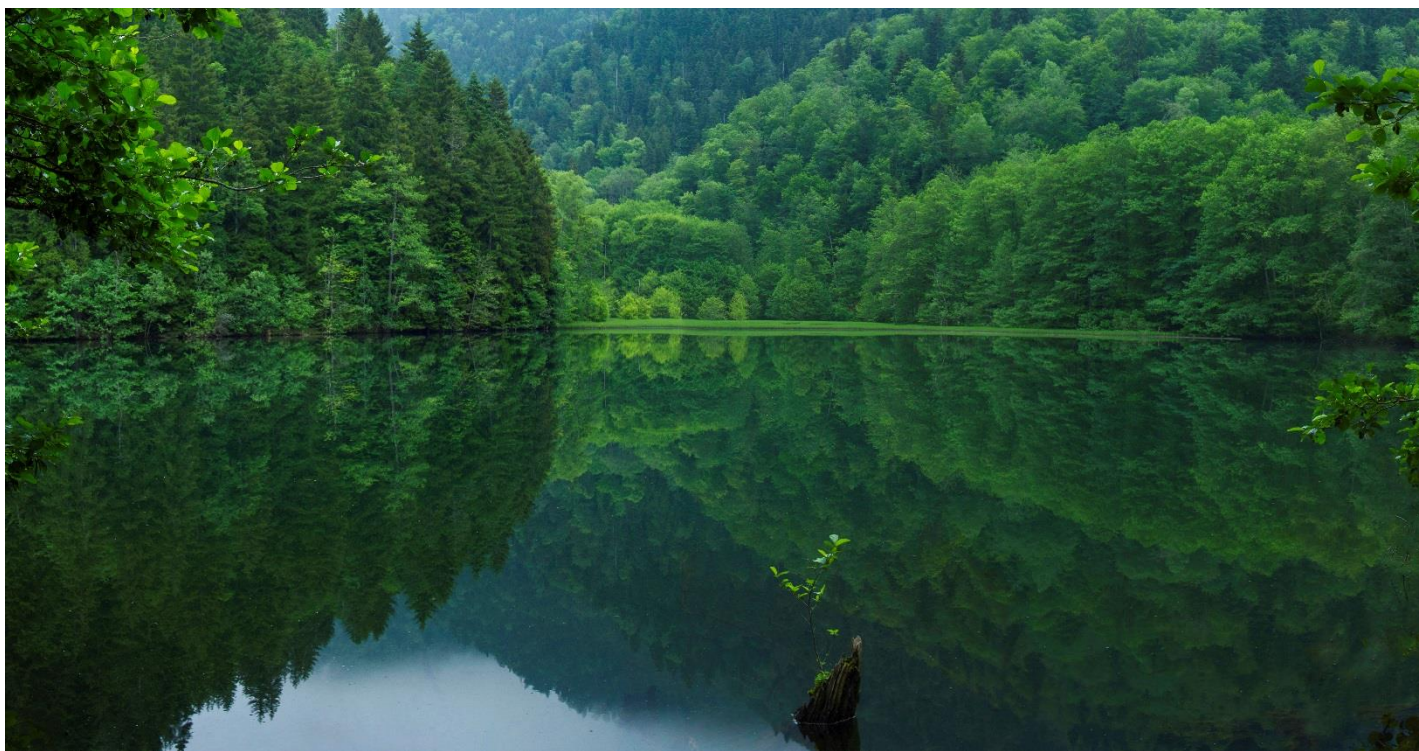


# **AN INSTITUTIONAL MODEL AND ACTION PLAN FOR MANAGEMENT OF RECREATIONAL FORESTS IN GEORGIA**



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## ACRONYMS AND ABBREVIATIONS

ADC	Austrian Development Cooperation
APA	Agency for Protected Areas

BKNP	Borjomi Kharagauli National Park
CBD	Convention on Biodiversity
CENN	Caucasus Environmental NGO Network
CNF	Caucasus Nature Fund
GNTA	Georgia National Tourism Administration
GTA	Georgia Tourism Association
HR	Human resource
IUCN	International Union for Conservation of Nature
MICE	Meetings, Incentives, Congresses, Events
MoEPA	Ministry of Environment Protection and Agriculture
NACRES	Centre for Biodiversity Conservation and Research
NACHPG	National Agency for Cultural Heritage Preservation of Georgia
NFA	National Forest Agency within the MoEPA
NGO	Non - Governmental Organization
NP	National Park
PA	Protected Area
SBU	Strategic Business Unit
TA	Tourist agency
TO	Tour operator
UNDP	United nations Development Programme
UNEP	United Nations Environment Programme
USAID	United States Agency for International Development
UNWTO	United Nations World Tourism Organization
WB	World Bank
WWF	World Wildlife Fund

# 1 INTRODUCTION

After a long history of lack of direction for development of the forest sector, in 2013, the Parliament of Georgia adopted a national forest policy based on the overarching principle of sustainable management of forest resources, which emphasizes the importance of forests for local populations. A multi-stakeholder platform for continuous policy dialogue – The National Forest Program (NFP) – has been created and is led by the Forest Policy Service of the Ministry of Environment and Natural Resources Protection (MoENRP) -now Ministry of Environment Protection and Agriculture (MoEPA) of Georgia.

