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Summary report

Regional workshop

Wood Tracking Systems & EU Deforestation Regulation Compliance: Strengthening Forest Governance in Eastern Partnership countries

Date: 23-24 October 2025

Introduction

The Regional Workshop on '*Wood Tracking Systems and EU Deforestation Regulation Compliance: Strengthening Forest Governance in Eastern Partnership Countries'* took place on **23-24 October 2025** at the DoubleTree by Hilton Hotel in Yerevan, Armenia.

The event was organised under the EU4Environment Programme (Activity 4.3)**,** which supports Eastern Partnership (EaP) countries in preventing illegal logging, aligning with EU legislation**,** and promoting sustainable timber trade through stronger control systems and capacity building. The initiative aims to assist stakeholders in, *inter alia*, developing and implementing effective Wood Tracking Systems (WTS) to curb illegal harvesting, enhance governance, and prepare for compliance with the upcoming EU Deforestation Regulation (EUDR)**.**

The workshop was conducted in English**,** with simultaneous interpretation in Armenian and Ukrainian**.** Participants from both the public and private sectors attended the event in person, while additional participants joined online.

The event sought to strengthen the capacities of EaP countries to prevent illegal logging, align with EU standards, and foster sustainable timber trade through the implementation of WTS. It also provided a platform for knowledge exchange, technical dialogue, and regional coordination**,** contributing to improved forest governance in line with the EUDR.

Organisers: The workshop was jointly organised by the World Bank and the French international forestry consulting company ONF International (ONFI), a subsidiary of the French National Forest Office, and its consortium members SOLUTON (Armenia), CENN (Georgia) and BIOTICA (Republic of Moldova).

Participants: The workshop brought together 43 participants representing government institutions, civil society, academia, and international organisations from the EaP countries of Armenia, Georgia, Republic of Moldova and Ukraine, as well as representatives of the European Commission, the EU Delegation to Armenia, the World Bank, and partner organisations under the EU4Environment Programme.

Online participation included 20 representatives from key institutions such as the Agency Moldsilva from Moldova, the State Forest Resources Agency of Ukraine, the Food and Agriculture Organization of the United Nations (FAO), the European Commission, WWF Ukraine, Ecoaction, Prominfo, and academic and research institutions, including the University of Life and Environmental Sciences of Ukraine. Most online participants were technical experts, institutional focal points, and practitioners involved in forest governance, digital traceability systems, and alignment with EU forest-related regulations, who, as for in-person participants, had mostly been invited to participate in the event.

The **Armenian delegation** included officials from the Ministry of Environment and its affiliated entities, including the "Hayantar" State Non-Commercial Organisation (SNCO) and the Inspection Body for Environmental Protection and Mining (Ecopatrol Service). Representatives of Armenian civil society organisations and independent experts also took part in the workshop, contributing to the discussions on national WTS and EUDR readiness.

The **Georgian participants** represented the private sector and civil society, including the Georgian Wood Processors and Furniture Manufacturers Association, the Tilisma wood enterprise, the Association for Environmental Protection and Sustainable Development and an expert in sustainable forest management.

The **Moldovan representatives** came from the Ministry of Environment and from the Agency Moldsilva.

Ukraine was represented by experts from the State Forest Resources Agency, the State Enterprise Forestry Innovation and Analytical Center, and PEFC Ukraine, who shared insights on digital forest monitoring and traceability initiatives.

The World Bank team and ONFI experts, together with staff from consortium partners SOLUTON, CENN and BIOTICA, facilitated the sessions.

Summary of sessions

Day 1: 23 October 2025

Steven Speed (ONFI), as project team leader and workshop facilitator, introduced the event and provided a brief overview of the workshop objectives and agenda. He outlined the link between the workshop and the wider objectives of Activity 4.3 of the EU4Environment project which began in November 2023 (and was concluding with the current workshop) and included the following eight deliverables, in addition to the present workshop summary report:

- Inception report
- Sustainable forest management (SFM) and legal timber trade in Armenia, Georgia and Moldova
- Impact assessment of the EUDR on Armenia, Georgia, Moldova and Ukraine and recommendations for facilitating compliance
- Recommendations for development of SFM and Certification guidelines in Armenia
- Recommendations for introducing innovative roundwood trade control technology in Armenia
- Introduction and operation of SFM certification in Georgia: case studies from comparable countries and recommendations
- SFM and Legal Timber Trade in the Republic of Moldova
- Pilot Project for a Forest Product Web Platform in the Republic of Moldova.

