

17 May 2007, Ulaanbaatar

**LAW OF MONGOLIA**  
**ON FORESTRY**  
**CHAPTER ONE**  
**GENERAL PROVISIONS**

**Article 1. Purpose of the law**

1.1 The purpose of this law is to regulate the relations arising from protection, possession, sustainable use, restoration and reproduction of forests in Mongolia.

**Article 2. Related legislation**

2.1 The legislation on forestry comprises the Constitution<sup>1</sup>, Law on Environmental Protection<sup>2</sup>, this law and other legislative acts of Mongolia, consistent with the former.

2.2 Where an international treaty of Mongolia provides otherwise, the provisions of the international treaty shall apply.

**Article 3. Definitions**

3.1 The terms used in this law shall be understood as follows:

3.1.1 **“forest”** as the diversity of animals and plants, micro-organisms, and a complex of co-habiting natural and planted trees, bushes and shrubs that form a unique ecosystem of natural resources;

3.1.2 **“forest reserve”** as the stock of all species of trees, saxaul, bushes, shrubs and planted forests growing in the territory of Mongolia;

3.1.3 **“forest resources”** as the forest reserve expressed in terms of the area covered and the volume of growing trees;

3.1.4 **“harvest resources”** as the maximum volume of logging to be done over a specified period of time on the condition of preserving the forest ecological equilibrium;

3.1.5 **“tenure forest”** as a parcel of the forest reserve that is protected, used and possessed by a forestry partnership, economic entity or an organization on a contractual basis;

3.1.6 **“forest management plan”** (referred to as “management plan” hereinafter) as a document laying out the activities, in their integrity and proper sequence, that are undertaken to protect, ensure rational utilization of and restore forests in a given territorial and administrative division;

3.1.7 **“forest ecological-economic evaluation”** as the monetary expression of ecological and economic benefits derived from the volume, quality and utilization of forest resources;

3.1.8 **“forestry partnership”** (referred to as “partnership” hereinafter) as a voluntary association of citizens organized on the basis of Article 481, Paragraph 1 of the Civil

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<sup>1</sup> The Constitution of Mongolia, published in Issue No. 1 of 1992 of the State Bulletin.

<sup>2</sup> Law on Environmental Protection, published in Issues No. 5, 6 of 1995 of the State Bulletin.

Law<sup>3</sup>, and Article 38, Paragraph 2, Clause 8 of the Law on Environmental Protection, and operating to protect, rationally utilize and restore forest in a given territorial and administrative division;

3.1.9 **“forest databank”** (referred to as “databank” hereinafter) as a body of comprehensive information containing indicators of the condition of the forest, its area, volume, composition, evaluation and variations in these, as well as activities for its protection, rational utilization and restoration;

3.1.10 **“forest protection”** as measures aimed at preventing the degradation of the forest, utilizing forest resources in conformity with its carrying and natural restorative capacities, restoring it, and monitoring these activities;

3.1.11 **“forest assets”** as all forest trees and non-timber resources;

3.1.12 **“forest non-timber resources”** as fruits, berries, mushrooms, nuts, medicinal, edible and commercial plants, tree bark and cork, birch sap, pitch, forest moss, plant detritus and any other products being utilized;

3.1.13 **“forest organization”** as a system of measures to assess the forest area, volume, distribution, composition, quality, condition as well as changes in these and to determine integrated activities for forest protection, rational utilization and reproduction;

3.1.14 **“afforestation”** as growing of a forest in a place previously devoid of forest.

#### **Article 4. Ownership of planted forest, forest tenure**

4.1 In line with the Constitution of Mongolia, forest resources are a state property under the sole authority of the people.

4.2 A forest planted by a citizen on the land in his/her ownership or possession, or by a partnership, economic entity or an organization on the land in their possession, using their own means, can become their property in a manner prescribed by law.

4.3 The ownership of a planted forest and associated non-timber resources referred to in clause 4.2 of this law, shall be determined on the basis of an opinion provided by a professional forestry organization and proposals of the local administration and central government authority on nature and environment, and in line with the procedures set out in clause 27.5 of this law.

4.4 Possession of forest resources and reserves shall be granted in the following manner:

4.4.1 by the central government authority on nature and environment (referred to as “Central Government Authority” hereinafter) to aimag, capital city, soum and duureg;

4.4.2 soum or duureg Hural of Citizen Representatives, based on the proposal of bagh or khoroo General Meeting, shall place a parcel of the forest reserve in the possession of a partnership, economic entity or organization on the basis of a contract specifying the duration, conditions and criteria of such possession.

4.5 The contract referred to in clause 4.4.2 of this law, may be concluded for an initial period of 1 year for the purpose of ensuring adequate preparations, and further extended every 10 years for a total period of 60 years.

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<sup>3</sup> Civil Law, published in Issue No.7 of 2002 of the State Bulletin.

4.6 A parcel of the forest reserve allowed for possession under clause 4.4.2 of this law, shall be the tenure forest.

4.7 In line with clause 4.4.2 of this law, the possessor of a tenure forest shall utilize trees and associated non-timber resources, and undertake maintenance, cleaning and restoration in the tenure forest on the basis of a management plan.

4.8 Unless law provides otherwise, a tenure forest may be established in either of the protected or utilization forest zones.

4.9 The guidelines for granting possession rights of forest parcels to partnerships, economic entities and organizations shall be approved by the Government.

#### **Article 5. Classification of the forest reserve and forest reserve sites**

5.1 Based on the protection and utilization regimes and ecological-economic importance, the forest reserve shall be classified as follows:

5.1.1 protected forest zone;

5.1.2 utilization forest zone.

5.2 The forest reserve site shall include wooded areas, glades, logging areas, burns, pest infested and diseased stands, and the area extending 100 metres beyond the outer rim of the forest as well as forest nursery areas.

