

## Institutional Profile of the Ministry of Agriculture, Forestry and Water Management (Forestry Sector), Montenegro

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### 1. Basic information

Country:	Montenegro
Official name or designation of the institution:	Ministry of Agriculture, Forestry and Water Management, Forestry Sector
Website address of the institution:	<a href="http://www.minpolj.vlada.cg.yu/">http://www.minpolj.vlada.cg.yu/</a>
Further information/documentation is available from:	Dr. Milosav Andjelic, Deputy Minister for Forestry Cetinjski put bb, PC"Vektra", 81000 Podgorica Tel: +382-020/482-275, Fax: +382-020/234-306 E-mail: <a href="mailto:andjelicm@mn.yu">andjelicm@mn.yu</a>
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### 2. Background and Objectives of the Institution

In accordance with the Constitution of Montenegro, the Parliament establishes the conceptual organisation of the state administration, whereas the government institutes its organization and principles of work. The Government of Montenegro passed a *Decree on the Organization of and Work Procedures for Public Administration* in July 2004 (Official Gazette of the RoM, no. 54/04, 78/04, 06/05,06/06/32/06, 56/06, 60/06, 72/06, 06/07, 25/07, 32/07, 35/07, 06/07, 16/07), grounding its decision on article 94 (6) of the Constitution and article 24 of the Law on State Administration (Official Gazette of the RoM, no. 38/03).

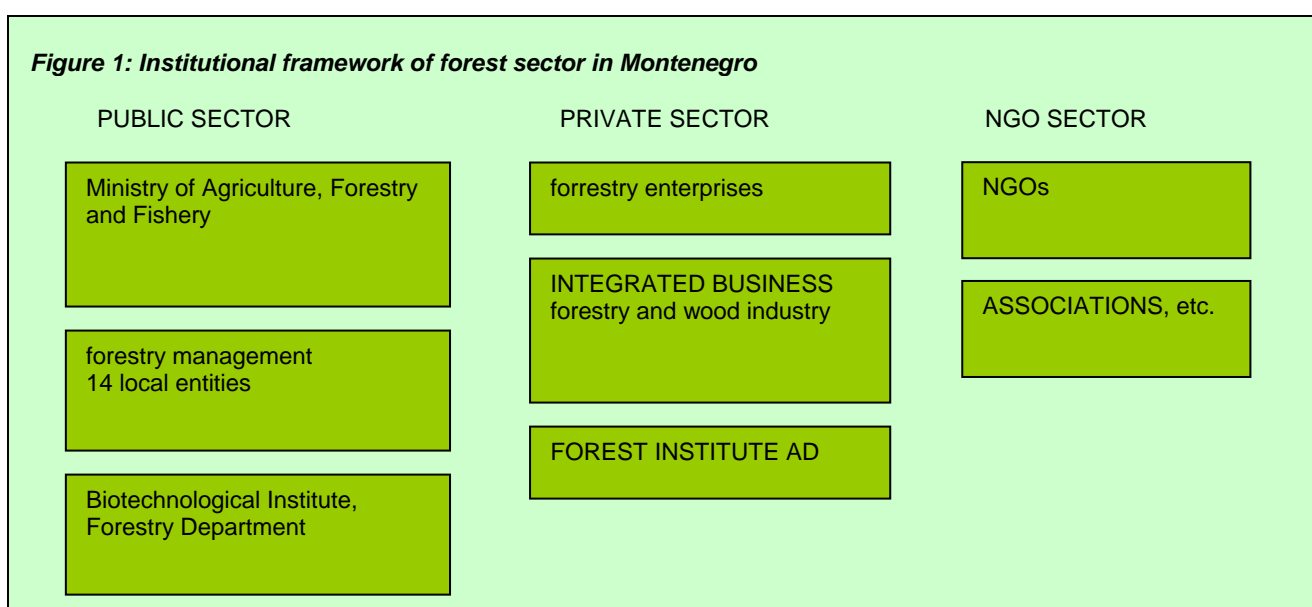
The most recent government of Montenegro was constituted on 10 November 2006, after which the Decree on the Organization of and Work Procedures for Public Administration was amended, as well as the Decision on Amendments of Rules of Procedures of Work of Government (OG RoM, No. 71/06) and the new Rule Book on the internal organization and systematization of ministries and other state authorities were passed. Among other Ministries, the Ministry of Agriculture, Forestry and Water Management (MAFWM) was established.

