

Illegal Logging in SEE and EE (Governance, Implementation and Enforcement)

Illegal logging activities in Albania

B. DIAGNOSTIC AUDIT

**Tirana
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List of abbreviations

| | |
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| AFP | Albanian Forestry Project |
| ANFI | Albanian National Forest Inventory |
| APFDP | Albanian Private Forestry Development Project |
| CCD | Coordination and Control Directorate, MoEFWA |
| DCM | Decision of Council of Ministers |
| DEC | Directorate of Environment Control |
| DFP | Directorate of Forest and Pastures |
| DGFP | Directorate General of Forests and Pastures, MoAF |
| DoB | Directorate of Biodiversity |
| EFA | Environment and Forestry Agency |
| FSD | Forest Service Directorate |
| FAO | Food and Agriculture Organisation |
| FAO-TA | FAO – Technical Assistance |
| GoA | Government of Albania |
| INSTAT | Institute of Statistics |
| MoAF | Ministry of Agriculture and Food |
| MoEFWA | Ministry of Environment, Forest and Water Administration |
| SCPC | Sector of Coordination and Police Control, MoEFWA |
| SFPSD | Strategy for the Forest and Pasture Sector Development |
| WB | World Bank |

1. BACKGROUND OF FORESTRY SECTOR IN ALBANIA

Forests cover more than 50% of the country's area. Agriculture, including the forest and pasture, is a priority, as declared by the Programme of the GoA for the period 2005-2009. The policy of forestry, according to the National Plan for the Implementation of the Stabilization and Association Agreement (2007–2012), aims at the sustainable and multi-functional development of the forestry. The plan will preserve and protect bio-diversity, productivity, renovation ability, and potential to fulfil the ecologic, economic and social functions at the local, national, and global level, without causing damage to the other ecosystems. This policy supports the extension of new forestry areas, the rehabilitation of burnt and degraded surfaces, the construction and maintenance of water systems in pastures, erosion control by constructing water works, the improvement of timber and non-timber forestry products management, which will result in income generation¹.

Agriculture and forestry are two important components on land use development in rural areas and closely linked to each other throughout the history of human society development. In reality, the villagers are those that manage at the same time agriculture and forestry; typically are the diverse agroforestry systems. Within the agroforestry systems, agricultural crops, trees and livestock are managed at the same land unit. In addition, within a watershed, usually villagers use the upper side for forestry (wood and protection from erosion, along with ecological and social impacts) and pasture, whereas the lower side for agricultural crops.

By the end of 2008, about 51 % of the country's population lived in rural areas (INSTAT, 2009). But there are disproportions among the distribution of rural population and the distribution of natural resources, which has great impacts over the latter. On the rural plain area hosting 60.7% of the rural population, only 40% of the forest area is there, as well as 39% of pastures and 73% of the agricultural land; while on the mountainous area inhabited with 39.3% of population, there are respectively 60% and 61% of the forest and pasture areas, and 27% of the agricultural land.

Albania is a country with abundant forests. All forests (public and private), the so-called Forest Fund of Albania, are grouped into 36 administrative units districts. There are 1,498,957 ha of forest area in Albania. The Forest Fund is divided as follows²:

Table 1. Albania Forest Fund

| No | Item | Area, Ha | Percentage |
|----|-------------------------------|-----------|------------|
| 1 | Forests ³ | 1,498,957 | 100.00% |
| 2 | High Forest | 294,957 | 19.68% |
| 2a | <i>From which: - Conifers</i> | 84,461 | |
| 2b | <i>- Broadleaves</i> | 210,496 | |
| 3 | Coppice Forests | 405,016 | 27.02% |
| 4 | Shrubs | 241,724 | 16.13% |
| 5 | Open forest land ⁴ | 557,260 | 37.17% |

¹ The National Plan for the Implementation of the Stabilization and Association Agreement 2007 – 2012, p.194

² Albania National Forest Inventory 2004

³ Forest is defined as an area covered at least 30% by dense trees on more than one tenth of a hectare [Law no. 9385 "On Forests and Forest Service"]

⁴ Open forest or forest land is defined as an area covered by 5-30% by forest vegetation, unregistered in another land use cadastre. [Law no. 9385 "On Forests and Forest Service"]

For some decades the forests were administered by the Directorate of Forests and Pastures at the Ministry of Agriculture, through the District Forest Enterprises. Upon the decision of the Council of Ministers⁵, the Directorate General of Forests and Pastures (DGFP), was established as a body outside the MoAF. After 1990s, at the beginning of transitional period, the process of restructuring forest administration towards the market economy started. According to the 1992 Law on Forests and Forest Police in 1993, the direction of forest enterprises changed to Directorates of Forest Service, under direct aegis of DGFP. By the end of 1997 the DGFP had 5 main Directorates: (i) Directorate of Forests and Pastures; (ii) Directorate of Communal Forests and Pastures and Extension Service; (iii) Directorate of Protected Areas Management; (iv) Directorate of Forest Police; and (v) Directorate of Finance and Marketing. Also, parts of DGFP were: the Sector of Personnel and Foreign Relations, the Sector of Services, and Judicial Office. The field level of forest control and forest management was delegated to 36 Forest Service Directorates, functioning in district level.

In the period 2002-2003 the DGFP with the support of AFP and FAO-TA embarked on the process of institutional reform of the forestry sector. Since September 2005 the DGFP was transferred in the Ministry of Environment, Forest and Water Administration (MoEFWA), and in February 2006 was reformed in conformity with the Institutional Reform and the Strategy for the development of the forest and pasture sector in Albania⁶. The implemented reform aimed at dividing the regulatory and managerial functions by splitting the Forest Police from the forest management. Regarding illegal logging the key body in MOEFWA was the Coordination and Control Directorate (CCD), Sector of Coordination and Police Control (SCPC), which is responsible for planning and coordinating activities related to forest protection. The FSDs (36 in total) report indirectly to the SCPC through the MoEFWA General Secretary. Each of them has a specialized unit, Sector of Forestry Police, responsible for control and monitoring function.

The institutional reform for the forestry sector was not completed at the level of the District Forest Service Directorates, which carries out control and monitoring, management of forest resources and management of protected areas and hunting. This means that at the field level the regulatory and managerial functions not yet been separated. For that reason the MoEFWA started in the beginning of 2010 the reform for the reorganization of Forest Service in the regional basis splitting the managerial functions and forest extension service and regulatory and control functions in two separate bodies. The reform is still on-going.

