

**ENSURING SUSTAINABILITY OF FORESTS AND  
LIVELIHOODS THROUGH IMPROVED  
GOVERNANCE AND CONTROL OF ILLEGAL  
LOGGING FOR ECONOMIES IN TRANSITION**



**Working Document - Serbia  
for  
The World Bank**

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## **PREFACE AND ACKNOWLEDGEMENTS**

This report has been prepared as part of a study being carried out by Savcor-Indufor on ensuring sustainability of forests and livelihoods through improved governance and control of illegal logging for economies in transition and has been prepared in cooperation with experts Branko Stajic, MSc.; Dusan Jovic and Mirjana Stanisic and other members of FORNET team (Nada Bakic, MSc.; Vlade Zaric, DSc.), and consultation with representatives of government/non governmental organizations (Annex 1).

We would like to express our sincere thanks to all who made their invaluable input while finalizing this document.

Dragan Nonic, DSc.

Branko Stajic, MSc.

Dusan Jovic, Forestry Engineer.

Mirjana Stanisic, Forestry Engineer.

Nada Bakic, MSc.

Vlade Zaric, DSc.

Faculty of Forestry

Kneza Visislava 1

11030 Belgrade

Serbia and Montenegro

Email: [dnonic@eunet.yu](mailto:dnonic@eunet.yu)

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**ABBREVIATIONS AND ACRONYMS**

%	percent
CPI	Corruption Perception Index
EU	European Union
EUR	Euro
FRY	Federal Republic of Yugoslavia
GDP	gross domestic product
GMO	Genetically Modified Organisms
ha	hectare
KFOR	the Kosovo Force
m <sup>3</sup>	cubic meter
MCPFE	Ministerial Conference for Protection of Forests in Europe
MIA	Ministry of Internal Affairs
PE	Public Enterprise
UNMIK	United Nations Mission in Kosovo
USD	United States Dollar
VAT	Value Added Tax
WB	World Bank

# 1 INTRODUCTION

## 1.1 Present Status of the Forestry Sector

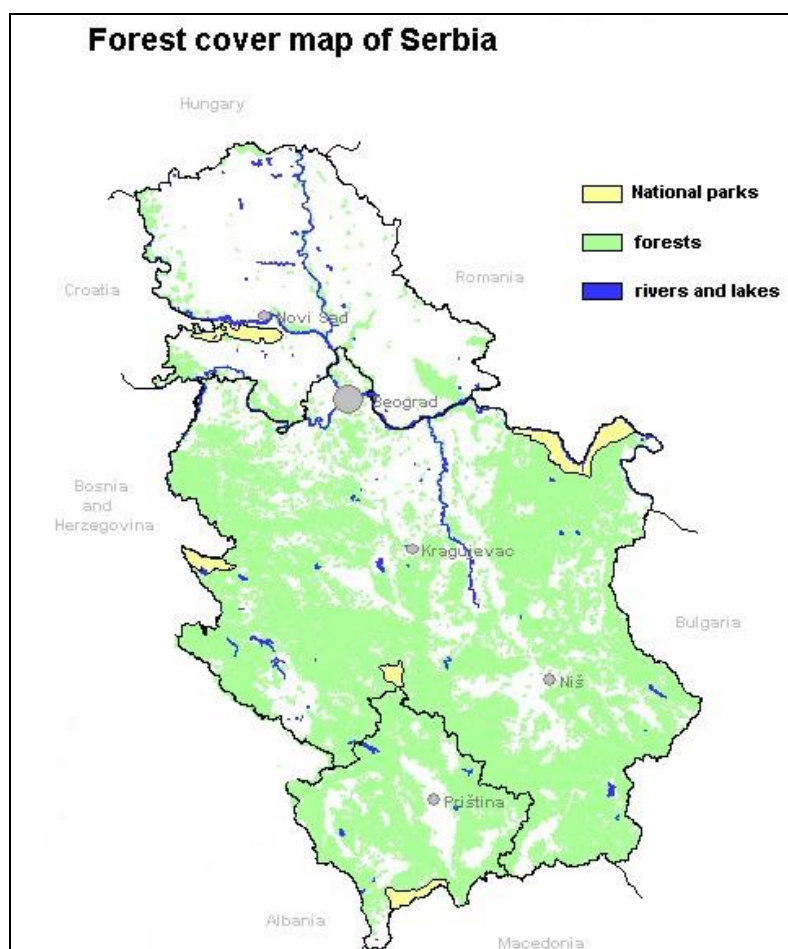
The area of forests and woodland of the Republic of Serbia is 2 654 577 ha accounting for 26.7% of the land area (Table 1.1). The area covered by forests (Figure 1.1) is 2 360 400 ha, or 88.9% of the total area of forests and woodlands; treeless area is 294 177 ha. Deciduous forests represent 90.7% of the total forest area, coniferous forests 6.0%, and mixed forests of broadleaves and conifers 3.3%.

**Table 1.1 Actual and Potential Forest Percentage in Serbia**

Forest percentage per regions	Central Serbia	Vojvodina	Kosovo and Metohija	Republic of Serbia
	%			
Actual forest percentage	32.0	6.6	39.4	26.7
Forest percentage till 2010	37.2	10.8	45.2	31.7
Optimal forest percentage	49.8	14.3	52.7	41.4

Source: Spatial plan of the Republic of Serbia

**Figure 1.1 Forest Cover Map of Serbia**



The present condition of the growing stock of Serbia is characterised by less than optimal forest cover and forest density, unfavourable forest structure considering silvicultural interventions and tree species, insufficient production fund, unfavourable stand condition, and unsatisfactory status of forest health.

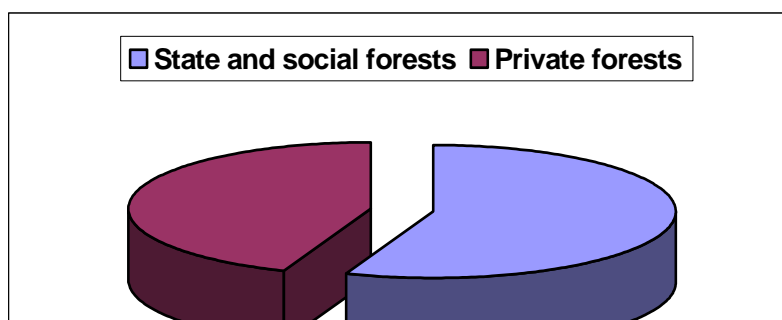
The **ownership of forests** falls into two main categories: state and socially owned and privately owned forest land. The State owns 56% (1 491 000 ha) of the forests and the remaining 44% (1 163 000 ha) is in private ownership (Figure 1.2).

The state forests are managed by eight Public Enterprises: The largest areas are under PE “Srbijasume”, PE “Vojvodinasume”. Smaller areas are managed by 5 PE National Parks, PE “Beli izvor” and other public institutions. The state forests benefit from higher than average stocking level and increment. Their standing volume is 60.3% (155 millions m<sup>3</sup>) of the total standing volume in Serbian forests, and the increment is estimated at 62.5% (4.5 mill. m<sup>3</sup>).

PE "Srbijašume" and PE “Vojvodinašume” manage a total forest area of 1 373 553 ha representing 51.4% of the overall forest area in Serbia, or 92% of the forests in state and public ownership. “Srbijašume” was established in 1991 and until the war in Kosovo and Metohija, it managed about 90% of the state forests and provided technical support for a large portion of the private forests. Today, the forests of Kosovo and Metohija are managed by UNMIK. PE “Vojvodinašume” is a new public enterprise, which became operational in January 2003. It is responsible for the management of state forests in Vojvodina.

**Figure 1.2 Structure of the Forests by Ownership**

Stakeholders	Forests
	( 000 ha )
<b>State and social forests</b>	<b>1484,87</b>
PE Srbijasume	1270,24
PE Vojvodinasume	101,76
PE National parks	75,16
PE "Beli Izvor" - Vrnjacka Banja	8,45
Agricultural holdings and Water supply enterprises	23,42
Faculty of Forestry education bases	5,84
<b>Private forests</b>	<b>1169,5</b>
<b>TOTAL</b>	<b>2654,37</b>



Source: Forestry Development Program 1996 – 2000, PE "Srbijasume" Belgrade 1996.

The structure of private forest ownership makes it difficult to manage forests efficiently. The average size of private forests holdings is small, 0.3 ha. Private forests are largely unproductive and timber is of poor quality. Due to the small size and low productivity of private woodlots, their owners cannot afford to pay for professional forest management services.

Typically, in a forested region the state owned forests form the core forest area. Private forests are in numerous holdings surrounding the state owned forests. Forest engineers employed by PE “Srbijašume” or PE “Vojvodinašume” design management plans for the entire area. The government pays the salaries of the forest engineers who prepare management plans of private forests. Management plans are thoroughly documented and approved by the Forest Directorate of the Ministry of Agriculture, Forestry and Water Management. In principle, the inspectors of the Directorate approve every felling in private forests.

## **1.2 Contribution to the Economy**

During the period of the UN sanctions, the entire Serbian economy was in crisis. There were difficulties in exports and imports; there was insufficient energy (oil, gasoline, gas) and shortage of other materials, hyperinflation, and no major investment. Recession and a decline of production were to be seen in all industrial branches. After ten years of stagnation, the economy of Serbia started to recover in 2000.

During 2002, the strengthening of macro economic stability of Serbia has continued, the process of transition has accelerated towards market economy and integration into international monetary institutions. In 2002 gross domestic production has increased by 4% compared to the previous year, with the greatest growth achieved in the trade sector. Over one half of gross domestic production is being generated by processing industries (30.7%) and by agriculture and forestry (24%). The gross domestic product per capita in 2002 was USD 1 831.

Forestry makes an important contribution to the economic and social development in Serbia providing a wide range of benefits and services. In 2001 all primary sectors, agriculture, water supply and forestry, contributed some 8% to Serbia's GDP. **The forest sector contributed about 3% to the GDP**, of which the forestry accounted for 0.54% and the wood industry 2.47%.

However, the official statistics do not necessarily fully capture the contribution of the forest sector, for several reasons. There is a large number of small enterprises whose production is not properly reported on, and non-wood forest production does not enter the official records. Forests have a very important role in soil conservation, water supply, tourism and maintaining the country's remarkable biodiversity but no estimates of these contributions are currently available in Serbia. On the other hand, even if all of them were fully taken into account, the contribution of forestry to the national GDP would probably not exceed 1%.

The direct contribution of the forestry sector to **employment** in 2002 was 3.9% of the total employment in the country (all primary sectors, agriculture, water supply and forestry, contribute 9.1% to employment in the country), or 52 190, of which 84% are employed in the wood industry, and the rest in forestry (Table 1.2). While the share of people employed in the

forest sector is relatively small, it can nevertheless be considered important in a situation where some estimates put the rate of unemployment as high as 40%.

**Table 1.2 Number of Employees in the Forestry Sector by Type of Production and Ownership**

Type of production	Social	Private	Cooperative	Mixed	State	Total
Sawmills and wood boards	5 287	2 641	18	1 036	232	9 214
Manufacture of wood and wood products	13 788	3 927	8	4 340	7	22 070
Paper	2 916	3 408	0	6 324	0	12 648
Wood industry	21 991	9 976	26	11 700	239	43 932
Forestry	7 651	448	22	7	0	8 128
Hunting	124	6	0	0	0	130
Forestry and hunting	7 775	454	22	7	0	8 258
Forestry Sector	29 766	10 430	48	11 707	239	52 190

Source: Statistical Office. Republic of Serbia unpublished internal Data. Belgrade 2002.

Annual volume of timber felled for commercial purposes is 4 million m<sup>3</sup>, of which 2.5 million m<sup>3</sup> is extracted from the State forests and the remainder from private forests. There are no accurate records of timber coming out of private forests, or timber removals in Kosovo.

Of the total production in state enterprises, nearly 70% was industrial wood, and the rest fuel wood. Of the industrial round wood produced in the state forests, some 80% was saw logs, and the balance veneer logs.

The production from the private forest is mostly fuel wood, industrial wood represents only some 20% of the private forest production. Saw logs and veneer logs represent a relatively small proportion of industrial wood owing to the low quality of forests and inappropriate use of wood.

Rural population makes about a half of the entire population in Serbia (Census 2002) and they depend to a large extent on fuel wood for their energy supply. In addition, a part of urban population, especially in minor towns without central heating systems, also depends on fuel wood.

With the political changes in 2000 and intensifying of transition towards an open market economy, export from the forest sector is recovering very slowly. In addition, in 2001 and 2002 the forest sector produced trade deficits amounting to USD 105 millions and USD 111 millions, respectively. In these two years the country had a trade deficit in both primary forestry and the forest industry.

### 1.2.1 Governance

To effectively fight illegal logging, it is necessary to have an efficient and neutral forest administration. Unfortunately, the reform of public administration has made little progress and the forest sector is no exception. Lack of political consensus on administrative reform measures has stymied necessary institutional reforms, resulting in continued major distortions

in staffing numbers in individual sectors, politicization of key positions (often down to head of department level in ministries), a highly compressed and inadequate remuneration system based on years on service and ad hoc benefits (World Bank 2004).

Weaknesses in the institutional framework have provided a fertile breeding ground for corrupt practices. The Corruption Perception Index (CPI) of Transparency International gives a score of 2.7 for Serbia and Montenegro ranking it on 97th place out of 145 countries on the list<sup>1</sup>. A questionnaire survey carried out among forestry staff to strengthen the information basis on illegal logging indicated that corruption is rife also in the forest sector (see Box 1.1).

After democratic changes in October 2000, the Government of Serbia established a Council to combat corruption which was considered as one of most dominant characteristic of old regime. Serbia is the only country in transition where such an independent body was established with well-known figures of recognized integrity as members.

The current development agenda of the Government includes several measures facilitating the combat against illegal logging. These include development of comprehensive anti-corruption strategies; formalizing the grey economy, and broadening the tax base and implementing the tax reform package, including VAT; establishing an effective public procurement regime; and developing reliable statistics (World Bank 2004). Having a broad, cross-sectoral strategy in place is a major advantage considering the fight against illegal logging as it greatly facilitates the introduction of necessary reforms in individual sectors as forestry.

### **Box 1.1      Status of Corruption in the Forestry Sector / Analysis of the Questionnaire**

The preparation of this report was initiated by carrying out a questionnaire survey. The aim was to generate data to compensate the lack of relevant official information. The questionnaire (Annex 2 & 3) was submitted to about 30 forestry professionals, who were considered to be able to provide an informed and balanced view of the sector due to their competence, position or experience.

Several very interesting and illustrative results were obtained and they will be highlighted in relevant chapters of this report. Overall, the first and the most remarkable finding characterizing the entire process of data collection was:

- great “sensitivity” of the subject matter, i.e. illegal logging, and
- notable reluctance of the people employed in forestry to contribute to the study through discussions and answering the questions in the questionnaire

This strongly suggests that **corruption is an integral part of this economic activity and human activity. The struggle against corruption has not really started in forestry**, which is the main reason why the discussions on this subject were met with great suspicion by the people employed in the sector.

This attitude of the polled led, in our opinion, to a partial “embellishment” of the actual state of corruption in the forestry sector!

For this reason, in parallel to the survey results we present the opinions and assessments of a team of experts who carried out the investigation. Their general impression is that the problems regarding the scope and character of illegal activities in forestry are somewhat more serious than the conclusions that could be made relying only on the survey results.

<sup>1</sup> The CPI score ranges from 0 to 10; highest values are assigned to countries with lowest perceived corruption.

## 1.2.2 International Collaboration

Serbia participates in a number of international initiatives that potentially have implications on illegal logging. Regarding international conventions, Serbia (as legacy of Yugoslavia) has ratified 64 agreements of which the Convention on Biological Diversity and the United Nations Framework Convention for Climate Change have most relevance for forestry sector (Annex 12).

In 2001 Serbia joined the Stability Pact for South Eastern Europe which identifies the fight against corruption as a top priority. Its aim is to reform the legal and institutional framework according to European and other international standards not only to outlaw the practice of bribing public officials, but also to promote legal instruments to improve ethical standards in the public sector and the rule of law. The countries of the Stability Pact include the 15 EU states, and 11 countries in the region and the international donor community including the World Bank.

The Transparency International is implementing an Accountability Programme (2002-2005) addressing the existing deficiencies in governments accountability in Bosnia and Herzegovina, Croatia, Serbia and Macedonia by proposing remedies in two key areas of good governance, which are currently insufficiently regulated:

- Conflict of interest of public officials; and
- Free access to information

The programme also aims at involving civil society in actively promoting and monitoring the above mentioned laws.

However, the forest sector and the combat against illegal logging have not markedly benefited from these initiatives. The link of the international conventions to illegal logging is too indirect and the requirements too general to influence strategies for illegal logging. The Stability Pact and the Accountability Programme could have had a major impact on illegal logging but apparently the forest sector has been too peripheral for these programmes. In addition, the forest sector itself has not shown much interest to join them.

## 2 DEFINITION OF ILLEGAL LOGGING

The definitions of illegal logging in **local statistics** are:

- *“Illicit cutting is every cutting which is carried out in a state forest without licence delivered by authorised bodies. It is shown as the cut of gross-stock of wood”;*
- *“Illicit grazing is livestock grazing on state-owned land without permission of organisations, which manage a given land”.*<sup>2</sup>

Illegal logging in the PE “Srbijašume” data means *“the wood illegally logged in the state forests and registered by the district forest rangers and processed by the charges for forest offence”*.

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<sup>2</sup> Source: Statistical Yearbook of Serbia and Montenegro, Statistical Office, Belgrade 2003

Other forms of illegal activities are not described in Serbian legislation or the Forest Law<sup>3</sup>, except the physical extraction of wood from forests, i.e. theft.

**Law on forests** (Annex 10), as *lex specialis* in Article 40, defines devastation of forests (any action done against the regulations...), and the Criminal Law of Republic of Serbia in Article 160 defines devastation of the forests through “felling, clearing or low whit tanning of the trees against the regulations or orders of competent authorities”.

Illegal felling is not considered a separate act; rather it is an act connected with forest devastation. From this follows that devastation of forests carried out with the approval of the competent authorities will not be sanctioned. Also, logging without the approval of competent authorities but without devastation of the forests is not subject to sanctions. This leads further to the conclusion that many types of forest devastation will not be under sanctions or prosecuted as an act of “forest devastation”.

This approach is untenable in the sense that competent authorities have large discretionary powers to “legalize” forest devastation. In practice, the use of this power may not be very frequent but the possibility is still there. It should not be possible to drop cases regarding forest devastation only because there is a decision of competent authority. Instead, the assessment whether forest devastation took place should be made separately in each case based on the regulations in force.

Compared to the indicative definition of illegal logging presented in the study Terms of Reference, the current Serbian legislation suffers from a number of weaknesses. It protects forests only against one type of illegal logging specified in the indicative definition, logging without the permission of competent authority. The following types of logging will not be considered illegal, if there is a decision of competent authorities:

- in excess of quota
- in protected areas
- that does not comply with the management plans
- on steep slopes, riversides and water catchments
- of protected species

According to the indicative definition, logging becomes illegal if its trade or transport are subject to irregularities, timber is smuggled, or logging permits have been obtained by using bribes. Intentional damaging of trees to make them die (and make their harvesting permissible) is also included in illegal logging. These types of illegal logging are not covered under the Serbian definition.

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<sup>3</sup> In actual Law on Forests from 1991, there are no specific thematic issues about illegal logging, just a broad approach to illegal activities is presented in some articles. The main emphasis is on describing how some activities can be prevented through prohibitions, and what is forbidden (following is not allowed: forest devastation and grubbing; clearcutting if not allowed as a regular regeneration; cutting of rare species; tree thickening; pasture and browse by goats and other cattle; pannage; tree pruning for animal fodder; collection of forest fruits, medicinal herbs and moss; utilization of stone, gravel, sand, humus, soil and other; harvesting of seed-stand out of forest management plan; forest usurpation; destruction or ruining of plantations, marks and cut blocks; putting away of garbage and other dangerous matter; forest pollution and other acts that debilitate yields and endanger forest functions, if not else defined by the Law). Forest devastation refers to all illegal acts that reduce land fertility and endanger forest production or silviculture or survival of forests and their multiple benefit functions (wide range cutting close to forest grubbing, too intensive selection cutting, tree thickening, and any act causing weed, surface scour land with water or wind and other).

It is important to note that under the indicative definition provided in the TOR, not only the forest but also individual trees are protected. Felling of one tree of protected species would be considered illegal. In the Serbian legislation Act on Forest Thefts (*Act 161 of Criminal Law of Republic of Serbia*) standing trees are also protected, but theft is punishable only if the volume of felled trees is more than one cubic meter.

### **3 ILLEGAL LOGGING**

#### **3.1 Volume of Illegal Logging**

The estimates of wood production, consumption etc. vary depending on source of information. The war-time budget arrangements of the government still strongly influence the way in which forest sector operates. Unfairly distributed logging rights together with large grey labour market have seriously damaged the operational structures of forest management and timber procurement. This has also degraded the quality of statistical data.

**Figure 3.1 Illegal Logging in Bujanovac – Forest Estate Vranje**

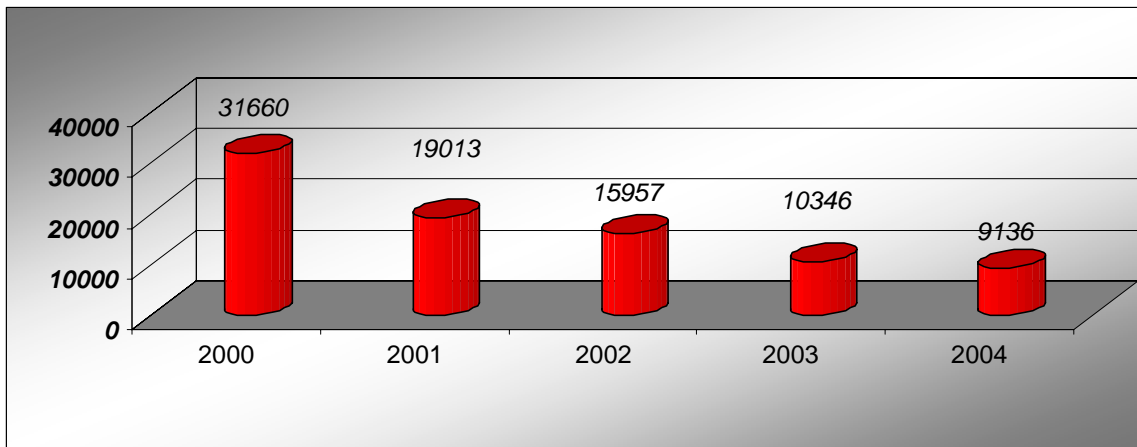


#### **3.1.1 State Forests**

The officially registered illegal logging in state forests varies between some 10 000 and 32 000 m<sup>3</sup>. In 2004, the volume of illegal logging in state forests managed PE “Srbijašume” was 9 136.00 m<sup>3</sup> which is about 0.4% of the legal harvesting volume. Illegal logging is clearly decreasing. The volume in 2004<sup>4</sup> was 88% of that in 2003 and only 29% of the recorded volume in 2000 (Figure 3.2; Annex 8). On average, illegally felled wood volume is 0.01 m<sup>3</sup> per hectare or 14.64 m<sup>3</sup> per one forester, which are modest rates.

