



EU FOREST CRIME INITIATIVE

Gap Analysis: Ukraine

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EXECUTIVE SUMMARY

BACKGROUND AND PRESENTATION OF THE PROJECT

Illegal logging accounts for as much as 10–30 % of the total logging worldwide, with some estimates as high as 20–50 %¹ when laundering of illegal wood is included, with a growing involvement of organized crime. A significant proportion of forestry crimes are now carried out by organized criminal networks utilising an international network of quasi-legitimate businesses and corporate structures to hide their illegal activities, which include creative accounting to launder criminal proceeds or collusion with senior government officials. Organized forest crime continues to evolve and develop new methods to conduct forestry crime operations and launder illegal timber.

In the Danube-Carpathian Region and Ukraine, forestry crime is a recognised problem, damaging Europe's last primeval forests and undermining government policies to sustainably manage and protect forests. Depending on sources and dates, estimates of illegal logging range from 0,1% to 40% throughout the country.

Though the European Union Timber Regulation (EUTR) came into force in 2013 to stop illegal wood and paper products being placed on the European market, the EUTR and national laws in Ukraine against forestry crimes have up to now not been implemented with full effect due to different gaps and obstacles.

The project “EU Forest Crime Initiative” aims to enable effective law enforcement by stimulating networks that are able to detect forestry crime and respond to it.

The project is carried out in 6 countries: Belgium, Bulgaria, France, Romania, Slovakia and Ukraine. Part of the project is a comprehensive analysis to better understand forestry crime in the different countries by analyzing gaps, identifying challenges along the enforcement chain but also opportunities to identify more cases and support forest governance and enforcement frameworks necessary to combat forestry crime.

For the gap analysis in Ukraine, a target group of key stakeholders was identified to fill in a survey and to attend a workshop in Kiev in September 2019. Their answers to the survey and outcomes of discussions during the workshop constitute the basis of this gap analysis, on top of which WWF made a complementary assessment.

¹ Nellemann, C. (Editor in Chief); Henriksen, R., Kreilhuber, A., Stewart, D., Kotsoyova, M., Raxter, P., Mrema, E., and Barrat, S. (Eds). 2016. The Rise of Environmental Crime – A Growing Threat To Natural Resources Peace, Development And Security. A UNEP INTERPOL Rapid Response Assessment. United Nations Environment Programme and RHIPTO Rapid Response– Norwegian Center for Global Analyses, www.rhipto.org - accessible [here](#)

KEY FINDINGS OF THE GAP ANALYSIS

There are numerous challenges, gaps and obstacles jeopardizing the proper enforcement of national laws meant to combat forestry crime in Ukraine, besides the fact that the effectiveness of such laws is questioned and challenged.

The gap analysis in Ukraine shows:

→ **Problems with resources and knowledge. The capacity of relevant authorities to fight forestry crime is insufficient at all levels, showing a significant discrepancy between mission/ intention and reality on the ground. The low level or absence of trainings** throughout the enforcement chain may be one the reasons why the awareness on forestry crime issues and willingness/motivation to combat those crimes is low, while **the enforcement chain is underfinanced**. State forest guards lack resources and equipment to investigate and arrest offenders, and **there is overall a lack of institutional capacity to exercise controls. Low salaries for forest staff/forest authorities** and the possibility to obtain a percentage from timber sales worsen the problem of corruption of forest guards, who can give citizens/individuals access to the forest to illegally harvest and sale timber. In addition, **there is a lack of specialists to determine the grade/quality of species.**

→ **A lack of agreed/shared figures on forestry crime at national level. The current electronic data system for wood management is inefficient and applies to only 73% of Ukrainian forests. Ukraine still lacks a single electronic timber accounting system** to process information on the planning, marking, use, certification, dispatching and processing of timber.

→ **Corruption is seen as a critical common denominator and aggravating factor for forestry crimes at all levels. Legally and on the ground, State Forest Guards are not protected from criminals.**

→ **The organization of the forest sector in Ukraine present challenges. The lack of a forestry cadastre and the administrative fragmentation of the national forest fund** (as a result of the restitution process, still not yet completed) raises challenges, such as problems with the illegal alienation of forests being transferred into private property, opening the door to illegal logging.

→ **The legislative framework related to forestry crime** still has many loopholes concerning **the amount of penalties prescribed for environmental offences, which is unjustifiably low. The existing legislation is too weak on wood traceability systems**, and controls and monitoring have not been properly designed as **the system does not focus on the first placing on the market. Manipulations in the organization of round wood selling auctions are easy, and the system can easily be rigged, in a context where timber products pricing is not regulated by law.** On top of that, overregulation, complexities in the legislation as well as excessive bureaucratic procedures in forest management are making the fight against forestry crime more challenging.

→ **There are numerous Modus operandi to carry out forestry crime, the 3 main ones being: logging outside of authorized perimeters, logging of unauthorised trees in forest stands earmarked for felling/logging and logging in protected areas and transport of the illegally harvested wood without a transport ticket.** Offenders are finding numerous ways to contravene the law and a wide variety of actors are involved in forestry crime.

→ From a judicial perspective, **there is an obvious lack of success with serious forestry crimes cases, with cases of illegal logging transferred by the State Forest Guards to law enforcement agencies either not being investigated or are not accepted by courts.**

→ **On cooperation and investigation, there is an absence of forest police hubs in regions, with a full-fledged law enforcement agency, motivated and properly equipped, with undercover investigators who have the skills to investigate forestry crimes.** Due to the absence of dedicated taskforce, quality of work of pre-trial investigation is not as good as it should be. In addition, red tape and bureaucracy make investigations procedures long and complex. Defining and attributing the illegal logging to organized crime can be challenging. For example, some “poor” offenders may be linked or work for an organized crime structure, although there is no obvious links in the first place. **Forensic methods do not seem to be used in practice to support investigations and to detect the possible involvement of organised crime.** **Finally, there is still room for improvement regarding communication between NGOs and CSOs and authorities for increased effectiveness in the fight against forestry crime although NGOs were also identified as playing an important role in detecting and reporting forestry crimes.**

The present report does not list specific recommendations, although some possible solutions were already identified in the table in annex 4.

In order to strengthen the fight against forestry crime, a manual of recommendations will be made **available by early 2021**, in which all key lessons learnt and best practices identified during the project will be compiled and recommendations formulated.

KEY DEFINITIONS

Forestry crime

According to INTERPOL, “Forestry crime” is an umbrella term to describe criminal activity (carried out in contravention of national or international law) in the forestry sector covering the entire supply chain, from harvest (illegal logging) and transportation to processing, selling, trading, importing and exporting. It also refers to those criminal offenses that facilitate such activity, including document fraud, corruption, and money laundering².

Organized crime

According to the United Nations Convention against Transnational Organized Crime (2004)³:

- a) “Organized criminal group” shall mean a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit;
- b) “Serious crime” shall mean conduct constituting an offence punishable by a maximum deprivation of liberty of at least four years or a more serious penalty.

Poverty-related forest crime

Organized crime is different than poverty-related forest crime⁴. The United Nation Office on Drugs and Crime defines that “although actions in the illegal activities are linked (for example, poor farmers that are employed as harvesters and suppliers by traffickers), it is still critical to differentiate between activities driven by need and poverty, and those driven by greed and the lure for high profit. In developing countries, poverty can be a factor that drives wildlife and forest offences (...). In this connection, formal criminalization can be harmful for people depending on wildlife and forest resources for their livelihoods.”

Corruption

There is no one single definition of corruption. According to INTERPOL, corruption is defined as:

- the misuse of entrusted power for private gain, or
- any course of action or failure to act by individuals or organizations, public or private, in violation of a duty or obligation under law or trust for profit or gain.

The annual global cost of corruption in the forestry sector is estimated to be in the order of 29 billion dollars. Bribery is reported as the most common form of corruption in the forestry sector. Other forms of corruption, in order from most to least common after bribery, are the

²<https://www.interpol.int/content/download/5149/file/Global%20Forestry%20Enforcement%20Prospectus%202019-web.pdf>

³https://www.unodc.org/documents/middleeastandnorthafrica/organised-crime/UNITED_NATIONS_CONVENTION_AGAINST_TRANSNATIONAL_ORGANIZED_CRIME_AND_THE_PROTOCOL_S_THERE_TO.pdf

⁴ https://www.unodc.org/documents/Wildlife/Toolkit_e.pdf

following: fraud, abuse of office, extortion, cronyism and nepotism⁵.

Modus operandi

Modus operandi refers to the methods used to carry out forestry crime (please see the definition above), across the entire supply chain, from illegal harvest to transport and trade.

Offence

For the purposes of this report, the term “offence” includes all activities that may be subject to criminal or administrative penalties.

Acronyms

CSO: Civil Society Organization

EUTR: European Union Timber Regulation

NGO: Non Governmental Organization

RFD: Regional Forest Departments

RFMB: Regional Forestry Management Boards

SFRAU: State Forest Resources Agency of Ukraine

SME: Small & Medium Enterprise

⁵ Uncovering the risks of corruption in the forestry sector, Interpol (2016) 20 pages.



1. METHODOLOGY



DESCRIPTION OF THE PROJECT

Forestry crime is a growing problem with links to organised crime and corruption. In financial terms, environmental crime is the third largest crime sector in the world and amounted to 110-281 billion USD in 2018, in which forestry crime and illegal logging represented 51-152 billion USD⁶.

In 2013, the EU adopted new legislation, the European Timber Regulation, to address products derived from illegal logging on the EU market. However, loopholes in the EUTR and its enforcement, as well as implementation gaps of other national laws in Member States, have until now hindered real change.

The project “EU Forest Crime Initiative” aims to enable effective law enforcement by stimulating networks that are able to detect forestry crime and respond to it.

The project is carried out in 6 countries: Belgium, Bulgaria, France, Romania, Slovakia and Ukraine.

The project includes conducting a comprehensive gap analysis as well as the formulation of recommendations on how to address these gaps. The project is also meant to empower civil society to raise suspicions and to be a knowledgeable partner for authorities.

SCOPE OF THE PROJECT AND EXPECTED OUTCOMES

In Romania, Bulgaria, Slovakia and Ukraine the project focuses on forestry crime at domestic level as well as transboundary forestry crime.

In Belgium and France, the project focuses on high risk imported timber products and/or those with complex supply chains, aiming to motivate existing networks fighting against environmental crime to carry out independent investigations.

More specifically in Ukraine, this project aims to provide a better understanding of forestry crime by analyzing gaps, challenges along the enforcement chain as well as opportunities to identify more cases that could be taken to court and support the forest governance and enforcement frameworks necessary to combat crime across the regional forest sector, thereby improving the transparency, governance and legality in forested target countries in Europe and motivate political will.

TARGET GROUP

The target group for the gap analysis in Ukraine include all stakeholders who are part of the enforcement chain from the forest to the judicial authorities.

Project partners’ approach was to target the most relevant stakeholders, based on their positions and experience to ensure the development of a relevant and informative gap analysis.

⁶ Nellemann, C.; Henriksen, R., Pravettoni, R., Stewart, D., Kotsovou, M., Schlingemann, Shaw, M. and Reitano, T. (Eds). 2018. World atlas of il- licit flows. A RHIPTO-INTERPOL-GI Assessment. RHIPTO -Norwegian Center for Global Analyses, INTERPOL and the Global Initiative Against Transnational Organized crime. www.rhipto.or. www.interpol.int

Following this rationale, WWF and INTERPOL did not try to select an extensive number/pool of persons, but rather to focus on the stakeholders who are formally accountable to combat forestry crime and that were believed to bring the most added value to the gap analysis (such as the EUTR Competent Authority, police, prosecutors, judges, forest guards etc.)

Development of a questionnaire

The project partners developed a questionnaire on forestry crime to capture both quantitative and qualitative information in order to have a comprehensive analysis as well as to reflect the personal views of the target group. The questionnaire was distributed to all key stakeholders identified by project partners.

The survey focuses on 4 main parts:

- General knowledge about forestry crimes, illegal logging and trade on a national level, including modus operandi to commit forestry crimes;
- General knowledge about EU Timber Regulation and other legislation in relation to forestry crime;
- Cooperation along the enforcement chain;
- Conclusion on challenges in relation to prosecution and potential for more cases.

You can access the complete survey for the enforcement chain **in annex 5**.

A separate version of the survey was also prepared for NGOs & CSOs. You can access it **in annex 6**.

Workshop in Kiev

A national workshop about forestry crime took place on the 19th and 20th September 2019 in Kiev. Altogether, 49 stakeholders and representatives of relevant authorities involved in combating forestry crime attended the workshop.

The workshop was designed to bring together all stakeholders and Competent Authorities fighting forestry crime to exchange and be informed to ensure a common understanding about existing forestry crimes occurring in Ukrainian forests.

The objective was also to improve collaboration between law enforcement agencies, raise awareness and draw the attention of the institutions and the State on forestry crime.

Key information related distribution of surveys and collection of results as well as discussion in workshops.

SURVEYS			WORKSHOP IN KIEV		
Dates	Types of respondents	Number of replies received	Dates	Number of participants who attended	Nature of the participants/ Parts of the enforcement chain represented
<p>Surveys were first circulated to stakeholders in August 2019.</p> <p>Feedbacks were received no later than September 18 2019.</p>	<ul style="list-style-type: none"> - Prosecutor's office - State forest guard - State forestry agency - State border service - State environmental inspectorate - Judges 	13	19, 20 and 21 September 2019	49	<ul style="list-style-type: none"> ● Prosecutor's general office ● National Police ● Asset Recovery and Management Agency ● State Forest Resource Agency ● State border service ● State Ecological Inspection ● National Anti-Corruption Bureau of Ukraine ● State Bureau of Investigations ● Justice (judges) ● Custom Services of State Fiscal Service of Ukraine ● State Audit Service of Ukraine ● Members of the parliament ● NGOs

2. CONTEXT



Disclaimer: the information presented in part 2 on the context describes the situation until **April 30 2020**. Possible changes that came into effect after that date may not be reflected in this report.

2.1 FOREST CONTEXT AND THE NATIONAL COUNTRY SITUATION REGARDING FORESTRY CRIME

Forest context

Ukraine has 9.7 million hectares of forests⁷, representing 16.7%⁸ of the total land area of the country. Of the existing forests 0.6% are considered primary forests and 49.1% naturally regenerated. As for ownership, 98% of the forest is public while around 1% is private⁹. Protected areas represent a total 2.4 million hectares in Ukraine¹⁰. 11% of the forests are found in Protected Areas¹¹.

According to the European Timber Trade Federation, the main tree species being traded in Ukraine are: silver fir (*Abies alba*), common alder (*Alnus glutinosa*), common silver birch (*Betula pendula*), hornbeam (*Carpinus* spp.), European beech (*Fagus sylvatica*), European ash (*Fraxinus excelsior*), Norway spruce (*Picea abies*), Scots pine (*Pinus sylvestris*), English oak (*Quercus robur*)¹².

Forestry crime

Ukrainian legislation does not specifically define illegal logging, although logging of trees and bushes is considered illegal when it is carried out without a permit or is in violation of the law, or when the logging operations contravene the production volume, timeframe, location or species specified on the permit.¹³

The World Bank estimates that 20 to 30% of all harvested timber in Ukraine is illegal¹⁴. Considering the total amount of annually harvested timber, this corresponds to between 3.2 – 4.8 million m³ of illegal timber.

In April 2015, the Ukrainian Parliament passed a law prohibiting the export of raw logs from Ukraine for a period of 10 years (defined as those products falling under the customs code 4403 from the

⁷ <http://www.fao.org/countryprofiles/index/en/?iso3=UKR>.

⁸ FAO. Global Forest Resources Assessment 2005. 244 (2015)

⁹ FAO. Global Forest Resources Assessment 2005. 244 (2015)

¹⁰ UNEP-WCMC. Protected Area Profile for Ukraine from the World Database of Protected Areas. (2018)

¹¹ FAO. Global Forest Resources Assessment 2005. 244 (2015)

¹² <https://www.timbertradeportal.com/countries/ukraine/>

¹³ Pavelko, A. & Skrylnikov, D. Illegal logging in Ukraine: Diagnostic audit. (Regional Environmental Center, 2010).

