



FSC Controlled Wood risk assessment

SPECIFIC REQUIREMENTS

INTERPRETATION OF ANNEX 2B OF THE STANDARD FOR COMPANY EVALUATION OF FSC CONTROLLED WOOD FOR BULGARIA
(FSC-STD-40-005-V-2.1)

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Summary of risk for Bulgaria

| Controlled Wood categories | | Risk level |
|----------------------------|--|---|
| 1 | Illegally harvested wood | Unspecified |
| 2 | Wood harvested in violation of traditional and civil rights | Unspecified |
| 3 | Wood harvested in forests where high conservation values are threatened by management activities | Unspecified at national level Low for the forest areas listed in Annex 1 |
| 4 | Wood harvested in forests being converted to plantations or non-forest use | Unspecified at national level Unspecified for Radomir State Forest Enterprise (SFE), Dupnitsa SFE, Bansko SFE, Varna SFE, Staro Oryahovo state |



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| | | hunting enterprise (SHE) and Balchik SHE Low for all other forest areas |
| 5 | Wood from forests in which genetically modified trees are planted | Low |



Foreword

The FSC Controlled Wood standards were designed to help manufacturers and traders to avoid buying wood from the most controversial sources.

There are different ways for a company to demonstrate this:

1. Purchase wood from forest management organizations certified according to FSC-STD-30-010 FSC Controlled Wood standard for forest management enterprises,
2. Purchase FSC Controlled Wood from suppliers holding a valid FSC Chain of Custody certificate which includes FSC Controlled Wood in its scope; and/or
3. Internally verify its wood sources according to the requirements of FSC-STD-40-005 Company evaluation of FSC Controlled Wood.

For case 3 above, the organizations are obliged to implement a risk assessment of its suppliers.

FSC-STD-40-005 attributes the obligation of conducting the risk assessment to the certificate holder (or the certification candidate). It is the responsibility of the Certification Body to evaluate and verify the technical adequacy and consistency of the company's risk assessment.

FSC accredited National Initiatives, as well as National and Regional Offices, can provide guidance to help companies identify credible sources of information to arrive at a sound risk assessment decision (see General requirements of Annex 2 of FSC-STD-40-005).

Procedure FSC-STD-60-002 specifies the requirements which must be complied with by National Initiatives which want to carry out a FSC Controlled Wood Risk Assessment. The Risk Assessment produced will be evaluated by FSC and once approved, becomes mandatory for the district and category in question.

The advantage of this approach is that it allows all companies sourcing from a district to use the same FSC Controlled Wood Risk Assessment, without spending time and resources in repeating the process and verifying their consistency.

The present document was written according to the guidance available in procedure FSC-PRO-60-002 and includes the results of the technical seminar for development of national controlled wood risk assessment during the seminar carried out on 1-st of June 2011 in Sofia and the prepared first draft, through clarification of concrete questions, additional information etc. to elaboration of the second draft of the national CWRA.

The Annexes are subject of update on yearly basis, due to the dynamic developments in the forestry sector of Bulgaria.



