

Kosovo's Forests – A Disappearing Resource

Marija Milenkovic, Jovana Jakovljevic, Vesela Curkovic¹
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Introduction

Covering almost half of the territory of Kosovo (47% of the total area²), forests are a huge potential for economic development, especially in rural areas. However, future development is largely influenced by the illegal logging which has been growing lately. The effects of logging are also obvious in the field of environmental protection, which is usually the last item on the Government's priority list, and it is under the danger of a growing degradation.

Forestry policy is closely linked to other sectors such as environment, agriculture, rural development, industry, tourism and employment. In case of environment, forest management requires an approach that relies on respect of fundamental ecological principles, which in practice does not happen in Kosovo.

This brief analysis provides an overview of the current situation in the forestry sector in Kosovo, and the impact of forest-related activities on the environment. Forestry legislation was also analysed, as well as its relation to the local economic development.

Legislation and institutions

The first Law on Forests in Kosovo (2003/3), adopted by the Ministry of Agriculture, Forestry and Rural Development (MAFRD) regulates forest and forest land management in public and private ownership, as well as forest management in

national parks. This Law has been amended twice so far. In accordance with the EU regulations, a new draft Law on Forests was developed in 2015, but it has not been adopted by the parliament yet. Apart from the Law on Forests, there are other important laws in force covering forestry.³

Forestry-related legislation is closely linked to environmental legislation. For example, the Law on Forests clearly states that forests in Kosovo will be managed in accordance with environmental principles: biodiversity, the precautionary principle and environmentally sustainable development.

Together with the primary, the secondary legislation was also considered, and strategic documents were developed: Forestry Development Policy and Strategy 2010-2020 and Action Plan for Policy and Strategy Implementation 2010-2020, Biodiversity Strategy and Action Plan 2011-2020. Apart from the strategies, MAFRD at least once in ten years adopts long-term plans for public forests management. According to the Law on Forests, in case a long-term plan is declared null due to certain changes caused by fire, disease, storms or illegal logging, annual plans are used. Forest Administration Units use annual plans (forest management plans) for each forest administrative area and the complete forest territory. Kosovo has 84 administrative areas, and 13 belong to North Kosovo.

¹ Marija Milenkovic, Jovana Jakovljevic and Vesela Curkovic are researchers from the Institute of Territorial Economic Development - InTER). Please send comments to mmilenkovic@regionalnirazvoj.org.

² "Stanje životne sredine na Kosovu 2015", Ministry of Environment and Spatial Planning, available at http://www.ammk-rks.net/repository/docs/Serbisht_final.pdf, accessed on 29 November 2016

³ Law on Protection from Natural and Other Disasters no. 04/L-027, Law on Hunting no. 02/L-053, Law on Land Regulation no. 04/L-040, Law Environmental Protection no. 03/L-025, Law on Nature Protection 03/L-233, Law on Fire Prevention no. 02/L-41, Law on Planting Materials no. 2004/13, Law on Environmental Impact Estimation no. 03/L-024, Law on Special Protected Zones no. 03/L-039

Thanks to support provided by FAO⁴ and the governments of several countries, institutional infrastructure for forest protection and use was developed in Kosovo. MAFRD is an institution in charge of developing and implementing Kosovo forest policy. As an integral part of MAFRD, the Forest Department was established, in charge of policy development, legal infrastructure and inspections. Kosovo Agency for Forests is a body established in 2003 under the umbrella of MAFRD, which manages public and private forest land and forests in national parks,⁵ and it is responsible for law enforcement in the area of forestry, issuing of permits for collection of non-wood forest products, monitoring of tree cutting and forest resource development. The Agency for Forests has departments in 6 cities in Kosovo (Pristina, Pec, Mitrovica, Prizren, Gnjilane and Urosevac). The Forestry Institute was also established in Pec, which conducts research in this field. The Ministry of Environmental Protection and Spatial Planning (MEPSP) also plays an important role in forest management. The Kosovo Environmental Protection Agency, which operates under the umbrella of MEPSP, also has the department for management of national parks⁶ in the territory of Kosovo in accordance with the environment laws.⁷

Since 2010, pursuant to the Law on Local Self-Governments no. 03/L-040, municipalities have been delegated powers by the Agency, relating to the protection of forests and the issuance of permits for logging of public and private forests.

