

ON THE DEVELOPMENT OF HIGH MOUNTAINOUS REGIONS

The policy implemented by the State towards high mountainous regions is part of the regional development policy of the country and is aimed at ensuring the equal socio-economic development of the entire territory of Georgia and at solving the social and economic problems of persons living in high mountainous regions.

The aim of this Law is to determine the benefits of encouraging the social and economic progress of high mountainous regions as guaranteed by the Constitution of Georgia; such benefits ensure the well-being of persons living in high mountainous regions, raise living standards, promote employment and improve social and economic conditions.

Article 1 - Definition of terms

The terms used in this Law, for the purposes of this Law, have the following meanings:

- a) customer (residential user) – a person who is permanently resident in a high mountainous region, who has signed a contract on the provision of electricity supply services with a relevant license holder (the Licensee) according to procedures established by the legislation of Georgia;
- b) high mountainous region – a high mountainous settlement;
- c) high mountainous settlement – settlement provided for by Article 4(1) of the organic legislation of Georgia on the Local Self-Government Code, and which is included in the list of high mountainous regions of Georgia approved by the Government of Georgia.
- d) a teacher – a person who has the professional knowledge, skills and relevant qualifications as determined by the professional standards of teachers and who is teaching at least one subject at a public legal entity established by the Ministry of Education and science of Georgia, being an institution of general education, and/or at a vocational educational institution established by the State;
- e) the National Mountain Development Council (the Council) – the collegiate advisory body created on the basis of this Law in order to develop high mountainous regions, and to promote the coordination of the activities of relevant ministries and to elaborate development policy for high mountainous regions;
- f) a permanent resident of a high mountainous settlement – a citizen of Georgia registered and actually living in a high mountainous settlement, who has been granted the status of permanent resident of a high mountainous settlement under regulations established by the legislation of Georgia;
- g) an actual residence – the permanent presence of a natural person in a high mountainous settlement, as verified by the entirety of evidence and established facts obtained during relevant administrative procedures;
- h) a medical personnel – a doctor, a nurse employed at a health care institution provided for by this Law and located in a high mountainous settlement.
- i) a calendar year – 12 continuous calendar months.

Article 2 - Regulation of issues related to the status of high mountainous settlements

1. A high mountainous settlement is a settlement that is located in a mountainous region at approximately 1 500 metres or higher according to hypsometric analyses. The Government of Georgia is entitled to take into consideration different criteria (steepness of mountain slope, condition of infrastructure, climate condition and natural environment, scarcity and deficiency of agricultural lands, and demographic profile, including aggravated migration processes) and to grant the status of high mountainous settlement to a settlement located at not less than 800 metres in a mountainous region. In exceptional cases, taking into consideration the criteria determined by this paragraph, the status of high mountainous settlement may be granted to a settlement located below 800 metres in a mountainous region
2. Regardless of their altitudes, the status of high mountainous settlement shall be granted to settlements located within the following historic and geographic areas: Khevi, Mtiuleti, Pankisi Gorge, mountainous Adjara, Gudamakari Valley, Pshav-Khevsureti, Tusheti, Upper Svaneti, Kvemo Svaneti (lower Svaneti), Lechkhumi and Racha.
3. A settlement shall be granted the status of high mountainous settlement by being included in the list of the high mountainous settlements. The Government of Georgia, based on the recommendation of the Council, shall approve the list of high mountainous settlements by ordinance.
4. The Ministry of Regional Development and Infrastructure of Georgia, relevant municipalities, relevant state representative – governors, and the Government of the Autonomous Republic of Adjara shall apply with the relevant petition to the Council to discuss the issue of placing settlements on the list of high mountainous settlements and on removing settlements from the list of high mountainous settlements.
5. This Law shall apply to high mountainous settlements located in the occupied territories of Georgia after the complete restoration of the jurisdiction of Georgia in the relevant territory.
6. If the issue of attributing the status of high mountainous settlement to the historic and geographic areas of Georgia provided for by paragraph 2 of this Article cannot be resolved, the Government of Georgia shall decide upon the issue based on the recommendation of the Council.



