



**Analyses of private forestry in Macedonia  
and its role in the National Forest Strategy process**

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## **LIST OF ACRONYMS**

<b>AAC</b>	Annual Allowable Cut
<b>AP</b>	Action Program
<b>CEE</b>	Central and Eastern Europe
<b>CEPF</b>	Confederation of European Forest Owners
<b>EU</b>	European Union
<b>EFI</b>	European Forest Institute
<b>FAO UN</b>	Food and Agriculture Organization of United Nations
<b>FOPER</b>	Forest Policy and Economics, Education and Research
<b>GDP</b>	Gross Domestic Product
<b>IUCN</b>	International Conservation Union
<b>MAFWE</b>	Ministry of Agriculture Forestry and Water Economy
<b>NA</b>	National Association
<b>NAPFO</b>	National Association of Private Forest Owners
<b>NSSDF</b>	National Strategy for Sustainable Development of Forestry in Republic of Macedonia
<b>PE</b>	Public Enterprise
<b>PFO</b>	Private Forest Owners
<b>PFOA</b>	Private Forest Owners' Association
<b>PR</b>	Public Relations
<b>RM</b>	Republic of Macedonia
<b>SEE</b>	South East Europe
<b>SFM</b>	Sustainable Forest management
<b>SNV</b>	Netherlands' Development Agency
<b>SME</b>	Small and Medium Enterprise
<b>TCP</b>	Technical Cooperation Programme
<b>W W II</b>	World War Two

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## **1. INTRODUCTION**

This document analyses the resources and capabilities potential of private forestry in the Republic of Macedonia, within the framework of the National Strategy for Sustainable Development of Forestry in Republic of Macedonia (NSSDF).

In Republic of Macedonia there is no National Forest Program at the moment. In Macedonia the policy process at stake is called NSSDF to which the National Association of Private Forest Owners (NAPFO) is a stakeholder organization.

In accordance with the Constitution of the Republic of Macedonia and the laws which regulate property and ownership rights there are no community forests but state and private forests.

In the past private forest ownership was not in the political system of the country or the national forest policy. This has meaning especially for the status and role of private forestry for Macedonia including the principles of sustainable development. Further the needs for financing environmental value of the forests or the definition of the ecological effects and their evaluation is also impacted.

The NSSDF was developed to address the use of forests and wood products. To date, in Macedonia there is no system established for evaluation and paying for the use of ecological functions of forests, by companies, government or by individuals. Efforts to do this made by foresters have had no success.

**The area of private forests in Macedonia is small but it is significant in terms of the socio-economical well-being of 65,000 families who own forests.**

## **2. FORESTS AND FORESTRY OVERVIEW**

### **2.1. Basic information about the Republic of Macedonia**

The total area of the Republic of Macedonia (RM) is 25,713 km<sup>2</sup> placing it among the smallest countries in Europe. It has a variety of flora and fauna and a mountainous terrain, with many diverse relief characteristics. 44.01% of the country is between 500 to 1000 m altitudes. The lowest altitude is only 40 m whereas the highest is 2,764 m above sea level (Korab Mountain). The average altitude is 829 m, and according to the IUCN classification the country is part of the first category of mountainous countries in Europe.

The total area consists of:

- Water areas 48,800 ha or 1.90%
- Plain terrains 490,000 ha or 19.10 %
- Hilly-mountain region 2,032,500 ha or 79.00 %

Macedonia has a rich biodiversity. There are 319 species of trees and shrubs in the dendroflora. It also has more than 80 subspecies and varieties. 16% of the total number of species is Balkan endemics or sub-endemics. Recent research of the forest vegetation shows that the trees and shrubs make up 81 forest phytocenosis.

## **2.2. Recent history of the forests and forestry**

In the archives there are documents about the forests on the territory of the RM from the time of the Ottoman Empire and very few for modern times before W W II. 1938 dates the first forest inventory as part of Royal Yugoslavia.

After W W II in 1947/48 a “fast inventory” was made of the forests. A general forest inventory was made in 1961, and the last one in 1979.

After W W II a large part of private land, including forests, were nationalized. The Cooperative Law (so-called “Kardel law”), which was introduced then in Macedonia, Serbia, Montenegro and Bosnia and Herzegovina, left many negative consequences in agriculture and forestry. The results are still felt today.

In the 1950s private forests were nationalized and the owners lost their management rights. In some parts of Macedonia however, nationalization of private land was not documented properly. As a result of this development in private forestry there is vacuum of five decades. The families that used to own forests forgot their benefits and the principles of traditional forestry. The owners of small parcels lost their interest in managing them.

In 1991 Macedonia became an independent country, based on democratic principles and laws guaranteeing ownership rights. Soon the restitution process began and the result increased the private forests areas.

The rights for restitution of the private forests are guaranteed with the Constitution and the Restitution Law. The results from the restitution did not give the expected effects however.

In 2008 the process stopped. There are expectations for follow up but there is only at 2-3% further possible increase of the private forests.

Church forests in RM have the character of private ownership. They are considered as special ownership and are not included in the actual figures for the private forests but are not yet divided from state properties.

When the socio-economic and political system of the country changed, this strengthened capabilities in the private sector. This increased the interest in managing the private forests by their owners. This is also illustrated by the development of the National Forest Owner Association started from Kumanovo and Berovo.

With the registration of more local associations of the private forest owners, the base for the Macedonian private forestry foundation will be further established.

## **2.3. Review of the forestry fund and ownership**

In this short review, the information about the forest fund in state and private property will be shown. They are based on the sources as follows:

- The forest inventories: 1938; 1961; 1979;
- Strategy for sustainable development of forestry in Republic of Macedonia, 2006;
- Physical plan of the Republic of Macedonia, 2004
- Management plans for the forests, Public Enterprise “Macedonian Forests”, National Parks and other forests with special purposes.

According to the inventory from 1938, in RM there were 615,216 ha forests covering 24% of the territory.

Tab.1. Forests in Macedonia according area and ownership types, 1938

No	Ownership type	Area [ha]	Share (%)
1	State/public forests	162,054	26.3
2.	Village and municipal forests	360,797	58.5
<b>3.</b>	<b>Private forests</b>	<b>84,914</b>	<b>13.8</b>
4..	Forest of religious communities	7,496	1.2
	<b>Total:</b>	<b>615,261</b>	<b>100.0</b>

Source: Forest Inventory 1938.

Tab.2. Forests in Macedonia according area and ownership type, 1961; 1979)

Year	Forest area [ha]	Forest cover [%]	Forest area (ha/per capita)	Timber volume		Growth (1000 m <sup>3</sup> )	Growth (m <sup>3</sup> /ha)
				(1000 m <sup>3</sup> )	(m <sup>3</sup> /ha)		
1961	887,517	34.5	0.63	62,840	70.8	1,203	1.36
1979	905,653	35.2	0.47	74,343	82.1	1,829	2.02

Source: Forest Inventory 1961, 1979.

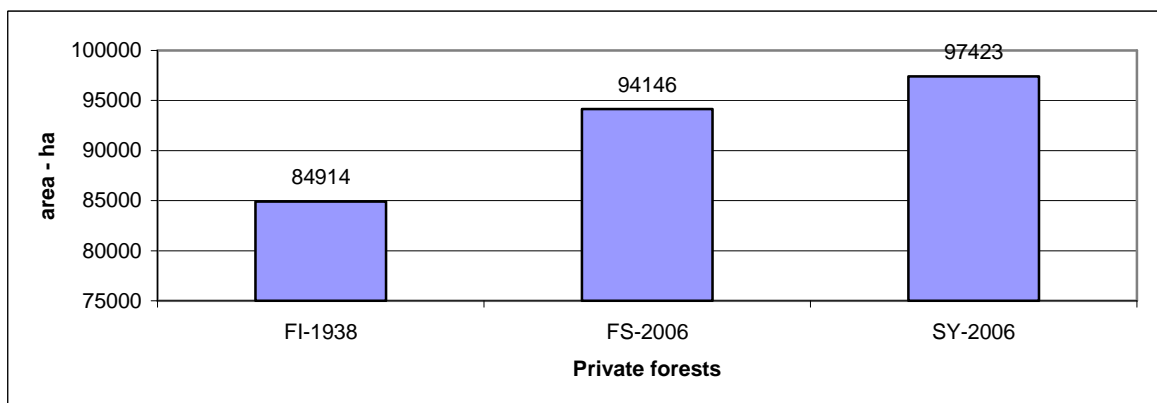
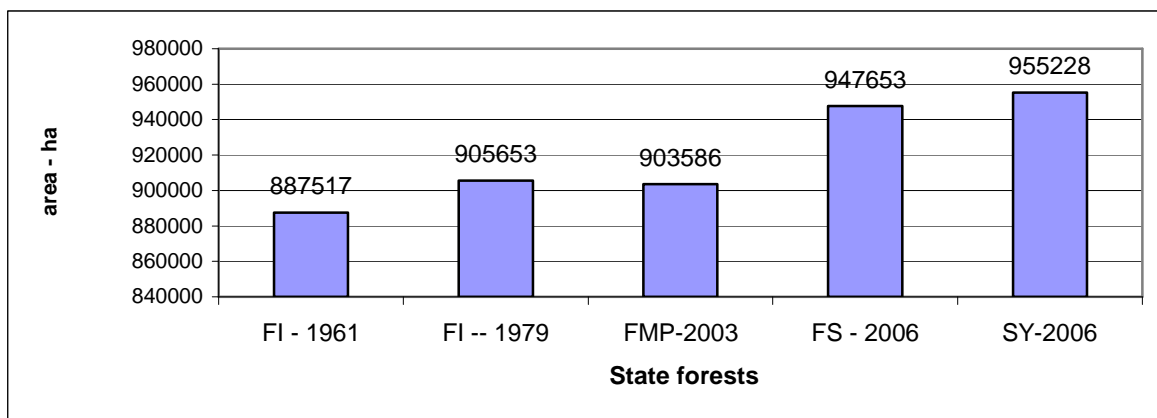


