**Controlled Wood National Risk Assessment**

**for Georgia, based on Forest Stewardship Council (FSC) Scheme**

***The summary of first draft for public consultation[[1]](#footnote-1)***

Date: 08.06.2017

Controlled wood is wood which is **not** produced by:

1. Illegal harvesting
2. Violation of traditional and human rights
3. Endangering High Conservation Values of forests
4. Converting natural forests to plantations or other land uses
5. Planting genetically modified trees in the forest.

**Risk Assessment[[2]](#footnote-2)**

**Category 1 – Illegally harvested wood**

* 1. **Land tenure and management rights**

***Context:*** *Legislation covering land tenure rights, including customary rights as well as management rights that includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legally required licenses.*

**Risk factors:** Risk may be encountered where land rights have not been issued according to prevailing laws and regulations and where corruption has been involved in the process of issuing land tenure and management rights. The intent of this indicator is to ensure that any land tenure and management rights have been issued according to the legislation.

**Conclusion (after assessment for Georgia):** low risk

Justification for low risk - the laws requiring registration of business and tenure rights over forests (e.g. Law on Public Register (2008), Tax Code (2010), Forest Code (1999) are upheld in Georgia - there have not been any reported cases of violations of such legal requirements, or cases of reported corrupt deals (including bribery) in obtaining these rights.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 12, *Indicator 1.1 - Land tenure and management rights*

* 1. **Concession licenses**

***Context:*** *Legislation regulating procedures for issuing forest concession licenses, including the use of legal methods to obtain concession licenses. Bribery, corruption and nepotism are particularly well-known issues that are connected with concession licenses.*

**Risk factors:** The intent of this indicator is to avoid risk related to situations where organizations are obtaining concession licenses via illegal means such as bribery, or where organizations or entities that are not eligible to hold such rights do so via illegal means.

Risk in this indicator relates to situations where due process has not been followed and the concession rights can therefore be considered to be illegally issued. The level of corruption in the country or sub-national region is considered to play an important role and corruption indicators (e.g., Corruption Perception Index, CPI) should therefore be considered when evaluating risks.

**Conclusion:** low risk

Key applicable legislation includes Law on Licenses and Permits (2005) and Rules and Conditions for Issuing Forest Use Licenses (2005). The forest use licenses are issued through open auction organized by the National Environmental Agency which is directly subordinated to the Ministry of Environment and Natural Resources Protection. The process is transparent and the risk of corruption is not considered to be substantial in Georgia. Today, the auctioning and issuing of licenses can be organized only if forest areas have been mapped and registered in the Public Registry, and in situations where the general management plan has been created by the National Forest Agency. No new licenses have been issued since January 2013.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 15, *Indicator 1.2 – Concession licenses*

* 1. **Management and harvesting planning**

***Context:*** *Any national or sub-national legal requirements for Management Planning, including conducting forest inventories, having a forest Management Plan and related planning and monitoring, impact assessments, consultation with other entities, as well as approval of these by legally competent authorities.*

**Risk factors:** Cases where required management planning documents are not in place or are not approved by competent authorities should be considered. Low quality of the management plan resulting in illegal activities may be a risk factor for this indicator as well.

**Conclusion:** low risk

Key applicable legislation includes Rules for Forest Inventory, Planning and Monitoring (2013), Forest Use Rules (2010) and Forest Code (1999). The overall inventory data for most of Georgia’s forests are outdated. For logging licenses issued prior to 2013, no forest management plans were prepared before licenses were issued, although license holders arranged for inventory and prepared forest harvesting plans before operations commenced. The licenses issued prior to 2013 are found to be in conformance with the requirements of prior legislation, i.e. conducting inventory checks at the harvesting area prior to and after harvesting operations as part of management planning. No Forest Use Special Licenses have been issued after 2012. Licensed areas, as well as particular tree felling areas, are registered in the Timber Resources Management Electronic System (electronic database for management of timber resources).