Article 3 - Granting, terminating, suspending, and restoring the status of permanent resident of a high mountainous settlement

1. The gamgebeli (head of the local government), or the mayor of the relevant municipality, shall make a decision on the issue of granting, terminating, suspending, and restoring the status of permanent resident of a high mountainous settlement.
2. The power provided for by the first paragraph of this Article is a power delegated to the municipality by the State.
3. The amount of financial resources necessary for the municipality to exercise the delegated powers provided for by the first paragraph of this Article shall be determined by the law on the State budget of Georgia for the relevant year.
4. The Ministry of Regional Development and Infrastructure of Georgia shall implement field supervision on the implementation of the delegated powers provided for by the first paragraph of this Article according to the organic Law of Georgia on Local Self-Government Code.
5. A natural person shall be granted the status of permanent resident of a high mountainous settlement if he/she meets the following criteria:
 - a) he/she must be a citizen of Georgia;
 - b) he/she must be registered in a high mountainous settlement;
 - c) he/she must actually live in a high mountainous settlement for an aggregate 9 months or more than 9 months during each calendar year.
6. The status of permanent resident of high mountainous settlement shall be terminated if the permanent resident of a high mountainous settlement:
 - a) has died;
 - b) has changed the address of registration (except in the case of registration in another high mountainous settlement);
 - c) has left the high mountainous settlement, resulting in noncompliance with the provisions of paragraph 5(c) of this Article, except in the cases provided for by paragraphs 7 and 8 of this Article;
 - d) no longer has citizenship of Georgia.
7. A natural person shall maintain the status of permanent resident of a high mountainous settlement, if he/she has left the high mountainous settlement for treatment, or obligatory military service for a certain period, or if he/she was sentenced to imprisonment as a means of a restraining measure according to the legislation of Georgia.
8. A natural person's status of permanent resident of a high mountainous settlement shall be suspended if:
 - a) the court has sentenced him/her to imprisonment as a means of punishment;
 - b) he/she has left the high mountainous settlement in order to receive higher or vocational education and no longer complies with the provisions of paragraph 5(c) of this Article.
9. In the case provided for by paragraph 8(a) of this Article a natural person's status permanent resident of a high mountainous settlement shall be suspended from the day of entry into force of the judgement of conviction of the court of last instance against him/her, or from the day of the expiration of the term of appeal of the court judgement of conviction to a court of higher instance. A natural persons' status of permanent resident of a high mountainous settlement shall be restored where the natural person has actually lived in a high mountainous settlement during a period of one month after being released from a detention facility.
10. In the case provided for by paragraph 8(b) of this Article the issues related to the suspension of the status of permanent resident of a high mountainous settlement of a natural person shall be determined by ordinance of the Government of Georgia. The status of permanent resident of a high mountainous settlement of a natural person shall be restored where the natural person has actually lived in a high mountainous settlement during a period of one month after completion or termination of studies.
11. After the issuance of the act provided for by the first paragraph of this Article, the gamgebeli, being the head of the local government, or the mayor of the municipality is obliged, during the period of one week from making a decision, to provide the information on granting, terminating, suspending, or restoring the status of permanent resident of a high mountainous settlement to the Public Service Development Agency, a legal entity of public law under the governance of the Ministry of Justice of Georgia.
12. The information provided for by paragraph 11 of this Article on permanent residents of high mountainous settlements shall be recorded in the register of permanent residents of high mountainous settlements, in accordance with the rules established by the Minister of Justice of Georgia. The Minister of Justice of Georgia shall establish the rules for the registration procedure of permanent residents of high mountainous settlements.
13. The administrative bodies are obliged to provide to the gamgebeli (head of the local government), or the mayor of a relevant municipality, the information verifying the factual conditions determined by this Article .
14. The granting, termination, suspension, or restoration of the status of permanent resident of a high mountainous settlement, including the procedure for establishing the actual residence of a natural person in a high mountainous settlement and other issues related to the said procedure, and which require additional regulation, shall be determined by the procedure for granting, terminating, suspending, or restoring the status of permanent resident of a high mountainous settlement, which shall be approved by ordinance of the Government of Georgia.

