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USAID KOSOVO PRIVATE ENTERPRISE PROGRAM (KPEP)

Illegal Logging in Kosovo

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Implemented by
Booz Allen Hamilton

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DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government

ILLEGAL LOGGING IN KOSOVO

Kosovo Private Enterprise Program (Forestry Sector), project: Illegal logging in Kosovo, Contract No. EEM-I-07-00007-00, TO #2

This report submitted by Booz Allen Hamilton / December 17, 2009

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PURPOSE OF ASSIGNMENT

The Consultants shall be primarily responsible for developing a long term strategy that can be implemented quickly to reduce illegal logging in Kosovo. They will have the main objective of developing a strategy with among others the following components: a public awareness campaign, recommendations for engaging law enforcement and recommendations for building local community involvement.

BACKGROUND

In September 2008, USAID designed the Kosovo Private Enterprise Program (KPEP) to transform Kosovo's economy through lasting improvements in private sector competitiveness. KPEP includes four main components: 1) private sector support in targeted sectors with potential for growth and competitiveness; 2) identify demand driven development for business support services; 3) improve business enabling environment; and 4) workforce development. KPEP will also address several cross-cutting areas including gender, youth and minority development.

Among the priority sector is forestry. Kosovo's forestry sector is confronted with the reality that market access has been severely limited unless wood originates from certified forests and wood products can be traced through a certified chain of custody (COC). Certified wood products will be the rule not the exception in Europe and North America. To be competitive Kosovo must address eco-certification. Of the ten principles and criteria to which Kosovo must comply for certification, illegal logging is the greatest challenge.

The project's strategy is to move forward with forest certification and to implement a parallel effort to address illegal logging. KPEP developed the Forest Standards Develop Group (SDG) for certification under the Forest Stewardship Council (FSC). Although an effective program to address illegal logging is a principle within FSC, KPEP will implement a strategy to reduce illegal logging as a parallel effort. Illegal logging is pervasive and extremely costly. Efforts in the past to address illegal logging have failed due to the lack of a strategic approach.

EXECUTIVE SUMMARY

Illegal logging reflects a lack of governance that can be found in most countries but at different degrees. The problem of illegal logging is closely linked to broader issues of governance. Kosovo is placed on the chart of illegal logging countries as a main offender.

More than half the country is covered by forests that provide in addition to logs and non-timber products many environmental goods and services. The loss of revenues and the negative economic and environmental impacts this crime has on the economy could almost cost the country half the estimated 1.8 percent contribution of the forestry sector to the \$ 4 billion GNP (2007). Illegal logging depresses stumpage prices and makes the forest products companies inefficient and uninterested to invest in new more efficient equipments.

Elements of a strategy to reduce illegal logging are proposed along three directions: enforcement of the law, awareness raising and participation of the rural communities. For the longer run, the adoption of eco-certification is the fourth dimension of the strategy that is not covered here. The strategy is focusing on commercial illegal logging. Firewood harvested for auto-consumption and local community use should be legalized with minimum administrative requirements.

An independent Forestry Board (FB) reporting initially to the Prime Minister Office and representing the main stakeholders concerned by the issue would help monitoring the chain of law enforcement: forest guards, loggers, transporters, municipal officers, police, judiciary, high level functionaries, forest products companies, and politicians. Since it has been observed that the way the Forest Services are organized in most countries has little incidence on the administrative performance of these services and their governance, no major institutional restructuring is proposed. The Board will report to the MAFRD once a dent has been observed in the illegal harvesting of wood and could even phase out with the problem.

In addition, and to complement the task of the FB, an independent auditor or an inspector from the Ministry of Economic and Finance (MEF) would audit the forest revenues collected by the Kosovo Forestry Agency (KFA). An inquiry would be initiated on the backlog of illegal logging cases pending at the Ministry of Justice. A special court could be set to speed the process.

Parallel to this effort in law enforcement, another element of the strategy should be to ensure the support of the public in the reform process through a diversified mass media campaign. A blog would also be created to provide and receive information on illegal logging activities and success stories at tackling the problem.

The third element of the strategy is to consult and involve rural communities and citizens in resolving the issue. Their involvement should first come from generating employment and income in managing sustainably the forest resources and processing wood products, in commercializing non-timber forest products, in organizing forest related tourism and environmental activities. The responsibility of the Municipalities in the management and control of the forests have to be clarified. Citizens benefiting from the forest resources will be more inclined to protect it against forest crimes.

The Action Plan (AP) to implement the strategy that will be chosen by the stakeholders will depend on the elements of the strategy that they will retain. The actions to be undertaken under the three elements of the strategy proposed above will be reinforcing. Mass media and citizens involvement activities will support the FB in its monitoring activities. The forest

inventory and monitoring function proposed will be linked to the scaling up of forest management plans.

The implementation of the AP will be monitored and should be flexible to readjust to continually changing environment proper to economies in transition.

FIELD ACTIVITIES TO ACHIEVE PURPOSES

People met

Institution	Representatives	Date
Ministry of Environment and spatial Planning (Agency for Environmental Protection)	Ilir Morina (Chief executive of Agency) Ylber Sherifi (Environmental Expert) Qenan Maxhuni (Environmental Expert) Fadil Bajraktari (Environmental Expert)	30.11.2009
Kosovo Forest Agency	Mr. Muzafer Luma (Chief Executive of KFA)	01.12.2009
MoESP, Institute for Spatial Planning	Mr. Luan Nushi (Director of Institute of Spatial Planning)	01.12.2009
Ministry of Agriculture, Forestry and Rural Development (Department of Forestry)	Mr. Hysen Abazi (Director of Department) Mr. Hasan Ukaj (Chief of Forest Inspectors)	02.12.2009
Meeting with University, Biology Department	Mr. Mr. Elez Krasniqi (assistant)	02.12.2009
Cadastral Agency of Kosovo (Survey Professor)	Mr. Murat Meha (professor at University)	03.12.2009
Wood Processing Association	Mrs. Arieta Vula (Executive Director)	03.12.2009
Municipality of Deçan/Dečan	Mr. Muse Mushkolaj Mr.	04.12.2009
Juniku Municipality	Mr.	04.12.2009
Private harvesting company	Mr. Isuf Zekaj (Director)	04.12.2009
Secondary forest technician school	Mr. Nexhmi Leci, Director of School	07.12.2009
University of Prishtina, Faculty of Agriculture	Mr. Skender Muji, Dean	07.12.2009
Meeting with Ministry of Education and technology	Ms. Valbona Fetiù Mjeku, the head for vocational education and training department	08.12.2009
Meeting with SNV (Project financed by SIDA)	Mr. Haki Kola (team leader) Mr. Luan Zubaku (Forestry advisor)	08.12.2009
Meeting with KFOR		09.12.2009
Meeting in the Municipality of Kaçanik/Kaçanik	Mr. Nuhi Provoliu (head of agriculture dep.) Mr. Zylfi Koxha (Agriculture officer)	09.12.2009
Meeting with Ministry of Energy	Mr. Hilmi Morina (Head of energy dep.) Mr. Osman Hajdini (Head of energy section)	11.12.2009
Meeting with Regional Environmental Center (International NGO)	Mr. Zeqir Veselaj (head of REC, Office in Pristina)	12.12.2009

TASK FINDINGS

1. Evidence of illegal harvesting at the national level: The only forest inventory data available at a national level are the data from National Forest Inventory (FAO 2002/2003). That inventory provides the presence or absence of illegal activities in Kosovo's forests by counting the stumps. These data are now outdated since harvesting activities, including illegal activities, in last years have increased. This study, which was undertaken in 2002-2003, under the supervision of FAO, shows that a third of the forest area of Kosovo were the object of illegal harvesting. However, there are no precise figures on the volume of wood illegally harvested because the diameter of the stems harvested was not measured. The data from National Forest inventory shows that around 40% of public forest and 30% of private forest were subjected to illegal harvesting.

2. A desk study on the "Forest Industry, Challenges of Development and Balanced Use, financed by USAID-KCBS project 2008 includes an estimation of the amount of illegal harvesting annually. Using data from Custom of Kosovo (Import and Export), approximated needs of families for fire wood in Kosovo, and legal annual harvesting by KFA, they derive the following estimated volume of illegal harvest amounting to 550 000 m³. A similar figure was provided to the mission by the head of the forest inspectorate in the Ministry.

Year 2006	Firewood in M³
KFA - Harvesting at 80% in m ³	187,667
Import	100,000
Total	287.667
Total: (Population needs)	837,500
Total	
Illegal Harvesting	549,333

3. More precise estimates of illegal logging can be provided at the local level and forest management unit level. At that level, a more precise forest inventory can provide estimated volume data with 95 % accuracy for each management unit. This project is supported by the Norwegian Government and started in 2006. There are eight management units that have been covered by this project and by MAFRD-KFA with their own budget. The table below gives the management units covered by management plan in the different municipalities with their area and volume illegally cut during the last five years.

Management Unit	Municipality	Area/Ha	Volume illegally cut Last 5 years/m³	Volume illegally cut annual/m³
Ahishta	Kaçanik/Kaçanik	2 717	42 000	8 400
Nerodime-Jezerc	Ferizaj/Uroševac	6 899	86 000	17 200
Radusha	Istog/Istok	4 974	49 519	9 903.8
Llocani-Decani	Deçan/Dečan	2934	110 000	22 000
Koritniku I	Prizren	635	150	30
Koritniku II	Dragash/Dragaš	2 843	3 284	656.8
Kozhnjer-Rroshkodol	Deçan/Dečan	4 129	42 414	8 482.8
Guri i zi	Kamenicë/Kamenica	2 368	27 000	5 400
Total		24 565	260 267	72 053

Based on this information, we could calculate approximately the volume illegally cut from these management units completed by the management plans' inventory. The data should be used with care if we want to extrapolate them at the national level, because illegal harvesting is not spread equally over all Kosovo. The average illegal harvested volume/Ha is 1.5 m³. If we would multiply this volume by the total forest area, 464 800 hectares, the total volume harvested illegally would be estimated at around 697.200 m³ annually. These figures are rough approximation and do not represent real figures. However, many municipalities are much more intensively logged than the eight we have here such as in Dečan/Dečan, Pejë/Peć, and Istog/Istok. As a result, it would be plausible that the estimates are even higher. The figures extrapolated here are very close to the estimates recently made by the Reinvest Institute (2008) and financed by USAID-KCBS.

4. Many people recognized that the overall cause of illegal harvest is often the general level of poverty in a country and the high level of unemployment in an economy. This latter point is true for Kosovo where around half the active population and up to 70% for the youth are unemployed. However, the need for auto-consumed firewood resulting from the high level of poverty does not represent the major issue compared to the well spread and costly commercial illegal logging crimes. These crimes are committed by the well-off.

5. Many other causes to illegal logging have been reported by the persons we met. We give them here in an approximate order of importance. The first reason for illegal logging was reported to be the lack of governance. The problem is not proper to the Forestry sector but is acute in that sector. The problem involves the entire chain of custody from the forest guards to the upper echelons of the administration and the Government.

6. The second reason, narrowly linked to the first cause of illegal logging, is the lack of coordination between all the institutions involved in implementing the law and the private forestry sector.

7. The third cause of illegal logging is the low amount of legal volume of timber from public forests managed sustainably that is offered for tendering every year by the KFA. This low volume is explained by the lack of competent professionals, low moral and insufficient budget in that institution.

8. The fourth is the way KFA is organizing the bidding of stumpage. Because of various illegalities in the system, the prices reported are erratic. People are outbidding each other not by working more efficiently but by cutting more illegally since there is no effective control on the ground.

9. Fifthly, proper monitoring and control of the implementation of forest laws and policies does not presently exist. The breakdown in the judicial chain of control KFA-Police-Justice and the lack of political will to implement the law in the forestry sector is to be deplored. KFOR and EULEX are not presently solicited for help.

10. Link to the failure of the justice system to dissuade illegal logging, but of a lower importance, is the appropriateness of the law. The present 2003 law need to be amended or a new law proposed that legalize easily auto-consumption of wood for energy but put pressure on commercial illegal logging. Regulations accompanying different laws and amendments are sometimes inexistent incomplete or not made widely available. The preparation of new laws, amendments and regulations is rarely made in a participatory way.

11. The lack of an updated cadastre for public and to a less extent private forest properties is another cause explaining illegal logging in some cases. Public forests are not mapped nor marked on the ground except for those with a management plan. Their boundaries could be

found with the help of a GPS but are not marked on the ground. Logging private properties adjacent to a national forest get a premium value for harvesting since it facilitates illegal logging on public land.

12. The lack of decentralization and community support in forest management explains why in many cases illegal logging cannot be better prevented or stopped. Private forests are the object of much less illegal logging. The emigrants' forests are protected by neighbors and family members.

13. The institutions responsible for illegal logging often do not have enough means, capacitated officers and budget to properly monitor and police the forest chain of custody. Even KFA has few people in the field.

14. The lack of private-public partnership to manage the sector and secure the needed investments facilitates illegal logging.

15. A proper sector analysis attempting to quantify supply/demand for the main forest products in Kosovo does not presently exist. Such an analysis should serve as a basis for proper forest policies.

16. Forestry education is very weak at the technical level and does not presently exist at the university level.

17. There is a lack of understanding of the issue of illegal logging outside the sector.

18. From the description of the multifaceted aspect of the illegal logging issue, it seems appropriate to suggest here only a limited number of options but insisting on the holistic nature of the responses to illegal logging. In that perspective, three directions are proposed that are mutually reinforcing: (i) Law Enforcement through an authoritative independent Forestry Board and independent financial auditors; (ii) Awareness Raising of the public at large and of specific stakeholders; and (iii) Participatory Forestry Sector Management.

19. The separation of supervision and control functions in the forestry administration exists already with the Forestry Department (FD) of the ministry MAFRD and the KFA as the State Forest Enterprise. However, governance issue makes this arrangement insufficient to enforce the forest law. What need to be supported by the Member of the Parliaments and the Minister is to set up a Forestry Board, already foreseen in the Forestry Law (2003), but not implemented to monitor forestry activities and coordinate institutions, and the special financial control Unit. Initially, the Board should preferably be put under the Prime Minister Office, until the illegal logging problem has diminished. Later, it could be moved back under the umbrella of MAFRD.