Forest and illegal activities

Contrary to its unique significance for the national economy, the forest sector continues to suffer from several transition-related problems. Among these are declining investments, the practical breakdown of forest management and maintenance, and lacking public supervision and law enforcement. In consequence, the resource base has been declining significantly for years on end, not only in terms of quantitative aspects, but also in terms of even more widespread forest degradation. Growing stock/increment per ha is seriously affected, and substantial amounts of mature timber are nowadays only to be found in the most physically inaccessible parts of the country. At the same time, economic restructuring caused logging and wood-processing efficiency-rates to drop; while rampant illegal logging distorted market prices and offset the intended effect of newly introduced timber-sales procedures.

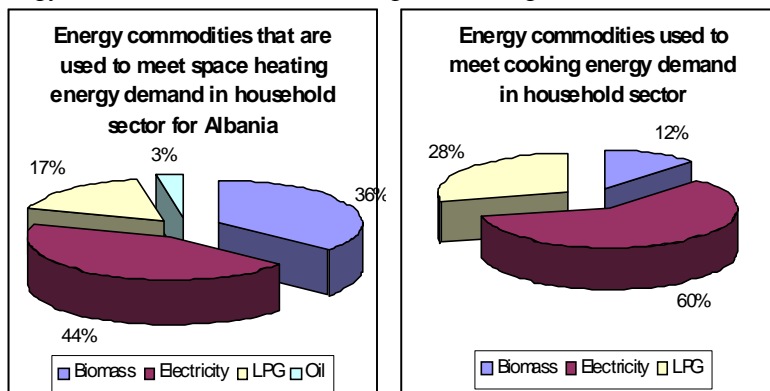
All over Albania, especially in the mountainous zones, forest serves as a source of livelihood, goods and income. First, the firewood collected by villagers, without mentioning a good part of the population in urban areas which are supplied with firewood, is vital for warming and cooking almost year round. Firewood is an important commodity for Albania because it is

⁵ Decision No.163, dated 21.04.1989

⁶ Approved by DCM No 247, 23 April 2004.

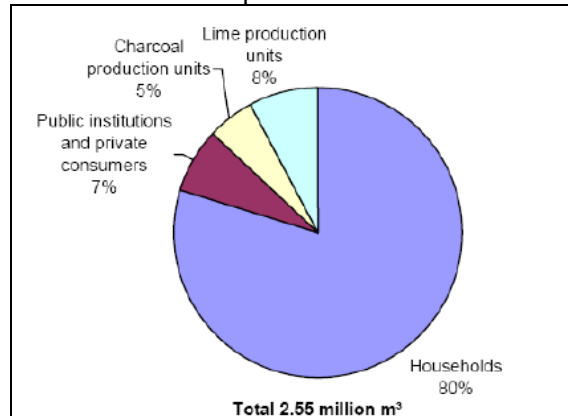
used for heating by a majority of households, and in rural areas it is also used for cooking. It accounts today 36% of energy demands for heating and 12% of energy for cooking⁷ (Figure 1). This means that firewood is still a very important energy source and it will continue to be so for many decades ahead.

Figure 1. Energy commodities used for cooking and heating in household sector



The largest consumer group of firewood is households, but public institutions, charcoal and lime producers also consume significant volumes of firewood. Part of the supply comes from industry residues and areas outside the forest sector; the total production of firewood from the forest estate is estimated at 2.3 million m³/a. The total firewood consumption by different sectors is estimated at 2.55 million m³/a (Figure 2).

Figure 2. Distribution of firewood consumption in Albania⁸



Thus, the actual consumption of industrial wood and firewood exceeds the supply officially provided by the Forest Service suggesting that either the estimates of the Forest Service are too conservative or, most likely, illegal logging is widespread. The above conclusion is confirmed also by different studies as follow:

- The study on “Real needs for fire wood for the period 1988-1989”, based on the number of families in towns and households in rural areas, estimates that the family needs for fire wood consumption were 2.3 million m³.

⁷ EESDC. 2008. Market Analysis for the Fuel Wood Consumption on the Households, Commercial-Service, Agriculture and Industrial (SME) Sectors, Tirana

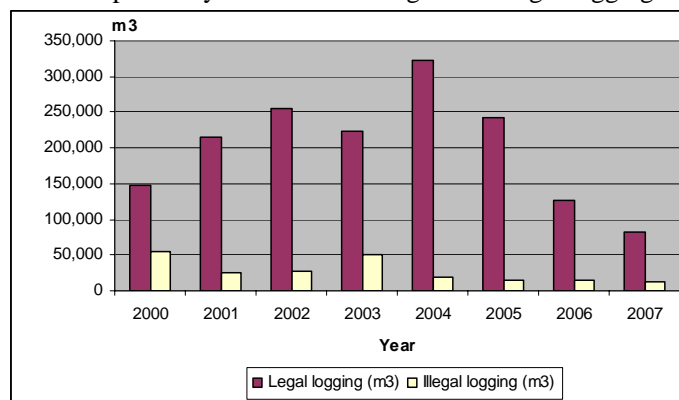
⁸ Analysis of Markets and Marketing of Forest-based Products. Study Report Carried Out Under the Albania Forestry Project, ref. ALB-FP-C1/01. November 2003

- The study of Forest and Ether-Oil Research Station “On firewood consumption” (1990) evaluates that the agriculture cooperatives harvest 2.2 million m³ for fire wood in rural areas, or three times more than the planned figures; the total quantity of (legally and illegally) harvested fire wood was estimated at 3 million m³.
- The study report “Analysis of Markets and Marketing of Forest-based Products”, 2003, carried out by Development Researchers’ Network (Italy) & ECO-Consult (Germany), under the Albania Forestry Project, ref. ALB-FP-C1/01 estimates that the annual consumption of firewood at national level is 2.3 Mio m³.
- The study on “Market Analysis for the Fuel Wood Consumption on the Households, Commercial-Service, Agriculture and Industrial (SME) Sectors” (2008) shows that the biomass is the second most important energy commodity after oil among products that are used to meet energy demand in agriculture sector for Albania. The fire wood needs, based on energy demand for year 2007, are 1.5 million m³, with a degree of uncertainty of 79%.

The data offers by Forest Service are quite different from the information provided above (Figure 3). The production of industrial roundwood and firewood are much higher than the official supply, but the official data for the illegal logging does not show the truth. The

Figure 4 shows the data for legal and illegal logging for the period 2000-2007 and the total of both is far away from the fulfillment of needs of the household and business sectors in Albania. These data hide the trends of illegal logging that remain the main activity for supply of household sector in Albania with firewood.

