POLICY AND STRATEGY PAPER ON FORESTRY
SECTOR DEVELOPMENT

2010 – 2020

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Policy and Strategy Paper for Development of Forestry

2010 - 2020
This document is completed by the Ministry of Agriculture, Forestry and Rural Development through an inter-ministerial Working Group appointed for the formulation of policies and strategies to govern the future development of the Forest Sector in Kosovo. The successful compilation of this Policy and Strategy Paper would not have been possible without the full support of the above Working Group members, as well the assistance and advice from workshop participants and other stakeholders.

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ABBREVIATIONS

ARDP  Agriculture and Rural Development Plan
DoF   Department of Forestry
FAO   Food and Agriculture Organization of the United Nations
EU    European Union
KAA   Kosovo Cadastral Agency
KFA   Kosovo Forest Agency
KAP   Kosovo Agency for Privatization
IFR   Institute for Forest Research
MAFRD Ministry of Agriculture, Forestry and Rural Development
MEST  Ministry of Education, Science and Technology
MLSW  Ministry of Labor and Social Welfare
MESP  Ministry of Environment and Spatial Planning
MEF   Ministry of Economy and Finance
MTI   Ministry of Trade and Industry
NGO   Non-Government Organization
SOE   Social Owned Enterprises
SIDA  Swedish International Development Agency
INTRODUCTION
Kosovo has embarked upon the process of harmonisation of legislation and standards with those of the European Union, whereby the expectations are that the various sectors building up the economy will be modernised and restructured. In this context, one of the important segments of the Government’s programme is the development of rural areas and poverty alleviation, which gives rise to expectations regarding the growth of the revenues of rural households, small enterprises and stability of municipalities.

In this context the economic, social and ecological functions of forests are of significant importance to the sustainable development of Kosovo and for improving the quality of life, especially in rural and mountain areas. Based on these useful functions of forests, Kosovo perceives forests as part of national treasure/heritage. The Law on Forest affirms this: “The forest of Kosovo is a national resource. It shall be managed in such a way as to provide a valuable yield and at the same time preserve biodiversity for the benefit of present and future generations. Forest management shall also take into account other public interests.” The Law also affirms that the principles of precautionary, conservation of biological diversity, the principle of intergenerational equity and ecologically sustainable development shall apply.

Upon the end of the war Kosovo entered a difficult period of transition in which the economic and political systems gradually were reconstructed to adapt to a completely new environment. This period of transition was additionally burdened by the complex political, social and economic situation affecting the functions of all sectors. In this respect, forestry was no exception. Uncontrolled and unsustainable forest management practices have resulted in stagnation and destruction of forest resources.

The political and economical changes aligned with coming European integration processes, address priorities and focus toward the multifunctional usage of forests and their management, integrating much wider aspects where protection of the environment and biodiversity are given high priority. At the same time Kosovo is in a process of signing many international agreements and conventions on forests and environmental protection, which will have influence on the forestry sector.


The new economic environment and conditions in the forestry sector emphasize the needs for creating effective systems for multipurpose management of the forest resources, and development of
a forest industry in harmony with the forest resource base. In response to this need the Government of Kosovo launched a process of formulating a National Forest Policy and Strategy Plan in May 2008. The process has been based on recognized principles for policy development, inputs from national and international experts as well as from all relevant stakeholder groups. Suggested policies and strategies are consistent with existing legislation on Forestry and set the stage for all major decisions concerning the sector for the next 10 years. The results of this process are presented by the team of experts in this document.
1. THE ROLE OF THE GOVERNMENT

1.1 Overall objective, policy statements and directions

The overall objective of the Government of the Republic of Kosovo is to increase the contribution of the forest sector to the national economy through sustainable use of the forest resources, taking into consideration as well the multi-functional role of forestry. To comply with this overall objective the Government will maintain and enhance the viability of the sector through providing a supportive regulatory and institutional framework, and ensure permanent financial mechanisms for increasing the status of the sector.

The Government of Kosovo

a) recognizes the importance of the forest resources as integral part of the society in economical, social and cultural aspect;

b) recognizes the contribution of the forestry to the economy, creation of employment, culture and social issues, protection of the environment and the nature;

c) emphasize the importance of protection of the forests for the maintenance of stable and healthy ecosystem;

d) acknowledge the dissatisfactory state of forests resources which is characterized with unsustainable use, low intensity in forest management, insufficient protection and suboptimal use of forest resources;

e) acknowledge that the potential of the forest resources is not used to its full potential due to limited availability of appropriate technology and trained personnel, weaknesses in organizational structures and enforcement of legislation regulating the protection and management of forest resources;

f) recognizes that the private forests sector is characterized by fragmentation resulting in low productivity and inefficient use of forestlands;

g) will address the existing threats to sustainable forest management resulting from limited capacity to invest in forest management, unlawful harvesting, forest fires, threat to biodiversity in production forests;

h) acknowledge that the old public forest enterprises is not functional and must be subjected to privatization;

i) recognize that wood-processing industry is unable to participate adequately in the development of the forestry sector;
j) appreciate the importance of international cooperation in the development of the forestry sector;

k) stressing the need to strengthen the policy dialog between the forest sector and other parts of society;

l) recalling that the forest policy as a sectorial policy is a component of the total state policy of sustainable development of Kosovo, which will provide the framework for a more detailed planning within the forestry sector,

The adoption of the overall policy statements and directions is based on the following principles:

   a) Conformity and consistency with national development objectives, policies, strategies and legislation;

   b) Participation of concerned stakeholders;

   c) Socio-economic foundation of forestry;

   d) Preservation of cultural and traditional heritages;

   e) Consistency with international commitments on forestry;

   f) Inter-sectorial approaches to be applied;

   g) Increasing the public’s awareness for the importance of forestry.

1.2 The responsibilities of the Government in developing the Forest Sector

The Government will ensure that the forestlands in Kosovo are managed in accordance with the principles for a global consensus on the management, conservation, and sustainable development of all types of forests. This includes the precautionary principle, the principle of intergenerational equity, conservation of biological diversity and ecologically sustainable development. In coherence with the overall objective, policy statements and directions the responsibilities of the Government can be summarized in the following basic functions:

Developing a supportive institutional and regulatory framework

Through developing and enforcing a regulatory and institutional framework, and regardless of ownership, direct the activities of the sector in a desirable direction. Important elements are continuous monitoring of the forest resources to ensure a sustainable use, provision of adequate resources to Government institutions responsible for forestry and updating the regulatory framework to reflect changes and development trends in the society. Processes of change shall be transparent and allow for full participation of concerned stakeholders.
**Administration and management of state owned forestlands**

By the introduction of modern and transparent supervisory and management systems, the Government shall maximize the potential multi purposes benefits from using the public forestlands. In these aspects, important elements are land consolidation processes allowing for rational use of both public and private forestlands and the introduction of systems and tools allowing the private sector to take responsibility for management of certain delineated areas of state owned forestlands.