20. Score cards on illegal logging by professionals and citizens indicate that they are aware of the issue and that it reflects the lack of governance through the entire economy. However this awareness and the different attempts to solve the problem so far have not brought any tangible results. There is a need to harness this general movement of discontent to influence the government and the Assembly to reform the forestry sector. This is the second element of the strategy to combat illegal logging: raising awareness, inform and educate the public at large and important stakeholders, including the private sector, to support radical change in the way the sector is managed.

21. The awareness campaign can also be used to present the potential of the sector for lifting the economy and to better mainstream the forestry sector in the development strategy of the country. The campaign would also support the effort to develop an eco-certification system in the country. The Kosovo Standard Development Group (SDG) has developed a

comprehensive communication plan in support of the country's Forest Stewardship Council (FSC) forest management and chain of custody certification effort. The two campaigns should be synchronized and mutually reinforcing in the messages they want to deliver to the public and specific stakeholders.

22. The involvement of the public and the people directly affected to resolve the issue of illegal logging is a prerequisite to the success of the strategy. The main interest in local community involvement should be rural development and the generation of employment and income through more intensive forest management and the control of the management plans. For some communities, forest plantation could also be an option. However, this element of a strategy is difficult to propose before the responsibility for municipal land and forest management and control has been clarified.

23. The participation of all interested stakeholders is important to agree on a strategy and propose an action plan. The stakeholders should be: government institutions from the forestry at the different levels of administration and forest products industry, representatives from the government, highest level of public administration (justice, police, agriculture, energy, environment, cadastre,...), NGOs, community-based organization, special user groups (forest dwellers), private sector including professional associations and private enterprises, research and training in forestry and related field, and representatives of ongoing programs and activities related to forestry.

24. The Action Plan (Annex 4) could have six major actions: Parliamentarians forum, setting a Forestry Board and an Auditor unit, raising awareness, foster communities participation and monitoring of the forest.

25. The Chair of the parliamentarians' committee on natural resources met by the mission was fully aware of the illegal logging issue and eager to help putting illegal logging on the agenda of the Kosovo's Assembly. He plans to organize a forum of the stakeholders some time in February and would be interested in receiving USAID report as an input to that process. This could be a chance for initiating exchanges of views among the stakeholders on the issue and to organize a light and independent coordination unit to help finalize a strategy and action plan to diminish illegal logging in Kosovo.

26. The objective of installing an independent FB should be to enforce the law and regulations. The actions under this activity are multiple: identify the stakeholders sitting on the board, the persons within these groups that will represent them, develop the status, means, and ensure the independence of the FB, decide to whom they report, get the political support, and decide on the modus operandi. These activities could be initiated after the first forum proposed in the first action of the tentative Action Plan.

27. To follow-up on the collections of stumpage fees collection and to monitor budgeting expenditures, an audit function should be clearly defined. The auditor could be part of the regular auditing procedure of the MEF. The persons in charge of revising the collection of the different revenues from forest lands should be made aware of the specificity of the sector and should report in addition to their normal chain of command to the FB. This functions could however be given to external auditors of well known companies. This option could be followed to initiate this new auditing function with donors funding.

28. The mass media activities of the AP should raise awareness on the issue of illegal logging in order to receive support in the reform process. As one of the activities, a blog will be opened to better inform and to increase transparency regarding that issue as well as to receive feedbacks from the public that will be sent to the FB.

29. The participation activities under the AP to help prevent illegal logging should have for objective to generate employment and income by participating in the forest management activities, such as the pre-commercial thinning program. By generating work in the forestry sector for the rural population, the communities surrounding the forest will be more inclined to defend the forest resources that would have become for them a source of revenues.

30. Different type of consultations will be undertaken in the illegal logging hot spot in order to explain to the population the objectives of the forest management plans in the area and to motivate them to contribute to the enforcement of these plans. Population will also participate in the decision-making regarding the objectives of these management plans, especially in the zones where illegal logging is an important issue.

31. The forests monitoring activities should initiate National Forest Inventories activities relying on the information of the forest management plans that are required for legal logging. This action should provide the means to scale up the area under management plans. The information provided by the inventory data will allows to better quantifying illegal harvest but also to follow up on forest growth, allowable cut and legal harvesting.

32. Another activity under this planned action is to develop guidelines on preparing such plans for different scale of forest properties on private lands. To prepare these guidelines the method which has been developed by the Norwegian forestry project will be used and adapted for different level of forest management intensification.

33. The Action Plan should be monitored carefully and be flexible enough to adjust for change and adapt following the success of the actions undertaken.

CONCLUSIONS AND RECOMMENDATIONS

1. Illegal logging is costly for Kosovo in terms of revenue forgone, rural development opportunities missed, lost investments in the forest products industries, inefficiencies in these industries, lost of morale in the governmental institutions, cynicism of the citizenry and environmental damages. These costs to Kosovo's Society could well amount to as much as half the contribution the sector makes to the economy GDP in 2007. With its percentage of illegal logging the country is ranked as the one of the worst offenders in the world with Indonesia.

2. This report provides the elements of a strategy to slow illegal harvesting in Kosovo and the Action Plan to implement this strategy that needs the inputs of the relevant stakeholders. In its present form, it is just a document in progress that could be presented to stakeholders to initiate a consultative process that would end with a strategy and an action plan owned by them to progressively reduce the problem of illegal logging.

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Illegal Logging in Kosovo

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Preface and acknowledgement

In September 2008, the USAID designed the Kosovo Private Enterprise Program (KPEP) to transform Kosovo's economy through lasting improvements in private sector competitiveness. KPEP includes four main components: 1) private sector support in targeted sectors with potential for growth and competitiveness; 2) identify demand driven development for business support services; 3) improve business enabling environment; and 4) workforce development. KPEP will also address several cross-cutting areas including gender, youth and minority development.

Among the priority sector is forestry. Kosovo's forestry sector is confronted with the reality that market access has been severely limited unless wood originates from certified forests and wood products can be traced through a certified chain of custody (CoC). Certified wood products will be the rule not the exception in Europe and North America. To be competitive Kosovo must address eco-certification. Of the ten principles and criteria to which Kosovo must comply for certification, illegal logging is the greatest challenge.

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The Consultants shall be primarily responsible for developing a long term strategy that can be implemented quickly to reduce illegal logging in Kosovo. They will have the main objective of developing a strategy with among others the following components: a public awareness campaign, recommendations for engaging law enforcement and recommendations for building local community involvement.

We would like to thank the many persons who helped us giving their insights in this issue of illegal logging in Kosovo. Their names can be found in the annex of this report.

List of Acronyms

AP	Action Plan
CA	Cadastral Agency
CDM	Clean Development Mechanism
COC	Chain of Custody
DOF	Department of Forestry
EULEX	
FB	Forestry Board
FSC	Forest Stewardship Council
FRI	Forest Research Institute
KEPA	Kosovo Environmental Protection Agency
KFA	Kosovo Forestry Agency
KFOR	NATO Mission in Kosovo
KPEP	Kosovo Private Enterprise Program
MAFRD	Ministry of Agriculture Forestry and Rural Development
MEF	Ministry of Economy and Finance
MEST	Ministry of Education and Technology
MESP	Ministry of Environment and social Planning
MTI	Ministry of Trade and Industry
NP	National Park
PEFC	Program for the Endorsement of Forest Certification
REDD	Reduced Emissions from Deforestation and Degradation
SDG	Standard Development Group
SIDA	Swedish International Development Agency
TI	Transparency International
USAID	US Agency for International Development

Executive summary

Illegal logging reflects a lack of governance that can be found in most countries but at different degrees. The problem of illegal logging is closely linked to broader issues of governance. Kosovo is placed on the chart of illegal logging countries as a main offender.

More than half the country is covered by forests that provide in addition to logs and non-timber products many environmental goods and services. The loss of revenues and the negative economic and environmental impacts this crime has on the economy could almost cost the country half the estimated 1.8 percent contribution of the forestry sector to the \$ 4 billion GNP (2007). Illegal logging depresses stumpage prices and makes the forest products companies inefficient and uninterested to invest in new more efficient equipments.

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The Action Plan (AP) to implement the strategy that will be chosen by the stakeholders will depend on the elements of the strategy that they will retain. The actions to be undertaken under the three elements of the strategy proposed above will be reinforcing. Mass media and citizens involvement activities will support the FB in its monitoring activities. The forest inventory and monitoring function proposed will be linked to the scaling up of forest management plans.

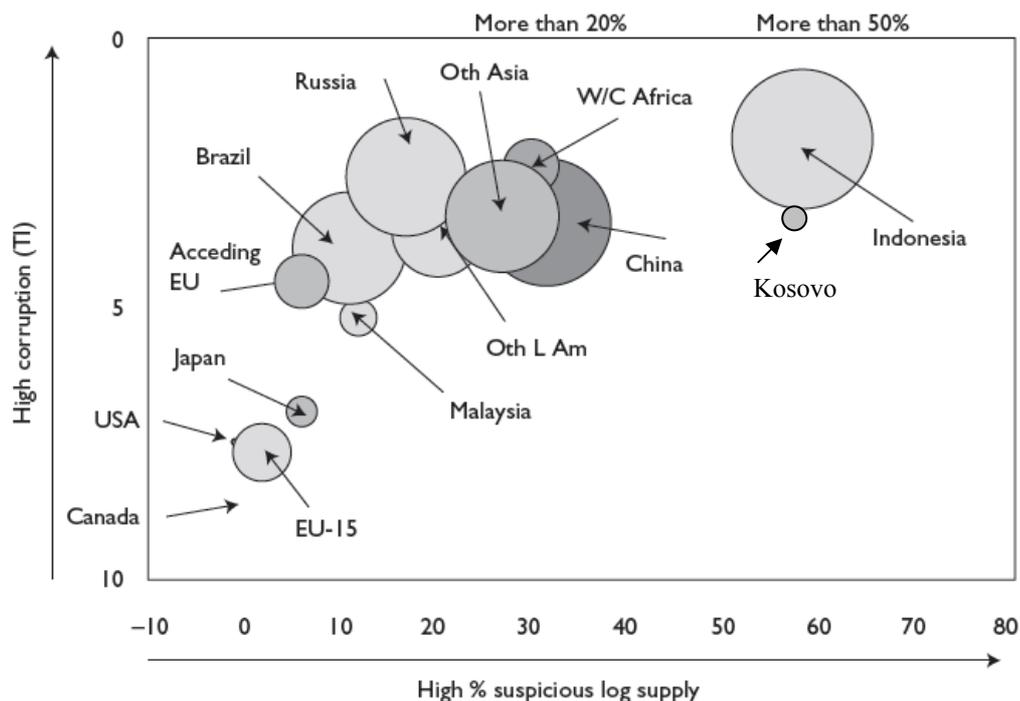
The implementation of the AP will be monitored and should be flexible to readjust to continually changing environment proper to economies in transition.

1. Introduction

From the total area of Kosovo of 1.1 million hectares, 53% is agricultural land and 41% is forested land. Approximately half the forestland is public but a forest map with ownership is not yet available and public forests boundaries are not yet marked on the ground. High Forests are found in high altitude and low forest in low altitude and close to urban and municipality centers. Illegal logging for auto-consumption of fuel wood happens in low forests and is of less importance than crimes committed in the high forests for commercial purpose.

The forestry sector provides employment to close to 10 % of the active population and up to 20 % in forested municipalities. It represents around 2% of the GDP according to the Agricultural Master Plan of Kosovo 2007-2013. Illegal logging is estimated at more than double the amount of legal logging (550 000m³) and could represent as a minimum a cost of up to €10 and 12 million annually just for the wood value. Environmental and social costs are higher.

Illegal logging is a lack of governance that can be found in most countries but at different degrees. The problem of illegal logging is closely linked to broader issues of governance as classified by Transparency International (TI). It is the case of Kosovo which is placed in the chart below as a main offender based on the percentage of illegal logging.



This report attempts a diagnostic of the illegal logging situation by identifying the main causes of the problem and quantifying the volume illegally harvested focusing on the important commercial illegal cut. The elements of a strategy are proposed here that should be discussed and completed by the main stakeholders involved in the sector. From that strategy, could emerge a consensus allowing identifying the main actions to be undertaken. Here, we advocate strengthening the legal framework and implementation of the law through better institutional coordination and citizen involvements. Mass media and help of the communities affected in exchange for the creation of employment and income should help the implementation of the law. Such an action plan developed with the participation of the stakeholders could then be undertaken by the government with the support of USAID and the Donors' community.

2. Diagnostic

1.1. Evidence of illegal harvesting at the national level

Precise forest inventory data with ground measurement at a national scale, particularly data on logging to know the exact amount of volume harvested annually, does not exist presently. Management planning methodology in Kosovo includes the inventory of illegal logging in the last the 5 years for each management unit. These are the most reliable data on illegal logging. However, few management units have been covered with management plans so far.

The only forest inventory data available at a national level are the data from National Forest Inventory (FAO 2002/2003). That inventory provides the presence or absence of illegal activities in Kosovo's forests by counting the stumps. These data are now outdated since harvesting activities, including illegal activities, in last years have increased. This study, which was undertaken in 2002-2003 under the supervision of FAO, shows that a third of the forest area of Kosovo were the object of illegal harvesting. However, there are no precise figures on the volume of wood illegally harvested because the diameter of the stems harvested was not measured. The data from National Forest inventory shows that around 40% of public forest and 30% of private forest were subjected to illegal harvesting.

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Year 2006	Firewood in M ³
KFA - Harvesting at 80% in m ³	187,667
Import	100,000
Total	287.667
Total: (Population needs)	837,500
Total	
Illegal Harvesting	549,333

1.2. Evidence at the local level

More precise estimates of illegal logging can be provided at the local level and forest management unit level. At that level, a more precise forest inventory can provide estimated volume data with 95 % accuracy for each management unit.

This project is supported by the Norwegian Government and started in 2006. There are eight management units that have been covered by this project and by MAFRD- KFA with their own budget. The table below gives the management units covered by management plan in the different municipalities with their area and volume illegally cut during the last five years.