#### **Article 6. Forest databank system and procedures**

6.1 The databank referred to in clause 3.1.9 of this law, shall contain information disaggregated by soum, duureg, aimag, capital city and national levels and providing data on the forest condition, forest reserve area, volume, composition, evaluation, changes in these characteristics, possession permits, and on protection, utilization and reproduction activities.

6.2 Member of Government in charge of nature and environment, shall approve the databank content and reporting formats as well as related procedures.

6.3 Relations related to the management of the databank referred to in clause 6.1 of this law, shall be regulated in line with Article 12 of the Law on Environmental Protection.

#### **Article 7. Forest organization and its financing**

7.1 Forest organization shall be undertaken by a professional forestry organization licensed by the Central Government Authority.

7.2 Forest inventory and forest organization shall be undertaken every 10 years for purpose of a nationwide re-assessment of the size and condition of the forest reserve.

7.3 In the cases of natural disasters, forest fires, pest and disease epidemics and other such emergencies, forest organization may be undertaken regardless of the periodicity specified in clause 7.2 of this law.

7.4 Forest organization shall be financed in the following manner:

7.4.1 forest organization conducted in the protected and utilization forest zones for the purpose of establishing the timber volume, identifying regional development levels and developing the national management master plan shall be financed from the state budget;

7.4.2 forest organization commissioned by aimag, capital city, soum and duureg Hurals of Citizen Representatives in the utilization forest zones or for the purpose of establishing protected forest zones or developing management plans, shall be financed from local budgets;

7.4.3 partnerships, economic entities and organizations shall self-finance forest organization for their tenure forests with the exception of the first forest organization of a partnership tenure forest, which will be financed from the state budget.

7.5 Forest organization guidelines shall be approved by the Government.

## **CHAPTER TWO**

### **FOREST ZONES AND RELATED PROTECTION REGIMES**

#### **Article 8. Protected forest zone and its regime**

8.1 The protected forest zone shall comprise sub-tundra forests, forests in Special Protected Areas and those designated for training and research, green belts, restricted forest belts, saxaul and oasis forests, groves and bush stands of up to 100 hectares of area and forests on slopes over and above 30 degrees.

8.2 Restricted forest belts shall comprise forests within 1,000 meters around lakes, mineral and other water springs, and off riverbanks, and within 100 metres on both sides of national roads and railroads.

8.3 For the purposes of preserving ecological equilibrium and preventing soil erosion in the watershed area, the demarcation of sub-tundra forests shall be done by the Central Government Authority.

8.4 Protection regimes for forests in Special Protected Areas shall be established and maintained in line with the Law on Special Protected Areas<sup>4</sup>.

8.5 For the purposes of ensuring ecological equilibrium and public health, the demarcation of the forests in the capital city, town and village green belts shall be done in the following manner:

8.5.1 by the Government for the capital city;

8.5.2 by the Central Government Authority for other towns within a radius of 30 kilometres off their boundaries, based on the proposals of aimag and soum Hurals of Citizen Representatives;

8.5.3 by aimag Hurals of Citizen Representatives for soum centres and other settlements, based on the proposals from soum Hurals of Citizen Representatives.

8.6 All activities shall be prohibited in the protected forest zone except for construction of roads, bridges, water, power and communication lines, fire lines, as well as forest reproduction and cleaning works and utilization of non-timber resources.

#### **Article 9. Utilization forest zone and its regime**

9.1 The utilization forest zone shall comprise all forests other than those referred to in Article 8 of this law.

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<sup>4</sup> Law on Special Protected Areas, published in Issue No. 2 of 1995 of the State Bulletin.

9.2 Citizens, partnerships, economic entities and organizations may use forest wood and non-timber resources in the utilization forest zone, subject to payment of relevant fees and duties.

9.3 Partnerships, economic entities and organizations in possession of forests shall undertake activities on the basis of management plans that ensure scientifically sound approach to forest protection, rational utilization and restoration.

## **CHAPTER THREE**

### **POWERS OF STATE AND LOCAL SELF-GOVERNING BODIES**

#### **Article 10. Powers of the State Great Hural**

10.1 The State Great Hural shall exercise the following powers for the purposes of this law:

10.1.1 determine state policies on forest utilization, protection and restoration;

10.1.2 approve and/or amend the forestry legislation, oversee its implementation;

10.1.3 approve national programmes on forest protection and ecological security, submitted by the Government;

10.1.4 establish maximum and minimum levels for forest utilization charges;

10.1.5 ratify and/or annul international forestry treaties;

10.1.6 exercise other legitimate rights and powers.

#### **Article 11. Powers of the Government**

11.1 The Government shall exercise the following powers for the purposes of this law:

11.1.1 based on law, restrict or suspend for a requisite period of time, the quota for the utilization, importation and exportation of timber and non-timber resources;

11.1.2 organize the implementation of the state forestry policies;

11.1.3 approve the national forest management master plan;

11.1.4 earmark annual budgets for forest protection, restoration and reproduction activities;

11.1.5 approve, amend lists of endangered species of trees, bushes and shrubs;

11.1.6 exercise other legitimate rights and powers.

#### **Article 12. Powers of the Central Government Authority**

12.1 Central Government Authority shall exercise the following powers for the purposes of this law:

12.1.1 organize the implementation of state policies and legislation on the protection, rational utilization, restoration and reproduction of forests and maintenance of ecological equilibrium;

12.1.2 within the scope established by law, approve and ensure the implementation of forest protection guidelines and other decrees to be followed at the level of other central government organizations as well as aimags and the capital city;

12.1.3 ensure cross-sectoral and inter-regional coordination with regard to forest protection, rational utilization, restoration and reproduction, formulate legal acts and standards for approval by a higher authority or approve jointly with a relevant government partner and ensure implementation thereof;

12.1.4 based on law, determine the maximum volume of annual harvest resources;

12.1.5 based on ecological needs and resource availability, restrict or suspend for requisite periods of time the utilization of timber and/or non-timber resources in a territory;

12.1.6 approve aimag and capital city management plans;

12.1.7 formulate, implement, monitor the plan specified in clause 11.1.3 of this law;

12.1.8 assess and evaluate the condition and quality of forest resources, monitor their change, utilization and protection;

12.1.9 monitor the national forest databank management;

12.1.10 issue, withdraw licenses of professional forestry organizations;

12.1.11 plan and distribute the state budget allocations for works specified in clause 7.4.1 of this law, channel funds to works or services suppliers based on performance;

12.1.12 organize internal control over the protection of forest resources;

12.1.13 approve forest ecological-economic evaluations;

12.1.14 exercise other legitimate rights and powers.

