



Process Design for the Institutional Arrangements

Instructions for the Municipal Forest Management

Enabling the implementation of Georgia's Forest Sector Reform - **ECO.Georgia**

Report

PMO Consulting

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List of Abbreviations

| | |
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| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH |
| BMZ | The German Federal Ministry for Economic Cooperation and Development |
| MFM | Municipal Forest Management |
| NFA | National Forestry Agency |
| SWOT | SWOT Analysis: Strengths, Weaknesses, Opportunities, Threats |
| NTFPs | Non-Timber Forest Products |
| FOA | Association of Municipal Forests |

Executive Summary

The document provides a comprehensive framework for developing best and most suitable institutional arrangements in Municipal Forest Management (MFM) within Georgia, developed under the project with the support of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The report outlines the

local context, assesses existing governance structures, identifies key challenges, and shows process of developing institutional arrangements for municipal-level forest management.

MFM has emerged as a strategic priority in Georgia's forest sector reform, emphasizing decentralization and community participation. The transfer of forest management responsibilities from national to municipal authorities is expected to enhance local governance, economic benefits, and environmental sustainability. However, the transition presents governance, technical, and financial challenges that must be addressed.

The report adopts a methodological approach involving desk research, stakeholder consultations, and international best practices. Key global examples from Bulgaria and Slovakia provide insights into governance models that can inform Georgia's MFM framework.

The document provides a framework for analyzing the external and internal dimension and its elements influencing institutional design. Afterwards it proposes a six-step phased implementation plan, integrating institutional design, Gender and Social Inclusion (GESI) sensitive stakeholder engagement considering the social and gender inclusion aspect, financial planning, and capacity development.

Key Findings and Recommendations

1. Governance and Institutional Framework

- Current legal frameworks (e.g., Georgia Forest Code, Local Self-Government Code) provide the foundation for MFM but require clearer guidelines on municipal autonomy and responsibilities.
- The proposed Ordinance on Forests of Local Importance (FoLI) outlines the transfer process but lacks provisions for financial support and transitional assistance.
- **Recommendation:** Establish a clear institutional governance model defining the roles of national authorities, municipalities, and oversight mechanisms. Introduce legal amendments to enhance municipal autonomy while ensuring compliance with national policies.

2. Technical Capacity and Infrastructure

- Municipalities lack the necessary expertise, skilled personnel, and infrastructure (e.g., monitoring technology, forest management tools) to execute sustainable forest management.
- **Recommendation:** Develop a structured, gender-sensitive capacity-building program, including training for municipal staff, investment in modern forestry technology, and knowledge-sharing platforms with experienced forestry professionals.

3. Financial Sustainability

- The transfer of forests to municipalities does not include direct financial support, raising concerns about long-term sustainability.
- **Recommendation:** Establish a financial model integrating state subsidies, public-private partnerships, revenue generation from timber and non-timber products, and eco-tourism initiatives, including gender dimensions.

4. Stakeholder Engagement and Community Participation

- Public awareness and participation in forest management remain low, with socio-cultural barriers limiting inclusive governance.
- **Recommendation:** Implement a participatory approach, ensuring community involvement in decision-making through advisory councils, local consultations, and targeted awareness campaigns. The participatory processes should ensure inclusion of local women.

5. **Best Practices and Lessons from Global Case Studies**

- Examples from Bulgaria and Slovakia highlight structured governance models, financial autonomy mechanisms, and community-led forest initiatives.
- **Recommendation:** Adapt best practices from international models, such as integrating municipal forest enterprises, ensuring transparent governance, and fostering public-private partnerships.

6. **Implementation Roadmap**

- The document proposes a six-step process, including institutional assessment, strategy development, governance design, financial planning, and continuous monitoring.
- **Recommendation:** Policymakers should adopt a phased gender-sensitive approach with clear milestones, ensuring systematic capacity-building, financial planning, and policy adjustments based on implementation challenges

Introduction

Institutional Process Design Instructions is prepared within the framework of the project “**Development of instructions on “Process design for the institutional arrangements” and “SWOT Analyses”, including Capacity Development for MFM.**” supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The document aims to provide a detailed instruction of the process design and equip with practical tools on how to analyse the best and most suitable scenarios for institutional arrangements for MFM. It outlines the framework and design for developing institutional arrangements in Municipal Forest Management (MFM) in Georgia. It is intended to provide a comprehensive overview of the local context, existing governance structures, and potential challenges faced in managing municipal forests. The document aims to support policymakers, stakeholders, and local authorities by presenting best practices and recommendations for sustainable and efficient forest management process design.

Document map

This document consists of eight main sections, each subdivided into categories:

- 1. Overview of Conducted Work** – Provides a methodological overview of the project implementation, outlining the approaches, tools, and processes used in data collection and analysis.
- 2. Situation Analysis** covering 2 sub-chapters:
 - 2.1 Local Context Overview** – Examines MFM practices, gaps, and challenges in Georgia, structured around four key aspects:
 - a. Economic
 - b. Political & Regulatory
 - c. Socio-Cultural
 - d. Environmental
 - e. Additionally, this section discusses available **resources** and **key stakeholders** in Georgia’s context.
 - 2.2 Review of Existing MFM Structures** – Analyzes MFM models from Bulgaria and Slovakia, identifying best practices, governance frameworks, and institutional arrangements applicable to Georgia.
- 3 Process Design for institutional Arrangements** covering:
 - 3.1 Framework for the Development of Institutional Arrangements for MFM** – Presents a structured assessment model for evaluating institutional arrangements. It defines internal and external dimensions that influence MFM governance, decision-making, and operational structures.
 - 3.2 Implementation Process Design for MFM Institutional Arrangements** – Outlines a step-by-step process for developing and establishing an MFM institutional structure using various tools, stakeholder inputs, and insights from the assessment model.
 - 3.3 Final Product/Output** – Specifies the deliverables expected upon the completion of the implementation process.
- 4 Conclusion** – Summarizes the document’s key findings, proposed institutional solutions, and recommendations for enhancing MFM in Georgia.

1. Overview of conducted work

The development of this report is based on a comprehensive and methodologically robust approach that combines primary and secondary research methods. The objective was to gather relevant data, analyze current institutional frameworks, identify challenges, and provide evidence-based recommendations for Municipal Forest Management (MFM) in Georgia. The conducted work includes the following key components:

Desk Research and Literature Review: A thorough desk review was carried out to establish a foundation for understanding the current state of MFM in Georgia, identify legislative frameworks, and examine international best practices. This phase involved:

- **Review of National Policies and Legislation:**
 - Georgia's Forest Code
 - Relevant government ordinances, decrees, and legal acts related to forest governance
 - Local Self-Government Code
 - Forest Development Concepts and strategies
- **Analysis of Reports and Studies:**
 - Previous assessments of Georgia's forest sector
 - Existing reports on governance, financial mechanisms, and institutional challenges
 - Statistical data from government bodies such as the National Forest Agency (NFA), Ministry of Environmental Protection and Agriculture (MEPA), and Agency of Protected Areas (APA).
- **Global and Regional Best Practices:**
 - Case studies from countries with successful decentralized forest governance systems, including Bulgaria, Slovakia, and other European examples.
 - Focused analysis on institutional models, community involvement strategies, and funding mechanisms.

Fieldwork and Stakeholder Consultations: The fieldwork component was integral to capturing on-the-ground perspectives and identifying the practical challenges and opportunities in implementing MFM. A series of **semi-structured interviews** and discussions were conducted with stakeholders across government institutions, municipalities, civil society organizations, and development partners. This included:

National-Level Stakeholders: Ministry of Environmental Protection and Agriculture of Georgia (MEPA); LEPL National Forest Agency; LEPL Agency of Protected Areas; Department of Environmental Supervision

Local Government Representatives: Tbilisi City Hall and Target municipalities, including Akhmeta, Chokhatauri, and others selected for their potential to pilot MFM initiatives; The consultations included City Hall representatives, local council members, and municipal staff, ensuring a gender-inclusive approach by actively engaging female municipal employees in governance discussions and decision-making processes.

Civil Society Organizations (CSOs) and Subject matter experts: The discussion focused on understanding of their roles, experience, and potential in facilitating community engagement and capacity-building. Special attention was given to the participation of women-led organizations and female experts to ensure diverse perspectives in the consultation process.

2. Situational Analysis

2.1 Local Context Overview

This chapter provides an overview of MFM in Georgia and a detailed analysis of the economic, political, socio-cultural, environmental factors influencing MFM in Georgia. It sets the foundation for understanding the current challenges and opportunities in municipal forest management. The information presented here are based on the desk review of materials, fieldwork and best practice analysis.

This chapter of the instruction manual includes the following subsections:

- **Context of MFM in Georgia:** providing the general overview of MFM development in Georgia and challenges it faces.
- **Economic Aspects:** The section looks at the economic role forests play for local communities, including their contribution to livelihoods and regional development. It also discusses the financial constraints faced by municipalities in managing forest resources.
- **Political and Regulatory Aspects:** This section reviews the existing political and regulatory environment governing MFM, identifying any limitations or gaps in current policies, governance, and legal frameworks.
- **Socio-Cultural Aspects:** The section explores the relationship between local communities and forests, emphasizing traditional practices, community involvement, and the social significance of forests.
- **Environmental aspects:** overviews environmental topics such as impacts of adverse activities and climate change and environmental protection aspects.
- **Resources:** This section overviews necessary resources for managing forests, such as infrastructure, available technologies, and human expertise at the local level.
- **Stakeholders:** This section focuses on the identification, involvement and collaboration of key stakeholders in MFM in Georgia.

2.1.1 Context on Municipal Forest Management (MFM) in Georgia

Municipal Forest Management (MFM) has emerged as a key strategic priority in recent years, particularly following reforms introduced under Georgia's Forest Sector Reform agenda. These reforms, driven by the Government of Georgia and supported by international partners, emphasize the decentralization of forest governance, transferring forest management responsibilities from central to municipal authorities. This transition is part of a larger effort to empower local governments, strengthen community participation, and achieve sustainable management of forest resources.

The ECO.Georgia project, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, funded by the Green Climate Fund (GCF), the German Federal Ministry for Economic Cooperation and Development (BMZ), and the Swiss Development Cooperation (SDC), plays a pivotal role in advancing these reforms. The project is specifically designed to support Georgia in adopting sustainable, efficient, and inclusive forest management practices at the municipal level. Through capacity development, policy support, and stakeholder engagement, ECO. Georgia aims to bridge existing gaps in governance and enhance the technical, financial, and institutional capacities of local municipalities.

