

09. FORESTRY

OVERVIEW

Forestry is considered through several chapters in the EU accession process, with the key two chapters being: agriculture and rural development, and the environment. There is no doubt that the impact of this sector on the environment as a whole, and especially on climate change, nature conservation, nature conservation and water management, is very significant.

The EU accession process in the field of forestry is based on two regulations governing trade in timber and timber products: the *FLEGT Regulation*¹⁶⁸ regulating the importation of timber products into the European Union and the *EUTR Regulation*¹⁶⁹ governing trade in timber and timber products. Serbia's readiness to apply these two decrees is still assessed as low. The lack of a functional strategic document in the field of forestry continues to be highlighted as one of the main disadvantages to progress. In the previous period there were no significant developments in relation to the forestry sector's preparation for accession to the European Union.

Although the state of the forest is generally assessed as satisfactory, there are numerous problems, among which the high number of coppice stands (57%), the proliferation of illegal logging, the lack of data on forests in private ownership and poor control of their use.

Decision-making processes in forestry are still quite closed and do not allow the effective involvement of a wider circle of stakeholders. Also, the cooperation of the forestry sector with other related sectors, such as nature conservation and agriculture, is still insufficient.

Although modern forest management must be based on an integral approach in Serbia, there are still problems with it. This is especially reflected in the topic of climate change where forestry plays a very important role, but it does not appear to be happening in Serbia.

LEGISLATIVE FRAMEWORK

In the previous period, there were no activities towards the preparation of strategic and planning documents, for which reason the preparation of the Forest Development Program, which is envisaged by the Law on Forests, still has not started.¹⁷⁰ As a consequence, Serbia still does not have an overarching strategic plan for the field of forestry.

168 Council Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community

169 Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market

170 "Official Gazette of the Republic of Serbia", No. 30/2010, 93/2012 and 89/2015

In the field of legal documents regulating the forestry sector (Law on Forests and other secondary legislation), there were also no significant changes in the previous period.

In the field of preparation for the implementation of the two most important European forest regulations (FLEGT Regulation¹⁷¹ and EUTR Regulation¹⁷²), there was also no significant progress in 2018, thereby the evaluation from the previous screening remains valid, i.e. **Serbia still has insufficient capacity to implement these two regulations**. The main objections are the poorly defined responsibilities of the involved institutions, as well as the absence of a clear control system that would allow the implementation of these regulations.

EU strategic documents in the field of forestry (EU Forestry Strategy 2014, Green Paper on Forest Protection in the EU) remain insufficiently considered within the professional public in Serbia.

THE IMPLEMENTATION OF LEGISLATIONS

The responsible institution for implementation of forestry policy in Serbia is the Forest Directorate of the Ministry of Agriculture, Forestry and Water Management. All publicly owned forests are run by public companies (PE Srbijašume, PE Vojvodinašume and public enterprises managing national parks). State forests account for about 43% of the forests in Serbia, and the rest is privately owned¹⁷³. In relation to the volume of wood, the state sector contains about 48% of the total wood volume, while the private ownership accounts for 52%. This indicates a somewhat worse state of private forests. Also, the annual increment in state forests is estimated at 4,4 m³/ha, whilst only 3.6 m³/ha in private.

High natural forests account for only 29% of the total forested territory in Serbia, and about 2/3 of these areas are state-owned.¹⁷⁴

According to Forest Administration data on the state forests in Serbia, 51% of the annual growth is currently harvested, and plans are realized at the level of about 50%. This practically means that forestry companies consume around half of the renewed timber annually. The data on private forests are drastically different, for which reason it is estimated that around 90% of the annual growth is cut at an annual level. Due to this data and other qualitative assessments, the current management and use of forests in Serbia is assessed by the competent institutions as inadequate. The potential of the forestry sector is far greater in terms of its possible contribution to the economy, society and environmental protection. According to Forest Administration data, there is a gradual increase in the wood mass. Thus, in 2015, it was 2.79 million m³, and in 2018 it exceeded 3 million m³. There is also a gradual growth of annual harvesting plans and their realizations (the plan for 2017 was 2.53 million m³, with an implementation of about 2.35 million m³; in 2018

171 Council Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community

172 Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market

173 Data available at: <http://upravazasume.gov.rs/wp-content/uploads/2017/02/1.-S.Stamatovic-Koncept-unapredjenja.pdf>

174 Data available at: <https://upravazasume.gov.rs/wp-content/uploads/2019/01/Godisnji-sastanak.pdf>

the plan includes 2.66 million m³, and the implementation is estimated at 2.4 million m³). Of course, the difference between the planned harvest and realized one is still significant.

