

Project: Sustainable Management of Biodiversity in South Caucasus

Biodiversity Strategy and Action Plan of Georgia for 2013-2020

Thematic Approach: Assessment and Sustainable Use of Biological Resources

Situation Analysis

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Chapter 1. Issues related to the use of biological resources in the National Biodiversity Strategy and Action Plan of Georgia (2005)

The National Biodiversity Strategy and Action Plan of Georgia (NBSAP), approved by decree No 27 of the Government of Georgia, February 19 2005, does not contain a strategic direction under the title "Assessment and Sustainable Use of Biological Resources." The strategic directions "However, the chapters that deal with hunting and fishing and sustainable forestry do cover this issue to some extent.

In respect of the chapter, Assessment and Sustainable Use of Biological Resources, it is important to note one circumstance:

According to paragraph 2 of decree No 27 of the Government of Georgia dated February 19, 2005, the Ministry of Environment Protection and Natural Resources was instructed to coordinate the implementation of the measures envisaged by the National Biodiversity Strategy and Action Plan. As a result of reshuffles carried out in the Georgian Government in spring 2011, the issues related to the use of natural resources (issuing licenses and other permit documents, monitoring, protection and so on) were transferred to the competence of the Ministry of Energy and Natural Resources. Thus, this issue requires special attention while developing and approving a new document.

In respect of hunting and fishing the NBSAP focuses on the following problems:

- Gaps exist in current legislation relating to hunting and fishing;
- The Law on Wild Fauna is not adequately enforced, due to lack of regulations and enforcement mechanisms;
- Control mechanisms for poaching are ineffective;
- Experience in the creation and management of private hunting farms is limited;
- Current licensing scheme does not differentiate tariffs on trophy and non-trophy hunting species, leading to extraction of individuals important for populations;
- Capture of birds of prey for falconry purposes is not regulated;
- There is no training facility in Georgia for the appropriate governmental officials or private hunting farm personnel;
- The awareness of hunting regulations (quotas, season, permit documents, etc.) is extremely low among Georgian hunters;
- There is much uncertainty about the maintenance of traditional hunting;

- The recovery of certain economically important fish species will require specific restoration efforts;
- Specific mechanisms for fish stock restoration and protection have not been put in place.

The NBSAP sets out the following strategic goal towards addressing these issues:

“To promote sustainable hunting and fishing through adequate planning, restoration and protection of key biological resource”

as well as the relevant strategic tasks:

- To ensure the maintenance of genetic diversity of game species;
- To maintain the populations of each game species at an optimal level;
- To develop effective tools for protection of wild animals and control of poaching.

In order to achieve these goals and objectives the document lists several activities to be implemented in the first five years of the strategy:

- Improve the licensing procedure for hunting of migratory birds;
- Define hunting quotas for migratory birds and conduct studies on hunting (to identify sites where wildfowling will be permitted and those where all hunting should be banned, based on bird counts on these sites);
- Define special fees for trophy kills (which should be much higher than those on non-trophy kills);
- Identify the list of birds of prey which can be used in falconry (based on licensing) and define quotas for these species;
- Restore the former Agency of Hunting Control and set up public inspection schemes;
- Provide professional training to government officials and hunting farm employees;
- Publish guides, leaflets and/or brochures that provide information about hunting seasons and quotas with special emphasis on rare game species;
- Develop the concept of traditional hunting and make relevant amendments to the legislation;
- Restore or establish hatcheries and introduce modern technologies of fish breeding with the purpose of recovery of native fish species in natural reservoirs;
- Ensure that budgetary revenues generated from the use of wild animals are used for propagation and conservation of these resources.

However, only the first measure “Improve the licensing procedure for hunting of migratory birds” was implemented during the reporting period. According to the Law on Licenses and Permits, no licenses or permits for hunting migratory birds have been issued since 2005. Instead, those wanting to hunt migratory birds would need to pay a tax to the relevant bank account and be able to produce the relevant documents

whilst hunting. These amendments helped avoid quite an inconvenient procedure of issuing individual licenses that was triggering huge discontent among the hunters.

The NBSAP chapter on sustainable forestry focuses on several problematic issues related to the use of forest resources:

- There is no appropriate legislative, institutional and financial framework to ensure the sustainable management of forest resources;
- Current levels of illegal felling, and unsustainable forest exploitation is causing irreversible degradation of the forest ecosystem;
- Inappropriate institutional arrangement, uncertain obligations and insufficient financing hamper not only effective control of illegal felling, but also effective management of forest resources;
- The cost of timber as of natural resource does not comply with the international market conjuncture (that is hampered by the existence of the market with low solvency level) that causes unsustainable use of forest resources and significantly accounts for the outflow of cheap raw material from the country;
- Budgetary assignments on protection and rational use of forest resources have significantly decreased that slowed down the pace of development of forestry sector;
- The current forestry practice does not take into consideration principles of biodiversity conservation and it is mostly oriented to forest exploitation that leads to degradation of forest biodiversity;
- Old growth forest stands of high ecological value are considered as the most available source of obtaining timber resources, while these stands are most important in terms of conservation of forest landscapes and forest ecosystem biodiversity;
- The current methods and rules of forest resource inventory, cadastre, planning and especially forest felling do not comply with the principles of sustainable development; actually there are no indicators of forest biodiversity and sustainable forestry;
- Current legislation in the forestry sphere does not require the implementation and introduction of complex forest management plans –the legislation only requires the existence of forest inventory projects.

To address these issues, the document outlines the following strategic goal:

“To protect and conserve forest biodiversity through the introduction of sustainable forest management methods”.

It also identifies relevant strategic tasks:

- To develop sustainable forest policies and management strategy, based on an ecosystem approach;

- To develop the rules and methods of forest resource inventory, cadastre, planning and forest use (including forest felling), which will be in line with sustainable development principles and oriented to biodiversity conservation;
- To develop indicators for sustainable forestry management that take into consideration the local biodiversity conditions;
- To develop a forest certification system;
- To develop methodological and normative-technical documents necessary for elaborating and introducing forest management plans;
- To simplify and improve the organization of the timber licensing system, in order to increase the financial income from forests to promote forest protection and management, and to attract increased investments to forest sector;
- To use the methods of land use planning and zoning in forest resource management;
- To develop and implement the programs on forest recovery and afforestation so that to increase afforested areas and recover those forest types, which were significantly degraded or completely destroyed;
- To establish managed plantations using native species; to ban planting of introduced species.

During the reporting period, work was begun towards developing Georgia's forest policy, strategy and action plan within the framework of the "World Bank Forestry Development Project". However, the World Bank has since suspended the project citing a failure, on Georgia's part, to fulfill commitments identified under the agreement¹. As a result, no forest strategy and action plan has been developed.

A part of the above mentioned issues (included in the NBSAP chapters "Hunting and Fishing" and "Sustainable Forestry") is no more urgent because of the recent political developments in the country and institutional/legislative changes, while the other part maintains its initial actuality owing to the seriousness of the problem.

Chapter 2. Review of legislation related to the use of biological resources (2004-2012)

The following laws cover the issues related to the use of biodiversity in Georgia:

- On Environmental Protection (1996);
- On the System of Protected Areas (1996);
- On Wild Fauna (1996);
- Forest Code of Georgia (1999);
- On the Red List and Red Book of Georgia (2003);
- On Imposing Taxes on the Use of Natural Resources (2004);
- On Licenses and Permits (2005);
- On Management of Forest Fund (2010).

Other normative acts also cover the issues related to the use of biodiversity, mostly the subordinate legislation of the above-mentioned laws.

The Law of Georgia on Environmental Protection (1996) covers the following issues: protection of the environment against harmful impacts; improvement of the environmental quality; sustainable development and sustainable use of natural resources; preservation of biological diversity and ecological balance; protection of unique landscapes and ecosystems; making efforts to settle global environmental problems; defining citizens' rights and obligations in the sphere of environmental protection; environmental education.

The Law of Georgia on the System of Protected Areas (1996) defines the aspects of establishment, development and functioning of protected areas; establishes the system of agencies responsible for management at various levels; defines banned and permitted (regulated) activities within various categories of protected areas; defines general rules related to the use of natural resources.

