

## FSC National Risk Assessment

### For Georgia

DEVELOPED ACCORDING TO PROCEDURE FSC-PRO-60-002 V 3-0

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## Risk designations in finalized risk assessments for Georgia

Indicator	Risk designation (including functional scale when relevant)
Controlled wood category 1: Illegally harvested wood	
1.1	Low risk
1.2	Low risk
1.3	Low risk
1.4	Specified risk
1.5	Low risk
1.6	Low risk
1.7	Low risk
1.8	Specified risk
1.9	Specified risk
1.10	Specified risk
1.11	Specified risk
1.12	Low risk
1.13	Low risk
1.14	Low risk
1.15	N/A
1.16	Low risk
1.17	Low risk
1.18	Low risk
1.19	Low risk
1.20	Low risk
1.21	N/A
Controlled wood category 2: Wood harvested in violation of traditional and human rights	
2.1	Low risk
2.2	Specified risk
2.3	Low risk
Controlled wood category 3: Wood from forests where high conservation values are threatened by management activities	
3.0	Low risk for forests within PAs; Specified risk for all other forests
3.1	Low risk for forests within PAs; Specified risk for all other forests
3.2	Low risk for forests within PAs; Specified risk for all other forests
3.3	Low risk for forests within PAs; Specified risk for all other forests
3.4	Low risk for forests within PAs; Specified risk for all other forests
3.5	Low risk for forests within PAs; Specified risk for all other forests
3.6	Low risk for forests within PAs and forests managed by the Georgian Orthodox Church; Specified risk for all other forests

Controlled wood category 4: Wood from forests being converted to plantations or non-forest use	
4.1	Low risk
Controlled wood category 5: Wood from forests in which genetically modified trees are planted	
5.1	Low risk

## Background information

Initially, the process of NRA development in Georgia started in September 2014. The first draft (before wide-scale stakeholder consultations) was developed by the end of December in the same year. The standards FSC-STD-40-005 V 2-1 and FSC-PRO-60-002 V2-0 were used as a guidance to this process. This draft took into consideration the opinions and positions of the members of the Working Group of Georgia on FSC Standards (WGFS, registered by FSC PSU on 4 July 2014). However, due to the introduction of new requirements by FSC with respect to CW NRA (i.e. the approval of FSC-PRO-60-002 V3-0, FSC-PRO-60-002a V1-0 and related documents), this process was suspended and the first draft was not approved by either WGFS or FSC.

In the late summer of 2015, the process was renewed, based on the new FSC requirements, including Centralized NRA (CNRA) development. On the basis of decision of FSC, CNRA was launched for CW Categories 1, 2, 4 and 5 in Georgia. The NRA was to be conducted for Category 3. WGFS was assigned a role of the national decision body in this new process.

The WGFS consists of six members, where each of the three chambers (social, environmental and economic) is represented by the two persons. The Coordinator of the group is Ilia Osepashvili, Senior Forest Officer of WWF-Caucasus Programme Office (WWF-CauPO). WWF-CauPO financially supports the NRA process in Georgia within the framework of the regional Program “*European Neighborhood and Partnership Instrument East Countries Forest Law Enforcement and Governance II*” (FLEG II). The program is financially supported by the European Commission and Austrian development Agency.

The WGFS consists of the following members (further information about the WGFS members and the Coordinator, including contact details, is given in the *Proposal for development of the FSC National Risk Assessment for Georgia*, dated June 2015):

*Social chamber:* Mr. Tamaz Tskhakaia and Mr. Nikoloz Burduli;

*Environmental chamber:* Ms. Natia Iordanishvili and Mr. Irakli Macharashvili;

*Economic chamber:* Mr. Malkhaz Rogava and Mr. Mamuka Khoshtaria.

The initial draft on CNRA for Category 2, developed by the consultant hired by FSC, was received by the Coordinator of WGFS in September 2015. The English version was translated into Georgian and both versions were sent to the working group for comments. The comments from the WGFS were received at the beginning of November 2015. The representatives of environmental and economic chamber (one working group member from each chamber) made comments on Indicator 2.1, for which “Low Risk” had been assigned. Without challenging the assigned category of risk, they raised concern related to human rights. Specifically, the villagers living in the close proximity to administrative boundary of South Ossetia are under constant threat of being kidnapped by the Ossetian separatist militiamen (backed by the military of the Russian Federation) when collecting fuelwood in the forests surrounding their villages. These villagers are being accused by the separatists of crossing the “state border of the South Ossetian republic”. These individual cases, though, cannot be regarded as a basis for changing the category from “low” to “specified” risk.

Abkhazia and South Ossetia were not included into the NRA, because these two regions are not presently de facto controlled by the Georgian Government. These regions are recognized as integral parts of Georgia by the international community (including the United Nations) and nearly all countries in the world. However, they are occupied by the Russian Federation as a result of military conflict of 2008. Timber exported from

those regions should automatically be regarded as illegal, because it is harvested without the permission of the legitimate Georgian authorities.

The initial draft on CNRA for Categories 1, 4 and 5 was received in December 2015. Several comments were provided by the representative of the environmental chamber and were mainly related to forest conversion. Specifically, the conclusion of “Low Risk” for Indicator 1.3 (forest use planning) was challenged on the basis of the assumption that certain types of logging (e.g. maintenance, sanitary) might be abused, being used as a “cover” for commercial logging. The response from the consultant (hired by FSC) who had assessed these categories was that the argument of the WGFS member could not be regarded as a sufficient ground for changing the risk category. This was because Indicator 1.3 did not evaluate whether the management plans are actually implemented or not. Rather, it was evaluated, whether the requirements of existence of management plans (prior of issuing a forest license or commencing logging operations) were fulfilled.

The next comment of that group member was related to the explanation of the reasons for the assigning Specified Risk category to Indicator 1.4 (logging permissions). He suggested to formulate the relevant statement as “misuse of forest use licenses or other permission documents”, instead of just “misuse of forest use licenses”. Further point of the same group member was the objection to the “Low Risk” Category for Indicator 1.13 (traditional rights related to forest use). However, there was no further argument why customary rights were violated. Consequently, the assigned risk category was not changed. His next comment was the disagreement to the “Low Risk” Category for Indicator 1.14 (Free and Prior Informed Consent). The argument was the absence of direct legislative requirements in Georgia on Free, Prior and Informed Consent. However, due to the fact that there are other requirements which demand consultations with local population before forest use licenses are issued, and no major conflicts between local population and private logging companies (related to forest use) exist, the “Low Risk” category was not changed. The next comment was made on Indicator 1.21 (Due Diligence). The initial assessment of this indicator resulted in “N/A”, because of the absence of respective requirements in Georgian legislation on Due Diligence. The working group member expressed his concern that Sweet Chestnut (*Castanea sativa*) timber produced in Georgia might be entering the European Union market illegally (Sweet Chestnut is a Red List species in Georgia; allegedly, this species was logged under the cover of sanitary cuttings to combat the spreading of chestnut cancer).

The final comment by this WGFS member (from environmental chamber) was made on Category 4, Indicator 4.1 (forest conversion). For this indicator, “Undefined Risk” had been assigned (to which “Low Risk” was assigned later within the framework of NRA process). The argument of the WGFS member was that thousands of hectares of forests had been cleared due to mining and hydropower dam building in recent years. However, because mining and dam building are not forestry (silvicultural) activities as such, this argument was not sufficient for assigning a Specified Risk category.

Under the NRA process, initial drafts of the assessment of Category 3 and National HCV framework were submitted by the consultant (hired by WWF-CauPO within the framework of FLEG II Program) in mid-January 2016. After translation into Georgian, both documents were sent to the WGFS for comments. No comments were received.

It is expected that detailed expert and stakeholder assessment and comments on the entire risk assessment (the outcomes of both, CNRA and NRA) will be provided during 60-day public consultation. A common stakeholder meeting will also be held after expiration of this public consultation period.

## List of experts involved in the risk assessment and their contact details

Apart from the members of the WGFS (which in itself included forestry experts), a few other experts participated in the preparation of this draft. Each expert contributed to the preparation of this draft with their specific fields of knowledge. Below is the table that lists the names of experts (not members of WGFS), their fields of expertise (used in the preparation of this document) and contact details:

## List of experts who participated in the preparation of this draft

Name	Email address	Organization, position	Areas of expertise
Merab Machavariani	<a href="mailto:m.machavariani@forestry.gov.ge">m.machavariani@forestry.gov.ge</a>	Deputy Head of National Forestry Agency	All five categories
Karlo Amirgulashvili	<a href="mailto:k.amirgulasvili@moe.gov.ge">k.amirgulasvili@moe.gov.ge</a>	Head of Department of Biodiversity and Forest Policy	All five categories
Gigi Aleksidze	<a href="mailto:k.g.aleksidze@moe.gov.ge">k.g.aleksidze@moe.gov.ge</a>	Chief Specialist of Forest Policy Service	Category 1
Guram Khurtsidze	<a href="mailto:acbmgtu@yahoo.com">acbmgtu@yahoo.com</a>	Deputy Chairman of the Georgian Constructors and Foresters Independent Professional Union	Categories 1 and 2
Zurab Ghughunishvili	<a href="mailto:acbmgtu@yahoo.com">acbmgtu@yahoo.com</a>	Leading Specialist of the Georgian Constructors and Foresters Independent Professional Union	Categories 1 and 2
Zurab Chkheidze	<a href="mailto:zchkheidze@yahoo.com">zchkheidze@yahoo.com</a>	Leading Specialist of the Georgian Constructors and Foresters Independent Professional Union	Categories 1 and 2
Merab Arakhamia	<a href="mailto:m.arakhamia@rs.ge">m.arakhamia@rs.ge</a>	Deputy Head of the Legal Department, Revenue Service of the Ministry of Finance of Georgia	Category 1
Mickheil Kavtaradze	<a href="mailto:m.kavtaradze@rs.ge">m.kavtaradze@rs.ge</a>	Customs Department, Revenue Service of the Ministry of Finance of Georgia	Category 1

As the table above demonstrates, Mr. M. Machavariani and Mr. K. Amirgulashvili have significant knowledge and experience in all five NRA Categories, including HCVs. Specifically, Mr. Machavariani conducted the assessment of the Georgian forestry sector in terms of potential of voluntary forest certification under the FSC scheme in 2014 (being a freelance consultant in that time). This assessment also included Principle 9 (HCVs). Mr. K. Amirgulashvili, as a Head of the Department of Biodiversity and Forest Policy, is responsible for the promotion of voluntary forest certification in Georgia (among other duties). Consequently, he is well familiar with FSC standard requirements, including those on NRA and HCVs (all six Categories).

## National Risk Assessment maintenance

The responsible body for maintenance of the Georgian NRA will be the FSC Regional Office for CIS/NIS countries. Revisions and/or updates of the NRA will be implemented according to needs and at least once in five years. Each updated or revised version will be sent to FSC for approval (with relevant justifications). The revision process will be conducted in accordance with the requirements of FSC-PRO-60-002 V3-0 (or updated version of that document valid by the time of the review) – with the active involvement of WGFS. In case there is an evidence(s) requiring urgent changes in assigned risk categories or control measures for the specified risk categories (e.g. policy, legislation or forest tenure changes in the country), the responsible body will amend the NRA accordingly, through WGFS. The updated version will be sent to FSC for approval.

## Complaints and disputes regarding the approved National Risk Assessment

The following mechanism will be used for processing complaints related to the approved NRA in Georgia:

- The complainant (either an individual or an organization) sends the complaint to the Coordinator of WGFS by telephone, email, fax or postal letter (Ilia Osepashvili, Senior Forest Officer, WWF-Caucasus Programme Office, 11 Aleksidze Street, 0193, Tbilisi, Georgia)
- The complaint shall include name, address, position and a signature of the complainant or his/her designee and evidence supporting the formal complaint shall be submitted in digital format or hard copy
- Only formal complaints that meet the above mentioned requirements will be evaluated and recorded within the Registry (see below)
- The Coordinator acknowledges the receipt of the complaint to the sender within ten (10) calendar days of its reception; within the same time period, the Coordinator informs the WGFS about the received complaint
- The formal complaint may be rejected, if it does not meet the above-mentioned requirements; in the case of the rejection, the notification will be sent to the complainant with the request to meet the requirements outlined above
- The WGFS examines the evidence provided by the complainant within 30 (thirty) calendar days of the reception of the complaint
- All efforts will be made to resolve the complaint in an amicable way, through discussions and negotiations between the complainant on one hand and WGFS on the other
- If no resolution has been achieved within 30 (thirty) calendar days of the reception of the complaint, information about this complaint shall be forwarded to the Director of FSC Regional Office (RO) for CIS/NIS countries within 10 (ten) calendar days
- The Director of FSC RO shall appoint an impartial Complaints Panel (CP) or an equivalent body within 30 (thirty) calendar days of receiving and accepting the formal complaint
- The CP shall consist of 3 (three) chamber-balanced (i.e. all three chambers - social, ecological and economic, represented equally) members of FSC, or closely associated with FSC, and be fully impartial (without conflicts of interests with respect to the subjects of the complaint)
- Members of the CP shall elect the Chairman among themselves, who will at the same time become a spokesperson on behalf of the CP; the decision-making mechanism among the members of the CP can be determined by the members themselves, if necessary in consultation with the Director of RO
- The CP shall examine the evidence substantiating the formal complaint and report its evaluation and final decision to the Director of FSC RO within 60 (sixty) calendar days of its establishment (i.e. initial reception by the WGFS)
- The Chairman of the CP shall communicate the outcome of the formal complaint resolution process to all of the parties of the complaint within 10 (ten) calendar days of the decision being made
- The decision of the CP shall be final and binding for all parties involved in the complaint
- The CP is not a permanent body - each complaint will need the establishment of a new CP
- All correspondence (complaints and responses, actions taken, final decisions) will be filed and maintained in the Complaints Registry and will be kept for at least five years; the registry will be managed by the WGFS Coordinator; if a complaint is submitted in a language other than English, the key points of complaints, resolution process and final decisions will be translated into English and maintained at the Registry.

## List of key stakeholders for consultation

The public consultation will be held in accordance with the requirements of *FSC-PRO-60-002 V3-0 The Development and Approval of FSC National Risk Assessments*. The list of key stakeholders will be compiled on the basis of the requirements outlined in Annex A of FSC-PRO-60-002 V3-0. Public consultations will be launched after the review and approval of the first draft of this NRA by FSC.

The identified stakeholder groups include: representatives of the state forestry sector, NGO, scientific sector, private logging and wood processing companies, individual forestry experts and representatives of professional unions (forestry and wood processing industry). Members of the WGFS will also attend.



# Risk assessments

## Area under assessment – Georgia

CW NRA is conducted for the entire territory of Georgia. For Category 3 (HCVs), differentiation was made by a functional scale (forest management by various institutions). Specifically, risk designations were made taking into consideration whether forests were managed by a) Agency of Protected Areas of the Ministry of Environment and Natural Resources Protection of Georgia, b) Georgian Orthodox Church or c) other state authorities, mainly National Forestry Agency of the Ministry of Environment and Natural Resources Protection or Forestry Agency of Directorate of Environment Protection and Natural Resources of Adjara Autonomous Republic.

The assessment is based on various information sources, such as scientific and NGO reports, project outputs and outcomes (findings), media publications, analysis of regulatory framework and consultations with experts. Some control measures (elaborated for Specified Risks) are mandatory for implementation, while others are recommendations only.

## Controlled wood category 1: Illegally harvested wood

### Overview

All forests in Georgia are currently owned by the State. In Georgia, around 2.77 million ha are covered with forests, i.e. 39.9% of the country's territory – including an estimated 0.5 million ha of primary forests, 2.2 million ha of natural modified forests and 60,000 ha of artificial plantations. The total standing volume amounts to 430 million m<sup>3</sup>, and average annual forest growth measures approximately 4.0 million m<sup>3</sup>. At the same time forests in Georgia are unevenly distributed, with some areas rich in forests and many scarcely forested regions where the covering of the territory by forest does not exceed 10% by area. The area classified as 'forest lands' (both covered by forests and without forests) in Georgia comprises 2,966,546 ha, of which the National Forest Agency manages 1,894,777 ha (63.8%); Protected Areas Agency, 452,469 ha (15.2%); Forest Agency of Adjara Autonomous Republic, 137,684 ha (4.6%); with the remainder of the forest lands (16.4%) located on the territories under de facto Russian Federation control (Abkhazia and South Ossetia). Accurate and reliable information about the precise extent of forest cover is missing, due to the lack of up-to-date inventory materials for much of the forest area. Various sources provide differing information. Nevertheless, if approximate figures are taken, the data provided by different sources are more or less consistent (Sources: National Biodiversity Strategy and Action Plan of Georgia, 2014-2020; FAO Forest resources Assessment 2015, Georgia; Caucasus Biodiversity Monitoring Network, information on forests for 2009-2013 - <http://www.wwfcaucasus.net/Index.aspx>; personal communication with Merab Machavariani, Deputy Head of National Forestry Agency, Ministry of Environment and Natural Resources Protection; Date: 2 October 2015).

Forest classification consists of two types of forests:

1. Forests for Commercial Use: forests under the management of the National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection) and Forest Agency of Adjara Autonomous Republic (subordinated to the Directorate of Environment Protection and Natural Resources of Adjara; the Directorate in its turn is subordinated to the Government of Adjara Autonomous Republic) and
2. Protected Areas Forests: forests under the management of the Protected Areas Agency (subordinated to the Ministry of Environment and Natural Resources Protection).

Commercial harvesting can be conducted under:

1. The Forest Use License. There are two types of Forest Use License:

- Forest Use Special License (only harvesting)
- Forest Use General License (harvesting and hunting)

Furthermore harvesting can be done under:

2. 'Logging ticket' for individuals - Timber harvested under this permit is not allowed to enter the commercial supply chain.

3. Agreement on special use (of forest, for construction purposes). In exceptional circumstances, timber harvested under this permit can enter the commercial timber chain. Please see Category 1, 1.4 for sources of this information.

For several decades before Georgia's independence in 1991, Georgia's forests were managed for their protective functions and to provide fuel wood and minor wood products such as bean poles for rural households. Industrial wood was imported from Russia. After independence, unsustainable and illegal harvesting became rife: demand for fuel wood increased after gas supplies were cut; imported industrial wood was no longer available in the quantities demanded and at an affordable price. As the economic situation of the country has improved and control of forest use is substantially strengthened, unsustainable and illegal logging has declined – but still continues.

The present system of authorizing and controlling the harvest and transport of wood and wood products is established through the following legislation:

- Law on Licenses and Permits 2005 (as amended): establishes the legal basis for issuing licenses to persons to use forests for the purpose of harvesting timber and hunting. Procedures and terms of forest use licensing are laid down in the regulation adopted by Decree of the Government of Georgia of 2005 No. 132 described below. The Law establishes that no other licenses or permits and no obligations that imply the establishment of a licensing regime may be introduced other than by the Law on Licenses and Permits.

- Forest Code 1999 (as amended): establishes permissible forms of forest use and lays down conditions that must be met before forest use may take place. The Forest Code specifies a number of types of forest use. However, the Law on Licenses and Permits, which is superior to the Forest Code, specifies only two types of forest use: harvesting of wood and hunting. Article 93 of the Forest Code provides for the system of control documents specified in the Decree of the Government of Georgia No. 46 of 2014.

- Decree of the Government of Georgia of 2005 No. 132, 11 August 2005, On Approval of the Regulation On the Procedure and Terms of Forest Use Licensing (as amended): establishes the procedures and terms for issuing licenses for using forests for harvesting timber and for hunting. The regulations provide that the National Forest Agency (and the equivalent body in Adjara Autonomous Republic) may allocate cutting areas without a license and by a simple administrative procedure to provide fuel wood and timber to meet the needs of the local population; and for special purposes through Agreements on Special Use and well as logging ticket (please see table below). The regulations also lay down obligations on license holders regarding the preparation of forest use (harvesting) plans before harvesting of trees can occur.

- Regarding controls over the transport of wood the Decree of the Government of Georgia No. 46 of 2014 states: that wood transported within the territory of Georgia must be accompanied by a certificate of origin of the appropriate form and special label; and that primary timber processing, timber transportation within the territory of Georgia, and timber sales shall be prohibited without a legal harvesting certificate (certificate of origin).

There are conflicts in the legislative framework for issuing licenses as defined under the Law on Licenses and Permits 2005, and the Forest Code 1999. However, this risk assessment will focus only on the implementation of the legislation that is directly applicable to forest harvest and transport and will not go further into an evaluation of the legislative framework. The need at the present time is for the Georgian authorities to be able to detect and deter illegal logging by conducting checks on the origin of timber after it has left the forest (and perhaps also checks on timber products if this activity will add to the effectiveness of the system without adding unreasonable costs). Since wood and wood products in Georgia originate almost entirely from State forests, producers depend on the government to provide some of the documents or other records that can be used to verify legal source and sustainably managed source (Source: personal communication with Merab Machavariani, Deputy Head of National Forestry Agency, Ministry of Environment and Natural Resources Protection; Date: 2 October 2015).

According to the World Bank Worldwide Governance Indicators, Georgia has improved on all Governance Indicators over the last ten years. On a range from -2.5 to +2.5. Georgia, in 2014, received 0.48 for Government Effectiveness, 0.20 for Rule of Law and 0.74 for Control of Corruption. Thus Georgia scores a little over average in these

categories. According to Transparency International Corruption Perceptions Index (CPI), Georgia scored a CPI of 52 out of a range of 100, and in 2014 crossed the threshold of 50. At present, the CPI score for Georgia is 57 (based on the data for 2016). For forestry, there are no major issues of lack of enforcement and corruption amongst forest officials. The enforcement of forest-related laws in Georgia is limited by lack of capacity and large spatial areas to be covered (Source: World Bank Worldwide Governance Indicators (2014), *available online under* <http://info.worldbank.org/governance/wgi/index.aspx#reports>)

## Sources of legal timber in Georgia

Forest classification type	Permit/license type	Main license requirements (forest management plan, harvest plan or similar?)	Clarification
1. Forests of Commercial Use: forests under the management of the National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection) and Forest Agency of Adjara Autonomous Republic (subordinated to the Directorate of Environment Protection and Natural Resources of Ajara; the Directorate in its turn is subordinated to the Government of Adjara Autonomous Republic)	1. Forest Use (harvesting) License - Forest Use Special License (only harvesting) - Forest Use General license (Harvesting and hunting) 2. 'Logging ticket' for individuals - not to enter the commercial supply chain 3. Agreement on special use (of forest, for construction purposes)	Approved forest use (harvest) plan and logging license	Logging operations are carried out based on the requirements of approved forest (harvest) use plans and forest logging licenses. In some cases logging licenses are not needed (special use: cutting for roads, electricity lines, sanitary cuttings, use of wood by individuals for fuel wood to be used only for their personal purposes) and logging may be carried out based on an agreement between entities implementing special use or by individuals after obtaining 'logging tickets' for fuel wood. The logging ticket is issued by the forest authorities (National Forest Agency). Timber harvested through Agreement on Special Forest Use will have to be handed over to the National Forest Agency. Primarily this timber will be allocated to social purposes, but timber can in small amounts enter the commercial supply chain.  Harvesting and management requirements are the same for Forest Use Special license and Forest Use General License.

2. Protected Areas Forests: forests under the management of the Protected Areas Agency (subordinated to the Ministry of Environment and Natural Resources Protection)	Logging ticket for individuals	Approved protected area management plan and 'Logging ticket'	Logging operations are carried out only in some categories of protected areas (traditional use zones of National Parks/ IUCN Category II and in Sanctuaries/ IUCN Category IV) based on the requirements of protected areas management plans; and for individuals for fuel wood to be used only for their personal purposes.
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### Risk assessment (National level)

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
<b>Legal rights to harvest</b>			
1.1 Land tenure and management rights	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Law on Public Register (2008) / Law of Georgia No 820-IIs of 19 December, 2008 (Legislative Herald of Georgia, Part I, Vol. 41, 30.12.2008) / Consolidated Version as of 22.04.2015 / as modified by 17 amending laws / Last amended by Law of Georgia No 3420-IIs of 01.04.2015 - LHG Official Website, 22.04.2015</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/20560">https://matsne.gov.ge/ka/document/view/20560</a></p> <ul style="list-style-type: none"> <li>• Forest Code (1999) / Law of Georgia No 2124-IIs of 22 June, 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35/, 08.07.1999) / Consolidated Version as of 23.09.2013 / as modified by 21 amending laws / Last amended by Law of Georgia No 1031-Is, 06.09.2013 - LHG Official Website, 23.09.2013</li> </ul>	<p>Government sources</p> <p>Register of land ownership: <a href="http://napr.gov.ge/udzravi">http://napr.gov.ge/udzravi</a></p> <p>Register of Private entities (Business Register): <a href="http://napr.gov.ge/pol">http://napr.gov.ge/pol</a></p> <p>Personal Communication with Merab Machavariani, Deputy Head of National Forestry Agency, Ministry of Environment and Natural Resources Protection; Date: 2 October 2015</p>	<p>Overview of Legal Requirements</p> <p>The tenure of Georgia's forests is as follows: Practically all forests (and forest lands) are owned by the State; the whole territory covering forests and areas officially classified as non-forest lands comprises 2,966,546 ha, of which the National Forest Agency manages 1,894,777 ha (63.8%); Protected Areas Agency, 452,469 ha (15.2%); Forest Agency of Adjara Autonomous Republic, 137,684 ha (4.6%); with the remainder of the forest lands (16.4%) located on the territories under de facto Russian Federation control (Abkhazia and South Ossetia). Small areas exist outside the officially mapped forest area, and can be either private or public, but these cannot be used as a legal source of timber to supply the commercial market.</p> <p>According to the 2010 rules on establishing State forest land boundaries, such boundaries have to be established by the government. In 2011 the government approved a list of all State forest lands (with relevant GIS information and maps) to be further registered in the Public Land Registry managed by the National Agency of Public Registry. However, because of inconsistencies and shortcomings in GIS data, the process for forest land title</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p><a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <ul style="list-style-type: none"> <li>• Tax Code of Georgia (2010) / Law of Georgia No 3591-IIs of 17 September, 2010 (Legislative Herald of Georgia, Part I, Vol. 54, 12.10.2010) / Consolidated Version as of 04.08.2015 / as modified by 94 amending laws / Last amended by Law of Georgia No 4088-rs of 22.07.2015 - LHG Official Website, 04.08.2015</li> </ul> <p><a href="https://matsne.gov.ge/en/document/view/1043717">https://matsne.gov.ge/en/document/view/1043717</a></p> <p><b>Legal Authority</b></p> <p>National Agency of Public Registry of the Ministry of Justice of Georgia  National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection)  Tax Service of Georgia (subordinated to the Ministry of Finance of Georgia)  Forest Agency of Adjara Autonomous Republic (directly subordinated to the Directorate of Environment Protection and Natural Resources, which in its turn is directly subordinated to the Government of Adjara Autonomous Republic)</p> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Forest Use License</li> <li>• Forest Ticket (Fuel wood permit for individuals)</li> <li>• Agreement (contract) for special use</li> </ul>	<p>Non-Government Sources</p> <p>(2011) USAID. Evaluation of the Georgia Land Market Development Program. Report prepared by Mendez England &amp; Associates.</p> <p><a href="http://pdf.usaid.gov/pdf_docs/Pdacs584.pdf">http://pdf.usaid.gov/pdf_docs/Pdacs584.pdf</a></p>	<p>registration was stopped and it presently takes place on a case-by-case basis.</p> <p>Private land and tenure rights can be registered in the Public Land Registry only if a natural person or legal entity of any form provides relevant documents confirming the legal rights to the land concerned. The required documents include identification documents (passport, identification card, company registration documents, etc.), sales/ purchase agreements, court decisions or other documents proving legal right to own real property. Land registration has improved following the implementation of the USAID-funded Land Market Development Project in 1999–2005 that ensured a systematic cadaster measuring land parcels up to 2.5 ha in size and their registration with the National Agency of Public Registry (NAPR). All persons may apply to the NAPR for land registration. The Civil Code of Georgia requires titles to be registered and the validity of titles and rights to be effective from the date of such registration. The title pursuant to a contract will not be considered effective, operational and enforceable unless registered with the NAPR.</p> <p>Tenure rights are publicly available, as land and businesses are registered and all relevant information from these registries is available on the internet:</p> <ul style="list-style-type: none"> <li>- Register of land ownership: <a href="http://napr.gov.ge/udzravi">http://napr.gov.ge/udzravi</a></li> <li>- Register of private entities (Business Register): <a href="http://napr.gov.ge/pol">http://napr.gov.ge/pol</a></li> </ul> <p>Current Forest Use Licenses have been the predominant form of forest tenure and the primary mechanism for the allocation and utilization of wood on State forest lands in Georgia since 2005. See 1.2 Concession licenses and 1.4 Harvesting permits for more information on the licensing system.</p> <p>Individuals or businesses with any business license(s) have to be registered, by the tax authority of Georgia, to pay tax. All entities must be registered as taxpayers in the Revenue Service (a division</p>