The MoEPA is initiating the modernization process of the National Forestry Agency. According to the current vision, multi-purpose forest use is the vital step in the process of practicing sustainable forest management. Therefore, development of natural and eco-tourism services and usage of recreational potential of forests becomes the priority for the MoEPA. Recreational use of forest resources will reduce social pressure on forests (using timber as a heating source by the population) and will contribute to the development of rural areas while generating income at local and central levels.

In order to assist the National Forestry Agency in improvement of the management of recreational forests in its full potential, the development of institutional, financial-economical model and action plan is planned.

The initiative is being implemented under the auspices of the Ministry of Environment protection and Agriculture of Georgia in cooperation with CENN and with the financial support of the Austrian Development Cooperation (ADC).

The report should draft an institutional and economical model and action plan for the management of recreational forests in Georgia that shall assist the National Forestry Agency in the process of using the welfare function of forests sustainably and manage forest fund territories in synergy with the priority directions of the country.

**The Market potential** of tourism development in forest areas in Georgia is substantial. **The domestic market has a remarkable importance:** families, young people exploring the nature and culture or looking for adventures, school children for education<sup>1</sup>, people living in bigger cities, Georgian diaspora; increasing importance of **international market:** hard and soft eco-tourists, hard and soft adventure tourists, holidaymakers at the seaside or/and in the country, cruise tourists; international business visitors and international missions to Georgia; **niche markets (domestic and international):** scientists, researchers, teachers, speleologists, participants at sports event & competitions, bird watchers, etc.

Geographically **traditional international markets represent a good potential for further expansion and should be targeted** with promotion campaigns and products: Russia, Turkey, Azerbaijan, Armenia, Israel, **EU – European markets:** especially in terms of nature & culture more oriented countries such as Benelux, Baltic countries, Germany, Austria, Czech Republic, Slovakia and Poland, and **overseas markets** such as USA, Australia.

## 2 SCENARIOS AND VISION OF TOURISM DEVELOPMENT IN FOREST AREAS IN GEORGIA

### 2.1 Scenarios of tourism development in Forest Areas

Georgia has a very developed tourism industry based on the natural beauty and the hospitality tradition for the last decades. Especially the tourism development in the Protected Areas (PAs) in Georgia is very intensive and may serve as a blueprint and guidance for the tourism in the forest areas under the jurisdiction of the National forest Agency (NFA). The development of the PAs brings recognition of natural attractions of Georgia, but also a pressure to develop new infrastructure, products and services, to offer more information and interpretation about nature, biodiversity, wilderness and also cultural heritage as well as to manage better challenges of increasing visitation such as bad access roads, problems with water, electricity or IT, or problems with waste management. All related administrations are balancing their primary activities related to nature conservation, protection and management, and activities that

<sup>1</sup>These different domestic visitors offer good opportunities for eco-education and awareness raising on nature protection; this is one of the core tasks of APA and Protected Areas, but should be delivered in NFA areas as well.

should meet the demand and expected experiences of visitors. This relates also to budget and its allocation.

Recreation and tourism in Forest Areas in Georgia will be need to approach the tourism development with a clear strategy and policy. Time horizon for this strategy, objectives and activities is 2025. **It is far enough to set strategic goals but also short enough to be practical proposing activities and policy, as the situation requires immediate reaction.**

We expect that until 2020 the surface under natural protection regime could double the present surface, reaching the 15% of the all the territory of Georgia. This implies a substantial increase of the budget for Protected Areas – from 6.2 million GEL in 2013 to 12.4 million GEL, if the same amount is allocated per km<sup>2</sup>. If this amount increases the spending per km<sup>2</sup> (1,000 \$/km<sup>2</sup>) of the Protected Areas, and comparing to the spending in tourism developed countries, the budget should rise to 18.6 million GEL.

As the plans for forest development and the priorities in the forest areas are much less sophisticated there will be a need to elaborate detail figures once the general integration of recreation services and tourism potential in the forest sector is agreed upon. This document shall provide a starting point for the discussion and development of an integrated strategy and action plan

This strategy proposes a differentiation and specialization of the tourism in the forest area and Protected Areas in Georgia. The PAs have a deliberate strategy and APA has already made efforts in its own development. Similar to that approach it has to be recognized that forest areas will be more open to visitors and need to serve other purposes than the PAs. This is a natural consequence of the character of the nature and attractions forest can offer. On the other side, such approach is required also by market potential and visitors whose expectations are to be satisfied. The proposed strategy is fully committed to the sustainable development principles of the ecotourism. Therefore, strong emphasis is given to tourism flows management with different measures. We have to accept the fact that the ecotourism demand in Georgia and the Caucasus will be increasing. Consequently, the tourism development should be strategically guided and managed to remain within the limits without causing negative impacts on the natural and social environment.

FIGURE 1: POSSIBLE SCENARIOS OF TOURISM DEVELOPMENT IN FOREST AREAS IN GEORGIA



If we do not accept the third tourism development scenario, this can lead to a **spontaneous development** with partial or regional interests, interests of private international and domestic capital, tourists' selfish interests, etc. The effects of this can have as a consequence negative effects for all stakeholders and at the end also for visitors. This is currently observed in some resort development which appears to be spontaneous if not coincidental, in any case not yet strategically managed.

