

# Municipal forests of Ukraine



**POSITION PAPER** 



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# **Executive summary**

About 13 % of the Ukrainian forests are constantly being used by public enterprises. Compared to state forests, the efficiency of forest use and protection of large municipal forests is lower, which is caused by a chain of legal, administrative, and economic problems. Most municipal enterprises manage forests inefficiently, numerously violating the law. As a result, ecological functions of municipal forests are being deteriorated, as well as the profit for local communities.

In the Ukrainian reality, solving the problems of municipal forest management requires a comprehensive approach. The priority tasks are the following: unification of forestry requirements for forest users of all forms of ownership, ensuring transparency of municipal enterprises, clear redistribution of forest use rights between state and municipal enterprises taking into account the provision of effective forest management, and granting the consultative function to the State Agency of Forest Resources regarding non-state forest users.

Such steps will help to preserve the protective and recreational functions of the most valuable areas of municipal forests, improve biodiversity conservation, as well as ensure more efficient and sustainable forest management in those municipal forests where commercial logging is environmentally justified and feasible.

### **Research Methodology**

- 1. Analysis of the primary sources of information: laws, regulations, other official documents in the field of forestry, information from the media.
- 2. Search and derivation of patterns from the primary sources of information.
- 3. Synthesis of recommendations to improve the existing situation by solving the problems identified during the study.

### **Purpose of the Position Paper**

Increasing the transparency of municipal forest enterprises and unifying the requirements and rules of forest management for all forest users that will lead to more effective management of municipal forests and balanced use of their resources.

### Introduction

The Forest and Land Codes of Ukraine declare that forest lands and forests in Ukraine can be in state, municipal, and private ownership.

According to the public report of the State Agency of Forest Resources of Ukraine (SAFRU) for 2019, 13 % of Ukraine's forests (about 1.3 million hectares) are in the permanent use of public enterprises subordinated to local governments. Less than 0.1 % of forests are privately owned. The rest, almost 83

%, belong to the state property and are granted to numerous permanent users (first of all, in the structure of SAFRU – 73 % of the forests of Ukraine).

The existing municipal forest enterprises were mainly established during 2000-2001, when with the start of the subdivision of agricultural lands, arose the issue of management of the forest land which was in the use of collective agricultural enterprises. At the same time, the Land Code of Ukraine of 2001 allowed the stay of forest lands in municipal ownership, and the relevant amendments to the Forest Code of Ukraine on the emergence of municipal and private ownership of forests were introduced only in 2006<sup>1</sup>.

The share of forests in the use of municipal forest enterprises in regions is very heterogeneous. At the beginning of 2011 this share was the largest in Sumy (34.2 % of all forests in the oblast), Chernihiv (32.6 %), Vinnytsia (29.8 %), Zhytomyr (27.2 %) and Khmelnytsky (25.9 %) oblasts. In contrast, for example, in Cherkasy oblast such a share was only 6.5 %<sup>2</sup>. Today, the share of municipal forests in a number of oblasts has decreased, for example, in the Chernihiv region – down to 24 %.

In a number of oblasts, municipal forest enterprises have either been liquidated or transferred to state ownership. Thus, in the Volyn oblast, by two orders of the Volyn Oblast State Administration, the municipal enterprises "Volynoblagrolis", which used state-owned forests, were transferred to the structure of the Volyn Oblast Forestry and Hunting Management<sup>3</sup>. Similarly, the forests of former municipal forest enterprises were transferred to state enterprises in Rivne, Zakarpattia, Cherkasy, and some other oblasts.

Compared to state forest enterprises (here and below we consider permanent forest users from the structure of SAFRU as state forests), the efficiency of forest use and protection by most municipal enterprises is much lower, which is caused by a number of legal, administrative, and economic problems. Thus, most enterprises manage forests inefficiently, numerously violating the law. Accordingly, these enterprises have an unsatisfactory financial condition and insufficient funds for quality forest management, such as timely forest inventory and planning, and provision of forest protection.

The consequences are the deterioration of the ecological functions of municipal forests, as well as the lack of income by local communities, which could be possibly gained with the reasonable use of natural forest resources.