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			<p>of the Ministry of Finance) where they will be provided with: Tax and VAT payer identification number/ code; and user name and password. This user name and password is used to access their page on the Ministry of Finance (MoF) website since all tax declarations as well as VAT invoices are submitted through this website.</p> <p>Description of Risk Unclear land/ use rights: Georgia is undergoing a process of privatization of land that had been made State land under the Soviet Union. As well as State land, private land must also be registered in the Public Registry, and the land title can be registered on areas not claimed and registered by other parties in the land registry. As not all forest lands are fully registered in the Public Registry, unregistered Forest Fund areas can be claimed by private entities. Unless an area is registered in the Public Registry, there is no cross-check carried out by the National Agency of Public Registry to verify if an area is under the Forest Fund. This means in theory that a licensed area (if tenure rights are not publicly registered) could be privatized and thus, cases of tenure rights conflicts can occur. However, the process of privatization is undertaken for small areas (up to 2.5ha), and only near populated areas and at forest borders. In practice there are no issues with such licensed areas being privatized. That there is no actual threat to the use rights of license holders is further supported by the fact that very few license holders register in the Public Registry. This could be an option for ensuring tenure rights, but this is costly and currently license holders do not find this to be necessary, as the risk of privatization is considered low. If a case of conflict occurred this could be resolved in court.</p> <p>To summarize - the laws requiring registration of business and tenure rights over forests 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. The risk that these legal requirements will be violated is insignificant in present circumstances (as the process of privatization is undertaken for small areas and only near population</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>centers, far from the forests). Based on this, it can be concluded that the respective laws are enforced.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>
1.2 Concession licenses	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Forest Code (1999) / Law of Georgia No 2124-III of 22 June, 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35/, 08.07.1999) / Consolidated Version as of 23.09.2013 / as modified by 21 amending laws / Last amended by Law of Georgia No 1031-Is, 06.09.2013 - LHG Official Website, 23.09.2013</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <ul style="list-style-type: none"> <li>• Law on Management of Forest Fund [= Management of Forest Resources and Forest Lands] (2010) / Law of Georgia No 3345-rs of 6 July, 2010 (Legislative Herald of Georgia, Part I, Vol. 39, 19.07.2010) / Consolidated Version as of 05.04.2013 / as modified by 7 amending laws / Last amended by Law of Georgia No 461-RS of 25 March, 2013 - LHG Official Website, 05.04.2013</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/92344">https://matsne.gov.ge/ka/document/view/92344</a></p> <ul style="list-style-type: none"> <li>• Law on Licenses and Permits (2005) / Law of Georgia No 1775-rs of 24 June, 2005 (Legislative Herald of Georgia, Part I, Vol. 40, 18.07.2005) /</li> </ul>	<p>Government sources Official web page of the Legislative Herald of Georgia <a href="https://matsne.gov.ge">https://matsne.gov.ge</a></p> <p>Non-Government sources</p> <p>Corruption Perception Index (CPI) by Transparency International - <a href="http://www.transparency.org/cpi2015#results-table">http://www.transparency.org/cpi2015#results-table</a></p> <p>Wikipedia – Corruption in Georgia - <a href="https://en.wikipedia.org/wiki/Corruption_in_Georgia">https://en.wikipedia.org/wiki/Corruption_in_Georgia</a></p> <p>The World Bank (2012) –</p> <p>Fighting Corruption in Public Services – Chronicling Georgia's</p>	<p>Overview of Legal Requirements The present system of authorizing harvesting is established by the following legislation:</p> <p>Law on Licenses and Permits 2005 (as amended): establishes the legal basis for issuing licenses to persons to use forests for the purposes of either harvesting timber (Forest Use Special License) or of both harvesting timber and hunting (General Forest Use License). Procedures and terms of forest use licensing are laid down in the regulation adopted by Decree of the Government of Georgia of 2005 No. 132 described below. The Law establishes that no other licenses or permits and no obligations that imply the establishment of a licensing regime may be introduced other than by the Law on Licenses and Permits.</p> <p>Forest Code 1999 (as amended): establishes permissible forms of forest use and describes conditions that must be met before forest use may take place. The Forest Code specifies a number of types of forest use (e.g. for timber harvesting, recreation, scientific and agricultural purposes etc.).</p> <p>Decree of the Government of Georgia of 2005 No. 132, 11 August 2005, On Approval of the Regulation on the Procedure and Terms of Forest Use Licensing (as amended) establishes the detailed procedures and terms for issuing licenses for using forests for harvesting timber and as hunting ranges.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Consolidated Version as of 30.06.2015 / as modified by 60 amending laws / Last amended by Law of Georgia No 3704-III of 12.06.2015 - LHG Official Website, 30.06.2015</p> <p><a href="https://matsne.gov.ge/en/document/view/26824">https://matsne.gov.ge/en/document/view/26824</a></p> <ul style="list-style-type: none"> <li>• Rules and Conditions for Issuing Forest Use Licenses (2005) - Decree of the Government of Georgia of August 11, 2005 #132 “On Adoption of Rules and Conditions for Issuing Forest Use Licenses” (Legislative Herald of Georgia, Part III, Vol.94, 08.12.2005, Clause 1066) / as modified by 61 amending decrees / last amended by the Decree of the Government of 16.07.2015 #351</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/10234">https://matsne.gov.ge/ka/document/view/10234</a></p> <ul style="list-style-type: none"> <li>• Reporting Rules Applicable to Forest Use Special License Holders (2015) – Annex 1 to the Order of the Minister of Environment and Natural Resources Protection of Georgia of February 18, 2015 #179 “On Adoption of Rules and Time Limits for Submission of Progress Reports [to the Ministry] by the Holders of Natural Resource Use Licenses on Fulfilment of License Conditions/Requirements” (Official Website of the Legislative Herald of Georgia, 18.02.2015)</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/2724305">https://matsne.gov.ge/ka/document/view/2724305</a></p> <p><b>Legal Authority</b></p>	<p>Reforms (<a href="http://documents.worldbank.org/curated/en/518301468256183463/pdf/664490PUB0EPI0065774B09780821394755.pdf">http://documents.worldbank.org/curated/en/518301468256183463/pdf/664490PUB0EPI0065774B09780821394755.pdf</a>)</p>	<p>Forest Use Licenses are a form of forest tenure that provide the basis for a forest concession system. Forest Use Licenses involve elements of a contract between the forest owner (government, as owner of State forest lands) and another party (private sector entities or individuals) giving rights to harvest specified resources from a given forest area (forest utilization elements) and elements of a contract to manage given resources within the specified forest area (forest management services elements).</p> <p>Forest Use Licenses involve both types of the above elements: granting harvesting or use rights, but also requiring forest management and other obligations as part of the license. Since 2013 a Forest Management Plan has to be established by the National Forest Agency. Forest Use Licenses are issued through auctions, after which the Forest Manager is required to prepare a harvesting plan and inventory prior to initiating the harvesting operation (see 1.3 Management and harvesting planning).</p> <p>In most cases, current Forest Use Licenses are long-term contracts of 10–20 years.</p> <p>There are two types of Forest Use Licenses;</p> <ul style="list-style-type: none"> <li>- Forest Use Special License (only harvesting)</li> <li>- Forest Use General license (Harvesting and hunting)</li> </ul> <p>Both license types have the same requirements to management and harvesting. The only difference is the Forest Use General License includes rights to hunting. Both licenses will in the future be referred to under Forest Special License.</p> <p><b>Description of Risk</b></p> <p>The license is issued through open auction organized by the National Environmental Agency which is directly subordinated to the Ministry of Environment and Natural Resources Protection. Bids are received in envelopes and opened publicly. The process is transparent and the risk of corruption is not considered to be substantial in Georgia, which is also confirmed by Transparency International’s CPI of 57 and, respectively, 44<sup>th</sup> position in 2016 (according to the same data, Georgia ranked 48<sup>th</sup> in 2015 with the score of 52). There has not been much competition in relation to</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>National Environmental Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</p> <p>National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</p> <p>Forest Agency of Adjara Autonomous Republic (subordinated to the Directorate of Environment Protection and Natural Resources of Ajara Autonomous Republic; the Directorate in its turn is directly subordinated to the Government of Adjara Autonomous Republic)</p> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Forest Use (Harvesting) license</li> <li>• General Forest Management Plan (has to be prepared by the forest authorities for a wider forest area/forest administrative unit)</li> <li>• Forest Use (Harvesting) Plan (has to be prepared by license holder for a licensed area located within the wider forest area)</li> </ul>		<p>harvesting rights, and illegal price regulation is not found to be an issue. 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. As preparation of general forest management plans is currently underway and not yet completed, no new licenses have been issued since January 2013 when the requirement for general management planning was introduced. In total, 43 Forest Use Special Licenses are operational today although all of them were issued before 2013 and consequently without general management plans applicable to wider forest areas (forest administrative units) where licensing was a requirement.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>
1.3 Management and harvesting planning	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Forest Code (1999) / Law of Georgia No 2124-III of 22 June, 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35/, 08.07.1999) / Consolidated Version as of 23.09.2013 / as modified by 21 amending laws / Last amended by Law of Georgia No 1031-Is, 06.09.2013 - LHG Official Website, 23.09.2013</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <ul style="list-style-type: none"> <li>• Rules for Forest Inventory, Planning and Monitoring (2013) - Decree of the Government of Georgia of July 17, 2013, #179 "On Adoption of Rules for Forest</li> </ul>	<p>Government sources</p> <p>Reports of the National Forest Agency for 2014 and for the first half of 2015 <a href="http://forestry.gov.ge/ge/public-information/general-information">http://forestry.gov.ge/ge/public-information/general-information</a></p> <p>National Environmental Action Programme of Georgia (2012–2016) <a href="http://moe.gov.ge/files/Saministros%20Prioritetebi/NEA_P_eng_2012.pdf">http://moe.gov.ge/files/Saministros%20Prioritetebi/NEA_P_eng_2012.pdf</a></p>	<p>Overview of Legal Requirements</p> <p>After 2013 legal requirements were introduced for general management planning (including conducting forest inventories), having forest management plans and related planning and monitoring, as well as approval of these by competent authorities, which is governed by many legislative provisions. These aspects include:</p> <ul style="list-style-type: none"> <li>- Forest use is planned on the basis of a general forest management plan (prepared by the National Forest Agency) and forest harvesting plan (prepared by Forest Use License holder) [Article 24 the Forest Code (1999)];</li> <li>- Forest monitoring should be carried out on a permanent basis and outcomes shall be reflected in forest management planning [Article 25 of the Forest Code (1999)];</li> </ul>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Inventory, Planning and Monitoring” (Official Website of the Legislative Herald of Georgia, 19.07.2013)</p> <p><a href="https://matsne.gov.ge/ka/document/view/1971205">https://matsne.gov.ge/ka/document/view/1971205</a></p> <ul style="list-style-type: none"> <li>• Forest Use Rules (2010) - Decree of the Government of Georgia of August 20, 2010 #242 “On Adoption of Forest Use Rules” (Legislative Herald of Georgia, Part III, Vol. 103, 24.08.2010, Clause 1533) / as modified by 40 amending decrees / last amended by the Decree of the Government of 04.09.2015 #455</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1025889">https://matsne.gov.ge/ka/document/view/1025889</a></p> <ul style="list-style-type: none"> <li>• Rules and Conditions for Issuing Forest Use Licenses (2005) - Decree of the Government of Georgia of August 11, 2005 #132 “On Adoption of Rules and Conditions for Issuing Forest Use Licenses” (Legislative Herald of Georgia, Part III, Vol.94, 08.12.2005, Clause 1066) / as modified by 61 amending decrees / last amended by the Decree of the Government of 16.07.2015 #351</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/10234">https://matsne.gov.ge/ka/document/view/10234</a></p> <p><b>Legal Authority</b></p> <p>National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</p> <p>Forest Agency of Adjara Autonomous Republic</p>	<p>National Biodiversity Strategy and Action Plan of Georgia (2014-2020)</p> <p><a href="https://www.cbd.int/doc/wor/ld/ge/ge-nbsap-v2-en.pdf">https://www.cbd.int/doc/wor/ld/ge/ge-nbsap-v2-en.pdf</a></p> <p>Personal Communication with Merab Machavariani, Deputy Head of National Forestry Agency, Ministry of Environment and Natural Resources Protection; Date: 2 October 2015</p> <p>7</p>	<ul style="list-style-type: none"> <li>- Forest Use Licenses should be issued only within the boundaries of forest territories where forest inventory will have been carried out after January 1, 2013 [Article 21, Paragraph 1 of the Rules and Conditions for Issuing Forest Use Licenses (2005)];</li> <li>- Forest Use License holders are required to have a forest harvesting plan for licenses granted for more than a five year period and a forest utilization perspective plan (simplified version of harvesting plan) for licenses granted for less than a five year period [Article 8 of the Rules and Conditions for Issuing Forest Use Licenses (2005)];</li> <li>- Forest harvesting plans should be developed based on general forest management plans for wider forest areas (normally covering entire forest administrative district) [Article 18 of the Rules for Forest Inventory, Planning and Monitoring (2013)];</li> <li>- Forest Use Licenses do not become operational and harvesting may not be carried out without a forest harvesting plan (or forest utilization perspective plan) that has been approved by the forest authorities (National Forest Agency) [Article 8 of the Rules and Conditions for Issuing Forest Use Licenses (2005)];</li> <li>- The forest harvesting plan must be prepared by a license holder within 12 months of issue of the Forest Use Licenses [Article 8 of the Rules and Conditions for Issuing Forest Use Licenses (2005)];</li> <li>- If the Forest Use License is sold by the license holder to another physical or legal person, the updated forest harvesting plan (or forest utilization perspective plan) must be submitted to and approved by the forest authorities (National Forest Agency). Before approval of the updated plans, harvesting operations are prohibited [Article 8 of the Rules and Conditions for Issuing Forest Use Licenses (2005)];</li> <li>- The process of preparing both the forest management plan and the forest harvesting plan must include consultation with stakeholders and must take account of stakeholder comments [Articles 15 and 20 of the Rules for Forest Inventory, Planning and Monitoring (2013)];</li> <li>- After approval, the forest harvesting plan becomes part of the licensing conditions (obligations) and its implementation is monitored by competent authorities (Environmental Supervision)</li> </ul>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>(subordinated to the Directorate of Environment Protection and Natural Resources of Ajara Autonomous Republic; the Directorate in its turn is directly subordinated to the Government of Adjara Autonomous Republic )</p> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Forest Use (Harvesting) license</li> <li>• General Forest Management Plan (has to be prepared by the forest authorities for a wider forest area/forest administrative unit)</li> <li>• Forest Use (Harvesting) Plan (has to be prepared by license holder for a licensed area located within the wider forest area)</li> </ul>		<p>Department and National Forest Agency – both under the Ministry of Environment and Natural Resources Protection) during and by the end of the licensing period [Forest Use Rules (2010) and Rules and Conditions for Issuing Forest Use Licenses (2005)].</p> <p>The forest management plan shall cover a wide variety of topics such as land use data, forest resources inventory data, possible forest use types, volumes for maximum allowable cut, geographical and biodiversity descriptions, economic context etc. [Article 14 of the Rules for Forest Inventory, Planning and Monitoring (2013)]. The forest harvesting plan shall incorporate [Article 19 of the Rules for Forest Inventory, Planning and Monitoring (2013)] the following topics:</p> <ul style="list-style-type: none"> <li>- General statements for the license area (including geographical, social and economic characteristics, etc.)</li> <li>- Changes in forest resources and recently realized activities</li> <li>- Assessment of timber volume to be processed over the license period</li> <li>- Forest protection measures and reforestation</li> <li>- Forest infrastructure</li> <li>- Biodiversity and environment protection measures</li> </ul> <p><b>Description of Risk</b></p> <p>The overall inventory data for most of Georgia's forests are 15 or more years out of date. Until 2013, legislation did not require that a full inventory be carried out of a proposed licensed area and/ or to develop a general forest management plan covering the entire forest administrative district where the proposed licensed areas might be allocated. Inventory was done only for the specific harvesting area.</p> <p>Instead the 15-year-old inventory data were used to prepare auctions of licenses supplemented by information from records about illegal logging in the territory.</p> <p>The lack of inventory and general forest management plans for larger forest areas prior to 2013 was compensated by the obligatory requirements to carry out detailed inventory of the harvesting area and then – after issuing of licenses and based on</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>that inventory – to develop a separate harvesting plan for each licensed area. This is still applicable and, if harvesting plans are not approved, harvesting operations cannot be initiated.</p> <p>The forest authority (National Forest Agency) is responsible for labour preparing the forest management plan, while a license holder carries out the inventory and creates the harvesting plan. For 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. Today, no management plans have yet been finalized (as of October 2015), but three management plans are in the process of being completed. As a result, no Forest Use Special Licenses have been issued since the legislation went into force in 2013, showing the actual practices to be in conformance with the legal requirements. The licenses issued prior to 2013 are found to be in conformance with prior legislation, i.e. conducting inventory checks at the harvesting area prior to and after harvesting operations as part of management planning.</p> <p>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). See more information in section relating to Trade and Transport.</p> <p><b>Risk Conclusion</b> Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>
1.4 Harvesting permits	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Forest Code (1999) / Law of Georgia No 2124-III of 22 June, 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35/, 08.07.1999) / Consolidated Version as of 23.09.2013 / as modified by 21 amending laws / Last</li> </ul>	<p>Government sources</p> <p>Reports of the National Forest Agency for 2014 and for the first half of 2015</p>	<p>Overview of Legal Requirements</p> <p>Decree of the Government of Georgia of 2005 No. 132, 11 August 2005, On Approval of the Regulation on the Procedure and Terms of Forest Use Licensing (as amended) establishes the procedures and terms for issuing licenses to use forests for harvesting timber and as hunting ranges. The regulations provide that the National</p>

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	<p>amended by Law of Georgia No 1031-Is, 06.09.2013 - LHG Official Website, 23.09.2013</p> <p><a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <ul style="list-style-type: none"> <li>• Law on Management of Forest Fund [= Management of Forest Resources and Forest Lands] (2010) / Law of Georgia No 3345-rs of 6 July, 2010 (Legislative Herald of Georgia, Part I, Vol. 39, 19.07.2010) / Consolidated Version as of 05.04.2013 / as modified by 7 amending laws / Last amended by Law of Georgia No 461-RS of 25 March, 2013 - LHG Official Website, 05.04.2013</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/92344">https://matsne.gov.ge/ka/document/view/92344</a></p> <ul style="list-style-type: none"> <li>• Law on Licenses and Permits (2005) / Law of Georgia No 1775-rs of 24 June, 2005 (Legislative Herald of Georgia, Part I, Vol. 40, 18.07.2005) / Consolidated Version as of 30.06.2015 / as modified by 60 amending laws / Last amended by Law of Georgia No 3704-IIs of 12.06.2015 - LHG Official Website, 30.06.2015</li> </ul> <p><a href="https://matsne.gov.ge/en/document/view/26824">https://matsne.gov.ge/en/document/view/26824</a></p> <ul style="list-style-type: none"> <li>• Rules and Conditions for Issuing Forest Use Licenses (2005) - Decree of the Government of Georgia of August 11, 2005 #132 "On Adoption of Rules and Conditions for Issuing Forest Use Licenses" (Legislative Herald of Georgia, Part III, Vol.94, 08.12.2005, Clause 1066) / as modified by 61</li> </ul>	<p><a href="http://forestry.gov.ge/ge/public-information/general-information">http://forestry.gov.ge/ge/public-information/general-information</a></p> <p>National Environmental Action Programme of Georgia (2012–2016)  <a href="http://moe.gov.ge/files/Saministros%20Prioritetebi/NEA_P_eng_2012.pdf">http://moe.gov.ge/files/Saministros%20Prioritetebi/NEA_P_eng_2012.pdf</a></p> <p>National Biodiversity Strategy and Action Plan of Georgia (2014-2020)  <a href="https://www.cbd.int/doc/worId/ge/ge-nbsap-v2-en.pdf">https://www.cbd.int/doc/worId/ge/ge-nbsap-v2-en.pdf</a></p> <p>Unofficial sources</p> <p>Newspaper article: "<i>The large-scale forest cutting continues</i>" [in Georgian; 15.11.2014] -</p> <p><a href="http://www.commersant.ge/old1/?menuid=11&amp;id=17180&amp;lang=1">http://www.commersant.ge/old1/?menuid=11&amp;id=17180&amp;lang=1</a></p>	<p>Forest Agency (and Forestry Agency in Adjara Autonomous Republic) may allocate cutting areas without a license, such that by a simple administrative procedure and issuing of 'forest tickets' fuel wood and timber can be provided for special purposes and to meet the needs of the local population. The regulations also establish obligations on license holders regarding the preparation of forest use (harvesting) plans before harvesting of trees can occur.</p> <p>Timber to be used commercially can be allocated through the following licenses:</p> <ol style="list-style-type: none"> <li>1. Forest Use Licenses are a form of forest tenure. Forest Use Licenses involve elements of a contract between the forest owner (government, as owner of State forest lands) and another party (private sector entities or individuals) giving rights to harvest specified resources from a given forest area (forest utilization elements) and elements of a contract to manage given resources within the specified forest area (forest management services elements). Forest Use Licenses involve both types of the above elements granting harvesting or use rights, but also requiring forest management and other obligations as part of the license. There are two types of Forest Use Licenses; <ul style="list-style-type: none"> <li>- Forest Use Special License (only harvesting)</li> <li>- Forest Use General license (Harvesting and hunting)</li> </ul> Both license types have the same requirements to management and harvesting. The only difference is the Forest Use General License includes rights to hunting. Both licenses will in the future be referred to under Forest Special License.</li> <li>2. Agreements of Special Forest Use (purpose) are used for infrastructure construction purposes and other special purposes where small areas of forest need to be cleared. Timber harvested through Agreement on Special Forest Use will have to be handed over to the National Forest Agency. Primarily this timber will be</li> </ol> <p>In most cases current forest use (harvesting) licenses are long-term contracts of 10–20 years.</p>

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	<p>amending decrees / last amended by the Decree of the Government of 16.07.2015 #351</p> <p><a href="https://matsne.gov.ge/ka/document/view/10234">https://matsne.gov.ge/ka/document/view/10234</a></p> <ul style="list-style-type: none"> <li>• Reporting Rules Applicable to Forest Use Special license Holders (2015) – Annex 1 to the Order of the Minister of Environment and Natural Resources Protection of Georgia of February 18, 2015 #179 “On Adoption of Rules and Time Limits for Submission of Progress Reports [to the Ministry] by the Holders of Natural Resource Use Licenses on Fulfilment of license Conditions/Requirements” (Official Website of the Legislative Herald of Georgia, 18.02.2015)</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/2724305">https://matsne.gov.ge/ka/document/view/2724305</a></p> <p><b>Legal Authority</b></p> <p>National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</p> <p>Forest Agency of Adjara Autonomous Republic (subordinated to the Directorate of Environment Protection and Natural Resources of Ajara Autonomous Republic; the Directorate in its turn is directly subordinated to the Government of Adjara Autonomous Republic)</p> <p><b>Legally required documents or records</b></p>		<p>allocated to social purposes, but timber can in small amounts enter the commercial supply chain, but will always have to be traded through the National Forest Agency.</p> <p>Forest tenures involving ‘forest utilization granting rights’ to harvest timber without forest management obligations are termed forest special use and use of forest by individuals for fuel wood. However, even forest special use may require some forest management obligations.</p> <p>Fuel wood and urban trees can be logged for social use under the harvesting ticket, but these materials are not allowed on the open market, and will thus not be assessed further.</p> <p><b>Description of Risk</b></p> <p>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. Due to lack of capacity of enforcement personnel, it is not possible to fully control the entire licensed area, although work is underway to improve the situation in the near future. Nevertheless, so far these efforts are insufficient to significantly reduce the risk under Indicator 1.4.</p> <p>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. The Agreement is not issued on a regular basis, and harvested timber has to be delivered to the State authorities. There is no revenue to be gained on the timber through the use of the Agreement. There are no indications of misuse, and the associated risk is considered low.</p> <p>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</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>• Forest Use License</li> <li>• Forest Ticket (Fuel wood permit for individuals)</li> <li>• Agreement (contract) for special use</li> </ul>		<p>difficult to transport large amounts of firewood over long distances without being detected. While a high volume of informal trade takes place at the local level, the risk of firewood entering the commercial market is considered low.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (2) is met for this indicator (the identified laws are not enforced by relevant authorities). Consequently, the risk for this indicator has been assessed as specified.</p>
Taxes and fees			
1.5 Payment of royalties and harvesting fees	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Law on Fees for Use of Natural Resources (2004) / Law of Georgia No 946-rs of 29 December, 2014 (Legislative Herald of Georgia, Part I, Vol. 41, 30.12.2004) / Consolidated Version as of 04.06.2015 / as modified by 24 amending laws / Last amended by Law of Georgia No 3674-ILs of 29.05.2015- LHG Official Website, 04.06.2015</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/28948">https://matsne.gov.ge/ka/document/view/28948</a></p> <p><b>Legal Authority</b></p> <p>Revenue Service of the Ministry of Finance of Georgia</p> <p><b>Legally required documents or records</b></p> <p>Payment document covering forest harvesting specific fee such as stumpage fee (Fee for Use of Natural</p>	<p>Government sources</p> <p>Official web page of the Legislative Herald of Georgia <a href="https://matsne.gov.ge">https://matsne.gov.ge</a></p> <p>Revenue Service of Georgia (Frequently asked questions):  <a href="http://www.rs.ge/Default.aspx?sec_id=4723&amp;lang=1">http://www.rs.ge/Default.aspx?sec_id=4723&amp;lang=1</a></p> <p>Personal Communication with Gogi Datunaishvili, Head of the Regional Division of Samegrelo and Zemo Svaneti of the National Forestry Agency; Date: 23 December 2016</p> <p>Non-Government sources</p>	<p>Overview of Legal Requirements</p> <p>According to the Law on Fees for Use of Natural Resources (2004), harvested timber is subject to a natural resource use fee (formerly known as a stumpage price) based on the correct classification of quantities, qualities and species provided by the above law.</p> <p>The fee is paid depending on:</p> <ul style="list-style-type: none"> <li>- Volume</li> <li>- Species</li> <li>- Quality</li> <li>- Fuel wood/ Industrial timber.</li> </ul> <p>The local municipality receives all revenues from such fees.</p> <p>There is no property tax that has to be paid by the forest owner (i.e. the State).</p> <p>The situation is different with the private companies - logging license holders. According to the Revenue Service of Georgia, the holders of licenses on natural resource use (including timber use licenses) are NOT exempt from the property (land) tax, based on Article 204 of the Tax Code of Georgia (2010). However, many license holders have opposed to payment of this tax and have put the matters to the court. The respective cases are still under court</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	Resource) based on correct classification of quantities, qualities and species.	<p>Institute for the Study of Labour (2012). Tax Reform in Georgia and the Size of the Shadow Economy <a href="http://ftp.iza.org/dp6912.pdf">http://ftp.iza.org/dp6912.pdf</a></p> <p>Fighting Corruption in Public Services – Chronicling Georgia's Reforms (<a href="http://documents.worldbank.org/curated/en/518301468256183463/pdf/664490PUB0EPI0065774B09780821394755.pdf">http://documents.worldbank.org/curated/en/518301468256183463/pdf/664490PUB0EPI0065774B09780821394755.pdf</a>)</p>	<p>consideration. This issue only relates to very minor proportion of the forest fund used by the logging license holders (about five percent of the total forest cover).</p> <p>Description of Risk The natural resource use fee is paid depending on m3 harvested. The harvested volume is reported by the license holders to the tax authorities. In the case of forest licenses, the reported volume is cross-checked with the volumes indicated in the forest origin document issued by the forest authorities after harvesting, with the fee paid after the harvesting process. In the case of firewood (which is harvested by individuals), the fee is paid prior to harvesting, with volumes harvested also cross-checked with the volumes indicated in forest inventory data. (In this latter case, the tax receipt is the basis for issuing the 'Forest Ticket').</p> <p>The tax collection system in Georgia has become very effective in recent years. In this regard, Government control is very strict, while the corruption level is very low. This also apply to the Ministry of Environment and Natural resources Protection. Furthermore, so far there have been no reports (neither from governmental nor NGO sectors) with respect to the failure of paying stumpage fees or other taxes or payments related to forest use</p> <p>One issue is the situation with the property (land) tax which has been imposed (since 2011) by the state to private timber harvesting license holders. This issue affects very limited forest area. A few cases are in the court, (as some license holders have protested this tax, because, as they claim, they should be exempt from it, due to the payment of license fee and wood usage fees by the latter. Whichever will be the outcomes of these court procedures, they will be in line with requirements of current tax legislation (land tax provisions).</p> <p>Thus, the risk is considered to be low as both the Ministry of Environment and Revenue Service effectively control the payment</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>of stumpage fees, and ensure that the volumes reported are correct.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>
<p>1.6 Value added taxes and other sales taxes</p>	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Tax Code of Georgia (2010) / Law of Georgia No 3591-III of 17 September, 2010 (Legislative Herald of Georgia, Part I, Vol. 54, 12.10.2010) / Consolidated Version as of 04.08.2015 / as modified by 94 amending laws/ Last amended by Law of Georgia No 4088-rs of 22.07.2015 - LHG Official Website, 04.08.2015</li> </ul> <p><a href="https://matsne.gov.ge/en/document/view/1043717">https://matsne.gov.ge/en/document/view/1043717</a></p> <p><b>Legal Authority</b></p> <p>Revenue Service of the Ministry of Finances of Georgia</p> <p><b>Legally required documents or records</b></p> <p>Tax declarations and tax payment documents</p>	<p>Government sources</p> <p>Official web page of the Legislative Herald of Georgia  <a href="https://matsne.gov.ge">https://matsne.gov.ge</a>  Official Tax Service Electronic System  <a href="https://www.rs.ge">https://www.rs.ge</a></p> <p>Personal communication with customs authorities of the state revenue service, Merab Arakhamia (Deputy Head of the Legal Department) and Mikhail Kavtaradze (Customs Department) on 4 October 2015.</p> <p>Non-Government sources</p> <p>Institute for the Study of Labour (2012).  Tax Reform in Georgia and the Size of the Shadow Economy  <a href="http://ftp.iza.org/dp6912.pdf">http://ftp.iza.org/dp6912.pdf</a></p>	<p>Overview of Legal Requirements</p> <p>According to the Tax Code of 2010, VAT at a rate of 18% is applicable to timber products and operations:</p> <p>Current tax legislation also imposes fines for under-reporting and late payment of taxes. In addition criminal charges might be imposed in cases of substantial violation of tax legislation.</p> <p>All the above taxes are administered by the Revenue Service of the Ministry of Finance of Georgia through an electronic tax services system (unified tax declaration and payment system) available for all registered tax payers at the official governmental site: <a href="http://www.rs.ge">www.rs.ge</a>. All entities must be registered as taxpayers in the Revenue Service where they will be provided with: a) Tax and VAT payer ID number/ code; and b) User name and password. This user name and password is used to access their page on the Ministry of Finance website (<a href="http://www.rs.ge">www.rs.ge</a>) since all tax declarations as well as VAT invoices are submitted through this website.</p> <p>Description of Risk</p> <p>Georgian tax authorities are allowed to conduct formal tax audit procedures only once a year, unless there is reliable evidence of tax evasion, in which case more frequent auditing is permitted. However, tax revenues are regularly checked for all tax payers through the electronic tax services system that effectively monitors all possible fluctuations in tax payments.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Information on market prices is to be obtained from official sources – which may include government databases, information submitted by taxpayers, or other reliable information. . In some cases, required information is obtained directly from the foreign customs authorities.</p> <p>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.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>
1.7 Income and profit taxes	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Tax Code of Georgia (2010) / Law of Georgia No 3591-III of 17 September, 2010 (Legislative Herald of Georgia, Part I, Vol. 54, 12.10.2010) / Consolidated Version as of 04.08.2015 / as modified by 94 amending laws / Last amended by Law of Georgia No 4088-rs of 22.07.2015 - LHG Official Website, 04.08.2015</li> </ul> <p><a href="https://matsne.gov.ge/en/document/view/1043717">https://matsne.gov.ge/en/document/view/1043717</a></p> <p><b>Legal Authority</b></p>	<p>Government sources Official web page of the Legislative Herald of Georgia <a href="https://matsne.gov.ge">https://matsne.gov.ge</a> Official Tax Service Electronic System <a href="https://www.rs.ge">https://www.rs.ge</a></p> <p>Non-Government sources</p> <p>Institute for the Study of Labour (2012). Tax Reform in Georgia and the Size of the Shadow Economy <a href="http://ftp.iza.org/dp6912.pdf">http://ftp.iza.org/dp6912.pdf</a></p>	<p>Overview of Legal Requirements According to the Tax Code of 2010, profit tax up to 15% – known also as ‘corporate income tax’ – is relevant to the profit derived from sale of forest products and harvesting activities and to income from the sale of timber.</p> <p>Profit tax payers are: a) a resident enterprise; and b) a non-resident enterprise that conducts business in Georgia through a permanent establishment and/ or earns income from a Georgian-based source.</p> <p>Taxable profit is defined as the difference between the gross income of a taxpayer and the deductions (e.g., grants, charity etc.) provided in the Tax Code.</p> <p>Current tax legislation imposes fines for under-reporting and late payment of taxes. In addition, criminal charges might be imposed in cases of substantial violation of tax legislation.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Revenue Service of the Ministry of Finances of Georgia</p> <p><b>Legally required documents or records</b></p> <p>Tax declarations and tax payment documents</p>	<p>Invest in Georgia (Georgian National Investment Agency):  <a href="http://investinggeorgia.org/en/georgia/taxation">http://investinggeorgia.org/en/georgia/taxation</a></p> <p>PricewaterhouseCoopers (PWC). Georgia Pocket Tax Book. 2011 edition.  <a href="https://www.pwc.com/ge/en/assets/pdf/ge_pocket_tax_book_2011_.pdf">https://www.pwc.com/ge/en/assets/pdf/ge_pocket_tax_book_2011_.pdf</a></p>	<p>The above tax is administered by the Revenue Service of the Ministry of Finance of Georgia through an electronic tax services system (unified tax declaration and payment system) available for all registered tax payers at the official governmental site: <a href="http://www.rs.ge">www.rs.ge</a>.</p> <p><b>Description of Risk</b>  Georgian tax authorities are allowed to conduct formal tax audit procedures only once a year, unless there is reliable evidence of tax evasion, in which case more frequent auditing is permitted. However, tax revenues are regularly checked for all tax payers through the electronic tax services system that effectively monitors fluctuations in tax payments.</p> <p><b>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 including on timber.</b></p> <p><b>Risk Conclusion</b></p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>
<b>Timber harvesting activities</b>			
1.8 Timber harvesting regulations	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Forest Code (1999) / Law of Georgia No 2124-III of 22 June, 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35/, 08.07.1999) / Consolidated Version as of 23.09.2013 / as modified by 21 amending laws / Last</li> </ul>	<p>Government sources  Official web page of the Legislative Herald of Georgia  <a href="https://matsne.gov.ge">https://matsne.gov.ge</a></p>	<p><b>Overview of Legal Requirements</b>  Legal requirements for harvesting techniques and technology are set by the number of statutory instruments. These rules include cutting methods and rules for different cutting types; natural regeneration; transport of timber from felling sites and seasonal limitations; regulatory elements on the size of felling areas, minimum age and/ or diameter for felling activities and elements</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>amended by Law of Georgia No 1031-Is, 06.09.2013 - LHG Official Website, 23.09.2013</p> <p><a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <ul style="list-style-type: none"> <li>• Forest Use Rules (2010) - Decree of the Government of Georgia of August 20, 2010 #242 "On Adoption of Forest Use Rules" (Legislative Herald of Georgia, Part III, Vol. 103, 24.08.2010, Clause 1533) / as modified by 40 amending decrees / last amended by the Decree of the Government of 04.09.2015 #455</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1025889">https://matsne.gov.ge/ka/document/view/1025889</a></p> <ul style="list-style-type: none"> <li>• Rules for Forest Inventory, Planning and Monitoring (2013) - Decree of the Government of Georgia of July 17, 2013, #179 "On Adoption of Rules for Forest Inventory, Planning and Monitoring" (Official Website of the Legislative Herald of Georgia, 19.07.2013)</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1971205">https://matsne.gov.ge/ka/document/view/1971205</a></p> <ul style="list-style-type: none"> <li>• Rules and Conditions for Issuing Forest Use Licenses (2005) - Decree of the Government of Georgia of August 11, 2005 #132 "On Adoption of Rules and Conditions for Issuing Forest Use Licenses" (Legislative Herald of Georgia, Part III, Vol.94, 08.12.2005, Clause 1066) / as modified by 61 amending decrees / last amended by the Decree of the Government of 16.07.2015 #351</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/10234">https://matsne.gov.ge/ka/document/view/10234</a></p>	<p>National Biodiversity Strategy and Action Plan of Georgia (2014-2020)</p>	<p>that shall be preserved during felling; road construction and establishment of skidding or hauling trails; and planning and monitoring of harvesting activities..</p> <p>Namely, the Forest Code (1999; Chapter XV) sets general rules for cutting methods and related restrictions for different cutting types. These rules are further specified in Rules for Forest Inventory, Planning and Monitoring (2013) and Forest Use Rules (2010).</p> <p>Requirements and rules for planning of harvesting and post-harvesting activities are given in Rules for Forest Inventory, Planning and Monitoring (2013) and also in Rules and Conditions for Issuing Forest Use Licenses (2005) and in Rules on Caring for Forests and Forest Restoration (2010).</p> <p>Monitoring related provisions are provided in Operational Instructions for Timber Resources Management Electronic System (2014) and Reporting Rules Applicable to Forest Use Special License Holders (2015).</p> <p>Rules and Conditions for Issuing Forest Use Licenses (2005) refers to the forest use or harvesting plan as a pre-condition for establishment of site-specific requirements for harvesting techniques and technology - before the start of harvesting operations. In turn, Rules for Forest Inventory, Planning and Monitoring (2013) establishes rules and requirements for development of both general forest management plans and forest use/ harvesting plans.</p> <p>Elements of general restrictions and requirements are, to varying degrees, integrated into the above rules and instructions. These include elements related to natural regeneration; transport of timber from felling sites and seasonal limitations; regulations as to the size of felling areas, minimum age and/ or diameter for felling activities and elements that shall be preserved during felling; road construction and establishment of skidding or hauling trails. In some cases the restrictions and requirements lack technical details, making assessment of compliance rather complicated (e.g.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>• Rules on Caring for Forests and Forest Restoration (2010) - Decree of the Government of Georgia of August 13, 2010 #241“On Adoption of Rules on Caring for Forests and Forest Restoration” (Legislative Herald of Georgia, Part III, Vol.100, 17.08.2010, Clause 1496)/ as modified by 2 amending decrees / last amended by the Decree of the Government of 13.10.2011 #391  <a href="https://matsne.gov.ge/ka/document/view/1021046">https://matsne.gov.ge/ka/document/view/1021046</a></li> <li>• Operational Instructions for Timber Resources Management Electronic [Data Base] System (2014) - Decree of the Government of Georgia of April 30, 2014 #118 “On Adoption of Operational Instructions for Timber Resources Management Electronic System” (Official Website of the Legislative Herald of Georgia, 10.05.2014) / as modified by 2 amending decrees / last amended by the Decree of the Government of Georgia #224, 23.09.2015  <a href="https://matsne.gov.ge/ka/document/view/2309913">https://matsne.gov.ge/ka/document/view/2309913</a></li> <li>• Reporting Rules Applicable to Forest Use Special license Holders (2015) – Annex 1 to the Order of the Minister of Environment and Natural Resources Protection of Georgia of February 18, 2015 #179 “On Adoption of Rules and Time Limits for Submission of Progress Reports [to the Ministry] by the Holders of Natural Resource Use Licenses on Fulfilment of license Conditions/Requirements” (Official Website of the Legislative Herald of Georgia, 18.02.2015)  <a href="https://matsne.gov.ge/ka/document/view/2724305">https://matsne.gov.ge/ka/document/view/2724305</a></li> </ul>		<p>legislation relating to preservation of biodiversity without damaging soil; although there is no guidance as to how to do this).</p> <p>Description of Risk There is a risk of harvesting regulations being violated due to lack of capacity for both forest operations and enforcement authorities. Full-scale enforcement is not in place, there is a lack of technical guidance for enforcement and monitoring, as well as a lack of capacity in relation to technical and professional forestry.</p> <p>Due to lack of enforcement and monitoring capacity, it is not possible to fully control all requirements for harvesting techniques and technology when visiting the forestry units.</p> <p>Risk Conclusion Based on the available information, it can be concluded that Threshold (2) is relevant to this indicator (the identified laws are not enforced by relevant authorities). Consequently, the risk for this indicator has been assessed as specified.</p> <p>Refer also to 1.4 Harvesting permits.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p><b>Legal Authority</b></p> <ul style="list-style-type: none"> <li>• Environmental Supervision Department of the Ministry of Environment and Natural Resources Protection</li> <li>• National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</li> <li>• Forest Agency of Adjara Autonomous Republic (subordinated to the Directorate of Environment Protection and Natural Resources of Ajara Autonomous Republic; the Directorate in its turn is directly subordinated to the Government of Adjara Autonomous Republic)</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Forest Use License</li> <li>• Forest Use (Harvesting) Plan</li> <li>• Agreement (contract) for special use</li> <li>• Forest monitoring documents</li> </ul>		