**Protection of environmental values**

Kosovo aspires to manage its forests in accordance with the statement of global consensus on the management, conservation and sustainable development of all types of forests. This will include the principles of precautionary, biodiversity, intergenerational equity and ecologically sustainable development (UN Conference in Rio de Janeiro 1992). In practice this means that forest management interventions always shall be executed with the objective of making the lowest possible impact and damages on flora, fauna and other values of the forest eco-system.

Management of protected zones will require special attention, and where a fulfillment of the above principles and obligations will require a close and transparent cooperation between the ministries concerned.

**Inter-sectorial cooperation, international contacts, financing of activities**

Forestry includes a number of elements which have implications on many stakeholders. To avoid conflicts, and allowing for optimal use of the forestlands, important decisions shall be based upon a consensus. The Government is aware of the needs for creating and maintaining international contact networks, allowing for exchanges of knowledge and experiences. This awareness is of particular importance for competence areas in which the forest sector by its own means is unable to establish necessary institutions and resources.

The Government is also aware about the needs for maintaining contacts with donor organizations, the private sector, local governments and other financing institutions of importance for the development of both public and private sectors.

**Social aspects**

Forestry and forest industry are important elements of the Kosovo economy. This is especially true in rural areas where a considerable portion of the population receives its livelihood through forest operations. The Government shall strive toward optimizing the social benefits from forest operations in both short- and long-term perspectives. Intensified management of young forests will provide immediate benefits in form of employment opportunities and increased access to wood. In a longer-
term perspective the creation of new forests through plantation programs will allow for not only increased operations of the sector, but will also have positive effects on the environment.

**Implementation of policies and strategies**

The Government will take the overall responsibility for implementing policies and strategies. In summary this responsibility will include strategic planning for guiding investments and other development work, securing appropriate coordination and cooperation between government institutions, handle international cooperation issues and monitor and evaluate the implementation of projects and activities.

**1.3 Institutional arrangements, policy instruments**

The Ministry of Agriculture, Forestry and Rural Development (MAFRD) is the highest authority in charge of forestry. At central level it has two main forestry branches – the Department of Forestry (DoF) and the Kosovo Forest Agency (KFA).

KFA has four central directorates (directorate for forest management, directorate for pasture management, wild animals, hunting and ecotourism, directorate for silviculture, research and seedling production and directorate for administration), six coordinating directorates which are forest activities through 25 municipal units, where one the main task is to cooperate with local governments (municipalities). KFA operates a nursery in nearby Peja town. Mainly conifers seedlings are produced and provide the planting material for the 300 to 500 ha that are afforested annually.

DOF has the role of developing the policy and regulatory framework as well as controlling/inspecting forest operations leading to the enforcement of the law. Forests Inspectors are responsible for controlling the forest activities in both public and private forests.

The structure and mandates of the two Government branches was influenced by factors as the size of the forest sector, availability of competent human resources, ownership structure, needs for policy changes and needs for combating unlawful practices.

KFA is the administrator and manager of public forestlands, and is also responsible for law enforcement in both public and private forests. In the future, and in consistency with other legal processes and development, the Government may consider the possibilities of discharging KFA responsibilities which might be in contradiction to its responsibility for enforcing forest legislation.
1.4 Compatibility with national and international plans and strategies

To avoid conflicts and contradictions policies and strategies must be compatible with other guiding documents with impact on forest sector development. Of particular importance in this respect are the Agriculture and Rural Development Plan (ARDP) for Kosovo, updated to cover the period 2009 – 2013 and EU strategies and action plans for forest sector development.

The ARDP includes sections that provide a frame for forestry development up to 2013. Important elements of the plan are:

- Sustainable economic, environmental and social use of forests in rural areas is required, with particular emphasis on afforestation of abandoned agricultural land, and improvement of forest infrastructures. This will assist afforestation and first establishment of agro-forestry systems, particularly in Natura 2000 areas. When implemented these activities will protect the forest environment, restore forestry production potential, introduce actions against illegal cutting and provide support for non-productive investments in the forestry subsectors;

- As a relatively large number of private forests owners are farmers, forestry can be seen as one of the solutions to enhance rural development. Some farmers may see an opportunity to shift from agricultural production to forestry, or complement it;

- Increased afforestation of abandoned agricultural land is an important activity, both to reduce dependency on agriculture and improve environmental conditions in rural areas. This will positively influence landscape diversity and stability. In a broader international perspective, a modification of land use towards an increased share of land with a more permanent plant cover will contribute positively to present policies on climate change through carbon sequestration, and by promoting sustainable forest management. Also, bio-diversity can be positively affected.

In 2006 EU adopted a Forest Action Plan (2007- 2013) providing a framework for forest-related actions at Community and Member State level. The overall objective of the Action Plan is to support and enhance sustainable forest management and the multifunctional role of forests. The Plan is based on four principles:

- National forest programs as a suitable framework for implementing international forest-related commitments;

- The increasing importance of global and cross-sectorial issues in forest policy, calling for improved coherence and coordination;
• The need to enhance the competitiveness of the EU forest sector and good governance of EU forests;
• Respect for the principle of subsidiarity.

The above principles are further concretized through development of a set of key actions which to the extent appropriate have been considered in the compilation of this Policy and Strategy Paper.

The Government is also aware about the importance of harmonizing ongoing projects and development work with new policies and strategies.
2. STATUS OF THE FOREST SECTOR

2.1 Forest Resources

Since existing forest information mainly stems from the period before and during the 1990s, and since all planning prior to the war period was carried out only on public forestlands, one of the urgent actions identified was to validate data and reinstall capacity to conduct forest resource assessments through a Kosovo-wide forest inventory. This kind of information is crucial for various strategic decisions, setting the sector policy, and for monitoring forest trends. Considering this urgent requirement, during the years 2003-2004, a country-wide forest inventory was conducted. The main findings and conclusions, constituting the basis for policies and implementing strategies, elaborated during the course of the inventory are summarized below.

