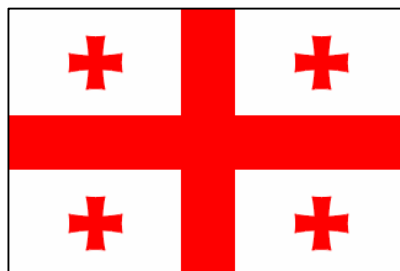




Forests and the Biodiversity Convention

Independent Monitoring of the Implementation of the Expanded Programme of Work in Georgia



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Citation:

Country monitoring report on Georgia. (2008) 25 pages.
Independent monitoring of the implementation of the Expanded Work Programme on forest biodiversity of the Convention on Biological Diversity (CBD POW), 2002-2007.
Vasil Gulisahvili Forest Institute, Tbilisi, Georgia, (May 2008).

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Cover:

Photographer: Merab Machavariani.
Natural broad leaf forests in the district of Georgia Kharagauli near Borjomi-Kharagauli National Park.

This report was made possible through the generous contribution of the Dutch Ministry of Foreign Affairs.

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EXECUTIVE SUMMARY

The Caucasus, of which Georgia is a part, is one of 200 Global Eco-regions considered to be of critical importance for the conservation of the world's biodiversity. At the same time it is considered to be one of 34 biodiversity "hotspots", due to the plant and animal species diversity and its endemic nature being important for the conservation of biodiversity on a global scale.

Georgia is a country rich in forest. Total area of forest is 3007, 8 ha, i.e. 43% of the country territory (6949, 4 thousand ha).

Georgia has sufficient high indicators of forest cover to belong to a number of countries considered rich in forests; however, currently the average density of the forest has reached a critical threshold in 52% of the land area. These forests have shown significant decreases in their protective functions and lost the ability to regenerate adequately which in the end negatively impacts on both the biological sustainability of forests and overall ecological situation in Georgia.

All forests in Georgia, all the resources contained in forests, the land on which forests grow and all resources on or under the land are owned by the State. The Ministry of Environmental Protection and Natural Resources (MEPNR) owns and undertakes management of almost all forests with the exception of some minor areas (about 8%) which in the Soviet era belonged to former kolkhoz and sovkhoz forests and currently are under consideration for allocation to Local Governing Bodies.

The Forestry Department as a subordinate structure of the MEPNR is an executive body in the field of management of commercial forests. Forests which are within Protected Areas are managed by Department of Protected Areas which similar to FD is an executive organ of the MEPNR. MEPNR undertakes all activities related to regulation, supervision and control of forests in Georgia. Unfortunately, there is an evident lack of coordination between the MEPNR subordinate structures which is impacting on forest conservation and the ability of the country to fully implement the expanded programme of work.



Different international institutions are actively involved in Georgia to develop environmental projects in which biodiversity issues are significant part. Such institutions are GEF, World Bank, UNDP, GTZ, KFW, FAO, and USAID.

Introduction of market-based conservation initiatives through development of multipurpose utilization of forest resources aiming establishment of such economic activities in forest sector,

which gain revenues with less extraction of resources, like non-wood forest product, tourism and recreation, hunting has an enormous potential, though timber utilization is still remain as the main direction of economic activity within the forest sector.

Environment management in Georgia might be divided in two period: since 1990 before 2004 (November, 2003 was date of so called "Rose revolution"), and after 2004 up to date.

First period was characterized with establishment of new institutional and legal systems since crash of Soviet Union. In this period Georgia joined major international treaties and conventions. Biodiversity Convention was one of the first international agreements which Georgia ratified in 1994. That was a period when basic environmental principles have been officially recognized.

Period after 2004 is characterized with significant change in number of state agencies. Almost all the state institutions which were independent before now are under the umbrella of the Ministry of Environmental Protection and Natural Resources (MEPNR).

It might be concluded that changes occurring in environment have both, positive and negative sides. Merging of institutions with same functions, establishment of environment inspectorate, introduction of auctions for licensing, issue of long-term licenses, decision to introduce FSC system obviously are positive events. From other hands it is clear that public involvement mechanisms in decision-making process, establishment of environmental requirements are decreasing. Economic interests are prevailing on ecological aspects, and number of professionals involved in sector is significantly reduced. Therefore, still many of environmental problems exist, though there is some decrease in illegal logging and poaching.

There are no significant changes in situation of forests and forests related peoples before and after inception of the CBD/POW. As it is clear from this report CBD provisions and its decisions expressed in different programme documents did not play any crucial or deciding role for Georgia Government while making significant decisions related to forest sector and environment in general, so it will be difficult to assess direct role of CBD/POW for peoples living surrounding of forests.

INTRODUCTION

The Global Forest Coalition (GFC) decided in 2007 to conduct an independent monitoring process to assess how governments implement the Expanded Programme of Work on Forest Biological Diversity of the Convention on Biological Diversity in 20 different countries, selected from a total of 21 case studies produced. When deciding to adopt the CBD/POW, the COP-6 of the CBD 'invited' Parties, Governments, NGOs, international and regional organizations, etc. to address:

The need to focus on key priorities for sustainable use of forest resources and the equitable sharing of benefits;

The need to facilitate adequate participation of indigenous and local communities and the need to respect their rights and interests;

The need for urgent conservation action for forests that are ecologically significant and/or most important for biological diversity on national and regional scales, in accordance with national priorities, where forest biodiversity loss or threats of loss are significant or of great concern, but also to work to enhance conservation in all types of forests, both within and outside protected areas;

The need to achieve synergies and avoid duplications between the work of the key international instruments and bodies, such as the Secretariat of the Convention on Biological Diversity, and the other members of the Collaborative Partnership on Forests;

The need to ensure capacity-building and the provision of adequate financial, human and technical resources to allow implementation of the work programme by all relevant stakeholders;

The need to ensure that relevant activities be effectively incorporated into national and subnational forest and biological diversity strategies and programmes;

The need for clarification of the links between the ecosystem approach and sustainable forest management.

The GFC believes special attention is needed to understand the influence of international and national underlying causes of forest loss and degradation in order to assign clear responsibilities in the processes driving forest loss and degradation. To this end the GFC has separately commissioned several regional and national workshops to analyse and address the underlying causes of deforestation and forest degradation.