Another **scenario** can be **restrictive** in respect to the tourism development. In this case, the visits to the forest, like in parts of the Protected Areas would be limited and the nature would be considered only as a subject of conservation and protection and not as the universal value for the humanity, accessible to people under specific conditions. Such scenario would limit the opportunities of growing for the local population and regions. The restrictive approach would decrease the forest administrations potentials to finance nature conservation and management activities what always leads to insufficient funding from public sources.



## 2.2 Vision, mission and objectives of tourism development in NFA forest areas

The future tourism development in NFA forests can follow the following vision, mission and objectives:

### VISION

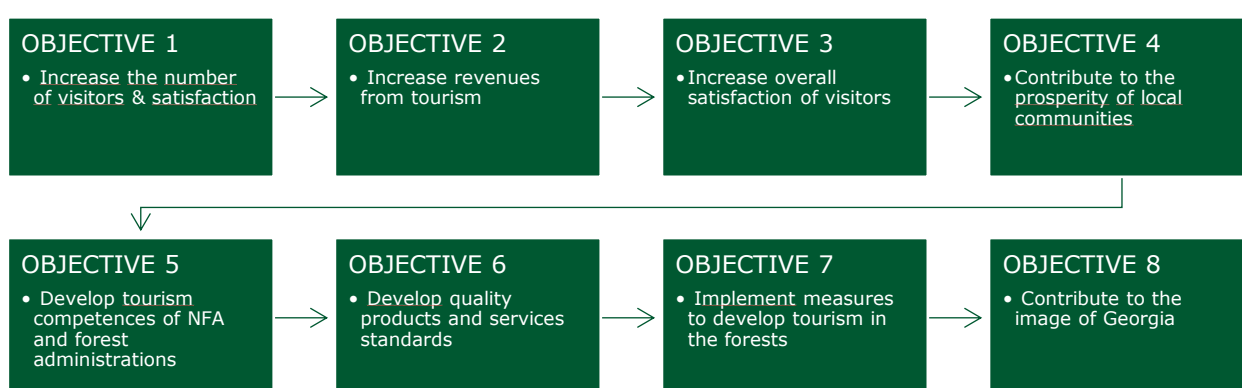
- Forest areas in Georgia provide recreation opportunities in suitable areas according to the regional needs and potential all across Georgia. They will offer to domestic and international visitors unique and genuine experience in nature, sustainable ecosystem services and high quality tourism services.
- Recreation will contribute to local and regional development, as source of employment and income of local population and potential source of revenues for NFA and its regional administrations.

### OBJECTIVES

- The strategy of tourism development in the Georgian forests emphasizes sound environment, protect the recreational quality of natural and man-made landscapes integrating nature, culture and human environment. It promotes competitive quality tourism business and create satisfactory conditions for visitors and inhabitants.

Figure 2: EIGHT SPECIFIC OBJECTIVES OF STRATEGIC TOURISM DEVELOPMENT IN PROTECTED AREAS AND FORESTS

**Objective 1:** Increase the number of domestic and international visitors and their satisfaction with



overall experience in NFA forests

- > Increase number of visitors
- > Increase the share of high revenue (international) visitors

**Objective 2:** Increase revenues from tourism and commercial activities in forests and increase financial sustainability of the NFA to perform more efficiently their basic mission: manage, conserve, and protect natural values, attractions and heritage and share these values with inhabitants and visitors.

- > Increase the value of revenues from tourism
- > Increase the share of revenues from tourism

**Objective 3: Increase the overall satisfaction of the visitors with their experiences in the forests**

- > Increase satisfaction of visitors with products and services and decrease complaints
- > Increase the loyalty – the rate of return visitors to NFA

**Objective 4:** Contribute to the development and welfare of the local communities and population living in and around Protected Areas

- > Increase the economic strength of the local communities by activities related to tourism
- > Increase the share of the population in local communities providing products and services to visitors
- > Increase the revenues of the local population by providing to visitors specialised products and services
- > Strengthen the participation of the local communities and population in activities and their commitment to nature and natural values

**Objective 5:** Develop the competences of the NFA and other providers of products and services related to Protected Areas

**Objective 6:** Development and efficient use of the visitors' infrastructures and competitive high-quality products and services standards for products and services

**Objective 7:** Introduce and implement measurements to develop tourism in forests based on sustainable principles and practices avoiding the endangerment of natural and cultural heritage, man-made landscapes and social relations

**Objective 8:** Contribute to the image of Georgia and its tourism

- > Increase the motives to visit nature among potential visitors.

### 3 TOURISM STAKEHOLDERS IN FOREST AREAS

The NFA and its regional administrations have a main mission related to forest management services (fuel, timber, fodder, ecosystem services), nature conservation and protection. With an increasing interest and visitation of domestic people and international travellers, the need of offering organized visits and travels in the forests increased, together with a need of more services offered and an increase of their quality.

In tourism, the organizational structure is developed from national to local level, with national tourism organizations – like GNTA. On a regional/destination level there are DMOs – Destination Management Organizations, while on a local level there are some DMO offices and TICs. On national level NFA would be one of the important partners of GNTA, while on destination level local administrations should be part of DMOs.