The legal and institutional system in Kosovo is still not implemented in the municipalities in North Kosovo. In the northern municipalities, protection and management of forests are performed by the Forest Administrative Area "Ibar" from Leposavic, as a part of the Public Company "Srbijasume" with the headquarters in Belgrade. Forest Administration Unit in Zubin Potok operates as a part of the Forest Administrative Area "Ibar". However, after the signing of the Brussels Agreement, support from the headquarters in Belgrade is declining, given that the agreement provides for the integration of the Public Company "Srbijasume" into the Kosovo system.⁸ Kosovo Agency for Forests currently has several employees in

4 Food and Agriculture Organization of the United Nations
5 Forest management in National Parks is under the jurisdiction of the Ministry of Environmental Protection, and according to the Law on Forests, the Kosovo Agency of Forests is in charge, which is why there is an issue of overlapping of jurisdictions.

6 Of the total forest areas in Kosovo, forests in national parks account for 25%.

7 Law on Environmental Protection no. 03/L-025, Law on Nature Protection no. 03/L-233, Law on the National Park Sar Mountain no. 04/L-087, etc.

8 FAO in cooperation with UNDP (United Nations Development Program) is implementing the project which is a part of integration of PC "Srbijasume" to the Kosovo system, in accordance with the Brussels Agreement.

these two municipalities, working as a part of Kosovo's system, and with a jurisdiction to issue wood cutting permits only for private forests in this area.

Current situation in forestry and environmental impact

Forest inventory was conducted in Kosovo in the period between 2012 and 2013⁹ in order to collect relevant data necessary for the development of forestry and estimation of forest management sustainability. Of the total territory of Kosovo, 47% is covered by forests and forest land, of which 62% is in public, and 38% in private ownership.¹⁰ The inventory has shown that forests are the main heating energy resource in Kosovo, both in rural and urban environments (around 90% of the population use firewood). On the other hand, according to the study conducted by RIT Centre for Energy and Natural Resources, around 2.4 - 2.9 million m³ of firewood is used annually in Kosovo.¹¹ According to the estimations of MAFRD and the Norwegian Forestry Group, this is approximately 1.2 million m³ more than allowed to be cut by the law on annual basis.¹² In order to reduce forest degradation and negative environmental impact of logging, the Government of Kosovo stimulates imports of heating fuels.

The fact that forests are large and easily accessible resource and that demand is higher than supply has contributed to forests becoming the target of illegal activities of the local population. As stated earlier, the management of public and private forests is regulated by the Law on Forests, which stipulates a mandatory approval of logging operations by the competent authority. Logging permits are issued by the municipalities, and stamping or marking the wood for legal cutting is necessary in order to carry out transport. According to the data obtained during forest inventory, 93% of annual logging is not carried out in accordance with the regulations, of which 59% in public and 34% in private forests. In other words, only 7% of the logging takes place in accordance with the law. The damage inflicted to forests and forest ecosystems is immense. Degradation of forest land, erosion, reduction of oxygen emission, destruction of biodiversity, increasing the risk of floods and forest fires are some of the main direct results of human activity. In addition to human factors there are other factors that also cause damage to forests and forest land, first of all diseases, insects and bad weather. Of the 481,000 hectares covered by forests in Kosovo, it is estimated that 165,469 ha is degraded, and the total annual losses due to land degradation are estimated at 16.7 to 19.5 million €. ¹³

9 Forest inventory provides reliable information about the situation, development and level of forest use, base on field estimations.
10 The study "National Inventory of Kosovo Forests 2012", Prishtina, 2013.