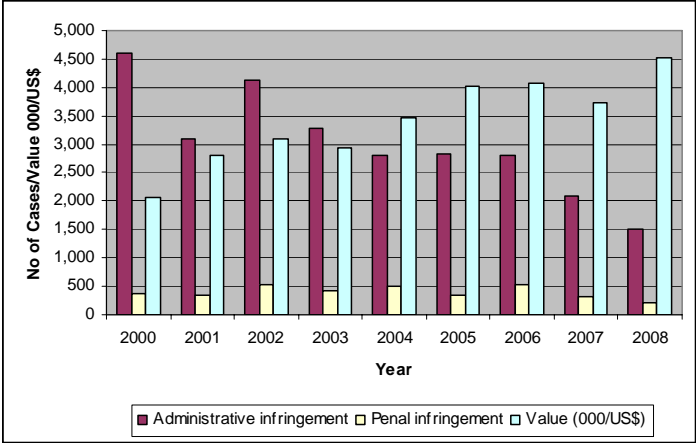
Figure 3. Official data reported by MoEFWA for legal and illegal logging



The

Figure 4 shows the trends of administrative and penal infringements of illegal logging during the period 2000-2008.

Figure 4. Cases of administrative & penal infringements and the damage value



The chart shows that there is a trend of the reduction of administrative and penal infringements and in the same time there is a trend of increasing of damage value which means that the average value of a forest crime is increased during the time.

Conclusion

What transpires from the energy strategy is that firewood consumption will remain on a high level. According to the so-called “passive scenario”, firewood consumption is expected to increase nearly 70% from 1999 to 2015. In contrast, the “active scenario” foresees a reduction of about 20% in the consumption during the same period. The key factor in the “active scenario” reducing the demand for firewood is a growth in solar energy. The projected consumption of firewood will thus remain clearly above the legal supply.

The main drivers behind illegal logging are the huge demand for firewood and lax enforcement of regulations. The “Strategy for the Development of the Forestry and Pasture Sector in Albania”, approved by GOA Decision No 247, 23 April 2004, analyzes the current situation of forestry sector and defines clear political objectives while the firewood deficit was not explicitly dealt with. On the other hand, the government of Albania does have an energy strategy where the issue of firewood is dealt with.

Based on the “Illegal Logging Independent Study”⁹ findings and the further development after the harvesting moratorium by the Council of Ministers, with the Decision for the Temporary Prohibition of Timber Harvesting, with the Exception of Firewood (No. 648, 13 December 2002) the illegal logging driven by poverty is the most important phenomena. Based on Qualitative Assessment of Poverty in 10 Areas in Albania (World Bank 2002), people cut trees illegally because they do not have money¹⁰.

Illegal logging, in particular illegal cutting for firewood production, is also conducted on a commercial basis. Private contractors harvest the firewood and transport it to markets located in urban centers. The distinction between commercial and poverty-driven illegal logging is not very clear. Illegal loggers operating on a commercial basis usually hire local villagers to carry out the harvesting work. While largest profits are captured by the contractors, the wages they pay may still be an important source of income for the people in rural areas where employment opportunities are limited.

In the frame of Association - Stabilization Program with EU, the Council of Ministers of Republic of Albania has approved the “National Strategy for Development and Integration (NSDI) 2007-2013 which combines the principal agendas of the Government of Albania. For the first time the perspectives for sustainable economic and social development, integration into the European Union and NATO structures, as well as achievement of Millennium Challenges Goals are harmonized in a single strategic document. Within NSDI is included also the forestry sector, aiming at:

- encouraging forest and pasture management in the direction of natural conservation,
- maintenance of biodiversity and development of eco-tourism;
- rehabilitating degraded forests, to return them to an optimal state;
- continuing the transfer of forests and pastures to local government units, and

⁹ Illegal Logging Independent Study. Albanian Center for Economic Research (ACER), Tirana 2001

¹⁰ The studies performed by public and private institutions, NGO and agencies have reached the conclusion that poverty in Albania remains at relatively high levels, reflected in limited job opportunities and low incomes especially in the agricultural sector of rural environments. Albania does not have an accurate definition of absolute poverty yet. The number of the people that live with less than USD 1 a day and the number of those that live with less than USD 2 a day have been used as indicators for absolute poverty and poverty. According to the Albania’s Strategy of Economic Growth and Poverty Reduction, 29.6% of Albanians are poor while half of them live under very miserable conditions.

- taking measures against illegal logging.

The measures taken by GoA against illegal logging are in line with Forest Law Enforcement and Governance (FLEG) involving countries of East Europe and North Asia (ENA). FLEG is a multilateral and multistakeholder strategy for improving governance and legal compliance through the organization of corrective actions both at national and international levels, involving governments of interested countries and multilateral and bilateral donors aimed at combating illegal acts affecting forest resources. The FLEG initiatives focus, at least in the initial stages, on illegal logging and trade of timber and processed timber products.

There is the opportunity to combine the activities of the FLEG framework with FLEGT activities and, in this framework, the Ministry of Integration should be the main partner. In the framework of activities for poverty alleviation for the prevention of illegal felling should be taken into consideration the transfer of state forests to the communes and rural municipalities.

2. GOVERNANCE

1.1 Policy Framework

Agrarian policies and practices in the past, such as deforestations for agricultural land, forest harvesting over 2 times than the annual allowable cut, overgrazing, forest and pasture fires, have led to the degradation of country's landscape, acceleration of soil erosion and heavy impact of biodiversity. Along with the decrease of forest and pasture fund, the consequences were reflected on the decrease of their productivity. An indicator of irreversible degradation of forests is the destruction of valuable ecosystems in the plain areas and the transformation of about 70% of oak high forests into coppices.

The misuse of natural resources for some decades, including forests and pastures, together with political and economic changes from a centralized economy towards the market oriented economy, have had great impacts over the entire environment and especially over forests and pastures close to villages, as well as over the green spaces of urban areas.