### **Problems of Municipal Forests**

The actual owners of municipal forests in Ukraine are local communities. At the same time, in a number of oblasts, the management of municipal forests was being united at the higher level – in the form of municipal enterprises, the founders of which were regional and oblast councils. Thus, the municipal forests of Sumy oblast are now in the permanent use of the municipal enterprise "Sumyoblagrolis", which was formed by the decision of the session of the Sumy oblast council in 2000 on the united

<sup>&</sup>lt;sup>1</sup> Public report of SAFRU in 2019. URL: https://bit.ly/3o5LjvK

<sup>&</sup>lt;sup>2</sup> Municipal forest enterprises and local communities. Resource book. Oborska A.E., Zhyla A.S., Mateyko I.M., Zhyla T.B. Kyiv, 2017. URL: <a href="http://www.enpi-fleg.org/site/assets/files/2179/999dovidnyk\_final-2017">http://www.enpi-fleg.org/site/assets/files/2179/999dovidnyk\_final-2017</a> 2.pdf

<sup>&</sup>lt;sup>3</sup> Who is «serviced» by the municipal forests of Volyn? — Open forest. URL: <a href="https://www.openforest.org.ua/9098/">https://www.openforest.org.ua/9098/</a>

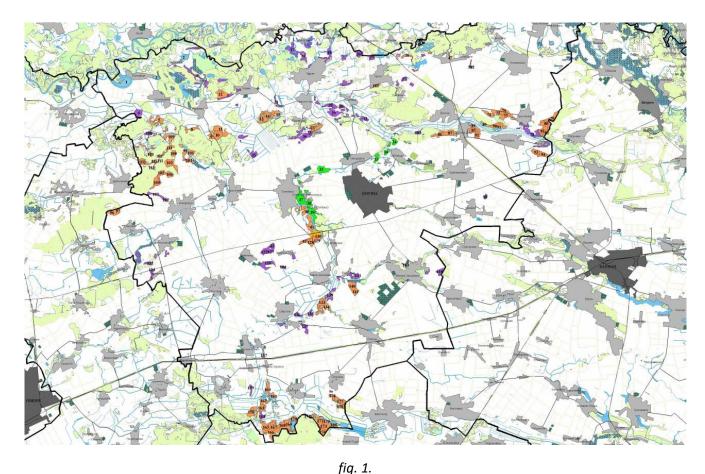
property of territorial communities. For more efficient forest management on the basis of Sumyoblagrolis, 18 subsidiary agroforestry enterprises were established, which were granted with permanent forest land with a total area of 160.5 thousand hectares<sup>4</sup>. A similar situation has developed in some other territories. In particular, in the Chernihiv oblast, the Chernihiv Oblast Council established the Chernihivoblagrolis municipal enterprise as a part of 18 regional subsidiaries (forest area 181.3 thousand hectares). In the Vinnytsia oblast, the municipal forests are managed by the Vinoblagrolis Municipal Specialized Enterprise of the Vinnytsia Oblast Council through 22 subsidiary regional enterprises. In the Lviv oblast municipal forests are managed by the Halsillis Municipal Specialized Enterprise of the Lviv Oblast Council (18 subsidiaries). In Zhytomyr and Ivano-Frankivsk oblasts, oblast councils on the united property of territorial communities established, respectively, Zhytomyroblagrolis and Ivano-Frankivskoblagrolis Municipal Agroforestry Enterprises. In Cherkasy and Ternopil oblasts, district councils created 3 and 5 municipal enterprises, respectively. The situation in the Khmelnytsky oblast is interesting, where 15 municipal enterprises were established by regional councils and another 10 by village and settlement councils (actually by local communities).

A remarkable feature of municipal forests is that they perform mainly ecological functions, rather than economic ones. In all regions, municipal forest enterprises are primarily represented by users of plantations that were created (or isolated from existing plantations) to protect agricultural land from wind and water erosion.

- 1. Basing on this, municipal forest enterprises are characterized by high fragmentation of forest areas. Thus, Brody subsidiary of Halsillis consists of more than 330 small forest pieces, which together cover an area of 5621 hectares. The average size of such a piece in this enterprise is only 17 hectares. In the Zhovkva subsidiary forest enterprise of Halsillis there are 188 plots, with an area of each up to 5.5 hectares. As each subsidiary municipal forest enterprise usually covers an area of one region, and sometimes two regions, the distances between these fragments are often measured in many kilometers. Thus, the distance between the edge forest fragments in the use of Borzna municipal forest enterprise reaches 40-50 km (the area of the already liquidated Borznyansky region is 160 thousand hectares, and the forests of the enterprise only 7350 hectares<sup>5</sup>). In addition, they are segregated not only by agricultural lands, but also by forests of the Borzniansky State Forest Enterprise.
- 2. On the example of forest stand plans of municipal forest enterprises of Chernihiv region<sup>5</sup>, it can be seen they manage **forests on bogged and eroded soils, which have insignificant value from the economic point of view**. The fragmentation of municipal forests and the low economic quality of many of them remain negative factors for the management of these forests.