11 The study "Use of energy in households in Kosovo" was also implemented in the municipalities in North Kosovo. It is available at: <http://bit.ly/1M4tPb0>

12 EU Talks: The EUICC Discusses the Importance of Protecting Kosovo's Environment, available at: <http://bit.ly/2fwHvc3>

13 Country Environmental Analysis, Kosovo, World Bank, January 2013.

Although for the purpose of harmonization with the EU *Acquis Communautaire*, a number of laws in the field of forestry were adopted in recent years, adequate mechanisms for their implementation are lacking. The capacity for law enforcement is limited due to the fact that the protection and exploitation of forests depends on several factors. One of the key factors is the fact that there is no effective cooperation between institutions dealing with the protection of forests with other institutions, especially the judiciary system and the police. This is particularly a problem in North Kosovo where excessive deforestation is not legally punished. The situation is further complicated by taking into account the duality of the system and the existence of parallel institutional structures that are not functional. If illegal cutting in the municipalities in North Kosovo is identified by the inspector of the Public Company "Srbijasume", the police do not go out in the field and do not file charges because they do not recognize the authority of this institution within the Kosovo system. As for the forest inspectors operating in Kosovo system, in the southern part of Mitrovica there is an inspection unit, which has a formal and legal jurisdiction in the municipalities in the north, but they rarely go to the field in the northern municipalities. The Law on Forests stipulates penalties for illegal logging, which amount to 25,000€, but this penal policy is rarely enforced, not only in the north but also in other parts of Kosovo.

As for financial assistance, since 2000, significant funds have been invested in forestry development, for material investments, establishment of management and organisational structure, development of a legal framework, planning assistance, law enforcement capacity building, information system development, etc. Apart from FAO, which provided the main assistance in the preparation of laws and by-laws in accordance with the EU *acquis communautaire*, this sector has also drawn attention by other donors, such as Sida, EU, GIZ, UNDP, USAID, governments of the Netherlands and Finland, Norwegian Forestry Group, and many others. It has been estimated that 13.7 million € has so far been invested in this sector.¹⁴ However, the donor have not had significant actions in North Kosovo, primarily due to the duality in management of this sector and the role of the Public Company "Srbijasume" which operates within the legal system of the Republic of Serbia. Investments were only possible through municipalities or associations, but apart from the implementation of a few afforestation projects, there were no other larger projects which would make a significant contribution to a better situation related to forests.

The Law on Forests from 2003 stipulated the establishment of the Fund for Forest Renewal within MAFRD, in order to enable investments and encourage investments in the forestry sector. However, the Law on Management and Responsibilities for Work in Public Finance no. 03/L-048

¹⁴ National Program for Implementation of the Stabilisation and Association Agreement, March 2016.

includes special conditions in case of the establishment of a separate Fund within MAFRD, as an independent body. The amount of funds from the central budget allocated to the forestry department is relatively small (10% of the total MAFRD's budget MPŠRR¹⁵), which is why in order to support the forestry sector, the Government of Kosovo also allocates a part of funds collected from the sales of public forests and taxes. However, there is no doubt that more significant investments are needed in order to improve the protection of forests and the environment in forests, and thus contribute to the socio-economic development in Kosovo.

Forestry in Kosovo – potentials for economic development?

Forestry and wood processing industry are an important economic element in Kosovo and, with adequate management, have a huge potential for development. Total value of resources is estimated at 50-75 million €, and it has a 1.8-2.6% contribution to GDP.¹⁶ The fact is, economic benefits achieved by selling wood lead to the increase of the use of forests and forest land. According to the inventory data, it is estimated that around 1.6 million m³ of trees are cut on annual basis, where the share of legal logging is significantly lower than the share of illegal logging. Also, it is estimated that revenues from legally cut public forest could be increased from 1.5 to 8 million € if the forests are adequately managed.¹⁷ However, one of the main drivers of illegal logging is poor economic situation of the population, especially in rural areas. Unemployment rate in Kosovo is one of the highest in Europe, at 32.9%.¹⁸ Large areas of forests, easy access, poor inspection control, lack of human resources and expertise, as well as non-functioning of the judiciary system make forestry attractive for illegal activities. This is especially the case in rural areas, where the population traditionally earns money from agriculture and logging activities.