In another study there was an assessment, which identified the most important tourism related stakeholders of the PAs. These stakeholders are more or less identical with the NFA tourism and recreation stakeholders.

FIGURE 3: IDENTIFICATION OF MAIN TOURISM RELATED STAKEHOLDERS IN FORESTS IN GEORGIA

MAIN TOURISM STAKEHOLDERS OF SELECTED FOREST AREAS	
<b>MAIN STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• Guesthouse owners/managers</li> <li>• Restaurants, cafes, etc. owners/managers</li> <li>• Other tourism facilities owners/managers</li> <li>• Tour operators &amp; Travel agencies</li> <li>• Tourism, recreation, sports and other services providers</li> <li>• Tour guides</li> <li>• Tourist information centres / organisations</li> </ul>



MAIN TOURISM STAKEHOLDERS OF SELECTED FOREST AREAS	
	<ul style="list-style-type: none"> <li>• Transport companies and drivers</li> <li>• Crafts and tourism souvenir producers</li> <li>• Farmers and farmers cooperatives</li> <li>• Shops</li> <li>• Local markets</li> </ul>
<b>CULTURAL AND OTHER ORGANISATIONS</b>	<ul style="list-style-type: none"> <li>• Cultural organisations (museums, galleries, art shops, etc.)</li> <li>• Monasteries</li> </ul>
<b>TOURISM ORGANISATIONS &amp; ASSOCIATIONS</b>	<ul style="list-style-type: none"> <li>• GNTA &amp; DMOs</li> <li>• GTA, GITO A</li> <li>• Guide Associations</li> <li>• Ecotourism association</li> <li>• Tourism/culture related associations</li> </ul>

MAIN TOURISM STAKEHOLDERS OF SELECTED FOREST AREAS	
<b>NGOS, AGENCIES, CENTRES, CLUBS</b>	<ul style="list-style-type: none"> <li>• National and regional NGO related to tourism, nature protection, sustainable development</li> <li>• National and International Sport federations and clubs</li> <li>• National Agency for cultural heritage protection</li> <li>• Health and safety (Urgent) care centres</li> <li>• Agency of standardizations and metrology</li> </ul>
<b>EDUCATIONAL ORGANISATIONS</b>	<ul style="list-style-type: none"> <li>• Local / regional universities and schools, educational centres</li> <li>• Research organizations related to tourism</li> </ul>
<b>LOCAL COMMUNITY</b>	<ul style="list-style-type: none"> <li>• Local population</li> <li>• Local Municipalities</li> </ul>
<b>DONORS, PRIVATE BUSINESSES, INTERNATIONAL ORGANISATIONS</b>	<ul style="list-style-type: none"> <li>• Big private tourism related companies (i.e. Borjomi Water, etc.)</li> <li>• Resort developers and investors</li> <li>• PAs partners - donors (TBC Bank, CARTU Bank, ProCredit Bank, etc.)</li> <li>• International organisations (WWF, WB, UNWTO, UNDP, CNF, KfW, etc.)</li> </ul>

Source: Information of PAs from TJS and various documents

Stakeholder groups have different expectations and views of the tourism. Local municipalities and societies see opportunities for local businesses, employment, improvement of quality of life, earning foreign currency and redistribution of income; additionally they expect the promotion of conservation of natural and cultural heritage, sustain cultural identity, provide education opportunities, health benefits and greater understanding, awareness and appreciation of nature. Tourism brings also better access to services and enhances respect for local traditional, cultural values, local events and self-esteem.

National Forest Concept of Georgia views local population and women in particular as interested parties. Paragraph 8.1 of the Concept sets forth consideration of interests of local community, especially meeting the needs of women and youth in the forest management planning process. The activities to be implemented include integration into national strategies of programs aimed at reduction of poverty and creating new jobs in the villages factoring in the interests of various groups including women and youth. Since wood resource production remains to be a man-dominated area, focusing on the use of recreational resources and tourism development will by all means increase women's role, involvement and profit-making opportunities.

The Forest Management expects from tourism creation of employment and income, development of long term sustainable economic activities, generation of revenues for their operations, building alliances with local communities and population, management of resources, promotion of conservation and heritage appreciation, fostering research, creation of positive experiences and generating satisfied and loyal visitors.

On the other hand, the tourism operators, products and service providers expect to run their business with profit, exploit market potentials, develop products and services to target markets, expect loyal visitors and support visitors and assist them to understand nature, natural values and natural heritage.

Last but not least, the tourists expect to enhance personal experiences, feel personal accomplishment, improve health, participate in social experiences, meet other people, exploit family history, tradition, bonding, group team building, reaffirm cultural values, promote nature conservation and preservation and spend good time.

## 4 TOURISM PRODUCTS AND POTENTIALS IN FOREST AREAS AS COMPLEMENTARY OFFER TO PAS

The Protected Areas and APA have developed several tourism products and services so far, some with substantial support of international project and organizations. It appears practical and advisable to profit

as much as possible from the preparatory work done in the APA and PAs and focus on complementary low-level activities or on those unique selling propositions that PAs cannot provide.