The GoA has made many changes to the legislation and regulations which make up the legal and policy structure for forestry. These changes are likely to continue as the Government and society gain experience and identify the need for fine-tuning policies. In Albania, the significant re-orientation of the socio-economic model provides a number of macroeconomic and social policy mandates within which all sector policies must be formulated. These mandates include:

- Recognition of private property rights and the privatization of public property;
- Decentralization and strengthening of the role and capacity of local government;
- Continued transformation to a market-driven economy;
- Enhanced popular participation and support for the role of non-governmental organizations;
- Rationalization of the role of government, institutional reform and increased effectiveness and efficiency in the use of governmental resources; and
- Strong commitment to the modernization of agriculture and livestock husbandry.

Recognizing the fundamental changes that have taken place in the country since 1991 and the continuing importance of agriculture to the national economy, the Ministry of Agriculture and Food, formulated the "Strategy of Agricultural Development," also known as the "Green Strategy". It is based on the Constitution of the Republic of Albania which proclaims that "The state aims at ... rational use of forests, waters, and other natural resources according to the principles of sustainable development." The Green Strategy was also approved by the Council of Ministers. The strategy for use of forests and pastures is incorporated in the Green Strategy.

1.1.1 Overall Forest Policy

The "Green strategy" was followed-up in 1999 through the first forest strategy for the development of the forestry in Albania¹¹. The forestry strategy aimed to provide an optimal contribution to economic growth and sustainable management of forestry through:

- providing the basic orientation for the structure and development of public institutions and agencies that will guide the implementation of the forestry program;
- underscoring the linkages and fundamental importance of forestry for meeting the development objectives of other sectors-- agriculture, energy, water, rural

¹¹ "Strategy for the forest and pasture sector development", APFDP, 2009

- development and tourism—thereby facilitating the improvement of planning and program coordination;
- ensuring that higher level governmental authorities clearly understand the potential contribution of forestry to national development and thereby support it with the necessary policy, authority and resources;
 - facilitating international support for forestry by allowing interested development partners to see how their resources can and will be used to best advantage;
 - stimulating public forestry staff to perform their jobs well and increase the involvement of women,
 - overcoming uncertainty, among the private sector that might otherwise stifle positive investments (e.g., for wood industry or tourism development) and at the local level, among the many farmers, herdsman and rural people who will thus feel more secure in practicing the conservation and wise management of their forest resources; and
 - The achievement of goals that can be measured and adjusting plans as the circumstances change.

The strategy has also taken into account specific premises related to the special situation of Albania, including:

- The importance of harnessing the vitality and resilience of the private sector which has amply demonstrated its capabilities since the privatization of farm lands with steady increases in production even in the face of uncertainty.
- The importance of avoiding further fragmentation of the forest resource base which undermines its manageability.
- The recognition that ownership of land should be clear and the state should not impose excessive regulations on tree tenure. There is a need for simple straightforward management plans for the management and utilization of Communal and private forests and effective procedures for their preparation, approval and implementation.
- A commitment to achievements in decentralization within forestry to be achieved by increasing the consultation with territorial staff and making policy and programming decisions in the light of field-informed experience.
- The need for improved stakeholder participation and increased transparency in planning, decision-making and the allocation of resource use rights and permits.
- The need to take a cross-sectoral, inter-agency approach in addressing many of the problems facing the forests
- The need to recognize that women play a critical role in forestry and the strategy intends to expand women's opportunities to increase their contribution to forestry development.
- The need to take into account the international conventions which Albania signed. Cooperation with international institutions and agencies will be strengthened as will Albania's participation in projects of mutual interest, with priority given to projects with neighboring countries.
- Management based on the concept of multiple use for the products and services of the forests;
- Gradual reduction in the dependence on wood fuels for domestic energy;
- Need for erosion control and watershed protection; and
- Increased attention to the conservation of biodiversity.

The revision of the SFPSD was conditioned on the difficult situation of forestry created after 2000's. Forests occupy more than 50% of our country's area. Essential changes in its management are needed, in line with governmental forest policy and for the environment. The decision of the Government for strengthening of the public benefits from forests and the

temporary prohibition of commercial logging makes necessary the revision of the previous strategy and including in it the contemporary orientations for the development of forestry.

The new strategy for the development of forestry and pastures in Albania (2004) was prepared based for the socio-economic development of our country, reducing poverty in rural areas. The plan responded to changes in the demographic movement. The plan recognized the need for a multifunctional estimate of forestry resources where we could distinguish the use of forests as sources of: energy, biomass and biological diversity and carbon sequestration etc. The continuous conservation, the rational usage and the right estimation of the public benefits of forests in accordance with the interests of the different layers of the society would be achieved through a sustainable multifunctional management.

In the new phase of Albania's integration into European political structures after a period of over harvesting, overgrazing and a bad management of forest resources, the strategy for the development of forestry is updated, through:

- Providing the basic orientation for the structure and development of public institutions and agencies that will guide the implementation of the sector program.
- Underscoring the linkages and fundamental importance of the forestry for meeting the development objectives of other sectors-agriculture, animal husbandry, energy, water, rural, development and tourism-thereby facilitating the improvement of cross-sectoral planning and program coordination in our country.
- Contributing in the growth of awareness of higher level governmental authorities, communities that make use of the forestry resources, of the public in general to clearly understand the potential contribution of forestry to the national development and thereby support it with the necessary policy, authority and financial resources.
- Facilitating support of the international agencies for the forestry, that are interested in the forestry development of this sector and taking into account this support not only in national plan but also in global and regional one.
- Stimulating public forestry staff to perform their job well because they can see that they are part of the bigger effort and initiatives for the development of forestry.
- Contributing in overcoming the difficulties, among the private sector that might stifle positive investments and stimulating initiatives which have to do with the sustainable management of forest resources.
- Providing a legal, monitor, assessment framework which allows the measuring and adjusting of management as circumstances change, which progress in achieving political goals.

The new strategy included the main measures for the sustainable management of forest sector through:

- Stopping the harvesting business for a period of at least 10 years by reorganization and continuous progress of controlling.
- Continuing the process of the transfer of forests to Communes providing to them full rights on the ownership.
- Protection and rehabilitation of forests through the increase of investments and incentive of private and collective initiatives.
- Sustainable management of forests.
- Establishment of a monitoring system, for following in time of dynamic processes, in forest and for an available intervention and rehabilitation.
- Incentive of individual or collective initiatives for reforestation of abandoned land.
- Restoration, protection and improvement of biological diversity of forestry and pastoral ecosystems.
- The relevant restoration and improvement of the protective functions of forest management (especially land and water quality and quantity protection).

- Further attention to other socio-economic function and services and the multiple use of forest by society for the present and future generation.

One draw back of this strategy is that the private forestry was not taken into consideration like in previous one, maybe for the reason that the private forests are underestimated.