MFM represents a significant step toward improving local governance and ensuring a more localized, participatory approach to forest management. By empowering municipalities to manage their forests, communities gain greater ownership over their resources, fostering stronger community participation and engagement in decision-making processes. This localized approach not only enhances environmental

preservation but also creates opportunities for municipalities to harness the following economic benefits of forest management:

- Job creation through forestry operations, eco-tourism, and sustainable resource harvesting;
- Revenue generation from timber and non-timber forest products (NTFPs);
- Development of eco-tourism infrastructure such as hiking trails, recreational zones, and visitor services;
- Energy savings through sustainable heating solutions and the use of forest biomass.

However, while MFM offers considerable opportunities, several challenges must be addressed to ensure successful implementation. These challenges include:

- **Governance gaps:** Municipalities often face unclear roles, overlapping responsibilities, and limited institutional frameworks to support forest governance.
- **Technical limitations:** Local governments lack sufficient expertise, infrastructure, and access to modern technologies needed for sustainable forest management.
- **Financial constraints:** Establishing and maintaining forest management systems require substantial investments in staffing, equipment, monitoring, and infrastructure development.

Addressing these challenges requires a holistic approach that combines capacity building, institutional strengthening, and financial support to equip municipalities with the tools and resources needed to manage forests effectively. Additionally, fostering greater collaboration between national authorities, municipalities, civil society organizations, and local communities is essential to achieving sustainable and inclusive forest management outcomes.

By focusing on the sustainability and inclusivity of forest management practices, Georgia has the opportunity to use municipal forest management as a driving force for rural development, environmental protection, and social equality. This ensures that its forests will continue to provide essential services for future generations. Economic Aspects

Forests play a crucial economic role for local communities, contributing to livelihoods and regional development in Georgia. Depending on the type and resources of the forest, municipalities can derive several economic benefits. These benefits are further divided as monetary and non-monetary.

Monetary Benefits:

- **Job Creation and Local Economic Growth:** Managing forests at the local level fosters job creation in forestry operations, eco-tourism, and ancillary services, contributing to stronger local economies. Access to jobs, such as those in forest management, guiding services, and conservation projects, is guaranteed for both men and women through a gender-inclusive strategy. In fields like timber processing, ranger services, and forest-based businesses that have historically been dominated by men, special efforts should be made to encourage the employment of women.
- **Revenue from Forest Products:** Municipalities can generate income from sustainable harvesting of berries, mushrooms, and medicinal plants, as well as from wood and timber sales through issuing permits. In order to increase their economic engagement, women—who are frequently the main gatherers of non-timber forest products (NTFPs)—should have fair access to licenses, training, and market possibilities.
- **Eco-Tourism and Recreational Services:** Forests offer opportunities for eco-tourism activities such as camping, hiking, and recreation zones. By developing these services, municipalities can attract visitors and boost local businesses such as guesthouses and restaurants. Women are essential to ecotourism

enterprises, which include running guesthouses, producing regional goods, and leading tours. Ensuring women's involvement in ecotourism planning and revenue-sharing arrangements will result in more equitable economic gains.

- **Agricultural and Resource-Based Services:** Activities like fish farming, animal grazing, and plantation farming in forested areas provide an additional income stream. Access to technology, financial assistance, and capacity-building should all be used to promote women's participation in agroforestry and sustainable agricultural projects. Gender-responsive policies can close existing disparities in land ownership and agricultural financing.
- **Permit-Based Revenue:** Municipalities can issue permits for research, educational activities, or cultural events, ensuring both financial returns and forest preservation. It is crucial to guarantee that community organizations and women-led projects have equitable access to licenses and that the permitting procedure does not impede underrepresented groups, such as women and young people.

Non-monetary Benefits:

- **Energy and Environmental Savings:** Forests reduce energy costs by serving as windbreaks, lowering heating needs for nearby communities. Furthermore, the use of forest products for heating leads to cost savings. Energy-saving measures, such as the adoption of alternate heating options and sustainable firewood collection, should actively involve women, who are frequently in charge of home energy use in rural regions.
- **Ecosystem Services and Carbon Credits:** Forests contribute to water regulation, soil conservation, and carbon sequestration, providing long-term sustainability benefits. These can also translate into direct revenues through carbon credit programs. The financial benefits of carbon markets should be made available to community-driven conservation projects and women-led initiatives through gender-responsive climate financing systems.
- **Improved Quality of Life:** Green spaces enhance air quality and recreational opportunities, positively impacting community health and well-being.¹ As the major caregivers and leaders of the community, women should be involved in planning and maintaining green spaces to ensure they serve various purposes, such as making them accessible to all community members and kid friendly.

Financial Constraints:

While municipal forest management offers significant opportunities, it also involves challenges, including:

- **High Initial Investments:** Establishing forest management entities requires resources for staffing, equipment, and infrastructure development. Women's participation in forest-related enterprises and cooperatives should be supported through targeted funding mechanisms, microfinance opportunities, and skills development programs.
- **Operational Costs:** Regular expenses for maintaining forests, including salaries, equipment procurement, and administrative costs, can strain municipal budgets. Ensuring that financial allocations consider gender-responsive budgeting can help municipalities address disparities in resource access and workforce inclusion.
- **Emergency and Disaster Costs:** Unexpected events such as wildfires or pest outbreaks demand additional resources for recovery and prevention. Women's vulnerabilities in catastrophe situations should be addressed through focused emergency response planning, community preparedness training, and inclusive disaster recovery initiatives.

¹ For more detailed information on revenue generation and economic benefits, see the Cost-Benefit Analysis (CBA) report prepared by PMO.

- **Development Costs:** Building infrastructure for recreational purposes or expanding services involves substantial financial planning and investment. It is crucial to include gender-responsive infrastructure planning to ensure that forest-related developments marketplaces are accessible, safe and beneficial for women and underrepresented groups.

2.1.2 Political and Regulatory Aspects

The regulatory environment plays a crucial role in shaping the effectiveness of MFM. In Georgia, key policies include:

- The Georgia Forest Code: Defines municipal forests and outlines the roles and competencies of municipalities in forest management.
- Government Ordinances: These include regulations on sustainable forest management, forest use, protection, and monitoring procedures:
 1. Ordinance No 231 of the Government of Georgia; Regulation on the Criteria and Indicators of Sustainable Forest Management of the Forest of Georgia.
 2. Ordinance No 221 of the Government of Georgia; Regulation on Forest Use Rules.
 3. Ordinance No 383 of the Government of Georgia; Regulations on the Procedures for the Protection, Restoration and Care of Forest.
 4. Ordinance No 427 of the Government of Georgia; Regulations on the Procedures for the System, Categorization and Monitoring of the Forest of Georgia.
 5. Ordinance No 496 of the Government of Georgia; Regulations on granting, terminating and determining and adjusting/changing forest boundaries.
 6. Budgets of the target municipalities and resolutions of the Municipal Sakrebulo;
 7. Reports and statistical data of the Biodiversity and Forestry Department of the Ministry of Environmental Protection and Agriculture of Georgia, the National Forest Agency, the Agency of Protected Areas, the National Environmental Agency.
 8. Organic Law of Georgia Local Self-Government Code, 2014
 9. Order of the Minister of Environmental Protection and Agriculture of Georgia No. 2–67 on the Commission for Determining the Status of Forests, 2023
 10. National Forest Concept of Georgia- 2013

In addition to the above listed ordinances, one of the guiding ordinance that is under development right now is Ordinance on Forests of Local Importance (FoLI).

The FoLI document provides the legal framework for transferring forests of local significance to municipalities, but it does so within a highly structured and centralized legal environment. It lays out eligibility criteria, procedural requirements, and legal conditions for municipal forest designation. However, it does not fully develop a detailed municipal forest management model, leaving significant ambiguities regarding local autonomy, financial sustainability, and operational governance. The more information on FoLI is presented in the annex.

2.1.3 Socio-Cultural Aspects

Forests hold significant cultural and historical value for communities. In regions like Tusheti and Svaneti, sacred forests are preserved as sanctuaries, expressing communities' strong bond to these landscapes and exemplifying traditional sustainable practices. These forests are often untouched and serve as biodiversity hotspots. The existence of the sacred forest phenomenon has served as a foundation for achieving success in working with the local community. However, socio-cultural challenges include:

- **Limited Inclusion of Underrepresented Groups:** Cultural norms may exclude certain groups, such as women, from decision-making processes in forest management.
- **Community Conflicts:** Establishing management practices can lead to disputes over land use, particularly in areas where forests are seen as private or communal property. This might include cultural resistance to new management practices, the risk of corrupted practices or non-obedience due to local authorities' low reputation.

Municipalities should assess the degree of community involvement in forest management. The strong side can be strong community engagement and traditional knowledge, and the weakness can include the exclusion of community disabilities or underrepresented groups. Opportunities include expanding community roles and integrating local knowledge into management plans, and threats may include cultural barriers or conflicts regarding resource use (Acosta, 2002).

One of the examples of positive Community-focused adaptation measures is targeting food and water security, as well as health through community-oriented activities. In rural areas, woods and trees may play a vital role in ensuring food, water, and health. Landowners will benefit from mutual collaboration at this scale by identifying priority areas for water resource protection, strategies that build a common emergency reserve of seeds and food supply, measures that preserve or improve essential ecosystem services (such as pollination, water quality, and soil protection), and measures that reduce the breeding sites of potential disease vectors (Louman, 2010). These benefits should be well positioned and clearly communicated with local communities to enhance positive attitude toward MFM.

Cultural barriers significantly limit women's participation in various sectors, including forest management. These barriers often stem from deeply rooted social norms and views that dictate what is “appropriate” behavior for men and women. Traditional norms often treat women as male subordinates, limiting their access to decision-making processes and leadership positions. This hierarchical structure can prevent women from voting in forest governance or community initiatives. Forestry and natural resource management are often seen as male-dominated areas, cultural norms prevent women from entering these professions or engaging in related activities.²

2.1.4 Environmental aspects

Georgia's forest sector plays a fundamental role in the country's environmental sustainability, economic resilience, and social cohesion. Covering nearly 44%³ of the national territory, forests are invaluable for their rich biodiversity, carbon sequestration capacity, and the ecosystem services they provide, such as water regulation, soil protection, and climate mitigation. Forests also play a critical role in supporting rural

² The SWOT analysis document prepared by PMO covers details of strategies on how to improve women's inclusion in forest management

³ Source: Ministry of Environmental Protection and Agriculture of Georgia, 2022, "National Forestry Inventory of Georgia"

livelihoods, providing resources for heating, construction, and income generation through sustainable harvesting of timber and non-timber products like berries, mushrooms, and medicinal plants.

