest land, the consultant observed that on leased forest lands quite significant structures were erected, among them cottages for personal use as well as restaurants, and that the lease of forest for “recreational purposes” rather allows for a step-by step transformation of forests into urbanized areas. The restrictions prohibiting the use of wood from leased forests actually may discourage the maintenance and rehabilitation of a productive tree cover.

The municipality of Mereni has leased out to local households 20 ha of forests for hay making and recreation. The annual lease fee is MDL 300 per ha (approx. EUR 15). Despite this low contribution to the income of the commune, the lease of forests to local households is considered a success, as leaseholders would plant trees on leased plots and their presence ensures the protection against illegal use of larger forest units. In contrast to the *primăria* Mereni, where nut trees in leased forest would not be allowed for exclusive harvest of nuts by the leaseholder, the *primăria* Milești leases for exclusive use some fruit trees to private leaseholders that would at the same time protect the forest. On the other hand, leaseholders are not permitted to cut of trees in leased forests, and even on private lands it is only possible after obtaining permission from the *primăria*.



Fig. 6: Lease of forest plot in Mereni municipality

Wildlife and hunting despite not restricted to forests are often considered in the context of forest resources. In Moldova hunting is de-facto poorly regulated and most game species are now on the red list and are not allowed to be hunted. In the reality illegal hunting occurs and many officials or influential people are practicing poaching (one of the interviewed stakeholders, pers. comm. 2015). Even ungulate species, which are common in other countries, have only very low population numbers due to intensive poaching. So far no examples exist where the municipality or community-based groups have obtained the right to protect, manage and use game animals (V. Covali, *Moldsilva*, pers. comm. 2015). The *primăria* of Boghenii-Noi would be interested in obtaining the hunting and game management rights for the entire territory in the borders of the municipality (3,033 ha, inclusive the village areas in which no hunting is permitted). The 10 – 15 local hunters would carry out control and monitoring on behalf of the commune and the entire community. This would prevent external hunters from unauthorized access to the area and avoid the damage caused by nonlocal hunters to wildlife, forests and agricultural lands.

Moldsilva would be supportive to the development of a communal hunting and game management area in Boghenii-Noi. A new Hunting Law is currently under discussion. Hunting and game management areas are supposed to be auctioned to concessionaires, but de-facto any winning bidder would need to involve the local people. Division of blocks would be preferably in accordance to the boundaries of the municipalities (T. Botnari, *Moldsilva*, pers. comm. 2015). By the consultant's opinion the approach based on auctioning the game management rights is risky in terms of sustainability of hunting management and would effectively exclude communes from obtaining these rights. The development of an area-based game management system with exclusive or priority rights of local municipalities to take over this responsibility would likely be more effective to achieve sustainable use of wildlife as a complementary form of land-use.

Component 1.4: Mandates of forestry organizations and territorial decision making bodies and administrations

The Agency *Moldsilva* is the central public authority, subordinated to Government, with the main responsibility to implement the state policy in the sectors of forestry and hunting. *Moldsilva* is responsible for issuing the regulatory framework for forestry (in technical issues rather than environmental ones). Thus, *Moldsilva* is not only in charge of the development of the state policy on forests, but as well of the implementation of this policy in all forests independent of ownership type. *Moldsilva* has 25 subdivisions implementing forest management in the State Forest Fund, encompassing 16 state forest enterprises, 4 state forest and hunting enterprises, 4 natural reserves and recently established Orhei National Park. There are 80 forest units (also called “forest districts”, лесничество) below the level of state enterprises carrying out the practical forest management on the ground, including fire prevention and pest control. The Forest Research and Management Institute (ICAS) is also a subunit of *Moldsilva* (World Bank 2015).

Moldsilva has important mandates concerning the communal forests. The elaboration of the Forest Inventories and Management Plans (FMPs) is in the responsibility of ICAS, a subunit of *Moldsilva*. Further, *Moldsilva* has the mandate of marking areas of communal forests in which cuttings are planned and determine harvest composition and amounts (отвод лесосеки).

The competency of *Moldsilva* is in certain aspects limited to the State Forest Fund managed by them. In 2001 the Forest Code (Art. 20) was changed and *Moldsilva* lost the authority of state control on forests that were handed over to the state organs in charge of environmental protection. Also the agency does not have any more the authority of keeping of the cadaster concerning forest lands outside those managed by *Moldsilva* (D. Galupa and I. Talmaci, ICAS, pers. comm. 2015).

Based on the afore mentioned change of the forest code and according to Gov. Decree #847/2009, the Ministry of Environment is responsible for regulating environmental protection and natural resources utilization (including forests). The Ministry of Environment exercises the thematic control on the activity of the forest enterprises through the State Ecological Inspection. The management of those protected areas subordinated to *Moldsilva* is also controlled by this entity (World Bank 2015). Further, cuts of any type and in any forest, including those in communal forests, have to be authorized by this State Ecological Inspection of the Ministry of Environment. The implementation of these forest cuttings are then controlled by this inspection.

The councils of the *primăria* have commissions on ecology, construction and agriculture, consisting of three deputies, making the decisions on forest management as far as these are in the competency of the *primăria*. The municipality councils decide about the allocation to local households of wood that is harvested from the communal forests. If not delegated to *Moldsilva*, the practical forest management of communal forests is in the mandate of the *primăria*, including planting, maintenance, harvest and prevention of fire and pest control as well as allocation for lease.

The existing legal framework does not provide a clear definition of the roles of local public administration authorities and *Moldsilva* with regard to communal forests. The regulatory framework states that they have to cooperate towards the maintenance of communal forest vegetation, but neither clearly describes the scope nor the procedures for such cooperation (World Bank 2015).

Scheme 1: Overview of main mandates in the governance of local forests

Organization

Key mandates

Government	Definition of state policy
	Adoption of bylaws in Gov't. competence
	Change of land designation of agricultural lands with fertility >40%
Ministry for Environment State Ecological Inspection	Control of activities of all forest owners
	Approval of wood harvest
	Law enforcement
Agency "Moldsilva"	Approval of FMP
	Definition and marking of harvest areas and determination of harvest volumes
	Afforestation and maintenance of young growth as well as management of forest stands in case of temporary authorization by municipality
Forest Research and Management Institute "ICAS"	Forest inventory and elaboration of forest management plans
District council	Change of land designation of agricultural lands with fertility <40% belonging to level II of local public authority
Municipality ("Primăria") councils	Forest management, including reforestation, maintenance, harvest of wood, protection, fire prevention, pest control etc.
	Sale of harvested wood and allocation to local households
	Allocation of forest plots for lease and conclusion of contracts
	Change of land designation of agricultural lands with fertility <40% belonging to level I of local public authority

Component 1.5: Financial arrangements, economic instruments and benefit sharing

The Local Public Authorities (LPAs) have their own budget and can make their own decisions about the use of these budgets. Contributions from the state budget to the financial needs of the communes are restricted to expenses for education (kindergartens, schools) which are fully financed. The *primăria* does not get other direct funding from the state budget, but earns local taxes (no share of the income tax, which is paid at the state level), collects fees for services, can sell or lease property and receive project funding (Law on local budgets). The *primăria* is among other

tasks also responsible for education, making up one of the largest positions in the communal budget (E. Salcuțan, head of Mereni municipality, pers. comm. 2015).

Several international projects have funded forest inventory and management planning of existing communal forests as well as afforestation activities on communal lands.

No subsidies or other contributions are available from the national or subnational budgets for financing of forest management of communal forests.

In Mereni the only income the municipality earns from its forests is the annual lease fee of MDL 300 per ha (approx. EUR 15), totalling 6,000 MDL (approx. EUR 300). In Milești the *primăria* sells a part of the harvested wood to needy families at a lower price (in 2014/15 at 150 MDL/m³, when the price for purchase from *Moldsilva* was 550 MDL/m³); the remaining wood is sold at market price. In Boghenii-Noi the *primăria* sells timber and fuel wood local people, with priority allocation to vulnerable categories of the villagers (pensioners, multiple children families, disabled ones etc.). 90% is fuel wood, sold at prices determined by the *primăria* under consideration of the local income situation (currently 260 MDL per m³), i.e. considerably lower than prices for wood sold by *Moldsilva* from the nearby state forestry units.

The annual incomes earned by the municipalities from the sale of wood were not available. In Boghenii-Noi the earnings from the forest are sufficient to employ three forest rangers (лесники) and one forest master (мастер леса) and to hire workers for carrying out the forestry works. The primăr of Mereni considers the available budget by far insufficient for effective forest protection and management. The primăr of Milești intends to create a communal enterprise that would be in charge of certain communal environmental, cultural and service issues, including waste management, drinking water supply system management, canalization (after being installed), management of the park, maintenance and use of the “konak”, a historic manor house as well as the management of the communal forest, by this creating a unit of sufficient size and budget to make the communal forestry activities financially possible. The communal enterprise is supposed to become self-financing and would employ one person that would be in charge of forest management.

In contrast to communal forest owners that may need to cross fund forest management from other incomes, *Moldsilva* (as manager of the state owned forests) is able of self-financing from forestry and 98% of its income is created from harvesting of wood and from other forest use (NWFP, hunting, forest lease). The forests managed by *Moldsilva* provide a much higher amount of harvestable forest products per area size and per management unit than most communal forests.

Pillar 2: Planning and decision-making processes

Component 2.1: Stakeholder participation

Stakeholder participation in the decision making process was not assessed as separate component here, but considered in the course of the following components as far as information was available.

Component 2.2: Planning and decision making on conversion of land from forest to non-forest and vice versa

Land categories are mapped by the Agency for Land Relations and Cadaster of the Republic of Moldova; these maps are publicly accessible. The assignment of lands to the forest fund, including lands that are temporary or permanently without forest cover, is done either in the process of forest

inventory and management planning or in the frame of the land cadaster. In the practice forest inventory and management planning covers only lands assigned to the forest fund in existing land-use documentation and does not change the designation of lands to categories. So far, areas with succession of tree and shrub vegetation on lands of other designation than forest are not properly mapped. ICAS suggests that this type of lands should be monitored together with forest lands. Necessary would be a functional and ecological definition of forest, the identification and change of land category designation and finally an inventory with full characterization of each plot (D. Galupa and I. Talmaci, ICAS, pers. comm. 2015).

The Forest Code does not mention a minimum width of shelterbelts to be considered as forest. Thus shelterbelts are usually included in the category of agricultural lands. They stay mostly in communal ownership and have not been privatized with the bordering arable lands. ICAS would propose to include all shrub and tree vegetation that is not part of the forest fund into the forest inventory and planning, thus providing a basis for systematic management of these tree stands (D. Galupa and I. Talmaci, ICAS, pers. comm. 2015).

The afforestation of agricultural land not covered by forest and its formal designation to the land-use category of forest is only possible in special cases, where the soil fertility or erosion problems justify such a transfer. According to the Land Code for the transfer of land from one the category of agricultural lands to forest lands a decision by local public authority level I (village/commune), when the land belongs to them, and by the LPA level II (district councils), when the land belongs to them, is required. Such transfer is only possible for lands of fertility/productivity below 40%. In the visited sites so far no designations of land categories have been changed, despite some afforestation and natural succession on marginal arable lands and silvo-pastoral areas.

The change of land-use category from forest to other land types is not clearly regulated in the Land Code. The Forest Code (Art. 8) defines that the government has the authority of deciding about the “allocation of lands of the forest fund for state and public needs”, i.e. the government is authorized to decide about the transfer of forest lands into other land categories. Concerning the rules of such transfer the Forest Code (Art. 17) refers to the land legislation, but the Land Code does not provide any specific regulations either. In the visited municipalities during the last decades no forest lands were transferred into other land categories.

Component 2.3: Decisions on forest inventory and management planning

Forest inventory and management planning (FMP) is mandatory for the entire forest fund regardless of the ownership. All forest inventory and management planning is done by a specialized state organization, the state enterprise “ICAS” (Forest Research and Management Institute) under the Agency *Moldsilva*. While the general methodology is the same for all forests, some simplification has been introduced for the communal forests possessed by the municipality councils. The revision period is ten years.

FMP is considered a state task and should be financed by the state (Forest Code, Art. 73), but no funding is allocated by the state for the FMP, neither in communal nor in state forests. The FMP in the state forests is financed by the forest enterprises themselves from their income. The costs of forest inventory and management planning of communal forests (in 2012 about USD 10 per ha) are supposed to be funded by the “local budget”, i.e. the budget of the respective *primăria*. As these do not possess sufficient funds, these activities in communal forests are funded largely by international projects (in visited sites Mereni and Milești by ENPI-FLEG I, Boghenii-Noi by grant from the Japanese government). In Boghenii-Noi a revision is required in 2015. So far no funding has been identified for the necessary new inventory and management planning. The municipality would be

able and ready to contribute limited funding as well as in-kind contributions to the next inventory and management planning.

According to D. Galupa and I. Talmaci (ICAS, pers. comm. 2015), in communal forests only, annually 15,000 ha incl. shelterbelts should be covered. More than 20,000 ha of communal forests had a forest inventory and management planning since 2005. Thus, the larger part of communal forests does not have up-to-date inventories and management plans. In contrary, for the forests managed by *Moldsilva* the FMP are largely up to date, with no more than one year delay in updating. For the next year these activities are planned on 100,000 ha. The reason is that the forest enterprises of *Moldsilva* manage more productive forests and are thus able to pay for the FMP services provided by ICAS. As these FMPs are the basis for any forest use, there is as well economic pressure to allocate funds for inventory and planning.

The procedure for forest inventory and management planning provides limited opportunity for local stakeholder involvement and for the consideration of needs and capacity at the local level. In the visited municipalities forest inventories and management planning were done with external project support. Thus *primăria* staff and, where available, local forestry employees as well as interested local inhabitants were involved in the process. In the course of each forest inventory and management planning two conferences are formally required supposed to be hold at local level with participation of the municipality itself, *Moldsilva*, ICAS, the Ministry of Environment and the Academy of Sciences:

- FMP Conference I – to present the intentions, the team and the purpose and area of the work;
- FMP Conference II – to present the elaborated Forest Inventory and Management Plan.

The managers of communal forests only possess the usual paper copies of maps and volumes, but no electronic data access and management system. The consultant was not able to review these materials. However, the overall impression is that in the materials of the forest inventory and management planning the focus might be more on allowable harvest, and less on the determination of stand specific silvicultural options, definition of development targets, activities and related costs and benefits. Accordingly the *primăria* in Boghenii-Noi and Milești, where forest conditions allow for substantial wood harvest, referred much to these materials. In Milești the primar had also clear ideas about silvicultural targets, aiming for an increase of the share of autochthonous tree species and a reduction of exotic species. Also a change from coppice to seeded trees is aimed for, in particular for oak. In contrast, the *primăria* in Mereni – with its forests that provide hardly any short-term harvest potential but require silvicultural measures for developing such potential in the long run - showed much less reference to the management plan.

Component 2.4: Decisions on implementation of forest management activities

Most of the decisions concerning the forest are made by the council of the municipality. Forest management activities have to be implemented in accordance to the requirements set by the approved FMPs during their ten-year revision period. Where the revision period of these plans expired without renewal of the plan, in practice decisions on forest management activities are made with reference to the outdated plans and under consideration of the actual situation.