## 4.1 PAs practice and opportunities for forests

NFA can offer to the visitors all those services that are offered by PAs: information in visitor centres, maps and information materials, rangers and guides. Visitor centres offer also expositions, interpretation desks, and in some cases accommodation, snacks and drinks, shops and meeting rooms with equipment. Some sites have also small hotels or rooms and restaurants.

Walking, hiking and horse riding trails, some more adventures services like biking trails, canyoning and zip-line are developed for visitors. Trails are marked, some have interpretation desks and guiding is organized. Visitors are offered also shelters, tents and sleeping bags.

The increase in number of visitors and general demand, leads to an increased need of more products and services. The visitor services development should follow some principles that take into account first natural conditions, expected experience of visitors, motives and behaviour patterns of visitors and intensity of market demand.

Based on motives main activities performed during the eco-trip in nature are analysed and are grouped as follows:

FIGURE 4: ACTIVITIES OF ECO-TOURIST DURING ECOTRIP



Eco-tourists mainly care about safety (crime, hygiene), friendliness of locals, authentic culture and lifestyle, quality of food, prices and quality of accommodation. Matters of less importance for them are: existence of package tours, presence of world class and known attractions and quality of infrastructure (roads, health centres etc.)

Generally, tourism products and services are well accepted by the market, but do not meet all needs and expectations of the visitors and do not have a standardized quality. Services can be provided through concessions or other forms of management. Often, private companies or other entities use trails and other facilities for their businesses without any financial compensation..

## 4.2 Specific of tourism in forest areas

Based on the APA experience it appears important to work out specific opportunities for the NFA in local circumstances. Given the fact that the most scenic areas will always be in the APA areas, the focus should be on regional attractions and tourism activities that are by its character not compliant with PA objectives. This would be health, spa tourism, links with coastal and mountain resorts, sport activities that require infrastructure (Hunting, quad, moto cross, e-biking, skiing, paragliding) etc.

Obviously, all these activities will have to be scrutinized against the environmental and social impacts and the regulatory framework as well as the long-term effects will have to be discussed thoroughly on all administrative levels. Yet the regional tourism activities that are currently supported will have to see where synergies and complementarities could be considered.

As mentioned early a coincidental development based on a first come first serve principle bears more risks than a strategic approach in which the NFA would play a key role in identifying and shortlisting areas that have the best potential for non-typical and for typical forest tourism activities.

Hunting and fishing are established income sources for the government but need to be scrutinized for their potential to bridge traditional resource management practice with modern high-profile tourism.

## 5 TOURISM STRATEGY IMPLEMENTATION MODEL

Tourism strategy implementation in forests need to focus also on the following projects and investment improving primarily their tourism facilities, products and services:

### BASIC INFRASTRUCTURE

- Improvement of access roads
- Parking places
- Sign posting of accesses to touristic areas on main roads

### WELCOME & INFORMATION INFRASTRUCTURE IN PAs

- Adaptation of visitors centers and administrative buildings to serve better the needs of tourism and hospitality (like shops, cafes, safes, Internet - WIFI corners, Mobile applications and guides rentals, etc.)
- Establishment of joint information services for visitors with GNTA and other institutions (tourist resorts, museums, etc).
- Transport means: cars, jeeps, etc.
- Access to forests and selected facilities for disabled visitors
- Uniform system of marking trails in Georgia
- Marking trails in individual areas
- Nature Interpretation boards
- Visual identification of rangers that they are in service for visitors
- Water and sanitary facilities
- Waste collection and management facilities and services
- Safety facilities and services

### TOURISM – HOSPITALITY INFRASTRUCTURE

- Standardization of accommodation facilities owned by NFA or forest entities
- Camping places and picnic areas
- Huts, Shelters
- Places to rest

### TOURISM PRODUCTS AND SERVICES

- Standards (national) for products and services offered and related to recreation forests
- Reconstruction, maintenance and improvement of trails
- Extension of trails and tourism products in areas with intensive visitation
- Wildlife watching trails, platforms and towers with binoculars
- Photographic platforms/towers
- Sports and adventure products: Canyoning, Rafting, Hanging bridge,
- Short thematic trails
- Family oriented services:
- Resort and Spa developmen
- Sports arenas (SKI, Snowboard, action sports)
- Products and services adopted and available for disabled people

### 5.1 Tourism development policy

#### 5.1.1 Organization of forest management and stakeholders' cooperation

Georgia has a centralized system of nature conservation, protection and management. NFA and APA – were was established as legal entities under public law in the Ministry of Environment and Natural Resources Protection of Georgia. Their primary responsibility is to manage Georgia's natural heritage in

the forest fund and in all protected areas of all categories. APA has developed some capacities in tourism development and would be a helpful big brother in all aspects of tourism development.

NFA is at present not organized to support tourism development. Neither are the regional forest administrations equipped for these new tasks. All are suffering big lack of professionals in hospitality operations. International organizations supporting APA and nature protection are also contributing to the increase of tourism in forest areas in Georgia if NFA takes the opportunity. Thus, support to tourism development need professional staff and less centralized management of tourism operations. There shall be a central development and a marketing strategy and policies, central promotion, organization model of cooperation with stakeholders and operational guidelines but hospitality operations in forest areas need a certain level of flexibility. They can be introduced step by step – piloting in those forests that are more exposed to visitors' demand and are leaders of forest tourism development.

