

Annex 2 Country notes

**Study on country implementation of the
St. Petersburg Declaration**

Summary report with country notes

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EUROPEAN NEIGHBORHOOD
AND PARTNERSHIP INSTRUMENT
EAST COUNTRIES FOREST LAW
ENFORCEMENT AND GOVERNANCE
II PROGRAM



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St. Petersburg Declaration**

Summary report with country notes

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1. Country context

Over the past few decades, beginning with the energy crisis starting in the early 1990s, Armenia has lost up to 30 percent of its forest cover due to uncontrolled logging. Most of the wood has been used for household heating due to lack of other energy sources, and this has reduced the already minimal forest cover. In the late 1990s, after intense public pressure to protect the country's forests, Armenia began to reform its policy and institutions. However, these efforts were met with limited success; in fact, a "shadow" industry sprang up, illegally logging much of the most valuable species for export and domestic processing. At the same time, the fuelwood market began to be exploited by informal operators, collaborating with local state officials. Thus, social pressures morphed into economic pressures.

Given the complexity of issues involved in the forest governance sector, including weak enforcement and institutional setup, serious technical gaps in policy documents, a limited professional base and an overall poor forest governance situation, the European Neighborhood and Partnership Instrument Forest Law Enforcement and Governance (ENPI FLEG) program attempted to address a broad range of complex and politically-sensitive issues related to illegal logging. The measures taken ranged from carrying out studies to identify levels of illegal logging and corruption in the forestry sector, launching major advocacy campaigns to target civil society, businesses and government, and promoting alternative livelihood projects to reduce pressure on forests. Working in close cooperation with HAYANTAR (the national forest agency) in Armenia, the ENPI FLEG program has been helping the government develop capacities and coordination mechanisms to advance institutional and legal reforms.

2. Mapping of implementation of the St. Petersburg declaration (SPD)

Coverage of the SPD

	ENPI FLEG I	ENPI FLEG II
National level contributions		
Political commitment, legislation and regulations (SPD 1 and 2)	●	●
Institutions and capacity development (SPD 3)	●	●
Strategies and actions to address the underlying causes of Illegal logging and associated trade (SPD 4, 5 and 8)	●	●
Stakeholder rights, participation and engagement (SPD 6 and 7)	●	●
Information, awareness and transparency (SPD 9,10 and 11)	●	●
Regional and international level contributions		
Trans-boundary cooperation (SPD 17)	NA	●
Cooperation and partnerships with and among the private sector and civil society (SPD 16 and 21)	NA	NA
International cooperation on monitoring, reporting and other information exchange and dissemination (13, 15, 18, 20)	NA	●
Other international cooperation including multilateral instruments and processes (SPD 12,14, 19, 22)	●	●

Legend:

- main focus area with significant achievements
- covered but not main focus area, or only studies and other initial activities
- no or very little action
- NA information not available

3. Highlighted achievements to date

During the first program phase, capacity building in forest legislation was carried out in collaboration with the German Society of International Cooperation (GIZ), covering governmental and private sector actors. This work partly preceded the FLEG Ministerial Declaration and the ENPI FLEG program. The activities resulted in a manual on forest legislation, which was circulated to main forest stakeholders in the legislative, executive and judicial branches of the government. Important work was also carried out at the policy level, including the revision of the Forest Code, reported as having been adopted by the government in 2005. Studies were also carried out regarding other laws and regulations relevant to the forest sector e.g. the land code and the law of nature conservation to identify gaps and inconsistencies.

However, despite these efforts, the revision of the forest legislation — and related institutional and administrative reforms — has been slow and is currently stalled due to a delay in approval by Parliament.

During the first program phase initial steps were taken to optimize three existing forest sanctuaries in the structure of “Hayantar” SNCO

to become the Ijevan Sanctuary. These included proposals on improvement of management and law enforcement and capacity building for the staff to control illegal activities. During phase two, the newly established Ijevan Sanctuary has clarified and mapped boundaries, developed a management plan, and improved technical and human capacities for the implementation of the plan. The process has contributed to introducing modern concepts of nature reserves to Armenia, which, unlike the old systems based in the Soviet era, include, consultations and public hearings, and processes to map the values to be protected for the local populations as well as awareness raising and information activities.

During ENPI FLEG I several studies were carried out to better understand the drivers of illegal logging and to establish the basis for effective action against illegal logging and related trade, including (i) evaluation of the role of the private sector in sustainable use of wood products, (ii) analysis of alternatives for forest use, including non-timber forest products and services, and private sector/local population access to forest resources, (iii) socioeconomic survey of illegal logging in Armenia and (iv) a feasibility study for establishment of a protected area in Northern Armenia. Road shows were carried out to engage with and inform forest dependent communities. An awareness raising campaign

for the general public and state authorities was carried out on FLEG related issues, including campaigns at the local and national levels targeting journalists to improve reporting on these issues.

These, although not yet leading to concrete outcomes, contributed to the approaches and actions implemented during the second phase of the program. Due to their broad coverage of FLEG issues, these information and awareness-related activities have to some (although not easily quantifiable) degree contributed towards most SPD commitments. As information campaigns they are reported as effective, reaching a broad range of relevant groups and individuals at different levels of society.

During ENPI FLEG II the activity on Public Monitoring of Forests in Armenia, combining the use of satellite technology with volunteer efforts, aroused a great amount of interest among local environmental groups. A final report on public monitoring of forests in Armenia (<http://www.enpi-fleg.org/news/substantial-potential-citizen-forest-monitoring-in-armenia/>) details this work, outlines its results, and discusses further steps to utilize this potential for the maximum benefit of the forests and forest communities. The website “Hayantar” (<http://hayantar.am>) is a major source of

information regarding Hayantar–managed forests. Another related website www.afpm.am focuses on uncovering illegal activities in the forests of Armenia, and serves as an online portal and database for citizens wishing to submit their observations and alerts on specific cases. The resulting online story “not in our forests” has been also widely shared in the international social media and through the International Union for Conservation of Nature (IUCN) portals.

The ENPI FLEG program has introduced some global best practices and customized them for the country. For example, one FLEG activity (Austrian Development Agency funded) is promoting forests with high conservation values – a first for Armenia – and another (also ADA funded) is translating the globally regarded Forest Stewardship Council (FSC) framework into a customized Armenian national park guide. Work has also been carried out to improve the access of local communities to fuelwood, (although limited to specified quantities of fallen deadwood) and wood briquetting pilot projects are being developed. New rules for wood harvesting and sale were approved in 2013.

Bilateral collaboration between Armenian and Georgian forest authorities and forest practitioners was launched in November 2015,

resulting in a joint decision of both countries to expand the possibility of collaboration by signing a Memorandum of Understanding between the respective Agencies (Ministries) of both countries. The MOU will be supported by an action plan with details of joint efforts and events. However, this activity is still at a very initial stage. In addition, Armenia is engaged in forest related cooperation with a number of United Nations and international organizations as well as GIZ.

4. Summary of country progress and remaining challenges

Progress has been made on the policy, awareness, information, transparency and capacity building fronts at all levels. Institutional changes, including changes in the Forest Code and development of subsidiary legislation continue to be challenging and there is a risk that with the end of the ENPI FLEG program, momentum may be lost. Good examples of more modern and participatory approaches to protected area management have been developed and implemented in selected areas, but further mainstreaming and scaling up of these is needed. The main perceived risks to the continuation of FLEG-related activities include the overall deterioration of the social situation in the country, combined with reduced availability of external sources of financing for projects supporting a holistic approach for forest sector development.

The collaboration between HAYANTAR and WWF, and HAYANTAR and GIZ will provide continuation to a number of FLEG related activities beyond 2016.

