

# Problems of Forestry Sector of Georgia: Illegal Activities and Legislative Collisions



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*Alternative*



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## **Problems of Forestry Sector of Georgia: Illegal Activities and Legislative Collisions**

**Tbilisi, Georgia, 2006**

## **Preface**

Since February 2005, with the financial support of EU (European Initiative for Democracy and Human Rights), Association Green Alternative is implementing Project titled Development of Local Capacity for Prevention of Illegal Logging in Georgia.

The Project aims towards strengthening the capacities of local stakeholders for eliminating corruption and illegal activities in forestry sector, increasing public participation in decision making, improving transparency and promoting introduction of sustainable use of forestry resources principles.

In order to achieve the above goals, multiple activities focusing on rising awareness on illegal practices existing in forestry sector and their negative social and economical consequences; monitoring of illegal activities in the sector and community mobilisation and capacity building have been implemented; assessment of the existing legislation from elimination of the corruption and public participation in decision making process standpoint and possibilities of influencing such illegal processes has been carried out; also, monitoring of processes in forestry sector aimed towards revealing and disclosing the violations and their underlying reasons, in order to avoid their recurrence in the future has been performed.

## Content

This Report reflects the typical violations<sup>1</sup>, which were revealed in the course of the Project; also, the Report describes conditions, which, from our point of view, promote high level corruption and illegal activities in the forestry sector. We hope that the respective state authorities will take measures for elimination of the violations described in this Report and covering gaps existing in current legislation.

Chapter 1 of the Report describes types of the corruption existing in forestry sector and reviews reasons supporting their existence.

Chapter 2 discusses issues of public participation in decision-making process and transparency problems in the forestry sector – deficiencies of law enforcement and laws themselves.

Chapter 3 contains information on: why the Environmental Inspectorate did not become the effective tool for struggling against illegal forest felling? and is there a threat of corruption in this structure?

Chapter 4 describes possibilities of corruptive transactions at customs check-points during the timber import-export operations.

Chapter 5 introduces you to the results of journalistic investigation in the field of supplying Tbilisi with firewood; also, the Chapter describes legislative chaos and cascade of changes in standard acts resulting from unreasonable governmental actions in the field of firewood supplies to the population.

Chapter 6 relates to the facts of neglecting requirements of Law of Georgia on Red List and Red Data Book during implementation of rehabilitation measures in chestnut forests.

Chapter 7 presents information on scopes of illegal felling on the territory of Kolkheti National Park.

Chapter 8 contains information on deficiencies in staff selection in forestry regulating bodies.

Chapter 9 describes legal collisions able to create the fruitful soil for corruption. Also, this Chapter discusses transparency problems existing in forestry sector.

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<sup>1</sup> Consideration of the legislation in this Report is done for the conditions existing by July 1, 2006.

## Chapter 1. Corruption in Forestry Sector and Georgian Techniques for Struggling It

*"We shall jointly rehabilitate our country; build Georgia that we and our ancestors dreamed of. Georgia was powerful, when it was united. We must unite in order to become stronger, we shall build strong democracy based on human rights and rule of law, we shall eliminate corruption. For me, every person, who is corrupted, at current stage, is traitor of national interests. We will eliminate corruption and destroy the system, which created vicious circle of corruption."*

*Form Inauguration speech of President of Georgia Mikhail Saakashvili  
January 25, 2004*

Main threat for rule of law, democracy and human rights, justice and social equality in any country is corruption. It hinders economical development, threatens correct and just functioning of market economy. Unfortunately, Georgia belongs to the countries, which still face the huge corruption problems on their way to democratic development.

One of the most corrupted sectors in our country was and is forestry sector and its corruption imposes threats not only on our statehood, but on environment and interests of the future generations as well.

Recent history of our state demonstrated that just declaring struggle with corruption does not result in any positive changes. Current authorities seem to be sharing this idea, as they declare that "it is impossible to form the democratic governance system without reducing corruption in state sector, and this can be achieved through increasing transparency and accountability of government and establishing strong public service providing its servants with respective social guarantees<sup>2</sup>". Unfortunately, the reality, traditionally, does not coincide with the plans eloquently described in various plans, and struggling corruption in Georgia is identified solely with taking repressive measures (displacing and/or detaining corrupted officials, for instance) and infinite restructuring of state authorities, which has nothing to do with "increasing transparency and accountability" principles.



In order to successfully struggle with corruption, it is necessary to identify the exact underlying reasons and eliminate them.

We can identify several serious reasons causing corruption in forestry sector:

- Heavy social background;

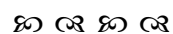
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<sup>2</sup> National Security Framework of Georgia

- Incomplete, complicated, contradictory legislation, requirements of which are frequently unrealisable;
- Incorrect planning and management in sector;
- Dependence of the sector on the state budget and, at the same time, insufficient financing;
- Low legal and environmental awareness;
- Non-consideration of local traditions and specificities of forest use;
- Insufficient transparency;
- Lack of political will for elimination of corruption in sector;
- Bad institutional arrangement, unable to exclude the conflict of interests; and
- Low enforcement level.

During the last two years, ongoing reform, more or less, touched upon all the above problems, but the changes, in many cases, were inadequate and ineffective.

At the first glance, the changes simplified legislation and management system in certain directions, but, at the same time, due to absence of systematic approach to the reforms, this simplification was accompanied by complications in other directions. It should be mentioned that financing of the forestry sector, as well as the salaries of the sector employees have improved, although, in many cases, this happened on the account of reduction of staff, dismissal of qualified personnel and their replacement by incompetent newcomers, and this can become the source of additional difficulties in the future. Transparency and public participation in decision-making situation worsened. Traditional forest use methods are not taken into consideration and legislation is still full of discrepancies; no sufficient attention is paid to issues of raising legal and environmental awareness in the society; struggling with illegal logging is limited to punitive PR campaigns.



More and more countries throughout the globe acknowledge and recognise problem of illegal logging and corruption existing in the forestry sector. This is witnessed by recent multiple national regional and national initiatives directed towards struggling with these problems. From 2001 and up to now, three regional ministerial conferences were held on the issues of enforcement and management in forestry sector. In 2005, in Saint-Petersburg, at the Third Ministerial Conference dedicated to the mentioned issues, 45 five countries of the world (including Georgia) signed Declaration on Forest Law

Enforcement and Governance in Europe and North Asia. Signatories made political commitment on development of national plans for better sectorial management and elimination of illegal logging and trade, in cooperation with all the respective stakeholders. Along with this, number of donor organisations expressed their will in assisting signatories in achievement of the goals of the Declaration.

It should be mentioned that formally, fact of signing the Declaration by Georgia is an important step forward, since, with this, Georgian government declared political will of struggling corruption and improving management in forestry sector; unfortunately, commitments made under this Declaration (like many other international agreements, conventions and treaties) remain just the commitments and are not being implemented. This is witnessed even by the fact that no activities under the mentioned initiative have been undertaken so far (save attendance at the international meetings); not a single document has been created; the fact of signing the Declaration itself is not recorded at Ministry's web-site and its annual report, and this clearly shows that the importance of the Document is not fully acknowledged by ministerial officials.

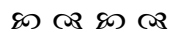
## Chapter 2. Public Participation in Decision-Making Process

*“Human beings are entitled to receiving full, objective and timely information on status of their working and living environment”  
Paragraph 5, Article 37, Constitution of Georgia*

It is a fact widely recognised that without ensuring public participation and transparency of decision-making on the important issues, struggle with corruption has no chance of succeeding.

Transparency of environmental information and public participation in decision-making in Georgia are determined both by national legislation<sup>3</sup>, and by Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention)<sup>4</sup>.

Legal changes in permitting sphere, instead of better harmonising legislation with requirements of Aarhus Convention, resulted in their farther distancing. Instead of creating simple, clear and consistent structure for ensuring implementation of provisions related to public participation, this structure was so complex and was made so incomprehensible that the issue of public participation, as a whole, is under a big question-mark right now. All the above, instead of ensuring improvement of environment, transparency and democracy, will obviously support increasing corruption in the sector.



Practical example of the existing situation is the current reform in forestry sector. Society is placed in a full vacuum by the public authorities with regard to specific plans of forestry reform. Though, according to Aarhus Convention, society is fully entitled to receiving information on plans and projects, as well as policies developed in the forestry sector. Shred of information available for the general public leaves quite a contradictory impression. For instance, if we review forestry management principles set out in the “Position of the Government of Georgia regarding Reform of the Management and Use

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<sup>3</sup> Constitution of Georgia (25.08.1995); Law on Environmental Protection (No. 519-Is, 10.12.1996); Law of Georgia on Environmental Permit (No. 424-Is, October 15, 1996) and Law of Georgia on State Environmental Expertise (No. 426-Is, October 18, 1996); Forest Code of Georgia (No. 2124-IIs, 22.06.1999); General Administrative Code of Georgia (law No. 2181II, 25.06.1999) and other environmental acts.

<sup>4</sup> Aarhus Convention was signed at 4-th Ministerial Conference Environment for Europe in Aarhus, Denmark on June 23-23, 1998, and is ratified by Georgia on February 11, 2000, by the Decision No. 135IIs. This Convention entered onto force on October 30, 2001. Aarhus Convention defines specific rights and obligations;

of State Forests” we will discover that the Ministry, along with the other circumstances, duly acknowledges that:

- a) Use of forestry resources for various reasons is acceptable only in exceptional cases, when this is required by important national interests;
- b) It is necessary to ensure participation of local communities in decision-making with regard to use of forestry resources;
- c) It is necessary to harmonise national legislation with commitments made under international agreements;
- d) It is necessary to involve stakeholders and NGOs in process of policy and law development;
- e) It is necessary to ensure publicity of the information.