Management Unit	Municipality	Area/Ha	Volume illegally cut Last 5 years/m ³	Volume illegally cut annual/m ³
Ahishta	Kaçanik/Kaçanik	2 717	42 000	8 400

Nerodime-Jezerc	Ferizaj/Uroševac	6 899	86 000	17 200
Radusha	Istog/Istok	4 974	49 519	9 903.8
Llocani-Decani	Deçan/Dečan	2934	110 000	22 000
Koritniku I	Prizren	635	150	30
Koritniku II	Dragash/Dragaš	2 843	3 284	656.8
Kozhnjer-Rroshkodol	Deçan/Dečan	4 129	42 414	8 482.8
Guri i zi	Kamenicë/Kamenica	2 368	27 000	5 400
Total		24 565	260 267	72 053

Based on this information, we could calculate approximately the volume illegally cut from these management units completed by the management plans' inventory. The data should be used with care if we want to extrapolate them at the national level, because illegal harvesting is not spread equally over all Kosovo. The average illegal harvested volume/Ha is 1.5 m³. If we would multiply this volume by the total forest area, 464 800 hectares, the total volume harvested illegally would be estimated at around 697.200 m³ annually. These figures are rough approximation and do not represent real figures. However, many municipalities are much more intensively logged than the eight we have here such as in Deçan/Dečan, Pejë/Peć, and Istog/Istok. As a result, it would be plausible that the estimates are even higher. The figures extrapolated here are very close to the estimates recently made by the Reinvest Institute (2008) and financed by USAID-KCBS.

1.3. Monitoring forest harvesting

More accurate data on illegal logging could be provided if a ground inventory is undertaken using remote sensing technology combined with ground truth data. Such an approach could be much cheaper and the series of data would be quite useful for monitoring the forest cover of Kosovo.

Currently, KFA regional offices have in their attribution to monitor and control public forest areas. However the data reported are far from realistic. The people in charge of monitoring the forest are at the same time the ones would manage it. This creates a conflict of interest.

Initially, a continuous National Forest Inventory had been foreseen to cover each management unit every five years. However such an intensive undertaking was not possible under the limited budget of the Ministry. Such a continuous inventory, in addition to monitor forest harvesting, would provide also an updated forest information system to follow forest growth and establish growth potentials for the different regions of the country. The absence of a continuous forest inventory does not allow monitoring forest health, changes in biodiversity and impact of climate changes.

The absence of information provided by the administration and regular forest inventories makes it difficult to produce a quantified sector analysis on the basis of which good decisions and policies should be taken. Statistics on illegal logging cannot be provided more accurately without (i) better record keeping of what is actually harvested in state and private forests and (ii) continuous forest inventory. However, the magnitude of the problem of illegal logging is not in doubt. This has been confirmed by the many stakeholders with whom the mission talked.

1.4. Other Forest Crimes

Many other crimes than illegal logging exist in Kosovo. The most frequent irregularities are found in the irregular timber sales, the award of cutting rights, and service contracting. The low risk of being caught, everybody does it, and the poorly motivated staff, often with no education in a forestry related field, in the public forest administration, but also the police and

the judiciary, are the main causes of these crimes. Evasion of taxes royalties and other fees by the forest products firms, private and communal owners, is the other sources of illegality. These crimes are often directly or indirectly linked with the issue of illegal logging and move in steps.

1.5. 2.5 The Main Causes of Illegal Logging

Many causes can explain illegal logging since the issue reflects a broad societal context and the amount of social capital in a particular society.

The main causes of illegal logging given to the mission by the representatives of different institutions and other people met in Pristina and in the field are summarized here. A list of these institutions' representatives and the different people met by the mission can be found in Annex I.

It is recognized here that an overall cause of illegal harvest is often the general level of poverty in a country and the high level of unemployment in an economy. This latter point is true for Kosovo where around half the active population and up to 70% for the youth are unemployed. However, the need for auto-consumed firewood resulting from the high level of poverty does not represent the major issue compared to the well spread and costly commercial illegal logging crimes. These crimes are committed by the well-off.

The causes of illegal logging are placed here in an order that could be of importance but that needs to be confirmed by a meeting of the stakeholders.

A summary of the interviews are provided in Annex 2.

1. The first reason for illegal logging was reported to be the lack of governance. The problem is not proper to the Forestry sector but is acute in that sector. The problem involves the entire chain of custody from the forest guards to the upper echelons of the administration and the Government.
2. The second reason, narrowly linked to the first cause of illegal logging, is the lack of coordination between all the institutions involved in implementing the law and the private forestry sector.
3. The third cause of illegal logging is the low amount of legal volume of timber from public forests managed sustainably that is offered for tendering every year by the KFA. This low volume is explained by the lack of competent professionals, low moral and insufficient budget in that institution.
4. The fourth is the way KFA is organizing the bidding of stumpage. Because of various illegalities in the system, the prices reported are erratic. People are outbidding each other not by working more efficiently but by cutting more illegally since there is no effective control on the ground.
5. Fifthly, proper monitoring and control of the implementation of forest laws and policies does not presently exist. The breakdown in the judicial chain of control KFA-Police-Justice and the lack of political will to implement the law in the forestry sector is to be deplored. KFOR and EULEX are not presently solicited for help.
6. Link to the failure of the justice system to dissuade illegal logging, but of a lower importance, is the appropriateness of the law. The present 2003 law need to be amended or a new law proposed that legalize easily auto-consumption of wood for energy but put pressure on commercial illegal logging. Regulations accompanying different laws and amendments are sometimes inexistent incomplete or not made

widely available. The preparation of new laws, amendments and regulations is rarely made in a participatory way.

7. The lack of an updated cadastre for public and to a less extent private forest properties is another cause explaining illegal logging in some cases. Public forests are not mapped nor marked on the ground except for those with a management plan. Their boundaries could be found with the help of a GPS but are not marked on the ground. Logging private properties adjacent to a national forest get a premium value for harvesting since it facilitates illegal logging on public land.
8. The lack of decentralization and community support in forest management explains why in many cases illegal logging cannot be better prevented or stopped. Private forests are the object of much less illegal logging. The emigrants' forests are protected by neighbors and family members.
9. The institutions responsible for illegal logging often do not have enough means, capacitated officers and budget to properly monitor and police the forest chain of custody. Even KFA has few people in the field.
10. The lack of private-public partnership to manage the sector and secure the needed investments facilitates illegal logging.
11. A proper sector analysis attempting to quantify supply/demand for the main forest products in Kosovo does not presently exist. Such an analysis should serve as a basis for proper forest policies.
12. Forestry education is very weak at the technical level and does not presently exist at the university level.
13. There is a lack of understanding of the issue of illegal logging outside the sector.

1.6. Potential Responses to Illegal Logging

Every single cause of illegal logging could be tackled by a specific response as illustrated in Annex III by Puustjarvi (2006)¹. This has been tried before in Kosovo by many different projects targeting specific causes depending on the interest and bias of the different institutions, NGOs, and Donors involved, with only modest results. There is a point to be made to tackle most of these causes behind illegal logging simultaneously since the causes and possible responses are all intermingled. The elements of a strategy proposed in the next section are attempting to do just that.

3. Strategy

3.1. Reform Process to improve forest governance

Forest sector governance refers to the ways in which officials and institutions, both formal and informal and private and public, acquire and exercise authority in the management of the forest resources and improve the welfare and quality of life of the citizenry especially those whose livelihoods depend on the forests. Good governance is a prerequisite to achieve sustainable development of the forestry sector. This would ensure efficient use of the forest resources, contribution of the sector to economic growth and environmental services, and an equitable distribution of benefits derived from the forests.

¹ Puustjarvi, 2006. *Preparing an Action Plan for illegal logging*. Unpublished Working Document Prepared for the World Bank and referenced in the Forests Sourcebook.

The key features of good governance include adherence to the rule of law, transparency and low level of corruption, inputs of all stakeholders in decision making, accountability of all officials, low regulatory burden, and political stability (World Bank, 2000)². Good forest governance is characterized by a transparent forest policy process, a bureaucracy with a proud “esprit de corps”, connected governmental institutions accountable for their actions, and a strong civil society participating in forest related decisions. Everyone should behave under the rule of law. This is the fundamental under which the present strategy is based.

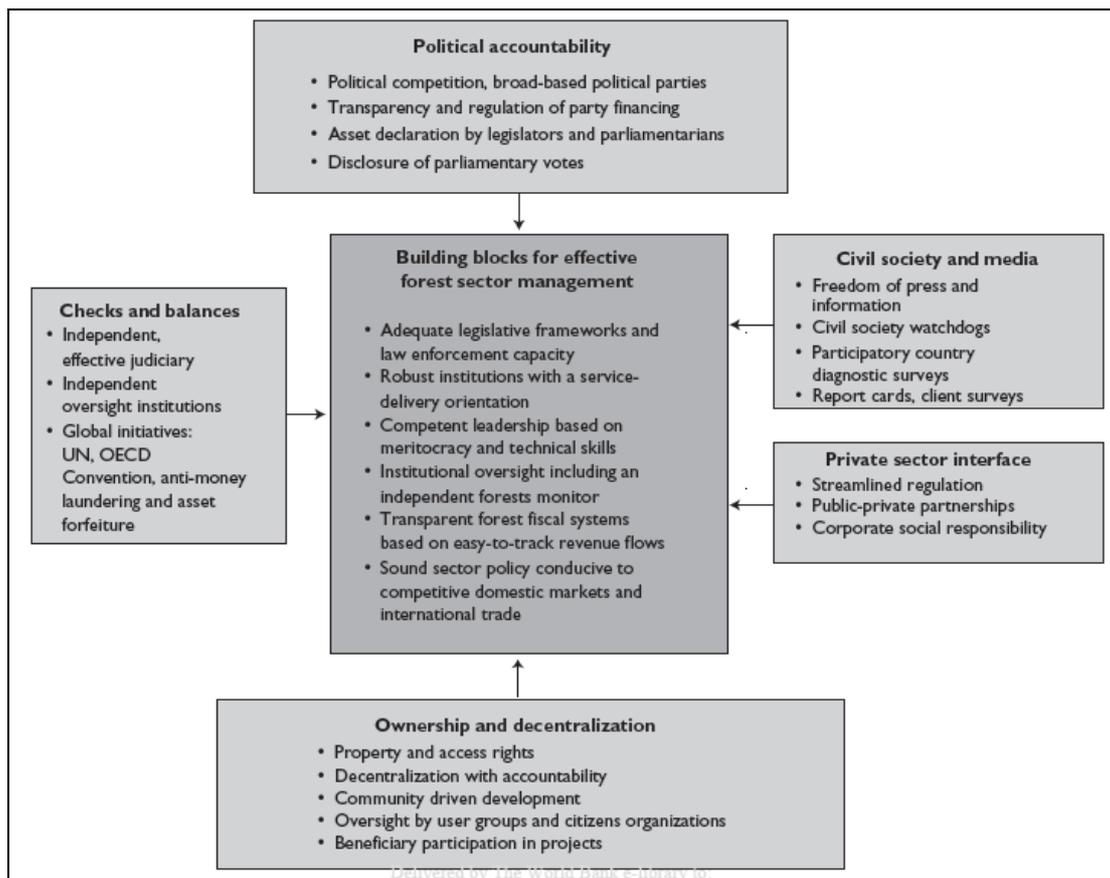
Following other courses of action would be expensive for Kosovo. The MEF is receiving around €1.2 million from the sector and contributes around €800 000 to the Ministry and KFA budget. Based on the figures on illegal logging discussed above, MEF could receive ten times more revenue. This increase in revenues would ensure a budget allowing the administration to collect these taxes and royalties. It would ensure the sustainability of the forest resources and of the financial flows to the treasury. When the losses of environmental services and amenities from the forest resources are taken into account, the opportunity cost of inaction is even greater and could be half the 1.8% the sector is contributing toward the GNP of \$4billion in 2007. Less visible but insidious costs resulting from inaction are the erosion of institutions’ authority, the spread of corruption among these institutions and lower economic growth for lack of productive investments in the sector that are deemed to risky.

The complexities of all these relationships and the magnitude of the task to improve forest governances are captured well in the figure below (World Bank, 2008)³

Figure 2 Forest Governance Reform Process

² WB 2000. *Anticorruption in Transition : A contribution to the Policy Debate* . Washington DC. WB.

³ World Bank, 2008. *Forests Sourcebook*. Washington DC. WB



The central box lists opportunities for reform within the forest sector itself. They are the building blocks for the effective management of the sector. These entry points are directed toward reducing the means, motives and opportunities for forest crimes. The surrounding boxes indicate the embedded nature of the problem in the economy. It shows the need for other sectors, institutions and actors to support and complement the efforts made within the forestry sector. They elaborate on roles of the overall political structure, of national, EU and international checks and balances, and on the contribution of civil society, media, the private sector, and local communities.

3.2. Elements of a strategy

From the description of the multifaceted aspect of the illegal logging issue, it seems appropriate to suggest here only a limited number of options but insisting on the holistic nature of the responses to illegal logging. In that perspective, three directions are proposed that are mutually reinforcing: (i) Law Enforcement through an authoritative independent Forestry Board and independent financial auditors; (ii) Awareness Raising of the public at large and of specific stakeholders; and (iii) Participatory Forestry Sector Management.

Poor governance in the forestry sector is often symptomatic of poor governance in the overall economy as we have seen in the figure one of the introduction. The access to illegal money creates powerful vested interests in and outside of the sector which benefit from the status quo. It is therefore important to ensure political support at the highest level, for any elements of the proposed strategy, and the actions they command, to have any real impacts on the ground. So as a preamble to the strategy, we make the assumption that such a high level support will be received so that the externally funded effort to combat illegal logging and corruption in the sector will not be in vain. This is a critical step since many of the actions that will be proposed to combat illegal logging include measures that are sensitive and cannot be implemented without political support.

3.3. Law Enforcement

Most of the people interviewed suggest that Law Enforcement should be the main strategic direction to solve the problem of illegal logging. Why is it that, few years ago only, this problem was almost inexistent—they asked. The authority of the State seems to have disappeared. Everybody is fending for oneself but not the common good anymore. Forests are a public good in many aspects, not only a production good. It is of the responsibility of the government to ensure the sustainable management of the national forest resources.

To better enforce the law, there is a need for better coordination between all the institutions involved in the chain of command and control, the mission was told. The present state of affair is not the responsibility of any institution in particular but to all of them, said one of the person interviewed at the level of the Municipality. All institutions, from the MAFRD, KFA, police to the Ministry of Justice and politicians but also the forest products industry, are responsible for the present high level of illegal logging taking place in Kosovo.

One proposition presently discussed in the Assembly to improve the present situation is to rewrite the law to provide more responsibility to the municipality and eventually get rid of KFA, see Annex IV. While many benefits can be derived from decentralized forest management and empowering local communities, one should pound carefully the advantages and potential dangers for a small country as Kosovo of decentralizing too much. A check list of advantages and disadvantages⁴ is presented below and should be carefully pounded by all the stakeholders engaged in the forestry sector, while drafting such a new law. Local government and communities can be important allies in the fight against illegal logging, their responsibility and benefits should be clearly identified to ensure a proper incentive for them to act resolutely.