### **Article 13. Structure and Powers of the Government Agency in Charge of Forestry**

13.1 A government agency responsible for forestry (referred to as "Government Agency" hereinafter) and forestry units within the aimag and capital city Nature and Environment Departments shall operate under the jurisdiction of the Member of Government in charge of nature and environment.

13.2 If so required, inter-soum or soum forestry boards, or forestry officers at some soum Governor Offices may be installed to provide technical and methodological support in the implementation of the national forest protection, utilization, restoration and reproduction policy at the local level, and in the organization of transfers of forest parcels to partnerships, economic entities and organizations for possession on a contractual basis.

13.3 The Government Agency shall have the following powers:

13.3.1 based on forest resources available, prepare proposals on maximum annual harvest resources for approval by the Central Government Authority;

13.3.2 organize the implementation of the decisions of relevant state and government bodies on forest utilization, protection, restoration and reproduction;

13.3.3 approve soum and duureg management plans and organize implementation thereof;

13.3.4 organize works at central and local levels to reforest logging areas, burns, infested and diseased tracts, to forest semi-desert, desert and steppe areas, and to establish forest belts;

13.3.5 undertake forest ecological-economic evaluations and have them approved;

13.3.6 provide nationwide technical guidance and coordination to the work on establishing tree and shrub seed banks and forest nurseries, and growing forestation material;

13.3.7 provide technical guidance to local forestry partnerships, economic entities and organizations;

13.3.8 distribute state budget allocations for forest protection, restoration and reproduction, monitor and report use of funds;

13.3.9 develop and have approved the methodologies, norms and standards for forest protection, rational utilization, restoration and reproduction;

13.3.10 monitor changes in forest resources, maintain the forest databank and ensure information flow;

13.3.11 provide all-round support and assistance to the participation of domestic and foreign organizations in forest protection, restoration and reproduction activities;

13.3.12 develop model programmes and management plans for use by partnerships, economic entities and organizations in their forest protection, utilization, restoration and reproduction activities, approve guidelines for their formulation.

#### **Article 14. Powers of Aimag and Capital City Hurals of Citizen Representatives and Governors**

14.1 Aimag and Capital City Hurals of Citizen Representatives shall exercise the following powers:

14.1.1 approve programmes of forest protection, utilization, restoration and reproduction activities with requisite budgets, oversee implementation thereof;

14.1.2 hear information and reports by Governors on the condition of forest reserves and forest databank;

14.1.3 based on proposals by Governors, establish local protection over certain parcels of forest reserves, determine their boundaries and protection regimes, monitor implementation thereof;

14.1.4 establish the annual harvest quota for consumption wood for soums within the maximum volume of logging approved by the Central Government Authority;

14.2 Aimag, Capital City Governors shall exercise the following powers:

14.2.1 organize the implementation of the forestry legislation and Government decisions;

14.2.2 develop and have approved programmes of forest protection, rational utilization, restoration and reproduction activities, ensure implementation thereof;

14.2.3 provide information and reports on forest reserves to the Government Agency referred to in Article 13 of this law;

14.2.4 provide proposals on the annual timber harvest quota to the Government Agency referred to in Article 13 of this law;

14.2.5 monitor activities of partnerships, economic entities and organizations on forest protection, rational utilization, restoration and reproduction, ensure redress of ascertained violations, suspend, if so warranted, activities harmful to forest reserves;

14.2.6 have local budget resources approved and appropriately used for pest infestation, disease and fire prevention, damage control and implementation of forest [protection, rational utilization, restoration and reproduction measures;

14.2.7 establish forestry units within the aimag and capital city Nature and Environment Departments as well as inter-soum forestry boards, appoint or release their managers in consultation the directors of Nature and Environment Departments, approve rules and regulations for the units;

14.2.8 organize and monitor the annual forest restoration and reproduction works;

14.3 Directors of Aimag and Capital City Nature and Environment Departments shall exercise the following powers:

14.3.1 organize the implementation of the forestry legislation in the territories of their jurisdiction, report results thereof to aimag, capital city governors and the Government Agency referred to in Article 13 of this law;

14.3.2 maintain aimag and capital city forest databanks, supply information to the Government Agency and the Central Government Authority;

14.3.3 provide technical guidance to and monitor the activities of forestry units in the soums or duuregs under their responsibility;

14.3.4 present to and have approved proposals on forest protection, rational utilization, restoration and reproduction by Hurals of Citizen Representatives and governors, relegate, if so warranted, the proposals to the Government Agency referred to in Article 13 of this law;

14.3.5 commission forest surveys by professional forestry organizations;

14.3.6 levy and collect forest utilization fees and duties in line with relevant legislation;

14.3.7 organize forest protection, rational utilization, restoration and reproduction activities in the territories under their responsibility;

14.3.8 ensure the adequate operation of forestry units in the Departments, submit proposals to the immediate Governors on the appointment and/or release of inter-soum and soum forestry board managers and soum forestry officers;

14.3.9 approve management plans of partnerships, economic entities and organizations, monitor implementation thereof;

14.3.10 channel budget funds for forest protection, restoration and reproduction to work or services suppliers, monitor use of funds and report implementation thereof.