¹⁴ Shelia Slep, Shelley Gardner, Phil Huff, Andy Coriell, Rocky Piaggione, Assessment Of The State Of Law Enforcement, Prosecution And Transparency In Forest Management In Ukraine, TRIP Report, February 2016

Combined Nomenclature¹⁵). The ban came into effect on 1st November 2015 for all species of wood except pine, and took effect for pine logs on 1st January 2017¹⁶.

INTERPOL considers illegal logging to be of major concern in Ukraine. While logging without permits is mostly committed by individuals on a small scale, large scale illegal logging is also a problem. It is facilitated by the use of fake documents, requiring the involvement of official forest operators (State Forest Enterprises) and public officials (Regional Forest Departments). Especially, unnecessary sanitary cuttings are a major threat to ecological and economic function of forests. In addition, seizures of the Ukrainian State Security Services confirm that fake documents, false declaration, mixing legal timber with illegal timber and bribes are techniques used to export large quantities of illegal timber through legal commercial terrestrial and maritime trade routes. Through these concealment techniques, illegal harvested timber also enters the European Union¹⁸.

According to the report *Complicit in Corruption*, published by the NGO Earthsight¹⁹, the State Forest Resources Agency of Ukraine reported 27,700 m³ of illegal timber were cut in 2016, just 0,17% of the total volume of timber harvested that year, while independent experts and the World Bank have suggested in the past that the real figure may be 1.2 million m³.

Earthsight outlines that by 2016, illegal logging in the most forest-rich territory of the Carpathians, Zakarpattia, had more than doubled compared to 2010 levels, while a major recent report on Ukrainian forestry found that in the 6 years to 2017, losses caused by illegal logging increased by 77%²⁰.

In addition, Earthsight estimates that by 2017, 12 000 unlicensed sawmills were operating in Ukraine, compared with 9200 legal ones. As a result, exports of sawn timber exceed the country's entire legal production by 75 per cent: 1.2 million cubic meters of illegally-sourced exports every year. The report also revealed that by December 2017, EU customs authorities had recorded importing almost 1 million cubic meters of logs from Ukraine which were supposed to be banned from export. On export from Ukraine, these logs were being misclassified as 'fuelwood'.

Meanwhile, the capacity of law enforcement authorities and courts to combat illegal forestry practices is seen as quite low and needs strengthening according to another report. Sanctions are mostly weak and illegal forestry activities rarely lead to an enforced court sentence²¹.

¹⁵https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/what-is-common-customs-tariff/combined-nomenclature_en

¹⁶ Верховної Ради України [Translation: Verkhovna Rada of Ukraine]. Про особливості державного регулювання діяльності суб'єктів підприємницької діяльності, пов'язаної з реалізацією та експортом лісоматеріалів No 2860-IV [State regulation of entrepreneurial activity, connected with sale and export of timber No 2860-IV]. (Відомості Верховної Ради України [Translation: Bulletin of the Verkhovna Rada of Ukraine], 2006).

¹⁷ Верховної Ради України [Translation: Verkhovna Rada of Ukraine]. Про внесення змін до Закону України "Про особливості державного регулювання діяльності суб'єктів підприємницької діяльності, пов'язаної з реалізацією та експортом лісоматеріалів" щодо тимчасової заборони експорту лісоматеріалів у необробленому вигляді [Tr. (Відомості Верховної Ради України [Translation: Bulletin of the Verkhovna Rada of Ukraine], 2015).

¹⁸ Forestry crime in Ukraine: A threath and risk assessment. (Interpol, 2016)

¹⁹ <https://www.earthsight.org.uk/complicitincorruption>

²⁰ Better Regulation Delivery Office (BRDO), 'Green Book', Timber Market Regulation, March 2017 - <https://regulation.gov.ua/book/17-reguluvannya-rinku-derevini>

²¹ Pavelko, A. & Skrylnikov, D. Illegal logging in Ukraine: Fact finding. (Regional Environmental Center, 2010)

2.2 POLICY AND LEGAL FRAMEWORK ON FORESTS

Forest ownership

The State Forest Resources Agency of Ukraine (SFRAU) controls 73% of Ukrainian forests²². The remaining 27% of forests are in permanent use by other central government bodies and municipalities while less than 1% of Ukraine's forests are privately owned.

Organization of forest management

The implementation of the SFRAU's policies is managed by a forestry directorate for each province. These Regional Forestry Management Boards (RFMBs) issue key documentation such as harvesting permits and certificates of origin (required for export of timber). The RFMB coordinates the forestry management units, called State Forestry Enterprises (SFEs). The SFRAU and Ministry of Ecology approve the Annual Allowable Cut each year for each individual SFE, which is supposed to determine how much timber will be harvested, and where and when felling should take place, while SFEs have the authority to issue logging permits for sanitary felling²³. SFEs are responsible for tree harvesting, which they can carry out by themselves or by commissioning private contractors²⁴.

Activities by SFEs are monitored by Regional Forest Departments (RFDs). They issue felling tickets for SFEs and other forest users (an authorization needed to start logging operations), and may decide on the scope of tree felling, especially in regards to sanitary cuttings²⁵. These SFEs produce 83% of all the logs harvested in Ukraine.

The SFRAU controls a total of 306 State Forestry Enterprises in Ukraine²⁶ via 24 different RFMBs. More information on the relevant legislation and policy can be found [here](#) or [here](#).

²² FSC. FSC National Risk Assessment of Controlled Wood for Ukraine. (Forest Stewardship Council, 2017).

²³ European Commission. EU TAIEX Mission Report - reform of forest governance in Ukraine, February 2018. (EU TAIEX, 2018).

²⁴ Forestry crime in Ukraine: A threat and risk assessment. (Interpol, 2016)

²⁵ Forestry crime in Ukraine: A threat and risk assessment. (Interpol, 2016)

²⁶ UNECE, Official report of forestry in Ukraine. Joint FAO/ECE/ILO committee on forest technology, Management and training. Twenty-fourth session, 12-14 September 2002, Ennis, Co. Clare, Ireland.

2.3 MAIN DRIVERS OF FORESTRY CRIME

According to literature, there are several underlying drivers relate to the complex situation about forestry crime in Ukraine.

- **Socially:** Unemployment and poverty in rural areas represent the most common motive for illegal cutting as well as the absence of an ecological and forestry culture, since members of the local population consider forests as a traditional unlimited source of free wood²⁷.
- **Economically:** Illegal logging (i.e.: at a larger scale) is carried out by people seeking to make high profits. Meanwhile, the low salaries paid to forest rangers are another reason for them to conceal small-scale cutting and assist companies that carry out illegal forest activities. The underdevelopment of other branches of the economy in forested areas (tourism, green agriculture, deep wood processing etc.) can also be seen as an additional factor.
- **Legally and administratively:** There are existing gaps in the forest legislation, the complicated and unclear legal aspects of forestry procedures and a weak and inefficient judiciary system which allows law breakers to evade punishment²⁸. The large number of conflicting responsibilities in the hands of the State Forestry Committee of Ukraine is also seen as a key driver, including policy setting, law making, handling management and financial aspects, as well as supervision and control, creating a high risk of corruption and conflicts of interest, in addition to the lack of protection for forest rangers from pressure exerted by members of the local population, who regard small-scale illegal logging as normal²⁹.

²⁷ Pavelko, A. & Skrylnikov, D. Illegal logging in Ukraine: Diagnostic audit. (Regional Environmental Center, 2010).

²⁸ Pavelko, A. & Skrylnikov, D. Illegal logging in Ukraine: Fact finding. (Regional Environmental Center, 2010)

²⁹ Pavelko, A. & Skrylnikov, D. Illegal logging in Ukraine: Fact finding. (Regional Environmental Center, 2010)



3. MAIN RESULTS

3.1 RESULTS FROM THE SURVEY

3.1.1 Forestry crime situation

Disclaimer: Although project partners assume that there is a common understanding of “organized crime” amongst people from the target group, this term was not defined initially in the survey. References to organized crime by respondents may therefore encompass slightly different meanings.

Nature and number of respondents

The results below are based on 14 answers. 13 respondents are stakeholders belonging to the enforcement chain group, and one respondent belongs to a NGO.

The questionnaire intended for NGOs contains 17 questions instead of 25 for the enforcement chain (some questions irrelevant for them were taken off the list, and 4 questions were added).

For clarity purposes, we mentioned the profile of respondents before each question:

- Enforcement chain only.
- Enforcement chain + NGOs.
- NGOs only.

Please note that only results and outcomes from the questionnaires and workshop are presented under part 3. The complementary assessment and analysis by WWF can be found in part 4.

3.1.1.1 Current trends (Enforcement chain + NGO)

Respondents were asked if forestry crime is a growing problem in Ukraine, both for domestic and imported timber, and to share any data they may have.

6 explained that forestry crime is an ongoing problem, while 6 mentioned the scale of the problem increased during the last years at national level, 2 of them being of the opinion that in the South and East of the country the situation is most critical, due to uncontrolled activities of private sawmills operating outside the law.

3 respondents explained that more attention is now being paid to the issue as information is disseminated more frequently in the media, although one of them doubts the reliability of such information and the fact that figures given represent the actual trends in illegal logging.

According to 3 respondents, in 2018, the total amount of timber illegally cut was 17,7 thousand cubic meters, causing damages evaluated to be UAH 117 million. While in the first half of 2018 the volume of illegal logging in the forests of the State Forestry Agency was 9.8 thousand cubic meters, it increased by 74.3 thousand cubic meters in the first half of 2019.

On the other hand, one respondent outlined that the number of offences of customs legislation is currently tending to decline, and another one pointed out that the state of crime in the forestry sector

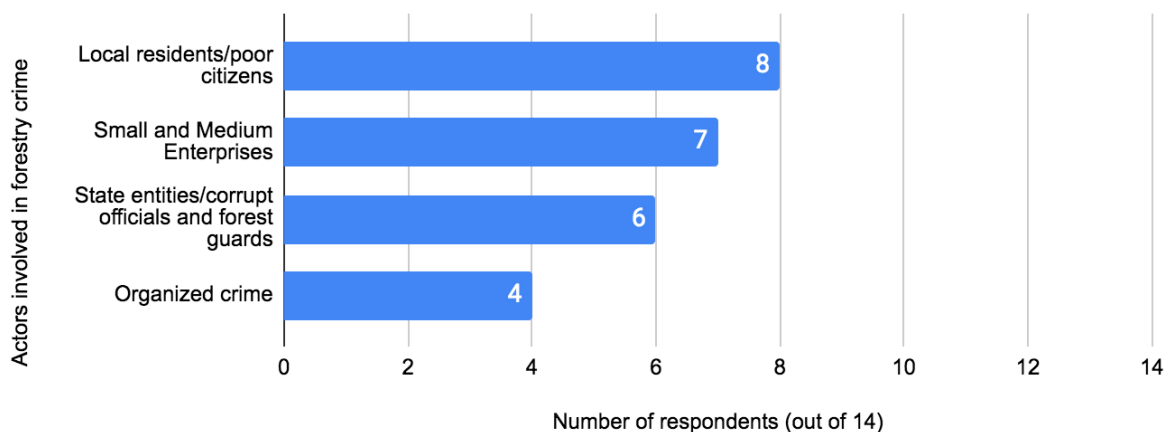
today is slowing down due to a decline of timber prices along with a decrease in timber demand for businesses, which means that it is not economically feasible to engage in these activities. In addition, this person mentioned that the introduction of a moratorium on the export of untreated timber (round logs) has had a significant impact on reducing the amount of illegal logging, since the domestic timber market does not require such volumes of timber.

3.1.1.2 How important is forestry crime compared to other crimes (Enforcement chain + NGO)

Respondents were asked to rank the importance of forestry crime compared to other crimes, concerning 1) Damages to the environment and 2) Tax evasion and loss of revenue.

<p>1) Damages to the environment</p>	<p>9 respondents consider forestry crime is very important compared to other crimes regarding environmental damage. 5 respondents classified it as important.</p> <p><u>Below are some examples listed by respondents to support their statement:</u></p> <ul style="list-style-type: none"> • Forestry crime causes significant and irreversible negative impacts on ecosystems, including the loss of valuable species and flora, leads to the disruption of natural ecosystem functions protecting the environment from pollution and increases the likelihood to have floods and landslides while fuelling climate change; • Forestry crimes causes the most “valuable” trees to disappear (from a commercial and possibly biological perspective depending on diameter/species); • Restoring degraded forest will take at least several decades and a considerable amount of resources.
<p>2) Tax evasion and loss of revenues</p>	<p>8 respondents see forestry crime as being very important compared to other crimes regarding tax evasion of loss of revenues. 5 of them classified it as important and one as moderately important.</p> <p><u>Below are some examples listed by respondents to support their statement:</u></p> <ul style="list-style-type: none"> • Failure to pay “direct” taxes and fees to local budgets/territorial communities and the State diminishes the potential to develop sectors/actions or programs that could have benefited from the money generated, such as the protection of natural ecosystems; • It results in considerable losses for the State Budget in the form of non-received taxes for the use of the Ukrainian natural resources. As a result of illegal logging, losses of state forestry enterprises amount to approximately UAH 0.5 billion (about EUR 46 million) annually; • Forestry enterprises and the State are not receiving profits from official sales of timber products, therefore lacking funds to pay salaries to employees in the forestry and timber processing sectors. This increases the cost of legally harvested timber, thus reducing demand as well as the income received from the sale of legal timber products.
<p>Others</p>	<ul style="list-style-type: none"> • Because of the grey/shadow market of the forest sector, corruption thrives, which gives the impression to people that engaging into forestry crime can easily pay off. This affects social relationships and the behavior of people involved in the forest economy in general.

3.1.1.3 Key actors involved in forestry crime (Enforcement chain + NGO)



8 respondents see local residents/poor citizens/private individuals (depending on the terminology used) as “actors” involved in forestry crime. Poverty, in addition to low awareness of the citizens who ignore and/or misunderstand existing legislation on the prohibition of illegal logging of trees, leads to frequent harvesting for firewood. One respondent added that the vast majority of criminal proceedings were cases involving local citizens in communal forests.

2 respondents explained that poor citizens do not have access to the forest to engage in the sale of illegal timber trade even at the regional level, as representatives of the State Forest Guard are aware of such situations and will take, in principle, all legal responses and report any offence. **Illegal logging of timber and its further sale is therefore impossible without the help/support of State Forest Guards.**

7 respondents consider Small and Medium Sized Enterprises (SMEs) as known actors involved in illegal logging, including for the export of illegal timber, while **State entities, corrupt officials and forest guards** were mentioned by **6 of them.**

Organized crime was mentioned by 4 respondents although it can be difficult to attribute forestry crime to organized crime, as it can encompass many different types of people/organizations, including the above mentioned (Small and Medium Enterprises, forest workers, corrupt officials etc.).

According to one respondent, evidence suggests that organized crime designates/appoints forest administrators. These forest administrators will then favour certain timber buyers (the ones connected to organized crime) over others. There are many cases where such crimes are committed directly by the responsible persons on the field (forest rangers/майстер ліси, chief of forest district administration/лісничий) who carry out timber accounting.

3.1.2 National enforcement chain

3.1.2.1 Knowledge of the enforcement chain, implementation of national legislation and capacity/experience of authorities in tackling forestry crime

How important is the fight against forestry crime for you and your respective unit/agency/authority (Enforcement chain):

6 respondents Very important	7 respondents Important
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How would you grade your knowledge on forestry crime (Enforcement chain + NGO):

1 respondent Excellent	3 respondents Very good	8 respondents Good	2 respondents Fair
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How would you define the capacity of your organization in dealing with forestry crime (Enforcement chain)?