- Around 379,200 ha was classified as forestlands through interpretation of aerial photos and field surveys. Another 85,600 ha was classified as forestlands through photo interpretation, but could not be surveyed in the field because of mines and other logistic constraints. Out of the total area made up of surveyed and not surveyed forestlands, 278,880 ha is classified as public forestlands and 185,920 ha as private forestlands. This total area (464,800 ha) is slightly larger (6-8%) than previous estimates;

- Broadleaved forest, created through natural seeding, covers more than 90% of the forest area. Dominating broadleaved species are oak and beech. Coniferous forest, covering 7% of the total forest area, is dominated by Abies alba, Picea abies and Pinus species. Remaining 3% consists of a number of broadleaved species;

- The total standing volume on public forestlands is estimated at about 33.5 million m$^3$. Out of this volume 25.9 million m$^3$ are trees with a diameter >7 cm at breast height. On private forestlands total standing volume is estimated at about 19.5 million m$^3$ out of which 14.5 million m$^3$ are trees with a diameter >7 cm;

- The annual increment of trees on the area surveyed, and with a diameter >7 cm at breast height, is calculated to 1.165 million m$^3$. As the non-field surveyed forests (85,600 ha) to a large extent are located near minefields and other areas not accessible, it seems reasonable not to include this increment in the basis for annual allowable cut;

- There are considerable areas of barren forestlands (20,000 – 30,000 ha). Some of these areas are eroded and have thin top layer soil. Despite of less fertility, a considerable portion is suitable for establishment of plantations;
• 40% of public forestlands and 29% of private forestlands have been subject to uncontrolled or illegal harvesting activities. By all standards these figures are very high. The situation is most critical in coniferous forest where the entire existence of large forest areas is put at risk if no strong and immediate actions are taken. The inventory results also confirm that coppice forest, especially on public forestlands, is exposed to heavy harvesting. The results also show that many young and middle-aged forests are in an urgent need of management interventions, ranging from cleaning/pre-commercial thinning to commercial thinning.

2.2 Difficulties facing the Forest Sector

In relative terms the legal structure for guiding forest sector activities is in place. There is a Forest Law and other laws with bearing on forestry in a wide sense. There are also a fair number of administrative directives. However, regardless of this supportive legislation one of the biggest challenges is the lack of adherence to the laws. This situation most likely depends on a multitude of reasons. (i) Staff and affected persons are not aware of the legal framework, (ii) the legal framework is not as meaningful, (iii) the legal framework is neglected since it is regarded as obstructing the operations/activities, (iv) supervision and enforcement is not in place and (v) the police, prosecutor and court systems do not follow up properly on reports of law transgresses.

The main institution in charge of forestry issues in the field (KFA) was established by a UNMIK regulation in year 2000 as an Authority, and transformed to an Agency in 2003. This state branch is facing many difficulties, the main reason being factors such as staff competence, lack of resources and funds, unclear/disputed roles and mandates. The planning is thus inadequate and the supervision/control as well. The end results of these continuing difficulties can at times lead to:

• Government captures sub-optimal revenues from the sale of timber,
• Harvesting rights issued are sometimes based on in-formal criteria,
• A wood market that is not fully transparent, which in turn does not promote efficiency and healthy businesses,
• Wasteful wood utilization especially where illegal harvesting takes place,
• Forest management not undertaken consistently leading to lowered productivity and reduced stumpage values, and
• Forests not protected against fire and insect outbreaks.

In summary, the main weaknesses of the sector are related to the following facts and shortcomings:

• Forestry must constitute a much higher priority on the Government’s agenda. Forestry is an
important provider of goods and employment opportunities and has also many multiple services and benefits as protection of flora and fauna, recreation, etc. All these benefits are not fully appreciated by decision makers;

- A top priority must be to enhance standards of professionalism at all levels, commitments to the tasks among forestry staff and awareness rising among the public concerning the importance of the sector;

- The private sector is not well developed. Important aspects are institutional reforms, creation of a supportive business climate, privatization or liquidation of state forest enterprises dependent on their status and support to forest owners associations and other parts of the business community;

- The roles and responsibilities of central and local governments must be communicated and fully agreed upon. Of particular importance is to reach a common understanding for the best implementation of the delegation of competencies for forest management, considering also the needs for coordinated investment activities and forest protection;

- The disputed roles and responsibilities in management of protected zones need to be clarified. The Law on Forest states that MAFRD is responsible for management of National Parks. It is, however, obvious that this ministry does not have the full competence for its undertakings, and would need to cooperate with other concerned ministries for fulfilling its mandate which is stated by the law.
3. POLICY INTERVENTIONS IN PRIORITIZED AREAS

The table below presents a number of intervention areas which are considered to have great impact on forestry development. The identification of these intervention areas is the result of a consultative process in which all main stakeholders have contributed.

<table>
<thead>
<tr>
<th>Intervention areas</th>
<th>Leads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest management and silviculture</td>
<td>Seedling production, planting, thinning operations, road construction and maintenance</td>
</tr>
<tr>
<td>Forest planning</td>
<td>Forest inventories (strategic), management planning, annual planning</td>
</tr>
<tr>
<td>Harvesting &amp; transport</td>
<td>Annual harvesting targets (public/private), sales of wood, control mechanisms</td>
</tr>
<tr>
<td>Capacity building</td>
<td>Education/training, research functions, awareness rising</td>
</tr>
<tr>
<td>Forest environment protection</td>
<td>Management restrictions, protected zones, biodiversity conservation, certification</td>
</tr>
<tr>
<td>Wood use</td>
<td>Optimal use of existing and future wood resources</td>
</tr>
<tr>
<td>Private sector dev.</td>
<td>Privatization issues, roles in admin/mgt of public forests, financing facilities</td>
</tr>
<tr>
<td>Non-wood products</td>
<td>Berries, herbs mushrooms fruits, medical plants, etc.</td>
</tr>
</tbody>
</table>

This table presents eight identified intervention areas, with some leads connected to respective intervention area. The next sections present policies and strategies to be applied for each of the above eight intervention areas.