<sup>4</sup> Forest Estate Leposavic is excluded from 2004 data

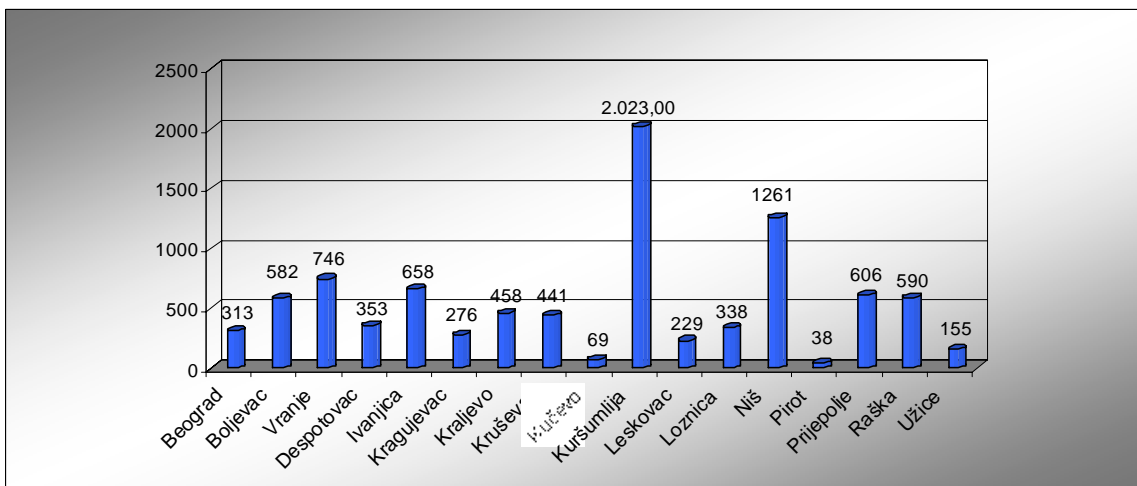
**Figure 3.2** Illegal Logging Size Trend (m<sup>3</sup>) on the Level of PE “Srbijašume” (2000-2004)



Source: PE “Srbijašume”

Illegal logging is most intense in areas adjacent to the territories of Kosovo and Metohija (forest estates Vranje, Kursumlija, Leskovac, Raska and Leposavic) to which Serbian authorities have limited access. To protect the forests and prevent illegal entrance and removal of timber, PE „Srbijašume“ has collaborated with the Security Forces i.e. Army of Serbia and Montenegro, Ministry of Internal Affairs - Headquarter for Kosovo and Metohija and Gendarmerie carrying out numerous special operations (Figure 3.3, Annexes 7 and 9).

**Figure 3.3** Amount of Illegally Felled Wood (m<sup>3</sup>) by Forest Estates, PE "Srbijašume" (2004)



Source: PE “Srbijašume”

### 3.1.2 Private Forests

According to official statistics there is no illegal logging in private forests. The officially registered quantity of harvesting in private forests is 800 000 m<sup>3</sup>, which is the volume that has been marked for logging<sup>5</sup>.

Despite lacking data, it is obvious that both thefts from private forests and illegal logging by forest owners themselves occur. No reliable estimates on the volume of theft can be made, because a large number of owners do not even report them. However, experts estimate that their volume is modestly increasing. On the whole, the experts also estimate that illegal logging in private forests is at a high level; possibly as much as the official volume or even higher but this cannot be reliably confirmed with the available information (Box 3.1).

#### Box 3.1 Supply Demand Balance of Fuelwood

The comparison of official data on timber harvesting on farms and estimates on consumption could reveal inconsistencies and provide estimates on illegal logging. Unfortunately, in Serbia the consumption of fuelwood cannot be reliably estimated. The following calculation was made to illustrate the current lack of data.

Rural people are the main consumers of fuelwood but urban populations in small towns also consume fuelwood.

According to the last census conducted in 2002, Serbia has approximately 700 000 small private farmers most of whom own a small forest area supplying timber and fuelwood for household use. There are estimates that “a typical” rural household in Serbia consumes about 15 m<sup>3</sup> of fuel wood per year. Other estimates from Bosnia-Herzegovina put the figure lower at 8 m<sup>3</sup> per year. Estimates on sales of fuelwood to urban populations are unavailable.

On the supply side, the official harvesting in private forest is 800 000 m<sup>3</sup> per year, most of which is fuelwood. The state forests supply annually about 750 000 m<sup>3</sup> of fuelwood. Thus, the total legal supply of fuelwood is less than 1.55 million m<sup>3</sup> per year.

Taking the lower bound estimate on average use of fuelwood by households as a basis (8 m<sup>3</sup> per year), it can be estimated that the legal supply of fuelwood available to rural households would be exhausted by less than 200 000 rural households. The rest would either use alternative energy sources or get their supply from other legal or illegal sources.

Among other legal sources are probably the small forest fragments which are not counted as forests. Alternative energy sources are used especially in the northern part of the country, where rural households use oil, coal and natural gas. While the significance of these factors cannot be reliably estimated, it is unlikely that they would fully cover the imbalance in the above calculation. Most likely, the illegal supply of fuelwood is significant, and the expert estimates on its volume, 800 000 m<sup>3</sup> per year or more are realistic.

### 3.1.3 Survey Data

The respondents in the questionnaire survey were asked to assess the volume of illegal logging (question 6) compared to the entire felled wood volume. One third (33%) of the polled were of the opinion that it ranges from 6 to 10% of the total logging volume; 30% estimated that the share of illegal logging is more than 10%.

<sup>5</sup> There is a state-funded service supervising the management of these forests, which among other activities, marks the trees for logging as required by the forest owner.

However, we estimate that the true estimates were different; **half (50%) of the polled should have stated that the volume of illegal logging ranges from 6 to 10%, one third (33%) of the respondents were assumed to consider it higher than 10%.**

It was very illustrative that almost all respondents considered the official volume of illegal logging, 10,000 m<sup>3</sup>, to be irrelevant. It should also be noted that the respondents assumed that illegal logging is confined to activities where trees are physically removed from forests. The respondents were generally not aware that in a broader context (e.g. in the WB definition) illegal logging includes corruption-related manipulation of financial data (e.g. undergrading, underpricing) and they excluded it from their assessment.

## **3.2 Types of Illegal Logging**

### **3.2.1 Officially Registered Illegal Logging**

In the State forests, the officially recorded illegal activities are usually related to wood theft and illegal hunting. Thefts are carried out mainly by local people, individually or organized in smaller groups. The activities concentrate in the forests located near villages and towns or in smaller state-owned estates that are surrounded by private forests. Smaller and isolated estates are harder to protect. Stolen timber is mainly firewood, or technical wood of different quality. In the area managed by PE „Srbijašume“, the frequency of illegal activities is highest in southern Serbia (Kuršumlija and Vranje).

In private forests, the owners often circumvent regulations by harvesting more than officially marked amount. Felling areas can be thinned too intensively or they are clearcut. Another problem in private forests is wood thefts which are carried out mainly by the people living in nearby villages or by organized groups. Typically, thefts take place in forests whose owners have migrated to towns. Many owners may not even be aware of these thefts.

There are also cases where private contractors or legally registered traders buy harvesting rights from private owners but in reality harvest more than was agreed (often making clearcuts). Owners rarely check the logging site after they receive the payment.

**Table 3.1 Checklist on Poverty Driven Illegal Activities in the Forest Sector**

Statement	True/False	Comment
Almost all (more than 80%) of rural people depend on fuelwood for energy needs	true	
The majority (more than 50%) of rural people depend on fuelwood for energy needs	true	
There is no feasible alternative energy source available for the rural people who depend on fuelwood, especially the poor	true	
Almost all (more than (80%) of urban people depend on fuelwood (and/or charcoal) for energy needs	false	
The majority (more than 50%) of urban people depend on fuelwood (and/or charcoal) for energy needs	true	
There is no feasible alternative energy source available for the urban people who depend on fuelwood (and/or charcoal), especially the poor	false	
Almost all (more than (80%) fuelwood (and charcoal) production and trade is done outside of the formal economy/ without legal authorisation	false	
The majority (more than 50%) of fuelwood (and charcoal) production and trade is done outside of the formal economy/ without legal authorisation	false	
The legally extractable supply of fuelwood (and charcoal) is sufficient to meet the subsistence needs of rural and urban populations.	false	
Almost all (more than 80%) of wood used in local construction in the rural areas in harvested and transported without legal authorisation	false	
Most (more than 50%) of wood used in local construction in the rural areas in harvested and transported without legal authorisation	false	

### 3.2.2 Survey Data

The survey results emphasized the link between corruption and illegal logging. The most significant forms of illegal activities in forestry (question 3) indicated by the polled are logging without licence (40%), concealing data (13.3%) and corruption in dealings with private contractors (13.3%).

Our opinion (experts) is that the actual rank is similar. The most highly ranked illegal activities is **logging without licence**, but we emphasise that there are two equally significant forms of corruption of high economic and material significance - **inadequate classification of wood assortments** (26.7%) and **corruption in forest management planning** (13.3%).

As an example of the importance of corruption, the most important reasons given by the respondents for **not recording all illegally felled wood** were as follows (question 8): lack of people on the field (16.7%), lack of people (10%), corruption (46.7%), unprofessional employees (3%), lack of evidence (16.7%) and inefficiency of public enterprises (6.7%). Expert opinions were far different; the most important reason for not recording all illegally felled wood is corruption in its various forms (66.7%).

All of the polled confirmed that the **corruption in forestry does exist**, but most of them stated that the degree of corruption in this field is at a **medium level**, and that it is at the same level as **corruption in other spheres of the society!**

Our assessment and unambiguous conclusion based on this relatively small but still representative sample of people is that **corruption exists** in the forestry sector, that it is **remarkable** and that it is **more serious than in other spheres of social activities!**

### **3.3 Export of Illegal Timber**

Round wood export in 2002 amounted to nearly USD 4.8 millions, or 4% of the export of forestry and the forest industry, while sawmill exports amounted to USD 30.8 million, or 26%. Of total round wood exports of 33 000 m<sup>3</sup>, 30 000 m<sup>3</sup> of logs originated from plantation wood, namely poplar, and another 3 000 m<sup>3</sup> were peeler logs of beech and oak (Annex 11).

Illegal timber represents a very small portion of exported wood products. The most common product involved in illegal logging is fuelwood which is exported in very small quantities. Based on the indications given by experts in the Chamber of Commerce, the portion of illegal timber and good processed based on it account for less than 1% of wood export value. Illegal logging that is related to corruption was not considered in these estimates.

### **3.4 Impact of Government Finances**

The estimates on the illegal logging volume are quite inaccurate and do not constitute a reliable basis for assessing foregone revenue. The various taxes and fees to be paid include income tax as well as a 3 % fee on the value of truck loads transported on roads 3% of wood price on truck road to be paid into Republic's budget for improvement of forests (Law on Forests, Article 54),.

### **3.5 Threats to Environment**

In recent time, natural and biological resources are being exploited in an unsustainable manner (unauthorised felling, poaching, completely or partly changed autochthonous ecosystems, non-controlled exploitation of flora and fauna species and mushrooms, potential construction of hydroelectric power systems, exploitation of mineral raw materials and peat, trading in flora and fauna species, etc.) even in national parks and nature reservations posing a threat to the natural values they are protecting. Besides local factors, the global and regional degradation and pollution of the environment also threaten the natural heritage and biodiversity.

The questionnaire on illegal logging suggests that illegal logging occurs in protected areas. This opinion was expressed by 70% of the respondents and 83% of the experts. Also, 80% of the polled indicated that illegal logging of rare, endangered and vulnerable species takes place; 83% of the experts were of the same opinion. Unfortunately, the impact these activities have on environment and biological resources cannot be estimated with the available data.

## 4 GOVERNANCE

### 4.1 Policy Framework

At the level of the Republic of Serbia, **forestry policy** is not clearly defined through the legislation, nor do official documents, i.e. political statements, clearly define forestry policy. Some elements of the policy are addressed in the Forest Law and in some general plans for forestry development.

The previous strategic objectives and directions of forestry development were derived mainly from the global strategy defined in *The Spatial Plan of the Republic of Serbia* (1996), and *The projection of forestry development till 2050* (1996). The principal objectives of forestry were defined by the *Spatial Plan of the Republic of Serbia*, such as the improvement of forest condition and the increase of the forest cover percentage, are relevant mainly to the production-economic function, which is not consistent with the requirements of modern forestry.

Although Serbia, due to objective reasons, has not yet become the signatory state of all the forestry important international documents<sup>6</sup>, it will be necessary to incorporate the international commitments and initiatives in national forestry policy and legislation. By signing and ratifying the key international agreement, Serbia has committed itself to sustainable management of all forests. This involves a move away from the traditional concept of sustainable timber production to according equal (but not merely declarative) weight to forest ecological and social values.

Consistent with the activities in other European countries, which in the past few years reformed or updated their forestry policy and strategy, the Ministry and the Directorate of Forests in Serbia have also identified the need to formulate a comprehensive political and strategic framework for the forest sector.

#### 4.1.1 Key policy Goals

In the draft document of new Forest Policy, some elements will contribute to the prevention of illegal activities through updating of legislation:

..."The Government will analyse and revise the legal framework of the forestry sector. The new Forest Law will provide the legal framework for the implementation of Forest Policy and the National Forestry Programme. This will replace the actual Forest Law (1991). The Government will also undertake activities on the harmonisation of the Law on Environmental Protection (1991), Law on Hunting (1993), Law on Waters (1991), Law on Agricultural Land (1992), Law on Inheritance (1995), Law on Public Enterprises (2003), Law on Local Self-government (2003) and other laws and normative deeds which address the forestry sector directly or indirectly.

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<sup>6</sup> Serbia is, for the time being, the signatory state of Strasbourg and Vienna Resolutions of MCPFE.

The key issues of the new legislative framework include:

- clarifying the right of usufruct and stay in the forests,
- the mechanisms of participation of all stakeholders in forestry development through clear legal regulations,
- establishment of broad framework for co-ordination and planning in the forestry sector,
- definition of the roles and responsibilities of forestry sector institutions,
- regulations showing clearly the commitments to the ratified international Conventions and Protocols in forestry,
- guidelines for the introduction of plant and animal species,
- regulated import and export of forest products and genetic material."...

It is obvious that the general orientation of Serbian forest policy is towards EU standards. It is expected that this approach will be extended to legal aspects in the context of combating illegal activities in forestry, which clearly should be mentioned in the new Law on Forests. Such an intention exists in the working group for the new Forest Law.

#### **4.1.2 Main Policies Related to Illegal Logging**

The combat against illegal logging is part of regular monitoring and control activities in the forest sector, and no special measures or programmes have been designed. However, the competent authorities have estimated that the most efficient way to combat illegal logging is to prevent trafficking and sale of illegally harvested wood. Special attention will therefore be paid to controlling wood trafficking.

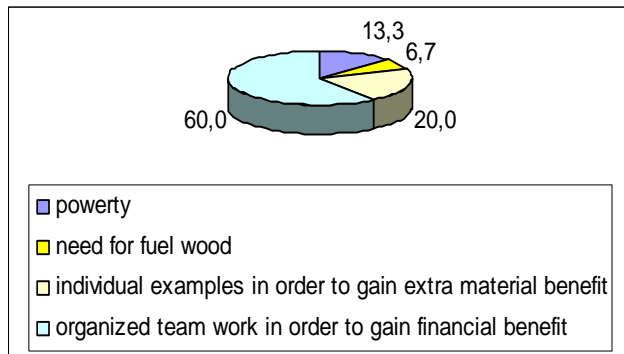
Among the most recent measures implemented by the government, the most important ones considering illegal logging are related to financial regulations. These measures are not necessarily targeted at illegal logging *per se* but their impact on it is likely to be significant. In particular, the introduction of Value Added Tax (VAT) on 1 January 2005 is expected to substantially reduce the trade of illegal timber by limiting the opportunities to manipulation of financial data.

Among other measures which are due, particularly significant are changes of custom nomenclature and its coordination with the nomenclature of EU. The legal regulations relevant to illegal logging will also be revised. It is expected that penalties for involvement in trade of illegal timber will be made more severe.

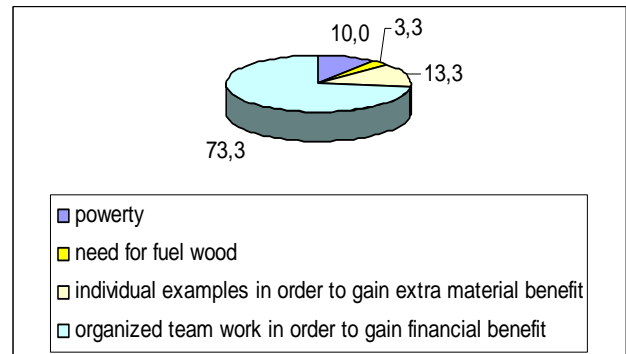
#### **4.1.3 Main Drivers**

The questionnaire included a question on the basic **motives for illegal activities in forestry** (question 21). Due to the economic difficulties experienced in the country, it was expected that poverty would be considered the most important motive for illegal activities. However, the results of the survey indicate the poverty is one of the motives but with limited significance (opinion of 13% of respondents and 10% of experts). The most important motive is the opportunity to gain financial benefits. It is also interesting that, most often, organized teams were considered to be behind illegal activities (opinion of 60% of examinees and even 73% of experts).

**Respondent opinion**



**Expert opinion**



The respondents were also asked **about the first steps that the Government should take to combat illegal activities in forestry** (question 27). In their view, the most important measure is to improve the quality of laws (30%). On the other hand, considering all answers, it appears that the respondents consider disrespect of laws a bigger problem than the low quality of laws. Among first steps the respondents also identified **stronger inspection and control** (20%), **more severe punishments** (20%), **salary increase for employees in inspection** (10%), and **better protection of people providing surveillance and control** (10%), all of which are related to enforcement.

Assuming the results of the questionnaire correctly identify the main motives for illegal logging, the focus of Government policy which is on the improvement of the legal framework and enforcement seems appropriate. It is necessary to stress that activities related to elimination of corruption should be among these measures. Even though poverty was not considered a major motive, the potential imbalance between supply and demand of fuelwood (see ch. 3.1.3) suggests that it cannot be fully ignored. More information is needed, and if the imbalance proves real, the necessary actions would include measures aiming to close the gap between supply and demand.

#### 4.2 Legal Framework

By the Constitution of the Union State of the Serbia and Montenegro (2003), many competences of former federal state were relegated on the republic's decision level.

Among others, the competences from environmental fields with all federal laws did become a part of republic's legal system, as well as all competences of former federal state, which are not still explicitly defined by the Constitutional Charter. Federal Republic of Yugoslavia (FRY) has ratified 64 international environmental agreements and a few of them are closely related to forestry and forest protection.

The legal system pertinent to environmental protection in the Federal Republic of Yugoslavia, now in Serbia and Montenegro, comprises a large number of laws (over 150) and regulations (over 100).

At the Union level there is only the Resolution of the Union State of the Serbia and Montenegro, as a common document for both republics. Other laws such as: the Resolution on the Environmental Policy in the FRY and the Resolution on the Biodiversity Protection in the FRY and Law on GMO are now in the competency of republics and comprised in existing republic laws.

In the Republic of Serbia there are several legal acts relevant to environment, such as: Constitution of the Republic of Serbia providing the overall framework for environmental protection, Spatial Plan of the RS, Law on Environmental Protection, Law on National Parks, Law on Forests, Law on Hunting, Law on Waters, Law on Agricultural Land, Law on Seed and Seedlings, Law on Fisheries, Regulation on Environmental Impact Assessment of Facilities and Works, Regulation on Handling of Waste Products of Hazardous Substances, and others.

The key laws related to illegal logging are:

1. **Criminal Law of Republic of Serbia:** Article 160 – devastation of forests, and Article 161 – forest theft deal directly with illegal logging. Regulations that are not specific to illegal logging but apply to the various forms of it include those sanctioning criminal acts in economic sphere (fraud, misuse of authority in economy, unlicensed trade, incorrect measurement) and criminal acts in exercising official duties (misuse of official position, fraud, illegal collection and payment, fraud in position, falsifying official licenses, favoritism).
2. **Law on Forests** dedicates a whole chapter (VII) to criminal provisions detailing the consequences of various offences made by forest users or other legal persons, citizen or curators.
3. **Law on Environmental Impact Assessment** (*Off, Gazette RS, nr 135/2004*) dedicates Chapter III to criminal regulations. This law defines the responsibility and consequences of offences made by the persons charged with preparing plans and programs in forestry.

According to Table 4.1 it would appear that the part of process of selling standing timber is transparent.

**Table 4.1 Transparency of Timber Sales**

Statement	True/ false	Comment
<b><i>Awarding concessions/selling timber</i></b>		
Concessions are awarded/timber is sold predominantly through competitive bidding	true	
The public has notice and opportunity to bid before awards	true	
Several bids are presented as a rule in the bidding processes	false	
Bids are made public after awards	false	
Award rules are publicly available	true	
Unsuccessful bidders and other interested parties may challenge awards	true	
An independent internal government watchdog polices the process	false	
Forest officials must disclose financial interests in the forest sector (own and those of family members/close relatives)	false	

Statement	True/ false	Comment
<b><i>Timber harvesting and sales from valid concessions</i></b>		
Concession contracts, inventories and plans are publicly available	true	
Rules regarding forest practices concerning concession areas are publicly available	true	
Citizens may bring lawsuits or file administrative complaints to enforce concession requirements	true	
<b><i>Timber harvesting and sales from private forests</i></b>		
Forest officials have a procedure for controlling in the field timber harvesting and sales from private forests	true	
Rules regarding forest practices on private lands are publicly available and accessible to private forest owners	true	
<b><i>Transport of timber</i></b>		
Government officials have a procedure for controlling the transport of timber	true	
Government officials have a procedure for verifying the origin of timber being transported	true	
<b><i>Sales of confiscated timber</i></b>		
Records are kept on volumes and assortments of illegally procured or transported wood captured by officials	true	
Captured wood is sold in public auctions or through other kinds of public bidding	false	
Records are kept on volumes confiscated and sold as well as on prices obtained	true	
<b><i>Processing of forest products</i></b>		
Law requires licensing or registration of commercial processing facilities	true	
Government performs regular inspections of processors	false	
<b><i>Export or import of forest products</i></b>		
Customs officials trained to recognize restricted/prohibited species	false	
<b><i>Concealing revenue from forest activities</i></b>		
Forest revenue system (royalties, taxes etc.) establish a clear basis for monitoring revenue collection (volume or area based)	false	
Records are kept on logging volumes and revenue collection by defined geographic areas	true	
Periodic audits are carried out to verify that revenue collected matches with logging volumes/ areas under production	true false	
<b><i>Civil services, social, and institutional factors that influence illegal activity</i></b>		
Forestry officials regularly trained to upgrade law enforcement skills	false	
Judges and prosecutors trained in forest sector issues	false	
Forest agency is subject to independent audits		
Civil service has ethical code-of-conduct (e.g. regarding acceptance of gifts and benefits)	false	
Ombudsman or other independent mechanism responds to public complaints	–	

### 4.3 Monitoring and Control System

#### 4.3.1 Institutional Framework

A robust institutional framework is necessary to effectively combat illegal activities in forestry. The current framework suffers from a series of structural shortcomings ranging from a mild penalty regime and slow court procedures to conflicts of interest.