FSC CONTROLLED WOOD RISK ASSESSMENT FOR BULGARIA

1. Legality

Unspecified risk

| Requirements | Sources of information | Justification | Risk category |
|---|---|--|-------------------------|
| Category 1. The district of origin may be considered low risk in relation to illegal harvesting when all the following indicators related to forest governance are present: | | | |
| 1.1 Evidence of enforcement of logging related laws in the district | <p>FSC National Initiative in Bulgaria (contacts fcic@wwfdcp.bg);</p> <p>Bulgarian Forestry Act http://www.lex.bg/laws/ldoc/2134178816 http://dv.parliament.bg/DVWeb/showMaterialDV.jsp;jsessionid=2A855411AB8F5B25597A5083862E953A?idMat=67006;</p> <p>Reports of Bulgarian State Forestry Agency (www.nug.bg);</p> <p>EU FLEGT process: (http://ec.europa.eu/comm/development/body/theme/forest/initiative/index_en.htm); Transparency international index (www.transparency.org)</p> <p>WWF (www.panda.org); www.cites.org;</p> <p>Bulgarian NGO web platform against illegal logging: http://www.spasigorata.net/</p> | <p>Bulgaria has a modern Forest law designated in the country, as well long traditions in organized Forest management from more than 100 years. The law require forest operations control authority supported by Police offices. The law, as well, establish rules requires documented traceability of forest operations with obligatory Forest Management Plans of forestry activities, marking and preparation of felling sites, technological plans for cuts according to the required cutting system described in the Forest Management Plan, cutting permission, evaluation of the felling site, obligatory transport tickets for round wood and lumber materials, as well journals for the received and sold round and sawn wood on sites of operators. The enforcement of the Forest law and its provisions is controlled by the authorities, Executive Forestry Agency under the Ministry of agriculture and food. The Forestry agency has well established and organized structure within the whole country divided to Regional Forest Directorates at the administrative District level and local State Forestry Enterprises at Municipality level.</p> <p>Usual way for wood harvesting and sale from the public forests is by tenders made by local SFE.</p> <p>FSC Controlled Wood stakeholder workshop conducted in Sofia the 1st of June 2011 did showed that most stakeholders where unsure regarding enforcement of the legislation in Bulgaria. Since there was consensus regarding 1.4, no further work was done to conclude on this indicator.</p> | Unspecified risk |
| 1.2 There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective sys- | <p>FSC National Initiative in Bulgaria (contacts fcic@wwfdcp.bg); http://www.lex.bg/laws/ldoc/2134178816 http://dv.parliament.bg/DVWeb/s</p> | <p>The system for harvests and wood purchases is based on the include rules required documented procedures from the planning of operations to the sales and transport of timber, including obligations for issuing of special transport tickets for the timber and registration of received and sold round and sawn wood. This system is based on paper forms, which can be manipulated by the</p> | Unspecified risk |



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| <p>tem for granting licenses and harvest permits</p> | <p>howMaterialDV.jsp;jsessionid=2A855411AB8F5B25597A5083862E953A?idMat=67006</p> <p>Reports of Bulgarian State Forestry Agency (www.nug.bg);</p> <p>EU FLEGT process: (http://ec.europa.eu/comm/development/body/theme/forest/initiative/index_en.htm); Transparency international index (www.transparency.org)</p> <p>WWF (www.panda.org); www.cites.org;</p> <p>Bulgarian NGO web platform against illegal logging: http://www.spasigorata.net/</p> | <p>operators.</p> <p>FSC Controlled Wood stakeholder workshop conducted in Sofia the 1st of June 2011 did showed that almost all stakeholders were unsure regarding enforcement of the system in Bulgaria.</p> | |
| <p>1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin</p> | <p>FSC National Initiative in Bulgaria (contacts fcic@wwfdcp.bg); http://www.lex.bg/laws/ldoc/2134178816</p> <p>http://dv.parliament.bg/DVWeb/howMaterialDV.jsp;jsessionid=2A855411AB8F5B25597A5083862E953A?idMat=67006</p> <p>Reports of Bulgarian State Forestry Agency (www.nug.bg);</p> <p>EU FLEGT process: (http://ec.europa.eu/comm/development/body/theme/forest/initiative/index_en.htm);</p> <p>Transparency international Corruption Perception Index (www.transparency.org)</p> <p>WWF (www.panda.org); www.cites.org;</p> <p>Bulgarian NGO web platform against illegal logging: http://www.spasigorata.net/</p> | <p>Different sources reports Illegal Activities in Bulgarian forests – some of these indicate more than 10% on national scale:</p> <ul style="list-style-type: none"> - WWF report for Illegal Logging in Bulgaria 2005 based on comparison between official data for logging in the country and actual consumption of wood and timber by the industry and households; - Interviews with a former deputy minister M.Plugchieva mentioned about 1 mln m3 illegal wood within the market; - Interview with the current Minister of agriculture and food M.Naydenov mentioned high level of illegal activities in forestry; - Regular signals for illegal logging operations on: http://www.spasigorata.net <p>The official recorded level of illegal logging is 0.3 pct.</p> <p>FSC Controlled Wood stakeholder workshop conducted in Sofia the 1st of June 2011 showed that most stakeholders were unsure regarding the level of illegal logging in Bulgaria.</p> | <p>Unspecified risk</p> |
| <p>1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting</p> | <p>Transparency International maintains regularly updated information on perceptions of corruption at the national level (http://www.transparency.org/)</p> | <p>According to FSC directive (FSC-DIR-40-005) this indicator can be considered low risk only if the Corruption Perception Index (CPI) for the given country is equal to or above 5. According to the latest (2011) evaluation results from Transparency International, the CPI for this Bulgaria is country is 3.3 (BELOW 5). The indicator is thus considered as unspecified risk (resulting the whole category 1 to be of unspecified risk)</p> | <p>Unspecified risk</p> |



