

# REPUBLIC OF CROATIA

## ILLEGAL LOGGING AND TRADE OF ILLEGALLY-DERIVED FOREST PRODUCTS

Workshop, 16-17. September 2004  
Geneva, Switzerland

### Introduction

The forests in Croatia perform economic, environmental and social functions, and considerably influence the quality of life. The Republic of Croatia is blessed with high habitat diversity (Adriatic Sea, sub-mountainous regions, and the Pannonia plane) and over sixty different forest associations. Our forests have been internationally acknowledged as forests of 95% natural structure, with high diversity of plant and animal species, both resulting from a 150-year-old tradition.

### The area of forests and forestlands:

- Areas covered with forests           **2,078,289 ha**
- Forestlands without forest cover   **345,952 ha**
- Barren forestlands                   **61,370 ha**

**Total                                   2,485,611 ha**

The forests in Croatia cover 2.5 million ha, or about 43.5% of land area. Out of the total area, 2,024,474 ha (81%) of forests and forestlands are owned by the state, while the remaining 461,137 ha (19%) are in private ownership. "Hrvatske šume" Ltd. In Zagreb manage the state forests (1,991,537 ha), while the remaining 32,937 ha are managed by other legal subjects.

According to the data of the regional management plan of 1996, there are about 59% of seed forests, about 24% coppices, and the rest can be regarded as degraded types such as maquis, garrigues, and scrubs. About 71% of seed forests are mainly even-aged (high regular forests), while the remaining 29% are selection forests.

Broadleaf forests prevail with 85% of the forest area, and the remaining 15% are under coniferous forests. The main tree species are beech (36%), pedunculate oak (14%), sessile oak (10%), common hornbeam (8%), field ash (3%), other hardwood deciduous species (11%), soft broadleaves (4%), fir and spruce (11%), pine (2%), and other conifers (1%).

Almost 86% of the total growing stock, estimated at 324,256 million m<sup>3</sup>, are owned by the state and managed by "Hrvatske šume". Other legal subjects manage 2% of the growing stock, and the remaining 12% are private forests.

Total annual increment is 9.6 million m<sup>3</sup>, with a felling volume of 5.3 million m<sup>3</sup>. The annual increment in the state forests is 8.1 million m<sup>3</sup>, and the average allowable felling volume is 4.9 million m<sup>3</sup>. The production has been rising since the end of the war. In 1995 it was 2.6 million m<sup>3</sup>, and reached the planned 4.1 million in 2003, which is still less than the pre-war production and the allowed felling volume. Out of the planned quantity, 1.8 million m<sup>3</sup> are sawmill roundwood, and the remaining quantity consists of pulpwood, fuelwood and waste.

The proportion of the forest sector in GNP in the year 2000 was 1.4%, consisting of 0.5% of furniture manufacture, 0.4% of pulp and paper industry, and 0.5% of timber and timber product industry. Another 1% has been calculated as the proportion of forests in GNP (source: Statistical records of the Republic of Croatia 2002).

The forest sector is a significant source of employment, particularly in rural areas. There are about 49,000 employed, of which 9,500 people work in the trade society for forest management; entrepreneurs with forest operations count 6,000; the occasionally employed in forestry are 4,000; 11,500 people work in the primary wood processing; furniture manufactures employ 11,600, and pulp and paper industry employ 6,250 people.

Of the total 580,000 m<sup>3</sup> of sawn timber, 315,000 m<sup>3</sup> are exported. Total imports of sawn timber have reached 180,000 m<sup>3</sup>, of which 150,000 m<sup>3</sup> are conifers. Forests and forest products, wooden furniture included, made 7% of the total exports in 2001, while the proportion of imports was 3.8%.

The Republic of Croatia has continually taken part in international forestry affairs; it signed and ratified most of the international agreements and conventions, which, either directly, or indirectly, influence forest management. By signing and ratifying these international agreements, the Republic of Croatia has demonstrated its devotion to the sustainable management of all forests, and its disapproval of the traditional concept of sustainable timber production, which equalises the environmental and social forest values.

The Republic of Croatia has been awarded the Certificate of the Forest Stewardship Council (FSC) for 2,000,000 ha of the forests managed by "Hrvatske šume", which certifies that Croatia is oriented toward sustainable management of forest resources. The national standards for forest certification are currently being made.

## **1. ILLEGAL LOGGING**

With about 80% of state-owned forests in the republic of Croatia, which are managed by a company, which is also owned by the state, the status and the issues related to illegal logging in these forests are under direct supervision of the specialist and

security services. Along with this supervision and according to the provisions of the Law on Forests, the specialist and security services of the forest company carry out other specialist tasks in private forests.