Soil degradation and preservation of pristine forests are fundamental goals that should be taken into account for MFM. Key strategies to keep pristine forests include strict protection measures, sustainable harvesting, and community-led conservation. A positive environmental impact is seen with the reduction of harmful emissions from wood burning due to gasification efforts decreasing reliance on firewood. Furthermore, decentralized forest management can indirectly strengthen local governance in other sectors, such as water resource management, demonstrating the interconnectedness of environmental stewardship and community development.

2.1.5 Resources

Effective municipal forest management requires significant physical-material resources, including specialized personnel, infrastructure and equipment, technology, as well as other technical and financial resources.

Human Resources

Skilled personnel are essential for implementing management plans. The Forest Code of Georgia includes specific legislative obligations regarding human resources. According to the Code, the forest management authority must ensure the mandatory involvement of qualified foresters and forestry specialists in forest management. Additionally, to implement the principles of sustainable forest management in Georgia, by January 1, 2025, the forest management authority must annually increase the number of individuals defined by Article 83 of the Forest Code. This increase should ensure that in each forest area, no more than 3,500 ha are managed by at least one qualified individual. It is also important to consider that, depending on the specific characteristics of the area (such as its size, accessibility, the population density of nearby communities, etc.), more than one individual may be needed to manage the 3,500 ha area effectively. Also, specialized personnel equipped with both basic hand tools and advanced mechanical equipment are necessary for effective implementation of forest management plans. Investments in training and continuous education are vital for equipping personnel and local communities with the knowledge to manage forests sustainably.

The tentative list of MFM main personnel⁴ is provided below:

| <i>Personnel positions</i> | Number of personnel |
|----------------------------------------------------------------------------|----------------------------|
| <i>Director</i> | 1 |
| <i>Chief Forester</i> | 1 |
| <i>Forester</i> | 1 ⁵ |
| <i>Electronic Timber Resource Management System Development Specialist</i> | 1 |
| <i>Forest Maintenance and Restoration Specialist</i> | 1 |
| <i>Entomologist/Phytopathologist</i> | 1 |
| <i>Economist</i> | 1 |
| <i>Accountant</i> | 1 |
| <i>Administrator</i> | 1 |

⁴ Source: Kartvelishvili, 2023

⁵ The number of foresters protecting the area should be determined case by case.

Infrastructure and equipment

Specialized tools (e.g., tractors, chainsaws) that are necessary for timber extraction, or activities related to forest health should be in place and accessible to managing body. Infrastructure such as roads and relevant buildings (e.g. storage buildings) are fundamental for efficient forest operations and facilitate effective operations and access to forest areas. According to (Kavtarishvili, 2023) the infrastructure in target municipalities are not available and, in some municipalities, only include small equipment like chainsaw, hedge trimmer, lopper etc.

Technological resources

GPS systems, mapping software, and monitoring tools enhance planning, execution, and evaluation processes, ensuring precision and accountability. Equipping municipalities with modern technological solutions increases effectiveness of MFM. Currently those systems are unavailable for municipalities.

Financial resources

It is noteworthy that financial resources are needed not only for equipment and staff but also for the continuous education and training of personnel, as well as for community engagement and adherence to environmental regulations. Current examples of MFM shows that large share of financial and technical assistance comes from Donors and international funds.

2.1.6 Stakeholders

Stakeholders of MFM include municipal authorities, local communities (including representatives of various demographic groups), environmental organizations, forestry experts and relevant government agencies, such as the National Forestry Agency and the Ministry of Environmental Protection and Agriculture of Georgia. The main stakeholders in the context of MFM in Georgia are presented in the table below:

| Group | Interested Party | Definition / in Connection to MFM |
|-------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| State Institution | National Forestry Agency | As a major government body responsible for forest management, the Agency has a significant impact and interest, which requires active participation in decision-making. |
| | Municipal Government | Directly responsible for the implementation of forest management at the municipal level. |
| | Ministry of Environmental Protection and Agriculture of Georgia | The Ministry has significant implications for environmental policy and high interest at the national level without the state of forest resource, which requires participation to ensure compliance with national strategies. |
| | The State Sub-Agency of Environmental Supervision (DES) | DES plays a crucial role in forest supervision/protection, ensuring compliance with environmental regulations and controlling illegal activities within municipal forests, which gives it significant influence over the success of forest management practices. DES has a high level of interest in MFM as it is responsible for monitoring and enforcing legal |

| | | |
|-----------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | standards, preventing illegal logging, and ensuring environmental sustainability. Active involvement is required to maintain regulatory compliance, support sustainable practices, and uphold environmental protection standards in line with national policies. |
| | Agency of Protected Areas | The agency must ensure that their broader conservation efforts do not contradict municipal goals. |
| Private Sector | Private Forest Enterprises | These stakeholders have an average impact on policy implementation and a high interest in their work due to the perpetuity of their work. |
| | Tourism and recreational businesses | These stakeholders enjoy well-managed forests, but have moderate influence and interest. The new regulations require them to be monitored to ensure that the activities of these businesses are aligned with the goals of MFM. |
| Civil Society | Local Communities | Local communities have a keen interest in forest management outcomes, especially with regard to livelihoods and access to resources, which require regular updating and consultations with them. It should be noted that these needs and interests are gender differentiated. |
| | Environmental NGOs | These organizations are highly interested in promoting sustainable practices and must be informed to use their advocacy and community engagement efforts. |
| | Academic and Research Institutions | By bringing valuable insights and innovations, these institutions must be informed to ensure that forest management strategies are based on the latest research. |
| | General Public | The public has a great interest in forest management, especially in terms of environmental quality and access to resources, which requires transparency and regular communication with them. |
| | International donor organizations and financial institutions | These organizations provide critical funding and support, so their impact is high. The level of interest is average and depends on the national goals of the country. The new regulation generally requires the involvement of this side to provide resources and bring them in line with international best practices. |

2.2 Review of Existing MFM structures

This chapter analyzes municipal forest management examples in Bulgaria and Slovakia to identify best practices that could be implemented or adapted to Georgia's context.

2.2.1 Bulgaria's Approach to Municipal Forest Management

In the Republic of Bulgaria, municipalities manage forests acquired through various means, including restitution to municipalities, legal transactions (e.g., purchase, donation, wills, division, or property

exchanges), afforestation, or other forms of acquisition. These forests are neither state nor private property and fall under municipal ownership.

Bulgaria's municipal forest management model is characterized by structured legal frameworks, diverse management options, and clearly defined roles for municipal and state authorities.

Public Municipal Forest Properties

Certain forests under municipal ownership are classified as public municipal property. These include:

- Forests managed for national security, defense, health care, education, or humanitarian purposes.
- Forests within sanitary protection zones around water sources, potable water facilities, and mineral water sources, as defined by the Waters Act.
- Forests located within protected areas as per the Protected Areas Act.
- Forests included in zones designated for the protection of immovable cultural heritage, as per the Cultural Heritage Act.

Municipal Council Regulations

The Municipal Council establishes ordinances and strategies to guide the management of municipal forests. These include:

- Ordinance on Acquisition, Management, and Disposal of Municipal Property: Specifies procedures for handling municipal properties.
- Ordinance on Management of Municipal Forest Areas: Outlines the terms and methods for managing municipally owned forests.
- Municipal Property Management Strategy: Covers management plans for the duration of a council mandate.
- Annual Management and Disposal Program: Provides yearly guidelines for property management and utilization.

Management of Municipal Forest Areas

Municipal forests are managed by authorized entities under the guidance of the Municipal Council. These include:

1. Municipal Forestry Authorities, which can take the form of:
 - A structural unit within the municipal administration.
 - A commercial company wholly owned by the municipality.
 - A municipal enterprise under the Municipal Property Act.
2. State Forestry or Hunting Enterprises, managing under contract.
3. Registered Professionals or Merchant Entities, listed in public registers as per the Forestry Act, operating under contract.

If a municipality owns more than 1,500 hectares of forest, management must be assigned to a municipal forestry authority or a state forest/hunting enterprise under contract. The head of a municipal forestry authority must meet the qualifications required for a director of a state forest enterprise and be listed in the public forester registry.

Permissible Activities in Municipal Forests

Municipalities are permitted to conduct the following activities within forest areas:

- Extraction and transportation of wood and non-wood forest products.
- Cleaning areas and preparing soil for afforestation.

- Supporting natural regeneration, afforestation, and cultivation of forest crops.
- Marking plantations and trees for logging.
- Other activities defined by ordinance or law.

Awarding Activities

Activities in forest territories are awarded through open tenders, electronic tenders, or negotiations, depending on legal provisions. Examples include:

- Sale of Standing Timber or Cut Wood: Conducted through open bidding, secret bidding, electronic tenders, or competitions.
- The sale method is determined by the forest management structure, which could be:
 - The municipal mayor or an authorized official.
 - The head of a municipal forest enterprise under the Law on Municipal Property.
 - The head of a commercial company wholly owned by the municipality.⁶

2.2.2 Slovakia's Approach to Municipal Forest Management

Slovakia's 2,009,000 ha of forests have a very complicated ownership structure resulting from historical and political factors. Currently, 47.6 percent of all forest land is State property, managed by State enterprises. The non-State sector includes not only private, municipal, church and cooperative forests, but also a specific historical form of joint forest ownership – urbariat.

Following the political changes of 1990, there were no regulations for the non-State forestry sector. New forest owners with no experience of administering and managing private property joined together to form associations that could advocate for their interests in the formation of suitable economic, social, organizational and legislative conditions.

Municipalities also faced challenges in developing their own institutions for managing their returned forests, although their problems were different from those of small private owners. Municipal forests were included in the first Forest Owners Association (FOA) founded in 1991; in 1994, it was decided to establish an independent FOA for them – ZOL (Združenie obecných lesov – Association of Municipal Forests).

Municipalities manage their forests through various organizational structures, such as municipal forestry authorities, which may operate as structural units within the municipal administration, commercial companies wholly owned by the municipality, or municipal enterprises as defined by the Municipal Property Act. The choice of management form is determined by the Municipal Council. For municipalities with forested areas exceeding 1,500 hectares, management is typically conducted by a municipal forestry authority or through contracts with state forest enterprises. These are the subsidized or limited companies founded by the municipality. Many of these companies also maintain parks and other green areas within their municipalities.