## **Article 15. Powers of Soum and Duureg Hurals of Citizen Representatives and Governors**

15.1 Soum and duureg Hurals of Citizen Representatives shall exercise the following powers:

15.1.1 approve budgets for forest protection, rational utilization, restoration and reproduction works, monitor implementation thereof;

15.1.2 based on the grounds and procedures prescribed by law, determine annual harvest resources;

15.1.3 review and provide opinion on the Governor report on forest protection activities;

15.1.4 based on the proposals of bagh and khoroo General Meetings, take decision on the transfer of forest parcels into the possession of partnerships, economic entities or organizations on a contractual basis, monitor implementation thereof;

15.1.5 annually review and provide opinion on the implementation of contracts by partnerships, economic entities and organizations;

15.1.6 approve policies and directions for forest protection, rational utilization, restoration and reproduction, monitor implementation thereof;

15.1.7 if so required, establish forestry units or positions in soums and duuregs, approve the requisite budgets;

15.2 Soum and Duureg Governors shall exercise the following powers:

15.2.1 organize the implementation of the forestry legislation and related decisions of the Hurals of Citizen Representatives and higher instances;

15.2.2 implement forest protection, rational utilization, restoration and reproduction programmes;

15.2.3 issue and repeal forest possession licenses of partnerships, economic entities and organizations;

15.2.4 monitor the forest protection, rational utilization, restoration and reproduction activities of partnerships, economic entities and organizations, enforce rectification of breaches, accept forests planted by these entities;

15.2.5 ensure prevention of forest fires, pest infestation, diseases and illegal activities, redress the damages occurred;

15.2.6 based on the decision referred to in clause 15.1.4 of this law, conclude contracts with partnerships, economic entities and organizations, specifying the duration and terms of forest possession, monitor compliance thereof;

15.2.7 based on the management plans of partnerships, economic entities and organizations, and in compliance with the limits set by the soum, duureg Hurals of Citizen Representatives, pass decisions on timber harvesting, monitor implementation thereof;

15.2.8 organize the conduct of forest inventory and forest organization activities by professional forestry organizations in the territories under their responsibility, have soum management plans approved, ensure implementation thereof;

15.2.9 appoint, release heads of soum or duureg forestry units, approve their job descriptions;

15.3 Inter-soum and soum and duureg forestry boards shall exercise the following powers:

15.3.1 demarcate logging sites;

15.3.2 issue certificates of origin for timber and timber products;

15.3.3 implement the soum and duureg forest protection, rational utilization, restoration and reproduction programmes and management plans;

15.3.4 provide technical and methodological advice to partnerships, economic entities and organizations possessing forest parcels;

15.3.5 levy fees and duties for utilization of forest assets, ensure payment thereof;

15.3.6 implement aimag and soum policies for forest protection, rational utilization, restoration and reproduction, monitor results;

15.3.7 maintain databanks;

15.3.8 conduct training and educational programmes for citizens on forest protection, rational utilization, restoration and reproduction;

15.3.9 implement measures to prevent and control forest fires, pest infestation, disease and other such natural disasters;

15.3.10 ensure implementation of management plans and redress of breaches by partnerships, economic entities and organizations;

15.3.11 financing sources for inter-soum, soum and duureg forestry boards shall be approved budgets and fees for technical and methodological advice and services.

## **Article 16. Powers of Bagh and Khoroo General Meetings and Governors**

16.1 Bagh and khoroo General Meetings shall exercise the following powers:

16.1.1 determine forest protection, rational utilization, restoration and reproduction activities, ensure implementation and monitoring thereof;

16.1.2 hear the bagh and khoroo governor's reports on the implementation of the forestry legislation;

16.1.3 submit proposals and opinions to the soum, duureg Hurals of Citizen Representatives on granting or repealing forest possession rights of partnerships, economic entities or organizations;

16.2 Bagh and khoroo governors shall exercise the following powers:

16.2.1 organize the implementation of the forestry legislation and decisions of the General Meetings and higher instances;

16.2.2 organize planting of trees and shrubs in the territories under their responsibility and ensure broad participation of the population.

## **CHAPTER FOUR**

### **RIGHTS AND DUTIES OF CITIZENS, PARTNERSHIPS, ECONOMIC ENTITIES AND ORGANIZATIONS**

#### **Article 17. Rights and duties of citizens in forest protection**

17.1 A citizen shall have the following rights in forest protection:

17.1.1 demand legal penalty for violators of the forestry legislation that have caused damage to the forest reserve or the health or property of the given citizen, and financial compensation for damages thereof;

17.1.2 possess, protect, rationally utilize, restore and reproduce the forest in the area of residence by way of forming partnerships;

17.1.3 receive accurate information from relevant organizations on forest resources, protection and utilization;

17.1.4 implement, under the supervision and guidance of a professional forestry organization and a relevant competent official, the activities permitted/agreed on the basis of the citizen's request to soum or duureg official for procurement of fuel and other domestic consumption wood, and/or under a forest possession contract.

17.2 A citizen shall have the following duties in forest protection:

17.2.1 abide by and implement the forestry legislation;

17.2.2 urgently report illegal use and damages of forest assets to the local governor, state inspector and environmental ranger;

17.2.3 follow the cultural traditions of forest protection, provide ecological education to one's children.

#### **Article 18. A Partnership and Its Rights and Duties**

18.1 A partnership referred to in clause 3.1.8 of this law, shall have a management plan referred to in clause 9.3 of the same law, on the protection, rational utilization, restoration and reproduction of the forest parcel in its possession.

18.2 A partnership shall have a statute consistent with the law.

18.3 A partnership shall provide an annual report on the implementation of its forest protection, rational utilization, restoration and reproduction programme and management plan to the soum, duureg Hural of Citizen Representatives.

18.4 A partnership may designate a voluntary environmental ranger in line with Article 26, Paragraph 8 of the Law on Environmental Protection, in the territory its possesses on a contractual basis.

18.5 At least 80 percent of the members of a partnership shall be permanent residents of the given territorial and administrative division, capable of providing forest protection and monitoring on a continuous basis.

18.6 A partnership member shall be a person fulfilling the requirements specified in Article 31<sup>1</sup>, Paragraph 2 of the Law on Environmental Protection.