Key sources:

1. IUCN Armenia Report, Sept 2014
2. SPD Review for WWF as FLEG IO, May 2015
3. EC Grant to the MDTF for improving FLEG in the ENP East countries and Russia, Final Report, June 2013
4. WB FLEG II Program Narrative Progress Report 3 (Draft) February 2015
5. ENPI FLEG II MTR, Sept 2015
6. ENPI FLEG Focal Point Survey, May — August 2016



1. Country context

Forest land occupies 11.6% of total land area in Azerbaijan — with over half of that area managed directly by the Forest Development Department (FDD) and the remainder in national parks and special protected areas managed by the Special Protected Areas Department. There is no privately owned forest. The forest area has decreased significantly in the past half century (particularly in the period after independence in 1991) and today Azerbaijan contains no commercial forestry sector, with only sanitary cuttings and limited firewood supply allowed. Wildfires are an increasing issue due to pressures from agricultural and tourism development. There are concerns that this situation will be exacerbated by climate change.

Azerbaijan is vigorously pursuing agricultural development for food security, and cattle numbers have doubled from soviet times while grazing areas have decreased. All of this is putting pressure on the poorly delineated forest areas. Greater integration of agricultural and forest management practices would be needed to improve the sustainability of both sectors.

Unauthorized logging occurs mainly in areas where there is no gas supply for heating needs, or gas cannot be afforded by the local communities, and is mainly driven by the basic needs of local populations. Additionally, increased numbers of cattle and reduced areas for grazing have increased pressure on forest areas to be converted to grazing areas. Some illegal harvesting is also due to high prices of construction materials. This takes place increasingly in areas where tourism ventures expand into, or are established adjacent to, forest areas.

The European Neighborhood and Partnership Instrument Forest Law Enforcement and Governance (ENPI FLEG) program has focused mostly on FDD-managed forests but has also included activities on tourism issues in special protected areas.

2. Mapping of implementation of the St. Petersburg declaration (SPD)

Coverage of the SPD

	ENPI FLEG I	ENPI FLEG II
National level contributions		
Political commitment, legislation and regulations (SPD 1 and 2)	●	●
Institutions and capacity development (SPD 3)	●	●
Strategies and actions to address the underlying causes of Illegal logging and associated trade (SPD 4, 5 and 8)	●	●
Stakeholder rights, participation and engagement (SPD 6 and 7)	●	●
Information, awareness and transparency (SPD 9,10 and 11)	●	●
Regional and international level contributions		
Trans-boundary cooperation (SPD 17)	●	●
Cooperation and partnerships with and among the private sector and civil society (SPD 16 and 21)	●	●
International cooperation on monitoring, reporting and other information exchange and dissemination (13, 15, 18, 20)	NA	NA
Other international cooperation including multilateral instruments and processes (SPD 12,14, 19, 22)	●	●

Legend:

- main focus area with significant achievements
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- no or very little action
- NA information not available

3. Highlighted achievements to date

The review of the forest legislation and regulations, i.e. the Forest Code, was initiated during ENPI FLEG I. Subsequently, the development of a forest policy and strategy was launched with support of the Food and Agricultural Organization (FAO) in 2013, and has made use of ENPI FLEG I outputs.

During the second program phase, a number of regulations developed by the program in collaboration with FAO on improving forest legislation were accepted, but the work still requires consistency and additional efforts to be completed, including dialogue with the Parliament and Cabinet of Ministers. A State Action Plan on environment and natural resource use was finalized in late 2013 and is expected to be adopted by the government soon.

The inclusion of FLEG priorities into the state plans for environmental protection for the period 2015 – 2020 illustrates the priority given by the government to FLEG. Within the framework of the program's implementation, an effective cooperation is reported to be in progress between the MoE, MES, Ministry of Industry and Economics, Parliament and local NGOs.

During the first program phase, local and regional plans on adaptation of the forest sector to climate change were developed at local and regional levels, including support to local initiatives for forest disaster management and other potential climate change impacts on forests. This mainly focused on analyzing and evaluating the impact of climate change on forests and forest-dependent communities, and adaptation mechanisms were developed to promote food and agricultural security and provide access to local populations to forest resources. The work has been continued during ENPI FLEG II by involving stakeholders in meetings and seminars on the impacts of climate change on local forests. The technical work has been completed, culminating in a Final Assessment Report, and collaboration with the EU Clima East Project has been established to provide continuity.

During the second phase, training sessions and seminars have been delivered to the stakeholders in the pilot regions (Guba-Gusar and Masalli districts). The first Tourism and Recreation Management Plan and the Concept for Sustainable Forest Tourism have been developed for both pilot regions and submitted to the Program Focal Point in the MENR Forestry Department.

The work on underlying causes and drivers of deforestation focused initially on the development of pilots for more efficient energy technologies for the local population as alternatives to forest based heating sources, and to reduce unauthorized extraction of wood for local consumption. A methodology for Tugay forest landscape restoration was developed, involving multiple stakeholders (forestry enterprises, regional authorities, municipalities and local communities) in the process through consultations and dissemination of information. During the second program phase a Sustainable Forest Management (SFM) plan for the Ismailly Forest Management Unit (IFMU) has been prepared based on Forest Stewardship Council requirements, and subsequent staff training has been carried out.

Regarding information and transparency, a special page dedicated to forestry issues has been set up on MENR's website (<http://www.eco.gov.az>). Information on work carried out by the FDD is featured in the media, the program website, and activities are covered in quarterly newsletters. Information about the FDD is also available at the United Nations Economic Council for Europe (NECE) Aarhus Center website. Regular meetings and consultations with NGOs in the capital and in the regions are carried out, as well as collaboration

with farmers' organizations. Collaboration with the private sector is more limited and takes place at the Ministerial level.

Limited cross-border cooperation is also reported to take place with Georgia, and exchange of technical experiences takes place with the Russian Federation. Contacts with Turkey are maintained within the framework of FAO.

4. Summary of country progress and remaining challenges

The FLEG process brought relevant stakeholders together on forest issues, which had not been the case before; in addition to the forest authorities, it also included the Ministry of Ecology and the Ministry for Economic Development. The Ministry of Education also became interested in the program and in incorporating forest related issues into school curricula. The Ministry of Emergency Situations has benefited from several manuals and texts generated during FLEG I, for example on fighting forest fires. A series of trainings on this topic have also been organized. One of the key achievements has been the involvement of the young generation and local villagers and communities in forest protection and restoration. This had not been the case in Azerbaijan before the ENPI FLEG program. The FLEG process has helped to raise awareness on forest issues, provide information on FLEG, and — especially during the second phase — has also generated pilot experiences.

Although the ENPI FLEG program has provided many valuable proposals for policy, and institutional and legal reforms, these processes still remain incomplete, and field-level activities to test new approaches have so far taken place only at a pilot scale.

The forest sector alone will not be able to implement many of the important initiatives and actions, which were identified during the second program phase. The continuation of external support will be necessary with regards to the policy and legal revision processes, as well as in the development and application of ICT technologies in forest management and restoration of forest landscapes. Continued support will also be necessary to secure and improve the involvement of the local population and businesses in the above efforts. Regional efforts and support will be required for forest education, and the training of young professionals.

A potential way forward beyond 2016 for FLEG-related support could be provided by IUCN approaches on Restoration of the Forest Landscapes (FLR). Collaboration has been established with FAO in the development of the National Forest Policy in Azerbaijan. Cooperation has also been established with the KfW/GIZ project on “Establishing of Samur-Yalama National Park, GFA/MEHR”. Since April 2012 the Program regularly conducts meetings and establishing cooperation with the “Clima East: Support to Climate Change Mitigation and Adaptation in Russia” and ENPI East Countries program on respective issues. These programs may provide a vehicle for moving forward many

of the measures that have so far, only been initiated.