There are three main institutions involved in monitoring and control

- Republican body in charge of forest inspection (control over all forest properties with respect to theft and illegal activities of all property owners/managers)
- State forest enterprises (control against theft in state forest, internal control over own staff)
- Financial police (financial control of state forest enterprises)

The most significant institution, supervising the greatest part of forests in Serbia, is the **Republican body in charge of forest inspection** (in further text Forest Inspection) in the Forest Directorate of the Ministry of Agriculture, Forestry and Water Management, with 85 inspectors (and the internal control within the SE “Srbijašume“).

The commitments, rights, duties and responsibilities of the inspectors (Annex 5), are defined by general regulations (Law on the State Administration, Labour Relations Act in the State Organs), and by special Laws on specific sphere (Forest Law, Hunting Law, Law on Plant Protection, etc.). According to their statutes, forest inspectors are independent reporting only to the Chief of Forestry Inspection.

Pursuant to Article 79 of the valid Forest Law, forest inspector is authorised and obliged to:

- survey all forest works, objects, equipment and devices, as well as all the locations of felling, landing, conversion and transport from forests, or the trade of forest products;
- control the implementation and the enforcement of standards in the sphere of forestry;
- supervise the execution of forest management plans, programs and annual working plan;
- control if forest management plans of management units, programs and annual working plans are harmonised among themselves and with the general forest management plan;
- survey the books and other documents when it is necessary to control the implementation of the regulations and measures referring to forest;
- control if the wood converted in the plants for primary conversion of wood is marked and accompanied with the necessary documents;
- undertake other measures and activities for which he is authorised by special regulations.

Forest inspectors are informed of illegal activities by the forest management enterprises, by their forest ranger service, by traffic police, or by different legal and physical bodies, or by anonymous tip-offs. In all cases, forest inspection goes to the indicated location to assess whether regulations have been violated. In the forests, forest inspectors do the supervision together with a representative of the forest users. On public roads, inspectors can engage in control activities only if the police are present.

In accordance with the Law on Forests, the **Public Enterprise “Srbijašume”**, as the user of forests in state ownership, organises the protection of forests against illegal appropriation and utilisation. The protection of forests is organised through the forest protection service, pursuant to the Law, the Statute of the Enterprise and the Regulation on forest protection.

Service for forest preservation in PE “Srbijašume” encompasses 624 foresters (forest rangers) who cover an area of 773 271.73 ha (average size of forest district is ca. 1 240 ha). In the National Park “Đerdap”, there are 30 forest rangers, protecting 44 851 ha of forests (about

1 500 hectares per forest ranger), of altogether 63 680 ha, which is the area of the National Park.

External control of state owned forestry organizations is carried out by forestry inspection and **financial police**. They inspect official documents and receipts for amount, type and quality of wood. The forestry inspection is focused on activities in the field while the financial police reviews and monitors accounting procedures (Box 4.1).

The participation of the civil society in monitoring and control activities is limited. One hand, this is probably due to the fact that illegal logging has not the highest priority on their agenda. On the other hand, there is no formal mechanism enabling their participation. The interviewed representatives of the civil society considered that they have a reasonably good access to forest sector data. However, data is often provided informally and no formal procedure is in place.

#### **Box 4.1      Example of Successful Control System**

The National Park Fruska Gora, Forest administration Vrdnik has introduced a system which can be considered an example of **successful control of illegal logging**.

An employer of this administration started a pilot project to supervise forest warehouses and roads. The system is based on electronic devices including sensors for movement and temperature which are placed on the approach to the ramp on forest roads and warehouse.

With this system, the administration is able to monitor day and night, from one centre, the entire surface covered with sensors. The main advantage of the system is that illegal logging activities can be detected immediately and the police can be called in quickly, even when the illegal activities are still underway. After the system was introduced, the efficiency of detection and enforcement has increased substantially.

In recent times “Srbijašume” along with Serbian Ministry of Internal Affairs (MIA), and Serbian and Montenegrin Armed Forces, have undertaken some measures to protect forests from theft in the region along the administrative line. These activities include, *inter alia*:

- enhancing control and protection of the forests in the region along the administrative line;
- increasing the number of the foresters and recruitment of one forester of Albanian nationality in the region of Forest Administrative Units Bujanovac, Preševo i Medveđa;
- collaboration in conducting field controls with representatives of the Security Forces and identification of illegal felling localities, as well as the notification of the responsible institutions over the problems of illegal felling in the region of Vranje, Leskovac and Kuršumljia Forestry Estates;
- providing improved equipment and other facilities for the specified services of PE "Srbijašume" (marking the trees for logging, logging, damage diagnostic etc.) on the part of Serbian Ministry of Internal Affairs, Community Police from Vranje, Leskovac and Kuršumljia; (clarify, I don't really understand this)
- confiscation of equipment used for illegal felling and filing criminal charges against the perpetrators.

### 4.3.2 Deficiencies in the System

#### *Forestry organizations*

The official view is that the court system works efficiently, there is good co-operation between forest officials and the judicial system, and corruption has only limited impact on the enforcement system. However, the picture emerging from this investigation is quite different. The analysis of the survey and interviews with various stakeholders suggest that the efficiency of the monitoring and control system is low.

Internal control in forestry organizations officially exists, but due to the high level of corruption is totally inefficient. The single cases of illegal felling and hunting that have been reported on, are rather the outcome of internal conflicts between individuals or “teams” than examples of effective and genuine fight against corruption.

Forestry inspection and Financial Police carry out financial control over the state forest enterprises based on documentation. However, these documents can be manipulated, especially undergrading is a common practice. Based on our subjective assessment, undergrading may represent about 30% of all illegal activities in forestry.

Regarding private forests, there are no adequate mechanisms to protect them. Forest owners are not organized, and often live in towns far from their property. In case of theft, police rarely seriously intervenes, forestry inspection does not have the competence to intervene, and security service for private forests does not exist. Illegal logging carried out by the forest owners may sometimes be encouraged to the fact that owners wish to avoid the bureaucracy involved in obtaining harvesting permits. The formal procedure may be time consuming and cumbersome considering the small timber volumes that the private forests yield.

Regarding the resources for forest inspection, transportation is a key problem. Data obtained informally (submitted in the interviews and questionnaires) indicates that, despite the fact that forest inspectors have recently obtained 25 new vehicles, forest inspection has only about half of the necessary number of vehicles. If a vehicle is available, a forest inspector has about 2 500 dinars (ca. USD 40) for fuel monthly, and the area surveyed is extensive. In the poorer regions of Serbia, the situation is often even more difficult. In the Bor district forest inspector covers the area of about 1 000 km<sup>2</sup> but he has no vehicle and public transport in the area is very poorly developed.

The average salary of the inspectors vary from EUR 250-350, which can be considered low compared to the value of illegal activities they are intended to combat. This is an obvious incentive for corruption.

#### *Enforcement disincentive*

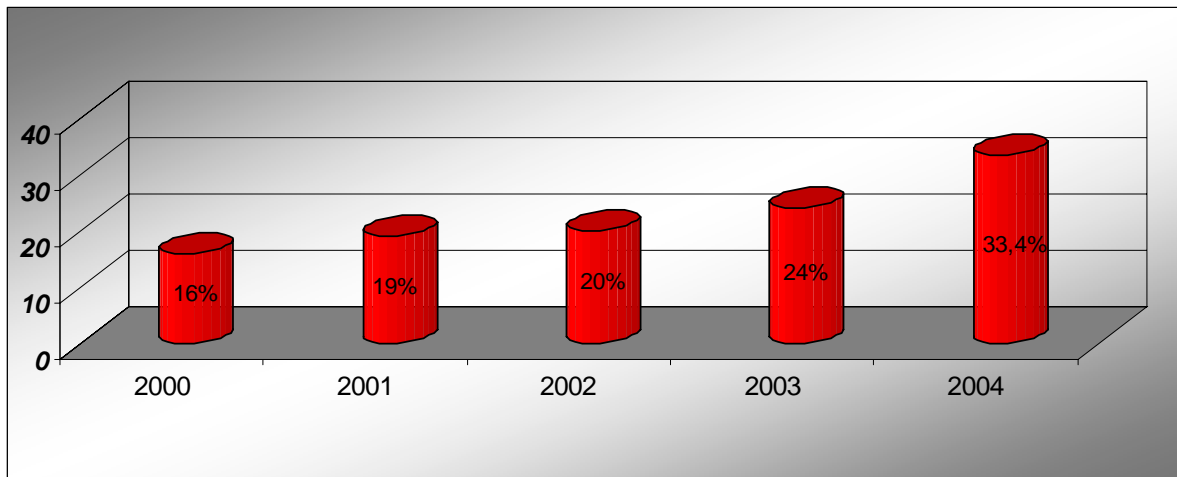
The “chain of enforcement” consisting of detection of illegal activities, prosecution, conviction and enforcement is weak in all of its components. The low probability of punishment may encourage illegal activities, at least those which are commercially-oriented and for which the main motivation is financial benefit (Box 4.2).

The probability of **detecting the perpetrators of illegal activities**, according to the polled, and based on the interviews of the employees of two forest estates (in state forest enterprises) and the National Park, is 50%. Average duration of a court trial, according to the Directors of the Forest estates “Kučevo” and “Vranje”, is 2-3 years, while for the National Park it averages 6 months to 1 year!

The statistics on the activities of forestry and hunting inspectors for year 2004 is illustrative of the situation with respect to courts. Only 24% of the court cases based on Forest Law and dating back to the period 2000-2003 have been resolved. None of the cases brought to trial in 2004 have been resolved (Annex 13).

PE “Srbijašume” has been more successful in this respect. In 2004, they brought 1 448 cases to court, of which 33.4% were resolved. In addition, the proportion of resolved cases is rising from year to year (Figure 4.1).

**Figure 4.1 Trend number of applications and% of solved applications, PE Srbijašume (2000 – 2004)**



Source: PE “Srbijašume”

Penalties can be considered mild to the extent that they encourage illegal activities. In some cases, the perpetrators themselves have reported illegal activities to forest guards, because the expected fine was less (about USD 15) than the benefit. By paying the fine, they “legalize” the illegally cut trees.

## Box 4.2 Profitability of Illegal Logging Versus Legal Logging

The motives behind illegal activities may be illustrated by assessing the “profitability” of illegal logging for a private forest owner. The basic data for the calculation below was derived from available statistics and the results of the questionnaire survey. In the calculation a “disenforcement incentive” is calculated based on the probability that illegal loggers have to pay a fine. This is considered one of the “costs” of illegal logging (along with other costs). According to the calculation, the “disenforcement incentive” for private forest owners is negligible, USD 0.01 per m<sup>3</sup>.

The profitability is estimated by comparing the benefits and costs of illegal logging to those of illegal logging. The results shows, that for an average private forest owners the profitability ratio is 1.33. In other words, the profit from illegal logging is 33% higher than for illegal logging. The model assumes a rationality oriented solely towards profit-making and it is therefore more relevant to commercial illegal activities and less for illegal activities that are driven by subsistence needs.

### COMPARISON OF ENFORCEMENT OF DISINCENTIVE AND PROFIT FROM ILLEGAL LOGGING

#### ENFORCEMENT DISINCENTIVE

Average timber volume involved in illegal logging incident (m <sup>3</sup> )	10.00	
Probability of detection of illegal logging	0.10	
Probability of prosecution given detection	0.10	0.010
Probability of conviction given prosecution	0.30	0.003
Probability of enforcement of penalty given conviction	0.90	0.003
Average value of penalty (USD)	25.00	
Enforcement disincentive (non-discounted)	0.07	
Average time elapsed from detection to conviction (days)	365.00	
Discounting factor	25.00	
Enforcement disincentive (USD)	0.05	
<b>Enforcement disincentive (USD per m<sup>3</sup>)</b>	<b>0.01</b>	

#### NET PROFIT FROM ILLEGAL LOGGING

Average sales price of illegally harvested timber (USD per m <sup>3</sup> )	23.00
Average cost of illegal felling and transport (direct cost + corruption, USD per m <sup>3</sup> )	15.00
Average net profit for illegally harvested timber (USD per m <sup>3</sup> )	8.00
Enforcement disincentive (USD per m <sup>3</sup> )	0.01
<b>Profit from illegal logging (USD per m<sup>3</sup>)</b>	<b>7.99</b>

#### NET PROFIT FROM LEGAL LOGGING

Average sales price of legally harvested timber (USD per m <sup>3</sup> )	25.00
Average cost of legal felling and transport (USD per m <sup>3</sup> )	18.00
Average fees and taxes in legal logging (USD per m <sup>3</sup> )	1.00
<b>Average net profit for legally harvested timber (USD per m<sup>3</sup>)</b>	<b>6.00</b>

<b>Profitability ratio (illegal vs. legal logging)</b>	<b>1.33</b>
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## 5 CONCLUSIONS AND RECOMMENDATIONS

Forestry and forest industries sector have always played a significant role in Serbia, ensuring the survival and basic livelihoods of the rural population during periods of crisis. In recent times, the relative importance of these sectors has diminished, but they are still making a significant contribution to the socio-economic development of the country, especially in the rural areas. Unfortunately, their role is not fully recognized, and the problems encountered in these sectors such as illegal logging, receive less attention than they deserve.

The main drivers behind illegal logging are lax enforcement of laws and regulations and insufficient legal supply of fuelwood. In state forests, there are two types of illegal logging (i) theft by outsiders, and (ii) illicit logging facilitated by corruption. The official statistics capture mainly theft, the volume of which is limited (in state forests about 0.4% of the total harvesting volume). However, a survey among stakeholders suggests that illegal logging related to corruption may be much more significant than theft. One third estimates that the total volume of illegal logging is 5-10% of the legal harvesting volume, another third is of the view that it is more than 10%. Corruption-related illegal logging does not necessarily involve physical removal of trees; instead, common practices include undergrading and underpricing of logs.

The weakness of enforcement stems from lack of resources, shortcomings in the structure of the supervision mechanism, and, the inefficiency of the court system. There is a special problem in the area adjacent to the administrative frontier to Kosovo and Metohija where Serbian authorities lack enforcement rights. Elsewhere, lack of vehicles and fuel constrain the work of forest inspectors. There is also insufficient attention to financial audits. The main problem is that financial audits depend solely on documentation and the correctness of data is not verified against actual activities in the forest. The court procedures are slow, inefficient and not necessarily neutral; only a small percentage of cases brought to trial by the Forest Inspection result in a conviction. The penalties are also mild; the fine value is often less than the economic gain from illegal activities. The verdicts delivered by the courts are often from the lower end of the penalty scale.

Heavy dependence on fuelwood in rural areas is likely to encourage illegal logging. Most rural households and in particular those in Central and South Serbia, depend almost totally on forests for their fuelwood needs for heating and cooking. Reliable estimates on the overall demand for fuelwood are lacking, but it is possible that the demand exceeds the legal supply by a large margin. Alternative energy sources, electricity or gas, are more expensive than fuelwood and their prices have been on the increase despite government subsidies. This energy consumption pattern emphasizing fuelwood use has been in place for a long time in the rural areas and most likely will remain so in the future. Lacking alternative sources of energy, illegal logging may be the only option available for the rural population. The option of removing energy subsidies has been evoked in the policy discussion, and if this materializes, the pressure on fuelwood resources will further increase.

The largest volume of illegally removed trees is estimated to come from private forests. The officially recorded harvesting volume in private forests is about 20% of total harvesting volume in the country; another 20% could be extracted illegally without proper documentation. One of the reasons is that private woodlots are very small (average 0.3 ha) and many private forest owners living far from them lack resources and interest to protect

them against theft. Private forest owners may also circumvent regulations because the legal procedures related to harvesting (issuance of harvesting permits etc.) are excessively cumbersome and time consuming considering the small harvesting volumes.

On the positive side, the legal framework has improved significantly with the introduction of Value Added Tax in 2005. It is expected to significantly facilitate the combat against illegal logging. One major gap in the current legislation is the large discretionary power of forest officials. Even though they probably seldom exercise this right, the forestry officials have, in principle, large powers to overrule regulations and “legalize” illegal activities.

With respect to data access, the state forest sector appears reasonably transparent. Interviewed stakeholders indicated that they have reasonably good access to data concerning state forest management, even at site level. Often, however, information is provided informally and lack of established, formal procedures may prove a stumbling block in conflict situations.

Illegal logging is a reflection of shortcomings in governance structures and the forest sector is not alone with these problems. However, solving them may be prove difficult if the forest sector acts alone. Pervasive, cross-sectoral problems such as corruption are often best tackled as a broad undertaking involving several sectors and higher levels of government. To enhance the effectiveness of its efforts to reduce illegal logging, the forest sector should seek collaboration with other sectors and initiatives already implemented in the country and the region.

## **5.1 Action to Reduce Illegal Logging**

### **5.1.1 Short-term Measures**

Recommendation for measures and activities for forest protection in state forest:

- PE “Srbijašume” along with Security Forces should continue collaborating in forest protection along the administrative line with Kosovo and Metohija
- the adopted Report on illegal felling in Forest Estates Vranje, Kuršumljija and Leskovac should be submitted to the Serbian Government, Serbian and Montenegrin Armed Forces General Staff, Ministry of Internal Affairs, Ministry of Agriculture, Forestry and Water Management, Ministry of Science and Environmental Protection (Article 69, Law on forests regulate: “In case illegal appropriation poses a major risk for forests, Serbian Government can initiate special measures for forest protection in the area at risk<sup>(4)</sup>), with the proposition to inform representatives of KFOR and UNMIK of the status of illegal logging in this area, and also to request damage compensation from the international community for the destruction of the forest treasure of one country.

### **5.1.2 Longer-term Measures**

The forest sector bears the main responsibility for the combat against illegal logging. However, the problem is broad with links to other sectors and higher levels of government and to enhance the effectiveness of the combat, collaboration with other sectors must be sought. The following measures are proposed:

In the forest sector:

- strengthening arrangements for monitoring and supervision by organizing intensive audits that combine financial analysis with field checks; to ensure a high level of professionalism these audits should be carried out jointly by the Financial Police and Forest Inspection;
- reviewing the penalty code related to illegal logging to ensure that penalties are proportionate to the damage caused and effectively discourage illegal activities;
- conducting a detailed assessment of fuelwood demand/supply balance taking advantage of the results of national forestry inventory becoming available in 2006; if the analysis shows a deficit in fuelwood supply, the opportunities to enhance the legal supply of fuelwood should be evaluated;
- enhancing further the transparency of state forest administration by establishing formal procedures for providing public access to forest management data;
- simplification of procedures related to harvesting in private forests (e.g. issuance of permits after harvesting combined with random field checks);
- collaboration with other sectors and projects aiming to reduce corruption and improve governance in the public administration, and;
- awareness raising and education of public and the media of issues involved in illegal logging.

In other sectors:

- development of the court system to ensure a neutral and expedient handling of cases, and;
- aggressive promotion of alternative sources of energy in the rural areas. This is particularly important if energy subsidies are abolished.

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*www.natureprotection.org.yu*  
*www.recyu.org*  
*www.srbijasume.co.yu*

## LIST OF EXAMINEES

1. **Aleksandar Vasiljević**, Serbian Ministry of Agriculture, Forestry and Water Management - Directorate of Forests – *Director*
2. **Predrag Aleksić, Ph. D.**, PE “Srbijašume”, Belgrade, Sector for Forest Tending and Protection - *Executive director*
3. **Vojislav Janković**, PE “Srbijašume”, Belgrade, Sector for Forest Utilization - *Executive director*
4. **Novica Milojković**, Serbian Ministry of Agriculture, Forestry and Water Management Directorate of Forests, Department for Strategic Planning - *Chief*
5. **Stevo Sekulić**, Serbian Ministry of Agriculture, Forestry and Water Management, Directorate of Forests, *Sector Private Forests*
6. **Radivoje Kaurin**, Serbian Ministry of Agriculture, Forestry and Water Management - *Coordinator for management survey*
7. **Živko Radosavljević**, Serbian Ministry of Agriculture, Forestry and Water Management, Directorate of Forests – *Advisor for forestry and hunting*
8. **Nenad Radaković**, PE ”National Park Djerdap” - *General Director*
9. **Tomislav Kuljanin**, PE ”National Park Djerdap” - *Assistant General Director*
10. **Maksimović Milanko**, PE ”National Park Djerdap”, Office for Forest Management - *Chief*
11. **Milorad Đaković**, PE ”National Park Djerdap”, Forest Management Unit “Dobra” – *Chief*
12. **Pero Zeljković**, Forestry Estate “Kučevo” - *Director*
13. **Ninoslav Jovanović**, Serbian Ministry of Agriculture, Forestry and Water Management Directorate of Forests - *Republic forestry inspector*
14. **Nenad Petrović**, Serbian Ministry of Agriculture, Forestry and Water Management Directorate of Forests - *Republic forestry inspector*
15. **Paraskeva Petrović**, Serbian Ministry of Agriculture, Forestry and Water Management, Directorate of Forests - *Republic hunting inspector*
16. **Slobodan Božović**, Serbian Ministry of Agriculture, Forestry and Water Management Directorate of Forests - *Republic forestry inspector*
17. **Gordana Jančić**, PE “Srbijašume”, Belgrade, Sector for Forestry, Nature and Environment Protection - *Superintendent*
18. **Branko Rađenović**, PE “Srbijašume”, Belgrade, Sector for Roads - *Superintendent*
19. **Mile Vanić**, PE “Srbijašume”, Belgrade
20. **Toković Zoran**, PE “Srbijašume”, Belgrade, Sector for Private Forests - *Superintendent*
21. **Živko Injac**, PE “Srbijašume”, Belgrade, Sector for Tending and Protection of the Forests - *Superintendent*
22. **Petar Nećak**, PE “Srbijašume”, Belgrade, Intern control and fishery
23. **Đuro Ljubišić**, PE “Srbijašume”, Belgrade
24. **Vlado Čokeša**, Forestry Institute, Belgrade
25. **Bratislav Matović**, Forestry Institute, Belgrade
26. **Goran Vučetić**, PE “Vojvodinašume”, Forestry Estate “Banat-Pančevo” – *Officer for taxation and forest management*
27. **Aleksandra Petrović**, Forestry Estate “Kučevo” - *Officer for tending and protection of the forests*
28. **Maja Životić**, Forestry Estate “Kučevo”
29. **Jelena Ristić**, Forestry Estate “Kučevo”
30. **Veljko Dorđević**, Forestry Estate “Loznica”



**4. SPECIFY MOST IMPORTANT EXAMPLES OF CORRUPTION AND ILLEGAL ACTIVITIES IN THE CONTEXT OF ILLEGAL FELLINGS:**

- A. ....  
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- B. ....  
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- C. ....  
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- D. ....  
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- E. ....  
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- F. ....  
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**5. HOW YOU COLLECT INFORMATION REGARDING THE SIZE OF ILLEGAL FELLING?**

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**6. HOW BIG IS THE SIZE OF ILLEGAL FELLING EXPRESSED IN PERCENTAGE OF TOTAL HARVESTED WOOD VOLUME IN ORGANISATION WHERE YOU WORK, ACCORDING TO YOURS OPINON? (ENCIRCLE)**