In order to meet the requirements of tourism development **NFA should form hospitality team** with following profiles:

- > Tourism – Recreation head manager
- > Tourism product, services and quality standards developer
- > Tourism marketing specialist
- > Web and E- promoter - marketer for on-line marketing tools
- > Tourist information specialist

Efficient tourism and hospitality management in PAs will require **devolving of responsibilities from NFA to forest administrations in step by step transmission**. This could be piloting process focused first to areas and projects, where development is envisaged and NFA expects the biggest results in tourism. Decisions and responsibility of specific project administration could be first limited to:

- > Apply prices according to specific situation of certain forest, project and market/demand situation
- > Engage seasonal staff for peak situations that appear usually for weekends or public holidays
- > Negotiate and propose conditions and contracts for group visits
- > Negotiate and propose contract for seasonal management of tourism facilities if concessions are not successful
- > Engage private hospitality service provider if NFA cannot provide the same service to visitors on the place in the case of sudden damage, break of equipment and similar under the most favourable conditions
- > Cooperation and joint events and promotion activities in local communities
- > A certain budget for small expenditures related to media and TOs/TAs visits and promotional gifts
- > A certain budget for immediate repair of damage, break of equipment or similar related to activities for visitors.

Tourism is complex economic and social activity with **cooperation of many stakeholders on national, regional and local level** in order to provide tourism products and services and satisfy the needs, requirements and expectations of visitors – to enable the visitors experiencing more than they expected. If this level of satisfaction is reached, the loyalty of the visitors will increase and they will be advocates – ambassadors of the tourism destination.

**On national level** NFA needs to cooperate and coordinate the tourism activities with GNTA – Georgia National Tourism Administration. The tourism development strategy for the forests must obtain an important position and appropriate consideration within the national tourism strategy as nature is one of the most attractive segment of tourism image and offer in Georgia. Promotion and marketing must be coordinated with APA and NFA should use GNTA's promotion channels as well as GNTA should support specific and targeted promotion activities of NFA. All three agencies should also work together in the field of awareness rising of the importance of tourism, nature and hospitality in the country.

A strong cooperation is required also with NACHPG - National Agency for Cultural Heritage Preservation of Georgia. Nature and culture are jointly main the main motivations for significant segments of visitors. Under the leading role of GNTA these agencies and some key stakeholders should form a national tourism development and promotion board.

**On the regional – destination level** GNTA should proceed with the establishment of DMOs – Destination Management Organizations where foresters should be one of important stakeholders.



**On the local level**, some municipalities have tourism departments or sections; some other municipalities establish municipality centre for promoting tourism development or centre for giving place to municipality resorts and tourism. It is encouraging to see the establishment of these centres as they indicate the role which tourism will play on the local level where PAs are one of generators of economic and social development. On this level, GNTA has numerous TICs which can intensify the information services and the promotion of the forests.



### 5.1.2 Revenue policy and concessions

The Forest Areas need funds and public finances from the state budget in order to carry out activities related to conservation, protection and management of nature, but those are not sufficient in any country. The state forest agencies must therefore look for additional financial resources where revenues from commercial – mainly tourism related activities, which are contributing more and more to the overall budgets.

The sources of the income for the total **budget of the Forest Areas** are different – public, private and commercial sources (adopted from IUCN 2002, p 121). The main potential sources are:

- > Governmental funding (mandatory or discretionary)
- > Entrance fees
- > Recreation services - user fees, special events and special services
- > Concessions and lease
- > Accommodation
- > Equipment rental
- > Food sales (restaurants and stores)
- > Merchandise sales (equipment, clothing, souvenirs)
- > Donations, foreign aid and technical assistance
- > Licensing of intellectual property
- > Sale or rental of image rights
- > Parking
- > Cross-marketing
- > Public investment
- > Private sector initiatives
- > Sponsorship
- > Donations
- > Volunteerism (which is in fact cost reducing and not revenue generating)

The Forest Areas in Georgia have a mixed system of budget financing and revenues generation using many of the upper stated form. Besides governmental share, revenues are generated from service fees mainly.

#### **Service and user fees and charges to visitors shall be established for:**

- > Recreation fees when using recreation products and services
- > Fees for the use of special infrastructure– road, bridge, parking places, viewing platform, binoculars, etc.
- > User fees for the use of camping sites, picnic areas and facilities, shelter use, internet access, WIFI,
- > Concession fee as a share of revenues provided by concessionaires
- > Merchandise sales when selling maps, brochures, products, souvenirs, etc.
- > Food sales in restaurants and stores
- > Accommodation for using shelters, huts, roofed accommodation

- > Fees for renting MICE facilities and equipment
- > Fees for renting ICT equipment
- > Licences and permits for private operators to run business in Forest Areas
- > Taxes for cars,
- > Tourist tax in accommodation of private providers
- > Environmental tax as special purpose tax
- > Membership or alliance cards
- > Lease and rent fees for the use equipment of NFA
- > Voluntary donations of visitors especially for events organized in visitor centres
- > Natural resource use fee (hunting, fishing)