The results of the process will be presented at the ninth session of the Conference of the Parties to the CBD (May 2008) with the aim of providing input to facilitate the long-term development of the CBD/POW and the commitments taken up by countries for national level implementation.

OBJECTIVES

Vasil Gulisashvili Forest Institute (VGFI) was been selected by Global Forest Coalition to fulfil tasks identified in this process and to act as country monitor to undertake the Following activities:

The implementation of an independent monitoring process on the implementation of the expanded work programme on forest biodiversity of the Convention on Biological Diversity. Submitting a draft independent monitoring report before 30 September 2007 in English, French or Spanish.

Submitting a summary report in English at least 3 pages on the implementation of the process before 30 June 2008, describing, amongst others:

- the main results of the independent monitoring process;
- the process through which the national consultation workshop and other consultation meetings were conducted (preparatory process, selection of participants, process during the workshop);
- the results of the outreach campaign, including relevant media clippings;
- the expected influence the process has had on national forest policy.

Submitting a full financial report within two months after the end of the contract period, including copies of the receipts of all relevant expenses.

Maintaining the hard copy of the receipt of all expenses covered through the grant provided by the Global Forest Coalition for a period of 5 years.

WORKSHOP PREPARATION

To undertake proper monitoring process and prepare a report which include the input of relevant stakeholders a questionnaire (see annex 1) has been elaborated and distributed

through the forest sector and biodiversity related state agencies, NGOs, business representatives, scientific institutions and individual experts. In total more than 20 different organizations completed questionnaires and submitted them to VGFI. Comments and ideas expressed in questionnaires have been included in the monitoring report. A list of workshop participants (see annex 2) has also been submitted. . Workshop arrangements and report preparations have been conducted as agreed within the contract and associated budget. Relevant invoices will be submitted to GFC by VGFI separately.

WORKSHOP OVERVIEW

Workshop was held on August 9, 2007 and attended by 20 participants representing State agencies, business sector NGOs, scientific and education institutions. Workshop agenda (see annex 3) included following presentations:

Analysis of questionnaires feedback - Independent monitoring process on the implementation of the expanded work program on forest biodiversity of the Convention on Biological Diversity (CBD POW) in Georgia, (presented by Paata Torchinava),
Implementation of the Expanded Programme of Work on Forest Biological Diversity of the Convention on Biological Diversity (CBD/POW) in Georgia, (presented by Irakli Macharashvili from Green Alternative.)

Participants worked around the presentations and were involved in (sometimes heated) discussions on problems raised during the workshop. The report provided by Irakli Macharashvili has been used as a basis for drafting the final report for submission to the Global Forest Coalition.

1. BRIEF DESCRIPTION OF ENVIRONMENTAL, GEOPHYSICAL AND SOCIOECONOMIC ASPECTS

Area – 69,700 sq. km

Boarders: Southeast – Azerbaijan, Southwest – Turkey, North – Russia, South – Armenia.

Geography: mountain ranges and hills comprise 80% of Georgian territory. The country is situated between 40 - 47 degrees E and 41 - 44 degrees N

Capital – Tbilisi (2002 population: 1,092,900)

Other cities: Kutaisi, Rustavi, Batumi, Sokhumi, Gori, Poti, Zugdidi , Telavi

Ethnic groups (2002 census): Georgians – 83.8%, Azeris – 6.5%, Armenians – 5.7%, Russians – 1.5%

State language – Georgian; Georgian and Abkhaz in the Autonomous Republic of Abkhazia

National currency – Georgian Lari, 1 USD = approximately 1.7 GEL (according to the data of 01.02.2007)

The country is situated in the south of the Caucasus region and occupies 69,700 sq. km. Georgia borders with Russia in the north, Azerbaijan in the south-east, Armenia in the south, Turkey in the south-west and the Black Sea in the west.

Georgia is distinguished by its complex and varied relief. The north is dominated by the mountains of the Great Caucasus Range, while Southern Georgia is traversed by the South Georgian Plateau. From the shore of the Black Sea in the west to the Alazani Valley in the east run the inter-mountain lowlands of Georgia. The Rikoti mountain range divides the country into two parts, differing in climate; Eastern Georgia and Western Georgia. The highest peak is Shkara (5198m), the lowest place (-1.5m) is the environs of lake Paliastomi in the Kolkheti

Lowland. Forests constitute 38% of the country's territory and cover 2.7million hectares (6.6 million acres).

In 2006, trade (13.6%), agriculture (11.3%) and manufacturing (8.6%) accounted for the largest shares of GDP. The highest growth rates were registered in the sectors of finance (40.4%), manufacturing (22.4%), trade (19.7%), mining (18.9%) and transport (15.1%). GDP of agriculture, forestry and fishing sector is 862,5 Million lari. Annual inflation is around 8,8%.



The Caucasus of which Georgia is part, is one of the Global 200 Eco-regions of critical importance for the conservation of the world's biodiversity. At the same time it is considered one of 34 biodiversity "hotspots" due to The Caucasus is a hotspot of plant and animal species endemic diversity, important for the conservation of biodiversity on a global scale. Located at a biological crossroads, species from Central and Northern Europe, Central Asia, the Middle East and North Africa mingle here with endemic species found nowhere else. High levels of landscape diversity in the Caucasus, in particular Georgia, are largely the result of temporal-spatial variability in the region. The unique geology and terrain, consisting of three major mountain chains separated by valleys and plains, permit a variety of different microclimate, soil and vegetative conditions, resulting in a broad range of landscapes and unusually high levels of species diversity for the Temperate Zone. Climatic conditions are very diverse, with precipitation ranging from more than 4,000 mm per year in the southwestern Caucasus to less than 200 mm a year in deserts in the eastern Caucasus. Batumi, in Georgia was known as the city with the highest precipitation level (more than 2200 mm a year) in Soviet Union.

More than 6,500 species of vascular plants are found in the Caucasus of which 4100 are found in Georgia. A quarter of these plants are found nowhere else on Earth - the highest level of endemism in the temperate world. At least 153 mammals inhabit the Caucasus; one-fifth of these are endemic to the region. As many as 400 species of birds are found in the Caucasus, four of which are endemic to this hotspot. In Georgia there are found the following fauna specie;: fishes -84; amphibians -12; reptiles - 52;birds - more than 300, and mammals -109 species. The area is very rich in invertebrates species.