The *Ministry of Agriculture, Forestry and Water Management* focuses on: current and developmental agriculture policy; protection, usage and development of agriculture land; plant production; cattle breeding; rural development, crediting current production and development of the agroindustry; management, administration, protection and development of forests; economically viable use of forests, forest land and forest products; management, protection and improvement of wild fauna; management of hunting areas; plant protection from diseases; water management; water usage and water supply regimes; protection of water from pollution; usage of water resources; water management information system; and international cooperation. The Division for Forests within the MAFWM is responsible for forest policy.

One of the complex issues concerning the responsibilities of the MAFWM is the fact that its responsibilities overlap with those of the Ministry of Tourism and Environment in the areas of control of fishing and hunting, capture and trade in wild species, and protection of areas in which these activities are allowed.

The forestry sector in Montenegro is administered by the following institutions (see also Figure 1):

- the MAFWM
- The *Forest Administration* is the state administrative organ that manages the forests in the name of the state. In accordance with the law, it manages state-owned forests and conducts all management tasks in private forests (planning, marking, protection, etc). Its headquarters are in Pljevlja and it has forest administration centres in every township community (central office and 14 regional units). The Administration's main areas of responsibility are to manage and protect silviculture, as well as to award concessions on forest utilization.
- *The Biotechnical Institute* has a Forestry Department in its organizational structure, as a scientific research unit.



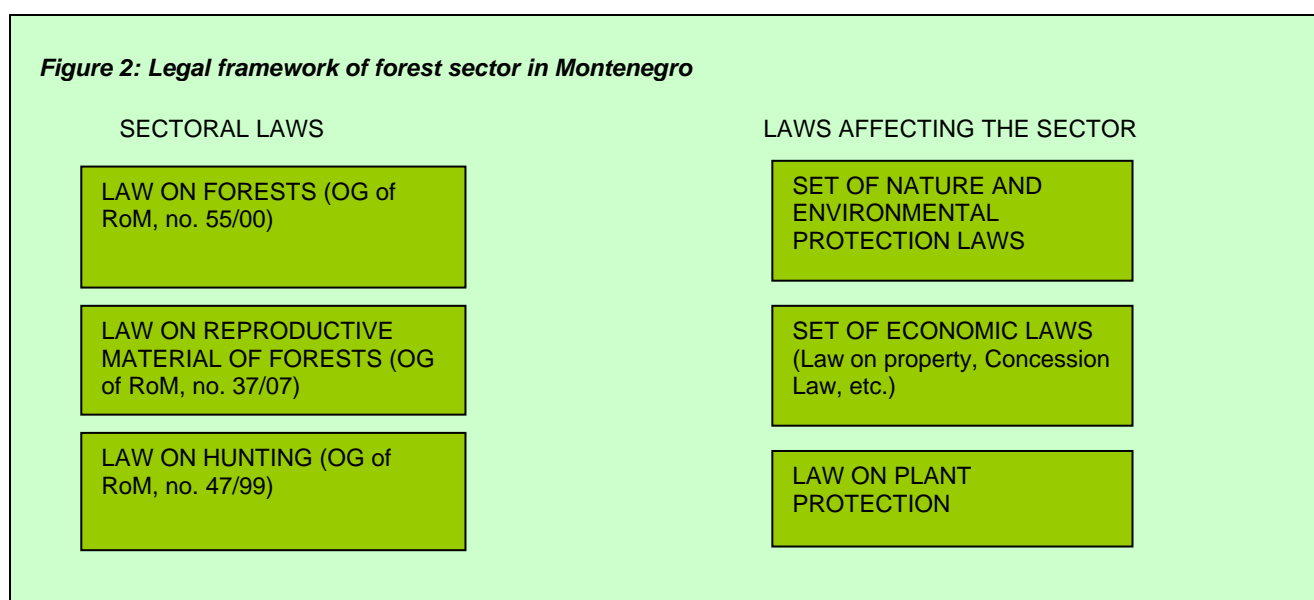
### *Legal Framework*

Forestry policy (see Figure 2), in light of Montenegro's EU integration process, is undergoing a phase of adaptation to European norms and standards into local legislation. The Constitution of the Republic of Montenegro has described the development of Montenegro an environmentally sustainable, which means forest resources management should be governed by the principles of sustainability and the adherence to strict criteria of nature and environmental conservation.

