Ukraine

Last updated: February 2024

Ukraine has a mostly temperate climate, but some areas within the country (Southern Coast of Crimea) have a subtropical Mediterranean **climate**. Ukraine is a major producer of forest products and was among the **top exporters for some product types** (charcoal and veneer sheets) in 2020, with European countries being the main export destination. The post-Soviet history of forest governance in Ukraine, shaped by discourse on non-sustainable but legal, as well as illegal, logging, **showcases the challenges** that can arise when commercial logging is carried out by public actors that are closely linked to the bodies tasked with supervising the forest sector. Several watchdog NGO reports linked **undesirable harvest practices** in Ukraine to **products placed on regulated markets**, and highlighted high levels of **corruption** as a **major concern** within the Ukrainian forest sector.

Forest Management

Forest Governance

According to the Forest Code of Ukraine, all forests in Ukraine are state-owned except for forests under communal or private ownership (Article 8). Almost all forests in Ukraine are publicly owned with a share of **73% of public forests** under the regime of the State Agency of Forest Resources of Ukraine (SARF). The share of private forests is less than 0.1%. Rights to use forests can be granted on a temporary or permanent basis (Article 16).

The following agencies/ministries oversee regulation and management of forest lands and products in Ukraine:

- **Ministry of Environmental Protection and Natural Resources of Ukraine (MENR)**: Responsible for the formulation and implementation of environmental and natural resource management policy, including forest policy.
- **State Agency of Forest Resources of Ukraine (SAFR)**: SAFR is the supervising body of State Forest Enterprise (SFE) forest users, thus responsible for the management of 73% of the total forest area. 13% of the total forest area is community owned and managed. The remaining 7% of the total forest area is supervised by other authorities, with the Ministry of Defense responsible for the largest share within this fraction.
- **Forests of Ukraine**: Responsible for managing nearly 6.6 million hectares of state-owned forest land. Forests of Ukraine is an umbrella State Forest Enterprise (SFE), founded in February 2023 through SAFR Order No. 804 dated October 26, 2022, that integrates more than 170 formerly independent SFEs.
- **State Environmental Inspectorate of Ukraine (SEI)**: SEI is the most relevant control and inspection body for the Ukrainian forest sector. SEI operates independently from SAFR and is tasked with control of legal compliance with most environmental regulation related to forest activities.

Transparency

For information regarding transparency and risk scores in Ukraine, head to these links:

- Transparency International's **Corruption Perceptions Index**
- The World Bank's **Worldwide Governance Indicators**

Laws and Regulations

Forest Laws

- **Forest Code of Ukraine (1994) (modified in 2021)**: Includes the national definitions of forest types and use designations, ownership and use rights. Outlines the regulatory framework for forest use and management as well as the liability for violations of forest regulations. Important sections related to illegal logging are:
    - Article 42 on defining the exploitability age of forest stands, its justification and approval.
    - Article 43 on calculated harvest volumes per species for annual forest planning.
    - Chapter 13 on the use of forest resources (including timber harvesting). This chapter refers to several additional regulations specifying the details of obtaining harvest permits and logging tickets.
- **Land Code of Ukraine (2001) (modified in 2021)**: Provides the basic framework for land ownership and land use designations including forest lands in Chapter 11.

Processing/Manufacturing Laws

There are currently no regulations specific to the forest-based processing industry. Wood processing industries are regulated regarding social and environmental requirements along with other sectors. The applicable legislation is detailed below:

- **Law of Ukraine on Environmental Impact Assessment (2017)**: Forestry activities and wood processing are subject to environmental impact assessments (Articles 3(2) and 3(9)).
- **Law N3988-17 (2011)**: Under this law, Ukraine ratified **ILO Convention No. 155**, a core convention on occupational health and safety.
- **Order No. 306/10586 (2005)**: This order is a regulatory document on the approval of the rules of labor protection in the woodworking industry. It defines labor protection requirements that are specific to the wood processing sector.
- **Labor Code of Ukraine (1971) (modified in 2023)**: This is the main regulation on legal employment, including employment in the timber sector.

Transport Laws

- **Order No. 961/707 (2013)**: Stipulates the mandatory use of a specific waybill (TTN-wood) for round wood transport. According to **Order No. 87/73 (2022)**, the former order is invalid as of March 2022, but at the time of writing (February 2024), the verification of TTN

is still available on the public interface of **SAFR**.

Tax Laws

- **Tax Code of Ukraine (2010) (modified in 2023)**: The Tax Code of Ukraine regulates tax and fee collection, including taxes incurred by the special use of forest resources (timber harvest) in Article 256.

Trade Laws

- **Order No. 164/13431 (2007)**: Stipulates that all round wood for commercial use must be sold via auctions. Although this order was cancelled in 2018 on the basis of **Order No. 988/32440 (2018)**, auctioning round wood is still the common practice of the SFE. Currently there are **efforts to integrate round wood auctioning** into the Prozorro e-procurement system.
- **Law of Ukraine on the peculiarities of state regulation of the activities of business entities related to the sale and export of timber (2005)**: Defines a special legal regime for the export and sale of forest and timber materials. Article 2 prohibits the export of unprocessed timber (HS code 4403) and Article 3 stipulates a mandatory Certificate of Wood Origin issued by SAFR for timber exports.