<sup>4</sup> Structure of the oblast agroforestry enterprise "Sumyoblagrolis" — Sumyoblagrolis. URL: <a href="https://sumyagroforest.wixsite.com/forest/--c1lfa">https://sumyagroforest.wixsite.com/forest/--c1lfa</a>

<sup>&</sup>lt;sup>5</sup> Forest stand plans of Chernihiv oblast — Chernihiv Oblast Forestry and Hunting Management. URL: https://chernigivlis.gov.ua/dostup-do-publichno%D1%97-informaci%D1%97/plani-lisonasadzhen-chernigivshhini/



Location of tracts and compartments (plots with numbers) of the subsidiary «Borznarayagrolisgosp» within the structure of the municipal enterprise «Chernihivoblagrolis»

- 3. Inadequate organization of management in municipal forest enterprises that causes a number of financial problems. If the problem is not solved in time, it even will lead to the bankruptcy of such enterprises as happened with Tyachivrayagrolis (Zakarpattia region) in 2019<sup>6</sup>. In the Chernihiv region, the Security Service of Ukraine even exposed a criminal group of local government officials and the leadership of municipal forest enterprises. This group through fictitious companies purchased wood from these enterprises at a price much lower than the market one in order to bring the enterprises to bankruptcy<sup>7</sup>.
- **4. High share of sanitary felling in timber harvesting**. EPL analyzed<sup>8</sup> in detail the volume of logging in 9 subsidiaries of the municipal enterprise "Chernihivoblagrolis" in 2018-2019. Among other things, it was found that the considered enterprises in 2019 received 53.8 % of all wood from

<sup>6</sup> Act № 81692648, 06.05.2019, Commercial court of Zakarpattya region — YouControl. URL: https://youcontrol.com.ua/catalog/court-document/81692648/

<sup>&</sup>lt;sup>7</sup> Chernihiv oblast: forest enterprises are being brought to bankruptcy on purpose — «The Voice of Ukraine», official printed edition, newspaper of Verkhovna Rada of Ukraine. URL: <a href="http://www.golos.com.ua/news/121211">http://www.golos.com.ua/news/121211</a>

<sup>&</sup>lt;sup>8</sup> How the municipal forest enterprises of Chernihiv oblast managed logging in 2018-2019? (according to 3-LG statistical forms) — «Environment – People – Law». URL: <a href="http://epl.org.ua/announces/yak-komunalni-lisgospy-chernigivshhyny-vely-lisozagotivlyu-u-2018-2019-rokah-za-danymy-statystychnyh-form-3-lg/">http://epl.org.ua/announces/yak-komunalni-lisgospy-chernigivshhyny-vely-lisozagotivlyu-u-2018-2019-rokah-za-danymy-statystychnyh-form-3-lg/</a>