3.1 Forest management and silviculture

Policies

Kosovo aspires to manage its forests in accord with the statement of principles for a global consensus on the management, conservation, and sustainable development of all types of forests set forth in Annex III to the Report of the United Nations Conference on Environment and Development (Rio de Janeiro, 3-14, June 1992), including the precautionary principle, conservation of biological diversity, the principle of intergenerational equity and ecologically sustainable development. Within this overall policy statement particular attention will be given to tending of young forest, restoration of degraded forestlands and establishment of plantation forest. Consistent implementation of these policies will result in a substantially increased yield of forestlands to the benefit of the Kosovo economy.
Strategies

- Allow an improved forest management and increase of standing volumes the annual allowable harvesting volume on public and private forestlands shall not exceed 60% of the anticipated annual growth;

- Support the establishment of institution(s) capable of conducting applied research, forest health monitoring, extension services and maintaining contacts with other similar international research institutions;

- Link the Forest Researchers in Kosovo into a regional cooperation network that may support local applied research activities, exchanges of results and experiences and the implementation of the results into forest management practices;

- To determine the future potential of forest plantations, a study shall be conducted for calculating the areas of bare and degraded land suitable for planting. The study shall also assess the suitability of the current composition of plantation species and based on soil and climate conditions suggest modifications in the composition of species/provenances;

- Commence with large-scale tending programs in young and over-dense public forests resulting in (i) improved structure of the forests, (ii) increased production of firewood and small-sized wood suitable for a wood processing industry designed for processing small size logs and (iii) provision of employment opportunities for the rural population;

- Establish the scientific base for the elaboration of criteria and guidelines for conversion of degraded young and middle-aged (low) forests into more productive forests;

- Forest plantations shall be established on (i) bare lands of good quality and where the existence of the plantation is not put at risk by external factors, and (ii) on forestlands where old or unproductive forests has to be replaced by more productive forests, and on forestlands (iii) where natural regeneration cannot be expected within a reasonable period of time. Where consistent with management objectives, native species shall be selected over exotics;

- A future plantation program shall be based upon state of the art technology and knowledge. Growth models, optimal species-site matching and proper tending and protection schemes shall guide the work;

- Forestation of degraded or unproductive bare forestlands shall be based upon careful selection of appropriate silviculture methods, analysis of costs and risks involved;
Only certified seeds shall be used for seedling production. The production mix of species, provenances and type of planting material shall be harmonized with the requirements of the long-term plantation programs;

Forest access roads shall be constructed and maintained as to serve the needs for various management interventions over time;

For improving forest operations the Government shall establish premises for training private forest owners, entrepreneurs and contractors. Subjects may include tending of young and over-dense forests, forestation and harvesting technique.

3.2 Forestry planning and information management

The objective of forestry planning is to provide the state institutions, the public, the private sector and non-governmental organizations with accurate and timely information about the status of the forest resources, needs for interventions, etc. A Forest Planning System consists of a number of modules developed to provide all these kinds of information: strategic planning, management planning and operational planning.

3.2.1 Strategic Planning

Policies

Accurate information about the status of the forest resources shall always be available. In particular the policy of the Government is to establish and maintain permanent resources for national forest inventories. This information will provide data for monitoring of the forest resource base, policy making and strategic planning by central forest authorities to safeguard the use of wood products in harmony with the development of the forest resource base.

Strategies

- Permanent resources shall be established for conducting national forest inventories, including monitoring and presentation of results. Necessary budget means shall always be available;
- Collected data shall be processed and stored in a manner that permits easy access to data required for various strategic planning purposes;
- To minimize costs and to guarantee easy access to accurate information most appropriate technology shall always be used;
- To keep data bases updated a certain number of permanent sample plot shall every year be re-inventoried;
• To reduce costs and resource requirements forest inventories shall, to the extent appropriate and technically feasible, be coordinated with forest management planning activities;

3.2.2 Forest Management Planning

Policies

To support efficient management planning, updated stand- and map data bases shall always be available. To realize this goal, the policy is to produce and update forest management plans all over Kosovo for supporting the implementation of sustainable forest management methods, and to facilitate the selection and prioritising of forests areas (compartments) that will be subject to management interventions during a coming ten years period.

Strategies

• The government shall assign institutions with the capability of, with own or external resources, take the full responsibility for producing forest management plans over an area of around 30 000 ha annually of public forestlands;
• Management plans shall cover the activities for at least ten years, explain the activities and their expected effects on the forest and be consistent with the standards set out in the Law on Forest;
• Management planning shall take into careful consideration the needs for various wood products by the local society and the business community, as well as the potential multi-functional role of forestry;
• To reduce costs of compiling new plans, and to secure the availability of up to date information, management plans shall be continuously updated through results from the Operational Planning;
• Before the adoption of a management plan, a draft version shall be released and its availability announced to the press, concerned arms of the Government including municipalities with lands affected by the plan;
• To secure efficient use of budget means and other resources, the intensity of planning operations shall take into consideration factors as values of forests types, potential multi-functional roles of forestlands, and needs for protection measures;
• In first hand planning, activities shall concentrate on zones and subjects of particular or strategic importance with respect to factors as needs of protection, management interventions, employment opportunities and national development goals;
• On private forestlands, special criteria for forest management planning shall apply.
4.2.3 Operational Planning

Policies

Careful operational planning is the best mean to minimize the negative impact on forestlands from forest operations. For this reason the policy of the Government is to (i) adopt operational management plans describing both harvesting, silviculture and other improvement activities for each area under its administration, to (ii) consult with municipalities and other stakeholders before adopting the plans and (iii) secure the consistency of the operational plans with Forest Management Plans.

Strategies

• A government branch shall, with its own or external resources, be responsible for collect, process and present data which will constitute the basis for calculating budgets, need of resources, wood produced, etc. Data requirement (type and quality) shall be specified by the responsible government branch;

• All Operational Plans shall be consistent with the recommendations of the Forest Management Plan. The operational planning shall also take into consideration the expected needs for forest wood products during the coming year, by the local society and the business community.

• To allow time for consultations and calculations of budgets, operational plans shall be completed no later than by October, and records for each calendar year must be completed by the end of March of the succeeding year.

• If no plan is in effect for the actual area, the responsible institution may only adopt operational plans that it declares are consistent with the goals and standards set out in the Law on Forest;

• To minimize the cost for administration, management and investments in infrastructure annual forest operations shall be concentrated to as few areas as practically possible.

3.3 Harvesting and transport of wood

Policies

Harvesting and transport of wood is regulated by the Law on Forest (2003) and subsequent by-laws. The law prescribes rules for issuing licenses to harvest, marking of trees to be cut, procedures for sales of wood and restrictions in moving and transporting wood products. With the objective of
bringing down unlawful activities the rules set out are rather detailed and strict and, with some differences, enforced in both public and private forests.

The policies applied are based on three pillars: to allow for improved status of the forests (i) the harvesting targets shall be well below the anticipated growth, (ii) through the implementation of appropriate mechanisms the extent of unlawful activities shall decrease and (iii) improved harvesting practices shall lead to reduced damages on remaining trees and soils and reduced risks for outbreaks of attacks by insects and fungus through better forest hygiene.

