



LOOKING AT RISK IN UKRAINE

Identification of risks and mitigation options

The team



Ihor Soloviy



Ihor is Preferred by Nature Local Expert from Ukraine and Professor at the Ukrainian National Forestry University. He worked as a consultant on forest policy and governance for IUCN, WB, WWF, USAID and other international organizations- Ihor has experience in FSC COC/FM and timber legality audits and facilitating on-site visits.

Bogdan Buliga

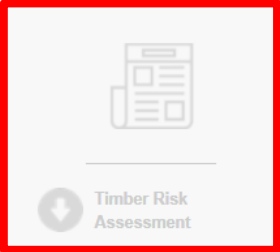


“Bogdan is a Sourcing specialist, based in Romania. Graduated from the Faculty of Forestry and participated in the Erasmus programme with the field of interest Social and environmental responsibility. Has started a PhD programme in environmental science – forest policy. Bogdan passed FSC COC and FM course and is working to help organizations to meet EUTR requirements, with the focus on a number of sourcing countries, including Ukraine.

Ukraine – Sourcing Hub Page



Toolbox



Timber Risk Assessment is under development for Ukraine.

The objective of this assessment is to provide an overview of timber-legality risks in Ukraine, as well as to propose mitigation actions and verifiers where applicable.

The report will be in public consultation for 60 days from publication of the draft. We encourage you to read the document and submit your feedback.

NEPCo has not conducted a Timber Legality Risk Assessment for Ukraine. The information on this page [Assessment for Ukraine](#), that came into effect on 16 June 2018, and other publicly available sources of information on the Assessment can be downloaded in the [FSC Document Centre](#). ONLY Risk Assessments that have been approved by FSC can be used by an FSC candidate or certified companies in risk assessments and will meet the FSC

Ukraine has a forest cover of approximately 15 per cent, half of which are plantations ([Chatham House](#), 2015), with a rate of 0.2% per year between 1990 and 2015 ([FAO, 2015](#)). Western Ukraine contains some of the largest forests in Europe, home to some of the last viable populations of brown bear, Eurasian wolf, lynx and European bison. Wood is one of Ukraine's largest export industries, bringing in \$1.7 billion in foreign exchange, employing almost 4 per cent of GDP ([EarthSight, 2018](#)). Ukraine has a single state forestry administration responsible for 7.6 mln. ha (73% of all the forests of Ukraine) ([FSC, 2018](#)).