Key sources:

1. IUCN Azerbaijan Report, Sept 2014
2. ENPI East and Central Asian Countries Regional Conference, Update on the 2005 Saint Petersburg (ENA FLEG) Ministerial Declaration, July 2014
3. SPD Review for WWF as FLEG IO, May 2015
4. EC Grant to the MDTF for improving FLEG in the ENP East countries and Russia, Final Report, June 2013
5. WB FLEG II Program Narrative Progress Report 3 (Draft) February 2015
6. ENPI FLEG II MTR, Sept 2015
7. ENPI FLEG Focal Point Survey, May – August 2016
Note: Summary of discussions and decisions made following the 3rd SC Meeting in Moldova.
8. Report on ENPI FLEG II Linkages and Coordination with Related Activities in the Country (extract from Country Workplans for 2016)



1. Country context

Belarus forests cover 9.4 million hectares (39% of the country). Of these, 88.1% are used by legal entities (97 forestry enterprises) affiliated with the Ministry of Forestry (MoF). Of the remaining area, 8% is managed by the Department of Presidential Affairs, 2.3% by the Ministry of Emergency Situations, and less than 1% by other forest estate holders. Given their large area of jurisdiction, forest management operations are predominantly carried out by state forestry enterprises affiliated with the MoF.

Unlike all the other European Neighborhood and Partnership Instrument Forest Law Enforcement and Governance (ENPI FLEG) participant countries where forestry agencies are located within another ministry (e.g. Environment or

Agriculture), Belarus has a stand-alone Ministry of Forestry. This reflects the relative importance of the sector and helps to ensure both government attention and funding. The sector is centrally managed, and scientific support for the sector has developed intensively. The MoF develops, manages and controls the forestry sector from Minsk – a structure inherited from the Soviet system. Whilst functioning effectively, it is not regarded as a best practice internationally due to potential conflicts of interest, and sector reform processes are underway.

While forests in Belarus remain the property of the state, a competitive market-based mechanism has been established for the sale of harvested and standing timber through exchange trading.

Belarus' forest management system is internationally recognized. 98% of the total forested area has been certified under the national forestry certification system, recognized by the Program for the Endorsement of Forest Certification (PEFC). Forest Stewardship Council (FSC) certification is held by 78 state forestry enterprises, accounting for 78% of total forested area, and these companies also hold FSC certificates for their products. Illegal logging and related trade is consequently not a significant issue, and the FLEG-related problems are mainly related to corrupt practices in the sector.

2. Mapping of implementation of the St. Petersburg declaration (SPD)

Coverage of the SPD

	ENPI FLEG I	ENPI FLEG II
National level contributions		
Political commitment, legislation and regulations (SPD 1 and 2)	●	●
Institutions and capacity development (SPD 3)	●	●
Strategies and actions to address the underlying causes of Illegal logging and associated trade (SPD 4, 5 and 8)	●	●
Stakeholder rights, participation and engagement (SPD 6 and 7)	●	●
Information, awareness and transparency (SPD 9,10 and 11)	●	●
Regional and international level contributions		
Trans-boundary cooperation (SPD 17)	●	●
Cooperation and partnerships with and among the private sector and civil society (SPD 16 and 21)	●	●
International cooperation on monitoring, reporting and other information exchange and dissemination (13, 15, 18, 20)	NA	NA
Other international cooperation including multilateral instruments and processes (SPD 12,14, 19, 22)	●	●

Legend:

- main focus area with significant achievements
- covered but not main focus area, or only studies and other initial activities
- no or very little action
- NA information not available

3. Highlighted achievements to date

With ENPI FLEG assistance Belarus has completed a Strategic Forestry Development Plan for 2015-2030. Unlike the previous Strategic Forestry Development Plan for 1998-2015 the current plan is legally binding, meaning that it can be referred to for managerial decisions and provides justifications for decisions. In developing the strategic plan, the ENPI FLEG program financed consultancies, facilitated the organization of five major workshops, and FLEG-related publications have served to inform discussions (<http://www.enpi-fleg.org/news/fleg-contributed-to-development-of-sustainable-forest-management-in-belarus/>).

The Forest Code (2000) is being revised and has been amended multiple times, but still remains out of date. A new forest code will be adopted in 2015, and this is expected to lead to amendments and implementation of a full range of relevant policies. This process has made use of analytical inputs from the ENPI FLEG program especially in harmonizing forest and environmental legislation, optimizing the system of protected areas, creating legal conditions for the development of forestry services, and developing a control system for the procurement and sale of forest products. The work is continuing through the development of

secondary regulations. The separation of control and supervisory functions from operational functions remains a challenge.

During the first program phase issues related to the rights of forest dependent communities and customary rights were addressed through the work on the Forest Code and Forest Strategy. A communications strategy was implemented to increase the participation of all relevant stakeholders in these processes. Belarus has also established communication processes by setting up an inter-ministerial public council on forestry issues. Major new regulations are now subject to public consultations – a new practice in Belarus. A new forestry enterprise website established under ENPI FLEG has opened up a new channel for communications with stakeholders.

The livelihood dependency study carried out with ENPI FLEG support is expected to inform government legislative changes regarding the rights of local forest users. The livelihood dependency study was a groundbreaking approach for Belarus in providing evidence for localized differences in access requirements for rural communities. As a result of the study, it is expected that the government will alter laws relating to forest access restrictions.

In addition to policy and legislative support, ENPI FLEG has helped improve law enforcement by producing publications to help improve forestry workers' legal knowledge. The manuals and training outputs are reported as having been used by 14,000 state guards as well as students of forest schools. The MoF efforts on forest crime have focused on combating corruption, e.g. through specific action plans and FLEG education. The ENPI FLEG program has contributed to these efforts through analytical studies on the tendencies and dynamics of forest offences, and their frequency. During the second program period a feasibility study on introduction of electronic timber tracking technologies has been presented to the MoF.

4. Summary of country progress and remaining challenges

The Strategic Plan and the revision of the Forest Code can be considered the two most significant achievements towards which the ENPI FLEG program has contributed. Due to the FLEG process, forestry sector reforms have advanced more rapidly and have arguably been at a higher level of quality. Stakeholders interviewed for the ENPI FLEG Mid-Term Review (MTR) believed that without the FLEG program, Belarus' forestry sector reforms would have still occurred, but at a slower pace and at a lower level of quality.

From the start, considerable efforts were put into integrating FLEG efforts into forest-related educational processes, and on producing publications and teaching materials. These contributions have helped give the forestry sector added momentum and quality. The program outputs have led to a university course being developed around them.

FLEG has been able to achieve support from a wide range of stakeholders in helping to optimize forest management and use. The feedback from government stakeholders during the MTR was positive, although FLEG is considered a small program relative to the size

of the forestry sector. Private sector feedback on FLEG activities, particularly related to the system for auctioning timber, is also positive. At the operational level, FLEG has purportedly helped to change the mindset of forestry workers towards a more positive attitude towards SFM practices. Some NGOs remain critical, and argue for the need to continue focusing on environmental improvements, particularly related to forest sector biodiversity.

Belarus being the only FLEG country with a Ministry of Forestry has better conditions than most of the ENPI FLEG participant countries to ensure continuity and increase the likelihood that FLEG activities translate directly into action. The FLEG process has also contributed to renewed World Bank involvement in the Belarus forestry sector. A USD 40.71 million loan from the Bank for the Belarus forestry sector has been negotiated and approved by the Bank Board, and is currently under ratification in parliament. The Bank project is supplemented by a USD 2.74 million loan by the Global Environment Facility (GEF). It is expected that this project will provide continuity and momentum for a number of key FLEG-related activities, e.g. facilitation of an enabling environment for the development of the sector, and strengthening of the forest management information systems and forest management planning.

The conservative attitudes towards reform of the state forestry administration are indicated as the main risks regarding the continuation of FLEG related processes in Belarus.