The Law of Georgia on Wild Fauna (1996) regulates legal relations in terms of the protection and use of wildlife. Besides protection of wild fauna species, the law also envisages the protection of their habitats, migratory routes and propagation sites; provides for the sustainable use of wild fauna; creates a legal basis for its in-situ and ex-situ conservation. Before August 2005 this law also regulated the issues of use/licensing of wildlife species (including fishing).

The Forest Code of Georgia (1999) regulates legal relations related to forest tending, protection, restoration and use. It defines the concept of the state forest fund as an integrity of the State Forests of Georgia, as well as lands and resources attributed to these forests. The code also regulates the right to the ownership of the forest fund. At the moment of adopting the code, the forest fund was declared as state property, while the process of its privatization should be regulated by relevant legislation, as envisaged by article 9.2 of the code. The law removed economic functions from forest farms while the right of logging was completely delegated to the private sector. Transfer of forests to self-governments was also permitted. However, no practical measures have been implemented in the direction of privatization or decentralization. The forest

code introduced short-term (up to one year) and long-term (up to 20 years) forest use, and defined within these time-frames the following types of forest use: timber extraction, plantation farms, hunting farms, use of non-timber resources, special use (for example while using the mineral resources), etc. Preference was given to long-term use, over short-term use, as well as to those types of forest use which are less related to forest felling.

In 2003 the Parliament of Georgia adopted the Law on the Red List and Red Book of Georgia. The law provides legal definitions of endangered animal and wild plant species included in the Red List and Red Book . The law also defined the structure of the Red List, as well as the procedures for defining the species included in the list and for developing, adopting and revising the draft of the list. The law also regulates the issues related to planning and financing measures of protection, extraction, recovery and conservation of endangered species included in the Red List.

The Law of Georgia on Imposing Taxes on the Use of Natural Resources (No 946-rs) was adopted on December 29, 2004 and came into effect on January 1, 2005. The objective of the law is to provide for the rational use of state-owned natural resources based on the potential environmental opportunities and sustainable development principles. According to the law, the use of natural resources is defined as the removal from the environment of minerals, timber, non-timber resources (including fir-tree cones), surface water resources and animal wildlife. A tax on the use of natural resources should be paid by a person: whose activity is subject to licensing under the Georgian legislation; who uses timber resources from the state forest fund; who uses timber resources removed as a result of special felling; who extracts animal wildlife species. The law defines the amount of taxes on specific items, discusses the rules payment and sets certain privileges in respect of payment. As such taxes are transferred to the budgets of the region from which they are extracted. Taxes on the use of species included in the Red List of Georgia can be used for the calculation of harm or damage caused by the illegal extraction of resources. The amount of the tax is also used to determine the initial price of any relevant licenses.

The Law of Georgia on Licenses and Permits came into effect on August 4, 2005. It defines a full list of licensed and permitted activities as well as the types of licenses and permits associated with their implementation. The following licenses are issued, through auction, for the use of natural resources:

- License on the extraction of minerals
- General license on the use of oil and gas resources, including a) special license of oil and gas search and b) special license of oil and gas extraction (both of which can be issued independently)
- General license of forest use, which can include a) special license on timber production and b) special license of hunting farm (both of which can be issued independently)
- License of fishery (intended for industrial/commercial-scale fishing).
- License on the use of fir-tree cones and snowdrop tuber and/or cyclamen balls, entered into the annexes of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) for export purposes.

The Environmental Impact permits, as well as the permit on Export, Import, Re-export and Introduction from the Sea of Species, Their Parts and Derivatives, entered into the annexes of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), are also issued under the same law.

Based on the requirements of the law, other normative acts of Georgia should have been introduced in order for full compliance with this law. During the transition period of this law (identified as four months from its ratification) any issues preventing its compliance should have been settled by governmental decrees. However, even seven years after adopting the law, no harmonization of the mentioned laws has taken place.

The Law of Georgia on Forestry Agency (3345), a legal entity of public law, was adopted on July 6, 2010. The objective of the law was to establish the Forestry Agency, to replace the existing Forestry Department, under the Ministry of Environment Protection and Natural Resources of Georgia as well as determining the general principles of its' operation, administrative-legal arrangements, responsibilities and key directions of operations.

The Agency's key objectives include the maintenance and restoration of forests and the sustainable use of biodiversity within the forest fund. The Agency's key tasks include; facilitating the determination-clarification of state forest boundaries; forest management; regulating forest use; implementing forest maintenance and restoration measures and generally controlling the forest fund's territory. Amendments were made to the law on March 11, 2011 as a result of which it was called the Law on Forest Fund Management (4419).

During the reporting period the following subordinate normative acts relating to the forestry sector were adopted and enacted:

Presidential orders:

- No 6, June 10, 2000 "On approval of regulations on the rule of felling in Georgian forests and a number of measures on protection, restoration and recovery of forests";
- No 403, September 12, 2000 "On approval of regulations on determining the boundaries of the state forest fund of Georgia";
- No 404, September 12, 2000 "On approval of regulations on the rules and timeframes of transfer of the former forests of collective farms and Soviet economies to the state forestry agencies";
- No 342, July 19, 2002 "On approval of regulations on the system of registration of state forest fund";
- No 506, December 10, 2002 "On approval of regulations on the rule of allocation of forest area belonging to the state forest fund and suspension, prohibition and restriction of forest use on the territory of this area";
- No 508, December 10, 2002 "On approval of regulations on determining and changing the boundaries of state forests and lands of the state forest fund";
- No 687, August 8, 2005 "On approval of the list of basic (non-privatized) property to be transferred to local self-governing units";

Governmental Decrees:

- No 132, August 11, 2005 "On approval of regulations on the rules and terms of issuing the licenses on forest use";

- No 96, May 10, 2007 “On approval of the rule of inclusion and exclusion of land plots from the state forest fund”;
- No 105, May 23, 2007 “On the rule of defining the forests of local importance”;
- No 242, August 20, 2010 “On approval of the rule of forest use”.

Minister’s orders:

- Order No 380 of the Minister of Environment Protection and Natural Resources of Georgia dated September 22, 2005 “On approval of the procedure for issuance of legally harvested timber and timber origin certificates”;
- Order No 566 of the Minister of Environmental Protection and Natural Resources of Georgia dated December 20, 2005 “On the format and issuance procedure for legally harvested firewood certificate”;
- Order No 672 of the Minister of Environmental Protection and Natural Resources of Georgia dated September 26, 2008 “On the procedure for development and approval of forest use plans”;
- Order No 538 of the Minister of Environmental Protection and Natural Resources of Georgia dated July 5, 2006 “On approval of the methods of calculation of environmental damage”;
- Order No 96 of the Minister of Energy and Natural Resources of Georgia dated June 24, 2011 “On approval of the rules of timber movement on the territory of Georgia and technical regulations on the facility (saw mill) of primary processing of round wood (log)”;

Orders of the Chairman of the Forestry Department:

- Order No 10/161 dated December 7, 1999 “On approval of regulations on the rules of logging for the purpose of care”;
- Order No 10/37 dated June 1, 2000 “On approval of the rule for issuance of legally harvested timber certificates”;
- Order No 10/61 dated September 13, 2000 “On approval of regulations on special logging and the rule of its implementation;”
- Order No 10/03 dated January 10, 2001 “On approval of regulations on planning and implementation of measures on forest protection against fires;”
- Order No 10/39 dated March 15, 2001 “On approval of regulations on the rule of limitation, suspension, termination, and restoration of the right of forest use;”
- Order No 10/122 dated June 24, 2002 “On approval of regulations on the rule of management of forestry plantation”;
- Order No 10/161 dated December 4, 2002 “On approval of regulations on the restoration and planting of the state forest fund;”
- Order No 10/162 dated December 4, 2002 “On approval of regulations on the rule of production of timber forest products and secondary forest products;”
- Order No 10/93 dated March 28, 2002 “On approval of regulations on the rule of allocation of cutting area;”
- Order No 10/76 dated May 22, 2003 “On approval of regulations on the general rule of implementation of scientific-research and educational measures on the territory of the state forest fund.”