About 700 species of higher plants are listed in the regional Red Books of Rare and Endangered Species, including at least 20 species of Bellflower and 18 species of Iris. Five

species of lichens and 11 species of fungi are also locally endangered. About 56 wooden species are included in Red List of Georgia and the work for justifying status for other plant species still is ongoing.

The Red List of Georgia, which is elaborated according to IUCN criteria, consist 134 fauna species and 4 subspecies.

2. FOREST RESOURCES OF GEORGIA

Existing Conditions

Georgia is rich in forest. Total area of forest fund is 3007,8 ha, i.e. 43% of the country territory (6949,4 thousand ha).

Picture 1. Forests distribution in Georgia



Out of the total area under the forest fund, the forest itself (lands covered by forests) cover 2822,5 thousand ha, i.e. 40.6% of the territory of the country (forest percentage). Presumptive total reserve of wood (stems of the trees) compose 451,7 million m³, average annual supplement of the timber comprises 3.75-4,5 million m³.

0,53 ha of forest is counted per capita averagely, which is approximately 80m³ timber, which exceeds the average indicator of Europe for three times. Average tree capacity per hectare is 176 m³, average age of Georgian forests is approximately 100-120 years, wide-leaf trees dominate, including 80% of the forest, out of which up to 50% is beach.

Distribution according to the class of forest aging shows that 7% is young, 48% is mid age, 15% is mature and 30% mature and older. There is a remarkably unequal distribution of forests by classes of age, which partly may be determined by bad forestry management in the past.

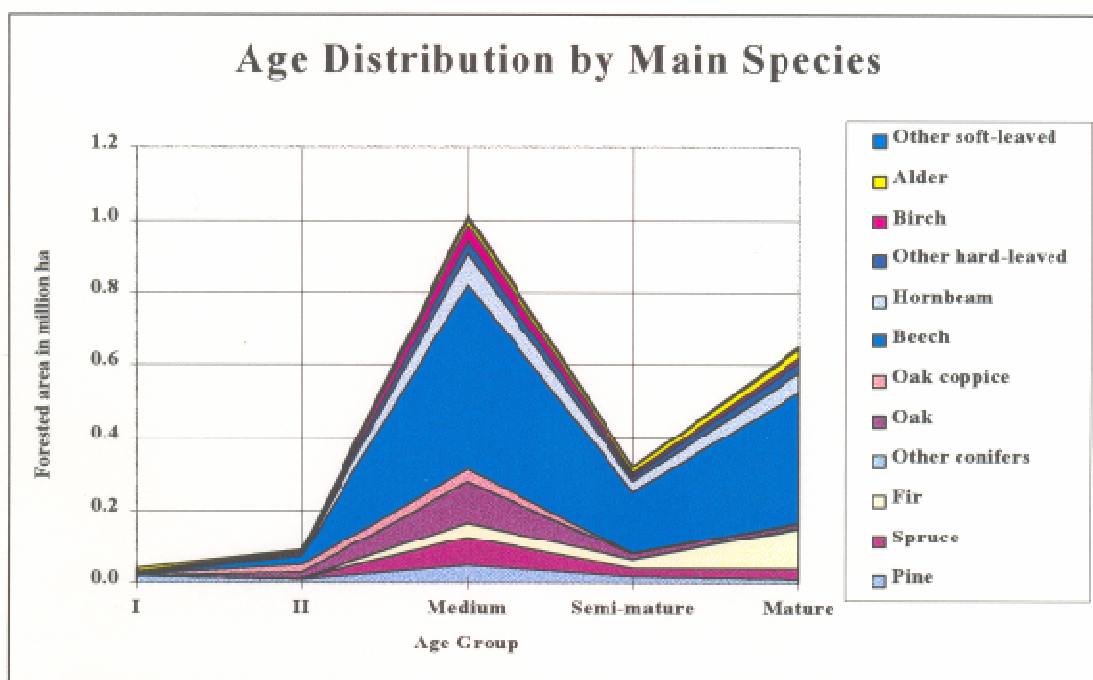
Forests in Georgia are distributed unequally and parallel to regions rich in forests there are regions sparsely covered with forests, where the relative share of the area of forest does not exceed 10%.

Considerable difference between the climates of Western and Eastern Georgia determine the vegetation difference. Semi-arid and arid forests vegetation layers simply do not exist in Western Georgia. There are four main horizontal layers of forests in Western Georgia: forests (up to 1900 m above the s. l.), sub-alpine (1900-2500 m); alpine (2500-3100) and nival (> 3100).

There are 6 zones in Eastern Georgia: semi-deserts; dry grasslands (valleys) and arid, thin, lucid forests (150-600 m above the s. l); forests (600-1900 m); sub-alpine (1900 - 2500 m) alpine (2500-3000 m); sub- nival (3000 - 3500 m) and nival (> 3500); In mountain forests and alpine zones forestless formations of semi-arid ecosystems are also found.

Georgia's forests are formed basically by the following species: Eastern beech - 1164 000 ha. (42 %); hornbeam - 298 000 ha. (11.8%); oak - 281 000 ha. (11.2%); alder - 200 000 ha. (7.2%); chestnut - 105 000 ha (3.8 %); coniferous species - (Caucasian Silver fir, Eastern fir, pine etc.) - 455 000 ha. (17.4%).

Picture 2. Distribution of the Georgian forests by age classes

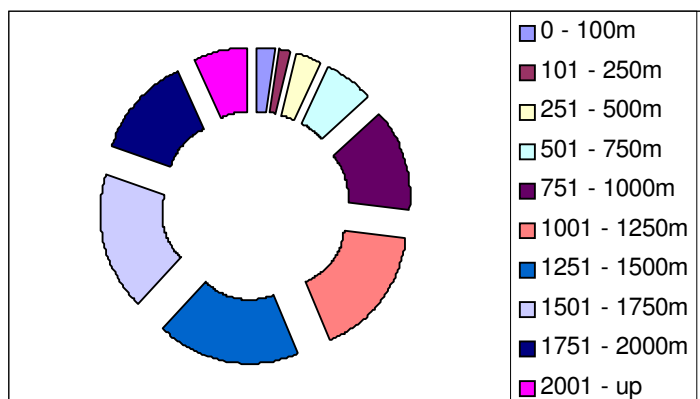


Georgia has enough high indicators of forest cover, to class it as belonging to the number of countries rich in forests, however, currently average density of the forest has reached a critical threshold and comprises 0,52. Thereby, low density stands below the critical threshold (0,5) make up more than half of the total area of forests (55%). Such forests have significantly decreased the protective functions and lost the ability of regeneration what in the end negatively affects the biological sustainability of forests and overall ecological situation in Georgia.