Key sources:

1. IUCN Belarus Report, Nov 2014
2. SPD Review for WWF as FLEG IO, May 2015
3. EC Grant to the MDTF for improving FLEG in the ENP East countries and Russia, Final Report, June 2013
4. WB FLEG II Program Narrative Progress Report 3 (Draft) February 2015
5. ENPI FLEG II MTR, Sept 2015
6. ENPI FLEG Focal Point Survey, May – August 2016



1. Country context

In Georgia, forestland (called the “State Forest Fund”) occupies just over three million hectares, while the area covered by forests is approximately 2.8 million hectares, about 40 percent of the country’s territory.

Fuelwood harvesting and illegal logging activities remain problematic in many regions. Estimates of sustainable fuelwood harvests are 500,000 m³/year. Current annual harvest volume is estimated at 2 million m³, meaning that 1.5 million m³/year is illegally harvested (however, state authorities do not recognize this imbalance). In some areas, entire villages are allegedly involved in unauthorized cutting activities.

Illegal logging is purportedly not as problematic today as it was during the 1990s, due to the strengthening of commercial legislation and regulations on transporting timber, including timber tracking and certification schemes supported by the Europe and North Asia Ministerial Conference on Forest Law Enforcement and Governance (ENA FLEG). A major issue for rural communities is energy access and affordability in winter months. Gas is supplied to only 10% of the rural population, meaning that the remainder has to rely on other locally available sources, mainly fuelwood. Additionally, housing in rural areas is typically not energy efficient.

The Ministry of Environment and Natural Resources Protection (MENRP) is the main institution responsible for the sector. The MENRP is currently in charge of the management of state owned forests (including harvesting operations on a pilot basis), monitoring and control functions, and strategy and policy functions. 10% of the Georgian forest area is designated as protected and managed by the Agency of Protected Areas (APA). There may potentially be some conflict of interest in the current structure of forestry agencies within the MENRP.

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Coverage of the SPD

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Information, awareness and transparency (SPD 9,10 and 11)	●	●
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Trans-boundary cooperation (SPD 17)	●	●
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3. Highlighted achievements to date

During the first phase of ENPI FLEG, the program produced recommendations for the identification of high value conservation forests (HVCF). The national forest authorities have used these in the categorizing and zoning of Georgian forests. An overview of the forest legislation and regulations was also carried out to ensure their coherence with the broader legislation and policy on natural resource management, as well as with the relevant obligations under international agreements. The National Program Advisory Committee (NPAC) is reported as having played an important role in interagency coordination.

During program phase two, the ENPI FLEG Country Program Coordination Team has been actively involved in the National Forest Program (NFP) thematic working groups to contribute to the NFP process led by MENRP. Several legal acts relevant to FLEG have been adopted since 2005. In December 2013 the Parliament of Georgia adopted the National Forestry Concept for improving forest management, and the new Forest Code for Georgia is also under development. The studies and pilots carried out in the context of ENPI FLEG have contributed towards the inclusion of the legal basis for the development of communal forest management in Georgia in the Code. During

the second program phase, wider consultations on the Forest Code have been carried out, but the process is still ongoing. An interagency Forest Sector Reform Steering Committee was established in 2014.

Analytical work has been carried out during ENPI FLEG related to several of the identified underlying causes for illegal logging, e.g. on (i) forest management standards and practices, (ii) the economic and social impacts of inefficient and unsustainable forest practices and illegal logging on the rural population, (iii) the verification of the origin of wood harvested and processed by timber processing companies, (iv) the impact of the proposed institutional changes in the forest sector on FLEG, and (v) patterns and usage of different energy sources by the local communities. During ENPI FLEG II the analytic work has been continued e.g. through the production of (i) an analysis of voluntary certification potential, and (ii) an assessment on the sanitary situation in the protected areas' forest.

The findings of these analytical studies were discussed with the authorities and wider groups of stakeholders, but frequent staff changes within the national forest authority are reported as having slowed down the implementation of some of the recommendations.

A number of pilot projects were implemented with local populations during the fires program phase to test and validate approaches to generate revenues from the sustainable use of forest resources (e.g. through charcoal production, beekeeping, and activities directed to involve young generations). During the first program phase, training was also provided to forest inventory specialists to calculate wood volumes more accurately and reliably to reduce the room for corrupt practices. The establishment of the first locally managed forest, the Tusheti protected landscape, was initiated during ENPI FLEG I and continues during the second program phase. Tusheti is one of the rare areas in Georgia with strong customary rights and practices of the rural population in the management of their land. The pilot was also used for field training in communal forest management.

As follow up to a survey on the Forest Stewardship Council (FSC) certified paper, a market investigation for certified paper has been launched. A list of companies offering FSC-certified paper in the countries neighboring Georgia is being prepared. This list will be presented to the Georgian firms expressing willingness to purchase FSC-certified paper, to help and encourage them to shift to certified sources. An important outcome is expected to be

the elaboration and adoption of the Controlled Wood National Risk Assessment for Georgia, based on a Forest Stewardship Council (FSC) scheme. It is hoped that the FSC will endorse this standard in autumn 2016. This document is intended to be used by responsible domestic and international wood purchasing companies to purchase wood harvested in sustainably managed forests in Georgia.

The senior rangers of the Ministry of Environment and Natural Resources Protection of Georgia have been trained in issues related to law enforcement in the protected areas' forests. The Environmental Information and Education Centre of the Ministry of Environment and Natural Resources Protection was contracted to carry out this assignment. Due to the high importance of the specific knowledge in differentiating the legal issues related to criminal and administrative violations and court proceedings, efforts were made to involve judges as trainers. For this purpose the program established an agreement with the High Council of Justice of Georgia. To institutionalize FLEG related training and education, a forestry education strategy document has been developed and shared with MENRP.

A widely accessible forest information database, the GeoPortal for Georgian Forests —

the “GeoForestPortal”, has been created to make information on Georgian forests available. This includes compilations of current and historic data, publications, legal documents etc. The work on awareness and information dissemination on FLEG has also included building the capacity of journalists at the local and national levels to strengthen their interest in monitoring forest management and use.

Georgia signed the Deep and Comprehensive Free Trade Agreement (DCFTA) with the European Union (EU) in June 2014. The DCFTA includes several areas where FLEG II activities (EU and Austrian Development Agency- funded) are complementary, such as (i) promoting trade in forest products derived from sustainable managed forests, harvested in accordance with the domestic legislation, (ii) promoting the listing of species (including timber species) under Convention on International Trade in Endangered Species of Fauna and Flora (CITES), (iii) exchanging information on and promoting measures to promote the consumption of timber and timber products from sustainable managed forests, (iv) adopting measures to promote the conservation of forest cover and combat illegal logging and related trade, and (v) exchanging information on actions for improving forest governance.

In addition, in 2009 Georgia and Turkey signed a Memorandum of Understanding (MoU) on forestry cooperation focusing on the exchange of forest information and improving staff quality.

International cooperation was mainly addressed by participation in international processes, such as the United Nations Forum on Forests (UNFF), Forest Europe, and the Global Forest Watch. Regional events have been organized by other international organizations, e.g. the Regional Conference on Trans-Boundary Timber was hosted in Tbilisi in November 2010. However, these activities mainly contributed to establishing contacts and information exchange.

4. Summary of country progress and remaining challenges

Georgia's approach to forest management has improved since the change of Government in 2012 and the presence of influencing forces such as FLEG. The FLEG program has contributed to these reforms mainly in terms of analytic information, dissemination of information and stakeholder consultations, pilot activities to test, validate and further develop approaches new to the Georgian forest sector, and inputs towards the institutionalization of all these.

The Georgian forest sector is supported by a number of donors and international organizations, including the World Wildlife Fund, United Nations Development Program, the Austrian Development Agency (ADA) and the German Society for International Cooperation (GIZ). MENRP acknowledges the role of donors and international community in the forest sector development process. To ensure the transparency and coordination with various stakeholders, the Ministry has elaborated a Donor Coordination Matrix (in 2013) and asked all key players to provide relevant information, such as areas of intervention, type of assistance, time frame, budget provided for a project/program in the specific intervention area, status of a project/program, implementation

partner, etc. MENPR ensures its regular updating and dissemination among stakeholders. Due to the available assistance, Georgia is well positioned to continue the activities related to the SPD implementation even beyond the ENPI FLEG program.