18.7 A partnership shall enjoy a priority right to claim possession of a forest parcel and shall submit the following documents:

18.7.1 a request for possession and protection of a forest parcel;

18.7.2 a proposal from the bagh or khoroo General Meeting and a decision of the soum or duureg Hural of Citizen Representatives granting the right of possession of a forest parcel;

18.7.3 a management plan on the forest parcel protection, rational utilization, restoration and reproduction;

18.7.4 a copy of the agreement of the partnership members on collaboration;

18.7.5 copies of the citizen ID cards of the partnership members.

18.8 Soum or duureg governor shall conclude a forest possession contract and issue a license thereof, provided the documentation fulfills the requirements specified in clauses 18.6 and 18.7 of this law.

18.9. Possession of a forest parcel shall be granted to a partnership with consideration given to the number and capabilities of its members, and the area size, resource potential and ecological specifics of the forest parcel claimed for possession.

18.10. Soum or duureg governor shall discontinue the activities of a forestry partnership and cancel the contract thereof in the following circumstances:

18.10.1. bagh or khoroo General Meeting and soum or duureg Hurals of Citizen Representatives have issued respective proposals and decisions on the discontinuation of such activities by the partnership in question;

18.10.2. a meeting of all members of the partnership has taken a decision to discontinue the possession of the forest parcel and related activities;

18.10.3. the partnership has repeatedly failed to fulfill the conditions set out in clauses 18.6 and 18.8 of this law and the contract terms, or has not conducted forest protection activities in 6 months since the issuance of the contract.

18.11. A partnership shall enjoy the following rights within the framework of the contract referred to in clause 18.8 of this law:

18.11.1. continuously conduct the activities identified in the management plan;

18.11.2. utilize timber and non-timber resources extracted from the tenure forest on the basis of the management plan and possession license, and market the timber and non-timber resources in excess of consumption needs;

18.11.3. formulate project and programme proposals for national and local budget funding, participate in tenders;

18.11.4. participate in management, skills building and re-training activities.

18.12. In addition to fulfilling the duties set out in this law, a partnership shall conduct activities specified in the contract concluded with the relevant governor.

### **Article 19. Rights and duties of economic entities and organizations**

19.1. An economic entity and an organization shall have the following rights and duties:

19.1.1. implement the environmental protection and forestry legislation and the decisions of the Government, local self-governing bodies and governors, comply with the instructions of state environmental inspectors and rangers;

19.1.2. economic entities and organizations engaged in forestry manufacturing and services shall reflect in their annual budgets the expenditures for environmental damage control and forest protection and reproduction activities, and ensure implementation thereof;

19.1.3. have approved and implement management plans for tenure forest protection, rational utilization, restoration and reproduction;

19.1.4. utilize timber and non-timber resources from the tenure forest in line with the management plan and the terms set out in the contract and the license;

19.1.5. transport the appropriately extracted beams, poles, logs, saw products among and between aimags, soums and settlements, sell timber and timber materials only with certificates of origin obtained from relevant forestry boards;

19.1.6. designate a voluntary environmental ranger for the tenure forest in line with the provisions of Article 26, Paragraph 8 of the Law on Environmental Protection;

19.1.7. economic entities and organizations interested in forest possession shall compile the documents referred to in clauses 18.7.1-18.7.3 of this law and pay the appropriate taxes to the corresponding soum or duureg budgets;

19.1.8. soum or duureg governor concludes a forest tenure contract and issues a certificate thereof, if the the documentation provided by an economic entity or an organization fulfills the requirements set out in clauses 19.1.7 of this law;

19.1.9. in addition to fulfilling the duties set out in the forestry legislation, implement the activities specified in the contract concluded with the relevant governor;

19.1.10. provide annual reports on the implementation of forest management plans to soum or duureg Hural of Citizen Representatives for performance assessment;

19.2. Soum or duureg governor shall discontinue the activities and cancel the contract of an economic entity or an organization in possession of tenure forest if and when a decision referred to in clause 18.10.1 of this law is passed, or if and when the requirement in clause 19.1.10 is not fulfilled, or provision of clause 19.1.7 is breached, or the said entities have not conducted forest protection activities in 6 months since the issuance of the contracts.

19.3. The formats of the contract and certificate referred to in clause 19.1.8 of this law, shall be approved by the Central Government Authority.

### **Article 20. Professional forestry organization and its activities**

20.1. A professional forestry organization shall be an organization that has been certified in the manner prescribed by law, to undertake forest protection, rational utilization, restoration and reproduction activities at a professional level and provide technical advice.

20.2. The organization referred to in clause 20.1 of this law, may be of any form of proprietary and shall conduct the following activities:

20.2.1. carry out forest inventory and forest organization commissioned and financed by national and local authorities or by partnerships, economic entities and organizations, formulate their management plans;

20.2.2. provide technical opinion on forest protection, rational utilization, restoration and reproduction matters, and, if appropriately certified, conduct impact assessments;

20.2.3. conduct fire, pest infestation and disease prevention and control activities to the order of the government;

20.2.4. provide technical and methodological advice on forest protection, rational utilization, restoration and reproduction to partnerships, economic entities and organizations, conduct training, develop and implement projects and programmes;

20.2.5. taking responsibility for the quality of the works and services provided, report results to the relevant government body.

20.3. The rules and procedures for the activities of the organization referred to in clause 20.1 of this law, shall be approved by the Central Government Authority.

#### **Article 21. Participation of non-governmental organizations in forest protection**

21.1. A non-governmental organization with a statutory purpose of forest protection, may conduct the following activities on the basis of an agreement reached with the Central Government Authority and in line with the provisions of Article 32 of the Law on Environmental Protection:

21.1.1. monitor, on behalf of the public, the implementation of the forestry legislation, conduct inspections, demand redress for breaches, submit the issue of breaches to competent organizations for resolution;

21.1.2. submit proposals on forest protection to relevant government bodies and Hurals and governors of appropriate levels;

21.1.3. organize training and educational activities on forest protection, rational utilization, restoration and reproduction;

21.1.4. develop and submit projects, recommendations and methodologies for forest protection, rational utilization, restoration and reproduction to relevant organizations for approval.

