



## Monitoring of Forest Legislation in Ukraine

Period: September 2022 - June 2023

The series "Monitoring of Forest Legislation in Ukraine" provides a brief overview of laws and draft laws of the Verkhovna Rada of Ukraine, adopted Resolutions of the Cabinet of Ministers of Ukraine, entered into force Orders of Ministry of Environmental Protection and Natural Resources of Ukraine and of State Forest Resource Agency of Ukraine, that are important for the sustainable development of forestry.

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**Resolution of the Cabinet of Ministers of Ukraine of 7 September 2022, No. 1003, “Some issues of reforming forestry management”**

This resolution launched a large-scale reform of the state forestry administration in Ukraine, which continues to this day. Among the stated goals of the reform:

- separation of policy-making, policy implementation and economic activities in forestry,
- Ensuring that forestry activities in forests of different climatic zones are financed and supported equally,
- overcoming corruption and abuse that were inherent in the old system of forestry management in Ukraine.

To achieve these goals, the resolution provides following regulations:

- Elimination of 24 regional forestry and hunting departments and creation of 9 interregional forestry and hunting departments instead.
- Establishment of the state specialised economic enterprise "Forests of Ukraine" and merger of all state forestry enterprises that belong to the management of the State Agency of Forest Resources as branches.
- Further transformation of the state specialised economic enterprise "Forests of Ukraine" into a joint-stock company, 100 per cent owned by the state, for which purpose a draft law on the specifics of the establishment and operation of the state forestry joint-stock company should be developed and submitted to the Cabinet of Ministers of Ukraine in accordance with the established procedure.

According to this resolution, the capacity of the state enterprise "Forests of Ukraine" has increased significantly, and the capacity of the State Forest Resource

Agency of Ukraine (SFRAU) has decreased.

According to the resolution, the number of staff at the headquarters of the SFRAU will decrease by 20% to 65 employees, and the number of staff in interregional forestry and hunting departments will decrease by 45% to 355 employees. "Forests of Ukraine", became the biggest forestry enterprise in Europe in which works 36 000 employees in central office, plus 9 interregional offices, plus 155 branches. It manages 7.3 mln. ha of state forests and harvest about 13.5 mln. m<sup>3</sup> of wood annually.

**Order of Ministry of Environmental Protection and Natural Resources of Ukraine of 5 October 2022 No. 414, “On Approval of the Methodology for Determining Damage and Losses Caused to the Forest as a Result of the Armed Aggression of the Russian Federation”.**

By this order Ministry introduces comprehensive methodology to assess damages & losses to economy and nature due to Russian aggression against Ukraine.

The Methodology is used to determine the damage and losses caused to forestry land plots, linear type protective plantations, forest nurseries, forest crops and hunting grounds because of the armed aggression of the Russian Federation, including the loss of forest plantations and related losses:

- losses of forestry production caused by restriction of land users' rights;
- losses of damaged, lost harvested timber products;
- lost revenues of forest users caused by temporary occupation of land plots, restrictions on their use, from:
  - failure to conduct logging (cost of timber products, rent);

- inability to carry out incidental forest use (in particular, harvesting birch sap, berries, mushrooms);
- costs of soil preparation for forest crops;
- costs of growing planting material in forest nurseries, creation and maintenance of forest crops;
- hunting losses due to the destruction or damage of enclosures, other biotechnical structures, and game animals.

**Decision of National Security and Defense Council of Ukraine of 29 September 2022, put into effect By the Decree of the President of Ukraine of 29 September 2022 No. 675/2022 “On the protection, conservation, use and reproduction of forests of Ukraine during a special period”.**

This decision of National Security and Defense Council of Ukraine together with “The State Forest Management Strategy of Ukraine until 2035” gives direction for forestry sector reformation in Ukraine.

It addresses a range of issues related to the challenges and threats to Ukraine's national security in the field of protection, defense, use and reproduction of Ukraine's forests caused by the imbalance between the environmental, economic, and social functions of forestry, imperfect regulatory framework, insufficient financial and logistical support for the forestry sector.

