

Regional Program on Improving Forest Law Enforcement and Governance in the European Neighborhood Policy East Countries and Russia

THE COUNTRY WORKPLAN FOR ARMENIA

Current Forest Law Enforcement and Governance Agenda in the Country

Summary of main issues and trends

1. Over the recent decade, the Armenian government has been under intense pressure from international organizations as well as from domestic population to protect its forests and to improve forest management. According to various estimates, the country may have lost around up to 30% of its forest cover (which constitute around 3-4% of its territory) due to uncontrolled logging started in early 1990s¹. Various sources report that the degree of logging was around 1 million cubic meters per year in early 1990s and around 500-600,000 cubic meters thereafter². A large portion of these could be considered illegal. In nineties, most of the wood was used for household heating in urban and rural areas as other sources of energy were absent due to blockade and severe economic hardship.

2. However, when the situation improved in late 1990s and thereafter, the uncontrolled logging became a result of economic activity, largely driven from recent years' dramatic increase in construction volumes. The current rates of logging, though reduced considerably to around 300-600,000 cubic meters per year (various estimates), continue to be worrisome and significantly higher than the sustainable limits³.

3. As such, the overarching theme for the forest development agenda in the country remains the control over illegal logging and protection and sustainable management of forests. The policy and institutional reforms agenda started in late 1990s after the intensive public pressure to protect the country's forests. The reform processes have since been largely supported by main international donors through the World Bank and Sida financed forest development projects.

4. With support of international donors, as well as with the strong domestic pressure, in 2004 the country adopted an important package of documents which set forth the policy and legal basis for sustainable forest management and control of illegal logging. These include the Action Plan for Mitigating Actions to Help Address the Problems Associated with Illegal Logging (2004), the National Forest Policy and Strategy and the National Forest Program of the Republic of Armenia (2005). In 2005, the country adopted its new Forest Code, which is in line with the Government policy of rehabilitation of degraded and protection of existing forests and presents a step forward for sustainable forest management

5. After the adoption of the Forest Code, in 2006 the state budget allocations for the forestry sector increased drastically. The government currently maintains this level⁴ of budget allocations for the forestry sector, with a main emphasis to increase salary of the foresters (and as such reduce the risk of violations by the forest staff). The forestry budget places also a large emphasis on the forest management planning, where the government's objective is to develop new forest management plans for the entire state forest cover of Armenia. The exercise and methodology were introduced through the Bank supported NRMPPR project, and is being largely implemented by the Forest Research and

¹ See in Moreno-Sanchez R. and Sayadyan H., Evolution of Forest Cover in Armenia. *International Forestry Review Vol. 7 (2), 2005.*

² Savcor-Indufor. Ensuring Sustainability of Forests and Livelihoods through Improved Governance and Control of Illegal Logging for Economies in Transition. Working Document Prepared of the World Bank. 2005.

³ There are various estimates of the current levels of illegal logging, which use various methodologies. We provide an average data.

⁴ The conservation budget for 2010 is likely to be reduced, because of the financial crisis.

Education Center, a state organization in charge of management planning. Figures 1 and 2 present the state budget allocations for the forestry sector, and the general composition of the budget financing.

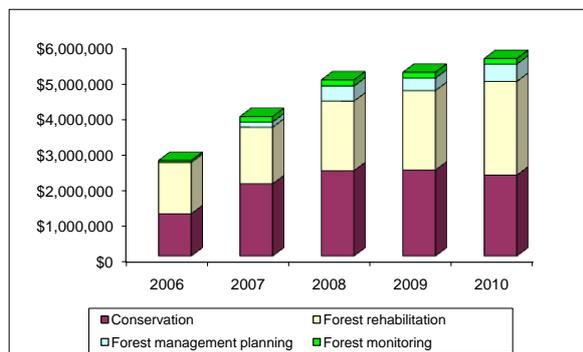


Figure 1. State budget allocations for the forestry sector, 2006-2010. (in US \$).

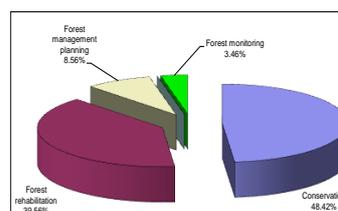


Figure 2. General composition of the forestry budget.

