



The Republic of Serbia
Ministry of Agriculture, Forestry and Water Management
Directorate of Forests

FORESTRY DEVELOPMENT STRATEGY FOR THE REPUBLIC OF SERBIA

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I. Introduction

Recognising the fact that forests and other wooded land in the Republic of Serbia occupy cca 2.5 million hectares, which is about 1/3 of the territory of the Republic;

recognising the universal necessity of the sustainable forest management, i.e. forest management and utilisation by the methods and to the extent that ensure the conservation of biological diversity, the promotion of productivity, regeneration potential, viability and the potential of satisfying the ecological, economic and social functions in the present and future periods;

aware of the unsatisfactory forest state characterised by a high percentage of poor-quality forests, inadequately tended artificially established forests, and an insufficient percentage of high-quality and valuable high natural forests;

convinced that the priority is to improve the forest state by the adequate regeneration, tending and protection of actual forests, and to enlarge the forest area by the afforestation of bare lands and unproductive and low-productive lands for agriculture;

acknowledging that forestry, as a branch of economy with a long tradition, developed structure, personnel and other potentials, and with scientific and professional knowledge, is a significant segment of sustainable development of rural areas and the Republic of Serbia in general;

recognising the fact that forest ecosystems are the base of the healthy environment and the key factor of its conservation and enhancement, and considering the significance of the multiple forest functions which are not related to wood production as the main product;

recognising the fact that Serbia is very rich in biological diversity, mainly contained in forest ecosystems;

recognising also the universal nature of the wild fauna, as an inseparable and invaluable part of forest ecosystems;

conscious that the actual level of the production-technological process in forestry, due to technical-technological and organisational backwardness and insufficiently developed forest road network, makes forest management more difficult;

conscious that, due to multiannual economic difficulties and international isolation, the actual state of forestry education is characterised by over-numerous but insufficiently qualified professional staff to meet the growing challenges and modern achievements in forestry;

acknowledging that, for the same reasons, the scope and quality of scientific research is at an unsatisfactory level and unable to meet the requirements;

starting from the forest significance as the Constitutional category, and emphasising that the valid legislative-regulatory instruments do not ensure the adequate protection and enhancement of actual forest resources;

stressing especially the issues of management in private forests, which occupy cca one half of the total forest area and which are characterised by a poor state and fragmented holdings, unsolved property relations, which makes forest management even more difficult, and the fact that the State is determined to participate in the stimulation of the private sector development, in the aim of achieving the goals of sustainable development;

taking into account the fact that land use is always an open issue and that a significant land area is irrationally used, and also that land delimitation is an important prerequisite of enhancing the state of forests;

aware that the enterprises for state forest management are in an unsatisfactory condition and that their restructuring process has only started;

taking into account that wood-processing industry is still unable to participate adequately in the development of the forest sector;

appreciating especially the significance of the implementation of all the taken international commitments, as well as the significance of international co-operation in the development of the forest sector;

acknowledging that only the reduced migration of the rural population, the improved unfavourable demographic structure and all-inclusive improvement of life conditions in rural districts can ensure the sustainable development of Serbia;

advocating the democratic principle which guarantees each citizen the free access and enjoyment in the forest, under the condition of not inflicting the damage;

recognising and emphasising especially the fact that forest resources over the past period provided a great contribution to the maintenance of the social peace, even at the price of endangering their own survival, and convinced that stable and permanent financing of forest improvement and protection, as the resource of utmost importance, should be permanently supported and steadily developed to the benefit of the population at the local, national and global levels;

All the above are the decisive reasons for the definition of the Forestry Development Strategy for the Republic of Serbia (hereinafter the Strategy).

II. The need for the new Forestry Development Strategy

2.1. Real concern

Total area of forests in Serbia is 2,360,400 ha, and the percentage of forest cover is 26.7%, which is somewhat lower than the average percent forest cover in Europe. The area of state-owned forests managed by the State Enterprises amounts to 1,375,553 ha, which is 51.4% of the area of forests and other wooded land in Serbia. The remaining forest area is managed by private owners, other social enterprises and National Parks. Broadleaves account for 90.7% of the growing stock (beech forests account for 27.6% of the total forest area, oak forests – 24.6%, other hard broadleaves 6.0%, poplar 1.9%, other soft broadleaves 0.6% and mixed broadleaf stands 30%) conifers – 6.0%, mixed forests of broadleaves and conifers – 3.3%. As the data on private forests are less available, only the state-owned forests will be presented in more detail. Forests of seed origin account for 39.6%, coppice 34.6%, forest plantations 14.7%, scrub 5.6% and brushwood 5.5%, meaning that coppice and degraded forests occupy 45.7% of the area. The average volume is 101.7 m³/ha, in forests of seed origin 153 m³/ha, in coppice forests 70 m³/ha. The general state of forests is unsatisfactory, and the actual state of state forests is characterised by insufficient production volume, unfavourable age structure, unsatisfactory density of stocking and forest cover percentage, unfavourable stand condition - high percentage of stands with discontinuous canopy and weeded areas, unsatisfactory health condition.

The pressure on forests is increasing as the result of difficult economic conditions and higher demands for forest products and services. The restraints in the development of the forest sector in Serbia, from the practical, educational and research aspects, are the decade-long backwardness in the technical-technological development and the absence of communication with the international community due to UN sanctions, institutional weakness and the slowness of the adaptation to the changes at the global level, as well as the actual forest governance and management.

2.2. Policy and legislative changes

In the last years, the desire to access the EU as fast as possible has brought about the accelerated development of regulations in all segments of the society. A series of laws influences directly the development of forest sector.¹

Also, our country is the signatory to many international commitments dealing with environmental protection, which influence directly or indirectly the development of the forest sector

The most significant international commitments affecting the forest sector are the following:

- Agenda 21 (1992)

¹ Legal regulations that affect the forest sector: Constitution of the Republic of Serbia (1990), Forest Law (1991) Law on the Environmental Protection (2004), Law on the Strategic Assessment of the Environmental Impact (2004), Law on the Environmental Impact Assessment (2004), Law on Hunting (1993), Law on the Spatial Plan of the Republic of Serbia (1996); Law on Inheritance (1995); Law on Water (1991), Law on Agricultural Land (1992); Law on National Parks (1993); Law on the Assets Owned by the Republic of Serbia (1995); Law on Commercial Companies (2004); Law on Forest Reproduction Material (2005).

- UN Framework Convention on Climate Change (UNFCCC) (1992)
- Convention on Biological Diversity (2001)
- Convention on Long-range Transboundary Air Pollution (1979)
- Convention on Wetlands of International Importance (Ramsar) (1977)
- Convention on International Trade in Endangered Species (CITES)(2001)
- Protection of the World Cultural and Natural Heritage (1972)
- Resolutions of the Ministerial Conference on Forest Protection (2003)
- Council Directive No. 43/92 on the conservation of natural habitats and of wild fauna and flora (1992)
- Council Directive No. 409/79 on the conservation of wild birds (1979)
- Council Directive No. 105/99 on the market of forest reproduction material (1999)
- Council Directive No. 2158/92 on EU forest protection against fire (1992)
- Council Directive No. 3528/86 on EU forest protection against atmospheric pollution (1986)
- Council Directive No. 1615/89 on the establishment of information-communication system on European forests (1989)
- Council Directive No. 89/68 on framework law of the member states on the classification of wood raw materials (1968)
- Council Directive No. 1232/98 on statistical classification of products per activities in the European Economic Community (1998)
- Natura 2000.