1.1.2 Government Strategy for Illegal Logging Reduction

Illegal logging was recognized as a problem already in the beginning of social and economic transition period, although the levels at which it was occurring were much lower than nowadays. The seriousness of the phenomenon has increased turning into one of the crucial issues for forest administration.

Albanian institutions share the same concern with donors regarding illegal activities in forests and have committed to combat illegal logging. The Action Plan designed by Albanian forest administration (DGFP) in 2004, with the support of a technical assistance project supported by FAO, was approved by Ministry of Agriculture and Food. The main actions, of the above action plan included in the followings:

- Establishment of a high level inter-ministerial task force
- Improvement of legal authority responsible for illegal logging
- Improvement of institutional support and capacity at district level
- Definition of pilot regions
- An independent assessment of illegal logging by a third party

After the election year 2005 the forest administration was transferred to the MoEFWA and the above action plan for the reduction of illegal logging was given less attention, because the new reform process of forestry sector attracted most of the attention. The MoEFWA started the implementation of institutional reform for the forest administration splitting the control functions from the management ones within the ministry. The reform was completed at the level of the MoEFWA, and in the beginning of 2010 started the process for Forest Service reforms in the region and district level.

Forestry Service had a good collaboration with state police and tax police on forest illegal activities. The cross-border cooperation between Albania and neighboring countries was mainly the duty of border police and custom police.

During the period 2008-2009, in the frame of St. Petersburg Ministerial Declaration on Forest Law Enforcement and Governance for Europe and North Asia (ENA-FLEG) of November 2005, the MEFWA has prepared the Action Plan of Combating Illegal activities in Forestry, including theft and corruption. The Action Plan was concentrated on three groups of measures for combating illegal activities: a) prevention, b) detection, and c) suppression. Each type of measure includes several concrete activities, expected results and indicators of process and success. Those are aiming to address both small and large scale illegal activities. While paying attention to prevention, detection and suppression, the Action Plan gives special focus to the issues of prevention as the main long-term instrument for combating illegal forest activities.

In developing measures for fighting illegal activities in forest sector multi-sector approach is applied, key inter-sector linkages are foreseen and engagement of all interested parties into the process is ensured. The Plan is composed of a network of activities to be implemented by various state institutions in line with their regular mandates. Those activities are elaborated based on participatory analysis of the actual causes of the problem.

The National Action Plan of Combating Illegal Logging in Forestry in Albania is linked with the existing strategies of Government of Albania, in particular with “National Plan for Implementation of Stabilization-Association Agreement (2007-2012), approved with DCM No 463, of 5.7.2006, and “National Strategy for Development and Integration (2007-2013)” and plans in relevant domains. Addressing some problems and drivers of illegal logging, like poverty, is beyond the scope of the forestry sector. Thus, this Plan attempts to draw on wider processes and available resources and to bring forest issues into the focus of other sectors.

Broader issues of governance and law enforcement are also addressed. Improved implementation of laws is required. In addition, overregulation is contributing to illegality, especially regarding fuelwood and other products required by the rural population. Institutional reform for the separation of forest control from the forest management functions needs to be done.

The main concern about the National Action Plan of Combating Illegal Logging in Forestry in Albania is related with the fact that it is not yet approved. MEFWA has not yet prepared the draft decision to submit for approval of National Action Plan of Combating Illegal Logging in Forestry by Council of Ministers.

1.1.3 Targeting of Government Response

The main drivers behind illegal logging are the huge demand for firewood and lax enforcement of regulations. The Government’s action plan focused on the latter while the firewood deficit was not explicitly dealt with. On the other hand, the government of Albania has an energy strategy where the issue of firewood is dealt with. Unfortunately, the forest sector has not participated in its formulation.

What transpires from the energy strategy is that firewood consumption will remain on a high level. According to the so-called “passive scenario”, firewood consumption is expected to increase nearly 70% from 1999 to 2015. In contrast, the “active scenario” foresees a reduction of about 20% in the consumption during the same period. The key factor in the “active scenario” reducing the demand for firewood is a growth in solar energy¹². The projected consumption of firewood will thus remain clearly above the legal supply.

The wood balance is made worse by the fact that timber harvesting is wasteful. Experts estimate that in Tirana region only 80% of harvested timber is brought out from the forest, and in other areas only as little as 50%. The reasons include the use of inadequate harvesting technology, and the fact that much of harvesting is done by illegal loggers for whom efficient use of raw material is not a priority.

1.2 Legal Framework

Along with the great changes of 1990’s, a set of laws and bylaws were issued related to forest and pasture sector to allow the transfer from a planned and centralized economy to the market economy. Related laws, decisions and regulations were issued at a time where no experience was gained on the new political-economic system; nevertheless, they played an important role on the changes of relations of forest economy. But in the light of the country’s developed practices and new experiences gained as well as experience gained from other countries, it led to the situation that many legal provisions did not fit in the current situation, with conflicting or poorly coordinated laws. Hence, the legal framework in many aspects has turned into an obstacle for the sector development and fundamental changes are requested. Some of the main

¹² National Agency of Energy, undated

laws will be discussed in the following, evidencing only those aspects which need be changed, as it has also resulted in different meetings and consultations.

The Constitution

- The new constitution approved on October 21, 1998 (Law No. 8417), concerning the environment and natural resources, gives people the right to get information on the state of the environment (Article 56). Through the objectives of the state activities it comprises “an ecological environment for the present and future generations” and “a rational exploitation of forests, water, pastures and all the other natural resources on the basis of the development principles” (Article 59).

Law on Forests and Forestry Service Police

- The Law on Forests and Forestry Police Service (No. 9385, 4 May 2005), which abrogated the previous forest law of 1992, is the main law on forests. Article 38 of the law defines prohibitions (e.g. unauthorized occupation and use of forest land, falsifying hammer marks, removal of some parts of plants or species, the damaging of forestry enterprises and installments, etc.). On the basis of the law the forestry police service was created. This service is part of the forest administration but its officials are legally equal to the judicial police (Article 12).

Law on the Environment

- The main laws on environmental protection are the Law on Environmental Protection (No. 8934, 5 September 2002) and the Law on Environmental Impact Assessment (No 8990, 23 January, 2003). These laws are connected to forestry through the requirement for “environmental licenses” issued by the environmental authorities for some forestry activities listed as affecting the environment.