21.2. Based on the provisions of Article 32, Paragraph 2 of the Law on Environmental Protection, the Central Government Authority may delegate the execution of certain government responsibilities related to forest protection, rational utilization, restoration and reproduction to a non-governmental organization with a statutory purpose of forest protection, and finance implementation thereof.

## **CHAPTER FIVE**

### **FOREST PROTECTION AND RESTORATION**

#### **Article 22. Forest protection measures**

22.1. Forest protection measures shall include activities aimed at fire, pest infestation and disease prevention and control, protection from adverse effects of human activities, ensuring the normal growth and reproduction of forests, and preserving the forest gene pool.

22.2. Aimag, capital city, soum and duureg Hurals of Citizen Representatives may suspend forest utilization activities for up to 3 years for the purpose of protecting and rehabilitating forest reserves in the forested areas affected by degradation.

### **Article 23. Fire prevention and control**

23.1. Aimag, capital city, soum and duureg governors shall formulate fire prevention and control programmes and take measures to secure requisite allocations in the local annual budgets.

23.2. Partnerships, economic entities and organizations shall self-finance fire protection activities in their tenure forests.

23.3. A working group decreed by aimag, capital city, soum or duureg governor, or the government fire fighting authority shall determine the cause of the fire, damages inflicted and expenses incurred to control the fire.

23.4. Citizens, partnerships, economic entities and organizations shall abide by the following fire prevention and control requirements:

23.4.1. refrain from starting fire in the open air and ensure that such fire, if unavoidable, and its coals and ashes, as well as matches and cigarettes are completely extinguished in the fire hazard seasons from 20 March to 10 June and from 20 September to 10 November;

23.4.2. in these fire hazard seasons, duly notify respective environmental rangers and provide them with fire prevention warranty for logging, extraction of non-timber resources, trekking, outings and other activities;

23.4.3. strictly fulfill the provisions of Article 7 of the Law on Forest and Steppe Fire Prevention<sup>5</sup>.

23.5. Governors of all levels shall use their legitimate powers to mobilize the requisite human and technological resources and promptly take fire control measures while citizens, partnerships, economic entities and organizations shall comply with the rulings of the governors.

### **Article 24. Protection of forests from pest infestation and disease**

24.1. Aimag, capital city, soum and duureg governors shall formulate pest infestation and forest disease prevention and control programmes and take measures to secure requisite allocations in the local annual budgets.

24.2. If pest infestation or forest disease spreads over the territories of several territorial and administrative units, the control measures shall be implemented by professional forestry organizations with financing from the state budget.

24.3. Partnerships, economic entities and organizations shall self-finance pest infestation and disease protection measures in their tenure forests.

24.4. Professional forestry organizations shall conduct pest and disease research and related prevention and control measures.

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<sup>5</sup> Law on Forest and Steppe Fire Prevention, published in Issue No. 11 of 1996 of the State Bulletin.

24.5. No chemical substances other than those permitted by the Central Government Authority shall be used for pest and disease control.

### **Article 25. Forest maintenance and cleaning**

25.1. Forest maintenance and cleaning conducted to improve forest growth and prevent pest infestation and disease, shall be undertaken by professional forestry organizations financed from the state or local budgets, and by partnerships, economic entities and organizations in their tenure forests on a self-financing basis.

25.2. Central Government Authority shall establish the scope of annual forest maintenance and cleaning works for aimag and capital city levels, based on the proposals by respective governors.

25.3. Inter-soum, soum and duureg forestry boards shall issue licenses and certificates of origin to the timber extracted in maintenance and cleaning operations.

25.4. Member of Government in charge of nature and environment shall approve the forest maintenance and cleaning guidelines.

### **Article 26. Prohibited activities**

26.1. The following activities shall be prohibited to ensure the normal growth and regeneration of forests and to protect them from adverse anthropogenic effects:

26.1.1. cutting or damaging forests of up to the 5th age category, young trees of all species, and all fruit-bearing trees and shrubs such as Siberian fir, rhamnus, Asiatic poplar, elaeagnus, cornel, tamarisk, Siberian alder, mountain ash, sea-buckthorn and bird-cherry;

26.1.2. cutting and utilizing cedar, spruce and elm without permission by the Central Government Authority;

26.1.3. logging by way of clearfelling;

26.1.4. hay-making in a forest reserve area without explicit permission;

26.1.5. logging or animal grazing on forest plantations;

26.1.6. logging and extraction of non-timber resources in tenure forests without agreement with the competent body referred to in clauses 13.1 and 13.2 of this law;

26.1.7. logging, extraction of non-timber resources and hunting by citizens, partnerships, economic entities and organizations without explicit permission;

26.1.8. transplanting a seedling from a natural forest without permission by the competent body referred to in clauses 13.1 and 13.2 of this law.

### **Article 27. Forest reproduction**

27.1. Citizens, partnerships, economic entities and organizations shall undertake forest restoration and reproduction activities on areas affected by fire, pest infestation, disease and logging, to government order and with financing from the state and local budgets, domestic and foreign aid and donations, as well as on the basis of self-financing.

27.2. Citizens, partnerships, economic entities and organizations shall plant 10 or more seedlings in place of every tree felled.

27.Ç. Programmes and projects on the creation of green belts to forest the steppe, semi-desert and desert zones and to protect river, creek and spring sources, as well as pastures and crop lands shall be financed from the state budget and other sources.

27.4. State budget allocations for forest protection and reproduction shall not be less than the level established in Article 4 of the Law on Financing Environmental Protection and Rehabilitation from Natural Resources User Fee Revenues<sup>6</sup>.

27.5. Members of Government in charge of finance and nature and environment shall jointly approve the guidelines for afforestation, forestry planning, organization and financing, and for valuation, government procurement and ownership of planted forests.