Table 3.3 Potential advantages and dangers of Forest Decentralization

⁴ Contreras A. 2006. *Decentralized Forest Management*. Working paper. WB. in *Forests Sourcebook*. Op.cit. Washington DC

Potential advantages	Potential dangers
There may be reduced bureaucracy and decision-making congestion at the center.	Coordination, implementation, and monitoring of national policies may be more difficult. Central government may be excessively weakened by the transfer of resources to subnational governments. Unclear division of powers may lead to increased conflicts between tiers of government.
There may be faster decision making, particularly in the case of routine decisions.	Economies of scale in implementing certain actions (for example, procurement) may be lost. Subnational government decision-making capacity may be inadequate.
Institution building at the local level may increase. There may be better understanding of local conditions, needs, and constraints. Information flows between tiers of government and between civil society, private sector, and governmental institutions may be enriched. There may be a better scope for establishing partnerships with organizations outside the government. Local knowledge can be exploited more fully.	The "bigger picture" of national forest management and development may be lost. Decisions may be conditioned by local objectives that may not coincide with national objectives. Decentralization may result in the allocation of central resources to regions, ethnic groups, or political associates, which may threaten social coherence. Decentralized organizations may have limited technical and managerial knowledge and lack institutional capacity to manage forest programs.
If decentralization leads to increased reliance on subnational sources of financing, subnational forest institutions will have a greater incentive to function as separate profit centers with decisions increasingly being subject to the discipline of the market. Subsidized operations will tend to be eliminated. It is easier to involve local populations, particularly if actions requested from them are linked to benefit sharing.	Decisions that are heavily influenced by financial considerations may not coincide with national or even local objectives, and financial incentives for accelerated forest exploitation may increase. These decisions may be socially or environmentally undesirable or unsustainable. Noncommercial national policy objectives may be lost. Local elites may control and use decentralized institutions for their own benefit. Decision making may be less transparent and less responsive. If local governments do not produce a substantial economic surplus, net transfers from the central government may be lost.
There may be a greater sense of local ownership.	Local ownership may be lost if benefit sharing becomes less equitable. Decentralized forestry offices may be controlled by special interests. Decentralization may increase arbitrariness and corruption.
Decentralization can lead to larger share of benefits remaining in localities and communities that generate them.	Central government may lose essential revenues and manpower. Local elites may gain control of benefits and create greater inequality and increase poverty. There may be overwhelming pressure to "mine" the forest for immediate local benefit.
There is potential for harmonizing local traditions and rights with formal governmental norms.	If formal norms were previously ineffective and de facto informal norms prevailed, decentralization may increase conflict between formal and informal norms.
Political meddling by central powers may be more difficult.	Local government officials with greater responsibility and power may use decentralized institutions for their own political and personal purposes. Political meddling by the central government may simply be replaced by local political interference and government capture by organized elites. Decentralization may be a vehicle for central political parties to penetrate the rural and forest economy.
Corruption may decrease if the discretionary power of central government officials is reduced. Those actions and powers of local officials can be more closely scrutinized, and downward accountability and transparency will tend to increase.	If centralized monitoring and control are loosened, particularly if decentralization is not accompanied by citizen participation, there may be more opportunities for corruption of local government officials by local elites.

Rewriting the law was suggested by a great numbers of interviewees. While rewriting the law may improve somewhat the legal context to clamp on illegal logging, giving the right to confiscate the equipment used for cutting illegally trees for instance, one should be aware that the problem is not so much the law than the implementation of the law. Regulations can often be improved and amendments can be enough in some cases. Some of the municipalities were not properly informed about the drafting of the new law even though the burden of controlling illegal logging would be put on them.

There are a number of principles that legislators should have in mind when drafting a new forest law⁵: avoid legislative overreach; avoid unnecessary, licensing and approval requirements; include provisions that enhance the transparency and accountability of forest decision-making processes; enhance the stake of local control and participation in the sustainable management of forests; the drafting of law needs to be a broadly participatory process; and increase the effectiveness of direct law enforcement mechanisms set forth in forestry legislation. It is on this last principle that the first element of the strategy proposed

⁵ Lindsay, J., A. Mekouar, and L. Christy. 2002. *Why Law Matters: Design Principles for Strengthening the role of Forestry Legislation in Reducing Illegal Activities and Corrupt Practices*. FAO Legal Papers Online #27, FAO, Rome, Italy.

focuses. Reformers should pay attention to both the penalties and the process of law enforcement to which we now turn.

The present organization of the public forest administration in Kosovo follows the good principles of separating administrative and management functions to eliminate potential conflicts of interest and to ensure independence, transparency and neutrality. However, bad governance has made this arrangement only relatively successful in Kosovo. There is a need to bring some checks and balances to the present system.

A study on forestry institutions in transition economies of Eastern Europe⁶ suggests that a mechanism for ensuring accountability of forest institutions should be created to solve issues such as illegal logging. This mechanism could be a management board that monitors what happens in the forests, supervises the activities of the entity managing public forests and help the coordination with other ministries as appropriate. The Forestry Board (FB) should include representatives from relevant government agencies and ministries, as well as professionals with qualifications in forestry, environmental conservation and corporate management.

Accountability also requires transparent budget procedures and accounting systems matching corporate standards. Some measures for transparent budget procedures proposed in a PROFOR Workshop (2003)⁷ are provided in the following box and should serve as a check list for revising the present accounting system to control public forests revenues. A separate control body to monitor financial flows should also be set up, either through an independent government body (e.g. Court des Comptes) or accredited private auditors as used in many Western European countries.

⁶ WB 2005. *Forest Institutions in Transition: Experiences and Lessons from Eastern Europe*. Working Paper n° 35153. ECSSD/PROFOR, World Bank, Washington, DC.

⁷ PROFOR. 2003. *Institutional Changes in Forest Management: Experiences of Countries with Transition Economies, Problems and Solutions*. Workshop proceedings. WB, Washington, DC.

Box 3.3 Measures for Transparent Budget Procedures

Measures proposed for countries in transition in Europe and Central Asia to increase transparent budget procedures and enhance accounting systems include the following:

- To assign the responsibility for controlling forest harvesting and management to state forest administration.
- To determine appropriate funding for state forest management, physical targets for forest management and environmental conservation should be defined, and necessary investment requirements and operational costs assessed. Funding requirements may include ensuring cost efficiency of forest operations by using subcontractors from the private sector when possible; carrying out independent research on efficiency factors; establishing the transfer to the state budget based on a residual amount determined by deducting estimated costs from total revenue (allowing efficiency gains to remain in the organization as an incentive for improved performance).
- Financial auditing through accredited third-party auditors should be arranged.
- An independent budget for the entity managing state forests should be established (to assist in increasing productivity and efficiency in state forest management). The budget should be associated with well-defined obligations toward the state budget, and development of salary schemes should be based on staff performance to reduce incentives for corruption.
- Marketing of timber and nonwood forest products based on competitive bidding should be arranged to establish fair, market-based prices; ensure open and equal access to timber and nonwood resources for potential beneficiaries at equitable conditions; and limit monopolistic features in resource supply.

Source: PROFOR 2003.

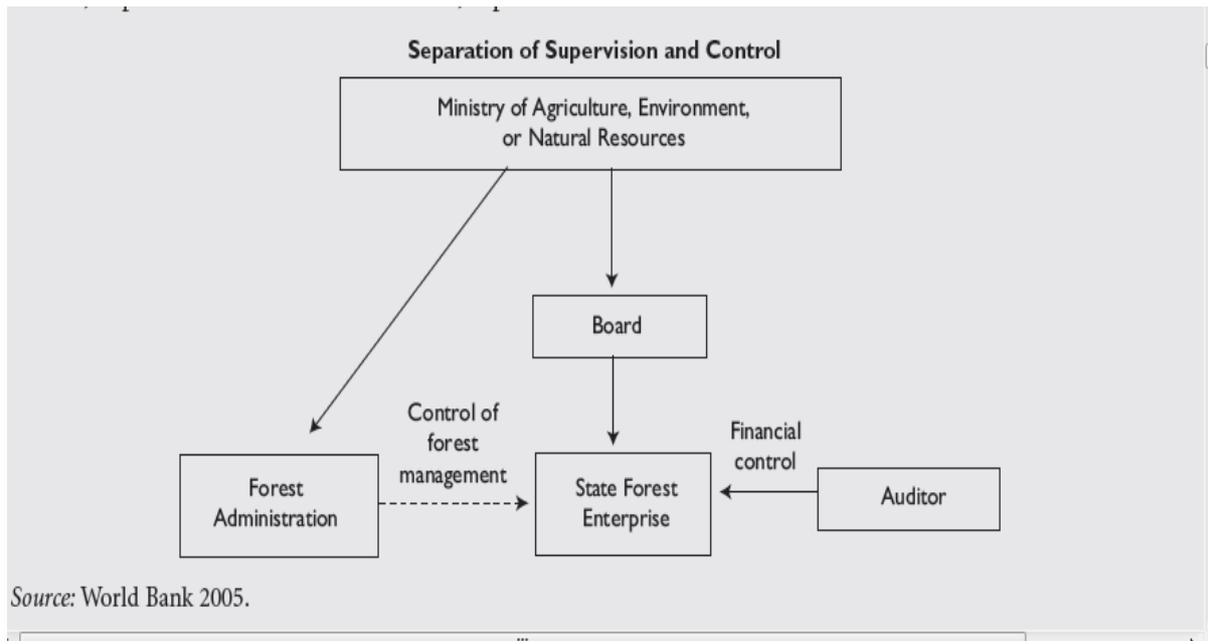
unknown

The presently embryonic unit of Monitoring and Information Systems for Forest Management in KFA should be strengthened to improve the information and monitoring systems of the Forestry sector. This unit could temporarily depend directly to the Board in order to provide them quickly with accurate and up to date information on what is happening physically on the ground. The work could eventually be outsourced. This information is also instrumental for effective policies and planning, prioritizing interventions and engendering accountability. The lack of such a system of information has hampered efforts to reduce illegal logging and improve transparency. It will also be needed for monitoring the eco-certified forests. Under the new EU climate change policies, such data will be needed if Kosovo wants to enter program such as the Reduced Emissions from Deforestation Program (REDD) or project such as the Clean Development Mechanism (CDM). This unit is usually combined with the National Forest Inventories unit. The scale and period of re-measurement should keep price low but more intensive measurements would be made in logging hotspots. Several new methodologies and technologies can help lower the costs per area⁸.

An important element of the strategy to diminish illegal activities in the forestry sector is thus to improve the enforcement of the law by setting an independent Forestry Board combined with an independent financial control either by an independent accredited private Auditor or an independent government body as pictures in the figure⁹ below.

⁸ Kleinn, C. 2002. *New Technologies and Methodologies for NFIs*. Unasylva 210 (53):3-9

⁹ World Bank, 2005. op. cit.



The separation of supervision and control functions exists already with the Forestry Department (FD) of the ministry MAFRD and the KFA as the State Forest Enterprise. What needs to be supported by the Member of the Parliaments and the Minister is the creation of the Forestry Board to monitor forestry activities and coordinate institutions, and the special financial control Unit. Initially, the Board should preferably be put under the Prime Minister Office, until the illegal logging problem has diminished. Later, it could be moved back under the umbrella of MAFRD.

3.4. Raising Awareness

All the professionals we met recognized that the problem of illegal logging is critical. Score cards on illegal logging by few citizens met indicate that they were aware of the issue and that it reflects the lack of governance through the entire economy. However this awareness and the different attempts to solve the problem so far have not brought any tangible results. There is a need to harness this general movement of discontent to influence the government and the Assembly to reform the forestry sector. The sector has potential to contribute to economic growth in a more substantial way than presently. This is the second element of the strategy to combat illegal logging: raising awareness, inform and educate the public at large and important stakeholders, including the private sector, to support radical change in the way the sector is managed.

Media campaigns to raise awareness on the importance of the forestry sector have been undertaken in the past; the sustainable forest protection of the EU and conservation effort by environmental NGOs. However, the issue of illegal logging and governance has been handled too diplomatically. There is a need to spread a message clear and loud on illegal logging to ensure the support for the necessary reforms of the sector.

At the same time, the awareness campaign will focus on the potential of the sector to lift the economy and to better mainstream the forestry sector in the development strategy of the country. Such a campaign would also support the effort to develop an eco-certification system in the country. The Kosovo Standard Development Group (SDG) has developed a comprehensive communication plan in support of the country's Forest Stewardship Council (FSC) forest management and chain of custody certification effort. The two campaigns should be synchronized and mutually reinforcing in the messages they want to deliver to the public and specific stakeholders.

The fact that most people know about the illegal logging issue does not mean that they will do something about it. A communication campaign has to have four components: setting of the goal, defining the audience, find the best medium and then focus on the message for changing behavior. The first audience should be the public at large for the issue of illegal logging but a distinction should probably be made between rural and urban audience and firewood and technical wood. For the rural audience the issues close to home should be emphasized.

It will be important to develop within the media strategy the creation of a blog to pass important messages and information but also to receive feedback on the situation in the field and to reporting on illegal activities. The result of this exercise should be to bring change in behavior in the forestry sector. In order for the media campaign to bring impact, the participation of civil society and different interest groups will be crucial. This aspect relate to the third element of the strategy.

3.5. Local Community involvement

The involvement of the public and the people directly affected to resolve the issue of illegal logging is a prerequisite to the success of the strategy. The main interest in local community involvement should be rural development and the generation of employment and income through more intensive forest management and the control of the management plans. For some communities, forest plantation could also be an option. However, this element of a strategy is difficult to propose before the responsibility for municipal land and forest management and control has been clarified. Officially since 2003, these lands are under the State responsibility and managed by KFA.

Municipality used to play an important role through their Kombinat, a vertically integrated wood products system run by the municipality for the State and relying on a constant log supply from the municipal forests. However, these industrial complexes have been privatized or closed for lack of profitability. Their source of log was not ensured after 2003 when the responsibility for these lands passed to the State. The surviving Kombinats had to purchase their logs by responding to tenders. Municipalities are presently trying to recuperate the right to manage and benefit from the municipal forests and a new law is being drafted in that sense¹⁰. The confusion on the responsibility to manage Municipal Lands is partly the reason of the present problem of illegal logging

Taking the example of the communal forest existing in Europe a careful analysis should be made to find out what would be the best solution for Kosovo. In many European countries, communal forests belong to the communes (smaller unit than a Municipality) and are generally managed by the state with the benefits going to the commune after deducting the management costs. However, in some cases, the management could be auctioned to a private consulting firm. The third element of the strategy, to rely on the participation of local communities to better manage and control the forest resources of Kosovo, should be for the time being limited to help clarifying the responsibility in managing the municipal forests.