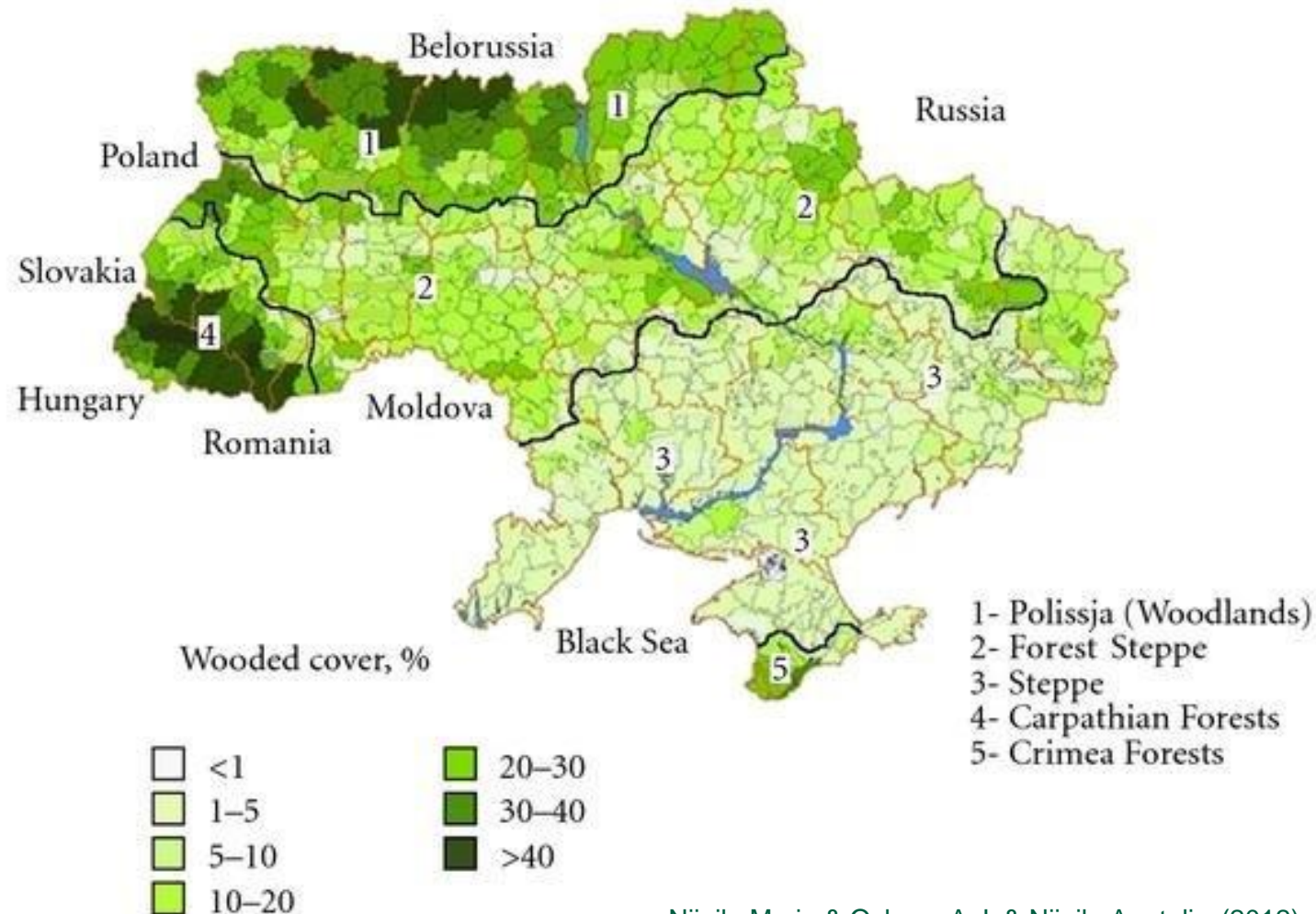
Illegal logging is a considerable problem in Ukraine (Regional Environmental Center, 2010) due to illegal logging and related corruption ([EarthSight, 2018](#)). Ukraine is also a complex country because of the prevalence of conflicts between laws ([FSC, 2018](#)). The low efficacy of some legislation is not caused by the activity of illegal logging but by multiple interpretations of the same laws ([FSC, 2018](#)).

Sources of information for this presentation



- Preferred by Nature draft risk assessment findings to date and internal guidance
- FSC National Risk Assessment for Ukraine Controlled Wood Risk Assessment V(1-1):
<https://fsc.org/en/document-centre/documents/resource/340>
- Ukraine Country Overview to Aid Implementation of the EUTR. -
https://ec.europa.eu/environment/forests/pdf/Country_overview_Ukraine_08_10_2019.pdf
- Ukraine. Legality Profile. - <https://www.timbertradeportal.com/countries/ukraine/#legality-profile>
- FSC™ no Silver Bullet against Illegal Timber Trade in Ukraine:
<https://preferredbynature.org/newsroom/fsctm-no-silver-bullet-against-illegal-timber-trade-ukraine>
- Civil Society and ENGO reports on Ukraine (various)