1 respondent Excellent	5 respondents Very good	5 respondents Good
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Overall respondents felt confident with the ability of their organizations to effectively fight forestry crime, although some issues were pointed out, **including the imperfect legislative framework, or the need for more financial support.**

Respondents tend to express that instruments to fight forestry crime exist, but that they need refinement and better financial support, as well as a need to improve cooperation along the enforcement chain for better results.

Some positive examples were provided, such as the introduction of electronic timber accounting systems, the raids conducted by the State Forest Guards with the participation of police officers, but also cooperation with individual NGOs on the ground.

Opposite to that, out of the 13 respondents from the enforcement chain, none has ever taken part in a training session/program on law enforcement and methods to better fight forestry crime.

List of the relevant agencies/actors/institutions in Ukraine involved in fighting forestry crime³⁰:

National police - Security Services of Ukraine - National Anticorruption Bureau of Ukraine - State Bureau of Investigation - State fiscal service - Customs

Ministry of Environment - State Environmental Inspection - Ukrainian Forest Resources Agency - The State Forest Resources Agency of Ukraine - State Forest Guard of forestry enterprise

Prosecutor's Office - Specialized Anti-Corruption Prosecutor's Office - Courts

³⁰ This list is based only on answers by respondents

3.1.2.2 General knowledge about legislation related to forestry crime

How important are national and international legislation to prevent and fight forestry crime for you and your respective unit/agency/authority (Enforcement chain + NGO)?

5 respondents
Very important

9 respondents
Important

How would you grade your knowledge of existing European legislation on forestry crime (Enforcement chain + NGO)?

1 respondent
Excellent

2 respondents
Good

9 respondents
Fair

2 respondents
Poor

How efficient are the laws at discouraging forestry crime in your country (Enforcement chain + NGO)?

1 respondent
Efficient

10 respondents
Neutral

2 respondents
Not efficient

Replies indicated that stakeholders believed the current legislation/legislative framework provides a good basis but faces important shortcomings. This was also highlighted in the **table on obstacles**.

Some of the shortcomings indicated by respondents were the inability to enforce certain norms, the absence of deterrent sanctions (amount of penalties unjustifiably low), the fact that offenders are almost never put in a pre-trial detention center, or the fact that courts do not perform their functions and often do not pursue cases further.

The respondent from the NGO adds that the judiciary is very weak and corrupt, and that only 5% of all cases of illegal logging end in court, stressing that this nullifies the efforts of law enforcement agencies to combat those crimes.

Nonetheless, one respondent was of the opinion that, although the current version of Article 246 of the Criminal Code of Ukraine is not perfect, it is strong enough to prevent forest crime in Ukraine and shall help in identifying and terminating illegal logging both by corrupted entities and organized crime, whilst protecting against the criminal liability of poor citizens.

3.1.2.3 Cooperation along the enforcement chain

How important is the cooperation along the enforcement chain to prevent and fight forestry crime for you and your respective unit/agency/authority (Enforcement chain):

9 respondents
Very important

4 respondents
Important

Respondents mention the existence of collaboration in diverse forms, including the Joint Order of the State Forestry Committee of Ukraine and the Ministry of Internal Affairs "On Improving the Effectiveness of Interaction between the Interior and State Forestry Authorities for Forest Protection" or the memorandum of Cooperation and Exchange of Information between the State Forestry Agency and the National Anti-Corruption Bureau of Ukraine (NABU), signed in May 2019.

One respondent added that some joint actions aimed at detecting, preventing and investigating crimes (exchange of information, cooperation) are carried out by the prosecutor's office and the police and cooperation exists between the prosecutor's office and court for relevant trials, as well as information exchange between the prosecutor's office, police and the State forestry agency.

How would you grade the existing level of cooperation on forestry crime (Enforcement chain)?



3.1.2.4 Cooperation with Non-Governmental Organizations (NGOs) (Enforcement chain)

Respondents were asked to assess their cooperation with Non-Governmental Organizations (NGOs).

Two major types of answers were received:

1. **Respondents recognized that NGOs clearly help to detect and document forestry crimes and regret that apart from “Forest Watch”, other NGOs haven’t reported on forestry crime for a long time.** However, some active local residents periodically report illegal activities. NGOs, are perceived as being more mobile and capable of detecting criminal offenses at the place where they were committed, although cooperation is sporadic and could be improved.
2. **Some stakeholders share the view that information from NGOs is almost never confirmed (after investigations/checks are performed), and that some NGOs are created by certain stakeholders to lobby for their own interests.** For one respondent there is no existing cooperation, with most NGOs being interested in influencing the fight between existing forest management staff and potential candidates wishing to occupy these positions. This respondent describes that some people also use NGOs to blackmail forestry officials, and that some NGOs agree not to report future forest crimes to officials, in exchange of what they would gain undue advantages.

In addition, the Law of Ukraine "On the Fundamental Principles of State Supervision (Control) in the Field of Business", makes it impossible to react promptly to information on possible illegal logging that comes from citizens/NGOs. Information shared by NGOs are not considered as actionable/acceptable, which makes it impossible for any cooperation.

Respondents were also asked how helpful they considered substantiated concerns from NGOs to be. **Some had the view that concerns raised are extremely helpful as they facilitate the rapid detection and suppression of forestry crime**, but it is important to ensure that the activities of NGOs aim at facilitating the work of law enforcement agencies and not obstructing their activities. One respondent explained that information collected and gathered by NGOs was further used in court as evidence.

For some respondents it was important to be cautious, as information from substantiated concerns is rarely confirmed, sometimes not based on clear evidence, or even false.

3.1.2.5 Cooperation between the NGOs and the enforcement chain (NGOs)

How do you assess your cooperation with relevant authorities/units fighting against forestry crimes?

The NGO respondent assesses that cooperation as very important, highlighting that public announcements from activists can facilitate the initiation of successful investigations related to forestry crime cases, if investigation are led by trained and motivated law enforcement officers.

3.1.3 Types of forestry crimes: modus operandi and occurrence (Enforcement chain + NGOs)

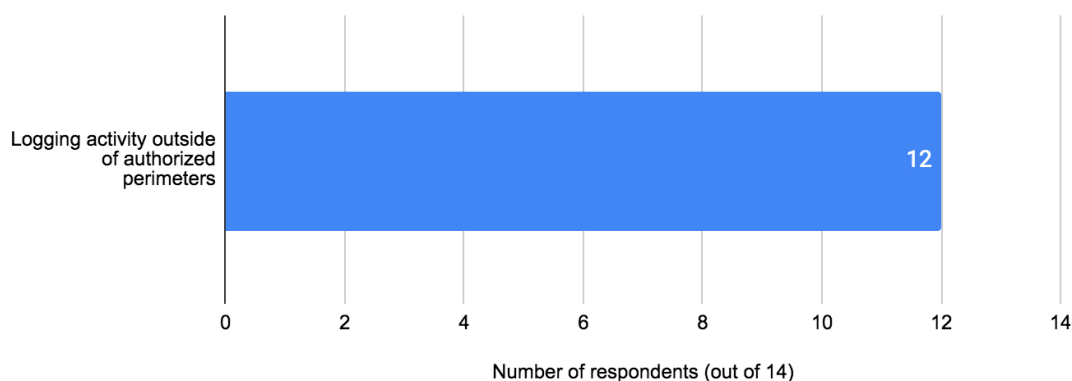
Respondents were asked in the questionnaire to select a modus operandi for forestry crime they are aware of in Ukraine. The list of different modus operandi was based on literature review and concrete cases are available in **annex 2**.

Below is a summary of the modus operandi most commonly selected/chosen by respondents. In addition, some examples reported by respondents are given to better illustrate these criminal methods.

According to the answers received the most common modus operandi are:

1. **Logging outside of authorized perimeters.**
2. **Logging of unauthorised trees in forest stands earmarked for felling/logging.**
3. **Logging in protected areas and transport of the illegally harvested wood without a transport ticket.**

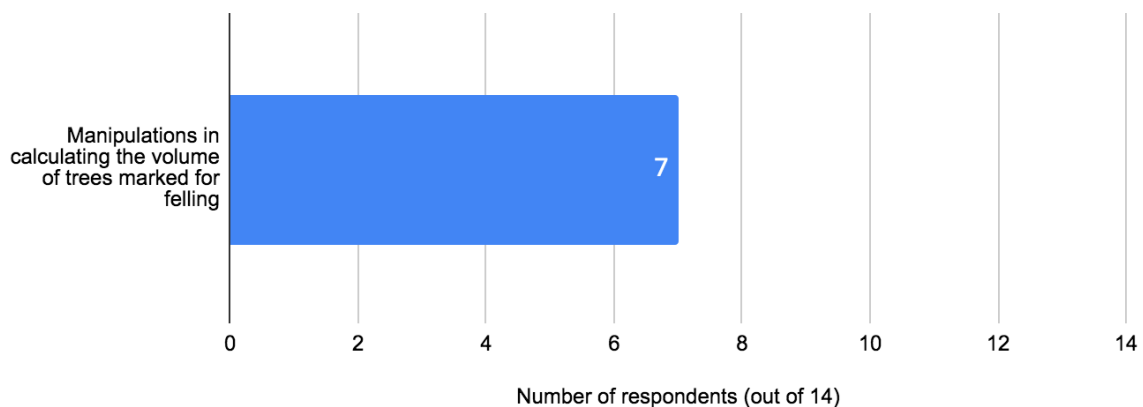
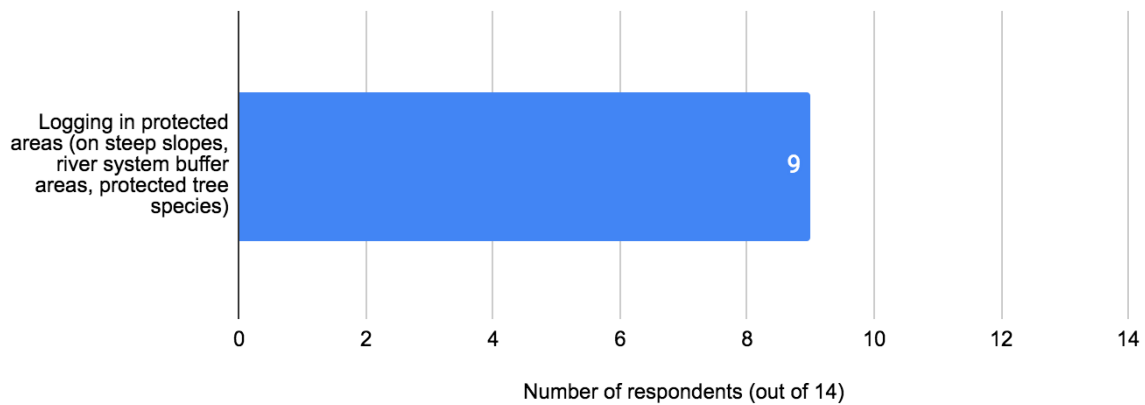
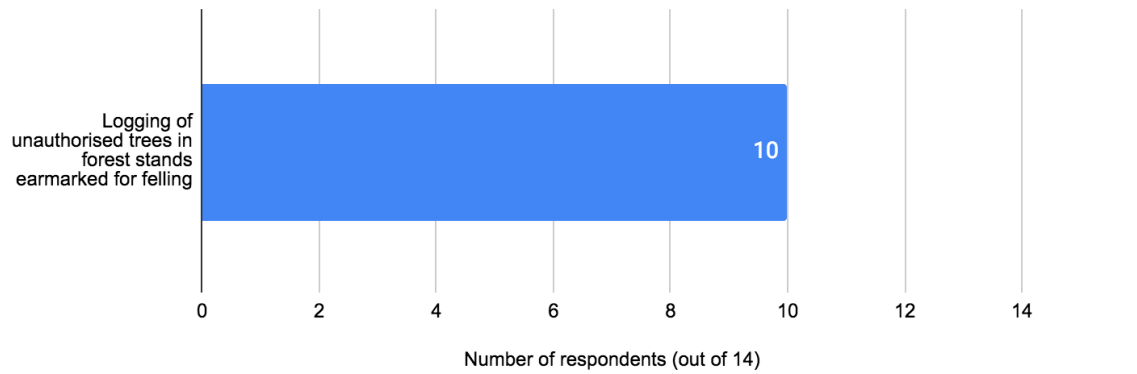
Boundary



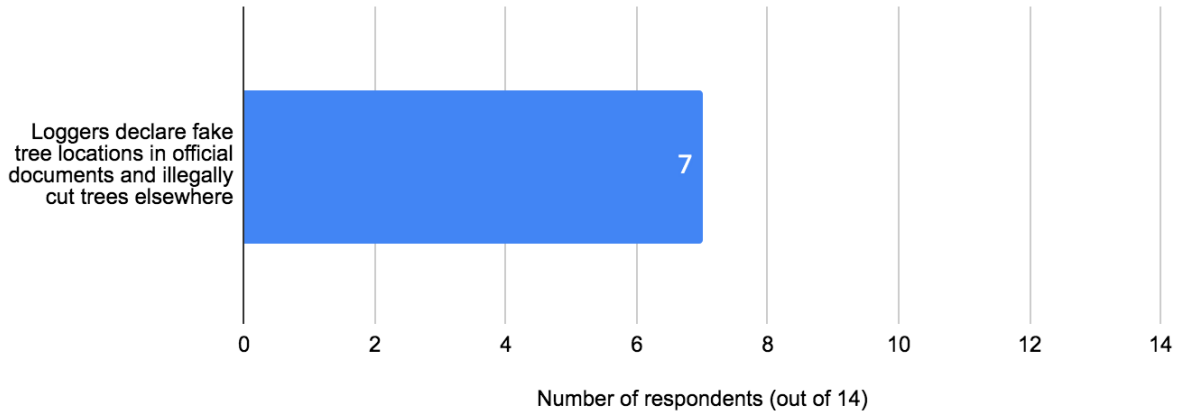
Example: State Forest Enterprises employees or officials of the forestry enterprise falsify documents to hide evidence, using a permit to carry out a sanitary logging (logging ticket) in order to harvest unauthorized trees/ trees not marked for logging or growing outside of the authorized perimeter. They refer to permissible errors of measurements to justify harvesting wrong/unauthorized trees.

Example: Logging took place on sites that had not been designed for felling by the forest inventory organizations. To conceal the crime, documents were prepared after the illegal harvesting of timber. The « new » documents stated everything was in order for logging, which was false.

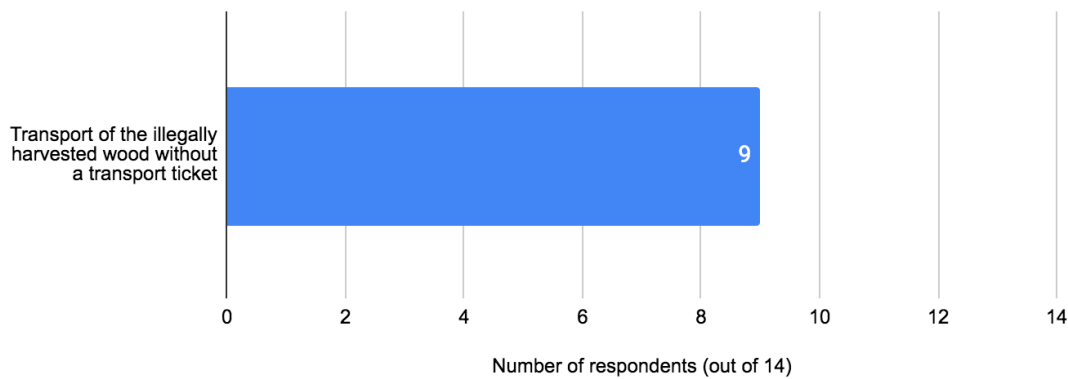
Conditions for logging



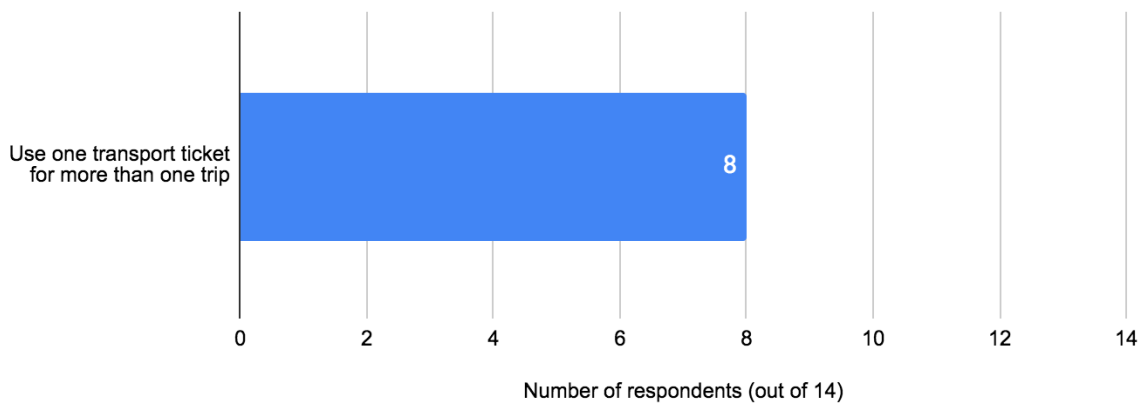
Example: During the preparation of documents needed to obtain a permit, forestry workers underestimate on purpose the number of trees designated for logging, on which they don't make the necessary markings. Afterwards, these trees are logged anyway, thus illegally. In some cases, some false documents can also be prepared, providing misleading data on sorts, species, volumes of merchantable timber, etc.