Welcome remarks were provided by Mrs Lusine Avetisyan (Ministry of Environment of Armenia), Mr Frank Hess (Head of Cooperation, EU Delegation to Armenia) and Mr Fisseha Tessema Abissa (Senior Environmental Specialist, Task Team Leader, World Bank).

Opening statements emphasized the shared regional responsibility to strengthen forest governance and align with international sustainability standards. In his welcome address, Mr Fisseha Tessema Abissa highlighted the significance of the forest sector as a 150-billion-USD global industry, describing it as both an economic and environmental priority. He underlined that without progress in the sector of legality, achieving broader national development goals would be difficult, noting that sustainable forestry represents one of the most profitable forms of environmental investment. He also stressed that the objectives of the EU4Environment Programme are deeply embedded in the World Bank's strategic agenda, emphasizing the importance of cross-country knowledge exchange, practical collaboration, and the translation of policy dialogue into scalable, high-impact investment programmes.

Setting the Scene: *Presentations by Mrs Lusine Avetisyan (Ministry of Environment of Armenia) and Mr Frank Hess (Head of Cooperation, EU Delegation to Armenia)*

Country representatives presented their national forestry sectors and shared experiences in forest management and wood control systems:

Armenia (Mr Davit Abovyan, Hayantar SNCO): *Hayantar's mandate, structure, and main areas of activity.*

Hayantar manages more than 361,000 hectares (ha) of state forest lands, which is about 12 percent of the country's territory, through 17 regional forestry branches that also include 13 nature reserves. The organization is

responsible for forest protection, reforestation, and sustainable use, and is financially supported by the state budget and income from entrepreneurial activities such as ecotourism, seedling sales, and forest restoration services.

In 2024, Hayantar carried out the reforestation or afforestation of 337 ha, produced over 677 000 seedlings, and provided around 41 800m^3 of fuelwood to 7 473 households in forest-adjacent communities as part of its social support programme. The presentation also highlighted cooperation with public, educational, and international partners, and noted that since 2024, forest protection has been implemented by the Ministry's Ecopatrol Service to strengthen enforcement and oversight throughout Armenia's forests.

Georgia (Mr Iakob Kapanadze, CENN): The presentation outlined the nature and extent of the country's forest resources, institutional framework and key governance reforms. Georgia's forests cover about 3.1 million ha, or 44.5 percent of the national territory, with 98 percent located in mountainous areas primarily serving protective functions. Approximately 83 percent of forests are broadleaf and 17 percent coniferous, with more than 98 percent being natural stands.

The main forest management body, the National Forestry Agency (NFA), administers about 65 percent of the forest area, while additional oversight is provided by the Forestry Agency of Adjara, the Agency of Protected Areas, and municipal administrations. The Ministry of Environment Protection and Agriculture (MEPA) leads national forest policy and legislative development, including the Forest Code of Georgia adopted in 2020, which introduced SFM principles and established the basis for independent forest certification. Supporting regulations adopted since then define forest use rules, timber movement and origin documentation, and criteria and indicators for sustainable management.

The presentation also discussed the National Forest Inventory completed in 2019-2021 and mentioned that currently around 30 percent of the forest area is under management plans. All forests remain under state ownership, with ongoing work to clarify boundaries and categories. The speaker highlighted the persistent challenge of illegal forest use, as actual consumption exceeds official production. To address this, the 2020 Forest Code introduced Business Yards, operational from 2025, where cutting, processing, and sale of wood occurs under National Forestry Agency control, ensuring legality and traceability.

The long-standing social logging system, which allows households to receive 7m^3 of firewood (and 15m^3 in mountainous regions) was also reviewed, noting its role in energy access but also its financial, safety, and environmental drawbacks. Overall, the presentation depicted a forestry sector in transition toward sustainability, transparency, and compliance with modern forest governance standards.

Moldova (Mr Adrian Scutelnic, Ministry of Environment) - The presentation outlined the country's forest sector, governance framework, and current reform agenda. As of 1 January 2025, Moldova's forest fund totals 453 850 ha, representing 13.4 percent of the national territory, with a forest-covered area of 378.290 ha, and a degree of afforestation of 11.5 percent. Forest ownership is distributed as follows: state property 362.880 ha (80 percent), public property of administrative-territorial units 88.260 ha (19.4 percent), and private property 2.740 ha (0.6 percent). Moldsilva manages 305.340 ha, or 93.4 percent of state forests, through 16 forestry enterprises, 166 forestry sectors, four natural reservations, 80 forest departments, and 934 forest cantons.

