

7.2.3 Key stakeholder's attitudes on the implementation of the EU Timber Regulation in selected Balkan countries: Comparative case study of Slovenia, Croatia, and Serbia

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Introduction

About 200 million hectares of forests have been lost across the tropics since the beginning of the century, and even greater areas have been degraded [1]. That makes the deforestation the second-largest source of greenhouse gas emissions and the primary driver of terrestrial biodiversity loss [1]. Over the last decades' many efforts were taken to address deforestation and illegal logging, by the private sector and civil society organizations (e.g. The Sustainable Forest Products Global Alliance, WWF), and political commitments were also made (e.g. COP26, the European Union (EU) Communication on Stepping up EU Action to Protect and Restore the World's Forests). In 2013 the EU Timber Regulation (EUTR) got into force in the EU to address illegal logging on the demand side of timber and timber products. The EUTR obliges importers to implement a due diligence system (DDS) to minimize the risk of importing illegally sourced timber and timber products to the EU [2]. In this way, the EUTR creates a strong market advantage for low-risk countries which are mostly in the northern hemisphere. On the other hand, exporters from developing, high-risk countries might be disadvantaged as EUTR implementation creates administrative burdens and extra costs [3]. Despite the EU efforts to stop the flows of illegally sourced timber and timber products the implementation of EUTR is uneven among the EU Member States and in many cases unsatisfactory [4]. Among high-risk countries are also some Western Balkan countries, which are considered to comprise the corridor of illegal timber and timber products from the East to the West [5]. In general, the Western Balkan countries have high forestry potential that could contribute to their social, environmental, and economic development. As EU Member States, two Western Balkan countries (Croatia and Slovenia) aligned their policies and regulatory frameworks with those of the EU and had to implement EUTR requirements. Other Western Balkan countries (Serbia, Bosnia and Herzegovina, Macedonia, and Montenegro) are still in the pre-accession process to the EU. It is not known how they adapted to EU *acquis communautaire*, and what measures they undertook to comply with EUTR requirements. Although some authors [3, 4,5] focus on the legality aspects of timber in the Western Balkan countries, there is limited research on key stakeholders' perceptions of EUTR implementation as well as forest policy adaptation to the EUTR requirements. This study addresses the identified research gaps by investigating key stakeholders' attitudes towards the legality of timber and timber products and EUTR implementation in selected Western Balkan countries (i.e., Slovenia, Croatia, and Serbia).

Material and methods

This research endorses multiple embedded case study designs as it covers three cases (i.e. the three selected countries) and draws a single set of cross-case conclusions [9]. Countries were selected as cases for the analysis as they present a wide range of economic, social, and policy conditions [10]. All of them export a large proportion of their timber and timber products to the EU market. They also reflect the changes that occurred after the breakup of the former Republic of Yugoslavia and with the accession to the EU. Slovenia accessed the EU in 2003,

Croatia in 2013, and Serbia is still in the pre-accession process. There are also several differences between these countries concerning economic development, social-political stability, and new forest policy and regulatory frameworks. The research is based on a literature review, as well as semi-structured interviews with key stakeholders in each country. Key stakeholders are actors involved in policy-making and/or implementation of the EUTR in Slovenia, Croatia, and Serbia. For a preliminary key stakeholder identification, we used policy documents related to the EUTR implementation [11]. In each country, one key informant was contacted to complete the list. To validate our sample, we applied a snowball sampling method, which enabled us to identify new relevant stakeholders. In total, we identified 21 key stakeholders (Slovenia:6, Croatia:7, Serbia:8) including government officials, state forest enterprises, forest policy experts, industry, and non-government organization (NGO) representatives. In total, 20 interviews (one did not respond) were conducted in spring 2022. Interviews lasted 30–60 min, and were fully recorded and transcribed, respecting the highest ethical guidance. Interviews were analysed using deductive coding in NVivo 15 software.