**Strategies**

- In order to reduce the extent of unlawful activities, and in addition to common forest protection measures and control mechanisms, the Government shall:
  - Support the introduction of joint forest management systems in low forest and where the overwhelming part is firewood;
  - Through regaining control over the use of the forest resources, and to secure the availability of wood products, increase the official harvesting target proportionally to the decrease of illegally harvested wood;
- Members of Forest Owners Associations and other parts of the business community who has committed themselves not to involve in unlawful practices shall be awarded licenses to harvest and permits to transport wood products following simplified procedures;
- Harvesting practices shall improve through the implementation of (i) Forest Certification systems, (ii) introduction of appropriate technology and (iii) education and training of contractors and entrepreneurs.

**3.4 Capacity building**

**Policies**

During the last decades, education and training opportunities have been limited. This situation is seriously affecting the performance of all sectors, and in this respect forestry is no exception. In forestry, a large portion of the existing professional staff has received its education in the former socialist system and with no, or very limited possibilities of refreshment training. To break with the past, new policies adapted to the principles of open market economies needs to be introduced. Also the establishment of high quality education and training opportunities for all categories of personnel working in the Forest Sector must be given highest priority.
Against this background the policy is to (i) organize a proper pre-university vocational education for forestry profile, to (ii) develop a sustainable training system for forestry activities, to (iii) create opportunities for running or attending higher forestry education, (iv) inter-sectorial mobilization for rising the awareness of the importance of forests and (v) assess the needs for scientific research premises.

**Strategies for developing Forestry Vocational Education**

- Establishment of a Secondary Forestry Vocational School at national level. The school shall be developed in accordance to European standards for forestry educational profiles;
- To open and to be in function one regional (West Balkan) centre for forestry vocational education and training;
- In cooperation with other institutions the Secondary Forestry Vocational School shall be responsible for conducting awareness campaigns for promoting the importance of forestry. Activities will include, but not restricted to, media campaigns, organization of debates and compilation of information material to be included in schoolbooks.

**Strategies for developing Forestry Vocational Training**

- Establish a Forestry Vocational Training Centre to increase the skills of forest workers. The Center will be organized to operate all over Kosovo. To meet the various requirements training will be provided on a modular based systems.
- Through vocational training increase the opportunities for self-employment, entrepreneurship and safe working methods;

**Strategies for organizing higher education and research in forestry**

- To open a faculty for forestry in Pristine, or to organize opportunities for students to studying forestry abroad;
- Establishment of inter-ministerial cooperation, curricula development, assessment of training needs and ensuring funds for implementation of permanent premises for higher education;
- Creation of capacities for (i) applied research through new institutions or strengthening of existing premises and (ii) secure the availability of state of the art technology through linking forestry researchers in Kosovo to similar international research institutions.
3.5 Forest environment protection

Policies

A forest is a complex eco-system with importance not only as a tool for preserving the biodiversity, but also for the society in terms of science, education, cultural needs, recreations and esthetics aspects influencing tourisms, etc.

Having these important functions in mind, the overall policy is to ensure the role of forests as a contributor to environment protection, biodiversity, reduction of greenhouse gases and reducing the risks for natural catastrophes. Important aspects will include research, criteria for establishing protected zones, protection measures and systems, and raising the awareness of the importance for protecting the environment.

Strategies

- The Government shall provide funds for establishing capacities for research and biodiversity inventories to support the identification and delineation of protected zones;
- Establishment and management of protected zones shall be based upon international accepted criteria, and on proper planning processes involving necessary expertise and concerned stakeholders.
- For each protected zone a Management Plan shall be compiled. The Plan shall define and state objectives and purposes of the protection, responsibilities of concerned Government Institutions and needs for management interventions;
- Necessary measures aiming at restoring and conserving biological and landscape diversity is always an integral part of forest management practices;
- With the primary objective of promoting sustainable forest management practices the Government shall support the implementation of Forest Certification Schemes;
- Biodiversity Action Plans shall include the following elements:
  - Capacity building at institutions responsible for biodiversity, protection and natural heritages;
  - Implementation of a inventories to decide boundaries of protected zones, flora and fauna;
  - Inter-sectorial cooperation to ensure the inclusion of biodiversity issues and natural heritages to concerned planning processes;
  - Needs of investments for activities related to management of protected zones;
4.6 Wood use – forest industry development

Policies

The Law on Forest states that forestlands shall be utilized efficiently aiming at providing a sustainable and valuable yield, and with a composition of forest products that has the potential to satisfy the different needs of the households of Kosovo. To comply with this statement the policy of the Government is to (i) support the development of a cost-competitive industry capable of benefiting from both primary processing (sawmilling) and downstream production, (ii) to contribute to the establishment of a stable wood market and (iii) engage in establishing financing facilities for those individuals, associations, etc. which have the capability to invest in small-medium scale forest industries.

Strategies

- In harmony with sustainable harvestable volumes, its composition and location, the Government shall support private sector investors prepared to invest in a cost-competitive wood industry capable of benefiting from primary processing (sawmilling) and downstream production. Priority shall be given to the establishment of small-medium scale industries that to the greatest extent can source the raw material locally;
- With the objective of providing guidance and advice Government Forestry Agencies shall upon request provide data about forest resources to forest industry investor’s;
- Especially in rural areas wood will remain as the most important source of energy for heating. For this reason the strategy of the Government is to support the introduction of systems and methods leading to improved production and use of forest resources which optimal use is energy production;
- The Government shall support the establishment of facilities to be offered to forest owners associations, entrepreneurs and individuals which are interested in investing in medium and small-scale forestry and forest industry development;
- After many years of economic down-turn and destruction of human capital and machinery, the need for investments in modern technology is considerable. For this reason the Government will seek to introduce soft financing loans, with interest rates below the commercial rate and with extended grace periods. Such financing facilities shall be made available to private investors with the objective of stimulating the recovery of the wood processing industry in a targeted manner.
3.7 Private sector development

Policies

The private sector includes private persons owning forests (about 40% of total forestlands), companies and entrepreneurs involved in forest operations and/or small-scale wood processing. The average size of a forest estate is in the order of 1.5 ha, which area is in turn split on an average of 2.4 parcels. Given this fragmented structure of ownership, the possibilities for efficient land management is seriously limited. This situation is, however, not specific to Kosovo but rather similar to structures of private ownership in many other central European countries. The wood processing sector is also fragmented and is using old and obsolete equipment. Given this situation the policy of the Government is to (i) promote the establishment of associations representing the interest of various stakeholder groups, (ii) create a favorable business climate, (iii) open possibilities for the private sector to undertake management of public forestlands and (iv) initiate land consolidation processes. The strategies for implementing these policy statements are presented below.

