



Seminar

# **Capacity Building in Sharing Forest and Market Information**

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**Country statement**

**Armenia**

**- Forest Policy -**

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## **Forest policy of the Republic of Armenia**

### **Patterns of ownership of wood lands and game, harvesting productivity, productive capacity of wood processing enterprises and market of forest products**

In the Republic of Armenia all activity in forest tending and protection, forest planting and forest exploitation is regulated mainly by the Forest legislation of the Republic of Armenia. It was adopted on November, 1<sup>st</sup>, 1994 (the National Assembly of the Republic of Armenia has adopted a new Forest code, which is to enter in force in November, 2005).

The current Forest Code is out of date as it is based on the forest legislation of the Soviet period, which does not encourage the development of market relationship in forestry. All the woods are exclusively state-owned and are only let to short-term rent (up to 10 years). Wood lands are not let to rent at all.

According to the forest monitoring of year 1993, the total area of the forest fund makes 459 900 ha, 334 100 ha of which is covered with woods. Forest management is in competence of 2 ministries: Ministry of Agriculture of the Republic of Armenia (368 500 ha, which stands for 80,1 % of the total forest fund) and Ministry of Environmental Protection (91 400 ha, which stands for 19,9% of the total forest fund).

According to their target use, wood of Armenia are distributed into the following groups:

- Woods of protective value – 257, 3 ths. ha or 55,9 % of the forest fund;
- Woods of social value – 106, 1 ths. ha or 23,1 % of the forest fund;
- Woods of specific value – 96, 5 ths. ha or 20,0 % of the forest fund.

The woods of protective and social value and some part of the especially protected zones (reserves) are managed by the Ministry of Agriculture of the Republic of Armenia, while some part of the woods of specific value is managed by the Ministry of Environmental Protection of the Republic of Armenia.

SNPO “Armlles” manages woods at the local level by means of 22 forestry enterprises, whereas especially protected zones (including 2 national parks and 2 reserves) are in competence of the Agency of Natural Resources Management.

The types of forest exploitation are as follows:

- Logging;
- Secondary raw materials harvest;
- Secondary forest exploitation;
- Forest use for hunting purposes;
- Forest use for scientific researches;
- Forest use for cultural and health improving purposes.

All forest exploitation in the Republic of Armenia excluding scientific researches is chargeable.

In the Republic of Armenia any natural resources exploitation is chargeable, this referring to forest products too: wood, industrial use of wild fruit, medicinal herbs, technical, food and other plants and their parts, hay making, pastures, etc. All these payments contribute to the state budget.

During post-Soviet period agricultural lands, equipment and cattle were mainly privatized. However, wood lands are still mainly state-owned.

Logging and wood sells are mostly carried out by SNPO “Armlles”. Technical equipment is very scarce. It has not been modernized since 1990. Forestry works are mainly done with

the help of private technical equipment, which is also very depreciated. All the mentioned above strongly affects the quality and cost of works, which results in exceeding expenses and rise in price of raw wood.

Energetic crisis, transport blockade and insufficient financing of the last 10-15 years have resulted in very hard financing situation in forestry.

During the Soviet period the wood processing plants of the republic used to process imported raw wood (about 1 million m<sup>3</sup> of industrial wood was imported annually). At present they are in private ownership and use only about 10 % of their productive capacity. They mainly process local wood. The given situation adversely affects not only development of the wood processing industry, but the conditions of forests as well. The legal logging in the republic is carried out in small amounts and does not exceed 60-70 ths. m<sup>3</sup> a year. Mostly beech, oak and hornbeam are logged. However, wood processing plants were supposed to process large amount of imported soft wood for building purposes. The most part of them is standing idle and finally stops working. Due to its poor technical equipment, local furniture production is not competitive neither on home market, nor beyond it. All mentioned above and low price on industrial wood in the last years resulted in rise in export of industrial wood. About 50 % of harvested industrial wood is exported.

**General tendencies in public demand for forest land exploitation (forestry, non-wood products and services, hunting, landscape protection, water use, recreation, etc.)**

Overcoming of the energetic crisis, apparent economic development (GDP increase of 10-12 % annually), active processes in agriculture in recent years have resulted in rise in land price. The population tends to put more and more lands into economic circulation. It encourages the rent of the state forest fund lands in order to create recreational areas, hunting enterprises, enterprises of secondary forest use, ecotourism, sport and health-improving centres, small fishing enterprises and others.

**How does current forest exploitation (economic, social and nature protective) add to further development of forest resources and forestry?**

The new Forest Code provides for more effective and long-term exploitation of the forest fund. For example, rent periods have been increased dramatically to 60 years. Such realities as concessive forest management, communal and private woods have been introduced, etc. It has also been stated legislatively, that those who wish can plant wood on the state forest fund areas, not covered with wood, then grow the planted stands and own them (without proprietary rights to lands itself). The new Code also allows passing woods to communities and businessmen into concessive management both for forestry management and forest exploitation. The new Forest Code is evident to encourage the development of forestry and increase of wood land area in Armenia.

**Principal political problems referring to further development of forest resources, forestry, wood processing and wood marketing, wood planting, research, development of infrastructure, etc.**

During the last 2-3 years the Government of the Republic of Armenia with the help of international organizations (WB, SIDA, FAO) has elaborated and adopted the following important documents: "Development of forest policy and strategy in Armenia", "National Forest Programme of the Republic of Armenia", "Programme on prevention of illegal felling". Besides the system of state forest monitoring has been introduced. It will be realized by SNPO "Centre of state forest monitoring". The Fund of the restoration and development of forests of Armenia has been formed. It is already regenerating the city forests of Yerevan.

At present the Government of the Republic of Armenia is discussing "The Programme of institutional changes in forestry". Following the adoption of the new Forest Code the latter will allow to improve the system of forest management and to separate the state forest control over forest legislation from ecological control. It will also allow to form necessary specialized organizations, etc.