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
1.9 Protected sites and species	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Forest Code (1999) / Law of Georgia No 2124-III of 22 June, 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35/, 08.07.1999) / Consolidated Version as of 23.09.2013 / as modified by 21 amending laws / Last amended by Law of Georgia No 1031-Is, 06.09.2013 - LHG Official Website, 23.09.2013</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <ul style="list-style-type: none"> <li>• Forest Use Rules (2010) - Decree of the Government of Georgia of August 20, 2010 #242 "On Adoption of Forest Use Rules" (Legislative Herald of Georgia, Part III, Vol. 103, 24.08.2010, Clause 1533) / as modified by 40 amending decrees / last amended by the Decree of the Government of 04.09.2015 #455</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1025889">https://matsne.gov.ge/ka/document/view/1025889</a></p> <ul style="list-style-type: none"> <li>• Rules for Forest Inventory, Planning and Monitoring (2013) - Decree of the Government of Georgia of July 17, 2013, #179 "On Adoption of Rules for Forest Inventory, Planning and Monitoring" (Official Website of the Legislative Herald of Georgia, 19.07.2013)</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1971205">https://matsne.gov.ge/ka/document/view/1971205</a></p> <ul style="list-style-type: none"> <li>• Rules on Caring for Forests and Forest Restoration (2010) - Decree of the Government of Georgia of August 13, 2010 #241 "On Adoption of Rules on Caring for Forests and Forest Restoration" (Legislative Herald of Georgia, Part III, Vol.100, 17.08.2010, Clause 1496) / as modified by 2</li> </ul>	<p>Government sources</p> <p>Reports of the National Forest Agency for 2014 and for the first half of 2015</p> <p><a href="http://forestry.gov.ge/ge/public-information/general-information">http://forestry.gov.ge/ge/public-information/general-information</a></p> <p>National Environmental Action Programme of Georgia (2012–2016)</p> <p><a href="http://moe.gov.ge/files/Saministros%20Prioritetebi/NEA_P_eng_2012.pdf">http://moe.gov.ge/files/Saministros%20Prioritetebi/NEA_P_eng_2012.pdf</a></p> <p>National Biodiversity Strategy and Action Plan of Georgia (2014-2020)</p> <p><a href="https://www.cbd.int/doc/worId/ge/ge-nbsap-v2-en.pdf">https://www.cbd.int/doc/worId/ge/ge-nbsap-v2-en.pdf</a></p> <p>Website of the Agency of Protected Areas of Georgia: <a href="http://www.apa.gov.ge/en/Frequently-Asked-Questions">http://www.apa.gov.ge/en/Frequently-Asked-Questions</a>;</p>	<p>Overview of Legal Requirements</p> <p>The 1996 law on the Protected Area System defines protected area management categories (based on IUCN categories) and their protection and management regimes. Currently, the protected area network includes a total of 520,811.14 hectares, which is about 7.47% of the country's overall territory and consists mainly of forest lands (452,469 ha or 15.2% of the total forest land area). Protected areas are managed by the Protected Areas Agency (under the Ministry of Environment and Natural Resources Protection of Georgia) which, inter alia, is responsible for enforcement of forestry-related legislation on the protected areas. However, logging operations are carried out only in some categories of protected areas (traditional use zones of National Parks/ IUCN Category II, and in Sanctuaries/ IUCN Category IV) based on the requirements of protected area management plans, and only for individuals (from local populations) for fuel wood to be used solely for their personal purposes. Timber from this source is not allowed on the open market and exists in very limited quantities. Outside the protected areas, responsibility for enforcement of protected sites/ species-related legislation on forest lands is held by the Environmental Supervision Department (on the whole territory of the country), National Forest Agency of Georgia (within State forest lands governed by the agency) and Forest Agency of Adjara Autonomous Republic (on State forest lands within Adjara Autonomous Republic)</p> <p>Georgia has ratified many international treaties and agreements such as the Convention on Biological Diversity (1992), Bern Convention on the Conservation of European Wildlife and Natural Habitats (1979) and the European Landscape Convention (2000). Georgian laws On Wildlife (1996) and On the Red List and Red Data Book of Georgia (2003) set out requirements and rules for protection of wildlife species and their habitats.</p> <p>In turn, the current forestry legislation including Forest Code (1999), Forest Use Rules (2010), Rules for Forest Inventory, Planning and Monitoring (2013) and Rules on Caring for Forests</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>amending decrees / last amended by the Decree of the Government of 13.10.2011 #391</p> <p><a href="https://matsne.gov.ge/ka/document/view/1021046">https://matsne.gov.ge/ka/document/view/1021046</a></p> <ul style="list-style-type: none"> <li>• Law of Georgia “On the System of Protected Areas” (1996)</li> <li>• Law of Georgia “On Wildlife” (1996)</li> <li>• Law of Georgia “On the Red List and Red Data Book of Georgia” (2003)</li> <li>• The Convention on Biological Diversity (ratified by Resolution No 471 of the Parliament of Georgia, 21 April 1994)</li> <li>• United Nations Convention to Combat Desertification (ratified by Resolution No 2141 of the Parliament of Georgia, 23 June 1999)</li> <li>• The Convention on the Conservation of Migratory Species of Wild Animals (Bonn, 1997) (ratified by Resolution No 136 of the Parliament of Georgia, 11 February 2000)</li> <li>• The Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar) (ratified by Resolution No 201 of the Parliament of Georgia, 30 April 1996)</li> <li>• The Convention on the Conservation of European Wildlife and Natural Habitats (Berne, 1979) (ratified by Resolution No 940 of the Parliament of Georgia, 30 December 2008)</li> </ul>	<p>Non-Governmental Sources</p> <p>Forests and the Biodiversity Convention Independent Monitoring of the Implementation of the Expanded Programme of Work in Georgia. Global Forest Coalition, May 2008.</p> <p><a href="http://globalforestcoalition.org/wp-content/uploads/2010/11/1-M-Report-Georgia1.pdf">http://globalforestcoalition.org/wp-content/uploads/2010/11/1-M-Report-Georgia1.pdf</a></p> <p>Personal communication with Irakli Macharashvili, Biodiversity Program Coordinator, NGO Green Alternative (date: 1 October 2015) 6</p> <p>Annual Reports of the Agency of Protected Areas of Georgia (2007-2015) [in Georgian] – <a href="http://www.apa.gov.ge/ge/angariSebi">http://www.apa.gov.ge/ge/angariSebi</a></p> <p>Caucasus Biodiversity Council, CBC. (2012). <i>Ecoregion Conservation Plan for the Caucasus</i>. 2012 revised and updated edition.</p>	<p>and Forest Restoration (2010) refers specifically to the above sectoral laws and describes general requirements that biodiversity assets such as significant sites; wildlife; rare, threatened and endangered species and their habitats should be protected and monitored during forest operations. In addition, protection measures should be planned and overseen within the forest inventory, planning and licensing processes (general forest management planning and forest use/ harvesting/ planning). Elements of the above restrictions and requirements are, to varying degrees, integrated into the above rules and instructions but in some cases lack technical details making assessment of compliance complicated.</p> <p>Description of Risk</p> <p>There is a lack of technical forestry experience and monitoring capacities amongst both enforcement entities and forest practitioners.</p> <p>The cases of illegal logging within protected areas are much less common in comparison to the forests outside these areas. Specifically, only a few hundreds of cubic meters of wood are being harvested illegally from the protected areas each year. This minor scale has been maintained, despite significant expansion of forests within formally designated protected areas in recent years.</p> <p>According to the recently approved National Biodiversity Strategy and Action Plan of Georgia for 2014–2020 [Chapter 4.1.11 Key biodiversity areas], there are numerous key biodiversity areas (KBA) outside the current system of protected areas in Georgia. These include biological corridors, animal migration corridors, important plant areas (IPA), important bird areas (IBA), etc. KBAs must be identified and mapped, their formal status must be determined and their potential must be assessed so that suitable protection/ restoration measures can be implemented as well as sustainable management prescriptions. The same document refers [Chapter 6.2 Strategic approach] to the fact that the current unfavourable status of forest biodiversity in Georgia is primarily related to unsustainable forest management practices).</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>• The European Landscape Convention (2000) (Order of the President of Georgia #39, 9 June 2010)</li> </ul> <p><b>Legal Authority</b></p> <ul style="list-style-type: none"> <li>• Environmental Supervision Department of the Ministry of Environment and Natural Resources Protection</li> <li>• National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</li> <li>• Forest Agency of Adjara Autonomous Republic (subordinated to the Directorate of Environment Protection and Natural Resources of Ajara Autonomous Republic; the Directorate in its turn is directly subordinated to the Government of Adjara Autonomous Republic)</li> <li>• Protected Areas Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Forest Use License</li> <li>• Forest Use (Harvesting) Plan</li> <li>• Agreement (contract) for special use</li> <li>• Forest monitoring documents</li> </ul>	<p>Can be downloaded here: <a href="http://wwf.panda.org/wwf_news/?205437/Ecoregion-Conservation-Plan-for-the-Caucasus-revised">http://wwf.panda.org/wwf_news/?205437/Ecoregion-Conservation-Plan-for-the-Caucasus-revised</a></p>	<p>For instance, floodplain forests, which are under special protection regime (Forest Code 1999, Article 41, Part 1), are still under logging and grazing pressure outside formally designated protected areas (IUCN I-IV Categories).</p> <p>As it was stated in National Biodiversity Strategy and Action Plan (2014-2020), which was also confirmed during the consultation with a NGO representative, there were concerns over violations of species/ habitat-related rules during harvesting on State forest lands under management of the forest authorities.</p> <p>Overall, sites and species (located outside protected areas) are significantly threatened by unsustainable forestry, specifically - over-harvesting (resulting in reduced density of tree cover), damage to natural regeneration and soils caused by inappropriate tree felling. Law enforcement is insufficient due to the limited capacities of the state forestry authorities. As a result, significant volumes of wood harvested from protected sites (outside PAs) enter supply chain. Most likely, these volumes are in the order of thousands of cubic meters per year (though, precise volumes are not known, because of the limited state capacities for monitoring).</p> <p><b>Risk Conclusion</b></p> <p>Based on the available information, it can be concluded that Threshold (2) is met for this indicator (the identified laws are not enforced by relevant authorities). Consequently, the risk for this indicator has been assessed as specified.</p> <p>Refer also to 1.4 Harvesting permits.</p>
1.10 Environmental requirements	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Forest Code (1999) / Law of Georgia No 2124-III of 22 June, 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35/, 08.07.1999) / Consolidated Version as of 23.09.2013 / as modified by 21 amending laws / Last</li> </ul>	<p>Government sources Reports of the National Forest Agency for 2014 and for the first half of 2015</p>	<p>Overview of Legal Requirements Laws On Environment Protection (1996), On Mineral Deposits (1996), On Water (1999), On the Protection of Atmospheric Air (1999) set out general principles, requirements and rules for identification and protection of environmental values including acceptable levels of soil damage, establishment of buffer zones</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>amended by Law of Georgia No 1031-Is, 06.09.2013 - LHG Official Website, 23.09.2013</p> <p><a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <ul style="list-style-type: none"> <li>• Forest Use Rules (2010) - Decree of the Government of Georgia of August 20, 2010 #242 "On Adoption of Forest Use Rules" (Legislative Herald of Georgia, Part III, Vol. 103, 24.08.2010, Clause 1533) / as modified by 40 amending decrees / last amended by the Decree of the Government of 04.09.2015 #455</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1025889">https://matsne.gov.ge/ka/document/view/1025889</a></p> <ul style="list-style-type: none"> <li>• Rules for Forest Inventory, Planning and Monitoring (2013) - Decree of the Government of Georgia of July 17, 2013, #179 "On Adoption of Rules for Forest Inventory, Planning and Monitoring" (Official Website of the Legislative Herald of Georgia, 19.07.2013)</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1971205">https://matsne.gov.ge/ka/document/view/1971205</a></p> <ul style="list-style-type: none"> <li>• Rules on Caring for Forests and Forest Restoration (2010) - Decree of the Government of Georgia of August 13, 2010 #241 "On Adoption of Rules on Caring for Forests and Forest Restoration" (Legislative Herald of Georgia, Part III, Vol.100, 17.08.2010, Clause 1496) / as modified by 2 amending decrees / last amended by the Decree of the Government of 13.10.2011 #391</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1021046">https://matsne.gov.ge/ka/document/view/1021046</a></p>	<p><a href="http://forestry.gov.ge/ge/public-information/general-information">http://forestry.gov.ge/ge/public-information/general-information</a></p> <p>National Environmental Action Programme of Georgia (2012–2016)  <a href="http://moe.gov.ge/files/Saministros%20Prioritetebi/NEA_P_eng_2012.pdf">http://moe.gov.ge/files/Saministros%20Prioritetebi/NEA_P_eng_2012.pdf</a></p> <p>National Biodiversity Strategy and Action Plan of Georgia (2014-2020)  <a href="https://www.cbd.int/doc/worId/ge/ge-nbsap-v2-en.pdf">https://www.cbd.int/doc/worId/ge/ge-nbsap-v2-en.pdf</a></p> <p>Non-Government sources</p> <p>Caucasus Biodiversity Council, CBC. (2012). <i>Ecoregion Conservation Plan for the Caucasus</i>. 2012 revised and updated edition.  Can be downloaded here: <a href="http://wwf.panda.org/wwf_news/?205437/Ecoregion-Conservation-Plan-for-the-Caucasus-revised">http://wwf.panda.org/wwf_news/?205437/Ecoregion-Conservation-Plan-for-the-Caucasus-revised</a></p> <p>Personal communication with Irakli Macharashvili, Biodiversity Program Coordinator, NGO Green Alternative (date: 1 October 2015)</p>	<p>(e.g. along watercourses), biodiversity conservation, air quality, protection and restoration of water quality, and mineral exploration and extraction.</p> <p>Under forestry legislation including the Forest Code (1999), Forest Use Rules (2010), Rules for Forest Inventory, Planning and Monitoring (2013) and Rules on Caring for Forests and Forest Restoration (2010), there are requirements to follow the above sectoral laws as well as general requirements that relevant rules (including maintenance of retention trees on felling sites, seasonal limitations of harvesting times, environmental requirements for forest machinery etc.) should be monitored during forest operations. Additionally, protection measures should be planned and overseen within the forest inventory, planning and licensing processes (general forest management planning and forest use/ harvesting/ planning). Elements of the above restrictions and requirements, to varying degrees, are integrated into the above rules and instructions; although in some cases lack technical details, making assessment of compliance complicated.</p> <p>Description of Risk</p> <p>During consultation with a NGO representative, it was highlighted that there were concerns over violations of protection of species and other environmental requirements during harvesting on State forest lands under management of the forest authorities. Also, there is a risk relating to lack of enforcement, lack of technical forestry experience amongst both enforcement entities and forest practitioners.</p> <p>This argument is reinforced by officially adopted strategic documents such as National Biodiversity Strategy and Action Plan (2014-2020) and Ecoregional Conservation Plan for the Caucasus (2012-2016).</p> <p>Due to lack of enforcement and monitoring capacities it is not possible to fully control the entire range of requirements for this sub-category.</p> <p>Risk Conclusion</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>• Law of Georgia “On Environment Protection” (1996)</li> <li>• Law of Georgia “On Mineral Deposits” (1996)</li> <li>• Law of Georgia “On Water” (1999)</li> <li>• Law of Georgia “On the Protection of Atmospheric Air” (1999)</li> </ul> <p><b>Legal Authority</b></p> <ul style="list-style-type: none"> <li>• Environmental Supervision Department of the Ministry of Environment and Natural Resources Protection</li> <li>• National Environmental Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</li> <li>• National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</li> <li>• Forest Agency of Adjara Autonomous Republic (subordinated to the Directorate of Environment Protection and Natural Resources of Ajara Autonomous Republic; the Directorate in its turn is directly subordinated to the Government of Adjara Autonomous Republic)</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Forest Use License</li> <li>• Forest Use (Harvesting) Plan</li> <li>• Agreement (contract) for special use</li> <li>• Forest monitoring documents</li> </ul>		<p>Based on the available information, it can be concluded that Threshold (2) is met for this indicator (the identified laws are not enforced by relevant authorities). Consequently, the risk for this indicator has been assessed as specified.</p> <p>Refer also to 1.9 Protected sites and species.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
1.11 Health and safety	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Labour Code of Georgia (2010) / Organic Law of Georgia No 4113-ES of 17 December 2010 – LHG Official Website, 27.12.2012 / Consolidated Version as of 27.09.2013 / as modified by 5 amending laws / Last amended by Law of Georgia No of 27 September 2015 - LHG Official Website, 09.10.2013</li> </ul> <p><a href="https://matsne.gov.ge/en/document/view/1155567">https://matsne.gov.ge/en/document/view/1155567</a></p> <p><b>Legal Authority</b></p> <p>Ministry of Labour, Health and Social Protection of Georgia</p> <p><b>Legally required documents or records</b></p> <p>N/A</p>	<p>Government sources Official web page of the Legislative Herald of Georgia <a href="https://matsne.gov.ge">https://matsne.gov.ge</a></p> <p>Non-governmental Sources Georgian Trade Unions Confederation official web page <a href="http://gtuc.ge/eng">http://gtuc.ge/eng</a></p> <p>Personal communication with forestry sector labour union representatives, Mr. Guram Khurtsidze, Deputy Chairman of the Georgian Constructors and Foresters Independent Professional Union and Zurab Ghughunishvili, Leading Specialist of the Georgian Constructors and Foresters Independent Professional Union. Date: 2 October 2015</p>	<p>Overview of Legal Requirements The Labour Code of Georgia (2010) sets out general principles, requirements and standards for safe and healthy working environments. According to Article 35 of the Code (Right to safe and healthy working environment):</p> <ul style="list-style-type: none"> <li>• Employers are obliged to provide employees with a working environment that is optimally safe for the life and health of employees.</li> <li>• Employers are obliged to provide employees, within a reasonable timeframe, with complete, objective, and clear information on all factors affecting employees' life and health and the safety of the natural environment.</li> <li>• Employees may refuse to perform the work, assignment, or instruction if it is in contravention of the law or, due to the lack of occupational safety standards, obviously and substantially endangers the life, health, or property of the employee or another person, or the safety of the natural environment.</li> <li>• Employers are obliged to introduce a preventative system ensuring labour safety and provide employees – in a timely manner - with relevant information about labour safety-related risks and measures for preventing the risks.</li> <li>• Additionally, employers shall inform employees of the rules for handling equipment with which there is an associated risk and, if necessary, provide employees with personal protective equipment. Along with technological progress, employers shall, in a timely manner, replace hazardous equipment with safe or less hazardous equipment, as well as taking all other steps for employees' safety and to protect their health.</li> <li>• An employer is obliged to take every step to localize and eliminate an industrial accident in a timely fashion; to administer first aid and evacuate personnel.</li> </ul> <p>Despite the fact that some specific technical regulations are not adopted yet, all the above general statements under the Labour Code represent direct legal requirements. These specific regulations (which have not been adopted yet) related for</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>silvicultural operations include personal protective equipment for persons involved in harvesting activities, use of safe felling and transport practices, establishment of protection zones around harvesting sites, and machinery safety requirements; as well as health and safety requirements including those relating to forest operations.</p> <p>Description of Risk  During consultation with Trade Union representatives (The Georgian Constructors and Foresters Independent Professional Union – a member of the wider Georgian Trade Unions Confederation), it was particularly highlighted from the Union perspective that the right to a safe and healthy working environment as granted by the Labour Code is predominantly violated in forest operations. People working in forests, for example, often do not have safety equipment or have not been instructed on safety measures when cutting trees.  There is a risk of limited enforcement due to the lack of a specialized enforcement unit operating within the Ministry of Labour, Health and Social Protection. The Social Service Agency (which is part of the Ministry of Labour, Health and Social Protection with the status of the Legal Entity of Public Law) is generally responsible for enforcement of the Labour Code. However, as the representatives of the Trade Union (see above) maintained, the capacities of this agency are quite limited, while the latter are mainly concentrating their activities on providing financial assistance to the families with very limited income and other social programs. The agency is not involved in promoting health and safety issues related to forestry operations.</p> <p>Due to absence of enforcement and monitoring capacities it is not possible to fully control the entire range of requirements for this sub-category. Furthermore, as mentioned above, according to the representatives of forestry Trade Unions, the violation of health and safety norms during forestry operations are widespread in the country.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (2) is met for this indicator (the identified laws are not enforced by relevant authorities). Consequently, the risk for this indicator has been assessed as specified.</p>
1.12 Legal employment	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Labour Code of Georgia (2010) / Organic Law of Georgia No 4113-ES of 17 December 2010 – LHG Official Website, 27.12.2012 / Consolidated Version as of 27.09.2013 / as modified by 5 amending laws / Last amended by Law of Georgia No of 27 September 2015 - LHG Official Website, 09.10.2013</li> </ul> <p><a href="https://matsne.gov.ge/en/document/view/1155567">https://matsne.gov.ge/en/document/view/1155567</a></p> <ul style="list-style-type: none"> <li>• Tax Code of Georgia (2010) / Law of Georgia No 3591-III of 17 September, 2010 (Legislative Herald of Georgia, Part I, Vol. 54, 12.10.2010) / Consolidated Version as of 04.08.2015 / as modified by 94 amending laws / Last amended by Law of Georgia No 4088-rs of 22.07.2015 - LHG Official Website, 04.08.2015</li> </ul> <p><a href="https://matsne.gov.ge/en/document/view/1043717">https://matsne.gov.ge/en/document/view/1043717</a></p> <p><b>Legal Authority</b></p> <ul style="list-style-type: none"> <li>• Ministry of Labour, Health and Social Protection of Georgia</li> </ul>	<p>Government sources</p> <p>Official web page of the Legislative Herald of Georgia <a href="https://matsne.gov.ge">https://matsne.gov.ge</a></p> <p>Other sources</p> <p>Chinese Business in Georgia 2010, published by the Economic and Commercial Counselor's Office of the People's Republic of China (PRC) Embassy in Georgia. Available at: <a href="http://ge2.mofcom.gov.cn/accessible/201010/128825288464_8.pdf">http://ge2.mofcom.gov.cn/accessible/201010/128825288464_8.pdf</a></p> <p>KPMG Georgia - Business Climate in Georgia (2013). <a href="http://www.amcham.ge/res/news/0054/DBIG_June_2013.pdf">http://www.amcham.ge/res/news/0054/DBIG_June_2013.pdf</a></p>	<p>Overview of Legal Requirements</p> <p>The Labour Code of Georgia (2010) regulates labour and its concomitant relations in the territory of Georgia, unless they are otherwise governed by other special law or international agreements of Georgia. Labour-related questions not governed by the Labour Code or by other special law are regulated by the Civil Code of Georgia. The general principle under the Labour Code is that any labour agreement may not establish norms different from those provided for by the Labour Code and that can worsen employees' conditions. Furthermore, the Labour Code sets out, inter alia, general legal requirements for employment of personnel including the requirement for anti-discrimination rules, the right to join professional associations, and conditions around employee age and contracts.</p> <p>Legal requirements for personnel involved in harvesting activities or any other forest operations – including the requirement for working permits, requirements for obligatory insurances, requirements for certificates of competency and other training requirements – are not applicable in Georgia.</p> <p>As to the requirements concerning payment of income taxes withheld by employer: under the Tax Code it is a requirement for the employer to declare and withhold income taxes for hired personnel. This requirement is strictly administered and monitored by the Georgian tax authorities (Revenue Service of the Ministry of Finances) under general tax administration rules.</p> <p>Description of Risk</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>• Revenue Service of the Ministry of Finances of Georgia</li> </ul> <p><b>Legally required documents or records</b></p> <p>Tax audit and monitoring documents</p>		<p>According to the Labour Code (2010) there are two types of contracts – written and verbal. The contract agreement should be written, if the work lasts for more than three months. It can be verbal, if it lasts for three months or less. Forestry work performed by seasonal or temporary workers usually lasts for less than three months, while longer-term workers, such as rangers or managers, always have written contracts. Consequently, all types of forestry works are subjected to agreements (contracts), between employer and employee, either written or verbal.</p> <p>Many international observers (KPMG Georgia: Business Climate in Georgia, 2013) consider the Labour Code of 2010 to be very flexible and currently favourable for employers who - to make their work more efficient and effective - are free to design and include basically any term in a labour contract, except terms directly restricted by law. At the beginning of the long-term forest licensing process (in 2007), there were cases of tension over the contractual conditions and lock-out rights between foreign operators and local personnel involved in forest activities (refer Chinese Business in Georgia 2010), although these tensions were regulated based on consensus and without the involvement of State authorities.</p> <p>Despite the fact that there is no specialized enforcement and monitoring body within the Ministry of Labour, Health and Social Protection (the agency responsible for enforcement of the Labour Code), the risk is low in all above-mentioned aspects as the Labour Code provides for liberal arrangements based not on State intervention and control, but rather on expression of free will and consensus principles.</p> <p>In addition, requirements relating to employer income tax payments and withholding are strictly observed and monitored by the tax authorities – thus, the overall risk for this sub-category is assessed as low.</p> <p>To summarize - there are no evidences of “<i>systematic or large scale non-compliance with labour and/or employment laws</i>” (extract from FSC-PRO-60-002A V1-0 EN, page 19), with respect</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>to employment conditions, possible forced labour, violations of contracts and tax payment.</p> <p>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 (adopted in 1997). 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 (2010) defines the minimum working age (including in the forestry sector) as 16 years. Persons 14 years old or older (but under 16), can be legally allowed to work, with the permission of their legally defined representative (or stewardship organization), if the respective work will not be detrimental to the interests of the under-aged and his/her physical, mental moral development and will not restrict his/her rights of receiving education. In no circumstances it is allowed for the under-aged persons to work under hazardous conditions. Nevertheless, the 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. Consequently, specific risk shall be applied for freedom of association and child labour. Further details are given in the assessment for Indicator 2.2.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (2) is met for this indicator (the identified laws are not enforced by relevant authorities and are often ignored). Consequently, the risk for this indicator has been assessed as specified.</p>
Third parties' rights			



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
<p>1.13 Customary rights</p>	<p><b>Applicable laws and regulations</b></p> <p>Forest Code (1999) - [Article 88, Chapter XXIV] / Law of Georgia No 2124-III of 22 June, 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35/, 08.07.1999)/ Consolidated Version as of 23.09.2013 / as modified by 21 amending laws / Last amended by Law of Georgia No 1031-Is, 06.09.2013 - LHG Official Website, 23.09.2013</p> <p><a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <p><b>Legal Authority</b></p> <p>National Environmental Agency (subordinated to the Ministry of Environment and Natural Resources Protection) National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection) Forest Agency of Adjara Autonomous Republic (directly subordinated to the Government of Adjara Autonomous Republic )</p> <p><b>Legally required documents or records</b></p> <p>N/A</p>	<p>Government sources Official web page of the Legislative Herald of Georgia <a href="https://matsne.gov.ge">https://matsne.gov.ge</a> The decision of Georgian Government # 142 (dated 11 August 2009)</p> <p>Other sources “Current situation with respect to forest management and its impacts on local population- Georgia”. A report on the outcomes of research conducted by Caucasus Environmental NGO Network (CENN) in the spring of 2013 (mainly relates to the period 2010-2012); the report was produced within the framework of the project “Sustainable Forest Management in Georgia” financially supported by Austrian development Agency (ADA). Website link: <a href="http://environment.cenn.org/app/uploads/2016/09/%E1%83%A2%E1%83%A7%E1%83%94%E1%83%94%E1%83%91%E1%83%98%E1%83%A1-%E1%83%9B%E1%83%9">http://environment.cenn.org/app/uploads/2016/09/%E1%83%A2%E1%83%A7%E1%83%94%E1%83%94%E1%83%91%E1%83%98%E1%83%A1-%E1%83%9B%E1%83%9</a></p>	<p><b>Overview of Legal Requirements</b></p> <p>There are no groups of individuals holding customary rights to forest harvesting activities (this includes requirements covering sharing of benefits and Indigenous rights). However, there are customary rights to second-rate (secondary/ minor/ accessory) timber materials and non-timber forest products which are defined by the Forest Code (1999). According to Article 88 (Chapter XXIV) of the Forest Code (1999), the presence of populations (individuals) in the forest is permitted without any preconditions or prerequisites. Under the same Article, any person is allowed to move freely within the forest; to collect for individual consumption purposes second-rate (secondary/ minor/ accessory) timber materials such as dead branches and roots of trees, tree stumps, dead bark and brushwood; to collect for individual consumption purposes non-timber products; and to use forests for recreation and tourism.</p> <p><b>Description of Risk</b></p> <p>In the past there have been reports of Forest Use License holders refusing to allow people to enter their licensed forest areas. These reports mainly used the surveys of local population as the sources of information. After inclusion in the Procedure and Terms of Forest Use Licensing (2005) of certain rights including access and collecting for personal consumption purposes (in 2009), violations of these rights are no longer reported to be an issue. Each year, tens of thousands of people (both Georgians and foreign tourists visiting Georgia) use Georgian forests for recreation and collection of non-wood products for personal consumption free of charge. This also includes wood use license areas. There are no recent reports available (at least for the recent 2-3 years), indicating of any type of unlawful restriction of people’s access to the forests, including by logging license holders. Consequently, the risk for this indicator is considered low.</p> <p><b>Risk Conclusion</b></p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<a href="#">0%E1%83%A0%E1%83%97%E1%83%95%E1%83%98%E1%83%A1-%E1%83%93%E1%83%A6%E1%83%94%E1%83%95%E1%83%90%E1%83%9C%E1%83%93%E1%83%94%E1%83%9A%E1%83%98-%E1%83%95%E1%83%98%E1%83%97%E1%83%90%E1%83%A0%E1%83%94%E1%83%91%E1%83%90-%E1%83%93%E1%83%90-%E1%83%9B%E1%83%98%E1%83%A1%E1%83%98-%E1%83%92%E1%83%90%E1%83%95%E1%83%9A%E1%83%94%E1%83%9C%E1%83%90-%E1%83%9B%E1%83%9D%E1%83%A1%E1%83%90%E1%83%AE%E1%83%9A%E1%83%94%E1%83%9D%E1%83%91%E1%83%90%E1%83%96%E1%83%94.pdf</a> [in Georgian]	Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.
1.14 Free prior and informed consent	<b>Applicable laws and regulations</b> <ul style="list-style-type: none"> <li>• Law on Licenses and Permits (2005) / Law of Georgia No 1775-rs of 24 June, 2005 (Legislative Herald of Georgia, Part I, Vol. 40, 18.07.2005) /</li> </ul>	Government sources Official web page of the National Forest Agency of Georgia <a href="http://forestry.gov.ge/">http://forestry.gov.ge/</a>	Overview of Legal Requirements Free, prior and informed consent is covered in applicable laws indirectly (see also Overview of Legal Requirements in 1.13 Customary rights).