- sanitary felling, while for all forest users in the region this number was 37.4 %<sup>9</sup>. Probably, such a significant difference in the share of sanitary felling in more or less the same climatic conditions indicates a high level of improprieties or forest diseases in municipal enterprises that in any case is an indicator of inefficient forestry.
- 5. Another problem is the **insufficient funding** of municipal enterprises. It is clear that one of the main reasons for the problem of poorer management and protection of forests in municipal enterprises is insufficient funding of the necessary costs: forest inventory and planning, sanitary inspections, payment of land tax, salaries to employees, fuel purchases and more. At the same time, low efficiency of management often does not allow municipal enterprises to receive profits from the sale of wood, sufficient enough to cover all necessary costs.
  - Forest inventory and planning at own expense. Regardless of the form of ownership, all forestry measures are implemented on the ground of forest inventory and planning. It is predicated on the basic inventory and planning, which is being conducted once per 10 years. All necessary work with forest inventory and planning is paid by their permanent forest users, in other words by enterprises<sup>2</sup>. In municipal forest enterprises, such expenditures also deteriorate the financial situation.
  - Systemic financial problems of municipal forest enterprises is the reason for the **lack of adequate protection against illegal logging**. As a result, illegal deforestation is common in many municipal enterprises, and the scale is much larger than in state enterprises. For example, such situation is observed in the Lviv oblast in a number of subsidiaries of MSE "Halsillis"<sup>10</sup>, where one of the proceedings is related to the illegal, namely unauthorized, felling of more than 8 thousand trees<sup>11</sup>. According to the Forest Guard Activity Report for 2017-2018, the volumes of illegal logging detected by activists of this project in municipally owned forests are 5 times higher than the volumes of unauthorized felling in state forests. Moreover, more than 80 % of unauthorized felling was observed on the territory of a single forest user Starosambir subsidiary of "Halsillis"<sup>12</sup>. Unauthorized logging with the participation of local people has become common<sup>13</sup> in this enterprise. However, this situation is not an exception. In 2018, officers of the Security Service of Ukraine, together with the military prosecutor's office and the Economic Protection Department of the National Police, exposed a scheme of

<sup>&</sup>lt;sup>9</sup> Logging by types of forestry products (2010-2019) — Main Department of Statistics of Chernihiv oblast. URL: <a href="http://chernigivstat.gov.ua/statdani/Navk/LG3.htm">http://chernigivstat.gov.ua/statdani/Navk/LG3.htm</a>

<sup>&</sup>lt;sup>10</sup> Municipal forest enterprises of Lviv oblast is a big feeder for massive illegal logging, – ecologist — News Dyvys.info. URL: <a href="https://dyvys.info/2017/04/25/komunalni-lisgospy-lvivshhyny-ye-velykoyu-godivnychkoyu-dlya-masovyh-nezakonnyh-rubok-ekolog/">https://dyvys.info/2017/04/25/komunalni-lisgospy-lvivshhyny-ye-velykoyu-godivnychkoyu-dlya-masovyh-nezakonnyh-rubok-ekolog/</a>

<sup>&</sup>lt;sup>11</sup> «Behind the scenes»: how the forest is being illegally cut in a municipal enterprise (photo report) — News Dyvys.info. URL: <a href="https://dyvys.info/2017/10/09/za-lashtunkamy-yak-samovilno-vyrubuyut-lis-u-komunalnomu-lisnytstvi-fotoreportazh/">https://dyvys.info/2017/10/09/za-lashtunkamy-yak-samovilno-vyrubuyut-lis-u-komunalnomu-lisnytstvi-fotoreportazh/</a>

Forest Guard Activity Report for 2017-2018 pp. — WWF-DCP. Lviv, 2019. URL: <a href="http://d2ouvy59p0dg6k.cloudfront.net/downloads/4">http://d2ouvy59p0dg6k.cloudfront.net/downloads/4</a> 3 report on the forest watch activities in 2017 2018 ukr.pdf

\*\*Oark woodcutters\*\*: who and how saws Carpathian forest — Public television. URL: <a href="https://hromadske.ua/posts/chornilisoruby">https://hromadske.ua/posts/chornilisoruby</a>