Local Government

- The organization and functioning of local government in Albania is regulated by the Law on Organization and Functioning of Local Government (No. 8652, 31 July 2000). Communes and municipalities exercise function at the fields of infrastructure and public services, social, cultural and sport-related function, and other functions in the field of local economic development, where among others “the function of preparing programs for the local economic development” and the “protection and development of forests, pastures and natural resources with local character.”

Administrative Violations

- Administrative violations are regulated by Law on Administrative Violations (No. 7697, 7 April 1993) amended several times later by other laws. One of these amendments is Law No. 8343 (1998), which decides that the administrative violation of non-paying of a fine must be officially reported at the local authorities where the violator lives or exercises his activity.

Law on Tourism

- Law on Tourism (No. 9734, 14 May 2007), determines the principles and rules of tourism sector and establishes standards of tourism services and products and those related to tourism. According to the law, the tourism, including nature tourism (eco-tourism) must be developed through tourism development plans (Articles 18-20).

Penal Code

- Penal Code of the RA includes only one provision related directly to forests: cutting or damage of forests without permission or on restricted zones is a crime and is condemned through a fine or up to one year prison. This penalty is considered not

appropriate in the current conditions of massive damage of forests, and it must be changed.

Code of Penal Procedures

- The Code of Penal Procedures gives the right to court police to arrest people only in cases of penalty minimum 5 years of imprisonment, so, it can not be applied for crimes in forestry.

Based on the above-mentioned laws, many decisions of Council of Ministers, regulations and guidelines have been issued, which have been revised time by time to better respond to the market economy developments on the forestry sector, but which bear the gaps and deficiencies of the related laws.

At the end of 2002, the Council of Ministers, with a Special Decision for the Temporary Prohibition of Timber Harvesting, with the Exception of Firewood (No. 648, 13 December 2002) established a moratorium for the forest harvesting. The above decision empowered the DGFP to stop logging for commercial purposes in order to prevent illegal cuttings of forests and to overcome the difficulties in the forest harvesting control. In practice, however, the ambiguities in the wording of the moratorium have enabled continued harvesting of industrial roundwood.

1.3 Institutional framework

1.3.1 Task Force

After formulating the Action Plan for Illegal Logging, the Government of Albania created the Task Force Commission for Forest Resource Protection to address the problem of illegal logging. The Task Force was created by an Order of Prime Minister (No. 253, 23 November 2000), involving 11 ministries and governmental institutions. Representation of private sector and civil society in the discussions and decision-making was, however, missing.

The above Order of Prime Minister for creation of the commission anticipated also areas of measures required for the implementation of the plan:

- Better coordination and involvement of government institutions in protecting forest resources
- Review of related other legislation in order to enable the harmonization with forest legislation
- Improvement of monitoring system in forest sector
- Improvement of forest infrastructure, strengthening of the preventing and suppressing power in Forest Police Service

The Task Force Commission for Forest Resource Protection existed only for a short period. In the beginning of the election year 2005 this body ceased to be active.

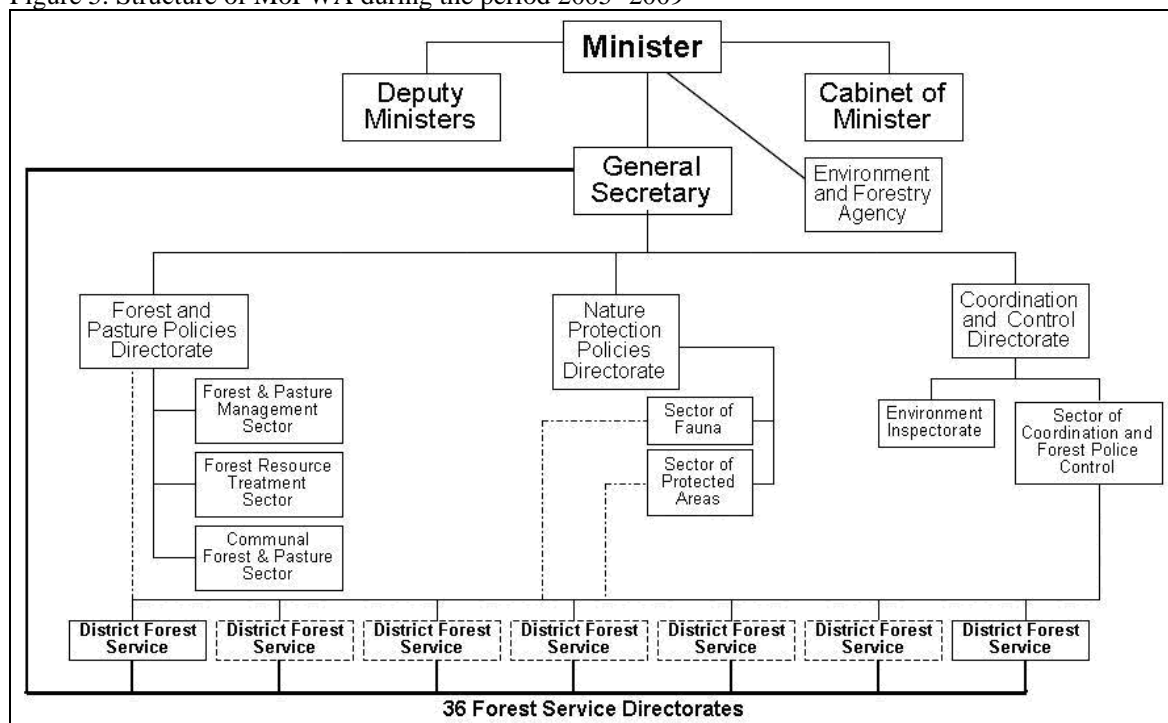
1.3.2 Permanent Government Bodies

Before 2005, the main body responsible for controlling illegal logging was the Directorate General of Forests and Pastures (DGFP) subordinated to the MoAF. DGFP had all the competencies for the administration, protection and sustainable utilization of forests and pasture resources and exercised its duty through 36 FSD.

Since September 2005 the DGFP was transferred in the Ministry of Environment, Forest and Water Administration (MOEFWA), and regarding illegal logging the key body in MOEFWA

was the Sector of Coordination and Police Control (SCPC) within Coordination and Control Directorate. SCPC was responsible for planning and coordinating activities related to forest protection and the FSD reported indirectly to the SCPC through the MOEFWA General Secretary. Each FSD had a specialized unit, Sector of Forestry Police, responsible for control and monitoring function in the field level (Figure 5).