In addition to the above international documents, this Strategy is also based on the following EU relevant strategic documents, referring to the field of forestry:

- EU Forestry Strategy (1998),
- EU's Sustainable Development Strategy (2002) and
- Strategy on the Sustainable Use of Natural Resources in Europe (2005).

2.3. Historical context

As far back as 1332, the writer Adam Guion (*Forestry and wood processing through centuries, 1992*) travelling through Serbia described it as a country rich in large and immense forests. La Martin in 1833 (*Forestry and wood processing through centuries, 1992*) travelled through dense oak forests of Šumadija and compared them to the forests of North America. The first written data on the growing stock in Serbia (1884-1885) quote 208,000 ha of state forests, 262,000 ha of community and public forests, and 748,000 ha of rural and municipality forests (total forest area 1,218,000 ha). A somewhat later assessment of the overall growing stock was 1,546,000 ha.

The development of the idea on sustainable management started as far back as the Czar Dušan's Law (ban on clearing) (14th century). Although the freedom of Serbia over the entire today's territory was still very far, aware that the forests were cleared without justification, Prince Miloš issued an order in 1821 (only 17 years after the First Serbian Uprising, or 8 years after the Second Serbian Uprising), which prohibited forest clearing to prevent the destruction of acorn feeding and fuelwood.

The forest clearcutting hazard was emphasised by the academician Josif Pančić in 1856 in his description of waterless barrens of the west slopes of Kopaonik and Raška.

Based on the need for the radical change of the attitude to forest, as a series of previous state regulations, orders and decisions did not have a sufficient effect on the harmful practices in forests, the National Assembly passed the first Forest Law in 1891, by which practically the organised forest management started in Serbia. The Law addressed primarily the halting of forest destruction and clearcutting, then forest classification, delimitation. It prescribed the rules of harvesting and regeneration for all forests regardless of the ownership by which the common interest was given priority.

After the First World War, during and after the Second World War, forest exploitation became the most intensive and the most profitable economic activity. Forests, together with ore extraction, were the major supporters of economic welfare. The role of forests in that period was exclusively economic. So, it is logical that both forest stability and the principle of sustainable management of the best-quality complexes were endangered by overfelling. It led to the establishment of the Fund for Forest Enhancement (FUŠ) (1955).

The economic significance of forests brought about an intensive normative regulation, but it was more directed to organisation, financial, staff and supervision issues and less to forest development and improvement.

The idea – principle of continuity and rationality, i.e. the sustainable management, manifested in Czar Dušan's law (banned clearing and allowed pasturing), can be developed and sustained in the actual state of the growing stock by the persistent and very careful and consistent application of scientific knowledge and experience, both in the field of planning and in the realization of plans in time and space.

2.4. Actual Strategy

To date, the Republic of Serbia has not had a comprehensively founded and defined development strategy by such a document. The strategy has been defined by legal regulations and individual strategic documents, as the base of the forest sector development. The global forest policy passed through significant conceptual changes, from an exclusively economic orientation, to the emphasis on the increasingly important ecological, social and cultural forest functions. In harmony with the European and the world forest policy trends, the Forestry Development Strategy for the Republic of Serbia should find the balance in meeting all the forest functions (economic, ecological, social and socio-cultural). The documents that can be taken as the components of forest development policy are the Law on Spatial Plan of RS (1996), Forest Law (1991), and the Law on National Parks (1993). As these documents are now non-operational, it is indispensable to formulate the Strategy, as a long-term document addressing all the significant strategic elements and factors of development of the Republic of Serbia's forestry.

2.5. National development initiatives

There are numerous and significant development initiatives relevant to the forest sector. This refers primarily to the ongoing formulation of the Strategy of Sustainable Development of RS. The Government has also launched the initiative to reform the public sector and the Strategy of the State Administration Reform of RS (2004) was passed in this important field. The process of restructuring the State Enterprises is in progress in the aim to upgrade the work and rationalise the business. Special attention is focused on the role of rural regions and their development. The adopted Agricultural Development Strategy of Serbia (2005) also

contains the elements of forest policy as the inseparable part of rural development. The adoption of the National Programme for Environment Protection of RS (NPEP), i.e., the Local Ecological Action Plans (LEAPs), is also significant for the Strategy.

2.6. Significance of forestry

Forests offer multiple benefits: they provide raw materials for renewable and ecologically sound products and they have an important role in economic welfare, biological diversity, global carbon cycling and water balance, they are vital for the development of ecological, protection, tourist-recreation, health and cultural services, and they are also the pillars of sustainable development of any society.

2.7. The diversity of stakeholders

There is a broad circle of participants who have an interest in the forest sector, and who are more or less related to the state of forests and the forest sector. The numerous stakeholders include:

- forest owners and beneficiaries (private forest owners, state enterprises for forest management, National Parks, etc.),
- producers and processors of forest products (wood industry and pulp and paper industry, small enterprises and handicraft workshops, enterprises for forestry operations, producers of healthy and safe food, farmers, etc.),
- users of health and recreation forest functions, tourist organisations,
- local communities and the population, especially in rural districts,
- users of hunting and fishing areas,
- governmental and non-governmental organisations, as well as individuals.

2.8. Purpose

The Strategy shall co-ordinate the general development goals of the forest sector of Serbia and define the measures for achieving the goals. The Government should establish the balance of social interests related to the forest, by creating the favourable climate for economic development, for the conservation of the ecological value of forests in Serbia as well as the forest social functions and by proposing the most optimal legal framework for forestry. As the response to the need for changes, through the Strategy of Sustainable Development of the Republic of Serbia, the Government has initiated a broad initiative for the reform of all sectors, including the forest sector, through the definition of a new policy, laws and institutional changes. Also, it is important to emphasise the necessity of cross-sectoral harmonisation and also the harmonisation with other strategic documents at the national level, first of all the Biodiversity Conservation Strategy RS, then the National Strategy of Sustainable Use of Natural Resources RS, and the National Programme of Environmental Protection RS, which are being prepared.

After the adoption of the Strategy, the next step is the drawing up of the National Forest Programme, as the Action Plan.

III. Guiding principles of the forest sector

3.1. Sustainability of forest and forestry development

Forest resources of the Republic of Serbia are managed by the principles of sustainable development, which is regulated by the Constitution of the Republic of Serbia.

3.2. Forest multi-functionality

Forests are crucially important for the economic development and conservation of all forms of life. Forest resources shall be enhanced and utilised continuously, i.e. they shall be managed consistent to national development goals and the level of social-economic development, as well as based on the overall national policy which is in harmony with the sustainable development and laws.

Forests are an important source of biological diversity and have a key role in the ecological processes and ecological balance at the local, national, regional and global levels by protecting the vulnerable ecosystems, water catchments and springs, and by being a “store” of biological resources and genetic materials necessary for the products of biotechnology. Consequently, measures shall be undertaken for the conservation of forest biodiversity and the sustainable use of its components.