Chart 1 and 2. Chronological overview of state and private forests, 1938-2006

The total forest area of Macedonia was 887,517 ha or 34.5 % of the country (1961). The standing timber volume was estimated at 62,800,000 m<sup>3</sup> total and 70.8 m<sup>3</sup>/ha on average. The total annual increment was 1,203,000 m<sup>3</sup> in total and 1.36 m<sup>3</sup>/ha on average. The inventory in 1979 showed 906,653 ha forest area and 35.2 % of the land was forested. The standing timber volume was estimated at 74,343,122 m<sup>3</sup> and 82.1 m<sup>3</sup>/ha on average. The total annual increment was 1,829,000 m<sup>3</sup> or 1.36 m<sup>3</sup>/ha on average.

According to NSSDF in 2005 the total forest area was 1,159,600 ha, from which stocked were 947,653 ha. The total standing timber volume was 74,343,000 m<sup>3</sup> and the total annual increment estimated at 1,830,000 m<sup>3</sup> and 2.02 m<sup>3</sup>/ha on average. Until 1990 first plantings of bare and eroded lands accounted for some 140,000 ha.

State owned forests were 90.14% of the total forests and 92.2% of the total standing timber volume. Private forests were 94,146 ha or a share of 9.86% of the country area and accounted for 7.8% of the standing timber volume.

Forestry provides 0.3-0.5% of the GDP (2005). The wood industry (primary and secondary wood processing, furniture, paper industries) accounts for 2.5-3.0% of the GDP (2005).

The annual cut in past 10 years was about 1,300,000 m<sup>3</sup> and is at the level of about 70% of AAC. Fuel wood is some 80-85% of the total yearly harvest.

According to the Management Plans of forests (2003) the total forest area is 903,586,9 ha or 35.1% of the land is forested.

Statistics from 2001 list the stocked forest area of 987,374 ha. Statistics from 2006 show the total stocked forest area of 955,228 ha, of which 857,805 ha are state and 97,423 ha are private property. Total forest land accounted for 1,400,000 ha.

In summary, official sources of information on forests give different data about forest area. It is evident, that there is not enough qualified information on private forests. However the trend of increasing the forest area in Macedonia is undoubtedly there. This is caused mainly by a) reforestation and first planting, b) migration into urban areas, c) a decrease of the livestock (especially of goats).

According to the management plans for the forests with economic and special purposes, 65.6% from the forests are coppice forests and bushes. Their standing timber volume is 51,542,609 m<sup>3</sup>, or 39.6% of the total. The average timber volume of 96.4 m<sup>3</sup>/ha is at the low end of the European comparisons and shows a general low quality of the forests in Macedonia. This derives from historical, social and economic causes. Forests in Macedonia in general and coppice forests in particular were exposed to permanent degradation and devastation. However, improvement has taken place since institutions got in place to address forest management. This has been a trend in the past 50 years even if there are certain regional differences in the forest cover. In Sveti Nikole the forest cover is 14.8%, in Prilep 15.6%, in Kumanovo 16.5%, in Kratovo 17.7%, in Probistip 53.5% , in Krusevo 54%, and in Strumica 55.9%. The lowest forest cover is in the central part of the country. Higher quality forests can be found in the Western part (Gostivar, Kicevo, Brod and Bitola), in Eastern part (Berovo, Kocani, Vinica and Strumica) and in central and southern parts of the country (Kavadarci and Gevgelija). There were 217,850 ha land afforested recently. Bare lands could be found in Stip 21.1%, Kocani 16,8%, Bitola 14.9%, Kriva Palanka 14.5% of their total areas.

The percentage of the forests by altitude is also heterogeneous. About 4.0% of the forest areas are at 200 m altitude, 10.8% between 200 and 500 m altitude, 43.7%

between 500 and 1000 m altitude, 33.5% between 1000 and 1500 m altitude and 8.0% are over 1,500 m altitude.

**Land under no management** constitutes 3.2% from the forest areas. However the NSSDF planned to include those areas into management as well. From the stocked forests 240,255 ha or 26.6% are high forests, 509,778 ha or 56.4% are coppice forests, 82,869 ha or 9.3% are degraded forests and 33,763 ha or 3.7% are young growths under 20 years of age. The share of high forests is 74.4% in Berovo and the highest in Kriva Palanka at 59.7%.

Managed forests have a total wood mass of 87 million m<sup>3</sup> or 95.5 m<sup>3</sup>/ha on average. High forest makes up 52 million m<sup>3</sup> in total or 216 m<sup>3</sup>/ha on average. Coppices and degraded forests account for 34 million m<sup>3</sup> in total and 57 m<sup>3</sup>/ha on average and young growths for 1 million m<sup>3</sup> or 34 m<sup>3</sup>/ha.

The total annual increment in managed forests is about 2 million m<sup>3</sup> or 2.2 m<sup>3</sup>/ha on average. In high forests the average increment is 4.2 m<sup>3</sup>/ha. In coppice and degraded forests it is 1.5 m<sup>3</sup>/ha.

This data shows again the low quality and weak productivity of the forests.

The most dominant tree species in terms of wood mass and area are broadleaf species, beech and oak. Beech covers 44.4% of the total forest area and oak 40.0%. 58.7% of the total wood mass is beech and 24.5% is oak. This is because much of the high forests are beech. Its wood mass and annual growth is twice as much as oak forests. Oak stands are often coppice and degraded forests. They are in hilly and mountainous areas of the country and close to settlements. In the past, they were under human pressure (see also Chart 5).

The Law on Forests classifies forests in terms of primary function into two groups: a) economic (wood production) and b) special function. As forests with economic wood production cover 789,881 ha or 92.3% of the managed forest. Forests with special function cover 65,789 ha or 7.7% of the managed forests. National Parks dominate this category with 53,273 ha. The rest are protected forests covering 8,920 ha and other forests with special purposes covering 3,596 ha.

In terms of ownership, private forests cover 125,872 ha. State owned forests cover 861,502 ha (Source: State Statistical Office data, 1996, see chart 3). But according to the management plans there are 903,587 ha owned by the state.

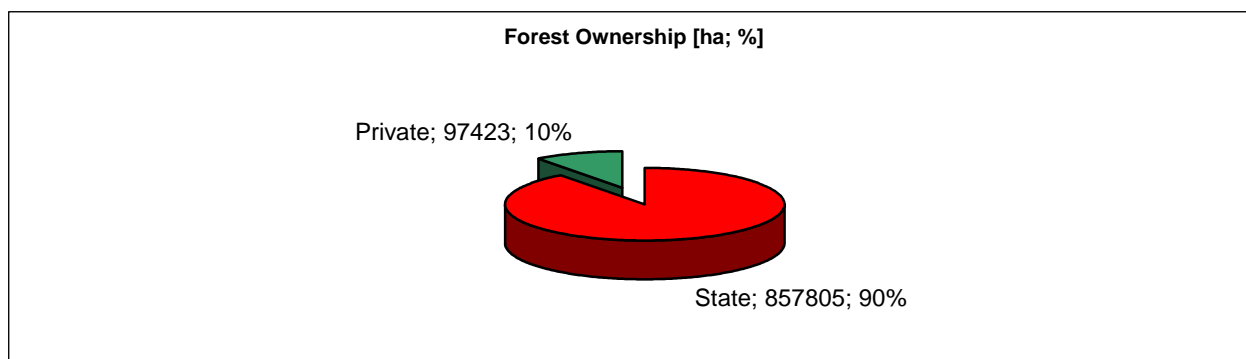


Chart 3. Forest ownership according Statistic report from 31.12.2005

The Strategy for Sustainable Development of Forestry plans to settle the issue of unreliable statistics on forests (2005).

The natural processes of regeneration are shown by increased forest area figures, whereas statistics state a decrease in forested area.

This unreliable data relates primarily to private forests, which needs special attention in future inventories (NSSDF 2005).

However, the data leads to the final conclusion that the total area of stocked forests must be about one million hectares.

Private forests are on average small areas with a low production of timber. There are about 220,000 private forest parcels in the country owned by 65,000 families. The average property size is 0.6 ha.