Areas of communal forests in which cuttings are planned have to be marked (with a special marking hammer) and harvest composition and amounts be determined by *Moldsilva* as the municipalities are not authorized to possess marking hammers. The authorization is required despite and in addition to the general approval of the forest management plan and serves mainly the purpose of confirmation of borders of cutting areas, to avoid that accidentally the municipality uses forests

managed by *Moldsilva*. In Boghenii-Noi the primar complained that the marking procedure is often postponed for months due to high workload of the respective *Moldsilva* staff. The municipality would be highly interested in taking over the authority of marking forest sections for cutting.

As mentioned above, any cuts, including those in communal forests, have to be authorized by the local office (district level) of this State Ecological Inspection (SEI) of the Ministry of Environment.

The council of the *primăria* in accordance to the opinion of the *primăria*'s commission on social issues decides on the allocation of harvested fuelwood to needy and other families and applicable prices. The *primăria* also decides on the allocation of communal forest for lease. Most or all afforestation and maintenance activities in newly afforested and reforested areas during the first 5 – 7 years (e.g. in Milești) are implemented by *Moldsilva*, not by the *primăria*. In Milești the municipality refers to own work force for most forestry works in older stands and intends hiring the workers in the future through a communal enterprise. In Boghenii-Noi community members are hired by the *primăria* for the harvest for trees. Planting of trees and maintenance of young plantations is done mainly by their own resources of the commune, though assistance is provided by the neighbouring Cornești forest enterprise of *Moldsilva*.

Access to NWFP for personal use is unrestricted and does not require any permit (Forest Code, Art. 32). The use of NWFP may be restricted in stands especially established for the production of these NWFP, as e.g. many walnut stands. Their use can be restricted and either only be possible for legal entities (Forest Code Art. 35) by the same procedure as for timber and fuel wood, or for anybody, but based on permits (Forest Code Art.38). In Mereni, the leaseholders have no exclusive rights on the use of walnuts on the leased lands, but have to allow free access. This possibly discourages the active planting and maintenance of walnut plantations by the leaseholders. In contrast, the *primăria* Milești leases some fruit trees to private leaseholders that would at the same time protect the forest.

Scheme 2: Key steps of decision making on implementation of forest management activities involving cutting of trees

Step	Organization in charge
1. Forest inventory and management planning	ICAS
2. Application for determination of cutting areas and definition of harvest volumes in accordance to the FMP	Municipality
3. Determination and marking of cutting areas and definition of harvest volumes	<i>Moldsilva</i>
4. Approval of cutting areas and harvest volumes	State Ecological Inspection (SEI) of the Ministry of Environment
5. Implementation of the forest management activities	Municipality

Pillar 3: Implementation, enforcement and compliance

Component 3.1: Capacity of forestry organizations and territorial decision making bodies and administrations

The capacity of *Moldsilva* and its subunits to fulfil the assigned mandate cannot be fully assessed in the context of this case study. By all available information the capacity of *Moldsilva* seems appropriate and *Moldsilva* is also able to provide certain services to the municipalities, in addition to its functions on areas under management by the organization. The marking of cutting areas in communal forests, as in Boghenii-Noi, is done for free by *Moldsilva* out of the interest in the quality (accuracy) of the work. Further, *Moldsilva* is doing planting and maintenance of young plantations on communal forest lands in case of availability of project funding.

The capacity of most municipalities to manage their forests is low. Most communal forests are of low area size and the majority of communal forests consist of artificial forest plantations of low productivity. Thus, the incomes earned by most of these municipalities, despite the general opportunity to create income from NWFP, are too small for financing an own forest management unit. *Moldsilva* would be ready to take over the management or even ownership of these forests and some *primăria* see this as the favourite option, e.g. the *primar* of Mereni (pers. comm. 2015).

The municipality of Milești plans the establishment of a communal enterprise as described above for integrating forest management with other communal tasks and creating by this the needed capacity. The situation of the municipality Boghenii-Noi which has full capacity to manage existing and potential additional forests in communal ownership, with four forestry staff employed and seasonal labour hired, is rather an exception among the forest owning municipalities in Moldova, but it should also become an example of how to manage local forests collectively.

Component 3.2: Forest law enforcement

During site visits and interviews the consultant got only limited information on law enforcement issues. Generally the level of violations, in particular illegal cuts, was considered low but still relevant by all stakeholders. In contrast, the total consumption of fuelwood in 2010 had been estimated at just below 1.1 Mio m³ per year, more than 2.5 times the official harvest. The scale of the imbalance indicates significant volumes of illegal harvesting. (Mitchell et al. 2015) Outside of the visited sites the Consultant noticed several obvious violations of the rules on lease of forests in form of erected permanent housing with massive fundaments. This might be an indicator that enforcement of law is weak at least in cases where the violators are wealthy and/or influential.

In Mereni the head of the municipality considers management of the local forest by the commune itself not feasible due to lack of support to sustainable forest management and noncompliance with established rules by the local population. This includes unauthorized cutting of trees (signs also observed by the consultant) and the destruction of trees planted by the commune for reforestation/afforestation by grazing cattle owned by the local people. The municipality has insufficient financial means for implementing the necessary law enforcement activities. By handing over the management of local forests to *Moldsilva*, the *primar* wants to use *Moldsilva*'s experts, funds and authority to achieve the conservation of the local forests, in particular by better law enforcement.

In Milești reportedly few illegal cuttings happened in both the nearby protected area and the communal forests. These violations have been attributed to outsiders, not to residents of the commune. The municipality collaborates with *Moldsilva* in the enforcement of law.



Fig. 7: Illegally cut black locust in Mereni

In Boghenii-Noi the informants expressed the opinion that forests under management and ownership by the *primăria* are actually better protected than those owned by *Moldsilva*. The reason is that the inhabitants of the municipality have an attitude of ownership and nobody would let go on any illegal cutting and unauthorized removal of forest products. (Filipovici and Filipovici, municipality and *Moldsilva*, pers. comm. 2015) Thus almost 90% of the population is actively participating in a kind of “collective guarding” of the forests. This is a very positive sign of ownership attitude as generally protection of forests in Moldova is largely weak and illegal use is considered as a serious problem (Lozan and Kobernik-Gurkovskaya, 2012).

The State Ecological Inspection (SEI), the subdivision of the Ministry of Environment responsible for law enforcement with regard to the use of natural resources (including forests and game), was presented by the interviewed stakeholders as body that in the first place enforces the compliance with laws and regulations by the forest owners and managers. However, the interviewed stakeholders also stated that the SEI is not sufficiently (and hinted on corruption from SEI officers) undertaking law enforcement in supporting them (local people) against illegal use by nonlocals.

Component 3.3 Administration of forest and land ownership and user rights

All visited municipalities had in their offices proper documentation (land-use maps) of the forest areas assigned to them. The importance of checking the borders of communal towards state forest was specifically mentioned for Boghenii-Noi (Filipovici and Filipovici, municipality and *Moldsilva*, pers. comm. 2015) as a reason why *Moldsilva* keeps the right of marking forest for cuttings (T. Botnari, *Moldsilva*, pers. comm. 2015). Leased forest (in Mereni) seems to be properly documented as well. No information was provided on mechanisms for resolving disputes and conflicts over ownership and user rights and on compensation mechanisms when rights are extinguished. No stakeholder mentioned problems with security of ownership and/or user rights.

Component 3.4 Cooperation and coordination

In all visited sites the good cooperation between *Moldsilva* and the municipalities was highlighted. In Mereni the general good cooperation was reflected by the intention to hand over to *Moldsilva* the management rights and obligations for the communal forest, despite only few years ago, when the current head of the municipality was elected, he returned the use rights of the communally owned forests from *Moldsilva* back to the commune. In Milești the head of the municipality explicitly mentioned that the *primăria* collaborates well with *Moldsilva* and has good relations with the management of a protected area directly bordering the commune's settlement and forest areas. In Boghenii-Noi cooperation is well established with the local forestry unit and *Moldsilva* as well. The interviewed head of the municipality expressed the wish for more authority (right to mark cutting areas, wildlife management rights) and handing over of more forest area to the municipality.

Component 3.5 Measures to address corruption and ensure transparency

This component was not specifically assessed due to the inherent difficulty this subject presents. An in-depth assessment of the effectiveness of any measures to address corruption and ensure transparency would be difficult in the frame of a short visit for a case study. The above mentioned obvious and long lasting violations of regulations in form of erection of buildings with massive fundamentals in leased forests indicate a potentially significant level of corruption. In the communal forests no obvious risks for significant corruption are visible. The risk of provision of undue benefits in form of cheap fuelwood or of selective purchase of services from certain inhabitants might be low due to the peer pressure and social control in the communes.

Conclusions

The history of the forest governance in the three sites seemed to have an impact on the quality of nowadays governance, in particular on the general ownership felt by the community members in the studied municipalities. In Boghenii-Noi the community has been the owner of the forests already since pre-Soviet times. This ownership attitude and related informal mechanisms have continued during the period when the community was collectivized as a kolkhoz. While collectivization of individual agricultural lands and reprivatisation after the end of the Soviet Union certainly led to significant changes, the collective management of the forest as common property of the community members continued throughout the Soviet and the transitional period.

In contrast to Boghenii-Noi, the community in Mereni did not have community managed forests in the past. In this area all forests that are now in communal ownership have been established as artificial plantations during the decades of kolkhoz land ownership and recently during the last two decades. This "Kolkhoz" mind-set, inherited from Soviet times and exacerbated by below explained lack of incentives, led to the understanding that the commonly owned goods actually belong to all and to nobody in particular. In the result, community members do not see their stake in the governance of communal forests. The development of understanding of common goods/common property management will take time but requires being specifically addressed in outreach, development of local governance and provision of tangible benefits to the inhabitants of the commune.

The conditions of the forests in communal ownership are a key factor determining if governance of these forests functions effectively. In the visited sites, the municipality Mereni, owning the least

productive forests with extremely low potential for harvest of wood and NWFP, showed as well the least satisfactory performance in terms of governance. Incomes earned by the municipality from the forests are insufficient to finance any significant forestry activities. The obvious lack of ownership by the community members, as indicated by illegal cuttings and damage caused to young plantations by careless herding of livestock, cannot be addressed by hiring forest wardens by the municipality due to lack of income from the forests or other funding. For these reasons the head of the commune expects a much better forest management being implemented by *Moldsilva* than the commune could ever achieve. In the result he expects that the forest will be in better condition and fulfil protective functions as ecosystem services for the benefit of the commune and its inhabitants.

In contrast, the higher share of productive forests in good conditions available in Milești allows for the provision of fuel wood to community members, which in turn are refraining from illegal cutting, thus reducing the costs of forest protection. The municipality plans in accordance to the approved FMP some final harvest (“cut for main use” or “main logging”) in some hornbeam dominated areas. The availability of moderate income will allow the community to employ a forester in the frame of the planned communal enterprise.

The communal forests of the municipality Boghenii Noi can afford to provide minimum but enough income to sustain four staff positions and hire temporary labor for forestry works. In addition, the overall support of the community members reduces the costs of forest guarding.

The three visited sites show that conditions of forests are not necessarily a result of governance, but more that forest conditions can have a decisive impact on the quality of governance. This may lead to a positive feedback, where forests in good conditions allow for the development of good governance which in turn enables a further improvement of the forest resources and areas. In contrast, poor forest conditions provide only insufficient resources to develop good governance of these forests, and in the result unsustainable use and lack of maintenance cause a further degradation of the communal forest.

An important determining factor is the existence of incentives for sustainable forest management by the municipalities and by the community members. This is in particular a problem on private lands and in leased forests of communal and state ownership. Cutting of trees, even those planted on private lands, is only possible with permits. On leased lands no cuts can be permitted to the leaseholders. Thus, leaseholders can plant trees on leased lands, but would not be entitled to harvest the grown trees. At the other hand, NWFP, as e.g. walnuts, can be used by everybody without the option of providing exclusive, regulated access to leaseholders. The result is a lack of ownership by local people, even by leaseholders, and an open access dilemma. Nobody is interested in investing in the resource as no exclusive use-rights would offer a secure return for the investment made, and compliance with use restrictions can only be achieved by active law enforcement for which the municipalities lack the financial means.

The disincentives for the sustainable use of forests, especially by private owners and leaseholders, limit the potential of forest lease for the municipalities to improve the governance of their forests. In Mereni, the primar sees the lease for personal recreation by local inhabitants as an incentive to plant trees on leased plots and protect larger forest units against illegal use just by their presence. The situation at the leased plot visited by the consultant did not support this statement as it looked more like encroachment of the forest edge by summer housing.

Under the existing legal framework the lease of forests has limited potential to provide incentives to individuals and households, but bears risks that forests are transformed into other land-use types. Compared to the individual lease under the current system, sustainable use of forest resources through communal management of forests as common property has higher potential for the

development of incentives for community members to support protection and sustainable use of forests. This requires that governance of communal forests supports the development of a common property ownership by all inhabitants and that decision making on forest activities and access to forest resources is made in a democratic and transparent manner. In Boghenii Noi the analysis by Lozan and Kobernik-Gurkovskaya (2012) showed that local people are aware of what benefits the forests provide to them. Locals have realized that the more forests they have the more products (and benefits) from forests they might receive.

Effective governance of Moldova's communal forests is challenged by the above explained factors. The situation in Boghenii-Noi and Milești is positive, and these two are rare but good examples, while Mereni's forest governance is contrasting to these two by being in poor condition. The most of Moldova's communal forests are, however, similar to Mereni's forests - small forest areas, fragmented plots, artificial plantations of black locust of low productivity – and its local population, which is showing insufficient sense of ownership. However, despite these challenges the Consultant could see that the existing governance of local forests, with the support of international projects, has allowed for the expansion of communal forests by afforestation of unproductive lands and sites under erosion risk and that existing communal forests are partly in a satisfactory condition or have the potential of being developed into stands providing forest products and environmental services.

4. Recommendations

The general recommendation is to maintain and further develop the system of communal forest ownership and management. The existing governance system is largely adequate, but modification might enable the overcoming of the above described challenges.

The new state policy on development of the forest sector of Moldova should contain a clear commitment to multiple forms of ownership and management, and highlight the importance of communal forests. The Forest Code should be accordingly amended and describe more precisely the authority and mandates of different levels and agencies in terms of the different forms of forest ownership and management rights. Thus, e.g. the mandates of *Moldsilva*, the municipalities and the State Ecological Inspection would be described separately for state forest, communal forest and private forest. Further the new forest policy and the revised Forest Code should clearly state that Moldova's forests have multiple functions, including productive functions and provision of environmental services (e.g. soil protection and recreation). The current assignment of all forests to the "first group" with "exclusively environmental protection function" is misleading and does not facilitate the development of multifunctional and differentiated forest management. In the result forests in protected areas that should be left alone are in fact used, while restrictions on use options limit the incentives for the development of productive forests. In particular for private forest owners and leaseholders, regulations should be revised to remove disincentives towards sustainable forest management and prevent the transformation of leased forests into other forms of use.

An important issue is the development of economically viable forest management in communal forests and the enabling of the municipalities to fulfil their functions in the governance and in the practical management of local forests. A revision of boundaries of communal and state forests can help to create larger units and allow for an economy of scale. Wherever municipalities are interested in taking back former kolkhoz forests into their ownership and have the potential to develop the necessary capacity and support by the community this should be encouraged and permitted.