Forest resources shall be especially managed to meet the economic, cultural and spiritual needs of the present and future generations. These needs encompass the forest products and services, such as wood and wood products, water, food for humans and livestock, medicinal services, fuel, recreation, protection of wildlife habitats, landscape diversity.

Forests have an irreplaceable role in the mitigation of climate changes caused by anthropogenic impacts and, in this sense, carbon sequestration. Efforts should be made to increase permanently the forest capacity in this respect.

3.3. Rural development and forests

Forests are an inseparable part of the efforts made for the revitalisation and development of rural districts. The equal participation of forests and forestry in the projections of rural development of Serbia will ensure the faster revival of rural districts.

3.4. Public information on forestry

Free access to reliable and accurate information on forests, their availability and timely publication is the base of decision-making and understanding the forestry issues by the public. The right to free access to such information should be guaranteed.

3.5. Stakeholder participation

Participation of stakeholders in the development, implementation, analysis and revision of national policy referring to forests and forest products and services, including the local communities, industry and other economic activities depending on the forest, as well as non-governmental organisations and individuals, is the key to the success of forest and forestry development. The reliance between all stakeholders is achieved through the realisation of the new inter-institutional relations, greater efficiency, transparency and professionalism.

The decisions made and implemented in the management, conservation and sustainable development of forest resources should be comprehensive and based on the assessments of economic and non-economic values of forest resources and services.

3.6. Increase of forest area and productivity

Efforts should be made to maintain and increase the area covered by forests and their productivity by the ecologically, economically and socially acceptable methods, by reclamation, afforestation and forest cultivation on the abandoned agricultural lands and degraded and treeless lands.

The role and significance of intensive forest plantations is intensified, as the sustainable and ecologically friendly sources of renewable energy and raw material for industry, which will mitigate the pressure on natural forest resources.

3.7. Forest management

Sustainable forest management and utilisation shall be in line with the total national development policy and priorities, based on the acceptable national ecological guidelines, taking into account the internationally adopted methodologies and criteria.

3.8. Attachment to international commitments and agreements

The Strategy and legislation in forestry are based on national interests and shall be harmonised with the confirmed international commitments.

3.9. Forest degradation and environmental impact assessment

Due to increased pressures and demands to forest ecosystems and resources, efforts should be made to prevent the adoption and implementation of the wrong and harmful decisions of other sectors (finances, economy, transport, etc.) which can lead to forest degradation, primarily by applying the mechanism of environmental impact assessment and by fostering the inter-sectoral co-operation in the solving of such conflicts.

3.10. Conservation of forest health

The conservation of forest health and viability shall be defined as the obligation and responsibility at the local, regional and global levels.

3.11. Research, education and training

The scientific research, forest inventory, and the assessment of the state of forest resources performed by national institutions should, where possible, take into account the variability of biological, physical, social and economic parameters, as well as the technological achievements and their application in the forest sustainable management, conservation and development. Special attention should be paid to the research and development of sustainable management of other forest resources.

The permanent building of national capacity in education, science and research, technology, economy and social aspects of forests and forest management is essential for forest conservation and sustainable development.

IV. The Goals of Forestry Development Strategy

4.1. Role of the State in the forest sector development

Forests, as the natural resources and the goods of general interest, have always been, and especially in the previous periods, an essential factor in the State development. They are the sources of goods, services, and consequently the receipts of the society in general.

The attitude of man, society and the State to the forest is primarily conditioned by its natural laws – its large and open area, longevity of the production process and renewability. These are the forest characteristics that indicate the need and the potential of sustainable utilisation, continuous existence, but relatively slow enhancement.

Sustainable management can be continuously realised only if there is a continuity of the correct and precise addressing and monitoring of the state of the growing stock, by the skilled and real long-term and short-term planning and by the consistent, timely and professional realisation of the plans, to be able to meet the needs of the society and to protect the environment.

The pressure made by the actual social-political circumstances in the country on the form of forest management regardless of the ownership resulted in the negative consequences to forestry in Serbia. Such an approach to the problem of management organisation could not bring about the form and the manner of management suitable for the issues and demands of forests, especially private forests.

The significance, the state of forests and the identified goals demand, depending on the owner's attitude to the forest, the establishment of a system of forest management that guarantees the sustainability of forest resource harvesting regardless of the ownership.

The enhancement of forestry, so that it could obtain a significant role as a branch of economy in the overall economic system of the country, cannot be expected without special economic policy measures, as the logical part of the system of forest management that recognises the forest specificities, involving the continuous, autonomous and institutional financial mechanisms and frameworks.

The imperative forest parameters – the time and the space, also point to the explicit need of continuous institutional decision making, both on the general issues of the growing stock, and very often also on the issues of the smaller but specific forest lands.

These facts impose to the Government a binding assignment of urgent, essential constitution, staff and material upgrading of the Forest Directorate as the State institution which will be capable, supported by modern forest legislation, of creating and implementing the national strategy, for all forests in the country, both at the central and at the decentralised levels.

The main goal of Strategy is the conservation and enhancement of forest state and the development of forestry as a branch of economy.

The following decisions are defined in this aim:

- The Government will make impossible the decrease of the area covered by forest in the Republic Serbia;
- The Government will support and protect the implementation of sustainable management of forest resources, which implies their rational use, growth, promotion and protection under the principle of multi-functionality and the maintenance of ecological balance;
- The incorporation of the objectives and measures of Forestry Development Strategy in the policy and programmes of rural development of the Republic of Serbia, consistent to the directives of EU policy of rural development;
- The implementation of the basic national strategy decisions demands, primarily, the definition of the optimal forms of forest management disregarding the ownership, and the specific measures of economic policy;
- The Government will ensure the permanent financial mechanisms and adapt the fiscal policy to the demands of forests enhancement, activation all forest potentials and the development of the forest sector, because the economic function of forests is very significant for the achievement of the final goals of the development strategy;
- The Government will support the development of the forest sector by providing the regulatory, institutional and economic frameworks for the implementation of sustainable forest management, by making decisions in favour of the sustainable use of wood and other forest products and services and thus reduce the existing pressures on forests;
- The Government will make efforts to find the optimal level of decentralisation of forest governance and management;
- The Government will harmonise the future legislative and institutional framework with the requirements of the European Union;
- The Government will ensure the active participation in international governmental and non-governmental organisations and programmes, especially in the preparation and implementation of the global processes and the resolutions of European processes;
- In conformity with the Strategy and regulations, the Government will support the different forms of forest ownership, and ensure the equal legal protection;
- Providing the gradual introduction of the quality system to the forest sector;
- The Government will ensure the organisational and professional strengthening of the institutions for the implementation of the adopted development strategy and the consistent application of regulations in the field of forestry, as the basic instruments of forest policy, with the efficient sanctioning of illegal actions related to forests;
- To realise the goals of the Strategy, the Government and the authorised Ministry will launch the activities on the formulation of the National Forest Programme, as the action framework for the development of the forest sector;
- Providing the criteria and mechanisms for the real valuation of forests;
- The Government will promote the communication, co-ordination and co-operation with other forestry related sectors.