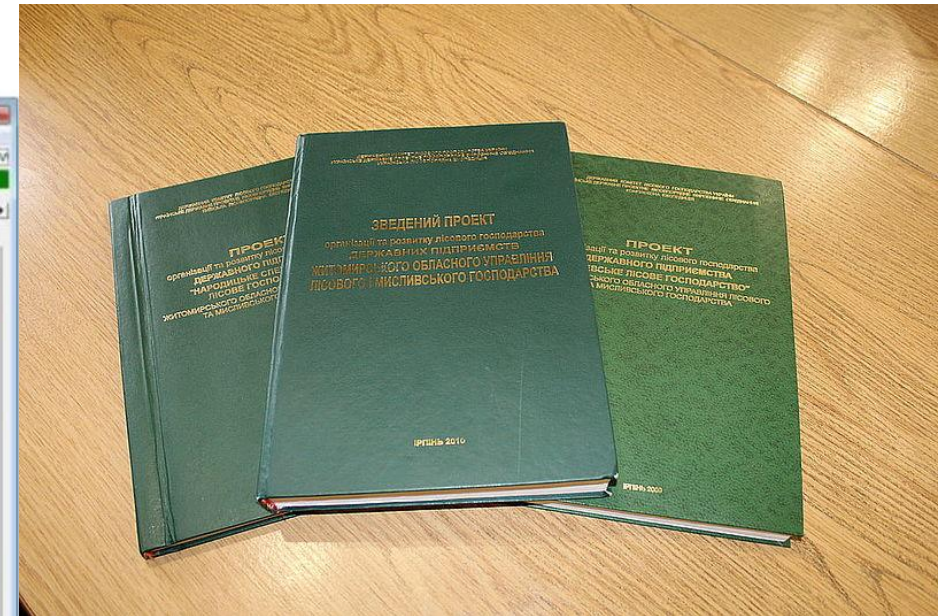
Forest sector in Ukraine – an overview



- 9.7 million hectares of forested land, which constitutes to 16.7% of the total land area. FAO (2015)
- Distributed between five distinct temperate forest regions
- Only 60 thousand hectares (0.6%) are primary forests
- 4.7 (49%) million hectares of otherwise naturally regenerated forest,
- Over 50%, 4.9 million hectares are planted forest.

Forest sector in Ukraine – an overview

- Forest management is prepared by specialized entities based on a Forest Management Plan (FMP)



Forest sector in Ukraine – an overview



- There are multiple state databases that could be used to check logging tickets and authenticity of the waybill, but also state controls on multiple subject, such as forestry, environmental requirements, and health and safety.

Інспекційний портал

General information
Inspection plans
Results of inspections
Reporting of bodies
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State Enterprise "Forestry Innovation and Analytical Center"

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Check by the number of the call

Check by car number

Checking by TTN number

Lumberjack ticket
Home
Lumberjack tickets
Map
Forest tickets
Extract from the registry
Legislative framework
Support
Entrance

Lumberjack tickets

Showing 1-100 of 99,167 items.

Region	Permanent forest user	Number	Lumberjack ticket starts validity II	The term of expiration of the work in the procurement	Forestry	Type of cutting	Status	Cutting status	
Zhytomyr Region	SE "Radomyska LMG"	015708	26.04.2021	31.12.2021	Krymotsky forestry	Thinning	Effective	Not Started	View
Sumy Region	SE "Okhtyrsk Forestry"	012014	26.04.2021	31.12.2021	Hrush forestry	Pass-through cutting	Effective	Not Started	View
Sumy Region	SE "Romain forestry"	008499	26.04.2021	31.12.2021	Lipovodolinsk forestry	Pass-through cutting	Effective	Not Started	View
Sumy Region	SE "Okhtyrsk Forestry"	012015	26.04.2021	31.12.2021	Soldier forestry	Pass-through cutting	Effective	Not Started	View

inspections.gov.ua

Інспекційний портал
General information
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Enter