According to the ICAS representatives (D. Galupa and I Talmaci, pers. comm. 2015), the transfer of small sections of forests from *Moldsilva* to municipalities would be legally possible, but local capacity at the *primăria* would first be required. *Moldsilva* has afforested 28,000 ha as new forests, of which

20,000 ha are on lands of the municipalities, the rest on lands of *Moldsilva* (D. Galupa and I Talmaci, pers. comm. 2015, contrasting higher figures presented by T. Botnari, *Moldsilva*, pers. comm. 2015). By the opinion of *Moldsilva* (T. Botnari, *Moldsilva*, pers. comm. 2015) the transfer of forests from the State Forest Fund (i.e. forests managed by *Moldsilva*) to the municipalities, even the exchange of forest plots, is not legally possible. However, long-term use agreements might provide opportunities to include sections of forests owned by *Moldsilva* into the management by municipalities. Such opportunities should be considered for the establishment of economically and administratively meaningful units. Alternatively in some areas the transfer of small forest sections to *Moldsilva* might be the better option, if communal forests represent only small fragments in a landscape with large state forests.

By now FMPs cover only about 20% of all communal forest vegetation. By law and as a basis for their development and sustainable management all forests and other types of forest vegetation in communal ownership need to be covered by FMPs. However, because of the average low productivity it is not possible for the municipalities to finance the inventory and planning activities from their forest related income. It is also not realistic to expect municipalities to subsidize the elaboration of FMPs from their tight budget available for other public tasks. For these reasons the per-unit costs of elaborating FMPs should be reduced as much as possible, by applying a simplified methodology. The costs of the inventory and planning activities should be covered largely by external funding (international and national sources) while the municipalities should contribute a share and provide in-kind support.

Municipalities owning small fragmented and low-productivity forests cannot be expected to keep the same level of capacity for forest management in terms of staff, funding, equipment and so on as do the forest enterprises under *Moldsilva* that manage much larger and more productive units. For this reason, where the additional assignment of productive forests to communal management is not possible, requirements in terms of the municipalities' capacities need to be adapted to their opportunities and needs. E.g. the development of a sense of common ownership in the community can significantly reduce the expenses for forest protection against illegal use. Technical staff from *Moldsilva* can provide technical expertise on silviculture and forest management where size and productivity of local communal forests do not allow the municipality for hiring own forestry experts.

In areas where the size of communal forests of individual municipalities is too small for developing the necessary forest management capacity at the level of single municipalities the establishment of joint enterprises of several *primăria* is envisaged and highly supported under ENPI-FLEG. This may provide an opportunity to create the necessary economically viable minimum size in terms of forest area and productivity. E.g. in one district, the Nisporeni rayon, ca. 4,000 ha of forests (and additionally silvo-pastoral areas) could be jointly managed by the involved municipalities. In the result necessary capacity can be developed and shared as such an enterprise would employ at least several forestry or agro-forestry professionals. A council of representatives from each *primăria* would have the oversight of the enterprise. While this option has clear advantages in terms of economy of scale, it should be cared for that in all involved communities the mentioned sense of common property ownership is developed and maintained. Otherwise the joint enterprises might be perceived as another type of external, centralized governance and no obvious difference to state forests would be visible for the local people. This can adversely affect their willingness to refrain from illegal use and to support forest protection and sustainable management.

Mereni

The consultant recommends that before making any steps of transferring forest management to *Moldsilva*, the municipality should carefully evaluate other options. Given the current state and use of the communal forests it is not clear if *Moldsilva* can achieve any improvement of their condition.

The municipality should evaluate options like joining with neighbouring municipalities in the establishment of a joint communal forest enterprise or establishing a communal enterprise providing various services. In any case the development of a sense of common property ownership in the community will be required. The *primăria* will need to employ a forest engineer, possibly on part-time basis, whose responsibilities would be to assist the municipality in maintaining forests to enhance their biodiversity and quality (both vegetal and animal/game) as well as to hire necessary local work force to carry out regeneration and other silvicultural works, that are aimed to increase the productivity of forests and their further improvement. The Consultant recommends that the *primăria* seeks donor support for initial funding of these measures.

Milești

The municipality is looking now for resources to update their FMP, which will expire this year. The municipality of Milești also plans to establish a communal agro-forestry entity/enterprise which will help local population manage in a sustainable way their own communal forests and/or pastureland. This would greatly improve the management of local natural resources (mainly forests and pastureland) and will significantly contribute to conserving local biodiversity (including game species) and enhance community's capacity to face possible changes in environment (e.g., climate change). The potentials of establishing such an enterprise at inter-communal level should be considered for making use of the economy of scale. Then such a cooperative management at inter-communal level might be economically more viable. However, there are as well potential risks to be considered as a unit covering larger areas might negatively affect the sense of ownership by the local community members.



Fig. 7: Well-managed communally owned mixed oak forest in Boghenii-Noi

Boghenii-Noi

The municipality of Boghenii-Noi is interested in updating their FMP right now, as it which will expire this year. Also, the municipality is interested in becoming entitled of owning a marking hammer and

doing the marking for cuttings on their own. This may improve their effectiveness of forestry works as delays due to late marking would be avoided. If it is not possible to authorize the municipality, *Moldsilva* should care that marking works are done in due time.

The restitution of 200 ha of former kolkhoz forest that is now owned and managed by *Moldsilva* would further enhance the management of their communal forest. The transfer of ownership to the commune should therefore be considered and in case this turns out legally impossible, long term user and management rights for these forest sections should be assigned to the municipality.

The Consultant recommends assigning to the municipality of a hunting and game management area corresponding to the borders of the commune. In case possible legal barriers for assigning game management directly to the *primăria*, community-members may establish a community-based non-commercial organization with involvement of the *primăria* to which the rights and responsibilities could be assigned. This would provide another element of integrated management of natural resources within the boundaries of the commune, complementing the management of forests, pastures and waterbodies. The rights and responsibilities of game management should be assigned for at least 10 years as a pilot, with the option of further extension. This case might be used as a pilot for the development of area-based hunting management by municipalities or community-based organizations.

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“Ukraine: “Communal” forests – Effective Governance of Local Forests or Parallel System of Centralized Management?”

1. Introduction

The following case study presents the findings from a mission to Ukraine during May 6-12, 2015, as well as results of the analysis of reports and available official documents. The focus of this Case Study is on the specific situation of governance of local forests in three regions visited by the consultant, representing typical situations in terms of governance structure and forest conditions. More general information gathered during this mission is integrated in the Regional Study.

For understanding the specifics of the cases studied in Ukraine a brief explanation of some of the terminology applied, in particular for the names of institutions, is necessary. Some terms are difficult to translate literally into English. Most important in the context of this study, in Ukraine the term “communal” is used for all administrative levels below the republic (called state), thus including the levels of region, district and sub-district. For this reason the term is put in quotation marks where referring to administrative territorial levels higher than the lowest administrative territorial level, i.e. the sub-district, here called the commune (without quotation marks).

The following English terms are applied:

Administrative territorial units

State – refers to the state of Ukraine as country, i.e. to institutions belonging to the central republican level;

Region – refers to the level below the republic level,

District – refers to the level below the region level,

Commune – refers to the level below the district level, can include several villages

Rural Council – the local council at the level of rural communes, in Ukrainian *silska rada* (сільська рада)

State forestry and other institutions

State Forest Resources Agency (SFRA) – the central state body at republic level with its subunits managing state forest and fulfilling some roles in planning and control of management forests in other forms of ownership (“communal” and private);

UKRDERZHISPPOEKT (УКРДЕРЖЛІСПРОЕКТ) – the project enterprise in charge of forest inventory and management planning under the SFRA;

Region State Forestry Administration – Region Administration of Forestry and Hunting Management, territorial unit of the SFRA at region level, not subordinated to the region council and administration;

State Forestry Enterprise (SFE) – economic entity managing state forests, usually in charge of the state forests in the boundaries of one district;

Region Environmental Department – Department of Ecology and Natural Resources belonging to the region administration;

State Ecological Inspection – state agency under the Ministry of Ecology and Natural Resources;

Minagripol – Ministry of Agrarian Policy and Food of Ukraine.

“Communal” forestry institutions

Region Forestry Enterprise (RFE) – “Communal” forestry enterprise belonging to a region, e.g. *HALSILLIS* in L’viv Region;

District Forestry Enterprise (DFE) – “Communal” forestry enterprise, managing “communal” forests within one or more districts, having the status of a legal entity, e.g. the so-called daughter enterprises of *HALSILLIS* in districts of L’viv Region

Other terms

ATO – anti-terrorist operation, official reference to the military operations in Donetsk and Lugansk regions against Russian occupation forces and Russia-backed insurgents;

The following brief historical background is based on the explanations by experts from Transcarpathia (Hrubiy, formerly *Minagripol*, pers. comm. 2015) and may in some details differ from the situation in other parts of the country, especially in the east. However, it describes the main elements of the history of “communal” forests and is typical for the areas visited in the frame of this Case Study.

In Ukraine with the establishment of Soviet power in the 1920s and in the western part of the country in 1939 most forests were nationalised and included in state forest enterprises. Other forest areas together with arable lands and pastures were incorporated in the collective farms (*kolkhozes*) in the course of collectivization. Especially in forest rich regions of western Ukraine these *kolkhoz* owned forests made up large areas. E.g. in 1982 in Transcarpathia 140,000 ha of forests were in the possession of *kolkhozes* and other agricultural units, out of approximately 650,000 ha of forest lands.



Fig. 1: Wooden church in L'viv region.

Until the 1970s most *kolkhozes* used the forests in their possession for the fulfilment of immediate needs without implementing a systematic silvicultural management. During the mid-1970s inter-*kolkhoz* forestry enterprises were established in some areas, because the forest use by the *kolkhozes* was increasingly recognized as unsustainable. These forestry enterprises were governed by a council formed by representatives of each *kolkhoz*. The *kolkhozes* tried to maintain the existing situation, i.e. the use of forests without significant investment in reforestation and silvicultural activities. The forestry enterprise did not fully function because the *kolkhozes* remained permanent land-users of the forest lands, while the forestry enterprises were only technical implementers that had to supply the needs of the *kolkhozes*. Although at least some experts were employed by the

inter-*kolkhoz* forestry enterprises, in most *kolkhoz* forests still until 1982 real sustainable forest management did not happen.

In 1982 (in Transcarpathia) the first *kolkhoz* forests got a full forest inventory and management planning (FMP), and in 1983 first cutting areas were formally approved and the systematic implementation of forest management started. In 1992 the FMP were first revised and updated, but due to the difficulties after the dissolution of the Soviet Union, only a part of the inter-*kolkhoz* forestry enterprises got approved FMPs.

During the 1990s a unique policy on land-use and forests was virtually inexistent. The organizational structure changed several times as the *kolkhozes* were restructured and renamed. The “inter-farm forestry enterprises” (Rus. межхозяйственные лесхозы) since 1996 became “communal” forestry enterprises that were reporting to the district councils, which would also decide about the production plans and other issues. In 1999 the renamed and restructured *kolkhozes* lost the permanent land-use rights on all lands except agricultural lands. In accordance to the Forest Code of 1996 all forests were supposed to be state owned and the state forestry enterprises were understood as the only permanent land-users of forest lands. With the dissolution of the restructured and renamed *kolkhozes* agricultural lands were transferred into private ownership. Some lands (e.g. many pastures) were not formalized as private property, as people feared loss of social subsidies (e.g. on gas) if owning too much land. Some lands were formalized as property of rural councils, others remained unassigned.

The transfer of former *kolkhoz* forests into the state forest fund, managed by the state forestry enterprises, was only partly realized. The state forestry enterprises were not interested in taking over large areas of these forests, which they considered without (economic) perspective. Accordingly the state forestry enterprises wanted to incorporate only the good forest sections, and in the result in many areas no handover took place. Thus (in Transcarpathia) all forests remained in “communal” ownership.

The Ministry of Agrarian Policy and Food (*Minagripol*) had in some areas the authority over the forests owned by agricultural units. In 2001-2003 this ministry established its own agency for the administration and management of the *kolkhoz* forests through own district level forestry enterprises. These enterprises were directly subordinated to the *Minagripol*, received a small budget subsidy for funding of FMP updates and of salaries of protection staff, did not have to share incomes with the higher level, but had to pay taxes.

In 2003 in Transcarpathia as well as in some other regions the land use rights on “communal” forest lands were formally assigned to a region forestry enterprise and the 13 district forestry enterprises lost their status as legal entities and became branches of the region forestry enterprise.¹³¹

This brief historical overview cannot be exhaustive nor does the Consultant claim that every detail is correct. Its purpose is to show that during the last 25 years, but even in the decades before, the governance of local forests changed many times and even most people working in this sector in Ukraine have difficulties to recall all these changes and see a clear picture in them. One interviewed expert bluntly stated “there were absolutely no logics behind all these reorganizations”.

¹³¹ Oborska, in lit. 2015, stated that “formally in Transcarpathia these forestry enterprises had been not “communal” enterprises. These enterprises that had been established on the basis of former *kolkhozes* were state enterprises that belonged to the *Minagripol*. These enterprises are now liquidated due to their big debts and the forests and the majority of staff are handed over to the state forestry enterprises.” This statement partly contradicts Zhyla et al. 2014, stating that “currently a liquidation commission works on forestry enterprises of “communal” ownership.”

According to FORZA (2010) the total area of national forest land of Ukraine is 10.8 million ha (including 1.6 million ha of protected forests), the area covered by forest is 9.7 million ha, or 15.7% of the land area, and the area of forest under the management of “communal bodies” is 950 thousand ha (9% of the total forest area).

All forest lands of Ukraine are currently under the jurisdiction of different ministries and state institutions, as follows (FORZA 2010):

- State Forestry Committee of Ukraine: 7.4 million ha (68% of forest area);
- Ministry of Agricultural Policy and Food: 1.8 million ha (17%);
- Ministry of Defence: 0.2 million ha (2%);
- Ministry of Emergencies: 0.2 million ha (2%);
- Ministry of Natural Environment Protection: 0.1 million ha (1%);
- Ministry of Transport and Communication: 0.1 million ha (1%);
- Other ministries and institutions: 0.2 million ha (2%);
- State reserve forest lands: 0.8 million ha (7%) – local decision making at Rayon (district) level.

These numbers do not entirely fit with the stated afore “950 thousand ha (9% of the total forest area) under the management of “communal bodies””. Additional forest lands that are assigned to the *Minagripol* are at least partly managed by “communal” forest enterprises.

Former *kolkhoz* forests that have not been transferred to the state forest fund or incorporated into state protected areas are managed as “communal” forests by forestry enterprises at region level, which have at district level either daughter enterprises or branches. The total area and share of “communal” forests is difficult to assess as ownership and management rights vary. For instance in L’viv, Vinnytsia and Transcarpathia about 25%, 38% and 14%, respectively, of the total forest areas are managed by “communal” enterprises, the forestry enterprises are owned by different levels of territorial administration, in the case of L’viv and Vinnytsia by the region, in case of Transcarpathia by the state, represented by the *Minagripol* (?).

Currently in the 25 regions of Ukraine “communal” forests in two regions are managed by district forestry enterprises only, in nine regions they are managed by region forestry enterprises with branches or daughter enterprises at district level, and in the remaining regions forests are managed by state forestry enterprises only (some under the *Minagripol* and/or transferred to the SFRA).