Forest management plans are mandatory for all forest owners in Slovakia. These plans are developed by organizations such as Lesoprojekt Zvolen (the Institute for Forest Management Planning) and are subject to approval by regional forest offices. The plans ensure sustainable forest management practices, compliance with legal regulations, and alignment with national forestry policies.⁷

⁶ [https://www.tfma.eu/files/files/Bulgaria_Management%20of%20municipal%20forest%20estates_BNAO_EN.pdf?utm](https://www.tfma.eu/files/files/Bulgaria_Management%20of%20municipal%20forest%20estates_BNAO_EN.pdf?utm_source=chatgpt.com)

⁷ https://unece.org/fileadmin/DAM/timber/docs/tc-58/efc-reports/slovakia.pdf?utm_source=chatgpt.com

Municipalities are responsible for a range of forestry activities, including timber harvesting, afforestation, and maintenance of forest infrastructure. These activities are often contracted out through open tenders or electronic auctions to ensure transparency and competitiveness. Revenue generated from municipal forests contributes to local budgets, supporting community development and public services.

3. Process Design for Institutional Arrangements

3.1 Framework for Development of Institutional Arrangement for MFM

The Chapter delves into core elements, challenges, and evaluation criteria of the development of Institutional Arrangements for Municipal Forest Management (MFM).

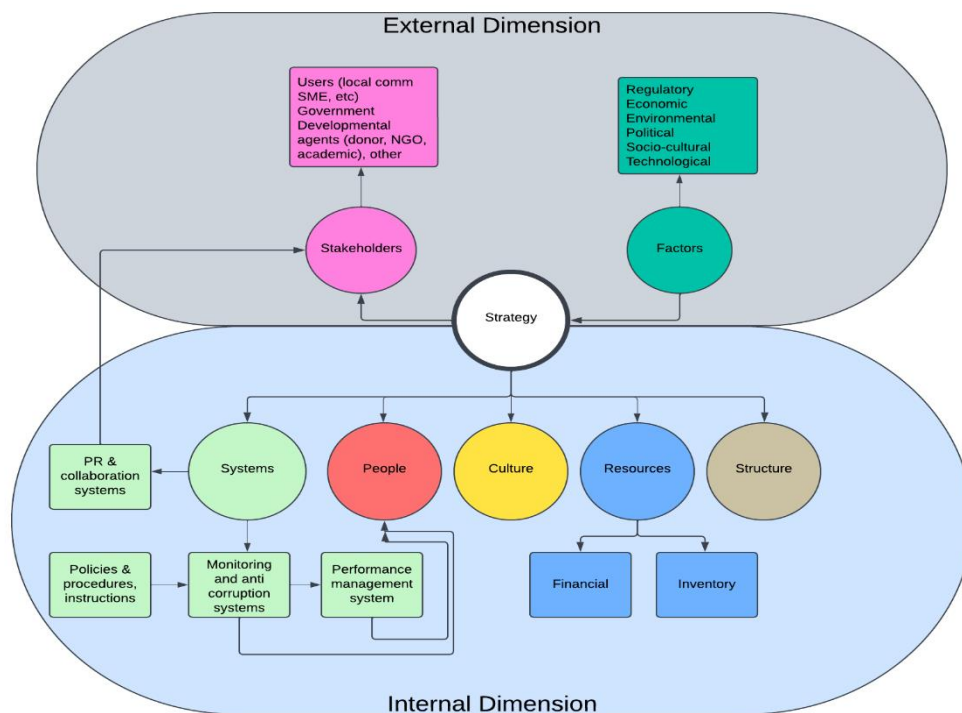
The organizational design model outlines the key elements of an organization and examines the interrelations between them. This model considers both internal and external dimensions that influence the organization's overall performance and effectiveness.

The external dimension encompasses factors that impact the organization's internal processes, as well as actors/stakeholders involved in various aspects of its operations.

Drawing from external factors, the organization formulates a strategy that, in turn, shapes its core elements: systems, people, culture, resources, and structure. These elements are further broken down into smaller components, each of which contributes to the organization's functionality.

Each of these core elements is described in detail in the following section.

Figure 1 - General Model



3.1.1. External Dimension

External dimension covers six main factors that might affect the organizational setup of MFM. The factors are: Regulatory, Economic, Environmental, Political, Socio-cultural, and Technological. Before delving into the internal elements external environment scan should be performed to analyze the current and future factors that might affect the institutional setup. External dimension also includes the stakeholders, that influence the organizations strategy and PR & collaboration system.

External Factors

1. Regulatory

It is important to scan the regulatory framework in terms of updates of the current legislative framework, introduction of new regulations or information on upcoming changes. All these factors might require changes in organization operations, status, business processes, or other areas of organization design. Therefore, it is important to:

- Get to know the existing legislative and regulatory framework
- Enquire relevant stakeholders on upcoming regulatory changes or updates.

The main questions to ask:

1. Which laws govern the MFM institutional setup?
2. What are the compliance requirements for MFM?
3. Are there any specific zones that fall under different compliance regimes? (e.g. protected areas, high-risk areas, etc)
4. Are there any additional standards used by industry players locally or internationally, that should be adopted?
5. Are there any certifications necessary for the organization to lead forest management process?
6. How does the institutional model align with national forestry policies and decentralization reforms?
7. Are there existing laws or regulations that need to be amended to support the new model?
8. What international agreements or obligations (e.g., climate goals, biodiversity protection) must be integrated into the model?

Regulatory and Legal framework limitations

- Municipalities must adhere to strict national criteria (provided for by the Local Self-Government Code and the Forest Code), reducing flexibility in governance models
- Decision-making remains centralized, with municipalities serving as administrative managers rather than policy drivers.

2. Economic

Economic factors at local national and international level can affect the process design of MFM. It is important to assess the economic factors that might impact organizational design, processes or resources. The main questions to ask:

1. What is the economic situation on national level?
2. What is the economic situation on a municipal level?
3. What is the budget situation at municipal level?
4. Does it correspond to the managerial obligations and responsibilities coming with MFM?
5. Do the forest related activities play a role in local economic well-being? If yes what is the level of influence that it plays?

6. What are the gender-differentiated roles and benefits?

3. Environmental

Environmental factors play a significant role in municipal forest management organizational set-up and its operations. The major factors influencing are the characteristics of local climate, ecological concerns, types of forests, resources, sustainability.

The main questions to ask:

1. What are the main and secondary functions of the forest we are going to manage?
2. Are there any specific ecological concerns related to forest management?
3. Is the current growing stock increasing, stable, or declining? What factors influence this trend?
4. What is the state/condition of the forest in terms of pests and disease?
5. What are the main fire risks in the municipality's forests, and how are/were they assessed?
6. What specific resources are available in the municipal forests that might require development of extra services, activities?
7. Are there any sustainability concerns related to forest management?

4. Political

Considering political factors is critical to ensure alignment with governance structures, stakeholder interests, and policy frameworks.

The main questions to ask:

1. What level of political support exists for municipal forest management?
2. What is the political feasibility of securing consistent funding for municipal forest management? (Will there be budget allocations, grants, or revenue-sharing mechanisms?)
3. How can funding be safeguarded from political changes or competing priorities?
4. Which political stakeholders need to be involved to balance the priorities?

5. Socio-cultural

Socio-cultural factors should be carefully studied, including public awareness of MFM and the attitudes of target groups toward MFM. Demographic aspects, such as the presence of ethnic and minority groups, as well as their unique cultural practices, should be considered to understand the diversity within the community. The potential impact of migration and urbanization on local processes should also be analyzed, alongside conducting a sensitivity analysis to evaluate how changes in these factors may affect the implementation of MFM initiatives.

An approach that is attentive to gender is crucial for examining socio-cultural dynamics. Cultural traditions in many communities impede women's involvement in management and decision-making processes by perpetuating the idea that the forestry industry is a male-dominated enterprise. These gender biases can appear in a variety of ways, such as:

- Women are underrepresented in forest user associations and municipal forest governance structures.
- Men work in formal forestry jobs, while women mostly do informal forest-related tasks like gathering firewood and non-timber goods. This is known as the gendered division of labor.
- Social norms discourage women from working in technical jobs like rangers, forestry planners, and timber harvesters.
- Obstacles to professional growth and training in forestry-related disciplines limit women's access to resources, information, and career progression.

Additionally, traditional knowledge and cultural practices should be analyzed and integrated into the organization's mission and strategy.

The main questions to ask:

1. What are the key demographic groups in the area, including minorities, women and vulnerable groups?
2. What impact could these groups' inclusion or exclusion have on the local process?
3. How does migration and urbanization affect the implementation of MFM initiatives?
4. Are socio-cultural norms and values among the target groups well analyzed?
5. Are there any forests or specific areas within municipal lands that hold cultural, historical, or religious significance for local communities, and how should they be managed?
6. Are socio-cultural norms and values integrated into the strategy and processes of MFM?
7. What communication strategies can be used to engage and inform all groups effectively?

6. Technological

Technological advancement can play an important role in resource allocation and efficiency of MFM. It is important to research the technological tools and equipment that could be used in MFM. The capacity of municipality to adopt those technologies should also be carefully analyzed.

The main questions to ask:

1. What modern tools are available that can be adopted in MFM?
2. Have those tools been adopted in any municipality in Georgia?
3. Are there necessary human/financial/technical capabilities to adopt those tools?

Stakeholders

MFM stakeholders can be categorized into main groups and further segregated into subgroups. The main groups include Users, Governments, Development agents and Private interest parties. All those groups should be carefully analyzed to create efficient strategies to communicate and collaborate with them.

1. Users

The users in context of MFM are the actors that rely on forest resources for livelihood, business, or community benefits. In Georgia, usufruct rights and traditional access rights are integral to forest resource management. Legally, short-term leases—typically those under five years—are often treated as granting a usufruct, where users have the right to utilize and benefit from the forest while the state retains ownership. Alongside this formal framework, many local communities have long-established traditional access rights that allow them to use forest resources for livelihoods, recreation, and even to support community infrastructure, such as housing. These rights, whether derived from statutory interpretations or customary practices, have led to significant legal disputes. Addressing both usufruct and traditional access rights is crucial for developing forest management policies that are not only legally sound but also socially equitable and sustainable.

Local Communities:

1. Depend on forests for timber, firewood, food (berries, mushrooms), and medicinal plants.
2. Play a key role in informal forest use and conservation.