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Consolidated Version as of 30.06.2015 / as modified by 60 amending laws / Last amended by Law of Georgia No 3704-III of 12.06.2015 - LHG Official Website, 30.06.2015</p> <p><a href="https://matsne.gov.ge/en/document/view/26824">https://matsne.gov.ge/en/document/view/26824</a></p> <ul style="list-style-type: none"> <li>• Rules and Conditions for Issuing Forest Use Licenses (2005) - Decree of the Government of Georgia of August 11, 2005 #132 "On Adoption of Rules and Conditions for Issuing Forest Use Licenses" (Legislative Herald of Georgia, Part III, Vol.94, 08.12.2005, Clause 1066) / as modified by 61 amending decrees / last amended by the Decree of the Government of 16.07.2015 #351</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/10234">https://matsne.gov.ge/ka/document/view/10234</a></p> <ul style="list-style-type: none"> <li>• Rules on Transfer and Receipt of the Forest Land Plots Prescribed under general and Special Forest Use Licenses (2009) – Annex 1 to the Order of the Minister of Environment and Natural Resources Protection of Georgia of February 10 September, 2009 #33 "On Adoption of Rules and Forms for Transfer and Receipt of the Forest Land Plots Prescribed under General and Special Forest Use Licenses (Legislative Herald of Georgia, Part III, Vol.112, 14.09.2010) / as modified by 2 amending orders / last amended by the Order of the Ministry of Environment Protection and Natural Resources 18.11.2010 #59</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/85996">https://matsne.gov.ge/ka/document/view/85996</a></p>	<p>Non-Government sources</p> <p><i>Forest use in Georgia: Problems and Challenges.</i> Publication by NGO "Green Alternative"; [in Georgian]; sponsored by the US Embassy in Georgia.</p>	<p>Rules and Conditions for Issuing Forest Use Licenses (2005) sets out the procedure for decision-making on forest use (harvesting) plans that must be prepared by Forest Use Special License holders and approved by the forest authorities before license-related forest operations may commence. The procedure implies public disclosure of a draft plan and consultation where elements of free, prior and informed consent are indirectly presented – as the local population has the right to obtain information in advance and to express opinions about the transfer of forest management/ operational rights (and some existing customary rights) to the organization in charge of the harvesting operation within the defined licensed area.</p> <p>In addition, according to Article 3 (Paragraph 'a.a') of the Law on Licenses and Permits (2005), a license holder may divide and/or fully or partially transfer the license to another person, including by inheritance. Rules and Conditions for Issuing Forest Use Licenses (2005) provides further details for full or partial transfer of the forest use (harvesting) license to another person. According to Article 8 (Paragraph 'I') of the Rules and Conditions for Issuing Forest Use Licenses, a person (whether natural or legal) who has fully or partially transferred a forest use (harvesting) license is obliged to prepare and submit to the forest authorities a new forest use (harvesting) plan for consideration and further approval.</p> <p>Overall, Georgian law does not provide for the direct implementation of free, prior and informed consent that, under international law (The United Nations Declaration on the Rights of Indigenous Peoples, adopted by the UN General Assembly 61st session on 13 September 2007), relates to the rights of Indigenous People.</p> <p>It has to be considered also that customary rights in Georgia are not directly related to the whole spectrum of forest management rights, but represent a limited segment of minor use rights (see more details in 1.13 Customary rights).</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p><b>Legal Authority</b></p> <p>N/A</p> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Forest Use (Harvesting) License</li> <li>• General Management Forest Plan (has to be prepared by the forest authorities for a wider forest area/forest administrative unit)</li> <li>• Forest Use (Harvesting) Plan (has to be prepared by license holder for a licensed area located within the wider forest area)</li> </ul>		<p>Description of Risk</p> <p>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.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p> <p>.</p>
<p>1.15 Indigenous peoples rights</p>	<p><b>Applicable laws and regulations</b></p> <p>N/A</p> <p><b>Legal Authority</b></p> <p>N/A</p> <p><b>Legally required documents or records</b></p> <p>N/A</p>	<p>N/A, as there are no IP in Georgia. Further details are given in the assessment of Indicator 2.3.</p>	<p>N/A</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
<b>Trade and transport</b>			
1.16 Classification of species, quantities, qualities	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Forest Code (1999) / Law of Georgia No 2124-ILs of 22 June, 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35/, 08.07.1999) / Consolidated Version as of 23.09.2013 / as modified by 21 amending laws / Last amended by Law of Georgia No 1031-ILs, 06.09.2013 - LHG Official Website, 23.09.2013</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <ul style="list-style-type: none"> <li>• Law on Fees for Use of Natural Resources (2004) / Law of Georgia No 946-rs of 29 December, 2014 (Legislative Herald of Georgia, Part I, Vol. 41, 30.12.2004) / Consolidated Version as of 04.06.2015 / as modified by 24 amending laws / Last amended by Law of Georgia No 3674-ILs of 29.05.2015- LHG Official Website, 04.06.2015</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/28948">https://matsne.gov.ge/ka/document/view/28948</a></p> <ul style="list-style-type: none"> <li>• Rules for Forest Inventory, Planning and Monitoring (2013) - Decree of the Government of Georgia of July 17, 2013, #179 "On Adoption of Rules for Forest Inventory, Planning and Monitoring" (Official Website of the Legislative Herald of Georgia, 19.07.2013)</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1971205">https://matsne.gov.ge/ka/document/view/1971205</a></p> <ul style="list-style-type: none"> <li>• Forest Use Rules (2010) - Decree of the Government of Georgia of August 20, 2010 #242 "On Adoption of Forest Use Rules" (Legislative Herald of Georgia, Part III, Vol. 103, 24.08.2010, Clause 1533) /</li> </ul>	<p>Government sources Official Timber Resources Management Electronic System (access for authorized state bodies) <a href="http://ms.anr.ge">http://ms.anr.ge</a></p> <p>Official Timber Resources Management Electronic System (access for registered forest operators) <a href="http://portal.anr.ge">http://portal.anr.ge</a></p> <p>Official Tax Service Electronic System – EIS (access for authorized state bodies and registered tax payers) <a href="https://www.rs.ge">https://www.rs.ge</a></p>	<p><b>Overview of Legal Requirements</b> According to the Forest Code of 1999 (Articles 93 and 931), the National Forest Agency is responsible for enforcement of legislation regulating classification of harvested material in terms of species, volumes and qualities in connection with trade and transport. The legal acts approved in this context (Rules for Forest Inventory, Planning and Monitoring, 2013 and Forest Use Rules, 2010) are mentioned in the source information. In addition, the Law on Fees for Use of Natural Resources (2004) provides a classification of harvested material in terms of species, volumes and qualities.</p> <p>The above laws and regulations define what should be classified and measured (e.g. standing and harvested wood must be classified according to species, quality and quantity); however they do not stipulate how the species, volume and quality for standing forest or different timber products (roundwood, sawn timber, commercial wood, etc.) shall be calculated (where relevant) and do not provide relevant tables on log volume calculations, other formulas for calculation and/or identification, or other technical guidance, reference to other technical standards and/or details.</p> <p>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.</p> <p><b>Description of Risk</b> Based on the abovementioned, non-legally binding measurement rules and standards, wood is almost always transported and traded with all necessary accompanying documentation (see more details in 1.17 Trade and Transport) including all required details such as species, volumes, quality etc.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>as modified by 40 amending decrees / last amended by the Decree of the Government of 04.09.2015 #455</p> <p><a href="https://matsne.gov.ge/ka/document/view/1025889">https://matsne.gov.ge/ka/document/view/1025889</a></p> <p><b>Legal Authority</b></p> <p>Environmental Supervision Department of the Ministry of Environment and Natural Resources Protection</p> <p>National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</p> <p>Forest Agency of Adjara Autonomous Republic (subordinated to the Directorate of Environment Protection and Natural Resources of Ajara Autonomous Republic; the Directorate in its turn is directly subordinated to the Government of Adjara Autonomous Republic)</p> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Forest inventory data</li> <li>• Forest use licenses and Documents of Origin of Wood</li> <li>• Sales Contracts for Wood and Primary Wood Products</li> <li>• Waybill</li> <li>• Forest operations and felling areas monitoring documentation</li> </ul>		<p>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.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
1.17 Trade and transport	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Forest Code (1999) / Law of Georgia No 2124-III of 22 June, 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35/, 08.07.1999) / Consolidated Version as of 23.09.2013 / as modified by 21 amending laws / Last amended by Law of Georgia No 1031-Is, 06.09.2013 - LHG Official Website, 23.09.2013</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <ul style="list-style-type: none"> <li>• 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) - Decree of the Government of Georgia of January 10, 2014 #46 "On Adoption of Technical Regulations establishing Rules for Movement of Wood within the Territory of Georgia and Technical Regulations for Primary Round Wood (Logs) Processing Facilities - Sawmills" (Official Website of the Legislative Herald of Georgia, 15.01.2014) / as modified by 3 amending decrees / last amended by the Decree of the Government of Georgia #675, 10.12.2014</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/2193366">https://matsne.gov.ge/ka/document/view/2193366</a></p> <ul style="list-style-type: none"> <li>• Operational Instructions for Timber Resources Management Electronic System (2014) - Decree of the Government of Georgia of April 30, 2014 #118 "On Adoption of Operational Instructions for Timber Resources Management Electronic System" (Official Website of the Legislative Herald of Georgia, 10.05.2014) / as modified by 2 amending decrees /</li> </ul>	<p>Government sources Reports of the National Forest Agency for 2014 and for the first half of 2015 <a href="http://forestry.gov.ge/ge/public-information/general-information">http://forestry.gov.ge/ge/public-information/general-information</a></p> <p>Official Tax Service Electronic System – E-Services (access for authorized state bodies and registered tax payers) <a href="https://www.rs.ge">https://www.rs.ge</a></p> <p>Official Timber Resources Management Electronic System (access for authorized state bodies) <a href="http://ms.anr.ge">http://ms.anr.ge</a></p> <p>Official Timber Resources Management Electronic System (access for registered forest operators) <a href="http://portal.anr.ge">http://portal.anr.ge</a></p> <p>Non-Government sources</p> <p>"A Case of Violation of Regulations for Sawmills has been Revealed in Guria Region" (online news article in Georgian, published on 11 November 2015):</p>	<p>Overview of Legal Requirements According to the Forest Code of 1999 (Articles 93 and 931), forest authorities are responsible for enforcement of legislation regulating management of timber operations and timber products relating to data generation and sharing in connection with trade and transport. The legislation approved in relation to the above (and other relevant implementing regulations) is mentioned in the source information; namely, 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) [or 'Technical Regulations (2014)'], Instruction on Administering of Taxes (2010), Operational Instructions for Timber Resources Management Electronic System (2014) [or 'Operational Instructions (2014)'] and Forest Use Rules (2010), set out rules and requirements for transportation and trade in wood and primary wood products.</p> <p>Legal requirements regarding transportation</p> <p>Legal requirements regarding transportation of wood (round logs) from the harvesting area to a certain destination can be classified as follows:</p> <p>1. Document of Timber Origin (required for transportation of all types of wood derived from all types of use, and from all types of forest operators, whether commercial timber and fuel wood or whether harvested on State forest lands or elsewhere): document, with some minor exceptions, is obtained directly from the forest authorities (National Forest Agency and in Adjara from the Forest Agency of Adjara Autonomous Republic); document is issued based on existing licenses, forest harvesting tickets (in case of fuel wood), special forest use contracts, and forest operations- and felling areas-related monitoring documentation under Forest Use Rules (2010) and - in the case of timber harvested outside State forest lands - based on other documents. The document is also required for transportation of imported timber; and in this case the document is issued based on existing import-related documents</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>last amended by the Decree of the Government of Georgia #224, 23.09.2015</p> <p><a href="https://matsne.gov.ge/ka/document/view/2309913">https://matsne.gov.ge/ka/document/view/2309913</a></p> <ul style="list-style-type: none"> <li>• Instruction on Administering of Taxes (2010) – Order of the Minister of Finances of December 31, 2010, #996 “On Administering of Taxes” (Official Website of the Legislative Herald of Georgia, 03.01.2010) / as modified by 122 amending orders/ last amended by the Order of the Minister of Finances of 22.10.2015 #339</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1167887">https://matsne.gov.ge/ka/document/view/1167887</a></p> <ul style="list-style-type: none"> <li>• Forest Use Rules (2010) - Decree of the Government of Georgia of August 20, 2010 #242 “On Adoption of Forest Use Rules” (Legislative Herald of Georgia, Part III, Vol. 103, 24.08.2010, Clause 1533) / as modified by 40 amending decrees / last amended by the Decree of the Government of 04.09.2015 #455</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1025889">https://matsne.gov.ge/ka/document/view/1025889</a></p> <p><b>Legal Authority</b></p> <p>Environmental Supervision Department of the Ministry of Environment and Natural Resources Protection</p> <p>National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</p> <p>Forest Agency of Adjara Autonomous Republic</p>	<p><a href="http://kvira.ge/220198">http://kvira.ge/220198</a></p>	<p>(such as a contract, customs documentation etc.). [Legal references: Article 93 of Forest Code/ Article 3 of Technical Regulations (2014)]</p> <p>2. Timber Waybill: used in situations where timber is to be used for commercial purposes or for trade; and is required for transportation of all types of wood derived from all types of use, and from all types of forest operators, whether commercial timber and fuel wood or whether harvested on State forest lands or elsewhere. The waybill is issued by tax authorities (Revenues Service of the Ministry of Finances) through the tax services’ electronic system and is obtained electronically by registered tax payer operators (either a physical or legal person). The waybill is also required for transportation of imported timber. [Legal reference: Articles 24 and 252 of the Instruction on Administering of Taxes (2010)]</p> <p>3. Timber Label: required for all types of timber except fuel wood logs, which have to be harvested and transported only in ‘log’ form with a length of no more than 1 meter. Each label has its own unique code number and each log shall be subject to labeling. The label, with some minor exceptions, is obtained directly from the forest authorities (National Forest Agency and in Adjara from the Forest Agency of Adjara Autonomous Republic). [Legal references: Article 93 of Forest Code/ Article 3 of Technical Regulations (2014)]</p> <p>Legal requirements regarding trade</p> <p>1. Document of Timber Origin [Legal References: Forest Code/ Technical Regulations (2014)]</p> <p>2. Timber Waybill (following a request from a buyer) [Legal Reference: Instruction on Administering of Taxes (2010)]</p> <p>3. Timber Label (is required where timber is purchased directly from the Forest Use Special License holder) [Legal References: Forest Code/ Technical Regulations (2014)]</p> <p>4. Timber sales primary contract (required in instances of secondary sale and/or export)</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>(subordinated to the Directorate of Environment Protection and Natural Resources of Adjara Autonomous Republic; the Directorate in its turn is directly subordinated to the Government of Adjara Autonomous Republic)</p> <p>Revenue Service of the Ministry of Finance</p> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Waybill</li> <li>• Document of Origin for Wood</li> <li>• Sales Contract for Wood and Primary Wood Products</li> <li>• Wood Labels</li> </ul>		<p>5. Trade in timber harvested for social purposes through forest use tickets and/or special forest use contracts (whether fuel wood or commercial timber) is prohibited. Trade is prohibited also in primary timber products processed from the above timber.</p> <p>Description of Risk Timber transportation, trade and primary processing-related data and documents - as well as forest operations- and felling areas-related monitoring documentation under Forest Use Rules (2010) - are uploaded and integrated into the Timber Resources Management Electronic System according to the rules and procedures set out in the Operational Instructions (2014). The Electronic System is coordinated by the National Forest Agency; however other related agencies as well as forest operators (e.g. Forest Use Special License holders) are also authorized to upload documents. Since its introduction in 2014 and following further development, the Electronic System has gradually become an effective instrument for forest operations monitoring and timber tracking at national and local levels. This system has been regarded as an effective instrument because all required transport and trade documents are recorded; volumes, species and qualities are classified; and documents related to transportation, trade, import and export are clearly linked to the specific material in question. Thus, the risk of corrupt deals has been brought to minimum.</p> <p>Rules and 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). Under current administrative and criminal law, administrative and criminal responsibility is envisaged for violation of the above rules. To date, there have been only very few cases of violation of these rules. In those cases, the respective law enforcement authority (i.e. Environmental Supervision Department of the Ministry of</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Environment Protection and Natural Resources) has taken immediate and effective actions to stop illegal activities and prosecute the violators.</p> <p>The Timber Resources Management Electronic System, timber tracking, and obligatory 'document of timber origin,' are newly introduced instruments. The system is constantly being improved and therefore risk of noncompliance and non-enforcement is low. While there are some minor issues with software, improvements are continuing and the system is considered to work well.</p> <p>Because of the high level of law enforcement for this indicator, and a very low level of corruption in the country (including in the forestry sector) risk for this sub-category is assessed as low.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>
1.18 Offshore trading and transfer pricing	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Tax Code of Georgia (2010) / Law of Georgia No 3591-IIs of 17 September, 2010 (Legislative Herald of Georgia, Part I, Vol. 54, 12.10.2010) / Consolidated Version as of 04.08.2015 / as modified by 94 amending laws / Last amended by Law of Georgia No 4088-rs of 22.07.2015 - LHG Official Website, 04.08.2015</li> <li>- Art 22, Principles of Determining the Price of Goods (Services) for Taxation Purposes,</li> <li>- Art 23, Interrelated Parties, provides the basis for transfer pricing control by the tax authorities.</li> <li>- Chapter XVII. Articles: 126,</li> </ul>	<p>Government sources</p> <p>Georgian National Investment Agency</p> <p><a href="http://investinggeorgia.org/en/georgia/taxation">http://investinggeorgia.org/en/georgia/taxation</a></p> <p>Non-Government Sources</p> <p>UHY GLOBAL TRANSFER PRICING GUIDE, January 2015:</p>	<p>Overview of Legal Requirements</p> <p>Since 1993, Georgia has been incorporating certain transfer pricing concepts into general tax legislation (currently Tax Code of 2010). Specific transfer-pricing regulation has been effective from 1 January 2011. The law follows the principles of the Organization for Economic Co-operation and Development (OECD). No Tax Information Exchange Agreements (TIEAs) have been signed, but 50 Double Tax Conventions (DTCs) have been signed in relation to 49 jurisdictions.</p> <p>The Tax Code stipulates that the tax authority may recalculate taxes if it can be proven that the transaction prices applied by related parties differ from market prices.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>127, 128, 129. (Amended in 2011). Specific transfer pricing regulation</p> <p><a href="https://matsne.gov.ge/en/document/view/1043717">https://matsne.gov.ge/en/document/view/1043717</a></p> <p>• Instruction for Controlled International Operations (2013) - Decree of the Government of Georgia of December 18, 2013, #423 "On Adoption of Instruction for Assessment of Controlled International Operations" (Official Website of the Legislative Herald of Georgia, 18.12.2013, 190040000.22.033.016592)</p> <p><a href="https://matsne.gov.ge/ka/document/view/2078069">https://matsne.gov.ge/ka/document/view/2078069</a></p> <p><b>Legal Authority</b></p> <p>Revenue Service of the Ministry of Finance of Georgia</p> <p><b>Legally required documents or records</b></p> <p>Trade Contracts</p>	<p><a href="http://www.uhy.com/wp-content/uploads/Global-Transfer-Pricing-Guide-January-2015.pdf">http://www.uhy.com/wp-content/uploads/Global-Transfer-Pricing-Guide-January-2015.pdf</a></p> <p>PwC International Transfer Pricing Guide 13/14: <a href="http://www.pwc.com/gx/en/international-transfer-pricing/assets/itp-2013-final.pdf">http://www.pwc.com/gx/en/international-transfer-pricing/assets/itp-2013-final.pdf</a></p> <p>EOI 2015 - Exchange of tax Information Portal: <a href="http://www.eoi-tax.org/jurisdictions/GE#agreements">http://www.eoi-tax.org/jurisdictions/GE#agreements</a></p> <p>The Foundation "Liberal Academy Tbilisi" (2012). The Economic Transformation of Georgia in its 20 years of independence. Interim Report. Supported by USAID office in Georgia:</p> <p><a href="http://www.ei-lat.ge/images/doc/the%20economic%20transformation%20of%20georgia%20-%2020%20years%20of%20independence%20eng.pdf">http://www.ei-lat.ge/images/doc/the%20economic%20transformation%20of%20georgia%20-%2020%20years%20of%20independence%20eng.pdf</a></p> <p>Full version available in Georgian:</p>	<p>The Georgian tax authorities can evaluate transfer pricing in controlled transactions (including international transactions) involving various jurisdictions and parties. The tax authorities may apply transfer pricing regulations when transactions occur between related parties (unless their relationship does not impact on the results of the transaction); or to transactions in which the tax authorities can prove that the price declared by the transacting parties differs from the actual price (UHY 2015). This applies to transactions between Georgian companies; or transactions between independent parties if one of the parties is a tax-haven resident or is registered in the Free Industrial Zone (FIZ).</p> <p>The definition of 'related parties' is found in Article 19 of the Tax Code. Parties are recognised as related if their relationship could affect the conditions or economic results of their activities.</p> <p>The definition of 'arm's length' can be evaluated by the authorities through various methods including: comparable uncontrolled price method; resale price method; cost plus method; net profit margin method; or profile split method. If the cost plus method is chosen, the law indicates that the mark-up should be benchmarked against similar transactions between non-related parties. It is yet to be seen how the government will seek to implement the benchmarking requirement.</p> <p>The burden of proof remains with the taxpayer to confirm acceptability of the existing prices.</p> <p>Rules and instructions relating to submission of transfer pricing documentation to the tax authorities have been determined by the order of the Ministry of Finance (which also includes the assessment methods used by the authority). All related information (including contracts) proving fair prices shall be presented to the Revenue Service if requested.</p> <p>Description of Risk</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<a href="http://www.ei-lat.ge/images/stories/The_Economic_Transformation_of_Georgia_-_20_Years_of_Independence_Interim_Report_geo.pdf">http://www.ei-lat.ge/images/stories/The_Economic_Transformation_of_Georgia_-_20_Years_of_Independence_Interim_Report_geo.pdf</a>	<p>Transfer pricing is regulated through control of transfer prices and general tax audits. Only one can occur annually, unless reliable information exists relating to tax evasion.</p> <p>PwC, in their International Transfer Pricing Book 2013/14, has identified 'export and import' as a risk area for transactions. Companies undergoing general tax audits have to provide additional information if tax evasion is suspected. Tax legislation is generally considered well-implemented and enforced by all key stakeholders, from not only state, but also NGO sectors and independent researchers (e.g. Liberal Academy Tbilisi). This has been confirmed by the fact that in recent years there have been no reported (or otherwise revealed) cases of bribery with respect to tax legislation enforcement. 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.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>
1.19 Custom regulations	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Tax Code of Georgia (2010) / Law of Georgia No 3591-IIs of 17 September, 2010 (Legislative Herald of Georgia, Part I, Vol. 54, 12.10.2010) / Consolidated Version as of 04.08.2015 / as modified by 94 amending laws / Last amended by Law of Georgia No 4088-rs of 22.07.2015 - LHG Official Website, 04.08.2015</li> </ul> <p><a href="https://matsne.gov.ge/en/document/view/1043717">https://matsne.gov.ge/en/document/view/1043717</a></p>	<p>Government sources</p> <p>Reports of the National Forest Agency for 2014 and for the first half of 2015 <a href="http://forestry.gov.ge/ge/public-information/general-information">http://forestry.gov.ge/ge/public-information/general-information</a></p> <p>Personal communication with customs authorities of the state revenue service, Merab Arakhamia (Deputy</p>	<p>Overview of Legal Requirements</p> <p>Since August 2015, special requirements were introduced regarding the export of wood and/or wood products from Georgia. According to the Tax Code of 2010, movements and registration of goods within the customs territory of Georgia are regulated by implementation of the Instruction on Movement and Registration of Goods on the Customs Territory of Georgia, 2012. This Instruction specifies general rules for customs clearance (Article 4) including that clearance for all exported and imported goods requires submission of a general customs declaration, waybill, and contractual and financial information. Additional documentation (special permits or certificates) is required only if export or import is related, inter alia, to wood (unprocessed logs)</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>• Instruction on Movement and Registration of Goods on the Customs Territory of Georgia (2012) – Order of the Minister of Finances of July 26, 2012, #179 “On Adoption of Instruction on Movement and Registration of Goods on the Customs Territory of Georgia” (Official Website of the Legislative Herald of Georgia, 31.07.2012) / as modified by 64 amending orders/ last amended by the Order of the Minister of Finances of 01.09.2015 #285</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/1709684">https://matsne.gov.ge/ka/document/view/1709684</a></p> <p><b>Legal Authority</b></p> <p>Customs Department of the Revenue Service of the Ministry of Finances of Georgia</p> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Customs Declaration</li> <li>• Waybill</li> <li>• Document of Origin of Wood and Primary Wood Products</li> <li>• Sales Contract for Wood and Primary Wood Products</li> </ul>	<p>Head of the Legal Department) and Mikhail Kavtaradze (Customs Department) on 4 October 2015.</p>	<p>and primary wood products. This documentation (in addition to the customs declaration and waybill) include: Document of Origin of Wood and Primary Wood Products (issued by the forest authority [National Forest Agency]; document allows timber to be tracked back to its primary source); Sales Contract for Wood and Primary Wood Products.</p> <p>Customs declarations can be submitted electronically, or manually at the border, and the system is linked with the tax system. Thus, special requirements (such as document of origin and contract in the case of purchases) for exporting of wood and wood products from Georgia are required under the customs regulations. Export and import of timber are linked with particular conifer or broad-leaved species and measured in both cubic meters and tones. Additional cross-checking of documents could be carried out at customs ports where ‘objectively verified suspicion’ exists. If the required documentation cannot be presented, wood may not be exported.</p> <p>Description of Risk No records exist demonstrating violation of the existing customs requirements for wood and wood product exports.</p> <p>Risk Conclusion</p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>
1.20 CITES	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Decree of the President of Georgia of 12 August of 1996 #524 “On Accession to the Convention on International Trade in Endangered Species of Wild</li> </ul>	<p>Government sources</p> <ul style="list-style-type: none"> <li>• CITES Checklist, accessed 1. October 2015 <a href="http://checklist.cites.org/#/en/search/country_ids%5B%5D=240&amp;output_layout=alp">http://checklist.cites.org/#/en/search/country_ids%5B%5D=240&amp;output_layout=alp</a></li> </ul>	<p>Overview of Legal Requirements</p> <p>Georgia became a party to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1996, with the Convention coming into force in the territory of Georgia on 12 December 1996.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Fauna and Flora (CITES) / (Collection of Decrees and Ordinance of the President of Georgia, 30.08.1996)</p> <p><a href="https://matsne.gov.ge/ka/document/view/108562">https://matsne.gov.ge/ka/document/view/108562</a></p> <ul style="list-style-type: none"> <li>Decree of the Government of Georgia "On Approval of the Regulation on the Rule and Conditions of Issuance of Permit to Export, Import, Re-export and Introduction from the Sea of the Specimens (their parts and derivatives) of the Species Included in the Appendices of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)" – Decree of the Government of Georgia #18, February 6, 2007 (Legislative Herald of Georgia, Part III, Vol.20, 13.02.2007) / as modified by 6 amending decrees / last amended by the Decree of the Government of 19.03.2015 #119</li> </ul> <p><a href="https://matsne.gov.ge/ka/document/view/8140">https://matsne.gov.ge/ka/document/view/8140</a></p> <p><b>Legal Authority</b></p> <p>Ministry of Environment and Natural Resources Protection of Georgia</p> <p><b>Legally required documents or records</b></p> <p>Permit to export, import, re-export; and introduction of the specimens (their parts and derivatives) of the species included in the Appendices of the CITES Convention</p>	<p>habetical&amp;level_of_listing=0&amp;show_synonyms=1&amp;show_author=1&amp;show_english=1&amp;show_spanish=1&amp;show_french=1&amp;scientific_name=&amp;page=1&amp;per_page=20</p> <ul style="list-style-type: none"> <li>Biennial Report of Georgia for 2011-2012 to the CITES Secretariat <a href="https://cites.org/sites/default/files/reports/11-12Georgia.pdf">https://cites.org/sites/default/files/reports/11-12Georgia.pdf</a></li> </ul>	<p>The Implementing Regulation of 2007 (Governmental Decree #18, 6 February 2007) sets rules and conditions for: (a) granting of permits to export, import, re-export; and (b) introduction of the species included in the Appendices to the CITES Convention.</p> <p><b>Description of Risk</b></p> <p>Permits and other documents - as specified in the CITES Convention - are issued by the Ministry of Environment and Natural Resources Protection of Georgia to allow export of CITES-listed animals and plants, parts thereof or articles made of them to third-party countries.</p> <p>According to Article 4 (paragraph 4, sub-paragraph 'a.a.e') of the Instruction on Movement and Registration of Goods in the Customs Territory of Georgia (2012), CITES permits and certificates are required during customs clearance and therefore accomplishment of customs formalities is allowed only upon presentation of the above documentation.</p> <p>There are no woody species listed on the CITES list for Georgia. Furthermore, based on annual reports from Georgia to the CITES Secretariat there is no specification of tree species exported (re-exported) from Georgia.</p> <p><b>Risk Conclusion</b></p> <p>Based on the available information, it can be concluded that Threshold (1) is met. The risk for this indicator has been assessed as low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
<b>Diligence/due care procedures</b>			
1.21 Legislation requiring due diligence/due care procedures	<b>Applicable laws and regulations</b> N/A <b>Legal Authority</b> N/A <b>Legally required documents or records</b> N/A	N/A None of the laws and regulations listed above include provisions directly or indirectly related to due diligence/due care procedures. The further search of the databases of Georgian legislation has not revealed such provisions either.	N/A

## Recommended control measures

Indicator	Recommended control measures
1.4 Harvesting permits	<p>Generic - Harvesting permits (license or similar legal document governing the harvesting of forest resources) shall exist.</p> <p>Country specific • For state forests located on areas under management of the National Forest Agency – existing governmental (Environmental Supervision Department of the Ministry of Environment and Natural Resources Protection and/or National Forest Agency) recent monitoring reports on use of special use licenses shall be observed.</p> <p>However, if such reports are not available, then independent field inspection (especially if primary source of timber is a “forest use special license”) shall confirm that: a) harvesting takes place within limits given in the harvesting permit and b) information regarding area, species, volumes and other information given in the harvesting permit are correct and within limits prescribed in the legislation.</p>
1.8 Timber harvesting regulations	<p>For state forests located on areas under management of the National Forest Agency – existing governmental (Environmental Supervision Department of the Ministry of Environment and Natural Resources Protection and/or National Forest Agency) recent monitoring reports on use of special use licenses shall be observed.</p> <p>However, if such reports are not available, then independent field inspection/evaluation (especially if primary source of timber is a “forest use special license”) shall confirm that harvesting rules and restrictions are complied with (Harvesting is conducted within the authorised boundaries of the FMU; Harvesting did not take place in areas where harvesting is legally prohibited; Tree species or selected trees found within the FMU for which felling is prohibited were listed in operational plans; Tree species or selected trees found within the FMU for which felling were prohibited were marked, etc.).</p>

Indicator	Recommended control measures
1.9 Protected sites and species	<p>Refer also to country specific measures in 1.4 (Harvesting permits)</p> <ul style="list-style-type: none"> <li>• All legally established protected areas (including species habitats) shall be included in the management plan or related documentation.</li> <li>• For state forests located on areas under management of the National Forest Agency – existing governmental (Environmental Supervision Department of the Ministry of Environment and Natural Resources Protection and/or National Forest Agency) monitoring reports shall be observed.</li> <li>• For state forests located within protected areas under management of the Protected Areas Agency – existing governmental (Protected Areas Agency) monitoring and/or evaluation reports shall be observed.</li> <li>• Refer also to country specific measures in sub-category 1.4 (Harvesting permits) and 1.8 (Forest harvesting regulations)</li> </ul>
1.10 Environmental requirements	<ul style="list-style-type: none"> <li>• For state forests located on areas under management of the National Forest Agency – existing governmental (Environmental Supervision Department of the Ministry of Environment and Natural Resources Protection and/or National Forest Agency) recent monitoring reports on use of special use licenses shall be observed.</li> </ul> <p>However, if such reports are not available, then independent field inspection/evaluation (especially if primary source of timber is a “forest use special license”) shall confirm that environmental restrictions (such as requirements related to soil damage, buffer zones, retention trees, seasonal restrictions etc.) were followed.</p> <p>Refer also to country specific control measures and verifiers under sub-category 1.9 Protected sites and species</p>
1.11 Health and safety	<ul style="list-style-type: none"> <li>• Occupational health and safety requirements shall be observed by independent evaluator in cooperation with all personal involved in harvesting activities accompanying with interviews with staff and contractors that confirms that legally required protection equipment is required/provided by the organization</li> </ul>
1.12 Legal employment	<ul style="list-style-type: none"> <li>• Independent evaluator shall observe the fulfilment of requirements with respect to freedom of association and right to collective bargaining, absence of discrimination, and preventing child labour, in cooperation with all personal involved in harvesting activities accompanying with interviews with staff and contractors that confirms that these requirements are properly fulfilled by the respective wood supplying unit.</li> </ul>

## Controlled wood category 2: Wood harvested in violation of traditional and human rights

### Risk assessment

Indicator	Sources of Information	Functional scale	Risk designation and determination
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.	See detailed analysis below.	Country	Risk determination: low risk  Justification: All 'low risk thresholds' (1, 2, 3, 4 and 5) are met and there is no other evidence of 'specified' risk. None of the 'specified risk thresholds' are met.
2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.	See detailed analysis below.	Country	Risk determination: specified risk  Justification: The specified risk thresholds no 14 and 15 apply.  Low risk with regard to forced labour
2.3. The rights of Indigenous and Traditional Peoples are upheld.	See detailed analysis below.	Country	Risk determination: low risk  Justification:  The low risk thresholds 16 and 21 apply.