The lack of adequate planning and control of the use of forests in private ownership remains one of the significant problems in Serbian forestry. **Data that is necessary for adequate forest management is generally not available concerning forests in private ownership, and therefore the control of the use of these forests is very poor.** One of the possible directions for solving this problem is to address the association of private forest owners and educate them to properly perform forestry work. However, this process is very slow, due to the fact that the number of forestry associations, as well as the areas they cover, remains insignificant.

According to Forest Administration data, in the previous years, the quality of forest use control has been enhanced. This is primarily reflected by the increase in the amount of seized wood (from 493 m³ in 2015 to 9,448 m³ in 2017). Also, an increase in the fee for felled timber from about RSD 380 million in 2015 to about RSD 460 million in 2017 is also evident.

Bearing in mind the abovementioned, it can be said that there are certain indications of the consolidation of the forestry sector in Serbia.

Illegal logging remains a significant problem. It is far more evident in private forests, but there are also cases of illegal logging and the avoidance of legal frameworks in state forests. One of these cases was presented in the study “Natural Resources and Corruption Practices” prepared by several civil society organizations¹⁷⁵. Namely, data gathered by organizations indicate malversations in the course of remedying forest fires.

In 2018, realization of the GEF project entitled “Contribution of Sustainable Forest Management to the Reduction of Carbon Emissions and Stable Development” began.¹⁷⁶ Within this project, the second national forest inventory is planned according to the improved methodology.

Certain progress has also been achieved in certification of forests in Serbia in the previous period. In 2018 an elaboration of an interim national standard for certification of forests took effect.. The development of this standard was done under the coordination of the SGS certification company.

Harmonization and cooperation of the forestry sector and nature conservation is of particular importance for the implementation of the EU Birds and Habitats Directives (the establishment of the Natura 2000 ecological Network). In this regard, no significant progress has been made in the previous period.

175 Belgrade Open School, Podrinje Anti-Corruption Team and “Rzav - God save Rzav”. Available at: http://trftp.bos.rs/publications/9-pakt_prirodni-resursi-i-koruptivne-prakse.pdf

176 Project data available on: <https://www.thegef.org/project/contribution-sustainable-forest-management-low-emission-and-resilient-development>

FINANCING

In 2018, the Budgetary Forest Fund was estimated to be around RSD 750 million, which is the same as in the previous year.

Approximately RSD 640 million (about 87%) of the defined amount was spent. Most of the funds were again allocated to the construction and reconstruction of forest roads, about RSD 460 million. In 2018, about RSD 86 million was allocated to afforestation, which is about 25% less compared to the previous year.

In the previous period, gradual financing of joint private forest owners from the Forest Fund Budget has also been noticeable.

RECOMMENDATIONS

Legislative framework

- A national strategic document (development program) for forestry needs to be developed, which will give a long-term vision of the development of this area in Serbia with an action plan complete with precise sources of funding, responsible institutions and implementation dynamics. This document must take into account relevant EU documents in this area (EU Forestry Strategy, Green Paper on Forest Protection).
- Develop an institutional framework with clearly defined competencies for the implementation of EUTR and FLEGT Regulations.

The implementation of legislation

- Strengthen the capacities of the relevant institutions in the implementation of EU legislation and international treaties in the field of nature conservation (Birds and Habitats Directives, CITES Conventions, etc.).
- Strengthen the capacities of competent forestry institutions in terms of EU integration in the field of climate change and energy.
- Ensure public participation in the development of key documents governing the use of forests (including the basics of forest management).
- Evaluate and promote other ecosystem services provided by forests, except wood, and use them in forest management planning.
- Improve the quality of information of privately owned forests and increase control over their use.

- Improve cooperation with other sectors (nature conservation, energy, climate change, water management) for the purpose of integrated management of forest ecosystems.

Financing

- Direct the funds of the Budgetary Forest Fund to a greater extent towards financing of the protection and improvement of forest ecosystems providing services of general interest.