

NATIONAL VOLUNTARY FOREST CERTIFICATION SYSTEM

ACTION PLAN TO PREVENT THE RISK OF ILLEGAL WOOD AND CORRUPTION IN FOREST SECTOR OF UKRAINE



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Introduction

This action plan is based on Assessment report of National Voluntary Forest Certification System (NVFCS) by assessor of consulting company - TJ Consulting as part of PEFC Council Endorsement process.

Assessor has given the conclusions and recommendations as part of Assessment report, which go over and above the compliance with the PEFC benchmark requirements.

However, taking into account the both the reputational as well as market impact on both the Ukraine scheme as well as PEFC International by Earthsite`s report, the Association National Voluntary Forest Certification System (Association NVFCS) has prepared this document, which hopefully would be considered by PEFC Council in its endorsement decision

Regardless of the validity or justifications of allegations made in the Earthsight report, the NVFCS shall be able to respond to the mentioned allegations. The NVFCS shall have ability to detect the described types of illegal activities either directly in the certification activities or respond to reported illegal activities through accreditation process and/or complaints management at all levels.

Taking into account the seriousness and consequences of such accusations, the NVFCS has prepared this document. Action plan to prevent the risk of illegal wood and corruption in Ukraine going over and above the PEFC International benchmark requirements, but it is important element of the system, that would minimise the risk of illegal and corruption activities taking place on PEFC certified forest area. These measures are addressed in both, the development of the scheme`s documentation, rules and guidance but also in implementation of the NVFCS, including awareness, promotional and training activities.

ACTION PLAN

ISSUE DESCRIPTION

Corruption, especially when spread throughout the public authorities and society in general cannot be resolved by certification scheme itself as it requires changes in legislation, operation of public authorities, juridical system, and society's awareness and acceptance of the corrupted activities.

DESIRED OUTCOME

Changes in legislation, operation of public authorities, juridical system, and society's awareness and acceptance of the corrupted activities.

STRATEGIC ACTION	RESPONSIBLE	STAKE-HOLDERS	METRIC	DATE OF IMPLEMENTATION	POSSIBLE IMPACT	PROGRESS ON MARCH 2021
Membership at Public Council at the State Agency of Forest Resources of Ukraine, whose main tasks are: • promoting the realization of the constitutional right of citizens to participate in the management of state affairs on forestry and hunting, use, protection, protection and reproduction of forest and hunting resources on the	Executive Director of Association NV FCS Alla Oborska Yuriy Marchuk, Chairman of the Working Group of the Association for the Development of Forest Management Standards	Forest owner / Forest management Body	Proposals from NVFCS's representatives considered	Start in February 2021 and on regularly basis	Through its representation in the Public Council, the Association will be able to: • participate in the preparation of draft regulations on the implementation of state policy in the field of forestry and hunting; • participate in the public examination of the activities of the State Forestry Agency and the public anti-corruption examination of normative legal acts and draft normative legal acts developed by the State Forestry Agency; • exercise public control over the State Forest Agency's compliance with public	Executive Director Alla Oborska as a representative of the Association "National System of Voluntary Forest Certification" and Yuriy Marchuk, Chairman of the Working Group of the Association for the Development of Forest Management Standards, in February 2021 were elected to the Public Council at the State Agency of Forest Resources of Ukraine.

basis of sustainable development, conservation of forest biodiversity; • exercising public control over the activities of the State Forestry Agency; • promoting the State Forest Agency to take into account public opinion when preparing proposals to ensure the formation and implementation of state policy in the field of forestry and hunting.					proposals and comments, ensure its transparency and openness, access to public information, as well as its compliance with regulations aimed at preventing and combating corruption; • submit proposals for public consultation of the State Forestry Agency.	
Membership in Group on Developing Strategy for Forest Management of Ukraine until 2035	Executive Director of Association NV FCS Alla Oborska Yuriy Marchuk, Chairman of the Working Group of the Association for the Development of Forest Management Standards	Forest owner / Forest management Body	Changes in legislation	June 2020-January 2021	The State Agency of Forest Resources of Ukraine is a body that implements the state policy in the field of forestry and hunting and since June 2020 is subordinated to the Ministry of Environmental Protection and Natural Resources of Ukraine. This ministry has developed the State Strategy for Forest Management of Ukraine until 2035, which is currently undergoing a strategic environmental assessment.	The State Strategy for Forest Management of Ukraine until 2035 was developed, currently is undergoing a strategic environmental assessment. The strategy envisages a set of measures that, in particular, will help to overcome the shadow schemes in the forest sector of Ukraine. Alla Oborska and Yuriy Marchuk were members of the Working Group for Strategy Development, and their proposal included the item “At the state level, there should be comprehensive support for the national forest certification system under the PEFC scheme”.