It should be noted that numerous amendments have been made to the above-mentioned legal documents; for example, approximately 60 amendments were made to decree 132 dated August 11, 2005 “On approval of the regulations on the rule and terms of issuing licenses on forest use. Many acts were abolished partially or completely.

Presently, the following normative acts have been implemented concerning issues related to forest use:

- Forest Code of Georgia, 1999;
- Law of Georgia on the Red List and Red Book of Georgia, 2003;
- Law of Georgia on Imposing Taxes on the Use of Natural Resources, 2004;
- Law of Georgia on Licenses and Permits, 2005;
- Law of Georgia on Management of Forest Fund, 2010;
- Governmental Decree No 132 dated August 11, 2005 “On approval of the regulations on the rule and terms of issuing licenses on forest use”;
- Governmental Decree No 242 dated August 20, 2010 “On approval of the rule of forest use”;
- Order No 96 of the Minister of Energy and Natural Resources of Georgia dated June 24, 2011 “On approval of the rules of timber movement on the territory of Georgia and technical regulations on the facility (saw mill) of primary processing of round wood (log)”.

Hunting issues are mostly regulated by the subordinate legislation to the Law on Wild Fauna. However, most of them are either abolished or are not currently put in practice as, since the adoption of this law, the institutional arrangement and legal framework of the sector has changed significantly. Presently, the following normative acts (minister’s orders) are in effect:

- On approval of the regulations on the rules and timeframes of extraction of wild animals, by their species, and the list of weapons and devices permitted for their extraction;
- On approval of the regulations on the rule of defining the list of hunting species;
- On approval of the dates of beginning and closing of hunting and fishing seasons;
- On approval of the list of huntable species.

This latter order approves the list of species subject to hunting (approved by order No 18 of the Minister of Environment Protection and Natural Resources dated May 25, 2009; 03.06.2009; article 68, 750; registered at the Ministry of Justice of Georgia, registration code 410.030.000.22.023. 013.136) which is also approved by order 175 of the Minister of Energy and Natural Resources of Georgia dated September 1, 2011 “On approval of the list of animal species subject to hunting (except of migratory birds), which was issued on the basis of subparagraph “l” of article 3 of the Law of Georgia on Management of the State Forest Fund. Thus, two different acts regulate one and the same legal relation. Moreover, on November 8, 2011 the Parliament of Georgia adopted the law “On making amendments to some legislative acts of Georgia;” and according to one of the amendments, the following subparagraph was added to article 116 of the Forest Code: “to issue the order of the Minister of Energy and Natural Resources before August 1, 2012 “On the list of animal species subject to hunting””. Thus, animal species subject to hunting are defined by three normative acts with similar contents.

The rule and terms of issuing permits on export, import, re-export and introduction from the sea of species, their parts and derivatives entered into the annexes of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) are defined by decree 18 of the Government of Georgia dated February 6, 2007, “On approval of the regulations on the rule and terms of issuing permits on export, import, re-export and introduction from the sea of species, their parts and derivatives entered into the annexes of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)”.

The rule and terms of issuing a license on the use of fir-tree cones and snowdrop tubers and/or cyclamen balls, entered into the annexes of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) for export purposes, are defined by decree No 21 of the Government of Georgia dated February 2007 “On approval of the regulations on the rule and terms of issuing a license on the use of

fir-tree cones and snowdrop tuber and/or cyclamen balls, entered into the annexes of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) for export purposes”.

Thus, under the legislation, the following licenses and permits are issued in respect of natural resource consumption:

- General license of forest use, which can include:
 - a) Special license on timber production;
 - b) Special license of hunting farm.
- License of fisheries (referring to commercial fishing).
- License on the use of fir-tree cones and snowdrop tuber and/or cyclamen balls, entered into the annexes of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) for export purposes.
- Environmental impact permit.
- Permit on export, import, re-export and introduction from the sea of species, their parts and derivatives entered into the annexes of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

The legislation defines the following types of forest use:

- Timber production;
- Hunting;
- Allocation of the designated area; (ծօհյճս)
- Use for special purposes;
- Harvest of timber forest products and secondary forest products;
- Removal of a fertile layer of the soil in the forest fund;
- Use of non-timber forest resources;
- Forestry plantations;
- Forest use for agricultural purposes;
- Use for resort, recreational, sport and other cultural purposes;
- Arrangement of fishery farms;
- Arrangement of animal shelters and farms;
- Complex forest use;

- Placement of communication facility.

Besides the above mentioned licenses and permits, the Agency of Natural Resources issues other permit documents on certain types of forest use, in line with the Law on Management of the Forest Fund, in particular:

- Document on extraction of animal species subject to hunting (except for migratory birds);
- Timber production ticket (for social felling);
- Agreement on forest use;
- Ticket for the use of forest resources (issued only for the removal of a fertile layer of the soil);
- Agreement on setting the designated areas of the State Forest Fund;
- Agreement on the use of the State Forest Fund for special purposes.

Chapter 3. Review of Institutional Arrangements Related to the Use of Biological Resources (forest use, hunting, extraction of non-timber plant resources) (2004-2012)

In 2004, following the Rose Revolution, significant structural changes occurred within the executive authorities. The following were made in respect to issues relating to the management of biological resources: the Ministry of Protection of the Environment and Natural Resources was renamed as the Ministry of Environment Protection and Natural Resources, and incorporated the State Forestry Department, and the State Department of Protected Areas, Nature Reserves and Hunting Farms. During the following months, various structural units were set up at the new Ministry and, finally, in 2005 (the time in which the NBSAP was approved) the following structural units and functions were established:

The Ministry of Environment Protection and Natural Resources of Georgia became responsible for implementing state policy on the protection and use of biological diversity.

The Ministry has its territorial bodies, representing it in the process of implementation of various tasks, in their respective administrative-territorial units.

The central office of the Ministry of Environment Protection and Natural Resources incorporated a structural unit; the Service of Biodiversity Protection. The functions and obligations of the Service include: participate in the development and implementation of state policies for biodiversity protection and conservation and manage and regulate the use of biological resources on the entire territory of Georgia; coordinate and monitor measures defined by the National Biodiversity Strategy and Action Plan; organize and coordinate the delivery of those commitments defined by the various ratified international biodiversity conservation conventions ratified (Convention on Biological Diversity; Convention on International Trade in Endangered Species of Wild Fauna and Flora; Convention on Wetlands of International Importance especially as Waterfowl Habitat; Convention on the Conservation of Migratory Species of Wild Animals; the Black Sea Biodiversity and Landscape Conservation Protocol to the Convention on the Protection of the Black Sea Against Pollution); prepare national reports; define and plan priority measures for biodiversity protection, conservation and recovery and develop and coordinate their implementation.

The Forestry Department, a subordinate agency under the Ministry of Environment Protection and Natural Resources, was an agency of the executive authorities, through which the Minister of Environment Protection and Natural Resources was implementing executive powers in the sphere of forestry. Forest farms were subordinated to the Department.

The Department of Protected Areas was, a subordinate agency under the Ministry of Environment Protection and Natural Resources. Protected areas (national parks, reserve, strict nature reserves, and natural monuments) were subordinated to the Department.

The Inspection of Environment Protection, a subordinate agency under the Ministry of Environment Protection and Natural Resources, was a uniform centralized body of state control in the sphere of environmental protection. Its major tasks were to:

- implement state control in environmental protection;
- reveal and prevent the illegal use of natural resources;
- control the fulfillment of the terms of licenses and permits issued by the Ministry.

The Investigation Department, a subordinate agency of the Ministry of Environment Protection and Natural Resources, was involved in combating crimes against the rule of environmental protection and use of natural resources as well as in the preliminary investigation of criminal cases in this area. The key functions of the department were to:

- implement powers defined by the criminal procedure legislation of Georgia with the purpose of revealing/preventing crimes against the rule of environmental protection and use of natural resources;
- coordinate operative activities within its competence;
- organize work with secret information;
- provide the observance of legal requirements while working with secret information.