Results

Slovenia

Slovenia has been implementing EUTR since 2013 through the Forest Act. In 2019, 2 851 total illegal activities were recorded on a total area of 577 ha, which is similar to data reported for 2018. In 2019, there were 111 illegal activities in the forests, which is slightly less than in 2018 (120). Illegal activities in 2019 were caused by agriculture (13.7 ha), mining (5.5 ha), and urbanization (3.4 ha), while illegal logging due to the development of infrastructure and other causes accounted for 0.6 ha each [12]. The main responsible organization for forestry is The Ministry of Agriculture, Forestry and Food - the Directorate for Forestry, Hunting and Fisheries. The central professional forestry institution is the Slovenian Forest Service (SFS), responsible for forest management planning. Forestry inspection as part of the Inspectorate for Agriculture, Forestry, Hunting and Fishing is responsible for carrying out checks on operators placing on the market domestic timber, while the Financial administration of the Republic of Slovenia is in charge of operators importing timber.

In the case of Slovenia, all key stakeholders (100%) consider the awareness in the forestry sector on EUTR to be adequate. This can be linked to the educational and awareness-raising workshops that were held by the SFS with private forest owners and timber companies. Information about illegal activities is publicly available in accordance with the policy of the competent ministries and competent bodies for the implementation of the EUTR. About 83% of respondents indicated that the transparency regarding the EUTR implementation is high. They justified this statement by considering the data collection on illegal activities that are carried out in an adequate manner, regular reporting to the European Commission, and, in general terms, reliability, availability, and accessibility of information. They also considered the EUTR implementation in Slovenia to represent an example of best practices for other Western Balkan countries. This consideration was supported by mentioning capacity-building workshops and similar education events that were held by Slovenian experts in other Balkan countries (e.g. in Serbia). As for barriers to a proper EUTR implementation, around 33% of respondents reported an insufficient number of inspectors for the field inspections. This impediment is usually overcome by implementing sound and robust methodologies for sampling entities for on-the-ground checks. Attitudes about the EUTR implementation in the future recognize the need for increased human resources to monitor timber legality (around 66% of respondents). The same number of respondents also referred to the awareness of Green Deal policies and “EU deforestation regulation” and indicate the readiness to transpose forthcoming obligations.

Croatia

Croatia has taken over its obligations for the implementation of the EUTR from the date of accession to the EU in 2013. The Law on the implementation of the EUTR entered into force a couple of months before accession. Recent documents and official data on illegal logging in Croatia are hardly accessible (based on data search in 2020/21). In 2020, a Report on Deforestation in the Republic of Croatia was submitted to the European Parliament by the Croatian NGO VIDRA. The report accuses Hrvatske sume Ltd., i.e. the state forest enterprise,

of performing excessive and illegal logging in Natura 2000 areas all over Croatia [13]). The European Parliament responded that *“The responsibility for forests lies with the member states, and all forest-related decisions and policies in the EU must respect the principle of subsidiarity and member states’ competence in this field.”* [14]

The main responsible organization for forestry in Croatia is The Ministry for Agriculture and within it the Directorate of Forestry, Hunting and Wood Industry. Hrvatske sume Ltd. is the company that manages 98% of state-owned forests in Croatia (2.024.461 ha). It also manages 37 state hunting grounds with a total area of 331.000 ha. Besides forest management and planning activities, Hrvatske sume is engaged in touristic and recreational activities in state forests and is the largest roundwood supplier for the Croatian wood industry [15]. The Ministry of Agriculture is the Competent Authority responsible for carrying out checks of operators, traders, and monitoring organizations for the aims of the EUTR. The Ministry of finance is also included in the process by providing data for checks. Between March 2015 and February 2017, Croatia did not plan or carry out checks on domestic timber, justifying this with the fact that 70% of the domestic forest is state-owned [16]. Based on the interviews, 85% of respondents stated that awareness of the EUTR within the forestry sector is adequate and that prescribed laws and regulations clearly define the timber legality process. About 42% of respondents indicated that the competence of the state institutions is perceived to be high. Regarding the expected processes in the future, all respondents mentioned the need for improving reporting processes and facilitating procedures.