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| and wood trade | | fied risk status). FSC Controlled Wood stakeholder workshop conducted in Sofia the 1st of June 2011 showed that all stakeholders agreed corruption is an issue and by that non compliance with the indicator. | |
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2. Traditional and civil rights

Unspecified risk

| Requirements | Sources of information | Justification | Risk category |
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| Category 2. The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when all the following indicators are present: | | | |
| 2.1 There is no UN Security Council ban on timber exports from the country concerned | Global Witness http://www.globalwitness.org/pages/en/forests.html | There is no UN Security Council export ban in Bulgaria. | Low risk |
| 2.2 The country or district is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber) | Conflict Timber: Dimensions of the Problem in Asia and Africa Volume I Synthesis Report (available at www.usaid.gov) | Bulgaria is not associated with or designated as source of conflict timber according to latest available research. | Low risk |
| 2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned | Global Child labor trends 2000 to 2004. ILO (International Labour Office). (available at: http://www.ilo.org/ipecinfo/product/viewProduct.do;?productId=2299) Executive agency "General Labour Inspectorate" at the Ministry of Labor and Social Policy | At FSC Controlled Wood stakeholder workshop conducted in Sofia the 1st of June 2011 some stakeholders noted that children of Roma minority groups commonly could be observed working in the forest assisting their parents in harvesting activities. The group had no overview of the scale of this issue and decided to consult with official controlling authorities for statistics. In case statistic does not confirm evidence of children working in the forest the group considers the indicator as met. For that purpose, in the autumn of 2011, official request for data was submitted to the Executive agency "General Labour Inspectorate" at the Ministry of Labor and Social Policy. The data requested was provided by the Executive agency "General Labour Inspectorate" at the Ministry of Labor and Social Policy. From the information and data provided, it has become clear that for the period 2008 – 2010 are reported a total of seven violations of rules protecting the labor of persons under 18. The violations are made by employers whose main activity falls in economic activity "Forestry." Of these, 3 of the violations | Unspecified risk |



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| | | consist of hiring a person under 18 years without prior agreement of the Labour Inspectorate, one is made by an employer with main activity “logging”, and the other two - by employers with operations falling within the sectors of economic activity "forestry". Based on this information, it is obvious that this indicator is not met and the risk level for indicator 2.3 should be considered as “unspecified”. | |
| 2.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned | UN Security Council at: (www.un.org); Global Witness at: (www.globalwitness.org); USAID at:(www.usaid.gov); FSC NI in Bulgaria at: (fcic@wwfdcp.bg); Federation “Agriculture and Forestry) by Labour Confederation ”PODKREPA” at: (anelia_nacheva@abv.bg). | Bulgaria is parliamentary republic with Constitution ensuring respect of human and traditional right of it’s citizens. The restitution process for returning back to the citizens of ownership and use rights for their agriculture and forest land was completed in 2010. Any citizen can approach the relevant authorities, Police offices and Courts according to the legislative procedures to protect the ownership, traditional and cultural rights. The Forest Law allows free access to the forests for recreation, passing and collection of non-timber forest products. | Low risk |
| 2.5 There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned | UN Security Council at: (www.un.org); Global Witness at: (www.globalwitness.org); USAID at:(www.usaid.gov); FSC NI in Bulgaria at: (fcic@wwfdcp.bg); Federation “Agriculture and Forestry) by Labour Confederation ”PODKREPA” at: (anelia_nacheva@abv.bg) | The Bulgarian State and parliament have ratified all the ILO Conventions in the national legislation. FSC Controlled Wood stakeholder workshop conducted in Sofia the 1st of June 2011 showed that all stakeholders agreed in conformance with this indicator. | Low risk |

3. High conservation value forest

Unspecified at national level

| Requirements | Sources of information | Justification | Risk category |
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| Category 3. The district of origin may be considered low risk in relation to threat to high conservation values if: a) indicator 3.1 is met; or b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1. | | | |
| 3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, | Regions identified by Conservation International as a Biodiversity Hotspot http://www.biodiversityhotspots.org | High conservation value forest assessment has been completed for some parts of Bulgaria and the participants in the FSC Controlled Wood stakeholder workshop conducted in Sofia the 1st | Low risk for forests within the scope of the forest enter- |