22,3% of Georgia's forests are altitudes from 0-500 m a.s.l, 23,5% from 501-1000 m a.s.l, 16,6% from 1001-1500 m a.s.l, 17,4% from 1501-2000 m a.s.l and 19,8% above 2001 m a.s.l.

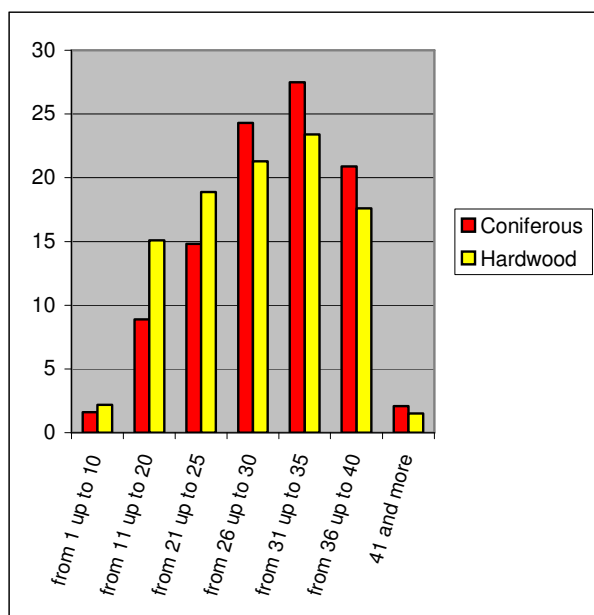
More valuable species like chestnut, beech and oaks hardly exist above 1500 m a.s.l or at least grow very poorly at such altitudes.

Picture 3. Distribution of Forests by altitude (m above the Sea Level)



Most of the forests in the country are spread at high altitude with. 3,8% of the forest-covered slopes are at 0-1000 , 16,4%-11-2000 , 17,0%-21-250 , 18,6%-26-3000 , 20,1%-31-350 , and 24,1% is located at 350 and higher inclination.

Picture 4. Distribution of Forests according to slopes degree



3. LAND TENURE REGIME AND FOREST MANAGEMENT SITUATION

In 19th century prior to the soviet period, the forests belonged to the state, private owners, monasteries, villages and individual families. This arrangement was especially strong in high mountainous regions where the population still acknowledges it. Village forests as a rule were not divided per separate areas and were used commonly.

Division of forests according to the forest ownership forms in 1918 in Georgia is shown in table

3.1. The data shows that by that time 43% of Georgian forests were in private ownership.

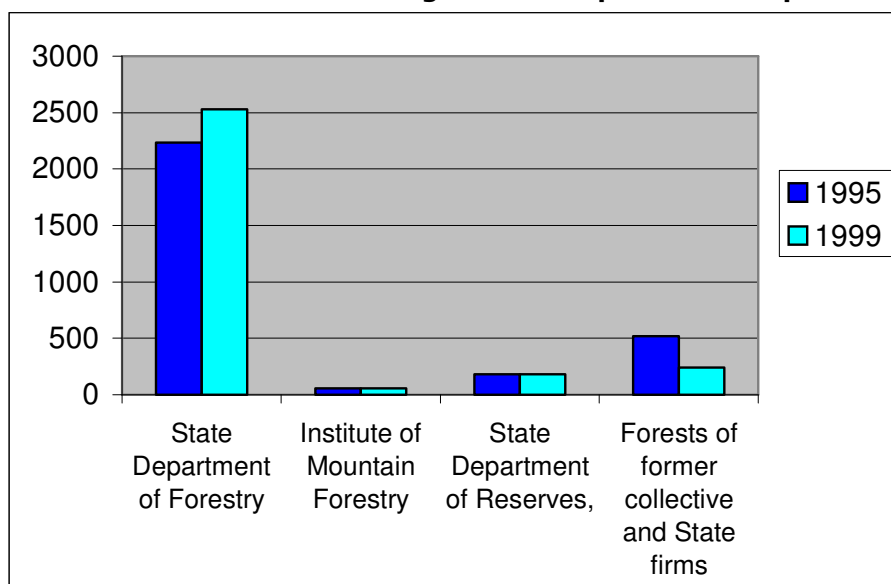
Table 1. Division of forests according to the ownership in 1918

	Area in hectares	%
Total area of the country	7, 759, 764	-
Total area of the forest	2, 160, 999	-
State forests	1,229,398	-
Private forests	931 601	-

In 1921 after the reign of the soviet regime, all forests were declared as the state owned. In 1923, according to the new legislation the forests were divided into two groups: major state forests and local forests.

Currently forests are completely in state ownership. The state is authorized to distribute forests for various assignments or grant forests for possession and administration to various establishments: executive power of the government, Adjara and Abkhazia AR executive power, local government and self government organizations and the patriarchate of Georgia. According to the organic law of Georgia adopted in 2005 the ownership form of the local self governing bodies was established for the forests of local significance (Article 16, 47).

Picture 5. Distribution of Georgian forests per ownership¹



All forests in Georgia, all the resources contained in forests, the land on which forests grow and all resources on or under the land are owned by the State. The Forest Code provides for the responsibility for managing state forests to be allocated to central and local government bodies and the Patriarchy. The Government has power to grant or to sell rights to extract resources in or under the forest.

The Forest Code recognizes private ownership of forests. Transfer of state forests into private ownership cannot be effected until the Law on the privatization of Georgian forests has been

¹ Forests of the Institute of Mountain Forestry, currently named as Vasil Gulisahvili Forest Institute are under the process of transfer to the Ministry of Environment.

enacted. The Forest Code places certain rights and obligations on owners of private forests: (as follows)

Use their forests in accordance with Georgian legislation

- ❖ Terminate illegal use and demand reimbursement of costs for damage caused by illegal use
- ❖ Terminate illegal use or ownership of the forest or areas of the forest owned by these bodies in accordance with Georgian legislation and demand reimbursement of costs for damage if done through these illegal actions
- ❖ Conduct forest protection measures against pests, diseases, fire and all other adverse effects for terminating and liquidating these factors;
- ❖ Dispose of the owned forest in accordance with this Code and Georgian legislation;
- ❖ Submit information on the condition of the owned forest and other required statistical information to the authorized state authorities
- ❖ Rationally manage the owned forest;
- ❖ Create favorable working conditions for the State officials, submitting to them all requested documents on forest management, conforming to all lawful directions and requests of these officials.