### **3. ORGANIZATION OF PRIVATE FOREST OWNERS**

#### **3.1. History of organizing private forest owners**

According to the data from the period of the Ottoman Empire, before WWI for the area of today's R.M. there were no organized forms of private forest owners. The reasons were:

- No private property rights existed on forest land in the Ottoman Empire
- No private organizations were allowed.

After WW II when the process of planning, organizing and management of forests was starting, the private forest owners did not have adequate possibilities to get organized within the „socialist” forestry.

Between 1947 to 1949 in state forests there was the category established of "Village Forests". It was not defined by the law, but introduced as a political decision. These forests were used for the needs of the villages for building bridges, and buildings for public use.

Until 1990, the private forest owners had limited rights for decision making and acting in their own forests. Approval for logging in the private forests, as the other decisions, and services for the private forests were made by the Community Assembly and community forest inspectors. Since 1990 forestry administration has been performed by the Ministry of Agriculture, Forestry and Water Management.

The motives for active incorporation of the private forests into planning and management activities are linked to the reforms introduced after the independence of the country. In forestry mainly the Law on Forests of 1997 had any impact on this problem.

The organization of private forest owners in Macedonia dates back to January 1998, when the civil organization of forest owners was registered in Kumanovo. It had the name of the "Association for Protection of the Interests of the Private Forest Owners."

The reason for revitalizing the private forest owners and registration of their first association is a result of the political change combined with the rules of the Forest Law of 1997. Other laws also had an effect, such as the ones governing property rights and restitution. As the membership of the National Association increases there

are more and more regional branches. The initiative for establishing the first association came from Berovo from the families and owners of the larger forest parcels of over 25 hectares. The first association was started by an ad-hoc movement of some 400 forest owners. They submitted a petition to state institutions on high taxes. Most of their requests were accomplished which gave further incentive to forest owners to organize. This movement resulted in registering the first association in Kumanovo 1998 with Mr. Branko Skenderski as the elected president. Afterwards the organization began to establish community branches of the association. At the Annual Assembly held in Kumanovo in 2004, 195 members from 9 community branches took part. The same year the association representing the private forestry sector of Macedonia took part in a workshop in Zamardi, Hungary on "Assistance to the private forestry sector in CEE".

In the mean time the Association contributed also to the creation of the forest policy in Macedonia.

Since July 2006 NAPFO has been supported in increasing membership and organizational ability by the Netherlands Development Agency (SNV). Since then in the past two years the total number of branches and members increased significantly. There are five regional offices and 23 community branches. The development of the vision and the work program focuses on the reform process in forestry.

### **3.2. Organization of private forest owners**

Since June 2007 private forest owners are organized at the national level in the form of National Association of Private Forest Owners of Macedonia. It is the successor organisation of the Association of Protection of the Interests of the Private Forest Owners.

The motives for establishment of the Association were no satisfaction with the private forestry matters and policy in the country and better representation of the interests of this group. They could train leaders at the national level and become stakeholders in forest policy formulation to a certain extent.

After the establishment of the Association of Private Forest Owners in 2004, they achieved results by the active participation in preparation of the NSSDF prepared in 2005 and passed in June 2006. Here the Association's suggestions were accepted.

In the past few years the Association established collaboration with a number of international organizations and other associations of private forest owners, especially in the neighboring countries. Working contacts are with CEPF, EFI, SOROS, World Bank. Since July 2006, NAPFO is supported in membership strengthening and organizational development by SNV. Following the success of the first test period of the joint work, they agreed to continue the cooperation into 2007. In 2008 the Association and SNV Macedonia signed a Memorandum of Understanding in which they agreed on joint cooperation for the period of 2008 - 2010.

Table 3 shows the growth in membership of the Association. The number of members of the Association is constantly increasing. The latest data from May 2008 shows 847 members. The biggest number of members is in Berovo and Radovis and the smallest in the area of Kratovo and Resen.

Tab.3. Development of membership of the National Association of the Private Forest Owners in the Republic of Macedonia

STRUCTURE AND MEMBERSHIP OF NAPFO													
		members											
1	Debarca										25	43	43
2	Makedonski Brod										12	23	27
3	Veles										13	47	47
4	Bogomila										14	135	135
5	Probistip										9	9	14
6	Radovis									7	92	89	89
7	Konce											19	19
8	Sveti Nikole										10	25	25
9	Prilep	8	8	8	8	8	8	8	8	8	8	8	8
10	Kicevo		6	6	6	6	6	9	9	9	15	30	34
11	Gostivar			6	8	11	25	32	33	39	56	56	56
12	Kriva Palanka	6	8	8	8	9	11	11			11	11	11
13	Vinica	3	6	12	15	15	15	15	21	30	30	30	30
14	Kavadarci	5	5	6	6	6	9	9	9	16	24	73	73
15	Pehcevo		7	7	7	5	5	5	5	5	7	7	7
16	Kumanovo	8	8	11	15	21	21	21	31	31	33	44	44
17	Berovo	17	26	47	49	49	54	74	79	87	103	143	143
18	Struga										7	7	7
19	Delcevo										3	17	17
20	Strumica											7	7
21	Novo Selo												9
22	Kratovo										2		1
23	Other members												1
Total		47	74	111	122	130	154	184	195	232	474	823	847
Year		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008

Source: National Association of the Private Forest Owners – (May, 2008)

2008 the National Association of Private Forests is organized in the following system: the central office of the Association is in Berovo and branch-offices are in Kavadarci, Kicevo, Radovis and Kumanovo (see Charts 4, 5).

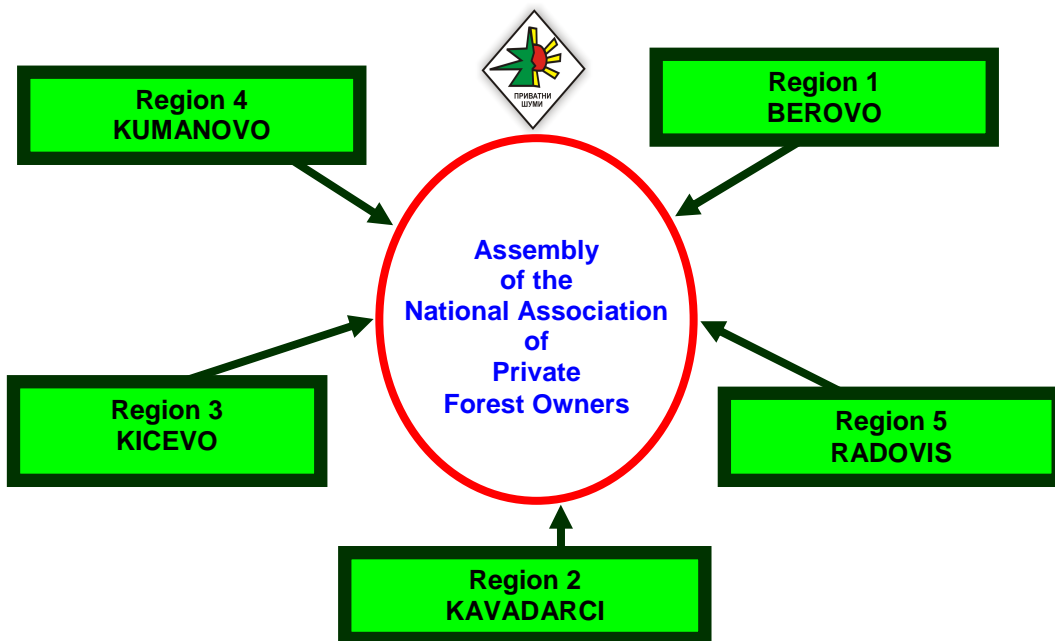


Chart 4. Branch-offices of the NAPFO in 2008.

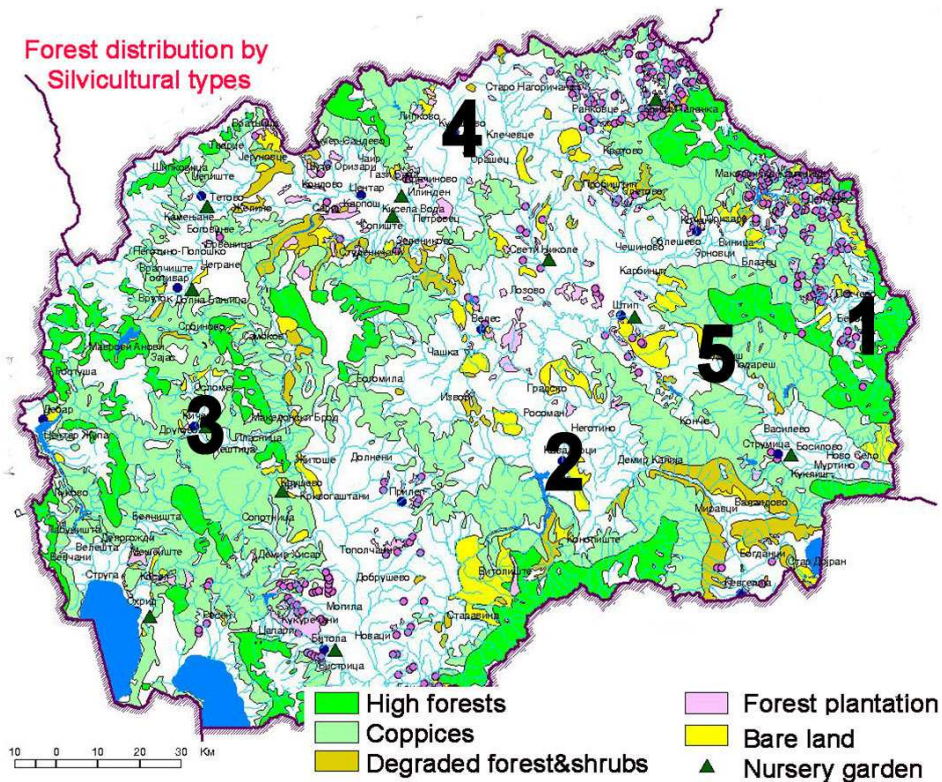


Chart 5. Forest distribution by silviculture types and branch-offices of NAPFO (1 - Berovo, 2- Kavadarci, 3 – Kicevo, 4- Kumanovo, 5 – Radovis).