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| <p>local) do not threaten ecologically significant high conservation values.</p> | <p>rg/xp/hotspots/Pages/default.aspx</p> <p>Forest and woodland ecoregions identified by World Wildlife Fund as a Global 200 Ecoregion and assessed by WWF as having a conservation status of endangered or critical</p> <p>Intact Forests Landscapes as identified by Greenpeace (www.intactforests.org)</p> <p>HCV Resource Network at: (http://hcvnetwork.org/);</p> <p>National HCVF Toolkit at: (wwf.bg/HCVF_maps);</p> <p>BirdLife Biodiversity Important Forests project at: (http://www.forestmapping.net/forestmapping/bifm.html); FSC NI in Bulgaria at: (fcic@wwfdcp.bg).</p> | <p>of June 2011 agreed that for these areas there is conformance with the indicator. (<i>List and Map of HCVF identified in Bulgaria are attached</i>). Forests falling within forest areas where HCVF are mapped and managed according to the national HCVF Toolkit, as well as from areas designated as natural parks and protected areas according to the national legislation - Protected Areas Act shall be considered as low risk.</p> <p>For the other areas all participants where unsure about the protection level. Areas without High Conservation Value Forest Assessment shall therefore be considered as unspecified risk.</p> | <p>prises listed in <i>Annex 1 and the map attached</i>.</p> <p>Unspecified risk for all other forest areas not listed in <i>Annex 1 and the map attached</i></p> |
| <p>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion</p> | <p>Ecoregion definition and information: (http://www.worldwildlife.org/science/ecoregions.cfm)</p> <p>HCV Resource Network at: (http://hcvnetwork.org/);</p> <p>National HCVF Toolkit at: (wwf.bg/HCVF_maps);</p> <p>BirdLife Biodiversity Important Forests project at: (http://www.forestmapping.net/forestmapping/bifm.html); FSC NI in Bulgaria at: (fcic@wwfdcp.bg).</p> | <p>FSC Controlled Wood stakeholder workshop conducted in Sofia the 1st of June 2011 showed that almost all stakeholders agreed in non conformance with this indicator.</p> | <p>Unspecified risk</p> |

4. Conversion

Unspecified at national level

| Requirements | Sources of information | Justification | Risk category |
|--|--|---|---|
| <p>Category 4: The district of origin may be considered low risk in relation to conversion of forest to plantations or non- forest uses when the following indicator is present.</p> | | | |
| <p>4.1 There is no net loss AND no significant rate of loss (> 0.5% per year) of natural forests</p> | <p>State of the World's Forests 2011 report of FAO (Food and Agriculture Organization of the United Nations). (Available at http://www.fao.org/forestry/sofo/en)</p> | <p>The conversion of different native forest ecosystems to plantations known in the country as "Forest Reconstructions" are prohibited in 2007 by the Forest authorities.</p> | <p>Unspecified risk for Radomir SFE, Dupnitsa SFE,</p> |



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| <p>and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question</p> | <p>Δ). FSC NI in Bulgaria at: (fcic@wwfdcp.bg); FAO GOFC-GOLD Global Observation of Forest and Land Cover Dynamics at: (http://www.fao.org/gtos/gofc-gold/); FAO Global Forest Resources Assessment at: (http://www.fao.org/forestry/fra/en/); Global Forest Resources Assessment – Country Report for Bulgaria, available at: http://www.fao.org/docrep/013/al467E/al467E.pdf Bulgarian Executive Forestry Agency reports at: (www.nug.bg); Forestry University Sofia at: (http://www.ltu.bg).</p> | <p>The conversions of forest land to non-forest land use is limited in scope and is made according to complicated official procedure.</p> <p>Some of the participants in the FSC Controlled Wood stakeholder workshop conducted in Sofia the 1st of June 2011 noted that conversion is an issue in areas close to the Black Sea and in the alpine zone where forest is converted for establishing resorts and other real estate developments. The participants concluded that other parts of Bulgaria can be classified as low risk. As a result of the doubts, expressed by the participants in the national seminar, additional information and data was requested from the Executive Forest Agency (EFA). The requested information was about the forest areas with altered function within the scope of the Alpine and Black bio-geographical regions of the country. Based on data provided by EFA, it can be concluded that this indicator is not met for the following forestry units, for which is registered a change of more than 0.5 % for the period 2007 – 2011: Radomir state forest enterprise (SFE), Dupnitsa SFE, Bansko SFE, Varna SFE, Staro Oryahovo state hunting enterprise (SHE) and Balchik SHE. That’s why the risk level for the mentioned forestry units should be considered unspecified.</p> | <p>Bansko SFE, Varna SFE, Staro Oryahovo state hunting enterprise (SHE) and Balchik SHE.</p> <p>Low risk for the rest of the forest areas in the country</p> |
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5. GMO Trees