Article 4 - Social benefits in high mountainous settlements

1. Permanent residents of high mountainous settlements may enjoy any social benefits established by this Law and other legislative acts and subordinate acts of Georgia.



2. The State shall ensure the establishment of the following social benefits in high mountainous settlements:

a) a monthly bonus to the state pension being at least 20% of the state pension set for permanent residents of high mountainous settlements who have reached the retirement age and receive the monthly state pension as a social benefit, according to the amount of the state pension defined by the law of Georgia on the state budget of Georgia for the relevant year. The procedures and conditions for issuing the said supplement shall be determined by ordinance of the Government of Georgia. The permanent residents of high mountainous settlements who are the recipients of the social package determined by the Government of Georgia shall receive the monthly supplement in the amount of 20% of the social package provided to them.

b) medical personnel employed at medical institutions, which are under State management and where the State is an equity partner, located in high mountainous settlements, whose work is paid from the state budget, shall receive a monthly bonus in accordance with rules determined by ordinance of the Government of Georgia:

b.a) doctors shall receive a bonus in the amount of the state pension;

b.b) for nurses - in the amount of the pension;

c) the implementation of relevant measures during the winter period (from 15 October of the relevant year through to 15 April of the following year) in order to facilitate the provision of heating for permanent residents of high mountainous settlements;

d) compensation of 50% of monthly charges for electricity consumed by users (residential customers) in high mountainous settlements, but not more than the charge for 100 kWh of consumed electricity;

e) a contribution of monthly cash assistance, in accordance with procedures determined by ordinance of the Government of Georgia, being at least GEL 100 throughout the period of one year after the entry into force of this Law, for the birth of the first child and the second child, where one of the parents of the child is a permanent resident of a high mountainous settlement, and for the third child and every following child, a contribution of monthly cash assistance of at least GEL 200 throughout the period of 2 years after the entry into force of this Law;

f) the provision of a bonus being not less than 35% of the basic remuneration of a teacher in accordance with procedures established by the Ministry of Education and Science of Georgia to a teacher in a legal entity under public law -an institution of general education located in a high mountainous settlement and established by the Ministry of Education and Science of Georgia; the payment of a bonus being not less than 35% of the remuneration of teachers in accordance with procedures established by the Ministry of Education and Science of Georgia to a teacher in an institution of vocational education located in a high mountainous settlement and established by the Ministry of Education and Science of Georgia. In order to provide financial assistance to coaches employed in the sports sector and to promote the development of sports in high mountainous settlements, the government of Georgia shall develop and approve a relevant state programme.

g) the provision of an increased amount of vouchers to the pupils of public schools, multi-sectoral public schools, and to students of institutions of vocational education located in high mountainous settlements. The terms and conditions for issuing the said vouchers shall be determined by ordinance of the Government of Georgia.

h) the provision of a bonus of not less than 50% of the remuneration of a teacher in accordance with the procedures and conditions established by the Ministry of Education and Science of Georgia, or the head of the administrative body implementing this programme, to a teacher who is a participant of a relevant programme as defined by the Ministry of Education and Science of Georgia and/or the administrative body within under its authority, and who is employed within this programme at an institution of general education located in a high mountainous settlement. The bonus provided for by this sub-paragraph shall not be given to a person entitled to the benefit provided for by paragraph 2(f).

3. In order to improve the social and economic conditions of permanent residents of high mountainous settlements, the Government of Georgia may develop additional social programmes. The above mentioned programmes shall be approved by ordinance of the Government of Georgia.

4. Administrative bodies are obliged to provide information in their possession to the relevant administrative body for the provision of the social benefits provided for by paragraph 2 of this Article.

Article 5 - Tax privileges in high mountainous settlements

1. Permanent residents of high mountainous settlements shall enjoy tax privileges established by the Tax Code of Georgia in relation to income tax and property tax.

2. Business entities which, in accordance with the legislation of Georgia, have been granted the status of high mountainous settlement enterprise shall be exempt from taxes under the terms and rules defined by the Tax Code of Georgia.