6. The 2005 Forest Code introduced completely new principles for the sustainable management of forests. One of the major innovations in the Forest Code is the definition of forests, which is based on objective criteria such as minimum area of 0.1 ha, minimum crown coverage of 30 percent, and minimum width of 10 m. In addition, the Code also defined previously forested areas (which could have been logged) as forests. Such a technical definition enabled a clear distinction of forest functions as well as other uses (e.g. grazing) and protection of forest lands from industrial and agricultural expansion. Another innovation was the ownership rights. The new Code stipulated that forests established on communal or private land were regarded as the property of the owner of the land. This guaranteed ownership rights to the land owner, and establishes the institute of private and communal forests. A third key principle was the lease arrangements and right of use. The new Code provides for such longer-term leases (49 years). The Code also stipulated the rights of use for forests on free terms by village community institutions. And lastly, it supported establishment of community forestry.

7. While the recent years' implementation of the Forest Code revealed its several deficiencies, it still opened an opportunity to introduce sustainable forest management systems in Armenia. Many deficiencies were partly due to the lack of the supporting sub-legal acts, and partly due to the fact that several issues could not be foreseen at the time of drafting the Forest Code. At present the Forest Code is under revision by the Ministry of Agriculture to establish a better platform for institutional restructuring and sustainable forest management. In addition, a set of 11 sub-legal legislation has been developed since the adoption of the forest code through the help of the Sida- and the Food and Agriculture Organization of the United Nations (FAO)-funded projects. A number of these documents has already been approved and/or adopted, while others are being finalized through internal discussions in the Government.

- RA Government Resolution “On Defining Rules of Forests and Forested Lands Use of Border and Strategic Significance”
- Re-elaboration of the Order of “Instructions on Forest Management Planning and the Development of Forest Management Plans”
- Rules of “Allocation and Observation of Cutting Areas”
- Rules of “Quality Setting of Forest Seeds” (Forest Reproductive Material)
- RA Government Resolution “On the Methods of Calculating Forests Damages Following Activities not Relating to Running Forest Enterprise or Forest Use”
- Regulation on “Preparation Procedures of State Forest Accredited Management Tender”
- Regulation on “Handing Over State Forests to Community Organizations for Accredited Management without Competition”,

- Regulation on “Activities not Relating Running the Forest Economy in State Forest Lands for Forest Use”
- Regulation on “Procedure of Forest Use and Conservation in Forests of Production Significance”
- Regulation on “Procedure of Forest Use and Conservation in Forests of Protection Significance”
- Regulation on “Use of Forest Lands for the Purposes of Organization of Fauna Use and Reproduction”

8. While the progress in the legal reforms has been advanced, institutional reforms have been lagging behind. The cornerstone of the institutional reforms is the separation of public goods aspects of sustainable forest management (such as protection, conservation etc) from its private sector activities (such as logging, commercial thinning etc.). The current Armenian forest authority – “Hayantar” State Non-Commercial Organization (SNCO) is a quasi-management authority with practically no power to enforce the legislation regarding supervision, inspection and control of illegal logging. Its only role is with the carrying out the state delegated authorities regarding the management of forests. The latter creates a serious institutional gap and a ground for uncontrolled and illegal activities in the forest sector.

9. Enforcement has also been weak, with only handful of criminal cases over the last decade opened on the account of illegal logging and only few (or practically no) persons prosecuted. Partly, this is a result of weak coordination between various (numerous) government agencies in charge of controlling illegal logging as well as embedded corruption in the sector. The main weakness is considered to be the incomplete institutional setup, where the legally mandated State Forest Service is not yet established, and the control functions are being carried out by the State Environmental Inspection. – an agency not mandated to implement control over illegal logging.

10. The recent years’ trend is to upgrade the importance of control illegal logging in the country. As such the Government established a State Forest Monitoring Center for monitoring illegal forest use. It also mandated a high level oversight board for Monitoring illegal logging, chaired by the Deputy Prime Minister to take overall oversight and political coordination for the control of illegal logging. This new and unique institutional structure has been largely supported by various Bank projects in terms of technical assistance and advice, and funded solely from the Government budget.

Interested groups, roles of existing institutions and stakeholders within and outside the traditional forest sector

11. Armenia has a very limited professional base for forest management. After the collapse of the Soviet Union all established links between forestry research and educational institutions were destroyed. In addition, after several shocks in the sector from political interferences the sector lost its main cadre base. As a result there is a very small circle of foresters in Armenia, who are largely involved in all donor- and government-funded projects and activities.