4.2. Role of the forest sector in economic and social development

A great number of small forest holdings with small economic capacity, whose owners have been overfelling their forests for decades to meet the most urgent needs of their livelihood, indicate that, over the last two centuries, forest has been the major participant in the mitigation of the difficult economic and social issues of the population. The socio-economic role of state forests has been similar, especially after the Second World War.

The development policy after the Second World War created the conditions and encouraged the work force from the rural regions to migrate to towns, which resulted in a significant area of abandoned private agricultural land, and also the unfavourable age structure of the population. This requires the direct, both financial and organisational measures of the State organs, in the aim of the activation of natural potentials and the conditions for the continued existence of the relatively small number of the working population.

Multiple interests, i.e. to increase the growing stock by the afforestation of the abandoned agricultural land, to construct the necessary road network, to establish small and medium-sized wood processing plants with readily flexible programs in rural regions, are the sufficient reasons for the establishment of a continuous and stable, profitable system of financing the programmes, but also of tourism, catering, recreation and health, supplemented by the programmes which valorise the natural, historical, cultural and other values of the region.

The carefully identified and feasible objectives of private forests can be realised only by patient mutual efforts of forest owners, forestry professionals and the competent state organs, both on upgrading the owners' knowledge and skills relevant for forest management, and on the finding of the most optimal forms of associations.

The objective is to increase the contribution of the forest sector to the economic and social development of the Republic of Serbia.

This objective requires the following planned measures:

- Increase the area under forest cover by encouraging the activities and by providing assistance to the afforestation of the land on which it is economically and ecologically feasible to raise forests (degraded soil, abandoned agricultural land, treeless forest lands, etc.);
- Increase the productivity by maximal and rational use of the overall production potential of forest areas, which includes wood, nonwood forest resources and the sustainable use of multiple-use forest functions;
- Establish the efficient system of forest protection against the harmful biotic and abiotic factors, illegal felling, illegal occupation, illegal building and other unlawful actions, and also the system for monitoring the forest health condition and viability pursuant to UN/ECE and EU methodology;
- Define and adopt the methodology for the evaluation of all the forest products and functions;
- Establish and maintain the optimal quality and density of forest roads, and the accessory infrastructure (houses, resting points, etc.) aiming at the implementation of sustainable forest management and meeting the social and cultural demands of the society;
- The forest sector will encourage the advancement of co-operation with other sectors (agriculture, tourism, etc.), financial institutions and the general public, aiming at the most complete planning and use of other potentials of forest areas;

- Encourage the establishment and development of private forest owner associations in order to build their capacity for sustainable forest management and the application of scientific and professional knowledge;
- Encourage the participation of stakeholders, especially in rural regions, in decision-making and allocation of responsibility for the crucial issues of forest management;
- Support the establishment and development of small and medium enterprises for forestry operations and other activities in the forest sector;
- Develop a national modern information system in forestry, compatible with the EU information and communication system (EFIS) by the data unification at the sectoral level;
- Start the research on the role of forests in the mitigation of energy balance issues of the country, which will create the preconditions for the activation of the international funds for the advancement of biofuel consumption. The economic policy measures will stimulate the consumption of wood for energy and simultaneously help solve the issues of forests in which fuelwood is the major product.

4.3. Role of the Forest Sector and Forests in Environmental Protection and Nature Protection

Serbia as the country rich in biodiversity, primarily in forest ecosystems, both by a number of plant and animal species and intraspecific variability and by the landscape beauty accepts wholly the concept of sustainable development of the forest sector and sustainable management of forests, which make up a significant percentage of the overall nature riches.

The centuries-long tradition of Serbian people and the State relying on the forest and the life with the forest, contributes to the higher awareness of the forest significance and all forest multiple benefits. In the recent past, this attitude has led to the active participation of our country in the global processes of protection and sustainable utilisation of natural riches.

The forest sector of Serbia, by recognising the generally accepted principle of the balance of economic, ecological, social and cultural forest functions, can offer a significant contribution to the sustainable development of the Republic.

4.3.1. Forests in the protected nature areas

The concept of sustainable forest management should be fully applied in forest management in the protected nature areas. The support to this concept should be realised by a clear definition and balanced identification of the priority forest functions, and by recognising the economic potentials of the State and the demands of the population in these mainly rural districts. By recognising the need to designate some parts of the forests for the primarily ecological, social and cultural functions, to date, about 543,000 ha (6.1%) of the territory of the Republic of Serbia have been designated by different methods of protection. In Serbia, there are 5 National Parks (Fruška Gora, Kopaonik, Tara, Šar Planina, and Đerdap – Iron Gate), 15 parks of nature, 50 strict nature reserves and 21 special nature reserves 284 monuments of nature, 16 localities of remarkable characteristics and 37 of historical significance and 642 natural rarities.

The inadequate valorisation of the resources and services, as well as the insufficient cross-sectoral and institutional cooperation, caused some deficiencies in forest management in the protected areas as well as in their designations.

Considering all the above, the forest sector has a clear intention to participate more actively in the adequate development of the network of protected nature, harmonised with the adopted international commitments, economic potentials of the State and the demands of rural development.

The objective is the enhancement of sustainable management of the forests in the protected nature areas, based on the harmonised development of the ecological, economic, social and cultural forest functions, and consistent with the harmonised and adopted international standards and the National Strategy of Sustainable Development

To attain this objective, the following measures are planned:

- Identify and apply the national criteria and indicators for the designation of the parts of forest ecosystems as the protected nature areas, consistent with the generally accepted international criteria and indicators;
- Harmonise the actual protected nature areas with the national criteria and indicators;
- Identify and apply the directives of sustainable forest management in the protected nature areas;
- Develop the system of legal and physical protection of forests in the protected nature areas, with the determination of the real compensation to the forest owner for the refused or limited use;
- Establish the model of financing of the protected nature;
- Build and maintain the infrastructure which is in the function of improving the protected nature, to the extent that it is justified and environmentally friendly;
- Based on the general interests, identify the most favourable form of management of the protected nature, with the essential participation of the local communities and forest owners;
- Upgrade the quality of information on the significance of the protected nature.

4.3.2. Biodiversity conservation and enhancement in forest areas

The main interest of Serbia is the conservation and advancement of the very rich biological diversity contained, first of all, in forest ecosystems. Thanks to its complex and specific plant-geographic position, Serbia is a significant source of autochthonous plant and animal resources. The number of 4300 plant species classified in 157 families and 888 genera, over the territory of the former Yugoslavia, compared to other European and world regions, makes the territory of Serbia and Balkan one of the most significant centres of floristic diversity of Europe. Forest ecosystems in Serbia consist of about 250 autochthonous woody species, which by geographic-floral elements belong to central-European, Pontic and Mediterranean elements. The presence of 88 wild fruit tree species in 18 genera is especially significant. The wildlife is represented by numerous species of freshwater fish (86), amphibians and reptiles (46), birds (350) and land mammals (94). Such national wealth requires an adequate treatment by system solutions for the conservation and advancement of biodiversity in forest ecosystems.

The objective is the conservation, the appropriate enhancement and the sustainable utilisation and evaluation of forest biodiversity.