3.6. Participatory process to develop the strategy.

Participation of all interested stakeholders to better manage the forestry sector is important. This element of the strategy should be closely linked with the communication campaign. Regarding illegal logging, the coordination of all the different actors, including the ones outside of the sector, is crucial. The stakeholders are: government institutions from the forestry at the different levels of administration and forest products industry, representatives

¹⁰ See Annex IV

from the government, highest level of public administration (justice, police, agriculture, energy, environment, cadastre,...), NGOs, community-based organization, special user groups (forest dwellers), private sector including professional associations and private enterprises, research and training in forestry and related field, and representatives of ongoing programs and activities related to forestry.

Institutions in forestry and forest products industry are the most important and since illegal activities are often locally specific, local stakeholders should be fully integrated in the process. The private sector and civil society will ensure a balanced representation of view points. Institutions to capacitate the forest officers are important since educated workforce is presently a constraint to the development of the sector and the resolution of the logging issue: backlog of management plans and a too servile workforce. Potential donors to the sector are useful to benefit from their expertise and ensure financing for future actions.

The stakeholders will have to be brought together to resolve the illegal issue. Once the relevant people have been identified, the next step will be to undertake a stakeholders' analysis to group them into categories on the basis of their relationship to the policy issue of illegal logging. For each category, three type of information are useful to manage the participatory process: defining characteristics including power and organizational capacity; stake or interest in the issue and potential support or opposition; and the risk that each group influence poses to the issue's outcome. Economic stakes are high in illegal logging activities and so powerful interest groups can have their way even if the outcome is clearly negative for Society. One stakeholder group cannot change the situation. Instead, success will have to rely on a coalition of several interest groups and the support of high level champions to push the reform trough. The support of NGOs can be important.

The private sector could see the benefits from ending illegal logging. However their inaction could well be explained by their fear of retaliation by corrupt officials who could then restrict their timber supply. Different stakeholders could be powerful ally however. The MEF and municipalities should be interested in the increased tax revenues that reduction of illegal logging could bring. Local communities and businesses could benefit from employment in legal harvesting by displacing the illegal loggers. In all stakeholders groups, including forest administration, there always are individuals who desire change and justice. The political process goal should be to bring all these partners together to bear on a satisfactory solution to the illegal logging issue. To organize a forum at the highest level to initiate such a process should probably be one of the first activities to be proposed in the action plan.

4. Action Plan

4.1. Process to develop the Action Plan.

In this section, some potential activities are suggested based on the diagnostic made and the proposed elements for a strategy to combat illegal logging. The formulation of the Action Plan should be a collaborative effort by the stakeholders to identify the illegal activities to be targeted and to propose priority remedial actions to better prevent, detect and suppress illegal logging. For a strategy and an action plan to be effective the interactions among the stakeholders have to be properly organized: a forum need to be organized and a coordinating unit set in place. To organize such a forum is the first activity in the action plan. At that first meeting a coordination unit could be established.

Prevention measures are reforms that seek to reduce incentives and opportunities for illegal logging. They are the most cost-effective measures to put in place. Detection activities, such as monitoring, forest inspection, financial audits are important at the beginning of the reform process then should become routine. Suppression activities, the last step in the enforcement chain, take place once illegal transport and logging have been encountered. They involve strengthening the police force and the judiciary. These three steps cannot be separate to enforce the law but priorities need to be set on the type of illegal logging we want initially to focus on.

The suggested action plan prepared before initiating a stakeholders 'forum to endorse a strategy and propose an action plan, relates, in a first step, mostly to important commercial illegal logging and transport.

Measures to combat illegal cut for securing fuel wood or building material by the rural poor to cover basic needs is not an immediate priority. Prevention measures for this group should be to increase the legal supply available with a minimum of administrative requirements. Detection and suppression of these activities would be costly and bring minimum revenues for the treasury. A similar situation exists for the small rural business which sells firewood in his and neighboring community to enhance livelihoods. However, if the illegal loggers and transporters supply the logs to a higher ring of corruption at a regional or national level, the action plan should give attention to these illegal activities. Otherwise the problem should be managed at the municipal level where the offenders are usually well known and logs should be supplied legally to them at a discount prices and with minimum bureaucratic impediments.

The private forests should not be a priority in the fight against illegal logging for the simple reason that the problem is less important. The properties size is too small and cadastral information often incomplete, so that suppression of these illegal activities would be expensive to contain. However, Kosovo has one of the highest percentages of private forests in Eastern Europe, above 40 percent based on approximate statistics on forest ownership. It would be desirable to develop a strategy on partnership with public forests and the private industrial sector with the objective to increase the amount of reliable supply of logs to the market. Such a partnership would also be important to develop eco-certification on joint properties.

4.2. Parliamentarian initiative to listen to the stakeholders.

The Chair of the parliamentarians' committee on natural resources met by the mission was fully aware of the illegal logging issue and eager to help putting illegal logging on the agenda of the Kosovo's Assembly. He plans to organize a forum of the stakeholders some time in February and would be interested in receiving our report as an input to that process. This could be a chance for initiating exchanges of views among the stakeholders on the issue

and to organize a light and independent coordination unit to help finalize a strategy and action plan to diminish illegal logging in Kosovo.

4.3. Initiation of the Forest Board

The objective of the FB will be to enforce the law and regulations. The effectiveness of any regulatory regime depends on the extent to which it can be enforced. An inspection service existed in the Ministry but it does not deter nor limit illegal logging. This is very much linked to the effectiveness of measure to improve governance and to limit corruption. Ultimately, it is not the role of the Department of Forestry (DOF) inspectorate but the judiciary. The knowledge that one could be prosecuted for failing to pay forest fees is the greatest incentive for compliance. If governance is crippled by systemic failure of the judiciary, any inspectorate will fail regardless of how large and well trained the staff is. All the different institutions need to be brought in the FB to ensure enforceability of the law.

The actions under this activity are multiple: identify the stakeholders sitting on the board, the persons within these groups that will represent them, develop the status, means, and ensure the independence of the FB, decide to whom they report, get the political support, and decide on the modus operandi. These activities could be initiated after the first forum proposed in the first action of the tentative Action Plan.

The FB could be a high level inter-ministerial authoritative coordination body with capacity to bring reform even in sensitive areas. This was done in Albania to tackle the issue of illegal logging: eleven ministries were represented. However, it had only a limited impact since civil society and the private sector were not represented and the objective was only to establish an action plan, not to implement it.

What is envisaged here is to gather a limited number of representatives from the different ministries necessary to ensure enforceability including justice and police representative. These persons could be retirees from these Ministries, independent consultants, expatriate Kosovo people working in the sector in other countries, academics, members of the associations of the forest products industry and forest owners, private companies, etc... They would be endorsed by their peers. The Board would gather periodically to review complaints received through the administrative process or the blog open under the Awareness activity of the AP. They would investigate backlog of cases pending in the judiciary, investigate some cases and suggest follow-up actions when needed. A special judge could be assigned to forestry cases until the problem of backlogs is reduced to more normal proportion.

To initiate the process rapidly, the board coordinating functions could eventually be entrusted to an NGO or auditing firm. The international NGO, Global Witness has been involved in this type of work in different countries. They recommend a series of principles to be followed to put in place such a board. These principles are provided in the box below.

Box 4.3 Principles to establish an Independent Forest Monitoring Board

Global Witness has undertaken Independent Forest Monitoring (IFM) in Cambodia (1999 to 2003) and Cameroon (2000 to date). Other examples of IFM exist in Indonesia, the Philippines, Ecuador, and Canada. In our experience, the strengths of IFM are:

- *Independence:* Protocols on field missions, reporting, and publication are critically important, and the Monitor must use considerable diplomacy and tact in implementing these. The credibility of IFM rests on an ability to investigate politically sensitive situations and a commitment to adhere strictly to those protocols.
- *International and multi-donor funded:* International organisations are less likely to be subjected to domestic partisan pressure. Funding from multiple sources (such as through a trust fund) increases accountability and minimises accusations of bias.
- *Non-governmental, non-profit making:* IFM benefits from broad civil society support. Monitors will be proactive in seeking and reporting the facts, and facilitating reform in the sector as a whole. The role of the Monitor should eventually be taken over by domestic governance structures that fully involve an empowered local civil society.
- *An official role:* It is essential that the state acknowledges the need for and supports the objectives of IFM; otherwise it is not possible to verify the activities of the government's officials nor the implementation of logging concessions.
- *But not an enforcement role:* At all times, however, the responsibility for law enforcement and prosecution of offenders against forest and related legislation remains with the appropriate state authorities.

Source: Global Witness (2006)

Some examples of such a board exist in other countries. The example of the Forest Practice Board in British Columbia, Canada, is given in the box below.

Box 4.3b

The Forest Practices Board in British Columbia (B.C.), Canada, conducts audits and investigations and issues public reports on how well industry and government are meeting the intent of B.C.'s forest practices legislation. While it does not lay penalties, its recommendations have led directly to improved forest practices such as stronger government decision-making processes and better communication among forestry professionals to manage risks to the environment.

Although other jurisdictions have forest watchdog bodies, B.C. may be the only one with an arms-length relationship from government, and a mandate to hold both government and the forest industry publicly accountable for forestry practices. It chooses which operations to audit, and its reports and findings are published without government revisions or comments.

By law, the board must audit government and industry forestry practices, and it must deal with complaints from the public regarding forest practices and government enforcement. In addition, it may appeal enforcement decisions and penalties imposed by government, seek review of government decisions to approve plans for forestry operations, and carry out special investigations.

The appointed board members represent a broad range of expertise and experience in forestry and the environment from across the province. Its staff of professional foresters, biologists, accountants and lawyers conduct the audits and investigations and report to the board, which makes recommendations to the forest industry or government.

Source: Forest Practices Board (2005)

4.4. Initiation of the Auditor function

The auditor function could be part of the regular auditing procedure of the MEF. The persons in charge of revising the collection of the different revenues from forest lands should be made aware of the specificity of the sector and should report in addition to their normal chain

of command to the FB. This functions could however be given to external auditors of well known companies. This option could be followed to initiate this new auditing function with donors funding.

4.5. Mass Media Campaign: Branding Forest protection

The Mass media activities of the AP will raise awareness on the issue of illegal logging in order to receive support in the reform process. As one of the activities, a blog will be opened to better inform and to increase transparency in that issue as well as to receive feedbacks from the public that will be fed to the FB.

The example of the campaigns in Indonesia¹¹ provides a good example of how different media can be used to put the message of illegal logging across: documentary, interviews of expert, debate, intervention in the election campaign.

Box 4.5

In order to generate more attention to the issue, and spur more action among the people of Indonesia, AED (Academy for Educational Development) designed a targeted campaign that revolved around the public's moral concerns about corruption, economic injustice and poor governance rather than emphasize environmental problems which are more removed from everyday life for many Indonesians.

AED worked with a coalition of local Indonesian organizations to shine a light on illegal logging during an important election year, and to urge citizens to take action by voting for political parties and candidates who condemned illegal logging.

The key message was: Your country is being robbed of billions of dollars a year while children live on the streets with little education and inadequate healthcare. The messages made the connection in a way that resonated locally that this environmental issue was also a social issue.

According to the Department of Forestry, Indonesia is losing \$3.7 billion a year in revenue because of illegal logging. Moreover, the gains from illegal logging fuel further corruption and create incentives for bad policies and lawlessness. Meanwhile, Indonesia is lacking the funds it needs to provide adequate health care and education.

Three-Pronged Approach

Based on social marketing research, AED developed a three-pronged program to address the issue of illegal logging. The project was funded by USAID, as part of GreenCOM, a global program to promote environmentally sustainable behaviors and practices. It included partners from non-governmental organizations and government agencies.

First, a mass-media campaign was launched creating a national call to action. A public service announcement entitled "Stop Forest Robbery" appeared on television, in print, and aired on the radio. National newspapers carried environmental inserts and 23 television and radio talk shows featured discussions of illegal logging with live audience participation. The campaign prompted hundreds of people to call a toll-free number for more information on the problem.

To help rural and indigenous communities contribute to the effort against illegal logging, AED created a small grants program for grassroots organizations. One such grant was used by

¹¹ USAID, Greencom, 2004.

farmers, police, and forestry officials in Sumatra to enable the three groups to work together to curb the detrimental effects of illegal logging on local irrigation systems.

An environmental group used a grant to create a video documenting the impact illegal logging has on local communities. And another grant was used to fund a series of radio talk shows on the effects of illegal logging in West Kalimantan.

In order to build public momentum and further develop local capacity for future campaigns, AED created a series of training workshops. Seventy-six local groups participated in environmental communications training, and 58 journalists were trained in environmental and investigative journalism.

Citizen Participation

Recently, Indonesia underwent a political shift away from a dictatorship and toward a democratic society. And in 2004, the country participated in its first fully democratic election in more than 30 years.

As a result of AED's efforts in the months leading up to the election, illegal logging was covered extensively in the media. Ninety percent of registered voters surveyed at the end of the campaign ranked illegal logging as an important issue in their choice of a presidential candidate.

"AED was able to help advance Indonesia's on-going process of democratization and political reform by enabling effective citizen action on a critical environmental issue." Agus Widiyanto, a project officer with USAID/Indonesia.

By incorporating mass media, partnerships with local groups, and training, and putting the issue into a more relevant social context, AED enabled Indonesians to better hold their elected official accountable for the decimation of their forests, and the loss of revenue for the country.

"Advocacy as we think of it in the U.S. is not commonplace in Indonesia," said Lomenzo. "This 'environmental' project actually helped move the country toward a more vibrant civil society."

Some communication efforts for the forestry sector have already been made in Kosovo in the past for different audiences. The media firm which will be involved in the activities related to this element of the Strategy will be able to build on what has already been done, the material available and the impacts these campaigns have had on the public perception and followed-up actions.

4.6. Participation in the Forestry Sector

The participation activities under the AP to help prevent illegal logging will have for objective to generate employment and income by participating in the forest management activities, such as the pre-commercial thinning program that foresees more than 700 jobs (EU Sustainable Forestry Program, 2008) and some plantation programs. By generating work in the forestry sector for the rural population, the communities surrounding the forest will be more inclined to defend the forest resources that would have become for them a source of revenues.