Strategies

- The Government shall promote the establishment of associations representing the interests of various stakeholder groups as private forest owners, and entrepreneurs and companies involved in forest operations and wood processing;
- In the future development of the forestry and forest industry sectors the private business community will play a key role. For this reason, and in order to ensure the implementation of development strategies, the private business community shall always be invited to participate in policy development including the compilation of concerned legislative documents;
- The Government shall promote the creation of favorable business climate. This will include, but not necessarily be limited to, application of fiscal policies to support a desired development path and active support in the establishment of financing facilities offering investment capital at low interest rate and with grace periods;
- The Government shall introduce joint management systems in which local communities, Forest Owners Associations and entrepreneurs with proven skills and capacities are given greater responsibilities for forest management within certain delineated areas. Priority will be given to areas of low forest where the overwhelming part is firewood, and where new forest management plans exists;
- The privatization and liquidation of Socially Owned Forest Enterprises shall be accomplished in accordance with applied policies and strategies;
• With the purpose of providing for a more efficient management and use of private forestlands the Government shall initiate a land consolidation process. This process may include sales of public forestlands which potentially will have a greater value under private ownership.

3.8 Non-wood products

Policies

Non wood forest products (forest fruits, mushrooms, medical and aromatic plants, eco-tourism) can be of considerable economic importance for the rural population. In Kosovo the use of these kinds of products and services is not well organized. The main reason for this shortcoming is the lack of supporting legislation.

Of particular importance is the drafting of a law for regulating the collection of medical and aromatic plants following international standards for (ISSC –MAP). The implementation of such a law will serve as a base for harvesting, collecting, processing and trading with medical and aromatic plants. Respecting sustainable harvesting principles, and protecting the biodiversity, will also create incomes for the rural population and secure the consistency with the Millennium Development Goals (UN 2005).

For this reason, the policy will be to encourage the use of non wood forest products through integrated management of forestlands following the principles of sustainable utilization of all types of non wood forest products including the precautionary principle, the principle of intergenerational equity, conservation of biological diversity and ecologically sustainable development.

Sites for extraction of sand, gravel and stone on forestlands shall be operated in due consideration to the needs for limiting negative impacts on the environment. After the closure of operations, extraction sites shall be rehabilitated by the operator at no cost to the land owner. During the period of operations the operator shall maintain close cooperation with the Government institution administering forestlands.

Wildlife management, regulated by the Law on Hunting, shall be coordinated with forestry activities under the administration of Kosovo Forest Agency and the Department of Forestry.

Strategies

• Drafting of legislation regulating collection of medical and aromatic plants based on international standards;

• Inventories and cartographic analysis of the potentials for production of medical and aromatic plants;
• Certification and licensing of enterprises involved in collecting and processing medical and aromatic plants;
• Promotion of methods and practices for environmentally friendly harvesting of non wood forest products in harmony with sustainable utilization;
• Support to small and medium enterprises for activities related to non-wood forest products with the objective of increasing employment and income opportunities;
• With the objective of maximising the benefits of eco-tourism, the strategy is to promote cooperation between actors that may provide value added.
4. FRAMEWORK FOR IMPLEMENTING THE STRATEGIES

4.1 Principles to be applied

The forest sector in Kosovo could contribute to social stability and improved security. The means would be to take advantage of the forests’ capacity to deliver products of importance to reduce poverty and to develop the socio-economy. Forest activities may provide employment and increase the private sector’s opportunities for the provision of services. Organizing forest owners, supports to NGOs, increased awareness, enhance ethnic co-existence, etc. are activities that will strengthen the civil society and contribute to the democratization process. The implementation of projects and other development work shall build on these fundamentals.

The strategies outlined are intended to govern forestry development during a coming ten years period and bases on the previous analyses, which are summarized in table 2 (section 4.5). During the course of this project, a number of knowledge gaps have been identified. It is also obvious that, despite of earlier support provided, many areas are still weak and in a need of various kinds of support to reach its full potential. Furthermore, it is also obvious that the successful implementation of strategies will require a careful coordination and committed support from of all concerned Kosovo institutions.

The framework for the implementation of the strategies bases on three pillars:

(i) tailor-made projects to raise knowledge in underdeveloped competence areas
(ii) support to operations performance and turn-a-round actions and
(iii) support to the Government institution having the overall responsibility for implementing the strategies.

The next sections outline the main projects, activities, etc. included in these three pillars which are further developed in a separate document “Action Plan for Implementation of the Policies and Strategies for Forestry 2010 – 2020” being the guiding instrument in the implementation process.

4.2 Projects required for raising the knowledge in underdeveloped competence areas (Pillar I)

Four main projects are required to raise the competence in underdeveloped elements of the forestry sector. It is anticipated that the implementation of these projects will need international assistance and financial support from donor organizations.

**Increased yield of forestlands**

A comprehensive forest management and silviculture program with the overall objective of supporting the introduction of improved forest management practices leading to increased yield of
forestlands in both medium- and long term perspectives and, thus, increase the sector’s contribution to the national economy and creator of employment opportunities (see table 2, Intervention area A);

**Capacity building**

There are urgent needs for continuous education and training in most forestry subjects. Against this background it is suggested to (i) organize a proper pre-university vocational education for forestry profile, to (ii) develop a sustainable training system for forestry activities, to (iii) create opportunities for running or attending higher forestry education, (iv) inter-sectorial mobilization for rising the awareness of the importance of forests and (v) assess the needs for scientific research premises (see table 2, Intervention area D).

**Environmental protection and development of non-wood values**

The objective of this project is to ensure the role of forests as contributor to biodiversity and producer of non-wood values, reduction of green house gases and risks of natural catastrophes. Important elements are establishment of resources for conducting research, drafting of legislation, compilation of biodiversity action plans and identification of protected zones (see table 2, Intervention areas E and G);

**Development of the private sector**

Support to the private sector (forestry, forest industry) including forest management, owner associations, land consolidation processes, introduction of joint management systems, development of small-scale wood processing industries operating in rural areas and sourcing wood raw material on local markets, creation of financing facilities, etc. (see table 2, Intervention area F);

**4.3 Support to operations improvements and turn-a-round actions (Pillar II)**

This section presents two main competence areas which, despite of earlier support provided, is still weak and is in a need of various kinds of support to reach its full potential. Both of these competence areas constitutes vital parts of the forest sector and, therefore, improved performance will have great impact on the entire sector, including the contribution to the national economy.