Management of private forests is governed only by Article 10 of the Forest Code. All other provisions of the Forest Code apply only to the state forest fund. Thus the Forest Code does not require private owners to prepare management plans. Indeed, it appears that the Forest Code allows owners of private forests to exploit their forests without any restrictions. The Forest Code should apply the same system of controls to all forests regardless of ownership in case of private ownership is established.

The Code does not establish clearly who exercises the rights and responsibilities of ownership in respect of state forests. According to Article 7 of the Code, in all legal affairs concerning the Georgian forest fund, the State of Georgia is represented by the [MEPNR] and local governing and self governing bodies. Thus, more than one entity may be responsible for exercising ownership on behalf of the State. The Code, or another law, needs to place the rights and responsibilities associated with ownership of State forests on one legal person, presumably the Minister of Environmental Protection and Natural Resources.

Following changes to the structure of the Executive Government in 2004 the MEPNR is responsible through its central apparatus or subordinate bodies for²: forest policy and designing and implementing instruments of policy;

- ❖ managing forests and selling use rights by means of licenses over that part of the state forest fund that is not assigned to local governing bodies, the Patriarchy or other entities;
- ❖ permitting forest use and monitoring and enforcing compliance with the conditions of permits and forest use licenses;
- ❖ monitoring and enforcing compliance with forest law.

The MEPNR organizes the above functions through several of its departments and subordinated entities. The most relevant are the following:

Forest Department (FD), which is responsible for³:

² The MEPNR's functions, rights and responsibilities are laid down in the statutes of the MEPNR No. 50 2004 June 12 as amended by 6 August 2004 No 66, 42 November 2004 No 110, 6 March 2005 No 98 and 14 July 2005 No 114.

³ The FD's functions, rights and responsibilities are laid down in the Decree of the MEPNR No 62, 4 October 200, as amended by No 134, 14 June 2005.

Policy. Developing state strategy for forest protection, afforestation, regeneration and forest use and its implementation in respect of the State forest fund. Identification of priority directions for the forest sector. Co-ordination of activities with regard to implementing priority directions. Participation in elaboration of instruments for development the sector.

Standards. Elaboration of standards, technical and economical norms, rules and methodological documentation.

Information. Ensuring the State Registry and Cadastre. Organization of a national forest information system.

Physical management of state forests. Conservation of soil and water, climate regulation, recreation and other functions of the forest, valuable forest stands and their qualitative improvement. Ensuring sustainable use of forest resources to satisfy the demand for wood and other forest products. Reproduction of forest resources, their quality and species diversity improvements, increase of productivity, protection from fire, illegal harvesting, pests and diseases.

Protected Areas Department (PAD):

Protected Area Management Entities established as legal bodies of public law and subordinated to the MEPNR manage Georgia's national parks and state reserves Licensing Department, which is responsible for:

- ❖ Selling. Carrying out the sale of forest products and services;
- ❖ Permitting. Evaluating and recommending approval or rejection of forest management plans;
- ❖ General Inspectorate, which is responsible for checking that forest use is being carried out in compliance with forest law and suspending, terminating or restricting activities that are not authorized by forest use documents or that infringe the Forest Code
- ❖ Responsibility for forest policy and instruments on the one hand and physical management of forests on the other are vested in one entity – the MENPR and its structures. The experience of other European countries shows us that this arrangement is not appropriate. The two groups of functions should be separated.
- ❖ Combining the permitting of forest use and the selling of forest products in one entity - the Licensing Department – risks serious conflicts of interest between safeguarding the nation's forests and generating income for the State budget. The two functions should be separated.

4. PEOPLES RIGHTS

Citizens in the forest

Inception of CBD/POW did not make any reflection on the status of forest peoples. Access rights to forest resources and other issues are regulated by Forest Code.

According to the Forest Code the presence of citizens in the forest is not regarded as forest use and any citizen has a right to enjoy the natural environment of the forest⁴

⁴ Forest Code, Article 88.

The Code establishes that citizens have a right to: enter and freely move around the forest if not otherwise stated by the Georgian legislation;

Collect non-wood resources and secondary products for their personal use;

Use the forest environment for recreation, tourism and aesthetic enjoyment.

While exercising their rights citizens are required to care for forest and protect its assets and to comply with fire safety rules, not break or cut trees and shrubs, not affect forest flora, and not litter or otherwise damage the natural environment.

The Code establishes that the presence of citizens in the forest, collecting non-wood resources and other rights of citizens to the state forest fund may be restricted by the [MEPNR] and local and self governing bodies⁵.

The effect of Article 88 of the Forest Code is that use of the forest by citizens for recreation, collecting non-wood forest products etc. does not have to be covered by an approved management plan. However, it is not clear whether that is the intention. Revise the Forest Code to clarify the intention.

The limitation of the right to collect certain products to that of collection for personal use would rule out collection for household use. Presumably that is not the intention. Revise the Forest Code to extend to the right to household use.



Forest managers other than the [MEPNR] and local and self governing bodies appear to have no powers to restrict the presence of citizens in the forest. Holders of short and long term forest utilization rights and, in the future, perhaps private forest owners, need to have these powers in order to allow them to carry on their business efficiently and safely. Amend the Forest Code to allow restrictions to be imposed on access by citizens, regardless of whether the forest is state forest or private forest and regardless of who is managing the forest.

It is not clear whether the provisions regarding the presence of citizens in the forest apply to State forest land only or to all forest. This is not an issue at the moment because there are no private forests. Serious consideration should be given to extending certain rights to all forests – in particular access for recreation and gathering non-timber forest products for their own consumption - in order to protect citizens' customary rights of access in the event of a change in ownership. Revise the Forest Code to extend the general rights of citizens to all forests.