3. The administrative body with power to grant to business entities the status of high mountainous settlement enterprise, and the terms and conditions of granting, terminating and suspending the status of high mountainous settlement enterprise, shall be determined by the rules for granting, terminating and suspending the status of high mountainous settlement enterprise, which shall be approved by ordinance of the Government of Georgia.

4. The status of high mountainous settlement enterprise shall not be granted to an enterprise, or such status may be suspended, where the enterprise carries out:

a) activities which require a license or permission;

b) the provision of services (except for services defined by the Government of Georgia);

c) trade in goods, except in the cases provided for by paragraph 5 of this Article, and in the cases where the goods are processed and delivered.

5. The Government of Georgia may determine by ordinance provided for by paragraph 3 of this Article the types of economic activities to which the tax privileges provided for by paragraph 2 of this Article shall also apply.



Article 6 - Status and composition of the National Mountain Development Council

1. The Council is a collegiate advisory body created by ordinance of the Government of Georgia on the basis of this Law. The statute of the Council shall be approved by ordinance of the Government of Georgia.
2. The composition of the Council shall be determined by ordinance of the Government of Georgia. The Council shall be composed of representatives from the executive branch of government of Georgia and relevant administrative bodies, and members of the Parliament of Georgia, and experts, and representatives from high mountainous regions, as follows: Gamgebelis heads of the local government), the mayors of relevant municipalities, the relevant state representatives-governors, members of the Parliament of Georgia elected through a majority election system, and the chairperson of the Government of the Autonomous Republic of Adjara. The Council shall be chaired by the Prime Minister of Georgia.
3. At least half of the Council members shall be represented by representatives from high mountainous regions. The number of high mountainous settlements located in a relevant area shall be taken into consideration when making a decision on the issues of including the Gamgebelis, (heads of the local government) or the mayors of relevant municipalities, the relevant state representatives - governors, and members of the Parliament of Georgia elected through a majority election system in the in the Council.
4. Organizational support for the activities of the Council shall be provided by the administrative body determined by the Government of Georgia.

Article 7 - Powers of the National Mountain Development Council

1. The National Mountain Development Council shall:
 - a) apply to the Government of Georgia for approval of the development strategy and action plan for high mountainous settlements;
 - b) apply to the Government of Georgia for approval of high mountainous settlements development programmes aimed at developing agriculture and other economic sectors and implementing infrastructural projects in high mountainous settlements;
 - c) give recommendations to relevant ministries on the issues of the implementation of the development strategy and action plan for high mountainous settlements and the development programmes for high mountainous settlements;
 - d) consider issues on the appropriateness of placing a settlement on the list of high mountainous settlements and of removing a settlement from the list of high mountainous settlements;
 - e) make suggestions to the Government of Georgia on placing a settlement on the list of high mountainous settlements and removing a settlement from the list of high mountainous settlements;
 - f) exercise other powers granted by this Law and other legal acts and subordinate acts of Georgia.
2. The development strategy and action plan of high mountainous settlements provided for by sub-paragraph (a) of the first paragraph of this article and the high mountainous settlements development programmes provided for by sub-paragraph (b) of the first paragraph of this Article shall be approved by ordinance of the Government of Georgia.

Article 8 - High mountainous settlements development fund

1. The high mountainous settlements development fund (the Fund) shall be determined by the law of Georgia on the state budget of Georgia for the relevant year.
2. The Fund shall be disposed according to the procedure established by the Government of Georgia, taking into consideration the ordinances of the Government of Georgia defined by Article 7(2) of this Law.
3. The Ministry of Regional Development and Infrastructure of Georgia shall apply to the Government of Georgia on the basis of a proposal of the Council on the allocation of an amount from the appropriations provided for the Fund.