When considering North Kosovo, municipalities of Zubin Potok and Leposavic are extremely rich in forests (forest areas are 67% and 40%, respectively), and there is a high potential for economic exploitation of this resource. However, considering that the forest management system is almost not functioning at all, both in Kosovo and Serbia's systems, the forests are cut and destroyed with no control.¹⁹ Due to high customs costs, wood from North Kosovo is mostly transported illegally to markets in Serbia, whereas transportation to other parts of Kosovo is only done if permits for logging and transportation are issued by municipal workers under the jurisdiction of the Agency for Forests.

¹⁵ MAFRD's Budget in 2016 is around 57 million €.

¹⁶ Environmental protection strategy 2011-2020

¹⁷ Illegal logging activities in Kosovo (under UNSCR 1244/1999), FACT-FINDING STUDY, December 2009

¹⁸ Kosovo Statistical Agency

¹⁹ It is estimated that 75% of logging in this area is illegal. Source: Interview with the deputy technical director, Forest Administrative Area "Ibar", Leposavic

Customs and other administrative procedures have, inter alia, affected the termination of work of the furniture factory "Simpò" in Zubin Potok, which is why more than 120 people lost their jobs. It should be underlined that this factory used to export 70% of the products, mostly to Scandinavian countries, and production depended on the import of raw materials.²⁰ With the introduction of customs fees, furniture production costs have been significantly increased, which affected the competitiveness of products.

Forests also have potentials for rural development and tourism development. Apart from wood resources, forests also have an enormous economic potential for collection of medicinal herbs and edible products. Also, forests are an important ecological resource because they have sources of drinking water, they provide protection from floods and landslides, keep the wealth of flora and fauna, and produce clean air. This is why forest exploitation is one of the key priorities in the economic development of Kosovo.

Conclusion

Illegal logging in Kosovo is increasing and it is currently the biggest challenge in forestry faced by central and local authorities. All previous attempts to establish a balance between economic benefits and the need to preserve natural resources of forests have not been successful. Situation in the field clearly indicates the necessity to control logging in order to exploit forests in accordance with the principles of sustainable development. For this reason it is necessary to make additional efforts to enforce the adopted laws and by-laws, and strategic documents.

Even though international community has invested significant funds in forestry development in recent years, especially in the establishment of institutional

20 Local wood resources could not cover more than 30% of the needs of the furniture factory "Simpò".

and legislative framework and harmonisation with the EU Acquis, additional investments are necessary to improve the current situation. Apart from financial assistance, it is of crucial importance to establish and strengthen cooperation between relevant institutions, which is very weak at the moment, especially in North Kosovo.

Solving forestry and environmental problems certainly requires a more efficient functioning of the overall system. The question is, how much will environment have to endure because those responsible for its maintenance are not organised? It is clear that overcoming these problems requires a longer period of time and significant efforts from the authorities, but their urgent action is necessary in order to prevent further deterioration of the quality of environment.

Recommendations

- Strengthen mechanisms for a more efficient forestry-related policy implementation on the central and local level in Kosovo;
- To reform PC "Srbijasume" and form efficient inspections for forest protection and management in North Kosovo;
- To increase investments in forestry in North Kosovo;
- To work on economic strengthening of the population in rural areas in order to reduce their pressure on forest exploitation;
- To raise awareness of the need to protect forests and their importance for sustainable development and environmental protection.

InTER – Institute for Territorial Economic Development – is an independent non-governmental think tank with the mission to promote and improve sustainable socio-economic development in the Western Balkans.

*The North City, Čika Jovina bb, Mitrovica North
office@regionalnirazvoj.org • www.regionalnirazvoj.org*



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