The Division of Licenses and Permits of the Ministry of Environment Protection and Natural Resources functioned to:

- facilitate the implementation of state ecological expertise;
- issue environmental impact permits;
- issue licenses on the use of natural resources (forest use, creation of hunting farms, use of minerals).

As mentioned above, in 2005 the Parliament of Georgia adopted the Law of Georgia on Licenses and Permits. The law established the types of licenses and defined that these licenses would be issued only through the auction. Because of this, licenses previously defined under the Law of Georgia on Wild Fauna, as well as the rule allowing their issuance, and including the rule of creation of hunting farms were abolished. Forest ticket was abolished as well.

No significant reforms were implemented in the sphere of forest management before 2007. In 2007 the Ministry of Environment Protection and Natural Resources launched one more “forest reform.” The interpretation of the reform was as follows: the state should be free from the obligations of forest management, as well as associated expenses, as much as possible and should maintain only the functions of selling and controlling licenses. To this end, the following steps would be necessary:

1. The handing over of a great part of forest under long-term licenses; the maximum term of such license would have increased from 20 to 50 years;
2. The transferal of a part of forests to local self-governments with the population being suitably compensated. By this, the state was getting free from undesirable expenses, on the one hand, and it would have had less problems, on the other;
3. The transferal of a part of forests to the Georgian Patriarchate.

However, none of these options were implemented, though certain institutional reforms were launched in advance. The Forestry Department was renamed as the Forest Department and its internal structure changed with staff reductions at the central office and with local offices reorganized. Forest farms were abolished and 10 regional forest divisions were created in their stead, incorporating the forest districts created within the former forest farms. As a whole, the staff was reduced from 1,694 to 682 personnel. As a result of this reduction, average salaries increased 2.4-fold with the salary of a ranger increasing to GEL 400. Areas of responsibility, for each ranger, increased by up to 4.5-5 hectares and responsibilities included the prevention of illegal cutting, the issuance and checking of permits and the prevention of fires and forest diseases.

In March 2008 the function of issuing licenses on forest-use was taken away from the Ministry of Environment Protection and Natural Resources and transferred to the Ministry of Economic Development (later it was renamed into the Ministry of Economy and Sustainable Development). The amount of natural resources extractable under the license was defined by the Ministry of Environment Protection and Natural Resources and approved by the Ministry of Economy.

In 2010 the Forest Department, a subordinate agency, was replaced by the Forest Agency, a legal entity of public law, which was authorized to carry out certain economic activities.

In spring 2011 significant structural changes were made in the Georgian Government. The Ministry of Environment Protection and Natural Resources and the Ministry of Energy were renamed into the Ministry of Environment Protection and the Ministry of Energy and Natural Resources, respectively. In this way, the Inspection of Environment Protection, the Investigation Department and the Forestry Agency were re-delegated to the Ministry of Energy. Later these units were liquidated.

The Agency of Natural Resources, a legal entity of public law, was established as part of the Ministry of Energy and Natural Resources and forest management functions were transferred to it. In addition, this agency became responsible for hunting and fishing issues as well as the management of minerals (setting license quotas, checking license terms, etc.). Furthermore, the function of selling the rights to use natural resources was removed from the Ministry of Economy and Sustainable Management and transferred to the Ministry of Energy and Natural Resources.

The following functions, related to management of natural resources (minerals, water, wild fauna (hunting& fishing), forest and non-timber resources), were concentrated within the Ministry of Energy and Natural Resources (more exactly, in the Agency of Natural Resources under that Ministry):

setting quotas and terms of natural resource use

preparing license/lease objects

selling and controlling licenses;

preventing the illegal use of resources.

The Ministry of Environment Protection retained certain functions, particularly those concerning the extraction of species included in the National Red List and in the annexes of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Quotas for extracting snowdrop tubers and/or cyclamen balls entered into the CITES annexes are set by the Agency of Natural Resources based on the conclusions of the Scientific Body, the Minister's Advisory Council created by order of the Minister of Environment Protection. The rule of activity of the Scientific Body is also defined by order of the Minister of Environment Protection.

Permits for the export, import, re-export and introduction from the sea, of species, their parts and derivatives entered into the annexes of CITES are issued by the Ministry of Environment Protection or the Revenue Service; a legal entity of public law under the Ministry of Finance. Since joining CITES this function has been performed by the Ministry of Environment Protection (or its predecessor) whilst the Revenue Service undertook this function from December 1, 2011; however it has not yet exercised this right.

According to amendments to the Law of Georgia on the Red List and the Red Book (08.11.2011, N5201), decisions on permissible amounts of extraction (removal from the environment) of endangered wild animals (except those propagated in captivity) are made by the Minister of Environment Protection through an individual administrative-legal act.

Chapter 4. Practice related to the extraction of biological resources (2004-2012)

Timber production for commercial purposes

As mentioned above, the Forest Code (1999) allows for the short-term (one year) and long-term (20 years) use of forests. Before 2007 forest use was mostly carried out under the documents issued for short-term use.

In 2006 the Ministry of Environment Protection and Natural Resources issued 501 special one-year licenses on timber production. By then, the Department of Licenses and Permits of the Ministry of Environment Protection and Natural Resources was issuing licenses on forest use.

A special column, "License Terms", was not filled in those licenses on timber production (only two licenses contained the terms). Moreover, instead of extractable species (for example, beech, fir-tree, pine-tree)

more than a half of licenses issued indicated only “coniferous” or “broadleaf” trees. This made it impossible to ascertain/control exact numbers of extracted timber, or to gauge the impact on the environment.

Among the licenses issued by the Ministry were those issued on the territory of the Gori Experimental Forestry Farm, which at the time belonged not the Ministry’s Forestry Department, but by the Gulisashvili Forestry Institute. The Ministry has no authority to issue licenses on that territory, or to issue documents confirming the origin and legality of any extracted timber.

In 2006, according to governmental decree, the terms of one-year licenses were prolonged initially by two months and later, until November 2008. According to the decree (N81 of the Government of Georgia, dated April 3 2008), the holders of one-year timber extraction licenses, who had failed to produce the total amount of timber defined by that license, were granted an extension to produce the remaining part, without the need of a new license, until November 1 2008. In exchange, the decree obliged license holders to hand over 25% of timber produced to the relevant local government body before August 15 2008. The local agencies would then use this timber to supply socially vulnerable, local populations with wood materials. Unfortunately, this decision was not preceded by either the relevant examinations of cutting areas or by the relevant monitoring of work done. Perhaps not surprisingly, license holders were against the condition to handover 25% of produced timber to the state and the Ministry of Environment Protection and Natural Resources submitted a proposal to the government recommending a reduction of the license holders’ share to 10%. Finally, the government members agreed on a settlement of 15% of products to the state.

Eventually, the governmental decree was formulated as follows: the company Merkani Ltd and the holders of one-year licenses for timber production, issued by the Ministry of Environment Protection and Natural Resources in 2005 and 2006, respectively, who failed to produce the total amount of timber within the term defined by the license, were granted the right to produce the remaining part without receiving a new license from the day of enactment of the present decree till November 1, 2008.” At the same time, license holders were obliged to hand over 15% of produced timber to the state governors’ administrations.

However, the delivery of even 15% of timber proved quite unprofitable for the entrepreneurs and if they saw no sense in continuing their work. Therefore, instead of the expected 20,629 cubic meters of timber to be delivered to the governors by license holders, only 935 cubic meters were delivered.