At the same time, government demonstrated very strange understanding of public participation and transparency principles while developing the abovementioned document. It says: “Ministry of Environmental Protection and Natural Resources considered several versions of arrangement in state forest fund future management. Selection of the most applicable version was carried out taking into account local specificities”. This means that, in fact, the Ministry made a decision of the future of Georgian forests itself, not making available even those “several versions” to the society, not to mention participation in decision-making.

As for the reform framework document titled “Position of the Government of Georgia regarding Reform of the Management and Use of State Forests”, its “public discussion” process did not differ a lot from described above: the Ministry published working version of the document on January 16, 2006 and declared to be awaiting for public comments and notes. Multiple comments and notes were posed by NGOs (WWF Caucasus, CENN, NACRES, Georgian Greens Movement, Georgian Foresters Society, Green Alternative, and others); after expiration of the term allocated for commenting<sup>5</sup>, the Ministry, although, not taking into consideration any of these and without arranging any kind of public discussions, continued “working” with document and published it on the Ministry’s web-site on April 4, 2006, without introducing any changes in it. In order to justify such decision, official representative of the Ministry giving interview to media said ministry did not receive any comments or notes on this document.

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<sup>5</sup> Deadline for submission of comments and remarks was March 10, 2006.

Unfortunately it should be mentioned that results of the legal reform with respect to the forest sector are quite incompatible with principles declared by the Ministry of Environmental Protection and Natural Resources of Georgia.

After the Law of Georgia on Licenses and Permits<sup>6</sup> removed environmental permit from the list of required permits, number of procedures related to public participation and access to information set out in Georgian environmental legislation lost their functions (although they were not officially lifted).

According to the mentioned Law, the licenses for use of the forests shall be issued in accordance with rules of general administrative proceedings stated by General Administrative Code of Georgia, which, although in quite limited way, sets out mechanisms for ensuring public participation in decision-making process.

According to the Law of Georgia on Licenses and Permits, owner of the license on use of forestry resources can split, let or alienate it. Unfortunately, society representatives have no rights of participating in decision-making process at this stage.

If use of resource or conditions and requirements of such use identified by the license, in their essence, contain activities/actions subject to issue of other license or permit and any respective additional conditions, use of this resource does not require obtaining such license or permit. This means that it is not necessary to make new decisions, and this, naturally, excludes society from participation in decision-making process. All the above, unfortunately, provides for low transparency at the certain stage of licensing.

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Situation with public participation in environmental impact permitting process is much worse. Law of Georgia on Licenses and Permits states that permit for environmental impact shall be issued in accordance with rules of simplified administrative proceedings set out in General Administrative Code of Georgia. These rules make public participation in decision-making symbolic and dependant on will of administrative bodies. All these significantly limit rights of society representatives to participate in decision-making process.

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According to the Law of Georgia on Environmental Permits, Category 1 includes the following activities related to the forestry sector:

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<sup>6</sup> Law of Georgia on Licenses and permits, No. 1775-rs (June 24, 2005).

- Projects on forest management (including draft perspective plans on organising and managing forestry and hunting economies); and
- Plans and projects related to protection and use of water, forest, land, entrails and other natural resources located on the territory of Georgia.

The law of Georgia on Licenses and Permits does not envisage obligatory licensing/permitting for such type of activities at all, not to mention public participation. The mentioned Law practically excludes public participation from this process, and this seriously contradicts requirements of Aarhus Convention, according to which, Georgia is obliged to take respective practical and/or other measures for ensuring transparent and fair public participation in development of environmental plans and projects.

Due to the fact that the Law of Georgia on Licenses and Permits does not imply requirements of Aarhus Convention, the legal provisions previously regulating these issues remained practically without any function. This relates not only to the Law of Georgia on Environmental Permits, but to Forest Code of Georgia as well.

According to the Forest Code of Georgia<sup>7</sup>, population and representatives of public associations are entitled to participate in every event of forest fund use planning at every stage of the process.

The right still exists, but, unfortunately, it is unclear when and how these rights can be exercised. Fact is that, after the legal reforms implemented in the field of licensing and permitting, legislation and procedures became more complicated. One law stipulates necessity of getting permits for the whole list of activities, while another law denies this requirement. One law defines procedures of public participation in decision-making process, another – contradicts these requirements. The mentioned situation results in increasing misunderstanding: not only persons applying for the permits, but officials themselves are often confused by changed and complicated legal requirements.

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<sup>7</sup> Paragraph 'b', Part 1, Article 35.

### **Chapter 3. Environmental Inspectorate – New Source of Corruption or Disservice of Poor PR?**

Both, environmental protection and successful implementation of forestry reform require effective mechanisms of public and state control. Otherwise, it will be impossible to ensure observance of requirements of environmental legislation.

From this standpoint, in general, passing the Law of Georgia on State Control in Environmental Protection<sup>8</sup> shall be considered positive fact.

The Law of Georgia on State Control in Environmental Protection is purposed for increasing state control in the field of environmental protection, and this shall be implemented by Inspectorate of Environmental Protection (IEP). As practice showed, passing the law does not necessarily lead to improvement of the situation. In addition, it is necessary to ensure its enforcement. With this regard, unfortunately, it should be mentioned that so far, Minister of Environmental Protection and Natural Resources has not issued some of the standard acts, which, according to the Law of Georgia on State Control in Environmental Protection should be issued within three months from it entering the force. Below you can find the list of these standard acts:

- a) Methods for Calculation of Damage Caused to the Environment;
- b) Form of Act of Inspecting Compliance with Requirements of Environmental Legislation;
- c) Instructions on State Inspection and Related Activities;
- d) Tariffs of Laboratory Measurements and Analyses in Process of Environmental Inspection;
- e) List of Official Fire-Arms and Ammunition Included into Inspectorate's Equipment.

Absence of these acts is hindering effective enforcement of the Law of Georgia on State Control in Environmental Protection, as well as effective performance of IEP. This, in its turn, can create a danger of corruption development in the field.

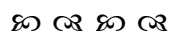
Struggling with illegal forest felling by means of IEP is possible. Unfortunately, so far, even this mechanism appeared too weak, since it does not control entire territory of the country, but rather concentrates on separate violation facts and planned inspections. To the certain extent, it can be said that IEP personnel applies the 'fire fighting' principle. The situation is farther aggravated by the fact that the Law on Licenses and Permits is significantly limiting Inspectorate. Particularly, according to this Law, either IEP itself presents reports annually or, in other cases, the Minister shall issue individual

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<sup>8</sup> No. 1767-rs, June 23, 2005

legislative act on random inspecting of selected entrepreneurs. Obviously, such situation is unable to create the controlling 'network' capable of presenting full or objective picture of damages and illegal logging for entire territory of the country. We have only fragmented local picture received from inspected forestries or through the IEP 'hot-line'. There is no such information for entire country or even for particular region. Here, we can only make an assumption: of course, the licensees will commit violations by performing illegal loggings (excessive or non-registered) and other breaches (felling the best trees, leaving sick and dried trees, not cleaning the territories, etc.).

Currently logging does not undergo practically any control. If previously, forester would follow user and control him to prevent felling not allowed trees, nowadays this practices do not exist. The forest users are checked only at forest outlet checkpoints. Many of the forestries prohibited creation of checkpoints, since they consider them the sources of corruptive arrangements. Instead, IEP carries out field checks and unannounced inspections purposed for revealing illegal activities. This reform was analogous to the reform carried out at the Ministry of Internal Affairs, when traffic police and highway check-points were eliminated, stopping cars in the piquets was prohibited and all this functions were transferred to patrol police. Fulfilment of the similar task by IEP is very difficult, and almost impossible. Revealing illegal logging in the forest requires involvement of enormous human resources, along with respective knowledge and experience, which, unfortunately, are still lacking in the mentioned structure. Forestry workers also consider tasks assigned to them unimplementable, since each of the foresters is in charge of thousands of hectares, and their salaries are extremely low. Such situation, when two state authorities can accuse each other in non-fulfilling the tasks, and both can excuse themselves because of 'objective' circumstances (insufficient capacities, lack of human resources, etc.), creates perfect conditions for flourishing corruption. And there are some evidences: in private talks, employees of forestry department blame IEP staff in entering the corruptive agreements.



We shall also focus on one very acute problem – procedures for requisition and sale of illegally obtained natural resources. It is so imperfect and inconvenient that creates tremendous problems for IEP and forestry staff and urges them towards corruption. According to the existing rules, they are not interested in registering illegal timber, because it causes nothing but the headache for them – the requisited resource shall be registered and described in the special form, transported (in absence of the means for performing this, often the task is fulfilled on the account of), store it (neither they possess the means for this, and this also happens on the account of the violator or other private entrepreneur), ensure its safety and maintain quality till the end of court examination, in order to ensure it is sold for the respective price...

Although, total non-disclosure will also be bad for them: they will be accused of bad working and hiding the violation. Therefore, existing situation allows for random 'discovery' of illegally cut forest and violator. The latter knows that he is in breach and, therefore, in case of receiving proposal – "shall we register, or you'll pay directly to me?" – it is not hard to guess, what his answer will be.

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Another aspect of IEP performance also raises the questions – this is closing/sealing saw-mills. In various media means we often see the reportages reflecting detection of illegal saw-mills in remote Racha or Svaneti high mountains (Great Caucasus), and even in Kodori Valley (Upper Abkhazia) by IEP, and showing, how these entities were locked and sealed. At the same time, it is really amazing that in Borjomi and Adigeni districts saw-mills continue working with clearly observable violations – polluting water and soil with sawdust and other wastes – along the highways and in the centres of the towns. Also, in many cases, we have seen that saw-mills sealed in front of the cameras, just after three-four days, continued their working with full load. Such facts make one think of the selective justice and corruption. At one of the meetings<sup>9</sup> we posed this question and presented several photos of saw-mill from Oni district. This saw-mill, according to the materials broadcasted by several stations, was sealed last week. IEP representative explained that they do not seal saw-mills, since legislation does not allow them to do so. Although, the Law State Control in Environmental Protection entitles them to seal the violator's enterprise, but the procedures for this are not identified. Farther more, representative accused mass media of disseminating incorrect information. Possibly, this is just a result of deficient PR by the Ministry. It is very sad that such approach disserves reputation of IEP.