The forest area has expanded steadily, from 230 000 ha in 1918 to about 378 000 ha in 2024. The National Programme for Afforestation and Forest Rehabilitation (2023-2032) targets 145 000 ha of land for afforestation and ecological restoration, including 85 000 ha of eroded or landslide-prone lands, 15 000 ha of riparian belts, and 10 000 ha of shelterbelts, with initial activities already implemented on 8.600 ha during 2023-2024.

The new Forest Code, adopted by Parliament in 2024 and in force since 26 April 2025, establishes SFM principles such as ecosystem integrity, resilience, and biodiversity conservation, and explicitly refers to forest certification as a key tool for achieving these goals.

The forestry sector contributes about 0.3 to 0.4 percent of GDP, yet remains socially vital, as roughly 90 percent of rural households rely on firewood for heating. Between 2012 and 2022, total wood harvesting averaged about 620 000 m^3 per year, with Moldsilva accounting for approximately 92 percent of production. Exports of wood and wood products averaged 17.3 M USD per year, while imports averaged 121 M USD, indicating a strong dependence on imported wood. Employment in the forestry sector has declined from over 4,300 workers in 2010 to about 3,500 in 2020.

Persistent challenges include illegal logging, which officially rose to 4 642 m³ in 2023, the impacts of climate change such as droughts and forest fires, and limited institutional capacity. Priority actions include completion of the new regulatory framework, digitalization of forest management, afforestation and rehabilitation of degraded lands, modernization of technical infrastructure, professional training, and alignment with the EU Timber Regulation (EUTR) and the EUDR.

Ukraine (Mr Hamlet Pohosyan, Forestry Innovation and Analytical Center): Detailed overview of Ukraine's forestry sector, its economic performance, wartime challenges, and digital transformation.

Ukraine's forest fund covers 10.4 M ha, representing 15.9 percent of the national territory, with a total timber stock of 2.3 B m^3 (an average of 235 m³ per hectare).

The State Forest Resources Agency of Ukraine (SFRAU) manages about 73 percent of this area through nine territorial bodies and seventy-four enterprises, while the remainder includes municipal forests (13 percent), forests under the Ministry of Defence (6 percent), and unmanaged or other ownership (8 percent).

In 2024, SFRAU enterprises harvested 14.9 M m^3 of wood, of which 12.6 M m^3 (85 percent) came from state-managed forests. The sector achieved a net revenue of 23.7 B UAH, net profit of 2.5 B UAH, and paid 9.3 B UAH in taxes, with profitability at 10.5 percent and an average monthly salary of 24,294 UAH. The ongoing war has severely affected forest operations: about 0.8 M ha remain under temporary occupation, 0.1 M ha have seen active combat, and 0.9 M ha have been de-occupied. Forestry workers have made significant sacrifices, with 2 464 mobilized, 163 killed, 263 injured, and 148 missing. The sector has contributed materially to defence efforts, providing 534 700 m³ of timber products free of charge and 171 500 m³ under contracts to the Armed Forces.

Despite wartime constraints, Ukraine continues implementing the presidential initiative "Green Country", under which 35,200 ha of forest have been restored, including 6,100 ha of new afforestation. Work is also underway to classify 1.9 M ha of self-forested lands for inclusion in the national forest fund. The enterprise Forests of Ukraine has submitted requests to take over 215,100 ha of unmanaged forest lands, of which 8,327 ha have already been approved.

The presentation highlighted major progress in digitalization, including the introduction of electronic logging permits, e-certificates of wood origin, photo documentation of timber transport, and GPS-based monitoring of vehicle movement. A new Exporter's Digital Office enables transparent verification of timber origin and assessment of compliance with the EUDR.

Other ongoing reforms include investment in forest seed centres (producing up to 69 M seedlings annually, with seven operational and two under construction), construction of 253.6 km of new forest roads in 2024, and the expansion of forest recreation infrastructure, now offering more than 1,700 recreational sites visited by over two million people in 2024.

Session 1: Introduction to WTS: Definitions, trends, and the Eastern Partnership context

The presentation by Mr Antoine de La Rochefordière, International Expert in Timber Legality and Traceability, provided a detailed overview of the National Wood Tracking System (NWTS) concept and its importance for preventing illegal logging and supporting compliance with the EUDR.

The presentation introduced the concept, objectives, and relevance of NWTS for the EaP countries, focusing on Armenia, Georgia, and Moldova. It recalled that according to WWF/FAO between 15 and 30 percent of timber harvested worldwide is considered of illegal origin and that increasing demand from responsible buyers and legislators, especially in the EU, requires verified proof of origin and legality. Traceability and verification of legal origin and compliance were presented as essential instruments to ensure that production and trade in wood products are both legal and transparent.