### **Article 28. Organization of tree planting**

28.1. Aimag, capital city governors shall organize annual public tree planting campaigns under which every citizen of 16 years of age and above shall plant and take care of 1 tree, and every economic entity and organization shall plant and take care of not less than 5 trees, or make a corresponding financial donation if unable to take part in the works.

28.2. Soum, duureg, bagh and khoroo governors, jointly with technical forestry organizations, shall select the tree planting sites and organize soil cultivation, supply of the plant material, watering and maintenance of the transplants, and public participation in these works.

28.3. The trees planted by citizens, partnerships, economic entities and organizations may be purchased on the basis of specific criteria.

## **CHAPTER SIX**

### **FOREST UTILIZATION**

#### **Article 29. Determination of harvest volumes**

29.1. Based on aimag and capital city proposals, forest organization reports and management plans, the Central Government Authority shall establish the maximum logging volumes for the given year for every aimag and the capital city.

29.2. Aimag and capital city Hurals of Citizen Representatives shall establish the annual maximum logging volumes for each soum and duureg, within the levels referred to in clause 29.1 of this law.

29.3. Soum and duureg Hurals of Citizen Representatives shall establish the annual maximum logging volumes for each partnership, economic entity and organization, within the levels referred to in clause 29.1 of this law, and based on management plans.

#### **Article 30. Logging contracts**

30.1. Partnerships, economic entities and organizations shall conclude logging contracts with competent officials at soum or duureg forestry boards, based on the decision referred to in clause 29.3 of this law.

30.2. Logging contracts with partnerships, economic entities and organizations shall reflect the following:

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<sup>6</sup> Law on Financing Environmental Protection and Rehabilitation from Natural Resources User Fee Revenues, published in Issue No.6 of 2000 of the State Bulletin.

- 30.2.1. legal grounds (appropriate official decision) for logging;
- 30.2.2. duration and purpose of the logging, volume and species of trees to be harvested;
- 30.2.3. documents confirming the logging site demarcation and forest resource estimation;
- 30.2.4. plan and budget for forest reproduction and protection from fire, pests and disease;
- 30.2.5. terms for hand-over of the logging site;
- 30.2.6. hand-over of the logging site and evaluation of the contract implementation.

### **Article 31. Logging license and certificate of origin**

31.1. Abiding by the limits set by the Hurals of Citizen Representatives, the soum, duureg governor or a competent official shall issue the logging licenses and certificates of origin to partnerships, economic entities and organizations.

31.2. The license referred to in clause 31.1 of this law, should indicate the name and address of the partnership, economic entity or organization, species of the trees to be harvested, logging volume and duration, end date for transportation, and the name of the logging site.

31.3. The license referred to in clause 31.1 of this law, is not transferrable to others.

31.4. The transportation and transaction of the extracted beams, poles, logs, saw products among and between aimags, soums and settlements shall require certificates of origin for these products.

31.5. Member of Government in charge of nature and environment shall approve the form for the certificate of origin referred to in clause 31.4 of this law, and guidelines for its issuance.

### **Article 32. Non-timber resources and regime of their utilization**

32.1. Soum, duureg governor or their designated officials shall issue the non-timber resource utilization licenses to partnerships, economic entities and organizations.

32.2. The license referred to in clause 32.1 of this law, should indicate the name and address of the partnership, economic entity or organization, types and volume of non-timber resources to be extracted, duration and the site of extraction.

32.3. Citizens, partnerships, economic entities and organizations shall utilize non-timber resources on a paid basis.

32.4. The reserve, distribution and yield of non-timber resources in the given year should be taken into consideration in the provision of the license referred to in clause 32.1 of this law, to citizens, partnerships, economic entities and organizations.

32.5. Member of Government in charge of nature and environment shall approve the guidelines for the protection and rational utilization of non-timber resources.

32.6. Exportation of raw non-timber resources shall be prohibited.

### **Article 33. Logging in the territories of other aimags or soums**

33.1. Logging in the territories of other aimags or soums shall be undertaken subject to prior consultations among the governors concerned and within the logging limits established for the given year.

33.2. If aimag, capital city governors fail to reach an agreement as specified in clause 33.1 of this law, the decision shall be taken by the Central Government Authority.

## **CHAPTER SEVEN**

### **MISCELLANEOUS**

#### **Article 34. Economic incentives and financing of forest protection**

34.1 The state shall reward citizens, partnerships, economic entities and organizations for successful control of forest hazards and assimilation of advanced techniques. Procedures for such distinction shall be developed and approved by the Government.

34.2 Central Government Authority shall channel the authorized share of the proceeds from forest damage fines and forest utilization license fees as well as voluntary contributions from citizens, partnerships, economic entities and organizations to supporting forest protection and reproduction works and training forestry specialists.

34.3 The extent of abatement applicable to payments by citizens as well as partnerships, economic entities and organizations in possession of tenure forests for utilization of wood shall be established in line with provisions of Article 7, Paragraph 2 of the Law on Fees for Utilization of Consumption and Fuel Wood<sup>7</sup>.

34.4. In line with Article 34, Paragraph 4 of the Law on Environmental Protection, citizens shall be rewarded for accurate reporting of breaches of the forestry legislation to competent public bodies or officials, and/or exposure of or assistance in exposing such illegal acts.

34.5. In line with Article 34, Paragraph 5 of the Law on Environmental Protection, a state inspector shall be rewarded 15 percent of the proceeds from the sale of illegally procured beams, poles, logs, saw products and non-timber forest products for exposing the said violation of law.

34.6. The guidelines for incentives referred to in clauses 34.4 and 34.5 of this law, shall be approved jointly by Members of Government in charge of finance and nature and environment.

34.7. Afforested sites, tree, bush and shrub plantations and forest nurseries shall be exempt from land use fees.

34.8. The expenditures incurred by state and local self-governing bodies in carrying out forest protection and reproduction activities and in overseeing the implementation of the forestry legislation shall be financed from state and local budgets.