ISSUE DESCRIPTION						
Precautionary approach: The scheme owner (NVFCS) should take pre-cautionary approach towards the legality.						
DESIRED OUTCOME						
Association NV FCS together with its stakeholders, identify and analyse the pre-dominant illegal activities in the forestry sector, especially those where different or conflicting interpretations of the legislation in force exist.						
STRATEGIC ACTION	RESPONSIBLE	STAKE-HOLDERS	METRIC	DATE OF IMPLEMENTATION	POSSIBLE IMPACT	PROGRESS ON MARCH 2021
Preparation of Checklist for Auditors with the list of pre-dominant illegal activities in the forestry sector	Working Group on System Development	All groups of Stakeholders	Identify and do not issue the certificates for Organisations, where illegal activities are present	February 2021 prepare checklist and use it on regular basis	This checklist is a part of UA SFM ST05 and the filled checklists would be obligatory part of Audit report.	The Checklist is ready and it was discussed with NGOs and main stakeholders to ensure the content of all possible illegal activities, the UA SFM ST 05 was changed accordingly to make the checklist obligatory for all interview with stakeholders.

ISSUE DESCRIPTION						
The scheme owner (NVFCS) should actively promote the legality requirements towards certified entities, certification bodies, accreditation body(ies) and affected stakeholders.						
DESIRED OUTCOME						
All stakeholders have clear understanding which kind of actions are illegal, recognizing the responsibility and using the mechanisms to fight with such actions within their competence.						
STRATEGIC ACTION	RESPONSIBLE	STAKE-HOLDERS	METRIC	DATE OF IMPLEMENTATION	POSSIBLE IMPACT	PROGRESS ON MARCH 2021
Trainings for all stakeholders	Expert of FLEG program and author of 'Prevention and counteraction to corruption in the forestry sector' Oleh Storchous	All groups of Stakeholders	Training were done and the desired outcome were achieved	April 2021 first training (online) and then minimum twice per year	Ukrainian Law concerning prevention and counteraction to corruption in the forestry is quite complicated, and often requires special legal knowledges. As Association has no fulltime expert in this sphere the negotiations was run and was achieved agreement for cooperation with the expert of FLEG program and author of 'Prevention and counteraction to corruption in the forestry sector' Oleh Storchous. The expert would prepare the presentation materials and would make trainings for all stakeholders twice per year. Also, he would join the Commission of Complaints and Appeals when it would be necessary.	The expert is confirmed the cooperation with Association.

ISSUE DESCRIPTION						
The illegal and corrupted activities are difficult to be detected within regular audits. Therefore, the scheme owner (NVFCS) should strengthen the following activities as part of auditing and certification process: - the role of stakeholders consultation (especially local communities and E-NGOs); - employees interviews; - collection and analysis of relevant information from media, public reports, etc. - remote sensing techniques.						
DESIRED OUTCOME						
Adapted certification process and auditing allows detect the illegal and corrupted activities within regular audits.						
STRATEGIC ACTION	RESPONSIBLE	STAKE-HOLDERS	METRIC	DATE OF IMPLEMENTATION	POSSIBLE IMPACT	PROGRESS ON MARCH 2021
Amendment of UA SFM ST 05, Requirements for Certification Bodies operating against Forest Management Standard	Working Group on System Development	Certification Bodies / Accreditation Bodies	Effective procedure for auditors to detect illegal actions and prevent certification process for such Organisations	February 2021 and on regularly basis if necessary	Auditor would have clear and sufficient instrument to identify the illegal and corruption actions on all stages of the certification process.	The UA SFM ST 05 was amended: 1) Consultation with stakeholder shall be done with filling the Anti-Bribery and Corruption Checklist 2) As part of the preliminary inspection of the applicant, the auditor shall check the applicant for violations of applicable legislation that critically contradict with the requirements of the standard UA SFM S T02, UA SFM ST 03 using the following resources: a) https://opendatabot.ua/ or https://youcontrol.com.ua/ - court decisions, arrears of taxes and payments, wages and other information; b) https://inspections.gov.ua/ - inspection control, inspection reports