Figure 5. Structure of MoFWA during the period 2005 -2009



Minister of MoEFWA restarted in 2010 the new reform for the organization of the ministry and forest service, among others (

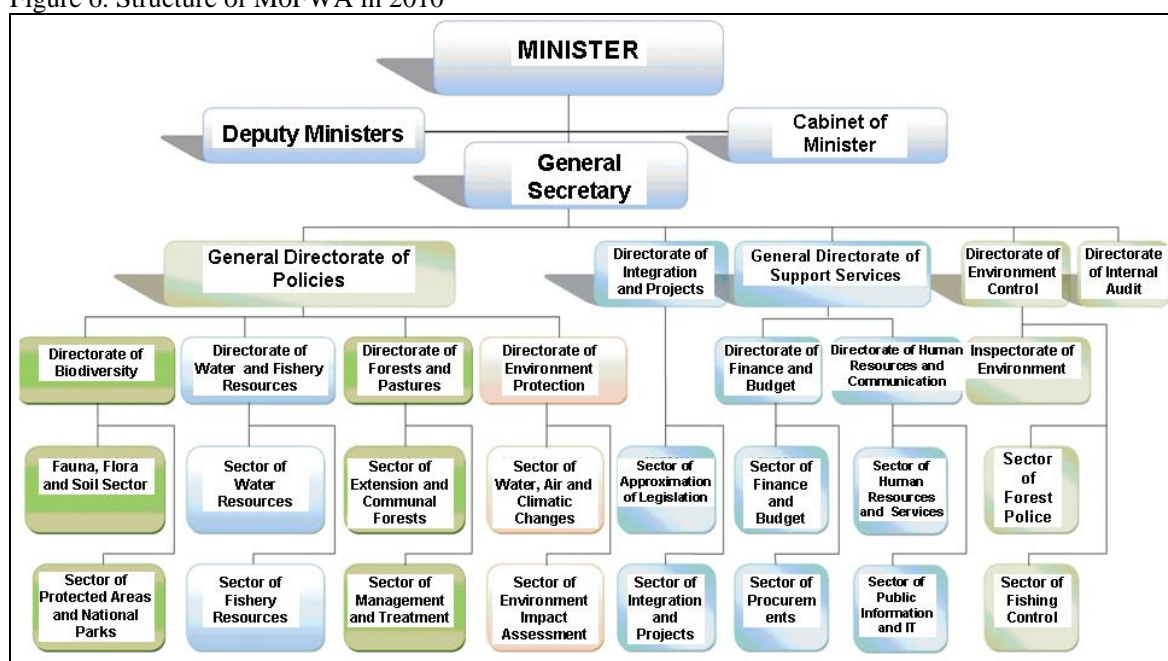
Figure 6). Under the new established General Directorate of Policies are the Directorate of Forest and Pastures, Directorate of Biodiversity, etc.

Directorate of Forest and Pasture (DFP) will be responsible for the development of policies for the management of forest and pasture resources, forest and pasture governance, forest extension service, etc. Under the DFP are two sectors, for forest extension and communal forest and for management of state forests. In the frame of the new proposed reform for the reorganization of Forest Service, the DFP may have 12 regional directorates of forest service with main functions for the management of state forest and forest extension service for communal forest and pasture user and private forest owners. Each of these forest service regional directorates may have 3-5 forest offices, with the same functions, in district level.

Directorate of Biodiversity (DoB), composed by two sectors, will be responsible for the management of protected areas and national parks, management of hunting and fauna, flora

and soil monitoring. In the frame of the new MoEFWA reform the DoB could haven't field units under its dependency.

Figure 6. Structure of MoFWA in 2010



Former Directorate of Coordination and Control (DCC) is change in Directorate of Environment Control. This directorate is responsible for control and monitoring function in three different fields: environment in general, forest and fishery. In the frame of the new proposed reform of MoEFWA the DEC may have 12 multifunctional regional inspectorate directorates dealing with law enforcement and control in the fields of environment, forest, pasture and fishery. This reform is not yet finalized.

1.3.3 Legal Procedures

Violation of forestry legislation brings to the violators material, administrative, civil and penal responsibility in pursuance in Article 38, of the Law on Forests and Forestry Service Police¹³.

The law violations do not lead to penal action; the action is punished as an administrative violation with the obligation of compensating the value of the damage caused and paying a fine of ALL 10,000-500,000 (USD 100-5,000). At the same time all state property taken through the violation is taken and passes at the hands of the state.

When the violation is considered a penal action according to the Penal Code, the maximum punishment for forest is imprisonment up to one year. The penal code gives to the judicial police the right to arrest only in the cases which are punishable by a minimum of 5 years of

¹³ No. 9385, 4 May 2005

incarceration, thus this can not be applied to the crimes related to forests (Section 30 and 32). Overall, the penal code can be considered rather lenient.

Regarding internal control within DGFP, it is reported that more than 40 disciplinary actions were taken and a few people were fired because of illegal activities in 2008.

It is noticed that the system of prosecuting and collecting fines does not function properly. Out of 370 cases of penal transgressions, 208 were prosecuted (56%), 40 were judged (11%) and none of the Court rulings was implemented. Concerning administrative transgressions, only 2.6% of damage value was collected and 2.3% of total fines imposed were collected. In 1999 and 2001 fine collection was even lower, about 1% and in 2008 and 2009 less than 1%.

1.3.4 Shortcomings of the Present System

Inefficiency, the lack of capacity and prevalence of corruption represent the major shortcomings in the current forest management system and they have many roots. They are consequences of the unclear status of forest personnel, communications shortcomings, inadequately controlled licensing system of wood processing enterprises as well as the low salaries of forest service field staff.

The institutional structure of the FSD creates a conflict of interest and opportunities for unlawful action. The same person is responsible for controlling harvesting, measuring timber and transport. Thus, there is no independent checking that the documentation and actual harvested volume and quality match. Control over DFPP and DCC is weak as the financial audits are restricted to analysis of documentation. There are no field checks to assess whether the documentation matches with the actual status in the forest.

Transparency of forest administration is generally low and the problem is aggravated by the fact that information systems are fragmentary and underdeveloped. The participation of the civil society in the forest sector remains limited.

Collection of fines is a major problem. One of the bottlenecks is that communes and municipalities have been given the right to collect fines; about 80% of the fines go to municipal budgets and the rest to state budget. The capacity of communes and municipalities to collect fines has proved to be very low, because of corruption, social pressures, etc.