The presentation explained the need to prevent illegal logging and to control legal harvesting and distribution, including wood fuel. Illegal logging and illegal imports distort markets and depress timber prices. Stronger control measures justify revitalizing the timber sector and improving product value and exports. The core concept of "timber-flow control" was introduced as the means to verify both the legitimate origin of wood and the integrity of supply chains through volume and mass balance checks from source to export or the local market.

Two related concepts were defined: Verification of Legal Origin (VLO), which confirms that timber in the supply chain genuinely comes from declared legal sources, and Verification of Legal Compliance (VLC), which ensures respect for management, processing, and trade regulations. Both are required by international standards such as

sustainable forest management certification and by trade regulations including the EUDR. A National WTS combines both tracking (VLO) and monitoring (VLC) functions, providing control across the entire chain and ensuring reliable evidence of legality.

The opportunity for the region lies in strengthening production and export-trade control in support of EUDR compliance. Although exports of wood products from Armenia, Georgia, and Moldova are still limited, future growth is expected through organized certified production of high-value saw logs and value-added products such as charcoal or pellets. Developing these capacities may take three to five years, and dynamic national action plans are therefore essential.

A WTS was defined as "an IT-based data communication network and data management engine centred on a central online electronic database platform, interconnected with peripheral data tools." It can operate nationally or within a certification or supply-chain community. In the EaP context, a NWTS is particularly important for improving state control and transparency, combating illegal logging, and providing visibility in the supply chain.

The tracking function registers each new product with a unique identifier and records every change in its location, ownership, or form from harvest to processing and sale, maintaining the links between trees, logs, and derived products. The monitoring function follows information on inventories, harvesting, imports, processing, storage, and export, checking each stage against permits, legislation, and taxes, and detecting discrepancies beyond tolerance levels. Together, these functions allow verification of legality for export permits and customs clearance.

Systematic registration of all formally produced or imported products in the NWTS also enables detection of unregistered goods, helps expose illegal routes, and provides the geolocation traceability required by EUDR. Main users of a NWTS include government institutions for regulation and enforcement, forest and timber companies, certification bodies and NGOs for independent oversight, and international buyers demanding proof of legality.

The presentation listed the key benefits of establishing a NWTS: ensuring traceability and legality of wood products; improving tax and fee collection; enabling automatic stock inventories; reducing under-reporting and unsustainable logging; creating fair competition; enhancing transparency and confidence among markets and civil society; reducing reputational and financial risks; supporting certification and EUDR compliance; and consolidating accurate national data on wood use and demand.

An assessment of feasibility in Armenia, Georgia, and Moldova noted that any system must also be suited to tracking firewood, which represents 75 to 99 percent of total harvests in Armenia. Because firewood and other wood fuel products (e.g., charcoal, pellets) cannot be individually tagged, practical solutions include tracking bundles or truckloads as single units or reconciling quantities measured at source and destination. While such systems are less secure than itemized tracking, reliability can be increased through independent inspection and public scrutiny. Limitations include development and monitoring costs, low product value, and limited market incentives, meaning political and financial support will likely be required.

Finally, the presentation highlighted Ukraine's more advanced digital system, where logging tickets and certificates of origin are issued electronically, allowing full traceability from harvest to export. More than 42 500 certificates and 74 000 logging tickets had already been issued through the system.

In conclusion, the presenter emphasized that national WTS are essential to ensure legality and traceability, prevent illegal logging, and support legal timber trade. They contribute to SFM, international compliance, and improved market access. Their effectiveness depends on clear institutional roles, strong enforcement, reliable financing, interoperability, capacity building, and sustained adoption. The future of efficient WTS lies in technology, transparency, and international collaboration.

Interactive session: Description of current approaches and SWOT analysis of WTS in each EaP country

During the interactive session, participants carried out a collaborative SWOT analysis on existing national approaches to WTS. Working in mixed groups, each country delegation discussed and identified their current strengths, weaknesses, opportunities, and threats related to WTS implementation. The discussions were facilitated jointly by national consortium partners and World Bank country representatives, ensuring that each group reflected its institutional and technical perspectives.

The exercise was conducted in a round-table format: for every SWOT category, one country started by naming a specific point - for instance, law enforcement capacity as a strength - and then the other delegations would respond, indicating whether the same point applied to their national context. The ONFI facilitators visualized these inputs using a color-coded scheme: green for strong performance or presence of element, orange for partial or developing capacity, and red for limited or weak capacity. The process was repeated sequentially for all four SWOT categories, allowing the countries to compare their situations directly, highlight shared challenges, and identify areas where regional cooperation or capacity building would be most beneficial.