12. “Hayantar” (ArmForests) is a weak quasi-management institution with no real power and support to control illegal logging. “Hayantar” has a status of a State Non-Commercial Organization, which is a state enterprise that has no regulatory and enforcement functions. As such, its only role is the provision of management and protection services in the forests. Due to its weak structure, “Hayantar” is unable to control illegal logging because it does not have enforcement functions. All illegal activities should be referred to law enforcement agencies and to the State Environmental Inspectorate. In all these cases, if just reflected positively there is always a time lag between the registration of an illegal activity and any follow up by the law enforcement. In reality, generally the cases are simply shelved when referred to the law enforcement.

13. While the law clearly mandates that the control, inspection and supervision functions should be vested by the State Forest Service the inexistence of the latter has created a critical institutional gap, which is now picked up by the State Environmental Inspectorate. Environmental supervision as performed by the State Environmental Inspectorate based on the Law on Environmental Inspection, therefore, does not include implementation of any provisions of the Forest Code any longer – all that is clearly a task of the State Forest Service. State Environmental Inspection, however, implements other environmental issues in forests (e.g. pollution of rivers which wasn't caused by forest law infringements). Also the RA Ministry of Nature Protection Charter of the State Environmental Inspectorate (N 766-N of 18.5.2002, with subsequent amendments), according to which it is the objective of it to “perform supervisory functions and applies liability measures in the fields of environmental protection, rational use and reproduction of natural resources”, does not extend to the implementation of forest legislation, as the 2005 Forest Code overrides the earlier Environmental supervision legislation.⁵

14. The civil society has largely been strong in voicing forest related issues, however, it has been united only selectively on the matters that have broad public awareness and pressure. The civil society here is represented by the environmental NGOs, and only couple of specialized forest NGOs. In addition to building general public support for promoting forest governance, the NGO sector activities include, but afforestation and reforestation, establishment of nurseries (including back-yard nurseries in communities), awareness raising activities (conferences, seminars, etc.), trainings (including communities). The majority of the mentioned activities is implemented with international financial support/grants in the framework of projects. There are also informational NGOs, which are rather active in environmental field in general (including forests) and organize campaigns, meetings and other awareness raising events. They work through regularly updated web-sites, mailing lists, publication and other means for dissemination of hot information.

15. In spite of the mentioned activities, the civil society needs strengthening to become a more powerful actor especially in the field of supporting public participation in decision-making and monitoring. Capacity building of involved NGOs is an important aspect together with the importance of their cooperation with the state sector in implementation of consistent activities. Another important aspect is to ensure sustainability of NGO implemented activities in the field with safeguarding continuity of activities after finalization of international funding.

⁵ Herbst P. 2008. International Legal Advisor's End-of-Assignment Report – Natural Resources Management and Poverty Reduction Project Armenia

SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Existing policy, legal and sub-legal basis • Political will for reforms • Implementation of new practices in forest management • Constant attention and support from international institutions and public • Decreased volume of illegal logging for energy needs • Increasing understanding of forests' importance within the government and the society • Donor funded forestry projects of recent years 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Weak enforcement duplication of efforts • Conflict of interests within state agencies, contradictory mandates, and poor interagency cooperation • Lack of state budgetary resources • Lack of professional staff in the field, low level of compensation • Poor control, supervision, and monitoring • Poor scientific and education basis, insufficient skills and knowledge • Insufficient public awareness and poor education and training practices • High level of corruption in the field • Involvement of criminal elements in illegal logging • Level of poverty in rural communities • Insufficient level of public participation in decision monitoring and control of illegal logging
<p>Opportunities</p> <ul style="list-style-type: none"> • Improving and finalizing the existing legislation and policies, filling the gaps in those • Attracting new professionals in the fields through increased salaries and improved status • Improving the scientific and education basis in the field • Strict division of mandates and responsibilities between state agencies and local governments, prevention of conflict of interests and duplication and efforts • Strengthening capacity building of agencies responsible for forest management, protection and control • Introducing the institute of community and private forestry • Increasing public awareness in the field and public participation in decision-making and monitoring of state agencies' activities in the field • Improving forestation and reforestation process focusing on healthy reproduction of forests • Improving cross-border/ regional cooperation to prevent illegal logging and wood trade • Focus on economic development of rural communities and improving access to affordable energy resources • Use the known best practices and efficient allocation of resources provided from state budget and international donors for improving the forest law enforcement and governance • Improving the licensing/ identification system of forests to prevent illegal logging 	<p>Threats</p> <ul style="list-style-type: none"> • Continuing weak enforcement, public unawareness and inactive participation, and poor management by state agencies and local communities can bring to severe degradation of the quantity and quality of forests • Continuing degradation of forests can result in considerable environmental, economic and social damage • Increasing the level of corruption in the field and involvement of representatives of state authorities and criminals in illegal logging • Existing high level of poverty can lead to increasing levels of illegal logging and other types of forest damage