Transportation

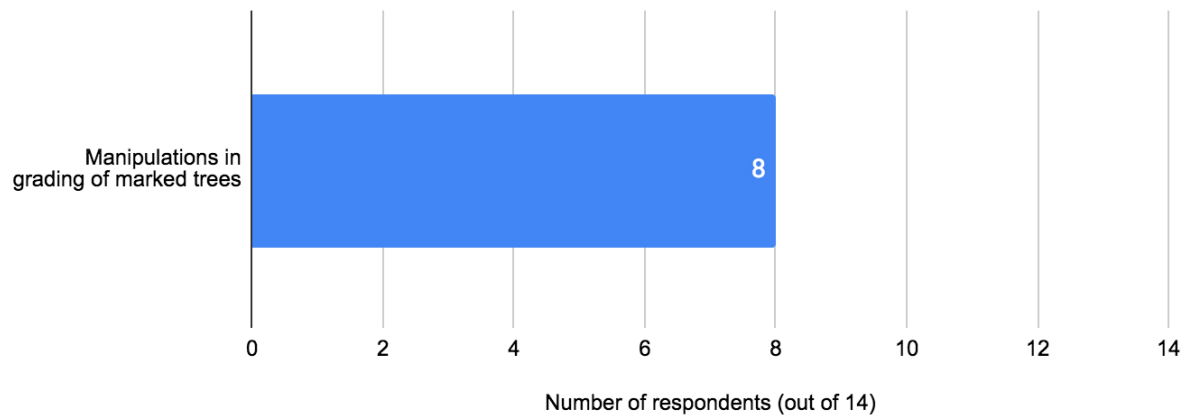


Example: When stopping and checking timber trucks, (corrupted) forestry staff enter the missing data into the electronic system and justifying it by invoking technical problems with the electronic timber accounting system.



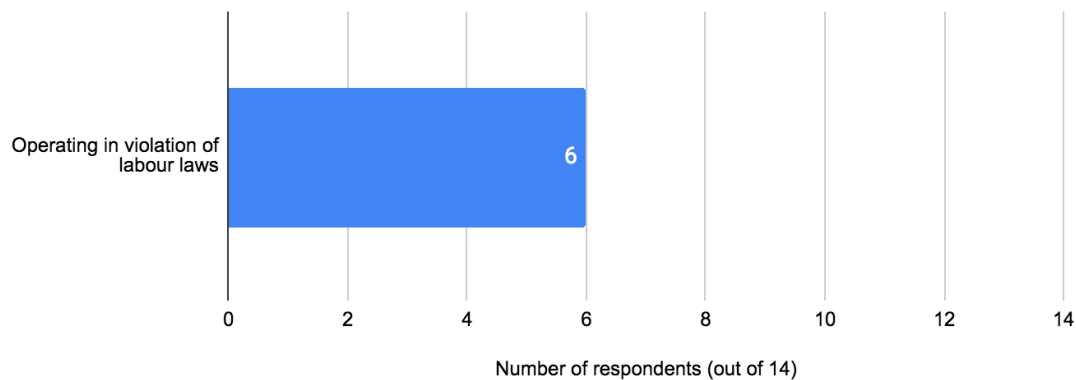
Example: The same transport ticket and the same tags are used twice to transport different logpiles. People lie by saying that the vehicle was having technical issues the day before and could not be used.

Taxes, fees & royalties



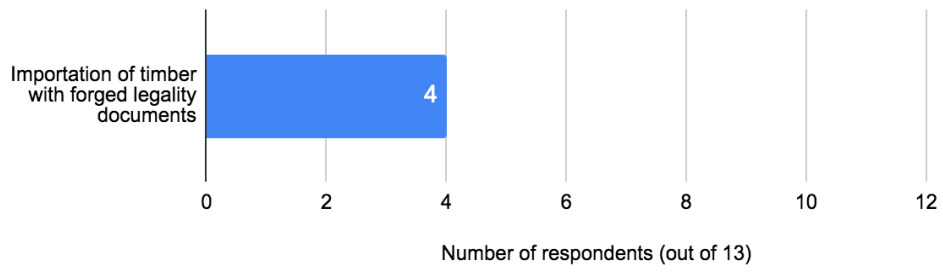
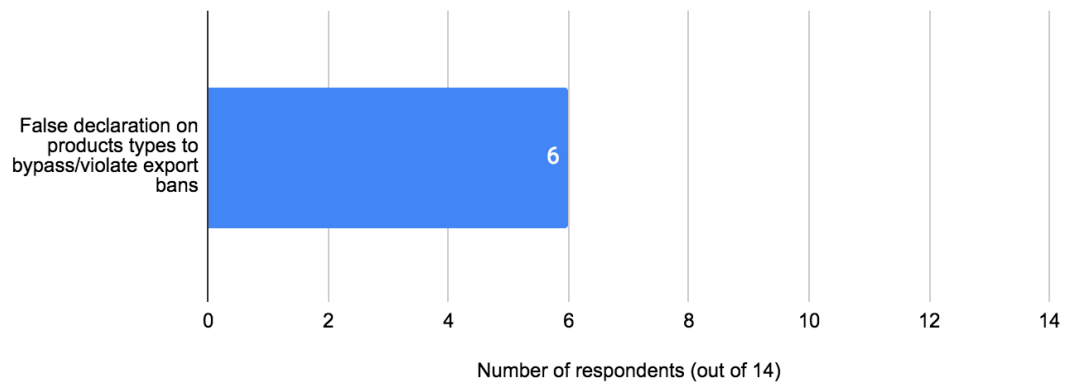
Example: Forestry companies, using differences between Ukrainian laws and laws in country of exports, misclassify the timber as "technological firewood" (classified as a third grade timber abroad).

Labour



Example: To reduce costs, persons who are not part of the forestry staff are involved to help carry out the logging. Such persons do not know the security requirements, have no obligation to respect technical requirements and are not officially hired. They receive payment in firewood.

Trade



3.1.4. Main obstacles for effective law enforcement (Enforcement chain + NGOs)

Stakeholders were asked to list the main obstacles for effective law enforcement/fighting forestry crime along the enforcement chain in Ukraine.

Below we present the list of obstacles identified by respondent for each category of the enforcement chain.

<p>Customs/ Borders</p>	<ul style="list-style-type: none"> • Lack of specialists to determine the grade/quality of species, and other specificities of timber/timber products. • Absence of a common register/absence of a single system for verifying the origin of documents • Customs officers refuse to classify the timber products using the Ukrainian Classification of Goods of Foreign Economic Activity. • Lack of transparency and lack of access to the customs database. • The inability to quickly initiate a check of cargo.
<p>Forests</p>	<ul style="list-style-type: none"> • Forest lands cannot be transferred to private property, be the subject of legal transactions, and the change of purpose of these lands is impossible (e.g. from forested to agriculture). Today, however, there are significant problems with the illegal alienation of forests. The prosecution authorities found that, despite the special status of forests, without possessing the full ownership rights, the local self-governments and state authorities lawlessly change their ownership, transferring them into private property, which allows new owners to construct houses and other buildings and to conduct illegal logging. Quite often, such parts of forest land are transferred using certain illegal schemes, for example, privatization of land by illegal nominee, students, falsification of decisions etc. • Low salary for forest staff/forest authorities. • Lack of proper accounting of forested lands, undefined boundaries of forested lands. • No methodology to control the trees already cut down based on the size remaining stumps, which allows to accumulate unregistered/unaccounted timber volumes of illegal origin. • No unified (legislative) approach to measure the volume and quality (grades) of timber. • The current standards to classify timber grade are not specific enough, leaving enough room for "misclassification". Even professional experts may unequally classify the same log. Lawyers in court may easily overturn such classifications. For example, to distinguish grade B from grade C is almost impossible (the difference in knots, damage, are subjective to each person who classifies the logs). • Absence of a methodology for calculating damages for the offence of the "Sanitary rules in the forests of Ukraine". • Logging tickets are often issued after felling has started.
<p>Police/ Investigation</p>	<ul style="list-style-type: none"> • Impossibility to use satellite imagery data because of a lack of budget and technical capacity. • Lack of material necessary for proper investigation such as cars, drones, surveillance cameras. • Separation of functions between law enforcement agencies that fight forestry crime. • Poor quality of work of pre-trial investigation bodies responsible for detecting, investigating and recording evidence of a criminal offense.

	<ul style="list-style-type: none"> • The need for law enforcement agencies to obtain court permissions for practically all their actions, which is a long and time consuming process and incompatible with an effective investigation work. • There is not a single body that deals with forest crime issues with trained and specialized staff.
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Justice/ Prosecution	<ul style="list-style-type: none"> • The high workload of judges does not allow prompt treatment of forestry crime cases leading to interruption/closures of court proceedings where forestry officials are involved. • The amount of penalties prescribed for environmental offences is unjustifiably low. • Legally and on the ground, State Forest Guards are not protected from criminals. • The Law of Ukraine "On Exercise of State Supervision (Control)" makes it impossible to react promptly to information on possible illegal logging that comes from citizens. • Cases of illegal logging that are transferred by the State Forest Guards to law enforcement agencies are either not investigated or are not being considered by courts. • Cooperation of the State Environmental Inspectorate with law enforcement agencies is not effective as the list of issues investigated by the Inspectorate is limited by the "Uniform Act" . • Frequent and irrelevant changes of existing legislation, presence of a large number of evaluation concepts/evaluative judgments of certain terminology, in particular in Article 246 of the Criminal Code of Ukraine. • The use of special investigation techniques, such as listening, video and audio surveillance, are prohibited when documenting forestry crimes according to the current legislation. • In addition, the Law of Ukraine "On the Fundamental Principles of State Supervision (Control) in the Field of Business", makes it impossible to react promptly to information on possible illegal logging that comes from citizens/NGOs. Information shared by NGOs are not considered as actionable/acceptable, which makes it impossible for any cooperation.
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Example

One respondent emphasized the complexity/difficulties that can exist along the enforcement chain and at the judicial level by explaining that **in the first half of 2019, the State Forest Guards (State Forest Agency) transferred 1,104 illegal logging cases to the National Police for further investigation** (representing an amount of financial losses of 449.6 million UAH, approximately 16,4 millions €). **Out of them, only 14 cases were brought to court by the National Police** (representing losses of 0.3 million UAH), approximately 11,000 €. A similar situation can be seen with the prosecutor's office - **out of 23 cases** (with an estimated prejudice of 0.8 million UAH, approximately 29,000 €) transferred by the State Forest Guard to the Prosecutor's Office - **only 2 cases were brought to court** (representing a prejudice of 46.3 thousand UAH, that is 1,680€).

Eventually, out of 52 cases transferred to court (with an estimated prejudice of 1.2 million UAH, approximately 44,000€), **court decisions were taken in 15 cases** (losses estimated to be 114.5 thousand UAH, that is 4,170€). **Only 56.8 thousand UAH were recovered by the bodies of the State Executive Service, approximately 2,080€.**

<p>Anti-corruption</p> <p>Anti-fraud</p> <p>Money laundering</p>	<ul style="list-style-type: none"> • Absence of proper (reliable) method of calculation of financial losses caused by forestry crime. • Insufficient actions to combat corruption schemes in the area of logging, transportation and import of timber. • Absence of witnesses to help expose corruption due to fear of reprisals.
<p>Others</p>	<ul style="list-style-type: none"> • Poverty, which leads poor citizens to illegally harvest/acquire firewood. • The system of auctions results in high timber prices, making illegally acquired timber cheaper.

Besides the gaps listed by stakeholders along the supply chain, **corruption was mentioned several times as being an underlying critical issue, leading to many forestry crimes in their current form.**

Corruption of judges and prosecutors, managers of Forest Enterprises covering the illegal activities of their subordinates as well as corruption and absence of reaction by the state control bodies when facing obvious forests destruction, were also highlighted by respondents.

Issues concerning lack of communication/cooperation between the different nodes of the enforcement chain were also pointed out by stakeholders as information is mainly shared through correspondence and during meetings, something that could/should be improved, although some law enforcement bodies, such as the Police, NABU, SSSU, SFS have access to the electronic timber accounting system database on-line.

Only one of the respondent has used the communication channels provided by INTERPOL (I-24/7) to share information on forestry related investigations. For the rest, stakeholders have never heard and/or used these channels.

3.2 MAIN OUTCOMES FROM THE WORKSHOP

During the national workshop with representatives from authorities along the enforcement chain and NGOs that took place in Kiev on September 19-21 2019, participants identified further modus operandi for forestry crimes as well as obstacles. They are presented below:

3.2.1 Identification of additional modus operandi

Conditions for logging

- Breaches of conditions of forests lease agreements.
- Interference with the means of identification - falsification of marks, tags, seals.
- Illegal transfer of forests ownership (removal from the forest fund).

Transport

- Transport of the illegally harvested wood with an electronic transport ticket that wasn't registered in the system.
- Unregistered logging truck or driver (without a valid driver license).

Taxes, fees and royalties

- Fake small business entities (FOPs) are created to extract money from state enterprises by indicating fake accomplishments (non-existing workload).
- Manipulations in the organization of round wood selling auctions and corruption in choosing auction providers.
- Income legalization, conspiracy, offshore tax evasion, transfer pricing.
- Manipulation with wood lots (price, grade) during auctions. Off the record "oral agreements" between participants not to compete or to act alongside pre-determined rules, resulting in direct contracts with buyers with lower prices.
- Export through offshore/shell companies.
- Administrative pressure to whom to sell the wood: top officials send the list of businesses State Forest Enterprises will be working with. To get on this list, businesses need to pay a significant amount of money/bribe.
- Businesses buy good quality wood (or mix between low/high quality). Official documents say the timber is low quality. Companies then store the wood and separate the good/low quality wood to make more profits when re-selling the wood to other buyers by re-sorting it.

Trade

- Import/export of prohibited tree species (such as CITES species, or species prohibited under the current ban).
- The possibility to buy documents indicating someone else's wood ownership and use them for illegally obtained wood.
- State Forest Enterprises sell cheap wood to known businesses, not respecting "competition" rules. These businesses then export/sell the wood and share the profits with State Forest Authorities/Enterprises.