Small and Medium Enterprises (SMEs):

1. Businesses involved in forestry, furniture making, or processing non-timber forest products.
2. Operators in ecotourism, recreation, or adventure activities.

Conservation and Recreation Users:

1. NGOs or community groups promoting biodiversity, ecotourism, and sustainable practices.

2. Government

1. Regulator – create and enforce policies governing forest management
2. Resource provider - provide budget allocations, staff allocations, facility allocations etc.

3. Development Agents

These actors influence or support the system by either providing funds, technical resources, or knowledge.

- International Donors

1. Donor projects (bilateral, multilateral)
2. Support forest governance reforms, capacity building, and technical assistance.

- NGOs and Advocacy Groups:

1. Promote forest conservation, community engagement, and environmental awareness.

- Academic and Research Institutions:

1. Conduct research on sustainable forest practices, biodiversity, and climate adaptation.
2. Provide data and expertise for policymaking.

4. Other

- Media and Public Opinion Leaders

1. Raise awareness and influence public attitudes toward sustainable forest management.

- Technology Providers

1. Companies offering tools for forest monitoring, such as GIS software, drones, or satellite data services.

The listed actors can perform various functions. The main functions of MFM actors are presented below:

| Table: functions and responsibilities in forest management | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regulatory function | Economic governance function |
| <ul style="list-style-type: none">• Political governance of the forest sector and forest legislation• National forest programs, strategies and action plans• National forest inventORIZATION | <ul style="list-style-type: none">• Forest management plan• Forest management in areas primarily intended for timber production: afforestation, regeneration, maintenance, etc.• Timber logging and timber trade• Hunting and fishing• Real estate and land use management• Renewable energy business• Forestry business other than timber |
| Supervisory function | |
| <ul style="list-style-type: none">• Supervision, inspection and law enforcement• Forest protection (forest policy) | |
| Supportive and social goods creation function | |
| <ul style="list-style-type: none">• Extension service (forest planning for non-state forest owners, financing, information, advice) | |

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <ul style="list-style-type: none"> • Forest protection from natural risks (fire, storm, bacteria) • Forest management in nature parks and areas with protection functions (water, soil, etc.) • Nature Park administrations and protected area management • Forest research units | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

3.1.2 Internal Dimension

Internal dimension of Organizational model includes six main elements: Strategy, Structure, Culture, People, Organizational Systems, and Resources.

1. Strategy

Strategy spotlights organization's direction, alignment with its mission and vision, and adaptability. The main questions to ask and consider:

- Is a strategy in place?
- Does the organization have a clearly articulated mission and vision?
- Are the strategic goals specific, measurable, achievable, relevant, and time-bound (SMART)?
- How is the strategy communicated and understood across all levels of the organization?
- Is there a process to review and adapt the strategy based on internal elements and external factors?
- Does the strategy account for long-term sustainability and innovation?
- Is there internal expertise to develop and evaluate strategy?

2. Structure

Structure describes organization's hierarchical design, departmental alignment, and workflows. The structure should follow function, meaning that initial step is to identify what we need to achieve and only then we can identify how it can be done.

The main questions to ask and consider:

- Is the organizational structure clearly defined and aligned with strategic goals? Does it integrate gender considerations, ensuring inclusive decision-making processes?
- Are roles and responsibilities of departments and individuals well-documented and understood?
- How effective is communication and coordination across different units?
- Does the structure allow for flexibility and responsiveness to changes in the external dimension?
- Does it account for gender-responsive planning, ensuring that both men and women's needs and contributions are considered?
- Are there clear reporting lines and accountability mechanisms in place?
- Are gender equality and social inclusion (GESI) principles integrated into performance evaluation and accountability frameworks?

- Will MFM affect current organizational structure, is there a need to create dedicated unit, what will be its efficient setting?

Potential challenges

- Governance and accountability gaps
- Coordination issues among governmental bodies, local authorities, and communities

3. Culture

Culture defines organizational values, management style, employee engagement, and workplace patterns/norms.

The main questions to ask and consider:

- What are the core values that define the organization's culture?
- How does the management style promote in terms of decision making, strategic planning, performance and risks management?
- Are employees engaged and motivated to contribute to organizational success and namely to MFM?
- Does organizational culture promotes and supports equal opportunities for men and women to participate in decision-making and take leadership roles?
- What are the main working patterns, and do they align with operational efficiency?
- Are there cultural aspects/patterns which hinder MFM including interaction style with stakeholders? Tendency to tolerate violations from community (related to MFM).

Potential challenges

- There is no framework for adaptive management based on local needs.

4. People

People in the model identifies employees' skills, organization's ability to attract and retain employees, and to offer continues learning.

The main questions to ask and consider:

- Do employees have the competencies needed to achieve organizational goals, namely defined by MFM?
- How can the organization ensure that both men and women are equally equipped with the necessary skills for MFM roles?
- How effectively does the organization attract and retain people? What are perspectives in terms of MFM?
- Does the organization have a GESI sensitive recruitment policy to encourage diversity in the workforce?
- Are there structured learning and development programs for staff? Are there resources to provide MFM related learning?

- Are there efforts to encourage women's participation in technical forestry training, leadership workshops, and decision-making processes?
- What mechanisms are in place to ensure employee MFM related staff engagement?

As identified by preliminary research it is extremely difficult to find skilled staff in municipalities for forest management related activities, therefore employee attraction system should be carefully planned and implemented.

Potential challenges

- Municipalities may lack the expertise and resources to conduct CBAs, risk assessments, and strategic planning.
- No capacity-building measures are included to support municipalities during and after transfer.
- The technical complexity of forest governance may overwhelm municipal administrations, leading to ineffective management.
- Women are often underrepresented in decision-making processes and technical roles within municipal forest governance, which may lead to disbalance and uneven distribution of power and influence.

5. Systems

The systems of MFM encompass four major components: PR & Collaboration, Policies, Procedures & Instructions, Monitoring & Anti-Corruption System, and Performance Management System. These systems are interconnected and dynamically influence other organizational elements:

- PR & Collaboration is strongly tied to stakeholder engagement, shaping public perception and fostering partnerships. It also plays a role in promoting grievance mechanisms and awareness campaigns related to forest illegal activities and Gender Equality and Social Inclusion (GESI) issues, ensuring transparency and inclusivity.
- Performance Management System is directly influenced by people and their competencies, ensuring accountability and efficiency. It should also incorporate GESI-related mechanisms to promote equitable participation, diversity, and fair treatment within forest management and decision-making processes.
- Monitoring & Anti-Corruption System is linked to people through ethical oversight and enforcement mechanisms. It might include a hotline or any other monitoring mechanism for reporting forest illegal activities, enabling stakeholders and the public to report violations confidentially, supporting transparency and accountability.
- Policies, Procedures & Instructions integrate aspects of anti-corruption, performance monitoring, and regulatory compliance, forming a structured operational framework. They also outline grievance mechanisms for addressing stakeholder concerns, define protocols for handling GESI-related complaints, and establish guidelines for enforcing measures against illegal forest activities.

These systems are adaptive rather than static, requiring continuous refinement to align with evolving forestry governance needs.

The main questions to ask and consider:

- Are policies and procedures clearly documented, accessible, and regularly updated?
- What policies, procedures and instructions need to be developed for MFM?
- How robust are the organization's monitoring and performance management systems?
- What will be MFM related performance management model?

- What measures are in place to prevent and address fraud and corruption?
- Are communication systems efficient for internal and external stakeholders?
- How effectively does the organization use technology to enhance operations?
- Are public relations and stakeholder collaboration systems proactive and impactful in terms of MFM?

6. Resources

In resources we identify physical resources including assets and inventory as well as financial resources, that are influenced by budgeting practices and sources.

The main questions to ask and consider:

- Are financial resources available and/or allocated effectively to support strategic goals and MFM?
- Is budgeting practice based on priorities and strategic goals?
- What is inventory and physical assets necessary for MFM? How it can be attained?
- Are there systems in place to monitor and optimize resource allocation?

Potential challenges

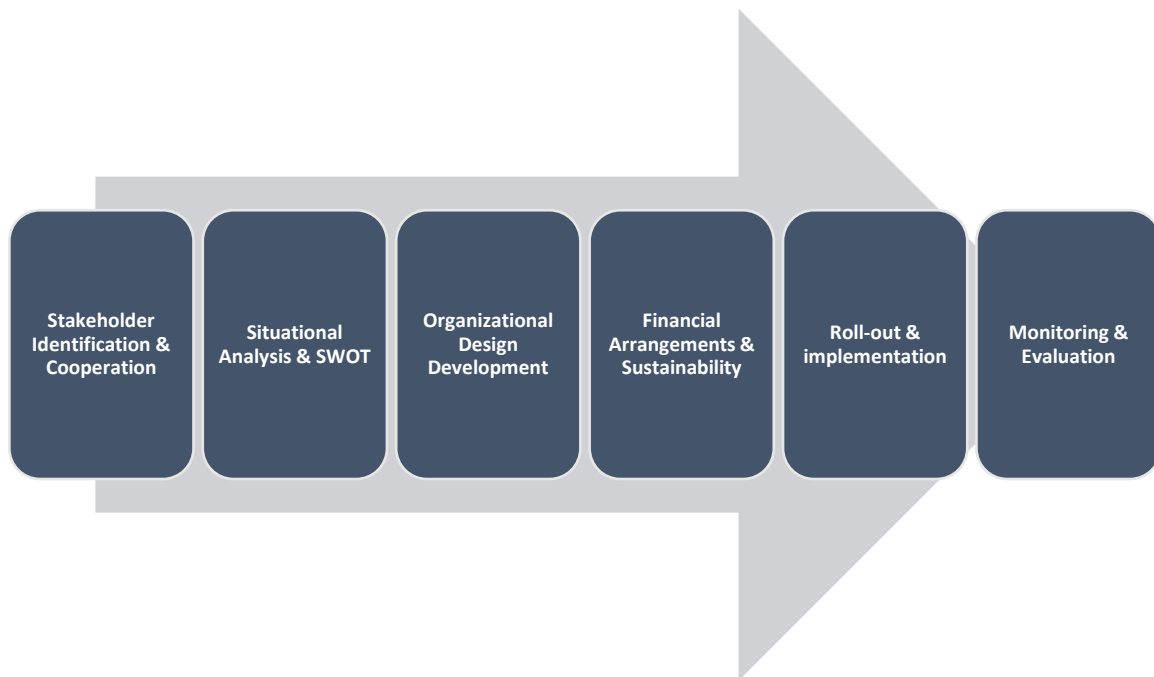
- No state financial commitment for transferred forests.
- Revenue generation is not guaranteed, making municipal forests vulnerable to underfunding or overexploitation.
- Lack of financial incentives could discourage municipalities from actively managing forests.