To attain this objective, the following measures are planned:

- Formulate the strategy of protection, conservation and enhancement of biodiversity in Serbia;
- Develop and harmonise the regulations with modern demands of sustainable management of wild plant and animal species, EU regulations and multilateral conventions on biodiversity protection (protection and forbidden harvesting of rare and endangered wild plant and animal species; control of trade in protected species and their products, introduction of exotic species, plant or animal diseases or pests, autochthonous and domesticated plant or animal diseases or pests and the species of fauna with a harmful effect on the environment or harmful effect to autochthonous species of wild flora and fauna);
- Promote the inter-sectoral co-operation in the protection and enhancement of biodiversity, and nature protection in general, with the active participation of the forest sector in the formulation of the National Strategy and Action Plan of biodiversity protection and enhancement;
- Identify and implement the national criteria and indicators of sustainable management of biodiversity, especially of the representative, rare and vulnerable forest ecosystems, threatened species, and the biodiversity in the commercial forests;
- Update the register and mapping of the ranges of wild plant and animal species;
- Advance the methods of directed use of the gene pool of forest tree species by *in situ* and *ex situ* conservation and advanced production of quality forest seed and planting material of controlled origin, as well as the active participation in the European programme for the protection of forest genetic diversity (EUFORGEN);
- Support the implementation of international commitments in biodiversity protection in forest ecosystems;
- Promote the quality information on the significance of biodiversity in forest ecosystems at all levels.

4.3.3. Protection, social and cultural forest functions

Forest, as the most valuable part of the ecosystem, capable of significantly improving the general life conditions, occupies a special position in the global concept of environmental protection. Therefore, it requires a special treatment by an appropriate system of protection, harvesting, management and sustainable development. This refers especially to the protection and regulatory forest functions regarding the air, water, soil, landscapes, noise, mitigation of climate changes at the global level, carbon sinks in biomass, but also social and cultural forest functions. The harmonisation of the economic, ecological, social and cultural forest functions within the sustainability system is essential for the survival of forest ecosystems and healthy environment in general.

The objective is the conservation, advancement, sustainable utilisation and evaluation of the protection, social, cultural and regulatory forest functions.

To attain this objective, the following measures are planned:

- Legal and institutional frameworks for the support to protection forest functions by the regulation and restriction of the forest management practice, aiming at soil erosion control, protection of water resources and infrastructure;
- In the formulation of the national, regional and local spatial plan documents, ensure the model of cross-sectoral co-operation that will recognize all forest functions;

- The guidelines in forest management planning and implementation in practice, that will completely acknowledge the need for conservation, advancement and sustainable utilisation of the protection forest functions;
- Develop the methodology for the economic valorisation of the protection forest function and determine the real compensation for the use of these forest functions;
- Stimulate the fundamental and applied research in the function of conservation, enhancement, sustainable utilisation and valorisation of the protection forest function;
- Regular inventory and cadastre of forest areas which are managed predominantly for the conservation of the protection forest function,
- The State organ competent for forestry will affirm in practice the mechanism of the analysis of environmental impact of the activities of other sectors which can directly endanger forest ecosystems, but it will also define the list of activities in forestry for which such an analysis should be made;
- The Government will ensure the regulatory, institutional and economic measures to help and support the conservation and enhancement of recreation and medicinal forest functions and enable their sustainable utilisation in the forest areas that meet these functions;
- In the sustainable utilisation of the priority forest functions, the customary and traditional rights of the autochthonous population in forest (rural) areas will be especially respected. The employment and the correct distribution of income from the utilisation of these functions should be ensured as well as the protection of significant historic and cultural features and localities;
- The Government will, bearing in mind the forest hazard caused by anthropogenically induced climate changes and their regulatory functions in the global carbon cycling, support the research and analysis of the potential scope and method of carbon sinks in forests, promote the efficient generation and consumption of bio-energy from the sustainably managed forests, pursuant to the UN Framework Convention on Climate Change and Kyoto Protocol, and thus create the conditions for applying for the international funds for the increase of forest area.

4.4. Forest Status and Protection

The actual forest state, the significance and the role of the growing stock in the economic activities of the country, the more significant engagement of the society and the State in forest protection and enhancement have imposed the following decisions: retaining the property, protection and increase and legal-property strengthening of the possessions (holding).

4.4.1. The status and protection of state-owned forests

The state-owned forests, taking into account their specific public function, are considered as the specific state capital and they guarantee the realisation of ecological, social and economic interests of the society. The State, as the owner of this capital, has two basic interests regarding forests: (1) the value of the capital (forest) must not be reduced, i.e., it must be increased, and (2) the State (owner) requires the realisation of multiple benefits from the capital (forest).

Sustainable management of state forests implies the commitment of permanent forest protection, maintenance and regeneration and thus the realisation of numerous multiple-benefit forest functions that should be continuously realised in each unit of planning.

The objective of sustainable development of state forests will be achieved by the clear decisions of the State: to retain and guarantee the forest ownership, to delimit the forest lands, stimulate the consolidation of parcels and establish and update the forest cadastre.

The objective is the sustainable development of the state forest sector taking into account the ecological, social and cultural demands, as well as the creation of the highest possible value added of forest products.

To attain this objective, the following measures are planned:

- Advance the system of planning in forestry;
- Develop the national criteria, indicators and guidelines for sustainable forest management pursuant to the Pan-European criteria and indicators of sustainable management and stimulate the voluntary forest certification;
- Quality and quantity advancement of forest resources by the application of modern methods of management, with special emphasis on the monitoring of the forest condition, forest protection and biological diversity of forest ecosystems, the realisation of the functions of education, research, recreation, tourism and other forest functions;
- The State will tend to increase permanently and consolidate and enlarge the state forest estates;
- The State will validate the ownership of the forests of which it is the owner now and update the cadastre of forests and other wooded lands;
- Identify and delimit the agricultural and forest lands;
- Upgrade and harmonise the regulations on the change of land use and transfer of property, as well as the purchase of state forests and woodland,
- Advance the system of supervision on the activities of management of state-owned forests and forest lands;
- Develop the partnership between the State and other stakeholders in sustainable forest management founded on the adequately identified rights and responsibilities.

4.4.2. The status and protection of private forests

The modest economic capacity of forest owners, often in the periods of significant disturbances of economic and social development, forces the owners to harvest their forests beyond forest potentials, although the forest condition calls for the help. This endangers the general – national interest, expressed through the principle of sustainable management, and from the long-term aspect also the owner's interest. This forced attitude of the owners to their forests and a rather passive support of the State for the protection and advancement of private forests, point to the need of investing mutual and harmonised efforts of the State and the owners to safeguard permanently those forest functions which are both in general interest and in the owners' interest.

The responsibility of the State in resolving almost all major issues of that part of the growing stock, from the assessment of forest state to the organisation of forest owners, requires the State initiative undertaken especially in cases when the owners' initiative is lacking, and the

decisive executive role, to establish and reach the uniform attitude to forests regardless of the ownership form.

The objective is the enhancement of private forests and the sustainable development of private forestry in the framework of rural development.