3.2.2 Identification of additional obstacles

During the workshop, participants also listed additional obstacles, listed below:

Forests	<ul style="list-style-type: none"> • The state forest agency has adopted an electronic timber accounting system but it accounts for only 73% of the forest areas. For 27% of the forest area, timber transportation documents can be issued in written form, increasing the chance to fraud. • If the wood is not sold through auctions, it can be sold and accompanied by hand written documents issued by the State Forestry Enterprises, which are easy to forge. • Manipulations in the organization of round wood selling auctions and corruption in choosing auction providers. • Participants unlawfully agree not to compete or to play their agreed rules during auctions, manipulation of prices • Inconsistency of measurement units for reporting – such as cubic meters or kilograms - leading to confusion. • Existence of unaccounted wood on territories/lands administered by SFEs.
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Police/ Investigation	<ul style="list-style-type: none"> • Deliberate negligence in controlling supply chains. • No admission of controlling bodies to military and communal forests for inspections. • Offenders fall under different jurisdictions (subordinated to different law enforcement agencies) which makes investigations more complex.
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Anti-fraud/ Money Laundering	<ul style="list-style-type: none"> • Shell companies created for one transaction then closed.
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Participants also classified some offences in order of importance:

- 1. Abuse of power or official position (corruption).**
- 2. Legalization of illegal income, conspiracy, offshore tax evasion, transfer pricing.**
- 3. Timber stock mismatch (in Forest Management Plans and logging timber allotment documentation).**
- 4. Misappropriation and embezzlement of state property.**
- 5. Breaches of the conditions of lease agreements of forests.**
- 6. Obtaining logging permits through bribes.**

Case study:

The audience also chose one case study showing the combination between two of the most important offences when it comes to forestry crime: corruption and legalization of illegal income.

- Illegally harvested timber is purchased by a Business Entity 1 (BE1) from a certain Forestry Enterprise (FE).

At the same time the enterprise also sells legally harvested timber to a second business entity (BE2) and the relevant local/Oblast Forestry Department issues Certificates of Wood Origin to BE2. This business entity then sells wood in the domestic market but also illegally sells Certificates of Wood Origin (just a paperwork) to BE1.

- BE1 exports illegally harvested timber under such counterfeit Certificates to a Company (BE3) registered in the offshore area. The BE3 Company then sells timber to a real timber company from an EU country and pays illegal revenue to a scheme organizers by buying a property in London for example.



4. ANALYSIS



4.1 PUBLICLY AVAILABLE INFORMATION AND DATA

4.1.1 What are available information and data

Regarding the context described in part 2, we explored the different sources made available in English for: forest context and the national country situation regarding illegal logging in Ukraine, policy and legal framework on forests and main drivers of illegal logging. Several international organizations, such as the Food and Agriculture Organization of the United Nations, UNEP-WCMC, INTERPOL or the European Commission were used to reference general/background elements on the situation of forests in the country and the situation about policy and legal framework, along with official sources from State authorities regarding the export ban.

Regarding estimates on illegal logging, forestry crimes and associated risks, academic research as well as NGOs' reports remain the main source of information, although official information from the State Forest Resources Agency of Ukraine as well as estimate from the World Bank are also referenced, although this information is not always recent.

To a lesser extent, Nepcon was used regarding the national risk assessment in Ukraine. Overall, we can say that there is a rather important amount of information available in English from diverse sources specifically addressing the issue of forestry crime in Ukraine.

4.1.2 How does the publicly available literature compare with the outcomes from the surveys and the workshop

Overall, answers and inputs from both respondents to the survey and participants to the workshop reflect the situation on forestry crime in Ukraine depicted by the literature review, from the main drivers to the actors involved in forestry crime and those fighting against it.

Modus operandi mentioned in the literature are also well reflected going further in terms of details and complexity, such as with the list of obstacles identified.

Figures on illegal logging as proposed by the World Bank or Earthsight were not used and unlicensed sawmills were not mentioned as such, although Earthsight estimates that there are 12,000 of them operating throughout the country, despite the fact that we can assume that they were identified under SMEs in the list of actors involved in forestry crime.

Also, it is to be noted that despite obvious examples of offences, such as when the EU customs authorities had recorded the import of almost 1 million cubic meters of logs from Ukraine which were supposed to be banned from export, a rather small proportion of the respondents selected the associated method to carry out forestry crime on the trade part, once again showing possible lack of transparency and weaknesses in the way information is being shared.

4.2 WWF'S ANALYSIS

General context

Based on the information provided by some respondents, it looks like illegal logging has been growing in 2019, but this difference could partly be explained with the change of the political situation in Ukraine, including the newly elected President and Parliament.

Indeed, following elections, governance tends to be destabilized, as several heads/managers working in the timber sector (for the State Forest Agency, Regional Forest Departments etc.) may be dismissed and replaced. **The time between dismissal of certain officials and their effective replacement create uncertainties and opportunities for organized crime to thrive.**

According to WWF experience, the current statistics mentioned by respondents in the questionnaires, but also in general, do not reflect the real situation in Ukraine. This could be explained by the fact that data is being reported by foresters possibly involved in illegal logging as there is a problem of neutrality and impartiality of forest guards as they directly report to the SFEs. Forest officials are closely linked to politics and they will hide or uncover forestry crime cases depending on what they are told to do by their hierarchy. **Currently, methodologies for independent assessments of illegal logging levels and impacts on valuable forests ecosystems in Ukraine are missing.**

According to one respondent to the questionnaire, no criminal proceedings have been brought to court against corrupt business, organized crime, SMEs or international companies since 2017. This statement was challenged by one workshop participant who explained that such cases were addressed in court.

This example shows that access to available information varies, possibly due to a lack of transparency and the absence of a streamlined cooperation between the nodes of the enforcement chain, making a coherent approach to forestry crime difficult.

On top of that, the lack of a forestry cadastre and the administrative fragmentation of the national forest fund (as a result of the restitution process, still not yet completed) raises challenges, such as problems with the illegal alienation of forests being transferred into private property, opening the door to possible illegal logging.

Actors involved in forestry crimes and organized crime

Results highlight forestry crimes is clearly perceived as a major issue by respondents when it comes to damages to the environment and tax evasion/loss of revenues. Information provided suggests that a wide variety of different actors are involved in forestry crimes, which are not limited to certain group of people/organizations, and can occur in multiple forms. These actors are cooperating from the illegal harvest to the transport and selling of the timber, although it can be hard to specify how.

Poverty related forestry crimes seem to be quite common and widespread, thus making it an important problem at national level. On top of that, **low salaries for forest staff/forest authorities and the possibility to obtain a percentage from timber sales worsen the problem of corruption of forest guards,** who can give citizens/individuals access to the forest to illegally harvest and sale timber. The grey economy sector plays a significant social

role for the local population in rural areas, with a high share of local communities in vulnerable situations, where, apart from timber harvesting and wood processing, there are no other industries. **In addition, some “poor” offenders may also be linked or work for an organized crime structure, showing that attributing the illegal logging to organized crime can be a challenge.**

Knowledge and capacity of the enforcement chain

Answers to the questionnaire indicate that respondents consider their capacity to fight forestry crime as good to very good. Instruments to fight forestry crime seem to be in place but they need refinement, better financial support and use to reach their full potential, showing a discrepancy between mission/intention and reality on the ground.

None of the respondents have ever taken part in a training session/program around law enforcement and better fighting forestry crime, which is a significant gap, as more trainings could help staff from the enforcement chain to gain more expertise as well as personal motivation.

Overall the enforcement chain is underfinanced, legally and on the ground State Forest Guards are not protected from criminals, they also lack resources and equipment to investigate and arrest offenders, a lack of specialists to determine the grade/quality of species, while there is an overall lack of institutional capacity to exercise controls.

Cooperation along the enforcement chain and the role of NGOs/CSOs

While cooperation is considered as important to prevent and fight forestry crime, results show the level of cooperation strongly need improvement.

Certain NGOs are playing an important role in fighting forestry crime but cooperation needs improvement, in a context where there is an extremely high public concern and interest related to forest generally and illegal logging particularly.

The “Forest Watch” initiative is a good example, as the main aim of the project is to provide independent professionally oriented expertise for civil society in order to better monitor illegal logging and other forest offenses with involvement, in close coordination with law enforcement agencies. Forest Watch also aim at building capacity for civil society and law enforcement to reduce illegal logging, developing cooperation between foresters and the local communities and vice versa, showing that there is room for improved cooperation between NGOs/CSOs and respective authorities. Worrying is the existence of NGOs with dishonest motivations.

The legislative framework & EU Timber Regulation

Replies show that more than half of the respondents believe existing laws are not effective in tackling forestry crime, while all of them consider national and international legislation to fight forestry crime as (very) important. **This indicates a clear discrepancy showing that the legislative framework does not live up to the challenge** (for different reasons), an assumption that the table of obstacles widely support. **At present time, the electronic data system for wood management is inefficient, and there is a lack of transparency and accountability in the forestry sector, as well as a real system of electronic wood accounting** (the current system applies only for 73% of the forest areas). This would help to publish online the information on the amount of timber, harvested and planned for cutting, including sanitary logging, sold on the domestic market and for export.

The existing legislation is too weak on wood traceability systems, and controls and monitoring have not been properly designed as the system does not focus on the first placing on the market.

Manipulations in the organization of round wood selling auctions are easy, and the system can easily be rigged, in a context where timber products pricing is not regulated by law.

Overregulation, complexities in the legislation as well as excessive bureaucratic procedures in forest management are making the fight against forestry crime more challenging.

The significant proportion of groundless sanitary cuttings happening in Ukrainian forests is a good example of the actual loopholes and shortcomings of the legislative framework.

Judicial system

There seems to be an obvious lack of success with the prosecution of serious forestry crimes cases. Some cases of illegal logging transferred by the State Forest Guards to law enforcement agencies are either not being investigated or not accepted by the courts.

There seem to be many reported crimes of lesser magnitude linked to illegal logging by citizens/locals, compared to the ones observed with the organized crime.

It remains unclear why certain cases are being closed, although poor pre-investigation is being mentioned as a key issue as well as the workload of judges. There is also a significant decrease along the chain regarding:

- the number of cases brought by the State Forest Agency to the police;
- the number of cases brought to court by the police;
- and eventually the number of cases handled by courts.

Few cases end in courts in comparison to the initial number of cases raised by the State Forest Agency.

Investigations and controls

Regarding investigations, there is an absence of forest police hubs in regions, with a full-fledged law enforcement agency, motivated and properly equipped, with undercover investigators who have the skills to investigate forestry crimes. **For now, it is not prescribed in the job descriptions of forestry guards, or the national police staff for example, to notify suspicion or detected forestry related offence.**

Due to the absence of dedicated taskforce, quality of work of pre-trial investigation is not as good as it should be. In addition, red tape and bureaucracy making investigations procedures long and complex.

Modus operandi to carry out forestry crimes

Forestry crime in Ukraine is complex with regard to causes and forms and happening along the entire enforcement chain. **Techniques used to carry out illegal logging and related trade are**

plentiful and constantly evolving, but they are known and therefore could be tackled more effectively.

In terms of proportion, fewer respondents selected modus operandi belonging to the trade part, showing possibly that modus operandi for trade are lesser known, or that timber, at that point, has already been made legal and can be exported as such.

The ban on the export of raw logs is a good example. While the decision was taken to limit and tackle the trade of illegal timber, the Earthsight report³¹, shows the need for an answer at different level, as actors involved in forestry crime have enough resources to circumvent new laws.

³¹ EU customs authorities had recorded importing almost 1 million cubic metres of logs from Ukraine which were supposed to be banned from export thanks to the misclassification of the logs as 'fuelwood'

ANNEXES

Annex 1:

Overview and summary of the main gaps identified

Based on the answers gathered from the questionnaire, outcomes of discussions from the workshop in Kyiv and analysis by WWF, we listed below the main gaps identified that prevent from properly and effectively combating forestry crime. These gaps were organized in different categories for more clarity.

First of all, it is important to stress that corruption is seen as a critical common denominator and aggravating factor for forestry crimes at all levels.

Resources and knowledge

- The capacity to fight forestry crime for relevant authorities is insufficient at all levels, showing a significant discrepancy between mission/ intention and reality on the ground.
- There is a lack of proper material to carry out investigations.
- The low level or absence of trainings may be one of the reasons why the awareness on forestry crime issues and willingness/motivation to combat those crimes is low.
- The enforcement chain is underfinanced, State forest guards lack resources and equipment to investigate and arrest offenders, while there is overall a lack of institutional capacity to exercise controls.
- Low salaries for forest staff/forest authorities and the possibility to obtain a percentage from timber sales worsen the problem of corruption of forest guards, who can give citizens/individuals access to the forest to illegally harvest and sale timber.
- There is a lack of specialists to determine the grade/quality of species.

Methodology

- There is a lack of agreed/shared figures on forestry crime at national level.
- The current electronic data system for wood management is inefficient and applies to only 73% of Ukrainian forests. Ukraine still lacks a single electronic timber accounting system to process information on the planning, marking, use, certification, dispatching and processing of timber.

Social

- Legally and on the ground, State Forest Guards are not protected from criminals.

Organization of the forest sector

- The lack of a forestry cadastre and the administrative fragmentation of the national forest fund (as a result of the restitution process, still not yet completed) raises challenges, such as problems with the illegal alienation of forests being transferred into private property, opening the door to possible illegal logging.
- Manipulations in the organization of round wood selling auctions are easy, and the system can easily be rigged, in a context where timber products pricing is not regulated by law.

Legislative framework

- The amount of penalties prescribed for environmental offences is unjustifiably low.
- The existing legislation is too weak on wood traceability systems, and controls and monitoring have not been properly designed as the system does not focus on the first placing on the market.
- Overregulation, complexities in the legislation as well as excessive bureaucratic procedures in forest management are making the fight against forestry crime more challenging.

Modus operandi

- The techniques used to carry out illegal logging and related trade are plentiful and offenders are “creative” in finding ways to contravene the law.

Judicial

- There seems to be an obvious lack of success with serious forestry crimes cases, Cases of illegal logging transferred by the State Forest Guards to law enforcement agencies either not being investigated or are not accepted by the courts.

Cooperation, investigation and controls

- There is an absence of forest police hubs in regions, with a full-fledged law enforcement agency, motivated and properly equipped, with undercover investigators who have the skills to investigate forestry crimes.
- Due to the absence of a dedicated taskforce, quality of work of pre-trial investigation is not as good as it should be. In addition, red tape and bureaucracy making investigations procedures long and complex.
- Defining and attributing the illegal logging to organized crime can be challenging. For example, some “poor” offenders may be linked or work for an organized crime structure, although there is no obvious links in the first place.
- There is still room for improvement regarding communication between NGOs and CSOs and authorities for increased effectiveness in the fight against forestry crime.
- Procedures to build a case are long and complex.
- Forensic methods do not seem to be used in practice to support investigations and the possible involvement of organised crime.

Annex 2:
Literature review - modus operandi to carry out forestry crime in Ukraine

Modus Operandi to conduct illegal logging and forestry crimes (methods used)
BOUNDARY
Logging outside of in the permit specified areas ³²
CONDITIONS FOR LOGGING
Issuance of illegal felling tickets ³³
Land fraud ³⁴ . Non-conformities between official maps and actual boundaries of harvested sites ³⁵
Logging of trees others than those specified in the permit specified in the permit (INTERPOL, 2016)
Logging of larger amount of wood than that specified in the permit (INTERPOL, 2016) Timber which has not yet been harvested is auctioned. The winner of the auction is allowed to log the timber straight from the forest, which means he may harvest more than the agreed amount (Earthsight, 2018)
Logging in protected areas (INTERPOL, 2016)
Logging in former protected areas that have lost their status due to corruption (INTERPOL, 2016)
Obtaining logging permit or official documents illegally (INTERPOL, 2016)
Sanitary cuttings and final felling without scientific reason (INTERPOL, 2016). According to INTERPOL, between 2003 and 2007 it was estimated that nearly 57 percent of marketable wood came from unplanned and unrestricted by area sanitary cuttings, reaching the figure of 9 million m ³ of timber in 2015, which more than doubled officially pre planned final felling's volume. In some cases, forests have been set purposely on fire to create grounds for sanitary cuttings. In 2017, the share of sanitary logging on total harvest was estimated at around 30–40%. ^{36 37} The environmental friendliness of logging in Ukraine is supposed to be assured through careful planning of which trees can be cut each year, but nearly 60 per cent of the harvesting occurs outside such limits, mostly in the form of 'sanitary felling' justified to prevent the spread of disease. Extrapolated to a national level, this suggests illegal sanitary felling currently represents 38-44 per cent of total production and exports (Earthsight 2018)
Unproper marking of trees (Earthsight 2018)
Dragging timber through streams (Earthsight 2018)
Understating diameter degrees during allotment (Hirschberger P., 2012)
Understating degrees of technical quality of wood during allotment (Hirschberger P., 2012)
Change of cutting area borders (Hirschberger P., 2012)

³² Interpol, "Forestry crime in Ukraine - A threat and risk assessment", 31st December 2016

³³ World Bank. Forest law enforcement in Ukraine: status, problems, perspectives. Part one. (World Bank, 2010).