The objective of forest officials is to protect and preserve the forest rather than record vehicles with illegal cargo. Detection activities should take place in forests. Checkpoints are only the last resort of controlling activity, since the checkpoint can only identify crime after it has occurred.

3. MONITORING AND CONTROL SYSTEM

Monitoring of and control system of illegal logging in Albania is conducted at the central and local level. Monitoring is one among the main MoEFWA responsibilities; meanwhile the monitoring of specific activities is the responsibility of FSD and regions.

The monitoring system constructed by SCPC, MoEFWA, for the illegal logging consists of three main monitoring forms which are first filled at district levels and are later extrapolated and compared at a national level.

The forms of the illegal logging monitoring system include:

- Identification and registration of infringements (penal, administrative and asserted) as well as the estimation of the damages and the respective fines.
- Identification and registration of illegally cut wood.
- Identification and registration of the wood materials confiscated during controls.

The same monitoring system for illegal logging is applied by the EFA as part of forest status monitoring in general.

Besides the monitoring conducted by MEFWA and its institutions, other government institutions and licensed private entities responsible by law, may carry out the monitoring of illegal activities related to forests. All these should collect and analyze the monitoring data and prepare reports to inform decision makers and executive bodies at central and local level, especially for emergency situations and main developments to be considered. MoEFWA may coordinate the monitoring and evaluation together with other institutions.

In addition, MEFWA should strengthen its reporting system to ensure reliability and timeliness of reports. An effective Information System should be established in the FPD to incorporate the monitoring, assessment and reporting system, information storage in organized databases, and information service for decision makers. This Information System may include the following elements:

- a resource assessment facility;
- statistical service of the sector;
- an information system for the evaluation of forest administration performance;
- a system of monitoring and evaluation of programmes and projects.

Even though these various elements may already be in place, they might be strengthened. Building up an effective and comprehensive Information System is a major activity involving the establishment and continuous updating of multiple databases. It is necessary to ensure the sustainability of this System.

The community, local government, NGOs especially those linked with forest and pastures sector (CFPUAs), and the mass media should be encouraged and supported in their efforts to develop independent monitoring systems. Monitoring results of one institution should be compared with those of others to improve veracity.

The mass media has an important role on monitoring, communication and neutralization. Monitoring and disseminating successes and failures of forest and pasture actions development, interested actors learn and adopt their attitudes in a way that successes to be expanded and failures avoided. Also, mass media functions as neutralization, displaying weaknesses of strong and influencing ones, and strengthening those who are weak and left aside.

4. CONCLUSIONS AND RECOMMENDATIONS

The main findings and conclusions are:

1. Albania has a large deficit in the balance between the national demand for timber and firewood and the annual allowable cut of forest. The deficit is above 1,594,000 m³/a. The deficit is even larger, if one considers the fact that only part of the AAC is accessible. Use of alternative energy sources relieving the pressure on firewood resources is not expected to expand rapidly.
2. Monitoring and control system of illegal logging is too weak; there is a tendency to hide the reality and current situation and to report not the true data; MoEFWA, which is responsible for the development of forest policies, for the forest management and law enforcement in the forest sector, as well as for the monitoring of environment in Albania, reports usually 10-15 time less than the real volume of removals from the forests.
3. Illegal logging activities in Albania, both commercial and poverty-driven, are related to the extreme poverty of rural areas close to forests, with the deficit of energy and the weakness on law enforcement. Forest Administration is not able to control and to enforce the law because the main part, of illegal activities is poverty-driven illegal logging where people's basic needs are at stake.
4. Corruption and weak law enforcement enable illegal logging of industrial roundwood and firewood. Enforcement staff has limited rights to enforce the law. In addition, they are not properly equipped salaries are low. Institutional structure of MOEFWA at district level creates conflicts of interest and opportunities for corruption.
5. The decentralization reform of the forest management offers a good opportunity in the future for the improvement of the balance between the demand and AAC. Within 5-10 years the amount of firewood which could be harvested from village/communal forests could be about 1.5 Mio m³/a (ca. 500,000 ha village/communal forest at 3 m³/ha) which would cover a large portion of the current deficit. Protection of these forests against illegal logging has also proved more effective than in state owned areas. This reform must be supported with an appropriate policy and institutional and financial instruments encouraging both positive environmental impacts and income distribution effects.

Following the findings and conclusions of this study, a number of recommendations are elaborated and presented below. Albanian forest administration will need a strong political will/support from the Government of Albania and technical and financial assistance of donors community in Albania.

1. Improvements of the national forest policy, expression of political will across the sectors concerned with forest resources and a statement of forest policy by Albania Parliament are required.
2. Efficiency of law enforcement is related also to adequate salary, staff motivation, and ethical behavior of the Albanian Forest Administration. An average salary of USD 220-250 per month (1 USD=100 ALL) is not sufficient to guarantee a commitment to full time professional activity of a forest inspector and may prompt seeking of other sources of (legal or illegal) income.
3. Implementation of the decentralization reform in the forestry sector, clarification of roles, responsibilities and authority among different government levels, private sector and civil society, improvement of communication between national and local levels for preventing, detecting and suppressing the crimes in forestry.
4. Completion of legal, institutional and financial framework for the forest transferred in use and/or ownership of LGUs, clarification of roles and responsibilities among different level of government institutions, private sector and civil society,

- improvement of communication and information between national and local level for the prevention of forest crimes, etc.
5. Improvement of administrative procedures related to increase of quality in terms of record keeping (illegally logged trees in terms of number and volume m^3), availability of a more accurate and credible information on forest situation in Albania as well as the sustainability of harvested material (legal and illegal) and the sustainability harvesting, etc.
 6. The consumption of firewood will remain at the same level during the next ten-year period because there are no other alternatives in rural areas and in small towns for heating and cooking. The Forest Administration need to accept this situation, and establish relations with rural communities to allow them to harvest more firewood than the AAC would indicate, but under the technical guidance and control of the Forest service.
 7. Support a systematic research to analyze illegal logging, illegal trade of forest products as well as corruption in forestry sector, developing of appropriate monitoring instruments and their application, as well as design of policies in the field, etc.
 8. Improvement of the policies on firewood consumption and the National Strategy of Energy through the intervention by Albanian government to alleviate poverty in rural areas (particularly close to forest resources and in north of Albania) and through the decreasing the tariffs of other energy alternative sources (e.g. gas) in those areas, or their provision at a subsidized price.