Furthermore, according to binding international documents, Montenegro has committed itself to Conventions and Agreements, as well as has committed to European integration and all associated directives, recommendations, guidelines and criteria from Ministerial Conferences on the protection of forests in Europe), such as:

- Agenda 21 (1992);
- UN Framework Convention on Climate Change (UNFCCC) (1992);
- Convention on biological diversity (2001);
- Convention on long-range transboundary air pollution (1979);
- Ramsar Convention on wetlands of international importance (1977);

- Convention on international trade in endangered species (CITES) (2001);
- Convention concerning the protection of the world cultural and natural heritage (1972);
- Resolution of the Ministerial Conference on the Protection of Forests in Europe (2003);
- Council Directive EEC/43/92 on the conservation of natural habitats and of wild fauna and flora (1992);
- Council Directive EEC/409/79 on the conservation of wild birds (1979);
- Council Directive EEC/105/1999 on the marketing of forest reproductive material (1999);
- Council Regulation EEC/92/2158 on the protection of the Community's forests against forest fire (1992);
- Council Regulation EEC/86/3528 on the protection of the Community's forests against atmospheric pollution (1986);
- Council Regulation EEC/89/1615 on establishment of a European Forestry Information and Communication System (EFICS) (1989);
- Council Directive 89/68 on a framework law of the member states on the classification of forest raw materials (1968);
- Commission Regulation 1232/98 on the statistical classification of products by activity in the EEC (1998).



### 3. Management and Administration

Thy Ministry's duties and responsibilities are carried out through three divisions: agriculture, forestry, and water management. The state budget (current budget and capital budget, which presents revenue and expenditure categories by their sources), which is governed by the Ministry of Finance, is the main financial instrument for ministerial operations. For each fiscal year, the state budget is formulated and adopted under the Budget Law (*for budget planning and budget law, see the Ministry of Finance profile also available on <http://www.eco-finance.org/montenegro.html>*), which regulates public finance management, including the Ministry of Agriculture, Forestry and Water Management.

The following discussion covers the Forestry Division, which is of primary interest for this profile.

*The Forestry Division* in the Ministry is divided into three departments: strategic planning, planning and monitoring, and inspection.

#### 1. Administration tasks

The Administration Section performs the following functions:

Analyse the development of the forestry sector in Montenegro; Recommend economic policy measures in the area of forestry; Monitor the status, revenue generation capacity, and business results of firms operating in the sector; Foster activities that support and contribute to the development and realization of forest products production objectives; Managing silviculture and forest roads; Monitor and foster production activities in forested area outside of forested land; Monitor seed and plant production and recommend measures for its development/improvement; Analyze and suggest protection measures for forests against diseases; Prepare documentation for adopted forest management plans and other planning documents; Monitor activities in forest business restructuring; Monitor and develop measures for the organization of hunting and hunting tourism and other hunting planning documents; Conduct activities to protect and manage wild fauna; Draft and recommend laws for the sector.

## 2. Inspection tasks

The Inspection Section performs the inspection and supervision of law enforcement and other acts in the area of forestry, hunting and plant protection in forestry.

The Inspection Section has seven organizational units:

- Organizational unit Nikšić for the municipalities of: Nikšić, Šavnik and Plužine;
- Organizational unit Podgorica for the municipalities of: Podgorica, Danilovgrad, Cetinje, Kotor, Bar, Ulcinj, Budva, Tivat and Herceg Novi;
- Organizational unit Bijelo Polje for the municipalities of: Bijelo Polje and Mojkovac;
- Organizational unit Berane for the municipalities of: Berane, Andrijevića and Plav;
- Organizational unit Pljevlja for the municipalities of: Pljevlja and Žabljak;
- Organizational unit Kolašin for the municipality of: Kolašin;
- Organizational unit Rožaje for the municipality of: Rožaje.

## 4. Spending Strategies and Expenditures

The political and economic instability due to frequent changes in the government have left the forestry sector in Montenegro without a National Forestry Programme until 2008. Even without an integrated Programme harmonized with EU and international standards, the government of Montenegro, through several strategic documents and laws such as the Agenda for Economic Reform (2002-2007), the Law on Forests (2000) and the most recent National Strategy for Sustainable Development of Montenegro (April, 2007) have constituted steps toward systematization and development of the Montenegrin forestry sector. For example, the Law on Forests (2000) covers elements of the current Forestry Programme. On the other hand, the aforementioned acts and plans do not have policy statements for the forestry sector. Among other obligations, the willingness to be an integral part of the EU and be competitive on the international market, and the non-existence of a policy statement and integral approach to forestry issues have brought about a need to develop a forestry policy and to harmonise forestry legislation according to EU directives.