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 17, *Indicator 1.3 – Management and harvesting planning*

* 1. **Harvesting permits**

***Context:*** *National or sub-national laws and regulations regulating procedures for issuing of harvesting permits, licenses or other legal document required for specific harvesting operations. This includes the use of legal methods to obtain the permits. Corruption is a well-known issue that is connected with the issuing of harvesting permits.*

**Risk factors:** Risk relates to situations where required harvesting is carried out without valid permits or where these are obtained via illegal means such as bribery. In some areas, bribery may be commonly used to obtain harvesting permits for areas and species that cannot be harvested legally (e.g. rare tree species). In cases where harvesting permits classify species and qualities to estimate fees, corruption and bribery can be used to classify products that will result in a lower fee. The level of corruption in a country or sub-national region is considered to play an important role and corruption indicators should therefore be considered when evaluating risks. In cases of illegal logging, harvesting permits from sites other than the actual harvesting site may be provided as a false proof of legality with the harvested material.

**Conclusion:** specific risk - the possibility of misuse of forest use license (for instance, excessive logging).

Key applicable legislation includes Forest Code, Law on Management of Forest Fund (2010) and Rules and Conditions for Issuing Forest Use Licenses. There are risks related to the use of Forest Use Licenses. For tracking purposes, all harvested timber shall be marked, but both official and non-official sources state that logging out of bounds and overharvesting under the guise of the Forest Use License may technically occur. Agreements of Special Forest Use are issued through application and approved and signed by the forest authorities. Agreements of Special Forest Use is usually sought for infrastructure projects and approved only after a technical evaluation. There are no indications of misuse, and the associated risk is considered low. However, there is a risk that firewood logged under the harvesting ticket may be sold locally. As transported timber will require transport documents (which are not issued under harvesting tickets), it is difficult to transport large amounts of firewood over long distances without being detected. As a result, certain volumes of fuelwood are traded informally at the local level.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 20, *Indicator 1.4 – Harvesting permits*

* 1. **Payment of royalties and harvesting fees**

***Context:*** *Legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees. This includes payments of the fees based on the correct classification of quantities, qualities and species. Incorrect classification of forest products is a well-known issue that is often combined with bribery of officials in charge of controlling the classification.*

**Conclusion:** low risk

Key applicable legislation includes Law on Fees for Use of Natural Resources (2004). The risk is considered to be low as both the Ministry of Environment and Revenue Service effectively control the payment of stumpage fees, and ensure that the volumes reported are correct.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 23, *Indicator 1.5 – Payment of royalties and harvesting fees*

* 1. **Value added taxes and other sales taxes**

**Context:** *Legislation covering different types of sales taxes which apply to the material being sold, including the sale of material as growing forest (standing stock sales).*

**Risk factors:** Risk relates to situations where products are sold without legal sales documents or far below market price resulting in illegal avoidance of taxes.

**Conclusion:** low risk

Key applicable legislation includes Tax Code. Enforcement of current tax legislation is considered (not only by government officials, but also by international organizations and experts) very effective due to electronic services and strictly controlled tax declaration and payment systems. In addition, there are no reports or other evidence of significant number of cases of evasion of payment of VAT or other sales taxes, including for timber.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 25, *Indicator 1.6 – Value added taxes and other sales taxes*

* 1. **Income and profit taxes**

***Context:*** *Legislation covering income and profit taxes related to profit derived from the sale of forest products and harvesting activities. This category is also related to income from the sale of timber and does not include other taxes generally applicable for companies and is not related to salary payments.*

**Conclusion:** low risk

Key applicable legislation is a Tax Code. Enforcement of current tax legislation is considered (not only by government officials, but also by international organizations and experts) very effective due to electronic services and strictly controlled tax declaration and payment systems. There are no reports (from any source) confirming the avoidance of paying income or profit taxes in significant number of occasions, including on timber.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 26, *Indicator 1.7 – Income and profit taxes*

* 1. **Timber harvesting regulations**

***Context:*** *Any legal requirements for harvesting techniques and technology, including selective cutting, shelter wood regenerations, clear felling, transport of timber from the felling site, etc. Typically this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities, etc. Establishment of skidding trails, road construction, bridges, etc., shall also be considered as well as the planning and monitoring of harvesting activities.*

**Conclusion:** specified risk

Key legislation includes Forest Use Rules (2010) and Rules on Caring for Forests and Forest Restoration (2010). There is a significant risk of violations of wood harvesting regulations, with respect to forest management and law enforcement. Law enforcement is not fulfilled to the sufficient level; there is also deficit of monitoring guidelines

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 27, *Indicator 1.8 – Timber harvesting regulations*

* 1. **Protected sites and species**

***Context:*** *International, national, and sub-national treaties, laws, and regulations related to protected areas, allowable forest uses and activities, and/or rare, threatened, or endangered species, including their habitats and potential habitats.*

**Risk factors:** Risk relates to illegal harvesting within protected sites, as well as illegal harvest of protected species.