Similar to other former Soviet Republics, already during the times of collectivization those forests that were considered of industrial value and formed larger forested areas were assigned to the state forestry enterprises, while smaller forest areas in agricultural landscapes and forests that were of low industrial potential due to site conditions and/or history of use by the rural populations were incorporated in the *kolkhozes*. While in the pre-Soviet period the communities managed their forests as common property, the Soviet collectivization destroyed this understanding. The mentality to take only but not to invest remained beyond the Soviet Union. Despite democratic representation in the rural, district and region councils so far the local people hardly see “communal” forest as “their forest”, and accordingly social control develops slowly. The perception among foresters is that people are mainly interested in grabbing for construction purposes forest land at attractive locations.

Nowadays most “communal” forests are secondary forests of low value, while the state forests are dominated by age class forests and mixed natural forests of much higher production potential and stock of higher commercial value. In addition to forests, there are a total of 400,000 ha windbreaks in the country. All windbreaks are now severely degraded due to cuts and lack of rejuvenation, thus either not preventing or even contributing to erosion problems. Further, during the last 25 years large areas of agricultural lands were abandoned and natural succession led to the development of

forests on these lands. The future of these forests is so far not determined, and as long as these lands are not formally considered forest lands no effective governance of these forests is in place despite their potential to contribute to the forest cover of the country and to fulfil multiple forest functions.



Fig. 2: Expansion of pine forest on abandoned agricultural lands by natural succession – Yavoriv district of L'viv region.

2. Study methods, areas visited and stakeholders interviewed

2.1 Stakeholders interviewed

The Consultant met the representatives of the **region forestry enterprise** (Region Communal Special Forest Enterprise) «ГАЛСІЛЬЛІС» (*HALSILLIS*):

- General Director - Petro Stepanovich Peshko;
- Main forester (first deputy of director) – Ivan Grigorivich Bilinskiy;
- Experts of the region forest enterprise;
- Director of the district forestry enterprise Daughter Forestry Enterprise Yavoriv of region forestry enterprise “*HALSILLIS*” – Igor Vasilovich Tisyak

The Consultant interviewed **representatives of the region and rural councils in L'viv region**:

- Region Council of L'viv Region, Deputy Head - Valery Pyatak and council deputy Petro Stepanovich Peshko (General Director of *HALSILLIS*)
- Seredkevychi Rural Council of Yavoriv district of L'viv Region – Mikhailo Smolinets
- Smolyn Rural Council of Yavoriv district of L'viv Region – Oleksandra Mikolaivna Shanova

In **Transcarpathia** the consultant met the following independent experts

- Eduard Turis (former Main forester employed by Ministry of Agricultural Policy), and

- Mykola Hrubyi (former Director General of the forestry enterprise of Ministry of Agricultural Policy, worked since 1981)

In **Vinnytsia** the Consultant interviewed:

- **Region forestry enterprise** «ВІННІОБЛАГРОЛІС» (*VINOBLAGROLIS*) – General Director Anatoliy Ivanets;
- Deputy head of **rural council** of Voronovitsa of district Vinnytsia Roman Viktorovich Yamyk (professional forester)

In the **Ukrainian State Project Forest Inventory and Planning Enterprise “Ukrderzhlisproekt”** the consultant met:

- General director Grigoriy Grigorovich Chayka;
- Head of centre for processing of materials Miroslav Besyadovskiy

The following **experts of the ENPI-FLEG** programme provided information:

- Roman Volosyanchuk (on the overall situation in the forest sector and on management of “communal” forests);
- Alla Oborska (on forest inventory and management planning and on general issues of “communal” forests and their management);
- Serhiy Rozvod (on FSC certification and on general issues of “communal” forests and their management);
- Andriy Zhyla and Tetyana Zhyla-Bas (on forest dependency and management of “communal” forests in L’viv region).

The consultant also participated as observer in the meeting of the National Consultative Committee of the ENPI-FLEG programme.

2.2 Study methods and areas visited

The consultant visited three regions of Ukraine in the western and central parts of the country – L’viv, Transcarpathia and Vinnytsia as well as the *Ukrderzhlisproekt* near Kyiv, the agency in charge of forest inventory and management planning. Because of limited time and due to the focus on “communal” forests lower relevance, the Consultant did not manage to meet the State Forestry Agency and its subordinated units.

During his site visits the Consultant was accompanied by the CPC Roman Volosyanchuk (L’viv, Transcarpathia), and experts of ENPI-FLEG Andriy Zhyla and Tetyana Zhyla-Bas (L’viv Region) and Serhiy Rozvod (Vinnytsia).

The general study methods are explained in the method section of the Regional Study and at the beginning of the Case Studies.

L’viv region (Peshko and Bilinskiy, *HALSILLIS*, pers. comm. 2015)

The “communal” forests of 146,500 ha are managed by the region forestry enterprise “*HALSILLIS*”. About 50% of the forests are classified as protection forest. The average size of forest areas in “communal” forests is 18 ha, while in the state forests it is 504 ha. Almost 50% of the “communal” forest areas are smaller than 5 ha. These forests are managed by the enterprise “*HALSILLIS*”.



Fig. 3: Map of the state and “communal” forests of L’viv region.

Communes Seredkevychi and Smolin of Yavoriv district of L’viv region

The villages Seredkevychi and Smolin were study area of the Forest dependency study in Ukraine (ENPI-FLEG II 2014) and details on the economic situation in the villages as well as on the forest dependency of their inhabitants are presented in that study. The geographical coordinates of Seredkevychi are N 50°09'17" E 23° 32'51". The village has 753 inhabitants in 210 households. The geographical coordinates of Smolyn are N50°09'18" E23°27'45". The area of the commune Smolyn includes 978 ha state forest and 1,198 ha “communal” forest.

The state forests in these communes belong to the Regional Landscape Park “Ravske Roztochchia” that occupies an area of 19,103 ha (PA category V according to IUCN) and to the state forestry enterprise “Rava-Ruska forestry” which manages exploitation forests. “Communal” forests in the district are on the balance, i.e. ownership, of *HALSILLIS* and are managed by the district forest enterprise Yavoriv. Further in this area forests exist that are owned by the military.

The “communal” forests in the two districts covered by the district forest enterprise Yavoriv (Tisyak, pers. comm. 2015) have a total area of 10,400 ha and consist of four forestry units (three *lesnichestvo*, one *masterskiy otdel* of smaller size). The area includes 460 ha of protected area with different zones, partly allowing for forestry activities. Annual wood harvests of the last years are:

- 2014: 2,000 m³;
- 2015: 7,000 m³ (out of this 2,600 m³ pine, remaining hornbeam, alder, beech, oak).

The total annual harvest is 150 – 200 m³/ha, with 80% fuel wood, 20% timber. This proportion

reflects a significant share of so-called sanitary or intermediary cuttings. Main use logging is done in form of clear cutting of areas up to 5 ha. Reforestation uses the locally occurring species which are planted as stands mixed by species, but in 2014 for the first time non-native Douglas fir was planted.



Fig. 4: Landscape with “communal” forests – Yavoriv district of L'viv region.

Transcarpathia (Hruby and Turis, formerly *Minagripol*, pers. comm. 2015)

In the region of Transcarpathia “communal” forests currently cover only 90,000 ha out of about 650,000 ha total forest cover, of which 490,000 ha belong to the state forest fund, managed by state forestry enterprises, 10,000 ha are military forest, and the remaining are in PAs under the Ministry of Ecology and Natural Resources. The area of “communal” forests shrank compared to formerly about 120,000 ha former *kolkhoz* forests because some areas had been included in PAs, and some districts already before 2001 by decision of the region council handed their forests over to the state forestry enterprises. The “communal” forests are managed by a regional forest enterprise with branches at district level. However, Oborska (in lit. 2015) explained that these forests were formally in permanent land-use by the *Minagripol*. These enterprises made losses and due to their high debts they were in the process of liquidation since 2014, with forests and staff being taken over by state forest enterprises. However, Zhyla et al. (2014) referred to these forestry enterprises in liquidation as enterprises in “communal” ownership.

The “communal” forests are largely mixed secondary forests of low value, while the state forests are mostly beech forests of more commercial importance. Beech forests are managed through shelter wood cuttings (German: *Schirmschlag*) and beech is used for furniture and charcoal. There is a local charcoal factory that processes beech wood but also uses now up to 30% wood from non-forest land (succession areas on abandoned agricultural lands).

Vynnytsia region (Ivanets, *VINOBLAGROLIS*, pers. comm. 2015)

The Vynnytsia region has 216,000 ha state forest and 130,000 ha “communal” forest, the latter being

in permanent land-use by the region forestry enterprise *VINOBLAGROLIS* (ВІНОБЛАГРОЛІС), with land-use certificates so far covering 100,000 ha and the certification of the remaining area being in process. Since 2000 additionally to the above mentioned forest area 10,000 ha of new “communal” forest have been planted on abandoned lands, but so far the land-use certificates were not yet issued to the region forestry enterprise.

The region forestry enterprise was established in 2000. Until then the forests were still in the ownership of the *kolkhozes*. The enterprise has 21 district forestry enterprises (covering 27 districts). The district forestry enterprises are “daughter enterprises” with own status as legal entities. Formerly they had been branches of the region forestry enterprise, but under the new tax system this was not practical anymore. The region forestry enterprise also manages 83,000 ha assigned hunting grounds (including wetlands and arable lands) with roe deer and wild boar as well as hare and ducks as main game species. For the management of the hunting grounds 12 rangers are employed and supplementary feeding and saltlicks are provided.

The FMP have been updated in 1995, 2005 and 2014/15. The forests are dominated by hornbeam with oak, ash, some black locust and few pine and spruce. The annual harvests are:

- approx. 120,000m³ hornbeam (coppice);
- 5,000 m³ oak;
- 12,000 m³ ash;

After logging of hornbeam, oak is promoted by planting of oak seedlings and acorns and keeping hornbeam short for the first ten years.

Some district forestry enterprises with larger forests and higher harvest potential are FSC certified. While the certificate does not have much impact on prices achieved, the demand for the harvested wood on export markets is higher with the certificate.

Commune of Voronovitsa of Vinnytsia district of Vinnytsia region

The commune is a settlement or urban type with 7,000 inhabitants. The commune includes 6,000 ha of state forest and 220 ha of “communal” forest that is managed by the Vinnytsia district forestry enterprise. The “communal” forest is FSC certified. The forest is mainly managed as age class forests with main use logging in form of clear cuts up to 5 ha in exploitation forests and up to 3 ha in other forest categories.

3. Findings

While these findings refer to the elements of the governance frameworks (as explained in the method section of the Preliminary Report), the Consultant does not attempt to cover here all pillars and their components in all detail but presents the specific aspects identified at the visited sites and being of relevance for this case study.

Pillar 1: Policy, legal, institutional and regulatory frameworks

Component 1.1: Policies

During the ENPI-FLEG II programme’s national consultative committee meeting, one of the participants characterized the frequent and ongoing changes in policy as “reform diarrhoea”, meaning that policies are reformed and change in such frequency and without proper “digestion” that the organism, i.e. in that case the forestry sector, seriously suffers.

Since independence, and in particular with the transformation and privatization of the *kolkhozes*, the Government of Ukraine rather preferred the central management of all forests, in contrast to communal management of pastures as common property of villages. Until 2014 the policy was that all forests should be in the hand of a monopolist; this policy changed only by decree of the Cabinet of Ministers when Yatsenyuk became prime minister. The SFRA still has the official position that it would better if this agency would take over all forests in the country. (Turis, formerly *Minagripol*, pers. comm. 2015)

The representatives of the L'viv region council (Pyatak and Peshko, pers. comm. 2015) mentioned the decentralization policy of the government expected to impact as well on the governance of “communal” forests. More authority should be delegated to the basic level. In the result some of the local rural councils may expect to get the management authority on forests handed over, especially where rural communes are merged (currently 637, 50% reduction planned). The regional council intends to keep the existing forest management system, and it wants to continue managing the communal forests in a unified way in larger units.

Zhyla et al. (2014) lamented the absence of a strategy for the development of forestry enterprises of communal ownership type. A national state policy of the forestry sector would be needed that would determine the functions of different institutions and ownership types as well as issues of separation of functions of management and control.

Component 1.2: Legal and regulatory frameworks

The key legal and regulatory documents determining the governance of local forests are the Constitution, the Forest Code, the Land Code, other laws and a number of bylaws. The most recent law governing Ukraine's forests and their management is the Forest Code of 2006, with last changes in December 2014. The Land Code of Ukraine from 2001 has been amended in accordance to this Forest Code.

The development of the legislation on “communal” forests has been analysed by Zhyla et al. (2014) and is beyond the scope of this case study. The history of “communal” forests is characterized by inconsistencies, contradictions and gaps in the legal regulation of key issues in particular in relation to ownership rights (see section 1.3!).

The Forest Code regulates the management of all forests in Ukraine, including forests of all forms of ownership, user-rights and protection status. The Forest Code, beyond the regulations what forests can be in “communal” ownership and the assignment of user-rights on these forests to “communal” enterprises, does not provide for differences between the management and use of “communal” and state forests. One difference is that FMP development and the implementation of forestry activities in “communal” forest have to be funded by the budget of the respective “communal” owner. Further, local self-governance organs have the authority and obligation to resolve conflicts about management and use of “communal” forests.

A large number of bylaws regulate the details of the implementation of the forest code. Some bylaws, like the Decree of the Cabinet of Ministers #655/23 July 2008 “On the confirmation of values for the calculation of the amount of damage caused to forest” were adopted by the government, while a number of bylaws have been adopted at the level of the SFRA. Zhyla et al. (2014) quoted complains from representatives of “communal” forestry enterprises that the system of bylaws is very complicated and they could barely know and understand all bylaws. On the other hand, the majority of bylaws is issued by the SFRA, without registration by the Ministry of Justice, and has only

internally binding character, i.e. their application is not mandatory for “communal” forestry enterprises and the forests they manage. In the practice these bylaws are taken as guidance, but nevertheless, the lack of binding bylaws on many issues related to the “communal” forest management is a gap in the acting legal and regulatory framework.

The Land Code defines the land categories depending on their designation (Art. 19). Lands designated for agriculture and lands designated for forestry form two different categories. This has impact on the inclusion of natural or planted forests on agricultural lands into the forest fund and the application of regular forest management. The Land Code provides the opportunity to change the designation of lands (Art. 20) as well as the change of ownership, including the transfer of state owned land into “communally” owned land (Art. 117). The authorities in charge of changes of the category designation and ownership of lands are defined in Art. 122 of the Land Code.

There are as well other laws that influence forest management at local level, like the law “On local self-governance in Ukraine”, defining the authorities and functions of local councils and administrations without specific reference to forestry enterprises, or the “Code on administrative legal violations”, defining the authorities of various officials in the context of law enforcement.

Zhyla et al. 2014 found that 92% of interviewed persons involved in the management of “communal” forests (representative of “communal” forestry enterprises, of administrations and of rural councils) expressed the need to improve the legislation on “communal” forests. Among other problem issues, they mentioned the indeterminate state of the staff involved in the protection of “communal” forests and the inadequate regulation of wood harvest, determination of prices and wood markets.

Component 1.3: Ownership and user right systems

Ownership in the context of this study concerns the ownership of land on which the forest is located, the forest and the user-rights related to them, and the ownership of the forestry enterprise. These objects can be, and usually are, owned by different subjects.