SWOT : Weaknesses	Armenia	Georgia	Moldova	Ukraine
Technical and human capacities				
Poor Enforcement level				
Stakeholder understanding				
Need to update regulatory framework				
Marketing capacity				
No certification system				
No financial incentives				
System is overload (complex to manage by stakeholders)				

Session 2: System design, technologies and tools for wood tracking

Introduction to Romania's WTS "SUMAL 2", Bogdan Popa, Professor, Transylvania University of Brașov

The presentation introduced SUMAL 2.0, Romania's national digital wood tracking system, developed by the Government of Romania, the Ministry of Environment, the Special Telecommunications Service (STS) and the Forest Guard. The system ensures real time traceability of timber from harvest to final product, prevents illegal logging, and increases transparency and public trust.

SUMAL 1.0, launched in 2008, was upgraded to SUMAL 2.0 in 2021 with integration of GPS, mobile applications and online databases. The platform connects all actors in the timber supply chain, including forest districts, operators, processors and control authorities, through modules for harvesting permits, volume estimation, transport documentation, stock management and inspections.

The public portal Inspectorul Pădurii allows citizens to access information on transport documents, forest management plans and protected areas. The system uses QR codes, GPS tracking and automatic alerts to monitor legality, and data are shared across government agencies.

By 2024, SUMAL 2.0 registered 104 367 users, 17.84 million cubic meters of monitored timber, 93 529 transport vehicles, 4 million individual records, 17 241 companies and 18 265 storage facilities, while the alert system generated 987 emergency calls.

Challenges included digital adaptation, connectivity in remote areas and training needs, while future developments will focus on AI-based risk analysis, Copernicus satellite integration and carbon monitoring. The presentation concluded that SUMAL 2.0 is a proven, transparent digital ecosystem that strengthens forest governance and serves as a model for other countries***.***

Overview of key system design and features of tried and tested and emerging technologies and tools in WTS: Mr Antoine de La Rochefordière, International expert in timber legality, sustainability and traceability

The presentation provided a detailed overview of WTS design, technologies, and tools. It described the core components of a WTS, including unique identifiers, field data capture devices, and a centralized database. Unique IDs are allocated and controlled centrally to identify individual wood products, using barcoded tags or RFID technology, and to monitor their single use for product identification and declaration. Field data are collected through portable devices such as PDAs or smartphones, which transfer electronic information to a central database. Both elements can, if necessary, be replaced by traditional numbering, marking, and paper-based recording, though at the cost of lower productivity, higher error risks, and weaker control against fraud.

A functional WTS integrates several technical elements: a central database or cloud platform, data capture devices and sensors, links with other users' and institutional partners' systems (for example, customs, tax, or banking authorities), and GIS systems. Connectivity and secure data transfer protocols link all field-level operations with the central platform.

The core functionalities of a WTS include registering users with different access rights, managing statutory documents, receiving and processing forest data, and verifying compliance through cross-checks between declared and inspected data. The system operators can highlight nonconformities, issue alerts, generate reports, validate data sets, and conclude on the compliance of a timber operator or a batch of products.

A national WTS requires accompanying supporting services, including documentation and system specification, software development, testing, hardware procurement, deployment, training, database hosting, maintenance, and third-party auditing or certification.

The presentation reviewed proven tools and technologies for wood tracking, such as tags and labels (barcoded or RFID), PDAs and smartphones for data collection, and GPS sensors for vehicle tracking. GIS play a central role in mapping harvesting sites, processing facilities, and transport routes, enabling monitoring of the entire supply chain. A GIS also supports compliance with the EUDR, which requires precise geolocation of wood harvesting sites.

The session also addressed innovative IT-based solutions for EUDR due diligence information management. It highlighted that the challenge is not the availability of geolocation data but the secure, while confidential transfer of this information throughout the supply chain. Examples include the introduction of FSC Blockchain, which strengthens supply chain integrity and supports EUDR compliance, while national WTS platforms ensure confidentiality through trusted data management rather than public transparency.

Further sections presented emerging technologies, including blockchain, the Internet of Things (IoT), and artificial intelligence (AI). Blockchain was described as a secure digital ledger that records immutable, auditable transactions to verify timber legality and deter fraud. IoT enables real-time data exchange through sensors and devices, improving automation in tracking. When combined, IoT and blockchain can close the gap between physical and digital traceability. AI contributes to data analysis, predictive analytics, and automated monitoring, supporting tasks such as illegal logging risk assessment, real-time reporting, species identification, and remote sensing.