To attain this objective, the following measures are planned:

- Assessment of the state of private forests and the development of the planning and control system of private forest management;
- Professional and financial support to the organisation of forest owners in the aim of strengthening their capacity of the realisation of sustainable forest management;
- Efficient system of support to private forest owners and to the establishment of small and medium enterprises in forestry and the related activities;
- Creation of legal preconditions for unobstructed implementation of the sustainable management in the cases when the owners are not able to, do not want to, or do not have the interest to execute the plan documents, by which they endanger the general interest and the interest of other forest owners;
- By creating the normative preconditions, the consolidation of private forest holdings will be enabled, and it will be stimulated by measures of economic policy whereas further fragmentation of forest holdings will be prevented;
- The Government will optimally use the available measures of economic policy and ensure the permanent and long-term financial means for the stimulation of private forest owners, to ensure the protection and improvement of the state of private forest resources.

4.5. Status and Protection of Game

Multiannual absence of institutional development and its significant role brought about the direct risk to the abundance and distribution of some game species, and also the inadequate and irrational harvesting of wild game.

The present unsatisfactory state of game populations is, *inter alia*, the consequence of an inconsistent and imperfect attitude of the State to the issues of game possession, the issues of legal-property rights which are derived from the right of game management and the rights of possession of the lands in which game is reproduced and reared, as well as of the inadequate definition of hunting as a commercial activity and hunting for meeting the needs of individuals or groups, or hunting as a hobby.

The strategy of sustainable game management and the development of hunting, based on the principles of wise and rational land use, with the adequate inter-sectoral treatment and the multi-functional approach, will define the significance of the state of resources and the need of its improving.

The State is the most responsible factor for the development of hunting and for adopting the legal-regulatory mechanisms crucial in satisfying the ecological, economic and social functions of the society.

The objective of the Strategy, by the corresponding measures of planning, management and control, is to conserve and improve the genetic potential, the abundance and quality of game populations.

To attain this objective, the following measures are planned:

- Sustainable forest management in all segments (planning, implementation, handling) encompasses the simultaneous sustainable game management, i.e. the optimal conditions for improving the state of autochthonous game and the return of extinct autochthonous game species;
- Recognising that wildlife is a resource of general interest and in agreement with the objectives and this Strategy, the State organ responsible for forestry and game management shall draw the proposal of the Hunting Development Strategy for the Republic of Serbia;
- Based on the participation of all the relevant factors, the Government will create the regulatory, institutional and economic frameworks for the implementation of the Hunting Development Strategy for the Republic of Serbia.

4.6. Wood Industry and Market

The overall significance of the wood industry sector, which has an important role in Serbia's gross domestic product, employment and foreign trade, is considerably lower than its potential. The privatisation of major social enterprises for wood processing has not been completed and the use of these capacities is at a low level, as well as the organisation of the sector. The protection of interests is left to individual enterprises, which with more or less success, lobby for their own interests. Almost identical situation occurs in mutual information and co-operation with other stakeholders. The percentage of export products with higher value added is low, although the situation has changed positively in the past years. The applied technology in major systems is predominantly outdated, so that their products are mainly non-competitive on the demanding foreign markets. The innovations of process and products are at a very low level, as well as quality standards, which are almost not implemented at all. In general, the sector is characterised by very low efficacy.

The objective is a sustainable and economically efficient wood industry sector competitive on the world market and contributing to the advancement of the forest sector, environmental protection and development of the national economy.

To attain this objective, the following measures are planned:

- Assessment of the state of the actual wood industry capacity;
- Priority definition of the development strategy of the wood industry sector;
- Termination of the process of privatisation of wood industry enterprises;
- Permanent dialogue of the representatives of forestry, wood industry and other stakeholders, and the representatives of environmental protection in the aim of reaching the optimal utilisation and protection of forest resources;
- Permanent mutual communication of the representatives of the forest and wood industry sectors on the changes in the environment and the challenges on the foreign markets;
- Introducing the system of production quality control and the harmonisation of technical norms in the field of wood industry with the European and international standards;

- Stimulation of the increase of competitiveness on the market by the measures of economic policy;
- Encouraging the export of products with a higher value added, discouraging the export of raw materials and stimulating the export of final products;
- Stimulating the application of new technologies and innovations;
- Support to interest and business associations;
- Strengthening the system of monitoring the flows of raw materials and final products, as the conditions for defining the mean-term measures for the sector development;
- Ensuring the mechanisms for credits under favourable conditions;
- Encouraging the programmes of the conversion of lower-value forest products that are project-oriented to the domestic raw-material base;
- Creating the conditions for the beginning of the Forest Certification process for wood products.

4.7. Education and Training

Permanent learning and application of new knowledge and new technologies at all levels are the main prerequisites of the sector development. Education system should be in line with the needs of the profession both in quality and quantity. The deficiencies of forestry education which are observed in practice are the insufficient practical knowledge earned during the education and insufficient knowledge of many fields of interest for the stable sectoral development. Additional difficulties in practice are caused by the insufficient competence in foreign languages and informatics technologies. Also, many international agreements and commitments taken by Serbia require the education of modern professionals that will be able to follow the trends at the global level. Because of the undefined development policy, a significant problem is the hyper-production of university educated persons without prospects for employment.

The actual state of forest resources, the planned activities in the sectoral development and the diversity of demands and expectations of the society regarding the forests, impose the need for the institutionalisation of the continued and intensive training of forest professionals in practice, by defining and implementing the programmes for the modernisation of practical and theoretical knowledge.

The state of private forests, the issues of private forest owners reflected in insufficient information and unawareness of the available forest resource potentials and the method of management which enables the maximal utilisation of the potentials under the principle of sustainability, require a special approach to permanent and qualified education and information of private forest owners.

The poor co-ordination in the co-operation among the institutions within the sector, and especially the inter-sectoral co-operation in the field of education, impose the institutionalisation of these activities in the aim of getting the precise data on the employment quotas at all levels in the forest sector, and the contents of education programmes consistent with the trends.

The objective is the education of the competent professional staff for the forest sector.

To attain this objective, the following measures are planned:

- Development of forestry education strategy as the base of a modern education system consistent with the needs of forestry development in the changed socio-economic, scientific and technological conditions;
- Establishment of the consultant body for forestry education and training, which will, based on the Strategy, define the needs for professional staff, the adequate institutional adjustment and the contents of the curricula;
- innovation and the development of forestry education programmes for the number and qualifications of the forestry professionals required for unobstructed functioning and sustainable development of forestry;
- Establishment of the system of education of private forest owners by organising and developing specific training programmes, as the prerequisite of the improvement of private forests;
- Education and innovation of knowledge through permanent training of the employed in the State organs and public services of the forest sector.

4.8. Research

The qualified research staff in forestry is the pillar of forestry development in all segments. The main problems of forestry research are the insufficient research capacities in the existing research institutions, lack of co-ordination in identifying the needs for resolving the acute issues in practice, which often lead to overlapping research and irrational use of the modest human and material resources. The above deficiencies in research, and also the numerous problems of the forestry profession, require in addition to the multidisciplinary approach, also an imperative change of the orientation from the predominantly fundamental research to the user-friendly applied research, intended to both large systems and private forest owners, as well as to small and medium enterprises.

The objective is the fostering of applied multidisciplinary research, development of forestry technologies and capacity building in research institutions.