Regardless of ownership, the forests are managed according to the management plans for the management units, and following the forest management programmes. These documents prescribe all kinds and volumes of work for direct forest management, and through this, the protection from, and the prevention of all illegal logging in forests.

Among the difficulties encountered in the supervision and prevention of illegal logging in these forests is the high fragmentation of the 460,000 ha large private forest area, which is divided among 599,056 owners. The average property size is 0.76 ha. With a few exceptions, private forests are managed inexpertly, owing to the following: a) a high degree of fragmentation; b) lack of specialist knowledge in silviculture and forest tradition; c) insufficient number of owners associations, and d) a large proportion of degraded forestlands, which requires higher investments.

In the process of becoming independent, the Republic of Croatia was exposed to war impacts and aggression, with almost one third of its territory, including forests, inaccessible to the country's legal system. On these areas, the illegally cut wood mass ended in private hands and was exported and sold without the territory of the Republic of Croatia. Today it is difficult to estimate the cut and stolen wood, because most parts of these forests are mined, and the process of removing mines is still going on. However, we certainly speak of great quantities of the most precious wood mass, especially of the widely treasured pedunculate oak and other quality species, particularly forest fruit trees.

Regular logging in state forests is planned and carried out according to the yearly felling plan, which is conformed to plans and management programmes. The logging in private forests is carried out according to the regulations of the management programme for these forests.

The logging in state forests is based on the tree assignment, which is made by the principles provided in the law acts and the internal acts of a firm.

After the logging, and in the course of taking over the timber, a firm's specialist staff member marks the timber with plastic tags coloured according to the wood class, and issues a declaration attached to the merchandise containing all necessary identification data.

The declaration of quantity, species and origin of the cut timber revealed no significant irregularities or improper formulation, except for a few instances that were handled by internal services of the firms or by the government Inspectorate competent for forestry affairs. In the new systematisation, the inspection goes back to the Ministry of Agriculture, Forestry and Water Management, in the way it is practised in the world.

However, the control over the trade with wood mass and other forest products remains the competence of the Government Inspectorate as a special body of government administration.

In Croatia there are eight national parks and ten nature parks managed by public institutions under the competence of the Department of Nature Protection of the Ministry of Cultural Affairs. According to the data of the specialist services of public institutions, there have been only random cases of illegal logging (Nature parks of Papuk with 395.55 m<sup>3</sup>; Lonjsko Polje with 97.15 m<sup>3</sup>; Učka with 118.10 m<sup>3</sup>, and the National park of Plitvička Jezera with 61.52 m<sup>3</sup>). These figures show that only small volumes of wood have been cut contrary to the regulations; it is done by local people, whose forests grow upon these protected areas. We have no information on illegal cuts in prohibited areas, although estimates say that the logging in these areas is strictly of local character, and without any significant adverse impacts upon the environment.

As to the illegal cutting of trees in terms of age and dimension, the data obtained from “Hrvatske šume” say that the logging of the trees below felling age (altogether 16,895.12 m<sup>3</sup>) in the state forests significantly exceeds the felling of mature trees (altogether 2,780.40 m<sup>3</sup>). The proportion of over-aged (old) trees is immaterial (52.33 m<sup>3</sup>). A similar situation is found in private forests with 3,076.26 m<sup>3</sup> of trees cut under the felling age, and with 352.89 m<sup>3</sup> of cut mature trees. These data refer to the period 2000 – 2003.

One interesting feature is that about 776 m<sup>3</sup> of wood mass have been cut on the territory of the Republic of Croatia, although these forests have as yet not been managed by the forest enterprise. Corresponding political negotiations are currently taking place with the neighbouring state of Serbia and Montenegro about the state borders and the return of the forests.

In accordance with the preceding report, regardless of the fact that the illegal logging in the occupied territories during the war caused substantial damage in the forests, it can be concluded that there have been recorded no significant losses from illegal cuts in our forests, either in terms of property, or protection. By comparing the data on the growing stock with the estimated annual felling volume, the latter being 5.1 million m<sup>3</sup> for all forests, the quantity of wood mass that has been illegally cut is less than 1% of the total wood mass, considering that all quantities have not been recorded.

This estimate has been made on the basis of the data collected from the following sources: the firms that manage state forests and carry out specialist work in private forests; the Government Inspectorate, the Ministry of Cultural Affairs, Department of Nature Protection; the management offices of all national parks and nature parks and the Ministry of Financial Affairs through the Customs Office that controls the export-import trade in the Republic of Croatia.