Scheduled inspections

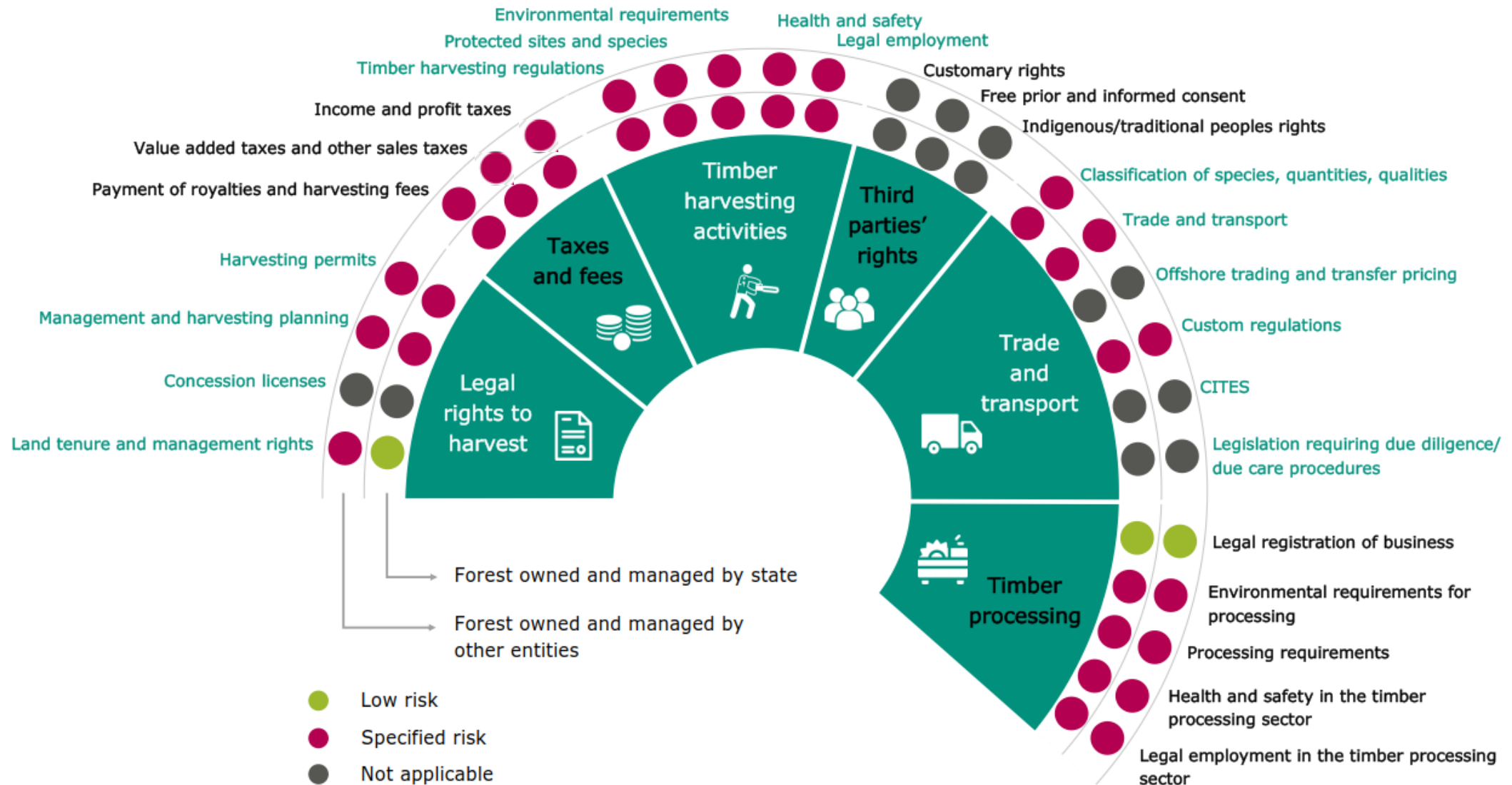
Supervisory authority	Region	Validation Status	
Ministry of Internal Affairs of Ukraine		Held	View