Low risk

| Requirements | Sources of information | Justification | Risk category |
|---|--|---|------------------------|
| <p>Category 5: The district of origin may be considered low risk in relation to wood from genetically modified trees when one of the following indicators is complied with:</p> | | | |
| <p>5.1 There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned</p> | <p>FSC NI in Bulgaria at: (fcic@wwfdcp.bg); FAO Preliminary review of biotechnology in forestry, including genetic modification at: (http://www.fao.org/docrep/008/a/e574e/AE574E06.htm#P363_75754); Bulgarian Executive Forestry Agency reports at: (www.nug.bg); Forestry University Sofia at: (http://www.ltu.bg).</p> | <p>There is no commercial use of genetically modified trees in Bulgaria. This finding was supported by all participants attending the FSC Controlled Wood stakeholder workshop conducted in Sofia the 1st of June 2011.</p> | <p>Low risk</p> |
| <p>5.2 Licenses are</p> | <p>National legislation.</p> | <p>There are no licenses for commercial use of</p> | <p>Low risk</p> |



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| <p>required for commercial use of genetically modified trees and there are no licenses for commercial use</p> | <p>Bulgarian State Forestry Agency reports at: (www.nug.bg); Forestry University Sofia at: (http://www.ltu.bg).</p> | <p>GMO in forests and it is not allowed according to the national legislation.</p> | |
| <p>5.3 It is forbidden to use genetically modified trees commercially in the country concerned</p> | <p>National legislation. Bulgarian State Forestry Agency reports at: (www.nug.bg); Forestry University Sofia at: (http://www.ltu.bg)</p> | <p>It is theoretical possible to seek permission for using Genetically Modified Trees in the forest. However, the rules are very strict and complicated and there is no plans for using Genetical Modified Trees.</p> | <p>Unspecified risk</p> |



| Annex 1 | <i>List of State Forest and Hunting Enterprises with identified high conservation value forests (HCVF)</i> |
|----------------|---|
| | State Forest Enterprise/State Hunting Enterprise |
| 1 | SFE Chuprene |
| 2 | SFE Berkovitza |
| 3 | SFE Svishtov |
| 4 | SFE Veliko Tarnovo |
| 5 | SFE Gabrovo |
| 6 | SFE Plachkovtzi |
| 7 | SFE Elena |
| 8 | SFE Buinovtzi |
| 9 | SHE "Rositza" - Lagat |
| 10 | SFE Sevlievo |
| 11 | SFE Ruse |
| 12 | SHE "Cherni Lom" town Popovo |
| 13 | SFE Omurtag |
| 14 | SFE Smjadovo |
| 15 | SFE Targovishte |
| 16 | SFE Shumen |
| 17 | SHE "Palamara" village Venets |



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| 18 | SFE Varbitza |
| 19 | SHE Veliki Preslav |
| 20 | SFE Staro oriahovo |
| 21 | SHE "Nesebar" - town Nesebar |
| 22 | SFE Sredets |
| 23 | SFE Sadovo |
| 24 | SFE Burgas |
| 25 | SFE Zvezdetz |
| 26 | SFE Malko Tarnovo |
| 27 | SHE Gramatikovo |
| 28 | SFE Novo Panicharevo |
| 29 | SFE Tzarevo |
| 30 | SFE Kosti |
| 31 | SHE "Ropotamo" - Arkutino |
| 32 | SFE Aitos |
| 33 | SFE Ivailovgrad |
| 34 | SFE Dospat |
| 35 | SFE Karnobat |
| 36 | SFE Shirika Laka |
| 37 | SFE Panagjurishte |