- A. LESS THAN 1%
- B. 1 -5%
- C. 6-10%
- D. OVER 10%

**7. ACCORDING TO YOURS OPINION, HOW MUCH (IN PERCENTAGE) FROM REGISTERED AMOUNT OF ILLEGALLY HARVESTED WOOD STAY WITHOUT EVIDENCE? (ENCIRCLE)**

- A. NOTHING, EVERYTHING IS RECORDED
- B. LESS THAN 1%
- C. 1-5%
- D. 6-10%
- E. 11-15%
- F. 16-20%
- D. MORE THAN 20%

**8. WHAT ARE THE REASONS FOR POTENTIAL IMPOSSIBILITY TO RECORD ALL ILEGALLY HARVESTED WOOD MASS?**

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**9. SPECIFY AREAS WHEREAS THE ILLEGAL FELLINGS ARE MOSTLY REPORTED (NEAR THE SETTLEMENTS, VILLAGES, ROADS, ISOLATED PARTS WITH LESS CONTROLE, ETC.).**

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**10. ARE THERE ANY RECORDS OF ILLEGAL FELLING IN PROTECTED AREAS (SPECIAL RESERVATION OF NATURE, AREAS AND PROTECTION ZONES ETC)?**

YES NO (ENCIRCLE)

**11. ARE ILLEGAL FELLINGS OF RARE, ENDANGERED OR VALUABLE SPECIES OF THE TREES (RELIKTS, BROADLEAVES, ETC) PRESENT?**

YES NO (ENCIRCLE)

**12. IN WHICH EXTENT (IN PERCENTAGE) FALLEN, WIND THROWN, BREAKEN, COMPLETELY OR PARTIALY DRY TREES ARE ILEGALLY TAKEN OUT OF THE FORESTS?**

- A. LESS THAN 1%
- B. 1-10%
- C. 11-20%
- D. 20-30%
- E. MORE THAN 30%

**13. IS IT NOTICABLE DELIBERATE »RING BARK« OF THE TREES IN ORDER TO INDUCE RAPID DRYING OF THE TREE?**

YES NO (ENCIRCLE)

**14. WHAT ARE THE MOST IMORTANT ILEGAL ACTIVITIES IN HUNTING?**

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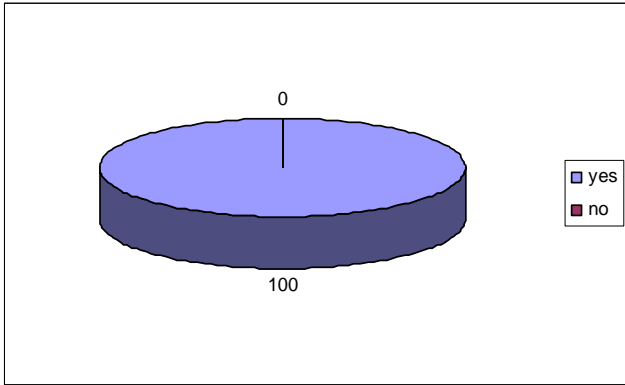
**26. WHAT ARE THE FIRST MOVES AND MEASUREMENTS YOU EXPECT BY GOVERNMENT IN ORDER TO SUPRESS ALL MENTIONED ILLEGAL ACTIVITIES?**

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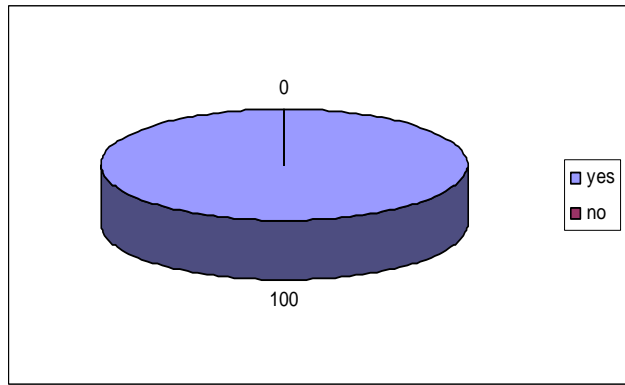
**QUESTIONNAIRE AND RESULTS OF QUESTIONNAIRE**

**1. ACCORDING TO YOURS OPINION, DOES THE CORRUPTION, ILLEGAL FELLING, POACHING AND OTHER ACTS OF ILLEGAL MATERIAL BENEFIT ACQUISITION OCCUR IN FORESTRY?**

**Examine opinion**

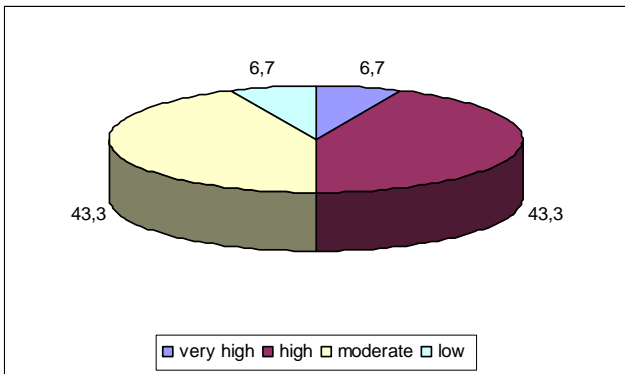


**Experts opinion**

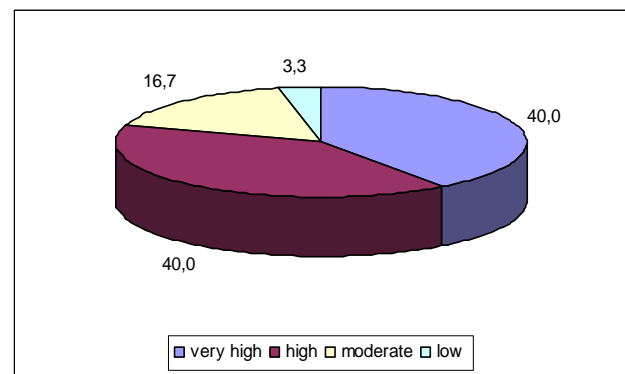


**2. IF THEY EXIST, IN WHICH EXTENT ACCORDING TO YOURS OPINION, MENTIONED ILLEGAL ACTIVITIES OCCUR?**

**Examine opinion**

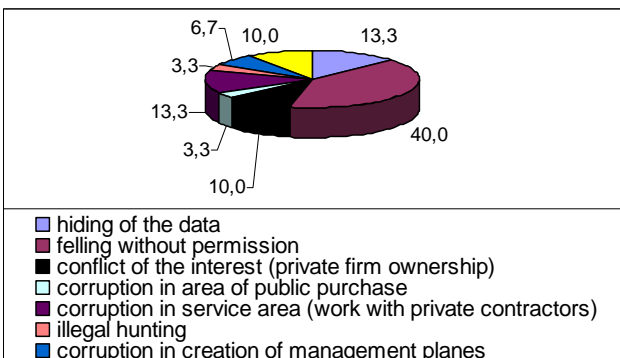


**Experts opinion**

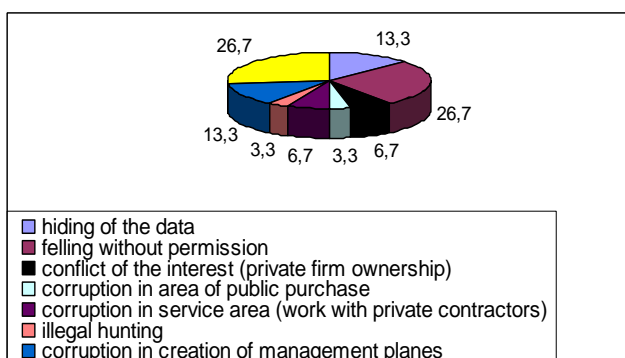


**3. WHAT ARE, ACCORDING TO YOURS OPINION GENERALLY MOST IMPORTANT FORMS OF ILLEGAL ACITIVITES IN FORESTRY?**

**Examine opinion**

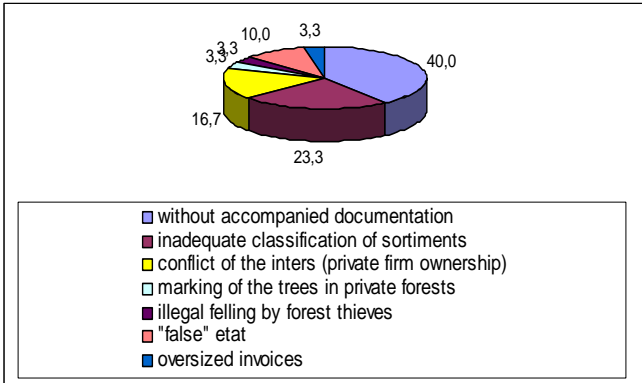


**Experts opinion**

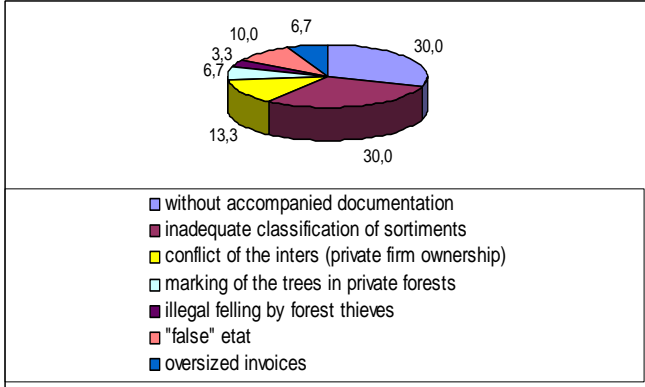


**4. SPECIFY MOST IMPORTANT EXAMPLES OF CORRUPTION AND ILLEGAL ACTIVITIES IN THE CONTEXT OF ILLEGAL FELLINGS?**

**Examine opinion**

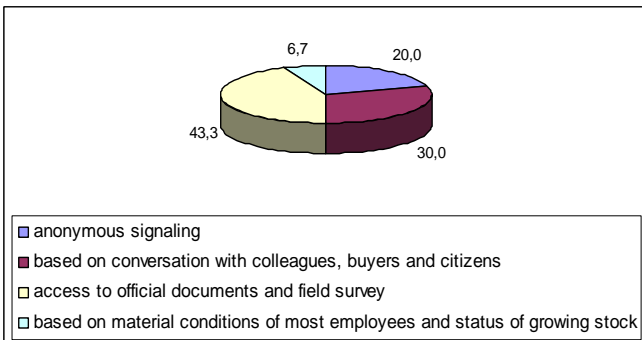


**Experts opinion**

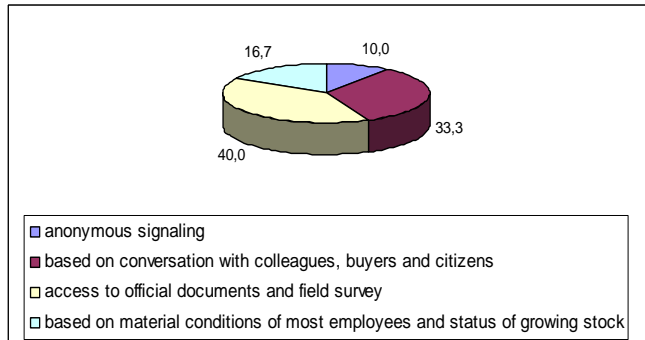


**5. HOW YOU COLLECT INFORMATION REGARDING THE SIZE OF ILLEGAL FELLING?**

**Examine opinion**

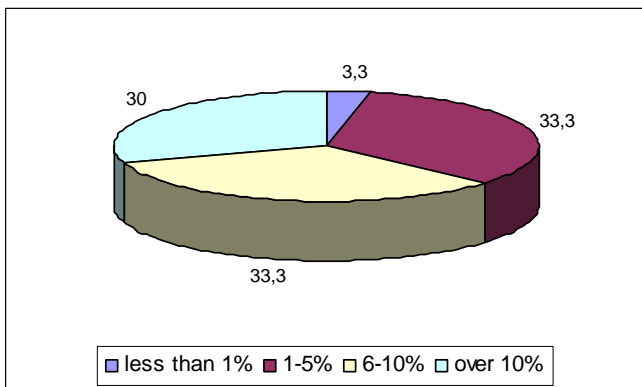


**Experts opinion**

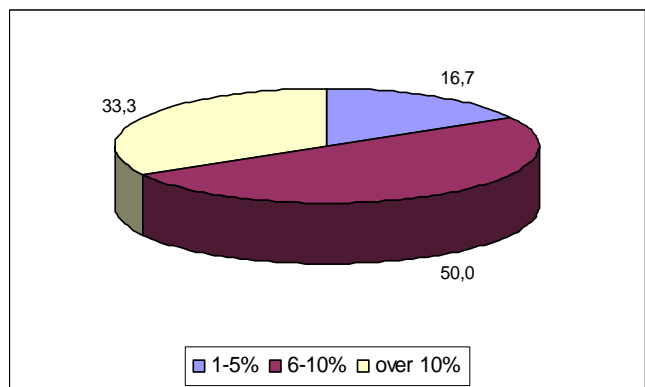


**6. HOW BIG IS THE SIZE OF ILLEGAL FELLING EXPRESSED IN PERCENTAGE OF TOTAL HARVESTED WOOD VOLUME IN ORGANISATION WHERE YOU WORK, ACCORDING TO YOURS OPINON?**

**Examine opinion**

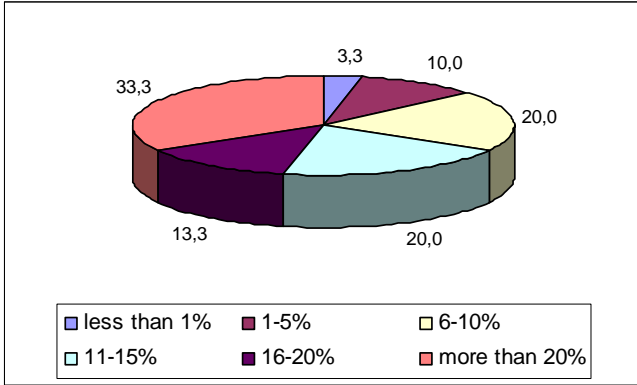


**Experts opinion**

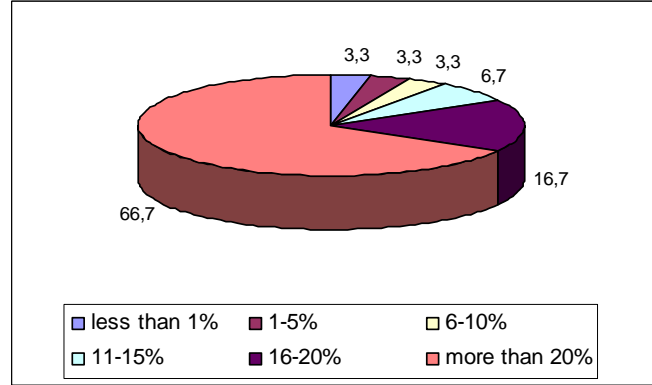


**7. ACCORDING TO YOU IS OPINION, HOW MUCH (IN PERCENTAGE) FROM AMOUNT OF ILLEGALLY HARVESTED WOOD STAY WITHOUT EVIDENCE?**

**Examine opinion**

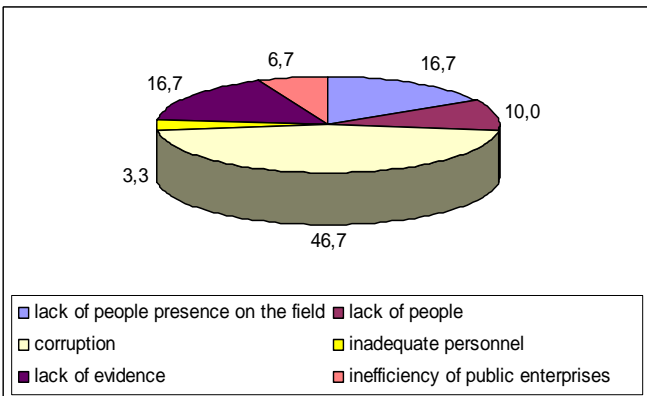


**Experts opinion**

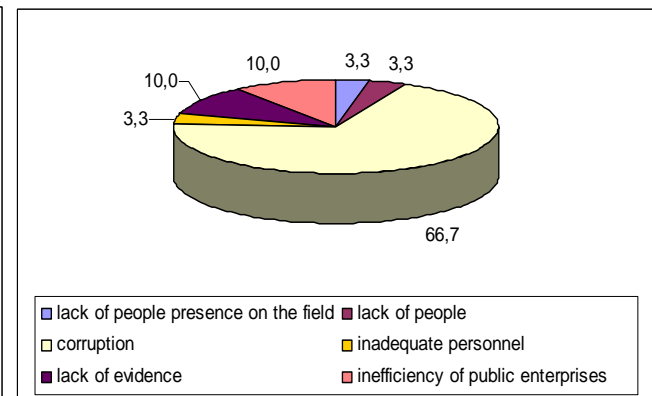


**8. WHAT ARE THE REASONS FOR POTENTIAL IMPOSSIBILITY TO RECORD ALL ILEGALLY HARVESTED WOOD MASS?**

**Examine opinion**

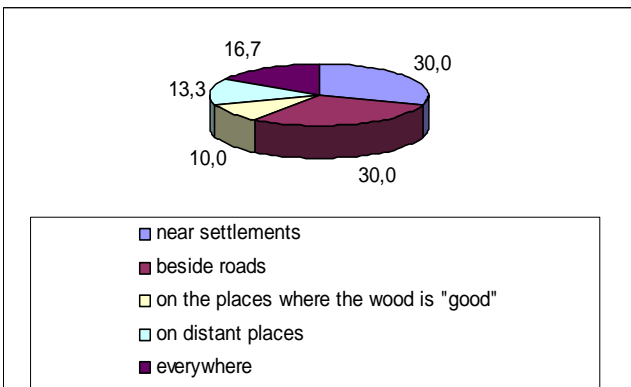


**Experts opinion**

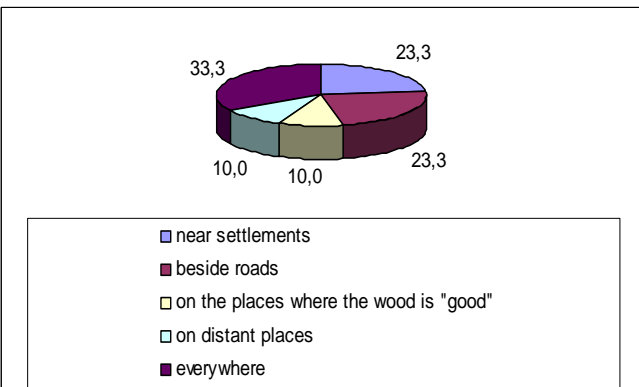


**9. SPECIFY AREAS WHEREAS THE ILLEGAL FELLINGS ARE MOSTLY REPORTED (NEAR THE SETTLEMENTS, VILLAGES, ROADS, ISOLATED PARTS WITH LESS CONTROLE, ETC.)?**

**Examine opinion**

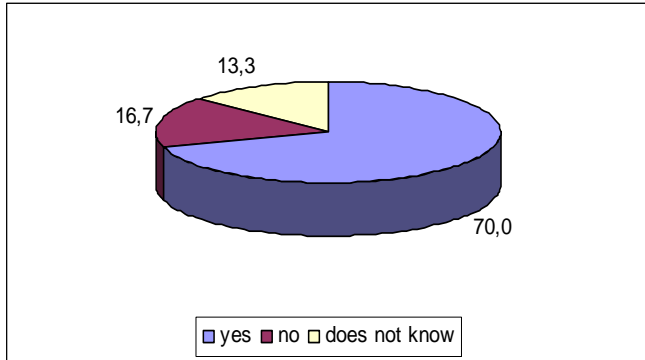


**Experts opinion**

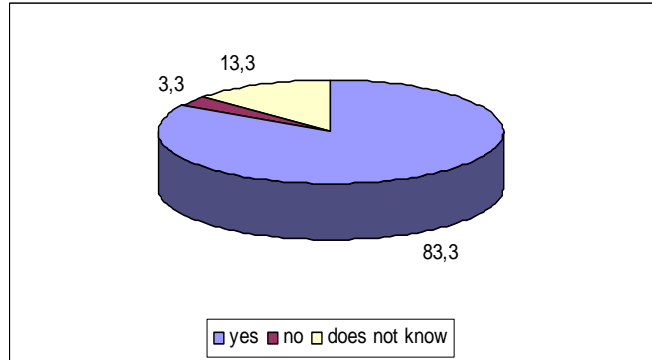


**10. ARE THERE ANY RECORDS OF ILLEGAL FELLING IN PROTECTED AREAS (SPECIAL RESERVATIONS OF NATURE, PROTECTED AREAS, ETC)?**

**Examine opinion**

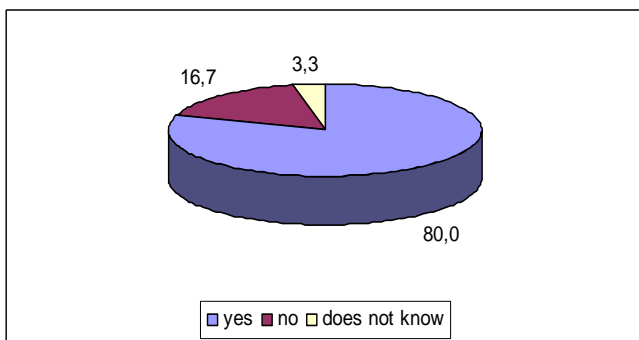


**Experts opinion**

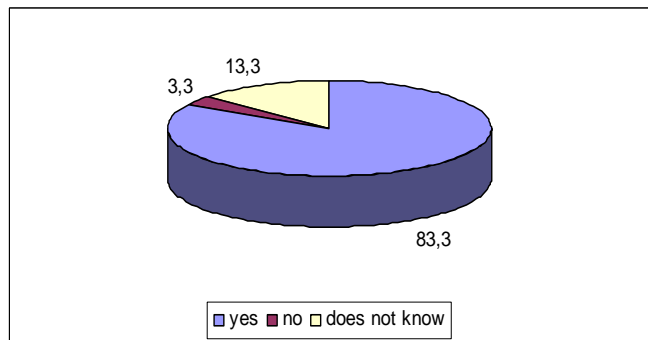


**11. ARE ILLEGAL FELLINGS OF RARE, ENDANGERED OR VALUABLE SPECIES OF THE TREES (RELIKTS, BROADLEAVES, ETC) PRESENT?**

**Examine opinion**

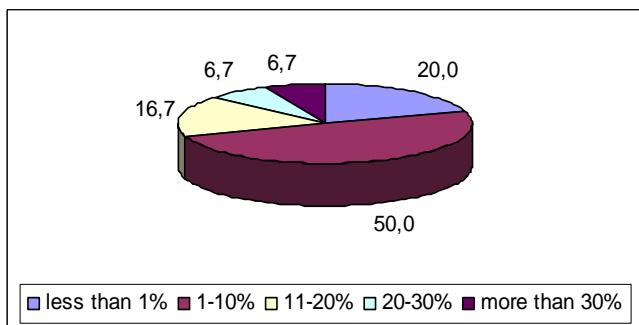


**Experts opinion**

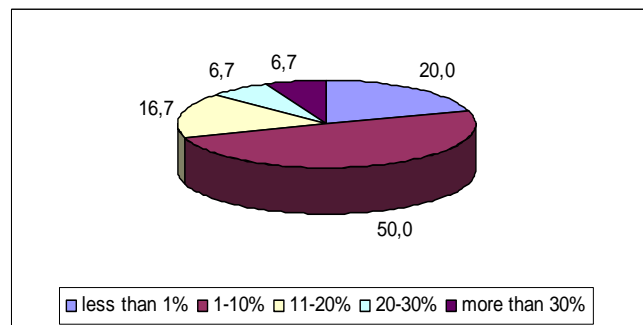


**12. IN WHICH EXTENT (IN PERCENTAGE) FALLEN, WIND THROWN, BROKEN, COMPLETELY OR PARTIALY DRY TREES ARE ILLEGALY TAKEN OUT OF THE FORESTS?**