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However, many mention corruptive relations of IEP in the regions and existence of telephone justice in private conversations, but retain from declaring this openly. Only gamgebeli (head of administration) of Adigeni district, Alexander Sukhiashvili dared to publicly disclose this issue. In the article published in Samtskhe-Javakheti regional newspaper Samkhretis Karibche (Southern Gates), gamgebeli accused IEP of being corrupted. The same was repeated by Sukhiashvili to Akhali Versia (New Version) daily.

Here are the quotations from the newspaper: "Adigeni Forestry and Environmental Inspectorate are corrupted criminal groups that perfectly match each other. They measure everything by money. They jointly control timber traffics and direct money to

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<sup>9</sup> Workshop organized on December 23, 2005, under the Project Development of Local Capacities for Prevention of Illegal Logging in Georgia implemented by the Green Alternative; materials are posted at: [www.forestgeo.net](http://www.forestgeo.net)

their pockets.” – declares Gamgebeli of Adigeni district Alexander Sukhiashvili. “Adigeni Forestry does not pay a single penny to the budget. The timber goes to Chiatura and Sachkhere (Districts in West Georgia) by the old waybills. Cubic meter is sold for two lari<sup>10</sup>. After sawing, highest quality materials are received – they are sold in Baku (Azerbaijan) and Yerevan (Armenia) for USD 500 per cubic meter.” “Forestry Department is completed by underdeveloped non-specialists, whose only interests are money and corruptive arrangements.”

In the mentioned article Sukhiashvili openly declares what local population and forestry personnel say in private: IEP controls forestry business, escorts trucks with illegally cut timber, etc. “In Akhaltsikhe they gather trucks loaded with 15-20 cubic meters of materials; then the IEP officers sit in and escort them”.

This accusation by gamgebeli in selling timber for 2 lari is responded by forestry director Gavasheli, who claims that population sells 5-10 year old residuals, which, according to the law, can not be sold for more than 2 lari. This seems quite suspicious, because 10 year old residual timber can be used for fuel, at least. Although, there is a plenty of residual timber in the region; it accumulates because of violation rules of cutting by the users (they are obliged to clean up the debris, since it impedes forest renewal and is the source of various diseases). Quite the contrary, representatives of Forestry Department and IEP accuse gamgebeli of having his own interest in timber business. Such facts are hard to ascertain, and require intervention of specially authorised bodies. As the anonymous surveys of the local population show, couple of years ago, in order to receive permission for export of timber, it was necessary to obtain special authorisation by gamgebeli. Forest Code of Georgia does not require any such document. But, the problem, as we have seen, is that existing norms can push the public official towards committing malfeasance. Building public services the way, when their proper functioning depends on the honesty and good will of officials, rather than on institutional arrangement, can never lead to success.

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<sup>10</sup> 1 Georgian lari - about 1,7 USD

## Chapter 4. Possibilities of Corruptive Deals in Timber Exports

By the end 2005 and beginning 2006, the laws on dimensions and loads of automobile transport means were amended. According to the mentioned changes, load on each axis shall not exceed 10 tons and/or the values defined by the manufacturer, and/or the total load shall not exceed 44 tons. In case of violation of any of the defined parameters, owner of the cargo is imposed to significant penalties – 1,000 lari per excess tone. Customs are obliged to measure the weight of the truck and, in case of violation, call the patrol police, which will draw up the Administrative Violation Report and impose the penalty on the person in breach. In case the violation is detected, the owner of the cargo is obliged to remedy such violation (discharge the truck and reload cargo in accordance with the existing rules) at his own expense.

The weight of transport means is mainly checked at customs checkpoints, although, examination can be carried out by the patrol police as well.

The main export species in Georgia is beech; also the certain share falls on conifers – fir and pine mainly. As a rule, the heavy vehicles in Georgia are used for transportation of newly cut materials; more rarely – for semi-dried timber. Only the beech, if it is purposed for export, is transported in fully dried condition. Special forestry literature indicates weight of 1 cubic meter of timber in kilograms (error lays within 10% range).

Timber species	Weight of 1 cubic meter in kilograms		
	Dry	Semi-dry	Newly cut
Beech	630-710	770	968
Fir	350-600	500-600	794
Pine	310-710	550-560	863
Abies	370-600	470	827

Average trailer load makes 25-30 m<sup>3</sup>. In our country, timber is mainly transported by KAMAZ trucks. Only two models of KAMAZ are able to carry 25 m<sup>3</sup> of beech without violation of legal requirements. If the violation (excessive weight) is registered, along with the direct penalty, this will cause additional expenses for timber owner (reloading, additional transportation expenses). Half-loading the truck is also unprofitable.

According to information obtained by us, the customs register less volumes of timber. The owner might have permission for the bigger volumes, but customs register less. For instance, the document stating legality and origin of timber shows 35 m<sup>3</sup> of beech. This volume makes 22,750 kilograms. Truck (KAMAZ 53 229, for example) is allowed to carry only 16,700 kilograms (see Appendix 2). Accordingly, in order to avoid penalties and other expenses, only 25 m<sup>3</sup> of timber shall be registered. According to documents (document stating legality and origin of timber issued by Forestry Department), owner still is 'entitled' to have 10 m<sup>3</sup> of timber. This 'difference' will be filled up by illegally

obtained timber, which is much cheaper than illegally obtained documentation<sup>11</sup>. Illegal operations, in such cases, are much easier to perform, because the owner already has many of the required documentation in hand.

Presumably, along with the customs, patrol police, financial police and border guards can also be involved in the corruption. If the violation is registered on the territory of Georgia, the owner will be subject to administrative punishment, but Armenia and Turkey consider this quite heavy criminal offence. Therefore, timber exports are performed only by the entrepreneurs, who have already 'beaten' this track. According to our information, at Armenian side this problem is secured by a certain Manukian. If timber is addressed to him, you avoid all the problems, – state businessmen.

In our opinion, existing situation can be remedied through comparison and permanent monitoring of documents issued by Forestry Department and Customs; it is also necessary to cooperate with customs services of the neighbouring countries.

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<sup>11</sup> Businessmen arriving to Borjomi and Adigeni districts from Armenia are ready to pay for the false documents USD 120-140 per cubic meter.

## Chapter 5. Possibilities of Illegal Actions in Supplying Population with Timber Fuel

In winter, significant part of Tbilisi population uses wood for heating. Both consumers and sellers claim that this method allows saving 100 lari in compare to gas (and even more in case of electricity) heating. Here we also shall take into account that this amount equals to official subsistence wage, and minimal pension in the country is 38 lari. According to the official statistics, 14% of the population is unemployed<sup>12</sup>; 50% of population is poor, and 17.4% - lives in extreme poverty<sup>13</sup>.

In winter, there are significant interruptions in gas and power supplies in Tbilisi. Based on this, even well-off families have to use the wood fuel purchased at the market, or at least keep some wood in reserve, just in any case. Besides this, part of small bakeries also uses wood as a fuel.

Tbilisi is supplied by firewood by several special markets. One of them is located in Gldani. We have initiated the journalistic investigation, which was conducted by journalists of Akhali Versia<sup>14</sup> newspaper.

Gldani firewood market is supplied from Tskhvarichamia and Tianeti. In winter of 2005-2006, price of one cubic meter of beech cut firewood made 35 lari, hornbeam – 50 lari. Not very rear is also oak firewood.

Most of the sellers did not have any kind of document stating legal origin of the wood. Some of them claimed that they are just resellers, and this is the reason for not having documents, while some did not hide that wood is illegally obtained. Although some of the sellers had documents, their materials could not be considered legally obtained, since the timber did not comply with the qualities of sanitary or special cut, and most of the wood was produced from high quality, healthy trees. What's the most important, as a rule, this firewood was obtained outside set cutting Area. During the investigation, we have observed market retailers loading 2 trucks? Just within 3 hours, with illegal timber and transporting it to Tbilisi without any problems. In consideration of the fact that violation of rules of cutting is not registered at the place of cutting – in forest, it is very hard to detect violations on the route or even in the market, if the owners possess certificate confirming origin of the timber.

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<sup>12</sup> Announcement made by Minister of Labour, Helath and Social Security of Georgia

<sup>13</sup> World Bank Country Assistance Strategy, 2005

<sup>14</sup> See newspaper Akhali Versia No. 394, October 31-November 7, 2005; *One Night with Illegal Loggers*

At Gldani firewood market, one can also order the bigger lot – 1 or 2 ZIL trucks can be delivered overnight (price of this volume last year made around 900 lari). Here it is also possible to order the processed logs, which cost much higher prices.

It should be mentioned that by the time of the mentioned investigation timber processing license were issued on auction basis. Those timber producers, who considered themselves legal entrepreneurs, claimed that they have paid 300 lari for license and are not afraid of law enforcement bodies or IEP. To whom they paid the mentioned amount, remained unclear for us.

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The following reasons underlying illegal logging were revealed:

1. Low enforcement level. There is practically no control of cut areas, observation of forest status and detection of illegal operations in place. Forestries, which are responsible for all the above, either fail or do not wish to fulfil their obligations. In our opinion, main reason for this is conflict interest existing at the forestry level – they are in charge of issuing permits for cutting at their territories, and, at the same time, of revealing violations. However, most of the employees of the forestry sector claim that reasons underlying continuing illegal logging and causing deterioration of forests result from lack of financing and trained staff, low salaries, etc. All the listed factors – both, subjective and objective – can be reduced to one main reason: institutional arrangement and management of forestry sector in Georgia is ineffective, since:
  - it cannot ensure avoiding the conflict of interests: forestries, which actually are the territorial units of Forestry Department, i.e. formally they represent the state (public) authorities, are the economical units in fact. This fact itself creates fertile soil for corruption;
  - forestry sector depends on insufficient budgetary financing, and revenues received from forest use activities are not directed towards protection, rehabilitation and conservation of forests. These activities practically do not exist in the country any more.
2. Second state enforcement instrument – IEP – did not prove to be effective so far. The existing situation, when two authorities (Forestry Department and IEP) can blame each other, creates fertile soil for corruption.
3. New legislation, which made even more complicated and incomprehensible procedures of receiving permission for utilisation of forestry resources. This will be discussed in more detail later. Here we will touch upon only deficiencies of legal base relating to permits on cutting firewood adopted in summer, 2005.