Different type of consultations will be undertaken in the illegal logging hot spot in order to explain to the population the objectives of the forest management plans in the area and to motivate them to contribute to the enforcement of these plans. Population will also participate in the decision-making regarding the objectives of these management plans, especially in the zones where illegal logging is an important issue.

4.7. Monitoring the forest resources

In this activity, it is proposed to initiate National Forest Inventories activities relying on the information of the forest management plans that are required for legal logging. This action will provide the means to scale up the area under management plans. The information provided by the inventory data will allow to better quantify illegal harvest but also to follow up on forest growth, allowable cut and legal harvesting.

Another activity under this planned action is to develop guidelines on preparing such plans for different scale of forest properties on private lands. To prepare these guidelines the method which has been developed by the Norwegian forestry project will be used and adapted for different level of forest management intensification.

To undertake these activities a special independent Forest Inventory unit could be created or the work could be outsourced to a private company. More detailed information can be found in Annex V.

4.8. Monitoring the Action Plan

Monitoring should cover the implementation of all the activities under the AP. Monitoring legal compliance is of course part of the FB attribution. To monitor these activities a set of indicators directly linked to the activities of the AP should be specified. At this stage and given the broad description of these activities, such indicators cannot be given precisely. However, general indicators could be used in an initial phase of the plan such as: (i) input indicators such as man days and expenditures per task; (ii) process indicators like the list of stakeholders who participate, minutes of meetings of the FB, report produced for instance to explain the court backlogs of illegal logging cases; and (iii) impact indicators as the level of illegal activities, government revenues, employment in the forestry sector. The indicators should come with targets and a time frame.

While only the impact indicators are of interest, the input and process indicators may be useful to report on progress made. Impact will only show after some times and so policy makers who will want to know how things are progressing will have some information to evaluate progress made with the activities of the AP.

5. Conclusions

This draft providing the elements of a strategy to slow illegal harvesting in Kosovo and the Action Plan to implement this strategy, needs the inputs of the relevant stakeholders. In its present form, it is just a document in progress that could be presented to stakeholders to initiate a consultative process that would end with a strategy and AP owned by them to progressively reduce the problem of illegal logging.

The strategy and AP that will result from this process will have to be flexible in its implementation. The interventions proposed here take place in a complex web of biological, political, social, economic and cultural factors. In these complex systems, the managers have to make decisions with limited information and needed to be flexible to adjust to new

information and change of the contexts. The use of an adaptive management approach¹² is thus needed to implement the AP that will be decided by the stakeholders. This approach offers a method for making more informed decision, testing the effectiveness of the strategies used, and learning and adapting to improve the strategies.

¹² Lee, K. N. *Compass and Gyroscope: Integrating Science and Politics for the Environment*. Washington,DC: Island Press.
Gunderson, L. H.,C.S. Holling, and S.S. Light, eds. 1995. *Barriers and Bridges to the Renewal of Ecosystems and Institutions*.
New York: Colombia University Press.

Annex II Interviews

Summary of interviews of people met

Kosovo Meetings—Illegal Logging

30 November-17 December 2009

Monday 30/11/09

08:30- 9:30 KPEP team presentation (see office list) of the weekly activity.

- Illegal Logging is an issue taken very seriously by the project.

09:30- 12:00 Forestry Team meeting: Hysen Shabanaj (Forestry Specialist, KPEP), Burim Meqa (Wood Processing Specialist, KPEP), Ergyn Hajrdini (Forestry Consultant), Patrice Harou (Forestry Consultant), John Mackillop (Agricultural Sector Lead, KPEP)

- Three pronged strategy for illegal logging: Mass media, Community Forest Management and Law Enforcement. The first and last one should be clear according to John but Community Forest Management is not simple. For law enforcement, a responsible person at USAID needs to be contacted. From the discussion that followed, it appears that presently no communal forests as such exist legally. Communities are not aware of forest ownership. A new law is being prepared to envisage some type of responsibility and benefits devolution to the communities.
- No cadastre of State (60% of the forest area) or private (40%) forests exists. Forest ownership and demarcation are necessary. Old forest management and maps organized earlier by municipalities have been lost during the war. No forest maps of Kosovo exist presently despite an inventory project by FAO.
- 250,000 m³ is cut legally, twice as much illegally. This represents a loss of revenues for the state of the order of €7 million. Revenue from forest fees amounts to €1 million not covering the Forestry Agency budget of €1.7 million. The illegal logging for personal domestic use is insignificant compared to organized illegal logging. Companies have the back up of individuals in high positions. Around 10 % of the logs are exported.
- An association of forests products companies exist that includes the most important producers, around 80 out of 1400 registered SME.
- The judicial branch of the government is not functioning properly and so monitoring and penalizing is not done seriously. The low pay of the field foresters does not provide motivation to go against the system.
- The forest policies are set by the Ministry of Agriculture, Forestry and Rural Development (MAFRD) and implemented by the Kosovo Forest Agency. The Ministry of Environment in principle is in charge of National Parks but the regulations specifying the responsibilities of the different institutions have not yet been implemented.
- A forest Policy strategy draft exists and draft eco-certification (FSC) standard has been prepared that should be looked at.

- Concerning the Mass Media component of the strategy, one important audience should be the public at large. Specific footage on sustainable forest management has been prepared in a EU Sustainable Forest Management project and could be made available to some audiences like teachers and public broadcasting. For the long term strategy some branding of a protector/manager of Kosovo forests would be needed.
- A Private Forest Association exists but is not active.
- Law enforcement through monitoring should be an important component of the illegal logging strategy.
- Stumpage is sold by auctions and reservation price. In practice collusion is the rule rather the exception.

15:00-16:30 Kosovo Environmental Protection Agency of the Ministry of Environment and spatial planning: Dr. sc. Ilir Morina (Chief Executive Officer), Ylber Sherifi (Head of Sector for Nature Protection), Qenan Maxhuni (Biodiversity Specialist), and Fadil Bajraktari (Environment Monitoring Director).

- There is much less logging in Forest Parks and Reserves but some proposed new parks in the North West, part of the European Green Belt, are under heavy logging pressure by big interests. Natura 2000 sites cover around 3% of the forest area presently.
- The causes of illegal logging provided are: no alternative energy (2 reports exist), Sawmills have powerful interest, no control in the forest or on the road, department of justice does not work properly, low pay of the employees. A similar problem exists with water resources.
- Solutions could be provided by decentralizing the responsibilities and control, ensuring the collaboration of communities by providing them benefits in the resources, and better motivating personnel. We were provided with the 2006-2007 state of Nature Report in which illegal logging is not mentioned.

Tuesday 1/12/2009

08:30 Meeting with the Kosovo Forestry Agency: Mr. Muzafer Luma Chief Executive of Kosovo Forestry Agency.

- The causes of illegal logging are numerous but in order of importance: high unemployment (50%) and rural poverty, not alternative source of energy but fuel wood (80%), institutional constraints such as un-functional justice system, untrained labor force, budget constraints (however it increased this year passing from €150 000 to €300 000 and very low salaries (€200 for the Director), only 10% of the forest have management plans (20 000 has). Forest resources are under valued and there is not enough well trained foresters in KFA
- Illegal logging does not represent more than 50 000m³ in high forests of which more than 60% is illegal logging for personal energy use and the rest for commercial purpose. Most of the illegal logging occurs on the side of the accessible roads and so give a bad impression to visitors.

- Parts of the solution are to find other sources of energy, relax the constraints on imported fuel wood (Serbia), provide long term forest concession with the forest products companies, and make communities responsible for forest protection and tendering while the KFA do the management plans.

09:30: Meeting with the Institute for Spatial Planning of the Ministry of the Environment and Spatial Planning. Mr. Luan Nushi, Director of the Institute of Spatial Planning and Mr. Faton Deva, Architect/planner.

- The issue of illegal logging is best illustrated by two case studies encountered in the preparation of Municipal Plans. In the municipality of Junik, forest land cover 40% of the spatial plan. The problem of illegal cutting and absence of management plans has made the exercise difficult. Nobody dares to intervene to stop the illegal loggers who are not even from the municipality. This site is however part of a Natura 2000 proposed site and within a proposed National Park. Some of the illegal logging is caused by local use of fuel wood but most of it is used for furniture and construction (roof) 50% of which is used in the Municipality.
- The other Municipality is Dragash/Dragaš where half the land is owned by a social enterprise that they attempt to privatize. The Ministry is trying to stop the privatization with the agreement of the municipality. Part of the forest is used for ranching and the local population does not want to lose their way of life. The illegal logging going on there could only be stopped by closing the road access.
- The war brought a lot of over cutting to rebuild the country. It is important know to entice rural development to generate alternative sources of income.

2nd of December 09

08:30 Forest Department, Ministry of Agriculture, Forestry and Rural Development. Meeting with Mr. Hysen Abazi, Director of the Forest Department and Mr. Hasan Ukaj, Acting Chief of the Division for Inspection and Control.

- Illegal logging is an important issue explained by socio economic reasons and reconstruction after the war but also for a lack of serious monitoring and control. In Ferizaj/Uroševac for instance, where there used to be an important contingent of K4 troops, illegal logging was almost inexistent. Short term solutions are not possible but there is a need to work on long term ones including reforming KFA.
- To stop illegal logging we need a re-election. The law needs to be changed (the present law was cut and paste from law in other countries but without proper tailoring to Kosovo specificity) to allow household to obtain logging permit in an administrative efficient way for instance. For criminal logging, the justice system should implement sanctions and coordinate with police to immobilize tractors and gather the facts.
- The forest guard are paid one cubic meter per month of technical wood or around €150. The previous system of compensation of guards was related to the value of the forests they were guarding. If taken in fault, they would lose their work or be declassified to a forest of lower value. Today there is no more incentive to do an honest job.
- The forest law is not fitting anymore the present situation in Kosovo, decentralization is necessary. More responsibility should be given to the Municipalities. Forests used

to be managed by the forest enterprises that were also processing the wood at the municipal level. The reform brought the KFA into the picture that was later decentralized at the regional level but without clear responsibility and necessary means. There was a lack of capacity and budget to do the work i.e. management plans and control of the operations.

- The lack of management plans does not allow supplying adequately the mills that have to purchase illegal logs to survive.
- Illegal logging existed before the war but at a much lower level. Today eco-certification is just impossible under the present state of affairs.
- KFA is giving permits illegally. We should simplify permits for personal use, move responsibility at the municipal level but it is resisted by the Municipality as not useful since the chain of responsibility is not clear presently among the Ministry, KFA and the Municipality.
- The log bidding is not functioning properly since there is no tradition in the matter.
- Presently, illegal harvesting is estimated at around 550 000m³. Legal logging is 120 000m³ on public forest and almost the same on private forests. Overall, around 670 000m³ is harvested which is still below the allowable cut estimated for the country at 900 000m³. Why could not KFA plan its activities accordingly? For lack of capacitated manpower and budget?
- Overall there is not political support for the reform allowing tackling the problem of illegal logging. The responsibility of the different institutions involved need to be clarified and this seems easy to do.
- The proposed three pronged strategy to solve this problem i.e. mass media, communal forests and Law enforcement, seems very adequate.

11:00 University of Pristina, Department of Biology. Meeting with Dr. Ferat Rexhepi, Professor of Ecology and Assistant Professor Dr. Elez Krasniqi.

- We were provided with excellent work in the forms of books (phytosociology) and publication. The University does not offer courses in applied biology. The Department is divided in three areas of education: ecology, biology and biochemistry. There is a great need of a forestry faculty in Kosovo and a class in forest management could already started with an adjunct Professor and some faculty of the Department of Biology.

13:30 Visit to the Parliament. Meeting with the member of the Parliament, Hon. Naser Rugova, Chairman of the Natural resources Committee of the Parliament.

- The Committee is quite aware of the problem of illegal logging and have been working on the clarification of responsibility between various relevant institutions with little results so far. It was agreed then that the Parliament will decide soon and inform the institutions of the division of responsibility between the Ministry and KFA.
- There is a need of decentralization for a better control and monitoring of the forest management plans execution. The Municipality will have to play a more important role in the future. The responsibility of the Municipality will have to be clarified with

regard to the other institutions. A new law will have to be prepared for next parliamentary year in June.

- There is a need to bring the stakeholders together to prepare this new piece of legislation. The Parliament intends to organize a one day meeting with all the parties involved to ensure the reality check for the legislators. Public hearings will involve the justice department, the police, different ministries and agencies to ensure that the problem is well apprehended.
- The Justice System has still a very Balkan mentality that need to be changed.
- The problem need to be solve also through the development of rural areas for which the forest is very important: ecotourism, spa, skiing, trekking, ...The Senator is ready to help the KPEP attract investments to that effect in the Rugova region.
- The three pronged strategy to tackle the problem of illegal logging as presented to the MP met his approval and offer of entire support. In the frame of this strategy and related action plan, one action could consist in backing this one day conference of the stakeholders.

3 December 2009

13:30 Meeting with expert in cadastre and property: Professor Dr. sc. Murat Meha and Ms. Njomza Kukaj, Staff Attorney, KPEP.

- Maps and cadastre of the country forest resources, public and private, do not presently exist. Every pixel of the country is registered in the cadastre but ownership and land use have not been updated since 2000.
- Mapping the forest resources would be an expensive proposition to be implemented over time. Demarking national forests could be done in a couple of months if done digitally but such maps would not be recognized by the cadastre for lack of precision and for not following their stringent guidelines on establishing ownership and property limits.
- It was proposed to establish the boundary of one national forest as an exercise to establish a methodology and a budget for further expanding these activities with other national forests.

15:30 Association of Wood Processors of Kosovo. Meeting with Ms. Arieta Vula, Executive Director of the AWPK, and Mr. Sabri Zeneli Manager of Lidhja parket, member of the Association.

- After presenting the objectives of the AWPK, we were asked about the advancement of the certification under the Forest Stewardship Council (FSC) and wondered why they had not been invited anymore as a member of the Forest Standards Development Group (SDG). They also asked if the government was really interested in this process. We told them that a draft report is being finalized and would soon be available but that the main constraint in the advancement of FSC in Kosovo is illegal logging
- Their concerns are multiple. The first one is that allowable cut based on management plans are low for lack of sufficient area under management plan. KFA has neither the capacity (very few forest engineer left in that institution and technical schools are in

bad shape) nor the budget to put enough legal wood on the market for bidding. Nobody is in hurry to change the situation; why?