In conclusion, the presentation emphasized that national WTS are essential tools for legal and traceable timber trade. They remain the most effective option for national-level monitoring while protecting data privacy. Future WTS development will increasingly integrate blockchain, IoT, and AI technologies, though these innovations will complement rather than replace national systems. The key lessons underlined the need for pragmatic design, capacity building, cost efficiency, and the possibility of adapting existing functional platforms such as SUMAL or Ukraine's digital system for use in other EaP countries.

Demonstration of a digital wood "stock place" software platform developed for the Republic of Moldova as part of the project: Mr Cedric Lardeux, Remote sensing and GIS expert, ONF International

The presentation introduced the Pilot Forest Monitoring Platform of Moldova, referred to as "Wood and wood product stock place", which serves as a digital pilot to improve forest product monitoring and create a basis for a future national traceability and legality verification mechanism.

The initiative aims to consolidate currently dispersed stock data from all Moldsilva forest enterprises into a single web-based platform. Moldova's current forest management system is mainly based on Excel sheets for recording stocks, with only a few enterprises applying GIS tools.

Field visits in 2024, carried out jointly with the World Bank and Moldsilva, confirmed stakeholder interest in establishing a centralized GIS-based monitoring system to improve data consistency, transparency, and accessibility.

The pilot platform is built on the open-source OneGeo Suite geospatial framework and integrates a PostgreSQL and PostGIS database with GeoServer map services. It allows users to view and manage stock data in real time by species, volume, and location. Demonstrations showed that the platform could provide valuable insights for resource management, logistics, and decision-making, functioning similarly to other European systems such as SUMAL 2 in Romania. The design approach follows an iterative process: first identifying gaps through stakeholder consultations, then building and testing a pilot version, followed by feedback and further adjustments. This step-by-step method ensures that the platform develops in line with user needs and institutional priorities.

The platform's main goal is not only to present data but to generate tangible benefits for forest managers, regulators, and enterprises. Key advantages include better traceability of harvested wood from the point of felling to sale, improved planning and monitoring capacity, and greater transparency across the supply chain. The presentation concluded that the pilot platform demonstrates technical feasibility, strong stakeholder feedback, and the potential to serve as a foundation for future wood product traceability and legality verification systems in Moldova.

Day 1 was finalized by a networking dinner.

Day 2: 24 October 2025

Session 1: The EUDR framework: Key concepts - Objectives and overview of the EUDR, EU Operator responsibilities, and implications for producers and traders in exporting countries: Mr Alain Verney, International expert in timber legality verification and implementation of national wood tracking systems

The presentation provided a detailed overview of the EUDR framework, outlining its objectives, requirements, scope and control mechanisms. The EUDR aims to minimize the environmental impact of the European Union (EU) worldwide by reducing deforestation, forest degradation, greenhouse gas emissions and biodiversity loss. It ensures that products consumed or exported within the EU are deforestation free and produced in accordance with the legislation of the country of origin.

The presentation traced the policy development from the 2003 EU FLEGT (Forest Law Enforcement, Governance and Trade) Action Plan, the subsequent FLEGT licensing scheme and VPAs (Voluntary Partnership Agreements) with timber producing countries, and the 2013 EU Timber Regulation (EUTR) to the 2019 European Green Deal, which set the goal of climate neutrality by 2050. The EUDR repeals the EUTR and extends its coverage to six main commodities and their derived products including coffee, cocoa, rubber, palm oil, soy and beef, as well as a wider range of wood based products such as charcoal, furniture, paper and publishing materials.

EUDR obligations apply to operators and traders who place products on, or export them from, the EU market. Only products that are proven to be deforestation free and legal can enter or circulate within the EU. Operators must establish and maintain a Due Diligence System, submit a Due Diligence Statement to the EU Information System and keep documentation for at least five years.

Key requirements include proof that commodities originate from land not deforested or degraded after 31 December 2020, geolocation of production plots, and full traceability across the supply chain. Mixing of compliant and non-compliant goods is prohibited. Operators must collect information on legality, land status, environmental and social compliance and assess and mitigate risks through document verification, audits and supplier engagement.

The European Commission established a country benchmarking system to classify nations as high, standard or low risk. As of April 2025, Armenia, Georgia, Ukraine and Moldova are listed as low risk, which allows simplified due diligence procedures and reduced control levels.

Controls by national Competent Authorities follow a risk-based approach that combines document checks, field inspections and technological tools such as satellite imagery, DNA and isotopic analysis to verify product origin.

Minimum control rates are set according to the risk level, with one percent of operators checked in low-risk, three percent in standard-risk and nine percent in high-risk countries.

Penalties for infringements include confiscation of products or income, financial fines of up to four percent of the company's annual turnover, and possible temporary exclusion from public procurement or access to EU funding.