To attain this objective, the following measures are planned:

- Establishment of the consultancy - co-ordination body for the research consisting of the representatives of the forest sector, with the task to strengthen the relations between the State, education and research institutions, private sector, NGOs and final users, and to formulate the national plan and strategy of research in forestry;
- Institutional strengthening and building of the existing research capacity in forestry, wood industry and nature protection;
- Implementation of the national plan and strategy of forestry research with the participation and material support by the Government and final users;
- Establishment of the control system of realization and implementation of the research results;
- Support to the applied, target oriented and interdisciplinary research both for the forest sector, and for private forest owners, small and medium enterprises and local communities;
- Strengthening and co-ordination of international co-operation in research and capacity building in forestry and wood industry;

- Support to the participation of our researchers in the international project teams of the foreign research and education institutions;

4.9. Information, Public Relations and Awareness Rising

The absence of adequate inter-sectoral, and also cross-sectoral co-operation, leads to the slowing down of the realisation of the strategy development tasks, and to intensified conflicts between different stakeholders. The creation of preconditions for general public information on the state of forest resources, as well as on the measures and activities on the sectoral improvement, are not only the global trends, but also the imperatives for the sector which is determined to have a more important role in the overall development of Serbia.

Also, basic education and mass media do not supply sufficient information on the forest and forestry significance for the public welfare and the overall development of Serbia, so this deficiency is reflected in the undeveloped public ecological awareness, often expressed by different negative attitudes, especially regarding the activities in forestry.

The objective is the established and maintained mechanisms for efficient collection, storage, analysis and exchange of information within the forest sector and among other sectors, and awareness raising of the general public on the importance of forests and forestry for the society in general, with the active participation of all stakeholders.

To attain this objective, the following measures are planned:

- Institutional and material preconditions for the establishment of the information exchange system and efficient cross-sectoral and inter-sectoral communication in the country and at the international level, and, in this respect, the constitution of Forest Council;
- Information on the status of resources, measures and activities implemented in forest improvement, protection and utilisation, and especially in the implementation of the future National Forest Programme should be available to all stakeholders and to the public;
- Support in the development of nongovernmental organisations, as the partners of the State, in informing the public on the implementation of the forest policy goals and enhancement of the forest state, as well as in raising the ecological awareness;
- The Strategy of the forest sector public relations will enable:
 - Publishing and informing the general public of the forest policy goals,
 - Dissemination of the general information and awareness raising on the forest significance, necessity of forest conservation and environmental protection,
 - Presentation to the public of the forest management results,
 - Presentation of other technical information, publications and research results which will improve the management and the utilisation of other renewable natural resources in forests and protected areas,
 - Capacity building in the responsible Ministry and professional associations regarding public information on the work in the forest sector,
- Develop and initiate the process of the general public education (starting from the elementary education) aiming at the awareness raising on the significance of forests and forestry for human welfare and the general development of Serbia.

4.10. International and Regional Co-operation

Exchange of knowledge, experience and technology is an essential factor of the sectoral development. It can be realised only by active international co-operation. The significance of forests for mankind survival has been especially emphasised in the last 15 years, after the Summit on environmental development, held in Rio de Janeiro in 1992. The activities of forest enhancement and protection take place at the global level and at the regional levels. The United Nations Forum on Forests (UNFF) and the Ministerial Conference on Forest Protection in Europe (MCPFE) have the greatest significance for the development of forestry. The result of multiannual UN sanctions to Serbia during the period of the most significant events in the field of forestry is the delayed implementation of the above processes, especially the formulation of strategic documents and their implementation.

The objective is to establish and strengthen the international co-operation at the global and regional levels in all aspects of forestry and related fields, based on equality and national interests.

To attain this objective, the following measures are planned:

- Institutional, organisational, normative, material and personnel preconditions for the promotion of international co-operation;
- The conditions for the implementation of the ratified international resolutions, conventions and treaties in the field of forestry and nature conservation;
- Regular attending the international conferences aiming at the active participation in the processes and the preparation of significant documents for the development of the forest sector;
- Promotion of regional co-operation in forestry aiming at the sustainable utilisation, management and conservation of forest ecosystems.

V. Support to the Implementation of the Strategy

The key elements of the support to the Strategy implementation are:

- 5.1. Sectoral planning
- 5.2. Investments in the sector
- 5.3. Sectoral and cross-sectoral co-ordination
- 5.4. Institutional reform
- 5.5. Forest legislation
- 5.6. International and regional co-operation
- 5.7. Follow-up and evaluation of the sector

5.1. Sectoral Planning

The National Forest Programme (NFP) as a document provides a strategic framework for the development of the forest sector and it will be updated regularly in line with the social-economic changes. This will be supported by the process of regular reporting on the state in the forest sector in Serbia.

The National Forest Programme is the Action Plan which contains the clearly defined objectives and terms, as well as the carriers of the responsibility for their execution during the process of the Strategy realisation.

The system of planning in forestry shall be developed at two levels:

- The level of general forest-development planning, i.e. planning of forest functions within larger regions, irrespective of forest ownership shall be the responsibility of the Government,
- The level of special planning of forest management at the level of management units is the responsibility of forest owners, i.e. forest users.

5.2. Investments in the Sector

The implementation of the Strategy requires significant financial and human resources. The Government will create the conditions for the continuous and stable investments in forest sector through the process of realisation of the National Forest Programme.

The planned investments require the co-ordination between the following participants:

5.2.1. Private sector

Creating the favourable climate for investments in the private sector, which includes the financial facilities, removal of market barriers, initiation of amendments to forestry regulations, finding of the optimal form for financing forest protection and enhancement, as well as the development of the more transparent and reliable governance and regulation system will enable the development of the market-oriented forestry.

5.2.2. State sector

The scale and the structure of investment in the state sector will depend on the economic value of forest resources which is founded also on the analysis of different effects of costs and benefits in forest protection and enhancement, forestry development and environmental protection. There are several methods by which the Government can improve the capacity of creating the income:

- By re-directing a part of the water contribution that forestry sets aside for drainage into the programmes and projects of protecting the forest function,
- By introducing a new contribution for the conservation and enhancement of the regulatory function of forest ecosystems in the mitigating of the global climate changes, and other multiple-benefit forest functions, first of all generation of oxygen, absorption of air pollution gases and heavy metals, conservation of water resources, soil protection against erosion, health and recreation functions of forest ecosystems,
- By revising the actual normative solutions and ensuring a considerably higher efficiency of the existing financials earmarked for the forest protection and development,
- By introducing long-term credits with low interest for the establishment of new forests and the enhancement of the actual forests (Kyoto Protocol).

The accumulation of financial means will enable:

- achievement of the final goals of the Strategy and the development programmes,
- generation of favourable conditions for the use of the support by EU programmes and other programmes at the national level,
- implementation of long-term research programmes, and

- development and implementation of the new technologies in the forestry production process.

5.2.3. Development Partners

The support of the development partners will be necessary for the development of the forest sector till the establishment of the system of sustainable financing from the national sources. The Government will co-ordinate with the donors and development agencies the mechanisms of financial support to the National Forestry Programme.

5.2.4. International Financial Assistance

Other sources of financing the sectoral development will also be activated, including the credits for carbon sequestration and international funds for the support to biodiversity conservation.