3.2 Implementation process design for developing institutional arrangements for MFM

This chapter presents the Implementation Framework for the Recommended Institutional Model for Municipal Forest Management (MFM). This part outlines a practical plan on how to translate the recommendations into action, ensuring that the proposed institutional reforms are effectively executed in Georgia.

*This chapter of the instruction manual includes **phased approach** of 6 main steps for developing efficient institutional setup for MFM. It also provides the processes and tools for shaping an institutional model and its core elements to support effective municipal forest management. The development of the institutional model integrates external factors with internal dynamics, that will further create a cohesive strategy for sustainable forest governance.*

Figure 2 - Process design steps



Before moving to the execution process the initial step is to identify three key elements: **participants**, **resources**, and **timeline**. The first step is to assemble the team and define a team structure that will be involved in the model development process, including participants, team leaders, and supervisors.

1. **Participants:** Identify who will be involved in the process, from team members to external stakeholders. Participants should include Responsible (R) party that leads the process and is responsible for delivering the final output of the task.
2. **Resources:** Assess the material (e.g., financial or technical tools) and non-material resources (e.g., time and knowledge) required for implementation.
3. **Timeline:** Define a realistic schedule for completing tasks and achieving milestones.

A **participatory approach** is critical throughout the process, ensuring inclusiveness, gender equality and collaboration. This approach fosters shared ownership, democratic decision-making, and outcomes that are more sustainable and widely accepted.

The next section analysis each element of the model separately and gives instructions on what information should be collected and analyzed and how it should be done.

Step 1: Stakeholder identification and cooperation

Participants: External consultant (R), contracting party, beneficiary, representatives of stakeholders

Resources: might include logistical costs, accessibility to communication platforms

Timeline: 1-2 weeks

The first step in the process is to identify key stakeholders, including underrepresented groups. After identification, Responsible party should define stakeholders roles responsibilities and cooperation mechanisms. The objective is to categorize and understand their influence, interests, and roles in the MFM process.

Data Collection methods⁸: Desk review, Data requests, Semi-structured interviews

Process description:

- ⇒ Activity 1: Communication with the contracting party and beneficiary to collect preliminary information, including potential stakeholders, any previous reports and information on potential data sources.
- ⇒ Activity 2: Conduct desk research on publicly available documents and collect information from diverse sources.
- ⇒ Activity 3: Supplement desk research with semi-structured interviews with key stakeholders to identify secondary stakeholders.
- ⇒ Activity 4: Categorize stakeholders using models such as power interest grid or RACI matrix as described in this section below.
- ⇒ Activity 5: Analyze stakeholder groups based on their role, interest and influence in the process.

Examples of Stakeholder analysis tools

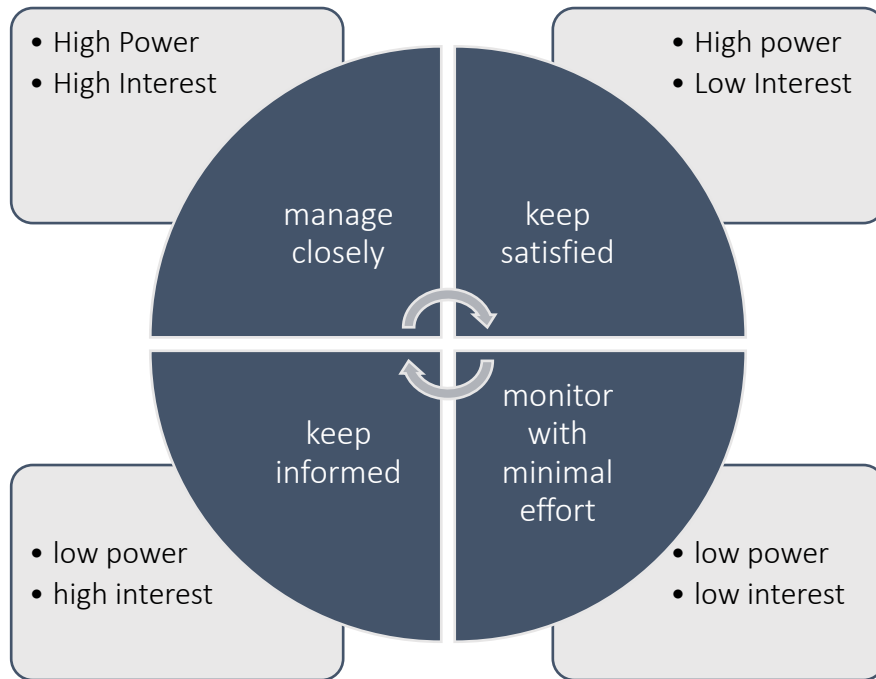
The two most widespread tools for stakeholder categorization and analysis are Power-Interest Grid and RACI matrix. These frameworks ensure that stakeholder engagement is strategic and well-managed. A short description of these tools is presented below:

Power-Interest Grid

Helps prioritize stakeholders based on their level of power and interest in the process.

⁸ For more detailed information on data collection methods please review the Tsartsidze, D. (2023). *The research methods and data analysis guideline*. Civil Service Bureau of Georgia.⁸

Figure 3 - Power-Interest Grid



RACI Matrix

Ensures clarity in roles and communication by defining stakeholder responsibilities:

- **Responsible (R):** Who performs the task.
- **Accountable (A):** Who owns the task.
- **Consulted (C):** Who provides input.
- **Informed (I):** Who needs updates.

Step 2: Situational Analysis and SWOT

Analysis starts with the external factors, goes into the assessment of internal elements and uses analytical tool such as SWOT to analyze and categorize findings for efficient decision-making.

Participants: External consultant (R), contracting party, beneficiary, representatives of stakeholders

Resources: might include logistical costs, accessibility to communication platforms

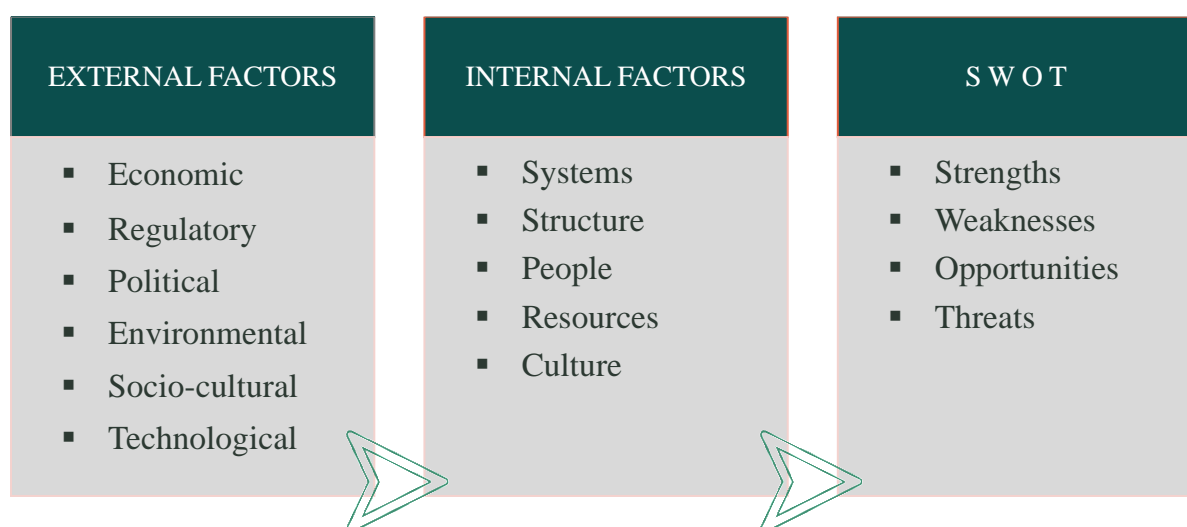
Timeline: up to 12 weeks

Data Collection methods: Desk review, Data requests, Semi-structured and in-depth interviews, Population perception survey

Process description:

- ⇒ Activity 1: External dimension analysis includes six main factors – Economic, regulatory, political, environmental, socio-cultural, technological. Each of them should be carefully analyzed in the context of municipality as well as on the country level.
- ⇒ Activity 2: Internal dimension analysis includes five elements - Systems, Structure, People, Resources and Culture.
- ⇒ Activity 3: SWOT analysis summarizes information from Internal and External assessment findings and structures information into analytical framework.

Figure 4 - Step 2 process flow



The description of each activity together with potential data sources and research methods are provided below:

2.1 External dimension Analysis

External dimension analysis is the initial step in situational analysis. It reviews six main factor that might influence the MFM.

2.1.1 Economic Factors:

Scope

Assess the municipality's economic context, including:

- Budget allocations.
- Revenue sources and dependency on forest products.
- Household income and poverty rates.
- Social vulnerability.
- Analyze forest-related economic factors, such as potential revenues from forest activities.

Potential Data Sources

- National Statistics Office of Georgia (Geostat)
- Municipal Websites

- Public reports issued by international organizations, including GIZ, USAID, UNDP, World Bank, EBRD, WWF, ADB etc.
- Publications and reports made by NGO's and CSO's working in the field, including CENN, Green Alternative, Georgia's Environmental Outlook (GEO),
- The Guideline for Cost-Benefit Analysis report, prepared by PMO Consulting for GIZ funded project Eco.Georgia

Research Methods

- Data requests
- Desk Review
- In-depth interviews

2.1.2 Regulatory Factors:

Scope

Perform a regulatory overview using available information to ensure compliance with existing and upcoming regulations, aligning MFM processes with legal frameworks.

Potential Data Sources

- The Legislative Herald of Georgia (for legal acts, municipal regulations, and amendments).
 - Subject matter experts and environmental NGOs (CENN, GEO, Green Alternative etc.)
 - Key Stakeholders (MEPA, IDOs such as GIZ and WWF etc.)
- Research documents including The Guideline for Cost-Benefit Analysis, and Instructions for gender-sensitive SWOT analysis prepared by PMO Consulting for GIZ funded project Eco.Georgia.

Research Methods

- Data requests
- Desk Review
- In-depth interviews

2.1.3 Political Factors

Scope

Analyze the political environment at the municipal level by:

- Conducting interviews with representatives of both opposition and ruling parties.
- Identifying key decision-makers (e.g., governors, ministers, Sakrebulo heads).
- Reviewing press releases, interviews, and municipal web content to understand government positions on forest-related issues.