Ukraine Source Profile

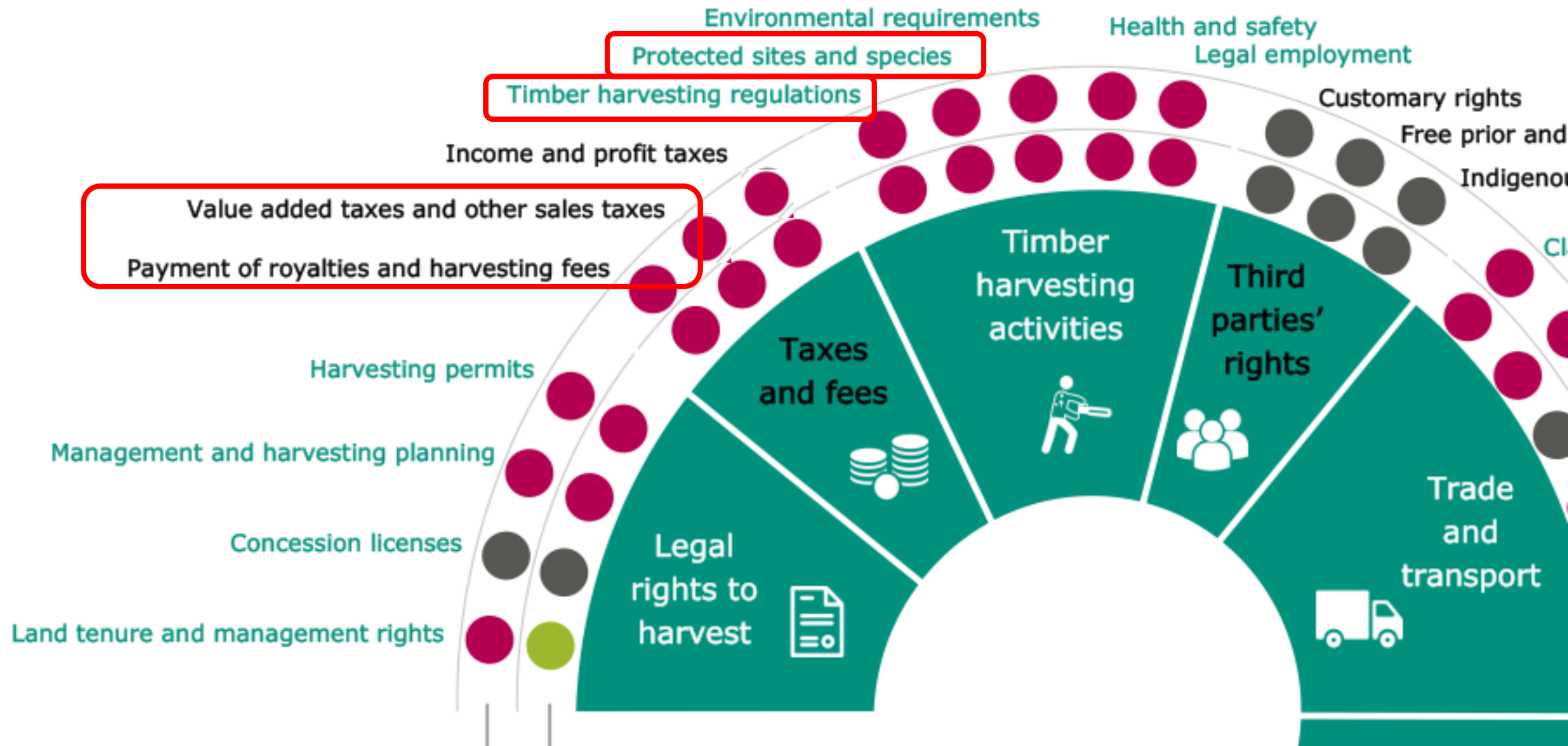


A. Forest owned and managed by the State Forest Resource Agency	B. Forest owned and managed by other entities	C. Forest located in zones with non-negligible risk
<ul style="list-style-type: none">• About 80% of forest lands is state property• About 73 % of forests are managed by the State or Forest Resource Agency (SFRA)• Largest part of wood production (80-90%) derives from State Forest Enterprises.	<ul style="list-style-type: none">• About 13 % of forest land is communal property• Compared to state forest enterprises, the efficiency of forest use and protection by most communal enterprises is lower due to legal, managerial and economic problems.• Forests in private property comprise less than 0.1 % of the total forest land area.	<ul style="list-style-type: none">• Autonomous Republic of Crimea, which is temporarily out of the jurisdiction of Ukraine;• Zone of “taking measures to ensure national security and defence, and repulsing and deterring the armed aggression of the Russian Federation in Donetsk and Luhansk oblasts”;• The zone of exclusion and unconditional resettlement that has undergone radioactive contamination due to the catastrophe at Chernobyl NPP, where a high risk of formation of radioactively contaminated wood persists;• Forest areas not allotted to forest management