International trade since 2022 – Effects of the Russia-Ukraine conflict
(Last updated: February 2024)
Russia´s invasion of Ukrainian territory affects the forest sector in several ways. The European Union (EU), the most important regulated export market of Ukraine, issued general guidance in April 2022 in the **Ninth Meeting of the "Multi-Stakeholder Platform on Protecting and Restoring the World's Forests, including the EUTR/FLEGT"**:
• Imports from areas that are currently not controlled by the Ukrainian government are prohibited in line with the respective sanction decisions of the European Council.
• For timber from areas with active military hostilities within the Ukrainian territory, exercising due diligence and concluding negligible risk is considered not feasible.
• For timber from all other territories, the expert group concluded that imports under a negligible risk are generally possible and referred to in the **2020 country guidance document**.
Furthermore, ongoing border blockades have impeded Ukrainian access to Asian markets. Yet, according to **UN Comtrade database**, the export value of wood and articles of wood that reached a record high in 2021 did not drop drastically in 2022. Data for 2023 was not yet available at the time of writing.

Criminal Laws

- **Code of Ukraine on Administrative Offenses (1984) (modified in 2023)**: Contains several forestry related articles:
  - Article 63 on the illegal use of lands;
  - Article 64 on violating procedures on harvest and export;
  - Article 65 on illegal felling;
  - Article 66 covering technical issues of forest management; and

    - Article 153 on damage to green spaces including damage to trees outside forests.

- **Criminal Code of Ukraine (2001) (modified in 2023)**: Serves to legally protect the rights and freedoms of citizens, property, public order and public safety, the environment and the constitutional system of Ukraine against criminal and illegal encroachments. Chapter VIII on Criminal Offenses Against the Environment includes several forestry related offenses:
    - Article 201 on smuggling of timber and valuable tree species;
    - Article 245 on destruction or damage to plants includes destruction or damage to forest areas;
    - Article 246 on illegal felling, transportation, storage or sale of forest products;
    - Article 247 on violations of rules for plant disease management; and
    - Article 248 on illegal hunting.

CITES

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international agreement among governments whose purpose is to ensure that the international trade of wild animals and plant species does not threaten the survival of these species. It is up to each country to draft their own domestic legislation to comply with its CITES obligations. Ukraine signed onto the Convention in 1999.

The species under the protection of CITES are listed in three Appendices based on how threatened they are by international trade. The species listed in Appendix I are the most endangered and international trade in these species is prohibited unless the purpose of import is noncommercial. The species listed in Appendix II are tightly controlled in international trade and may be authorized with an export permit or re-export certificate. Appendix III lists species at the request of a Party that needs other countries' cooperation to regulate the trade in the species. International trade in Appendix III is allowed with appropriate permits or certificates.

If you don't know if the species you are interested in sourcing from this country is CITES listed, please check this **link**. If it is, please use this **database** to identify the National CITES Authority. In Ukraine, the managing authority is the Ministry of Environmental Protection and Natural Resources of Ukraine.

Forest Resources

Resources Overview

In 2010, Ukraine had **11.3 Mha of natural forest**, extending over 19% of its land area.

According to the Forest Code, Ukraine divides its forest resources into four categories (Article 39):

- **Protective forests**: Consists of forest areas that perform water and soil protection or other protective functions.
- **Recreational and health-improving forests**: Consists of forest areas that perform

recreational, sanitary, hygienic or health-improving functions.

- **Forests for environmental, scientific, historical and cultural purposes**: Consists of forest areas that perform special environmental, aesthetic or scientific functions. Includes select virgin, quasi-virgin and natural forests that can be allocated as **Special Protective Forest Areas**.
- **Exploitable forests**: Consists of forest areas intended for harvest.

Contacts

Below are incomplete lists of government ministries, industry associations, civil society groups, and research institutes involved with forestry, trade, and efforts to combat illegal logging and associated trade.

Civil Society Organizations

- **Environment People Law (EPL)**
- **Free Svydovets**
- **Ukrainian Nature Conservation Group (UNCG)**
- **Danube Carpathian Program**
- **WWF Ukraine**
- **Ecosphere**
- **ForestCom**

Government Ministries

- **Ministry of Environmental Protection and Natural Resources of Ukraine (MENR)**
- **State Agency of Forest Resources of Ukraine (SAFR)**

Research Institutes

- **Ukrainian Research Institute of Forestry and Forest Melioration (URIFFM)**
- **Ukrainian National Forestry University**

References and Resources

For more information regarding forest legality in Ukraine, head to these links from our partners:

- **Preferred by Nature - Timber Sourcing Hub: Ukraine**
- **Timber Trade Portal: Ukraine**
- **Global Forest Watch (GFW) Country profiles**
- **FAO (2020) Global Forest Resources Assessment (Ukraine)**