Serbia

As Serbia is still in the pre-accession period, there is no official obligation to the implementation of the EUTR. In 2019, 26 678 m³ of timber were illegally logged from domestic forests, while an additional 700 m³ were damaged by human activities [17] including theft of wood assortments, and other human damage. In Serbia, as well as in other non-EU Western Balkan countries, preparation for the EUTR is proceeding slowly. Due diligence standards and systems are not well developed, **and the timber and wood products industry does not have sufficient collaboration or communication with the government** [18].

Forestry inspection is part of the competent Ministry, namely the Directorate for forests within the Ministry of Agriculture, Forestry, and Water Management. The public enterprise Srbijasume manages state forests and forest lands on a total area of 893 204 ha and carries out professional-advisory service activities in private forests (i.e. forests owned by natural/legal persons) over an area of 1 224 751 ha. The public enterprise Vojvodinasume manages another 129 877.84 ha of forest and forest land in the Autonomous Province of Vojvodina in the northern part of the Country.

All respondents (100%) considered the forestry sector to be aware of the EUTR and familiar with it. At the same time, they mentioned that there is space for a better understanding of EUTR procedures and rules, taking into mind Serbia's candidacy status in the EU. The process of timber legality is prescribed by the Law on Forests, which is not fully aligned with EUTR requirements with respect to the traceability obligation. 25% of respondents reported that cooperation with the competent judicial authorities is unsatisfactory due to the red tape bureaucracy. 50% of respondents indicated that their work is transparent with publicly available information. The same percentage of respondents stressed that the number of qualified inspectors is insufficient, also mentioning the lack of equipment and low salaries for those who should enforce the regulations related to illegal activities. Around 37% of respondents pointed out that the current level of available resources is better compared to levels observed 10 years ago, but efforts should be made to improve equipment for forestry inspection and the professional status of forestry inspectors, in the terms of provided education improvement, salary and employee status. 25% of respondents also indicated that the Ministry is currently improving the forestry information system, which will further contribute to the efficient implementation of the EUTR and strengthen the resources of the Ministry as a future Competent Authority. Regarding the expected future developments, 37% of respondents indicated that final adjustments are underway for the full implementation of the EUTR when Serbia becomes a member of the EU.

Conclusions

In this study, we investigated the perceptions of key stakeholders in the forestry sector in three Western Balkan countries – i.e., Slovenia, Croatia, and Serbia. Our research pointed out that those three countries, although sharing the same history and cultural background, implemented EUTR in different ways – Slovenia through the Forest Act, Croatia through a dedicated Law on EUTR, while Serbia did not yet fully transpose EUTR requirements into the domestic legislation. While interviewed stakeholders in all three countries find the awareness of the forestry sector on EUTR requirements to be appropriate, their attitudes on transparency vary. Transparency, availability, and accessibility of information are of crucial importance for an effective EUTR implementation, and in all three countries, there is room for improvement. The respondents from all three countries found the number of forest inspectors to be low, which is an impediment to an effective EUTR implementation. Both Croatia and Slovenia have no separate budget for EUTR implementation and invest minimal human resources: it would be needed to increase investments on EUTR implementation and ensure this is performed efficiently. This brings us to the conclusion that both Croatia and Slovenia, although with different governance structures, share a similar multifaced problem reflected in the amount of human and technical resources made available to check, monitor, prevent, and sanction illegal logging; the expertise/capacities of the above-mentioned resources, and the commitment of these resources to motivate relevant bodies and actors - including by ensuring appropriate salary levels – in order to avoid/reduce corruption risks. In this light, the EUTR-related forest policy frameworks in both countries can be characterized as many sticks, some carrots, and a few sermons.

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