**Conclusion:** specified risk

Applicable key legislation includes Law On the System of Protected Areas (1996) and Law On Wildlife (1996). There are significant problems in terms of monitoring and law enforcement (lack of capacities and professional experiences among law enforcement units and foresters); significant areas of important forests (in terms of biodiversity, such as pristine forests) remain outside protected areas; violations occur within the state forest fund (administered by the forestry agency) during logging in terms of species and habitats.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 31, *Indicator 1.9 – Protected sites and species*

* 1. **Environmental requirements**

***Context:*** *National and sub-national laws and regulations related to the identification and/or protection of environmental values including but not limited to those relating to or affected by harvesting, acceptable levels for soil damage, establishment of buffer zones, seasonal limitations of harvesting time, environmental requirements for forest machineries, use of pesticides and other chemicals, biodiversity conservation, water quality, development of non-forestry infrastructure, mineral exploration and extraction, etc.*

**Risk factors:** Risk relates to systematic and/or large scale non-compliance with legally required environmental protection measures that are evident to an extent that threatens the forest resources or other environmental values.

**Conclusion:** specified risk

Key applicable laws include Law of Georgia “On Environment Protection” (1996). There are problems within the state forest fund (administered by the forestry agency) in terms of species protection and fulfilment of other environmental requirements during logging.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 33, *Indicator 1.10 – Environmental requirements*

* 1. **Health and safety**

***Context:*** *Legally required personal protection equipment for persons involved in harvesting activities, implementation of safe felling and transport practices, safety requirements for machinery used, and legally required safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relevant to operations in the forest (not office work, or other activities not related to actual forest operations).*

**Risk factors:** Risk relates to situations/areas where health and safety regulations are consistently violated to such a degree that puts the health and safety of forest workers at significant risk throughout forest operations.

**Conclusion:** specified risk

Key applicable laws include Labour Code of Georgia (2010). There are no approved specific technical regulations on protective equipment for personnel involved in logging operations, the use of safe practices during logging and transportation, establishment of protective zones around wood cutting areas, safety norms for the use of machinery as well as health and safety requirements, which should be fulfilled during forestry operations. The rights on safe working environment are often violated during forestry operations; for instance, forestry workers often do not have protective closing and equipment and are not instructed on safety measures for felling trees.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 36, *Indicator 1.11 – Health and safety*

* 1. **Legal employment**

***Context:*** *Legal requirements for employment of personnel involved in harvesting activities including requirements for contracts and working permits, requirements for obligatory insurance, requirements for competence certificates and other training requirements, and payment of social and income taxes withheld by the employer. Also covered are the observance of minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labor, and discrimination and freedom of association*

**Risk factors:** Risk relates to situations/areas where systematic or large scale non-compliance with labor and/or employment laws. The objective is to identify where serious violations of the legal rights of workers take place, such as forced, underage or illegal labor.

**Conclusion:** Specified risk

Key applicable laws include Labour Code of Georgia and Law on Professional Unions (1997). There are no evidences of *“systematic or large scale non-compliance with labour and/or employment laws”* (extract from FSC document *FSC-PRO-60-002A V1-0 EN*, page 19), with respect to employment conditions, possible forced labour, violations of contracts and tax payment. However, the situation is different with respect to the freedom of association and right to collective bargaining. Apart from the Labour Code, these rights are regulated by The Law on Professional Unions. Specifically, the state applies excessive civil and penal sanctions against workers and unions involved in non-authorized strike actions. Also, the government often interferes in trade union affairs. There are also potential problems with regard to child labour. The Labour Code defines the minimum working age (including in the forestry sector) as 16 years. Child labour is widespread in the field of agriculture in Georgia. There are no direct evidences of child labour in forestry operations. However, the likelihood that the under-aged/child labour occurs in forestry operations as well, is significant.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 38, *Indicator 1.12 – Legal employment*