Current status of on-going national FLEG processes, programs, action plans and projects

FLEG Process at international level

16. The FLEG is an international, participatory process of formulation and implementation of policies and practices aiming to ensure sustainable forest management combat illegal logging and associated timber trade. In the larger context of international concerns regarding climate change and biodiversity conservation, FLEG policies have acquired an increased significance and present numerous synergies with other processes and initiatives on these issues. This process has evolved in national initiatives, regional (EU-Forest Law Enforcement Governance and Trade (FLEGT), Europe-North Asia-FLEG, East Asia FLEG) and global (under G8 auspices). The major events within the ENA-FLEG process were the St. Petersburg's 2005 Ministerial Conference. The main documentary outputs of this meeting were the St. Petersburg Ministerial Declaration and the Indicative List of Actions. Representatives from government, civil society and business actively participated in this conference together.

17. The Declaration was signed by 44 governments from the ENA region, including the Republic of Armenia and other participating countries and the European Commission. It shows the common objectives of forestry policies and designs an action plan to achieve those objectives. Following this Declaration, each signatory state has developed a national action plan, with annual evaluation of the progress in its implementation. The Indicative List of Actions urges countries to “identify development and implementation of national plans of action as priorities in national requests for assistance from international financial institutions and other international organizations and bilateral donor agencies”.

National FLEG processes programs, action plans and projects

18. It is widely believed by authorities and by the public at large in Armenia that the current laws and institutional setting are not working effectively to stop illegal logging because of reasons that include:⁶

- Duplication of effort by various government agencies and state authorized bodies
- Poor interagency cooperation and lack of trust
- Inadequate budgetary resources
- Technical deficiencies in laws, agency policies, and procedures
- Insufficient technical skills and knowledge
- Lack of performance monitoring and adaptive management systems
- Jurisdictional confusion / competition
- Procedural inefficiencies
- Corruption

19. Armenia launched its “FLEG agenda” prior to S. Petersburg declaration. As discussed in the foregoing paragraphs, the forest sector reforms were started due to intense public and international donor pressures in the later nineties, to stop the degradation of the country's scarce forest resources. As such a considerable progress has been made, and key legislation and framework strategies have been adopted. In spite of this, the forest institutional reforms lagged behind, and the corruption and uncontrolled logging continue to thrive, while at a lower rates than before. The below paragraphs summarize the key milestones over the past decades, which account for national FLEG processes.

20. The National Forest Policy and Strategy, with wide public participation, has been adopted by the Government (Protocol Decision N38 of the RA Government from 30 September 2004). The

⁶ Dyson M. Proposal for Institutional Reform of the Armenian Forest Sector. Natural Resources Management and Poverty Reduction Project Armenia. 2009

Forest Policy aims at the developing a framework for long term and sustainable management of forests, implementation of institutional and legal reforms for sustainable forest management and introduction of international forest management standards for forest management and certification and evaluation criteria for forests. The Forest Policy declared the rehabilitation of degraded forest resources and protection of existing forests as the main priority for Armenia. The mainstream actions in the Forest Policy are the adoption of the Forest Code and establishment of the Illegal logging and timber removal monitoring systems.

21. In parallel to the Forest Policy, the Government of Armenia adopted its "Action Plan for Mitigating Actions to Help Address the Problems Associated with Illegal Logging" or Illegal logging Action Plan (ILAP) in September 2004, which identified 8 key actions to help tackle the problem of illegal logging: increased public awareness; community forestry programs; alternative fuel supplies; increasing the supply of legitimate wood products; restructuring forest institutions and capacity building; improved monitoring and control; and forest certification. This action plan has been largely consistent with the Sankt-Petersburg declaration, and set forth the basis for the government policy to control illegal logging – ahead of the formal FLEG process start in the region.

22. With these two framework documents, the Government has declared its political will to ease the pressure on forests. While revisions in ILAP are necessary to make it more realistic, it has played an important role in stimulating a broad discussion on addressing illegal logging. As a result, the Government has identified priority areas for gasification near forests and where the illegal harvesting for fuel-wood has been the most severe. In addition, the Government has created a Forest Fund (headed by the Prime Minister), which aims to raise funds for afforestation and reforestation in the most severely logged areas.