**Examine opinion**

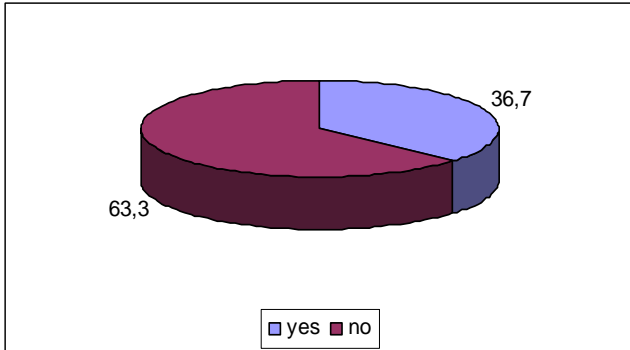


**Experts opinion**

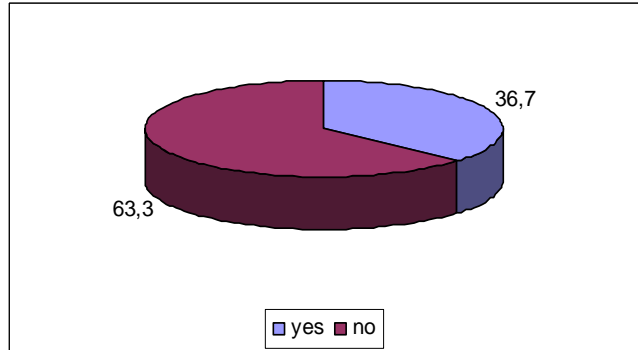


**13. IS IT NOTICABLE DELIBERATE »RING BARK« OF THE TREES IN ORDER TO INDUCE RAPID DRYING OF THE TREE?**

**Examine opinion**

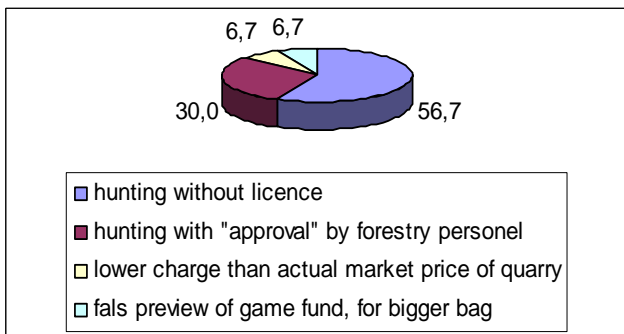


**Experts opinion**

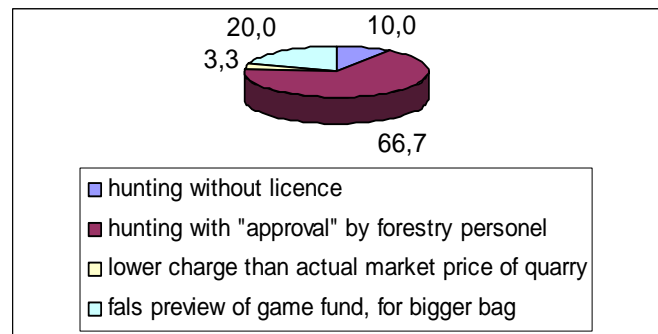


**14. WHAT ARE THE MOST IMPORTANT ILLEGAL ACTIVITIES IN HUNTING?**

**Examine opinion**

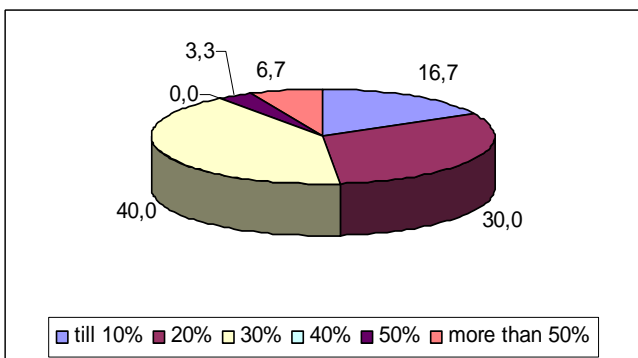


**Experts opinion**

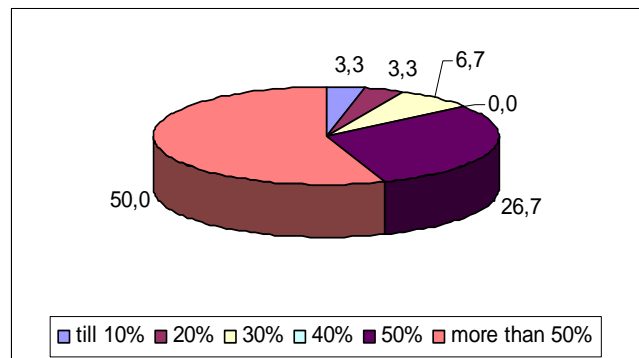


**15. IN WHICH EXTENT (%) ILLEGAL ACTIVITIES IN HUNTING APPEARS IN RELATION TO OVERAL VARIETY OF ILLEGAL ACTIVITIES.**

**Examine opinion**

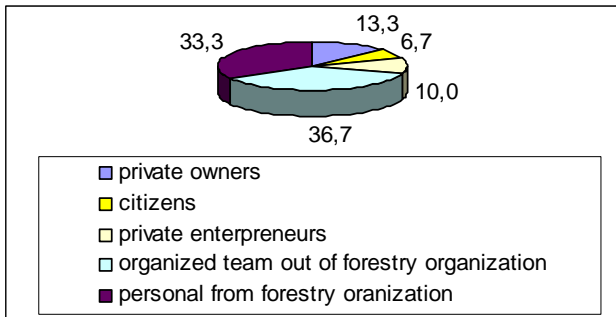


**Experts opinion**

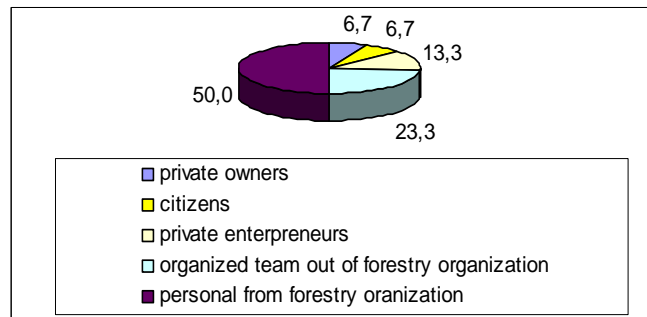


**16. IN RELATION WITH OVERALL EXTENT OF ALL ILLEGAL FELLING AND HUNTING ACTIVITIES, WHO ARE THE MOST IMPORTANT ACTORS IN THIS ILLEGAL ACTS (ACCORDING TO YOURS OPINION EXPRESSED IN PERCENTAGE)?**

**Examine opinion**

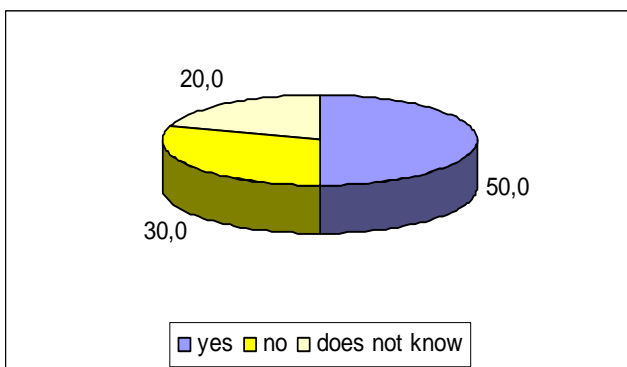


**Experts opinion**

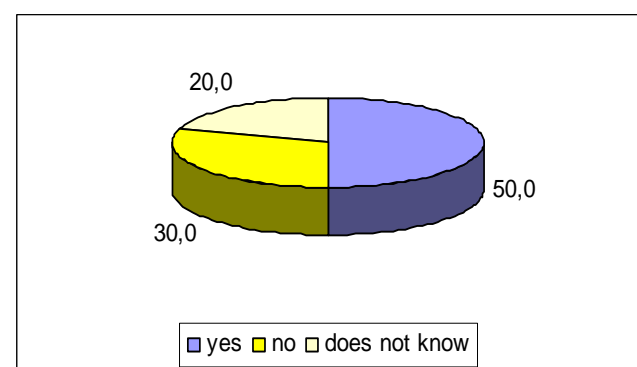


**17. ARE ILLEGAL EXPLOTATAIONS OF RARE PLANTS, BIRDS SPECIES AND OTHER ANIMALS RECORDED IN THE SURVAILANCE AREA OF YOURS ORGANISATION?**

**Examine opinion**

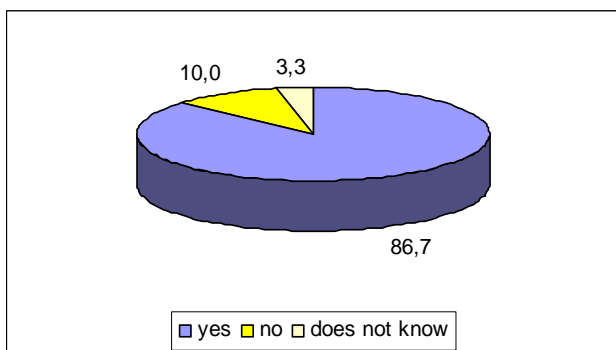


**Experts opinion**

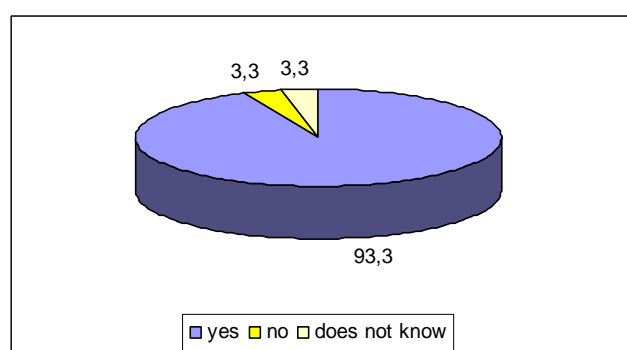


**18. ACCORDING TO YOURS OPIONION, DOES ISSUING OF FALSE DECLARATIONS ABOUT THE TYPE, AMOUNT, VALUE AND ORIGIN OF HARVESTED WOOD IN FORESTRY EXIST?**

**Examine opinion**

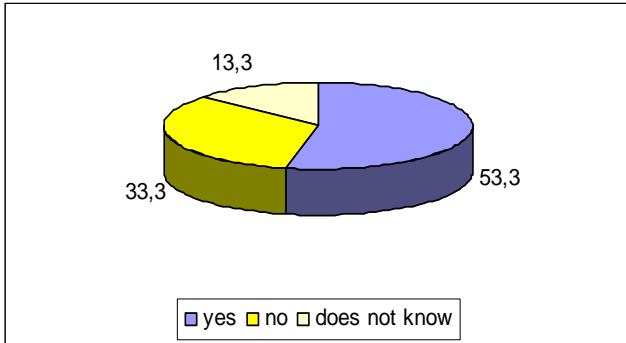


**Experts opinion**

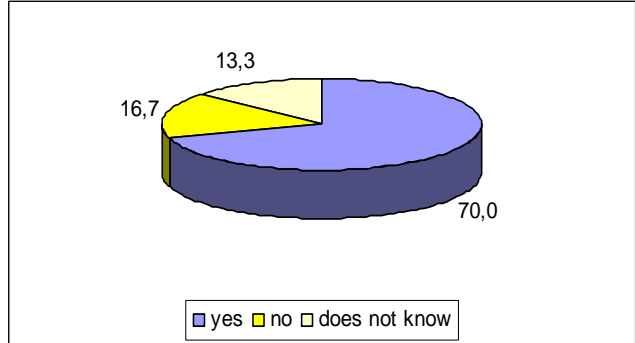


**19. ACCORDING TO YOURS OPPIONION, DOES ISSUING OF FALSE PRICELISTS FOR DIFFERENT PRODUCTS AND SERVICES IN FORESTRY EXIST?**

**Examine opinion**

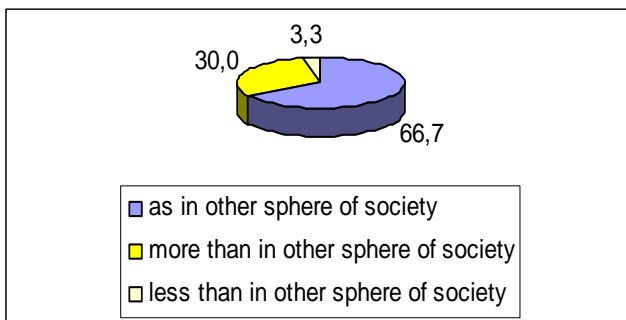


**Experts opinion**

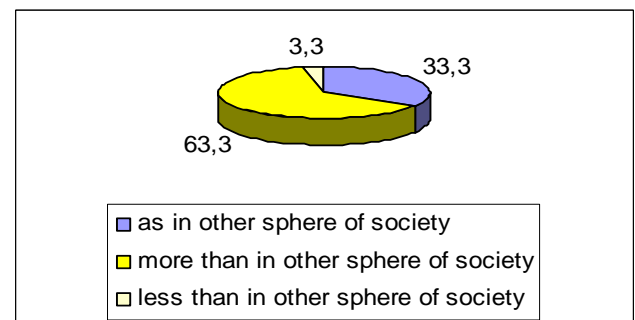


**20. ESTIMATE LEVEL OF CORUMPTION IN FORESTRY?**

**Examine opinion**

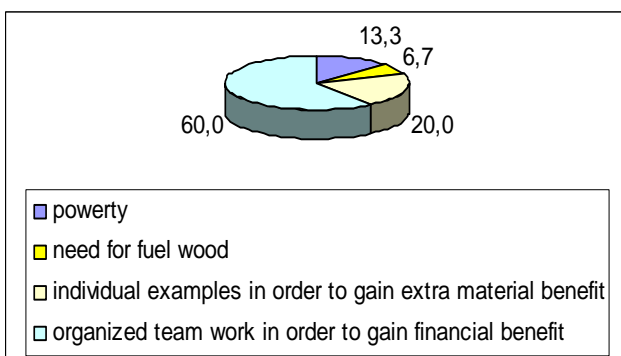


**Experts opinion**

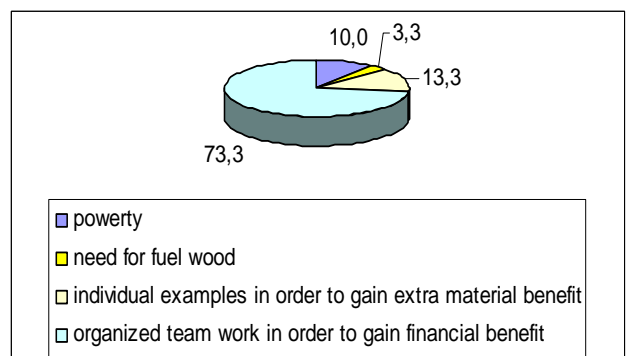


**21. WHAT ARE THE MAIN MOTIVES FOR ILLEGAL ACTIONS IN FORESTRY (EXPRESS PERCENTAGE RELATIONS)?**

**Examine opinion**

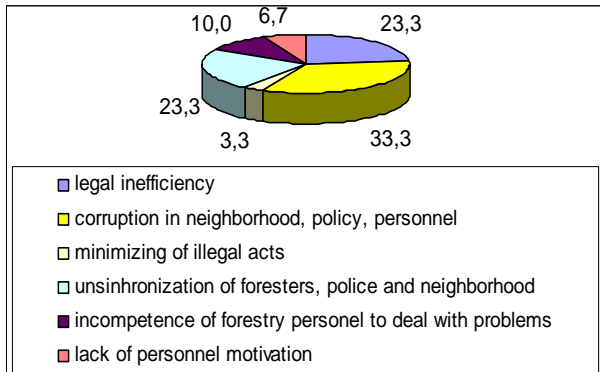


**Experts opinion**

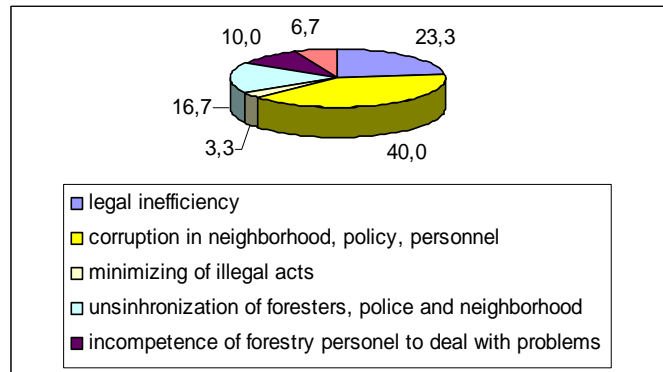


**22. WHAT ARE, FOR YOU THE MOST IMPORTANT BARRIERS AND PROBLEMS IN ORDER TO RESTRAIN MENTIONED ILLEGAL ACITIVITIES?**

**Examine opinion**

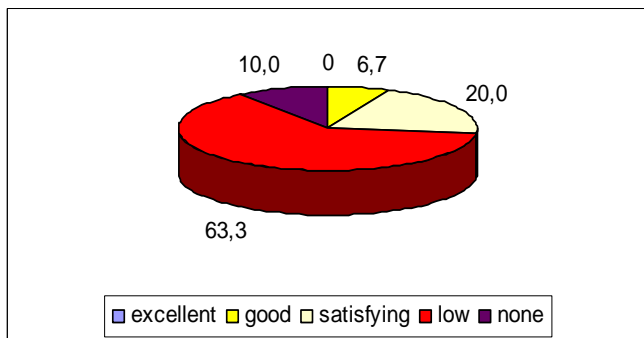


**Experts opinion**



**23. WHAT IS THE LEVEL OF COOPERATION BETWEEN FORESTRY OFICIALS AND OTHER PERSONS, WHO ARE WORKING ON ABOVE MENTIONED PROBLEMS (LAWYERS, COURT, POLICE ETC)?**

**Examine opinion**

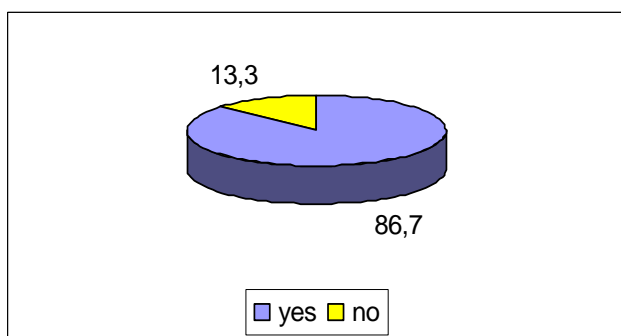


**Experts opinion**

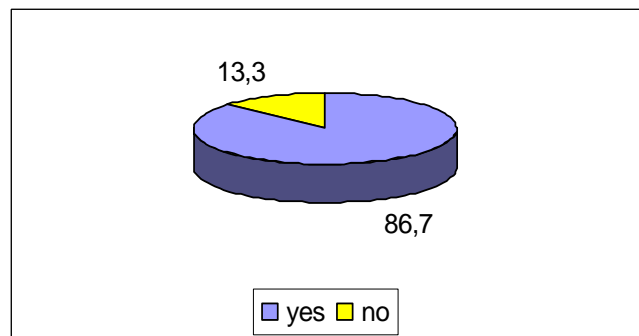


**24. ACCORDING TO YOURS OPINION, IS THE MAIN BARRIERE TO SOLVE MENTIONED ILLEGAL ACTIVITIES WEAK PUNISHMENT POLICY AND LONG PERIOD OF PROCECUTIONS?**

**Examine opinion**

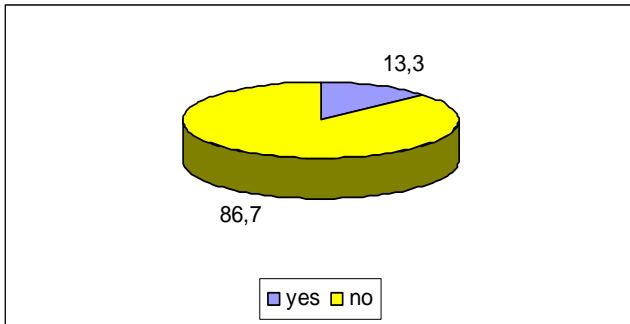


**Experts opinion**

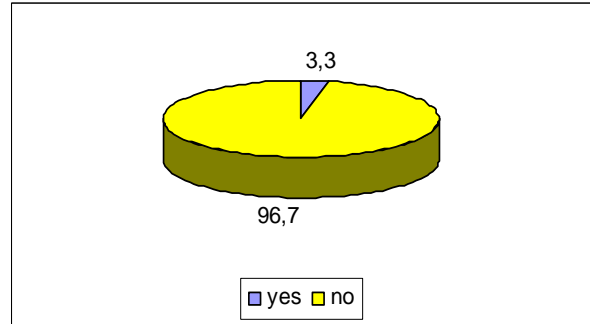


**25. ARE YOU FAMILIAR WITH EXAMPLE OF »PRACTICAL SOLUTION« WHICH HAS SUCCES IN BATTLE WITH THIS FORM OF CRIMINAL?**

**Examine opinion**

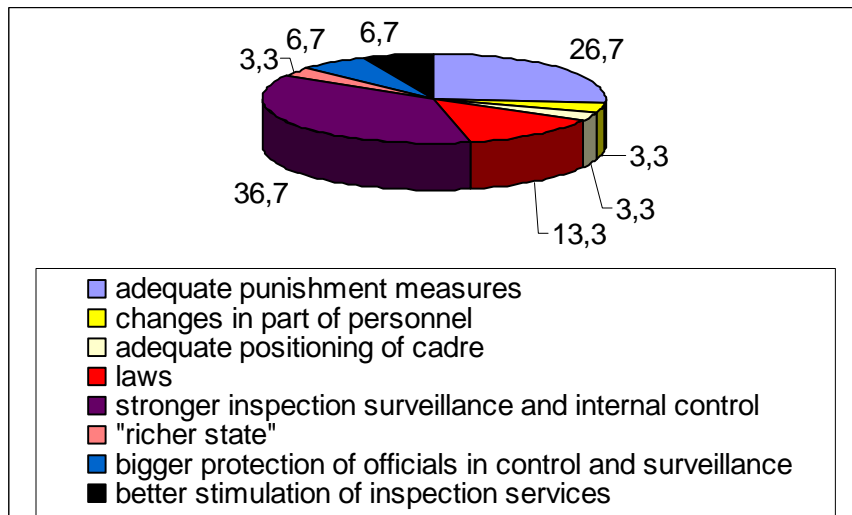


**Experts opinion**

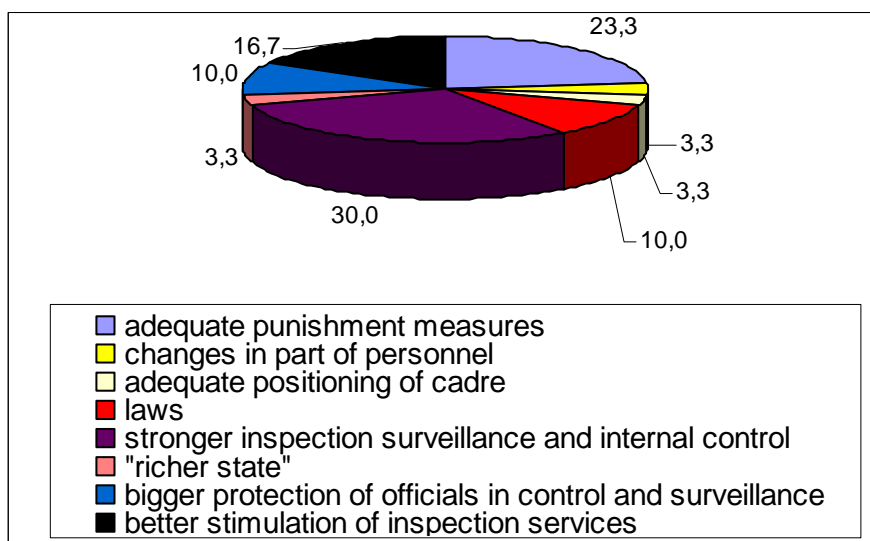


**26. ACCORDING TO YOURS OPPION, WHAT ARE THE FIRST STEPS AND MEASURES IN ORDER TO SUPRESS MENTIONED ILLEGAL ACTIVITIES IN FORESTRY?**