Kosovo institutions must take the full responsibility for the implementation of the actions related to the competence areas presented below. Considering the support provided over the years it is assumed that concerned institutions have the capability to, with own means or with limited technical support from the donor community, implement the required actions and changes.

**Forestry planning (table 2, intervention area B)**

The international support to forestry planning (see table 1, intervention area B) started already in 2002 and has, with some interruptions, continued up to date. During the initial phase the technical
support was directed to forest inventories while the support during the last four years has concentrated on forest management planning. Despite of needs for minor technical support it may be concluded that concerned Kosovo institutions (KFA) has acquired the necessary technical competence for conducting continuous planning operations by its own resources.

Operational planning is not conducted in a proper manner. This is justified by unsustainable harvesting practices resulting in value losses and attacks from insects and fungus. To improve the situation change of attitudes and further training will be required.

**Improved harvesting and transport operations (table 2, intervention area C)**

The standards of harvesting and transport operations (see table 2, intervention area C) are closely linked to the quality of the operational planning. There are three main actions to be implemented, all related to reducing unlawful practices and improvement of forest operations.

- If properly implemented, the legal instruments in place are powerful enough to stop all unlawful activities. In relative terms the legal structure is in place. There is a Forest Law and other laws with bearing on forestry in a wide sense. There are also a fair number of useful administrative directives. All these legislative tools needs to be better enforced.

- Experience from all regions shows that protection systems using law enforcement as the only mean to reduce unlawful activities might not be effective enough. For this reason it is recommended to also implement joint forest management systems and raise the awareness of the importance of forestry among the public;

- New technologies and equipments needs to be introduced which are designed for the types of forests and terrain conditions that will be subject to future interventions;

**4.4 Mechanisms to support the implementation of strategies (Pillar III)**

The successful implementation of the strategies will require a careful coordination of projects and other development work. Forestry is vested in MAFRD, and this institution is suggested to be the main implementer of the strategies. But considering the nature of the activities, ranging from pure technical aspects of how to manage with forestlands to educational, environmental, socio-economic, industrial issues, etc. it is obvious that a number of other ministries and stakeholders needs to be involved in the realization of the Program. This complex situation, and the duration of the activities, implies that MAFRD must have the capacity to organize, coordinate and monitor all work. To support MAFRD in this work it is strongly recommended to establish a Management Board that will have the overall responsibility for the realization of all activities rising from the implementation of
the strategies. The mandate and organizational structure of the unit has to be jointly agreed upon by concerned ministries.

An important task of a Management Board will be to continuously monitor and analyze the results of the development work and based on the conclusions draft detailed and scheduled activity plans. The objective of this task shall be to harmonize various development efforts, and to avoid duplications and overlapping work.

In addition to the activities and support specified through the development plan it is anticipated that on and off support in various forms (institutional and technical), and which cannot be provided through other ongoing activities, will be required. Examples of needs of such support might be establishment of international contact nets, valuation and financing issues, drafting of proposals, etc. The organizational set up, terms of reference, location, etc. should be agreed upon in connection with the establishment of the Management Board.

4.5 Summary of activities for the implementation of strategies

The main development works required for the implementation of the strategies are summarized in the table below. For each intervention area the main activities required, expected results, relations between intervention areas and institutions concerned are presented.
### Table 2 Implementation of strategies

<table>
<thead>
<tr>
<th>Interveni on area</th>
<th>Activities</th>
<th>Results</th>
<th>Rel. interv. areas</th>
<th>Institutions concerned</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Forest mgt, silviculture (Pillar I)</td>
<td>A.1 Capacity development</td>
<td>Increased competence in managing of forest has created more productive and valuable forests</td>
<td>D.3</td>
<td>For. Inst. (FRI)</td>
</tr>
<tr>
<td></td>
<td>A.2 Plantation management</td>
<td>Increased wood production through plantation of bare land, or currently under-utilized forestlands</td>
<td>B.2</td>
<td>FRI, KFA</td>
</tr>
<tr>
<td></td>
<td>A.3 Monitoring of forest health</td>
<td>Reduced risks for comprehensive outbreaks of pest and diseases</td>
<td>B.1, B.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A.4 Tending of young forest</td>
<td>Increased production of forest high value forest</td>
<td>B.2, F.4, B.1</td>
<td></td>
</tr>
<tr>
<td>B. Forestry planning (Pillar II)</td>
<td>B.1 Forest inventories</td>
<td>Strategic/policy decisions are based on accurate information</td>
<td>E.2, E.3</td>
<td>Kosovo Forest Agency (KFA)</td>
</tr>
<tr>
<td></td>
<td>B.2 Forest mgt planning</td>
<td>Selection and treatment of forest stands is based on relevant information</td>
<td>E.2, E.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B.3 Op. planning</td>
<td>Improved planning has reduced forest damages and contributed to a more stable and transparent wood market</td>
<td>D.1, D.2</td>
<td></td>
</tr>
<tr>
<td>C. Harvest and transport (Pillar II)</td>
<td>C.1 Unlawful harvesting</td>
<td>The extent of unlawful harvest has decreased, and incomes to the state fiscal budget increased</td>
<td>B.3, F.1, H.1</td>
<td>MAFRD, KFA, DOF</td>
</tr>
<tr>
<td></td>
<td>C.2 Needs for control</td>
<td>Agreements with Forest Owners Associations has resulted in decreased work for monitoring harvesting &amp; transport</td>
<td>F.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C.3 Harvesting practices</td>
<td>Improved methods combined with proper planning has resulted in reduced damages on forest and forestlands</td>
<td>B.3</td>
<td></td>
</tr>
<tr>
<td>D. Capacity building (Pillar I)</td>
<td>D.1 For. voc. education</td>
<td>One Forest Vocational Education School in function</td>
<td>F.2, F.3, F.4</td>
<td>MEST, MAFRD, MLSW</td>
</tr>
<tr>
<td></td>
<td>D.2 For. voc. training</td>
<td>A Training Center, organized to operate all over Kosovo, is increasing the skills of forest workers</td>
<td>F.2, F.3, F.4</td>
<td></td>
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<td></td>
<td>D.3 Higher for. education</td>
<td>Education organized for students to either attain training in Kosovo or at foreign forest faculties</td>
<td>A.1, E.1</td>
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<td></td>
<td>D.4 Awareness rising</td>
<td>The public is aware of the role of forestry as an important element of the society and as a provider of a variety of benefits</td>
<td>E.1</td>
<td></td>
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<tr>
<td>E. Environment protection (Pillar I)</td>
<td>E.1 Capacity development</td>
<td>Improved capacity to deal with environmental issues related to forestry, consensus regarding needs for protection/land use</td>
<td>A.1, G.1</td>
<td>MESP, MAFRD</td>
</tr>
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<td></td>
<td>E.2 Biod. Action Plans</td>
<td>Kosovo Institutions have capacity to implement and monitor Biodiversity Action Plans</td>
<td>B.1, B.2</td>
<td></td>
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<td></td>
<td>E.3 Est. of prot. zones</td>
<td>Protected zones are established and managed in compliance with national goals and international agreements</td>
<td>B.1, B.2</td>
<td></td>
</tr>
<tr>
<td>F. Priv. sector development, wood use (Pillar I)</td>
<td>F.1 Priv. of SOEs</td>
<td>The old SOE structure is replaced with new structures which have capability to accommodate to open market conditions</td>
<td>MAFRD, KTA</td>
<td></td>
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<td></td>
<td>F.2 Support to For. Own. Ass.</td>
<td>Private forest owners are represented in policymaking, productivities and incomes have improved</td>
<td>D.1, D.2</td>
<td></td>
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<td></td>
<td>F.3 Training in entrepreneurship</td>
<td>Entrepreneurs are capable of conducting more efficient and environmentally friendly operations</td>
<td>D.1, D.2</td>
<td></td>
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<td></td>
<td>F.4 Wood processing</td>
<td>Industries for processing small-sized logs are established, and providing employment opportunities in rural areas</td>
<td>F.2</td>
<td></td>
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<td></td>
<td>F.5 Bio energy production</td>
<td>Wood bio mass for heating purposes are produced and utilized in an efficient manner</td>
<td>F.4</td>
<td></td>
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<td></td>
<td>F.6 Land consolidation</td>
<td>Larger private holdings, and with a configuration that enhance the value and facilitate the management created</td>
<td>H.1, H.2</td>
<td></td>
</tr>
<tr>
<td>G. Non-Wood Products (Pillar I)</td>
<td>G.1 Drafting of legislation</td>
<td>A law has been drafted regulation the collection and processing of medical and aromatic plants</td>
<td>A.1</td>
<td>Leg. unit</td>
</tr>
<tr>
<td></td>
<td>G.2 Forest non-wood products</td>
<td>The potential for non-wood products, including eco-tourism, is analyzed and provide a basis for further development</td>
<td>B.1</td>
<td>MESP, MTI, MAFRD</td>
</tr>
<tr>
<td>H. Support to Institutions (Pillar III)</td>
<td>H.1 Action Plan</td>
<td>The capacity of the Government to implement and monitor policies and strategies have improved</td>
<td>As required</td>
<td></td>
</tr>
<tr>
<td></td>
<td>H.2 Inst. and techn. support</td>
<td>The capability of institutions and organizations to solve and deal with technical and institutional shortcomings improved</td>
<td>MAFRD, MEF</td>
<td></td>
</tr>
</tbody>
</table>