The increased activities of the Association are supported by SNV, focusing on the implementation of the national forestry strategy. In the short period of 2006-2008, NA strengthened its capabilities membership and partnerships. The NSSDF defined the **vision**, goals and actions for the next 10 years to assist in its implementation.

**The main vision** of the National Association of Private Forest Owners is the **Protection of private forest owner's individual and common interests and fulfilling the aim of sustainable management of forests at the same.**

**Goals for further** actions are divided into 5 topics. Every goal addresses one issue. They are the following:

Goal 1: Accomplish the sustainable management of private forests through:

- Better management planning
- Better oversight and protection of private forests
- Better conditions and services for manage private forests
- Monitoring
- Valorization of the functions of the forests which benefit society.
- End the process of privatization
- Fair cadastre solutions, identifying priorities for public and private values of the forest

Goal 2: Strengthening of the capabilities of NAPFO

- To represent all private forest owners
- To reach efficiency in the internal structure and became self sustainable
- Providing education and information for the members
- Developing further services for members (management planning, timber marking, harvesting, transportation, marketing and legal advise)

Goal 3: Participation in preparation of the new Law on Forestry (2008)

- Service in private forests based on market rules
- Creation of a Fund for the managing of forests
- Equal treatment for private and state owned forests

Goal 4: Decentralization in forest management

- Support for municipalities in taking over the management of state forests

Goal 5: Development of partnership and cooperation with domestic and international organizations

- Cooperation with all stakeholders related to forestry and nature
- Cooperation and membership in international organizations

**Short-term goals and policies of the Association (NAPFO 2007):**

- Reforms for management planning, protection of forests, condition of the private forests,
- Capacity to manage activities (forest fires and illegal actions),
- Change of the Forest Law,
- End privatisation,

- Establishing lobby-groups from the members of the association and forestry
- Strengthening the partnership with the government.
- Exploring further sources of financing,
- Making and implementation of pilot projects for private forests (family businesses, projects for the use of forest bio-mass for energy generation.

### **Mid-term goals and policies of the Association (2007)**

The mid-term goals of the next 5-10 years after the new Forest Law and are the following:

- Action for implementation of the Forest Law
- Strengthening of the capabilities of NA in all activities
- helping to resolve the problems with the Cadastre ;
- Settling the financial concerns of the Association;
- Development of the basic and study project documentation for rural development and tourism ;
- To be more active in domestic and international activities ;
- Establishment of groups of experts in NA
- organizing small businesses into bigger unions;
- Development of the Association's marketing, research and PR practices;
- Development of the information systems of the NA
- transforming the state forestry

### **Long-term goals and policies of the Association (2007)**

Goals for the next 20 years harmonize with the NSSDF and its action plan of implementation and are the following:

- Permanent monitoring of the implementation of the Forest Law ;
- Permanent support and cooperation with the strategic aims of NAPFO and strategy for sustainable development ;
- Support and establishment of bodies that will participate in making forestry development plans, such as rural development or nature protection, to address relevant issues concerning private forests;
- Strengthening of the capabilities of NA on national and international level;
- Strengthening the status, place and role of NA in the Forest Chamber ;
- Explore sources for financing projects”;

### **The plan for achieving the strategic goals of NAPFO for 2008 - 2009**

NAPFO prepared a proposal of activities for the period of May 2008 – May 2009 according to the NSSDF and its Action Plan for Implementation in April 2008.

### **Strategic goals of NAPFO served by actions designed**

- Sustainable management of the forests, with stable property rights
- Strengthening of the capabilities and structure of NAPFO
- Active participation and support for forestry – based on the strategy for Sustainable Development.

- Decentralization of forest management
- Preventative and direct action in forest protection
- Development of partnerships and collaboration with relevant organizations and institutions in the country and abroad.

### **Planned Actions**

1. The control of forest management should be enforced by law and supported by the state in both type of forests: state and private.
2. The transformation and reorganization of PE “Macedonian Forests” by among others dissolving its monopoly position in management assistance to the private forests. The PE “Macedonian Forests” should fulfill its original mandate, sustainable management of the state forests.
3. With passing of the **new Forest Law** - management and ownership function of the state should relate only to the state forests. The private owners will be managing the private forests through various associations using international experiences.
4. NAPFO is trying to equalize the treatment of the private and state forests by state institutions.
5. Proposals for introducing licenses for certain forestry activities, or for services in private forests, or for preparing management plans.
6. Introduction of a National Forest Fund to exchange private land with state forest land.
7. Improving the cadastre into a more detailed public record.
8. Strengthening the administrative and technical capacity of the Forest and Hunting State Inspectorate and the Forestry Police to be more effective in their control over private and state forests. The Inspectorate has to find a **legal option to** collect the fees from everyone from the sale of timber.
9. Equal treatment of the private and state forests in providing financial support from the state. Compensation to private owners for nature conservation services restricting sustainable forest management.
10. Achieve financial stability of the Association.
11. Cooperation with state forestry institutions in organizing improvement courses in business and forestry for private forest owners.
12. Cooperation with related organizations in Macedonia. Membership in international organizations and associations in forestry, to exchange information.

### **The most important activities achieved in 2006-2008 by NAPFO in cooperation with SNV Macedonia were:**

- Establishment of the new branches of NAPFO in Macedonia and organizational improvements- 2006-2008;
- Establishing of the National Association in 2007;
- Development and publishing official newspaper of the Association, GREEN ZONE-2007-2008;
- Developing and adaptation of the official website of the Association - 2008 – see <http://www.naps.com.mk/> ;
- Improving education capabilities and skills for management. Communicating with of the members of the Associations for participation in seminars,

- workshops, organized visits out of Macedonia (Albania, Austria, Armenia, with organizations on local and national level, etc.) - 2007-2008;
- Project for separating of private land from state forests and development of a special plan for the management of the private forest - 2007;
  - Organizing three training seminars on forest fire prevention and fire fighting for the members of the Association
  - Financial support of SNV for maintaining 5 regional offices -2007, 2008;
  - Support for communicating with state institutions and other organizations-2006-2008;
  - Financial support for NAPFO for employing a half time person to coordinate the activities of the Association - 2008;
  - Providing technical support to NAPFO and participating in the National Steering group in “Private and community forestry – developing livelihoods on the basis of secure property rights in selected countries of South East Europe (SEE)”. The Project is financed from World Bank, and in Macedonia is implemented by the project partners: NAPFO and MAFWE.

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In the period 2004-2008 NAPFO, from its own initiative and with the support of international organizations, took part in international seminars, conferences and workshops.

#### **4. RECENT POLICY DEVELOPMENT IN PRIVATE FORESTRY**

The forests in Macedonia are organized into 190 compartments for planning and management. The Management Plans for all forests are done in 10 year periods. The state and private forests are equally obliged to have the management plans. The plans are made by the authorized organization - the Department for Forest Management Planning operating within the Public Enterprise “Makedonskij Sume”. The plans get final approval from the responsible Ministry for the Agriculture, Forestry and Water Management. .

The private forests are divided into some 220,000 parcels, on average 0.4 ha per owner. The Forest Law of 1997 however gives the opportunity for private forest owners of forests over 100 ha to develop their own management plans by qualified staff. This option has not been used so far and is therefore only theoretical. Therefore forest owners do not participate in developing the plans. All services for private forest owners, like marking trees for felling or issuing of transport licenses have been done since 1998 by the PE “Makedonskij Sume”. Until 1998 the services were done by the Ministry of Agriculture, Forestry and Water Management. According to Trendafilov (2008) this functioned better than the system does today, due to the conflict of interests of the PE as management and as a service provider organization at the same. The change was originated from a small number of employees.

From the beginning until today the most significant problem in private forestry was the planning and management of the private forests. According to Trendafilov and

Skenderski (2008) other issues of the management of private forests to be resolved are:

- Limited rights to log the potential annual timber volume;

Private forest owners could not use the quotas they were allowed as per the PE “Makedonskij Sume”. Restrictions on approvals were adjusted when competed with the state forestry. Therefore, the timber volume marked for felling is below their allocation in management plans. This is improper use of state authority to compete unfairly.