23. Another important document is the National Forest Program, which intends to (i) provide a framework for implementing activities aimed at sustainable management of forests and forest lands envisaged by the National Forest Policy and Strategy, (ii) promote the development of state, public and private sectors for the purpose of sustainable forest management; (iii) stimulate cooperation at local, national and international levels; (iv) support the involvement of national and international investments and coordinated implementation of projects; (v) implement forest sector development projects in the context of internationally adopted initiatives, such as Rio Convention on Biodiversity, Framework Convention on Climate Change and Convention to Combat Desertification. While the document is useful in articulating how the national forest policy will be implemented, it is less clear in terms of how financing for a wide range of activities is going to be generated. Realistic plans for policy implementation require a clearer link between objectives, mechanisms, and outcomes. As such, the NFP is really not an NFP in the conventional sense, because it does not go into the depth normally envisaged for NFPs.

24. A new monitoring system was established by the Government Decree N 1152-N adopted on July 25, 2005. The Government committed to control illegal logging and monitor the removal of forest products from forests. In light of weaknesses to date, the Government established the State Forest Monitoring System. The founding decree of the System calls for establishing State Forest Monitoring Center SNCO, which is responsible for monitoring of illegal logging and timber removal, and prevention of illegal activities in forests. Structurally, this Center functions within the Ministry of Agriculture. The decree also calls for developing monitoring indicators for controlling illegal logging and timber removal.

25. The advance and unique measure for the forest control and monitoring in Armenia is the establishment of the high level political oversight committee chaired by the Deputy prime minister. It is expected that this committee, which comprises the main government agencies that are in charge of law enforcement and forest administration issues, will provide the political leadership and coordination for the effective control of illegal logging.

26. However, the new institutional structure for monitoring illegal logging needs continuous strengthening and institutional development. The Forest Code places the protection responsibility, including enforcement measures, on the State Forest Service. However, there is a great deal of uncertainty with the current institutional structure on what agency should deal with monitoring illegal logging – Ministry of Agriculture or the Ministry of Nature Protection through its Environmental inspectorate. Currently duplication of controlling illegal logging is contributing to the problems faced by Armenia in trying to control illegal logging. There is a general consensus among international advisers and local forest stakeholders, that illegal logging, although may result in resource damage, should be the responsibility of the agency charged with managing and protecting the resource (in this case Ministry of Agriculture). The Environmental inspectorate should be monitoring logging activities to ensure all operations are in compliance with environmental provisions of the forest management plan and that no environmental damage is occurring as the result of the activity.

27. The initial consultations with forest sector stakeholders for developing this workplan, as well as the background literature review, helped develop a summary gap analysis along the lines of “prevention–detection–suppression” and level of integration with broader governance and anticorruption agenda. The latter is presented in the following general set of recommendations:

- Speed up the implementation of institutional reforms in the forest sector. While the major legislation has been improved over the past decades, the weak institutional setup remains as the main driver for illegal forest activities, including illegal logging, poor forest governance and corruption. There is a need of clear separation of responsibilities between key forest sector state agencies with the purpose of preventing conflicts of interests and duplication of mandates and responsibilities.
- Strengthen the role and the mandate of the State Forest Monitoring Board. The Board was setup as a high level political decision making body that would have a mandate of coordinating the activities of various agencies and provide high level political support and leadership for combating illegal logging. This is a unique and very brave approach taken by the Armenian government, but the momentum needs to be maintained, and the Board needs to be strengthened both by the political and public support.
- Strengthen human resources in the forestry sector, through improving forestry education and training, as well as improve understanding of sustainable forest management principles through advocacy campaigns addressing key decision makers.
- Introduce modern forest management principles in Armenian forests, including forest management planning and certification.
- Improve the cross-border cooperation with Iran, Georgia and Turkey to prevent illegal timber export and import that, if implemented, would discourage risky illegal logging and will bring to overall reduction for the timber price in the internal market.
- Analyze the alternatives. The country needs to develop an approach for sourcing wood and wood products from alternative sources to decrease the pressure on forests.
- Study the real causes of weak forest governance and build public support for combating illegal logging. The government and the civil society should join efforts in developing strong understanding of causes for weak forest governance. They should also join efforts in developing and implementing communication campaigns to build strong public support for reforms.
- Strengthen alternative forest use and other alternative livelihood opportunities for the forest adjacent communities to provide additional source of income to communities and reduce pressure on wood resources.

Agreed priorities for Program actions in the country

28. The key element the Program is the priority actions, which are largely based on the Antalya guidelines and have been developed with a view to achieve quick and win-win results on the ground, which can be sustained for long period. The identified largely correspond to the three sets of response actions: prevention, detection, or suppression of illegal activities. The prioritization is closely connected to the drivers behind illicit acts.