- There is no coordination among the different institutions in charge of implementing forest policy: Ministry, KFA, police, justice, KFOR. The politicians are not taking actions. For all practical purpose there is no coordination to enforce the law.
- The forest laws need to be changed because there are different gaps in the law that allow not to implement it properly.
- The justice ministry is not doing its job. In the best cases, the judge will do the right judgment with great time delay but in any of the cases to get the penalty implemented is not of their concerns anymore. As a result nobody fears the implementation of the law.
- Mills can very rarely be part of the tender when KFA is selling timber. There are intermediaries involved. They cite the case of a Kombinat in which a US investor could not have his industrial complex supply with logs; he had to import them. However for a while the import of logs was prohibited.
- Having no possibility to buy logs put legally on the market, most of the forest products industry purchases logs illegally and with no invoice. This lower their official costs, increased artificially their profit and so increase their taxes. It is the price to pay to survive until the system will be fixed.
- The quality aspect of the logs is not specified in the tendering and the payment does not differentiate sufficiently for logs quality. This allows playing around with the prices offered officially. KFA personnel is not knowledgeable about log classification.
- There is not a proper forestry sector analysis on base of which good forest policies and their implementation could be established. It has been difficult for our members to respond to our request for quantification of the log supply for their mills. A good forest products supply demand analysis does not exist yet in Kosovo.
- The trade policy is ad hoc. Taxes are levied on products such as MDF and veneer which put our furniture industries in a difficult situation sometimes compared to our competitors.
- The solutions from our point of view are:
 1. Stop corruption;
 2. Coordinate better the institutions in charge of implementing the law
 3. Invest in law enforcement: it was working before why not now?
 4. Import the logs to have an invoice for the accounting of the enterprise until the system is fixed
 5. Privatize KFA

December 4th 09

10:00 Division Rural Development Agriculture and Forestry of the Municipality of Dečan/Dečan. Meeting with the Head of the Division Mr. Xheladin Malaj and the officer for Forestry Mr. Musa Mushkolaj.

- The head of the Department recognized head on the grave problem of illegal logging in his and neighboring Municipalities. Resources are being depleted at a faster rate lately.
- The reasons for this state of affair are based on their opinion: corruption is the main factor, then the break down of the chain of command, socio-economic situation of the rural areas, and over-centralization
- To improve the situation, six municipalities wrote to the Ministry but did not get any responses. They proposed a two level chain of command: a technical field officer to develop management plans from the Ministry/Agency and someone responsible for the implementation of these plans at the level of the Municipality. The Municipality should be responsible for the protection of the forest i.e. the respect of the management plans and the tendering process to ensure the right price for the logs.
- They are presently trying to diversify the rural economy by increasing services activities, improving rural infrastructure and developing the tourism sector.

12:00 Forest harvesting company. Meeting with Mr. Isuf Zekaj, President, Annem.

- The problem of illegal logging is such that I do not bid on KFA offer any more. I just offer harvesting services for the companies which won the tendering so I am not involve in irregular practices.
- There is not one solution to the problem of illegal logging. If you want to stop the problem rapidly however, just implement the rules and make people pay the penalties. He gave the example he heard from the story of a developer who had to pay \$ 50, 000 for having cut illegally 100 trees in California. If we were doing the same thing in Kosovo, the situation would rapidly change.
- Managers in charge of the sector should be better educated. There is very few foresters today in these Ministries related to forestry matters. They should also be given better incentives to motivate them to change the system. The situation today demoralizes the good people.
- Police should take the initiative and not wait to be called. They are just doing the minimum; they are in many cases part of the problem.
- The justice ministry does not take the illegal logging issue seriously. If they do not dismiss the case or let time solve the issue, they will minimize the penalty for instance giving a penalty for illegal transport (requiring minor penalty) instead of illegal logging.
- Another possible element which would improve the situation is to give longer contract not only to harvest a forest but to manage it also.
- The tendering process is flown. The average price for standing timber in the region is between €8 and €15 for fuel wood and around €35 for technical wood. People will outbid me by 50% sometimes but of course since they cut much more volume than the contract stipulates they were paying much less by cubic meter than what I was offering. The margin of profit is minimal in this business and so the incentive to illegal cut exists

- The logging company harvesting the trees has often to build the road to get the timber but are not paid for it. So the logging trails are of poor quality and damaging the soils and creating erosion. Environmental prescriptions are not being followed.
- An initiative that could be helpful to partly solve this situation is an association of forest services companies including consulting foresters, loggers, and transporters. They could better defend their interest and the proper management of the forests.

13:00 Field KFA officer

- The situation of illegal logging is getting worst. I do not want to work for them anymore. They replace the good guards and professionals by incompetent people for good reasons. Most of these non-professionals do what they are told and in exchange benefit from small bribes.
- Solution: new election, involvement at the local level, train the new generation of foresters, and law enforcement. The region can develop by diversifying the rural activities with tourism and other service related activities.

15:00 Direction of the Agriculture, forestry and rural development under the department of budgeting and finance of the new Municipality of Junik. Meeting with Mr. Ali Gacaferi Director of the Department of Economy, Budget and Finance and his staff.

- The issue of illegal logging is serious and everyone in the chain of custody and monitoring are responsible. There is not one culpable. It starts from the upper echelons to the forest guards. The corruption issue is not proper to the forestry sector. All the sectors are involved.
- At a recent mission of OSCE in our Municipality complaints were heard about the lack of support from the central government to change illegal behaviors in the regions and municipalities, including illegal logging.
- There are many other reasons explaining illegal logging in the Municipality. The lack of qualified labors for the forestry sector, of economic opportunities, of means at the municipality and field levels, and of a budget to cover illegal logging and other activities.
- We heard, but were never contacted, that they want to increase the responsibility for the control and tendering at the municipal levels. Everyone knows that if the means are not provided to do that job effectively not much will change.
- Illegal logging depends also on local communities. Certain understand the importance of these resources for their economic survival when some of the inhabitants have businesses related to forestry. In that case the control is quite effective and there is no illegal logging in these areas. However, given the past recent history of Kosovo, too few dare to speak out.
- No new municipal strategy and arrangement has been prepared for assuming the management of State forest in our municipality. We have not been involved in the process of reform in the forestry sector.
- There exists a quick way to solve the problem added a member of the staff. In the town, few years back, a German policeman was giving PV for different type of

infractions. A friend, caught for traffic violation, got a ticket. He went to the responsible asking to diminish the fine. It is impossible he was told, this policeman always come to verify that the penalty has been paid. If it is not, he goes at the proper level to have the penalty enforced. There was no way out. This would be the fastest way to stop illegal logging but this required a back up of the central authorities. Politicians are too preoccupied by short gains for themselves not enough for raising the living standard of their people. We need new election.

- The costs of such lack of law enforcement are not only the cost of the timber but the destruction of watershed we could use to produce hydropower, the loss of wildlife, ecotourism opportunities and better agriculture in some cases. The benefits for protecting the forest are numerous and would help develop our rural economy.
- Forest ownership has to be clearly defined and enforced. Public land is nobody's land. Responsibilities have to be clearly defined and assigned to competent institutions under civil society scrutiny.
- The support of civil society if it is well used could be of great help in controlling illegal logging. Recently, we had a forest fire; the fireman got the support of the population and everyone went to help them.
- A useful activity for the combat of illegal logging would be to work on a model forest for which all the management plans would exist, the means to implement forest management (capacity and budget) would be provided and institutional coordination ensured through the participation of all in its design. The forest will be monitored closely and serve as an example for other regions and used to train foresters at the technical and engineering levels. Governance will be assured by following up on the penalties censoring infringement of the law.

Saturday, December 5, 2009

13:00 Kosovo Citizen score card for the forestry sector. Anonymous.

- After a casual conversation on the present situation in Kosovo, we turn to forestry issues. The person has a log cab in the western forest and so quite well how illegal logging is destroying the forest. The trees are not even appropriately harvested, the stumps are enormous: a lot of waste. Roads destroyed the soils and wildlife is disappearing. The logging truck escaped the guard control by letting him a meager €20.
- The solutions are very simple but everyone is benefiting from the situations along the entire chain of production and so cannot be implemented. Make people respecting the law. What is EULEX doing, nothing. At the time of Yugoslavia, the problem of illegal logging was insignificant. Why couldn't the same people manage the problem today? Just implement the law.

Monday, December 7, 2009

11:00 Agriculture Vocational School "Abdyl Frashëri" Pristina. Meeting with the Director of the School Mr.

- The school will drop the forestry program for lack of interest from the ministry and the lack of funding by the Ministry of Education. The ministry after the SIDA project felt

that the program was not needed and took all the lab and technical material that had been donated by the donors.

- There is no solution to this situation unless a will exists in the Ministry of Agriculture. Their lack of interest while it is recognized that there exist important skill gaps in the forestry department and KFA can be related to illegal logging. Having incompetent staff put them at the mercy of retaliation for not obeying the directives even when they are contrary to good management practices.

12:00 University of Prishtina, Faculty of Agriculture and Veterinary.

Meeting with Dr. sc. Skender Muji, Dean of the Faculty.

- The conversation was confined to the Faculty of Agronomy avoiding very diplomatically the illegal logging issue: "Ministry is mysterious". The Dean insisted that the University is an independent and democratic institution run by the faculty senate. He provided different examples where persons were sent abroad for graduate education without their approval. In one case, when some of them came back, only one finished his degree, an attempt was made to impose them on our faculty. It was unanimously opposed by the Senate for not meeting the standard for Assistant Professor.
- The faculty of Agriculture and Veterinary science have a strategic plan that they do follow. In 2010, they will add a new program in Biotechnology. In 2012, they will start a new Forestry Faculty. They are now trying to recruit good PhD candidates to study in Turkey and in Wisconsin. These candidates are not easy to find.
- The Dean mentioned the lack of coordination between the Research Institutes and the University of Prishtina. Donors (World Bank) come and invest in nice building and equipment that stayed in their boxes. There is nobody to use them. Doctoral students at the University lack equipment. To build a hospital without having the doctors and nurses to care for the clients is not too helpful to improve the health sector.
- A similar remark was made for the extension service. Presently, the Ministry has generalists in the municipalities who do not know much of anything. University in its triple objective of teaching, research and services, should not forget the latter. There exists a synergy between these three aspects of academics. We should build on that at the University. The campus should include the research and extension services to ensure good synergy between these three different but linked agriculture institutions.

Tuesday December 8, 2009

13:00 Ministry of Education Department of Vocational Education Training. Meeting with Ms. Valbona Fetiu-Mjeku, Director of VET, Ministry of Education.

- We explained that when we visited the Agriculture VET in Pristina, they informed us of the closing of the forestry programme. However, both the Ministry of Agriculture and the Kosovo Forest Agency complain of not having enough and well qualified staff to hire in their administration. The Director mentioned that they do not close any programs; it is up to the school to decide on their program. If they close it now, they could start it again later if the demand for the curriculum increases.
- We remark that it was difficult to understand how the Ministry didn't have a strategy based on the skill demanded in the country covered at more than 50% by forest to

organize the forestry VET. The program cannot be closed for the mismanagement by a director of a VET school. The Director could be invited to be back to teaching and a new manager found to do what is right for the country. It was decided that a gap analysis could be undertaken before intervening in the school management.

14:00 Meeting with an NGO working in Forestry in the Balkans, SNV, Netherlands Development Organization. Meeting with Mr. Haki Kola, Sr. Forestry Advisor and Project Leader “Strengthening Sustainable Private and Decentralized Forestry” and Mr. Luan Zubaku, Forestry Adviser.

- The objective of the project is to help private forest landowners in Kosovo but also the communities which could help implement better management and control on public forest lands. The initial focus of the project will be to work with private forest owners.
- The project will focus on low forest, coppice forests and degraded private land. The project will work on strengthening the Association of private owners elaborating their status and defining some activities for funding. Illegal harvesting is less frequent on private lands but exists and group of owners could pay for forest guards in some areas of the project.
- The possibility of working with communities for better control of forest lands and to provide work for the rural population, for instance in pre-commercial thinning, was discussed. However, devolution of management responsibility to communities is not an option in Kosovo except maybe in some specific contexts and areas of the country. What is advisable is to use communities as man power to do silvicultural works for pay and/or to provide free firewood.

Wednesday December 9

09:00 Kosovo Private Enterprise Program. Meeting with Mr. David Cowles, Chief of Party.

- The resolution of the illegal logging issue is important for the country and to attract investments in the forestry sector.
- An action plan has just been prepared by FAO (October 2009) to implement the new forestry strategy. We should take that into consideration when making our recommendations.
- We should also take into consideration the future communications plan of the Kosovo Standard Development Group in support of the country’s Forest Stewardship Council (FSC) forest management and chain of custody certification effort. A similar activity will have to be undertaken to raise awareness about the illegal logging issue in the country.
- A meeting with the environmental NGOs should be made to present the illegal logging issue for discussion and ensure their support in the resolution of the problem.
- Another meeting with the donors should also be organized to present the issue of illegal logging and to see who would be interested in helping the forestry sector.

- Having made a short summary of our findings so far, it seemed important for USAID to help by attacking the problem from the top (the US Ambassador with the Prime Minister and the KFOR could visits some forests with the press).
- To raise the problem in the Justice Ministry, a lawyer could be hired to follow the backlog of cases pending in the ministry and prepare a report on it.
- The strategy to be proposed need to be long term since the donors will not be here for ever and we need long term commitment if we want to entice investments in the forestry sector.

10:30 KFOR. Meeting with Lt. Anthony Cruz, Civil Affairs Officer. Multi-National Task Force (East) and two assistants.

- KFOR is aware of the problem of illegal logging and the institutions involved. Governance is problematic in the entire chain of custody including the Justice Department. KFA has to pay to pursue cases of illegal logging to court. The coordination between the institutions should improve to solve the problem.
- However, it is not in the mandate of KFOR which is diminishing their effective, to take direct action in this issue. What can be done, given the excellent acceptance of KFOR by the public at large and the government, is to use KFOR backing in raising the issue.
- Satellite imagery could be a good tool to monitor the state of illegal logging. A map with the hot spots of illegal logging should be prepared for the report based on present information.
- Municipality do not have the budget and manpower to be efficient in combating illegal logging.

13:00 Municipality of Kaçanik/Kaçanik, and KFA regional office. Meeting with Mr. Nuhi Provoliu Director of the Department of Agriculture, Forestry and Rural Development of the Municipality, Mr. Zulfi Koxha, Officer for Agriculture and Forestry and Mr. Muhamet Shoshi Head, KFA Regional Office.