- High fees for private forestry services provided by “Makedonskij Sume” and different prices applied for the same services although there is one price list acknowledged and made public by the PE.

Until now, the private forest owners were permanently struggling to stop paying the price of the services provided by “Makedonskij Sume” to private forest owners prescribed by the law. The new legislation is supposed to resolve this problem. The price list applied in various municipalities is different in fact. By this the PE disrespects related regulation and misuses its monopoly role of service provider.

- Bureaucratic and not transparent service offers for private forestry services;

There is selective approach to the review and decision making about the tree marking requests of private forest owners and by the issuing of transport licenses. No transparency is applied to the decisions often combined with extreme delay of decisions.

- No adequate implementation of forestry regulations (logging, marking, administration...etc)
- Limited rights for wood marketing and trade in private forestry;

Implementation of wood marketing activities of the private forest owners were made more difficult by the PE “Makedonskij Sume”. In this way the PE fights possible, competition, and misuses its monopoly position and authority.

- Unsatisfactory state of the Cadastre on forests ;

Fragmentation of the parcels makes borders marking in the field very difficult. That makes trade of forests and the inheritance of forests difficult in practice. However, these problems relate to other land use forms as well and the whole agricultural sector, even to urban areas. Cadastre is a general problem in Macedonia requiring the cooperation of different individuals and institutions. In the last 2-3 years some progress has been made, however many problems remain as well.

- No equal status of private forest owners with state forest management units in front of Government institutions and the Public Enterprise;

Private forest owners are not included in the process of management planning development or making forest policy and, forestry reproduction and its financing. See also the earlier examples, trade and management regulation issues and cases of misuse of the PE authority and management roles.

- Active participation in preparation of regulations and their implementation;

For the first time in the history of Macedonian forestry there were some positive changes when the representatives the NAPFO actively participated in creating the NSSDF in 2005 and the new forest law in 2007. Private forest owners should further actively participate during the planning and pre-negotiations of other regulations such as rural development, nature conservation and on the issues related to private forests. Further, cooperation should respect the principles of partnership.

In February 2005, to aid joining the European Union, the Government launched a process of formulating the National Strategy for Sustainable Development of Forestry (NSSDF). The process was based on principles of open participation and inter-sectoral cooperation, extended use of expertise of stakeholders and societal groups. NAPFO was invited to the working group sessions and development of the strategy.

Since then the most significant policy achievement was, to actively take part in the writing of the draft Forest Law from April to August 2008. The Association delegated two representatives to the working group sessions of the drafting process. On 18 April, 2008, in the SNV Macedonia Office, a meeting was held on the law draft proposals. The results were distributed to all regional and community offices of the Association. On 5 May, 2008, delegates of the Association held a meeting with the working group from MAFW and they discussed the suggestions on the changes of the Forest Law.

NAPFO organized regional workshops on changes of the Forest Law in cooperation with SNV in June-August 2008. The following activities got carried out:

- Preparation of the draft version of the new Forest Law, by the end of May, 2008;
- The draft version of the Forest Law was distributed in electronic and printed form to members in June, 2008;
- The Draft Version was presented on the Web site of MAFW, NAPFO and others;
- Two national and five regional workshops were organized on the Draft Version by mid August, 2008;
- The last comments on the Draft may be finished by the end of August, 2008.

In collaboration with MAFW, SNV invited two international forest law specialists to participate in the process:

- Mr. Peter Herbst from Austria, and
- Mr. Rastislav Sulek from Slovakia.

The consultants made their review of the present Forest Law from 1997 and gave their first inputs to the draft comments on 22-25 April, 2008 during their visit to

Macedonia. It was agreed that comments will include issues recommended by the European Commission .

Suggestions for changes were focused on the following issues:

- Management Planning ;
- Functions of the forests and valorization of their effects ;
- Forest Management issues ;
- Licenses ;
- Reproduction of the forests etc.

## **5. PRIVATE FORESTS AND FORESTRY IN THE NATIONAL FOREST POLICY AND STRATEGY FOR SUSTAINABLE DEVELOPMENT OF FORESTRY**

### **5.1. Strategy for Sustainable Development of Forestry in the Republic of Macedonia (NSSDF 2006)**

The Strategy for Sustainable Development of the Forestry in Macedonia was developed in 2005 and passed by parliament in 2006. It sets the stage for all major decisions concerning forestry for the next 20 years. The strategy's development was assisted by the FAO project: TCP/MCD/3002 (A) – “Institutional development and capacity building in forestry and forest industry sub-sectors in Macedonia.”

Its goals and measures in the Action Plan for Implementation relate to all forests in the country. The strategy is a good base for progress, outlining conditions for the development of private forestry. The NAPFO had an active role in its development. Very few issues of this document are related especially to the private forests (e.g. chapter 4.3 Management of the private forests). However, it can serve as a basis for the development of the strategy of private forests owners (NAPFO 2006).

In Macedonia were no initiatives to address the problems of private forestry in the period before the Forest Law came into force in 1997, and the first Association was established in 1998. One of the reasons was the - on average - unfavorable conditions of private forests resulting in a lack of interest to resolve its problems.

In the strategy, the understanding of forests<sup>1</sup> mainly relates to its use as a resource producing material goods like timber and non-wood forest products (herbs, mushrooms, berries, game etc.). Forests have other benefits to society, like recreational uses; protective functions as biodiversity conservation, erosion control, mitigation of climate change and water shed protection. Oxygen production and quality improvement of the environment must also be mentioned. Over the last decade the role of forests in the fixation of carbon dioxide has grown in importance, due to greenhouse gas problems. However, all these functions of the forests relate to their conditions (e.g. stand structure, area and quality). Further, the economic,

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<sup>1</sup> Forest - land covered with forest tree and shrub species, as well as bare lands and meadows, forest roads, forest nurseries and other areas that are closely connected to forests. (Law on Forests,1997, Article 3)

social and ecological functions of forests are important to the sustainable development of society and for improving the quality of life, especially in rural and mountainous areas.

The strategy specifies forests as national heritage of the young republic.<sup>2</sup>

In the initial years of independence, Republic of Macedonia got into a difficult time of transition when the reconstruction of the economic and political system had to progress quickly within a very complex social and economic situation.

A number of negative impacts of the development of society and economy have had their effects on forestry as well. Forestry in general got into a bad financial situation.

Currently the other strategy document relating to forestry is the Spatial Plan of the Republic of Macedonia (2004), where the strategic goals for development of forests are formulated until 2020. First afforestation and silviculture are emphasized. There is also a strategy for development of agriculture, forestry and water economy for the period of 1995-2010. However this is considered as inefficient for forestry's proper development (Trendafilov 2008).

The political and economic changes in the country aligned with the European integration processes let the focus of forest policy be on the multifunctional role of forests and their management. This means integrating further aspects into management, such as protection, biodiversity and the care for nature will be made more important. At the same time Macedonia is a signatory of many international agreements and conventions on forests and environmental protection. They also influence forestry. The European orientation of the country implies the necessity of harmonization of its forestry policy with EU forestry regulations. This basically requires a multifunctional forest management and the development of modern forest based industries. The strategy was developed to assist these goals in Macedonia by addressing the problems in Macedonian forestry.

### **5.1.1. Vision, general goals and directions of the Strategy**

#### The Vision

Activities of forestry shall be competitive and adjustable to the changing market demands. The sustainable economic development of the sector is envisaged in accordance with its capabilities and resources.

Forests will increase in area, through first afforestation by mainly of domestic species. Care and protection of the stands will be appropriate, providing quality forests, both biologically and economically. Degraded forests will be intensively transformed into high-quality forest. Illegal felling and other illegal activities will be terminated by the appropriate application of the law. These will contribute to increasing the total wood volume, the improving of forests and their wood quality.

Non-wood forest product management will create significant economic benefits for forestry and the state and will be appropriately regulated. Infrastructure and facilities

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<sup>2</sup> The Constitution of the Republic of Macedonia affirms this: "All the natural resources of the Republic of Macedonia, the flora and fauna, amenities in common use, as well as the objects and buildings of particular cultural and historical value determined by law, are amenities of common interest for the Republic and enjoy particular protection." Constitution of the Republic of Macedonia, Article 56, paragraph 1.

for collecting, processing and packaging will secure competitiveness of the products on the European markets. Biological capabilities will be respected, restricting over-harvesting. Economically and environmentally important species will be protected.

The state will recognize the benefits of multifunctional forestry and establish adequate measures to enhance and stabilize the forestry's position in society.

Special attention will be given to protection and conservation of forests. This is of importance to biodiversity in general, but will also secure social, economic and cultural benefits to citizens of Macedonia.

Macedonia will be a popular destination for recreation, sport, eco-tourism and commercial hunting which bring significant income.

An efficient system for warning and suppression of forest fires will be established, while the state will secure efficient preventive measures against forest pests and pathogens through an advanced quarantine service.

Updated technology will be applied in the management of forests. There will be close cooperation between management organizations and scientific institutions for training, specialization and applied research.

Through qualified representatives from state and non-governmental bodies, forestry organizations will be members of relevant international organizations and will actively participate in the exchange of knowledge and experience.