5.3. Sectoral and Cross-Sectoral Co-ordination

The Forum for sectoral planning and co-ordination, i.e. the Forest Council will be formed within the forest sector. The Council will include the representatives of the Government and the Ministry responsible for forests, other state organs which can affect the development of forests and forestry, the representatives of local authorities, private sector and other major stakeholders. The Forest Council is an informative, consulting and co-ordination body whose priority task is the co-ordination of interests of all stakeholders in the forest sector in harmony with the rural and regional development, environmental protection, and international conventions, treaties, directives and processes.

The Forest Council will make it possible for the public, foreign partners and all stakeholders to contribute to the debates on the development of the forest sector, by which they will upgrade the sectoral and cross-sectoral co-ordination

5.4. Institutional Reform

The institutions of the forest sector will be strengthened so as to implement the Strategy. This will be based on:

- re-defining of the roles and responsibilities in the forest sector at the central, regional and local levels, and the re-defining of the relationship between the institutions in the forest sector,
- defining the role of the forest sector in the total rural development,
- transparency in the process of sector development.

The reform of the forest sector and the restructuring of its functions imply the redefinition of the roles and responsibilities of the participants in the forest sector and the improved co-ordination within the sector. This Strategy is the starting point for functional analysis of the institutions in forest governance and management.

The functional approach to forest governance is realised through the following four functions:

- Executive (participation in the formulation of the professional background in the procedure of the preparation of the proposals of Forestry Strategy and National Forest Programme, legal acts in this field, the adoption and execution of plan documents, with the participation and information of all stakeholders and the public);

- Supervisory (implementation of inspection control of the application of regulations);
- Support (implementation of advisory and the financial support by the State and its institutions, to ensure the forest functions and the development of the private sector);
- Ownership (governance and sustainable management of forests in a way that increases their value and enables the realisation of the income).

In conformity with the Strategy, the regulatory and supervisory functions and the function of support will be executed by the Ministry organ responsible for forestry, whereas the ownership function will be implemented through the activities of legal and physical persons, according to the following basic principles:

- The executive, supervisory and support functions are institutionally separated from forest management (ownership function),
- The preparation of the sectoral strategy is separated from the process of its implementation,
- The supervision is realised through the inspection affairs in the aim of sustainable forest management,
- The functional organisation of the supervisory institution is in line with the administrative division of the Republic, to facilitate the comparison of information and the regional co-operation.

5.4.1. Directorate of Forests

Directorate of Forest is the governing body within the Ministry, formed for the executive functions and the related inspection and professional affairs. In addition to the mentioned functions, Directorate of Forest represents the forest sector of Serbia in the international organisations and processes and it co-ordinates the international co-operation within the sector.

5.4.2. Enterprises for Forest Management

The Government of Serbia will, to accomplish the ownership function in the management of the state forests, find the optimal institutional and organisation solution, based on the following principles contained in this document:

- the management of state forests to generate revenues should be carried out by the business-oriented entities (enterprises), in conformity with the provisions of the law on state forest management and other corresponding regulations,
- enterprises for state forest management pay the compensation for the use of the resources, and the funds shall be exclusively used for forest protection and advancement,
- forest management, to achieve all other forest functions, must be adequately valorised,
- entrepreneurship in forestry is regulated in the same way for both types of forest ownership,
- the State, as the owner, generates the revenue from the sustainable forest management,
- the prices of forest products are formed by market principles,
- forestry must be competent at the international market.

The Government is committed to assist the restructuring of the actual State Enterprises for Forest Management, in the aim of the realisation of the ownership function and the goals of the Strategy.

5.4.3. Local Government

The activities will be directed to explaining the role of the local government in the realisation of the forest strategy objectives and human capacity building at the local level. This includes:

- investment in forest conservation, enhancement and protection at the local level,
- incorporation of forest management plans in the local development plans,
- free access and exchange of information with the local self-government,
- participation in the process of the designation and management of the protected areas.

5.4.4. Private Sector

The Government will assist significantly the participation of the private sector in forestry development, especially in the establishment of new forests and intensive plantations, by:

- better technical and consulting support,
- financial stimulation and economic relief,
- more transparent and simpler governance procedures,
- further education and training.

In addition, the regulations on the implementation of the activities in private forests will be advanced in the aim of sustainable management, environmental protection and implementation of the best practice of forest management for the society, taking into account the rights and the demands of private forest owners.

5.4.5. Non-governmental Organisations

The active role of non-governmental organisations in the promotion of sustainable development of the forest sector is reflected in the following:

- raise the awareness of the local population for sustainable forest utilisation and conservation,
- strengthen the democratic society,
- support the active participation in forest management at all levels,
- support the extension services,
- ensure the incorporation of the issues at the local level in the development processes at the national level,
- free access to information, active exchange and publication of information.

5.5. Forest Legislation

The new Forest Law will provide the legal framework for the implementation of the Strategy and the National Forestry Programme. This will replace the actual Forest Law (1991). The Government will also undertake activities on the harmonisation of the Law on Environmental Protection (2004), Law on Hunting (1993), Law on Waters (1991), Law on Agricultural Land (1992), Law on Inheritance (1995), Law on Public Enterprises and activities of common interest (2003), Law on Local Self-government (2003) and other laws and normative deeds which address the forest sector directly or indirectly.

The key issues of the new legislative framework shall include:

- sustainable forest management;
- mechanisms for the participation of all stakeholders in forestry development,
- definition of the roles and responsibilities of the forest sector institutions and stakeholders and the establishment of definite relationships between the State and the enterprises for state forest management,
- definition of the real and functional financing system in forestry,

- definition of the optimal model of the organisation of the public forest service for private forests,
- harmonisation with the ratified international conventions and protocols in forestry, i.e. *EU Acquis Communautaire*.

5.6. International and Regional Co-Operation

The Republic of Serbia, as the signatory to a number of international agreements which affect the forest sector, will meet its commitments to these agreements by their implementation in the national legislation. The Government shall be actively engaged in their execution. Serbia, as the internationally recognised factor, will also take an active part in the processes of development of future international agreements, taking into account the protection of its national interests.

The ratified international agreements significant for the forest sector are:

- Agenda 21
- UN Framework Convention on Climate Change (UNFCCC)
- Convention on Biodiversity (CBD)
- Resolutions of the Ministerial Conference on the Protection of Forests in Europe (MCPFE)
- Convention on Long-range Transboundary Air Pollution
- Convention on Wetlands (Ramsar Convention)
- Convention on International Trade in Endangered Species (CITES)
- Protection of the World Cultural and Natural Heritage.

5.7. Follow-Up and Evaluation of the Sector

The Government will assess the effect of institutional reforms and development strategies as a part of the National Forestry Programme. The effect will be measured by the following indicators of success:

- maintenance of vital environmental forest services and biodiversity conservation,
- sustainable use of resources,
- economic growth in the field of business related to forests and forestry,
- higher standard of rural and urban population depending on forests,
- observable implementation of the taken international commitments.
- organised and developed private forestry (established associations of private forest owners capable of active participation in decision-making on the sector development),
- modernisation of the sector of state forests.

All the programmes of investment in the forest sector will include the plans of monitoring and evaluation of the success and develop special indicators pointing to the advancement and the influence of the sector. The results of sectoral monitoring and evaluation of success will be regularly published (every second year) in the form of a Report on the State of the Forest Sector.