						and instructions of various controlling bodies, in particular the State Ecological Inspectorate; 3) The auditor shall verify and collect information from the following official resources: a) State Enterprise "Forestry Innovation and Analytical Center" https://www.ukrforest.com/ - register of logging tickets, mapping of fellings; b) Public cadastral map https://map.land.gov.ua/ - land use right, nature reserve fund, Emerald Network.
Amendment of program of special training of auditors in the field of forest management certification in the NVFCS	Head of Center of Preparation and Attestation of Experts for Forest Management Audits	Certification Bodies / Accreditation Bodies	Program includes Prevention of risk of illegal wood and corruption in Ukraine	April 2021	Auditor would receive the Attestation only in case if he understood the importance of prevention the risk of illegal wood and corruption in Ukraine and he is able to use all the instruments listed in UA SFM ST 05, Requirements for Certification Bodies operating against Forest Management Standard	The decision to amend the program was made and Head of Center of Preparation and Attestation of Experts for Forest Management Audits has received an order to do this in 1 month at latest.

ISSUE DESCRIPTION						
The scheme owner (NVFCS) should actively use its complaints and dispute settlement procedures to engage itself in resolving the reported cases of corruption and illegal activities.						
DESIRED OUTCOME						
Strengthening complaints and dispute settlement						
STRATEGIC ACTION	RESPONSIBLE	STAKE-HOLDERS	METRIC	DATE OF IMPLEMENTATION	POSSIBLE IMPACT	PROGRESS ON MARCH 2021
Amendment of UA SFM ST 04, Procedure for Managing Complaints and Appeals	Working Group on System Development	All groups of stakeholders	Amen- ded UA SFM ST 04, Proce- dure for Mana- ging Comp- lains and Appeals, available applica- tion form on website	April 2021	Any natural or legal person may file a complaint about violations of the applicable legislation in the field of forest protection, water protection and other environmental legislation, tax legislation, as well as corruption in the NVFCS. The application would be available online on website of Association.	We have added a special paragraph to our UA SFM ST 04 standard to manage the process. Interaction with stakeholders to prevent violations of applicable legislation of Ukraine and any manifestations of corruption in the National Voluntary Forest Certification System Any natural or legal person may file a complaint about violations of the applicable legislation in the field of forest protection, water protection and other environmental legislation, tax legislation, as well as corruption in the NVFCS.

ISSUE DESCRIPTION						
The Association shall use GIS to monitor and control the certification bodies and certificate holders.						
DESIRED OUTCOME						
Reliable instrument to protect the good name of the PEFC Council and the Association NVFCS						
STRATEGIC ACTION	RESPONSIBLE	STAKE-HOLDERS	METRIC	DATE OF IMPLEMENTATION	POSSIBLE IMPACT	PROGRESS ON MARCH 2021
Cooperation with DEEP Green Ukraine	Management of Association NVFCS	NGO	Established cooperation	July 2021	Regular control of certification holders. The goal of the Deep Green Ukraine project is to create an independent system that will allow analyzing open data of government agencies (land cadastre, forest maps, logging tickets, etc.) and satellite data, detect illegal logging and monitor planned. The system will allow you to find out in close-up mode how much forest has disappeared from the forest map of Ukraine and when it happened. The resource will contribute to the transparency of forest use, will help preserve and restore the country's forest fund. Initially, the system will be tested in four pilot regions: Kyiv, Lviv, Zakarpattia and Odesa, and then will be scaled to the	Agreed to sign a Memorandum for cooperation.

					whole of Ukraine. Once launched, the online system is planned to be transferred to the balance of the relevant government agencies to provide administration and technical support. It is planned that the system of monitoring illegal deforestation will be fully operational in early summer 2021.	
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