In late 2006 and early 2007, the Georgian Government announced that the issuing of long-term licenses on forest use, with the purpose of timber production, was a priority. The first 20-year license was purchased by Georgian Forest Ltd in August 2006, under which they were granted the right to cut timber in Samegrelo, Martvili district, Kurzu and Taleri forestry. The next auction was held at the Ministry of Environment Protection and Natural Resources on May 1, 2007. Special licenses on timber production were sold, for a term of 20 years, to the following companies: “Georgia Wood and Industrial Development Co”, Ltd (Mukhuri, Taia, Napichkhovo, Magani, Khudoni, Jvari forest quarters of Tsalenjikha and Chkhorotsku regional forest districts of the Samegrelo-ZemoSvaneti Regional Forestry Division); Georgian-Italian company “Georgian Timber Industry Company” (Akhalsopeli, Kvareli, Shildi, Sabue, Gremi forest quarters of the Kvareli Forest District of the Kakheti Regional Forestry Division) and a physical person, Emil Raynirs (Oti, Zedaveli, Dzveli, Atskuri, Tiseli, Uraeli, Vale forest quarters of Akhaltsikhe forest district of the Samtskhe-Javakheti Regional Forestry Division).

For the present (May 2012), timber production licenses have been issued for a term of 5, 10 and 20 years and covering a total of 161,671 ha.

Annex, table: information about long-term licenses on timber production

The process of auctioning forest-use rights are typically impacted by the following problems:

- *The informing of the public and their subsequent participation in a decision-making process*

As a rule, the rights of Georgian citizens to participate in decision-making process related to the environment/forests are violated; specifically, there is no public participation in the selection of areas subject to licensing or in the setting of quotas on timber resources subject to cutting (articles 35 and 36 of the Forest Code of Georgia). The interested components of society, including the local population dependent on forest resources, learn about government decisions on selling forest resources, through long-term licenses, after the fact. In a number of cases conflicts have emerged between the local population and licensees, which have led to the re-allocation of forest areas subject to those licenses (e.g. Akhmeta district, "Imedi" Ltd; Chokhatauri district, "Guria JP" Ltd).

In addition, the lack of appropriate consultation with relevant experts and environmental organizations (including with the Service of Biodiversity Protection), in some cases, has led to licenses on timber production being granted without proper evaluation and the granting of licenses for timber extraction in ecologically sensitive forest areas with especially high conservation (environmental) value.

- *Obscure and controversial license terms*

According to both international standards and Georgian legislation, forest use should be carried out on the basis of inventory data and this should be updated at least every 10 years. Forest inventory defines the boundaries (areas) of the forest fund, its component types, timber resources, types and amount of extractable resources (quotas), ecological requirements of forest use, as well as management issues such as forest protection, tending, restoration and economic activities. As a rule, the license objects with outdated forest inventory were auctioned. This circumstance triggered the following problems: investors got incorrect data about license objects; the amount of auctioned extractable resource differed from the real one that on the one hand, posed a threat to forest ecosystems, and on the other, infringed investors' (licensees') interests; the obligations of license holders envisaged by license terms did not comply with their rights. Because of these complications, it became impossible to fulfill the conditions of most of individual license terms and this has facilitated an environment of corruption between license providers and license holders.

Furthermore, the relationship between a license holder and the state, in the issues of resource management as defined by the license, are based on a conflict of interests: after obtaining a license, a license holder carries out the forest inventory, thereby defining the amount of extractable resource available.

According to the Forest Code of Georgia, all obligations of forest management should be fulfilled by the state (i.e. to carry out detailed inventories; to define the sequence and terms of timber production areas; to plan measures on forest biodiversity conservation; to control illegal cutting and carry out physical protection of the forest). However, the reality is that it is often the license holders themselves who prepare technical statements of the work to be done. In such case, the only protective mechanism available is the honesty and frankness of those persons (foresters, and other specialists), who are carrying out the inventory and drawing up the plans of forest use under the instructions of a license holder.

The practice of setting initial prices at forest use auctions is also a subject of controversy. According to the legislation, the starting price of the auction should be determined by order N1-1/480 of the Minister of Economic Development of Georgia (April 4th 2008) "On holding an auction in order to grant utilization license, determination of starting price and payment rules" (previously this was covered by a similar order

of the Minister of Environment Protection and Natural Resources). However, this mechanism has never been applied and it is unclear how the starting prices of auctions are actually calculated. To date, government representatives have been unable, or unwilling, to answer this question.

- *Neglecting environmental issues*

Currently, the ecological impact of cutting is not assessed when selecting areas for licensed timber production. As a result, forests of high conservation value are allocated for cutting. In addition, these areas have a huge potential for recreation and tourism and may, then, be better suited to management as either resorts or protected areas. The forests of the Caucasus Mountains are recognized as being of global ecological importance, primarily because they are the last virgin forests preserved in the moderate belt. In Georgia intact forests constitute 17.2%² of forest cover but only 2% of these are protected.

- *Weak control over fulfillment of license terms*

Research has clearly shown that monitoring within the forest sector is flawed, with insufficient attention being paid to the fulfillment of license terms and a lack of accountability when those terms are violated. For example, despite the terms of a 2005 license for the extraction of chestnut timber (a Red Listed species) not being fulfilled, the Government decided to prolong the agreement in 2008.

Several months after issuing the first long-term license, license terms were simplified. On September 24, 2007 the Government issued decree No 203 "On making amendments and additions to the regulations approved by decree N132 of the Government of Georgia" which effectively cancelled a requirement for forest use management plans to comply with the principles of Forest Stewardship Council (FSC).

The current legislation provides scant opportunity for controlling issued licenses. According to paragraph 10 of article 21 of the Law of Georgia on Licenses and Permits, the fulfillment of license terms can be inspected only once during a calendar year. However, even this opportunity is seldom used.

- *Timber production by local populations*

In the period 2005-2011 supplying of local populations with firewood and timber materials was regulated by decree N132 of the Government of Georgia (August 11, 2005) "On approval of the regulation on the rules and terms of issuing licenses on forest use." This decree replaced the Forest Code, the previous major regulatory act for the forest sector, becoming the primary guidance for state agencies when supplying the population with forest resources. Because of imperfect legislation and poor structure of forestry services, it was physically impossible for the most of the population to extract timber legally.

With respect to the legal extraction of firewood, the decree states that "In order to prevent repeated reception of firewood by one and the same person, the Forestry Department of the Ministry of Environment Protection and Natural Resources shall be allowed to allocate firewood through the regional forest divisions after submitting an application by a local resident, a copy of ID card of an applicant, a certificate issued by an authorized person about the composition of a household as well as a tax statement or a bank cheque."

According to the decree, applicants have to follow the following stages to get firewood:

²www.intactforests.org

1. To submit an application to the head of the forest district at the regional center;
2. To pay a tax on natural resources (GEL 2-3 per cubic meter of timber);
3. To take a certificate from the local municipality about the composition of an applicant's household;
4. To return to the local forest district (or forest division) and submit the relevant documents (as detailed above);
5. To arrange for a ranger and go to accompany the applicant to the forest to indicate the place for timber production (this can be very difficult with the applicant needing to visit the regional center several times);
6. Timber felling is the most laborious and expensive stage (expenses for transportation and workers);
7. To arrange for a ranger once (and take him to the place of timber production and certify the legality of firewood transportation, which must occur within 24 hours of the inspection which is not so easy because there probably will be only one rough terrain capacity truck in the village).
8. Finally, according to the decree, firewood should be cut into logs not measuring more than one meter. Because of this rule, transportation by buffalo, the traditional method used by villagers in mountain regions of Georgia, became impossible.

According to this legal procedure, then, one forester (ranger) should visit the forest at least three times for each timber applicant: to allocate a cutting area; to take the local user to the cutting area and to examine the legality of any firewood produced. In real terms, and due to the resources available to the forestry sector, this may prove unworkable. For example, Oni district has 16 forest rangers to cover 7,0687 ha of forest (an average of 4,400 ha per ranger). With around 3,500 households in Oni, one ranger, serving each household separately, will have to make 400 visits to the forest a year solely to perform the procedures related to this process (even assuming he can serve, say, four households together, he would need to make 100 trips). In the mountainous regions of Georgia a ranger will likely only be able to visit one cutting area per day and it should also be remembered that any ranger will have a variety of other duties to perform (patrolling, fire prevention, forest restoration, afforestation, etc.). In practical terms, then, the system currently in force would seem to be unrealistic and impractical. Inevitably, such a situation leads to the perception of an ineffective ranger force and the outlawing of rural communities.