In light of the foregoing, the situation in the Montenegrin Forestry Sector in recent years has been shaped by the work of the Ministry of Agriculture, Forestry and Water Management and the Forestry Directorate. The work of these institutions has been based on state budget allocations, as each year's Forestry Directorate budget is a pool of resources that is being used for the forestry sector through the Forestry Programme. Tables 1 and 2 below show the state budget allocations for the forestry sector from 2003 to 2008 and the Forestry Directorate revenues from 2004 to 2007, respectively.

Year	2003	2004	2005	2006	2007	2008
amount	355 000	267 800	246 000	230 000	200 000	200 000

Year	Institution	Revenue by activities	Total	
2007	Forestry Directorate	Concession fees	2 913 157 95% of planned	5 513 990
		Special fees	1 580 695 29% more than planned	
		Private forest land owners	589 371 93% of planned	
		Fees for heating supply from state forest lands	307 076 73% of planned	
		Fees for harvesting non-protected plant species	44 842 75% of planned	
		Other revenues	78 849	
2006	Forestry Directorate	Concession fees	4 472 038 132% more than planned	5 261 572
		Special fees	1 583 705 90 % of planned	
		Private forest land owners	696 206 110% of planned	
		Fees for heating supply from state forest lands	466 533 122% of planned	
		Fees for harvesting non-protected plant species	42 482 43% of planned;	
		Other revenues	n/a	
2005	Forestry Directorate	Concession fees	4 925 007 107% of planned	6 163 963
		Special fees	n/a	
		Private forest land owners	650 054 103% of planned	
		Fees for heating supply from state forest lands	475.168,90 125% of planned	
		Fees for harvesting non-protected plant species	34 599 135% of planned	
		Other revenues	79 134	
2004	Forestry Directorate	Concession fees	3 722 251 74% of planned	5 433 465
		Special fees	n/a	
		Private forest land owners	565 487 94% of planned	
		Fees for heating supply from state forest lands	390 146 111% of planned	
		Fees for harvesting non-protected plant species	42.0369 42% of planned	
		Other revenues	73 248	

The resources allocated for forestry have been used, among others, for:

- Improvement or development of forest roads;
- Afforestation;
- Purchase of seedlings;
- Hunting prizes; and
- Purchase of heavy equipment.

Apart from economic programmes for the development of the national economy, just a few strategic documents that set out the framework for forestry sector exist or are in the final phase of approval. These are:

- National Sustainable Development Strategy (NSSD)
- Montenegro National Forestry Programme (MNFP) - to be adopted in April 2008

#### *The National Sustainable Development Strategy NSSD*

As the highest ranking strategic document that sets objectives and priorities for directing the future development in all areas, the government passed the NSSD in April 2007.

The Strategy reviews the situation in and sets priorities for all sectors, including the forestry sector. Specifically for forests, the Strategy states the following:

*"In order to resolve the existing problems and overcome challenges, it is necessary to upgrade the regulations, planning system, management instruments and system of monitoring and control, as well as focus on the promotion of multiple forest functions and fair distribution of benefits generated by forest ecosystems."*

The Action Plan contained in the Strategy anticipates the following tasks and measures:

<b>Table 3: Action Plan for the Forestry Sector in the NSSD</b>				
Priority tasks	Measures	Deadlines	Organizers	Indicators
Ensure sustainable forest management and obtain FSC certificates	Development of Montenegro National Forest Policy (NFP)	2007	MAFWM	NFP adopted
	Development of new Law on Forests, Hunting Law and bylaws	2007	MAFWM	New law and bylaws passed
	Improve system of monitoring and control of planning and management in forestry and hunting, with adequate foundation in legal acts and bylaws	2007 - 08	MAFWM	Regulations that define competencies in the system of monitoring and control passed; improved system implemented
	Development of institutional capacities for implementation of improved forest inventory methodology	2007 - 08	MAFWM Forest Administration	Training (number of trained people)

#### *The Montenegro National Forestry Programme (MNFP)*

According to Resolution 1 of the Ministerial Conference on the Protection of Forests in Europe (2003), a National Forestry Programme should represent a participatory, cross-sectoral and continuous process of policy planning and monitoring on the national or sub-national level in order to improve the sustainable management of forests as defined in the Helsinki Resolution H1 and with the overall aim to contribute to sustainable development. Montenegro is a signatory of both Conventions and in striving to implement the sustainable development principle, initiated in 2006 the development of the national forest and forest land management policy (National Forestry Programme) with the help of SNV (Dutch development organisation)

and since 2007 with the support of the Lux-Development-FODEMO projects I and II. Forest and forest land management policy sets out five general objectives as a contribution to the accomplishment of objectives and priorities of the NSSD, which are:

1. Ensure and enhance the long-term resilience and productivity of the forest and other ecosystems, as well as maintain plant and animal species.
2. Manage forests to generate sustainable fulfilment of social, economic and ecological forest functions.
3. Contribute to the sustainable social and economic development of rural areas through forest management.
4. Develop strategy to support the wood industry to ensure its long term development and competitiveness.
5. Work for the long-term development of the forestry profession and forestry workers.

In addition to these general objectives, the MNFP outlines several principles and definitions to help in the understanding of and approach to forestry issues defined and formulated in the Programme.

<b>Table 4 Montenegro National Forestry Programme: principles and definitions</b>	
<i>Principles</i>	<i>Definitions</i>
Sustainability (ecological, social, economic)	Sustainability
Ecosystem Approach to Forest Management	Administration
Synergy between Forest Functions	Management
Value of Resources	Collaborative Forest Management
Cooperation of all Stakeholders	Forest Administrative Plan
Economics	Forest Management Plan
Monitoring and Evaluation of Results	Forest Management and/or Utilisation Contract
	Concession
	Forest Utilization and Protection
	State Forest
	Forest Sector

Following *principles and definitions*, the MNFP outlines 35 *policy statements*, each dealing with a specific forestry issue (a dozen are presented below):

1. Forests are multipurpose and managed in line with multiple purposes
2. Maintain the current size of forests and forest land
3. Forests have a significant role in fighting and adjusting to climate change
4. Improve structure and standing volume in forests
5. Silviculture and protection of forests in the coastal region
6. Integrate national and international environmental protection objectives into forest management
7. Improve life conditions for animals in forest ecosystems and increase the number of hunting game and protected species
8. Forests as the basis for social and economic development
9. Forests are part of the national heritage
10. Forests have a significant role in rural development
11. Private forests provide environmental services to the public, and the government offers expert services and other incentives for their management
12. Take into account the results of the restitution process in managing forest resources and provide a clear definition of ownership for the future

The drafting process of the MNFP is characterized by the participation of all relevant stakeholders. Prior to the preparation of the final MNFP, 7 thematic working groups and the public participated in 2 roundtables and 3 public hearings around the country. The public participation requirements, reporting and evaluation

activities were defined by relevant governmental acts and regulations (i.e., the need for public hearings prior to the finalization of a law or strategic document, such as the Law on Forests, Law on Concessions, etc.).

## 5. Major Achievements

Major achievements in the forestry sector in the past few years include:

- signing international treaties and conventions affecting the organization of national forestry sector (Vienna and Helsinki Resolutions/Conventions, UNFCCC Convention, CITES Convention, BERN Convention, various Council Directives, etc);
- developing the MNFP and forest certification and standardization (FCC);
- efforts to regulate the concession system (preparation of technical conditions and criteria for possible state partners in managing state forest land (2008);
- Laws on Forestry and Hunting are in the process of harmonization with EU standards as well as Directives/Conventions/international obligations;

## 6. Challenges and Future Prospects

Challenges and future prospects include:

- Annual budgeting of the Ministry and the Forest Directorate according to MNFP programme;
- Building capacities of the Ministry and Forest Directorate on sustainable management of forests;
- Formulation of the long-term financial plan for specific components of the MNFP;
- Structuring and developing of a Forest Fund in a manner that supports the development of Associations, research, education, forest rehabilitation, road construction and private enterprise development in the forest sector;
- Valorising non-market forest functions;
- Involving private forest owners in the integrated management of all forest in the country;
- Raising awareness and knowledge on the protection of forests and their significance in improving the quality of economic and social aspect of life;
- Establishing an information system to support sustainable management of forest resources;
- Defining scientific research priorities and allocating funds toward it.

## Annex: Abbreviations used in this profile

CITES	Convention on international trade in endangered species
EU	European Union
EUR	Euro (currency)
MAFWM	Ministry of Agriculture, Forestry and Water Management
MNFP	Montenegro National Forestry Programme
NFP	National Forest Policy
NSSD	National Sustainable Development Strategy
RoM	Republic of Montenegro
UNFCCC	UN Framework Convention on Climate Change