- KFA head covers 14 000has of which 5000 has of private forests. Illegal logging is an every day problem. Since a check point has been placed on the road, the situation has improved a bit.
- The reasons for this situation are: a weak economy and high level of employment; a lack of awareness of the magnitude and importance of the issue; a law that is inappropriate for the conditions encountered in Kosovo; lack of means (no vehicle to go to the forest); illegal transport of logs and firewood; justice is not functional (152 case are presently pending in the municipality) and the penalties are insignificant to deter repeated infractions: one individual has been caught almost 300 times.
- Policing the forest is a dangerous proposition. Many of the criminal acts are taking place during the night. Presently a forest guard position is open but there are no applicants. The position is too dangerous and put to much social pressure on the family.
- Solutions exist that should be put in place over time: eco-certification; check point control and coordination with the police and the municipality, increase the number of

guard who should be armed (self-defense); implement an improved law that allows for instance to confiscate the material, tractors, etc...; stop the transporters often the culprit who takes more of the profit; an improved justice system who process the claim without delays.

- There are 6 sawmills in the Municipality one with around 1200 m³ capacity and 5 with around 300m³. Only one has legal permit to cut in the public forest. Only around 1300 m³ are sold annually by KFA
- The Head of the Municipality Department believe that if they are provided with the responsibility to monitor the situation the control would be much improved.
- The Municipality officer said that presently under the law, they cannot do much to stop illegal activities. He recognized however that for the Mayor of the Municipality it could pose serious headache since he is too close to the people he needs to police.
- In time past illegal logging was almost non-existent. Everything started in 1990 when the Serbs infiltrated all levels of the administration. To change the behavior now id not easy and will need time.

15:00 Visit of the public forest of Kačanik/Kaçanik on the road to Macedonia and of the police check point on the road. The forest is the object of a management plan with a view to get eco-certification. It would be one of the forests that will be used to initiate the FSC process. The beach forest intermingled with Norway spruce and fir (*Abies alba*) was under snow when we arrived. The road was barely passable without a 4 wheel drive. Trees to be removed were marked according to good silviculture principle.

Friday December 11

10:00 International NGO The Regional Environmental Center for Central and Eastern Europe, Kosovo Office. Meeting with Dr. Zeqir Veselaj, Director and Shqipe Neziri, Project Manager.

- The director of REC is fully aware of the issue of illegal logging since he used to be the adviser of the Minister of the Environment. The main underlying cause of illegal logging is unemployment and poverty in rural areas. Jobs need to be created to provide alternative source of income to the people. This said, he was rather critical of the Government for not taking any actions. The status quo is profitable for some individuals in the administration and elsewhere.
- The direct experience of REC with illegal logging is the area of the future Rossi National Park in Deçan/Dečani Municipality (16 000hectares). The decision to classify this ecosystem as a Park has been postponed for more than 10 years and was refused three times by the National Assembly. A lot of misinformation have been spread by the opponents to the project arguing that it would ruin the economy because nobody will be allow in the park and trees will not been made available to the population anymore; what is of course totally false. Just the prescriptions for good sustainable forest management will have to be followed. In order to take out the maximum of logs before the Park will be officially recognized, illegal logging is more acute than in most national forest of the country.
- The solution to illegal logging is to start by updating the law to make it more effective in combating illegal logging. Precise regulations have to be drafted also. Then we

have to do a better job at informing the public. The example of the brown environmental issue in Mitrovicë/Mitrovica that was tackled by REC through intensive media campaign and information to the citizenry including schools and the main stakeholders. REC has experience in managing communication campaign and could help working on the issue of illegal logging if necessary.

- The local Environmental Actions Plans should be used to explain the importance of the forest resources for municipalities. The objective of these plans is to reduce poverty while developing the local economy. Forestry should be mainstreamed into these plans.
- The University has a program of environmental studies in the Biological Sciences faculty but students are not well versed in the practicality of environmental issues.
- REC serve as the lead of the environmental NGOs in Kosovo. They number around 30, eight of them are of good standard (see REC Kosovo Bulletin N°23, p.14)

15:00 Ministry of Energy. Meeting with Mr. Osman Hajdini, Director of the Department for Strategies, Standards and Statistics, Ministry of the Energy and Mining, and Mr. Hilmi Morina Director of the Energy Department, Ministry of Energy and Mining.

- As citizen they know about the issue of illegal logging but these aspects have not been studied by their services. They give great importance to the alternative sources of energy since Kosovo will have to comply with the new CO₂ requirement of the EU and the Kyoto Protocol. Biomass will have a role to play.
- The Ministry is not aware of any study they would have made in the supply and demand of fuel wood. Such a study had been undertaken by the EU Sustainable Forestry and is being presently updated by KFEP.
- As part of the new strategy of the Ministry giving more importance to the CO₂ issue the new thermo power plant to be supplied with Lignite has been scale down. A new project of small hydropower plants has been studied consisting of 16 plants varying from 300 to 7600 kW. The forestry cover around these plants is crucial to ensure their efficiency and durability.
- They are training people to do energy audit of the building. Interconnection of electrical grid with Albania will be able to better manage peak hours. The SE Europe gas pipeline will allow Kosovo to get connected. There is no plan at the moment to subsidize propane for domestic use so to decrease the demand for fuel wood and lower the impact on the low forest resources by illegal logging.

Annex III Drivers and Possible Responses to Illegal logging

Typical contexts	Potential drivers	Potential responses	Type P=prevention D=detection S=suppression
Illegal logging			
<i>Illegal logging for securing subsistence</i>	<ul style="list-style-type: none"> - people unable to meet their basic needs - lack/high cost of alternative energy sources 	<ul style="list-style-type: none"> - legalize illegal use and/or simplify regulations concerning access to public forest resources - create opportunities for income generation - offer alternatives to fuelwood as energy source 	<p>P</p> <p>P</p> <p>P</p>
<i>Small-scale illegal logging to enhance livelihoods by</i> - people without legal access forest land - managers/ owners of community forests - private forest owners	<ul style="list-style-type: none"> - poverty - complex legal procedures related to harvesting and access to forest resources - disputes over land tenure 	<ul style="list-style-type: none"> - create opportunities for income generation - reduce bureaucracy and fees associated with legal timber harvesting - clarify land tenure, consider establishing local tenure of forest land 	<p>P</p> <p>P</p> <p>P</p>
	<ul style="list-style-type: none"> - poorly organized, under-resourced and corrupt forest law enforcement 	<ul style="list-style-type: none"> - strengthen forest law enforcement - improve internal control on law enforcement staff 	<p>D+S</p> <p>D+S</p>
	<ul style="list-style-type: none"> - corrupt community leaders 	<ul style="list-style-type: none"> - improve internal control in communities 	<p>D+S</p>
	<ul style="list-style-type: none"> - criminal groups organizing illegal logging by recruiting rural poor - inefficient legal procedures 	<ul style="list-style-type: none"> - strengthen co-operation with police force and judiciary and target the organizers/financiers behind these activities - amend forest-related legislation and penalty code 	<p>D+S</p> <p>P</p>
<i>Large-scale commercial illegal logging</i>	<ul style="list-style-type: none"> - poorly motivated staff in public forest administration/enterprises - high cost of legal timber - capacity of wood processing industries exceeding legal supply - export demand insensitive to legality of timber 	<ul style="list-style-type: none"> - reorganize public forest administration to increase staff motivation - reduce bureaucracy and fees associated with legal timber harvesting - embark on phased programme of capacity reduction in wood processing industries - increase supply by establishing plantations or adjusting forest management regulations - collaborate with governments and private sector in importing countries to increase demand for legal timber/deter imports of illegal timber 	<p>P</p> <p>P</p> <p>P</p> <p>P</p>

<i>Large-scale commercial illegal logging (contd)</i>	- poorly organized and corrupt forest law enforcement and auditing system	- increase resources and enhance independence of forest law enforcement - enhance effectiveness of financial audits on public forest administration/enterprises - provide support to patrolling networks among private forest owners	D+S D D D
	- inadequate monitoring data on timber flows and origin of timber	- improve data management and transparency in public forest administration/enterprises - promote responsible business practices (chain-of-custody systems, certification) in private industries	P
	- inefficient legal procedures	- strengthen co-operation with police force and judiciary - provide owners/managers of community and private forests with legal services - amend forest-related legislation and penalty code	S S P
<i>Conflict timber</i>	- high cost of armed conflict	- focus on conflict resolution/management	P
	- poor control of timber imports in recipient countries	- improve controls on origin of timber	D
	- ineffective international sanctions	- promote international collaboration in sanctioning conflict timber	S
Other forest crime			
<i>Irrregular timber sales, award of concessions and service contracting</i>	- low risk of sanctions	- improve procedures for timber sales and awarding concessions to increase transparency and accountability - increase proportion of timber sold/concessions awarded through competitive bidding	P P
	- poorly motivated staff in public forest administration/enterprises	- reorganize public forest administration to increase staff motivation	P
	- poorly organized and corrupt financial audit system	- enhance effectiveness of financial audits on public forest administration/enterprises - improve data management and transparency in public forest administration/enterprises	D D
	- inefficient legal procedures	- strengthen cooperation with police force and judiciary - amend penalty code	S P
<i>Evasion of taxes, royalties and other fees by enterprises</i>	- unreasonably high tax burden in relation to timber price and general tax level	- adjust taxes as appropriate - impose sanctions on enterprises found guilty of tax evasion	P S
	- poorly organized and corrupt financial audit system	- enhance effectiveness of financial audits on enterprises	D
	- inadequate accounting systems in private enterprises	- oblige enterprises to provide required information in an easily accessible form	D
<i>Evasion of taxes, royalties and other fees by communities or private forest owners</i>	- inefficient legal procedures	- strengthen cooperation with police force and judiciary to achieve minimum acceptable level of compliance - amend penalty code	S P
	- low risk of sanctions	- adjust taxes, royalties and other fees to a level where most communities/private forest owners would make the payments voluntarily	P
	- inadequate accounting systems in private enterprises/communities	- promote sound accounting practices in community forestry - enhance effectiveness of external financial audits on community forests and private woodlots within the limits of available resources	D D+S
	- inefficient legal procedures	- strengthen cooperation with police force and judiciary to achieve minimum acceptable level of compliance - amend penalty code	S P

Typical contexts	Potential drivers	Potential responses	Type P=prevention D=detection S=suppression
<i>Circumvention of labor laws</i>	- indifferent attitude in enterprises towards labor laws	- impose sanctions on enterprises found guilty of circumventing labor laws	P
	- poorly organized and corrupt oversight	- impose sanctions or disciplinary actions on companies proven to circumvent regulations	D
	- inefficient legal procedures	- strengthen cooperation with police force and judiciary to achieve minimum acceptable level of compliance - amend penalty code	S P
<i>Unauthorized wood processing</i>	- strong domestic and export demand encouraging unauthorized wood processing and illegal logging	- enable an increase in authorized processing capacity by increasing legal timber supply	P
	- excessive bureaucracy related to licensing	- simplify licensing procedure	P
	- poorly organized and corrupt oversight	- impose sanctions or disciplinary actions on companies proven to circumvent regulations	D
	- inefficient legal procedures	- strengthen cooperation with police force and judiciary - amend penalty code	S P

Annex IV Monitoring Forest Resources

Monitoring and Reporting

Collect and analyze information needed to detect harvesting crimes.

Short Time bases (3 years-5years)

One of the first priorities is the detection of crimes in the forest, which directly contribute to deforestation and forest degradation. Harvesting crimes can be identified through a variety of tools, including satellite imagery and analysis of concession boundaries, concession permits, and transportation documents. Overlays of administrative boundaries, coupled with image interpretation, can be used to determine whether concessions are logging outside designated cutting blocks. Information can be checked and cross-referenced with data obtained from site visits, forest management plans (if they exist) or satellite imageries.

Activities:

- Collect data to identify and map the locations of all legal timber harvesting operations and wood plantations. Obtain georeferenced maps of the boundaries of all forest management units in the nation and all cutting blocks located within them for public forest area,
- Get the latest satellite images and the images from previous year to enable comparison for areas where the control will take place (illegal harvesting is intensively),
- Get sure all relevant institutions are doing the right job and present the report about progress,
- Make the comparison annually about progress or regress, and identify the necessary action to be modified or change,
- For each of the forest management units above, determine the volume of natural forest timber permitted to be removed on an annual basis.
- From Kosovo forestry agency, request the range of serial numbers of all transportation permits distributed to each region, this serial number of transport permit should be given to the police station where in their control they can check if the serial number fits correctly.

Potential principal actors

MAFRD- Kosovo Forest Agency, Possible donor who will take the lead of monitoring and reporting, private professional companies or project

Potential supporting actors

Ministry of Justice, local justice institutions within municipality, Police.

Long Time bases

National Forest Inventory

Taking in consideration that forest resources should be monitored in regular bases such a National Forest Inventory is Crucial. This is only way to prepare the strategies for forest management, protection, and international requirements. The existing methodology for national forest inventory should be updated toward reporting based on country needs as well international requirements. The first and last National forest inventory was undertaken in 2002-2003, even it was foreseen to undertake the regularly inventory each 5 years.

Management Plans for Public Forest

To have a better impact in forest protection from illegal logging there must be completed as soon as possible all management plans for public forest area. This will help decision makers and KFA to manage the forest in sustainable basis, and do the necessary activity required. Once the data of management units exist it easier to control and monitor the situation. As additional to this there are possibilities to make the comparisons between situations as it was when inventory were undertaken and new possible changes. The advantage having the area covered by new methodology for preparation of management plans (digital management plans) it will be easier to control and know exactly the location of legal activities of KFA. It will help also help to stop the frequent abuse with quality classes.

Management Plans of Private forest

Until now a methodology does not exist for simple management plans in private forest. Often there is trespassing on public forest when borders are not clearly defined. Often private forest owners the get the permission to undertake harvesting operation in their forest, but sometime they undertake forest operation in public forest. The physical borders in the field are not marked, and old borders have been moved by private owners in some cases. The KFA internal rules restrict private owners to cut only 3m³/ha even when the potentials of the forest gives possibility to harvest bigger volume.

Developing simple methodology for forest management plans for private forest owners, will help both KFA and private forest owners to manage the private forest in sustainable basis. It will also limit the abuse with property borders.

Potential principal actors

MAFRD- Kosovo Forest Agency, Donors, Private forest owners association

Potential supporting actors

Local Private companies, wood processing association