The main risks identified relate to reaching a consensus on the new legal acts between the various groups of stakeholders, and achieving a sufficient involvement of local stakeholders in these processes, supported by sufficient levels of fact-based information exchange and dissemination.

Key sources:

1. IUCN Georgia Report, Dec 2014
2. SPD Review for WWF as FLEG IO, May 2015
3. ENPI East and Central Asian Countries Regional Conference, Update on the 2005 Saint Petersburg (ENA FLEG) Ministerial Declaration, July 2014
4. EC Grant to the MDTF for improving FLEG in the ENP East countries and Russia, Final Report, June 2013
5. WB FLEG II Program Narrative Progress Report 3 (Draft) February 2015
6. ENPI FLEG II MTR, Sept 2015
7. ENPI FLEG Focal Point Survey, May – August 2016
Note: Summary of discussions and decisions made following the 3rd SC Meeting in Moldova
8. Report on ENPI FLEG II Linkages and Coordination with Related Activities in the Country (extract from Country Workplans for 2016)



1. Country context

Moldova has relatively low forest coverage, at 13.1 percent including plantations. Forest ecosystems cover 9% of the country. Although forested areas have increased from 222,000 to 362,000 hectares since World War II, the quality of most new growth (mostly acacia trees) is low. Combined with illegal harvesting, this has led to a decrease in the quality of the forest stock.

The state forest agency, Moldsilva, manages 89% of forests (state forests) while 10% are under local public authorities. A small amount (less than 1 percent) is privately owned. Moldsilva is subordinated under the Ministry of Environment (MoE), and 98% self-funded from selling of wood and timber. Forest sector salaries are extremely low, and consequently staff capacity and

motivation are also low, increasing the sector's vulnerability to illegal harvesting and corruption.

Despite the relatively small forest resources, many communities are dependent on forests for part of their livelihoods (Moldova is ranked the poorest country in Europe). Forests are an attractive source of 'free' fuelwood. Unauthorized and uncontrolled grazing, with far greater livestock numbers than what can be supported by the available pastureland, represents an additional problem. Low penalties act as a weak deterrent and contribute to uncontrolled forest exploitation leading to forest degradation. Moldova's forests are under intense pressure, with short-term needs outweighing long-term planning, putting sustainability of the forest resources at risk.

Combating climate change represents another major challenge in Moldova's forested areas. Its forests are particularly susceptible to adverse impacts, with extreme weather and droughts posing risks to forest growth and survival as they dry out.

2. Mapping of implementation of the St. Petersburg declaration (SPD)

Coverage of the SPD

	ENPI FLEG I	ENPI FLEG II
National level contributions		
Political commitment, legislation and regulations (SPD 1 and 2)	●	●
Institutions and capacity development (SPD 3)	●	●
Strategies and actions to address the underlying causes of Illegal logging and associated trade (SPD 4, 5 and 8)	●	●
Stakeholder rights, participation and engagement (SPD 6 and 7)	●	●
Information, awareness and transparency (SPD 9,10 and 11)	●	●
Regional and international level contributions		
Trans-boundary cooperation (SPD 17)	NA	●
Cooperation and partnerships with and among the private sector and civil society (SPD 16 and 21)	●	●
International cooperation on monitoring, reporting and other information exchange and dissemination (13, 15, 18, 20)	●	●
Other international cooperation including multilateral instruments and processes (SPD 12,14, 19, 22)	NA	NA

Legend:

- main focus area with significant achievements
- covered but not main focus area, or only studies and other initial activities
- no or very little action
- NA information not available

3. Highlighted achievements to date

During the first program phase, the European Neighborhood and Partnership Instrument Forest Law Enforcement and Governance (ENPI FLEG) activities focused heavily on generating a better understanding of the situation regarding illegal logging and related trade and its implications to society, and on feeding this information to the relevant authorities, into policy processes and to inform public debate. As an example, the first systematic study was conducted on the consumption, exports and imports of wood products. The figures showed significant discrepancies indicating large volumes of illegally logged wood in Moldova. The conclusion was that Moldova's forest management was unsustainable, and had so been for many decades. The results of the study were extensively quoted by the mass media, NGOs and research institutions, and informed a number of strategic studies and initiatives, such as the National Biodiversity Strategy and Action Plan (NBSAP), the National Action Plan to Combat Illegal Logging and Other Forest Offences, and the Forest Institutional Reform Strategy of Moldova (FIRMS) .

The generation and wide dissemination of this information has been reported as a game changer in terms of improved transparency,

feeding into strategies and institutional reform processes in the sector. As an example, FIRMS recommends that there needs to be an institutional separation of forest management functions from policy and or control.

During the second program phase the generation of analytic information to support forest sector reform has continued, e. g. through such studies as "assessing revenue loss from unsustainable forest practices in Moldova", and "developing a monitoring system for wood-flow", and "forest dependence based on a survey conducted in three villages of Moldova". In addition, ENPI FLEG experts have contributed to proposed amendments to legislation e. g. by providing recommendations regarding (i) the forest service statutes, (ii) forest cadastre, (iii) community forests, (iv) registration and use of forest markets, and (v) forest certification. In 2014, ENPI FLEG experts proposed amendments to the Forest Code to increase the financial penalties for illegal logging by 500%. The recommendation was based on findings that the existing penalties were far below the profits generated from illegal logging, effectively turning them into a minor transaction cost for business as usual. These proposals are currently waiting for government approval.

The data generated by the program have been largely used to develop the Forest Policy Note,

prepared by the World Bank in 2014 to provide an outside view on the Moldovan forest sector. The Note provided strategic advice to help define sector goals and identify critical issues for the continued development of the sector in the context of the Moldova/World Bank Country Partnership Strategy.

At the local operational level, a traceability tool for timber was developed in a pilot area (Vatici Forest Management Unit). This provided a model to address one of the most important parts of law enforcement: the lack of information, unclear evidence and no control in real time — a situation prevalent both in the deposits and during log transportation. The program has supported the development of forest management plans (FMPs), covering 15000 ha of communal forests. There is a good indication that demonstration effects are occurring, with neighboring communities expressing interest and budgeting for FMPs, and some replication has taken place where the new management approach has been taken up. While for most communities the costs of developing full FMPs are still too high, and 40,000 ha of communal forests remain uncovered, other initiatives, such as Clima East, have stepped in to provide funding.

The activities targeting education and awareness of FLEG issues at schools are reported as

having stimulated public interest as well as the involvement of teachers and students in the forestry sector. A teachers' handbook on sustainable forestry has been developed, and specialized teachers have been trained on the integrated approach to forest management and FLEG.

Moldova has close cultural and language ties with its neighbor Romania, and has benefited from Romania's expertise in forest sector reform. A process is underway in the context of the World Wildlife Fund's Danube-Carpathian Program to replicate the Romanian wood tracking system in Moldova. In addition, Moldsilva is implementing with Romania and Ukraine a trilateral project to establish a biosphere reserve zone, which may have FLEG relevance if effectively implemented.

4. Summary of country progress and remaining challenges

One of the main achievements under the ENPI FLEG program is that the main counterpart, Moldsilva, has become more open and accountable. The program has provided critical analytical information and helped improve transparency in the sector. Through conducting studies and sharing evidence, the program has helped authorities accept a more accurate picture of the forest sector with respect to the sustainability of forest management and utilization, and illegal logging.

The program has moved issues onto the agenda that previously had not been addressed, or were given minimal attention. ENPI FLEG has facilitated the government to advance reforms through preparation of policy documents and by helping to organize public participation in discussions. Legislative amendments have been prepared under ENPI FLEG and submitted to the government authorities, and are now waiting approval.