Public participation in the governance of the state forest fund

The Forest Code provides for the participation of citizens and public organizations in the governance of the state forest fund. Citizens and public organizations are authorized to receive full, reliable and timely information on the condition of the state forest fund and to participate fully in the planning of the management of the state forest fund. The following information is required to be published before a decision is made on forest use in a particular area: the forest management plan; categories established for the state forest fund; the protection regime

⁵ Forest Code, Article 88(5)

established for the state forest fund; the allocation of areas of the state forest fund for forest use for a period of 5 years or longer.

The provisions regulating public participation are in line with practice in other European countries and are consistent with the Aarhus Convention, though much to be done for implementation of above mentioned provisions.

5. PREDOMINANT FOREST MANAGEMENT PRACTICES BEFORE AND AFTER THE INCEPTION OF CBD/POW

This chapter describes major changes in forest use practices which focus on timber harvesting issues as a main reason of forests overexploitation and degradation causing biodiversity loss. From independence until 1996 Georgia used the Soviet system of distribution of forest harvesting rights, in particular, issue of harvesting rights by the Ministry of Economy to forest harvesting and processing enterprises according to their application based on established annual harvesting volume.

Since 1996 right to issue of harvesting license for final felling has been delivered to Ministry of Environment, at the same time Forestry Department were in charge to undertake forest thinning operation. For the issue of licenses Ministry of Environment established special intergovernmental licensing committee consisting representatives of different state agencies as well as NGOs. This was responsible for considering all applications according to their business plans and other required documentation. Procedure was based on bidding/tender system. After adoption of new Forest Code (1999) all rights to issue licenses were held by the Forestry Department which also used an intergovernmental licensing committee and bidding system.

The main shortcoming of this system was that licenses for timber harvesting were issued only for short-term (1 year) time (which does not support the establishment of long-term vision) with entrepreneurs aiming in a very short time to remove as much as possible timber with results being very dangerous to forest ecosystems technical and technological approaches. Also, the system was very good basis for the development of corruption and illegal activities due to duplication of forests related functions between different state agencies and confusion in the legal base. Since political changes in 2004 Government of Georgia significantly revised licensing system in all sectors aimed to establishing a "one shop stop" system.

Currently the Ministry of Environment issues long-term licenses (up to 20 years) by auction. This is a considerable step forward, though it is not based on proper forest inventory data which may again cause overexploitation and forest degradation.

6. MARKET-BASED CONSERVATION MECHANISMS IN IMPLEMENTATION OF THE CBD/POW

Forest, as a part of natural resources, is the most significant component of the physical environment. Correspondingly there is a need to identify and discuss the links between the environment and macro economy. The macro economy of the country has a considerable impact on forest management. Macro economic stability creates the necessary conditions for forest conservation, on the other hand instability, that is characterized by a high level of inflation, huge fiscal deficit, instable exchange rate, low or negative economic grow and high level of unemployment, suspends or stops investments in forest sector and supports to extensive and uncontrolled utilization of forest resources. In such case the Government of Georgia is oft unable to get corresponding value out of usage of forest resources that fully reflects the real value of these resources. These problems should be addressed through sectoral policies which are subject to conducive macro policies.

At present Georgia still has an unstable macro economy. The “unsustainable” practices of forest management are preconditions of negative long term macroeconomic effects. Degradation of forest resources, soil erosion or destroying the watersheds, are the continuous processes spread over the large areas. While adopting macroeconomic decisions, the urgent problems obscure long-term vision. In the longer run, the result of such an approach may be a situation where the biophysical conditions no longer offer an adequate basis for sustainable development.



Under such situation setting principles for sustainable development is crucial. These principles that were first declared in the Rio forum in 1992, along with many other issues considered supportive to the multipurpose utilization of forest resources. The forests of Georgia have a huge potential from this point of view. Developing the modern forest management plans, including economic valuation of different forest use types, would be a step forward. This will also be a basis for considering the forest sector as a major components, of the macroeconomic policy of the country.

The forest sector’s share of the economy is defined using traditional indicators, as the proportion of GDP, the balance of expenditure, export, production results, indicators of employment (direct and indirect) and revenue generation. The present system of assessment combines official forestry statistics with fisheries and agricultural data, which makes it difficult to identify forestry’s precise contribution to the country’s economy. From this it can be assumed that as the above mentioned indicators are not taken into consideration that this decreases the importance of forest sector in the eyes of the decision-makers whilst elaborating the total economic policy of the country.

Studies revealed that the economic development of the forest sector very much depends on the use of traditional types of forest use, in which wood utilization has a huge share. The forest sector share of GDP (about 2%) is mostly the result of fiscal and economic calculations, based mostly on wood utilization.

In the near future wood utilization will still remain as the main direction of economic activity within the forest sector. First of all the cause is the existing social background, due to the high demand for fuel wood, as well as the demand for industrial wood locally as well as for export.

It is also important to develop other types of forest use, apart from wood. The economic potential of these other uses is not fully identified and definitely not fully used yet. These non-wood utilization activities include non-timber resources, tourism, recreation and hunting. All these activities may raise considerable economic benefit at the same time conserving forest resources and biodiversity.

In most countries the share of non-wood products in the forest sector is very important. That has not been well appreciated in the past. According to the estimation of Indian Ministry of Environment Protection⁶, the revenue received from the non-wood products in India is about 40% of the total forest revenues and provides 55% of employment within the forest sector.

Non-wood biological resources of the forest (mushrooms, medicinal plants, technical raw material, bushes and their products⁷) have been used by the local population for different purposes since ancient times. According to the total economic valuation study⁸ carried out by the World Bank, the net value of the non wood resource utilization is valued as USD 8.35

⁶ D.D.Tewari, J.Y.Campbell, *Increased development of non timber forest products in India. Unasyuva, vol.47, 1996*

⁷ *Georgian Forest Code, item 51, d)*

⁸ *Total Economic Valuation of Georgia Forests, T. Arin, J. Siry. 2000*

million per year, out of this: USD 1.5 mil comes on mushrooms, USD 0.58 million – on nuts, USD 2 million – on berries and USD 0.08 million on medicinal plants. USD 0.44 million is derived from processing and export the seed of Nordman Fir (*Abies nordmanniana*) and USD 3.75 million annually is derived from processing 3 million tones of forage from state forest fund lands. As under the present circumstances only the precise data related procession and export of Nordman Fir is available, this activity is almost regulated and well managed. Regarding other non-wood resources it is doubtful to get the precise information, though anyway we have to underline the huge importance of proper management of non-wood resource utilization, as one of the priorities of the forestry.