Timber-legality risks in Ukraine - overview




Timber-legality risks in Ukraine – case examples



Sanitary cuttings - risks

- Risk of sanitary cuttings are planned in violation of legislation and/or silvicultural requirements.
- Process of obtaining permitting documents for cuts, especially sanitary cuts, is often accompanied by law violations and corruption
- Silent period for sanitary cutting is not respected



Some of the more than 100 sites of illegal sanitary cutting in Velyky Bychkiv ©EarthSight

Sanitary cuttings - mitigation measures



Ensure that wood is not originating from sanitary cuttings:

- Check type of cutting on the waybills;
- Ensure volume of wood from other types of cutting is covering the volume required for production of final product (recommended on-site visit at factory)



Purchase certified wood AND sample check

- Check type of cutting on the waybills;
- Check the total volume of wood obtain from sanitary cutting
- As a complementary measure, if desired: conduct on-site visits of sanitary cuttings (low-level sampling only)



Non-certified wood: Ensure that sanitary cuttings are planned and harvested according to legal requirements

- Check type of cutting on the waybills;
- Check the total volume of wood obtain from sanitary cutting
- Conduct on-site visit of sanitary cuttings (v. high sample rate)

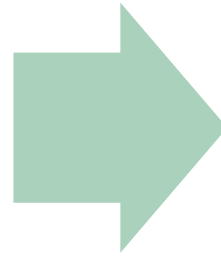
Wood measurement and taxes - risks

Incorrect assessment of volumes and size-quality characteristics of wood during allotment and mensuration of :

Standing stock

Harvest result

Selling the wood



Undervalued stumpage taxes

Undervalued VAT taxes





Purchase certified wood

Ensure that fuelwood is not used in high quality products (furniture, veneer) at the production site.



Non-certified wood: Ensure that an assessment of size-quality is carried out correctly

- On-site visit at production facility and assess the conversion factor
- Ensure that fuelwood is not used in high quality products (furniture, veneer) by checking the waybills
- Visit to FMU, evaluating records + ground truthing on a sample of (ongoing and past) harvesting sites

Risks that:

- Protected sites and species are not identified by the FME
- Technological map does not contain environmental requirements, or the requirements are not met.
- Selective cutting in protected areas includes also commercial trees
- Neglect of recreational and protective functions of suburban municipal forests during commercial logging (mostly forest owned and managed by other entities than State forests).



Purchase certified wood



Non-certified wood:

1. Ensure wood is not originating from protected sites/species

- Request forest to provide documents attesting identification of protected sites and species
- Request and assess Environmental Inspection report.
- Assess if there are no overlaps between protected sites/species and harvesting areas