Forestry will employ qualified staff, and management in forestry will be transparent, while decisions will be solely based on expert involvement. Qualified management will be able to deal with social, cultural, institutional, environmental and economic challenges within sustainable forest management.

United by a common vision, all stakeholders should participate in the achievement of the goals and actions of this strategy. The strategy will direct the realization of the vision, with sustainability being the leading principle. Sustainable development meets the needs of present generations, without compromising those of future generations.

### General Goals

The aim of the Government is to increase the contribution of forestry to the national and rural economy through sustainable forest management<sup>3</sup>. SFM should also ensure renewable resources and the protection of the local and global environment. It shall provide products and services for improving the quality of life of all citizens.

To maintain and enhance the economic viability of forestry, in favor of the national development, the Government will:

- Provide the regulatory, institutional and economic framework for the implementation of sustainable forest management and
- Ensure stable financial support to improve the status of forests and the development of forestry.

### Main directions

- Enlarging the forest cover and improving the quality of the forests in accordance with the Spatial Plan of the Republic of Macedonia.

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<sup>3</sup> The concept of sustainable forest management was defined in 1993 at the pan-European Ministerial Conference on the Protection of Forests in Europe as follows: "*the stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfill, now and in the future, relevant ecological, economic and social functions, at local, national and global levels, and that does not cause damage to other ecosystems*".

- Multifunctional forest management and sustainable development of economically viable forestry.
- Increasing the contribution of forests and related goods and services to the quality of life in rural areas.
- Enhancing the public and social functions of forests and forestry by comprehensive valorization of its benefits.
- Increasing the awareness of the environmental and social values of forests.
- Identification of the national and international financial funding opportunities for developing forestry..
- Harmonization of the forestry legislation with national interests and international commitments.

### **5.1.2 Main aspects of the Strategy**

#### **FORESTRY SECTOR, RESOURCES AND ECONOMIC ISSUES**

##### *Forest resources*

Forest resources and ownership were described in detail in chapters 1 and 2 of the strategy. Here are outlines of the general goals:

- Increase the area of forests and improve their structure and quality based on sustainable forest management (SFM);
- Maintain sustainable game populations;
- Encourage the utilization of non-wood forest products through integrated forest management.

##### *Forest based industries*

Promote the establishment of an economically viable forest industry.

#### **THE STATE'S ROLE IN THE DEVELOPMENT OF FORESTRY**

The role of the State in forestry can be described in six basic functions: legal settings; controlling function; providing financial incentives; owner of state property; social responsibility; and Education.

##### *Management of state forests*

- Improve the effectiveness of forest management according to market conditions;
- Promote Sustainable Forest Management principles and develop a system of criteria for their implementation.

##### *Institutions and their capacity*

Create the necessary organizations with the adequate capacity to provide integrated forest management<sup>4</sup>. This should benefit to the protection and management of forest resources on a sustainable basis.

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<sup>4</sup> Integrated management - management with the space and all resources (forests, forest residues, water, minerals, game, tourism, non-wood forest products etc.) by one entity.

*Forest Law Enforcement / Protection*

Promote forest law enforcement, governance and protection of forests and forest resources.

*Forestry Planning and Information management*

- Provide accurate and updated information on the status of forests, forest management and forest products;
- Efficient exchange of information within forestry and -between other sectors of the economy
- Increasing public awareness on the value of forests and forestry, with active participation of all stakeholders.

*Financing*

Secure adequate public funding for the activities related to sustainable forest management.

*Forest Ownership*

- Upgrade Cadastre data on forests and forest land, including demarcation of state and private ownership;
- Introduce consolidation of the state and private forestlands.

*Management of private forests*

Create an efficient system for the support of private forest owners to achieve goals of sustainable forest management.

*Public awareness*

Ensure transparency of the forest management process and to increase visibility of forestry sector in society.

*Education, specialization and qualification*

Enhance and support education in relation to sustainable management of forests.

*Forestry research*

Strengthen the capacity of forestry research institutions.

*International cooperation and cooperation between other parts of the economy*

Establish appropriate cooperation between other parts of the economy enabling information flow at all levels.

**FORESTRY AND THE ENVIRONMENT IN THE STRATEGY**

*Forest protective function*

Ensure maintenance of forest's protective functions and increase a positive contribution of the forestry to environment protection.

*Biodiversity protection*

Promote conservation and restoration of biological and landscape diversity components in Macedonian forests.

## SOCIAL ASPECTS OF THE STRATEGY

- Contribution of forestry to employment creation, livelihoods and poverty reduction
- Encourage the economical development and creation of employment possibilities.

### *Contribution in Rural development*

Create opportunity for undisturbed economical development of rural areas and affirmation of the tourist-recreational function of the forests through sustainable development.

## IMPLEMENTATION OF THE STRATEGY

The key elements of implementation are:

1. Strategic planning
2. Investments in the sector
3. Co-ordination
4. Institutional strengthening
5. Forestry legislation
6. International co-operation
7. Monitoring and evaluation.

The National Forestry Strategy provides a strategic framework for the development of forestry and it will be updated regularly. This will be supported by the process of regular reporting on the state of forestry.

The National Forestry Strategy is the framework for the transformation of forest policy goals into action. It presents the short-term, medium-term and long-term objectives for single fields and regions where key issues should be resolved after identification of priorities.

The strategy 1) identifies actions to be taken to reach the objectives, including institutions responsible for implementation, 2) supports to allocate finances needed. All these activities will be accomplished through the appropriate action plans developed by a transparent and participatory process.

The implementation effect will be monitored and compared by the following categories:

- Sustainable use of resources;
- Maintenance of vital environmental functions and biodiversity conservation;
- Economic growth businesses related to forestry;
- Higher living standards of rural and urban population depending on forests, and
- Visible application of international commitments.

The results of monitoring and evaluation of success will be regularly published in the form of a report on the state of forestry.

## **5.2. The progress of the National Strategy for Sustainable Development of Forestry in Macedonia**

### **5.2.1. Activities in the process of development**

The following list gives details on activities carried out during the development process of the strategy.

1. From 16 to 19 May, 2005 in the Hotel Continental in Skopje, members from the Working Group and other experts, participated in a training of "Foresters in Participatory Approach".
2. On 19 May, 2005, at the FAO Coordination Office in Skopje, a regional meeting was held on: "The relation of the forestry as an economic sector towards the forest as an eco-system".
3. On 10 June, 2005, in the Hotel Ilinden in Strumica, a regional meeting was held on: "Forest resources management - problems and solutions".
4. On 16 June, 2005, in the Hotel Sliv in Vinica, a regional meeting was held on: "Forest resources management in state and private ownership".
5. On 23 of June 2005, in the Hhotel Makpetrol in Mavrovo, a regional meeting was held on: "Problems in forestry".
6. On 29 June, 2005, in the Hhotel Villa St. Sophia-in Ohrid, a regional meeting was held on: "Forest management in the region".
7. On 19 September, 2005, in the FAO Coordination Office in Skopje, a meeting was held on: "Formulation of the National Forestry Development Strategy"
8. On 25 October, 2005, in the Hotel Aleksandar Palace, the National Consultation Meeting was held.
9. On 22 March, 2006, in the Faculty of Forestry in Skopje, an consultative meeting was held on: "Forest resources management - problems and solutions".
10. On 30 March, 2006, in the Hotel Kristal Palas in Prilep, a regional meeting was held on: "The opinions and ideas of the participants regarding the first draft action plan for the implementation of the Strategy for Sustainable Development of Forestry in the Republic of Macedonia".
11. On 31 March, 2006, in the Home of the Army of the Republic of Macedonia in Strumica, a regional meeting was held on: "The opinions and ideas of the participants on the first draft action plan for the implementation of the Strategy for Sustainable Development of Forestry in the Republic of Macedonia".
12. On 4 April, 2006, in the Hotel Kicevo in Kicevo, a regional meeting was held on: "The opinions and ideas of the participants on the first draft action plan for the implementation of the Strategy for Sustainable Development of Forestry in the Republic of Macedonia."
13. On 6 of April, 2006, in the Hotel Ovce Pole in Sveti Nikole, a regional meeting was held on topic: "The opinions and ideas of the participants regarding the first draft action plan for the implementation of the Strategy for Sustainable Development of Forestry in the Republic of Macedonia."
14. On 11 of May, 2006, in the Hotel Aleksandar Palace in Skopje, a promotional meeting was held on: "Making suggestion from the Strategy for Sustainable Development of Forestry in the Republic of Macedonia with the Action Plan."
15. On 12 September 2006, in the Hotel Tim's in Skopje, a technical meeting was held on: "Identifying the threats that may be encountered in the implementation

of the Strategy for Sustainable Development of Forestry in the Republic Macedonia and the Action Plan 2007-2009.”

16. On 12 October, 2006, in the National and University Library Skopje, a forestry legislation workshop was held. The aim of the meeting was to define the needs for improvement of the existing forestry legislation and identify the needs for amendments according to the Strategy for Sustainable Development of Forestry in the Republic of Macedonia and Action Plan for 2007 - 2009.

NAPFO was actively involved in most of these meetings and workshops.