In particular, this decision requires the Cabinet of Ministers of Ukraine to:

1) develop and submit to the Verkhovna Rada of Ukraine draft laws amending the Code of Ukraine on Administrative Offences and the Law of Ukraine “On Environmental Impact

Assessment” regarding the revision of the size of forest plantation areas and sanitary felling in the context of environmental impact assessment;

2) after the martial law is lifted, a state target programme to improve fire safety in the forestry sector, including forestry enterprises under the management of the Ministry of Defence of Ukraine should be developed and approved;

3) take measures to reduce the payment of a part of net profit (income) to the state budget by state forestry enterprises of SFRAU to 30%;

4) work out the issue of creating a state fund for forestry development, improving the system of taxation of forest lands by forming a single forest tax and eliminating double taxation; amending the procedure for dividing forests into categories and allocating specially protected forest areas; ensuring the necessary amount of forest seeds and growing selective planting material; allocating land suitable for afforestation by state and local authorities;

5) work out the issue of establishing a single state-owned business entity for the protection, conservation, use and reproduction of forests through the reorganisation of state unitary commercial enterprises of SFRAU;

6) take measures to resolve the issue of wood exports in order to ensure the implementation of the decision of the Arbitration panel of the Committee on Trade dated 11 December 2020 on the dispute between the EU and Ukraine in connection with restrictions imposed by Ukraine on the export of certain types of wood to the EU, in accordance with Article 311 of the Association Agreement between Ukraine and EU;

7) take additional measures to ensure the training and professional development of employees of forestry enterprises;

8) develop a unified electronic taxation and mapping database on forests, taking into account the provisions of the Law of Ukraine "On the National Geospatial Data Infrastructure"; to improve the mechanism of economic incentives for the creation of forests on lands of all forms of ownership;

10) work on the development of scientific recommendations on the use of new promising introduced species of trees to partially replace drying out native stands, increase productivity and biological sustainability of future forests, and ensure protection of forests from pests and diseases.

**Resolution of the Cabinet of Ministers of Ukraine of 4 February 2023, No. 105, "On approval of the Procedure of felling of trees and shrubs and use of the wood harvested in cases of change of the designated purpose of land forest plots or establishment of easement for the purpose of their use not related to forestry, and transfer of land forest plots to non-forest land".**

In accordance with Article 58 of the Forestry Code of Ukraine, the Procedure addresses changes in land use purposes and defines procedure of fellings and the use of timber.

**Resolution of the Cabinet of Ministers of Ukraine of 7 February 2023, No. 112 "On Approval of the Procedure for Forest Management Planning".**

This regulation defines a unified system and conditions for the organization and implementation of forest management planning.

The resolution regulates what kind works should be done during forest management planning procedures and regulates

relations between different bodies involved in the forest management planning:

- The conditions and mechanism of conducting of forest management planning, determined in accordance with Article 46 of the Forest Code of Ukraine which regulates all scope of forest management planning activities;
- The relations between the State Forest Management Planning Association (UkrDerzhLisProject) and:
  - permanent forest users, private owners (citizens and legal entities) - in terms of fulfilling forest management obligations prescribed by forest management planning materials;
  - The State Forest Resource Agency and its territorial bodies, - with regard to the organisation of forest management planning;
  - Other State authorities and local self-government bodies - for the development of programmes for the protection, conservation, use and reproduction of forests;
  - The public, in order to ensure the requirements of the State Strategy of Forest Management of Ukraine until 2035, regarding open access to socially important information on forests.

**Order of Ministry of Environmental Protection and Natural Resources of Ukraine of 3 April 2023, No. 184 (Registered in the Ministry of Justice of Ukraine on 19 April 2023) "On Approval of the List of Invasive Tree Species with Significant Ability to Spread Uncontrollably, Prohibited for Use in the Process of Forest Reproduction".**

The following tree species are prohibited for use in forest reproduction:

*Ailanthus altissima*, *Aralia elata*, *Ulmus pumila*, *Gleditsia triacanthos*, *Juglans nigra*, *Quercus rubra*, *Celtis occidentalis*, *Acer negundo*, *Elaeagnus angustifolia*, *Paulownia* (species and hybrids), *Robinia pseudoacacia*, *Prunus serotina*, *Pennsylvania ash* (*Fraxinus pennsylvanica*).