MAFRD: Ministry of Agriculture, Forestry and Rural Development  
MEST: Ministry of Education, Science & Technology  
MESP: Ministry of Environment and Spatial Planning  
MTI: Ministry of Trade and Industry  
KTA: Successor of Kosovo Trust Agency  
FRI: Forest Research Institute  
KFA: Kosovo Forest Agency  
DOF: Department of Forestry  
KFA: Kosovo Forest Agency  
FRI, KFA: Kosovo Forest Agency  
DOF: Department of Forestry
4.6 Risks involved, mitigating actions

The main risk factors that may disturb or jeopardize the successful implementation of the strategies are related to factors as (i) lack of full support from decision making authorities and change of Government priorities, (ii) weak coordination of project work, (iii) low absorption capacity, (iv) low interest from the donor community and (v) lack of credit lines to support investments. All these factors are to a great extent interrelated.

Government priorities and support

According to forest experts forestry issues must be much higher up on the Governments agenda, and must constitute a prioritized sector. The importance of a healthy forestry and forest industry sector can be easily justified by the fact that the forest sector is an important provider of employments and may also significantly contribute to social stability and improved security. In order to get a better effect from project activities, and to reduce risks of incompliance, it is vital that the importance of the sector is further recognized by the highest political leadership which then will provide more direct or indirect decision making power.

Weak coordination of project work

The need for powerful coordination of development efforts has several times been stressed. Up to date, forestry development in Kosovo has been relatively well coordinated, starting with establishment of institutions, drafting of legislative tools, assessment of forest resources, capacity building, continuous support to institutions, etc. The implementation of projects, programs, etc. will be the start of a new and successive development period that has to be in compliance with adopted policies and strategies, but also building on previous achievements and lessons learnt.

The risk factors lies in the capability to handle a complex development package to be executed during a long period of time. To reduce risks of incompleteness and failures due to these factors, and in addition to maintain a Management Board, ministerial staff in key positions must have attitudes, technical competence and a working style that prioritize good forestry development. Experts must be available to work closely with technical advisors, there must be openness for testing and piloting new concepts related to ownership, management, availability of information etc.

Absorption capacity

The number of national experts who are well trained and motivated to engage in development issues is still rather limited. Furthermore these experts are obliged to first of all fulfill the task that ministerial leadership requires (which of course is logical). But this implies that the input to projects at times is impeded resulting in sub-optimal capacity building and local ownership. Up to date, there
has also been a relatively high rotation of experts which leads to development processes losing momentum at times.

Furthermore there are examples that very experienced experts have changed positions and this has adversely impacted on project work (but of course strengthened other parts of the sector).

No easy solutions to this problems, and related risks exist. Possibilities of financial support are very limited. The best solution is always to identify persons who feel a genuine commitment to the tasks, and willingness to participate in processes of change. And maintain a stimulating working environment.

**Commitment from the donor community**

Factors as political stability, coordinated and consistent development plans, commitment from stakeholders, low staff rotation, willingness to make available the services and support of key persons, fast and smooth handling of administrative issues, etc. are crucial factors. If these kinds of issues are well maintained the donor’s decision making process may be facilitated and shortened resulting in faster implementation of projects. A smooth cooperation between donor and recipient will also reduce risks of interrupted or delayed work which often leads to a loss of momentum in ongoing development processes.

**Lack of credit lines to support investments**

One ambition is to identify viable investment opportunities (intervention area F) to be offered to private investors. The realizations of investments will in many cases (most?) require support from external financing sources. For this reason, and to reduce the risks of loosing viable investment options, a component dealing with financing issues must be an integral part of private sector development.