The timeline presented in the final slides indicated that the EUDR entered into force on 29 June 2023, will apply to large and medium sized companies from 30 December 2025 and to small and micro enterprises (SMEs) from 30 June 2026. The European Commission is now proposing amendments that would postpone the application for SME operators to 30 December 2026 and introduce simplified declarations.

The presentation concluded that the EUDR represents a major step in aligning trade with global forest protection goals and will require strong national coordination, traceability tools and transparent information exchange to achieve full compliance.

Session 2: National Pathways to EUDR Compliance: Risk Assessment and Readiness

Steps for ensuring compliance with EUDR: Mr Alain Verney, International expert in timber legality verification and implementation of national WTSs

The presentation focused on national pathways to EUDR compliance, identifying opportunities, risks, and institutional support needs for EaP countries. It outlined the main opportunities created by the regulation, including improved and secure access to the EU market, competitive advantage for early adopters, sector modernization through digital traceability and transparency, alignment with EU forest governance and environmental standards, access to technical assistance and green financing, and wider environmental and social benefits such as reduced deforestation and stronger community participation.

The slides then highlighted challenges and potential risks. These include significant compliance costs for traceability and verification systems, gaps in institutional coordination among forestry, environment, customs, and trade authorities, the possible exclusion of smallholders and informal operators from EU trade, and the complexity of digital tools that require advanced technical skills. Limited transition time before enforcement and the reputational risk of a poor EU benchmarking rating were also noted.

The presentation described key challenges for supply chain actors. Forest producers must provide detailed product information including species, harvesting dates, and shipping lists, as well as precise geolocation data of forest plots in GeoJSON format for submission to the EU Information System. They must also provide proof of legality through permits, environmental and social compliance reports, tax payment records, and certification documents.

Non-EU traders, though not directly bound by the regulation, are expected to demonstrate to their EU clients that products comply with EUDR requirements. They should map their supply chains, assess risks of deforestation, illegal production, or product mixing, and address any substantiated concerns. Producers and intermediaries need systems to collect, store, and transmit this information downstream and may seek supplier consent for audits or data sharing in line with EUDR requirements.

Proposed practical solutions include using existing international certification schemes such as FSC and PEFC, legality verification systems like those offered by SGS or *Preferred by Nature*, and digital platforms that combine geolocation and legality data. The slides also listed digital tools such as satellite imagery, GIS applications, and specialized EUDR software. Capacity building was identified as an essential support measure, including training, technical assistance, and shared digital infrastructure.

At the institutional level, maintaining the low-risk status in EU benchmarking is a strategic priority. The current classification, published in May 2025, is based mainly on deforestation rates and may be reviewed in future. The presentation suggested improving regulatory and technical frameworks, strengthening law enforcement and governance transparency, and enhancing coordination between forestry, trade, and environment authorities.

Further institutional support should include ensuring public access to geospatial and legal data, training private sector actors on EUDR obligations, facilitating certification, and integrating legality and traceability information into digital systems connecting forestry, transport, trade, and customs.

Slides on capacity building emphasized the need to train customs, forestry, and trade officers, develop monitoring and traceability systems linking sectoral databases, reinforce verification procedures, and strengthen interagency coordination.

The presentation concluded that cooperation and dialogue with the EU can provide both technical and financial support, notably through initiatives such as the Team Europe Initiative (TEI) on Deforestation Free Value Chains, Forest Partnerships, and the FLEGT VPA processes. Collaboration also supports maintaining low-risk benchmarking, aligning with EU Green Deal standards, and strengthening the credibility of national reforms.

Interactive session 2: EaP country presentations on gaps and key issues in their national approach to EUDR

During the second interactive session, participants engaged in a collaborative analysis of national gaps and key issues related to EUDR readiness. The format mirrored the previous day's SWOT analysis exercise: country delegations discussed their respective situations, while facilitators from ONFI and World Bank guided the comparison process again using a color-coded matrix to visualize each country's progress and challenges. Green indicated areas of relative strength or established capacity, orange, intermediate or developing conditions, and red, significant gaps requiring further attention.

Discussions focused on five central themes:

1. Technical capacities to develop a traceability system, where Ukraine demonstrated advanced digital infrastructure, while Armenia, Georgia, and Moldova were still in the development phase, considering the adoption of an existing model to accelerate implementation.
2. Stakeholder engagement, where all four countries recognized the need to enhance awareness, knowledge exchange, and communication among forest agencies, private sector operators, and local communities.
3. Monitoring and enforcement, identified as relatively strong in Armenia, but in need of legislative reinforcement in the other three countries.
4. Human resources, where all countries noted the importance of professional training and technical capacity building to meet EUDR requirements.
5. Forest categorisation, which remains an ongoing process in Georgia and Moldova, while Armenia and Ukraine are more advanced, focusing on finalizing categorization and ensuring that forest management aligns with national and EU-level classifications.