* 1. **Customary rights**

***Context:*** *Legislation covering customary rights relevant to forest harvesting activities, including requirements covering the sharing of benefits and indigenous rights.*

**Conclusion:** low risk

Key applicable legislation is Forest Code and Terms of Forest Use Licensing. In the past there have been reports of Forest Use License holders refusing to allow people to enter their licensed forest areas. After inclusion in the Terms of Forest Use Licensing of certain rights including access to forest and collecting for personal consumption purposes (in 2009), violations of these rights (including by logging license holders) are no longer reported to be an issue.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 41, *Indicator 1.13 – Customary rights*

* 1. **Free, prior and informed consent**

***Context:*** *Legislation covering ‘free, prior and informed consent’ in connection with the transfer of forest management rights, and customary rights to the organization in charge of the harvesting operation.*

**Conclusion:** low risk

Key applicable legislation includes Rules for Forest Inventory, Planning and Monitoring (2013). Decision-making procedures for forest use/ harvesting plans (where elements of free, prior and informed consent are indirectly presented) are generally followed by the forest authorities. Specifically, each draft forest use plan is discussed publically. Some environmental NGOs argue that the public participation level is not sufficient. This is explained by the low environmental awareness of the public and by the fact that limited time is allowed for the submission of comments on the draft forest use plans after they are made publicly available (i.e. 15 calendar days). Nevertheless, there have been several cases in the past years (from 2009 till now) when the draft plans were sent back to the authors for the revision, after public consultations. This means that the principle of Free Prior and Informed Consent is generally working in Georgia.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 42, *Indicator 1.14 – Free, prior and informed consent*

* 1. **Indigenous peoples rights**

***Context:*** *Legislation that regulates the rights of indigenous people as far as it is related to forestry activities.*

**Conclusion:** low risk (there are no indigenous peoples in Georgia; see also the assessment of indicator 2.3 below).

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 44, *Indicator 1.15 – Indigenous peoples rights*

* 1. **Classification of species, quantities, qualities**

***Context:*** *Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce or avoid payment of legally prescribed taxes and fees.*

**Risk factors:** Risk relates to material traded under illegal false statements of species, quantities or qualities. This is mainly an issue in countries with high levels of corruption

**Conclusion:** low risk

Key legislation includes Forest Code and Law on Fees for Use of Natural Resources. Technical rules and standards for measurements and calculations that are currently used in forestry planning, monitoring and enforcement practice are not legally binding and are based on Soviet rules and standards that have been slightly modified and rearranged. Based on these non-legally binding measurement rules and standards, wood is almost always transported and traded with all necessary accompanying documentation including all required details such as species, volumes, quality etc. There is a lack of capacity in technical expertise which makes it difficult for both responsible government agencies and forest operators to fully follow the range of requirements related to measurements and calculations according to the technical rules and standards. As these are not legally binding, however, the risk of legal violation is considered to be low.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 45, *Indicator 1.16 – Classification of species, quantities, qualities*

* 1. **Trade and transport**

***Context:*** *All required trading and transport permits shall exist as well as legally required transport documents which accompany the transport of wood from forest operations*

**Risk factors:** Risk relates to the issuing of documents permitting the removal of timber from the harvesting site (e.g., legally required removal passes, waybills, timber tags, etc.). This risk is particularly high in countries with significant levels of corruption.

**Conclusion:** low risk

Key applicable legislation is Technical Regulations establishing Rules for Movement of Wood within the Territory of Georgia and Technical Regulations for Primary Round Wood (Logs) Processing Facilities - Sawmills (2014). Requirements for transportation and trade are strictly administered by the enforcement bodies including the Environmental Supervision Department, National Forest Agency and Forest Agency of Adjara Autonomous Republic (for transportation); and by the Revenue Service (for trade).