Potential Data Sources:

- Municipality websites, social media pages of municipal bodies, government websites
- Parties involved in the local self-governance including political parties, governor, Sakrebulo head)

Research Methods:

- Desk Review
- In-depth interviews

2.1.4 Socio-cultural Factors

Scope

Conduct sensitivity analysis on socio cultural aspects (Including their impact on forest management and involvement of different underrepresented groups) in order to identify how variations in cultural, demographic, or social factors affect the feasibility, acceptance, and success of MFM initiatives.

This analysis identifies which factors have the most significant impact, enabling the design of a more inclusive and adaptive MFM framework.

To conduct the analysis, key socio-cultural factors must first be identified through stakeholder consultations and research (it can also include quantitative research of local population, such as perception survey). Factors like public awareness levels, adherence to traditional forest use, and representation of minority groups can then be tested by varying their values (e.g., low, medium, high) to observe their influence on outcomes like participation, resource sustainability, or conflict potential. Additionally, interdependencies between factors, such as how urbanization affects traditional knowledge, should be considered.

The results guide the design of mitigation strategies, such as awareness-building campaigns, culturally sensitive guidelines, and mechanisms for including underrepresented groups in decision-making. By incorporating the findings, municipalities can ensure that the MFM process aligns with community values and priorities, fosters inclusivity, and promotes long-term sustainability. Sensitivity analysis ultimately enables proactive identification of risks and opportunities, making the process more robust and adaptable to socio-cultural dynamics. It can further be used to make decision on setting up committees or mediation practices.

Potential Data Sources:

- National Statistics Office of Georgia (Geostat)
- Municipality profiles created by international organizations such as USAID, UNDP, EBRD etc.
- Research documents including Instructions for gender-sensitive SWOT analysis prepared by PMO Consulting for GIZ funded project Eco.Georgia.

Research Methods:

- Desk review of documents
- Population perception survey
- In-depth interviews with identified stakeholders

2.1.5 Technological Factors

Scope

Identify technological capabilities and requirements for effective forest management. Key areas include:

- GIS Systems: For mapping and monitoring forest resources.
- Data Management Tools: To collect, store, and analyze forest-related data.

Potential Data Sources:

- MEPA,
- The National Forestry Agency

- The Environmental Information and Education Centre.

Research Methods

- In-depth interviews with identified respondents
- Municipal and state-level analyses will help identify technological gaps and needs.

2.2. Internal factors analysis

Internal factors include five main elements: **Systems, People, Culture, Structure, and Resources**. Each of these elements are further subdivided into specific components.

2.2.1 Systems

For this institutional setup we have identified four main systems. Each system should be assessed through

Before analyzing internal factors, three fundamental topics must be clarified:

1. **Defining the Function of the Forest**

- The intended function of the forest that the municipality will manage is critical.
- Forest functions influence institutional design, affecting all layers of the internal structure.

2. **Determining the Institutional Form**

- Will the institution be a separate entity or part of an existing structure, such as a department of City Hall?
 - **If the institution is part of an existing entity**, the assessment should focus on evaluating the current structure, identifying gaps, and recommending improvements.
 - **If the institution will be a separate entity**, the focus should shift to researching similar institutions within the country and analyzing best practices for effective implementation.

3. **What will be its primary role?**

- **Executive:** Direct management and decision-making.
- **Supervisory:** Oversight and regulatory functions.
- **Supportive:** Coordinated closely with the ministry, providing assistance rather than direct governance.

These considerations are crucial before designing the institution, as they define the scope of internal assessments.

targeted research and data collection.

Scope

1. Policies, Procedures & Instructions system

Policies and procedures regulate forest management operations. The analysis should:

- Identify national references and best practices for integration.⁹
- In the absence of existing frameworks, determine required policy development areas.
- Develop a structured policy framework defining which stakeholder groups require specific procedures and regulations.
- Engage relevant ministries and regulatory bodies for policy formulation support.

2. Monitoring & Anti-Corruption

Monitoring

- Assess the current monitoring model and identify operational gaps.
- Map available national and municipal resources (e.g., ranger services, drone surveillance, video trap systems).
- Conduct feasibility studies on technology adoption for surveillance and reporting.
- Develop a phased approach, prioritizing immediate vs. long-term monitoring needs.
- Explore the establishment of an audit function or independent oversight role.

Anti-Corruption

- Evaluate the need for conflict-of-interest screening mechanisms, especially in hiring and procurement processes.
- Conduct perception studies to assess attitudes towards corruption within MFM.
- Develop action plans to mitigate risks and promote ethical governance.

3. Performance Management

- Define MFM's objectives and scope of work for municipal governance.
- Establish KPIs for municipal staff, aligning them with strategic goals.¹⁰
- Utilize government administration resources for creating standardized performance evaluation frameworks.
- Implement feedback and assessment mechanisms to ensure continuous improvement.

4. PR & Collaboration

- Evaluate the municipality's existing PR framework and assess its communication effectiveness. Identify if current needs assessments include forest related information.
- Conduct community needs assessments to gauge public awareness of forest management policies. Here Rtsmunebuli network can be used to perform the initial needs assessment.
- Develop grievance redress mechanisms to enhance community involvement and transparency.
- Leverage youth participation and civil society organizations (e.g., "Forest Friends" initiatives that can support in forest safety measures and provide new ideas and initiatives to better manage municipal forests) to strengthen community engagement.
- Promote hotline services for reporting forest violations, either through existing government channels or municipality-led initiatives.

⁹ As a valuable resource we can also use Policy Planning Manual issued by Government of Georgia: https://www.gov.ge/files/439_59408_877483_629.pdf

¹⁰ Types of KPIs are presented in the Policy Planning Manual issued by Government of Georgia document on pg. 40: https://www.gov.ge/files/439_59408_877483_629.pdf

More detailed information is presented in PMO Consulting paper: <https://shorturl.at/TJa41>

Potential Data Sources

- Legislative and policy documents review
- Stakeholder consultations (municipal officials, forestry experts, local communities)
- Best practice case studies from similar institutions (e.g. Tusheti Protected Area)

Research Methods

- Desk review
- Surveys and field assessments
- In-depth interviews with identified respondents

2.2.2 Structure

Scope

The assessment of necessary functions, responsibilities and governance should be performed including:

- Identifying necessary functions based on the MFM mission and objectives.
- Translating functions into potential job roles and responsibilities.
- Determining the optimal number of personnel per job description (JD) and salary grades.
- Defining reporting hierarchies and institutional dependencies.

Potential Data Sources

- Legislative and policy documents review
- Stakeholder consultations (municipal officials, forestry experts, ministry)
- Best practice case studies from similar institutions (e.g. Tusheti Protected Area)

Research Methods

- Desk review
- In-depth interviews with identified respondents

Key Consideration: The structure shapes the workforce, while people-related factors (skills, competencies, capacity) influence the structure.

2.2.3 People

Scope

- Define necessary qualifications and competencies for each role. Based on those, draft personal development plans for each role, ensuring equal opportunities for men and women to access career growth pathways in MFM.
- Develop training plans tailored to MFM needs, including relevant learning formats. Important consideration while developing training plan is to identify what budget is allocated for training and staff development and decide what is realistic to be included in the training plan.
- Assess the availability of financial resources for capacity building, ensuring that funding is allocated for gender-sensitive training programs and professional development initiatives aimed at increasing women's participation in MFM.

- Conduct assessment of potential workforce availability and identify talent acquisition strategy, incorporating gender-balanced hiring practices
- Explore alternative talent development strategies, including internships and rotational staffing models.
- Examine reward and retention mechanisms aligned with performance management.

Potential Data Sources

- Stakeholder consultations (Municipality City Hall, Ministry, ..)
- Best practice case studies from similar institutions (e.g. Tusheti Protected Area)

Research Methods

- Desk review
- In-depth interviews with identified respondents

Training Considerations:

- Technical skills (e.g., GIS mapping, drone operations, sustainable forestry practices).
- Socio-cultural sensitivity (e.g., minority inclusion, multilingual communication).
- Inclusive recruitment strategies (ensuring Gender Equality and Social Inclusion).

2.2.4 Resources

Scope

Inventory & Asset Management

- Identify essential technological tools, machinery, and software required for effective forest management.
- Conduct a baseline inventory study to assess current assets.
- Evaluate the feasibility of new acquisitions and potential funding sources.
- Establish management protocols for asset warehousing and maintenance.

Financial Resources

- Identify budgetary sources from state and municipal governments, as well as international development organizations (IDOs) and international financial institutions (IFIs).
- Assess the impact of financial resources on organizational structure, human resources, and operational systems.
- Develop a strategy for securing long-term funding, including grants, public-private partnerships, and revenue-generating initiatives.

Potential Data Sources

- Stakeholder consultations (Donors, municipal officials, subject-matter experts)
- Best practice case studies from similar institutions (e.g. Tusheti Protected Area, Tbilisi City hall etc.)

Research Methods

- Desk review
- In-depth interviews with identified respondents

2.2.5 Culture

Scope

If transfer is planned to be within organization than:

- Analyze internal organizational culture and how it affects MFM operations.
- Conduct perception survey and focus group discussions (FGDs) to identify internal challenges.
- Assess employee attitudes towards conflicts of interest (e.g., family ties to forestry businesses).

If separate body should be setup:

- Prepare awareness and training program outlines on ethics, transparency, and compliance.
- Identify anti-corruption measures that should be integrated into PR, communication systems, and strategic plans.

Potential Data Sources

- Legislative and policy documents review
- Stakeholder consultations (municipal officials, subject-matter experts)
- Best practice case studies from similar institutions (e.g. Tusheti Protected Area)

Research Methods

- Desk review
- Perception Survey
- Focus Group Discussions

2.3 SWOT analysis

After collecting information on the internal and external factors SWOT analysis should be developed to summarize the key strong and weak factors together with opportunities and challenges. The framework for developing the SWOT analysis is provided in the PMO Consulting document.

Step 3: Organizational Design Development

After analyzing the internal and external dimension, the next step is to establish a well-structured **organizational design**. This involves defining the institution's **strategy, governance framework, decision-making processes, and operational workflows** to ensure efficiency and long-term sustainability.