³⁴ World Bank. Forest law enforcement in Ukraine: status, problems, perspectives. Part one. (World Bank, 2010).

³⁵ WWF Germany, "Selective Field Assessment of Deforestation in the Ukrainian Carpathians"

³⁶ European Commission. EU TAIEX Mission Report - reform of forest governance in Ukraine, October 2017. (EU TAIEX, 2017).

³⁷ European Commission. EU TAIEX Mission Report - reform of forest governance in Ukraine, February 2018. (EU TAIEX, 2018).

Replacement of forest use types (e.g. under the plea of cleaning of forests from dry branches commercial timber is harvested, during selective sanitary cuttings sound trees are cut, sanitary clear cuttings (SCC) and clear regeneration cutting (CRC) to get access to forest resources) (Hirschberger P., 2012)
Abuse of the order of forestry measures implementation (e.g. cutting dangerous trees which can be outside cutting areas during cutting areas preparation) (Hirschberger P., 2012)
Use of documents for obtaining and laundering illegally obtained forest products (e.g. felling licenses are used to launder illegal timber, esp. on borders to other region) (Hirschberger P., 2012)
Felling of the necessary timber without necessary documents (Hirschberger P., 2012)
Logging timber before cutting area is passed to a businessman for logging (Hirschberger P., 2012)
Illegal selling of detected unauthorized felled wood (Hirschberger P., 2012)
Tree felling by forest guard for own needs over border of cutting area, logged by businessman (Hirschberger P., 2012)
Unauthorized felling of necessary timber by the employees of enterprise to order from following registration of unauthorized cutting by unknown violator with the loss of forest products (without sequestration) (Hirschberger P., 2012)
Inspections by employees from enterprises of SFC in forest users of other State agencies with the conscious exceeding of actual volumes of unauthorized cuttings for laundering of own redundant timber (Hirschberger P., 2012)
Places of mass unauthorized cuttings in further are closed by issuing a felling license for CRC and clear reconstructive cuttings (Hirschberger P., 2012)
Undocumented logging in areas not designated for harvest (Kuemmerle T., 2009)
TRANSPORTATION
Minor offences of the order of timber registration in forest depot are: absence of stamping, inscriptions on logs, inaccuracies in records (Hirschberger P., 2012)
Considerably more timber is pointed in invoices, than vehicle can remove (Hirschberger P., 2012)
Understating of timber quality (Hirschberger P., 2012)
Records in documents are absolutely exact for supervisory bodies and for distant transportations, after unloading of timber waybills and invoices return back to forest depot with a driver and they are used for the next portion of timber. There can be a few such trips per day. This is the method for illegal timber laundering (Hirschberger P., 2012)
Records in documents are absolutely exact for supervisory bodies and for distant transportations, after unloading of timber waybills and invoices are destroyed and new ones written according to the documents on outcome from cutting area. Numeration is re- established (Hirschberger P., 2012)
Delivery of illegally obtained forest products on small distances to the places of processing by transport vehicles without registration numbers and without documents (Hirschberger P., 2012)
Registration for shipping of timber from unauthorized cuttings takes place, i.e. instead of registration and receiving detected unauthorizedly felled timber for storage, forest guard simply sells it as production (Hirschberger P., 2012)
“Losses on paper” of forest products from forest depots because of natural disasters, particularly high water, are known (Hirschberger P., 2012)

TAXES, FEES AND ROYALTIES

False declaration as low quality wood (...) to avoid high taxes or circumvent national legislation (INTERPOL, 2016)

Offences of auction procedures (State Forestry Enterprises are meant to only sell their roundwood logs to Ukrainian registered companies through auctions).
Timber is commonly undervalued on official documents of sale, and then sold on at higher prices, with the difference in profits being pocketed by a handful of individuals (Earthsight, 2018)

Sanitary cutting is more profitable than final felling, because forestry enterprises do not pay taxes on wood logged as a result of sanitary cuttings (with the exception of clear sanitary cuttings and forest regeneration felling).³⁸
Meanwhile, unnecessary sanitary logging has become a stable source of timber procurement from protected and commercial forests³⁹

TRADE

Falsification of certificates of origin. The forged documents are used to legalize timber exports through controlled commercial structures. In this way illegal timber can leave the country through terrestrial or maritime transportation (INTERPOL, 2016)

The types of documented illegalities at the point of export are wide-ranging: from shipments of timber for which key documents of export have been forged, or are missing, to under-declaration of weights, species, lengths and origin of wood (Earthsight, 2018)

Exporting without valid or complete documentation (INTERPOL, 2016)

False declaration notably as fire wood to bypass/violate export bans (INTERPOL, 2016)
In the first half of 2018, Ukrainian customs agents in a province on the border with Romania detected illegal log exports worth over \$1 million which local SFEs had mis-declared as fuelwood (Earthsight 2018).

Partially processing timber by removing bark or cutting logs in half to bypass/violate export bans (INTERPOL, 2016)

Top officials personally direct sales of logs to the largest overseas buyers. Firms were required to make payments in order to access Ukrainian wood, and in return received discounts on their purchases of logs and lumber. The money was then channelled into the hands of corrupt officials, in contravention of regulations. (Earthsight 2018)

An estimated 12,000 unlicensed sawmills process this wood, mostly for export. As a result, exports of sawn timber exceed the country's entire legal production by 75 per cent: 1.2 million cubic meters of illegally-sourced lumber exports every year. (Earthsight 2018)

By December 2017, EU customs authorities had recorded importing almost 1 million cubic meters of logs from Ukraine which were supposed to be banned from export (Earthsight 2018).

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³⁸ Pavelko, A. & Skrylnikov, D. Illegal logging in Ukraine: Fact finding. (Regional Environmental Center, 2010).

³⁹ Pavelko, A. & Skrylnikov, D. Illegal logging in Ukraine: Diagnostic audit. (Regional Environmental Center, 2010).

Annex 3:
Comprehensive list of modus operandi identified by respondents (in black colour) and attendees to the workshop (in blue colour)

--> Percentages indicate the proportion of respondents who selected specific modus operandi when replying to the questionnaire.

Modus Operandi to conduct illegal logging and forestry crimes (methods used)	Answers and additional comments by respondents
BOUNDARY	
Logging activity outside of authorised perimeters	<p>12 respondents</p> <p>According to the answers received, logging activity outside of authorised perimeters (not the ones described in the official documents) is the most widely used modus operandi to conduct forestry crime according to respondents, some saying it represents 80% of all the forestry crime in Ukraine.</p> <p>Respondents explain that this can happen when the State Forest Enterprises employees falsify documents to hide evidence, or when officials of the forestry enterprise, in the presence of a permit for carrying out a sanitary logging (logging ticket), log the trees that are not marked (authorised) for the logging, or which grow outside of the authorized perimeter, referring to permissible errors of measurements.</p> <p>One respondent stated that some investigations took place in this regards when logging was allowed on sites that had not been designed for felling by Forest Inventory organizations. To conceal the crime, the documents were prepared after the illegal harvesting of timber. The « new » documents stated the appropriate grounds for the logging, which were untrue.</p> <p>One interviewee explains also that this crime is prosecuted under Art. 246 of the Criminal Code of Ukraine, but is treated as a non-serious crime. Investigations are therefore restricted by “human rights” and listening, video and audio surveillance are prohibited during the pre-investigation, making it more difficult. This does not allow to find the real organizers and executors of crimes and to obtain the necessary evidence. In addition, in most cases, courts impose fines or just probation periods, which is an improper punishment that facilitates re-offending.</p> <p>Also, in case of misappropriation/embezzlement of goods, one key issue is to find out the crime scenes (original places where trees and all illegal activities were carried out), since these crimes are usually documented after the trees were illegally cut down. Without establishing the actual site of the illegal logging and the forestry ownership to identify who is responsible for forest protection, it is impossible to bring the case to court and bring the offenders to justice.</p>
CONDITIONS FOR LOGGING	
Logging of unauthorised trees in forest stands earmarked for felling	<p>10 respondents</p> <p>This type of crime is quite common as 9 respondents selected it.</p>
Logging in protected areas, on steep slopes, river system buffer areas, protected tree	<p>9 respondents</p>

species etc.	
Manipulations in calculating the volume of trees marked for felling/ fraudulent forest inventories	7 respondents During the preparation of documents needed to obtain a permit, forestry workers reduce the number of trees designated for logging, on which they don't make the necessary markings. Afterwards, such trees are illegally logged. False documents can also be prepared, providing misleading data on sorts, species, volumes of merchantable timber, etc.
Loggers declare fake tree locations in official documents and illegally cut trees elsewhere	7 respondents If a forester, in the presence of a logging ticket (permit), did not control the logging activities, which resulted in the logging that started not in the right area that the forester illegally allowed to finish. There are two sections planned for the felling, but a logging ticket (permit) has been issued for only one of them. A forester, knowing that a logging ticket also will be issued, before receiving it, gives an instruction for loggers to carrying out the logging at the site.
Logging in excess of permit or concessions quotas	6 respondents One respondent stated that loggers cut down the trees of better quality during the sanitary types of felling, pre-destroying the marks on the trees that have been selected and marked for logging.
Base timber harvesting activities on incorrect wood stock data listed in Forestry Management Plans	5 respondents One example was given where the stand age was incorrectly reported, which made it possible to log the trees that were not subject to logging otherwise. In that case, the Chief Forester of the Carpathian military forestry ⁴⁰ , which by entering false data in the allotment materials reduced the age of the stand from 57 years to 40, which allowed to cut down illegally about 175 oak trees, which were not subject to logging otherwise. The amount of damage was 475 thousand UAH. This logging ticket (permit) has been canceled and the forester has been suspended from his job. On 06/14/2019 the Chief Forester was announced criminal suspicion based on Art. 367 Part 2 of the Criminal Code of Ukraine. The case was sent to court. On the other hand, two respondents mentioned that such cases should not occur as the basis for determining the volume of harvesting is not the information stated in the Forestry Management Plans, but field materials for logging allotment.
Logging with forged or re-used permits	4 respondents
Obtaining permits through bribes	4 respondents One person explained that all logging tickets must be approved through the permit system. However, until 2017, forestry enterprises were obliged to pre-approve such permits with the regional forestry management, for which a certain amount of bribes had to be paid.
Credits issued for more timber than the logging authorisation grants	2 respondents
Others	One stakeholder explains that authorities of one of the Communal Forest Enterprises of Lviv region in violation of the item. 4, 13, 55 of "Rules for improving the qualitative composition of forests", Art. 69 of the Forest Code of Ukraine, issued a series of logging tickets, on the basis of which the illegal logging was conducted of more than 2,000 trees of different species,

⁴⁰ Unified Register Of Pre-Trial Investigations No. 42018090780000065 on the fact of official negligence (Art. 367 Part 2 of the Criminal Code of Ukraine)

	causing damage to the environment in the form of violation of the established procedure for the rational use of natural resources, their protection and reforestation within the Forest Fund of Ukraine, which led to material damages for the territorial community. In particular, the forest inventory organization did not carry out a proper study of the characteristics of the respective forest sites, employees of the logging company without the appropriate logging documents allowed logging on a large area.
Others (identified during the workshop)	Violation of conditions of forests lease agreements.
Others (identified during the workshop)	Interference with the means of identification - falsification of marks, tags, seals.
Others (identified during the workshop)	Illegal transfer of forests ownership (removal from the forest fund).
TRANSPORTATION	
Transport of the illegally harvested wood without a transport ticket	9 respondents According to respondents this type of offence is frequent. One person notices that it is difficult to document such crimes, as for the transportation the offenders use transport documentation (TTN) from communal forestry enterprises, which do not use the electronic timber accounting system or the offenders use the waybills issued by one private entities to another for timber transportation, which does not require tagging and owning a corresponding invoice (TTN) from the state forestry enterprises.
Use one transport ticket (including electronic) issued for a specific trip with validity of X hours, for more than one trip	7 respondents One respondent explained that in some cases, the wood is transported again the next day using the same transport ticket and the same tags, saying that vehicle was having technical issues the day before and could not be used. Meanwhile, another respondent explains that it is difficult to document such cases without using special investigative measures, such as visual surveillance and telephone listening.
Transport of the illegal harvest from the forest with a paper transport ticket, and not an electronic one, increasing the chance of fraud	7 respondents One stakeholder explained that it is difficult once again to identify such crimes without using special investigative measures, such as visual surveillance and telephone listening, because when stopping and checking the timber trucks, (corrupted) forestry staff immediately start entering the data into the electronic system and explain this was caused by certain technical problems and failures in the electronic timber accounting system that happened beyond their control. For such an offense (for not entering data in time into the electronic timber accounting system) they become subjects to disciplinary responsibility only.
Have two different trucks (one with the illegally harvested wood) travelling with one electronic transport ticket at the same time in the same direction but along different roads.	One person explained that there were no such cases since the electronic timber accounting system makes it impossible to print multiple copies of the transportation document (TTN-forest). In addition to each TTN-forest, there are the specific numbers of tags that are placed on logs, which are practically impossible to copy. This practice can be applied only to communal and military forestry enterprises that do not use the electronic timber accounting system.
Others (identified during the workshop)	Transport of the illegally harvested wood with an electronic transport ticket that wasn't registered in the system.
Others (identified during the workshop)	Unregistered logging truck or driver (without a valid driver license).

TAXES, FEES AND ROYALTIES

Manipulations in grading of marked trees	<p>8 respondents</p> <p>One respondent explained that forestry companies, using differences between Ukrainian and countries of export laws, sell the timber as "technological firewood", which was classified as a third grade timber abroad.</p> <p>Another respondent outlined the current standards to classify timber grade is not specific enough, leaving enough room for "misclassification". According to him, even professional experts may unequally classify the same log; later, lawyers in court may easily overturn such classifications. For example, to distinguish grade B from grade C is almost impossible (the difference in knots, damage, which is the subjective vision of a person who classify the logs).</p>
Others (identified during the workshop)	Fake small business entities (FOPs) are created to extract money from the state enterprises by indicating fake accomplishments (non-existing workload).
Others (identified during the workshop)	Manipulations in the organization of round wood selling auctions and corruption in choosing auction providers.
Others (identified during the workshop)	Income legalization, conspiracy, offshore tax evasion, transfer pricing.
Others (identified during the workshop)	Manipulation with wood lots (price, grade) during auctions. Off the record "oral agreements" between participants not to compete or to play their agreed rules, as a result - direct contracts could be signed with buyers with lower prices.
Others (identified during the workshop)	Export through offshore/shell companies.
Others (identified during the workshop)	Administrative pressure to whom to sell the wood: top officials send the list of businesses State Forest Enterprises should be working with. To get on this list businesses need to pay a significant amount of money/bribe.
Others (identified during the workshop)	Businesses buy good quality wood (or mix between low/high quality). Official documents say the timber is low quality. Companies then store the wood and separate the good/low quality wood to make more profits when re-selling the wood to other buyers by re-sorting it.

LABOUR

Operating in violation of labour laws at any steps of the supply chain, from harvest to export.	<p>6 respondents</p> <p>One respondent explained that the problem is that a large number of people are required to complete the logging. In order to reduce the cost, outsiders are involved to help carry out the logging. Such persons do not know the security requirements and are not officially hired. They receive payment by firewood.</p>
Others (identified during the workshop)	Operating in violation of labour laws during harvestings.