29. Prevention comprises institutional and policy reforms that seek to reduce incentives and opportunities for illegal activities. It may also include measures aiming to reduce the gap between timber demand and supply. It includes also provision of alternative sources of income to communities adjacent to forests to reduce the pressure on forest resources and prevent their unsustainable use. Because preventive measures target the fundamental problems underlying illegal logging, a number of them can be expected to take effect only in the medium and long terms.

30. Detection refers to various methods of collecting and processing information on illegal wood harvesting and transport with the objective of identifying illegal activities. While considerable set of such actions and policies is covered through a Bank-supported IDF grant for Forest Monitoring, the Program would aim at focusing on those actions that would be complementing the IDF grant measures.

31. Suppression includes measures that are undertaken once illegal acts have been encountered, revealed, and handed over to next legs of the enforcement chain. The key interventions here consist of strengthening of the police force and the judiciary. The Armenia Program would have a solid advocacy component to help achieve the strengthening the role and relationships with the law enforcement.

32. In addition, the selected priorities for the program would be based on the two key policy framework documents adopted by Armenia, namely the Forest Policy and Illegal Logging Action Plan as well as on the Program framework document of the Regional Program on Improving Forest Law Enforcement and Governance in the European Neighborhood Policy East Countries and Russia. The Forest Policy calls for a long term and sustainable management of forests, implementation of institutional and legal reforms for sustainable forest management and introduction of international forest management standards for forest management and certification and evaluation criteria for forests. The Illegal logging Action plan identifies 8 key actions to help tackle the problem of illegal logging: increased public awareness; community forestry programs; alternative fuel supplies; increasing the supply of legitimate wood products; restructuring forest institutions and capacity building; improved monitoring and control; and forest certification. These two documents, while adopted before the S. Petersburg declaration, are largely consistent with it, and set forth the basis for the government policy to control illegal logging as well as for this program. The Program document sets forth the expected results framework for the entire program, which will be adapted to the Armenian context.

33. It is important for Armenia to sustain the achievements of the past years with regards to advanced legislation and policy documents, as well as build on the momentum established by the Government and donor funded projects, in order to strengthen the forest governance. As such the Armenia program will be based on three pillars: (i) helping advance institutional and legal reforms; (ii) building public awareness and support for forest law enforcement and governance; and (iii) promoting private sector inclusion in FLEG processes. These pillars support well the overall program objectives and expected results. They also are designed to effectively capitalize on the implementing agencies strengths and competitive advantages. The final set of activities would be harmonized taking into account these pillars.

Short-term “quick-win” measures

34. The short-term measures would constitute the cornerstone of the program in Armenia given its short implementation period of 2 years, as well as the need for quick and visible achievements in the sector for maintaining the momentum for the reforms. These measure would focus on elaboration of generally accepted concepts and definitions, assessment of the magnitude of problems, their causes, and discussion of existing action plans or priorities for their development, presentation and wide discussion of experience gained by participating countries through cooperation among governments, business and civil society.

35. While Armenian public has been very active during recent decade and more on the issue of protecting forests, there has been very little awareness regarding the FLEG process. As such, the immediate and key measure would be introduction of the FLEG process to a broader public in Armenia. This would be achieved through series of public awareness tools and programs, and would target the public at-large, including civil society, businesses, government agencies, academia etc.

36. Armenia lacks solid, up-to-date and methodologically robust analysis of the forest governance issues, corruption and illegal activities in forests. There have been few attempts and analyses during the past decade on the issues, but they did not identify the problems at their routes and provide sound and implementable policy advice. As such, the Armenia program would place considerable importance on updating the current knowledge-base on forest governance, corruption and illegal logging. It would initiate a set of studies that would help understand better the causes for illegal logging and poor forest governance and would provide sound and implementable policy advice to the government.

37. So far the forest sector programs have excluded the private sector. However, the private sector is the key ally in combating illegal logging and promoting forest governance. The Armenia program would place important emphasis on involving the private sector in the FLEG process. As such the program would help analyze the market for alternative forest products. It would help introduce other alternative markets for wood products to Armenian construction and furniture companies, and build capacities in the private sector for sourcing wood products from alternative sources. The program would place important emphasis on raising the awareness of the private sector. It would promote the forest certification.

