

REGULATIONS

ON RULE AND CONDITIONS OF OBTAINING LICENSE ON USE OF PLANT RESOURCES (INCLUDING FOREST) IN GEORGIA

1. Licensing of Use of Plant Resources

- 1.1. These Regulations determine the rule and conditions of obtaining the license on use of the plant resources in Georgia.
- 1.2. The license on use of the plant resources is the document certifying the right to study, introduce and use of the forest, other wild plants and their components to be issued according to the applicable law of Georgia and the requirements of these Regulations on the ground of decision of the Interdepartmental Licensing Expert's Board at the Ministry of Protection of Environment and Natural Resources of Georgia (hereinafter - the Expert Board).
- 1.3. The goal of licensing of use of the plant resources is preservation of the environment conditions, protection of nature use rules, rational use of the plant resources and optimal placing of the consumer's demands.
- 1.4. The forest resources, other wild plants and their components are subject to the licensing of use of the plant resources.
- 1.5. The license will be given for all this activity which is connected to the withdrawal of plant resources from the nature and it is the main document certifying the use. The license on use of the plant resources may be issued for the term up to 5 years.
- 1.6. According to the kinds of use of the plant resources the license is issued:
 - for extraction of plant resources;
 - for study of plant resources;
 - for introduction of plant resources in the environment.
- 1.7. The universal license for the activity aimed at case, protection and restoration of forest is issued without competition to those departments which manage the forestry.
- 1.8. The license on use of plant resources is issued to those legal and natural persons who obtain the right and possibility to carry out the said activity. The licensee shall not alienate this license.
- 1.9. The concurrent issue of the complex license for the different use of plant resources (study, extraction, introduction, etc.) is allowed.

2. Arrangement of Issue of License and Stage of Its Implementation

The stages of arrangement and implementation of issue of the license are:

- 2.1. establishment of the quota of use of the plant resources, determination of the licensed resources and areas;
- 2.2. preparation of documents required for use of the plant resources obtaining the appropriate license;
- 2.3. advertising for reveal of those who wishes to obtain the license;
- 2.4. acceptance of applications of those who wishes to obtain the license;
- 2.5. consideration of application by the Expert's Board and reveal of the winner on the ground of competition (auction);
- 2.6. issuing the license on use of the plant resources.

3. Determination of Licensed Resources and Areas

3.1. The licensed resources and areas, in accordance with their location, are determined by the State Forestry Department, Ministry of Agriculture and Food of Georgia in coordination with the Ministry of Protection of Environment and Natural Resources.

The State Forestry Department and the Ministry of Agriculture and Food of Georgia determine also the technical and economic characteristics of use of the resources.

The areas intended for study and introduction of the plant resources are determined by the Ministry of Protection of Environment and Natural Resources together with the appropriate sectors.

4. License Documents

4.1. The license documentation is prepared by the Expert's Board.

4.2. The license documents include:

procedure of participation in the competition;

the technical and economic characteristics required for the competition documents.

4.3. The procedure of participation in the competition:

the note on registration and delivery of the applications and licensing bids ;

the note on making amendments in the presented application, if necessary;

the term of consideration of the presented application and obtaining the license.

4.4. The necessary technical and economic part of the competition documents shall reflect:

the kind of plant resources;

amount;

location;

the rate of payment for use of resources;

the amount of license fee.

5. Requirements of the Bids of Competition Participants

5.1. For taking part in the competition an applicant shall present the following documents:

the copy of registered charter of the entrepreneurial activity, the reference from the bank institution on the financial standing (solvency), kind and amount of the resources to be extracted, the information about the technical and technological potentialities of development of the resources, proposals of the desirable location, directions of use of the resources and expected results of the economic activity (the balance profit, settlement with the budget);

the applicant shall attach the competition document with the list of those persons who are authorized to act on behalf of the applicant and who obtain the right to sign the legal documents.

5.2. The following persons will not be allowed to take part in the competition:

enterprises (organizations) under reorganization or liquidation and which are endangered the bankruptcy;

applicants who presented the false information to the Expert's Board;

applicants who has not presented the documents required for participation in the competition and the proper financial guarantees in time.

5.3. The decision on inadmissibility of this or that applicant to the competition is made by the Expert's Board.

6. Preparation and Publishing Advertisement for Arrangement of Competition

6.1. The advertisement of the terms and conditions of the competition for obtaining the license on use of the plant resources is published by the Expert's Board in the mass media.

6.2. The advertisement about the competition shall contain the following information:

- the characteristics of the plant resources put on the competition;
- the terms and conditions of development of the resources;
- the deadline of bids indicating the date and hour.

6.3. The Expert's Board will work out the instructions on the drawing up of competition documentation and will determine its cost.

7. Funds of Expert's Board

7.1. The funds of Expert's Board of use of the plant resources are:

- 2 percent of the money estimation of the plant resources put on the competition to be paid by the winner;
- the amounts entered as a result of sale of the paid competition documents.

7.2. The funds of Expert's Board are used for compensation of expenses connected with arrangement of the competition, including remuneration of the invited experts and service of the expert organizations.

8. Licensee's Rights

The licensee is entitled:

8.1. to use the natural plant resources in limits of area determined by the license and manage the farm in the desirable form unless this contradicts other requirements of the environmental legislation.

8.2. to apply to the licensor for making amendments or supplements in the terms and conditions of the license if another situation occurred not provided by the license;

8.3. to apply to the court if he does not agree with the decision on restriction, suspension and termination of the licensed right.

9. Licensee's Obligations

The licensee shall:

9.1. secure the rational use of the plant resources, protection of environment and observe the safety rules of providing the works.

9.2. secure the keeping of appropriate documents of use of the plant resources.

10. Grounds for Termination, Suspension and restriction of License

10.1. The right to use the license is terminated:

- a) in case of expiration of the license term;
- b) in case of refusal of the licensee to use the plant resource;
- c) in case of such termination of the entrepreneurial activity by the licensee that may damage the plant resource.

10.2. The use of plant resource may be restricted, suspended and terminated before the expiration of term in the following cases:

- a) if the licensee infringed the requirements of environmental legislation or the license terms;
- b) if such activity may cause the direct danger to the life or health of those working or living in the area of works connected with the use of natural resources;
- c) if the licensee violated the safety rules established for the works;
- d) in state of emergency (war, natural calamity, acts of God, natural disasters, etc.);
- e) if the licensee did not start the use of plant resources according to the terms and conditions provided by the license;
- f) in case of liquidation of the enterprise granted with the license;

g) in case of the death of that natural person or termination of his capability to whom the license was issued if the heirs-at-law did not continue the activity provided by the license terms in the term established by the applicable law.

10.3. In case stipulated by items b) of item 10.2 the use of plant resource is terminated upon the making decision and the licensee is sent the written notice.

10.4. The decision on restriction, suspension or termination of use of the plant resource in cases of items a), c), e) and f) of items 10.2 is made by the Expert's Board.

10.5. The right on use of the plant resource may be terminated by the unilateral initiative of the licensee that shall be notified to the Expert's Board Secretariat two months before.

10.6. In case of termination of the use of plant resource before the expiration of its term liquidation or conservation of the licensee's production is executed in accordance with the procedure established by the law. The expenses are borne by the licensee if the activity is terminated under the reasons given in subitem a) of item 10.1 and subitems a), d), e) of item 10.2 or by the licensee's initiative.

10.7. The use of plant resource may be restricted, suspended or prohibited by Order of the President of Georgia for the reason of national security, protection of environment or monuments of history and culture.