TRADE

False declaration on products types to bypass/violate export bans	<p>6 respondents</p> <p>One person stated an example the export of thin posts violated Ukraine's national legislation, in particular the Law of Ukraine "On the peculiarities of state regulation of the activity of business entities related to the sale and export of timber" which prohibits the export of timber made of acacia tree.</p>
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Import/export of timber with forged legality documents	4 respondents Documents can show fake information, such as the wrong tree species. However, one stakeholder expressed that such cases are rare since Ukraine has sufficient volumes of its own timber, so fraudulent timber imports are not widespread.
Importation of falsely-labeled timber across EU borders (obfuscating species/source of timber)	3 respondents
Export of unregistered illegal timber by using falsified certificates of origin.	4 respondents
Import of timber under a form which is banned in the country of origin (such as bans on logs exports).	2 respondents
Exporting without valid or complete documentation	2 respondents According to the results of some inspections, one person explains that they discovered facts that transportation documents (TTN), that were submitted by the export participants for obtaining the certificates, were not issued to them by forest users. Customs prepared protocols on violation of customs rules on the grounds of Part 1 of Article 483 of the Customs Code of Ukraine. Nonetheless, another stakeholder mentioned that this is not common in practice as the databases of the controlling bodies are unified, so it is difficult to import or export a product without proper permits or certificates.
Importation of timber without proper documents (such as licence/permit of company involved in import and export, fees)	1 respondent
Imports from suppliers who are unable to provide documentation of legal harvest/transportation /payment of taxes etc.	1 respondent
OTHERS (please specify)	
(Identified during the workshop)	Import/Export of prohibited tree species.
(Identified during the workshop)	Some people buy documents stating someone else's wood ownership and use them for illegally obtained wood.

(Identified during the workshop)

State Forest Entreprises sell cheap wood to known businesses, not respecting “competition” rules. These businesses then export/sell the wood and share the profits with State Forest Authorities/Entreprises.

Annex 4:
Comprehensive list of gaps and recommendations identified by respondents (in black colour) and attendees to the workshop (in blue colour)

	Key gaps	Recommendations for improvement
Customs/ Borders	<ul style="list-style-type: none"> ● Lack of specialists to determine the grade, species, and other specificities of timber/timber products; ● Lack of a common approach to timber measurement, grading; ● Absence of a common register; ● Contrary to the Customs Code of Ukraine, the vast majority of customs officers refuse to classify the timber products using the Ukrainian Classification of Goods of Foreign Economic Activity (UCGFEA); ● Lack of transparency and lack of access to the customs database; ● The inability to quickly initiate a check of cargo with wood. ● There is no single system for verifying the origin of documents 	<ul style="list-style-type: none"> ● Hiring or contracting specialists to determine the grade, species, and other specificities of timber/timber products; ● Conducting appropriate trainings for custom officers for the classification of timber products in accordance with the UCGFEA; ● Improvement of the legislation and adoption of new standards; ● Provide access to relevant databases; ● Provide online access to database to law enforcement agencies; ● Simplify procedures for initiating inspections before export takes place. ● Create a single system of registration of all permits for logging, transportation and sale of timber (both for export and for domestic consumption) ● Have one shared Commodity Description and Coding System inside and outside of Ukraine.
	Key gaps	Recommendations for improvement
Forest	<ul style="list-style-type: none"> ● Forest land cannot be transferred to private property, be the subject of legal transactions, and the change of purpose of these lands is impossible (e.g. from forested to agriculture). Today, however, there are significant problems with the illegal alienation of forests. The prosecution authorities found that, despite the special status of the forest lands, without possessing the full ownership rights, the local self-government and state authorities lawlessly change their ownership, transferring them into private property, which allows new owners to construct houses and other buildings and to conduct illegal logging. Quite often, such parts of forest land are transferred using certain illegal schemes, for 	<ul style="list-style-type: none"> ● Providing material used for detection of forestry crimes (CCTV cameras, drones, etc.), ● Increase salaries of people involved in forest management and protection. ● Transfer all unused forests to forest users. ● Concentrate management of all state forests in one agency and support the

<p>Forest</p>	<p>example, privatization of land by illegal nominee, students, falsification of decisions etc.;</p> <ul style="list-style-type: none"> • Lack of material (financial) support for law enforcement agencies aimed at forest protection (such as cars, drones, surveillance cameras); • The low salary of forest protection workers/officers: the cost of 1 m3 of oak wood is higher about 2 times than the salary for 1 month; • Lack of proper accounting of forested land, as for now people/foresters only know approximately the boundaries of their forest land, which are not clearly defined by the coordinate system. • Large number of forest users, lack of common approaches, rules and regulations in forestry for different users and existence of unused forests. • Lack of legislation on timber market and mandatory Electronic Timber Accounting System, allocation of functions of State Forest Guard and Forest Guard (bill 8241 adopted in first reading). • There is no methodology for controlling the volume of trees that have already been cut down and removed from the logging areas based on the size remaining stumps. This enables foresters to accumulate unregistered/unaccounted timber volumes (of illegal origin) through deliberate underestimation of the tree size, such as diameter at the breast height). 	<p>endorsement of common forestry rules, regulations and approaches for all the forests (state, communal and private);</p> <ul style="list-style-type: none"> • Application of modern machinery and techniques for the purpose of timber accounting before logging and the harvesting techniques. • "Real" reforms, not fake ones. • Changing the rules for issuing logging tickets. • Establishment of state and independent systems of automatic monitoring to assess changes in forest cover. • Creation of a Forest Portal where the movement of timber transportation (both from logging to the consumer and between consumers) was monitored in real time.
<p>Forest</p>	<ul style="list-style-type: none"> • Absence of a methodology for calculating damages for violation of the "Sanitary rules in the forests of Ukraine". • Unrational forest logging, lack of transparency and control over the implementation of permitted logging and sanitary cuts; • There is no unified (legislative) approach to measure the volume and quality of timber. • Issues/shortcomings regarding methods used for timber accounting before logging and monitoring of this process. • Outdated harvesting techniques. • The current standards to classify timber grade are not specific enough, leaving enough room for "misclassification". Even professional experts may unequally classify the same log. Lawyers in court may easily overturn such classifications. For example, to distinguish grade B from grade C is almost impossible (the difference in knots, damage, are subjective to each person who classifies the logs). 	<ul style="list-style-type: none"> • Implementation of the concept of an intermediate server. • Thorough investigation must be done at forest level and actual capacities are not enough. Several experts have the capacity to spot many inconsistencies (regarding figures/methods to carry out forestry crime). A forest police department could be created with knowledgeable experts/units. • An electronic system could be created to help concentrate all the information about forest management plans/volumes etc. to mitigate the risks of cheating.
<p>Forest</p>	<ul style="list-style-type: none"> • During transportation the offenders use transport documentation (TTN) from communal forestry enterprises, which do not use the electronic timber accounting system, or the offenders use the waybills issued by one private entities to another for timber transportation, which does not require tagging and owning a corresponding invoice (TTN) from the state forestry enterprises. • Forestry crimes are difficult to document without using special investigative measures, such as visual surveillance and telephone listening, because wood is a commodity that does not have an individual number marking (for transport). • When stopping and checking timber trucks, (corrupted) forestry staff immediately start entering the missing data into the electronic system and justify it on the ground of technical problems in the electronic timber accounting system. For such an offense (for not entering data in time into the 	<ul style="list-style-type: none"> • Have certificate of origins for all the timber - possibly with one database to store all the information. • Have intermediaries/middle men to keep track of the timber and get them to act as the one organization who looks for foreign buyers to

<p>Forest</p>	<p>electronic timber accounting system) they become subjects to disciplinary responsibility only. Investigate and unveil such offenses requires using special investigative measures, such as visual surveillance and telephone listening.</p> <ul style="list-style-type: none"> • Logging tickets are often issued after felling has started. • There is no estimate of the volume of illegally felled trees • An ordinary citizen cannot monitor in real time whether a timber truck is transporting legally harvested timber (chips can be transported with forged documents, or even not be registered) • The forest is owned by different state owners (communal forestry enterprises, military forestry, units operating the forestry under the “Ukrailway” and Ukravtodor, forestry recreational enterprises). The state forest agency has adopted an electronic timber accounting system but that accounts for only 73% of all the forests. Other owners are not obliged to have this timber accounting system in place, so for 27% of the forests, timber transportation documents can be issued in written form, increasing the chance to fraud. If the wood is not sold through the auctions, it can be sold and accompanied by hand written documents, easy to forge. 	<p>avoid SFEs working with corrupted businesses locally.</p> <ul style="list-style-type: none"> • Increase transparency of the logging processes. • Use one single (at least transparent) methodology amongst SFEs to calculate the selling price of timber.
<p>Forest</p>	<ul style="list-style-type: none"> • Forest authorities choose forest areas for harvesting, determine the logging volume (but underestimate it) and then require a forest felling permit. Logging in these specified areas is then legal but because of the underestimation it creates a difference and allow for some unregistered cubic meters to be sold on the black market just for cash. People buying this illegal timber will likely look for handwritten papers to legitimize the wood. • Manipulations in the organization of round wood selling auctions. • Corruption in choosing auction providers. • Corruption in granting the status / taxation of a diseased forest, improper prescription of healthy forests into sanitary cut. • Corruption in defining contractors for logging. • Manipulation with wood lots (price, grade) during the auctions by participants conspiracy not to compete or to play their agreed rules, as a result - direct contracts could be signed with buyers with lower prices. • Misappropriation and embezzlement of state property. • The auction system is not compulsory. Timber not sold through auctions can then be sold by direct negotiations, opening for possible manipulation schemes - for example through overpricing /underpricing. 	
<p>Forest</p>	<ul style="list-style-type: none"> • Contracts of State Forest Enterprises directors are signed with the Head of the State Forest Resources Agency of Ukraine. The directors are directly subordinated and depend on wishes of the Head. 	
<p>Forest</p>	<ul style="list-style-type: none"> • Overregulation, causing very lengthy and time consuming procedures, not reflecting the modern situation. • There is no mechanism for issuing Certificates of Origin for the internal/domestic market, only for exported timber. Certificates of origin are issued by the provincial forest administration but currently this is against the law. To get a Certificate of Origin, people need to present a Timber Transportation Ticket and a Felling Ticket. These certificates 	

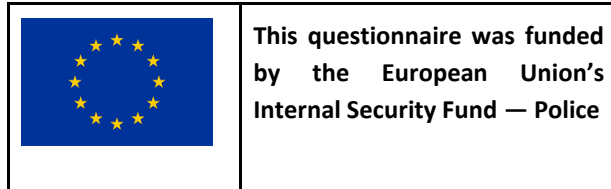
<p>Forest</p>	<p>of origin will not be used for timber that is sold domestically, but to legitimize illegal timber for export.</p> <ul style="list-style-type: none"> • State Forest Enterprises are not interested/have no capacity and no obligations to find overseas buyers for their timber on their own. They are thus inclined to work with local businesses, likely to be involved in illegal timber trade. • Different units of measurement are used for reporting – such as cubic meters or kilograms - leading to some confusion. • The Electronic Timber Accounting System is not mandatory for all the timber trade/timber origins. • It is easy to produce fake timber transportation documents (TTN). • Existence of unaccounted wood on territories/lands administered by SFEs. • Forestry Enterprises can have different internal procedures in place/calculation methods to establish the price of the timber. This leads to different prices for the same product (let's say one spruce log). This makes it difficult to know if the timber price was deliberately reduced for corruption purposes or not. • A SFRAU decree (N^o42) which regulated timber auctions was cancelled in 2018, allowing for further manipulations and fraud. • SFEs process a lot of the timber which leaves other businesses “without” wood; This creates a demand for illegal wood. • During timber auctions, buyers need to pay upfront (prepayment). This system allows SFEs to supply buyers with low quality wood and leave him not other options and sell the better quality wood to businesses they know. Buyers are trapped as they have already paid and there is no way to contradict/oppose this. Buyers can decide to go the illegal market as a consequence. 	
	<p>Key gaps</p>	<p>Recommendations for improvement</p>
<p>Police/ Investigation</p>	<ul style="list-style-type: none"> • Lack of access and impossibility to use satellite imagery data. • Lack of material (financial) support for law enforcement agencies aimed at forest protection (cars, drones, surveillance cameras). • Separation of functions between law enforcement agencies that fight forestry crime. • Poor quality of work of pre-trial investigation bodies responsible for detecting, investigating and recording evidence of a criminal offense and their further presentation to court in a certain procedural way. Considering the court only examines criminal proceedings on the basis of the collected evidence, and is deprived of the function of independent gathering of evidence, a weak pre-trial investigation increases the likelihood for offenders not to be convicted. • Lack of power of law enforcement agencies and the need to obtain court permissions for practically all actions, which is a rather long-term process, incompatible with an effective investigation work. 	<ul style="list-style-type: none"> • Amendments to the Code of Criminal Procedure of Ukraine and to the Criminal Code of Ukraine, including on the obtention and use of evidence; • Control over the quality and completeness of investigative actions, conducting appropriate training with investigators. • Improve communication/cooperation along the enforcement chain, for example through online seminars and round tables to discuss the problematic aspects of law enforcement. • Establishment of a forest police.

<p>Police/ Investigation</p> <p>Police/ Investigation</p>	<ul style="list-style-type: none"> • Inability to initiate an inspection by the State Environmental Inspectorate on the request of a letter from law enforcement agencies. • The main problem are the consequences of the so-called police reforms. Most investigators are not only able to investigate forestry crimes, changes to the relevant legislation have made the prosecutor a supervisor who cannot influence the decisions taken by investigative bodies. There are no influential instruments on unlawful actions and the decision of the investigator, the mentioned undermines the criminal proceedings tasks. Due to the lack of reasonable time for investigation and trial, criminal proceedings are piling up, often in relatively simple cases, lasting for several years. In local courts, the workload of judges does not allow prompt consideration of forestry crime cases. There are significant interruptions/closures of court proceedings where forestry officials are involved. Due to the length of trials, the offender avoids a real criminal punishment. • There is not a single body that deals with forest crime issues with trained and specialized staff. • <i>Deliberate negligence in controlling the supply chains – as a result illegally harvested wood is found everywhere on the market.</i> • <i>Non admission of controlling bodies to the military and communal forests for inspections.</i> • <i>Offenders fall under different jurisdictions, and are thus subordinated to different law enforcement agencies, which makes investigations more complex and difficult to prove who exactly forge the documentation.</i> • <i>Slow investigations. International requests may take up to 6 months to be completed. Not all authorities are allowed to submit requests to other countries - and this can only happen through the Attorney General.</i> 	
	<p>Key gaps</p>	<p>Recommendations for improvement</p>
<p>Justice/ Prosecution</p> <p>Justice/ Prosecution</p>	<ul style="list-style-type: none"> • Under the criminal law, it needs to be proven in details of the circumstances under which the offense was conducted, for example the amount of losses, which in the forest industry is calculated with error. • More severe punishment for forest crime - The Criminal Code has a low administrative responsibility punishment level for forestry crimes, including the misappropriation and lost of timber resources by forestry officials. • Legally and practically the State Forest Guard is not protected from criminals. Cases of armed assault on State Forest Guards, staff and their families, homes, intimidation, arson, destruction of state property, personal injury are recorded. • The Law of Ukraine “On Exercise of State Supervision (Control)” makes it impossible to react promptly to information on possible illegal logging that comes from citizens. • Cases of illegal logging that are transferred by the State Forest Guards to law enforcement agencies are either not investigated or are not being considered by the courts. 	<ul style="list-style-type: none"> • Establish more several penalties for forestry crimes. • Qualitative investigation of forestry crime cases. • Obligation to punish criminals, and establish the criminal liability in proportions with the offences committed. • The environmental control procedure should not be covered by the Law of Ukraine "On the Fundamental Principles of State Supervision (Control) in the Field of Economic Activity", since economical activity is not subject to review, but the