The Forest Code of the Ukrainian SSR, acting until 1994, only mentioned state ownership of forests, which would be assigned to users for permanent or temporary use. This system was kept in the first Forest Code of Ukraine in 1994. The user-rights and ownership of former *kolkhoz* forests in the context of the liquidation of *kolkhozes* were regulated by two decrees of the Minagropol, which led in 2000-2001 to the establishment of “communal” or state enterprises, depending on the position of the respective district and region councils. These enterprises took over the user rights on the (that time) state owned forests that had been permanently assigned to *kolkhozes*. (Oborska, pers. comm. 2015) At the same time the Land Code of Ukraine (2001) first provided for the opportunity of “communal” ownership of forest lands which would be permanently assigned for land use by “communal” forestry enterprises. This provision contradicted the Forest Code acting that time, which limited ownership on forests exclusively to the state. The adoption of the law “On delimitation of lands of state and communal ownership” in 2004 further prohibited the handover of forests outside of settlements into “communal” ownership. Shelterbelts on lands of the land reserve, however, were transferred into “communal” ownership. (Zhyla et al. 2014)

The Forest Code of 2006 in accordance to the acting Land Code established the existence of state, “communal” and private forest ownership. In “communal” ownership are forests within the boundaries of settlements (towns, villages). Also forests outside of settlement boundaries can be in “communal” ownership under the condition that lands in state and “communal” ownership are delimited. Permanent use by “communal” forestry enterprises would only be assigned for forests on lands in “communal” ownership. But on lands in state ownership that have been assigned to

“communal” users earlier user-rights on forests would stay in force. (Zhyla et al. 2014) The issue of delimitation of lands in state and “communal” ownership, which is important for the determination of management of local forests, is discussed under component 3.3.

The Land Code (Art. 56) also allows for the handover to natural persons and legal entities of degraded agricultural lands for the purpose of afforestation.

In Vinnytsia region, the region forestry enterprise has certificates about permanent land-use for 100,000 ha, while the formalizing of the remaining 30,000 ha is still in process (Ivanets, VINOBLAGROLIS, pers. comm. 2015).

In L'viv region after the land reform the former *kolkhoz* forests stayed in the ownership of the rural councils, and a new management structure was developed with involvement of districts and the region. Thus in L'viv region since 2000 all communal forests are owned by the local rural councils and by the district councils who have handed over the management function of the region (Pyatak, pers. comm. 2015). On the ownership of the region forestry enterprise contradictory statements were made by the representatives of the enterprise (“owned by the regional council”) and by the head of a rural council (Smolinets, rural council Seredkevychi, pers. comm. 2015) who stated that the enterprise is owned 51% by the region council and 49% by the district councils. This head of the rural council also contradicted the statement on the ownership of the “communal” forests, denying that these forests were “on the balance”, i.e. in the property, of the rural council, but of the region forestry enterprise. This illustrates that even immediately involved stakeholders have diverging opinions on key governance issues.

Concluding, the ownership and use right scheme of “communal” forests seems to be as follows:

- “Communal” forest lands and the forests growing on these are owned by the commune¹³²;
- Permanent user-rights on the “communal” forest lands are assigned (or in process of being assigned) to the region forestry enterprise;
- Management of the “communal” forests is delegated by the region forestry enterprise to district forestry enterprises or district forestry units;
- Region forestry enterprises are “communal” enterprises, owned by the region council, possibly co-owned by district councils;
- District forestry enterprises are legal entities, daughter enterprises of and owned by the region forestry enterprises, or alternatively district forestry units are branches of region forestry enterprises.

This scheme of ownership seems not always fully developed. Many of the interviewed stakeholders did not seem to have a clear understanding of the ownership and use-rights. In particular the ownership of lands and the permanent use-rights are not always formally certified. The ownership and use-right system in Transcarpathia seems different, as there the Minagropol according to some statement (Hruby and Turis, formerly *Minagripol*, pers. comm. 2015) either owns forestry enterprises and/or is in charge of state owned forest not belonging to the SFRA.

Forests can also be leased by natural persons and legal entities. Leaseholders have to pay annual lease fees and a one-time fee for “compensation of damage. There is no limit on the size of leased areas but usually small areas are leased to avoid large compensation payments. This decision

¹³² In Smolyn rural council of L'viv region the Consultant was told (Shanova, pers. comm. 2015) that the region forestry enterprise is now formalizing the land ownership of the forest lands. So far it is only owner (or permanent user) of the forests, but not of the lands on which they grow, which are owned by the rural council. The process was already started before the current head rural council was elected and the current stage of the process is unclear. The rural council would like to keep the land ownership if still possible.

making on lease requires agreement from the rural council, the region forestry enterprise and the region state forestry department (pers. comm. Ivanets, Vinnytsia 2015). This involvement of various parties also illustrates the unclear ownership and user-rights on forests and forest lands.

All harvest of wood and timber is done by the forestry enterprises or their contractors. Private persons and other legal entities are not permitted to cut standing trees or even collect logging remnants or dead wood.

Local people have access to forests independent of the ownership type and can use NWFP for their personal needs. Military forests are also accessible for people as any other forest; only during exercises access is temporarily restricted. In the practice NWFP are harvested by everybody without restrictions, where enough resources are available (blueberries, mushrooms, wild strawberries and blackberries in Yavoriv district of L'viv region, Smolynets, Shanova, pers. comm. 2015) also for commercial purposes (sold at the market). With the open access to NWFP resources no restrictions can be established in the interest of their sustainable use and forestry enterprises are not obliged to adapt their felling activities to the interest of NWFP users. In Vinnytsia the only forest permits not related to use of wood are issued by the regional forestry enterprise for the placement of beehives in forest areas (Ivanets, *VINOBLAGROLIS*, pers. comm. 2015). Livestock grazing in forests is generally prohibited.

Only in Vinnytsia the interviewed stakeholders brought up as a topic the use of forests for hunting (Ivanets, *VINOBLAGROLIS*, pers. comm. 2015). Here 83,000 ha hunting grounds (including wetlands and arable lands) are assigned to the regional forestry enterprise, which employs 12 rangers, provides supplementary feeding and saltlicks and conducts track surveys in winter for the determination of quota and sells hunts to individual hunters, which can hunt roe deer and wild boar based on individual permits and other game based on general hunting permits.

Component 1.4: Mandates of forestry organizations and territorial decision making bodies and administrations

The mandates of forestry organizations and territorial decision making bodies and administrations in relation to “communal” forests are not clearly defined in laws. The Consultant was not able to study the bylaws that formalize these mandates. He therefore relies here on the statements by interviewed stakeholders which may in some extent reflect their perceptions but not entirely be in accordance to the bylaws.

The State Forest Resources Agency (SFRA) is the main state body in the forestry sector. Until 2012 the mandate of the SFRA included the right to bring up suggestions for new legislation. At the same time the SFRA carried the functions of execution of laws and control of this execution. This multiple mandate provided the agency with a position of being able to make its own rules, implement them as seen appropriate and without real external control. After 2012 a part of the authorities of the SFRA has been changed aiming at a separation of legislative, execution and control functions. The SFRA is now formally subordinated to the Cabinet of Ministers with the supervision carried out by the Minister (not Ministry) of Agrarian Policies and Food.

The state forests within the management authority of the SFRA are managed by the state forestry enterprises that are subordinated to the region state forest administrations in each region. These region state forest administrations are the territorial structures of the SFRA and should not fulfill economic (business) functions, but do so in the reality by interfering with the state forest enterprises. Thus the SFRA for the state forests through its structures still carries the mandates of general supervision, administration, forest management and control. Further, the agency for forest inventory

and management planning *Ukrderzhlisproekt* is a structure of the SFRA. The territorial structures of the SFRA, the region state forest administrations and the state forestry enterprises are not subordinated to the respective region, district or rural council or their local administrations.

The State Ecological Inspection executes in a limited extent external control on the management of state forests as well as “communal” and private forests. It has to approve the areas where in accordance to the FMPs main use felling (final logging) is planned to be carried out, but does not influence on reforestation and silvicultural activities.

The communes, as the basis level of local-self-governance, which includes maximum 2-3 villages, do not take any decisions about the management of forests, but have a person in charge of land division that may participate in the definition of forest areas.

The mandates on “communal” forests are more distributed over various institutions:

- The SFRA, despite having no longer the mandate of legislative initiative, is mainly determining the overall forest sector policy and strategy of the state and through the development of bylaws directly influences on key aspects of forest management on the ground and on the economic situation of the forestry enterprises, independent of the type of ownership and user-rights of the enterprises and the forests they manage;
- The agency *Ukrderzhlisproekt* under the SFRA is the only institution authorized to carry out the forest inventory and management planning (FMP);
- The regional state forest administrations issue forest cutting permits for main use felling and certificates of origin for export of timber, and control all forest users, independent of forest ownership, including the region and district forestry enterprises;
- The State Ecological Inspection approves the size of annually harvested areas and amounts felled and deals with violations of forestry regulations in “communal” forests,
- In L’viv and Vinnytsia regions the region forestry enterprises coordinate, monitor and control the management of the “communal” forests by the district forestry enterprises and make decisions on forest use;
- The district forestry enterprises fulfil similar functions as the state forest enterprises do: they carry out all forest management activities in the frame of the FMP, propose cutting areas, issue forest cutting permits (except permits for main use felling that are issued by the region state forestry administration), hire and oversee contractors;
- The region forestry enterprises are controlled by and report to the region councils, while the district and rural councils do not have any direct authority over the district forestry enterprises which report to the region forestry enterprises;
- District councils participate in appointment of directors of district forestry enterprises and make the decisions on lease of forest lands;
- Rural councils participate in the recruitment of the local *lesniks* (foresters at lowest level) and participate in decisions on lease.

These mandates may vary slightly from region to region. While in L’viv stakeholders stated that forest cutting permits are issued by the district forestry enterprises, in Vinnytsia the region forestry enterprise keeps this function.

In contrast to the state forestry enterprises the “communal” forestry enterprises do not possess the authority of issuing protocols and penalties for violations of forest regulations, but have to rely on the State Ecological Inspections to deal with offenders.

The region forest enterprise in L’viv region complained about too much involvement from outside, notably from the SFRA and its region state forestry administration and the Ministry of Ecology and

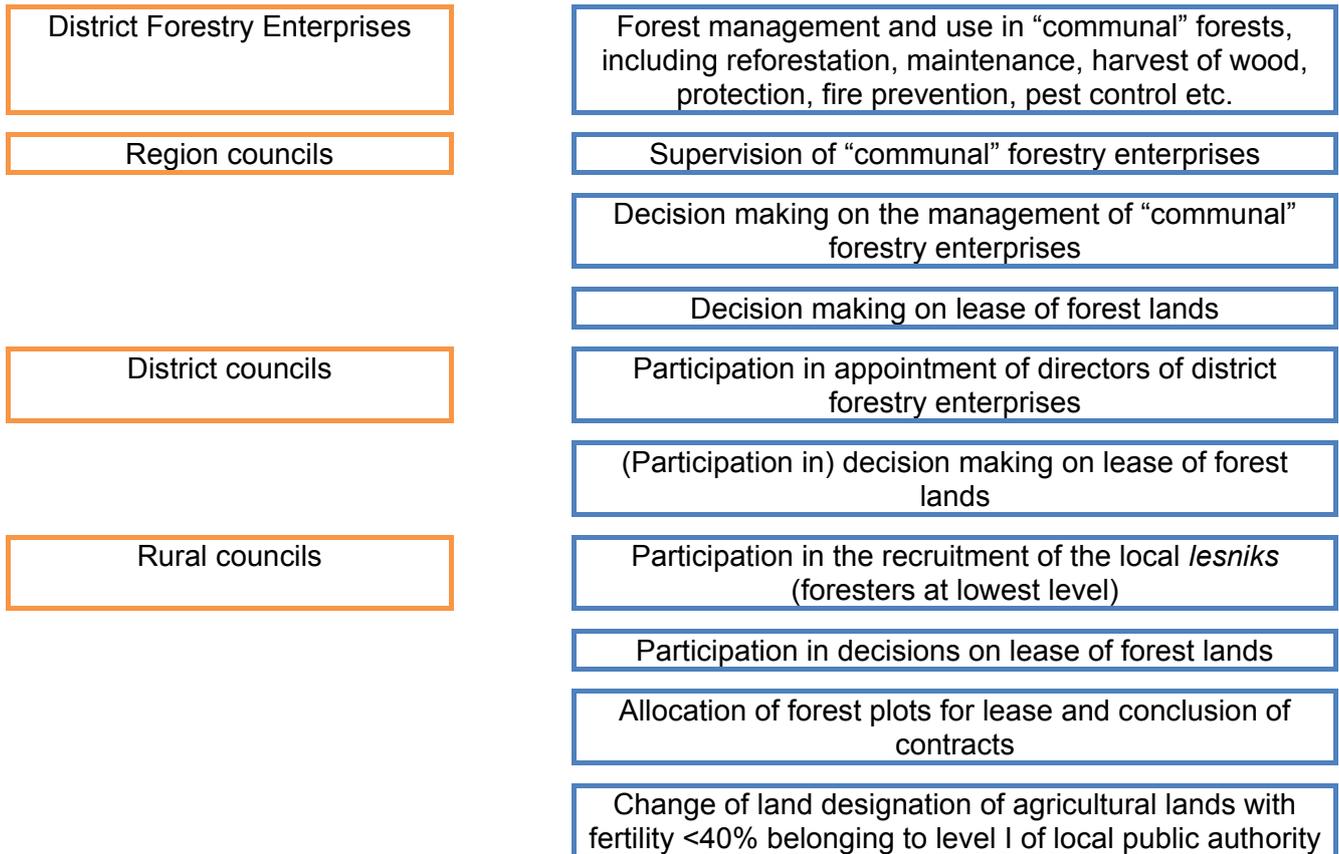
Natural Resources.

Scheme 1: Overview of main mandates in the governance of local forests

Organization

Key mandates

Organization	Key mandates
Government	Definition of state policy
	Adoption of bylaws in Gov't. competence
	Change of land designation of forest lands to other categories
State Land Agency	Change of land designation of agricultural lands to forest
Ministry for Environment State Ecological Inspection	Control of activities of all forest ownership types
	Approval of wood harvest (areas and amounts)
	Law enforcement in forests of all ownership types
State Forest Resources Agency	Development of policies, strategies, bylaws
	Planning, guidance, supervision of subordinated region state forest administrations and state forestry enterprises
	Approval of FMP
Region State Forest Administration	Issuing of forest cutting permits for main use felling and certificates of origin for export of timber
	Control of all forest users independent of ownership type
	Afforestation and maintenance of young growth as well as management of forest stands in case of temporary authorization by municipality
<i>Ukrderzhlisproekt</i>	Forest inventory and elaboration of forest management plans
State Forestry Enterprises	Forest management and use in state forests, including reforestation, maintenance, harvest of wood, protection, fire prevention, pest control etc.
	Law enforcement in state forests
Region Forestry Enterprises	Planning, coordination and supervision of management of "communal" forests
	Forest management and use in "communal" forests where no district forest enterprises exist



Overall, in the state forest the fulfillment of functions regarding decision making, management, forest use and control may benefit from a clearer separation of some of these functions and more control by a body independent from the SFRA. In what extent the State Ecological Inspection already fulfills such an external control function did not become clear to the Consultant, but it is certainly an option to develop this mandate of this inspection, which is independent of the forestry administrations. On the other hand Zhyla et al. (2014) quoted that almost all stakeholder involved in the management of “communal” forests considered as serious insufficiency of the current system the lack of a central state organ in charge of overall forest management independent of the type of ownership.