Article 9 - Measures to be implemented related to the entry of this Law into force

1. The Government of Georgia:
 - a) based on the recommendation of the Ministry of Regional Development and Infrastructure of Georgia:
 - a.a) shall ensure the approval of the Statute of the National Mountainous Development Council before 1 October 2015;
 - a.b) shall ensure the approval of the procedure for granting, terminating, suspending, and restoring the status of permanent resident of a high mountainous settlement before 1 November 2015;
 - b) based on the recommendation of the Ministry of Finance of Georgia shall ensure approval for the procedure for granting, terminating, and suspending the status of high mountainous settlement enterprise;
 - c) based on the recommendation of the Ministry of Sports and Youth Affairs of Georgia shall ensure approval of the relevant state programme before 31 December 2015 in order to provide financial assistance to coaches employed in the sports sector and to promote the development of sports in high



mountainous settlements provided for by Article 4(2)(f) of this Law;

d) shall ensure the adoption of the relevant ordinance for the granting of social benefits provided for by Article 4 (2)(c) and (d) of this Law.

2. The Ministry of Labour, Health and Social Affairs of Georgia:

a) before 1 November 2015 shall ensure:

a.a) the development, and submission to, the Government of Georgia of the draft normative acts on relevant subordinate normative acts or changes to subordinate normative acts for the granting of social benefits provided for by Article 4 (2)(b) and (e) of this Law;

a.a) the development, and submission to, the Government of Georgia of the draft normative act on relevant subordinate normative act for the granting of social benefits provided for by Article 4 (2)(a) of this Law;

b) the development of relevant proposals on the granting of bonuses to medical personnel employed at a private legal entity being a medical institution located in a high mountainous settlement to which Article 4(2)(b) of this Law is not applicable.

3. The Ministry of Education and Science of Georgia and/or an administrative body under its authority shall ensure, within the scope of their authority, the development, and submission to, the Government of Georgia of the draft legal acts on relevant legal acts or changes to legal acts for the granting of social benefits provided for by Article 4 (2)(f) and (h) of this Law (except for the cases provided for by paragraph (1)(c) of this Article), before the start of the academic year 2016-2017, and the Ministry shall ensure before 1 November 2015 the development of the draft normative act on making changes to the relevant normative act for the granting of social benefits provided for by Article 4 (2)(g) of this Law;

4. The Ministry of Justice of Georgia before 1 January 2016 shall ensure:

a) the approval of regulations for maintaining the register of permanent residents of high mountainous settlements;

b) the creation of the register determined by Article 3(12) of this Law

5. The Ministry of Regional Development and Infrastructure of Georgia and the Ministry of Finance of Georgia shall ensure the development, and submission to, the Government of Georgia of the relevant draft law for the determination of the amount of material and financial resources necessary to exercise the powers delegated by this Law before 20 September 2015.

6. The receipt of social benefits provided for by Article 4(2) of this Law shall not be grounds for the cancellation of social support which is a subsistence allowance, and shall not be considered as an improvement of the socio-economic status of poor families identified by the assessment system.

Article 10 - Normative acts repealed as from the entry into force of this Law

1. The law of Georgia of 8 June 1999 on High Mountainous Regions Social-Economic and Cultural Development (Legislative Herald of Georgia, No 24(31), 1999, Art.121) shall be deemed repealed from 1 January 2016.

2. Along with the entry of this Law into force, Articles 1, 5 and 7 of the law of Georgia on High Mountainous Regions Social-Economic and Cultural Development shall be deemed repealed.

3. For the purposes of Article 82 (2)(a)-(f) of the Tax Code of Georgia and Article 206(1)(v) and for other relevant legal acts adopted before the entry into force of this Law the high mountainous regions shall be the villages, communities and urban-type settlements included in the list defined by the annex of the law provided for by Article 6 of the law of Georgia on High Mountainous Regions Social-Economic and Cultural Development.

Article 11 - Entry into force of this Law

1. This Law except for Article 3(3), Article 4(2) and Article 5(1)-(3) shall enter into force upon its promulgation.

2. Article 3(3), Article 4(2)(e) and (g), and Article 5(1)-(3) of this Law shall enter into force from 1 January 2016.

3. Article 4(2)(a),(b),(c),(f) and (h) of this Law shall enter into force from 1 September 2016.

4. Article 4(2)(d) of this Law shall enter into force from 1 January 2016.

President of Georgia

Giorgi Margvelashvili

Kutaisi

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