Supplying the local population with timber was yet another difficult issue. Before May 2008 the local population had no right to extract timber, for household consumption. The holders of timber production licenses were instructed to hand over a part of the extracted timber to the local authorities for distribution to the population. Moreover, it became possible to allocate standing timber to local populations in order to produce no more than 5 cubic meters per household. However, the procedure for extraction was even more difficult than that for firewood (see above):

1. An application, addressed to the governor and either delivered directly to the governor or via a rural envoy (the preferred option), specifically stating that the applicant's family needs timber, is submitted;
2. The rural envoy collects all applications for delivery to the local municipality;
3. A commission is set up by the local municipality to review the applications;
4. The commission considers the situation on the ground to decide whether the stated needs are justified;
5. Once the commission has reviewed all applications, a conclusion is prepared for each and submitted to the governor;
6. The governor then discusses the conclusions prepared in each municipality of his region and makes a motion to the regional forestry divisions over satisfying some of them. There existed no criteria by which to judge the suitability of an application and the governor could make only one of two positive decisions: to allocate around 5 cubic meters of forest for the applicant to produce timber materials or to provide the applicant with the equivalent volume of timber from material collected

from license holders (see above). In the case, the applicant would have to pay tax on the timber and obtain a certificate from the forestry division to legally transport the material. In the first case, the following procedures would then need to be followed:

7. An instruction to satisfy the governor's motion is given by the forest division to the forest district;
8. The forest district allocates a cutting area and presents it to the forest division;
9. The forest division agrees on the allocated cutting area;
10. The forest division notifies the applicant and the steps laid out (above) for extracting firewood are followed;
11. A tax must be paid for the timber to be extracted before the applicant travels to the cutting area, accompanied by a ranger, to produce timber;
12. Once cut, a certificate to transport the timber must be secured by the applicant before he can take the material to the saw mill for processing;
13. Finally, a second certificate, to transport the processed timber, must be secured before the applicant can transport it home..

Such a complex process cannot be considered an acceptable method of supplying the local population with timber.

Supplying the local population with timber for other purposes (such as for repairs to a house, cattle-shed, fence or other small household need) remains without regulation. However, if a person extracts a small amount of timber in the forest for his own needs, the relevant bodies may qualify it as illegal timber extraction that is punishable under the law.

After transferring the forestry sector to the Ministry of Energy and Natural Resources, forest utilization by local population became regulated by a rule defined by amendments (13.-5.2011 199) made to decree N242 of the Government of Georgia (August 20th 2010) "On approval of the rule of forest use." Article 10 of this decree covers the issue "Social cutting."

According to the new regulations, the procedure now seems comparatively simple. In terms of social cutting, the population can extract timber resources on the basis of the following documents:

- a) document certifying the payment of a relevant tax set under the Law of Georgia on the Fee on Use of Natural Resources (except for the cases of exemption from payment of this fee);
- b) document certifying the payment of a service fee for issuing a timber production ticket (except for the cases of exemption from payment of the service fee);
- c) timber production ticket.

Through the electronic database developed by the Agency of Natural Resources, a citizen is provided with information about the cutting area when he/she pays the fee on the use of natural resources. As far as timber materials are concerned (i.e. high-grade timber) the fee is defined for each particular case through an agreement between the governor and the governing body (in case of the Autonomous Republics of Adjara and Abkhazia, this is done through a mutual agreement between the self-governing unit and the governing body). The high-grade timber is allocated according to a list, submitted by the governor (by the self-governing units in the Autonomous Republics of Adjara and Abkhazia) (along with indicating the first name, last name, personal ID number of each citizen and the amount of high grade timber to be allocated to a citizen).

In order to carry out social cuttings, the relevant bodies authorized to manage the state forest fund allocate cutting areas annually in accordance with the procedures set by this rule; they also ensure that the construction of forest access roads, and other measures, are in line with this rule.

It should also be noted that, since 2011, restrictions on the amount of extractable timber allocated to a family have been abolished (previously, a family could extract only up to 7, 12 or 20 cubic meters, of firewood, depending on their location, whilst the maximum permissible amount of timber material per household was 5 cubic meters).

It is difficult to assess at this stage, whether this regulation will prove to be successful. If we consult official data on legally extracted timber materials and firewood, as well as official data about illegal cuttings, we can see the following picture: in 2011 the amount of legally produced firewood and timber decreased compared to previous years whilst the amount of illegal cuttings decreased sharply, by 410 fold, compared to previous years.

Table: Amount of wood Produced in 2005-2011

//	Amount of legally produced m ³		Amount of revealed illegal cutting m ³	Total amount m ³
	Timber	Firewood		
2005	165 084	518 741	22 685	706 510
2006	102946	481495	57 178	641619
2007	100921	704501	87 244	845657
2008	78915	761158	40 235	880308
2009	49197	658103	53 854	761154
2010	73473	725419	32 925	831817
2011	90823	562664	7 339	660826

Here, the evidence suggests that it is not the level of illegal cutting that has decreased but the rate at which such crimes are discovered. The research has shown that two basic circumstances have strongly contributed to this picture:

1. the abolition of the Inspection of Environment Protection;
2. an amnesty on past forest-use crimes, announced in 2011.

The population decided that they would be forgiven not only their past crimes but also those in the future. Significant illegal cuttings were observed in the Alazani grove but, unfortunately the appeals submitted by

the representatives of hunting farms to the Ministry of Energy and Natural Resources and the Interior Ministry were unsuccessful.

Hunting

Until 2010 hunting was permitted only in hunting farms and certain areas of managed reserves. The shooting of migratory birds was an exception, as this was permitted everywhere except for in proximity to human settlements and some categories of protected areas (reserves, national parks, natural monuments).

Currently there are 18 hunting farms (4 more licenses have been issued to fishing farms – see Annex 4). Unfortunately, these farms fail to act effectively and only some of them have approved extraction quotas.

Table: Quotas approved by hunting farms by years

Hunting farm	2007-2008	2008-2009	2009-2010	2010-2011
Hunting species				
Dali Mountain				
European hare Lepus europaeus	60	61		
Rock partridge Alectoris gracea	90	80		
Wild boar Sus scrofa		5		
Red fox Vulpes vulpes		4		
Golden jackal Canis aureus		6		
Raccoon Procyon lotor	Unlimited amount			
Fauna				
Common pheasant Phasianus colchicus			50	70
Red fox Vulpes vulpes		20	38	20
Golden jackal Canis aureus		30	76	88

Grey wolf Canis lupus		3	10	28
Raccoon Procyon lotor			Subject to complete extraction	305
Wild boar Sus scrofa				12
Iori grove				
Grey wolf Canis lupus			2	2
European hare Lepus europaeus	21	20	21	75
Red fox Vulpes vulpes	3	6	3	5
Golden jackal Canis aureus	22	36	24	40
Marten Martes meles	2	4	4	6
Common pheasant Phasianus colchicus	20	30	44	100
Rock partridge Alectoris gracea	16	39	60	120
Wild boar Sus scrofa	57	120	50	50
Raccoon Procyon lotor	Unlimited amount			Indefinite amount
Kvereti				
European hare Lepus europaeus			40	56
Marten Martes meles			12	12
Golden jackal Canis aureus			41	37
Red fox Vulpes vulpes			18	11
Grey wolf Canis lupus			10	35
Pine marten Martes martes			28	27
Loba				
Red fox Vulpes vulpes			25	
Golden jackal Canis aureus			50	
Grey wolf Canis lupus			7	
Pine marten Martes martes			14	
Wild boar Sus scrofa			19	

Roe deer Lapreolus lapreolus			5	
European hare Lepus europaeus			80	
Marten Martes meles			12	
Munchausen				
Red fox Vulpes vulpes			100	65
Golden jackal Canis aureus			30	35
Grey wolf Canis lupus			10	11
Pine marten Martes martes			42	50
Wild boar Sus scrofa			88	100
Roe deer Capreolus capreolus			7	17
European hare Lepus europaeus			108	90
Marten Martes meles			37	37
Iori resources				
Wild boar Sus scrofa				5
European hare Lepus europaeus				10
Grey wolf Canis lupus				3
Golden jackal Canis aureus				20
Red fox Vulpes vulpes				8
Marten Martes meles				4
Raccoon Procyon lotor				Indefinite amount
Mamuli				
Wild boar Sus scrofa				8
European hare Lepus europaeus				15
Grey wolf Canis lupus				3
Golden jackal Canis aureus				20
Red fox Vulpes vulpes				6