Component 1.5: Financial arrangements, economic instruments and benefit sharing

The region and district forest enterprises are entirely self-reliant in financial terms and do not get any state support for their regular operations. In L’viv region the district forestry enterprises pay a share of their income to the region forestry enterprise. The amount is calculated by the region forestry enterprise in accordance to an approved calculation method on the basis of the economic situation of the district and region forestry enterprises and agreed by the board of directors. The region forestry enterprise in turn provides certain services to the district enterprise and makes use of the economy of scale, serving them like an association, e.g. through the implementation of joint programs or keeping of specialized experts in the staff that would not be affordable for individual district forestry enterprises.

The annual income of the region forestry enterprise *HALSILLIS* in L’viv region is 60 Mio UHR of which 20% is spent for taxes. The income taxes of the region and district forestry enterprises go to the region budget and the profit is used by decision of the respective region or district council. The

costs of the FMP activities are paid by the region forestry enterprise and a contribution from the region budget. Limited state budget funding has been allocated for reforestation of communal forest lands and this year the enterprise has got 2 Mio UHR from region budget for special programs.

Incomes of the district forestry enterprises are mainly from the sale of fuel wood and timber. For leased areas the district forestry enterprises receive the “compensation of damage”, which is at the beginning of the lease calculated and paid for the entire lease period. The amounts depend on the forest tree species of the leased area and is in the range of 50,000 – 200,000 UHR/ha. Leaseholders usually take only small areas to avoid large compensation payments.

There are no cross-subsidies between wealthier and less wealthy district forestry enterprises, but in L’viv region none of them is making losses. The Consultant has the impression that self-financing by district forestry enterprises may have the positive effect of preventing in some extent the implementation of unnecessary forestry activities. Representatives of district forestry enterprises (Tisyak, district forestry enterprise Yavoriv, pers. comm. 2015) complained that state forestry enterprises manage larger forests in better condition than those managed by the district forestry enterprises. Further, state forestry enterprises are said being subsidized by the state budget while the district forestry enterprises do not get state budget support. While the first claim is understandable, given the history of state and “communal” forests, the second claim could not be verified by the Consultant, but larger subsidies seem unlikely.

The findings of Zhyla et al. (2014) showed that most of the “communal” forestry enterprises are financially entirely self-reliant. Only 20% of the respondents mentioned other funding sources, exclusively contributions by the local budgets, but nobody mentioned any co-financing from the state budget or from special funds. Zhyla et al. (2014) reported that these enterprises consider the management of “communal” forests underfunded, as compared to the management of the state forest fund by state forestry enterprises. 90% of the interviewed representatives of “communal” forestry enterprises lamented about significant financial shortages and consequently lack of sufficient staff, affecting the viability of the forestry enterprises. As main reason for financial shortages the “communal” forestry enterprises stated the poor composition of the timber assortment available for harvest and sale. Also the productivity of the forest stands, i.e. their annual increment and available age classes, limit the sustainable annual harvest. Further the compared to state forests higher expenses of forestry operations due to the fragmented patterns and small size of the forest areas is an important factor contributing to the unsatisfactory income situation of the “communal” forestry enterprises. The reason for these limiting factors is in the origin of a large part of the “communal” forests in plantations established as protective forest on land not suitable for agriculture like shallow soils, gullies, and similar sites. Also shelterbelts or windbreaks established for the purpose of amelioration of agricultural lands have been included into the “communal” forests and contribute to low production figures per managed area unit.

Beyond the funding of its forestry operations, the region and district forestry enterprises and the forests managed by them directly contribute to local livelihoods. Rural councils get direct financial benefits from the harvest of wood, a share of the fee for the use of natural resources or stumpage fee (Soviet term Подпённая плата). The payments of stumpage fees for main use go now entirely to the state budget, but for intermediate use the stumpage fee is shared as follows: to the rural council 25%, district 25%, region 50% (figures by Yamyk, rural council Voronovitsa (Vinnytsia), pers. comm. 2015). In Seredkevychi (L’viv) the Consultant was told that forest enterprises (of all forms of ownership) pay stumpage fees per amount of harvested WFP and that the shares of the rural council in case of main use felling are 50%, in case of other cuts (maintenance, sanitary) 100%. This seem to be the formerly applied shares as the head of the rural council was aware about recently changed distribution mechanisms and amounts but did not know the figures (Smolynets, pers. comm. 2015). Independent of the ownership type, the introduced reduction of the share of the

stumpage fees received by rural councils by 100% (main use) or 75% (intermediary use) is seriously affecting the budget of rural councils in areas with significant forest cover and will undermine their commitment and support to the protection and sustainable use of forests. For instance, in the commune Smolyn of L'viv region significant incomes of the rural council are only stumpage fees, land tax and land lease. Here the share of stumpage fees in the annual budget of the rural council of 450,000 UHR was about 100,000 UHR, i.e. close to one quarter. For 2015 the district forest enterprise announced a planned amount of 34,344 UHR. Due to the different stand conditions, in the state forests main use logging dominates and thus the rural councils receive little income from stumpage fees, despite compared to “communal” forests similar or larger areas covered by state forests (confirmed by representatives of rural councils in Smolyn and Vinnytsia, pers. comm. 2015).

The harvest of timber and the transportation of the logs cause damage to local roads. The forestry enterprises justify the damage they cause by the stumpage fees paid (representatives of rural councils, pers. comm. 2015). This interpretation at least deserves further assessment as stumpage fees are hardly sufficient to invest in major road repair. With the change of the shares of the stumpage fees the rural councils and districts receive much less than before and nothing from main use felling.

Direct economic benefits for the local populations are important to develop a sense of ownership and ensure compliance with rules and restrictions. One of the benefits is employment of local people. In L'viv region the region forestry enterprise stated that district forestry enterprises can do forestry works by themselves and hire local workforce (Peshko, pers. comm. 2015). However in the visited communes Seredkevychi and Smolyn the heads of the rural councils (pers. comm. 2015) told that all forest enterprises do not officially employ local people, but only informally with in-kind payment in form of wood or cash from sold wood; but local people would prefer official employment. Compared to the state and military forestry enterprises, the district forestry enterprise was thought to contract more external companies for carrying out forestry works instead of hiring local workforce. The deputy head of the rural council in Vinnytsia (pers. comm. 2015) said that the state and district forestry enterprises both hire local temporary workers and pay in cash (preferred by locals), but could imagine that possibly in remote areas the practice might be different, i.e. informal payment in form of wood.

Access to forest products is another benefit local people receive from the forests. The director of the Yavoriv district forestry enterprise (Tisyak, pers. comm. 2015) clearly stated that no fuel wood cut or collection by private persons can be permitted. However, in Seredkevychi (Smolynets, pers. comm. 2015) cut remnants are used by local people. The forestry staff is said to agree with this, but this is seems unofficial and not accounted for. Fuel wood is bought by local people from state and district forestry enterprises. In Vinnytsia fuel wood prices are similar at state and “communal” forestry enterprises. And both pay workers in-kind with fuel wood, which is at least partly locally resold (Yamyk, pers. comm. 2015).

The region forestry enterprises as well as the district forestry enterprises provide some fuel wood for free or at reduced prices for social institutions and poor or otherwise eligible families. The regional forestry enterprise in L'viv stated that fuel wood and timber of a value of 3 Mio UHR were delivered for free for local needs in the villages in one year (Peshko, pers. comm. 2015). The Yavoriv district forestry enterprise (Tisyak, pers. comm. 2015) allocates fuel wood (5 m³/household and season) to the local people at prices much below market value, to invalids and ATO participants for free. In one commune alone they have 16 applicants, but the provision needs to be agreed by the region forestry enterprise. In Vinnytsia region 3 % of harvested wood goes for 25% of the normal price to poor people, ATO participants, Afghan war veterans and other needy households (Ivanets, pers. comm. 2015). The rural council Voronovitsa in Vinnytsia also reported that the district forestry enterprise supplies fuel wood at lower prices for social institutions, poor families, ATO participants, while the

state forestry enterprise does not do this (Yamyk, pers. comm. 2015).

While *HALSILLIS*, the region state forestry enterprise explained the decision making mechanism of subsidized fuel wood allocation as follows: “For the provision of subsidized or free fuel wood or timber the local rural council makes a request via the district forestry enterprise to the region forestry enterprise, which in turn submits the request to the region council as the owner” (pers. comm. 2015), the head of Seredkevychi (Smolinets, pers. comm. 2015) denied that such official mechanism is in place for the allocation of fuel wood and timber to local communes or community members. However the head of Smolyn rural council (Shanova, pers. comm. 2015) confirmed that the rural council has requests from ATO participants for free fuel wood and that the Yavoriv district forestry enterprise helps the school with fuel wood or for public events, even for free. The district forestry enterprise (Tisyak, pers. comm. 2015) stated that it is not obliged to deliver free fuel wood to public objects like schools, hospitals etc., this would economically not possible.

The Yavoriv district forestry enterprise (Tisyak, pers. comm. 2015) says they deliver timber with priority to sawmills owned by local people. All “communal” forestry enterprises deliver now timber to the ATO zone for construction of fortifications.

Access to NWFP is an important benefit for the local people in some regions, e.g. in L’viv. In the commune of Smolyn NWFP are harvested in forests independent of the ownership by everybody without restrictions, also for commercial purposes. Mushrooms and berries are sold at the market and there would be even potential to start a small processing enterprise. But timber harvest methods heavily impact on NWFP and after clear cuts impenetrable vegetation develops on clear cut areas. (Shanova, pers. comm. 2015)

The available information shows that “communal” forest management is less economically viable than the management of state forests, with the reason mainly found in the stand characteristics. Major differences between financial contributions of state and “communal” forests to the budgets of rural councils are caused by the different shares of stumpage fees for wood cut in main use felling and intermediary use and their proportion in the harvest in these forests. The application of the same stumpage fee shares for all types of ownership and the allocation of shares do not support the development of a sense of ownership for “communal” forests in rural councils and districts. Although some “communal” forestry enterprises apparently deliver more subsidized or free fuel wood for social needs, the economic benefits for local people from forests are similar for all ownership types.

Pillar 2: Planning and decision-making processes

Component 2.1: Stakeholder participation

Information on stakeholder participation in the planning and decision-making process on “communal” forests is partly contradictory. Zhyla et al. (2014) that the acting legislation provides the local communes with sufficient authority to decide on a broad range of issues in the activities of “communal” forestry enterprises. However, local people by their opinion are not aware about their authority and do not have the knowledge and skills to realize their rights of participation. Zhyla et al. (2014) mention the existence of levers of influence, but these are not explained in the report. Local people are said being convinced that decisions are made at region and state level only. This is seen by the experts as being correct in some extent; and they come to the - somehow contradictory - conclusion that participation of local people mainly depends directly on the leader and staff of the forestry enterprises. Some of the directors are at the same time members of the respective councils, which might provide opportunities for stakeholder involvement, but as well bear the risks of conflicts of interest.

One of the authors of the study commented to the Consultant (Boroska, in litt. 2015) that local rural councils rarely intervene into the work of the “communal” forest enterprises, and thus there is little conflict. On the other hand the local people, due to their passiveness do not participate in the management of the “communal” forest and often do not see a difference between state and “communal” ownership of forests.

The director of the Yavoriv district forestry enterprise (Tisyak, pers. comm. 2015) bluntly stated during the meeting with the Consultant: “The law does not require any public participation of local people; the district forestry enterprise is only required to agree with the region state forestry department and with the region environmental department.” This attitude probably reflects the legal situation, but there seem to be at least some internal orders requiring a minimum level of communication with the rural councils. This district forestry enterprise claimed that before logging it informs the local rural councils about the location of the cuts, planned harvest amounts and stumpage fee expected to be paid.

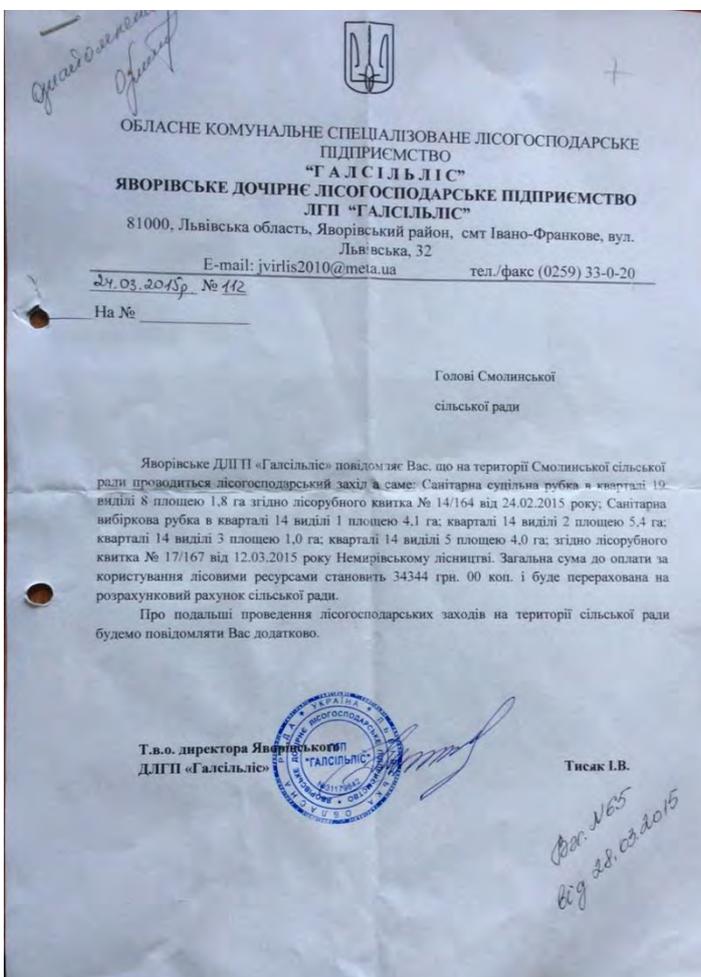


Fig. 5: Information by the district forestry enterprise about planned cutting in the area of Smolyn rural council.

The rural councils of Smolyn and Seredkevychi complained about not receiving preliminary information on planned harvest that they could use for calculating of stumpage fees for the budget planning. Only at the end of each quarter in the context of tax reporting the rural councils get information, and the payment of the council’s share of stumpage fees is made by the forest

enterprise one month after the end of the quarter. But the rural councils have no control over the actually harvested amount of wood. This year for the first time (in five years) the rural councils got information from district forestry enterprise about planned cut areas and expected total stumpage fee. In Smolyn the Consultant was shown this information letter which stated the area locations (forest parcels) and area sizes, type of cutting (sanitary selective, sanitary суцільна), reference to the forest cutting permits and the expected total amount of stumpage fee of 34344 UHR. The information on the amount of harvest and timing of the logging were not included. These rural councils do not receive such information from the state forestry enterprise. After the Consultant's visit the district forestry of Yavoriv informed all rural councils about the locations and amounts of cutting and the stumpage fees to be transferred to the budgets of the rural councils (Zhyla, in lit. 2015).