In taking the reforms forward, the World Bank is seen as a critical stakeholder given its convening power and access to policy makers, as well as the Bank's strong reputation in the country. Moldova (along with Georgia and Ukraine)

signed Association Agreements and Deep and Comprehensive Free Trade Area Agreements (DCFTAs) with the European Union (EU) in June 2014. This will build closer political and economic ties between the EU and Moldova, which are expected to further support exchange between Moldovan and EU forest agencies. Furthermore, Moldova, as EU accession candidate country, is obliged to address the EUTR issue.

There are several ongoing donor-supported activities that will help move some of the reforms forward, e. g. FMP activities in community forestlands have been jointly undertaken with a Japanese grant. Many FLEG activities are supported by actions undertaken by the ongoing Global Environment Fund/United Nations Development Program BD-EA "National Biodiversity Planning to Support the implementation of the CBD 2011-2020 Strategic Plan in the Republic of Moldova" (National Biodiversity Strategy and Action Plan project). There is also strong cooperation with the EU/UNDP Project "Clima East Moldova: Climate change mitigation and ecosystem-based adaptation in Orhei National Park" to demonstrate adaptation benefits and dividends for local communities. The Clima East Project has adopted the FMP practice in community forests, and extended it over communities in

the newly established National Park Orhei, combining it with improved pastureland management.

The main risks relate to social and economic insecurity and the unstable political situation in the country, which are considered likely and potentially serious scenarios for the sector's development.

Key sources:

1. UCN Moldova Report, May 2015
2. SPD Review for WWF as FLEG IO, May 2015
3. EC Grant to the MDTF for improving FLEG in the ENP East countries and Russia, Final Report, June 2013
4. WB FLEG II Program Narrative Progress Report 3 (Draft) February 2015
5. ENPI FLEG II MTR, Sept 2015
6. ENPI FLEG Focal Point Survey, May – August 2016
Note: Summary of discussions and decisions made following the 3rd SC Meeting in Moldova
7. Report on ENPI FLEG II Linkages and Coordination with Related Activities in the Country (extract from Country Workplans for 2016)



1. Country context

The Russian Federation initiated the Europe and North Asia Forest Law Enforcement and Governance (FLEG) process at the Fourth Session of the United Nations Forum on Forests (2004), and then hosted the Europe and North Asia Forest Law Enforcement and Governance (ENA FLEG) Ministerial Conference in 2005. Illegal logging and timber trade were recognized, and remain to this day, a critical issue for the Russian authorities.

The Russian Federation has the largest forested area in the world, at 882 million hectares and half its territory is covered by forests, giving also to FLEG related issues a completely different magnitude from the rest of the European Neighborhood and Partnership Instrument

(ENPI) FLEG countries. Russian forests account for 20% of the world's total forest area and 15% of the world's total growing stock. Specially protected nature areas (PAs) cover nearly 6% of the country. The forest sector (wood production, wood processing and pulp and paper) contribution to gross domestic product (GDP) is estimated at USD 13 billion (0.8 percent) and total forest-related employment around 600,000 person/year. Russia is a major exporter of wood and wood products to the European Union directly and is a provider of roundwood for the Chinese wood product export industry. Although declining, Russia still directly supplies about 15% of the roundwood equivalent (RWE) of the total import of wood-based products to the EU.

Although there is no private forest ownership in the Russian Federation, most forest resource utilization and wood-processing operations are private and all logging operations are private. Forest areas can be leased to private operators for up to 49 years.

Despite efforts to combat illegal logging and the illegal timber trade, these remain major problems and a major area of concern for Russia, especially in the Russian Far East. In addition to financial losses to the government and negative social implications, the accompanying environmental impacts are reportedly severe.

2. Mapping of implementation of the St. Petersburg declaration (SPD)

Coverage of the SPD

	ENPI FLEG I	ENPI FLEG II
National level contributions		
Political commitment, legislation and regulations (SPD 1 and 2)	●	●
Institutions and capacity development (SPD 3)	●	●
Strategies and actions to address the underlying causes of Illegal logging and associated trade (SPD 4, 5 and 8)	●	●
Stakeholder rights, participation and engagement (SPD 6 and 7)	●	●
Information, awareness and transparency (SPD 9,10 and 11)	●	●
Regional and international level contributions		
Trans-boundary cooperation (SPD 17)	NA	●
Cooperation and partnerships with and among the private sector and civil society (SPD 16 and 21)	●	●
International cooperation on monitoring, reporting and other information exchange and dissemination (13, 15, 18, 20)	●	●
Other international cooperation including multilateral instruments and processes (SPD 12,14, 19, 22)	●	●

Legend:

- main focus area with significant achievements
- covered but not main focus area, or only studies and other initial activities
- no or very little action
- NA information not available

3. Highlighted achievements to date

Since the SPD, a number of important achievements have been reported in Russia that are relevant to the issue of illegal logging and related trade, including:

- An Interagency National Action Plan to prevent illegal logging and the illegal trade of timber, first approved in 2005, and later replaced by new plans for 2010-2011 and 2011-2013.
- The new Forest Code of 2007, aimed at restructuring and improving forest governance by transferring forest management responsibilities to regional administration (see below).
- Establishment of an Interagency Commission on the prevention of illegal logging and trade of timber in 2011.
- New Russian Forest Policy through 2030, adopted in 2013.
- Russian Roundwood Act, adopted in 2013 (see below).
- Federal Law No. 277-FZ on the illegal procurement of timber, establishing criminal liability for the acquisition, storage, transportation, processing and sale of illegally harvested or procured timber.

During both phases, the ENPI FLEG program has supported independent analysis and data collection on a number of FLEG-related issues at different levels, as well as stakeholder involvement and debates, that have contributed to these achievements. The program has provided inputs on a wide range of topics, including (i) timber harvesting rules, (ii) tending of forests rules, (iii) forest restoration rules, (iv) rules of edible forest resources and medicinal herbs harvesting, (v) rules of forest exploitation for recreational purposes, (vi) corruption risks in the forest sector, (vii) the federal law concerning governmental regulation of trade in round timber, (viii) implications to the forest sector of Russia's accession to the World Trade Organization (WTO), (ix) information on High Value Conservation Forests and biodiversity, and (x) legislative bottlenecks and opportunities for multiple use of forests. Forest fire related issues have also received considerable attention given their linkages with governance and law enforcement in the forest areas and huge economic and environmental implications.

The program was involved in drafting the National Level Forest Policy. The process of revising and updating this policy eventually led to an amendment to the Forest Code, the 'Russian Roundwood Act' (Federal Law of December 28, 2013 N 415-FZ). The act

addresses illegal logging, with requirements for measurement, marking, registration, and transport of roundwood. It is expected that the Act will reduce illegal timber exports and ensure a uniform and transparent system allowing for the verification of legal sourcing.

The program has contributed to the development of the timber origin tracing systems through e. g. a comparative analysis of the existing Russian practices of corporate and governmental tracing of timber origin and its further harmonization. One of the key outputs has been the recent research on the level of implementation of the European Union Timber Regulation (EUTR) requirements by Russian suppliers selling timber to EU-based companies (<http://www.enpi-fleg.org/docs/results-of-the-survey-of-russian-forest-industry-senior-staff-awareness-of-eutr-the-european-union-timber-regulation-995-2010/>). A set of awareness raising events has been organized to spread the knowledge on the EUTR among Russian suppliers as well as EU-based companies operating in Russia. Work is also being carried out to establish a reliable methodology for estimating the volume of illegal logging in Russia.

The FLEG process is reported to have enabled the opportunity for diverse stakeholders to

have their voices and opinions considered and taken into account in policy processes in a way that is very different from the normal practice in the forest sector decision-making processes in Russia. As an example, a participatory (eco-rating) study on FLEG issues in the forest sector was carried out in 78 Regions of the Russian Federation. The National Program Advisory Committee has proven to be an effective forum for discussing FLEG issues.