Medium- and longer-term measures, their proposed prioritization and phasing

38. Medium-term measures to the extent achievable within the program objectives, will capitalize on the groundwork prepared through analytical activities, stakeholder consultations, and capacity building efforts. Outputs from these measured are expected to be gained by the beginning of the second year of the Country Work Plan implementation. The medium-term measures would aim at conveying policy advice to the government with regards to improving forest governance and combating illegal logging. They would also aim at introducing forest governance education into major curricula in the Armenian State Agrarian University.

Assumptions, risks and risk mitigation measures

39. The main concern for the implementation of the program is the missed opportunity and momentum for high level government commitment to improving forest governance and reducing illegal activities in the forests. However, the program implementation team assumes that the risk of this is low, as the government commitment has been increasing over the past years. In addition, number of other Bank- and other donor-supported projects are promoting forest governance, and there is considerable public pressure to improve the situation. Notwithstanding this, the program would include a major advocacy component.

40. Another risk is the lack of participation from the key stakeholders, including private sector.

Risks	Risks Mitigation Measures
Unwillingness of the state authority to improve the transparency of and increase public participation in the FLEG processes	Mobilization of civil society organization and active groups and encouragement of their participation in the proc
High level of corruption and insufficient law enforcement can prevent the full and efficient implementation of measures outlined in the workplan	Intensive cooperation with the key state agencies and high level officials for ensuring the full and efficient implementation of the workplan
Unwillingness of the regional and international players to ensure the necessary level of cooperation	Conduct a series of individual contacts with the heads of corresponding counterparts in these countries to learn about their level of interest and future commitment of involvement into the process

2.1 Armenia specific logframe

Project Description	Intervention Logic	Objectively Verifiable Indicators of Achievement	Sources and Means of Verification	Assumptions
<p><i>1. Overall objective</i></p>	<p>Contribute to legal and sustainable forest management and utilization practices and improved local livelihoods in the Participating Countries.</p>	<ul style="list-style-type: none"> ▪ Contribution to rural employment and income (increase in man-days/yr and \$ per capita) ▪ Deforestation (Change in area under forest cover in ha/yr.) ▪ Protected areas (Forest area designated under IUCN categories I-VI in ha) ▪ Area of forest under certification ▪ Access and use rights of local communities and indigenous groups to forest resources 	<ul style="list-style-type: none"> ▪ Forest production and trade statistics ▪ Rural poverty surveys ▪ Independent studies and assessments ▪ Laws and regulations governing access and use rights ▪ Industry verification schemes 	
<p><i>2. Specific Objectives</i></p>	<ul style="list-style-type: none"> ▪ Initiate actions to reduce illegal logging and associated trade in priority countries ▪ Improved transparency and forest governance arrangements in place in the forest sector and closely linked sectors, through effective implementation of the St. Petersburg FLEG Ministerial Declaration, involving governments, civil-society and the private sector. ▪ Improved legal and sustainable forest management and utilization practices and improved local livelihoods. 	<ul style="list-style-type: none"> ▪ Change in estimate of illegal logging ▪ Incidence of evasion of forest taxes and fees ▪ Incidence of export trade of illegal logs and other forest products ▪ Area of forest under independent certification ▪ Reviewed and updated policy, legal and institutional frameworks incorporating key elements of the Ministerial Declaration ▪ Number of companies adopting 	<ul style="list-style-type: none"> ▪ Forest production and trade statistics ▪ Records and specific studies on updates of policies, laws, regulation and institutional structures ▪ Records on enforcement operations, prosecutions and convictions related to illegal logging, trade in illegal wood products and other types of forest crimes 	<ul style="list-style-type: none"> ▪ Overall improvements of the governance environment (e.g. corruption, accountability of public administration at different levels, rule of law) favorable to improved governance in the forest sector ▪ Avoidance of major crises and conflicts and political stability ▪ Strong economic growth, especially in the rural areas

Project Description	Intervention Logic	Objectively Verifiable Indicators of Achievement	Sources and Means of Verification	Assumptions
		<p>procurement policies based on legally sourced timber.</p> <ul style="list-style-type: none"> ▪ Improved capacity to enforce existing laws and policies 		