### Recommended control measures

Indicator	Recommended control measures
2.2	<p>CM should be based on clear evidence that labour rights are upheld in the forest operation.</p> <p>Guidance for Control Measure establishment: The Organization can show evidence that the timber is produced under policies which respect freedom of association and right to collective bargaining, absence of discrimination, and which prevent child labour. The Organization can also show evidence that it has examined if the timber is free from substantial violations of these labour rights.</p> <p>No evidence is needed regarding forced labour.</p>

## Detailed analysis

Sources of information	Evidence	Scale of risk assessment	Risk indication <sup>1</sup>
<b>Context</b> (the following are indicators that help to contextualize the information from other sources) <ul style="list-style-type: none"> <li>Searching for data on: level of corruption, governance, lawlessness, fragility of the State, freedom of journalism, freedom of speech, peace, human rights, armed or violent conflicts by or in the country, etc.</li> </ul>			
World Bank: Worldwide Governance Indicators - the WGI's report aggregate and individual governance indicators for 215 countries (most recently for 1996–2012), for six dimensions of governance: Voice and Accountability; Political Stability and Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a>	<a href="http://info.worldbank.org/governance/wgi/index.aspx#reports">http://info.worldbank.org/governance/wgi/index.aspx#reports</a> (click on table view tab and select Country) In 2013 (latest available year) Georgia scores between 30.81 (for Political Stability and Absence of Violence/Terrorism) and 73.68 (for Regulatory Quality) on the percentile rank among all countries for all six dimensions (the scores range from 0 (lowest rank) to 100 (highest rank) with higher values corresponding to better outcomes).		
World Bank Harmonized List of Fragile Situations: <a href="http://siteresources.worldbank.org/EXTLICUS/Resources/511777-1269623894864/Fragile_Situations_List_FY11_%28Oct_19_2010%29.pdf">http://siteresources.worldbank.org/EXTLICUS/Resources/511777-1269623894864/Fragile_Situations_List_FY11_%28Oct_19_2010%29.pdf</a>	Georgia does not feature on this list		
Committee to Protect Journalists: Impunity Index CPJ's Impunity Index calculates the number of unsolved journalist murders as a percentage of each country's population. For this index, CPJ examined journalist murders that occurred between January 1, 2004, and December 31, 2013, and that remain unsolved. Only those nations with five or more unsolved cases are included on this index. <a href="http://cpj.org/reports/2014/04/impunity-index-getting-away-with-murder.php">http://cpj.org/reports/2014/04/impunity-index-getting-away-with-murder.php</a>	Georgia does not feature on this list		
Carleton University: Country Indicators for Foreign Policy: the Failed and Fragile States project of Carleton University examines state fragility using a combination of structural data and current event monitoring <a href="http://www4.carleton.ca/cifp/ffs.htm">http://www4.carleton.ca/cifp/ffs.htm</a>	<a href="http://www4.carleton.ca/cifp/app/ffs_ranking.php">http://www4.carleton.ca/cifp/app/ffs_ranking.php</a> Georgia scores medium on Country Ranking Table 2012 (preliminary data)		
Human Rights Watch: <a href="http://www.hrw.org">http://www.hrw.org</a>	<a href="https://www.hrw.org/world-report/2015/country-chapters/georgia">https://www.hrw.org/world-report/2015/country-chapters/georgia</a>		

<sup>1</sup> A risk indication is provided for each source analyzed, except in the first part that addresses the general country context as that is not a risk indicator. A cumulative risk assessment for each risk indicator is provided in the row with the conclusion on each risk indicator, based on all the sources analyzed and evidence found.



	<p>Georgia's ruling coalition swept to an overwhelming victory in municipal elections in 2014 amid some concerns of pre-election pressure on opposition candidates. Other areas of concern include minority and women rights. Georgia deepened its ties with the European Union by signing and ratifying the Association Agreement that is closely tied to progress in governance and human rights.</p> <p>[..] In May, parliament adopted an anti-discrimination bill that provides for protection against discrimination on the grounds of race, gender, age, sexual orientation, and gender identity. Some criticized the bill for lacking efficient implementation mechanisms, including means for imposing financial penalties for perpetrators.</p> <p>[...] According to media reports, at least 23 women died in the first 10 months of 2014 due to domestic violence. [...] According to data from the Education Ministry, 7,367 girls stopped going to school from 2011 to 2013 because of early marriage. [...] In its March European Neighborhood Policy (ENP) progress report, the EU noted that Georgia "continued to deliver on a busy reform and approximation agenda," but also highlighted the need to ensure judicial independence, avoid a perception of selective justice, and increase accountability and democratic oversight of law enforcement agencies.</p>		
<p>US AID: <a href="http://www.usaid.gov">www.usaid.gov</a>  Search on website for [country] + 'human rights' 'conflicts' 'conflict timber'  For Africa and Asia also use:  <a href="http://pdf.usaid.gov/pdf_docs/pnact462.pdf">http://pdf.usaid.gov/pdf_docs/pnact462.pdf</a></p>	<p><a href="https://www.usaid.gov/sites/default/files/documents/1863/conflict%20mitigation%20factsheet.pdf">https://www.usaid.gov/sites/default/files/documents/1863/conflict%20mitigation%20factsheet.pdf</a>  <i>USAID Conflict Mitigation in Georgia - 2013</i>  "Increased engagement and confidence building efforts will reduce tensions with the separatist regions of Abkhazia and South Ossetia and may help Georgia to make progress toward peace and eventual reconciliation."</p>		
<p>Global Witness: <a href="http://www.globalwitness.org">www.globalwitness.org</a>  Search on website for [country] + 'human rights' 'conflicts' 'conflict timber'</p>	<p><a href="http://www.globalwitness.org">www.globalwitness.org</a>  No information found, which would lead to the designation of specified risks, after searching Georgia + 'human rights' 'conflicts' 'timber conflicts'</p>		
<p><a href="http://wwf.panda.org/about_our_earth/about_forests/deforestation/forest_illegal_logging/">http://wwf.panda.org/about_our_earth/about_forests/deforestation/forest_illegal_logging/</a></p>	<p>Georgia not mentioned in article.   <a href="http://wwf.panda.org/core/general.cfc?method=getOriginalImage&amp;ulmglD=%26*R%27!%3EW5%0A">http://wwf.panda.org/core/general.cfc?method=getOriginalImage&amp;ulmglD=%26*R%27!%3EW5%0A</a>  Georgia does not feature on the map: Countries with higher rates of illegal logging.</p>		
<p>Transparency International Corruption Perceptions Index  <a href="http://www.transparency.org/cpi2015#results-table">http://www.transparency.org/cpi2015#results-table</a></p>	<p>In 2014, Georgia ranked 50th in Transparency International's 2014 Corruption Perceptions Index (CPI) with the score of 52 on a scale of 0 (perceived to be most corrupt) to 100 (perceived to be least corrupt). In 2015, Georgia ranked 48th with the score of 52, and in 2016, 44th with the score of 57, according to the Transparency International's CPI.</p>		

<p>Chattam House Illegal Logging Indicators Country Report Card  <a href="http://www.illegal-logging.info">http://www.illegal-logging.info</a></p>	<p><a href="http://www.illegal-logging.info/content/world-bank-assess-fleg-programme-fulfillment-belarus">http://www.illegal-logging.info/content/world-bank-assess-fleg-programme-fulfillment-belarus</a> 24 May 2010  "Partaking in the FLEG programme [Forest Law Enforcement and Governance] is Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine, the Russian Federation."</p> <p><a href="http://www.illegal-logging.info/content/georgia-new-phase-forest-reform">http://www.illegal-logging.info/content/georgia-new-phase-forest-reform</a>  10 March 2009  "The Economy Ministry will auction licenses for the long term exploitation of forests at the end of March, Lasha Zhvania, Minister of Economic Development, said during a Business Courier TV programme on March 2. Environmentalists are unhappy, saying that the Government has again turned a deaf ear to calls to involve the local population and civil society in discussions. [...] According to the Georgian Forest Code (June 22, 1999) forest management planning should precede all forest exploitation; this in its turn this obliges the Government of Georgia to ensure that the public and local population are informed of what is going on and can participate in the decision making process. Papuna Khachidze, Head of the Forest Department of Georgia, has told GT that they are working on this and the inventory will be completed by the end of March. [...] Until recent years the Forest Department of Georgia managed Georgian forests, and only issued licenses for forest exploitation for a period of one year. However mismanagement, illegal forestry and corruption over the last 20 years have led to massive illegal logging and natural disasters. Therefore, the implementation of reform in the forestry sector has vital importance."</p>		
<p>Amnesty International Annual Report: The state of the world's human rights -information on key human rights issues, including: freedom of expression; international justice; corporate accountability; the death penalty; and reproductive rights</p>	<p><a href="https://www.amnesty.org/en/documents/pol10/0001/2015/en/">https://www.amnesty.org/en/documents/pol10/0001/2015/en/</a>  <i>AMNESTY INTERNATIONAL REPORT 2014/15: THE STATE OF THE WORLD'S HUMAN RIGHTS</i>  "Religious and sexual minorities continued to face discrimination and violence and in several instances were unable to exercise their right to freedom of assembly. Allegations of ill-treatment by police and penitentiary officials continued to be reported and were often inadequately investigated. Domestic violence against women remained widespread.  [...] On 2 May, an anti-discrimination law was adopted but without provisions which had been included in an earlier draft. These would have introduced an independent oversight mechanism and financial penalties for violations. Reported incidents of violent religious intolerance increased. The authorities failed to protect the rights of religious minorities, 160 Amnesty International Report 2014/15 address recurring violence and effectively investigate attacks."</p>		
<p>Freedom House <a href="http://www.freedomhouse.org/">http://www.freedomhouse.org/</a></p>	<p><a href="http://www.freedomhouse.org/report-types/freedom-world#.U-3g5fl_sVc">http://www.freedomhouse.org/report-types/freedom-world#.U-3g5fl_sVc</a>  The status of Georgia on the Freedom in the World index is 'partly free'.  <a href="http://www.freedomhouse.org/report-types/freedom-net#.U-3hUvl_sVc">http://www.freedomhouse.org/report-types/freedom-net#.U-3hUvl_sVc</a>  The status of Georgia on the Freedom on the Net is 'free'.</p>		

	<a href="http://www.freedomhouse.org/report-types/freedom-press#.U-3hkvI_sVc">http://www.freedomhouse.org/report-types/freedom-press#.U-3hkvI_sVc</a> The status of Georgia on the Freedom of the press is 'partly free'.		
Reporters without Borders: Press Freedom Index	Georgia ranks nr. 100 out of 179 with a score of 30,09 on the 2013 World Press Freedom Index, which ranks it among the countries with limited good press freedom in the world.		
Fund for Peace - Failed States Index of Highest Alert - the Fund for Peace is a US-based non-profit research and educational organization that works to prevent violent conflict and promote security. The Failed States Index is an annual ranking, first published in 2005, of 177 nations based on their levels of stability and capacity <a href="http://www.fundforpeace.org/global/?q=cr-10-99-fs">http://www.fundforpeace.org/global/?q=cr-10-99-fs</a> In 2014 the FFP changed the name of the Failed State Index to the Fragile State Index: <a href="http://ffp.statesindex.org/rankings-2013-sortable">http://ffp.statesindex.org/rankings-2013-sortable</a>	<a href="http://fsi.fundforpeace.org/">http://fsi.fundforpeace.org/</a> Georgia is ranked 70 out of 178 countries on the failed states index. (nr 1 being the most failed state). This ranks Georgia in the category 'warning'.		
The Global Peace Index. Published by the Institute for Economics & Peace, This index is the world's leading measure of national peacefulness. It ranks 162 nations according to their absence of violence. It's made up of 23 indicators, ranging from a nation's level of military expenditure to its relations with neighbouring countries and the level of respect for human rights. Source: The Guardian: <a href="http://economicsandpeace.org/research/iep-indices-data/global-peace-index">http://economicsandpeace.org/research/iep-indices-data/global-peace-index</a>	<a href="http://static.visionofhumanity.org/sites/default/files/Global%20Peace%20Index%20Report%202015_0.pdf">http://static.visionofhumanity.org/sites/default/files/Global%20Peace%20Index%20Report%202015_0.pdf</a> The state of Peace in Georgia is labelled 'Medium' with Georgia ranking number 79 out of 162 countries (nr. 1 being the most peaceful country) with a score of 1.973 (p. 9).		
<b>Additional sources of information</b> (These sources were partly found by Googling the terms '[country]', 'timber', 'conflict', 'illegal logging')	<b>Evidence</b>	<b>Scale of risk assessment</b>	<b>Risk indication</b>
<a href="https://en.wikipedia.org/wiki/Russo-Georgian_War">https://en.wikipedia.org/wiki/Russo-Georgian_War</a>	"The <b>Russo-Georgian War</b> was an <a href="#">armed conflict</a> between <a href="#">Georgia</a> , <a href="#">Russia</a> , and the Russian-backed self-proclaimed republics of <a href="#">South Ossetia</a> and <a href="#">Abkhazia</a> . The war took place in August 2008 following <a href="#">a period of worsening relations</a> between Russia and Georgia, both formerly <a href="#">constituent republics</a> of the <a href="#">Soviet Union</a> . The fighting took place in the strategically important <a href="#">Transcaucasia</a> region, which borders the <a href="#">Middle East</a> . It was regarded as the first <a href="#">European</a> war of the 21st century. [...] The Russian military occupies Abkhazia and South Ossetia in violation of the ceasefire since August 2008."		
<a href="http://www.illegal-logging.info/regions/georgia">http://www.illegal-logging.info/regions/georgia</a>	"39% of Georgia's total land area is covered by forests, which have been decreasing in size by an annual average of just under 0.1% for the past two decades ( <a href="#">FAO 2010</a> ). The majority of the country's forest areas are naturally regenerated, while 18% are primary forests and 7% are plantations ( <a href="#">FAO 2010</a> ). The Georgian government is working with the EU's ENPI FLEG Program – Improving Forest Law Enforcement and Governance in the European Neighbourhood Policy East Countries and Russia – to tackle illegal logging in the country (ENPI FLEG 2013)."		

<a href="http://www.enpi-info.eu/library/sites/default/files/attachments/4.02.04.Final_Report_Executive_Summary_Georgia_ENG.pdf">http://www.enpi-info.eu/library/sites/default/files/attachments/4.02.04.Final_Report_Executive_Summary_Georgia_ENG.pdf</a>	<p>“According to the Forestry Department the volumes of illegal logging in the four pilot districts [Eastern Georgia: Sagarejo district, Tianeti district; Western Georgia: Kharagauli district, Borjomi district] .in 2008-10 amounted (in thousand cubic meters):</p> <ul style="list-style-type: none"> <li>• The Tianeti municipality: 2008 – 47.32 thousand m3; 2009 – 65.38 thousand m3; 2010 – 3.65 thousand m3;</li> <li>• The Kharagauli municipality: 2008 – 85.39 thousand m3; 2009 – 32.78 thousand m3; 2010 – 18.58 thousand m3;</li> <li>• The Borjomi municipality: 2009 – 13.0 thousand m3; 2010 – 9.71 thousand m3;</li> <li>• The Sagarejo municipality: 2008 – 40.59 thousand m3; 2009 – 67.50 thousand m3.</li> </ul> <p>Based on the analysis of data on illegal forest harvesting by the local population the major <b>factors</b> initiating the wave of <b>illegal</b> logging are: belated allocation of cutting areas, clumsy bureaucratic procedures of legal forest harvesting, lack of human resources and expertise in regional forestry services, expensiveness of firewood (p. 8).”</p>		
From national CW RA: Info on illegal logging	Not available		
<p><b>Conclusion on country context:</b> Georgia scores medium on most indicators reviewed in this context section such as stability and governance and it is a partly free country for all its citizens. There was a major violent and armed conflict with Russia in 2008 over two regions now occupied by Russia. There are some serious human rights issues, in particular regarding religious and sexual discrimination, political issues and domestic violence against women. There is significant illegal logging. On the other hand Georgia deepened its ties with the European Union by signing and ratifying the Association Agreement that is closely tied to progress in governance and human rights and works to combat illegal logging through participation in the EU's ENPI FLEG Program – Improving Forest Law Enforcement and Governance in the European Neighbourhood Policy East Countries and Russia.</p>		country	
<p><b>Indicator 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.</b></p> <p><b>Guidance</b></p> <ul style="list-style-type: none"> <li>• Is the country covered by a UN security ban on exporting timber?</li> <li>• Is the country covered by any other international ban on timber export?</li> <li>• Are there individuals or entities involved in the forest sector that are facing UN sanctions?</li> </ul>			
Compendium of United Nations Security Council Sanctions Lists <a href="http://www.un.org/sc/committees/list_compend.shtml">http://www.un.org/sc/committees/list_compend.shtml</a>	There is no UN Security Council ban on timber exports from Georgia.	country	Low risk
US AID: <a href="http://www.usaid.gov">www.usaid.gov</a>	Georgia is not covered by any other international ban on timber export.		
Global Witness: <a href="http://www.globalwitness.org">www.globalwitness.org</a>	There are no individuals or entities involved in the forest sector in Georgia that are facing UN sanctions		
From national CW RA	Not available		
<b>Guidance</b>			

<ul style="list-style-type: none"> <li>Is the country a source of conflict timber? If so, is it at the country level or only an issue in specific regions? If so – which regions?</li> <li>Is the conflict timber related to specific entities? If so, which entities or types of entities?</li> </ul>			
<a href="http://www.usaid.gov">www.usaid.gov</a> <a href="http://pdf.usaid.gov/pdf_docs/pnact462.pdf">http://pdf.usaid.gov/pdf_docs/pnact462.pdf</a> Conflict Timber is defined by US AID as: - conflict financed or sustained through the harvest and sale of timber (Type 1), - conflict emerging as a result of competition over timber or other forest resources (Type 2) Also check overlap with indicator 2.3	No information found, which would lead to the designation of specified risks, after searching Georgia + 'conflicts' 'timber conflicts'	country	Low risk
<a href="http://www.globalwitness.org/campaigns/environment/forests">www.globalwitness.org/campaigns/environment/forests</a>	No information found, which would lead to the designation of specified risks, after searching Georgia + 'conflicts' 'timber conflicts'	country	Low risk
Human Rights Watch: <a href="http://www.hrw.org/">http://www.hrw.org/</a>	No information found, which would lead to the designation of specified risks, after searching Georgia + 'conflicts' 'timber conflicts'	country	Low risk
World Resources Institute: Governance of Forests Initiative Indicator Framework (Version 1) <a href="http://pdf.wri.org/working_papers/gfi_tenure_indicators_sep09.pdf">http://pdf.wri.org/working_papers/gfi_tenure_indicators_sep09.pdf</a> Now: PROFOR <a href="http://www.profor.info/node/1998">http://www.profor.info/node/1998</a>	<a href="http://www.profor.info/node/1998">http://www.profor.info/node/1998</a> This work resulted in a publication: Assessing and Monitoring Forest Governance: A user's guide to a diagnostic tool (available on this page) published by PROFOR in June 2012. This tool has not yet been applied to Georgia.	country	Low risk
Amnesty International Annual Report: The state of the world's human rights -information on key human rights issues, including: freedom of expression; international justice; corporate accountability; the death penalty; and reproductive rights <a href="http://www.amnesty.org">http://www.amnesty.org</a>	<a href="https://www.amnesty.org/en/documents/pol10/0001/2015/en/">https://www.amnesty.org/en/documents/pol10/0001/2015/en/</a> No information on conflict timber related to Georgia found.	country	Low risk
World Bank: Worldwide Governance Indicators - the WGIs report aggregate and individual governance indicators for 213 economies (most recently for 1996–2012), for six dimensions of governance: Voice and Accountability; Political Stability and Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a> Use indicator 'Political stability and Absence of violence' specific for indicator 2.1	<a href="http://info.worldbank.org/governance/wgi/index.aspx#reports">http://info.worldbank.org/governance/wgi/index.aspx#reports</a> In 2013 (latest available year) Georgia scores 30.81 for Political Stability and Absence of Violence/ on the percentile rank among all countries (the scores range from 0 (lowest rank) to 100 (highest rank) with higher values corresponding to better outcomes).	country	Specified risk
Greenpeace: <a href="http://www.greenpeace.org">www.greenpeace.org</a> Search for 'conflict timber [country]'	No information on conflict timber related to Georgia found.	country	Low risk
CIFOR: <a href="http://www.cifor.org/">http://www.cifor.org/</a> ; <a href="http://www.cifor.org/publications/Corporate/FactSheet/forests_conflict.htm">http://www.cifor.org/publications/Corporate/FactSheet/forests_conflict.htm</a>	Georgia is not mentioned in this document about <i>Forests and conflict</i> .	country	Low risk

Google the terms '[country]' and one of following terms or in combination 'conflict timber', 'illegal logging'	No information on conflict timber related to Georgia was found.	country	Low risk
From national CW RA	Not available		
<b>Conclusion on indicator 2.1:</b> Although several sources mention illegal logging in Georgia, no information was found on Georgia as a source of conflict timber and the forest sector is not associated with any violent armed conflict.  <b>The following low risk thresholds apply:</b> (1) The area under assessment is not a source of conflict timber ; AND (2) The country is not covered by a UN security ban on exporting timber; AND (3) The country is not covered by any other international ban on timber export; AND (4) Operators in the area under assessment are not involved in conflict timber supply/trade; AND (5) Other available evidence does not challenge 'low risk' designation.		country	Low risk
<b>Indicator 2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.</b>  <b>Guidance</b> <ul style="list-style-type: none"> <li>Are the social rights covered by the relevant legislation and enforced in the country or area concerned? (refer to category 1)</li> <li>Are rights like freedom of association and collective bargaining upheld?</li> <li>Is there evidence confirming absence of compulsory and/or forced labour?</li> <li>Is there evidence confirming absence of discrimination in respect of employment and/or occupation, and/or gender?</li> <li>Is there evidence confirming absence of child labour?</li> <li>Is the country signatory to the relevant ILO Conventions?</li> <li>Is there evidence that any groups (including women) feel adequately protected related to the rights mentioned above?</li> <li>Are any violations of labour rights limited to specific sectors?</li> </ul>			
<b>general sources from FSC-PRO-60-002a V1-0 EN</b>	<b>information found and specific sources</b>	<b>scale of risk assessment</b>	<b>risk indication</b>
Status of ratification of fundamental ILO conventions: <a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:11001:0::NO::">http://www.ilo.org/dyn/normlex/en/f?p=1000:11001:0::NO::</a> or use: ILO Core Conventions Database: <a href="http://www.ilo.org/ilolex/english/docs/declworld.htm">http://www.ilo.org/ilolex/english/docs/declworld.htm</a> C29 Forced Labour Convention, 1930 C87 Freedom of Association and Protection of the Right to Organise Convention, 1948 C98 Right to Organise and Collective Bargaining Convention, 1949 C100 Equal Remuneration Convention, 1951 C105 Abolition of Forced Labour Convention, 1957 C111 Discrimination (Employment and Occupation) Convention, 1958 C138 Minimum Age Convention, 1973 C182 Worst Forms of Child Labour Convention, 1999	<a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102639">http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102639</a> Georgia has ratified all the 8 Fundamental ILO Conventions. The status on the ILO website for all 8 Conventions is 'in force'.  <a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3191791:NO">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3191791:NO</a> <i>Direct Request (CEACR) - adopted 2014, published 104th ILC session (2015)</i> <i>Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) - Georgia (Ratification: 1999)</i> "The Committee notes that the Georgian Trade Unions Confederation (GTUC) alleges that the (restrictive) definition of the grounds for collective labour disputes contained in section 47(3) of the Code directly restricts the right to strike since, according to the Code, strikes are a result of a collective dispute. The GTUC adds that under section 47(3), general strikes, sympathy strikes or	Country	Low risk



<p>Ratification as such should be checked under Category 1. In Cat. 2 we take that outcome into consideration. Refer to it.</p>	<p>strikes related to occupational health and safety issues would be considered illegal. <b>The Committee requests the Government to indicate whether strikes can be legally carried out on grounds not explicitly listed in section 47(3) and whether strikes not directly resulting from a dispute between the employer and his/her employees, such as general strikes related to the country's economic and social policy, can be legally carried out.</b></p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3191794:NO">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3191794:NO</a>  <i>Observation (CEACR) - adopted 2014, published 104th ILC session (2015) Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) - Georgia (Ratification: 1999)</i>          "In its previous comments, the Committee had requested the Government to amend section 2(9) of the Law on Trade Unions so as to lower the minimum membership requirement for establishing a trade union set at 100. In this respect, the Committee notes the Government's indication that the mentioned provision was amended on 22 June 2012 with the effect of lowering to 50 persons the mentioned requirement. While welcoming this positive step, the Committee recalls that although the requirement of a minimum number of affiliates is not in itself incompatible with the Convention, the number should be fixed in a reasonable manner so that the establishment of organizations is not hindered, especially in small and medium-sized enterprises. <b>The Committee therefore requests the Government to review, in consultation with the most representative workers' and employers' organizations, the impact of this change in practice and to take steps for its amendment if it is found that the new minimum number required still hinders the establishment of trade unions in small and medium-sized enterprises.</b>"</p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3191575:NO">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3191575:NO</a>  <i>Direct Request (CEACR) - adopted 2014, published 104th ILC session (2015) Right to Organise and Collective Bargaining Convention, 1949 (No. 98) - Georgia (Ratification: 1993)</i>          "Article 1 of the Convention. Protection against anti-union discrimination. The Committee notes the Georgian Trade Unions Confederation (GTUC) observations alleging the frequent non-renewal of short-term contracts of employment for anti-union purposes and mentioning that such a practice is eased by the absence in the Labour Code of a provision that would oblige the employer to justify the non-renewal of short-term contracts. Recalling that Article 1 of the Convention applies to the non-renewal of contracts for anti-union purposes, <b>the Committee asks the Government to specify whether the Labour Code provisions prohibiting anti-union discrimination are applicable to short-term contracts.</b></p>	<p>Country</p>	<p>Specified risk on the right to strike</p>
		<p>Country</p>	<p>Specified risk on the freedom of association and right to organize</p>
		<p>Country</p>	<p>Specified risk on the freedom of association and right to organize</p>

	<p>Article 4. Promotion of collective bargaining. The Committee notes that section 48(5) of the amended Labour Code related to discussion and resolution of collective labour disputes provides that at any stage of a dispute, the Minister can terminate conciliatory procedures. Recalling that procedures for the settlement of labour disputes should be so conceived as to contribute to the promotion of collective bargaining, the Committee considers that the parties should be able to pursue conciliation if they so desire. <b>The Committee requests the Government to review section 48(5) of the Labour Code in consultation with the representative employers' and workers' organizations concerned so as to ensure that its content promotes the negotiated resolution of collective labour disputes. The Committee requests the Government to keep it informed of the outcome of this review."</b></p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3145924:NO">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3145924:NO</a></p> <p><i>Observation (CEACR) - adopted 2013, published 103rd ILC session (2014)</i>  <i>Equal Remuneration Convention, 1951 (No. 100) - Georgia (Ratification: 1993)</i></p> <p>"Articles 1 and 2 of the Convention. Legislation. The Committee has for a number of years been raising concerns regarding the absence of legislation giving full expression to the principle of equal remuneration for men and women for work of equal value. The Committee recalls that the principle of the Convention is not reflected explicitly in the Labour Code of 2006, section 2(3) of which contains a general prohibition of discrimination in labour relations, article 14 of the Constitution which provides broadly for equality before the law, or in the Law on Gender Equality adopted on 26 March 2010. The Committee notes that the Government refers to the equality provisions in the Constitution, the Labour Code and other legislation as well as to the Action Plan on Gender Equality for 2011–13. The Committee once again recalls that while general non-discrimination and equality provisions are important, they will not normally be sufficient to give effect to the Convention, as they do not capture the key concept of "work of equal value". This concept lies at the heart of the fundamental right of equal remuneration for men and women for work of equal value, and the promotion of equality. Due to historical attitudes and stereotypes regarding women's aspirations, preferences and capabilities, certain jobs are held predominantly or exclusively by women (such as in caring professions) and others by men (such as in construction). Often "female jobs" are undervalued in comparison with work of equal value performed by men when determining wage rates. The concept of "work of equal value" is fundamental to tackling occupational sex segregation, as it permits a broad scope of comparison, including, but going beyond equal remuneration for "equal", "the same" or "similar" work, and also encompasses work that is of an entirely</p>	Country	Specified risk on equal remuneration
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	<p>different nature, which is nevertheless of equal value (see General Survey on fundamental Conventions, 2012, paragraphs 672–679). <b><i>The Committee once again urges the Government to take concrete steps to give full legislative expression to the principle of equal remuneration for men and women for work of equal value, with a view to ensuring the full and effective implementation of the Convention. The Committee once again asks the Government to provide information in this regard, including any proposals made by the Council for Gender Equality.</i></b></p> <p>Parts III and IV of the report form. Enforcement. The Committee notes with <b><i>concern</i></b> the Government's indication that further to the abolition of the Labour Inspection Service in 2006, there is no longer a labour supervisory body. The Committee understands from the Government's report that the supervisory body to be established in the future will be responsible for enforcing only occupational safety and health provisions. The Committee draws the Government's attention to the need to put in place adequate and effective enforcement mechanisms to ensure that the principle of equal remuneration between men and women for work of equal value is applied in practice and to allow workers to avail themselves of their rights. <b><i>The Committee asks the Government to provide information on the manner in which it ensures effective enforcement of the principle of the Convention. The Committee also asks the Government to take steps in order to raise awareness among workers, employers and their organizations of the laws and procedures available, and to strengthen the capacity of judges, labour officials or other competent authorities to detect and address unequal pay. Please provide any information on decisions handed down by the courts or other competent bodies with regard to this issue.</i></b></p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3145921:NO">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3145921:NO</a></p> <p><i>Direct Request (CEACR) - adopted 2013, published 103rd ILC session (2014) Equal Remuneration Convention, 1951 (No. 100) - Georgia (Ratification: 1993)</i></p> <p>"Measures to address the gender wage gap and promote equal remuneration. The Committee notes from the statistics provided by the Government on the average monthly nominal wages of men and women that, overall, in the first quarter of 2013, women earned 62.3 per cent of men's wages, corresponding to a gender wage gap of 37.7 per cent in favour of men, which represents a slight decrease in comparison to 2012 but remains significant. The Committee notes that in its 2012 annual report, the Public Defender underlines that gender segregation in the labour market still persists in the country, as despite their qualifications and education, women predominate in non-commercial spheres where remuneration is rather low. The Committee wishes to recall that the continued persistence of significant gender pay gaps requires that governments, along with employers' and workers' organizations, take more</p>		
		Country	Specified risk on gender wage gap

	<p>proactive measures to raise awareness, make assessments, and promote and enforce the application of the principle of equal remuneration for men and women for work of equal value. <b>The Committee asks the Government to take measures in order to identify and address the underlying causes of wage inequalities, such as gender discrimination, gender stereotypes regarding women's aspirations, preferences and capabilities, and vertical and horizontal occupational segregation, and to promote women's access to a wider range of job opportunities at all levels, including top management positions and higher paying jobs. The Committee also asks the Government to provide information on any measures taken in this respect, including awareness-raising activities undertaken in cooperation with the employers' and workers' organizations, and to promote equal remuneration for work of equal value. Please continue to provide statistical data on men and women's monthly wages, according to economic sector, as well as data on the number of men and women employed in such sectors."</b></p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3146413:NO">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3146413:NO</a></p> <p>Direct Request (CEACR) - adopted 2013, published 103rd ILC session (2014) Discrimination (Employment and Occupation) Convention, 1958 (No. 111) - Georgia (Ratification: 1993)</p> <p>"Article 1 of the Convention. Prohibition of discrimination. The Committee recalls that the Labour Code which prohibits any kind of discrimination based on a number of grounds in employment relations (section 2(3)) does not explicitly cover discrimination at the recruitment or selection stage nor does it define discrimination. The Committee understands that the process of revision of the Labour Code is ongoing. <b>The Committee asks the Government to consider taking the opportunity of the process of reviewing and revising the Labour Code to clarify the existing non-discrimination provisions by including a specific definition and prohibition of direct and indirect discrimination at all stages of employment and occupation, including the recruitment and selection stages, and to provide information on the progress made in this regard.</b></p> <p>Sexual harassment. With respect to sexual harassment, the Committee notes that the Law on Gender Equality of 2010 prohibits "any type of unwanted verbal, nonverbal or physical act of a sexual nature that is aimed at or induces impairment of a person's dignity or creates humiliating, hostile or abusive conditions for him/her" (section 6(1)(b)). The Committee asks the Government to provide information on how, and by which authority, section 6(1)(b) of the Law on Gender Equality is enforced, including information on sanctions and remedies provided. Please also provide information on any cases of sexual harassment dealt with by the courts or any other competent authorities.</p>	Country	Specified risk on discrimination in the labour market
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	<p>Articles 1 and 2. Equality of opportunity and treatment of ethnic minorities. In previous comments, the Committee had noted the low representation of ethnic minorities in state institutions and the public administration, as well as their lack of sufficient knowledge of the Georgian language, which adversely affected their ability to enter the labour market. The Committee notes the information provided by the Government on the measures taken to improve ethnic minorities' knowledge of the Georgian language and on the scholarship programmes for Armenian and Azerbaijani students. <b>While encouraging the Government to continue its efforts to improve access of ethnic minorities to education and their knowledge of the Georgian language, the Committee asks the Government to provide information on the impact of such measures on the employment of members of different ethnic minorities, including statistical information on their representation both in the public and the private sectors. The Committee also asks the Government to provide information on any steps taken to formulate and implement an equality policy, in cooperation with workers' and employers' organizations, to ensure equal opportunities and treatment of ethnic minorities and combat ethnic discrimination in employment and occupation. Please provide information on any cases of ethnic or racial discrimination in the field of employment reported to the public defender or dealt with by the courts.</b></p>	Country	Specified risk on discrimination of ethnic minorities in the labour market
	<p>Equality of opportunity and treatment of men and women. The Committee notes the Government's indication that education and public awareness are priority objectives of the Action Plan on Gender Equality (2011–13), in order to address gender stereotypes. The Committee welcomes the detailed information on training activities conducted on gender equality. It notes that training on gender equality was provided to 575 teachers in 2011, and that media campaigns as well as seminars and conferences have been regularly organized. The Committee also notes the Government's indication that the Ministry of Labour, Health and Social Affairs (MoLHSA) was actively involved in a seminar organized, inter alia, by the Gender Equality Council on "Gender Aspects of the Labour Law". <b>The Committee asks the Government to take steps to promote gender equality specifically in the field of employment and occupation, including addressing stereotypes regarding women's professional aspirations, preferences and capabilities. Given the low economic activity and employment rates of women (respectively 57.4 per cent and 49.5 per cent in 2012, in comparison to 78.2 per cent and 65.6 per cent for men), the Committee asks the Government to take measures to address the legal and practical barriers to women's access to the broadest possible range of sectors and industries, as well as at all levels of responsibility. Please continue to provide information on the implementation of the Action Plan on Gender Equality and the results</b></p>	Country	Specified risk on discrimination of women in the labour market