Marten Martes meles				2
Raccoon Procyon lotor				Indefinite amount
Common pheasant Phasianus colchicus				50
Kolagi				
Wild boar Sus scrofa				18
European hare Lepus europaeus				45
Grey wolf Canis lupus				6
Golden jackal Canis aureus				43
Red fox Vulpes vulpes				17
Marten Martes meles				8
Raccoon Procyon lotor				Indefinite amount
Common pheasant Phasianus colchicus				150
Roe deer Capreolus capreolus				1
Alazani grove				
Wild boar Sus scrofa				33
European hare Lepus europaeus				24
Golden jackal Canis aureus				55
Red fox Vulpes vulpes				7
Marten Martes meles				9
Raccoon Procyon lotor				127
Common pheasant Phasianus colchicus				270
Roe deer Capreolus capreolus				1

As a result of the amendments made to the legislation in 2010 (the Law on Forestry Agency), hunting became permissible on the entire state forest territory. However, hunting was not actually launched under this rule because of a lack of relevant subordinate legislation.

In September 2011 the Draft Law on Making Amendments to Some Legislative Acts of Georgia was issued. The draft law offered new regulations, which could be deemed as posing a threat to Georgia's biodiversity. Here, we focus on several key areas where this law presented such potential threats:

- Extraction of endangered species for commercial purposes;
- Hunting in protected areas, including in national parks;
- Legalization of the potential destruction of habitats of rare and endangered species;
- Abolition of a natural resource fee for the extraction of Red Listed, and other, species as well as of compensation for environmental damage caused by illegal extraction.

After non-governmental and international organizations intervened, however, several articles were removed; in particular, articles that would allow hunting in national parks and that introduced a zero fee on the extraction of endangered species. Unfortunately, with regard to the hunting of red listed species, the only change was the addition of some ambiguous wording to the legislation. According to the amendments to the Law on the Red List and Red Book of Georgia (8.11.2011, N5201), paragraphs 1 and 2 of article 22 were formulated as follows:

1. The decision on the permissible amount of extraction (removal from the environment) of endangered wild animals (except those propagated in captivity) is made by the Minister of Environment Protection by individual administrative-legal act.
2. Except for the decision envisaged by paragraph 1 of the present article, it is allowed to extract (remove from the environment) endangered wild animals for the purpose of their saving, treating, restoration of populations and scientific purposes that can be carried out through a written consent of the Ministry of Environment Protection of Georgia (the mentioned consent may contain certain restrictions and/or terms for the extraction (removal from the environment) of endangered wild animals).

Although article 22 does not directly state that hunting of endangered wild animals is permitted, owing to the Georgian Government's interpretation, commercial hunting of species included in the Red List is allowed. Moreover, the government issued several normative acts in this respect.

On December 29, 2011 the Georgian Government issued decree No 513 on making amendments to decree 242 of the Government of Georgia (August 20, 2010) "On approval of the rule of forest use." According to the decree, species included in the Red List are also considered to be "hunnable objects". It also defined how much a hunter should pay to the Ministry of Energy and Natural Resources to obtain a hunting license for wild goat (*capraeagrus*), tur (*Capra sp.*), red deer (*cervuselaphus*), brown bear (*ursusarctos*), Caucasian grouse and Caspian snowcock; all red listed species.

Order No 275 of the Minister of Energy and Natural Resources of Georgia (December 27, 2011) on making amendments to order No 07 of the Minister of Energy and Natural Resources of Georgia (April 6, 2011) "On approval of the provision on the rules and timeframes of extraction of wild animals, by their species, and the list of weapons and equipment allowed for extraction", along with other species, has determined certain conditions and prohibitions on the extraction of endangered wild animals. For example, hunting of the following species is prohibited: a bear under one year of age; a female bear with a cub of less than one year old; any female red deer, tur, grouse or snowcock; any male species of tur with horns of less than 100 cm; any male deer whose antlers are not branched and/or are branched but are less than 90 cm along the main axis. It is worth noting, however, that these restrictions are rather academic considering that there are no effective mechanisms for monitoring or enforcing them within Georgia.

Order No 276 of the Minister of Energy and Natural Resources of Georgia (December 27, 2011) on making amendments to order No 30 of the Minister of Energy and Natural Resources of Georgia (May 10, 2011) "On

approval of opening and closing dates of the hunting and fishing season”, along with other species, the timeframes for hunting of endangered wild animals were also set.

On January 30, 2012 the Ministry of Energy and Natural Resources of Georgia made amendments to the above-mentioned orders (35 and 36 respectively), as a result of which the open season for Capra species and Chamois increased up to 6 months.

In January 2012 the Agency of Natural Resources approved the following quotas for the 2012 hunting season: coyote (194), rabbit (615), badger (168), forest marten (157), stone martin (157), wolf (120), jackal (1,453), fox (162), wild cat (77), wild pig (189), roe deer (417), raccoon (96), pheasant (416), partridge (713), black francolin (50). When asked if the distribution of these quotas were based on hunting plots, the Ministry gave a negative answer (letter 4/665, 10.02.2012).

Many years, not a single state or scientific institution has ever registered hunting species outside protected areas and hunting quotas should definitely be bound to a particular hunting plot. Setting official hunting quotas without specifying the areas where it is possible to extract these animals (i.e. without distribution of extractable species by hunting plots) contradicts key ecological principles. We may conclude, then, that they are not based on any real data.

The Georgian Parliament also made amendments to other laws in order to abolish as many legal restrictions on hunting as possible. In particular; the Law of Georgia on making amendments to the Law on Creation and Management of Tusheti, Batsara-Babaneuri, Lagodekhi and Vashlovani Protected Areas (November 24, 2011, No 5298-III), according to which fishing, hunting and the creation of hunting farms was allowed in the Tusheti Protected Landscape as well as in the Ilto and Lagodekhi Managed Reserves. Such a move presents a huge potential threat to Georgia's biodiversity. Tusheti contains the last remaining range of the bezoar goat (*Capra aegagrus*) and this legislation, combined with amendments made to what is deemed a game species (see above) would make it available for extinction. East Caucasian tur, Caucasian grouse and Caspian snowcock also live in Tusheti. Since the territory is extremely large and the hunting rules unsettled, it will be very difficult to control whether hunting is carried out on the territory of the protected landscape or within the limits of a national park.

The Lagodekhi Managed Reserve is very small, with a total area of 21,552 ha, and includes a visitor's center and tourist paths, as well as areas for the legal extraction of local-use firewood. Accordingly, hunting and especially the creation of hunting farms, is impossible there. Even if it is simply noted in the law that hunting is allowed in the Lagodekhi Managed Reserve, it will have a negative impact on the number of tourists visiting the area and this will ultimately cause a reduction in jobs and local-incomes in the surrounding area.

There are certain doubts that such wording is designed to prepare the situation for transforming the important part of the Lagodekhi Strict Nature Reserve into the Managed Reserve in order to legalize hunting on the territory of the present protected area. These doubts are well founded since the resident "game" species, the red deer, is today present only here and in Borjomi-Kharagauli National Park. Eastern Caucasian Capra, Caucasian Grouse and Caspian Snowcock also live on the territory of the present Lagodekhi Reserve.

According to the Law of Georgia on making amendments to the Law on Creation and Management of the Kolkheti Protected Areas (November 24, 2011, No 5299-III), fishing, hunting and creation of hunting farms was allowed in the Kobuleti Managed Reserve. This law is particularly incongruous as Kobuleti Managed

Reserve contains Ispani II marsh; a unique, almost inviolable, habitat of global importance, in terms of biodiversity. Ispani II, a Ramsar site since 1996, is covered by a 25-45 cm thick, dome-shaped layer of living sphagnum (white moss), which is never submerged in water. It is only possible to move over it with the help of special wooden skis and, because of these ecological peculiarities, hunting and fishing are completely impractical.