While creating the Law of Georgia on License and Permits, its authors completely forgot that forestry resources in Georgia are also used by population for their own purposes, and that such use results in utilisation of quite significant volumes of the mentioned resources.

The Law does not explain how the local population can get firewood for personal use: shall the peasant obtain special license for processing firewood for personal use at the auction? or this shall be done spontaneously? Officials of the Ministry of Environmental Protection and Natural Resources stated that obligation of supplying population with firewood will be imposed upon the owners of special licenses for timber processing, through the conditions and requirements set out in such licenses; and in cases, when it will be impossible to allocate the special felling areas through general or special licenses, the local forestries will issue the special tickets to the population (the Ministry did not consider the cases, when there might not be a commercial organisation interested in carrying out timber production activities in any particular district; this situation arose in reality in 2005).

We would indicate that application of such practices is impossible due to following reasons: Article 4 of the Law prohibits establishing any licenses or permits, other than that are identified in the Law; the same way does it prohibit the administrative bodies imposing any kind of obligation that implies subjecting any activities to licensing or permitting regime, or any additional permission form the administration. It shall be noted that, in such cases, the economical functions are once again assigned to the administrative bodies. To be more precise, the economical unit (local forestry) of administrative body (Ministry, Department) is assigned the task of issuing permitting certificate (ticket); the same administrative unit is in charge of assessing and selecting the resources allowed for felling, performing supervision and, in case of detecting the violence, imposing penalties, etc. on the background of declarations of the government of Georgia on the issues of reduction of corruption in forestry sector, adoption of such regulations, even temporarily, shall be assessed as a significant step back.

We have immediately applied to the Ministry and indicated towards the existing legislative gaps, as well as towards the difficulties resulting from the mentioned amendments. At the same time we stressed that elimination of corruption through reduction of number of activities subject to the permitting would be artificial, and, in case of forestries, reduction of corruption by such methods would not necessarily mean improvement of the forest conditions.

According to the explanations received from some governmental officials, supplying population with firewood does not fall under regulations of this Law: the Law says that

“it regulates such organised activities or actions, which relate to unidentified circle of persons, involve significant state or public interests or concerns use of state resources. In cases set out in this Law, its power can be extended to unorganised activities and actions as well”.

Should not supplying population with firewood be considered the state and public interest? and is not the forest the state resource? In this consideration, it is hard to agree that these activities are not regulated by the Law, only because they do not fall under the category of organised activities. We think that this is a lapsus and the Law shall be amended, since, in the long-term, such management will acquire fallacious aspects. If, until now, illegal activities and corruption in the forestries were justified by various types of cuts (mainly sanitary cut), in the future this role can be plaid by “firewood provision”.

Our assumptions on difficulties in process of supplying firewood and gaps in the legislation were confirmed by the standard acts adopted in accordance with this Law. The dynamics of adoption of the standard acts clearly show inconsistency of the ministry, absence of any plan and ignorance in general.

The Law on Licenses and Permits was passed on July 15 2005. On July 18, same year, the Order (No.197) of the Minister on Rules for Carrying Out Tenders and Auctions for Purposes of Issuing Licenses and Drawing Up Agreements on Use of Forest Resources has been issued. Many of its provisions contradict with the principles set out in the Law.

Developments after the Law entering into the force were as follows: on August 11 2005 the Decision of Government on Approving Provisions of Rules and Conditions for Issuing Licenses for Use of Forest Resources was issued; on September 21 government was forced to introduce changes into it, in order to give some legal basis to population felling firewood; on September 22 the new Order of the Minister on Approving Rules for Issuing Documents Confirming Legality and Origin of Timber was issued; on September 23 the new amendments to Decision of Government on Approving Provisions of Rules and Conditions for Issuing Licenses for Use of Forest Resources were introduced; on September 29 the New Ministerial Order introduced amendments to the Order dd. September 22; on November 3 the new Decision of Government introducing the amendments to the same Decision dd. August 11 was issued; it determined that permission on felling firewood for personal use of the population shall be issued, within the limits of their competence, by the respective administrations of Forestry Department and Department for Protected Territories, in accordance with simplified rules of administrative proceedings. The mentioned authorities also issue documents confirming legality of firewood. According to the last Decision, the form of the document should be approved by the Ministerial Order.

It also deserves an attention that, according to the government, local population, for personal purposes, uses timber only as firewood (local authorities issue only documents confirming legality of the firewood, they have no right to issue the same document for timber in general). If villager needs to repair house, build henhouse or cowshed, fence the yard, he has either to obtain the right for felling about 10 cubic meters of timber through auction, or purchase it at Eliava market. It is obvious that neither one, nor the another practice will take place. Villager will either steal the timber (illegally cut it), or will enter into corruptive interaction with forestry administration, in order to register general timber as firewood, or take any other similarly unlawful step.

As for the legal ways of obtaining firewood: the Ministerial Order approving form of document confirming legality of firewood was issued on December 20. Printing and disseminating these forms in the administrations took certain additional time, i.e. there was no legal basis for preparing firewood for 2005-2006 winter season. When finally the document was developed, approved and issued, everybody who needed the firewood had already prepared and stored the stock, and only few individuals applied the new rules (although, there is not a guarantee that this rules will not change again in the future). This is the ABC, knowledge of which shall be mandatory for each decision-maker.

Based on the above, we can conclude that such a legal chaos created fertile soil for destruction of forest ecosystems, issuance of illegal permits and flourishing corruption at the lower administrative levels.

## Chapter 6. Declared Rule-of-Law Principles Still Remain on the Paper

Condition of the chestnut forests in Imereti region is very unsatisfactory. Here, drying of the trees to the various extent and with various intensiveness can be observed. Main reason of this is bark cancer. According to the research carried out under the World Bank forest Development Project, in some places the share of healthy trees does not exceed 16%. The conclusion of this Research says: “based on the research carried out in five Forestry Economies of Imereti, phytosanitary condition from the standpoint of spread of chestnut cancer (*Cryphonectria Parasitica*) and intensiveness of both types of drying in Imereti chestnut forests is as follows: 43.87% of trees are conditionally healthy; 40.53% is drying; and 15.60% is dry. This means that aggregate share of drying and dry trees makes 56.13%, which demonstrates extremely unsatisfactory conditions of the local chestnut forests, and application of immediate remedy measure is absolutely necessary”<sup>15</sup>.

Taking measures for curing Imereti chestnut forests resulted in the case of violation described below.



On June 29 2005, at the Government Meeting, Minister of Environmental Protection and Natural Resources Mr. G. Papuashvili presented report on Condition of Diseased by Chestnut Bark Cancer Chestnut Forests Located on the Territory of State Forest Fund and Ways for Their Treatment. The minutes of the mentioned Government Meeting read: “information shall be taken into consideration. The Ministry of Environmental Protection and Natural Resources (G. Papuashvili) shall select (on the tender basis) company, which will implement sanitary cut and forest rehabilitation works in Zestaponi district”.

In order to fulfil this task assigned by the government, Minister of Environmental Protection and Natural Resources issued an order<sup>16</sup>, which obliged structural units of the system to carry out preparation works for sanitary cut and respectively inform public.

For the purpose of fulfilling this Order, Head of Forestry Department issued Order No. 10/22 (July 25, 2005) on Implementation of Works for Rehabilitation-Treatment of Diseased Chestnut Forest Located on the Territory of Zestaponi District State Forest

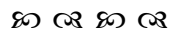
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<sup>15</sup> Final report of Project titled Reviewing Current Status of Forest Diseases in Imereti Region and Development of Integrated Methods for Struggling Them, Tbilisi, January 2005.

<sup>16</sup> Order of Minister of Environmental Protection and Natural Resources of Georgia No. 200 (July 22, 2005) on Implementation of Works for Rehabilitation-Treatment of Chestnut Forest Diseased with Bark Cancer Located on the Territory of Zestaponi District State Forest Fund.

Fund, Including Approval of the Rules for Selection by Tender Implementing Organisation, and Dissemination of Information on Tender Application and Conditions.

According to the announcement made by the Ministry, meeting of the Tender Commission was held on August 10, 2005, it announced the winner – D&V Ltd.



Paragraph 3 of Article 22 of Law of Georgia on Red List and Red Data Book reads: “for the purposes of identifying necessary conditions of license or permit and receiving respective scientific conclusions, the body authorised to issue the license or permit on processing (removing from the natural environment) the endangered species of wild plants or their parts shall consult with Commission for Endangered Species of Academy of Sciences of Georgia”.

The Ministry recalled this Article of the Law of Georgia on Red List and Red Data Book and applied to the Commission for Endangered Species of Academy of Sciences of Georgia only after the contest was announced and conducted and the implementing organisation was selected. By this time, both, the Ministry and the tender participants have incurred expenses (for assessment of the chestnut forest, announcement of tender, etc., and licence fee, etc., accordingly).

The Commission of Academy of Sciences considered the above issue and sent to the Ministry negative conclusion. Particularly, the conclusion says: “on September 5, 2005, with the initiative of representatives of World Bank Project for Development of Forestry Sector in Georgia and Ministry of Environmental Protection and Natural Resources, the open meeting of Commission for Endangered Species of Academy of Sciences of Georgia discussing danger of spread of ‘chestnut cancer’ in Georgia and ways for struggling it has been conducted.