	<p>thereof, as well as on activities of the Gender Equality Council in the field of employment, including information on the recommendations resulting from the seminar on “Gender Aspects of the Labour Law”.”</p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3076087:NO">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3076087:NO</a></p> <p><i>Observation (CEACR) - adopted 2012, published 102nd ILC session (2013)</i>  <i>Minimum Age Convention, 1973 (No. 138) - Georgia (Ratification: 1996)</i>  “[...]The Committee notes that according to the UNICEF report entitled “Georgia and the Convention on the Rights of the Child, 2011”, the primary net attendance ratio for 2010 was 93 per cent which indicates that 20,000 primary school-aged children were not enrolled in school while the net attendance ratio at the secondary level was 86 per cent. The Committee further notes that according to the UNICEF study report on street children of 2009, there was an average of 1,049 street children in the four cities of Tbilisi, Kutaisi, Rustavi and Batumi where the study was conducted, of which 66 per cent was children between the ages of 5–14 years. <b>The Committee encourages the Government to pursue its efforts in the field of education by taking measures to enable children to attend and complete compulsory education and to ensure free basic education to all children, particularly street children. It requests the Government to provide information on the measures taken in this regard and the results achieved.</b></p> <p>The Committee notes the comments made by the GTUC that according to the data of the Department of Statistics, the number of self-employed minors is much higher than that of those employed in the formal sector. The GTUC further states that child labour is widespread in various regions of Georgia during the crop period in the agriculture sector.</p> <p>The Committee notes the Government’s indication that in order to enhance the rights of a child, the Government is currently exploring the possibility to more precisely address the minimum age provisions as well as restrictions on working hours of children in Georgia’s labour laws. <b>The Committee expresses the firm hope that the Government, in its attempt to address more precisely the minimum age provisions under the Labour Code, will take the necessary measures to ensure the application of the Convention to all branches of economic activity, including family undertakings and small-scale holdings and cover all types of employment, whether hired or self-employed, in order to bring the national legislation into conformity with the Convention. It requests the Government to provide information on any progress made in this regard.</b></p> <p>[...]The Committee notes the Government’s indication that it is attempting to review the Labour Code for further enhancement of the provisions regarding restrictions on working hours of children. The Committee expresses its concern</p>	Country	Specified risk for child labour in the agricultural sector
		Country	Specified risk for child labour



	that the national legislation allows children between the ages of 14 and 16 years to work for eight hours a day. <b>The Committee therefore urges the Government to take the necessary measures in the near future to determine the light work activities that may be undertaken by children of 14 years and above and the number of hours during which, and the conditions in which, such work may be undertaken.</b>		between the ages of 14 and 16
ILO Declaration on Fundamental Principles and Rights at Work. Country reports. <a href="http://www.ilo.org/declaration/lang--en/index.htm">http://www.ilo.org/declaration/lang--en/index.htm</a> Source of several reports. Search for 'racial discrimination', 'child labour', 'forced labour', 'gender equality', 'freedom of association'	<a href="http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_374259.pdf">http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_374259.pdf</a> <i>Independent evaluation of the ILO's strategies on Fundamental Principles and Rights at Work Annexes Revised edition 2015 – Annex I. Cluster case study: Caucasus (Armenia, Georgia, Azerbaijan).</i>  This report basically cites the findings in the previous sections. No other information found on specified risks in Georgia after searching 'racial discrimination', 'child labour', 'forced labour', 'gender equality', 'freedom of association'	Country	-
ILO Child Labour Country Dashboard: <a href="http://www.ilo.org/pec/Regionsandcountries/lang--en/index.htm">http://www.ilo.org/pec/Regionsandcountries/lang--en/index.htm</a>	<a href="http://www.ilo.org/pec/Regionsandcountries/europe-and-central-asia/georgia/WCMS_201633/lang--en/index.htm">http://www.ilo.org/pec/Regionsandcountries/europe-and-central-asia/georgia/WCMS_201633/lang--en/index.htm</a> Georgia does not have a Decent Work Country Programmes (DWCP). Georgia does not have a National Action Plan to eliminate child labour  No information found, which would lead to the designation of specified risks, regarding child labour	Country	Low risk
Global March Against Child Labour: <a href="http://www.globalmarch.org/">http://www.globalmarch.org/</a>	No information found, which would lead to the designation of specified risks, regarding child labour or child trafficking in Georgia.	Country	Low risk
Office of the United Nations High Commissioner for Human Rights (OHCHR), Committee on Rights of the Child: <a href="http://www.ohchr.org/EN/HRBodies/CRC/Pages/CRIndex.aspx">http://www.ohchr.org/EN/HRBodies/CRC/Pages/CRIndex.aspx</a>	<a href="http://tbinternet.ohchr.org/_layouts/TreatyBodyExternal/Countries.aspx?CountryCode=GEO&amp;Lang=EN">http://tbinternet.ohchr.org/_layouts/TreatyBodyExternal/Countries.aspx?CountryCode=GEO&amp;Lang=EN</a> The latest available concluding observations of the Committee on the Rights for the CRC and the Optional Protocols on Georgia date from 2008 – outdated. The latest state's party report was due on 1 July 2011 but has not yet been submitted.	Country	-
ILO Helpdesk for Business on International Labour Standards: <a href="http://www.ilo.org/empent/areas/business-helpdesk/lang--en/index.htm">http://www.ilo.org/empent/areas/business-helpdesk/lang--en/index.htm</a>	No additional information found on serious violations of labour rights in Georgia.	Country	-
Committee on the Elimination of Discrimination against Women <a href="http://www.ohchr.org/en/hrbodies/cedaw/pages/cedawindex.aspx">http://www.ohchr.org/en/hrbodies/cedaw/pages/cedawindex.aspx</a> (Use the link to 'Key documents' on the left hand side. Go to "observations" and search for country.) (Refer to CW Cat. 1) Or: Right top select country click on CEDAW treaty, click on latest reporting period and select concluding observations	<a href="http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CEDAW%2fC%2fGEO%2fCO%2f4-5&amp;Lang=en">http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CEDAW%2fC%2fGEO%2fCO%2f4-5&amp;Lang=en</a> <i>Committee on the Elimination of Discrimination against Women - Concluding observations on the combined fourth and fifth periodic reports of Georgia- 24 July 2014</i> "10. The Committee notes that discrimination based on sex and gender is prohibited by the Constitution, the Act on Gender Equality, the Act on the Elimination of All Forms of Discrimination and other relevant legislation. The Committee is concerned, however, at the poor implementation of those laws owing to the absence of effective enforcement mechanisms and the lack of	Country	Specified risk on

	<p>public awareness about their provisions. The Committee also notes that the Office of the Public Defender, the body responsible for the implementation of the Act on the Elimination of All Forms of Discrimination, lacks the resources necessary to carry out its work effectively and that the envisaged increase in its budget is rather moderate. (p.3)</p> <p>[...]16. The Committee is concerned about the State party's lack of understanding of the purpose and need for temporary special measures in accordance with article 4 (1) of the Convention. In this regard, it is concerned about the absence of mandatory quotas and other measures for achieving substantive or de facto equality of women and men in all areas under the Convention, as well as of temporary special measures targeting disadvantaged and marginalized women who are subjected to multiple forms of discrimination, such as rural women, women belonging to ethnic minorities, women with disabilities and older women. (p. 5)</p> <p>[...]18. The Committee regrets that, notwithstanding the efforts by the State party to implement the recommendations contained in its previous concluding observations (<a href="#">CEDAW/C/GEO/CO/3</a>, para. 18), patriarchal attitudes and stereotypes regarding the roles and responsibilities of women and men in the family and in society remain deeply rooted and are exacerbated by the increased sexualization of women in the media, which undermines the social status, participation in public life and professional careers of women. (p. 5)</p> <p>[...] 28. The Committee is concerned about the disproportionately high unemployment rate of women, the significant gender wage gap and the continued horizontal and vertical segregation in the labour market, where women are concentrated in low-paid jobs. While noting the State party's efforts to improve pregnancy and maternity protection through the amendments to the Labour Code in 2013, the Committee remains concerned about the lack of childcare facilities. The Committee also notes with concern the poor enforcement of laws prohibiting sexual harassment in the workplace and protecting maternity owing to a lack of national labour inspectorates or similar enforcement mechanisms. (p. 8)</p> <p>[...] 34. The Committee is concerned about the:</p> <p>[...] (b) Lack of access to adequate health, education and employment for women belonging to ethnic and religious minorities and women with disabilities; "(p. 10)</p> <p><a href="http://tbinternet.ohchr.org/Treaties/CEDAW/Shared%20Documents/GEO/INT_CEDAW_NGO_GEO_17610_E.pdf">http://tbinternet.ohchr.org/Treaties/CEDAW/Shared%20Documents/GEO/INT_CEDAW_NGO_GEO_17610_E.pdf</a></p> <p><i>Alternative report To the United Nations Committee on the Elimination of Discrimination against Women (CEDAW) Concerning women's rights and gender issues in Georgia Prepared by 13 organizations working in the field of women's rights and gender and 2 women's networks – June 2014</i></p> <p>"86. As of 2013, Women's economic activity and participation in state's economic life is very low. According to the "Global Gender Gap Index",</p>	Country	discrimination against women
		Country	Specified risk on discrimination against women in the labour market in particular women belonging to ethnic and religious minorities and women with disabilities
		Country	Specified risk on discrimination against women in



	<p>sanction for peaceful, albeit illegal, strikes runs afoul of international norms. (p. 5)</p> <p>[...] The government officials openly interfere in trade union affairs. Below are just a few recent examples: <u>Education</u>: The harassment and intimidation of the ESFTUG leader Manana Ghurchumalidze led to her resigning and applying for asylum in Canada. ESFTUG members were forced to quit the union and join the yellow union or risk being fired. [...] <u>Railway</u>: On 8 April 2011, in Khasuri, Ms Gocha Chubinidze, the head of the Carriage Depot of the Georgian State Railways advised delegates not to attend the Railway Workers Trade Union Congress and threatened them with dismissals. [...] <u>Medical</u>: The hospital sector is now controlled by two companies - JSC Aldagi BCI and JSC GPI Holding. These new owners of privatized hospitals and polyclinics have refused to negotiate with unions and actively intimidate any staff cooperating with trade unions. [...] <u>Public Servants</u>: In August 2011, as a result of interference by the central and local governments, 14 city and district level organizations of the Public Servants Trade Union ceased to exist – amounting to a loss of 2,350 members. Territorial agreements in 4 district municipalities were terminated and 4 expired. (p. 10-11).</p> <p><a href="file:///C:/Users/leo2/Downloads/survey_ra_2013_eng_final%20(1).pdf">file:///C:/Users/leo2/Downloads/survey_ra_2013_eng_final%20(1).pdf</a></p> <p><i>Countries at risk violations of trade union rights - 2013</i></p> <p>"The 2012 parliamentary election saw the opposition Georgian Dream party, a coalition that is led by billionaire businessman Bidzina Ivanishvili, win 85 of the 150 seats, issuing a stinging rebuke to President Saakashvili's United National Movement Party. The election signaled a change in the government's attitude towards trade unions. Long stalled talks on reforms Georgia 31   to the labour law have moved forward and draft amendments developed with input from the ILO are now moving through parliament." This report further mentions the same violations as mentioned in the previous source.</p> <p><a href="http://www.ituc-csi.org/important-union-victory-in-georgia">http://www.ituc-csi.org/important-union-victory-in-georgia</a></p> <p><i>Important union victory in Georgia- 15 November 2013</i></p> <p>"Georgia's unions have won an important victory over Georgian Railways management, which had refused to negotiate on three key issues, provoking a strike of some 6,000 workers on 14 November. Once the strike was launched, the employer agreed to negotiations, and after 6 hours of talks, agreement was reached on overtime pay, a fair bonus system and bonuses for the length of service and qualifications."</p> <p><a href="http://www.coe.int/t/dghl/monitoring/socialcharter/Reporting/StateReports/CommentsGTUCGeorgia7_en.pdf">http://www.coe.int/t/dghl/monitoring/socialcharter/Reporting/StateReports/CommentsGTUCGeorgia7_en.pdf</a></p> <p><i>Comments by the Georgian Trade Union Confederation (GTUC) on the 7th national report on the implementation of the revised European Social Charter- 28/11/2014</i></p>	Country	Specified risk for freedom of association, collective bargaining
		Country	Low risk for freedom of association, collective bargaining
		Railway sector	low risk for freedom of association, collective bargaining

	On 12 June 2013 the Parliament of Georgia introduced certain changes and amendments to the Labour Code of Georgia. At the initial stage international organizations and social partners were involved in the working process of the draft-law, including the trade unions. As a result of this cooperation the document adopted on 16 May 2013 by the Parliament at the first hearing was in general in compliance with the international labour standards and Georgia's international obligations. However, after this stage the developments around the process were progressed in violation of the social partnership format as the government maintained the consultations only with employers. Such attitude resulted in changes of the draft to the worse for workers. Trade Union received only post-factum information about further changes. Finally the document was adopted, which to the certain extent improved workers' situation. Namely: discrimination has been prohibited in the pre-contract relations (Article 2 para 3); the subjects of labour relations have been identified precisely; obligations of employers have been determined; oral and short-term agreements/contracts have been restricted considerably; the essential conditions of employment agreement have been defined and they may not be altered only under employer's sole decision; the term of individual contract will be declared null and void if it runs counter to the Labour Code or Collective Agreement, except the cases when the individual labour agreement improves the workers' conditions. [...] Despite the progress described above still there are many problematic issues in the Code and incompliance's with the European Social Charter. Among others the following can be distinguished as the most alerting ones: [...] <u>Article 4 – The right to a fair remuneration</u> [...] Article 4 (3) of Charter requests from Georgia to recognize the right of men and women workers to equal pay for work of equal value. Article 2 (3) of Georgian Labour Code provides a general restriction of employment discrimination including on the grounds of sex. Consequently, any differentiation between men and women in terms of their remuneration on these grounds is prohibited in accordance with this provision. However this general article might not be considered as a sufficient legal mechanism of the comprehensive and effective application of the equality of women and men. Moreover, mentioned article does not provide the definition of indirect discrimination. On the assumption of Article 2 (3) of Georgian Labour Code prohibiting employment discrimination is not enough legal mechanism to guarantee equal right of men and women workers to equal pay for work of equal value. <u>Article 5 – The right to organize And Article 6 – The right to bargain collectively</u> Development of social dialogue through effective implementation of the rights to freedom of association and collective bargain is not encouraged at every level of industrial relations. Such development implies determination of labour conditions between employer and worker 7 through the collective agreement. This is the requirement of ILO Conventions 87 and 98, Articles 5 and 6 of the European Social Charter, and of many other international instruments. [...] <u>Article 7 The right of children and young persons to protection</u> Georgian Labour Code fails to adequately regulate	Country	Low risk for discrimination in the pre-contract relation
		Country	Low risk for collective bargaining
		Country	Specified risk for equal remuneration
		Country	Specified risk for freedom of association and collective bargain

	principles of child labour. It is another issue which is not sufficiently reflected in Georgian labour legislation. For example right to fair remuneration of young employees and apprentices to a fair wage or other allowances guarantees by the points 5 and 9 of the article. <u>Article 8 – The right of employed women to protection of maternity</u> According to the article 35.7 of the Labour Code the employer shall ensure the protection of the pregnant woman from work that endangers her physical and psychical health and that of her fetus, but there is no the same restriction for women who have recently given birth and women nursing their infants, that is against point 5 of the article 8 of the Charter. The law does not foresee the state's obligation to take measures to provide: 1) the obligation of employer to maintain the salary of pregnant women before taking maternity leaves in case of necessity of changing of working place or shortening of working time, 2) the protection of women with reasonable time from dismissal after using maternity leave; 3) the obligation of employer/state to provide free vocational training for women employees after using maternity leave to reinstate/improve professional skills for eradication the backwardness cause by the objective circumstances. [...] <u>Article 27 – The right of workers with family responsibilities to equal opportunities and equal treatment</u> The labour code does not provide sufficient mechanisms to realize right of workers with family responsibilities to equal opportunities and equal treatment, is not taken into consideration the interests of this category of workers in the process of determination labour and social conditions. The Labour Code, neither any other normative act do not foresee any benefits for women workers with family responsibilities.	Country	Specified risk for child labour
	<a href="http://www.dol.gov/ilab/reports/child-labor/georgia.htm">http://www.dol.gov/ilab/reports/child-labor/georgia.htm</a> In 2013, Georgia made a moderate advancement in efforts to eliminate the worst forms of child labour. [...] However, children in Georgia continue to engage in child labour in agriculture and in the worst forms of child labour in forced begging. Gaps remain in enforcement and in the collection and dissemination of data, which hinders effective targeting of the policies and programs to address the worst forms of child labour.	Country	Specified risk for discrimination of women in labour market
	<a href="http://www.gfb.org/aboutus/georgia_agriculture.html">http://www.gfb.org/aboutus/georgia_agriculture.html</a>  <b>2013 GEORGIA COMMODITY RANKINGS</b> (based on farm-gate value)  <b>1. Broilers</b> <b>2. Cotton</b> <b>3. Eggs</b> <b>4. Beef</b> <b>5. Timber</b> <b>6. Corn</b>	Country	Specified risk for child labour in agriculture (including forestry)



	<p> <b>7. Peanuts</b>  <b>8. Dairy</b>  <b>9. Horses</b>  <b>10. Pecans</b>  <b>11. Blueberries</b>  <b>12. Greenhouse</b> </p> <p><b>Information from UGA Center for Agribusiness &amp; Economic Development</b></p> <p>Agricultural sector includes timber and thus also forestry.</p> <p><a href="http://www.refworld.org/topic/50ffbce582,50ffbce5b2,55b73beec,0...GEO.html">http://www.refworld.org/topic/50ffbce582,50ffbce5b2,55b73beec,0...GEO.html</a>  <i>United States Department of State, 2015 Trafficking in Persons Report – Georgia</i>  Georgia is a source, transit, and destination country for women and girls subjected to sex trafficking and men, women, and children subjected to forced labour. [...] Georgian men and women are subjected to forced labour within Georgia and in Turkey, Iraq, Russia, Azerbaijan and other countries. Georgian migrants pursuing employment in agriculture and other low-skilled jobs contact employers or agents directly, only later becoming victims in their destination country. In recent years, foreign nationals have been exploited in agriculture, construction, and domestic service within Georgia.</p> <p><a href="http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=GEO">http://reports.weforum.org/global-gender-gap-report-2014/economies/#economy=GEO</a>  Georgia ranks nr. 85 (score 0.6855) of 142 countries on the Global Gender Gap Index 2014. The highest possible score is 1 (equality) and the lowest possible score is 0 (inequality). But Georgia ranks nr 29 on the issue of wage equality for similar work with a score of 0.72. Georgia ranks nr. 66 on economic participation with score of 0,675.</p> <p><a href="file:///C:/Users/leo2/Downloads/survey_global_rights_index_2015_en.pdf">file:///C:/Users/leo2/Downloads/survey_global_rights_index_2015_en.pdf</a>  <i>The 2015 ITUC Global rights Index</i>  This report lists several violations in Georgia of labour union rights: “Acts of interference at RMG Gold and RMG Copper: The companies RMG Gold and RMG Copper engaged in serious acts of interference in order to undermine the Trade Union of Metallurgy, Mining and Chemistry Workers of Georgia (TUMMCWG). [...] Attempt to undermine independent union: Georgia Railway has been giving bonuses to workers who join the employer-supported yellow union. [...] General Director of the Georgian Post violates collective agreement: After Levan Chikvaidze was appointed general director of the “Georgian Post”, he dismissed more than 120 workers and replaced them with friends and relatives. [...] Tbilisi City Hall refuses to bargain: On 24 January</p>	Country	Specified risk for forced labour
		Country	Low risk for wage gender pay gap
		Country	Specified risk for freedom of association and collective bargain

	2013, workers at the Agency of the extraordinary situations of the Tbilisi City Hall established a trade union. However, management refuses to recognize the union for collective bargaining purposes.[...] Anti-union discrimination at Batumi Autotransport: The Batumi Autotransport is a company owned by the municipality of Batumi and has been involved in discriminatory practices against trade union members.		
<b>Additional general sources</b>	<b>Additional specific sources</b>		
	No additional resources found	Country	-
From national CW RA	Not available		
<b>Conclusion on Indicator 2.2:</b> <ul style="list-style-type: none"> <li>• Not all social rights are covered by the relevant legislation and enforced in Georgia: The Labour Code which prohibits any kind of discrimination based on a number of grounds in employment relations (section 2(3)) does not explicitly cover discrimination at the recruitment or selection stage nor does it define discrimination. National legislation allows children between the ages of 14 and 16 years to work for eight hours a day. There is absence of legislation giving full expression to the principle of equal remuneration for men and women for work of equal value. Further to the abolition of the Labour Inspection Service in 2006, there is no longer a labour supervisory body. (refer to category 1)</li> <li>• Rights like freedom of association and collective bargaining is not upheld: Frequent non-renewal of short-term contracts of employment for anti-union purposes, Georgia is classified in the category 3 of the ITUC Global Rights Index which stand for “Regular violation of rights to freedom of association, collective bargaining and strike.”, Georgia has excessive civil and penal sanctions for workers and unions involved in non-authorized strike actions, The government officials openly interfere in trade union affairs and at any stage of a dispute, the Minister can terminate conciliatory procedures,</li> <li>• There is evidence confirming compulsory and/or forced labour, however there is no evidence that this is widespread as only one source mentions it without any figures or qualifications, which justifies low risk on this issue.</li> <li>• There is evidence confirming discrimination in respect of employment and/or occupation, and/or gender: disproportionately high unemployment rate of women, the significant gender wage gap and the continued horizontal and vertical segregation in the labour market, where women are concentrated in low-paid jobs. However, Georgia ranks nr 29 of 142 countries on the issue of wage equality for similar work at the Global Gender Gap Index 2014 with a score of 0.72. The highest possible score is 1 (equality) and the lowest possible score is 0 (inequality), which makes this a relatively low risk from an international perspective. Poor implementation of the Constitution, the Act on Gender Equality, the Act on the Elimination of All Forms of Discrimination and other relevant legislation to prevent discrimination based on sex and gender owing to the absence of effective enforcement mechanisms and the lack of public awareness about their provisions. There is lack of access to adequate health, education and employment for women belonging to ethnic and religious minorities and women with disabilities, There is absence of mandatory quotas and other measures for achieving substantive or de facto equality of women and men in all areas under the Convention, as well as of temporary special measures targeting disadvantaged and marginalized women who are subjected to multiple forms of discrimination, such as rural women, women belonging to ethnic minorities, women with disabilities and older women;</li> <li>• There is evidence confirming child labour: Child labour is widespread in various regions of Georgia during the crop period in the agriculture sector (which includes the forestry sector). No evidence of specific incidents of child labour in the forestry sector were found.</li> <li>• The country is signatory to all 8 fundamental ILO Conventions and these are all in force.</li> <li>• There is evidence that any groups (including women) do not feel adequately protected related to the rights mentioned above: There is poor enforcement of laws prohibiting sexual harassment in the workplace and protecting maternity owing to a lack of national labour inspectorates or similar enforcement mechanisms.</li> </ul>		Country	Specified risk

<ul style="list-style-type: none"><li>• Violations of labour rights are not limited to specific sectors: Examples of violations were found in relation to Metallurgy, Mining and Chemistry, Public Transportation, Public Services, Transportation, Education, Agriculture (which includes forestry) and Health.</li></ul> <p>The following specified risk thresholds apply, based on the evidence:</p> <p>(14) The applicable legislation for the area under assessment contradicts indicator requirement(s); AND</p> <p>(15) There is substantial evidence of widespread violation of key provisions of the ILO Fundamental Principles and Rights at work.</p>				
Indicator 2.3. The rights of Indigenous and Traditional Peoples are upheld.				
Guidance:				
<ul style="list-style-type: none"><li>• Are there Indigenous Peoples (IP), and/or Traditional Peoples (TP) present in the area under assessment?</li><li>• Are the regulations included in the ILO Convention 169 and is UNDRIP enforced in the area concerned? (refer to category 1)</li><li>• Is there evidence of violations of legal and customary rights of IP/TP?</li><li>• Are there any conflicts of substantial magnitude [footnote 6] pertaining to the rights of Indigenous and/or Traditional Peoples and/or local communities with traditional rights?</li><li>• Are there any recognized laws and/or regulations and/or processes in place to resolve conflicts of substantial magnitude pertaining to TP or IP rights and/or communities with traditional rights?</li><li>• What evidence can demonstrate the enforcement of the laws and regulations identified above? (refer to category 1)</li><li>• Is the conflict resolution broadly accepted by affected stakeholders as being fair and equitable?</li></ul>				
general sources from FSC-PRO-60-002a V1-0 EN		information found and specific sources	scale of risk assessment	risk indication
ILO Core Conventions Database <a href="http://www.ilo.org/ilolex/english/docs/declworld.htm">http://www.ilo.org/ilolex/english/docs/declworld.htm</a> - ILO Convention 169		<a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102639">http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102639</a> Georgia did not ratify Convention 169. Therefore this source does not provide information on its implementation by Georgia.	Country	Low risk
Survival International: <a href="http://www.survivalinternational.org/">http://www.survivalinternational.org/</a>		<a href="http://www.minorityrights.org/1909/georgia/georgia-overview.html">http://www.minorityrights.org/1909/georgia/georgia-overview.html</a> <i>World Directory of Minorities and Indigenous Peoples - Georgia: Overview - Updated: October 2011</i> “According to the 2002 national census, main minority groups include Azeris 285,000 (6.5%), Armenians 249,000 (5.7%) and Russians 68,000 (1.5%). For information on the populations of the de facto states of Abkhazia and South Ossetia, see the separate entries for each. According to the 2002 census, Ossetians within Georgia but outside South Ossetia numbered 38,000 (0.9%), down from 100,000 prior to the outbreak of conflict in 1989. Also according to the 2002 census, Abkhaz within Georgia but outside Abkhazia numbered 3,500 (.08%). The numbers of Ossetians and Abkhaz in undisputed Georgian territory certainly fell as a result of the August 2008 war, but the extent and duration of displacement remain difficult to determine.	Country	Low risk
Human Rights Watch: <a href="http://www.hrw.org/">http://www.hrw.org/</a>				
Amnesty International <a href="http://amnesty.org">http://amnesty.org</a>				
The Indigenous World <a href="http://www.iwgia.org/regions">http://www.iwgia.org/regions</a>				
United Nations Special Rapporteur on the rights of indigenous peoples <a href="http://www.ohchr.org/en/issues/ipeoples/srindigenouspeoples/pages/sripeoplesindex.aspx">http://www.ohchr.org/en/issues/ipeoples/srindigenouspeoples/pages/sripeoplesindex.aspx</a>				
UN Human Rights Council Universal Periodic Review <a href="http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx">http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx</a>				
UN Human Rights Committee <a href="http://www.ohchr.org/EN/HRBodies/CCPR/Pages/CCPRIndex.aspx">http://www.ohchr.org/EN/HRBodies/CCPR/Pages/CCPRIndex.aspx</a> search for country Also check: UN Committee on the Elimination of All Forms of Racial Discrimination		In the Georgian language, based on the Kartli dialect spoken in eastern Georgia, Georgians refer to themselves as kartveli. The Kartvelian language family, to which Georgian belongs, also includes three vernaculars: Mingrelian, spoken in western Georgia, Svan, spoken in the north-central mountainous		

<a href="http://www.ohchr.org/EN/HRBodies/CERD/Pages/CERDIndex.aspx">http://www.ohchr.org/EN/HRBodies/CERD/Pages/CERDIndex.aspx</a> Intercontinental Cry <a href="http://intercontinentalcry.org/">http://intercontinentalcry.org/</a> Forest Peoples Programme: <a href="http://www.forestpeoples.org">www.forestpeoples.org</a> FPP's focus is on Africa, Asia/Pacific and South and Central America. Society for Threatened Peoples: <a href="http://www.gfbv.de/index.php?change_lang=english">http://www.gfbv.de/index.php?change_lang=english</a> Regional human rights courts and commissions: - Inter-American Court of Human Rights <a href="http://www.corteidh.or.cr/index.php/en">http://www.corteidh.or.cr/index.php/en</a> - Inter-American Commission on Human Rights <a href="http://www.oas.org/en/iachr/">http://www.oas.org/en/iachr/</a> <a href="http://www.oas.org/en/iachr/indigenous/">http://www.oas.org/en/iachr/indigenous/</a> - <a href="#">African Commission on Human and Peoples' Rights</a> - <a href="#">African Court on Human and Peoples' Rights</a> - <a href="#">European Court of Human Rights</a>  Data provided by National Indigenous Peoples', Traditional Peoples organizations;  Data provided by Governmental institutions in charge of Indigenous Peoples affairs;  Data provided by National NGOs; NGO documentation of cases of IP and TP conflicts (historic or ongoing); National land bureau tenure records, maps, titles and registration (Google) Relevant census data - Evidence of participation in decision making; (See info on implementing ILO 169 and protests against new laws) - Evidence of IPs refusing to participate (e.g. on the basis of an unfair process, etc.); (See info on implementing ILO 169 and protests against new laws) National/regional records of claims on lands, negotiations in progress or concluded etc. Cases of IP and TP conflicts (historic or ongoing). ) Data about land use conflicts, and disputes (historical / outstanding grievances and legal disputes) Social Responsibility Contracts ( <i>Cahier des Charges</i> ) established according to FPIC (Free Prior Informed Consent) principles where available <a href="#">Google the terms '[country]' and one of following terms 'indigenous peoples organizations', 'traditional peoples organizations', 'land</a>	region of Svaneti, and Laz, spoken mainly along the north Black Sea coast of Turkey but also in small pockets of south-west Georgia. Mingrelian and Svan speakers use Georgian as their literary language and lingua franca. Although the existence of these separate languages is indicative of different identity groups within the Georgian nation, they have not to date formed the basis for mobilization as distinct ethnic groups.  No sources mention IP/TP presence in Georgia, neither the sources that give overviews, such as The Indigenous World, nor could any report or website be found mentioning or claiming IP/TP presence or a discussion or debate about such a presence.	Country	Low risk
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<a href="#">registration office', 'land office', 'indigenous peoples', 'traditional peoples', '[name of IPs]', 'indigenous peoples+conflict', 'indigenous peoples+land rights'</a>			
<b>Additional general sources for 2.3</b>	<b>Additional specific sources</b>	<b>scale of risk assessment</b>	<b>risk indication</b>
no additional sources found		Country	Low risk
From national CW RA	Not available		
<b>Conclusion on Indicator 2.3:</b> There are no indigenous peoples and no traditional peoples in Georgia.  <b>Therefore the following low risk thresholds apply:</b> (16) There is no evidence leading to a conclusion of presence of indigenous and/or traditional peoples in the area under assessment; AND (21) Other available evidence do not challenge 'low risk' designation.		country	Low risk

## Controlled wood category 3: Wood from forests in which high conservation values are threatened by management activities

### Overview

The assessment of Category 3 (HCVs) was conducted within the framework of National Risk Assessment (NRA). As already mentioned, this part of the assessment was carried out under the FLEG II Program, financially supported by the European Commission and Austrian Development Cooperation. The consultant, Mr. Georgiy Bondaruk, drafted this (HCV) part of the NRA. Mr. Bondaruk had been hired by WWF-CauPO within the framework of the FLEG2 Program. He also drafted the National High Conservation Value Forests Framework for Georgia [initial draft]. This framework document was the basis for the assessment of Category 3. Both drafts were reviewed and accepted by the national Working Group.

All Georgian forests are in the State ownership, but managed by different bodies. More details were given in the overview under Category 1 assessment.

Climate and relief vary greatly across Georgia. Two mountain systems – the Greater Caucasus in the north and the Lesser Caucasus in the south are joined by the Likhi ridge which is a natural barrier dividing Georgia into contrasting climatic zones. Western Georgia is humid (the average annual rainfall is 1,000 to 2,800 mm), with subtropical climate in the Black Sea coastal zone, while eastern Georgia tends towards a temperate climate (300 to 600 mm of average annual precipitation). This variety of climatic and relief conditions results in diversity of natural ecosystems.

Around 2.77 million ha are covered with forests, which amounts to about 40% of Georgia's territory. Forests are among the most important biomes for biodiversity conservation in the country. The entire forest area of Georgia is included into the Caucasus Ecoregion, one of the Global 200 Ecoregions identified by WWF [9, 20]. Furthermore, of 34 biodiversity hotspots identified by Conservation International (parts of the Earth which are richest in biodiversity and, at the same time, most threatened), Georgia is part of the Caucasian and Iran-Anatolian hotspots [10]. Georgian forests fulfill essential protective (ecological) as well as socio-economic functions.