Formerly tourism and recreation was one of the main sources of income and this should be developed again. Under the Soviet times about 4 million tourists used to visit Georgia annually, the main purpose of their visit was to see the natural ecosystems of the country, in which forests had the major role. Since independence the number of tourists has decreased. Since 1995 the tourism industry has been revived and from 1999 the number of visitors coming to Georgia is increasing again. In 2000 the total amount of revenue generated from tourism is equal to 826,7 mil GEL⁹, that is 13,6% of the GDP. The share attributable to forest tourism in this revenue should be high. According to the estimation of the international experts, by 2005 Georgia will be in a position to host 1 million tourists per year and the revenue from this activity might reach USD 1 billion. Proceeding from above, development of tourism as an alternative way of forest use is very important.

The economic potential of hunting should also be taken into consideration while carrying out forest management in Georgia. With good hunting management it is possible to conserve natural ecosystems, and at the same time generate economic revenue. This has been demonstrated all over the World (e.g. Czech Rep.). This would form a viable alternative to timber utilization in ecologically weak and sensitive sites, where timber utilization would definitely cause certain negative ecological processes. Also in those areas, where due to the relief configuration, the timber utilization is not cost effective. Setting up hunting management is some how a pre condition of developing the international hunting tourism.

Currently there is no development to establish trade with carbon emission.

7. ROLE OF INTERNATIONAL INSTITUTIONS IN IMPLEMENTATION OF CBD/POW

There are several international institutions deeply involved in implementation of CBD provisions in Georgia through financing and supporting of different projects. Just some of them are described in present report due to limited format of report.

Georgia Protected Area Development Project

GEF-World Bank. 8,7 million USD Grant (date of ratification- 2001, date of implementation 2001-2007).

The project objective is to conserve Georgian biodiversity through the creation of three ecologically and socially sustainable protected areas, and to build capacity for mainstreaming biodiversity conservation into the production landscapes that connect them. The project would promote conservation and sustainable use of biodiversity of the Caucasus mountains an area that has been identified as one of the 200 globally important ecoregions for terrestrial biodiversity.

Under the project there was prepared and adopted by Georgian Parliament law on Creation and Management of the Tusheti, Batsara-Babaneuli, Lagodexi and Vashlovani Protected Areas (22, April, 2003). As we identified some former kolkhoz forest lands are included in newly established Protected Areas. What kind of management will be proposed for such territories is subject of management plan to be elaborated by project.

⁹ Data has been obtained from the national program of poverty reduction and economic growth. Tbilisi. 2001

Borjomi-Kharagauli National Park Project

(including community forestry component) GTZ\KFW

First National Park established in 1995. Follows to International Standards. Region has a high potential for tourism and good experience of tourism management.

Total area of BKNP is 68000 ha (1% of total territory of Georgia). It is one of the biggest NP in Europe.

Project is funded by German Government according to Georgian-German Intergovernmental Agreement. Implementing agency WWF Georgia.

Project contains three components:

1. Development of infrastructure – 2,261,100 DM;
2. Education and Training – 1,700,000 DM;
3. Support Zone Development – 2,739,000 DM.

Currently the first two components are successfully implemented. There are obvious rising economic benefit for people living around the National Park through an increase in the number of visitors and tourists and providing them different kind of services. Third component includes community forestry development in Kharagauli district based on former kolkhoz lands. For this issue special study was done by KFW and French GEF in 2001 which was approved by Ministry of Environment and State Forestry Department. Study provides only technical and financial aspects of the management of these territories. No organizational aspects have been studied. For the further development of this component special agreement between Georgian Ministry of Finance and French GEF in August 2003 was signed for 1,2 million Euro. Based on above mentioned agreement in September of this year German-French consortium in collaboration with Vasil Gulisahvili Forest Institute has started implementation of this component.

WB Forests Development Project

Ratified in 2001, implementation date 2001-2009. 16 million credit.

The project aimed support of Georgian Government in establishment of sustainable forest management practices through development of new legal and regulatory basis, forest inventory and management planning, afforestation and reforestation of degraded areas, introducing of environmentally friendly forest operations, etc. Currently project is suspended by Government. Reasons of suspension have not been clearly provided to WB as well as to relevant Georgian stakeholders.

Unfortunately there is no adopted Forest Policy and Strategy. Project included elaboration of such document, though in 2003 under the FAO/UNDP National Forest Programme Facility grant in amount of 300 thousand \$ has been allocated to Georgia Government (Forestry Department) for elaboration of NFPS. The document has been elaborated with participation of relevant NGOs, experts and state agencies and is waiting for official adoption.

Georgia is participating in ENA FLEG process, is signatory of MCPEF Vienna Declaration.

In 1999 Georgia entered in WTO agreement. WTO membership caused significant reduce of any export taxes or fees on products, including wood and its products, from Georgia, therefore, entrepreneurs became totally motivated to increase wood harvesting and export volumes.

8. BASIC ENVIRONMENTAL CHANGES OCCURRING IN THE COUNTRY SINCE THE ENTRY INTO FORCE OF THE CBD/POW

Environment management in Georgia might be divided in two periods: since 1990 before 2004 (November, 2003 was date of so called "Rose revolution"), and after 2004 up to date.

First period was characterized with establishment of new institutional and legal systems since crash of Soviet Union. In this period Georgia joined major international treaties and conventions. Biodiversity Convention was one of the first international agreements which Georgia ratified in 1994. That was a period when basic environmental principles have been officially recognized.

Period after 2004 is characterized with significant change in number of state agencies. Almost all the state institutions which were independent before now are under the umbrella of the Ministry of Environmental Protection and Natural Resources (MEPNR).

In the legal environment basic changes occurred in licensing system which is now more market – oriented than environment.

It might be concluded that changes occurring in environment have both, positive and negative sides. Merging of institutions with same functions, establishment of environment inspectorate, introduction of auctions for licensing, issue of long-term licenses, decision to introduce FSC system obviously are positive events. From other hands it is clear that public involvement mechanisms in decision-making process, establishment of environmental requirements are decreasing. Economic interests are prevailing over ecological aspects, and the number of professionals involved in the sector is significantly reduced. Therefore, many environmental problems still exist, though there is some decrease in illegal logging and poaching.