### **5.2.2. The implementation of the National Strategy and the Action Plan**

There were 42 planned actions concerning different aspects of the strategy for implementation in the period 2007-2009. The priority in the Action Plan was given to the most significant problems in forestry.

The actions defined in the points 27, 29, 30, 31, 41 and 42 relate only to private forestry or are in close relation to it. NAPFO took an active part in their elaboration or in some cases implemented them without state assistance.

The single actions are as it follows:

#### **Action Nr 27**

Title: Organize informative seminars for private forest owners on different forestry issues.

Expected results: Increased information level of the private forest owners about their rights, obligations concerning forest management.

Description: Since 2006 a series of seminars and workshops have been organized throughout the country resulting from the cooperation of NAPFO with SNV (2 national level, 10 regional level and some 15 local level seminars). Participants were private forest owners. The presented information comprised the obligations and regulations regarding sustainable management of forests. Seminars are still ongoing.

#### **Action Nr 29**

Title: Ensure support to private forest owners through consulting and informing on afforestation, forest protection, forest management, forest management planning and forest certification.

Expected results: Private forest owners are informed and consulted on these issues.

Description: With the yearly afforestation programme, passed by the Government and verified by the Parliament, each year planting material is being provided free of charges to private forest owners. In recent years on average some 400,000 plants were distributed satisfying the needs for planting some 300-500 ha. Beside afforestation also planting to combat erosion takes place. Professional assistance and support they get from experts of the Faculty of Forestry and the Public Enterprise “Macedonskij Sume” financed the Ministry for Agriculture, Forestry and Water Management (advise targets: planting methods, species selection, cultivation and plant protection). Additional information on the procedures and regarding these topics, the private forest owners can access through the web page of the

Ministry ([http://www.mzsv.gov.mk/index.php?option=com\\_frontpage&Itemid=33](http://www.mzsv.gov.mk/index.php?option=com_frontpage&Itemid=33)) and the National Association of Private Forest Owners.

### **Action Nr 30**

Title: Publish an information tool for private owners on their rights and obligations concerning forest management.

Expected result: A booklet of maximum 20 pages issued in 20,000 copies.

Description: With the publication of the brochure, the private forest owners got assisted with information on their rights, obligations, planned activities, ways of using funds and investing in the area for protection of insects and diseases, afforestation, forest management, etc. The booklet got developed 2007 by the cooperation of the different forestry organizations, such as NAPFO, PE "Makedonskij Sume", MAFWM and SNV. So far 5,000 copies were distributed.

### **Action Nr 31**

Title: Introduce and maintain a forestry web site for the association of private forest owners.

Expected results: Forestry website developed and regularly updated.

Description: The National Association of Private Forest Owners with assistance of SNV developed the Association's web page 2008. On the web page information can be found for on-going activities, issues or actions concerning the private forestry sector. The page can be viewed under: <http://www.naps.com.mk>.

### **Action Nr 41**

Title: Support for the foundation of SMEs processing and trading wood and non-wood forest products - providing consultation, information and training for them.

Expected results: A mechanism for supporting the company's foundation is developed.

Description: The Rural Development Strategy of the Republic of Macedonia was developed (year) and its implementation is in the initial phase. SMEs in forestry and timber trade are still not established. The Strategy intends to support them to further the collection, processing and trade of wood, wood products and non-wood forest products. A "climate" for establishing of such companies has been achieved and it is expected that in the more forested regions of the country they will function soon. The activity is ongoing.

### **Action Nr 42**

Title: Develop a study on the capacity of the forest tourism resources on regional and local level.

Expected result: A study providing information on potential of forest based tourism in the Republic of Macedonia.

Description: This study will be carried out and finished at the very end of the Action Plan. Development of tourism became a hot political issue and discussion includes the forest based tourism as well. The development of the study is in preparation. It is expected that it will be available by 2010.

Further points concerning private forestry but addressing forestry in general were: Action Plan points 4, 6, 11, and 15. Their description follows here:

**Action Nr 4**

Title: Study for the prevention of and the protection against forest fires.

Expected results: Analysis will be elaborated on the conditions and the risks of forest fires with draft measures for their control and suppression. With the study, an analysis on the current situation for fire protection will be carried out and preventive and recursive measures will be proposed.

Description: Unfortunately, the preparation of this study has not yet started. In accordance with the regulations on publicly financed studies, project proposals were called for and got selected. However, contracting is not yet finished. The deadline for developing the study has been postponed until June 2009. The project will be carried out by the Faculty of Forestry with its "Department for Protection of Forests".

**Action Nr 6**

Title: Develop a study on the forest roads network in the Republic of Macedonia.

Expected results: Analysis of the conditions of the road network and a plan proposed for its enhancement.

Description: The preparation of this study has neither yet started. Project proposals were called for and got selected. However, contracting is not yet finished. The study will be made by the Faculty of Forestry, the "Department for forest operations and techniques". The deadline for carrying out the study is June 2009.

**Action Nr 11**

Title: Restructuring of the State Inspectorate on Forestry and Hunting.

Expected results: The State Inspectorate on Forestry and Hunting gets restructured. A more efficient law enforcement on forest protection, forest areas and hunting is expected.

Description: The new systematisation has been carried out by the Ministry of Agriculture, Forest and Water Economy; however it is still not approved by the government of the Republic of Macedonia. With this systematisation, the total number of state inspectors will be increased to 25 from the previous 16 and a new section in the Inspectorate will be formed with four subsections. They shall cover: a) forest protection, b) forests land change, c) game and hunting, d) production of seeds and seed material.

**Action Nr 12**

Title: Elaborate the transformation plan for the Public Enterprise "Makedonskij Sume".

Expected results: Plan for the reorganization of the PE "Makedonskij Sume". The programme should further SFM of state forests, a better market environment for its products and enhance staff motivation. Its main goal is to assist the profitable functioning of the Enterprise.

Description: In 2007 a programme for the transformation of the Public Enterprise "Macedonian Forests" was carried out. The programme with two model scenarios has been submitted to the Government. Decision is in progress (2008).

### **Action Nr 15**

Title: Develop a study on forest regions threatened by erosion.

Expected results: A study and proposals for targeted amendments on the Law on Forests. This study is supposed to analyse the erosion processes in forest ecosystems with emphasis on the risks attached to. Issues of landslides and landfalls as well as other intensive forms of surface and deep erosion will be addressed.

Description: The preparation of this study has neither yet started. Project proposals were called for and got selected. However, contracting is not yet finished. The study will be made by the Faculty of Forestry, the "Department for conservation of soil and water". The study has to be carried out by July 2009.

Action Plan point 13 addresses the change of the existing Law on Forests. Detailed proposals of NAPFO on the draft version are found in Annex 1.

In general must be concluded that so far the implementation process of the Action Plan has been very slow with only few concrete results. However many activities are still ongoing.

## **6. SUMMARY**

Forestry provides 0.3-0.5% of the GDP in Macedonia (2005). State owned forests were 90.14% of the total forests and 92.2% of the total standing timber volume. Private forests were 94,146 ha or a share of 9.86% of the country area and accounted for 7.8% of the standing timber volume. More than 70% of the forest area are coppice and degraded forests. **The area of private forests in Macedonia is small but it is significant in terms of the socio-economical well-being of 65,000 families who own forests.**

Sources of information on forests give different data about forest area. It is evident, that there is not enough qualified information on private forests. However the trend of increasing the forest area in Macedonia is undoubtedly there. This is caused mainly by a) reforestation and first planting, b) migration into urban areas, c) a decrease of the livestock (especially of goats). The increase of privately owned forest areas is further expected also by the continued process of restitution.

In the 1950s private forests were nationalized and the owners lost their management rights. In some parts of Macedonia however, nationalization of private land was not documented properly. The families that used to own forests forgot their benefits and the principles of traditional forestry. The owners of small parcels lost their interest in managing them. In 1991 Macedonia became an independent country, based on democratic principles and laws guaranteeing ownership rights. Soon the restitution process began and the result increased the private forests areas. The results from the restitution did not give the expected effects however. In 2008 the process stopped. There are expectations for follow up but there is only at 2-3% further possible increase of the private forests.

When the socio-economic and political system of the country changed, this strengthened capabilities in the private sector. This increased the interest in managing private forests.

The organization of private forest owners in Macedonia dates back to January 1998, when the civil organization of forest owners was registered in Kumanovo. It had the name of the “Association for Protection of the Interests of the Private Forest Owners.” The reason for revitalizing the private forest owners and registration of their first association is a result of the political change combined with the rules of the Forest Law of 1997. Other laws also had effects, such as the ones governing property and restitution. As the membership of the Association increases there are more regional branches.

Since July 2006 NAPFO has been supported in increasing membership and organizational ability by the Netherlands Development Agency (SNV). Since then in the past two years the total number of branches and members increased significantly. There are five regional offices and 23 community branches. Since June 2007 private forest owners are organized at the national level in the form of National Association of Private Forest Owners of Macedonia. The number of members of the Association is constantly increasing. The latest data from May 2008 shows 847 members. The biggest number of members is in Berovo and Radovis and the smallest in the area of Kratovo and Resen. In the mean time the Association contributed also to the creation of the forest policy in Macedonia and focuses on its implementation.