In lowlands and plateau, deciduous forests consist primarily of broadleaf species such as oriental beech (*Fagus orientalis*) (about 50% of the total wood volume [24]. Other typical species include Georgian oak (*Quercus iberica*), hornbeam (*Carpinus caucasica*) and chestnut (*Castanea sativa*). At higher altitudes, fir (*Abies nordmanniana*) and spruce (*Picea orientalis*) occur, and in the highest mountain belt natural pine stands (*Pinus kochiana*) can be found. Alder (*Alnus barbata*) forests dominate in floodplains of western Georgia.

About 400 tree and bush species grow in Georgian forests. Of these, 61 are endemic for Georgia. Georgian forests contain more than 4,100 of the estimated 6,350 plant species in the entire Caucasus region. The fauna includes some 330 bird species, 100 mammals and 59 amphibians and reptilians [5, 20]. Typical representatives of fauna include brown bear, tur, chamois, wild boar, Caucasian red deer, roe deer, lynx and wild cat – all of them depend on natural forest.

More than 95% of Georgian forests are located in the mountains. Over 80% of forests grow on the steep slopes – 21 degrees and above. Roughly 500,000 ha (around 18% from the total forest area) of Georgian forests are classified as pristine forests by many local forestry experts. These forests are located within Greater and Lesser Caucasus mountain ranges and their area is constant due to their inaccessibility. Unfortunately, the precise boundaries of these forests are still to be defined. In comparison, the area of planted forests is only about 70,000 ha. That is why volumes of logging are quite limited. According to the official data legal wood cutting volumes during last 15 years have been up to 180,000 m<sup>3</sup> for timber and 750,000 m<sup>3</sup> for fuelwood per year [24]. Annual volumes of illegal logging estimated by local experts vary between 2-3 million m<sup>3</sup> (the precise numbers are not known). The logging activities are concentrated near population centers, where the forests are significantly degraded.

Starting as early as 1912 (when the first Strict Nature Reserve was established near the town of Lagodekhi in eastern Georgia) until today, a rather spacious protected area network has been developed in Georgia. Currently, there are 14 strict nature reserves, 11 national parks, 42 natural monuments, 19 managed nature reserves (sanctuaries) and two protected landscapes (corresponding to IUCN Categories I-V respectively). These PA categories have been defined by the Law of Georgia on Protected Area System (1996). The total area of Georgia's PAs is 520,811 ha, which amounts to approximately 7.5% of the country's territory. The boundaries of all of the PAs (with and without Management Plans) are clearly delineated. Over 50% of the protected areas is covered with forests. Agency of Protected Areas (APA) is responsible for the management of



these forests. Eight from the above-mentioned PAs have an up-to-date management plan. The total area occupied by these PAs with the management plans is nearly 300,000 ha, or 58% of the total area of the PAs. There is consensus among key stakeholders in Georgia that, in general, forest within PAs are much better protected than those managed by other state authorities, due to stricter law enforcement and focusing on protection rather than economic use of wood and non-wood resources [5]. Specifically, the total annual volumes of illegal logging amount to just a few hundred cubic meters within the PAs (see the assessment of Indicator 1.9 and respective sources). In contrast, the volumes of officially detected illegal logging amount to thousands of cubic meters in the forests located outside PAs. The real figure (i.e. illegally logged but undetected wood) is even higher – in the order of hundreds of thousands of cubic meters per year. The accurate figure is not known. Main causes of illegal logging are rural poverty and demand for energy resources for heating and cooking [5, 20, 21, 28].

Identification and assessment of forest habitats and types (information that can be very useful for HCV identification) is mainly conducted through:

- Forest inventory with subsequent management planning – every 10 years for each forestry unit
- Field visits by foresters and biologists in the framework of various projects
- Field visits aiming at collecting relevant information for the completion of national-level strategic documents such as National Biodiversity Strategies and Action Plans and National Environmental Action Plans
- Scientific research conducted by universities and research institutes.

Regular forest inventory and forest management planning was not conducted for last 20 years due to the severe shortage of funds. According to the personal communication with Irakli Sisvadze, Head of Forest Inventory and Management Planning Service of the National Forestry Agency of Georgia [25], by July 2016, officially approved Management Plans existed for a total of about 90,000 ha of forests (where inventory was also carried out) managed by National Forestry Agency of Georgia. By the end of December 2016, in addition, 140,000 ha of forests managed by the Agency of Forestry of Ajara Autonomous Republic, underwent forest inventory and management plans were prepared for these forests.

The field work, unfortunately, has been quite limited in recent decades, due to economic crisis and resulting severe financial shortages of respective institutions. The situation has slightly improved in recent years thanks to the assistance from international donors and increased state budget funding.

## Experts consulted

Mainly NRA working group (WGFS) members were consulted at this stage. The WGFS includes experts familiar with HCVs, especially those from the environmental chamber. In addition, experts who were not members of the working group were consulted. These include Merab Machavariani from National Forestry Agency, Karlo Amirgulashvili from Forest Policy Service and Giorgi Kavtaradze, Acting Director of V. Gulisashvili Forestry Institute of Georgia ([g.kavtaradze@agrni.edu.ge](mailto:g.kavtaradze@agrni.edu.ge)).

## Risk assessment

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
<b>3.0</b>  Data available are sufficient for: a) Determination of HCV presence for each HCV, AND b) The assessment of the threats to HCVs from forest management activities.	1, 2, 3, 5, 14, 15, 16, 17, 21, 22, 23, 24, 25, 26, 29, 33	<p>At present, only general data exists on Georgian forests. Detailed information is absent since forest inventory and forest management planning were not carried out for well over 90% of forests in the last two decades.</p> <p>In forests where forest inventory has been recently conducted (in line with the requirements of Governmental Decree #179 on Forest Inventory, Planning and Monitoring), more information is available at the forest stand level. That would help identify some HCVs despite the fact that Decree #179 on management planning and forest inventory does not include specific provisions for HCVs.</p> <p>The list of specific HCVs given below is entirely taken from the initial draft “National HCV Framework for Georgia” [23]. Because of the very important ecological (biodiversity, protective functions) and economic roles of Georgian forests, the majority of forest stands of the country represent one or more HCVs.</p> <p>The availability of information for the identification and assessment of risk varies across different HCVs categories. As a result, data on HCV occurrence and threats was collected from many different sources (legislation, strategic documents, projects, national and international reports, stakeholder interviews – see the attached table of information sources).</p> <p>HCV definition has not been officially used in Georgia so far, and there are basically no legal provisions related to HCVs. The only one exception is Government Decree #132 “On Adoption of Rules and Conditions for Issuing Forest Use Licences” (August 11, 2005). Article 1, Paragraph 5 of this decree briefly describes all six HCVs. Although too general, these are quite consistent with below listed HCVs. The same article mentions that commercial harvesting shall be</p>	Country.	<p>In general, data are available in Georgia that would allow the identification and mapping of HCVs, based on the respective national framework [23]. The overall and specific threats to the HCVs described below are also well known in the country.</p> <p>Following from the above, it can be concluded that thresholds 1 and 2 have been met and, consequently, Low Risk has been assigned to Indicator 3.0.</p>

<sup>2</sup> See information sources with respective numbers at the end of this chapter

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<p>prohibited in forests with HCVs. Article 8 (Paragraph 1, Part r) mentions that logging license holders (for further details on forest use licenses see the assessment under Category 1) shall protect and enhance HCVs and the respective measures shall be documented. Article 8 (Paragraph 4, Part p) imposes the same obligations upon hunting license holders. Unfortunately, no cases of actual HCV identification and protection (by the license holders) have been known. One of the possible reasons is that the HCVs listed in Decree # 132 are very general and, consequently, hard to identify and delineate in the field. Furthermore, so far the state forestry authorities have not requested the implementation of the identification and protection measures with respect to HCVs from the license holders [29].</p> <p>There is good awareness and recognition of the importance of forests with HCVs across wide range of environmental stakeholders. As a result, a draft document “Forest Zoning Directive” was developed in 2014 [2]. The document is based on HCV concept and could be a powerful tool for HCV identification, definition of management regimes for different HCVs and good instrument of control. Unfortunately, the document has not been approved as a law or regulation yet. Nevertheless, it was used for the development of the initial draft of National High Conservation Value Forests Framework for Georgia [16, 17, 22, 23].</p> <p>In general, data which can be useful for the identification and mapping of HCVs is available in Georgia, despite the above-mentioned shortcomings. In other words, a group of experts with respective qualifications would be able to identify and map HCVs within a given forest management unit, or a region of Georgia [33].</p> <p>Common threats to biodiversity and ecosystems</p> <p>Common threats to biodiversity and natural ecosystems in general is defined in “Georgia’s Fifth National Report to the Convention on Biological Diversity” [15]: degradation and</p>		

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<p>fragmentation of natural habitats, excess utilization of natural resources, environmental pollution, the spread of alien invasive species and climate change.</p> <p>Specific threats to forest HCVs</p> <p>Specific and direct threats faced by forest biodiversity and ecosystems are well known in the country and include illegal logging, unsustainable forest management (including the lack of forest management plans), over-grazing by livestock (cattle, sheep, goats and pigs) in forests around human settlements and poaching [5, 20, 26].</p> <p>However, for reliable identification of all specific threats for each particular HCV area, further investigation might be necessary depending on local conditions and availability of information (stakeholder consultations, analyzing biodiversity assessment reports, and using other information sources).</p>		
<b>3.1 HCV 1</b>	1, 2, 3, 5, 6, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26	<p>HCV1 occurrence</p> <p>The values listed below have been identified as HCV1 in National HCV Framework document [initial draft].</p> <p>HCV 1.a</p> <ul style="list-style-type: none"> <li>- Areas protected in accordance with Georgia's law "On the System of Protected Areas" and international agreements signed by Georgia – designated Strict Nature Reserves, National Parks, Natural Monuments, Sanctuaries and Protected Landscapes (equivalent to IUCN Categories I-V respectively<sup>3</sup>, that have already been formally designated and managed in Georgia); examples of designations on the bases of international agreements include Ramsar sites, which are located in western Georgia.</li> </ul> <p>HCV 1.b</p>	<p>Protected Areas (IUCN I, II, III, IV and V categories) managed by the APA.</p> <p>Other forests (located outside PAs).</p>	<p>For forests within PAs of IUCN I-V Categories, formally designated and protected in accordance with Georgian legislation and managed by the APA - the locations and boundaries of HCV1.a are well known; the occurrence of HCVs1.b and 1.c is likely within most of the PAs of the above-mentioned categories; all these values are effectively protected from threats from management activities. Based on this, it can be concluded that threshold 7 has been met and, consequently, Low Risk has been assigned.</p>

<sup>3</sup> Most of the PAs of IUCN I-V Categories, if not all (designated as HCV 1.a), incorporate one or more HCVs of other categories outlined below.

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<ul style="list-style-type: none"> <li>- Areas that contain two or more Rare, Threatened or Endangered (RTE) and/or endemic species mentioned in Red Lists (National, European, International - IUCN) as well as endemic species mentioned in National Biodiversity Strategy and Action Plan (2014-2020) and international agreements signed by Georgia. An HCV 1.b may extend over a small area (for example, in the case of a plant species) or a large area (for example, the territory occupied by the breeding population of a large herbivore or carnivore)</li> </ul> <p>HCV 1.c</p> <ul style="list-style-type: none"> <li>- Areas with critical temporary concentrations of species - seasonal breeding sites, migration routes or corridors, etc.</li> </ul> <p>The PAs (IUCN I-V Categories) include many rare, threatened and endangered (RTE) species habitats as well as areas of critical temporary concentrations of species, but not all.</p> <p>Threat assessment</p> <p>Forest Code (1999) as well as the Rules for Forest Inventory, Planning and Monitoring (approved by the Decree #179 of the Government of Georgia on July 17, 2013) contain only general requirements with respect to nature conservation (i.e. statements that biodiversity measures shall be implemented and Red List species and their habitats identified and protected). They do not include any direct requirements on HCV identification and protection. Forest management plans prepared on the bases of these legal requirements are not very effective with respect to the protection of HCV1. In this respect, the situation is much worse in forests where there is no up-to-date management plan. Unsustainable and illegal logging, overgrazing and poorly planned and executed forestry operations define the</p>		<p>For other forests (outside PAs)</p> <ul style="list-style-type: none"> <li>- the occurrence of HCVs 1.b and 1.c is likely in the area under assessment (also outside PAs) and these values are threatened by management activities. Based on this, threshold 8 has been met in these areas and, consequently, Specified Risk has been assigned.</li> </ul>

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<p>specified risk for HCV1 located outside PAs. Excessive thinning due to unsustainable logging changes light and temperature regimes under the forest stand canopy. Examples of poor forest management practices include: a) the selection of inappropriate tree species for felling, resulting in damaging the health and vitality of forest ecosystems, b) the felling being carried out without due care, resulting in damaging the remaining smaller trees, c) planting or seeding the species which are not adapted to site conditions and d) failure to give proper regard to nature conservation aspects such as set-aside protection sites, protection of animal breeding or hibernation sites, etc. Overgrazing destroys herb layer, undergrowth (small-sized scrubs) and naturally regenerated seedlings, severely (sometimes irreversibly) damaging the habitats of many species, including rare and Red Listed ones. In addition, many Red Listed and endemic species of large mammals and birds are victims of poaching outside of the protected areas [5, 20, 21].</p> <p>Some non-wood forest products, such as <i>Ruscus hypophyllum</i>, are Red-listed and harvesting them is forbidden [19]. However, local population collects these plants at a wide scale (for medicinal or decorative purposes), threatening their sustainability. This process is not under sufficient control, due to the limited law enforcement of the state forestry authorities (mainly because of the weak capacities in terms of staff, funding and equipment). Most of the sites potentially containing HCV1 (subcategories b and c) have not been identified and delineated on the ground. This aggravates the risk of these values being damaged due to the pressures described above. Furthermore, absolute majority of rangers from the National Forestry Agency or APA are not familiar with HCV concept, which makes the protection of potential HCV1 sites problematic. Despite the problem of insufficient funding experienced by forestry and environmental authorities in Georgia, law</p>		



Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<p>enforcement is much stricter within PAs of IUCN I-V Category (even those without management plans) in comparison to other forest areas.</p> <p>Cases of illegal logging, poaching, cattle grazing or collecting of non-wood forest products within PAs are very rare (a few cases in a year in the entire country), unlike other forest areas, where the volumes of illegal logging are in the order of hundreds of thousands of cubic m<sup>3</sup> per year (see also the assessment of Indicator 1.9).</p> <p>The area occupied by PA network (including forests) has grown substantially in recent years and decades (for instance, from just about 169,000 ha in 1991 to over 520,000 in 2014 [5]. Despite this impressive growth in area, the scales of illegal activities within PAs remain at the roughly same (low) level. For further details, see the assessment for Indicator 1.9.</p>		
<b>3.2 HCV 2</b>	1, 2, 3, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 24, 25, 26, 27	<p>HCV2 occurrence</p> <ul style="list-style-type: none"> <li>- Arid forest ecosystems (low-density Pistachio and Celtis forests in Dedoplistskaro Municipality)</li> <li>- Pristine forests (mainly located on the steep slopes of the Greater and Lesser Caucasus; about 500,000 ha in area)</li> <li>- World's Intact Forest Landscapes as identified by Global Forest Watch - <a href="http://intactforests.org">http://intactforests.org</a> (located in the Georgian part of the western Greater Caucasus)</li> <li>- Continuous, uninterrupted landscapes larger than 10,000 ha out of which at least 8,000 ha are covered by natural forests.</li> </ul> <p>Threat assessment</p> <p>Forest Code (1999) and Rules for Forest Inventory, Planning and Monitoring (approved by the Decree #179 of the Government of Georgia contain only general requirements with respect to biodiversity and nature conservation.</p>	<p>Protected Areas (IUCN I, II, III, IV and V categories) managed by the APA.</p> <p>Other forests (located outside PAs).</p>	<p>For forests within PAs of IUCN I-V Categories, formally designated and protected in accordance with Georgian legislation and managed by the APA - the occurrence of HCV2 is well known for some PAs (e.g. Vashlovani PA) and is likely in several other PAs; HCV2 occurring within the boundaries of PAs of the above-mentioned categories are sufficiently well protected from illegal or unsustainable logging and grazing. Based on this, it can be concluded that threshold 11 has been met and, therefore, Low Risk has been assigned.</p>

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<p>Consequently, these legal provisions (as the main bases for forest management planning) are not very effective for the protection of HCV2.</p> <p>Most of the arid forest ecosystems are protected within the boundaries of Vashlovani PAs (in Dedoplistskaro Municipality). The small part outside of the PAs is under the pressure of unsustainable sheep grazing. The grazing leads to considerable disturbance of natural forest regeneration process. The volumes of illegal logging are insignificant due to the very low density of population in those areas.</p> <p>Most of the pristine forests and Intact Forest Landscapes are outside of the PAs. At present, absolute majority of these forests (even outside protected areas) are not under threat due to their remoteness, steepness of mountain slopes (where they are located) and absence of access roads. Georgian legislation prohibits logging on the slopes steeper than 35 degrees [1]. This requirement is not violated, due to some extent to law enforcement, but mainly thanks to the lack of equipment allowing the harvest of trees on steeper slopes, and associated enormous costs. However, if new access roads are built to these forests, for silvicultural or other purposes, they may become threatened by illegal logging and poaching in the future.</p> <p>Continuous, uninterrupted landscapes are mainly overlapping with pristine forest areas. However, certain parts are located closer to the population centers. The latter (outside PAs) face illegal logging, poaching and over-grazing, which leads to the degradation of the forest stands [21]. This may eventually lead to the fragmentation of these forest landscapes. Furthermore, if forest roads are built in the remote areas, much larger area of these uninterrupted forest landscapes may become threatened by the fragmentation.</p> <p>Strict protection against overgrazing and illegal logging is organized within protected areas managed by the Agency of Protected Areas (APA). Consequently, all above-listed HCV2 forest stands are well protected within PAs [5].</p>		<p>For other forests (outside PAs) - law enforcement is much weaker outside officially designated PAs, which results in significant risks of destruction or degradation of HCV2 values of forests by illegal and unsustainable resource use described above. Based on this, it can be concluded that threshold 12 has been met and, therefore, Specified Risk has been assigned to these areas.</p>

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
<b>3.3 HCV 3</b>	1, 2, 3, 5, 14, 15, 16, 17, 19, 20, 22, 23, 24, 25, 26, 27	<p>HCV3 occurrence</p> <ul style="list-style-type: none"> <li>- Remaining natural and semi-natural lowland floodplain forests in eastern Georgia (e.g. along rivers Alazani, Iori and Mtkvari, about 25,000 ha in total)</li> <li>- Small fragments of oriental spruce (<i>Picea orientalis</i>) stands in Aragvi gorge (river Katsalkhevi)</li> <li>- Oriental beech (<i>Fagus orientalis</i>) woods in Abastumani Municipality</li> <li>- Sosnovskii pine (<i>Pinus Sosnowskii</i>) woods around Tsiv-Gombori mountain</li> <li>- Oriental beech woods with rhododendron (<i>Rhododendron spp.</i>) undergrowth in Ilto gorge</li> <li>- Pontic oak (<i>Quercus pontica</i>) stand in Chokhatauri Municipality, near village Chkhakoura)</li> </ul> <p>Threat assessment</p> <p>Current forestry (and nature conservation in general) legislation is not very effective for the protection of these values. This is mainly because of the absence of detailed legal requirements for the identification and protection of HCV.</p> <p>These particular forest sites and features were identified by scientists and experts in the past and included into forestry-related literature and other documents [20, 27]. Some of these, for instance floodplain forests along Iori River and oriental beech in Ilto Gorge, are already within existing PA network and well protected. Others (e.g. Pontic oak stands in Chokhatauri Municipality) will be designated as PAs in the nearest future, according to the plans of the APA [26]. However, many of these rare forest types still remain outside PAs. Furthermore, most of the latter remain in the areas with outdated forest inventory and, therefore, there is no sufficient information about their condition.</p> <p>Following from the above, there is specified risk that these sites could be destroyed or disturbed due to unsustainable</p>	<p>Protected Areas (IUCN I, II, III, IV and V categories) managed by the APA.</p> <p>Other forests (located outside PAs).</p>	<p>For forests within PAs of IUCN I-V Categories, formally designated and protected in accordance with Georgian legislation and managed by the APA - the occurrence of HCV3 is well known for some PAs (e.g. Chachuna Sanctuary, protecting floodplain forests along river Iori) and is likely in several other PAs; HCV3 occurring within the boundaries of PAs of the above-mentioned categories are sufficiently well protected from illegal or unsustainable logging, grazing and mismanagement in general. Based on this, it can be concluded that threshold 15 has been met and, therefore, Low Risk has been assigned.</p> <p>For other forests (outside PAs) - law enforcement is much weaker outside officially designated PAs, which results in significant risks of destruction or degradation of HCV3 values of forests by the pressures described above. The success in fulfilling the respective Aichi Target (11) has been only partial. Based on this, it can be concluded that thresholds 17 and 18 have been met and,</p>

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<p>and illegal logging, unsustainable grazing, and poor forest management. These pressures could result in changes in species composition, natural processes and natural structure of these forests. As a result, these unique forest ecosystems would lose their characteristic features.</p> <p>The progress in fulfilment of Aichi Biodiversity Target 11 has been moderate, as the target has only been partially fulfilled. Namely, the area of PAs has been increasing and the establishment of ecological corridors and Emerald sites is underway. However, PAs still occupy only about 9% of the total area of the country [15]. Moreover, the situation with respect to the protection of rare forest ecosystems and biodiversity in general, is still unsatisfactory outside the PAs (see above).</p> <p>Law enforcement is much stricter within PAs of IUCN I-V Category (even those without management plans) managed by the APA, in comparison to other forest areas.</p> <p>Cases of illegal logging, poaching or cattle grazing within PAs are very rare (a few cases in a year in the entire country), unlike other forest areas, where the volumes of illegal logging are in the order of hundreds of thousands of cubic m3 per year (see also the assessment of Indicator 1.9). Consequently, all above-listed HCV3 forest stands are well protected within PAs [5].</p>		therefore, Specified Risk has been assigned to these areas.
<b>3.4 HCV 4</b>	1, 2, 3, 5, 16, 17, 22, 23, 24, 25, 26	<p>HCV4 occurrence</p> <p>HCV 4.a (Forests important for mitigating the risk of flooding and for protecting water supplies)</p> <ul style="list-style-type: none"> <li>• Forest located around ground water formation and recharge zones</li> <li>• Forest located within 200 meters of rivers, lakes, water reservoirs and other water bodies</li> <li>• Forest strips protecting fish spawning areas with special protective value</li> </ul>	<p>Protected Areas (IUCN I, II, III, IV and V categories) managed by the APA.</p> <p>Other forests (located outside PAs).</p>	For forests within PAs of IUCN I-V Categories, formally designated and protected in accordance with Georgian legislation and managed by the APA - HCV4 occur in basically all PAs (with forests) which include rivers and streams in middle and high mountains; HCV4 occurring within the boundaries of PAs are sufficiently well protected

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<ul style="list-style-type: none"> <li>Forest stands around wetlands, springs and glaciers</li> <li>Forest strips contributing to prevention of formation of mudflows and river bank-protecting strips for prevention of mudflows</li> <li>Forest strips around existing mineral and thermal waters of healing qualities.</li> </ul> <p>HCV 4.b (Forests critical for mitigating the risk and/or impact of soil erosion, landslide, rockfall or avalanche)</p> <ul style="list-style-type: none"> <li>Forests located on slopes steeper than 35°;</li> <li>Forest in and around areas prone to landslides, rock fall, avalanche or snow drift that could endanger human life or habitation, or other infrastructure or livelihood resources;</li> <li>300 m protecting strips of subalpine forests;</li> <li>Forest within 50 m of the forest edge;</li> <li>Forest on or adjacent to land that is sensitive to the impact of wind and water;</li> <li>Forest located around the following objects: <ul style="list-style-type: none"> <li>Communication facilities</li> <li>Railroads and motor roads</li> <li>Water supply facilities</li> <li>Hydro-node and canals</li> <li>Pipelines</li> <li>Power transmission lines</li> <li>Cable-ways and skiing routes</li> <li>Tourist tracks and hiking trails</li> <li>Cattle routes.</li> </ul> </li> </ul> <p>HCV 4.c (forests presenting important fire barriers)</p>		<p>from illegal or unsustainable logging and grazing and mismanagement in general. Based on this, it can be concluded that threshold 21 has been met and, therefore, Low Risk has been assigned.</p> <p>For other forests (outside PAs) - law enforcement is much weaker outside officially designated PAs, which results in significant risks of destruction or degradation of HCV4 values by pressures described above. Based on this, it can be concluded that threshold 22 has been met and, therefore, Specified Risk has been assigned to these areas.</p>

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<p>- Forests which provide a protective barrier against destructive fires that could threaten human population, infrastructure or other HCVs.</p> <p>According to FRA 2015 data, over 2.2 million ha (or 79% of total forest area) of Georgian forests are designated for soil protection and water regulation [24]. Many of the values that correspond to HCV4 categories above are listed in Forest Code (1999) and other legal documents such as Decree of the Government of Georgia #242 “On Adoption of Forest Use Rules” (August 20, 2010). This HCV4 list has been expanded substantially within National HCV Framework document, based on various sources of information [2, 16] .</p> <p>Threat assessment</p> <p>The boundaries of HCV4 forests are not clearly defined and mapped in national forest inventory data and respective forest stand maps (prepared on the basis of Governmental Decree #179).</p> <p>It is extremely hard to prevent the threats posed to HCV4 forests (those outside PAs) such as unsustainable and illegal logging and grazing, without sufficiently detailed information on their location, boundaries and maps. Furthermore, limited law enforcement is a problem for basically all forests outside PAs, even for those with up-to-date forest management plans. As a result, these forests are under constant risk of degradation due to these pressures. This degradation may result in weakening their vital protective ecosystem functions. For instance, reduced forest stand density (due to the excessive logging and grazing) results in limited ability of forests to prevent soil erosion of avalanches, or produce good quality spring water.</p> <p>In subalpine forests (located at the elevation of more than 1,800 m above sea level), illegal logging is much less of a problem, due to the migration of the population to the large cities located in the lowlands. Nevertheless, excessive</p>		



Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<p>grazing is still a problem in sub-alpine forests located near the population centers and cattle movement corridors. These forests are prone to degradation, due to the disruption of natural regeneration (being destroyed by cows and sheep) and soil compaction (triggering erosion).</p> <p>Law enforcement is much stricter within PAs of IUCN I-V Category (even those without management plans) managed by the APA, in comparison to other forest areas. Cases of illegal logging or cattle grazing within PAs are very rare (a few cases in a year in the entire country), unlike other forest areas, where the volumes of illegal logging are in the order of hundreds of thousands of cubic m<sup>3</sup> per year (see also the assessment of Indicator 1.9).</p>		
<b>3.5 HCV 5</b>	1, 2, 3, 4, 5, 16, 17, 22, 23, 24, 25, 26	<p>HCV5 occurrence</p> <ul style="list-style-type: none"> <li>• Areas of collection of non-wood forest products by local communities, which play essential role in supporting their livelihoods, including: <ul style="list-style-type: none"> <li>○ Wild fruits and berries</li> <li>○ Leaf vegetables and plants for pickling</li> <li>○ Seasoning, flavoring and dressing plants</li> <li>○ Edible mushrooms</li> <li>○ Medicinal herbs.</li> </ul> </li> <li>• Forest areas with high concentration of the best honey plants, including traditional tree-based bee-keeping forests</li> <li>• Forest areas used for bee keeping (mainly forests stands with high concentrations of <i>Tilia</i> and <i>Castanea</i>) which, at the same time, contribute to the pollination of agricultural subsistence crops (where the bees cannot survive in purely agricultural landscapes)</li> <li>• Forests important for the use of wood resources: <ul style="list-style-type: none"> <li>○ Forest areas intended for fuelwood or small construction wood use by village</li> </ul> </li> </ul>	<p>Protected Areas (IUCN I, II, III, IV and V categories) managed by the APA.</p> <p>Other forests (located outside PAs).</p>	<p>For forests within PAs of IUCN I-V Categories, formally designated and protected in accordance with Georgian legislation and managed by the APA - the occurrence of HCV5 is well known in some PAs (e.g. Machakhela National Park) and is likely in others; HCV5 occurring within the boundaries of PAs of the above-mentioned categories are sufficiently well protected from illegal or unsustainable logging, grazing and mismanagement in general. Based on this, it can be concluded that threshold 25 has been met and, therefore, Low Risk has been assigned.</p>

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<p>communities who do not have any other means of alternative heating/construction.</p> <ul style="list-style-type: none"> <li>Forest strips existing around tourist tracks of national and regional importance.</li> </ul> <p>Threat assessment</p> <p>Identification of accurate boundaries of forest sites providing local population with fuelwood, small-sized construction wood, non-wood products, pastures, hives placing etc. is quite a difficult task, especially in present situation of very limited forest area with inventory and management plans.</p> <p>Despite the lack of complete information about HCV5 occurrence and exact volumes of annual harvest of wood and non-wood products by local population, it can be clearly concluded from many documents and reports, that these values might be at the risk of depletion in many areas outside PAs [5, 26]. Main threat to such forests is the activity of local population. For example, so called “social cuttings” of wood (mainly as fuelwood), implemented by local dwellers themselves on the bases of special permissions (tickets) issues by forest authorities, are often beyond control of the latter. As a result, the excessive logging takes place and forest density considerably decreases near population centers, which leads to stand degradation. The degradation of forest stands will eventually lead to the depletion of forest resources, so important for the local communities. The same situation is observed with respect to non-wood products (berries, mushrooms, medicinal plants, etc.). The intensity of collection of these products is quite high near population centers, and even in remote areas (5 km or more from villages). The volumes of collection of these products are not known. Consequently, there is a risk of their gradual depletion, due to this uncertainty.</p> <p>Forests with HCV5 are much better protected within PAs managed by the APA. Cases of illegal logging, poaching, cattle grazing or illegal/unsustainable collection of non-wood</p>		<p>For other forests (outside PAs)</p> <p>- law enforcement is much weaker outside officially designated PAs, which results in significant risks of destruction or degradation of HCV5 values of forests by the pressures described above.</p> <p>Based on this, it can be concluded that threshold 26 has been met and, therefore, Specified Risk has been assigned to these areas.</p>

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		forest products within PAs are very rare (a few cases in a year in the entire country), unlike other forest areas, where the volumes of illegal logging are in the order of hundreds of thousands of cubic m3 per year (see also the assessment of Indicator 1.9). In some PAs, such as Mtirala and Machakhela National Park in Ajara Autonomous Republic, non-wood product collection is allowed for the local villagers within sustainable limits. Considering much higher levels of law enforcement within PAs, the risk of depletion of these products is insignificant.		
<b>3.6 HCV 6</b>	1, 2, 3, 4, 16, 17, 23, 24, 25, 26, 30, 31, 32	<p>HCV6 occurrence</p> <p>- Sites of critical historical, cultural, ecological or religious/sacred importance for the country and for the traditional cultures of local communities – for instance, <i>xatis tyeebi</i> (shrine forests), <i>safari tyeebi</i> (ecological-protective forests above villages), several centuries-old individual trees, forests located around churches and monasteries.</p> <p>Responsible bodies for management of these forests (as basically all other forests) are APA, National Forestry Agency (NFA) and Georgian Orthodox Church.</p> <p>Threat assessment</p> <p>The locations of forests of religious/spiritual importance are usually well known by most of the local population. The locals avoid cutting wood or poaching there. [30, 31] However, to date, HCV6 forests have not been mapped. Considerable area of HCV6 forests which are located around some of the churches and monasteries are managed by the Georgian Orthodox Church (about 1,500 ha in total in the entire country). These forests have been transferred to the Church by the NFA on the basis of the so-called “stewardship rights”, (<i>michena</i> in Georgian), which is based on relevant provisions of Article 17 of the Forest Code. The boundaries of these forests are well known. Their main</p>	<p>Protected areas of IUCN I-V Category managed by the APA.</p> <p>Forests managed by the Georgian Orthodox Church (about 1,500 ha in total)</p> <p>Other forests (located outside PAs and the Church responsibility).</p>	<p>For forests within PAs of IUCN I-V Categories, formally designated and protected in accordance with Georgian legislation and managed by the APA – some PAs contain forests with HCV6; the forests with HCVs located within PAs are sufficiently well protected due to the much higher-level of law enforcement. Based on this, it can be concluded that threshold 29 has been met and, therefore, Low Risk has been assigned.</p> <p>For forests managed by the Georgian Orthodox Church, there is high level of respect attached by the general public and, especially, local communities. Also, these forests are small in area, located around the churches and thus relatively easy to control and protect from illegal</p>

Indicator	Sources of Information <sup>2</sup>	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
		<p>purpose is to safeguard peaceful natural environment for the visitors to the Churches and provide fuelwood and small-sized timber for the monasteries in limited volumes. Public access is free to these forests. The “stewardship forests” managed by a single church are very small (typically a few ha in area) and thus relatively easy to protect. In addition, the general public and, particularly local communities pay high respect to these forests and, as a result, the latter are sufficiently well protected [32].</p> <p>HCV6 forests which are included into the Protected Area network and thus are managed by the APA, are also protected well due to the better law enforcement (as is the case for other HCV categories).</p> <p>In terms of the rights of local communities with respect to the maintenance and non-destructive use of HCV6, they are regulated by the Forest Code (1999) within the context of customary rights (i.e. guaranteed free access, which also includes the access for religious purpose). More details on customary rights are given in the assessment of Indicator 1.13.</p> <p>However, there is still a significant risk that forests of this HCV category which are not managed by APA or the Church could be damaged by illegal loggers or poachers, due to the lack of knowledge about the values assigned to them by the locals or simply by ignoring these values (especially by visitors from remote villages).</p>		<p>use. Consequently, the risk of illegal use in these forests is insignificant.</p> <p>Based on this, it can be concluded that threshold 29 has been met and, therefore, Low Risk has been assigned.</p> <p>For other forests - outside PAs and not managed by the Georgian Orthodox Church (as a rule, the location of these forests is well known by local communities and they could be easily identified and mapped by a certificate holder in consultations with the representatives of these communities): there might be the risk of damage by irresponsible forest users (especially from other villages or cities located far away from the target sites) because of the weaker law enforcement in these areas.</p> <p>Based on this, it can be concluded that threshold 30 has been met and, therefore, Specified Risk has been assigned to these areas.</p>

## Mandatory<sup>4</sup> control measures

Indicator	Mandatory control measures
3.1 HCV 1	<p>Special investigations shall be conducted by scientists from universities, individual experts, representatives of NGOs or consulting companies (hired by the CH) within the boundaries of the respective FMUs to identify and delineate (map):</p> <ul style="list-style-type: none"> <li>• The habitats of Red Listed (National, European, International) species</li> <li>• The habitats of endemic species mentioned in National Biodiversity Strategy and Action Plan and international agreements signed by Georgia</li> <li>• Areas with critical temporary concentrations of species.</li> </ul> <p>Based on these investigations, if there is evidence that the HCV 1.b and/or 1.c are absent within the boundaries of FMU, the risk can be regarded low. In case of presence of such values, evidence should be provided by the managers of FMU that the identified HCV 1.b and/or 1.c habitats are adequately protected on the basis of a 10-year forest management plan and/or annual (operating) plan, in line with the requirements of the Forest Code and all other legislation, regulations and standards. This includes the prohibition of final cuts within these habitats<sup>5</sup>. Measures aiming to enhance these values should be implemented, if needed. The acceptable proofs would include the sufficiently good condition of HCVs themselves on the ground (to be confirmed by means of field visits) and the evidence of proper implementation of measures for their protection and improvement.</p> <p>Forest management plans, and/or annual operational plans, should also include provisions for regular monitoring of the conditions of these HCVs. The respective FMU should present evidence that the monitoring is actually conducted (field reports, photos, confirmations from local stakeholders, etc.) and its findings are taken into consideration in forest management.</p> <p>Stakeholder consultations, including meetings with representatives of local communities and NGOs, should also be arranged to double-check the findings of the investigations indicated above.</p>
3.2 HCV 2	<p>Special investigations shall be conducted by scientists from universities, individual experts, representatives of NGOs or consulting companies (hired by the CH) within the boundaries of the respective FMUs to identify and delineate (map):</p> <ul style="list-style-type: none"> <li>• Arid forest ecosystems</li> <li>• Pristine forests, intact forest landscapes and large uninterrupted forest landscapes</li> </ul> <p>For this purpose, forest inventory materials, detailed satellite images or aerial photos (with at least 60 cm resolution), expert estimates and website of Global Forest Watch (<a href="http://intactforests.org">http://intactforests.org</a>) could be used. Based on these investigations, if there is evidence that HCV2 are absent within the boundaries of FMU, the risk can be regarded low.</p> <p>In case of presence of such values, evidence should be provided by the managers of FMU that the identified HCV2 forests are adequately protected on the basis of a 10-year forest management plan and/or annual (operating) plan, in line with the requirements of the Forest Code and all other legislation, regulations and standards. This includes the prohibition of final cuts within arid forest ecosystems and large uninterrupted forest landscapes and total</p>

<sup>4</sup> All elaborated CM for this HCV category are mandatory, because there is the need to identify and map the HCVs within a management unit (except HCV1.a). Furthermore, there is basically no formally approved legislation/regulation in Georgia requiring the identification, mapping and protection of HCVs (apart from Government Decree #132 mentioned above, which is too generic anyway). In these circumstances, the implementation of the CM is essential. These CMs are applicable for forests: a) located outside PAs of IUCN I-V Categories managed by APA (for all HCVs) and b) not managed by the Georgian Orthodox Church (for HCV6)

<sup>5</sup> Final cuts involve the logging of mature trees, either for commercial purpose (mostly timber) or social purpose (mostly fuelwood).