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 47, *Indicator 1.17 – Trade and transport*

* 1. **Offshore trading and transfer pricing**

***Context:*** *Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens, combined with artificial transfer prices is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest. Many countries have established legislation covering transfer pricing and offshore trading. Only transfer pricing and offshore trading, as far as it is legally prohibited in the country, can be included here.*

**Risk factors:** Risk relates to situations when products are sold out of the country for prices that are significantly lower than market value and then sold to the next link in the supply chain for market prices, which is often a clear indicator of tax laundry.

**Conclusion:** low risk

Key applicable legislation includes Tax Code and Instruction for Controlled International Operations (2013). Transfer pricing is regulated through control of transfer prices and general tax audits. There have been no cases of transfer pricing related to the trade of timber, and generally the financial value of the timber trade are considered to be low.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 50, *Indicator 1.18 – Offshore trading and transfer pricing*

* 1. **Customs regulations**

***Context:*** *Custom legislation covering areas such as export/import licenses and product classification (codes, quantities, qualities and species).*

**Conclusion:** low risk

Key applicable legislation include Tax Code and Instruction on Movement and Registration of Goods on the Customs Territory of Georgia (2012). No records exist demonstrating violation of the existing customs requirements for wood and wood product exports.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 52, *Indicator 1.19 – Customs regulations*

* 1. **CITES**

***Context:*** *CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora).*

*Note that the indicator relates to legislation existing for the area under assessment (and not e.g., the area from which CITES species are imported).*

**Conclusion:** low risk (there are no woody species listed on the CITES list for Georgia).

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 53, *Indicator 1.20 – CITES*

* 1. **Legislation requiring due diligence/due care procedures**

***Context:*** *Legislation requiring due diligence/due care procedures.*

**Conclusion:** not relevant to Georgian conditions and, thus, N/A

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 55, *Indicator 1.21 – Legislation requiring due diligence/due care procedures*

**Specified risk indicators under CW Category 1:** The description of **Control Measures** for specified risk indicators (1.4, 1.8, 1.9, 1.10, 1.11, 1.12 - can be found in ENG FSC-NRA-GE, pp 55-56.

## **Category 2: Wood harvested in violation of traditional and human rights**

**2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.**

**Context:** Is the country covered by a UN security ban on exporting timber? Is the country covered by any other international ban on timber export? Are there individuals or entities involved in the forest sector that are facing UN sanctions? Is the area a source of conflict timber (i.e. timber originating in a conflict zone?

**Conclusion:** low risk

There is no UN Security Council ban on timber exports from Georgia. Georgia is not covered by any other international ban on timber export. There are no individuals or entities involved in the forest sector in Georgia that are facing UN sanctions. Georgia is not a source for conflict timber

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 62, *Indicator 2.1 – Timber from violent armed conflict zone.*

**2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.**

**Context:** Are social rights covered by relevant legislation and enforced in the country or area concerned? Are rights like freedom of association and collective bargaining upheld? Is there evidence of occurrences of compulsory or forced labor? Is there evidence of occurrences of discrimination? Is there evidence of occurrences of child labor?

Is the country signatory to the relevant ILO Conventions or are the ILO Fundamental Rights and Principles at work upheld? Is there evidence that any groups (including women) feel adequately protected related to the rights mentioned above? Are any violations of labor rights limited to specific sectors?

**Conclusion:** specified risk in terms of conditions at work (e.g. violations of rights at work) and low risk in terms of forced labor.

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 64, *Indicator 2.2 – Labor rights*

*Note:* ***Control Measures*** *for this indicator are given in ENG FSC-NRA-GE, p 57.*

**2.3. The rights of Indigenous and Traditional Peoples are upheld.**

***Context:*** Are there indigenous peoples, and/or traditional peoples present in the area under assessment?

Are the provisions of ILO Convention 169 and United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) enforced in the area concerned? Is there evidence of violations of legal and customary rights of indigenous or traditional peoples? Etc.

**Conclusion:** low risk (There are no indigenous peoples and no traditional peoples in Georgia).

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 79, *Indicator 2.3 –* The rights of Indigenous and Traditional Peoples

## **Category 3: Wood from forests in which high conservation values are threatened by management activities**

**3.0 Availability of data for risk assessment under Category3 - forests with High Conservation Values (HCV)**

***Context:*** *Are there data available, sufficient for determination of HCV presence and distribution within the area under assessment, according to the requirements of this document? Are there data available, sufficient for assessment of the threats to HCVs from forest management activities according to the requirements of this document?*

**Conclusion:** low risk, as sufficient data are available in Georgia for the risk assessment for HCV forests

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 84 Indicator 3.0 – availability of data for the assessment of risk on forests with HCVs.