#### **Article 35. Fees and duties**

35.1. Fees and duties for the utilization of forest assets shall consist of the fee for forest assets utilization license and the duty for utilization of non-timber resources.

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<sup>7</sup> Law on Fees for Utilization of Consumption and Fuel Wood<sup>7</sup>, published issues No. 8 and 9 of 1995 of the State Bulletin.

35.2. Non-timber resources extracted in excess or in contravention of the limits and terms set out in licenses or contracts shall be levied compensatory duties.

35.3. Compensatory duties referred to in clause 35.2 of this law, shall be channelled, in line with the provisions of Article 35, Paragraph 3 of the Law on Environmental Protection, to the environmental protection fund and local budget.

35.4. Maximum and minimum levels of the fees and duties referred to in clause 35.1 of this law, and guidelines for payment, abatement and exemption thereof shall be established by law.

35.5. Compensatory payments for forest damages inflicted in the course of manufacturing, services provision, mining and other such activities shall be estimated on the basis of ecological-economic evaluations and paid by economic entities and/or organizations to the budgets of the soums or durregs concerned.

### **Article 36. Educational and scientific base of forestry**

36.1. Within the framework of the formal and non-formal educational systems, the Government shall approve an ecological education programme and organize implementation thereof for the purpose of improving people's awareness and knowledge of forestry issues, and promotion of forest protection skills and practices.

36.2. The Government shall ensure the educational and scientific base of forestry as follows:

36.2.1. introduce basic forestry knowledge classes in pre-school institutions and secondary schools;

36.2.2. on the basis of estimating the demand in forestry professionals, develop and implement a programme on forest conservation and the basics of forestry science and legislation at vocational training centres, colleges, universities and institutes;

36.2.3. promote the knowledge of forestry, customary forest protection practices and forestry legislation through the mass media.

### **Article 37. Compensatory payments for forest damages**

37.1. Citizens, partnerships, economic entities and organizations shall be liable to compensate for direct damages caused to forests and forest resources in consequence of their illegal activities.

37.2. Soum, duureg governors shall sue the violators to exact compensatory payments for direct damages referred to in clause 37.1 of this law, and the resultant forest rehabilitation expenditures.

37.3. Payment of the compensation referred to in clauses 37.1 and 37.2 of this law, shall not provide the grounds for exempting the violators from legal liability under criminal and administrative penal laws.

37.4. The amounts of compensatory payments for illegal harvesting and utilization shall be established for timber on the basis of ecological-economic evaluation and for non-timber resources on the basis of market prices prevailing at the time of the breach.

37.5. In the case of a request for a special permit to undertake geological prospecting and utilize minerals in a tenure forest established in line with the provisions of this law, the party requesting the said special permit shall compensate, on the basis of the possessor's consent,

the direct forest protection and rehabilitation costs as well as the possessor's forfeited income calculated for the entire duration of the forest tenure contract.

### **Article 38. Penalties for acts in contravention of this law**

38.1. A violator of the forestry legislation shall be subject to criminal or administrative liability based on the nature of the violation and the scope of resultant damages.

38.2. If criminal liability is not warranted, the judge, state environmental inspector or ranger shall apply the following administrative penalties:

38.2.1. a 25,000-50,000 Togrog fine to a citizen, and a 150,000-200,000 Togrog fine to a partnership, economic entity or an organization for the failure to clean up the logging site or for breach of logging and non-timber utilization techniques;

38.2.2. a 150,000-250,000 Togrog fine to a partnership, economic entity or an organization for the failure to implement fire, pest infestation and disease prevention measures in the tenure forest;

38.2.3. a 25,000-50,000 Togrog fine to a citizen and a 150,000-250,000 Togrog fine to a partnership, economic entity or an organization for the failure to comply with fire hazard prevention and control requirements specified in clauses 23.4 and 23.5 of this law;

38.2.4. a 100,000 Togrog fine to a citizen, a 200,000-300,000 Togrog fine to a partnership, economic entity or an organization, and confiscation of the illegally extracted forest products and incomes earned thereof from all these entities for non-licensed procurement of timber and fuel wood and utilization of non-timber resources, and transportation, sale and/or purchase of uncertified beams, poles, logs and saw products, or for breach of the terms and conditions specified in licenses;

38.2.5. a 100,000 Togrog fine to a citizen, a 200,000-300,000 Togrog fine to a partnership, economic entity or an organization, and confiscation of the illegally extracted forest products and incomes earned thereof from all these entities for logging in the absence of a contract or operating in breach of the contract terms and conditions;

38.2.6. a 200,000-300,000 Togrog fine to a partnership, economic entity or an organization for utilization of non-timber resources in excess of the limits specified in management plans and violation of the contract terms and conditions;

38.2.7. a 100,000 Togrog fine to a citizen, a 200,000-300,000 Togrog fine to a partnership, economic entity or an organization, and confiscation of the illegally extracted forest products and incomes earned thereof from all these entities for undertaking activities other than those specified in clause 8.6 of this law;

38.2.8. a fine of 150,000 Togrog and an order to redress the breach to an official who has taken a decision and issued a logging permit exceeding the maximum logging volume set for the year, in breach of provisions of clause 37.2 of this law;

38.2.9. a 100,000 Togrog fine to a citizen, a 200,000-300,000 Togrog fine to a partnership, economic entity or an organization, and confiscation of the illegally extracted forest products, incomes earned thereof and the vehicles, machinery and equipment used from all these entities for undertaking the activities prohibited in Article 26 of this law.

**GREAT HURAL**

**D.LUNDEEJANTSAN**

**LAW OF MONGOLIA**

**17 May 2007  
Ulaanbaatar**

**On the abrogation of the Law on Forestry**

**Article 1.** The Law of Mongolia on Forestry passed on 31 March 1995 is hereby declared invalid.

**Article 2.** The present law shall be applicable upon entry into force of the Law on Forestry passed on 17 May 2007.

**SPEAKER OF  
THE STATE GREAT HURAL**

**D.LUNDEEJANTSAN**