Participants: External consultant (R), contracting party, beneficiary, representatives of stakeholders

Resources: might include logistical costs, accessibility to communication platforms

Timeline: 6-8 weeks

3.1 Strategy

A clear strategy serves as a roadmap for the Municipal Forest Management (MFM) institution, defining its mission, objectives, and core functions. The strategic development process involves:

1. **Defining Core Services & Functions** – Clarifying the primary role of MFM in forest governance, conservation, and resource management.
2. **Identifying Target User Groups** – Determining the key beneficiaries, including local communities, women and underrepresented groups, businesses, and government stakeholders.
3. **Assessing Resource Needs** – Evaluating financial, human, and technical resources required for effective service delivery.
4. **Setting Performance Standards** – Establishing benchmarks to measure institutional effectiveness and impact.

Strategic Methodology:

- Conduct critical success factor analysis to identify essential resources and capabilities needed to provide services defined above.
- Incorporate findings from external factor analysis (SWOT, regulatory reviews, benchmarking studies).
- Develop SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound).
- Ensure strategy alignment with institutional capabilities and resource availability.

Evaluation Questions after developing the strategy:

1. Is the strategy clearly defined and effectively communicated?
2. Does the strategy integrate all relevant internal and external aspects?
3. Are the necessary resources in place for successful execution?

Once the strategic objectives are in place, the next step is to establish governance structures, decision-making processes, and operational workflows to support effective implementation.

3.2 Governance & Institutional Framework

- **Define Institutional Policies & Frameworks** – Establish regulations, compliance mechanisms, and operating procedures.
- **Clarify Decision-Making Authority** – Determine the institution's level of independence, hierarchy, and oversight mechanisms.

- **Operational Structure** – Design an organizational chart outlining roles, responsibilities, and reporting lines.

Step 4: Financial Arrangements & Sustainability

Participants: External consultant (R), contracting party, beneficiary, representatives of stakeholders

Resources: might include logistical costs, accessibility to communication platforms

Timeline: up to 2 weeks

To ensure long-term viability, MFM must establish a sustainable financial model:

- **Identify Funding Sources** – Explore options such as government budgets, donor funding, and public-private partnerships (PPP).
- **Develop a Revenue-Generation Model** – Implement financial sustainability measures aligned with the **Cost-Benefit Analysis framework developed by PMO Consulting**.

Step 5: Roll-out and implementation

Outline phased implementation steps with clear milestones. It is advisable to develop a one-year Action plan that includes, necessary resources, budget, timeline and responsible person for each task. Together with the general Action plan capacity building plan should also be developed. This is essential step for strengthening institutional and technical competencies.

Participants: External consultant (R), contracting party, beneficiary

Resources: might include logistical costs, accessibility to communication platforms

Timeline: 2 weeks

As mentioned above stakeholder engagement is one of the most essential parts therefore 1 year stakeholder engagement and communication plan should be developed covering:

- Inclusive participation strategies, including consultations, workshops, and digital engagement platforms.
- Transparency and continuous feedback mechanisms to promote accountability.

Step 6: Monitoring & evaluation framework development

To assess institutional effectiveness, MFM must establish a comprehensive evaluation framework based on Key Performance Indicators (KPIs).

Participants: External consultant (R), contracting party, beneficiary

Resources: might include logistical costs, accessibility to communication platforms

Timeline: 2-3 weeks

Assessment Focus Areas should include:

- **Governance Efficiency** – Is decision-making structured and effective?
- **Stakeholder Inclusion** – Are key actors actively engaged in the process?
- **Institutional Capacity** – Does MFM have the necessary skills and resources?
- **Sustainability** – Is the institution financially and operationally viable?
- **Financial Viability** – Are funding mechanisms stable and sustainable?
- **Scalability & Adaptability** – Can the model be expanded to other municipalities or adapted for strategic forest management?

Evaluation Frequency

- **Short-Term Review:** Conduct an initial assessment within the first year to measure efficiency and address potential challenges.
- **Long-Term Review:** Implement periodic evaluations every 3-5 years, aligned with the broader strategic cycle.

To maintain transparency and prevent conflicts of interest, it is advisable to engage an external consultant for institutional assessments and performance evaluations.

3.3 Final product/output

Based on the MFM methodological framework, the following key deliverables will be developed to guide institutional design, implementation, and sustainability:

1. Situational Analysis Report

Comprising of three sections:

1. **Stakeholder mapping and analysis:** This step entails locating and classifying all pertinent parties participating in Municipal Forest Management (MFM), such as local governments, civil society organizations, representatives of the private sector, and community organizations. Stakeholder mapping and analysis should incorporate GESI principles.
2. **External Dimension:** analysis of six main factors: Regulatory, Political, Socio-cultural, Economic, Technological, Environmental.
3. **Internal Dimension:** Gap analysis of internal elements - Performance, structure, governance, HR capabilities, systems & processes (if it is within already established organization. If MFM should be a separate entity it should analyze best practices and overall needs)

2. SWOT Analysis

A structured evaluation of strengths, weaknesses, opportunities, and threats to inform strategic decisions, based on the instructions of gender-sensitive SWOT analysis framework.

3. Organizational Setup Document

It should include the analysis on three levels of organization: Strategy, Processes and People

- Strategic Objectives: Core mission and goals.
- Structure & Processes: Organizational chart and governance model, decision-making frameworks, main processes and operational workflows.
- HR & Competency Matrix: Skills requirements, capacity-building needs, KPI framework for monitoring performance.

4. Financial Plan & Cost-Benefit Analysis (CBA)

- Budget covering personnel, operations, inventory, and technology.
- CBA to assess financial viability and long-term sustainability.

5. Implementation & Launch Plan

- Development & Communication Plan: Step-by-step roadmap for establishing communication and stakeholder engagement plan.
- **One year internal Action Plan:** including objectives that are divided into activities depicting implementation period, necessary resources and responsible unit or each activity.

6. Monitoring and evaluation framework

Framework should be developed both for short- and long-term evaluation:

- Short term review framework to assess and fine tune the institutional design after the launch

- Long term Monitoring & evaluation framework to Implement periodic evaluations every 3-5 years, aligned with the broader strategic cycle.

4 Conclusion

Municipal Forest Management presents an opportunity for Georgia to enhance forest governance, economic development, and environmental conservation. However, the success of MFM depends on a structured institutional framework, clear governance policies, financial sustainability, and community engagement.

Key recommendations include:

- Establishing a well-defined governance model that balances municipal autonomy with national oversight.
- Investing in technical capacity-building and infrastructure to support sustainable forest management.
- Developing financial mechanisms that ensure long-term sustainability through diversified revenue sources.
- Strengthening community participation and inclusive governance models.
- Learning from international best practices to adapt successful institutional models to Georgia's context.

Annex 1- FoLi Analysis

The FoLI document defines local significance forests as forests that meet specific criteria, including:

- Being within municipal administrative boundaries.
- Serving local socio-economic, cultural, or ecological needs (e.g., non-timber resource collection, recreation, or community use).
- Remaining outside protected areas, religious lands, or private ownership.

The transfer of forests from national to municipal jurisdiction is structured as a multi-step bureaucratic process:

Step 1- Application Submission by the Municipality

- Municipalities must formally request the designation of forests as LSFs.
- This request includes justification based on predefined criteria and alignment with existing zoning and national forestry policies.

Step 2 -Mandatory Assessments and Supporting Documents

- Cost-Benefit Analysis (CBA): The municipality must demonstrate economic feasibility before receiving the forest
- Forest Management Plan that outlines: (1) Forest zoning and permitted uses. (2) Management objectives, conservation strategies, and operational guidelines; (3) Revenue models (if applicable).
- Stakeholder Consultation Reports: Proof that local communities have been involved.
- Environmental and Risk Assessment: Identifies potential ecological risks and mitigation strategies.

Step 3 - Government Review and Approval

- The national government retains final authority over the designation process.
- Approval follows an administrative review based on compliance with Georgia's Forest Code and other relevant forestry legislation.

Step 4 - Official Transfer and Legal Registration

- Upon approval, the forest is officially registered as a municipal forest.
- Municipalities assume legal responsibility for sustainable management and compliance.

Strengths of the Transfer Process

The FoLI document excels in providing legal clarity and ensuring that forest transfers are conducted through a structured, well-defined process. This structured approach helps maintain national oversight, prevents haphazard forest transfers, and ensures that municipalities have at least a basic level of preparedness before assuming management responsibilities.

It also clearly defines eligibility Criteria and legal steps for transfer. The document provides specific guidelines that reduce ambiguity, such as:

- Forests must be within municipal administrative boundaries and must serve local socio-economic or environmental functions.
- The step-by-step process ensures that forests are not arbitrarily transferred, protecting critical ecological resources from mismanagement.
- The submission requirements (cost-benefit analysis, management plan, stakeholder consultation reports) add an additional layer of due diligence, ensuring that municipalities demonstrate readiness before assuming responsibility.

Another notable strength of the framework is its emphasis on financial and operational planning before forest transfer. This requirement ensures that municipalities are at least theoretically aware of the financial responsibilities involved and are not simply acquiring forests without a clear strategy for management.

The FoLI document supports Georgia's ongoing forest sector reform by aligning with broader decentralization efforts. By transferring forests to municipal management,

Weakness of the Transfer Process

Despite its strengths, the FoLI document lacks key elements necessary for the effective transfer and management of forests at the municipal level. The following weaknesses could lead to significant implementation challenges, financial risks, and governance inefficiencies.

The document mandates municipalities to prepare financial and management plans assuming Municipalities have financial and technical capacity without providing institutional support. Without state-backed institutional support, the burden of responsibility placed on municipalities could result in ineffective governance, financial mismanagement, and even forest degradation due to a lack of enforcement capacity.

Another important issue is the absence of a transition framework is a major weakness in the FoLI document. Transferring forests from national to municipal control is a complex administrative process, requiring legal, financial, and operational adjustments. However, the document does not include provisions for a phased transition that would allow municipalities to gradually assume responsibility.

Although the FoLI framework decentralizes forest management, it does not give municipalities full decision-making power over how forests should be governed. The rigid national criteria limit the ability of municipalities to develop locally tailored management approaches.

Legal Implications

The FoLI document ensures legal continuity, meaning municipal forests remain integrated into the national forestry system and are subject to state oversight. The municipality becomes responsible for ensuring sustainable use, with an obligation to report to national authorities. There are no explicit financial provisions - municipalities must self-finance management, making long-term sustainability uncertain.

The FoLI document does not explicitly define a comprehensive management model, but it implies a state-regulated, municipally administered system with limited local decision-making power. This document is a draft that can be amended.