- illegal logging and sale of timber by a municipal forest enterprise in the Izyaslav region of Khmelnytsky oblast, organized by the director of this enterprise<sup>14</sup>.
- Impossibility to finance the protection of municipal forests at the expense of ecofunds. According to the current List of Activities Related to Environmental Protection Measures<sup>15</sup>, measures on forest reproduction (planting) and elimination of forest fires can be financed from ecofunds. Purchase of equipment for waste transportation also is possible. However, today no funds can be allocated from ecofund for forest protection, in particular the protection of forest protected areas which have no administrations. Funds would be very appropriate to support the work of municipal forest enterprises and preserve the ecological values of municipal forests.
- 6. Not adjusted internal orders and instructions of SAFRU. Forest management in state forest enterprises is determined by a number of internal orders and instructions of the State Agency of Forest Resources of Ukraine. The operation of them does not apply to enterprises that are not included in the structure of SAFRU. At one time, the management of the SAFRU did not adjust these orders in accordance with the law. For instance, these are documents such as "Guidelines for the determination and inventory of logging areas, issuance of logging tickets and inspection of timber harvesting sites in the forests of the State Forestry Committee", approved with the order of this body in 2010<sup>16</sup>. One more example is "Temporary instruction on electronic accounting of products of logging, lumbering, and woodworking at the enterprises of the State Agency of Forest Resources of Ukraine", approved in June 2012<sup>17</sup>. This, in fact, makes it impossible for electronic accounting to function properly.
- 7. Benefits for local communities from poor management of municipal forests. Improvement in management of communal forests, compared to state forests, is a more difficult task because of the ownership structure. Even with a clear strategy and political will, public authorities will not be able to implement changes without the support of local communities that are the actual owners of municipal forests or municipal forest enterprises. In the fight against illegal logging, this factor is particularly essential. It is no secret that the main "performers" of illegal logging are local people. Therefore, the lack of adequate forest protection in a number of municipal enterprises in remote regions where there are a lot of forests and tourism is not developed, is surprisingly advantageous for most local residents, who benefit from additional income from the sale of illegally felled timber, or at least do not pay for firewood for house hitting. The already mentioned example of the starosambirsky "Halsillis" is indicative<sup>14</sup>.
- **8. Complicated or missing access to information**. An important aspect of effective work of forest enterprises is the openness of their data. From the beginning of 2018, most of the forest stand

<sup>&</sup>lt;sup>14</sup> In the Khmelnytsky oblast law enforcement officers exposed the mechanism of wood embezzlement from a municipal forest enterprise — News of Khmelnytsky. URL: <a href="https://ngp-ua.info/2018/11/38627">https://ngp-ua.info/2018/11/38627</a>

<sup>&</sup>lt;sup>15</sup> Resolution of the Cabinet of Ministers of Ukraine "On Approval of the List of Activities Related to Environmental Protection Measures" № 1147 of September 17, 1996. URL: <a href="https://zakon.rada.gov.ua/laws/show/1147-96-%D0%BF#Text">https://zakon.rada.gov.ua/laws/show/1147-96-%D0%BF#Text</a>
<sup>16</sup> Order of the State Forestry Committee of Ukraine 22.11.2010 №403 "On improving the quality of logging areas determination". URL:

http://dklg.kmu.gov.ua/forest/control/uk/publish/article;jsessionid=0CB123054BE1412C5A03B62D30A7A7FB?art\_id=104\_030&cat\_id=65319\_

<sup>&</sup>lt;sup>17</sup> Temporary instruction on electronic timber accounting, 2012 — Open forest. URL: <a href="http://www.openforest.org.ua/19683/">http://www.openforest.org.ua/19683/</a>

plans (actually maps) of state enterprises are freely available on the website of the Ukrderzhlisproekt at the link: <a href="https://www.lisproekt.gov.ua/plani-lisonasadzhen">https://www.lisproekt.gov.ua/plani-lisonasadzhen</a>. At the same time, forest stand plans of municipal forest enterprises are not available on the website of Ukrderzhlisproekt, and for most of them they are not available for public at all. Thus, the Chernihiv Oblast Forestry and Hunting Management posted on its website such plans of Chernihivoblagrolis enterprises only after these plans were created by EPL experts on the basis of maps received from subsidiaries. In addition, logging tickets issued to many municipal enterprises (for example, from the structure of "Halsillis" and "Sumioblagrolis") are not in the Open Register of permits for timber on the website of State Forestry Innovation and Analytical Center (LIAC)<sup>18</sup>. In the logging tickets for municipal enterprises, which are available in the Open Register, sometimes there is no information about the subcompartment, or even the compartment where felling is planned<sup>19</sup>. Absence of maps and registers of logging tickets for a number of municipal enterprises significantly weakens the possibility of public to control over their activities. Consequently, the risk of improprieties by officials in these enterprises, including illegal logging, is increasing.



fig. 2
Illegal logging in starosambirsky "Halsillis"

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<sup>&</sup>lt;sup>18</sup> Registry is available with the following link: <a href="https://lk.ukrforest.com/forest-tickets/">https://lk.ukrforest.com/forest-tickets/</a>

<sup>&</sup>lt;sup>19</sup> For example, logging ticket № 008500 is issued for «Kozeletsrayagrolisgosp» for the selective sanitary felling: https://lk.ukrforest.com/201515