It is quite apparent that in order to allow hunting in some reserves and national parks, a part of them must be re-zoned as managed reserves or other suitable category. Similar precedents have already taken place in recent years: upon the initiative of the Ministry of Environment Protection, amendments were made to the Law of Georgia on Creation and Management of the Kolkheti Protected Areas (31st October 2011). As a result of these amendments, the central part of Kolkheti National Park was re-classified as a multiple use area. A local self-government authority, rather than the previous management authority, the Agency of Protected Areas, now manages the Kolkheti Multiple Use Area. The key goal of this amendment was to allow the construction of a highway between Poti and Anaklia.

Poaching remains one of the most serious and unsettled problems of Georgian biodiversity. It is especially intensive in mountain regions where both bezoar and tur, as well as chamois and brown bear have become the objects of illegal hunting. Illegal and non-systemic hunting is the major cause for the reduced populations of deer, Western Caucasian tur, Eastern Caucasian tur, Chamois, bezoar goat, wild boar, bear and other species. Not so long ago, both red and roe deer were living in all the forest areas of Georgia. Today only three small populations are preserved in a few protected areas. The populations of tur, Chamois, bezoar goat and brown bear have also decreased significantly while the goitered gazelle (*Gazella subgutturosa*) has become locally extinct. Poaching is also a huge threat to waterfowl, with many species being popular game species.

Illegal fishing, especially by prohibited means, is an important cause of reduction in fish species. Illegal fishing along the migration routes of anadromous species (for example, sturgeon), along with the creation of dams, creates huge barriers to their upstream journey.

The system for assessing the subjects hunting and fishing, as well as the defining of quotas, still needs significant improvement in order to provide sustainable use. For example, the limits on hunting migratory birds are not based on the results of population monitoring and most hunting farms do not have appropriate opportunities to register game species. In addition, the skewed distribution of hunting farms throughout the country, the high taxes imposed on them and the fact that only 5 of the 18 existing farms can be considered active, are all factors that contribute to illegal hunting.

It is expected that the lack of effective regulation mechanisms within the new hunting regulations will further increase hunting pressure on the country's biodiversity.

Extraction of non-timber resources

Presently, the extraction of non-timber resources (such as food items, medicinal and decorative plants) is not regulated. Moreover, status assessments of these resources are not complete. Accordingly, rare, endemic and endangered species are not fully protected by law. There are no data about levels of

production or on the potential impact of this activity on populations. The only exceptions to this cover the extraction of fir-tree cones, snowdrop bulbs and cyclamen balls.

The number of persons willing to extract and export snowdrop and cyclamen resources has increased over past years and the demand for these items significantly exceeded annual extraction quotas, as defined by the scientific board. This situation has resulted in an overly complex process for issuing export permits for snowdrop bulbs and cyclamen balls, particularly in terms of the equitable distribution of quotas. To address this, the first normative acts aimed at regulating the issue were adopted in 2005 and approved in 2007; it is still in force today. In 2008, ten-year licenses were issued to four applicants on the extraction of snowdrops, who will equally divide the extraction quotas defined by the scientific board annually.

Presently, no license or permit has been issued on the extraction of cyclamen balls.

Extraction quotas for fir-tree cones are also defined annually.

Table: Information about extraction of fir-tree cones under license

Years	Amount
2008	91 t
2009	388,7 t
2010	300,4 t

Table: Information about extraction of snowdrop bulbs under license

Years	Amount (unit)
2008	10,540832
2009	11,462057
2010	13,044836
2011	15,000000

In addition to the extraction of non-timber forest products, the State Forest Fund is also subject to other forms of land-use. These include forest use with the purpose of setting designated areas defined by the Forest Code of Georgia and the Law on Forest Fund Management (see Annex 2) and exclusion of areas from the Forest Fund for the purpose of implementing various projects (see Annex 3). Presently, 4412,4 ha have been excluded from the Forest Fund and 1875 ha designated.

Fees and taxes related to biological resources

Since 2005, and based on the requirements of the Law of Georgia on Licenses and Permits, it is only possible to purchase the rights to using biological resources through auction, even if there is only one bidder. The winning price is transferred to the state budget and a license fee is paid in addition to the auction price.

Before 2005, the Tax Code of Georgia defined fees for resource-use. However, on January 1, 2005 such taxes on natural resources were abolished and payments for the use of natural resources made under the Law of Georgia on Fees on the Use of Natural Resources. In this way, both the holders of licenses for the use of natural resources (timber production, fishing, hunting farms, extraction of fir-tree cones, snowdrop bulbs and cyclamen balls), as well as private persons, who extract timber and/or hunt for their own consumption, should pay the fees.

Unlike the amount paid in license bidding (which is a royalty by nature) which is transferred to the state budget, the fee on the use of natural resources, the amount of which depends on the amount of the resource being extracted, is transferred to the budget of the relevant self-governing unit (administrative district). In this way, revenue generated by natural resource use can be said to be more fairly distributed.

Decree No 242 of the Government of Georgia (August 20 2010) "On approval of the rule of forest use" defines the cost of services to be paid, including for; issuing a permit for the removal of a fertile layer of topsoil; preparation of information about land plots; cadastral measurements of land plots; preparation of license objects; issuing permits for the production of timber; issuing a document on the extraction of huntable wild fauna species (except migratory birds) per individual; issuing the document on timber origin and/or marking with special banners.

The legislation envisages certain tax privileges for promoting the sustainable use of natural resources. For example, according to the Law of Georgia on Fee on the Use of Natural Resources, tax is reduced by 70% for those natural resources users who carry out scientific and cultural-educational activities related to the extraction of natural resources. The same is true for users who implement recovery and reproduction measures of their own accord (within the volume of restored resource). To facilitate the creation of hunting farms, the Tax Code of Georgia states that the lands occupied by hunting farms are exempted from the property tax. However, the efficiency of these instruments is not enough to stimulate environmental protection and sustainable use of biodiversity³.

Although there was some research into assessing the economic value of biodiversity during the Soviet period, the current decision-making process does not integrate this. When establishing the amount of tax for the use of a natural resource, or when calculating the cost of damage caused by illegal harvesting of natural resources, the full economic value of biodiversity is not taken into consideration⁴.

Chapter 5. Problems related to the use of biological resources. Conclusions

The following problems were identified as a result of researching the legislation related to the use of natural resources, institutional arrangement and established practice:

^{3& 4} Third National Report of Georgia to the Convention on Biological Diversity

- Conflict of interests: all functions related to natural resources (hunting, fishing, timber and non-timber resources and minerals) are concentrated in one agency, the Ministry of Energy and Natural Resources. Particularly: development of a normative framework, policy development, protection of natural resources, commercial activities, issuing licenses and other documents, controlling the fulfillment of the terms of licenses and other permit documents;
- Insufficient personnel in the regions;
- Lack of capacity amongst personnel dealing in issues of natural resource management and monitoring;
- Not a single agency is in charge of controlling poaching (illegal hunting and fishing) and this issue remains unaddressed;
- The principles of sustainable use are not reflected in the terms of resource-use licenses, their issuance or the setting of extraction quotas;
- Legislation and policy are oriented towards the short-term maximising of resource extraction, rather than conservation and sustainability/long-term benefits;
- Local populations have limited access to resources;
- Normative framework for sport and amateur fishing, as well as falconry is insufficient;
- There are no hunting rules, as well as inspecting rules and possibilities;
- There is no recourse for cultural or community-based trophy hunting;
- There are no conditions for the reproduction of hunting and fishing species;
- The proliferation of poaching has resulted in the failure of hunting farms;
- New legislation poses a real threat to Red List species and protected areas;
- Weakness of environmental legislation, environmental monitoring and control accounts for the degradation/destruction of biological resources (extraction and processing of minerals, hydro power plants, industrial and municipal waste);
- Lack of professional knowledge/capacity both in the central office and the regions;