Project Description	Intervention Logic	Objectively Verifiable Indicators of Achievement	Sources and Means of Verification	Assumptions
<p>3. <i>Expected Results / Outputs</i></p>	<ol style="list-style-type: none"> 1. Increased awareness and commitment of key stakeholders on FLEG 2. Effective national and regional FLEG action processes in place 3. Increased national ownership and capacity 4. Improved regional and sub-regional collaboration and knowledge sharing 5. Effective engagement of key trading partners 6. Continuation of the formal official ENA FLEG process 7. Sustainable forest management practices implemented 	<p>1.1 Public and civil society perceptions, media coverage, and/or official recognition of forest governance challenges improved</p> <p>1.2 The awareness of private logging and wood processing companies concerning sustainable practices increased</p> <p>1.3 FLEG awareness baseline for Armenia established</p> <p>1.4 The awareness of local population on responsible use of wood/non-wood forest products increased</p> <p>2.1 Government institutions include responsibility for regional and national FLEG issues and FLEG decision making process includes consultation with non government forest and non forest stakeholders</p> <p>2.2 Academic courses that include FLEG issues in place</p> <p>2.3 Corruption possibility in forestry sector decreased</p> <p>3.1 Budget and human resources allocated by governments to FLEG implementation</p> <p>3.2 Implementation capacity of responsible state institutions increased.</p> <p>4.1 Existing regional/sub-regional collaboration improved</p> <p>4.2 Status of the most important vulnerable trans-boundary areas improved</p>	<ul style="list-style-type: none"> ▪ Government announcements, documentation, and publications ▪ Announcements and publications from civil society, the media, and the private sector ▪ Program monitoring and technical reports, publications, etc. ▪ National action plans ▪ Government budgets and data on actual expenditures 	<p>Governments', national stakeholders', and international development agencies' and donors' strong and continuing support to the implementation of FLEG Ministerial Declarations</p>

Project Description	Intervention Logic	Objectively Verifiable Indicators of Achievement	Sources and Means of Verification	Assumptions
		<p>5.1. Key trading partners actively involved in FLEG processes</p> <p>5.2 Concept of responsible purchasing of products from sustainable managed forest introduced and promoted among trading partners</p> <p>6.1. Countries' participation in ENA FLEG processes strengthened</p> <p>6.2. FLEG terminology on national languages developed</p> <p>6.3. Overall FLEG communications strategy for Armenia in place.</p> <p>6.4 Baseline information on Forest governance including FLEG issues in place</p> <p>7.1. Extent of pilot activities increased</p> <p>7.2 Forest certification and chain of custody systems introduced</p> <p>7.3 Forestry specialists from public and private sectors adequately trained</p> <p>7.5 Conditions for improvement of local livelihoods of population in forest dependent pilot areas improved</p>		

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4. Activities	<u>To be defined in national work programs</u>	Variety of means including <ul style="list-style-type: none"> • training courses and workshops • seminars and lectures • analytical studies. 	Needs to be developed for each activity	<ul style="list-style-type: none"> • National governments commitment is key before any activities can be successfully implemented • Governments', national stakeholders and international development agencies and donors continuing technical and financial support to the implementation of FLEG Ministerial Declarations and implementation of forest governance reforms.
	1. Communications campaign to promote responsible purchase of wood/non-wood forest products by private sector and local population with production and dissemination of communications materials	Communications materials	Calendars for 2011 with forestry related topics and messages aimed at key target groups A movie to promote responsible use of wood/non-wood forest products	

Project Description	Intervention Logic	Objectively Verifiable Indicators of Achievement	Sources and Means of Verification	Assumptions
	<p>2. Analysis of alternatives for forest use (non-wood forest products, ecotourism etc.). Analysis of private sector/local population access to wood and non-wood resources. 2 pilot projects on alternative forest use by communities aimed at local livelihood improvement and sustainable use of forest resources.</p>	<p>Analytical studies</p> <p>Pilot projects</p>	<p>Report on alternatives for forest use with selection of 2 sites for pilots and pilot projects design.</p> <p>Report on private sector/local population access to wood resources.</p> <p>2 pilot projects on alternative forest use.</p>	
	<p>3. Assessment of 2 forest sanctuaries in the structure of “Hayantar” SNCO in terms of legal use of forest resources, proposals on improvement of management and law enforcement, capacity building for the staff to control illegal activities.</p>	<p>Analytical report</p> <p>Training/workshop</p>	<p>Report on assessment of 2 sanctuaries.</p> <p>Training/workshop materials</p> <p>Notifying signs, road-blocks and others.</p>	
	<p>4. Capacity building in forest legislation issues through publication of a manual on forest legislation and implementation of a training (state and private sector).</p>	<p>Publication</p> <p>Training</p>	<p>Manual</p> <p>Training materials</p>	
	<p>5. Evaluation of the role of the private sector in use of forest wood products and recommendations on responsible use of forests by the private sector.</p>	<p>Analytical report</p> <p>Workshop</p>	<p>Report on the role of the private sector in use of forest products with recommendations on responsible use.</p> <p>Workshop materials</p>	