Along with this, the issues of possibility of utilising timber of the diseased plants for ensuring partial coverage of treatment expenses have been considered. According to the information obtained by the Commission, import of infected timber to EU countries is strictly prohibited (due to epidemiological reasons). In the opinion of the Commission, the rule existing in EU indicates towards the fact that any transportation of the diseased chestnut timber can result in spreading the disease and worsening situation. Therefore, the Commission does not share opinion that the timber of infected plants shall be used for economical purposes – coverage of the treatment expenses.

With this regard, one another problem was raised. During discussions on utilisation of timber of the diseased plants, we considered possibilities of private companies conducting sanitary cut, since they might become interested in this for commercial reasons – selling the timber (*remember, by this time, the tender is already accomplished and*

*winner is announced – ed.*). Besides the fact that it is absolutely impossible to allow selling the diseased timber (see previous paragraph), in opinion of the majority of the Commission members, the Force-Majeur events, like countrywide spread of the infections or forest diseases shall be resolved exclusively by the government, and it shall allocate the sufficient reserve resources for this purposes.

At the same time, Commission would like to remind you that the Law of Georgia on Red List and Red Data Book does not envisage utilisation of species included into the Red List for economical purposes, and respective letter stating this fact was earlier sent to you by the Commission.

In consideration of the above, Commission intercedes the Ministry of Environmental Protection and Natural Resources for finding the additional resources directed towards arranging treatment of the chestnut forests in Western Georgia the way that does not contradict with the Law of Georgia on Red List and Red Data Book.”

It shall be mentioned that the Law directly prohibits felling the Red Data Book species:

“Protection of wild endangered plants:

1. Any activity that might result in their destruction, reduction of population or area of the natural habitat is prohibited.
2. Felling of the wild endangered species or carrying out forestry-economical activities able to damage such wild endangered species on the territory of forest fund is prohibited”.

Fulfilment of tasks assigned by the government, according to Ministry’s opinion, was legal based on Article 22 of the mentioned Law (see Order of Minister of Environmental Protection and Natural Resources No. 378 (16.09.2005) on Measures for Implementation of Thinnings in Zestaponi District Forests). It is interesting that the mentioned Order prescribes Forestry Department to select the forms of thinnings for D&V Ltd. in accordance with Chapter XXX of Forestry Code. This means that decision on felling of chestnut forests and announcement of tender was made without proper consideration of importance of the ecosystem and identification of respective **type of Thinnings** (lighting cut, cleaning cut, thinning cut, passage cut sanitary cut or reconstruction cut). We want to remind you that by the Order No. 200, dd. July 22, 2005, Minister prescribed the structural units of the Ministry to carry out preparation works for sanitary cut. The Article 22 of Law of Georgia on Red List and Red Data Book word for word states: “harvesting (removing from the natural environment) endangered wild species of plants or animals or their parts is allowed only in special cases identified by legislation of Georgia – for purposes of their rescue, treatment or rehabilitation or for the scientific needs”.

Sanitary cut carried out by the commercial organisation, definitely, do not fall under this Article, because, in Article 23 we can find clear and unambiguous definition of such 'special cases':

- "1. Harvesting (removing from the natural environment) endangered wild species of plants or their parts is allowed only for following special purposes:
  - a) Rehabilitation and reproduction (pricking off) in the natural conditions;
  - b) Pricking off in dendrology or botanical gardens;
  - c) Pricking off in artificial conditions (economical);
  - d) Scientific researches.
2. Harvesting (removing from the natural environment) endangered wild species of plants or their parts for economical reasons is allowed only in case, if the wild plant was artificially introduced in the environment".

Naturally, issuing such Order, the Ministry should have read the Law more thoroughly, and taken into the consideration warning of NGOs and Academy of Sciences on resulting breach of legislation. However, in this case, the minutes of government meeting appeared higher priority than the law.

Evidently, this means direct breach of Law, which was initiated by government decision and indications, continued by Ministerial Order and ended by issuing forest use documents at Department level. The breach is confirmed by the members of Academy Commission, although, Ministry staff qualifies this as 'insignificant offence'. Tolerating such exceptional approach towards law is very dangerous, especially, if we consider pace of construction works carried out in the capital and potential demand for prohibited (so far) for use raw materials<sup>17</sup>. Obviously, this will result in irreversible adverse process, without chance of remedying it in the future. According to the information provided by the Ministry representatives, this is the experiment that is planned only for Zestaponi district. Although, there are no indicators of the success of such process in place, and neither plans in case of failure are developed.

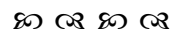
When such breaches are initiated by the government, there always is a suspicion that it serves for interests of high ranking officials or their confidants. Law enforcement authorities, in case they wish to do so, can easily detect such facts. In any case, such actions implemented by the government will eventually harm entrepreneurs, since,

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<sup>17</sup> In 2006, MP Valeri Gelashvili was dismissed from the Parliament on accusation of lobbying the interests of his own construction company. We are sure that he is not the last official having commercial interests in the construction business.

permit issued in breach can be recalled or cancelled at any time, or even become a foundation for stricter punishment.

There are more reasons causing reasonable doubts on legality of the process: level of transparency and publicity, rules for selection of Commission members, etc. Despite the fact that Order of Minister of Environmental Protection and Natural Resources prescribed Department for Public Relations, in cooperation with structural units, to ensure periodical provision of the information to public and NGOs, no information on these processes or issues has been provided by the Ministry to NGOs through the standard information dissemination routes<sup>18</sup>. According to the information provided by the Ministry, announcement on tender for carrying out treatment-rehabilitation works in diseased chestnut forests of Zestaphoni district was published in 24 Hours daily on July 25, 2005; in the other words, it was done the day, when Order No. 10/22 (July 25, 2005) of Head of Forestry Department on Implementation of Works for Rehabilitation-Treatment of Diseased Chestnut Forest Located on the Territory of Zestaponi District State Forest Fund, Including Approval of the Rules for Selection by Tender Implementing Organisation, and Dissemination of Information on Tender Application and Conditions has been issued. Whereas, information required by us was provided incomplete and with significant violation of terms set out in the legislation.



Status of chestnut population is very heavy not only due to its phytosanitary condition, but because of large scale illegal logging as well. World Bank Report also lists other factors to be taken into consideration: “generally, drying process going by in any forest ecosystem is on of the most complicated phenomena, for it is caused combination of abiotic and biotic factors, jointly creating complex pathoecosystems. Similar situation can be observed in our chestnut forests, where major reason of drying is *Cryphonectria parasitica* – fungus causing chestnut bark cancer; however, considering this factor separately from others – anthropogenic, climatic and others, as well as form other diseases and indicators, would be unreasonable, because this are the very factors influencing chestnut biocenosis, causing different reactions of the chestnut bark in different locations”. Carrying out forestry-economical works, it is necessary to ensure burning the diseased chestnut bark at the cutting area. Transportation of diseased timber will result in spread of the pathogenic fungus. It is possible that even burning the bark will not be sufficient. In consideration of existing volumes of illegal logging, in conditions of such breaches and partiality, this precious plant will face the substantial threat in the nearest future.

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<sup>18</sup> As a rule, for the purposes of disseminating information among NGOs, the Ministry of Environmental Protection and Natural Resources uses electronic networks of Caucasian Environmental NGO Network; Regional Environmental Center for Caucasus; or its own website.

On the other hand, this fact is disturbing from the other standpoint as well: the breaches happened during Papuashvili ministership, and he was transferred to the Minister of Environmental Protection and Natural Resources from the position of Minister of Justice and now he is the Chairman of Constitutional Court.

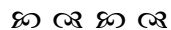
## Chapter 7. Illegal logging of Forest in Kolkheti National Park

By the volumes of forest cutting, Kolkheti National Park is number one in Georgia and, possibly, in entire South Caucasus. Here we observe Kolkheti type lowland forests, in which dominated species is alder. Many perceive this region as swampy area covered by vegetation producing cheap timber – alder. In reality, Kolkheti National Park includes unique relic forests of Kolkheti Plain.

Airphoto taken in 2000 clearly shows clear cuts in Kolkheti National Park. It shall be mentioned that, according to Rules of Cutting, in lowland alder forests it is allowed to apply one of the types of final cuts – clear cuts. During this, clear cuts of alder is performed at the certain rectangle area (say, 100x100m). This area will be naturally covered with the same size trees within 15 years. It might seem that from the economical standpoint, such utilisation is acceptable and reasonable, but, after this, we receive strongly degraded ecosystem – set of trees, and not a forest. From the environmental perspective, this tipe of cut shall be applied only at the artificial plantations. Although our legislation allows this kind of cut it is prohibited in the prohibited territories.

According to our investigation, illegal logging in Kolkheti National Park are performed at a very large scale. At the same time, the so called legal cutting is in reality illegal, because rules of cutting are substantially violated.

According to the information provided by the Department, firewood timber was produced by Special Cuts , whereas, legislation prohibits application of Special Cuts in strict protection zones of preserves and national parks. Till the end of 2005, zoning in Kolkheti National Park was not allowed by the legislation. Therefore, Special Cuts should not have been allowed throughout the entire Park territory. Number of violations are clearly observable at the former cuttings.



The second type of violations relate to the volumes of illegal logging. According to the data provided by the subordinate of the Ministry of Environmental Protection and Natural Resources – Department of Protected Areas, in 2001-2005 6,515 m<sup>3</sup> of firewood timber was cut at Kolkheti National Park. 1,953 m<sup>3</sup> of them were illegal.

The same data provided by the administration of Kolkheti National Park for the same period differs from mentioned figures by 380 m<sup>3</sup>. It might seem that difference is insignificant, but, in terms of statistics, it exceeds 17%. This fact indicates that all these data are not reliable. Indeed, if we analyse data provided by various agencies, we can clearly see that major part of illegal logging is not registered.

Firewood produced from the named volumes of timber (both legal and illegal) would be enough to supply approximately 200 families for 5 years (at the assumption that family consumes 6 cubic meters per annum in average).