**Concession policy and practice** depend on the role of the public and private and sector in forest and recreation management. Public sector role in tourism differs from the one of private sector. Public administration – central or local has to take care primarily about:

- > Environmental protection
- > Infrastructure building and maintenance (roads, energy, ICT, sanitation)
- > Trails, camping places, shelters, observation platforms, etc.
- > Security and safety
- > Monitoring of impacts and evaluation of quality
- > Managing access and visitors flows
- > Information (visitor centres, nature interpretation)
- > Conflict resolution
- > Creation of data bases

Private sector's role is to provide accommodation and food, transportation, information, media (books, videos, etc.) guiding, site promotion and advertising, products (equipment, clothes, souvenirs) and personal services, etc. The private sector provides products and services that tourists need and enjoy while visiting Forest Areas and ensure comfortable stay in or in close neighbourhood of Protected Areas.

Tourism in Forest Areas obviously involves many different products and services for visitors which are provided by public and/or private institutions or persons. It is not very common that only one sector provides all products and services. In practice we have mixed relations – public ownership and public and private operations and private ownership and private operations.

NFA can give in concession accommodation facilities, restaurants, shops, tour guiding, trekking, horse trekking, safaris, sport programmes and equipment, even parking places. Before deciding to give a certain facility in concession, NFA should consider his capacities and resources to implement it and compare it to the revenues generated from the management by its own resources. It is also important to identify the possible interest of the private sector, NGOs or local community organization for concessions and their strength.

There are **5 principles of the concession policy** that need to be respected before its implementation.

- First is concessionaire qualification with financial capacity, tourism experience, educational level and language ability.
- The second principle to be considered is the legal responsibility with length of contract, and non-payment of the fee, facility ownership, environment damage, fines and contract non-fulfilment.
- The third one is financial responsibility with financial insurance mechanisms, concession – user fee, Income requirements and maintenance/repair reservations.
- Environmental responsibility is the next section with infrastructure development, monitoring plan, use of scarce resources, alternative energy use and waste management and risk analysis.
- The last principle is the social responsibility which reflects the attitude towards local communities and population: capacity building, local employment, community assessment and revenue sharing and local business involvement.

Concession fee can be based on different principles. The most usual would be to set the flat annual fixed fee plus flexible fee as a percentage of all revenues on monthly basis or even fixed amount per visitor served. It would also be wise to stimulate concessionaire to operate in low seasons where there are no big revenues. The fee could increase with the time. The concession contracts should be agreed for 5-7 years (in the case of concession for greater facilities and services also from 10 to 15 years) with possibilities for extension and with a clause for immediate termination in the case of violation of the rules.

Concession policy contracting and monitoring should be done by NFA centrally. The process must be transparent. Monitoring the concession performance is very important especially when there are more

concessionaires at the same place. Monitoring would prevent the violation of some regulations, possible conflicts among concessionaires and especially dissatisfaction of visitors.

### 5.1.3 Safety and security

NFA and forest administrations must also take care about security and safety of visitors to forests. This is a part of the reputation of the country, its tourism and visitation to nature. NFA cannot provide this alone and must cooperate and coordinate with other relevant public bodies such as police, medical centres, fireguards, etc. responsible for public safety.

The tourism in Forest Areas is facing several risks that might endanger visitors and lead to accidents. Small injuries could happen even when walking on trails, insects could hurt visitors to feel unpleasant, meeting wild animals will at least frighten visitors, the same might happen in stormy weather. Visitors might get lost in vast natural environment. They can get poisoned by tasting some herbs, etc. Probability of injuries increases with sports and adventure activities that are developed in Forest Areas.

NFA and regional forest administrations should therefore:

- > Organize a system to alert the administration about such accidents as fast as possible with a kind of SOS towers and/or with mobile transmitters that could be rented in visitor centres; chargers for mobile phones will also help. It is important that these solutions communicate also location of an accident or visitor that need help
- > organize a rescue team and service with first aid (even with medical or other specialists from medical centres that will offer
- > inform the visitors about potential danger and advise them how to be properly equipped and dressed, behave or react and how to ask for help; this information can include also information which habits, tradition and rules of local population to respect not to get in conflict with them.

Such possible situations which visitors can experience in the nature are also an argument why visitors should use certified service providers: professional guides, travel in groups, avoid not marked trails and respect the rules of the forest administration. Safety service for visitors is linked to security service where visitors can alert the administration via the same systems about danger or threat to the Forest Area from whatever cause.

## **6 ACTION PLAN FOR THE ESTABLISHMENT OF RECREATION AND TOURISM OFFERS IN GEORGIAN FOREST AREAS OUTSIDE PROTECTED AREAS**

Based on the consideration above several concrete steps appear necessary for the NFA to undertake in order to become a competent stakeholder in future tourism efforts. Although some activities are likely to be placed in the policy or planning sectors of the relevant ministries, authorities, agencies and other institutions NFA will have to take the necessary initiatives to define and defend the interest of the forest and of other forest users in the development of recreation and tourism facilities. Additionally, NFA shall claim justified and appropriate compensation for the use of the national forest fund, where remuneration and other contractual details will require consultation with the established national mechanisms as well as with international best practice when it comes to public private partnerships and joint ventures. Although the individual activities of the action plan are listed in sequence below, several will require parallel handling and need managerial attention at the top level, at least in the starting phases.