9. Neglect the recreational and protective functions of suburban municipal forests and conducting commercial logging in them. The suburban forests of Kyiv, which are administratively located within the city, are managed by the Kyivzelenbud municipal association through 3 subsidiary municipal enterprises – Sviatoshynsky, Darnytsky and Koncha-Zaspa forest parks. As the main functions of the forests around Kyiv are recreational and protective, the work of permanent forest users in this area should focus on the maintenance and care of green areas and not on commercial logging. However, large-scale logging continues even within the Holosiivskyi national park. As the clearcut logging in the economic zone of national parks was banned a year ago<sup>20</sup>, in December 2019 the scientific and technical council of the national park "Holosiivskyi" approved for 2020 selective sanitary felling within Sviatoshynsky forest park on an area of 774 hectares with a volume of 21,349 cubic meters and within "Koncha-Zaspa "on the area of 572 hectares with a volume of 8277 cubic meters due to drying out of stands<sup>21</sup>. There is indeed a problem, but massive sanitary felling, which can still be justified in commercial forests, does not meet the objectives of the national park. In fact, under the cover of sanitary felling, commercial timber is harvested. It should be understood that for the budget of Kyiv (UAH 58.7 billion in 2019<sup>22</sup>) the revenues received from 3 forest parks are insignificant. At the same time, the cost of the full range of ecosystem services in these forests is enormous. For example, forest ecosystem services in Holosiivskyi nature park, as was calculated by EPL experts, cost at least UAH 76.7 billion per year, which exceeds Kyiv's annual budget<sup>23</sup>.

### **Cost of Doing Nothing**

Based on the above analysis of the situation with municipal forest enterprises in Ukraine, we concluded that the persistence of this in the future threatens to deteriorate the financial condition of these enterprises. In addition, with the completion of decentralization reforms in Ukraine, there are increasing calls for the transfer of municipal forests for direct use to the newly created united territorial communities (UTC). Thus, in Chernihiv oblast, due to repeated appeals of local UTC councils, the oblast council decided to start the process of transferring regional subsidiaries of the municipal enterprise "Chernihivoblagrolis" to the municipal property of local councils<sup>24</sup>. Although the decision was formal,

<sup>&</sup>lt;sup>20</sup> On Amendments to Some Laws of Ukraine on the Prohibition of Clearcut Logging on Mountain Slopes in Fir-Beech Forests of the Carpathian Region. Law of Ukraine of 30.10.2020. Information of the Verkhovna Rada — Legislation of Ukraine. URL: <a href="https://zakon.rada.gov.ua/laws/show/249-20#Text">https://zakon.rada.gov.ua/laws/show/249-20#Text</a>

<sup>&</sup>lt;sup>21</sup> National Park «Holosiivskyi» approved destruction of the suburban forests of Kyiv! — «Environment – People – Law». URL: <a href="http://epl.org.ua/about-us-posts/npp-golosiyivskyj-pogodyv-znyshhennya-prymiskyh-lisiv-kyyeva/">http://epl.org.ua/about-us-posts/npp-golosiyivskyj-pogodyv-znyshhennya-prymiskyh-lisiv-kyyeva/</a>

<sup>&</sup>lt;sup>22</sup> Decision of the Kyiv City Council on the budget of Kyiv for 2020; dated 12.12.2019 № 456/8029 — Official portal of Kyiv. URL:

https://kyivcity.gov.ua/publichna informatsiia Tag 166122/rishennya kivradi pro byudzhet mkiyeva na 2020 rik vi d 12122019 4568029/

<sup>&</sup>lt;sup>23</sup> Holosiivskyi national park – treasury of free goods. Press-release — «Environment – People – Law». URL: <a href="http://epl.org.ua/announces/golosiyivskyj-natsionalnyj-park-skarbnytsya-bezkoshtovnyh-blag-pres-reliz/">http://epl.org.ua/announces/golosiyivskyj-natsionalnyj-park-skarbnytsya-bezkoshtovnyh-blag-pres-reliz/</a>

<sup>&</sup>lt;sup>24</sup> On the Process of Transfer of Regional Subsidiaries of the Municipal Enterprise "Chernihivoblagrolis" of the Chernihiv Oblast Council to the Municipal Property of City, Settlement, and Village Councils of the United Territorial Communities of the Chernihiv Oblast. Decision of the Chernihiv oblast council № 4-20/VII від 02.12.2019 р.— Chernihiv oblast council. New official web portal. URL: <a href="https://chor.gov.ua/component/k2/item/8865-pro-protses-peredachi-raionnykh-dochirnikh-pidpryiemstv-komunalno">https://chor.gov.ua/component/k2/item/8865-pro-protses-peredachi-raionnykh-dochirnikh-pidpryiemstv-komunalno</a>

as it actually emphasizes that the main organizational work for the use of municipal forests should done by local UTC councils, it shows the growing desire of communities to directly manage forests and the willingness of current municipal forest owners to promote these aspirations.