Kolkheti National Park is surrounded by several villages of Khobi, Lanchkhuti, Abasha, Zugdidi and Senaki districts, with 11,010 households, which fully depend on only one source of heating and cooking energy – firewood – throughout the entire year. To this, the substantial part of Poti population shall be added. According to the opinion of Department, firewood demand of 85-90% of the mentioned population is provided by forestry units of the respective districts. Despite huge efforts, we were unable to obtain any information from the forestry units, although, we think that this will be much easier for the law enforcement authorities. Even if we believe the opinion of Kolkheti National Park administration, even then, Park would have to supply 1,100-1,650 households with firewood, i.e. five-year volume would make 496,000 cubic meters, which allows us supposing that illegal logging during this period would amount to 44,939 m<sup>3</sup>.

In winter period of 2005, in order to supply population with the firewood, special cutting areas were allocated. For population of village Sagvichio – 386.61 m<sup>3</sup> (260 households, approximately 1.5 m<sup>3</sup> per each); village Chaladidi – 401.53 m<sup>3</sup> (940 households, approximately 0.42 m<sup>3</sup> per each); village Zemo Chaladidi – 487.14 m<sup>3</sup> (215 households, approximately 2.3 m<sup>3</sup> per each). All these villages belong to Khobi district.

Situation in Kolkheti National Park is disturbing – cutting substantially exceeds limits of natural sustainability, however, population has no other source of heating and cooking energy.

What can happen in the future? Amendments and addendums were introduced in the Law on Establishment and Management of Kolkheti National Park; of these added, Article 15' (Traditional Use Zone of Kolkheti National Park) is of the utmost importance. This Article involves definition of traditional utilisation zone set out in the Law on Systems of Protected Territories, identifies specific areas and adds 'fishing' and 'monitoring' to the list of allowed activities. But, this addendum does not include an important entry contained in the Law on System of Protected Territories – "and limited by the natural productivity", which precedes the list of the activities. As a result, we have received situation, when demand of population is given higher priority than consideration of limited abilities of the ecosystem located in the protected territory. This means that whatever the population's demand will be, the felling will be carried out to satisfy it. This rule of game directly contradicts the Law of System of Protected Territories. If we take into account the approach of the decision-makers based on the notion that all the natural resources are for people and protection of the environment is of a secondary importance, we can see that Kolkheti National Park is imposed of significant threat of degradation.

## Chapter 8. Nepotism in Forestry Sector

After the so called “Rose Revolution” in Georgia struggle with corruption was declared one of the top state priorities. Unfortunately, one of the corruption forms – nepotism – is not considered an offence and is widely spread. Only once, in 2004, our government concentrated on this issue, but it was set aside very soon. Today, it might seem little comical that this issue was brought forward by well known former MP, deputy chairman of ruling faction Koba Bekauri. Finally, because of the disagreement with faction chairperson, Bekauri had to leave Parliament<sup>19</sup>.

State forestry sector of Georgia was also unable to avoid practices of appointing persons based on their party membership and relations to the government members. In 2006, the central apparatus of the Forestry Department conducted contest and selected employees on its basis. As far as we are concerned, all of them have certain education and experience in forestry issues. Although, it should be mentioned that, according to the information received from the employees, appointment of concrete persons to the concrete positions were conditioned by patronage of MPs, State Chancellery, ruling party, etc. in this publication we will refrain from naming officials and their protégés, only because of consideration that information sources are interested parties, and we do not want to make conclusion just on basis of their statements. It is beyond any doubts that contest rules were very subjective – they implied only interview, which very easily allows effective application of so called ‘telephone justice’. Such imperfect selection methods, in the first place, puts commission members into inconvenient situation, and create suspicion of injustice in the neutral society.

In our opinion, Minister is a political figure, and appointing of the team member on this position might be a positive decision. Deputy Ministers and some other high rank official can also be considered the political figures. (It is very sad, when political team does not have sectorial specialists). However, non-professionals in forestry sector are appointed not only on the political levels. Many of the local forestry directors’ and, sometimes, their foresters’ backgrounds are very far from forestry and nature. For instance, currently, at such positions you can find engineers, constructors, economists, geologists, teachers of chemistry and gymnastics, etc. As we have already mentioned, forestry sector was always corrupted, and it is very hard to find reliable and ‘clean’ person, but, on the other hand, this sphere is so complicated that it requires significant background and practical experience, and ignorant person appointed on a responsible position will unavoidably commit a blunder. (Will not he be forced to listen to advices of the old officials?!) In consideration of contradictory legislation and other

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<sup>19</sup> Consequently, this MP became a part of scandal related to the founders of independent TV company – 202. these people were detained on accusation of blackmailing MP Bekauri. According to the journalistic investigation, Bekauri, illegally using his parliamentary powers was lobbying his business, although, court and Special Parliamentary Commission did not confirm these findings.

circumstances, only personal honesty, if such exists, is not enough for ensuring good and lawful working.

On June 6 2006, the Order of Minister of Environmental Protection and Natural Resources on Approval of Additional Qualification Requirements for Persons to be Selected for Appointing on Contest Basis to Positions in Territorial Units of Forestry Department of Ministry Environmental Protection and Natural Resources has been issued. According to this Order, the persons wishing to take a position of forestry director, deputy director or forester must have higher education and practical experience, although it is not specified, in which field. Accordingly, on the contest basis, and without violating rules and laws, we can receive services completed by personnel not having any knowledge and experience in the field of forestry.

Average executives of the Ministry claim that top officials have their favourites, and only their opinion is taken into consideration in decision-making, although the latter have no sufficient knowledge and experience for understanding environmental issues. Also, as they mention, only persons appointed by minister are receiving bonuses and other allowances.

We have checked the above information and saw that, mainly, bonuses are distributed among the so called 'minister's staff' - Minister and his deputies, their drivers, secretaries, new heads of departments and services. Amount of bonuses varies between 300 and 1,200 lari. In rare cases, other, 'average' staff also receives small bonuses - 57 or 60 lari<sup>20</sup>.

May be, new staff is very good and the old employees are bad, Minister is in position to properly assess this. But one thing shall be mentioned for clarifying the situation: in the period of Papuashvili, who was lawyer, the legal part of the Ministry should become stronger. According to the official web-site of the Ministry, no new lawyers were hired in the Legal Department; only reform was that Division was renamed to Department and its heads are appointed from the former Ministry of Justice representatives. As for the 'success' in legal reform, we have included sufficient information on this issue in the other chapters of this document. See also publication titled Analyses of and Recommendations for Legislation Regulating Forestry Sector in Georgia, which was published under the Project.

One more detail, on how good are favourites receiving ministerial bonuses. NGOs shall mainly be relating to person responsible for public relations. For this purposes, the Ministry has created Service for Relations with Public and Mass Media. During the last one and a half years there were just a few meetings with NGOs arranged (the first

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<sup>20</sup> Letter No. 07/2-28/2533, dd. August 4, 2006, of Ministry of Environmental Protection and Natural Resources of Georgia.

meeting was held after five months of appointing Papuashvili as a minister, by the imperative request of NGOs, who wanted to get introduced to the 'new'). As for the dissemination of public information, there was not even a single case that information requested by us was provided complete and timely, with observance of administrative rules. While the list of staff entitled to bonus, as a rule, includes the head of Service for Relations with Public and Mass Media, who is so often in a breach of administrative legislation.

## **Chapter 9. Potential Threat Supporting Corruption – Collisions in Legislation**

The special threats from the standpoint of creating new corruption sources are represented by legal collisions.

One of the most important acts passed recently in the course of reforming, is the Law of Georgia on Licenses and Permits No. 1755-rs, dd. June 24, 2005.

Legislation regulating licensing and permitting system in Georgia needed improvement and simplification, but not eh way it was by the Law on Licenses and Permits. The introduced legal change only complicated and procedures and made them even more incomprehensible. Incomprehensibility of the procedures and contradictions in legislation are often resulting in violation of certain requirements in the process of permitting (licensing), and this, in its turn, can become a reason for cancelling of such permits (licenses). This is harming both for the state and investors. Complex and incomprehensible legislation can never promote creation of ideal investment environment neither in the sector, nor in the country in general.

Primarily, it shall be noted that the Law on License and Permits was passed for the purpose of replacing existing then Law on Basics of Issuing Licenses and Permits for Business Activities<sup>21</sup>. The latter was only partly related to environmental protection and use of natural resources, including forestry resources. All the remaining issues related to environmental protection and use of natural resources, including forestry resources were regulated by other specific laws. For instance, the rules for issuing documents permitting use of forestry resources were set out in Forest Code of Georgia.

Unlike the preceding Law, the Law of Georgia on Licenses and Permits does not allow such exemptions for environmental and forestry issues. In fact, scope of this new Law is mach larger. Accordingly, immediately upon passing the new Law and abolishing the old one, the respective amendments should have been introduced in all the legislative acts, which were related to licensing and permitting issues.

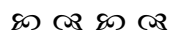
The authors the Law on License and Permits acknowledged necessity of legislative changes. This is witnessed by the text of the Law itself: according to it, prior to November 15 (within less then four months after Law entering into force) the Parliament of Georgia should have received proposals on legal amendments necessary because of passing this new Law. As the time demonstrated, neither within four months, nor within one year, such changes were introduced. Accordingly, assessing the fact of passing the Law on Licenses and Permits, it can be says that this step was hasty and unprepared. This, instead of simplification of the legal base, resulted in creating

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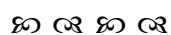
<sup>21</sup> No. 1426-rs, dd. May 14, 2002.

new contradictions between the laws, which, in its turn, creates fertile soil for corruption development and hinder due execution of the legal requirements.

Dim and incomprehensible procedures existing in the field of licensing and permitting are contradicting not only state and society interests, but create substantial problems for entrepreneurs as well. If there is no simple, precise and comprehensible procedure set out by the similarly simple and comprehensible laws in place, probability that businessman seeking license or permits will become a victim of corruption is very high.