## **2. TRADE IN PRODUCTS OF ILLEGAL LOGGING**

According to the data of the Customs Office of the Ministry of Finance, the customs houses all along the Croatian border with the neighbouring countries established the following irregularities in the course of the years 2002 and 2003 at the border crossings and internal customs offices. Altogether 198,755 kg of roundwood, sawn timber, semi-products and fuelwood were incorrectly declared while being either exported, or imported. Of the whole quantity, 171,755 kg were incorrectly declared as to the species, quantity, or value, while 27,000 kg were transported as fuelwood outside the official border crossings.

These figures considerably increased through 2003, resulting from improved control of exports and imports of timber and timber products. Accordingly, with 1,010,613 kg of timber and timber products irregularities were established in the customs procedures; 101,933 kg logs, sawn timber and wood semi-products were not declared within the prescribed terms, while 908,680 kg of sawn timber, semi-products of wood and firewood were incorrectly declared as to quantity. The most irregularities refer to the customs offices on Italian and Serbian&Montenegrin borders.

As to the forgery of certificates stating that timber and timber products originate from sustainably managed forests, it must be pointed out that "Hrvatske šume" Ltd. has been awarded the FSC certificate for all two million hectares of forests. At the moment, sixteen wood processors possess the right of using the FSC certificate on their products, while another five applications are currently waiting for the acquisition of the same right. To our knowledge, no irregularities have been recorded as to the use of the protected trade mark FSC for wood and wood products. The authorities of the international control institution continuously supervise the prescribed provisions for using this sign.

The official data of the Customs Office show that the Republic of Croatia has been increasingly improving the supervision of the export-import trade. The major problem in the supervision application has been the fact that the land border of the Republic of Croatia with the neighbouring countries is almost two thousand kilometres long. Sophisticated instruments and methods of state border control are needed for any substantial prevention of illegal exports and imports of goods. Along with the customs services, this task is carried out by the state border police forces of the Ministry of Home Affairs, as well as the Government Inspectorate officers

## **3. FOREST LAW ENFORCEMENT, GOVERNANCE AND TRADE POLICIES**

Throughout the process of becoming independent, the Republic of Croatia had to go through the war the impacts of which also left consequences upon the extent of the illegal logging, internal trade, and exports & imports of wood and wood products.

Within the procedures of approaching the world and European integrations and entering the international institutions, the Republic of Croatia accepted the obligation of adjusting its legislation and the organisation of the authorised bodies, together with the reinforcement of the control of trade both internally and across the state border.

The preceding report shows that illegal logging is currently not a major concern of the state and private forests. A particularly good status is found in the protected forests (national parks and nature parks, where this proportion is almost immaterial). This is also supported by the fact that organised forestry has been applied here for more than 150 years. Specialist service and supervision have been active since the very beginning of this organised forestry, regardless of forest ownership.

The data on wood and wood product trade in the imports and exports show that within the total wood exports or imports, there is a very small percentage of illegal trade, and this mainly results from improperly declared quantities in the official customs documents.

The Republic of Croatia has been adjusting its strategies and policies to the standards of the international institutions. Accordingly, in the course of the year 2003, the Government of Croatia issued the national forestry policy and strategy. In August of 2004 the Strategy for the Development of Industrial Processing of Wood and Paper was issued. These two documents present the issues that have to be solved, with the basic measures and activities to be undertaken, in order to reduce the illegal logging and trade of wood and wood products both in national and international exchange.

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**(Prepared by Ministry of Agriculture, Forestry and Water Management, Croatia)**

### Summary

The territory of the Republic of Croatia has 2.5 ha, or about 43.5%, of land area covered by forests. Of the total area, 2,024,474 ha (81%) of forests and forestlands are owned by the state, while 461,137 ha (19%) are private. According to the available data of the competent services, there is no significant illegal logging in the state forests, or there have been random cases with small quantities of wood mass intended for the processing in local private sawmills, or for the needs of local inhabitants.

An exception of this was the war, when planned illegal logging took place on the territory of Croatia that was not under control of Croatian government, and large quantities of the most precious wood mass were mainly exported.

Like in some other countries, owing to the unsettled land register records and the small size of private forest plots (0.76 ha per owner on the average), there are instances of illegal felling in private forests. However, these quantities are small, and are mainly used by the owners as building material or firewood.

In order to solve these problems, the Government of the Republic of Croatia through the competent ministry has issued strategic documents for a new organisation and incentives for settling the management, exploitation and trade of wood, regardless of ownership.