2. Ensure rules related to protected sites/species are followed

- On-site visit at harvesting area

Sourcing with a certification/FSC claim

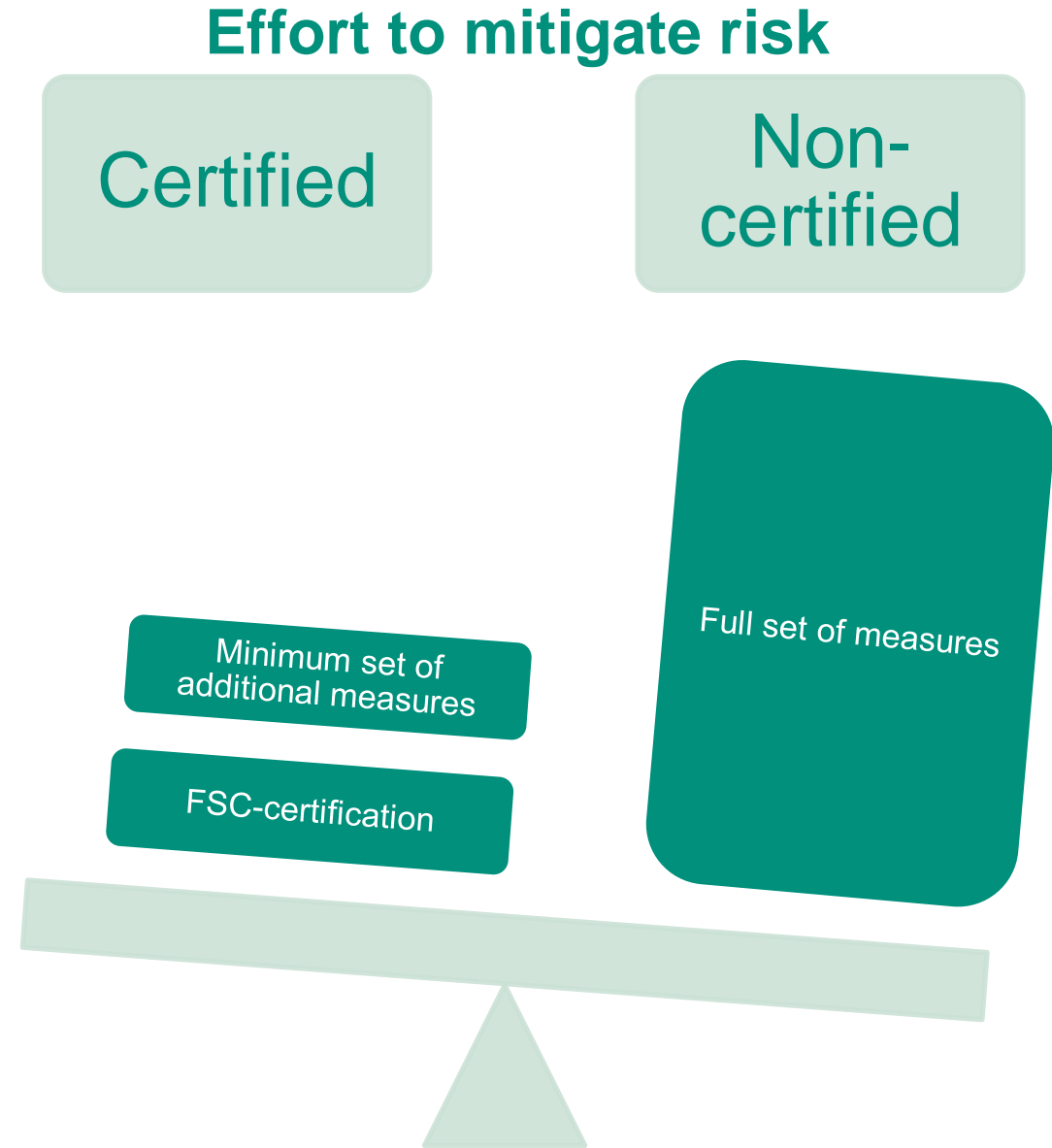


Sourcing certified wood helps to mitigate most risks, and is highly recommended.

Operators for which Ukraine represents a significant sourcing country, may wish to include additional measures:

- Avoiding wood from sanitary cuttings.
- Checking measurement/ classifications of wood in the supply chain.
- Complementary measures such as: checking public summary reports; consulting online state databases; accessing local expertise to hand; visits to suppliers (low-level sample rate only)

Due diligence effort for non-certified materials could be very high and possibly less-effective.



Upcoming risk assessment and tools for Ukraine: Summer 2021



- Ukraine Timber Legality Risk assessment
- Risk Mitigation Guide
- Document Guide
- List of Applicable legislation

Join the public consultation;

- Sign up for the Sourcing Hub Update and get notification on all ongoing stakeholder consultation (www.preferredbynature.org/sourcinghub/info/sourcing-hub-update)
- Or write sourcinghub@preferredbynature.org to be added to the list of stakeholder for Ukraine, and be informed directly by email

Questions & Answers