All these changes occurred with no consideration of provisions of CBD or POW on Forest Biological Diversity. It might be correct to say that relevant governmental institutions and their decision-makers in general are not overly familiar with the document.

9. SITUATION OF FOREST AND FOREST PEOPLES BEFORE AND AFTER THE INCEPTION OF THE CBD/POW

There are no significant changes in situation of forests and forests related peoples before and after inception of the CBD/POW. As it is clear from this report CBD provisions and its decisions expressed in different programme documents did not play any crucial or deciding role for Georgia Government while making significant decisions related to forest sector and environment in general, so it will be difficult to assess direct role of CBD/POW for peoples living surrounding of forests.

ANNEX 1

Independent monitoring process on the implementation of the expanded work program on forest biodiversity of the Convention on Biological Diversity (CBD POW) in Georgia

Questionnaire

Forest Biodiversity status in Georgia and problems related to implementation of CBD/POW	yes	No	Comment
General Part			
Are you familiar with Convention on Biological Diversity to which Georgia is Party since 1994, Do you know obligations coming from provisions of CBD in general and in particular of Expanded Work Programme on Forest Biodiversity?			
CBD requires inclusion of biodiversity conservation and sustainable use issues in plans and programmes of different sectors. Based on above mentioned do you take this in account in your work while planning?			
.According to specific of your work how important you consider to handle full information on responsibilities coming from CBD, also on international and national activities in your country under the CBD			
Is there an assessment of impact of Climate Change on forest Biodiversity, Is there a relevant monitoring established?			
Questions related to specific sectors			
Forest sector			
Are there elaborated guiding documents for sustainable forestry based country's specific ecological and socio-economic conditions?			
Are there elaborated forest biodiversity protection and sustainable forestry indicators for Georgia?			
What kind of specific measures Georgia conducts to mitigate climate change impact of forest ecosystems?			
How complete is national legislation in forest sector in regard of protection and sustainable use of biological resources? Whether the national legislation is in harmony with national legislation related to other economic sectors and existing international obligations ?			
is there elaborated specific work plan for forest sector for the implementation of CBD/POW?			
Are there any specific measures elaborated and implemented for the protection of biodiversity in forest?			
Protected areas			
How complete is national legislation in the field of Protected Areas? Whether the national legislation is in harmony with national legislation related to other economic sectors and existing international obligations ?			
Is the in Georgia National/State Programme of Development of Protected Areas?			
Does the Department of Protected Areas participate in elaboration of policy documents in forests sector?			
Scientific organizations and NGOs			

Does your organization handle enough human and technical resources to conduct from time to time biodiversity assessment and monitoring?			
Is there a specific information data base on biodiversity established and how accesible is for your organization?			
Do you cooperate with relevant state agencies? If yest how often and are there a visible effect of such cooperation in regard of protection and sustainable use of biodiversity?			
Does your organization participate in elaboration of policy documents in forests sector?			

ANNEX 2

List of Participants

#	Surname	Name	Organization	Country	E-mail
1	Chkheidze	Nana	"Neitrali" Ltd	Georgia	
2	kobakhidze	Nato	Agriculture University, Fuculti of Forestry	Georgia	natali_kob@yahoo.com
3	Tevezadze	Mariami	Assosiation CENN	Georgia	mariam.tevezadze@cenn.org
4	Tvauri	Irina	V. Gulisashvili Forestry Institute	Georgia	itvauri@yahoo.com
5	Nakaidze	Elene	V. Gulisashvili Forestry Institute	Georgia	nako_elene@uahoo.com
6	Macharashvili	Irakli	Assosiation "Green Alternative"	Georgia	irakli-m@wanex.org
7	Burduli	Nikoloz	V. Gulisashvili Forestry Institute	Georgia	burduli_nikoloz@yahoo.com
8	Datunaishvili	Giorgi	Ministry of Environment Protection and Nature Resources of Georgia, Forestry Department	Georgia	
9	Lagidze	Tengizi	Bioteqnology Center of Georgia	Georgia	
10	Gigauri	Giorgi	V. Gulisashvili Forestry Institute	Georgia	
11	Supatashvili	Archil	V. Gulisashvili Forestry Institute	Georgia	
12	Chagelishvili	Revaz	V. Gulisashvili Forestry Institute	Georgia	
13	Goginashvili	Nana	V. Gulisashvili	Georgia	nanagoginashvili@yahoo.com

			Forestry Institute		
14	Gagoshidze	Giorgi	Agriculture University	Georgia	
15	Machavariani	Merab	V. Gulisashvili Forestry Institute	Georgia	biodiv@caucasus.net
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17	Simonidze	Rusudani	Green movement of Georgia	Georgia	rsimonidze@yahoo.com
18	Dekanoidze	Toma	Ministry of Environment Protection and Nature Resources of Georgia, Department of Protected Areas	Georgia	tomadtd@yahoo.com
19	Laletini	Andrei	"NEPCon"	Russia	apl@nepcon.net
20	Feilberg	Piter	"NEPCon"	Estonia	pf@nepcon.net

ANNEX 3

Workshop on Independent monitoring process on the implementation of the expanded work program on forest biodiversity of the Convention on Biological Diversity (CBD POW) in Georgia

9 August 2007
Hotel "Simpatia"
Agenda

8 August		
10:00 - 10:15	Welcome	N. Burduli, Deputy Director, VGFI
10:15 - 10:30	Agreement of agenda between participants	Moderator (Paata Torchinava, VGFI)
10:30 - 12:00	Analysis of questionnaire - Independent monitoring process on the implementation of the expanded work program on forest biodiversity of the Convention on Biological Diversity (CBD POW) in Georgia	Moderator (Paata Torchinava, VGFI)
12:00 - 12:15	Coffee Break	
12:15 - 13:00	Implementation of the Expanded Programme of Work on Forest Biological Diversity of the Convention on Biological Diversity (CBD/POW) in Georgia	I. Macharashvili, Green Alternative
13:00 - 14:00	Lunch	
14:00 - 15:00	Share cases and experiences among participants; Come up with specific and effective solutions	Moderator Moderator (Paata Torchinava, VGFI)
15:00 - 15:15	Coffee Break	
15:15 - 16:30	Wrap up	Moderator



**For more information, please contact
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This publication has been made possible through the generous support of the Ministry of Foreign Affairs of the Netherlands.