ENPI FLEG experts have developed module-based training programs, which are being used in several forestry institutes. A textbook and guidelines for teachers and forest sector professionals were developed and disseminated to educational institutions. The textbook includes modules covering key forestry issues and has become the basis for both Bachelor's of Arts and Master's of Arts courses at some universities. In addition, efforts to improve customs procedures and advance the qualifications of customs officers in combating illegal export of timber resulted in a new tailored course in customs control, identification and examination of timber and sawn wood. A study guide "Timber Products Customs Control" was published and disseminated to potential users.

The promotion and dissemination of best practices through a website illustrates the

program's role in putting more information on forestry-related issues into the public domain. A library of best practice cases has been set up, presenting legal and sustainable forest use by local forest-dependent communities. It enables people to see what is permitted by legislation, and shares examples of best practices.

The program has been active at the regional level within Russia, especially with the regional governments of Arkhangelsk, Moscow, Khabarovsk, Voronezh, and Primorsky Krai. Through its analytical work — e. g. a study of nine communities in three regions, FLEG has generated information on forest-dependent communities. Pilot level activities to address underlying causes of illegal logging and related trade have included e. g. ecotourism development in the Bezihanitsky Municipal District. Limited trans-border collaboration (e. g. with Belarus and the Baltic States on ecotourism, and in the context of the Forest Dependency Study) is reported.

Regarding regional and international cooperation it is reported that ENPI FLEG examples and accomplishments are widely used by Russian Federal Forestry Agencies in international consultations within EU-Russia dialogues on the Environment, Montreal Process, Asia-Pacific Economic Coordination (APEC) consultations on

forestry, and other important bi- and multilateral negotiations.

As reported in the ENPI FLEG Mid-Term Review the Russian government addresses FLEG issues also outside the ENPI FLEG program through other processes and institutional structures. Thus while an important contributor to these issues, the role of the program may be less prominent in Russia than in most of the other participant countries.

4. Summary of country progress and remaining challenges

The FLEG process and the ENPI FLEG program have contributed to critical forest policy, institutional reform and legislation reform processes in Russia, and have resulted in concrete measures being taken. The process has enabled stakeholder voices to be heard in the debates on forestry and governance issues. Independent analysis and data has been provided, raising issues that the government had, at least initially, given less priority to or considered less important.

Overall during the next few years, Russian forestry will be developed in accordance with the National Forestry Development Program for 2013-2020, adopted in late 2012 (<http://www.gosprogrammy.gov.ru/Main/ClientBin/Passports/29.pdf>). This government program gives the first priority to reducing forest losses to fire, pests and illegal logging, and provides the logical continuation to many of the activities and initial achievements where the ENPI FLEG program has provided contributions or initial impulses.

Despite the progress made in Russia in reforming the sector, significant drawbacks have been reported, e.g. the recent reforms

of the forest legislation and subsequent restructuring of the forest management systems, transferring forest management responsibilities from the federal authorities to regional administrations, has — at least in the short-term — actually resulted in decreased efficiency in illegal logging control processes. This can, at least partly, be attributed to the reduction of the numbers of law-enforcement staff and their mandate for policing in the state-managed forests. Some of these deficiencies have now been addressed in the 2013 Forest Policy and Roundwood Act.

The Russian government certainly has the capacity and resources to address these challenges and move the FLEG processes forward without external support. Additional inputs will be provided by the World Bank-supported Forest Fire Response Project in Russia (World Bank loan: US\$40 million, total cost: US\$121.6 million), which, in addition to addressing the critical issue of forest fires, will also support related FLEG activities. In addition, the World Wildlife Fund (WWF) has a strong program in Russia that will continue the work on EUTR and other activities on illegal logging and related trade. Russia is also an active partner in international scientific collaboration on forests and forestry, as well as in international forest related processes, and through these, will

have access to state of the art knowledge on forest governance innovations.

For Russia, with its substantial exports of forest products to the EU, the EUTR – if effectively implemented across the EU Member States – will act as a powerful stimulus to address illegal logging and related trade.

Key sources:

1. IUCN Russia Report, May 2015
2. SPD Review for WWF as FLEG IO, May 2015
3. EC Grant to the MDTF for improving FLEG in the ENP East countries and Russia, Final Report, June 2013
4. WB FLEG II Program Narrative Progress Report 3 (Draft) February 2015
5. ENPI FLEG II MTR, Sept 2015
Note: Summary of discussions and decisions made following the 3rd SC Meeting in Moldova
6. Report on ENPI FLEG II Linkages and Coordination with Related Activities in the Country (extract from Country Workplans for 2016)
7. Russia Mission Aide Memoire, October 2015, Final Report Volume 2, Evaluation of the EU FLEGT Action Plan 2003-2014 (Final Revised Draft), 18 March 2016



1. Country context

Ukrainian forest legislation is based on the Forest Code (1994, 2006) and associated by-laws/regulations. The Code was amended in 2012 with revision to the distribution of powers of public authorities to develop and implement national forest policy. However, a national forest policy document has not yet been formulated and a number of outdated, inconsistent and overly complex regulations remain which are not conducive to modern approaches for sustainable forest management.

In 2011, the State Forestry Committee was re-organized into the State Forestry Agency (SFA) with functions of forest policy development and legal regulation of forest relations staying with its parent ministry — the Ministry of Agriculture

and Food (MoA). The SFA is responsible for managing approximately 72% of the total national forest area (7.6 out of 10.6 million hectares), with the remainder being managed by other agencies and communities. There is practically no privately owned forest. The Environmental Inspectorate and the Agricultural Inspectorate, as well as the SFA, carry out state control. There is a need for deeper structural reforms aimed at separating production functions from the functions of control and regulation, as the current set-up is conducive to breaches of the law.

As in most of the European Neighborhood and Partnership Instrument Forest Law Enforcement and Governance (ENPI FLEG) countries, illegal logging in Ukraine is driven both by local, often poverty related, motives (e. g. for firewood and local construction materials), and by commercial motives, and is facilitated by gaps and inconsistencies in the legal and administrative systems (e. g. misuse of sanitary cutting permits), and by corruption.

2. Mapping of implementation of the St. Petersburg declaration (SPD)

Coverage of the SPD

	ENPI FLEG I	ENPI FLEG II
National level contributions		
Political commitment, legislation and regulations (SPD 1 and 2)	●	●
Institutions and capacity development (SPD 3)	●	●
Strategies and actions to address the underlying causes of Illegal logging and associated trade (SPD 4, 5 and 8)	●	●
Stakeholder rights, participation and engagement (SPD 6 and 7)	●	●
Information, awareness and transparency (SPD 9,10 and 11)	●	●
Regional and international level contributions		
Trans-boundary cooperation (SPD 17)	NA	NA
Cooperation and partnerships with and among the private sector and civil society (SPD 16 and 21)	●	●
International cooperation on monitoring, reporting and other information exchange and dissemination (13, 15, 18, 20)	NA	NA
Other international cooperation including multilateral instruments and processes (SPD 12,14, 19, 22)	NA	NA

Legend:

- main focus area with significant achievements
- covered but not main focus area, or only studies and other initial activities
- no or very little action
- NA information not available

3. Highlighted achievements to date

The first program phase involved a series of analytic studies and consultations on topics ranging from a broad assessment of law enforcement and governance problems in Ukraine to more specific studies, including (i) analysis of nature conservation management legislation for Ukrainian forest sector, (ii) economic and social impact of inefficient and unsustainable forest practices and illegal logging, (iii) rights of local residents and small businesses for the legal use of forest resources, (iv) legal access to timber and other forest products, (v) identification of high risk areas for illegal logging in Ukraine, (vi) analysis of corruption risk associated with the legal framework, (vii) study on the actual control of timber flows, and (viii) a proposal for improving the system on control of timber flow.