This exercise allowed participants to reflect on shared regional challenges-particularly in digitalization, institutional coordination, and human capacity-and to identify specific mitigation measures such as adopting

proven traceability models, building communication platforms, and strengthening legislative and professional frameworks to ensure EUDR compliance.

After the completion of the interactive exercise, ONFI provided the summary of the main takeaways of the workshop:

Across all four countries, illegal logging remains a persistent challenge, underscoring the need for stronger enforcement and improved monitoring tools.

Countries are at different stages of NWTS development, with Ukraine standing out as the most advanced, operating a fully integrated digital system, while Armenia, Georgia, and Moldova are progressing at varying levels of readiness. Financial and human resource constraints continue to hinder progress, and the forestry sector's contribution to GDP remains low throughout the region. Ukraine's position as a major timber exporter (10–12 percent of the EU market) also means that its compliance obligations under the EUDR are much higher than for the other three countries.

The summary further noted that fuelwood production dominates total annual harvest volumes in all four countries, reflecting both energy dependence and limited commercial diversification. The low or non-existent level of private forest ownership was identified as a structural barrier to innovation, investment, and more efficient forest management. Nevertheless, the EUDR transition offers an opportunity to enhance competitiveness by promoting resource valorisation, targeting higher-value markets, and aligning national governance with EU sustainability standards.

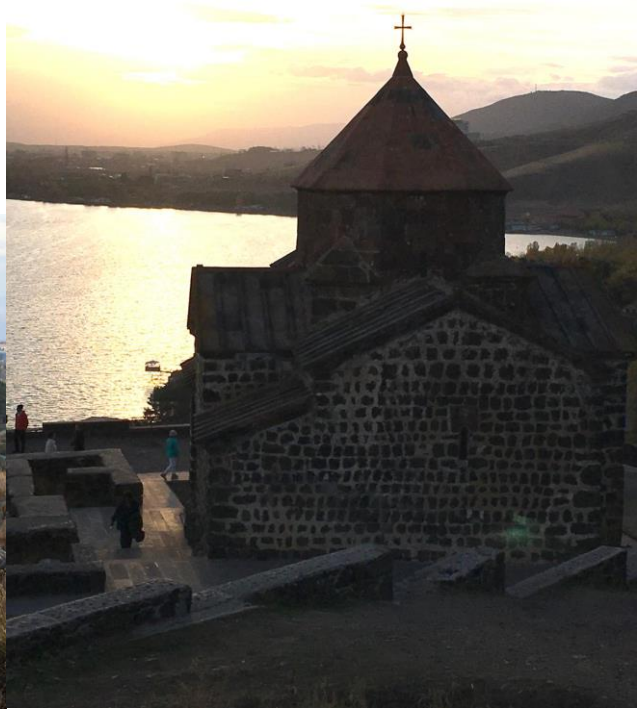
In conclusion, the ONFI consultants presented several recommendations for next steps:

- Conduct cost-benefit analyses for WTS design and implementation to ensure financial feasibility and long-term sustainability.
- Implement capacity-building programmes to strengthen both technical competencies and stakeholder awareness.
- Foster regional knowledge exchange, drawing on existing experiences such as Ukraine's digital platform and Romania's SUMAL 2.0.
- Establish dedicated financing mechanisms to support system rollout and maintenance.
- Prioritize law enforcement strengthening before transitioning fully to digital solutions.

These recommendations collectively aim to help EaP countries consolidate their progress toward transparent, traceable, and deforestation-free forest governance systems compatible with EU requirements.

Day 2 of the workshop concluded with a field trip.

The field trip combined both cultural and environmental components. Participants first visited a site near Lchashen Bay on Lake Sevan**,** known for its archaeological significance and ancient royal graveyards, offering insights into Armenia's rich historical heritage.



The visit continued with a birdwatching activity from a shore of the lake**,** organized by the World Bank Armenia Country Office, and accompanied by a lecture on local biodiversity. Participants used binoculars and telescopes to observe various bird species including the endemic Armenian Gull.

The excursion concluded with a visit to the Sevanavank Monastery (above), highlighting the cultural and spiritual value of the region and its close link to the surrounding natural environment, followed by a friendly dinner honouring Armenian cuisine and wines.

Workshop materials: https://www.eu4environment.org/events/regional-workshop-on-wood-tracking-systems-and-eu-deforestation-regulation-compliance/