The heads of the rural councils in Smolyn and Seredkevychi complained that they do not possess any economic information on local operations of the district forest enterprise, how much wood is harvested, for what price it is sold and what income the "communal" forest creates. The rural councils do not have a voice in the FMP decision making and no local meetings take place in the frame of the elaboration of the FMP. Also special forestry activities, like cut areas, are not agreed with the rural councils. Local people would ask for more participation, and even have protested the transportation of logged trees (mainly because of damage to roads). The heads of the rural councils would prefer more ownership rights at their level and more participation of the community in the decision making process, but no mechanisms are established. Both rural councils concluded that the level of participation is the same and for local communities no real difference exists between "communal", state and military forest enterprises. Communication and participation entirely depend on the directors of the forestry enterprises. In this context it is notable that in 2011 the state forestry enterprise held an official meeting with the heads of rural councils. The invitation was still kept in one of the rural council offices and this was a memorable event, indicating the general rarity of formalized participation at this level as well as the high interest in such participation.

Also the deputy head of the rural council Voronovitsa (Vinnytsia) stated (Yamyk, pers. comm. 2015) that relations with the "communal" and state forestry enterprises are generally similar. But there the rural council has more collaboration with the district forestry enterprise, that informs the rural councils about planned activities, and the councils can comment and influence. This participation of the rural council existed already before the FSC certification of the district forestry enterprise, but became more systematic due to the certification requirements. The director of the region forest enterprise (Ivanets, pers. comm. 2015) complained that there were "no real interest and active participation of local people", but – contradicting himself - brought up an example where foresters had to clear trees under an electric power line but local people protested against this activity!

Component 2.2: Planning and decision making on conversion of land from forest to non-forest and vice versa

The delimitation of lands by categories, including land of agricultural designation and lands for forestry, is done in the frame of the land-use planning. The State Land Agency is in charge of the mapping of the land categories. Rural councils, with participation of district forestry enterprises, prepare general plans (land-use) for their areas that are confirmed by the region councils.

Forest land is not allowed to be sold, but agricultural land can be private. Conversion of forest land into lands of other designation rarely seems to happen officially and requires a decision by the Cabinet of Ministers. More often conversion takes place illegally and sometimes lease of forests can be a starting point for such conversion. For instance in Rakhovskiy rayon of Transcarpathia the forestry enterprise was liquidated and the forest integrated in PA fund, except 7,000 ha that were

illegally logged by local people. This area was then formally transferred into the land reserve and removed from the forest fund. After that encroachment with tourism infrastructure and weekend homes took place. Especially *kolkhoz* forests after the dissolution of the *kolkhozes* were grabbed and transferred into other lands of other designations. (Hruby, formerly *Minagripol*, pers. comm. 2015)

After the land privatization large areas of agricultural lands were abandoned. These lands are either of low fertility and/or as there is no full cadaster of land shares from privatization, some people have certificates about areas of a certain size without these plots being actually defined. Abandoned agricultural lands, on which forest develops due to succession, still remain in the category of agricultural designation, even if fully forested. At the same time it is legally prohibited to clear this land from the forest grown there. But if owners reclaim these lands they would cut the trees anyway without actual persecution. (Zhyla, pers. comm. 2015) The (not verified) information (Hruby, formerly *Minagripol*, pers. comm. 2015) that a charcoal producing factory in Transcarpathia processes uses now up to 30% wood from non-forest land (i.e. succession areas on abandoned agricultural lands) also indicates a lack of consideration of such forests in the official forest management.

Changes of land categories and designations require a difficult and lengthy procedure. Before the designation of such agricultural land can be changed to forest, the land-use agency needs to declare the land as “degraded”. The “communal” forest enterprise can prepare a project about the change of land category to forest land. The Territorial Administration of Land Relations (Rus. Территориальное управление по земельным отношениям) at region level would have to decide about this project. This agency represents the state administration, i.e. the State Land Agency, at region level and has the land-use planning competency at region and district level, but is not part of the self-governance structures. So far due to lack of funds no special inventory of succession areas took place and these areas are not covered by the forest inventory and management planning because of being located outside the designated forest areas.

The same issues concern the designation of afforestation areas as forests. E.g., since 2000 the region forestry enterprise in Vinnytsia has afforested 10,000 ha of abandoned lands, but so far no certificates were issued to the region forestry enterprise (Ivanets, pers. comm. 2015).

The exchange of areas between state and “communal” forest for alignment of boundaries is theoretically possible, but seems rarely or never to happen.

Lands under shelter-belts are considered forest lands. However, many foresters have suggested excluding these shelter-belts from the category of forest lands.

Component 2.3: Decisions on forest inventory and management planning (лесоуправління)

In Ukraine forest inventory and management planning (FMP) are carried out by the enterprise “*Ukrderzhlisproekt*” under the State Forest Resources Agency. The requirements for FMP are the same for all types of ownership of the forests. FMPs are obligatory for permitting of any forest use. The FMPs contain general taxation data on stands and based on this determine the allowable harvest during the FMP period. The FMP do not contain recommendations or binding requirements on reforestation activities and silvicultural objectives, like the determination of target species composition (Oborska, pers. inf. 2015). Some local foresters stated that their FMP does not provide enough flexibility for the determination of intermediary or main use, and that this determination was only made by the age of the stands, applying a silvicultural approach based on clear cutting and age class forests.

Participation of stakeholders in the process of forest inventory and management planning is realized through advice by the respective forestry enterprise to the FMP team and through the FMP meeting. The FMP meeting in case of “communal” forests takes place at region level and involves various stakeholders, including representatives of representatives of SFRA, of the region environmental department, region and district forestry enterprises, the region, council as well as NGOs. Statements about the representation of district and rural councils were contradictory. While *Ukrderzhlisproekt* (pers. comm. 2015) claims that these levels are involved and their opinions considered, various stakeholders in L’viv region reported that district and rural councils are not represented and do not have a voice in the FMP decision making. No meetings are held about FMPs for district forestry enterprises, in contrast to FMPs for state forestry enterprises. Thus the local participation in decision making about “communal” forest is even less than about state forests. As the region forestry enterprises have the overall management and control and organize the FMP activities, they seem to be responsible for the low level of local participation.

The topics of the FMP meetings are rather general and concern the determination of the categories of forest areas and the overall of size of cutting areas and the amount of harvest. According to *Ukrderzhlisproekt* (pers. comm. 2015) local representatives (if at all participating!) are especially interested in NWFP or express concerns about road damage caused by transportation of logged trees. Depending on forest category and considering opinions of rural councils around villages special ecological requirements for forest management, e.g. lower amounts of harvest or buffer zones without clear cuttings, can be established. The district forestry enterprises can suggest corrections to the draft FMP.

The FMP have to ignore any forests outside the established boundaries of the forest fund. The succession areas on abandoned agricultural lands are in reality forest, but there is no formal mandate to include these areas into the FMP. (*Ukrderzhlisproekt*, pers. comm. 2015)

The FMP services are to be paid by the forest owner. In the case of state forest enterprises the services are financed by the state (via the State Forest Resources Agency) while “communal” forest enterprises have to finance the FMP on their own or with support by the region budget. In Vinnytsia the FMP is financed from the region budget (Ivanets, pers. comm. 2015). The costs of the FMPs were about 5000 – 6000 UHR/1000 ha in 2008 and due to inflation are now higher. *Ukrderzhlisproekt* partly funded from budget, partly from payment for services. (Chayka, *Ukrderzhlisproekt*, pers. comm. 2015)

Currently FMPs exist for most “communal” forests but some areas require revision. For instance, in L’viv Region the last FMP were approved in 2001 and the revision is not yet finished for all areas (Peshko, pers. comm. 2015). In Vinnytsia region FMP were updated in 1995, 2005 and 2014/15 (Ivanets, pers. comm. 2015). Where no up-to-date FMP exists, annual cuts are defined by *Ukrderzhlisproekt* based on the old FMP. The FMP for “communal” forests of the region is based on a generalized compilation of the local FMPs that are prepared per district forestry enterprise. (HALSILLIS staff, pers. comm. 2015)

The enterprise has developed an electronic data management system that has been tested in the practice. Data collection is done with tablets and remote sensing, with backup on paper. *Ukrderzhlisproekt* keeps the data base and hands the final materials to the leskhozoes in hard copy and as shape files with attribute tables. So far electronic FMP cover 50% of all forests in UKR and are planned to be elaborated for all forms of ownership. The forestry enterprises can access data electronically via a WebGIS with Google Earth background but cannot enter own data. Additionally the Ukrainian National Forestry University, L’viv, with support of ENPI-FLEG II is developing GIS training modules for local foresters. Local forestry enterprises can access forest inventory and

management data, which have been provided by Ukderzhlisproekt, via free GIS software.

Component 2.4: Decisions on implementation of forest management activities

The decisions on the implementation of the forest management activities are mainly made by the “communal” forestry enterprises themselves, in particular by the district forestry enterprises or by the local branches of region forestry enterprises. The rural councils as well as the district councils do not interfere with these decisions. Certain decisions, as explained below, have to be agreed with or taken by the “communal” owners of the forestry enterprises, i.e. in L’viv and Vinnytsia region by the region council, or by state forestry or environmental agencies.



Fig. 6: Clear cutting after forest fire - L’viv region.

The decisions about determination of areas for logging and the amount of harvest have to be made in accordance to the FMPs and are supposed to follow different bylaws in state forests of the SFRA¹³³ and in other forests¹³⁴. The district forestry enterprise prepares the draft document which is checked and endorsed by the region forestry enterprise. In case of felling for main use (final cutting, usually as clear cutting) the areas and amounts have to be approved by the State Environmental

¹³³ “Methodical instructions on the determination and valuation of forest cuttings, issuance of the forest cutting permit and review of the areas of harvest of timber in forests of the State Forestry Resources Agency of Ukraine” approved by the decree of the State Forestry Resources Agency of Ukraine from January 21, 2013 #9 (Rus. «Методические указания по отводу и таксации лесосек, выдачи лесоуборочного билета и осмотра мест заготовки древесины в лесах Государственного агентства лесных ресурсов Украины» утверждены приказом Государственного агентства лесных ресурсов Украины от 21.01.2013 № 9)

¹³⁴ “Guidelines in the determination and valuation of forest cuttings in the forests of the USSR” approved by the decree of the Committee for Forestry of the Council of Ministers of the USSR from December 27, 1968 (Rus. «Руководство по отводу и таксации лесосек в лесах СССР», утвержденное приказом Государственного комитета лесного хозяйства Совета Министров СССР от 27.12.1968 года.)

Inspection. The region state forestry administration then issues all forest cutting permits and in case of planned export the certificates of origin of timber for export.

All other forestry activities are done by the forestry enterprises themselves on the basis of the FMP. However, the FMP do not contain much recommendations or requirements on other forestry activities than on wood harvest. The district forestry enterprises prepare projects of reforestation activities in accordance to the general recommendations in the FMP and/or the forest type species composition that is determined by the stand conditions. These reforestation projects are confirmed by the region forestry enterprise. The State Environmental Inspection does not influence on the implementation of reforestation and silvicultural activities, despite these activities have a major impact on the future composition and structure of the forests, determining their biodiversity and ecosystem functions and services.

For enterprises under the SFRA electronic accounting and accompanying original documents are mandatory for timber and timber products. Such requirements do not exist for the “communal” forestry enterprises, but timber materials have to be accompanied by a document in standard format.

Information on decision making about lease of forest lands is contradictory, possibly reflecting different practices in the regions. Either forest enterprises, with involvement of rural councils, can lease out plots on short-term lease, while long-term lease (up to 49 years) has to be done via the district level (pers. comm. Oborska 2015), or decisions on lease are made by the region council, with agreement from the rural council, the region forestry enterprise and the region state forestry department (Ivanets, *VINOBLAGROLIS*, pers. comm. 2015).

Scheme 2: Key steps of decision making on implementation of forest management activities involving cutting of trees

Step	Organization in charge
1. Forest inventory and management planning	<i>Ukrderzhlisproekt</i>
2. Application for determination of cutting areas and definition of harvest volumes in accordance to the FMP	District Forestry Enterprise State Forestry Enterprise
3. Determination of cutting areas and definition of harvest volumes	Region Forest Enterprise
4. Approval of cutting areas and harvest volumes	State Environmental Inspection
5. Issuing of forest cutting permits for main use felling	Region State Forest Administration
5. Implementation of the forest management activities	District Forestry Enterprise State Forestry Enterprise

The use of NWFP for personal use, and in the practice as well for small-scale commercial purposes, does not require any permits and no formal decisions are made on such forest uses. Hunting quota for game species not listed in the Red Book are decided by the region state forestry administration based on survey data provided by the game are manager. The region state forestry administration issues hunting permits to game are manager, in the case of the hunting grounds assigned to the

“communal” enterprises in Vinnytsia region, to the region forestry enterprise, which would only have to pay for issuing of the permit but no fee for the use of the resource and can sell the hunts to hunters via the district forestry enterprises. (Ivanets, pers. comm. 2015)

Pillar 3: Implementation, enforcement and compliance

Component 3.1: Capacity of forestry organizations and territorial decision making bodies and administrations

A full capacity assessment of the forestry organizations and territorial decision making bodies and administrations is not possible in the frame of this case study. The capacities of the SFRA and its state region forest administrations as well as their state forestry enterprises have not been specifically assessed. The SFRA was not visited by the Consultant and no up-to-date and specific information on the capacity of this agency and its subunits, in particular of the state forestry enterprises, was available. The fact that forests managed by the state forestry enterprises are larger and less fragmented and have higher timber volumes and better qualities and anecdotal information from stakeholders suggest that their financial situation and accordingly their capacities are better than those of “communal” forestry enterprises.

The forest inventory and planning agency of the SFRA, *Ukrderzhlisproekt*, provided the impression of meeting the main capacity needs in terms of financing, available technology and equipment as well as qualification of staff. The FMP is one-sided focussed on wood harvest; there are deficiencies in public participation in the process; and socio-economic, environmental and nature conservation aspects are possibly insufficiently considered. The reasons might be either in the approach and guidelines determined by the SFRA and/or in the capacity of the staff of *Ukrderzhlisproekt*.

Zhylya et al. (2014) reported that the majority of interviewed representatives of “communal” forestry enterprises assessed the financial and personnel capacity of their enterprises as insufficient. Close to 40% of the interviewed representatives assessed their own knowledge of the legal and regulatory framework as insufficient.

The capacity of the visited “communal” forestry enterprises in terms of financial situation, staff and equipment seemed adequate. The region forestry enterprises can provide certain services and make use of the economy of scale by purchasing equipment or employing specialized experts in the staff that would be beyond the financial opportunities of district forestry enterprises, e.g. in the case of *HALSILLIS* in L’viv region two lawyers that serve all district forestry enterprises. The capacity of forestry enterprises to involve local people and other stakeholders seemed rather low. Most forestry staff showed an attitude of considering local people more likely as potential offenders and public participation as an undue interference in their own sphere. Little knowledge of and interest in involvement of local communities, common property approaches and stakeholder participation was observed by the Consultant, most notably in Vinnytsia and with reference to the FSC certification.