**Examine opinion**

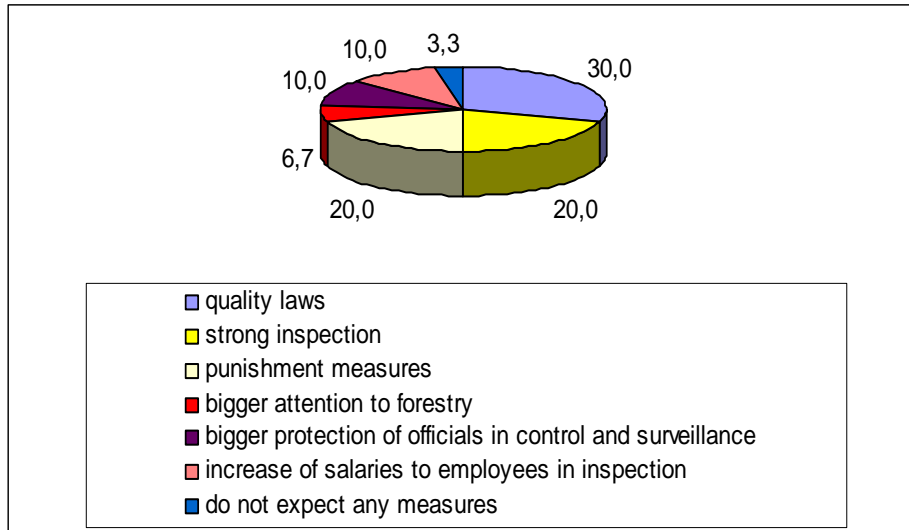


**Experts opinion**

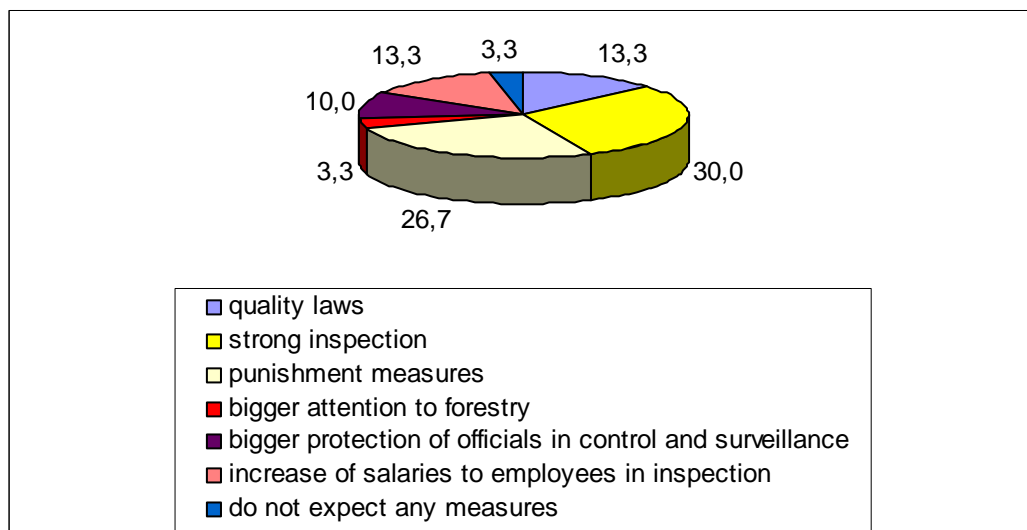


**27. WHAT ARE THE FIRST MOVES AND MEASUREMENTS YOU EXPECT BY GOVERNMENT IN ORDER TO SUPPRESS ALL MENTIONED ILLEGAL ACTIVITIES?**

**Examine opinion**



**Experts opinion**



**SOME OF THE INTERESTING PRONOUNCEMENT FROM QUESTIONNAIRES**

“I think that ringing of the trees is really not interesting due to all other possibilities for illegal and corruption in forestry!”

**(One of superintendents from PE “Srbijazume”)**

“I am not familiar with the fact that issuing of false declarations for amount, species, value and origin of felled trees in forestry do exist...”

**(Forest engineer with long working experience and engagements on almost all types of work in forestry)**

“Corruption in forestry is spreader that much, that, according to my opinion legal activities are absolutely not any more present...”

**(Republic forestry inspector, which did not want to be interrogated)**

“Relations between foresters, policy and neighbourhood are formally satisfying but essentially catastrophic...”

**(One of examinees)**

“Everything is connected and corrupted (meaning foresters, police and neighbourhood). Because of one word, namely their „word game“ neighbourhood is willing to abort every denunciation, no matter that they show essential examples of big illegal activities in forestry sector. So, should I become lawyer and policeman also...?!?”

**(One forest inspector)**

“Examination?? Basis of everything is the corruption. Huge salaries for inspection are trivial expense regarding the amount of money connected with legal activities. Give to the inspector 1,000-1,500 EURO and provide internal control, with even bigger salaries and you will see...”

**(One of examines inspectors in forestry)**

“Everything is smuggling through Danube, even the seed of Constantinople hazel (Corilus Colurna) and monkeys...?!?”

**(One of examinees)**

**DIRECTORATE OF FORESTS****WORK POSITIONS SYSTEMATIZATION****- Post description -****261. Post: The Director**

The Director manages the work of Directorate of Forests; distributes and coordinates the work and provide internal cooperation; he/she is responsible for all works that are in the Directorate of Forests' domain, to be handled beforehand, in accordance with law and properly; he/she represents the Directorate of Forests in accordance with this document and related regulations, and performs other work following the errand of the Minister.

Number of executants: 1

Requirements: Forestry Faculty, 9 years of working experience

**262. Post: The Advisor**

Performs the most complicated expert, study-analytical and other work from Directorate of Forests' domain, especially those that require independency and expertise; he/she follows the activities on realization of Republic Programme for forestry and hunting and gives the suggestions for the improvement of development concept; works on connecting and monitoring of the achieved effects of scientific-research programme in forestry and hunting; gives suggestions for insurances for legal and rational management of forests and hunting grounds; prepares the answers to the questions of the members of the Parliament, applications and prosecutions; organize and participate at the science gatherings in forestry and hunting; introduces legal changes to the employees of the Directorate of Forests; and performs other work following the errand of the Director.

Number of executants: 1

Requirements: Forestry Faculty, 8 years of working experience, passed expert exam

**263. Post: The Coordinator for Forestry and Hunting Inspection**

The Coordinator manages and coordinates the work of internal units (departments); performs the most complicated work from Directorate of Forests' domain; coordinates activities and work of forestry and hunting inspectors in the field, at the Republic level; organize and control the inspection supervision; prepare and participate at the expert meetings related to problems in forestry and hunting; and performs other work following the errand of the Director.

Number of executants: 1

Requirements: Forestry Faculty, 8 years of working experience, passed expert exam

**DEPARTMENT FOR STRATEGIC PLANNING AND SUSTAINABLE  
DEVELOPMENT IN FORESTRY AND HUNTING****264. Post: The Head of Department**

The head of department manages the work of department, and he/she is responsible for all works that are in the department's domain, to be handled beforehand, properly and in accordance with law; distribute specific work on a direct executants; directly performs the most complicated work form department's domain; elaborates the work plans and reports, and performs other work following the errand of the Director

Number of executants: 1

Requirements: Forestry Faculty, 6 years of working experience, passed expert exam

**265. Post for Forest Protection**

The Employee on this post: monitors the situation in the field of forest protection; registers the appearance of drying of forests and forest fires; participates in the elaboration of laws and other regulations related to forest protection, and suggests the changes and annexes; gives opinion on other laws that are in connection with the forest protection; prepares information, reports, analysis and answers in forest protection; gives guidelines and instruction for the work of inspectors; participates and organize larger scale actions related to forest protection against pests and diseases, forest fires and other elementary tempest; cooperates with scientific and expert institutions, as well as organisations that are dealing with specific modes of forest protection; and performs other work following the errand of the Director.

Number of executants: 1

Requirements: Forestry Faculty, 4 years of working experience, passed expert exam

**266. Post for Private Forests**

The employee on this post performs following works: monitoring and analyzing of state of management of private forests; preparation of guidelines and instruction for implementation of measures for sustainable management of private forests; preparation of necessary documentation for private forests; giving opinions to management plans in private forests; participation in elaboration of laws and other regulations realted to private forests; taking actions that lead towards estimation of state of resources in private forests ; monitoring of changes, preparation of information, reports and analysis related to the efficiency and effectiveness of work of private forest service that are performing expert-technical jobs in private forests; suggests measures for improvement of work and instruct ; organise and participate in education of private forest owners regarding the sustainable forest management (afforestation and silviculture, care and protection, utilisation of forests, integral management in forest areas, work protection); performs other work following the errand of the head of the department.

Number of executants: 1

Requirements: Forestry faculty, 4 years of experience

### **267. Post for Forests In Natural Protected Areas**

The employee on this post performs following works: giving opinions on midterm and annual plans for development of natural protected areas; monitoring and analysing of implementation of these plans and programmes, and giving suggestions for the implementation; verification of proposed plans in order to be in accordance with positive regulations and scientific achievements; identification of natural protected areas; analysing and adjustment of productive forest function with other functions of natural protected area; monitoring of international agreements related to natural protected areas; preparation of information, reports and answers for the members of the Parliament, applications, and objections; performs other work following the errand of the head of the department.

Number of executants: 1

Requirements: Forestry faculty, 4 years of experience

### **Group for analysing, control and monitoring of plan documents in forestry**

#### **268. Head of the Group**

He/she manages the work of the group and he/she is responsible for legal, beforehand and efficient work of the jobs from group's domain; distribute specific work on direct executants; performs other work following the errand of the head of the department.

Number of executants: 1

Requirements : Forestry faculty, 5 years of experience

### **269. Post for Analysing, Control and Monitoring of Plan Documents in Forestry**

He/she performs the work related to analysing, control and monitoring of forest management plans for the territory of Republic of Serbia, and gives changes and annexes for these documents; participates in elaboration of midterm development plans in Republic of Serbia; gives opinion on spatial, urbanistic plans and other plans related to forestry; revision of forest management plans as well as the temporary management programmes for private forests; cooperates and, if necessary, participates in the elaboration of forest management plans, and monitoring of it's implementation; preparation and participation in expert gatherings related to legislative and plan documents in forestry; performs other work following the errand of the head of the group.

Number of executants: 3

Requirements : Forestry faculty, 4 years of experience

The executants are located outside the headquarters of the Ministry as listed below

	District	Headquarter	Number of executants
1	Slatibor district	Usice	1
2	Raska district	Kraljevo	1
3	Nisavski district	Nis	1

**Group for study-analytical work in hunting**

**270. Head of The Group**

He/she manages the work of the group and he/she is responsible for legal, beforehand and efficient work of the jobs from group’s domain; distribute specific work on direct executants; performs the most complicated work; prepares the work plans and reports ; gives expert written and verbal instruction to the inspectors; performs other work following the errand of the head of the department.

Number of executants: 1

Requirements : Forestry faculty, 5 years of experience

**271. Post for Study-Analytical Work in Hunting**

The employee on this post performs following works: monitoring and analyzing of state of hunting and suggests the measures in the field of game protection; participates in elaboration of laws and other legislative; preparation of information, reports and analysis, answers in the field of hunting; gives guidelines and instruct inspectors; participates and organises larger scale actions in the field of game protection against flood and other elementary tempests; establishes cooperation with scientific and other expert institutions that are dealing with the other related issues of game protection; gives opinion on game management plans and temporary annual plans for hunting grounds; monitors and analyses the implementation of plans; participates in elaboration of midterm hunting development plans in Serbia; performs other work following the errand of the head of the department.

Number of executants: 2

Requirements: Forestry faculty, 4 years of experience

	District	Headquarter	Number of executants
1	Raska district	Kraljevo	1
2	Nisavski district	Nis	1

**Group for Forest Policy and International Cooperation**

**272. Head of the Group**

He/she manages the work of the group and he/she is responsible for legal, beforehand and efficient work of the jobs from group’s domain; distribute specific work on direct executants; performs the most complicated work; prepares the work plans and reports; gives expert written and verbal instruction to the inspectors; performs other work following the errand of the head of the department.

Number of executants: 1

Requirements: Forestry faculty, 4 years of experience, active knowledge of English language

**273. Post for Public Relations and Participation in Forestry**

The employee on this post performs following works: maintaining of direct cooperation with all users of state and socially owned forests, and with private forest owners in Serbia, with NGOs, professional associations and other relevant stakeholders in forestry and hunting; participation in involvement of interested publics in the process of decision making in forestry; organisation of promotional programmes; performs other work following the errand of the head of group.

Number of executants: 1

Requirements: Forestry faculty, 1 year of experience, active knowledge of English language

**274. Post for Study-Analytical Work in International Cooperation**

The employee on this post performs following works: monitoring of trends and changes in forest policy of EU and non-EU countries; preparation of materials, reports, and other documents that are required for establishing the contacts with the international organisations and institutions; performs other work following the errand of the head of group.

Number of executants: 1

Requirements: Forestry faculty, 1 year of experience, active knowledge of English language

**Group for Forest Seed, Reproduction Material and Forest Genetic Resources****275. Head of The Group**

He/she manages the work of the group and he/she is responsible for legal, beforehand and efficient work of the jobs from group's domain; distribute specific work on direct executants; performs the most complicated work; prepares the work plans and reports; gives expert written and verbal instruction to the inspectors; performs other work following the errand of the head of the department.

Number of executants: 1

Requirements: Forestry faculty, 4 years of experience

**276. Post for Verification and Protection of Forest Plants Species**

The employee on this post performs following works: processing of results obtained during the procedure of verification and protection of newly established species and giving approval for introduction of these species in the production of forest plants species; evaluation of justification of request for verification of new forest plant species; preparation of sample of reproductive material for analysis and distribution of those to the institutions equipped for performing of analysis; control the analysis, collecting of results and reporting on its findings; keeping the register of newly established species, e.g. verified foreign species; participation in formulation of laws and other legislations that refer to this field; performs other work following the errand of the head of group.

Number of executants: 1

Requirements: Forestry faculty, 3 years of experience

**277. Post for protection of Forest Genetic Resources**

The employee on this post performs works that are related to: protection of genetic variability of forest species at the territory of Republic of Serbia; field research, identification of species, classification, collecting and conservation of samples; creation of database on production and objects for production of forest seed and reproduction material; monitoring of international legislation in this field; cooperation with international institutions and organizations that are dealing with protection and improvement of forest genetic resources; performs other work following the errand of the head of group.

Number of executants: 1

Requirements: Forestry faculty, 3 years of experience

**DEPARTMENT FOR PROTECTION AND IMPROVEMENT OF FORESTS;  
IMPROVEMENT OF PRODUCTION, CARE AND MANAGEMENT OF GAME****278. Post: The Head of Department**

The head of department manages the work of department, and he/she is responsible for all works that are in the department's domain, to be handled beforehand, properly and in accordance with law; distribute specific work on a direct executants; directly performs the most complicated work form department's domain; elaborates the work plans and reports, and performs other work following the errand of the Director

Number of executants: 1

Requirements: Forestry Faculty, 6 years of working experience, passed expert exam

**279. Post for Improvement and Protection of Forests**

The employee on this post performs works that are related to: elaboration of annual programme for protection and improvement of forests; monitoring and analysis of implementation of above mentioned programmes, and suggests the measures for the realisation; check compatibility of submitted programmes with legal acts, scientific and research achievements; conduction of public tender for distribution of financial means; identification and verification of objects regarding the scope, way and quality of performed work activities, and final approval of work; preparation of all needed documentation for realisation of programmes that are co-financed by the Republic; preparation of information and reports from own field of work; ; performs other work following the errand of the head of department.

Number of executants: 1

Requirements: Forestry Faculty, 4 years of working experience, passed expert exam

Executants located in headquarter of the Ministry in Belgrade: 1

Executants located outside of headquarter:

	District	Headquarter	Number of executants
1	Juzno Backi	Novi Sad	1
2	Zajecarski district	Zajecar	1
3	Zlatibor district	Uzice	1
4	Raska district	Kraljevo	1
5	Nisavski district	Nis	1

### **280. Post for Improvement of Game Management and Protection of Game**

The employee on this post performs works that are related to: elaboration of annual programme for protection and improvement of game; monitoring and analysis of implementation of above mentioned programmes, and suggests the measures for the realisation; check compatibility of submitted programmes with legal acts, scientific and research achievements; conduction of public tender for distribution of financial means; identification and verification of objects regarding the scope, way and quality of performed work activities, and final approval of work; preparation of all needed documentation for realisation of programmes that are co-financed by the Republic; preparation of information and reports from own field of work; ; performs other work following the errand of the head of department.

Number of executants: 1

Requirements: Forestry Faculty, 4 years of working experience, passed expert exam

## **DEPARTMENT FOR LEGAL, FINANCIAL AND ADMINISTRATIVE WORK**

### **281. Post: The Head of Department**

The head of department manages the work of department, and he/she is responsible for all works that are in the department's domain, to be handled beforehand, properly and in accordance with law; distribute specific work on a direct executants; directly performs the most complicated work form department's domain; elaborates the work plans and reports, and performs other work following the errand of the Director

Number of executants: 1

Requirements: Law Faculty or Faculty of Economics, 6 years of working experience, passed expert exam

### **282. Post for Normative and Administrative Work**

The employee on this post performs works that are related to: elaboration of draft laws and other legislation in the field of forestry and hunting, and their adjustment with legislation and standard of the EU; giving opinion on draft laws and other legislation that are proposed by other Government bodies; elaboration of first degree acts and documents, from the scope of work of the Directorate of Forests; preparation of proposals for second degree acts in field of forestry and hunting, following the request of organs in charge; performs administrative work in I degree in the field of forestry and hunting that are relate to change and alienation of forest

land, giving compliance on forest management plans and game management plans; preparation of answers on prosecution that are against final verdict, conducted by Supreme Court; participation at meetings and conferences related to issues of implementation of legislation in forestry and hunting; participation in preparation of information and reports on law implementation and other legislative in forestry and hunting; monitoring of legislative implementation and proposals for elaboration of changes and annexes; and performs other work following the errand of the head of the department.

Number of executants: 2

Requirements: Law Faculty, 4 years of working experience, passed expert exam

### **283. Post for Planning, Reporting and Informatics**

The employee on this post performs works that are related to: collecting of data and elaboration of reports on current state of forest resource in Republic of Serbia; collecting and processing of data related to implementation of annual forest management plans of Public Enterprises; elaboration of monthly, periodical and annual work plans of the Directorate of Forests following the internal organizational units; keeping record of legislative in the field of forestry and hunting; monitoring and reporting of implementation of Directorate's work plans in internal organizational units; application of software; maintenance of database; input of data; control of accuracy and integrity of data; participation in establishing of information systems; providing help in using of information systems; and performs other work following the errand of the head of the department.

Number of executants: 1

Requirements: Forestry Faculty or IT science, 1 year of working experience, passed expert exam

### **284. Post for Administrative Work**

The employee on this post performs works that are related to: administrative-technical and secretarial work; keep records on work attendance, official travel, vacations and travel allowance; keep register on all subscribed publications; creates internal list of documents; plans supply of expendable equipment in the Directorate; coping of material and performs all other operative-office work; and performs other work following the errand of the head of the department.

Number of executants: 1

Requirements: Secondary school Diploma, 1 year of working experience, passed expert exam

### **285. Post: the Driver**

The employee on this post performs works that are related to: maintenance, driving and registration of Directorate's vehicles; keeps records on fuel coupons and performs other work following the errand of the head of the department.

Number of executants: 1

Requirements: Secondary school Diploma, clean driving license of "B" and "C" category; 1 year of working experience

**286. Post for Economic and Financial-Material Work**

The employee on this post performs all economic and financial-material works from Directorate's domain and takes responsibility for these works to be beforehand, properly and in accordance with law; preparation of proposals for the Budget of the Ministry, in part related to Directorate of Forests; preparation of proposals for incomes and outcomes and financial plan of the Directorate; balancing of incomes and outcomes of the Directorate, and monitoring of realization of those to be in accordance with Law; adjustment of main book of transactions with the main book of transactions in treasury; elaboration of periodical and final accounting reports for the Directorate and performs other works prescribed by the Law on Accounting; performs other work following the errand of the head of the department.

Number of executants: 1

Requirements: Faculty of Economic, 3 year of working experience, passed expert exam

**287. Post for Financial-Material Work**

The employee on this post performs works that is related to: preparation of periodical, annual and other reports on realization and use of financial sources; realization of errands and contracts for money transfer; control of financial-accounting documentation; adjustment of accounting records with sources that will be distributed to the users of budget; monitoring of monthly flow of finances, preparation of financial data regarding the execution of financial plans; keep records on financial documentation; verification, realization and record on financial obligations following the financial plan, signed contracts and other basis; use of funds for material costs of the Directorate; performs other work following the errand of the head of the department.

Number of executants: 1

Requirements: Higher education in economics, 1 year of working experience, passed expert exam

**288. Post for Financial-Accounting Work**

The employee on this post performs works that are related to: preparation of documentation for all business transaction; preparation of documentation for recording of all analytical sources for payment; formal control of basic and concomitant documentation and adjustment with the debtors and creditors; control of documentation that is sent to the treasury for realization; processing of financial., statistical and other data for preparation of analysis, information and report; processing of data for salaries, and others revenues and refund; performs other work following the errand of the head of the department.