**The main vision** of the National Association of Private Forest Owners is the **Protection of private forest owner’s individual and common interests and fulfilling the aim of sustainable management of forests at the same.**

All services for private forest owners, like marking trees for felling or issuing of transport licenses have been done since 1998 by the PE “Makedonskij Sume”. Until 1998 the services were done by the Ministry of Agriculture, Forestry and Water Management. According to Trendafilov (2008) this functioned better than the system does today, due to the conflict of interests of the PE as management and as a service provider organization at the same. From the beginning until today the most significant problem in private forestry was the planning and management of the private forests. Forest owners do not participate so far in developing of the forest management plans.

Other issues of the management of private forests to be resolved are among others: a) Limited rights to log the potential annual timber volume, b) different prices applied for the same services by PEMS, c) bureaucratic and not transparent service offers for private forestry services, d) no adequate implementation of forestry regulations (logging, marking, administration...etc), e) Limited rights for wood marketing and trade in private forestry, f) unsatisfactory state of the Cadastre on forests.

*For the first time in the history of Macedonian forestry there were some positive changes when the representatives the NAPFO actively participated in creating the NSSDF in 2005 and the new forest law in 2007. **The most significant policy achievement of recent years was, to actively take part in the writing of the draft Forest Law from April to August 2008.*** The Association delegated two

representatives to the working group sessions of the drafting process and organized regional workshops.

Private forest owners should further actively participate during the planning and pre-negotiations of other regulations such as rural development, nature conservation and on the issues related to private forests. Further, cooperation should respect the principles of partnership.

**The Strategy for Sustainable Development of the Forestry in Macedonia** was developed in 2005 and passed by parliament in 2006. It sets the stage for all major decisions concerning forestry for the next 20 years. Its goals and measures in the Action Plan for Implementation relate to all forests in the country. The aim of the Government is to increase the contribution of forestry to the national and rural economy through sustainable forest management. Forestry shall provide products and services for improving the quality of life of all citizens. In the Strategy, the understanding of forests mainly relates to its use as a resource producing material goods like timber and non-wood forest products (herbs, mushrooms, berries, game etc.).

Few issues of this document are related especially to the private forests, however private forest owners consider it as good basis for the development of the strategy of the Association and private forestry in general (NAPFO 2006).

In general, the implementation of the Action Plan has been so far slow with only few results. Information seminars and consultations on forest management for forest owners in general and on afforestation in particular took place. Information provision for forest owners and related SMEs was also realised. The Association addressed the issue of the draft Forest Law by making detailed proposals after consulting members and administration. Most activities defined in the AP are still ongoing.

NAPFO after participation of its development process takes actively part in implementation of the Action Plan defining itself to more and more as actor in forest policy.

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## **ANNEX 1**

### **Proposals of NAPFO for changes and amendments for the draft new Forest Law by articles<sup>5</sup>:**

#### Article 1

Planning is left out - to be added

#### Article 4

"Resin" to be left out from this article

#### Article 5

In the term of forest management to add the terms of planning and control to all works in forestry, so that the text of this article will be in correlation with the one in the NSSDF.

#### Article 6

At the end of this article to be added tax on multipurpose functions of the forest.(as it is in other Forest Acts in the former Yugoslav Republics)

#### Article 7

Forest is private or state owned property. Private forest owners can be physical or legal entities. The owner of the state owned forest is Republic of Macedonia

#### Article 8

Paragraph 2 to be changed to: exchange bet wine private and state owned forest parcels is allowed when it is for the purpose of enlarging the forest parcels

#### Article 16

Paragraph 1: Proclamation of Forest for special purpose is done on proposal of the Ministry of agriculture with a special law for that.

At the end of this article to be added: before proclamation of one forest in to a forest for special purpose from paragraph 1 of this law, the body that proclaims that forest must receive approval from all private forest owners in that complex (it is the case in Forest Law in Croatia, in Slovenia this is practice in the implementation of Natura 2000)

#### Article 22

In paragraph 1: ... for management of forest for economical purpose, private or state owned property, MAFWM will make sure that management plans will be made

In paragraph 2: for planning and control of forest for special purpose MAFWM or other ministry will make sure that special management plans will be made...

In paragraph 3: Private owned forests that are part of forests for special purpose that are state owned are also forest for special purpose if the term in the added article 16, paragraph 4 is fulfilled.

In paragraph 6: Private forest owner or owners can make special management plans for there owned forest if that special management plan is not against the measure

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<sup>5</sup> Source of information: Working group on Forest Law Development.

that are predicted in the plans that are provided from the MAFWM and are in the mines of sustainable forest management.

In paragraph 8: The General plans and Special management plans from paragraphs 1 and 6 from these articles are approved by the minister of the MAFWM.

#### Article 23

The costs of making the general forest management plans from the paragraphs 1 and 2 from the article 22 of this law, for the part concerning the private and state owned forests will fall on the MAFWM. The production of the special forest management plans for private owned forests will be paid by the owners respectably

#### Article 35

Paragraph 1: The marking in private or state owned forest can be done by physical or legal entities that are licensed for professional forest work.

#### Article 38

In paragraph 2: the form for approval for cutting in private owned forest is issued by the MAFWM to the physical or legal entities licensed to that service in the forest.

In paragraph 3 to add: the approval for cutting in private owned forest that is co owned with the state can be given with out approval of the co owner - the state.

In paragraph 6 and 7 to be cleared the role of the private forest owner and the state

#### Article 42

In paragraph 1: the use of other non wood forest products is allowed if that is predicted in the general and special forest management plans.

In paragraph 2: ... can give the right to use or to collect the non wood forest products from the state.

#### Article 56

In paragraph 3: the marking and dispatch note is given by physical or legal entities that are licensed for professional forest work.

#### Article 57

In paragraph 2: Physical entity can sell wood products only if they came from its one property.

Paragraphs 3 and 4 to be deleted.

#### Article 67

In paragraph 2: ...For amounts that do not exceed 12 m<sup>3</sup>...

In paragraph 4: ... and are used for works for protection and cultivation of forests. The funds are then given back to the users after they present prove that the work has been done.

#### Article 70

After paragraph 2: When the forest inspector from the State Inspectorate for forests and hunting is doing control of the amounts pay as taxes in private or state owned physical or legal entities, must be accompanied with an inspector from Internal Revenue Service .

## ANNEX 2

### INTERNATIONAL SEMINARS, SYMPOSIUMS, CONFERENCES AND WORKSHOPS IN WHICH NAPFO PARTICIPATED 2005-2007

In the period 2004-2008 NAPFO, over its initiative and support of international organizations, took part on seminars, symposiums, conferences and workshops, among which:

- ✓ **Workshop** "Assistance to Private Forestry sector in CEE", **Organizer organization/s** FAO, IUCN, CEPF, 13-15 September 2004, Zamardi, Hungary;
- ✓ **Workshop** Workshop on training needs assessment, **Organizer organization/s** EFI, FOPER, Ohrid, July 6-8th, 2005;
- ✓ **Workshop** Transformation of Forestry in Bulgaria, **Organizer organization/s**, Seminars on EU Policies Relating to Forestry, 28 - 29 September 2005, Hissar, Bulgaria;
- ✓ **Study travel** Forestry , Wood Industry and Bioenergy, **Organizer organization/s** MFI-Association of Private Forest Owners in Ita-Hame, Finland, November 2005, Sysma, Finland;
- ✓ **Workshop** "Forest Products Marketing - from principles to practice" Balkans and South-East Europe, **Organizer organization/s** UNECE, FAO, and the FOPER project, the State University of Belgrade and the University of Louisiana, USA, 3 – 6 April 2006, Novi Sad, Serbia;
- ✓ **Workshop** Creating of National Strategy of Forestry and Reform of Forestry in R. Macedonia, **Organizer organization/s** NAPFO "Private Forest", FAO, CEPF, FI, BFSD, 28-29 June 2006, Strumica, Macedonia
- ✓ **Study travel in Albania** Joint project among NAPFOM, ShPPKK and Private Forest Owners Organization of Kosovo, **Organizer organization/s** ShPPKK-Federation of Communal Forests and Pastures Albania, SOROS, SNV, 15 - 17 November 2006, Albania;
- ✓ **Symposium** 9th International Symposium on Legal Aspects of European Forest Sustainable Development, **Organizer organization/s** "IUFRO Division 6: Social, Economic, Information and Policy Sciences, Research Group 6.13.00: Forest Law and Environmental Legislation", 19 -23 June 2007, Zikatar, Armenia;
- ✓ **CFM exchange visit to Albania**, **Organizer organization/s** ShPPKK, Federation of Communal Forests and Pastures Albania, SOROS, SNV, 16 - 18 July 2007, Kukës, Albania;
- ✓ **CFM Exchange visit to Macedonia**, **Organizer organization/s** NAPFO "Private Forest", SOROS, SNV, 02 - 04 November 2007, Berovo, Macedonia;
- ✓ **Forest seminar** "Needs for development of privately owned forests in Republic of Macedonia", **Organizer organization/s** NAPFO "Private Forest" SOROS, SNV, 06 December 2007, Skopje, Macedonia.