The studies involved specialist working groups, stakeholder consultations and workshops with forestry sector organizations and enterprises, environmental agencies, community and small-business leaders, environmental NGOs, and media representatives. In many cases the reports submitted to the government contained suggestions for needed legislative and administrative changes.

During the second program phase the analytic work continued and produced (i) a proposal for the regulatory framework for establishing a state forestry corporation, (ii) a study on the international experience in development of timber tracking systems, (ii) an improved national track-and-trace system model for Ukraine (standardized to meet European Union requirements), (iii) an analysis of legislation and practice of hunting in some EU countries, (iv) a draft model of reformation and development of the hunting sector in Ukraine, and (iv) the development of key legislation documents for biodiversity protection in forests and adapting Ukrainian law regulation to meet EU requirements. The topics during the second phase reflected, at least in part, the closer ties between the EU and Ukraine in this period. Ukraine – EU learning was further strengthened by organizing a tour to Poland, Slovakia and Hungary to study potential improvements to hunting management and legislation, resulting in an analysis of the legislation and practice of hunting in these countries, and a draft proposal on the hunting industry reformation in Ukraine. Reports were also prepared on the adaptation of the Ukrainian forest biodiversity protection regulation to the EU requirements, as well as on modern silviculture practices in Europe, including recommendations for their testing in Ukraine. Draft rules for grading and quality

assessment of roundwood based on 18 EU standards were also developed and tested in two pilot forest enterprises. These ENPI FLEG outputs are expected to contribute to the future professional training in colleges and universities.

As is evident from the above, a substantial part of the analytic work under the program has provided background for legislation review, reforms preparation, developing new rules and regulations. Some of this substantial body of material has already found its way into concrete draft laws like the law on 'improving access to forests by Ukrainian citizens'. Other material exists as reports and recommendations, most of which will remain relevant in the near future.

The ENPI FLEG program has increased the transparency of the forestry sector in Ukraine. The combination of financial support, provision of expertise (national and international) and high quality outputs, facilitation of discussions and support of reforms is reported as critical in opening the sector to broader participation. The program has played a key role in creating a platform for discussions of important issues with a wide range of stakeholders based on its analytical findings and recommendations. In addition to discussions and dissemination of the various reports and proposals in stakeholder workshops, in both phases of the ENPI FLEG

program a number of specific activities were carried out targeting the media with the view of increasing public awareness related to FLEG issues.

Stakeholders in Ukraine are actively using the educational material and guidelines developed by the program. The educational course for foresters "Legal liability for violation of the forest law" has been included into the curriculum of the Ukrainian Center for Continuous Forester Education and will continue after the program has finished. The development concept of the SFRA web-portal suggested by the International Union for the Conservation of Nature (IUCN) experts has been accepted by the SFRA, and the relevant working group has been established.

Cross-border cooperation has been initiated with forestry organizations and enterprises in Belarus, Poland, Slovakia and Hungary, and improvements e.g. in forest statistics have provided a better basis for international monitoring and information exchange.

4. Summary of country progress and remaining challenges

Although the analytic work and related information dissemination is relevant to all SPD commitment areas, few, if any, activities and achievements are reported in Ukraine beyond analytic work, development of proposals and dissemination of FLEG related information. Reform processes have been initiated and in some cases implemented (e. g. the approval of the Forest Sector Development Concept in 2006, the amendment of the Forest Code, and the 2011 Administrative Reform), but are reported as not having been linked to a single strategic objective, as not having produced the expected positive results, or as insufficient to improve the situation (e. g. related to corruption). In some cases these are related to forthcoming reforms in other sectors (e. g. the use of agricultural land for forest plantations). The ENPI FLEG program played a critical role in elevating forestry sector issues to the 2015/16 parliamentary agenda.

The continuation of the reforms initiated with support from the ENPI FLEG program will depend to a great extent on the broader political and economic developments in the country. The platform for dialogue created through the FLEG process is not secured beyond the program duration. A positive factor is the strong forest

program that the World Wildlife Fund has in the country. This may, to some extent, be able to sustain the momentum and continuity of actions initiated with FLEG support.

ENPI FLEG has strengthened the presence and visibility of environmental/forestry related international organizations in Ukraine. It has been the first program for IUCN in the Ukraine, and IUCN has plans to continue activities on forestry and other issues nationally.

FLEG-related efforts in Ukraine are overshadowed by the military conflict and the political and economic crisis that the country is experiencing. At the same time, Ukraine is one of three FLEG countries (with Georgia and Moldova) that embarked on harmonization with European Union policies, and signed the Association Agreements and Deep and Comprehensive Free Trade Area Agreements (DCFTAs) with the EU. These political decisions are likely to provide more contacts with EU and Member State institutions, and expand opportunities for technical cooperation in the forest sector.

In addition to the military conflict, the risks to maintaining the momentum in the FLEG program include the continuing closed nature of government authorities, the primacy of

short-term vested and political interests over the wider national interests, wider issues related to land reform, and continued corruption and unprofessionalism in the sector.

Key sources:

1. Illegal logging in Ukraine, Fact Finding Assessment, Regional Environment Center, 2010
2. IUCN Ukraine Report, July 2015
3. SPD Review for WWF as FLEG IO, May 2015
4. EC Grant to the MDTF for improving FLEG in the ENP East countries and Russia, Final Report, June 2013
5. WB FLEG II Program Narrative Progress Report 3 (Draft) February 2015
6. ENPI FLEG II MTR, Sept 2015
7. ENPI FLEG Focal Point Survey, May–August 2016

Note: Summary of discussions and decisions made following the 3rd SC Meeting in Moldova

ABOUT ENPI FLEG PROGRAM

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

www.enpi-fleg.org

PROJECT PARTNERS



EUROPEAN COMMISSION

The European Union is the world's largest donor of official development assistance. The European Commission's Directorate General for European Neighbourhood Policy and Enlargement Negotiations (DG NEAR) manages the bulk of the Union's financial and technical assistance to the neighbourhood and enlargement countries. By implementing assistance actions in Europe's eastern and southern neighbourhood, DG NEAR supports reform and democratic consolidation, and strengthens the prosperity, stability and security around Europe. DG NEAR helps to promote EU values, policies and interests in this region, and to contribute to developing the special relationship of the EU with its neighbouring countries

http://ec.europa.eu/index_en.htm



THE WORLD BANK
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The World Bank Group is one of the world's largest sources of knowledge and funding for its 188 member-countries. The organizations that make up the World Bank Group are owned by the governments of member nations, which have the ultimate decision-making power within the organizations on all matters, including policy, financial or membership issues. The World Bank Group comprises five closely associated institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), which together form the World Bank; the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a distinct role in the World Bank Group's mission to end extreme poverty by decreasing the percentage of people living on less than \$1.25 a day to no more than 3 percent, and promote shared prosperity by fostering the income growth of the bottom 40 percent for every country. For additional information please visit:

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IUCN

IUCN, International Union for Conservation of Nature, helps the world find pragmatic solutions to our most pressing environment and development challenges. IUCN's work focuses on valuing and conserving nature, ensuring effective and equitable governance of its use, and deploying nature-based solutions to global challenges in climate, food and development. IUCN supports scientific research, manages field projects all over the world, and brings governments, NGOs, the UN and companies together to develop policy, laws and best practice. IUCN is the world's oldest and largest global environmental organisation, with more than 1,200 government and NGO members and almost 11,000 volunteer experts in some 160 countries. IUCN's work is supported by over 1,000 staff in 45 offices and hundreds of partners in public, NGO and private sectors around the world.

www.iucn.org



WWF

WWF is one of the world's largest and most respected independent conservation organizations, with almost 5 million supporters and a global network active in over 100 countries. WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature, by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.

www.panda.org