

TAIEX /ECRAN Workshop

Fighting Illegal logging and associated trade - cooperation on Implementation of the EU Timber Regulation

Macedonia

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02-03 June 2016, Zagreb

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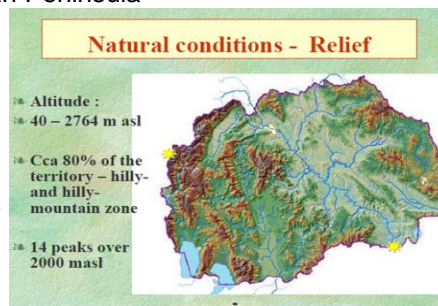
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Republic of Macedonia

Situated in the central part of Balkan Peninsula

Area 25.713 km²

- Forests - 40%
- Agricultural land - 51%
- Non-productive land - 9%



The natural characteristics in spite its small area shows lots of heterogeneity

- Inhabitants: 2 100 000
- Density: 81 inh/km²



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Information of Forests

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In the Republic of Macedonia, the total Forest area and Forest Land is about 40%

According to the silvicultural form, forests in Macedonia are :

- **Generative origin with area** 274.819 ha (29%)
- **Coppices** 672.834 ha (71%)

The total area under forest cover is 947.653 ha:

- state own forests 854.214 ha (90%)
- private own forests 93.439 ha. (10%)



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Information about the Forests

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- ✓ By the composition, forests in Macedonia are:
 - Broadleaved forests take part with 777 075 hectares
 - Conifer forest 113,718 hectares and
 - Mixed forests are represented by 56,860 hectares
- ✓ Regarding the purpose forests in Macedonia are divided into:
 - Managed forests, with a total area of 834,347 hectares
 - Protective forests, with a total area of 17,613 hectares

Participation of the Forestry sector in GDP - 0.3/0.5%
(non-market forest values are not estimated in this value)

Participation of forest industry (primary and secondary wood processing, furniture, paper and celluloses.....) in GDP is 2.5-3%



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National legislation

Basic legal regulations that regulate the forestry in RM are:

- Law on Forests
- Law on Forest and Hunting Inspection

The Law on Forests regulates:

- Planning, forest economy, forest management (silviculture, protection and use)
- Preservation of forests as a natural treasure, achieving generally useful functions of forests
- Financing and other important issues to forests and forest land on the principle of biological, economic, social and environmental acceptability.



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National legislation

The objectives of this law are:

- permanently preserve the forest area increasing their value and increment
- ensuring sustainable management, planning and economy
- managing the forests in a manner that provides increase of productivity

The production functions of the forests are focused on production of timber and other forest products

The National forest policy in Macedonia is realized through:

- Strategy for Sustainable Development of Forestry in the Republic of Macedonia and
- General plan for forest management in Macedonia



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National legislation

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The planning of the Forest management and economy is accomplished through:

- Special plans for forest management
- Programs for forest management and
- Annual plans for forest management

Supervision of the implementation of the Law on Forests is performed by The State Inspectorate for Forestry and Hunting through state forestry inspectors.

Supervision and control of the supply and sale of wood and other forest products is performed by the State Market Inspectorate.



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Overview of the institutional settings for EUTR implementation

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Competent authority for implementation of the EU Timber Regulation is Ministry of Agriculture, Forestry and Water Management by the Department of Forestry and Hunting

Department of Forestry and Hunting is responsible for:

- Implementation of the Regulation
- Monitoring and inspection
- Enforcement and Reporting

Concerning implementation of this Regulation, there is a need for additional analysis if just Ministry of Agriculture, Forestry and Water Economy, have competences on all issues prescribed by the Regulation and its Annex or other Ministries and institutions should be included as competent authorities, such as Ministry of Environment and Physical Planning, Ministry of Economy and possibly Ministry of Finance



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Overview of the institutional settings for EUTR implementation

Competence on Market Surveillance, Monitoring and Inspection, Enforcement and Reporting are also issues to be defined, as not all timber and timber assortments/products as classified in the Combined Nomenclature set out in Annex I to the Council Regulation (EEC) No 2658/87, to which Regulation (EU) No 995/2010 applies, are under competence of MAFWE.

Law on Forests ("Official Gazette of the Republic of Macedonia" No 64/09, 24/11, 53/11, 25/13, 79/13, 147/13, 43/14, 160/14, 33/15 and 44/15) (LF) prescribes strict rules and procedures that should be implemented on managing all forests, no matter property and purpose (designation), ensuring legality of logging/harvesting and placing of such timber and timber assortments/products on the market.

In state owned forests (89% of forest and forest land) logging is done according to Forest Management Plans, and in privately owned forests (11% of forest and forest land) according to certain rules prescribed into LF and secondary legislation, checked and approved by SFHI. Once legally logged/harvested, timber and timber assortments/products are delivered to final consumer accompanied with a Deliverance Certificate issued by the Operator or Trader.



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Overview of the institutional settings for EUTR implementation

According to LF and secondary legislation, blank Deliverance Certificates are supplied by MAFWE to all Operators or Traders of timber and timber assortments/products. This Deliverance Certificates are valid for destination: forest-registered warehouses. According to LF rests and secondary legislation, operators or Traders of timber and timber assortments/products should print/supply by themselves (and stamped and evidenced by SFHI) additional blank Deliverance Certificates to be valid for destination: registered warehouses-final consumer.