New law regulating field of licensing and permitting was passed without changing old laws: on Protection of Environment, on Environmental Permit and on State Environmental Expertise. Nor other standard acts or bylaws related to environmental protection were amended. Despite this, the environmental permit itself is practically abolished, since the Law of Georgia on License and Permits does not imply it. This Law unambiguously states that it defines the comprehensive list of activities and fields of activities subject to licensing and permitting, and it is prohibited to impose licensing or permitting requirements by any other law or standard act on any other activity not listed in this Law. The Law of Georgia on License and Permits does not give Environmental Permit<sup>22</sup> the status of permitting document. In this particular case, the Law replaces it by the license of use, on the one hand, and the Environmental Impact Permit and Hunting Permit, on the other. Any other Laws stating necessity of obtaining Environmental Permit are contradicting the Law of Georgia on Licenses and Permits, and if this collision will not get regulated, obviously, there always will be misunderstanding and possibility of misinterpretation. This, in its turn, can farther promote corruption in discussed field.



According to the Law of Georgia on Environmental Permit, dd. October 15, 1996, Environmental Permit (not the Environmental Impact Permit) is required for the following activities in forestry sector:

- timber processing, paper, leather and textile industries, production of timber-strip and timber-fiber tiles;
- forest management projects including draft perspective plans on organising and managing forestry and hunting economies); and
- Plans and projects related to protection and use of water, forest, land, entrails and other natural resources located on the territory of Georgia.

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<sup>22</sup> Which was to be issued for implementation of any activity in accordance with the Law of Georgia on Environmental Permit (No. 424-Is, 15.10.1996)

According to the Article 36 of Criminal Code of Georgia, implementation of the activities attributed to category 1 without receiving the respective Environmental Permit (not Environmental Impact Permit) is a criminal offence. This means that, on the one hand, if person acts in accordance with the Law of Georgia on Licenses and Permits and, for activities falling under category 1, gets only those licenses and permits that are set out in the mentioned Law he might be considered committing a crime in accordance with the Criminal Code of Georgia. On the other hand, if carrying out the activities falling under category 1 without respective environmental permit was subject to punishment in accordance with the criminal law (and this, naturally, promoted compliance), carrying out activities without Environmental Impact Permit or respective license is not punished so strictly, and this allows violators avoiding strict punishment. Exactly the same situation can be observed in connection with administrative punishment. For instance, Article 79 of Administrative Violations Code of Georgia determines administrative punishment for violation of environmental permit issuing procedures; Article 79' of the same Code envisages responsibility for carrying out activities falling under categories 1, 2 and 3 without environmental permit.

No provisions of Administrative Violations Code of Georgia envisage responsibility for carrying out activities without Environmental Impact Permit.

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1. According to the Article 1 of Forest Code of Georgia, documents allowing utilisation of forestry resources are license for forest utilisation, agreement and ticket.

According to the Law of Georgia on Licenses and Permits, neither ticket, nor agreement can be considered permitting documents any longer. Furthermore, it prohibits imposing requirement of getting license or permit for “any activity or action not envisaged by this Law. Wording of this provision is dim and ambiguous, because it does say that, for instance, it is prohibited to impose requirement on obtaining additional permitting document (ticket or agreement) for any activity (timber cutting, for example) listed in the Law of Georgia on Licenses and Permits by any other law (Forest Code, etc.).

At the same time, we can assume that number of forest utilisation areas (carrying out plantation activities, for instance) does not need any license or permit, or just the general license for forest utilisation will be enough in this case. If forest utilisation license is not required for certain activities, then why Article 56 of the Forest Code of Georgia attributes them to category of forest utilisation? and why Article 53 of the Forest Code of Georgia prohibits carrying out these activities without obtaining forest utilisation license, agreement and ticket? Obviously, this collision represents one more source of corruption.

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Article 80 of Forest Code of Georgia envisages another permit, which is not recognised by the Law of Georgia on License and Permits. This is Permit for Utilisation of Agricultural Lands of Forestry Fund. Issue of the mentioned Permit was regulated by Forest Code of Georgia, Law of Georgia on Rules of Letting Agricultural Lands Owned by State and Order of President of Georgia. None of the mentioned laws and legislative acts was changed after the Law of Georgia on Licenses and Permits has been passed. Therefore, this collision still exists, and creates fertile soil for flourishing corruption in this field.

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After passing the Law of Georgia on Licenses and Permits, no changes were introduced in Law of Georgia on State Environmental Expertise (1996) or Provisions of Rules for Carrying out State Environmental Expertise, which was approved by Order No. 85 of Minister of Environmental Protection and Natural Resources (August 14, 2003). Hence, these acts are still regulating issues related to Environmental Permit, and this requires changing.

The Law on Licenses and Permits does not say anything at all about necessity of State Environmental Expertise. However, the Governmental Decision No. 154 on Approving Provisions of Rules and Conditions of Issuing Environmental Impact Permit (September 1, 2005) states that Environmental Impact Permit can only be issued upon obtaining conclusion of state environmental expertise. Hence, the Provisions clearly state necessity of state environmental expertise for issuing Environmental Impact Permit. Such discrepancies, besides complicating the procedure, can become the source of corruption.

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As for licensing, neither the Law on Licenses and Permits, nor the Governmental Decision No. 132 on Approving Provisions of Rules for Issuing Forest Utilisation License (August 11, 2005), envisage carrying out state environmental expertise during the licensing process. Application of such approach to utilisation licensing is not correct. It should be considered that utilisation license is quite specific in its essence, since, unlike other license, it is directly connected to the utilisation object. Besides this, according to the Law of Georgia on Licenses and Permits, when utilisation license covers activities/actions subject to obtaining any other licenses or permits and any other conditions, utilisation of this resource does not require obtaining any such other license or permit. Thus, in such circumstances, it can very easily happen, that owner of the license implements any activity subject to permitting without obtaining conclusion of state environmental expertise.

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Even earlier, forestry legislation of Georgia contained enough discrepancies, and wording of certain provisions created fertile soil for violations and corruption. From this standpoint, Forest Code was especially sinful.

The Forest Code of Georgia identifies basic rules of cutting. Observation of these rules is obligatory for every agency managing forests, as well as for each natural or legal person involved in any activities forest use.

The Forest Code of Georgia envisages three types of cutting: final cuts, thinnings and special cuts. In their turn, these types are also divided into many subtypes. Differentiation of forests by the types of cutting is done on basis of biological and ecological properties of the species, forest types, forest natural renewal status, soil resistibility to erosion, slope exposition and steepness.

It is interesting that process of licensing is still carried out in accordance with Presidential Order No. 479 on "*Regulations on Allocation of Standing Timber*"; (July 24, 1996). In the opinion of many lawyers, application of the mentioned Order has no legal basis, since it has no legal force and, currently, its application, to put it simply, is an offence. The mentioned document is oldest act in this field and, probably, the main source of corruption.

The text of this act contains many provisions leaving space for illegal actions. For instance: "the felling term shall commence on January 1 of the year of beginning operations at the cutting area and shall end on December 31, the same year. Term allowed for transporting timber from the cutting area shall end on June 1, the following year." Who is going to store timber in the forest for six months? Will not it lose its commercial value, or in other words, just spoil? Obviously, this period (allowed from transporting timber) will be used for illegal cutting, and in order to hide this fact, the corruptive transactions will take place. Another sentence from this Order: "timber producers that have fully utilised funds are allowed to receive an advance in amount of 30% of the fund allocated for the next year".

Rules of final cuts, thinnings and special cuts are stipulated in several legislative acts, texts and provisions of which are contradictory and contain discrepancies (including with Forest Code of Georgia). There are many features that turn this unlawfulness to legal action, or support implementation of illegal actions, including corruption.

Based on all the above, it is clear that entire system was designed to make possible implementation of illegal actions and corruptive transactions. Unfortunately, with the adoption of new laws, the old ones were not cancelled, and this further complicates the situation.

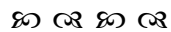
According to the combination of new and old laws and regulations, rules of cutting, its control, examination, existence or non-existence of violations is primarily depending on accuracy of basic data.

Legal and ecosystem friendly timber production is conditioned by accuracy of forest status, ecological status of resource data, and detailed taxation data. The cutting rules themselves are subjective to certain extent. For instance: “final cuts are allowed in the areas with 0.6 and higher density. After final cuts, the number of damaged trees at the cutting area shall not exceed 10% of the remaining trees; thinning is allowed in areas with 0.7 and higher density. The goal of this type of cut is improvement of soil conservation, water regulating, sanitary-hygienic, quantitative and specific contents and structure”.

Rules of thinnings and special cuts legalised by the Forest Code were the main sources of forest degradation and corruption, because they did not envisage granting rights through tender or auction. This was farther aggravated by concentration of control, policy-making and economical functions in one agency.

*We retain hope that representatives of respective governmental structures will not leave the facts described in this report unattended. And our critical remarks will be perceived as cooperation and a modest contribution into development of better, based on democracy and fairness principles country.*

*This publication does not include some facts investigated by us that needed reasserting. Unfortunately, due to the fact that the state agencies did not provide us with the requested information within the stated timeframes, and due to several other subjective and objective reasons, we failed to timely implement this. Association Green Alternative continues working with these issues and, accordingly, this report will be updated from time to time. English and Georgian versions of the presented report, as well as regular updates, can be found at the following web-sites: [www.forestgeo.net](http://www.forestgeo.net) and [www.greenalt.org](http://www.greenalt.org).*

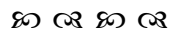


## Annex 1

### Review of Institutional Arrangement and Regulatory Legislation in Forestry Sector

Currently, majority of the Georgian forests are under custody of the Ministry of Environmental Protection and Natural Resources (82% - Forestry Department; 8% - Department of Protected Areas; 2% - Gulisashvili Institute of Forestry; and 8% - local governance and self-governance authorities).