### **6.1 Development of tourism infrastructure management, service delivery systems, and capacity building**

Currently neither NFA nor the MEPA has dedicated tourism departments or division in their organisations, only APA has mandated tourism specialists in its headquarter, supporting the protected area managers in the development of service and infrastructure development.

It is recommended that NFA entrusts a small team of experienced specialists to deal with all aspects of tourism development in forest areas as described in 5.1.1 above. With this team the concrete management of upcoming infrastructure and service management shall be elaborated in principle and for concrete ventures, allowing the necessary flexibility to use strengths and experience of diverse partners in the individual location and setting.

NFA has to ensure that the required capacities concerning visitor management, safeguards, hospitality as well as the knowledge of the non-forest regulatory frameworks are established in order to allow a smooth and sustainably profitable operation of tourist ventures in forestry. Capacity building plans shall be developed after the necessary training needs analysis and shall be maintained as a permanent tool for human resource building and improvement.

### **6.2 Strategic zoning of forests and separation of resort forests**

As there is a realistic expectation that the new forest code will be approved within the next parliamentary session it will be possible to use the new strategic zoning to identify forest with a predominant recreation and service function. NFA and MEPA are advised to entrust a competent team of specialists to compile existing information about current and desirable forest functions and start the development of a national forest development plan visualizing the forest functions of specific forest areas for the purpose of optimized management. Starting point and most immediate fields of action would be the areas of envisaged or identified resort which intend to include forest areas in their resort concepts. It should be mandatory to integrate NFA expertise and advice in the specific development plans and agree upon long term resource use concepts for the individual sites, reflecting the recreation and nature potential as well as the justified needs of the adjacent and wider populace.

### **6.3 Development of specific forest development plans within the Mountain Resorts Development Program;**

Based on the above inclusion of resort areas into the strategic zoning the areas of the Mountain resorts development program should be prioritised in the elaboration and funding of resource inventories and forest management plans tailored for the specific requirements of the resorts. The pilot management plans may require external support in the development of rules and regulations considering environmental and social assessments of infrastructure and measures in resorts and especially resort forests.

As the NFA currently intends to renew its management planning and implementation guidelines this would be a good opportunity to highlight the multifunctionality of forests under the new forest code and the established forest policy.

There are existing areas of high potential and interest, like the Bakuriani Central Park or other peri urban forest areas which could serve as pilot experience for the necessary feasibility studies in 2018, financing and business plans and PPP arrangements with NFA.

## **6.4 Integration of forest areas and attractions into existing tourist routes and offers**

There is a high potential to use the GNTA and APA cooperation to start forest supplementary or alternative offers for the same or similar clients using the identified and marked routes by the National Tourism Administration. There are activities for buffer zones and tourist corridors of the protected areas as well as elemental recreation zones in the regions of touristic interest.

As the tourism offers and services are marketed digitally it should be possible to enrich the existing interactive maps of tourist routes and the diverse portals that bundle tourism offers with forest specific content that is placed in the same digital environment as the pure ecotourism offers.

A detailed and professional analysis of the interfaces, overlaps and conflicts of such a joint marketing and public relations is urgent and should be done within 2018 already.

## **6.5 Investment model development**

Once the first plans have proven their feasibility technically there is a dire need for innovative financing models for infrastructural development in and around forests. Whereas peri-urban and urban recreation may be funded by sponsorships, social budgets and crowdfunding the more remote infrastructure investments probably deserve and require public funds or guarantees to develop sustainable forest recreation and tourism models. As all large development banks are present in Georgia and private capital is also flowing in, there is a need to cooperate with the investment boards and other entities of the Ministry of Economy and other ministries dealing with rural development or infrastructure.

Based on these general and specific financing and investment models concrete resort and infrastructure plans will have to be developed for the implementation of areas like the Martvili and Okatse Canyons in and near Protected Areas.

Experience of APA has also shown that turnovers and revenues for the agencies can multiply within and between years, once the right incentives and measures are set and the market is analysed correctly. NFA will have to focus on the most promising opportunities first and should draw lessons from the experience of AOPA in the construction of maintenance of park infrastructure as well as from the more recent lease and license concepts.

It will require special attention to work out, if specific contracts/project/models are marketed in auctions (a concept that failed in concessions for donor funded hotels in protected areas previously) or if joint ventures, including or without donor funding, may provide better and more sustainable results, increasing the capital of NFA and the investors by smart investments.

## **6.6 Development of forest management diversification model**

Obviously, recreation and tourism bear a value addition potential for certain areas of the Georgian forest fund. Nevertheless, it is of high importance to consider the other societal, economic and ecological functions of forest by the development of diverse objective-oriented management models. Especially high mountain protection forests will require other invention schemes than productive lowland forests serving energy and raw material needs of the regional population. Therefore, different departments of the NFA should be encouraged to develop modules for the main objectives of NFA forests and integrate those in tailored management plans according to the strategic zonation and available infrastructure and resources. Forest with a high touristic and recreation potential bear the opportunity to attract investments that can benefit the overall development of the region and with that the sustenance and improvement of the forests developed.