Number of executants: 1

Requirements: Secondary school diploma-economics, 1 year of working experience, passed expert exam

**INSPECTION DEPARTMENTS –  
BELGRADE, NOVI SAD, KRALJEVO, NIS AND UZICE****. Post: Head of Department**

The head of department manages the work of department, and he/she is responsible for all works that are in the department's domain, to be handled beforehand, properly and in accordance with law; distribute specific work on a direct executants; directly performs the most complicated work and inspection from department's domain; elaborates the work plans and reports, and performs other work following the errand of the Director.

Number of executants: 1/department

Requirements: Forestry Faculty, 6 years of working experience, passed expert exam

**. Post for Republic Forestry Inspector**

The employee on this post performs works that are related to: supervision on implementation of the Law and other legislation in field of: forestry, plant protection against pests and diseases, forest seed and reproductive material, environmental protection and national parks management (in part regarding the forests), as well as control of executive regulations that have been brought based on above mentioned legislative; supervision of trusted work; inspection supervision and undertaking of all other activities in accordance with other Laws (in fields of: waters, agricultural land, fire protection; mining; railroad; roads; electrical-power industry), which regulate certain issues in forestry; performs other work following the errand of the head of the department

Number of executants:

Requirements: Forestry Faculty, 3 years of working experience, passed expert exam

**. Post for Republic Hunting Inspector**

The employee on this post performs works that are related to: supervision on implementation of the Law and other legislation in field of hunting; supervision of trusted work; gives opinion on game management plans; inspection supervision and undertaking of all other activities in accordance with other Laws (in fields of: waters, agricultural land, fire protection; mining; railroad; roads; electrical-power industry), which regulate certain issues in hunting; performs other work following the errand of the head of the department

Number of executants:

Requirements: Forestry Faculty, 3 years of working experience, passed expert exam

**. Post for Legal counsel for Forestry and Hunting Inspectors**

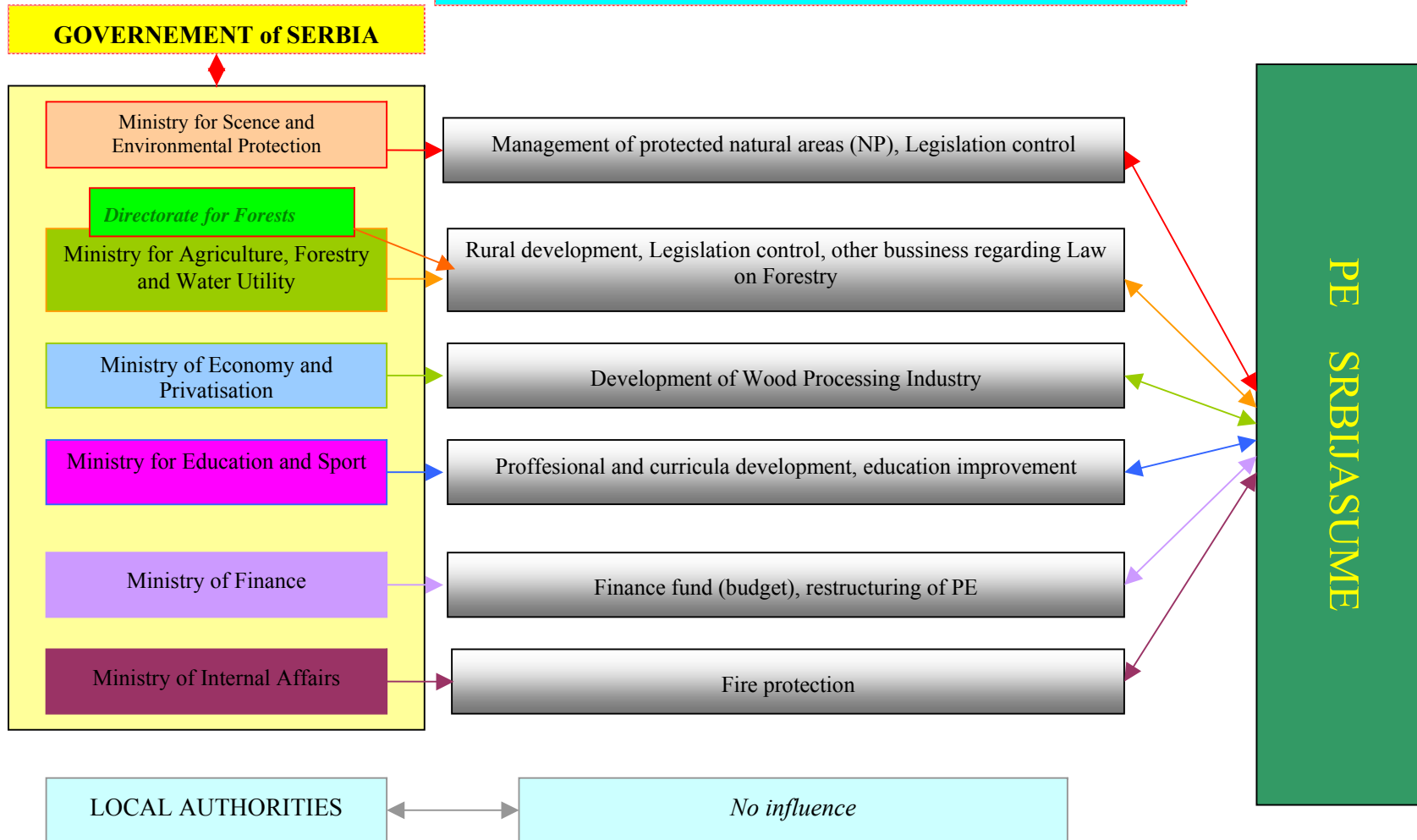
The employee on this post performs works that are related to: giving opinion on legislation in forestry and hunting, following request of legal entities and individuals; elaboration of guidelines for inspectors on proper implementation of legislation; participation on meetings where legal problems in forestry and hunting are discussed; participation in elaboration of report and preparation of information on implementation of law and other legislative; providing direct help to the inspectors regarding undertaking of specific measures-activities;

in cooperation with inspectors create requests for pursuing of court procedure; elaborate complains on first degree decision; keep records on number of pursued and completed court procedure in forestry and hunting; cooperation with legal justice (institutions); analyzing and monitoring of implementation of legislative in forestry and initiation of changes and annexes preparation; performs other work following the errand of the head of the department

Number of executants:

Requirements: Law Faculty, 3 years of working experience, passed expert exam

**INSTITUTIONAL FRAMEWORK OF FORESTRY SECTOR**





Србија шуме

***ILLEGAL FELLING  
IN  
VRANJE, KURŠUMLIJA AND LESKOVAC  
FOREST ESTATES***

***Belgrade, December 2004***

**ILLEGAL FELLING IN  
VRANJE, KURŠUMLIJA AND LESKOVAC FOREST ESTATES**

From 1999 till now, PE „Srbijašume“ Belgrade encountered comprehensive illegal felling along the administrative line of Kosovo and Metohija. With aim to protect the forests and prevent illegal entrance and devastation by forest thieves, PE „Srbijašume“ with Security Forces i.e. Army of Serbia and Montenegro, Ministry of Internal Affairs - Headquarter for Kosovo and Metohija and Gendarmerie did undertake numerous activities.

The meeting in Forestry Directorate Leskovac was held on October 8 2004, in attendance of the representatives from PE „Srbijašume“ Belgrade; Chief of Ministry of Internal Affairs - Headquarter for Kosovo and Metohija; Chief of the Team for cooperation with KFOR (ground safety zone) and Commissioners of Secretariat for Internal Affairs from Prokuplje Kuršumlja, Leskovac and Vranje. The outcome of the meeting is agreement to: **make Report on illegal felling damages in Vranje, Leskovac and Kuršumlja Forestry Estates along the administrative line with Kosovo and Metohija, and to uphold a field meeting with representatives from Serbian Government, Serbian and Montenegrin Armed Forces General Staff, Ministry of Internal Affairs - Headquarter for Kosovo and Metohija, with the aim to present damages, establish the agreement about the future joint activities and to contact international institutions in order to compensate the damages.**

**Report on illegal felling was made and adopted on the meeting which was held on November 11, 2004 in Forest Estate Kuršumlja in attendance of representatives from PE "Srbijašume", Belgrade; Assistant Chief of Ministry of Internal Affairs (MIA) - Headquarter for Kosovo and Metohija; Deputy Chief of the Team for cooperation with KFOR in ground safety zone and Commissioners of Secretariat for Internal Affairs (SIA) from Prokuplje Kuršumlja, and Leskovac.**

**It was concluded that Report should be adopted by Administrative Board and conveyed to the Serbian Government. Also, MIA-Headquarter for Kosovo and Metohija should make the report about captured forest thieves in order to point out that the illegal fellings were made by the Albanians.**

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Report on illegal felling was made by expert commissions from PE "Srbijašume", based on direct field observation and survey and data from Forest Management Planes for Forest Management Units whereas the illegal logging did happen. Conditions are as follows:

- **118.462m<sup>3</sup>** wood volume was illegally felled from high quality beech, oak and mixed oak and beech stands, in three Forest Estates, i.e. five Forest Management Units, shown in the table 1,
- value of illegally felled wood volume is **285.355.128,00 dinars** (1EUR = 80 dinars),
- the loss of increment in the stands with illegal felling is **58.404 m<sup>3</sup>** (since the stands did not reach end of rotation - the cutting maturity),

- the value of lost increment is 139.891.433,00 dinars, i.e. total wood volume loss is **425.206.791,00 dinars**,
- illegal felling done by the side of Albanian wood thieves have a character of pure felling; felling is done in quality beech and mixed beech-oak stands; by the felling, forest wood thieves leave complete ravage; stumps are retained on high point, branches and top logs. i.e. only quality wood assortments were taken (photographs in addition). Therefore, on 298,74 ha it is necessary to provide sanitation, namely artificial reforestation and tending of the new plantations. Expenses for sanitation of treeless areas, afforestation and their tending until they are 3 year old is **30.797.716,00 dinars**,
- along with the damages of illegal felling, costs for afforestation of treeless areas, ecological damages were also calculated (their value depending of the forest type, worldwide and in Europe, could be triple or ten time of direct damage values), **as triple value of the direct damages in the amount of 1.275.620.283.00 dinars**,
- overall damage in state forests is **1.734.654.310,00 dinars** (or 22.824.398 euro),
- remark: with the calculation of the damage in state forests direct survey was done where it was possible, and where that was not possible due to the safety reasons, data from Forest Management Planes were used,
- damages from illegal felling in private forests are present in the region of Community Kuršumljija, Štava, Tačevac and Dabinovac, where forest devastation did took place on 11,70 ha,
- value of damages in private forests is **13.453.111,00 dinars**,
- illegal feelings are still present in the region along administrative line,
- in the region of Forest Estate Kuršumljija, illegal felling is present in the following Forest Management Units: "Dugi deo-Banjska crna čuka"; "Šumata", "Lukovske šume"; "Dobri do" and "Slepi jelak". Villages Merdare, Tačevac, Trn, Rastelica, Trmka, Mrča and others along administrative line are most endangered,
- in the region of Forest Estate Leskovac (Community Lebane i Medveđa), illegal felling is present in the following Forest Management Units: "Velja glava-Kopiljak"; Zajčevac-Ajkobila-Šajić" and "Gornja Jablanica",
- in the region of Forest Estate Vranje (Community Vranje, Bujanovac and Preševo, illegal felling is present in the following Forest Management Units: "Granična šuma", "Kuškar-Kopiljak", "Dupilo", "Preševo" and "Zarbinska reka".

### ***Measures and activities undertaken in the foregoing period***

In the last period PE "Srbijašume" along with Serbian Ministry of Internal Affairs (MIA), and Serbian and Montenegrin Armed Forces, did undertake some measures to protect forests from wood thieves in the region along the administrative line, such as:

- enforced control and protection of the forests in the region along the administrative line,
- increase of the number of the foresters and employment of one Albanian nationality forester in the region of Forest Management Units Bujanovac, Preševo i Medveđa,
- mutual field controls with representatives of the Security Forces and identification of illegal felling localities, as well as the notification of the responsible institutions over the problems of illegal felling in the region of Vranje, Leskovac and Kuršumljia Forestry Estates.
- provide work feasibility for the specified services of PE "Srbijašume" (marking the trees for logging, logging, damage diagnostic and so on) on the part of Serbian Ministry of Internal Affairs, Community Police from Vranje, Leskovac and Kuršumljia,
- Confiscation of the tools used for illegal felling and agitation of the jury trial against the prosecutors.

***Recommendation for measures and activities for forest protection***

- PE "Srbijašume" along with Security Forces will continue mutual activities in forest protection along the administrative line with Kosovo and Metohia
- Adopted Report on illegal felling in Forest Estates Vranje, Kuršumljia and Leskovac will be submitted to the Serbian Government, Serbian and Montenegrin Armed Forces General Staff, Ministry of Internal Affairs, Ministry of Agriculture, Forestry and Water Management, Ministry of Science and Environmental Protection (Article 69, Law on forests regulate :“ In the case of larger endanger of the forests from illegal appropriation, Serbian Government can initiate special measures for forest protection in the endangered area“), with the proposition to inform representatives of KFOR and UNMIK, and also to request damage compensation from international community, because of the destruction of forest treasure of one country.

**PE “SRBIJAŠUME” - OVERVIEW OF ILLEGAL LOGGING BY FOREST ESTATES (2004)**

№	Forest Estate	Forest area (ha)	№ of foresters	Illegally felled wood volume (m <sup>3</sup> /ha)	Illegally felled wood volume by area	Illegally felled wood volume by forester	№ of applications	№ of unsolved applic.	% of solved applic.
0	1	2	3	4	5 (4/2)	6 (4/3)	7	8	9 (8/7)
1.	Beograd	13,479.61	12	313	0.023	12.038	45	-	-
2.	Boljevac	71,013.42	35	582	0.008	16.628	50	3	0.6
3.	Vranje	65,662.33	67	746	0.011	11.134	195	60	30.8
4.	Despotovac	40,202.16	20	353	0.009	17.65	48	15	31.3
5.	Ivanjica	58,990.04	54	658	0.011	12.185	139	-	-
6.	Kragujevac	25,629.24	22	276	0.011	12.545	58	12	20.7
7.	Kraljevo	39,073.86	29	458	0.012	15.793	78	37	47.4
8.	Kruševac	53,137.51	50	441	0.008	8.82	54	41	75.9
9.	Kučevo	56,142.07	30	69	0.001	2.3	10	1	1
10.	Kuršumlja	61,445.32	54	2,023.00	0.033	37.43	266	153	57.5
11.	Leskovac	36,461.82	42	229	0.006	5.452	40	2	0.5
12.	Loznica	37,041.31	45	338	0.009	7.511	82	16	19.5
13.	Niš	48,220.48	26	1,261.00	0.026	48.5	108	32	29.6
14.	Pirot	33,563.87	19	38	0.001	2	11	-	-
15.	Prijepolje	53,990.82	34	606	0.001	17.824	88	-	-
16.	Raška	46,518.32	44	590	0.013	13.409	90	-	-
17.	Užice	32,699.55	27	155	0.005	5.741	26	-	-
<b>TOTAL</b>		<b>773,271.73</b>	<b>624</b>	<b>9,136.00</b>	<b>0.012</b>	<b>14.641</b>	<b>1448</b>	<b>372</b>	<b>33.4</b>
18.	Leposavić			1,682.00					
				10,818.00					

Source: PE “Srbijasume”

**ILLEGAL LOGGING IN 1999-2004 BY FOREST ADMINISTRATION, COMMUNITIES AND FOREST UNITS**  
**Public Enterprise "Srbijašume", Belgrade**

№.	Forest Administration	Community	Management Unit	Area of illegal felling	Illegally felled wood volume	Value of illegally felled wood volume	Lost increment (m <sup>3</sup> )	Value of the lost increment (din)	Overall value of damages (din)
0	1	2	3	5	6	7	8	9	10 (7+9)
<b>STATE FORESTS</b>									
1.	Vranje	Vranje	"Granična šuma"	30,00	2.798	6.238.141,00	1.680	3.735.561,00	9.973.702,00
2.	Vranje	Vranje	"Kuškar- Kopiljak"	3,00	500	1.006.650,00	385	775.661,00	1.782.311,00
3.	Bujanovac	Bujanovac	"Dupilo"	267,12	33.317	102.671.496,00	12.677	38.762.331,00	141.433.827,00
4.	Bujanovac	Preševo	"Preševo"	211,77	17.520	42.332.144,00	8.335	20.103.416,00	62.435.560,00
5.	Bujanovac	Bujanovac	"Zarbinska reka"	353,22	20.460	41.390.777,00	20.483	14.388.549,00	53.008.598,00
<b>Total FE Vranja</b>				<b>865,04</b>	<b>74.595</b>	<b>193.639.208,00</b>	<b>28.818</b>	<b>74.994.790,00</b>	<b>268.633.998,00</b>
6.	Kuršumljija	Kuršumljija	"Dugi deo-Banjska crna čuka"	100,29	2.291	13.489.692,00	57.302	15.804.572	29.294.264
7.	Kuršumljija	Kuršumljija	"Šumata"	7,32	3.249	8.511.010,00	2.603	6.814.255,00	15.325.265,00
8.	Kuršumljija	Kuršumljija	"Lukovske šume"	3,20	869	2.257.611,00	695	1.806.089,00	4.063.700,00
9.	Kuršumljija	Kuršumljija	"Dobri do"	1,93	513	1.438.694,00	264	767.238,00	2.205.932,00
10.	Kuršumljija	Kuršumljija	"Slepi jelak"	1,00	251	1.025.612,00	201	820.490,00	1.846.102,00
<b>Total FE Kuršumljija</b>				<b>113,74</b>	<b>10.173</b>	<b>26.722.620,00</b>	<b>9.665</b>	<b>26.012.643,00</b>	<b>52.735.263,00</b>
11.	Lebane	Leskovac	"Velja glava-Kopiljak"	70,00	30.280	59.046.000,00	17.220	33.579.000,00	92.625.000,00
12.	Medveđa	Medveđa	"Zajčevac-Ajkobila-Šajić"	15,00	1.680	3.276.000,00	1.500	2.925.00,00	6.201.000,00
13.	Medveđa	Medveđa	"Gornja Jablanica"	8,00	1.370	2.671.500,00	1.200	2.340.000,00	5.011.500,00
<b>Total FE Leskovac</b>				<b>93,00</b>	<b>33.330</b>	<b>64.993.500,00</b>	<b>19.920</b>	<b>38.844.000,00</b>	<b>103.837.500,00</b>
<b>TOTAL</b>				<b>1.071,78</b>	<b>118.462</b>	<b>285.355.328,00</b>	<b>58.404</b>	<b>139.891.433,00</b>	<b>425.206.761,00</b>
<b>PRIVATE FORESTS</b>									
1.	Kuršumljija	Kuršumljija	KO Štava	0,20	31	100.500,00	120	385.920,00	486.420,00
			KO Tačevac	5,50	770	1.161.160,00	126	190.008,00	1.351.168,00
			KO Dabinovac	6,00	660	995.280,00	138	208.104,00	1.203.384,00
<b>Total</b>				<b>11,70</b>	<b>1.461</b>	<b>2.256.940,00</b>	<b>384</b>	<b>784.068,00</b>	<b>3.040.972,00</b>
<b>TOTAL STATE AND PRIVATE FORESTS</b>				<b>1.083,48</b>	<b>119.923</b>	<b>287.612.268,00</b>	<b>58.788</b>	<b>140.675.501,00</b>	<b>428.247.733,00</b>

## Public Enterprise "Srbijašume"

**ILLEGAL LOGGING IN 1999-2000 BY FOREST ADMINISTRATION, COMMUNITIES AND FOREST UNITS**

Forest Administration	Management Unit	Ecological damage (din.) Triple value of direct damages	Area where afforestation has to be done (ha)	Overall afforestation expenses (din.)	Overall tending and protection expenses (din.)	Overall afforestation expenses (din.)	Overall illegal logging damages (din.)
11	12	13 (10h3)	14	15	16	17(15+16)	18 (10+13+17)
<b>STATE FORESTS</b>							
Vranje	"Granična šuma"	29.921.106,00	19,50	1.528.020,00	1.059.874,00	2.587.894,00	42.482.702,00
Vranje	"Kuškar- Kopiljak"	5.346.933,00	1,80	141.048,00	97.834,00	238.882,00	7.368.126,00
Bujanovac	"Dupilo"	422.301.841,00	28,00	2.194.080,00	1.521.870,00	3.715.950,00	567.451.616,00
Bujanovac	"Preševo"	187.306.680,00	20,50	1.606.380,00	1.114.226,00	2.720.606,00	252.462.846,00
Bujanovac	"Zarbinska reka"	161.025.434,00	22,20	1.739.592,00	1.206.626,00	2.946.218,00	216.980.250,00
<b>Total FE Vranje</b>		<b>805.901.994,00</b>	<b>92,00</b>	<b>7.209.120,00</b>	<b>5.000.430,00</b>	<b>12.209.550,00</b>	<b>1.086.745.542,00</b>
Kuršumlja	"Dugi deo-Banjska crna čuka"	87.882.793,00	100,29	5.987.313,00	5.063.642,00	11.050.955,00	128.228.012,00
Kuršumlja	"Šumata"	45.975.795,00	7,32	437.004,00	369.587,00	806.591,00	62.107.651,00
Kuršumlja	"Lukovske šume"	12.191.100,00	3,20	191.040,00	161.568,00	352.608,00	16.607.408,00
Kuršumlja	"Dobri do"	6.617.796,00	1,93	115.221,00	97.446,00	212.667,00	9.036.394,00
Kuršumlja	"Slepi jelak"	5.538.306,00	1,00	59.700,00	50.490,00	110.190,00	7.494.598,00
<b>Total FE Kuršumlja</b>		<b>158.205.789,00</b>	<b>113,74</b>	<b>3.790.278,00</b>	<b>5.742.733,00</b>	<b>12.533.011,00</b>	<b>223.474.063,00</b>
Lebane	"Velja glava-Kopiljak"	277.875.000,00	70,00	4.387.950,00	2.450.000,00	6.837.950,00	377.337.950,00
Medveda	"Zajčevac-Ajkobila-Šajić"	18.603.000,00	15,00	940.275,00	525.000,00	1.465.275,00	26.269.275,00
Medveda	"Gornja Jablanica"	15.034.500,00	8,00	501.480,00	280.000,00	781.480,00	20.827.480,00
<b>Total FE Leskovac</b>		<b>311.637.500,00</b>	<b>93,00</b>	<b>5.829.705,00</b>	<b>3.255.000,00</b>	<b>9.084.705,00</b>	<b>424.434.705,00</b>
<b>TOTAL</b>		<b>1.275.620.283,00</b>	<b>298,74</b>	<b>16.829.553,00</b>	<b>13.968.163,00</b>	<b>30.797.716,00</b>	<b>1.734.654.310,00</b>
<b>PRIVATE FORESTS</b>							
Kuršumlja	KO Štava	1.459.260,00	0,20	11.940,00	10.098,00	22.038,00	1.967.718,00
	KO Tačevac	4.053.504,00	5,50	328.350,00	277.695,00	606.045,00	6.010.717,00
	KO Dabinovac	3.610.152,00	6,00	358.200,00	302.940,00	661.140,00	5.474.676,00
<b>TOTAL</b>		<b>9.122.916,00</b>	<b>11,70</b>	<b>698.390,00</b>	<b>590.733,00</b>	<b>1.289.223,00</b>	<b>13.453.111,00</b>
<b>TOTAL STATE AND PRIVATE FORESTS</b>		<b>1.284.743.199,00</b>	<b>310,44</b>	<b>17.527.943,00</b>	<b>14.558.896,00</b>	<b>32.086.939,00</b>	<b>1.748.107.421,00</b>

**LAW ON FORESTS** (*Official Gazette of Serbia, № 46/91*)**- Articles related to prevention of illegal activities -****Article 40.**

Following is not allowed: forest devastation and grubbing; clearcutting if not allowed as a regular regeneration; cutting of rare species; tree thickening; pasture and browse by goats and other cattle; pannage; tree pruning for animal fodder; collection of forest fruits, medicinal herbs and moss; utilization of stone, gravel, sand, humus, soil and other; harvesting of seed-stand out of forest management plan; forest usurpation; destruction or ruining of plantations, marks and cut blocks; putting away of garbage and other dangerous matter ; forest pollution and other acts that debilitate yields and endanger forest functions, if not else defined by the Law.