Following the 2005 constitutional and legislative reforms, the related agencies were merged and some agencies were eliminated. The Ministry of Protection of Environment and Natural resources was liquidated. Its successor became the Ministry of Environmental Protection and Natural Resources. The departments related to forestry – Forestry Department and State Department of Protected Areas were reorganised and subordinated to the Ministry. Inspectorate of Environmental Protection (IEP) was established within the same Ministry.



Authorities and duties of the state agencies related to forestry sector are established as follows:

Ministry of Environmental Protection and Natural Resources of Georgia is governmental authority of executive power of Georgia, which provides state management in the field of environmental protection and rational use of natural resources, as well as in the field of ensuring ecological security of the population.

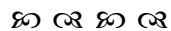
Ministry has Territorial Units, which are representing Ministry in implementation of its obligations in their respective regions.

Subordinate body of Ministry of Environmental Protection and Natural Resources – Forestry Department – is a body of executive power, through which the Ministry of Environmental Protection and Natural Resources implements its executive power in the field of forestry. Department supervises local forestries.

Subordinate body of Ministry of Environmental Protection and Natural Resources – Department of Protected Areas – Department supervises the protected territories (national parks, preserves, sanctuaries, etc.).

General Inspection of Ministry of Environmental Protection and Natural Resources – is the only structural subdivision of the Ministry entitled to carry out internal control; it is responsible for revealing malfeasances or other violations committed by the employees of the Ministry and its subordinates; promotes prevention measures and carries out works directed towards reacting to such offences.

Subordinate body of Ministry of Environmental Protection and Natural Resources – Inspectorate of Environmental Protection (IEP) – represents the unified central body of state control in the field of environmental protection. Its main objectives are to: implement state control in the field of environmental protection; reveal and prevent facts of illegal use of natural resources; control of compliance with requirements of license/permits issued by the Ministry. IEP has 7 regional bureaus throughout the country.



Legislation regulating forestry sector includes Constitution of Georgia, international agreements and conventions, laws and bylaws of Georgia. Some specific issues are also regulated by the parliamentary decisions, presidential Orders, decisions of respective minister and head of department.

The basics of Georgian environmental legislation are set out in Constitution of Georgia, Article 37 of which reads: *“everybody is entitled to live in a safe for health environment, and benefit from natural and cultural environment. Everybody is obliged to take care of natural and cultural environment”* (Paragraph 3); *“in order to provide safe for the human health environment in accordance with ecological and economical needs of society, in consideration of interests of current and future generations, State ensures protection of the environment and rational utilisation of natural resources”* (Paragraph 4).

International agreements, memorandums and conventions are given higher priority than national legislation, if they do not contradict with the Constitution of Georgia. Here, we should mention the Convention on Biodiversity, to which Georgia became a party in 1994.

**Table 1. Ratified International Conventions Related to Forestry Sector**

#	Conventions	Date of Ratification
1.	Convention on Biological Diversity	August 31, 1994
2.	Framework Convention on Climate Changes	May 16, 1994
3.	Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)	August 12, 1996
4.	Convention on Wetlands (Ramsar Convention)	June 7, 1997
5.	Convention on the Conservation of Migratory Species of Wild Animals	February 11, 2000
6.	Convention to Combat Desertification	June 23, 1999
7.	Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention)	February 11, 2000

Out of the Georgian laws relating to the forestry sector, the following deserve the primary attention: Law on Environmental Protection; Law on the System of Protected Areas ; Law on Animal Wildlife; Law on Red List and Red Data Book of Georgia; Forest Code of Georgia; Law of Georgia on Licenses and Permits.

In 1996, in order to ensure fulfilment of the above provisions of Constitution of Georgia, Parliament passed the Law of Georgia on Environmental Protection, which covers the following issues: protection of environment from negative impacts; improvement of environmental status; sustainable development and sustainable use of natural resources; conservation of biological diversity and ecological balance; protection of unique landscapes and ecosystems; directing efforts towards resolution of global environmental issues; identification of rights and obligations of citizens in the field of environmental protection; environmental education.

The Law on the System of Protected Areas (1996) defines aspects of establishment, development and functioning of protected territories; establishes the system responsible for managing them at various levels and defines activities allowed at protected territories of various categories.

The Law of Georgia on Animal Wildlife (1996) regulates legal relations in area of protection and use of animal resources. Besides direct protection of wild animal species, the Law addresses issues of their habitats, migration routes, reproduction areas; ensures sustainable use of fauna resources and creates legal basis for their *in-situ* and *ex-situ* conservation.

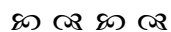
The Forest Code of Georgia (1999) regulates legal relationships connected with the issues of maintenance, protection, rehabilitation and use of Georgian forest fund and its resources. It defines the notion of State Forest Fund, which implies unity of lands and their resources (forests) assigned to the State by the legislation. Code also regulates property rights in fund. It shall be mentioned that it is allowed to transfer forests into the private property. For the moment of Code entering into force, entire forest fund was declared the state property, and the privatisation process shall be regulated by respective legislation, which is subject to development under Article 9.2 of the Code. One of the main goals of the Code is protection of forest fund of Georgia, conservation of originality of virgin forests, protection of relict, endemic and other precious plant species.

The Law of Georgia on Environmental Permit (entered into force on January 1, 1997) and the Law of Georgia on State Environmental Expertise (entered into force on January 1, 1997) shall also be mentioned. According to these Laws, permit for any kind of activity cab issued only after carrying out environmental impact assessment and state environmental expertise.

In June 2003, Parliament of Georgia passed the Law on Red List and Red Data Book of Georgia. The Law officially determined the legal definitions of Red List and Red Data Book (having recommendation and methodological character) of endangered species of wild animals and wild plants in Georgia. The Law also determines outline of the Red List, as well as procedures of identification of species to be entered into the Red List, development of draft, approval and updating (renewal) of the List. This Law also regulates issues related to Red Data Book of endangered species, planning and financing of protection, harvesting, rehabilitation and conservation of endangered species.

The Law of Georgia on Licenses and Permits entered into force on August 4, 2005. This Law identifies several documents with regard to the forestry sector: general licence of forest utilisation, which includes special licenses on felling and arrangement of the hunting furms; also environmental impact permit.

According to the requirements of this Law, all the other acts of Georgia shall be harmonised with its provisions. In the transition period, issues shall be regulated by the decisions of government.



Along with the listed, issues related to forestry sector (fees, violations control and prevention, protection, use, control, monitoring of forestry resources, etc.) are regulated by the following laws and standard acts:

- Law on Protection of Plants from Harmful Organisms, 1994;
- Law on Establishment and Management of Kolkheti Protected Territories, 1998;
- Law on Entrails, 1996;
- Law on Special Protection of Vegetation within the Limits and at the Adjacent Territories of Tbilisi City and State Forest Fund, 2000;
- Civil Code of Georgia, 1997;
- Law on Water, 1997;
- Law on Regulation and Engineering Protection of Sea Coast and River Banks of Georgia, 2000;
- Criminal Code, 1999;
- Administrative Violations Code, 1984;
- Law on Soils, 1994;
- Law on Local Self-Governance, 2005;
- Law on Control of Environmental Protection, 2005;
- Customs Code, 2006;
- Law on Fees for Natural Resources, 2005.

Besides these, the forestry sector of Georgia is regulated by the Orders of President of Georgia, decisions of Parliament of Georgia, standard acts issued by the Minister of Environmental Protection and Natural Resources and Head of State Forestry Department.

### **The European Union**

The European Union numbers 15 Member States: 15 different nations determined to shape their future closely together. Over a period of enlargement of 40 years, they have, together, built a zone of peace, stability, progress and solidarity. The European Union is a model for overcoming conflict and promoting reconciliation through close cooperation to achieve common goals, while respecting national sovereignty and territorial integrity. But the EU is not focused on itself: its ambition is to share its achievements and its values with countries and peoples beyond its borders.

### **The European Commission's Delegation**

The role of the Delegation as a diplomatic mission representing the European Commission - the executive body of the European Union - is to present, explain and implement the European Union's policy in Georgia and Armenia, analyse and report on the policies and developments of Georgia and Armenia. Also to conduct negotiations with the Georgian and Armenian governments for the implementation of the Partnership and Cooperation Agreements (PCAs) between the EU and the two Caucasian states enforced in July 1999.

### **European Initiative for Democracy and Human Rights (EIDHR)**

The principles of liberty, democracy, respect for human rights and the rule of law form a cornerstone of the European Union. The "European Initiative for Democracy and Human Rights" (EIDHR) was created in 1994 following an initiative of the European Parliament. The EIDHR is a funding programme that supports and promotes human rights and democracy in non-EU countries around the world. €100m are allocated annually under this budget-line.

In these fields, as well as in conflict prevention, it is an essential complement to the objectives of the European Union's Common Foreign and Security Policy. This programme is managed by the European Commission.

Georgia is one of 29 focus countries for the EIDHR.

### **Association Green Alternative**

Association Green Alternative was registered in 31 July 2000. The organization was formed from the group of leading campaigners of Friends of the Earth Georgia and accordingly activities carrying out by organization are continuation of previous work.

The group tries to become one of the leading pressure group in Georgia, using expertise and experience of members, through research and lobby for action to be taken at all levels of society, from grassroots to government and even international. Integrated approach for solution of Environmental, Social and Economic problems is essential for us.

The Association Green Alternative mission is to create framework for economically viable and socially desirable alternatives to protect environment; to protect Georgia's unique biological and cultural heritage; and to advocate for social justice and public participation.

It pursues this mission through the public awareness raising campaigns, resistance to environmentally and socially destructive programs and project, promotion of the principles of equity and justice in society and support to local industry and community development. Association tries to increase public participation in decision-making process through the capacity-building of local NGOs and grassroots, help in "know how" transfer and developing easily replicable visible pilot projects benefiting local peoples.