The financial budget support of forestry has grown in 3,5 times for the last 2 years. It allowed significant increase in the amount of regeneration works and wages in this industry (average salary has grown from 15 dollars USA to 100 dollars). Increase in the amount of forest regeneration in 3-4- times resulted in rise in demand for high-quality planting material, which is also grown in private nurseries.

Forest regulation has already been carried out in some forestry enterprises (Idjevan, Sebkhar), which occupy 40 ths. ha. Currently forest regulation is in process in 5 more forestry enterprises (about 83 ths. ha). The establishment of the industrial wood category in the new Forest Code will allow forecasting the wood stock in long-term perspective, which in its turn will add to the development of wood processing industry.

The new Forest Code enlarges possibilities for steady forest exploitation and forest management. It makes possible to restore woods, which were cut during the energetic crisis in respectively short time. It also encourages wood planting by involvement of private business and communities into this sphere.

The development of forestry presupposes training and retraining of qualified forestry specialists. In the Soviet period they used to study in other former Soviet republics. Currently personnel's training is carried out at Armenian Academy of Agriculture.

### **The problem of illegal felling and forest legislation violation**

Annual legal felling makes 60-70 ths.m<sup>3</sup>. According to the researches of international organizations (1993), the amount of illegal felling in Armenia is very large. Illegal felling is mostly produced by local communities for house heating. According to the international experts' estimation it reaches 568 ths. m<sup>3</sup> a year. Commercial illegal felling reaches 150 ths. m<sup>3</sup>. The total logging in 2003 was estimated at 847 ths. m<sup>3</sup>, only 63 ths. m<sup>3</sup> of which cut legally.

The researches showed that wood heating is mainly caused by the poverty of the population, which makes alternative energy sources prohibitive. Illegal commercial wood utilization is also caused by high wood demand in cities.

The programme of illegal felling prevention, which has been adopted by the government of the Republic of Armenia, includes:

- Increase in public awareness;
- Reduction of rural poverty;
- Communities' forest programmes;
- Alternative energy sources supply;
- Increase in legal wood utilization;
- Reconstruction and enlarged abilities of forestry enterprises;
- Improved monitoring and supervision;
- Woods certification.

In 2004 special measures were taken by the government of the Republic of Armenia to prevent export of illegally cut wood. According to the new established order, wood cannot pass customs supervision without an acquisition certificate from SNPO "Armles". It has resulted in significant decrease in export of illegal wood.

## **Help of international organizations**

The help of international organizations to forestry has become especially significant recently. In 1993-1995 FAO TCP granted aid for technical equipment of forestry of the Republic of Armenia.

In 1998-1999 SIDA helped to carry out evaluation of forests.

Since 2002 to 2008 the programme of World Bank on forest management and poverty reduction is in progress.

Within this programme the following programmes has been elaborated:

1. Forest strategy and policy in the Republic of Armenia;
2. National forest programme of the Republic of Armenia;
3. Programme on illegal felling prevention;
4. Project of forest management monitoring and control over law violations;
5. Project of financial recovery of SNPO "Armls".

Plans of forest management for some forestry enterprises have been or are being elaborated as well as complex wood regeneration projects. In the region of Tavush, offices of forestry enterprises will be repaired. Transport vehicles, forestry machines, computers, etc. will also be granted.

At present the System of forest management planning and forest management on the wood lands of the republic of Armenia is being elaborated.

International experts also contributed to new order of communal forest management. A new accounting system of "Armls" is in the developmental stage.

Accounting programmes for forestry enterprises will be bought, and training seminars for accountants will be organized.

FAO NFP (Facility) contributed to the realization of National forest programme of Armenia.

## **Prospective changes in the state administration regarding forest lands exploitation, wood processing and marketing**

The state police and strategy, one of the most important legislative documents concerning forestry, as well as the new Forest Code are to improve forest management, create favourable conditions for long-term forest exploitation, and development of private and communal forests in the nearest future.

Nevertheless, in spite of favourable conditions for the development of forestry in Armenia consolidation of the present achievements and further development need serious help on the part of international organizations.

### **Are you interested in participation and contribution to international information network on forest policy? Does anything prevent from sharing such information?**

The Republic of Armenia is extremely interested and ready to participate in establishment of international information network. Nothing prevents from sharing such information in our country.

**g) List government institutions (ministries), responsible for government forest management and indicate, who is in charge of works in these areas.**

Area of application	Ministry	Objective	Main means (please, put "X")			Year	Source/ link
			Laws	Economic motivations	Informational		
Forest management	Agriculture		x				
Artificial planting	Agriculture	Restoration		x			
Health control of plants	Agriculture	Protection	x				
Collateral production	Agriculture	Use		x			
Hunting	Society of Hunters	Established use					
Forest water balance	Protection of Environment						
Forest air balance	Protection of Environment						
Carbon control	Protection of Environment						
Control over biological varieties	Protection of Environment		x				
Erosion protection	Agriculture						
Tourism				x			
Public relations	Agriculture, Protection and Environment				x		
Education and Research	Education		x				
Cultural heritage of forests			x				
National parks			x				



j) Name and list main engaged entities, related to forest management, including non-governmental, educational, research and environmental organizations, apart from state agents (see points g). and h). )

<i>Type of organization</i>	<i>Official name of organization</i>	<i>Main objective</i>	<i>Internet address /URL/ Link</i>
State forest enterprises	GNKO „Armls“	Protection	PA, Erevan, A. Armenakyan str. 129
		Ecological protection	
		Restoration	
		Use	
Private forest owners and union of entrepreneurs	No		
Non-governmental organizations			
Education and research	Academy of Agriculture		
Other			