Forest devastation refers to all illegal acts that debilitate land fertility and endanger forest production or silviculture or survival of forests and their multiple benefit functions (wide range cutting close to forest grubbing, too intensive selection cutting, tree thickening, and any act causing weed, surface scour land with water or wind and other).

**Article 47.**

It is not allowed to remove forest wood and wood from the article 3, standpoint 4 of the Law, except fruit-tree wood, from felling strip, nor to buy, sell, donate and transport it, while not marked according to prescriptions and without dispatch note for domestic market.

Timber marking and issuing of dispatch note for wood from state and public forests, and permits for wood from private forests included by forest areas and national parks is carried out by forest beneficiary, and timber marking and issuing of permits for wood from private forests out of forest areas and national parks is carried out by state enterprise authorized by Minister.

Timber marking and issuing of dispatch note, and permit for wood deriving from an area, not considered as forest according to the article 3, standpoint 4 of the Law, is carried out by state enterprises from the article 102. of the Law, on the area with private forests.

As an exception to provision of standpoint 1. of this article, timber marking and issuing of dispatch note, and permit can be performed out of felling strip in case of illegal cutting and removing it from a felling strip, and when authorities have identified no reason for temporary timber deprivation.

Minister creates a prescription on form and content of timber mark, permit and dispatch note form, terms, method and due date of timber marking.

**Article 65a.**

Physical or legal person, beside indemnity for actual caused damage, also pays indemnity for forest damage according to regulation set by Minister.

**Article 69.**

Beneficiary performs forest watching and conservation against illegal appropriation and exploitation, fire and other illegal acts (in further text: forest watching).  
Beneficiary organizes service for forest watching in order to protect forest.

In case of greater forest menace caused by illegal utilization, the Government of the Republic of Serbia might initiate special protective measures.

**Article 70.**

Forest warden has an authority and an obligation to:

1. Identify persons caught in criminal acts and offences according to the Law or persons suspected to have committed such crimes if there is no other way to identify them;
2. Inspect all kinds of vehicles and loads for wood transport in order to locate criminal acts and offences;
3. Inspect a storage of wood, except apartments and other premises, in order to locate criminal acts and offences;
4. Temporarily confiscate illegal cuttings, objects used in criminal act and offence, and objects arisen and obtained by the commitment of such act, and to deliver these objects to the authorities;
5. Reestablish and protect border marks against vitiation and illegal utilization;
6. Inform beneficiary about removal and vitiation of border marks in case of illegal appropriation of forest and forest land.

Beside works outlined in standpoint 1. of this article, forest warden has an obligation to inform competent inspectorate on illegal acts in managing forests by the owner.

Forest warden must be skilled worker in forestry with at least 3rd educational level of forestry school background, occupation - forest operator in managing forests, or if school background is recognized according to special regulations, and has to fulfill prescribed conditions for wearing a weapon and conditions prescribed by owner who had organized service for forest watching.

**Article 71.**

Forest warden serves in official suit and carries a weapon prescribed by forest owner.

Forest warden possesses an identification as forest warden.

The identification of forest warden is being issued on a prescribed blank form by forest owner as the employer.

In undertaking acts outlined in the article 70. of the Law, previously is forest warden obligated to identify himself.

Minister creates a prescription on identification form for forest warden.

**Article 72.**

On a proposal or a requirement of legal entity, the Government might establish priority multiple benefit functions of certain forests, if they have not yet been established according to plan and programme from the article 24. of the Law.

Before establishing of priority multiple benefit functions of forests from standpoint 1. of this article, the Government should provide an opinion of forest beneficiary.

As an exception to provision of standpoint 1. of this article, establishing of priority multiple benefit functions of forests, in case when they or their parts are up to 20 *ha*, is carried out by Ministry after previously provided opinion of forest beneficiary, and of a beneficiary carrying out professional jobs in private forests.

## EXPORT AND IMPORT ACTIVITIES OF SERBIAN FORESTRY AND WOOD INDUSTRY

The current production level of the wood industry is lower than domestic demand and lower than it was in the 1990s. Taking into account also the demand on the export markets and the experience of Serbian exporters in the 1990s it may be concluded that there could be also a possibility for export if the Serbian wood industry improves its technologies and produces more up-to-date products.

At the moment the deficit in the domestic market is covered by the import of wood products. The development of the wood industry will not only contribute to higher export and a reduction of the trade deficit, but it will also have a positive impact on raw material supply, especially from the forest (Statistical Office, Republic of Serbia unpublished internal Data, Belgrade 2002).

**Table 3.2/a. Share of Some Sectors and Economy Areas in Export/Import**

	2004			
	Export (mil. USD)	Import (mil. USD)	Share in overall export (%)	Share in overall import (%)
Forestry	11	23	0,3	0,2
Primary processing	64	147	1,7	1,3
Final processing	101	100	2,7	1,1
Paper	80	317	2,2	2,8
<b>Overall export</b>	<b>3.701</b>	<b>11.139</b>	<b>100,0</b>	<b>100,0</b>

Source: Market flow - Production and foreign trade exchange, CCIS (2005)

According to the data from Chamber of Commerce and Industry of Serbia, in overall export in 2004, main foreign trade partners were *Bosnia and Herzegovina* (17.6% of overall export or 650,3 mill. USD), than *Italy* (13.1 % or 486 mill. USD), and *Germany* (10.1% or 372,7 mill. USD). Regarding the **import** in 2004, main Serbian partners were *Germany* (13.5% or 1.501,2 mill USD), than *Russian Federation* (12.6% or 1.401,1 mill USD) and *Italy* (9.6% or 1.065,4 mill USD).

Share of some sectors and economy areas in export/import, is shown in tables below (T-3.2/a-c). If the simple interpolation principle is used, we can come to the simple data regarding participations of most important countries in forestry and wood industry export/import.

Therefore, it can be concluded that in *Bosnia and Herzegovina* as main export partner, is exporting 13.2 mill USD of forestry products and primary wood processing products and 17.8 mill USD of finale wood processing products and 14,1 mill USD if paper.

At the same time in *Italy* 9,8 mill USD of forestry and primary wood processing products are exported and 13.2 mill USD if final wood processing products. On *German* market, 7.6 mill USD of forestry and primary production wood products are marketed and 10.2 mill. USD of finale wood processing products.

**Table 3.2/b. Share of Some Sectors and Economy Areas in Export/Import**

	2004			
	Export (mil. USD)	Import (mil. USD)	Share in overall export (%)	Share in overall import (%)
Cultivation, Utilization of the forests and services	8,8	18,8	0,3	0,2
Processing and products of wood and cork	74,8	140,2	2,5	1,6
Production of furniture and similar products	75,0	126,7	2,5	1,4
Production of cellulose, paper, processing of paper	65,5	255,6	2,2	2,9
<b>Total</b>	<b>224,1</b>	<b>541,3</b>	<b>7,6</b>	<b>5,8</b>

Source: Market flow - Production and foreign trade exchange, CCIS (2005)

Log exports have been liberalised since the beginning of 2001. Logging is carried out by PE “Srbijasume” (20%), on contract to the roadside (60%) and “on the stump” (through open auction sale of standing timber - 20%). The intention is to privatise all logging in the long term. In some parts of the country illegal logging and poaching takes place but the true extent of these activities is not known.

**Table 3.2/c. Share of Some Sectors and Economy Areas in Export/Import**

	2004			
	Export (mil. EUR)	Import (mil. EUR)	Share in overall export (%)	Share in overall import (%)
<b>Forestry</b>	10,9	23,2	0,29	0,21
Cultivation, Utilization of the forests and services	10,9	23,2	0,29	0,21
<b>Overall forestry</b>	10,9	23,2	0,29	0,21
<b>Processing industry – forestry</b>				
<b>Processing and wood products</b>	92,7	174,4	2,50	1,57
Sawn wood	47,1	57,8	1,27	0,52
Impregnated wood	3,2	0,3	0,09	0,00
Planks and tables from wood	14,3	88,9	0,39	0,80
Structure joinery	11,9	18,1	0,32	0,16
Wood package	7,3	1,7	0,20	0,02
Other wood products	8,7	5,1	0,24	0,05
Cork objects	0,03	1,4	0,00	0,01
Straw objects and similar	0,1	1,0	0,00	0,01
<b>Paper production, publishing and printing</b>	81,0	318,0	2,18	2,85
Cellulose	4,2	6,7	0,11	0,06
Paper and cardboards	56,0	209,5	1,51	1,88
Wavy paper and package	13,0	22,1	0,35	0,20
Household objects and similar	4,4	48,8	0,12	0,44
Confectioning of the paper	1,7	22,9	0,04	0,21
Wall papers	0,2	0,4	0,01	0,00
Other paper objects	1,5	7,6	0,04	0,07
<b>Other processing Industry</b>	73,5	73,9	1,98	6,63
Chairs and benches	47,2	21,0	1,28	0,19
Office furniture	1,5	7,3	0,04	0,07
Kitchen furniture	0,2	1,7	0,01	0,02
Other furniture	21,2	42,5	0,57	0,38
Mattresses	3,4	1,4	0,09	0,01
<b>Overall processing industry - forestry sector</b>	<b>247,2</b>	<b>566,3</b>	<b>6,67</b>	<b>5,08</b>

Source: Market flow - Production and foreign trade exchange, CCIS (2005)

**LIST OF RATIFIED INTERNATIONAL CONVENTIONS, AGREEMENTS AND TREATIES, RELATIVE FOR FORESTRY SECTOR IN SERBIA**

1. International Convention for the Protection of Birds (1950)
2. International Plant Protection Convention (1952)
3. Convention on Wetlands of International Importance Especially as Water-flow Habitat (1971)
4. Convention Concerning the Protection of the World Cultural and Natural Heritage (1972)
5. Convention Concerning the Protection of Workers Against Occupational Hazards in the Working Environment due to Air pollution, Noise and Vibration (1977)
6. Convention on Long-range Trans-boundary Air Pollution (1979)
7. Protocol to the 1979 Convention on Long Range Trans-boundary Air Pollution on Financing of the Cooperative Program for Monitoring and Evaluation of the Long-range Transmission of Air Pollutants in Europe (EMER) (1984)
8. Vienna Convention for the Protection of the Ozone Layer (1985)
9. The Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal (1989)
10. Agenda 21 (1992)
11. UN Framework Convention on Climate Change (1992)
12. Convention on Biological Diversity (2001)
13. Convention on Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (2001)

**ACTIVITIES OF REPUBLIC'S FORESTRY AND HUNTING INSPECTORS, JANUARY - NOVEMBER 2004**

Legal base	Organisation Unit (Department)	Surveillance		Dispose illegally obtain property			Administrative measures		Repression measures								
		Planned	Done	Tech. wood m <sup>3</sup>	Fuel wood m <sup>3</sup>	Other pcs	Act	Other <sup>1</sup>	Violation			Denunciations					
									Arraign	Punish <sup>2</sup>	Fine (\$) <sup>3</sup>	Economic trespass			Criminal		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Law on Forests	Novi Sad	902	979	1.8	77.2	-	18	-	57	12	160	-	-	-	-	2	-
	Belgrade	1503	1522	55.6	155.4	-	77	259	907	-	-	27	-	-	-	42	-
	Kraljevo	NDA	1467	55.0	329.0	-	20	-	345	15	180	4	-	-	-	6	-
	Uzice	NDA	1662	-	325.0	-	343	-	686	29	515	1	-	-	-	8	-
	Nis	2893	1016	-	487.2	45	46	-	1262	740	4815	5	-	-	-	26	2
<i>Subtotal:</i>		<i>5298</i>	<i>6646</i>	<i>112.4</i>	<i>1373.8</i>	<i>45</i>	<i>504</i>	<i>259</i>	<i>3257</i>	<i>796</i>	<i>5670</i>	<i>37</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>84</i>	<i>2</i>
Law on seed and seedlings material	Novi Sad	259	308	-	-	-	54	1	-	-	-	-	-	-	-	-	-
	Belgrade	140	242	-	-	-	26	19	5	-	-	3	-	-	-	2	-
	Kraljevo	NDA	113	-	-	-	-	16	-	-	-	-	-	-	-	-	-
	Uzice	NDA	162	-	-	-	-	13	1	-	-	1	-	-	-	-	-
	Nis	19	228	-	-	-	26	-	-	-	-	-	-	-	-	-	-
<i>Subtotal:</i>		<i>418</i>	<i>1053</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>106</i>	<i>49</i>	<i>6</i>	<i>-</i>	<i>-</i>	<i>4</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2</i>	<i>-</i>
Law on protection of plants from diseases and pests	Novi Sad	152	237	-	-	4	70	-	-	-	-	-	-	-	-	-	-
	Belgrade	232	264	-	-	-	57	57	133	-	-	1	-	-	-	-	-
	Kraljevo	NDA	220	-	-	-	2	27	-	-	-	-	-	-	-	-	-
	Uzice	NDA	214	-	-	-	51	7	-	-	-	-	-	-	-	-	-
	Nis	9	266	-	-	-	1	21	-	-	-	-	-	-	-	-	-
<i>Subtotal:</i>		<i>393</i>	<i>1201</i>	<i>-</i>	<i>-</i>	<i>4</i>	<i>181</i>	<i>112</i>	<i>133</i>	<i>-</i>	<i>-</i>	<i>1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Law on hunting	Novi Sad	458	484	-	-	11	-	-	6	1	25	-	-	-	-	1	-
	Belgrade	319	265	-	-	4	20	17	26	-	-	14	-	-	-	1	-
	Kraljevo	NDA	146	-	-	-	1	-	-	-	-	-	-	-	-	-	-
	Uzice	NDA	139	-	-	-	8	-	8	-	-	1	-	-	-	-	-
	Nis	18	422	-	-	245	1	36	34	1	417	-	-	-	-	-	-
<i>Subtotal:</i>		<i>795</i>	<i>1456</i>	<i>-</i>	<i>-</i>	<i>260</i>	<i>30</i>	<i>53</i>	<i>74</i>	<i>2</i>	<i>442</i>	<i>15</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2</i>	<i>-</i>
I Law on forests		5298	6646	112.4	1373.8	45	504	259	3257	796	5670	37	-	-	-	84	2
II Law on seed and seedlings		418	1053	-	-	-	106	49	6	-	-	4	-	-	-	2	-
III Law on protection of plants from diseases and pests		393	1201	-	-	4	181	112	133	-	-	1	-	-	-	-	-
IV Law on hunting		795	1456	-	-	260	30	53	74	2	442	15	-	-	-	2	-
<b>Total:</b>		<b>6904</b>	<b>10356</b>	<b>112.4</b>	<b>1373.8</b>	<b>309</b>	<b>821</b>	<b>473</b>	<b>3470</b>	<b>798</b>	<b>6112</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>2</b>

Source: Directorate of Forests – Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia (unofficial paper-internal use)

<sup>1</sup> Certificates for selling seeds and seedlings

<sup>2</sup> Number of punishing is not for year 2004, but for previous years (2001, 2002, 2003). It is not connected with the number of arraign. According to the information in Directorate of Forests, there are not even one single case solved in year 2004, from arraign in 2004.

<sup>3</sup> Fine is also partially in relation with column "Punish", and it has to consider as estimation figures, since there are no information mechanism regarding the punishment and amount of fine.

## EXAMPLES OF CORRUPTION IN CONJUNCTION WITH ILLEGAL LOGGING

The most significant examples of the cases when the corruption facilitated illegal logging, for which the evidence could probably be provided by the appropriate action of the responsible organs, are the following:

**Example 1:** Recorded in East Serbia, when in one location about 200 trees were logged (about 100 m<sup>3</sup>) along the road, the trees were not marked for felling; there was no working plan, nor the book of tree marking. The worker who logged the trees presented a part of the volume (about 30 m<sup>3</sup>) and paid on the cashier with the receipt. The other part of the volume disappeared. Considering the fact that Forest Law does not allow clear felling, it is called clear felling in the jargon. Actually, it is a classical method of hiding the volume (in the realised income – Form File of logging);

**Example 2:** There is a marking hammer on the stumps, but there is no book of trees marked for felling and no working plan. In this example, all the illegally logged volume was taken by a worker of SE „Srbijašume”;

**Example 3:** 2885 m<sup>3</sup> was marked for felling, about 3000 m<sup>3</sup> were logged, and the Commission found another about 330 m<sup>3</sup> without tree marking. Also, all the illegal income was taken by a worker of „Srbijašume”;

**Example 4:** A lorry loaded with wood was stopped (with about 40 metres of cordwood). The lorry had no waybill, no trade stamp, and no grease paint – as obligatory by the Law. The inspector made the statement, drew up the protocol and went away. After that, the foreman from the forest administration office comes and marks the wood, issues a legal waybill and legally permits the wood trade, despite the inspector’s investigation and indication of illegal activities;

**Example 5.** There is a licence to shoot one deer, signed by the authorised person (e.g. chief of forest administration office). During the inspection control, the hunting officer issued a written report that during that hunting season, they had no forms of hunting (either sanitary, or commercial, or breeding. The shot deer had no evaluation paper (the trophy value is evaluated based on the evaluation paper), there is no waybill for the venison, and there is no invoice (bill with exact quantity and price) for the shot game;

**Example 6.** A widely spread example, when different illegal activities are completely legally “covered” by forest inspectors, which is the most remarkable example of the „devastating” corruption;

**Example 7:** False presentation - reduction of logged wood volume (The service for forest management planning and forest inventory is at the level of forest estates, which in some cases facilitates the corruption activities, because it is possible to present the false data, and later on to “fix” them through felling and the files, so that there is no impression of illegal doings. Bearing in mind the fact that until recently, the number of forest inspectors was insufficient, and also the control, the “mosaic” is completed;

**Example 8:** The blocks of waybills must be numerated and registered, but there are examples that an exact number of blocks of current waybills were not known, which made it possible to make different illegal actions;

**Example 9.** Construction of forest roads and skidding lines – augmenting the bills, when e.g. the value of the costs for roads, bridges and skidding lines construction is increased for more than 50% of the real costs, in the aim of illegal earning;

**Example 10.** Cleaning of the skidding lines, when for example, the skidding lines are cleaned several times and the costs are geometrically multiplied;

**Example 11.** The employees (directors and others) have their own private firms (not registered in their name), and “make” business directly with their “actual” enterprises, which is a direct conflict of interests;

**Example 12.** Illegal activities during the compensation, because not all goods can be sold for pure money - the bills are “augmented”, and the difference goes into the private pockets;

**Example 13.** A private worker on the jobs in forestry performs an illegal activity; the inspector states the fact and assesses the amount of damage. Then the manager of the forest organisation halves the amount of damage and enables him to resume the work, and even to pay off the damage by his work;

**Example 14.** The field of public procurements, according to Jovanović P. (2001) accounts for between 10 and 15% of the world gross domestic product and the value involved in this procedure is estimated to US \$ several billion annually. For this reason, according to the above author, public procurement is the sphere in which the corruption is best expressed. In public procurements, the loss for the society is higher than the sum of money flowing into the pockets of the corrupted officers. The personnel working in forestry is not immune to such “challenges”, which multiply increase the costs, and the profit goes into private “pockets”. The examples can be the procurement of working clothes and shoes, computers and very expensive instruments, transport means (buses, terrain vehicles...), material for civil engineering construction (offices, hunting houses and apartments for workers), etc.

## **SELECTED PROCEDURES RELATED TO CONTROL AND MONITORING OF ILLEGAL LOGGING**

Based on the Law on forests, the wood should not be moved from the place of harvest until it gets suitable documentation and be marked with forest stamp. This concerns all forests with out ownership consideration. The costs for wood marking and issuing the documents in State forests are beard by companies, while in private forests the costs are born by the State, and the job is done by the service for private forests management. In this way, it is provided that there is no wood without proper documentation in traffic. Every wood that is in traffic without proper documentation, is treated as illegal and has to be submitted to law sanctions, and is very often confiscated.

The control is done by forest security service, forest inspection, trade inspection and the police. Controls are done regularly, but are especially intense in fall, when the trafficking of firewood is the greatest. The whole system starts from the assumption that if the illegal harvested wood is impossible to sell, there is no motive for illegal logging. These controls mainly prevent the illegal wood transportation on longer distances and farther markets with lower degree of forestations, where is greater demand so as the price of wood. The transportation by rural roads is not forbidden, so it is easier to transport illegal wood on local roads. The appearance of forged documentations for transportation has also been noticed or that the documentation has been provided by corrupting the competent forest official.

Surveillance for convey of the law and regulations in forestry is done by forestry inspection. The main job of the inspection, among other things is to “inspect all places where logging is done” ad also to “temporary to stop the logging which is not operating under the conditions regulated: by Law on forests and following regulations. There is one obscurity regarding temporary suspense of the logging, which is not operated under conditions settled by Law on forests and connected regulations. Inspectors have obligation to check and approve marking the trees before logging, to adjust did it done according to the management plans and also to check conditions after the logging. From all these activities they have to provide a protocol.

There is a question should inspector of forestry stop the logging basis on permission of competent authority, which is vice versa to the planes and programs in forestry. Answer is no, since forestry inspector is not responsible to judge decisions of competent authorities, than only to convoy the law. This make the conclusion that inspectors in forestry are not in possibility to convey efficient protection in forestry regulations. But, it is also important to add that situation like this one is rare and inspectors generally carried out properly the law and other regulations. Inspectors can approve some changes in plans, if the field situation in forest required this, but in that case they must provide a protocol with strong explanation. This is very ungrateful work, since everybody can accuse the inspector for disrespect of Forest Management Plans.

# **SAVCOR**

**SAVCOR INDUFOR OY**

**Töölönkatu 11 A**

**FI-00100 Helsinki, FINLAND**

**Tel.: +358 9 684 0110, fax: +358 9 135 2552**

**[indufor@savcor.com](mailto:indufor@savcor.com)**

**[www.savcor.com](http://www.savcor.com)**