**3.1 HCV1: Forests with high concentrations of biodiversity elements**

***Context:*** *Does the area under assessment contain HCV 1? Is HCV 1 threatened by management activities?*

**Conclusion:** low risk for forests within Protected Areas and specified risk for other forests (illegal logging, poaching, unregulated grazing and unsustainable forest management)

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 86 Indicator 3.1: HCV1

**3.2 HCV2: Large uninterrupted natural forest landscapes and ecosystem mosaics**

***Context:*** *Does the area under assessment contain HCV 2? Is HCV 2 threatened by management activities?*

**Conclusion:** low risk for forests within Protected Areas and specified risk for other forests (illegal logging, unregulated grazing and unsustainable forest management)

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 89 Indicator 3.2: HCV2.

**3.3 HCV3: Forests containing rare or endangered ecosystems**

***Context:*** *Does the area under assessment contain HCV 3? Is HCV 3 threatened by management activities?*

**Conclusion:** low risk for forests within Protected Areas and specified risk for other forests (illegal logging, poaching, unregulated grazing and unsustainable forest management)

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 91 Indicator 3.3: HCV3.

**3.4 HCV4: Protective forests (watersheds, soil protection, water regulation, etc.)**

***Context:*** *Does the area under assessment contain HCV 4? Is HCV 4 threatened by management activities?*

**Conclusion:** low risk for forests within Protected Areas and specified risk for other forests (illegal logging, unregulated grazing and unsustainable forest management)

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 92 Indicator 3.4: HCV4.

**3.5 HCV5: Forests providing basic (indispensable) livelihoods for local population**

***Context:*** *Does the area under assessment contain HCV 5? Is HCV 5 threatened by management activities?*

**Conclusion:** low risk for forests within Protected Areas and specified risk for other forests (illegal logging, unsustainable collection of non-wood forest products, unregulated grazing and unsustainable forest management)

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 95 Indicator 3.5: HCV5.

**3.6 HCV6: Forest stands which are essential for cultural identity of local population and that have significant religious, cultural, ecological or economic importance**

***Context:*** *Does the area under assessment contain HCV 6? Is HCV 6 threatened by management activities?*

**Conclusion:** low risk for forests within Protected Areas and forests managed by Georgian Orthodox Church and specified risk for other forests (illegal logging, poaching, unregulated grazing and unsustainable forest management)

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 97 Indicator 3.6: HCV6.

Note: **Control measures** for this category are provided in document ENG FSC-NRA-GE, pp. 99-102.

## **Category 4: Wood from forests being converted to plantations or non-forest use**

**4.1 Conversion of natural forests to plantations or non-forest use in the area under assessment is less than 0.02% or 5000 hectares average net annual loss for the past 5 years (whichever is less),**

**OR**

**Conversion is illegal at the national or regional level on public and private land**

***Context:*** *Is conversion as defined by the indicator occurring within the area under assessment?*

**Conclusion:** low risk

The rate of natural forest conversion to other land categories is below the thresholds as defined by Indicator 4.1

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 105 Indicator 4.1: Conversion of natural forests to other land categories

## **Category 5: Wood from forests in which genetically modified trees are planted**

**5.1 Commercial use of genetically modified trees grown in the forest**

***Context:*** *There is no commercial use of genetically modified trees.*

***Conclusion:*** low risk (genetically modified trees are not used in Georgia).

For additional information and explanations, please see the enclosed document: ENG FSC-NRA-GE, p. 108 Indicator 5.1: Genetically modified trees

1. The full version of Controlled Wood National Risk Assessment for Georgia is given in the enclosed document (ENG FSC-NRA-GE) [↑](#footnote-ref-1)
2. The source of information used for the description of requirements of each indicator is the following FSC document: FSC-PRO-60-002A V1-0 EN [↑](#footnote-ref-2)