<p>Justice/ Prosecution</p>	<ul style="list-style-type: none"> • Absence of a mandatory punishment or irrevocable punishment order to punish forestry crimes. • The existing control system does not ensure prompt and proper response to forestry crimes. According to the legislation, the procedure for obtaining approvals from Kyiv for each individual inspection is time-consuming and inefficient. In case of offences, which may happen over a short period of time (illegal logging), this delay prevents prompt investigation and controls and the possibility to establish offences. • The cooperation of the State Environmental Inspectorate with law enforcement agencies is not effective as the list of issues investigated by the Inspectorate is limited by the "Uniform Act". Moreover, according to the requirements of the Criminal Procedure Code of Ukraine, the investigation procedure is complicated by various examinations. • Frequent and irrelevant changes of the legislation, presence of a large number of evaluation concepts/evaluative judgments of certain terminology, in particular in Article 246 of the Criminal Code of Ukraine. Thus, on January 1, 2019, the amendments to Article 246 of the Criminal Code of Ukraine defined the term "substantial damage", which was previously evaluated on a conceptual basis. A number of other evaluation concepts that are devoid of legislative definition and may be ambiguous, such as: "specially protected forests" or the element of establishing significant environmental damage "in terms of ensuring effective protection, proper protection, rational use and forest reproduction". • Almost all criminal proceedings investigated by relevant pre-trial investigative bodies for 2017-2018 had to do with illegal logging by local residents near their homes. Criminal actions were qualified under Part 1 or Part 2 of Article 246 of the Criminal Code of Ukraine. After amendments to Article Law No. 2531-VIII of September 6, 2018, and the lower threshold of material damage caused by illegal logging of trees at the level of 2,000 non-taxable minimums, the number of such criminal proceedings dropped sharply to zero (a mass unjustified closure of criminal proceedings). Since the entry into force of the latest changes to Article 246 of the Criminal Code of Ukraine, namely from May 19, 2019, which reduced the threshold of material damage caused by illegal felling of trees to 20 tax-free minimums, no criminal proceedings have been brought to court. • The legislation does not allow to effectively and quickly tackle forestry crimes, that are treated as non-serious crimes under Art. 246 of the Criminal Code of Ukraine. This means the use of special investigation techniques, such as listening, video and audio surveillance, etc.) are prohibited when documenting such crimes according to the current legislation, allowing offenders to easily conceal their participation in crimes. This does not allow to find the real organizers and executors of forestry crimes and to obtain the necessary evidence. In addition, in most cases, courts impose fines or just probation periods, which is an improper punishment that facilitates re-offending. • According to the Law of Ukraine "On the Fundamental Principles of State Supervision (Control) in the Field of Business", a request or information sent by an NGO is not a sufficient basis for a review, which makes it impossible for 	<p>environmental impact. Operational checks should be resumed, according to which the inspector can conduct a check on citizens or legal entities on the basis of a visually determined fact of offence.</p> <ul style="list-style-type: none"> • For article 246, legislative changes shall be introduced to leave less room for interpretation regarding certain terms. • Address legislative gaps by developing appropriate proposals. It is necessary to raise public awareness of the dangers and their seriousness.
<p>Justice/ Prosecution</p>		

	<p>any cooperation.</p> <ul style="list-style-type: none"> • The legislation contains gaps regarding punishment of forest crimes, and does not protect citizens from the arbitrariness of criminals. 	
	Key gaps	Recommendations for improvement
Anti-corruption Anti-fraud Money laundering	<ul style="list-style-type: none"> • Absence of proper (reliable) method of calculation of the caused financial losses. • Insufficient counteraction to corruption schemes in the area of logging, transportation and import of timber. • Absence of witnesses who are ready to help in exposing corrupt persons because of their fear of reprisals. • There are no significant successes with corruption cases and money laundering obtained from criminal activities in the forest sector. • Shell companies created for one transaction then closed. 	<ul style="list-style-type: none"> • Improve legislation, empower anti-corruption authorities with greater powers to identify and investigate forestry crimes. • Introduce amendments to the legislation to ensure the protection of witnesses and introduce financial rewards. • Conduct public awareness campaigns.
Others	<ul style="list-style-type: none"> • Poverty of people, which leads to the need for minimum provision of firewood and other forest products, and as a consequence illegal logging. • Timber auctions causes the timber price to raise to high levels, making illegally acquired timber cheaper. • Low awareness of the citizens of Ukraine, which consists not only in ignorance and misunderstanding of the regulations of the legislation of Ukraine on the prohibition of illegal logging of trees, but also in the general misunderstanding that uncontrolled deforestation in the future will lead to negative consequences for both the whole society and their society descendants. 	

Annex 5: Questionnaire for the national enforcement chain



Questionnaire: national enforcement chain

Definition of forestry crime

According to INTERPOL, “Forestry crime” is an umbrella term to describe criminal activity (carried out in contravention of national or international law) in the forestry sector covering the entire supply chain, from harvest and transportation to processing, selling, trading, importing and exporting. It also refers to those criminal offences that facilitate such activity, including document fraud, corruption, and money laundering⁴¹.

In this questionnaire, forestry crime refers to this definition, with a specific focus on timber (other wildlife crimes involving wild fauna and flora, except for timber, are out of the project scope).

NB: Please keep in mind that otherwise stipulated, all questions refer to forestry crime in a broad sense, thus including the import and export of illegal timber to/from other countries.

A. General knowledge about forestry crimes, illegal logging and trade on a national level:

1) How important is the fight against forestry crime for you and your respective unit/agency/authority?

Not important	Neutral	Important	Very important
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2) How would you grade your knowledge on forestry crime? Please explain.

Poor	Fair	Good	Very good	Excellent
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.....

3) Is forestry crime a growing problem in your country (both for domestic and imported timber) and what information/data do you have about the current trends related to it?

⁴¹ <https://www.interpol.int/content/download/5149/file/Global%20Forestry%20Enforcement%20Prospectus%202019-web.pdf>

.....

4) Based on the information at your disposal and using existing data/figures if possible, please rank how important do you consider forestry crime to be compared to other crimes, concerning:

	Please select between: <ul style="list-style-type: none"> • Not at all important • Moderately important <ul style="list-style-type: none"> • Important • Very important 	Comments
Damage to the environment		
Tax evasion and loss of revenues		
Other (please specify)		
Other (please specify)		

5) Who are relevant agencies/actors/institutions in your country involved in fighting forestry crime?

.....

6) How would you define the capacity of your/the above mentioned organizations in dealing with forestry crime? Please explain.

Poor	Fair	Good	Very good	Excellent
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.....

7) What are the types of illegal logging and forestry crime that you are aware of or that you had worked on personally? (this also includes the import and export of illegal timber)
*You can choose from the examples provided by deleting/adding methods relevant to your national context. In case you're referring to publicly reported cases, please provide references. We also invite you to add any types/methods of illegal logging you are aware of which may not be listed in this table. **Please see annex 3***

8) Please provide additional information regarding your/your organization's experience in handling these cases or about cases which had been prosecuted? *(Please select one or more between those marked as Yes in the third column and specify under which legislation have prosecutions taken place)*

.....

9) Based on the information at your disposal, who are known actors involved in forestry crime at your country level? *(For example: poor citizens, corrupt officials and businesses, organized crime, small medium enterprises, multinational companies etc.)*

.....

10) According to the information provided above and/or based on actual data, what are the top 3 forestry crime issues that you see in your area of work? Please explain and if possible, classify by order of importance.

1.	
2.	
3.	

B. General knowledge about EU Timber Regulation and other legislation in relation to forestry crime

11) How important are national and international legislation to prevent and fight forestry crime for you and your respective unit/agency/authority ?

Not important	Neutral	Important	Very important
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12) How would you grade your knowledge on existing legislation on forestry crime?

Poor	Fair	Good	Very good	Excellent
------	------	------	-----------	-----------

13) How effective are the legislations at discouraging forestry crime in your country? Please explain and provide additional details on the existing legislation, if needed.

Not important	Neutral	Important	Very important
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.....

C. Cooperation along the enforcement chain

14) How important is the cooperation along the enforcement chain to prevent and fight forestry crime for you and your respective unit/agency/authority?

Not important	Neutral	Important	Very important
---------------	---------	-----------	----------------

15) Based on your experience, what type of cooperation exists between police, the Competent Authority, prosecutors and judges? (*Collaboration/ arrangements, regular exchange in-country, joint interforce training and with international networks/enforcement agencies*)

.....

16) How would you grade the existing level of cooperation on forestry crime?

Poor	Fair	Good	Very good	Excellent
------	------	------	-----------	-----------

17) In your experience, please list the main obstacles for effective law enforcement / fighting forestry crime at the following levels as well as recommendations for improvement - *Please also list obstacles for better cooperation and explain how do you think cooperation could be improved at each level:*

	Main obstacles (please describe)		Recommendations for improvement (please describe)	
	At country level	At international level	At country level	At international level
Customs/Borders				
Forest (this includes the issuance of permits, preparation of management plans, timber harvesting, processing, transport etc.)				
Police/Investigation				
Justice/Prosecution (this includes the structure/design of relevant laws to fight forest crime)				
Anti-corruption/Anti-fraud/Money laundering				

18) How the information are shared along the enforcement chain (for example: intranet systems, secured communication channels, meetings etc.) and how do you think information sharing could be improved?

19) How do you assess your cooperation with Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs)? (*For example: are NGOs/CSOs more capable than before in identifying forest crimes, how often do they inform you about forest crimes etc.*)

20) How helpful are the substantiated concerns from NGOs in the frame of the EUTR?

21) Have you heard of, or participated in training about forestry crime/the relevant legislation to fight forestry crime? Please provide some information on your experience

22) Are the communication channels provided by INTERPOL (use of I-24/7) appropriate to share information on forestry related investigations?

If Yes, are you sharing forestry related information on a regular basis :

- with INTERPOL General Secretariat?
- with your National Central Bureau?

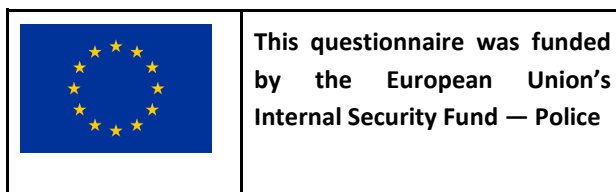
D. Conclusion

23) What are the challenges in relation to prosecution of forestry related crimes? *(For example: are results from checks by authorities structured in a way so that they could be used in court? are breaches/violations detected by relevant authorities systematically sanctioned in court - if no, why? are fines imposed in court below maximum fines defined in national laws - if yes, why?)*

24) What are the challenges in relation to prosecution of EUTR violations concerning imported timber? *(For example: is it clear what constitutes an acceptable burden of proof? is it difficult to prove in court that a company did not do everything within its reach to mitigate all risks in the frame of their Due Diligence System? Is it difficult to address the fact that operators determine their own thresholds on the level of corruption they accept or tolerate in the frame of their DDS?)*

25) Do you think that there would be a potential for more cases related to forestry crime to be prosecuted under the existing legislations? If yes, what do you think would be necessary to increase the number of cases prosecuted?

Annex 6: Questionnaire for Non Governmental Organizations/Civil Society Organizations



Questionnaire: NGOs/CSOs

Definition of forestry crime

According to INTERPOL, “Forestry crime” is an umbrella term to describe criminal activity (carried out in contravention of national or international law) in the forestry sector covering the entire supply chain, from harvest and transportation to processing, selling, trading, importing and exporting. It also refers to those criminal offences that facilitate such activity, including document fraud, corruption, and money laundering⁴².

In this questionnaire, forestry crime refers to this definition, with a specific focus on timber (other wildlife crimes involving wild fauna and flora, except for timber, are out of the project scope).

NB: Please keep in mind that otherwise stipulated, all questions refer to forestry crime in a broad sense, thus including the import and export of illegal timber to/from other countries.

A. General knowledge about forestry crimes, illegal logging and trade on a national level:

1) How would you grade your knowledge on forestry crime? Please explain.

Poor	Fair	Good	Very good	Excellent
------	------	------	-----------	-----------

.....

2) Is forestry crime a growing problem in your country (both for domestic and imported timber) and what information/data do you have about the current trends related to it?

.....

3) Based on the information at your disposal and using existing data/figures if possible, please rank how important do you consider forestry crime to be compared to other crimes, concerning:

⁴² <https://www.interpol.int/content/download/5149/file/Global%20Forestry%20Enforcement%20Prospectus%202019-web.pdf>

	Please select between: <ul style="list-style-type: none"> ● Not at all important ● Moderately important ● Important ● Very important 	Comments
Damage to the environment		
Tax evasion and loss of revenues		
Other (please specify)		
Other (please specify)		

4) What are the types of illegal logging and forestry crime that you are aware of or that you had worked on as an NGO? (this also includes the import and export of illegal timber)
You can choose from the examples provided by deleting/adding methods relevant to your national context. In case you're referring to publicly reported cases, please provide references. We also invite you to add any types/methods of illegal logging you are aware of which may not be listed in this table.
Please see annex 3

5) Based on the information at your disposal, who are known actors involved in forestry crime at your country level? *(For example: poor citizens, corrupt officials and businesses, organized crime, small medium enterprises, multinational companies etc.)*

.....

6) According to the information provided above and/or based on actual data, what are the top 3 forestry crime issues that you see in your area of work? Please explain and if possible, classify by order of importance.

1.	
2.	
3.	

B. General knowledge about EU Timber Regulation and other legislation in relation to forestry crime

7) How important are national and international legislation to prevent and fight forestry crime for your NGO?

Not important	Neutral	Important	Very important
---------------	---------	-----------	----------------

8) How would you grade your knowledge on existing legislation on forestry crime?

Poor	Fair	Good	Very good	Excellent
------	------	------	-----------	-----------

9) How effective are the legislations at discouraging forestry crime in your country? Please explain and provide additional details on the existing legislation, if needed.

Not important	Neutral	Important	Very important
---------------	---------	-----------	----------------

.....

C. Cooperation along the enforcement chain

10) In your experience, please list the main obstacles for effective law enforcement / fighting forestry crime at the following levels as well as recommendations for improvement:

	Main obstacles (please describe)		Recommendations for improvement (please describe)	
	At country level	At international level	At country level	At international level
Customs/Borders				
Forest (this includes the issuance of permits, preparation of management plans, timber harvesting, processing, transport etc.)				
Police/Investigation				
Justice/Prosecution (this includes the structure/design of relevant laws to fight forest crime)				
Anti-corruption/Anti-fraud/Money laundering				

11) How do you assess your cooperation with relevant authorities/units fighting against forestry crimes? Please explain

12) In the frame of the EU Timber Regulation, have you already provided a substantiated concern to your national Competent Authority? If yes, how helpful was it? If no, why? Please explain

13) How often do you inform public authorities about forestry crimes? Please explain

14) Do you think your NGO is more capable than before in identifying forest crimes ? Please explain

D. Conclusion

15) What are the challenges in relation to prosecution of forestry related crimes? (*For example: are results from checks by authorities structured in a way so that they could be used in court? are breaches/violations detected by relevant authorities systematically sanctioned in court - if no, why? are fines imposed in court below maximum fines defined in national laws - if yes, why?*)

16) What are the challenges in relation to prosecution of EUTR violations concerning imported timber? (*For example: is it clear what constitutes an acceptable burden of proof? is it difficult to prove in court that a company did not do everything within its reach to mitigate all risks in the frame of their Due Diligence System? Is it difficult to address the fact that operators determine their own thresholds on the level of corruption they accept or tolerate in the frame of their DDS?*)

17) Do you think that there would be a potential for more cases related to forestry crime to be prosecuted under the existing legislations? If yes, what do you think would be necessary to increase the number of cases prosecuted?

**WWF'S MISSION IS TO STOP
THE DEGRADATION
OF THE PLANET'S NATURAL
ENVIRONMENT AND TO BUILD
A FUTURE IN WHICH HUMANS LIVE
IN HARMONY WITH NATURE**



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