**Resolution of the Cabinet of Ministers of Ukraine of 25 April 2023, No. 388 amended the Procedure for Conducting the National Forest Inventory with regard to conducting the National Forest Inventory during martial law.**

In particular, the Resolution defines an inaccessible forest inventory plot related to natural or anthropogenic conditions (lack of roads, steep slopes, swamps, temporary flooding, etc.) or due to martial law (conduct of hostilities, occupation of territories, territories contaminated with explosive objects and dangerous for economic activity and human presence).

From forest inventory plots with limited access, information is collected using remote sensing data (aerial photography or satellite imagery) in accordance with the forest inventory technical documentation. Indicators collected using remote sensing data (aerial photography or satellite imagery) in limited access forest inventory plots shall be included in the reporting specified in the technical documentation of the forest inventory.

**Resolution of the Cabinet of Ministers of Ukraine of 12 May 2023, No. 499 approved the Procedure for Establishment of Protected Areas for Conservation of Biodiversity in Forests and the Procedure for Establishment of Protected Areas for Conservation of Species of the Red Book of Ukraine.**

The Procedure defines the size (area) and configuration (shape) as well as the forestry regime of protected forest areas. The objects of protection in the protected areas are: objects listed in the Red Book of Ukraine; objects included in the lists of rare, endangered or particularly valuable species of flora and fauna; typical and unique natural complexes and objects (including forest, steppe, grassland, wetland, petrophytic and pioneer natural ecosystems); breeding grounds for wild animals; the oldest or most significant trees and their groups.

Protected areas are created in forests of all forms of ownership, including within the territories and objects of the Nature Reserve Fund.

In the case of forest ecosystems, the protection regime for protection zones, within which the objects of the Red Data Book of Ukraine are protected, provides for the prohibition of clear cutting and the final acceptance of gradual felling systems, mining and changes in the hydrological regime. Within the boundaries of protected zones, it is prohibited to carry out any activities that do not comply with the protection regime specified in the passport of the protected zone, except for activities aimed at eliminating the consequences of accidents and natural disasters that pose a direct threat to human life. A sanctuary is established by the competent authority (regional (oblast) state administration, Council of Ministers of the Autonomous Republic of Crimea, Kyiv and Sevastopol city state administrations) on the basis of an application from a scientific institution, a public environmental association or other interested companies, institutions or organisations. An application for the creation or cancellation of a protection zone is prepared on the basis of the results of field surveys and submitted to

the competent authority (regional (oblast) state administration, Council of Ministers of the Autonomous Republic of Crimea, Kyiv and Sevastopol city state administrations).

The Ministry of Environment Protection and Natural Resources ensures the creation of metadata base on the status of protected areas, to be published on the national geoportal.

**Resolution of Cabinet of Ministers of Ukraine of 12 May 2023, No. 483 “On the Implementation of a pilot project on the issuance of a special permit for the use of forest resources (logging ticket) and a certificate of origin of timber and timber products in electronic form”:**

In accordance with approved procedures:

- Harvesting of timber from all types of felling in the forests of Ukraine by permanent forest users and forest owners as well as sale of timber and timber products outside the customs territory of Ukraine in the customs regime of export by business entities requires a logging ticket in electronic form issued by the territorial body of the State Forest Resources Agency, with obligatory entry of information into the Unified State System of Electronic Timber Accounting not later than the next working day.
- Sales outside the customs territory of Ukraine in the customs regime of export by business entities of timber and timber products made from it, except for those whose export is prohibited, within seven months from the date of entry into force of this Resolution, shall be subject to a certificate issued in paper form.
- Logging tickets shall be issued both in electronic and paper form within six months from the date of entry into force

of this Resolution, and thereafter only in electronic form.

**Resolution of Cabinet of Ministers of Ukraine of 9 June 2023, No. 588 “On Approval of the Procedure for Determining Losses of Forestry Production”.**

Losses of forestry production caused by the change of forest land use purpose are determined on the basis of the normative by the formula.

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