	<p>logging ban within pristine forests and intact forest landscapes. Measures aiming to enhance these HC values should be implemented if needed. The acceptable proofs would include the condition of HCVs themselves on the ground (to be confirmed by field visits) and the evidence of proper implementation of measures for their protection and improvement.</p> <p>Forest management plans, and/or annual operational plans, should also include provisions for regular monitoring of the conditions of these HCVs. The respective FMU should present evidence that the monitoring is actually conducted (field reports, photos, confirmations from local stakeholders, etc.) and its findings are taken into consideration in forest management.</p> <p>Stakeholder consultations, including meetings with representatives of local communities and NGOs, should also be arranged to double-check the findings of the investigations indicated above.</p>
3.3 HCV 3	<p>Special investigations shall be conducted by scientists from universities, individual experts, representatives of NGOs or consulting companies (hired by the CH) within the boundaries of the respective FMUs to identify and delineate (map):</p> <ul style="list-style-type: none"> <li>- Remaining natural and semi-natural lowland floodplain forests along rivers Alazani, Iori and Mtkvari and their tributaries (relevant for FMUs located in eastern Georgia only)</li> <li>- Small fragments of <i>Picea orientalis</i> in the basin of river Katsalkhevi (relevant for FMUs located within Dusheti Municipality only)</li> <li>- <i>Fagus orientalis</i> woods in Abastumani Municipality (relevant for FMUs located within Abastumani Municipality only)</li> <li>- <i>Pinus Sosnowskii</i> woods around Tsiv-Gombori mountain (relevant for FMUs located within Telavi and Sagarejo Municipalities only)</li> <li>- Oriental beech woods with rhododendron (<i>Rhododendron spp.</i>) undergrowth in Ilto gorge (relevant for FMUs located within Akhmeta Municipality only)</li> <li>- Relatively large and continuous (a few hundreds of hectares in area) Pontic oak stand (relevant for FMUs located within Chokhatauri Municipality only).</li> </ul> <p>Based on these investigations, if there is evidence that HCV3 are absent within the boundaries of FMU, the risk can be regarded low.</p> <p>In case of presence of such values, evidence should be provided by the managers of FMU that the identified HCV3 forests are adequately protected on the basis of a 10-year forest management plan and/or annual (operating) plan, in line with the requirements of the Forest Code and all other legislation, regulations and standards. This includes the prohibition of final cuts within these forests and measures aiming to enhance the respective HC values, if needed. The acceptable proofs would include the condition of HCVs themselves on the ground (to be confirmed by field visits) and the evidence of proper implementation of measures for their protection and improvement.</p> <p>Forest management plans, and/or annual operational plans, should also include provisions for regular monitoring of the conditions of these HCVs. The respective FMU should present evidence that the monitoring is actually conducted (field reports, photos, confirmations from local stakeholders, etc.) and its findings are taken into consideration in forest management.</p> <p>Stakeholder consultations, including meetings with representatives of local communities and NGOs, should also be arranged to double-check the findings of the investigations indicated above.</p>
3.4 HCV 4	<p>Special investigations shall be conducted by individual experts, representatives of NGOs or consulting companies (hired by the CH) within the boundaries of the respective FMUs to identify and delineate (map) all HCV4 as outlined above.</p> <p>Based on these investigations, if there is evidence that HCV4 are absent within the boundaries of FMU, the risk can be regarded low.</p> <p>In case of presence of such values, evidence should be provided by the managers of FMU that the identified HCV4 forests are adequately protected on the basis of a 10-year forest management plan and/or annual (operating) plan, in line with the requirements of the Forest Code, Law of Georgia on Water (1997)</p>



	<p>and all other relevant legislation, regulations and standards. This includes the prohibition of final cuts within these forests, where appropriate (e.g. in buffer zones along rivers) and measures aiming to enhance the respective HC values, if needed. The acceptable proofs would include the condition of HCVs themselves on the ground (to be confirmed by field visits) and the evidence of proper implementation of measures for their protection and improvement. Forest management plans, and/or annual operational plans, should also include provisions for regular monitoring of the conditions of these HCVs. The respective FMU should present evidence that the monitoring is actually conducted (field reports, photos, confirmations from local stakeholders, etc.) and its findings are taken into consideration in forest management.</p> <p>Stakeholder consultations, including meetings with representatives of local communities and NGOs, should also be arranged to double-check the findings of the investigations indicated above.</p>
3.5 HCV 5	<p>Special investigations shall be conducted by individual experts, representatives of NGOs or consulting companies (hired by the CH) within the boundaries of the respective FMUs to identify and delineate (map) all HCV5 as outlined above.</p> <p>Based on these investigations, if there is evidence that HCV5 are absent within the boundaries of FMU, the risk can be regarded low.</p> <p>In case of presence of such values, evidence should be provided by the managers of FMU that the identified HCV5 forests are adequately protected on the basis of a 10-year forest management plan and/or annual (operating) plan, in line with the requirements of the Forest Code and all other relevant legislation, regulations and standards. This includes the prohibition of final cuts within these forests, where appropriate (e.g. in forest stands with high concentrations of chestnut or lime, very important for bee keeping) and measures aiming to enhance the respective HC values, if needed. The acceptable proofs would include the condition of HCVs themselves on the ground (to be confirmed by field visits) and the evidence of proper implementation of measures for their protection and improvement.</p> <p>Forest management plans, and/or annual operational plans, should also include provisions for regular monitoring of the conditions of these HCVs. The respective FMU should present evidence that the monitoring is actually conducted (field reports, photos, confirmations from local stakeholders, etc.) and its findings are taken into consideration in forest management.</p> <p>Stakeholder consultations, including meetings with representatives of local communities and NGOs, should also be arranged to double-check the findings of the investigations indicated above. As these forests have huge importance for the livelihoods of local communities, particular focus should be given to the consultations with the latter.</p>
3.6 HCV 6	<p>Special investigations shall be conducted by individual experts, representatives of NGOs, local communities or consulting companies (hired by the CH) within the boundaries of the respective FMUs to identify and delineate (map) all HCV6 as outlined above.</p> <p>Based on these investigations, if there is evidence that HCV6 forests are absent within the boundaries of FMU, the risk can be regarded low.</p> <p>In case of presence of such values, evidence should be provided by the managers of FMU that the identified HCV6 forests are adequately protected on the basis of a 10-year forest management plan and/or annual (operating) plan, in line with the requirements of the Forest Code and all other relevant legislation, regulations and standards. This includes the prohibition or restriction of final cuts within these forests and measures aiming to enhance the respective HC values, if needed. The acceptable proofs would include the condition of HCVs themselves on the ground (to be confirmed by field visits) and the evidence of proper implementation of measures for their protection and improvement.</p> <p>Forest management plans, and/or annual operational plans, should also include provisions for regular monitoring of the conditions of these HCVs. The respective FMU should present evidence that the monitoring is actually conducted (field reports, photos, confirmations from local stakeholders, etc.) and its findings are taken into consideration in forest management.</p>

Stakeholder consultations, including meetings with representatives of local communities and NGOs, should also be arranged to double-check the findings of the investigations indicated above. As these forests have high spiritual and cultural values for local communities, particular focus should be given to the consultations with the latter.

## Information sources

No	Source of information	Relevant indicator(s) or CW category
1	Forest Code of Georgia. 1999	3.0 – 3.6
2	Forest Zoning Directive (Draft) for Georgia. 2015	3.0 – 3.6
3	Brown, E., N. Dudley, A. Lindhe, D.R., Muhtaman, C. Stewart, and T. Synnott (eds.). 2013 (October). Common Guidance for the Identification of High Conservation Values. HCV Resource Network. – 74 pp.	3.0 – 3.6
4	Recommendations to improve the identification, management and monitoring of High Conservation Values 5 & 6. Workshop Report. April 29th – May 1st, 2014. MJ Grand Hotel, Accra, Ghana. – 36 pp.	3.5 – 3.6
5	National Biodiversity Strategy and Action Plan of Georgia (2014 – 2020)	3.0 – 3.5
6	The IUCN Red List of Threatened Species <a href="http://www.iucnredlist.org">http://www.iucnredlist.org</a>	3.1
7	Caucasus-Anatolian-Hyrcanian Temperate Forests <a href="http://wwf.panda.org/about_our_earth/ecoregions/caucasus_temperate_forests.cfm">http://wwf.panda.org/about_our_earth/ecoregions/caucasus_temperate_forests.cfm</a>	3.2
8	Olson, D. M., Dinerstein, E. 2002. The Global 200: Priority ecoregions for global conservation. Annals of the Missouri Botanical Garden 89(2):199-224.	3.2
9	The list of Global 200 Ecoregions <a href="http://assets.worldwildlife.org/publications/19/files/original/global200ecoregions.zip?1343838792">http://assets.worldwildlife.org/publications/19/files/original/global200ecoregions.zip?1343838792</a>	3.2
10	The list of global Biodiversity Hotspots <a href="http://www.conservation.org/How/Pages/Hotspots.aspx">http://www.conservation.org/How/Pages/Hotspots.aspx</a>	3.2
11	WWF/IUCN. 1994. Centres of Plant Diversity: A Guide and Strategy for their Conservation. Vol. 2. Davis S.D., V.H.Heywood and A.C.Hamilton (Eds).WWF/IUCN, Cambridge, UK	3.2
12	World's Intact Forest Landscapes <a href="http://www.intactforests.org/world.map.html">http://www.intactforests.org/world.map.html</a>	3.2
13	Potapov P., Yaroshenko A., Turubanova S., Dubinin M., Laestadius L., Thies C., Aksenov D., Egorov A., Yesipova Y., Glushkov I., Karpachevskiy M., Kostikova A., Manisha A., Tsybikova E., Zhuravleva I. 2008. Mapping the World's Intact Forest Landscapes by Remote Sensing. Ecology and Society, 13 (2)	3.2
14	Aichi Biodiversity targets <a href="https://www.cbd.int/sp/targets/">https://www.cbd.int/sp/targets/</a>	3.0 – 3.3
15	Georgia's Fifth National Report to the Convention on Biological Diversity. 2015. Prepared by the Ministry of Environment and Natural Resources Protection	3.0 – 3.3
16	Lobzhanidze, B. 2010. <i>Recommendations on Zoning of Georgian Forests According to their Functional Purpose and Methods and Guiding Principles of Sustainable and Integrated Management of Forest Ecosystems</i> . Prepared within the framework of the program "Improving Forest Law Enforcement and Governance in the European	3.0 – 3.6

No	Source of information	Relevant indicator(s) or CW category
	Neighborhood Policy East Countries and Russia” (ENPI FLEG), financially supported by the European Union and Austrian Development Agency.	
17	Dzneladze, M., WWF-Caucasus, Kalem, S., WWF Turkey and Zazanashvili, N., WWF-Caucasus. 2005. <i>Identification of High Conservation Values in Southwest Georgia and Northeast Turkey: Example of Transboundary Colchic Forest Landscapes</i> . The project funded by International Bank for Reconstruction and Development (IBRD or the World Bank), International Development Association (IDA) and WWF-Caucasus Programme Office within the framework of the World Bank/WWF Alliance for Forest Conservation and Sustainable Use.	3.0 – 3.6
18	The Economics of Ecosystems and Biodiversity for the Forestry Sector of Adjara Autonomous Republic, Georgia <a href="http://img.teebweb.org/wp-content/uploads/2017/03/TEEB-Adjara-Final-Report.pdf">http://img.teebweb.org/wp-content/uploads/2017/03/TEEB-Adjara-Final-Report.pdf</a>	3.1
19	Adjara Forestry Agency LEPL. Strategic Plan. 2015	3.1; 3.3
20	Ecoregion Conservation Plan for the Caucasus. 2012 revised and updated edition.	3.1; 3.3
21	WWF Forest Strategy for the Southern Caucasus: Armenia, Azerbaijan, Georgia and North Eastern Turkey. 2005	3.0 – 3.6
22	HCV Resource Network. Georgia. <a href="https://www.hcvnetwork.org/resources/countrycontainer.2006-09-27.2436295488/country.2007-06-07.8445264705">https://www.hcvnetwork.org/resources/countrycontainer.2006-09-27.2436295488/country.2007-06-07.8445264705</a>	3.0 – 3.6
23	National High Conservation Value (HCV) Forests Framework for Georgia [draft]	3.0 – 3.6
24	FAO FRA 2015 – Country Report, Georgia. <a href="http://www.fao.org/3/a-az219e.pdf">http://www.fao.org/3/a-az219e.pdf</a>	3.0 – 3.6
25	Personal communication with Mr. Irakli Sisvadze, Head of Forest Inventory and Management Planning Service of the National Forestry Agency of Georgia (1 August, 2016)	3.0 – 3.6
26	<i>European Neighborhood and Partnership Instrument East Countries Forest Law Enforcement and Governance</i> (FLEG II) Program (2013-2016). The program is supported by the European Commission and Austrian Development Agency and implemented by WWF in cooperation with the World Bank and IUCN. The respective reports, analyses and other documents can be downloaded at: <a href="http://www.enpi-fleg.org/">http://www.enpi-fleg.org/</a>	3.0 – 3.6
27	Qvachakidze, R, Iashaghashvili, K. and Lachashvili, N. 2004. <i>Pristine Forests of Georgia</i> . [in Georgian]. Published by the publishing house “Metsniereba”. Tbilisi.	3.2 – 3.3
28	IUCN Office in Georgia. 2016. <i>Forest Dependency in Rural Georgia</i> . Executive summary. The analyses conducted under the <i>European Neighborhood and Partnership Instrument East Countries Forest Law Enforcement and Governance</i> (FLEG II) Program (2013-2016). The program is supported by the European Commission and Austrian development Cooperation and implemented by WWF in cooperation with the World Bank and IUCN.	3.0 – 3.6
29	Personal communication with Mr. Irakli Macharashvili, Biodiversity Program Coordinator, NGO Green Alternative (date: 1 October 2015)	3.0

No	Source of information	Relevant indicator(s) or CW category
30	Decree of the Government of Georgia No. 16, (3 January, 2014), "On the Approval of the Technical Regulations – Management Plan for Tusheti Protected Areas".	3.6
31	"mwane saubari" (green talk) – an interview with Dr. Nugzar Zazanashvili, Conservation Director, WWF-Caucasus Programme Office; published in a newspaper "24 Hours"; 29 May, 2011; Interview conducted by Levan Butkhuzi, NGO NACRES; <a href="http://www.24saati.ge/weekend/story/16979-mtsvane-saubari">http://www.24saati.ge/weekend/story/16979-mtsvane-saubari</a>	3.6
32	Personal communication with Natia Iordanishvili, Deputy Chairman of the National Forestry Agency of Georgia, (date: 20 January 2017)	3.6
33	Identifying and mapping forests with High Conservation Values and producing management recommendations for Ajara Autonomous Republic (Georgia). The tender announcement available at this link: <a href="http://wwf.panda.org/what_we_do/where_we_work/black_sea_basin/caucasus/tenders/?295490/Identifying-and-mapping-forests-with-High-Conservation-Values-and-producing-management-recommendations-for-Ajara-Autonomous-Republic">http://wwf.panda.org/what_we_do/where_we_work/black_sea_basin/caucasus/tenders/?295490/Identifying-and-mapping-forests-with-High-Conservation-Values-and-producing-management-recommendations-for-Ajara-Autonomous-Republic</a>	3.0

## Controlled wood category 4: Wood from forests being converted to plantations or non-forest use

### Risk assessment

Indicator	Source of information	Functional scale	Risk designation and determination
<p>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</p> <p>Conversion is illegal at the national or regional level on public and private land</p> <p>Note: The following changes are not considered</p>	<p>Forest Code (1999)/ Law of Georgia No 2124-III of 22 June 1999 (Legislative Herald of Georgia, Part I, Vol. 28/35, 08 July 1999)/ Consolidated Version as of 23 September 2013/ as modified by 21 amending laws/ Last amended by Law of Georgia No 1031-Is, 06 September 2013 – Legislative Herald of Georgia Official Website, 23 September 2013  <a href="https://matsne.gov.ge/ka/document/view/16228">https://matsne.gov.ge/ka/document/view/16228</a></p> <p>Rules for Establishing State Forest Land Boundaries (2010): Decree of the Government of Georgia of 13 August 2010 #240 On Adoption of the Rules for Establishing State Forest Land Boundaries (Legislative Herald of Georgia, Part III, Vol. 100, 17 August 2010, Clause 1495)/ as modified by four amending decrees/ last amended by the Decree of the Government of 22 July 2015 #361  <a href="https://matsne.gov.ge/ka/document/view/1020982">https://matsne.gov.ge/ka/document/view/1020982</a></p>	-	<p><b>Background</b>  The legal and institutional framework of the forestry sector in Georgia is still quite weak, which results in insufficient law enforcement outside Protected Areas. Consequently, forest degradation and reduction of tree density are still quite serious problems, mainly caused by unsustainable logging and grazing. Nevertheless, the complete removal of forest cover occurs only at the insignificant scales. Natural forest stands are not being converted into plantations either (due to the state ownership of Forest Fund land and legal restriction of forest conversion to other land uses (including plantations). Further information is given below.</p> <p><b>Content of the law</b>  State forest lands are under the management of the National Forest Agency (63.8%); Protected Areas Agency (15.2%); Forest Agency of Adjara Autonomous Republic (4.6%), while 16.4% are located on the territories under de facto Russian Federation control (Abkhazia and South Ossetia).</p> <p>Forest conversion-related legislation currently consists of the Forest Code 1999 that, in turn, refers to the Rules for Establishing State Forest Land Boundaries 2010. The rules stipulate that decisions regarding conversion are made through adjustment (correction) of State forest land boundaries in each specific case (i.e. for each forest land parcel in question). Conversion (and therefore adjustment/ correction of boundaries) could take place in instances of implementation of infrastructural projects, investment projects over 250,000 GEL, military projects or other demands that government considers strategically important.</p> <p>The procedure for conversion includes obligatory approval from the perspective of the Ministry of Environment and Natural Resources Protection, although clear criteria for approval or disapproval are not given under the current rules. The final decision is taken by the Ministry of Economy and Sustainable Development followed by land title registration held by the National Agency of Public Registry (subordinated to the Ministry of Justice). The conversion procedure can be initiated by any interested party aiming at implementation of infrastructural and/ or investment projects. The process could be initiated also by the government or forest authorities.</p> <p>There is no legislation prohibiting conversion, as this is permitted through changing of Forest Fund boundaries. Only forest classified under the Forest Fund is officially mapped as forest; however,</p>

<p>applicable conversion according to the indicator: (legal) road construction, logging landings and infrastructure development to support forestry operations.</p>	<p>Decree of the Government of Georgia #299 of 4 August 2011 On Identification/ Delimitation of State Forest Lands Boundaries (LHG Official Website, 110809014, 09 August 2011) <a href="https://matsne.gov.ge/ka/document/view/1455480">https://matsne.gov.ge/ka/document/view/1455480</a></p> <p>Competent authority National Agency of Public Registry of the Ministry of Justice of Georgia National Forest Agency (subordinated to the Ministry of Environment and Natural Resources Protection)</p> <p>Forest Agency of Adjara Autonomous Republic (directly subordinated to the Directorate of Environment Protection and Natural Resources of Ajara, which in its turn is directly subordinated to the Government of Adjara Autonomous Republic)</p> <p><a href="http://www.terraininstitute.org/pdf/Georgia_LMDP_Final_Report.pdf">http://www.terraininstitute.org/pdf/Georgia_LMDP_Final_Report.pdf</a></p> <p>Global Forest Watch, interactive forest map for Georgia for recent years</p> <p><a href="http://www.globalforestwatch.org/map/9/41.74/43.11/ALL/grayscale/loss,forestgain?tab=countries-tab&amp;begin=2001-01-01&amp;end=2015-01-01">http://www.globalforestwatch.org/map/9/41.74/43.11/ALL/grayscale/loss,forestgain?tab=countries-tab&amp;begin=2001-01-01&amp;end=2015-01-01</a></p>	<p>forest (or individual timber tree species) physically occurs on private lands and also on other lands (municipal lands) outside Forest Fund areas. For forest outside Forest Fund classification, additional approval of harvesting and clearing is required from local municipal authorities. Timber from such lands is not allowed on the open market - only for individual consumption purposes (for timber from private lands) and for social needs (fuel wood) for residents of the same municipality as the timber.</p> <p>Registration of Forest Fund land at the Public Registry The land title registration status of state forest lands (Forest Fund lands) is extremely weak due to the lack of a unified, systematized act in the land management context. Land title registration of State-owned forest lands was envisaged to be coordinated by the National Agency of Public Registry based on the data and locations provided under Governmental Decree #299 of August 4, 2011 On Identification/ Delimitation of State Forest Lands Boundaries. The list of forest lands (with relevant GIS information and maps) was prepared with the purpose of registration of these forest lands in the Public Registry managed by the National Agency of Public Registry. Although the registration process is ongoing, works are permanently hindered due to shortcomings in pre-delimitation (removal of large areas of degraded forest from State forest lands, inconsistencies and shortcomings in GIS data). The legal boundaries of the forest lands and tenure over substantial parts of the forest lands are not very accurate, creating uncertainty as to where forest law applies. That weakness could theoretically lead to forest conversion and fragmentation. Currently, it is unclear when the processes of registration of forest will be completed.</p> <p>The issue of land privatization (including forests) As already mentioned, according to the Forest Code, privatization and therefore private forest land ownership will be possible in the future if a specific State forest land privatization law is enacted. There has not been any attempt since 1999 (when the Forest Code was passed) to draft and enact such a law. Georgia has been undertaking successful land privatization and ownership reform since the 1990s. Following the collapse of the Soviet Union, land was privatized and redistributed to citizens. In 2004, the National Agency of Public Registry (NAPR) was created by the Ministry of Justice to enable title registration for land and other fixed assets as well as companies. The Registry helped formalize the land and fixed asset registration process and enabled Georgian nationals to secure rights to their land. The Civil Code of Georgia requires titles to be registered and the validity of titles and rights to become effective from the date of such registration. The title pursuant to a contract will not be considered effective, operational and enforceable unless registered with the NAPR. Land registration has improved following the implementation of the USAID-funded Land Market Development Project in 1999–2005 that ensured a systematic cadastre measuring land parcels up to 2.5ha in size and their registration with the NAPR. Land registration is now free of charge and all persons may apply to the NAPR for land registration.</p>
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	<p><a href="#">01&amp;threshold=30&amp;dont_analyze=true</a></p> <p>Caucasus Biodiversity Monitoring Network (CBMN); Data on Georgian forests for recent years: <a href="http://www.wwfcaucasus.net/index.aspx?type=forest_areas&amp;year=2012&amp;IDTA=2">http://www.wwfcaucasus.net/index.aspx?type=forest_areas&amp;year=2012&amp;IDTA=2</a></p>	<p>If Forest Fund land is not registered in the Public Registry it is possible to privatize the forest boundary area, which will then be free to convert from forest by the private owner.</p> <p>Is the law enforced? The legislation on conversion is indirectly enforced by the National Forest Agency and Environmental Supervision Department through these agencies' routine on-site controls. However, these institutions are under-resourced and are not able to effectively carry out their functions. <a href="http://www.terrainstitute.org/pdf/Georgia_LMDP_Final_Report.pdf">http://www.terrainstitute.org/pdf/Georgia_LMDP_Final_Report.pdf</a></p> <p>Is it possible to conclude that the spatial threshold (0.02% or 5000 ha) is met? Despite the legal and institutional shortcomings described above, there is no evidence confirming a significant-scale conversion of forests to other land uses, whether inside, or outside the area of Forest Fund. The cumulative area of conversion is not known from official sources because of a) lack of up-to-date national inventory data and b) absence of regulatory requirements for cadastral record-keeping to verify exactly when and where conversion takes place. Nevertheless, satellite data from the website of Global Forest Watch confirm that the average annual forest cover loss (in physical terms) in Georgia has been less than 0.02% and much less than 5,000 ha since as early as 2009. Specifically, taking into consideration the forest cover area of 2.77 million ha, 0.02% would be roughly 550 ha. The total forest loss, according to GFW, has been 2,637 ha during the period 2009-2014 (unfortunately no data are available for 2015 and 2016). This amounts to less than 530 ha per year of the average annual loss of the forest cover in recent years (less than 550 ha – the threshold value for 0.02% of the total forest cover). Furthermore, these are the total forest cover loss values, which do not take into consideration the average annual gain through natural regeneration, which is in the order of a few hundreds of hectares per year (being the main source of forest cover gain) in recent years. The area of tree planting is either in the order of just a few tens of hectares, or even zero in recent years. The same tendency persisted in the forestry sector of Georgia in 2015 and 2016 (i.e. no evidence of significant scale forest conversion to other land uses, while overall policy, legislative and institutional context remained basically the same).</p> <p>Risk designation: Based on the available information, it can be concluded that Thresholds 1, 2 and 3 are met. The risk for this indicator has been assessed as low.</p>
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#### Recommended control measures

N/A



## Controlled wood category 5: Wood from forests in which genetically modified trees are planted

### Risk assessment

Indicator	Sources of information	Functional scale	Risk designation and determination
5.1 There is no commercial use of genetically modified trees.	<p>Law on Genetically Modified Living Organisms (2014) / Law of Georgia No 2656-Is of 18 September, 2010 - LHG Official Website, 02.10.2014  <a href="https://matsne.gov.ge/ka/document/view/2634028">/https://matsne.gov.ge/ka/document/view/2634028</a></p> <p>Decree of the Government of Georgia of August 13, 2010 #241“On Adoption of Rules on Caring for Forests and Forest Restoration” (Legislative Herald of Georgia, Part III, Vol.100, 17.08.2010, Clause 1496)/ as modified by 2 amending decrees / last amended by the Decree of the Government of 13.10.2011 #391</p> <p><a href="https://matsne.gov.ge/ka/document/view/1021046">https://matsne.gov.ge/ka/document/view/1021046</a></p>	-	<p>Paragraph 1 of Article 7 of the Law on Genetically Modified Living Organisms (2014) stipulates that “the introduction of GMOs into the open environment is prohibited on the territory of Georgia. Violation of this requirement will involve prosecution in accordance to the respective rules established by the Georgian legislation”. In addition, Paragraph 1 of Article 22 of the same law says that “the import of GMOs into the territory of Georgia with the purpose of their release into the open environment is prohibited”.</p> <p>These provisions are also relevant to trees and other woody species associated with forests (as it is clearly indicated in Article 1 of the law that the law applies also to the plants – i.e. to the forests).</p> <p>Paragraph 9 of Article 23 of the Governmental Decree “On Adoption of Rules on Caring for Forests and Forest restoration” (2010), stipulates that “the use of genetically modified seeding and planting material, plants, or their parts for the purpose of forest restoration is prohibited”.</p> <p>Furthermore, facts of any type of use of genetically modified trees</p>

			<p>(especially commercial use) in Georgia are not known (and have not been reported). Specifically, there are no facilities in Georgia allowing the production of GMO trees at the commercial scale. Importing of reproductive materials originating from GMO trees would require permission from the Ministry of Environment and Natural resources Protection of Georgia. So far, no application has been submitted to the Ministry for this purpose. Even if such permission was secured, the importer would not be allowed to use the grown GMO trees commercially (Clause 22 of the above-mentioned law on GMOs). The illegal (i.e. without permission) import of GMO trees or reproductive materials would also be quite risky for the importer, due to the high level of effectiveness of work of customs authorities (see assessment of Indicator 1.19). Furthermore, if detected (whether for illegal import or commercial use of GMOs), the violator of these legal requirements would face prosecution. All these barriers and factors make it problematic and unfavorable to use GMO trees commercially in Georgia. Finally, there is no evidence challenging this assumption.</p> <p>Risk Conclusion:</p> <p>Based on the available information, it can be concluded that Thresholds 1, 2 and 3 are met. The risk for this indicator has been assessed as low.</p>
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GMO Context Question		Answer	Sources of Information (list sources if different types of information, such as reports, laws, regulations, articles, web pages news articles etc.).
1	Is there any legislation covering GMO (trees)?	Yes	<b>Law on Genetically Modified Living Organisms (2014)</b> / Law of Georgia No. 2656-Is of 18 September, 2010 - LHG Official Website, 02.10.2014 /https://matsne.gov.ge/ka/document/view/2634028 Decree of the Government of Georgia of August 13, 2010 #241“ <b>On Adoption of Rules on Caring for Forests and Forest Restoration</b> ” (Legislative Herald of Georgia, Part III, Vol.100, 17.08.2010, Clause 1496)/ as modified by 2 amending decrees / last amended by the Decree of the Government of 13.10.2011 #391 https://matsne.gov.ge/ka/document/view/1021046
2	Does applicable legislation for the area under assessment include a ban for commercial use of GMO (trees)?	Yes	<b>Law on Genetically Modified Living Organisms (2014)</b> / Law of Georgia No. 2656-Is of 18 September, 2010 - LHG Official Website, 02.10.2014 /https://matsne.gov.ge/ka/document/view/2634028
3	Is there evidence of unauthorized use of GM trees?	No	Absence of any report or other type of information, contradicting this assumption.
4	Is there any commercial use of GM trees in the country or region?	No	Absence of any report or other type of information, contradicting this assumption.
5	Are there any trials of GM trees in the country or region?	No	Absence of any report or other type of information, contradicting this assumption.
6	Are licenses required for commercial use of GM trees?	There is a ban on commercial use of GMO trees.	<b>Law on Genetically Modified Living Organisms (2014)</b> / Law of Georgia No. 2656-Is of 18 September, 2010 - LHG Official Website, 02.10.2014 /https://matsne.gov.ge/ka/document/view/2634028
7	Are there any licenses issued for GM trees relevant for the area under assessment? (If so, in what regions, for what species and to which entities?)	No	Absence of any report or other type of information, contradicting this assumption.
8	What GM 'species' are used?	Not applicable	
9	Can it be clearly determined in which MUs the GM trees are used?	Not applicable	

**Recommended control measures**  
(N/A)