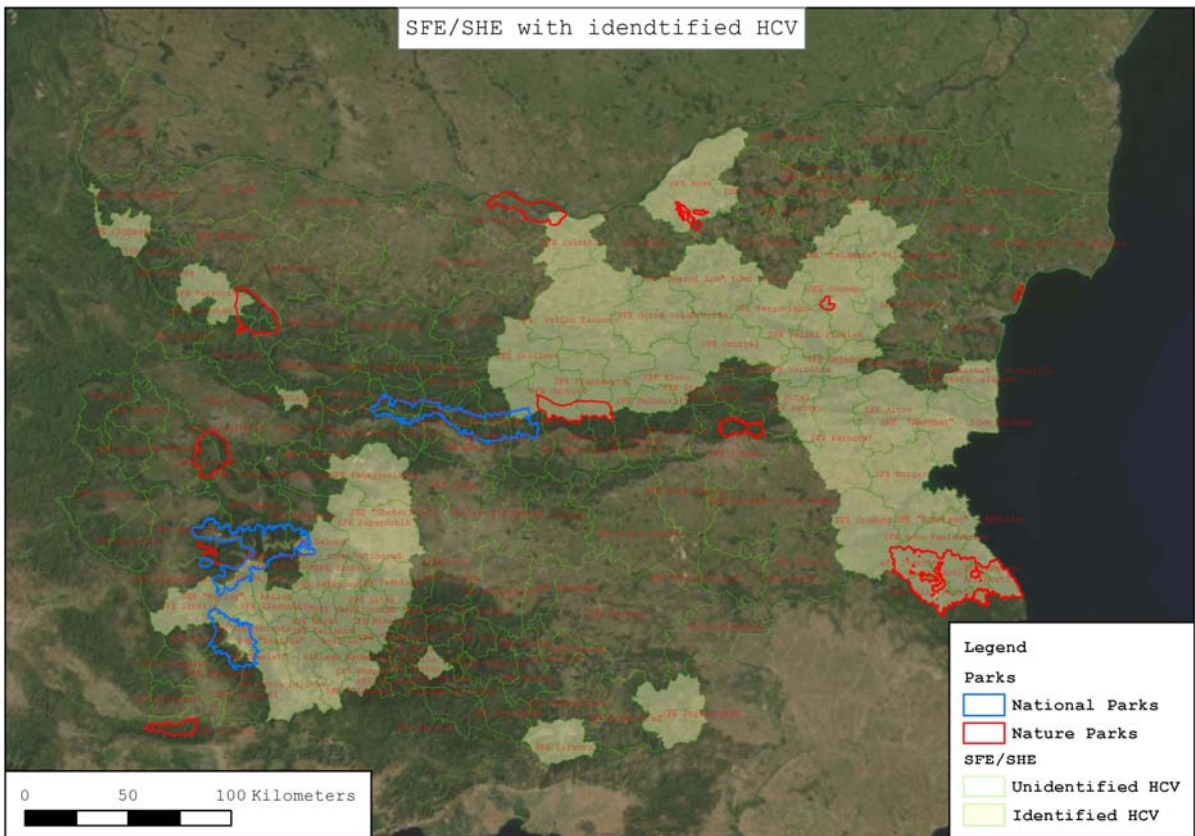


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| 38 | SFE Pazardzhik |
| 39 | SFE Belovo |
| 40 | SFE Peshtera |
| 41 | SFE Selishte |
| 42 | SFE Batak |
| 43 | SHE "Beglika" - Beglika |
| 44 | SHE "Borovo" - V. poliana |
| 45 | SHE "Rodopi" - Snezhana |
| 46 | SFE Mesta |
| 47 | SHE Rakitovo |
| 48 | SHE Chepino |
| 49 | SHE "Shiroka poliana" - Shiroka poliana |
| 50 | SFE Yundola |
| 51 | SFE Simitly |
| 52 | SFE "Beslet" - village Garmen |
| 53 | SFE Belitza |
| 54 | SFE Eleshnitsa |
| 55 | SHE "Dikchan" - village Satovcha |
| 56 | SFE Gotze Delchev |
| 57 | SFE Dobrinishte |



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| 58 | SFE Kirkovo |
| 59 | SHE Vitinja |
| 60 | SFE Gorna Oriahovitsa |
| 61 | SHE "Alabak" - town Velingrad |
| 62 | SFE Chehliovo |
| 63 | SHE "Razlog" - Razlog |

Map of high conservation value forests (HCVF) identified in Bulgaria



SFE – State Forest Enterprise

SHE – State Hunting Enterprise