The local councils (rural, district and region) not always have members or staff with the expertise that would be necessary to make decisions or provide opinions on forest related issues. Most of the representatives of councils owning “communal” forest enterprises interviewed by Zhylya et al. (2014) assessed their own knowledge as only low or medium. Some of the councils have members that are at the same time leading staff of the forest enterprise, thus representing technical expertise in the council while bringing in conflict of interest.

Component 3.2: Forest law enforcement

The interviewed stakeholders provided the Consultant only with limited information on law enforcement issues. Repeatedly representatives of “communal” forestry enterprises mentioned their compared to state forestry enterprises limited law enforcement authority. The “Code on administrative legal violations” does not provide the staff of “communal” forest enterprises with the power to deal with and penalize offenders of forest legislation, in contrast to the staff of state forestry enterprises that has such authority. This unequal authority of staff of forestry enterprises of different form of ownership is reportedly reflected in the bylaw on forest protection. The limited law enforcement authority of staff of “communal” forestry enterprises requires the involvement of the State Environmental Inspection in case of detection of violations.

Illegal forest use includes unauthorized wood harvest by local people for meeting their own needs and illegal logging for sale. The first seems sometimes tolerated by forestry staff as long as remaining in a small scale. In contrast, the latter is allegedly often done with active involvement of the forest enterprises and involves corruption over several levels of authority. Claims that “communal” forests have a higher level of illegal use than state forests were denied by most stakeholders and the level of violations was assessed as either the same or even lower than in state forests. This might partly be caused by the generally higher availability of commercially interesting wood resources in state forests. In Voronovitsa the local people already see the “communal” forest as being “their forest”; and the work of the district forestry enterprise is now more accepted, while formerly people felt alienated and there was more disagreement, but violations still happen (Yamyk, deputy head of the rural council, pers. comm. 2015).

Zhyla et al. (2014) reported that representatives of “communal” forestry enterprises see a key reason for violations in the long undetermined legal status and ownership of these forests. These uncertainties caused abuse of power by rural councils and unauthorized forest use by local people. Recently cases of legal violations and conflicts substantially decreased due to the consolidation of the ownership and user-rights of these forests, improved communication and collaboration between forestry enterprises rural councils and communities.

Component 3.3 Administration of forest and land ownership and user rights

The issues of administration of forest and land ownership and user rights are closely linked to the ownership and user right systems, described in component 1.3 of pillar 1 “Policy, legal, institutional and regulatory frameworks”. The issue of delimitation of lands in state and “communal” ownership has not yet been solved entirely (Zhyla et. al. 2014): In 2011 12.4% of forests on state owned lands were managed by “communal” forestry enterprises. With a law “On amendment of several legislative documents of Ukraine related to the delimitation of lands in state and communal ownership” (1.1.2013) those lands are considered as being in “communal” ownership, on which objects in “communal” ownership are located and which are in permanent land-use by “communal” enterprises, including lands of the forest fund. By this law the delimitation of state and “communal” land was eased, but the “communal” administration were obliged to formalize the permanent land-use rights of the “communal” enterprises until 1.1.2014. This process was not finalized in many locations, and for some “communal” forestry enterprises the administrative costs of this process were beyond their financial capacity. Zhyla et al. (2014) found that only one third of the “communal” enterprises had documents confirming their permanent land-use rights on the whole area. Another fifth had formal permanent land-use rights on the majority of forest lands used by them.

The certification of forest land ownership of local councils and “communal” forestry enterprises is ongoing but still not yet completed. E.g. VINOLAGROLIS in Vinnytsia region has already certified

permanent land-use rights for 100,000 ha of its forests, while the issuing of the land-use certificates for the remaining 30,000 ha in permanent use is still in process. Also the land-use certificates for about 10,000 ha lands, newly afforested since 2000, have not yet been issued to the region forest enterprise.

The problem that shares of individuals were not properly documented in the land reform of former *kolkhozes* is one reason for the development of natural forest succession on abandoned agricultural areas. With the certification of these parcels as individual property parts of these forests are cleared. An inventory of actually forested lands and their formal inclusion into the forest fund, where appropriate, would allow of the inclusion of such areas into sustainable forest management, possibly in private, “communal” or state ownership.

The documentation of other user-rights like lease of forest and assignment of hunting grounds was not shown to the consultant. However, problems in regard of such user-rights were neither mentioned by any stakeholder nor in the report by Zhyla et al. (2014).

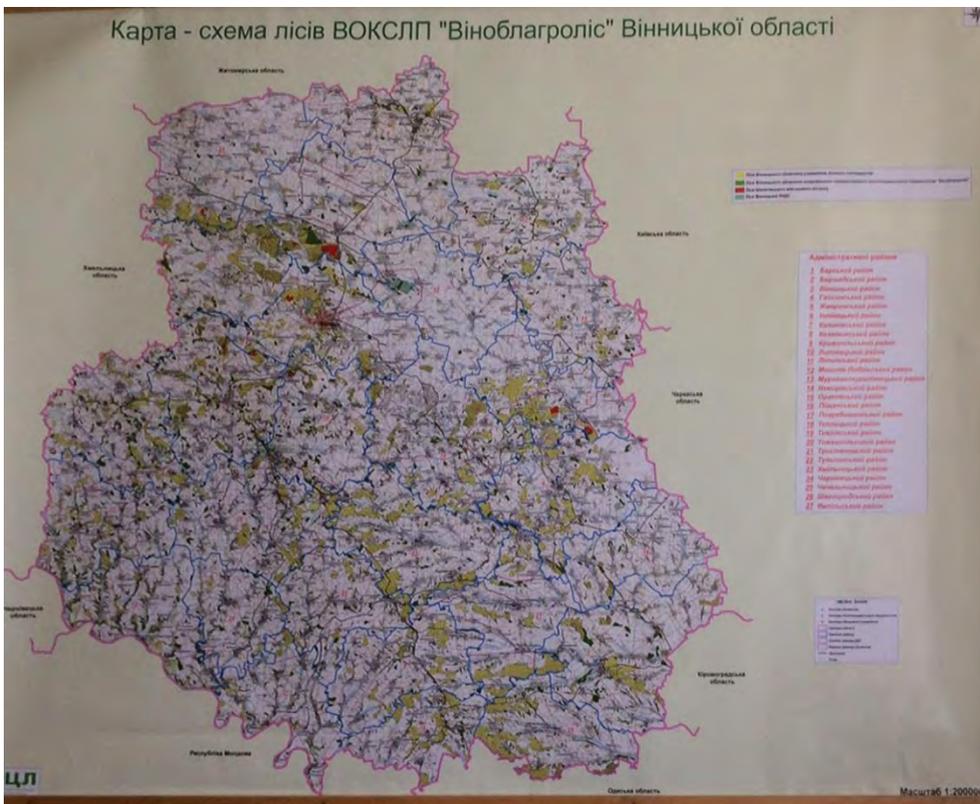


Fig. 7: Scheme of the forests of the region forestry enterprise VINOBLAGROLIS - Vinnytsia region.

Component 3.4 Cooperation and coordination

The mandates of different agencies, enterprises, representative and administrative bodies in relation to “communal” forests require cooperation and coordination. These seem to work well between the district and region forest enterprises and with the region councils as well as with region state forest administrations and the State Environmental Inspection. In contrast, cooperation and coordination between “communal” forestry enterprises and district councils and administrations and between forestry enterprises of different ownership type were barely mentioned by interviewed stakeholders. The cooperation and coordination with the rural councils has been explained and analysed in the

section on component 2.1 of Pillar 2 “Planning and decision making process”. At this level mechanisms of cooperation and collaboration seem to be insufficiently developed, mainly because of the subordination of the forestry enterprises to a higher administrative level and the lack of formal mechanisms of cooperation and coordination of the forestry enterprises with the rural councils. In this situation the determining factor of cooperation and communication is the relationship between the individual heads and staff of the rural councils and the local district forestry enterprises.

Component 3.5 Measures to address corruption and ensure transparency

Due to the lack of specific information on corruption issues this subject was not specifically analysed in the frame of this case study. Ukraine has been suffering from abundant corruption in all sectors and reports about grabbing of forest land for development of housing or illegal logging facilitated by forestry enterprises show that the forest sector was not an exclusion from this problem. The ongoing reform process in the country is supposed to address especially these problems. It is however, still early to assess the success of these reforms. The stakeholders interviewed by the Consultant did not report any recent or current cases of substantial corruption in relation to “communal” forests.

Compared to ownership and management at the level of rural councils, the ownership of “communal” forest lands and forestry enterprises at higher administrative levels impedes the development of local ownership and social control in the communities. The unofficial use of local work force with in-kind or unaccounted cash payments is the most obvious and widespread issue, which is as well found in state and military forestry enterprises. At local level further small scale corruption is possible in relation to the use of services by forestry enterprises, priority access to timber and provision of fuel wood below market prices.

Conclusions

The case study shows the complexity of the governance of local forests in Ukraine. The historic developments during the Soviet period and after independence have left a system, where different forms of ownership of forests exist parallel. While private ownership so far does not play an important role in the areas covered by this Case Study, forests of local importance and similar history can be in “communal” and state ownership. The existence of two different forms of ownership and the related parallel structures raises the questions what the differences in terms of impact between both systems are, if it is reasonable to keep in the perspective both types of ownership and under what circumstances.

The following main conclusions can be drawn from the findings of this study:

The difference between both forms of ownership in terms of centralization and devolution of authority to the local level is marginal. None of the visited “communal” forests is really in the ownership and management of a commune, in the sense of the basic level of local administration. All “communal” forests are owned by or in de-facto possession of higher level administrative units and managed by forestry enterprises that report to the region level. District forestry enterprises are owned by the region forestry enterprises and are not subordinated to the district councils. Key elements of planning and decision making on “communal” forests are identical between “communal” and state forests, and the same agencies are in charge of these elements. This concerns in particular the authority of *Ukrderzhlisproekt* and of the region state forestry administrations. The participation at local level does not depend on the form of ownership but more on the interest of all involved parties. Thus from a perspective of local influence on decision making the difference is rather marginal and “communal” forests just belong to a different but still not local level of state

structures.

In the visited areas the benefits the local people receive from “communal” forests seem to be slightly higher than those from state forests. This impression of the Consultant might be biased by the focus of the study on stakeholders involved with “communal” forests. In particular, support to poor people, ATO participants and social entities were brought up as examples for direct benefits the state forest enterprises would not deliver. The Consultant did not study if this lack of support from state forestry enterprises is really the case or if state forest enterprises in the visited areas and/or in areas without “communal” forests deliver similar immediate social-economic benefits. The access of local people to forest resources like fuel wood, timber and NWFP neither formally nor in the reality depends on the form of ownership of forests and forestry enterprises. The rural councils’ shares of stumpage fees from logging operations are generally identical for all forms of forest ownership. The reportedly higher shares in some rural councils of stumpage fees from “communal” forestry enterprises are entirely caused by the specific stand composition and the resulting harvest types imposed by the FMPs.

Income taxes are fed into the budgets at the level to which an enterprise belongs. Thus the income taxes of district and region enterprises benefit the budgets of these levels, but not the basis level of the rural councils. Profits belong to the owner of the forestry enterprises, in the case of district daughter enterprises to the region forestry enterprise, and in the case of the region forestry enterprise to the region (and, where co-owner, district) councils. In most cases due to the difficult economic situation of the “communal” forestry enterprises, the income taxes paid by and the profit of the enterprises might not be very high. In any case the basis level or commune is not involved and does not receive any other financial contributions than it receives from the state forestry enterprises operating within the boundaries of the commune.

In the frame of this case study the performance of the state and “communal” forestry enterprises in protection and development of the forest stands could not be assessed. There are, nevertheless, indications that differences might be small and not caused by the different ownership types but rather by the history of the forest stands in these different ownership types. “Communal” forestry enterprises reported about smaller, more fragmented and less productive forest stands, compared to those owned by the state forest enterprises, and related lower production potential and in the result financial problems. The separation of these less productive from the more productive forests in different economic units prevents actually that income from productive forests can be used for the maintenance and improvement of forests of lower production potential. Potentially “communal” forestry enterprises could have fewer problems with enforcement, and local people could contribute to forest protection against illegal use and support fire prevention and other works. The assigned ownership, possession and management of the “communal” forests at region level and the little difference in direct benefits between “communal” and other forests largely discourage such local ownership and contributions by local people. Further, the – compared to state forestry enterprises – limited law enforcement authority of staff of “communal” forestry enterprises hampers the protection of “communal” forests from illegal use.

Some experts and stakeholders suggested that in some regions the “communal” forestry enterprise show quite a good performance and have the capacity to compete with the state forestry enterprise. From an economic perspective this makes sense, as long as no parallel public structures have to be maintained that would not be necessary in the case of only one type of ownership. As long as each district or state forestry enterprise manages forest stands large enough to allow for the economic viability of these enterprises, they may exist in parallel. However, the effectiveness of the duplication of higher level structures might in some cases be questionable in terms of effectiveness and efficiency.

From the studied local cases and the analysis provided by Zhyla et al. (2014) the Consultant preliminary concludes that the differences between the state forests and the “communal” forests are small and the benefits of the parallel existence of the two governance systems are at least not obvious. In the current form, the “communal” forests present rather region level centralized management than real communal ownership.

4. Recommendations

Given the ambivalent conclusions, recommendations have to consider different options for the future development of governance of forests in Ukraine. General issues are to be addressed, e.g. the separation of the functions of policy and strategy development, of economic or user functions and of control and oversight. This concerns both, state and “communal” forests.

Other issues to be addressed are the position, functions and authorities of region state forestry administrations, the systems of issuing permits, the inventory of forests on lands of other designation than forestry and their inclusion into the forest fund, the improvement of local participation and the development of sense of local ownership and support. The system of forest inventory and management planning should be further developed with a stronger orientation on silviculture and on the development of close-to-nature forestry approaches as well as a strengthening of stakeholder participation, in particular at the level of the communes.

In areas where the parallel existence of state and “communal” forestry enterprises is not effective and economically viable an integration of one form with the other might be considered. This could be the integration of the “communal” forests into the state forest fund, as already done in some regions. In that case, at least for specific forests of local importance, local communes and communities might become more involved in decision making and some management tasks might be delegated to local communes, enterprises or even individuals. It might as well be thinkable to integrate some state forest on the basis of ownership or permanent user-rights into the “communal” forest fund.

Independent of the form of ownership, at local level more intensive participation and involvement as well as more tangible direct benefits from the sustainable use of forest resources, for local people as well as for communities as whole, would contribute to more sense of ownership and higher willingness of local people to contribute to the protection and management of local forests.

Specific recommendations addressing rather immediate improvement of the effectiveness of the existing “communal” forestry management (based on suggestions by Zhyla et al. 2014 and own findings of the Consultant):

- The staff of “communal” forestry enterprises should have the same enforcement authority as the staff of state forestry enterprises by enacting of one bylaw on forest protection and according changes in the “Code on Administrative Responsibility”;
- Consideration of the establishment of an independent state forest inspection service;
- Finalization of the certification of ownership and user-rights on “communal” forests;
- Improvements of the legislation, e.g. simplified procedure for the change of designation of lands;
- An inventory of succession areas, and transfer of suitable areas into the forest fund and assignment to “communal” forestry enterprises;
- Change of the sharing system of the stumpage fees towards allocation of much higher shares, or even full amounts, to the rural councils in the administrative borders of which the forest is harvested;

- Development of more intensive participation and involvement at local basis level and with the local people.

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www.panda.org