Herein, SFHI, DFP (and Ministry of Interior) can check traceability and legality of timber and timber assortments/products placed on the market. Deliverance Certificates give several information, including those that are required by Article 6 (1)(a) of the Regulation.

Several other measures prescribed in LF are ensuring that only legally harvested timber and timber assortments/products are placed on the national market or exported.



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Overview of the institutional settings for EUTR implementation

Also, amendments of LF were adopted in October 2014 ("Official Gazette of the Republic of Macedonia" No 160/14) to strengthen the capacities on combating illegal logging and better monitoring of operators and traders.

Strategic commitments combating illegal logging are laid down also in "Strategy for Sustainable Development of Forestry in the Republic of Macedonia", adopted in 2006 by the Government of the Republic of Macedonia.

Concerning implementation of this Regulation in general, but also regarding plans for checks of operators, there is a need for additional analysis if just MAFWE (and its departments such as FHD, SFHI and DFP) have competences on all issues prescribed by the Regulation and its Annex or other Ministries and institutions should be included as competent authorities.



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- Technical timber is processed in sawmills across the country, firewood is sold to individuals in public and private warehouses, at a cost of about 40 € / per/ m³.
- The import of firewood from neighboring countries is approximately 50,000 m³ per year, while exports of unprocessed wood insignificant.
- Allowed annual cut is 1.083.130 m³, which is 67% of the growth. But substantially lower is the use in last ten years in the range of 460.600 to 600.00 m³, out of which 100 000 to 150 000 m³ is technical wood, and 400 000 to 500 000 m³ is fuel wood.



Fuel wood ECRAN

- Total quantity of fuel wood which is legally offered on the market in Macedonia is mainly originated from state own forests. And that is a quantity of about 600 000 m³ that is sold by PEMF, on which have to add around 50 000 m³ what that is provided by National parks, as well as imported from neighboring country.
- According to the official data, private own forest they add to the market around 200 000 m³ annually in average.
- When all this is summarized, a conclusion can be drawn that the market in Macedonia still is insufficient with fuel wood.

- According to this measurement, one third of the fuel wood is supplied illegally.
- Illegal cutters supply the wood for a price that substantially lower than the market price.
- That are mainly well organized groups with good technical equipment, that very often include employed persons from administration in their network which are in charge to protect that illegal cut operation in the first place.
- With the illegal cut they usually destroy the best part of the stands in the forest area

Supply with fuel wood ECRAN



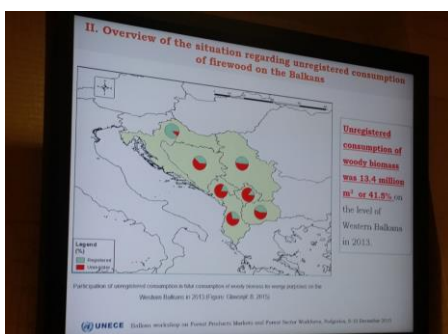


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Illegal cutting

This deviances measures were first shown after adoption of the new Law of forest in 2009.

- when jurisdiction of forest gourd was revoked
- all the power was transferred to the forest police
- It is allowed for the private owner company to make license in the private forest for marking, cut and delivery of wood assortments



Changes for the better



The alarm bell went on; when in 2013, the sales of firewood fell to only 350,000 m³.

At the end of 2014, introduced were drastic changes in the Law on Forests:

- For the offenders were imposed with prison sentences
- Enhanced powers of the members of the Forest Police
- Re-introduced forest guard service
- For private companies that perform services like Felling, skidding and wood transport, licenses were introduced and the obligation to have employed at least one forestry engineer who will perform professional tasks
- Laid down were rigorous conditions which must be met by warehouse owners which trade with timber products
- Also given is higher authorization to the state police and the forestry inspection, and they carried out a comprehensive action for combating forest crime, called "Gora"
- This action caught and brought to justice a lot of criminals, and has shown that there was a link between private licensed companies for services in private forests, which were negligent, granting logging in state forests and recording it as in private forests.

Increased sales of wood in 2015

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- Only in 2015, Forest police filed 2,161 charges, and confiscated from violators 2743.66 m³ of fuelwood and 106.06 m³ of technical wood. At the same time was seized 102 trucks and 440 light vehicles, 56 tractors, 141 chainsaws and other equipment.
- The result of the introduction of new measures were directly felt in the supply and demand of firewood even during 2015.
- The demand for firewood has risen sharply. PEMF in 2015 sold 450,860 m³ of firewood, which is 78 886 m³, or 17.5% more than in 2014.
- The average selling price in 2015 of the technical wood is 54.7 € / m³ , and firewood € 38.5 / m³
- In private warehouses price of firewood has reached as much as 65 € / m³



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Tasks for the future

In addition to the conclusion that things are changing for the better, there is a lot of work needed still to be done, to keep the business in the forestry in safe waters. To this end, for the near future are planned a number of activities:

1. The introduction of an electronic system for monitoring and controlling the wood volume of remittances through harvesting and extraction, transport and storage to the final consumer;
2. Replacing old machinery;
3. The certification of state forests;
4. Cadastre of forests
5. The introduction of the integrated control system for protection of forests
6. Increased production of technical wood
7. Reorganization of the PE "Macedonian forests", in order to increase productivity and liquidity, personnel and technical equipment, in order to constitute the production on our own resources.



Thank you for your attention!



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