Taking into consideration the poor financial condition of a number of municipal enterprises, the lack of experience in forest management in local UTC councils, and the reluctance of current municipal forest owners (regional and oblast councils) to change the situation, this could lead to numerous conflicts. It will eventually lead to the cessation of forest protection and the massive spread of illegal logging, as it is happening now in the starosambirsky subsidiary of "Halsillis".

### **Foreign Experience in Management of Municipal Forests**

The predominance of public (joint – state and municipal) property is observed in many countries. For example, in Poland, a country with a high intensity of forest management, 80.7 % of forests are publicly owned. However, only 0.9 % of Polish forests are owned by communes (administrative units of communities)<sup>25</sup>.

In Estonia, public forests include 41 % of the country's forest area, in particular, no more than 3.3 % are owned by municipalities that have forest management plans<sup>26</sup>. However, for the managers of these municipal forests, financial indicators are not essential in decision-making, as the function of such forests is mainly recreational.

<sup>&</sup>lt;sup>25</sup> Raport o stanie lasów w Polsce 2018 — Panstwowe Gospodarstwo Lesne "Lasy Panstwowe". URL: <a href="https://www.lasy.gov.pl/pl/informacje/publikacje/informacje-statystyczne-i-raporty/raport-o-stanie-lasow/raport-o-stanie-lasow-w-polsce-2018.pdf/view">https://www.lasy.gov.pl/pl/informacje/publikacje/informacje-statystyczne-i-raporty/raport-o-stanie-lasow/raport-o-stanie-lasow-w-polsce-2018.pdf/view</a>

<sup>&</sup>lt;sup>26</sup> Teder, M., Põllumäe, P., Korjus, H. . Forest Land Ownership Change in Estonia. COST Action FP1201 FACESMAP Country Report. (2015) URL: <a href="http://facesmap.boku.ac.at/library/FP1201">http://facesmap.boku.ac.at/library/FP1201</a> Country%20Report ESTONIA.pdf

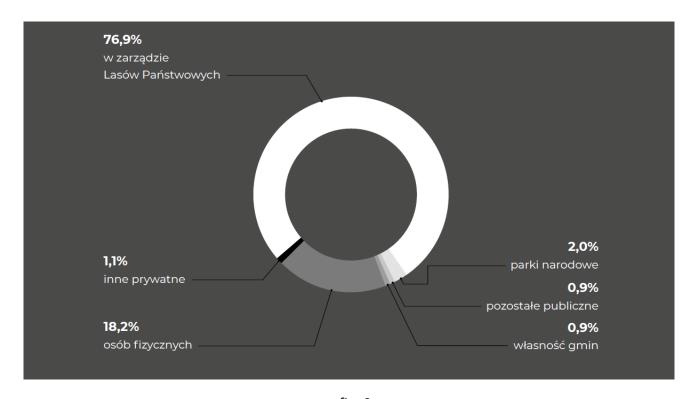


fig. 3

Forest ownership structure in Poland: analogue of the Ukrainian SAFRU,
national parks, other public property, property of gminas (local governments),
property of individuals and other private property

Many forests are municipally owned in the federal countries. Thus, in Germany, 20 % of forests are municipally owned (mostly churches) and another 3 % are owned by federal lands. In fact, forest management in this country is highly decentralized and the role of the state (through the German Federal Ministry of Forestry) is to develop a strategy for the use, protection, and reproduction of the country's forests, as well as consultations on forest management<sup>27</sup>. At the same time, clear rules for the use of forest resources, in particular for logging, apply to all forest owners. The German Federal Forest Law also declares that the main objective is the forest management in a proper way in order to preserve the ecological functions and biological potential of forest.

In the United States, 10.6 % of all state forests are owned and used by states and local governments, and about 30 % are federally owned  $^{28}$ . At the same time, in Oregon, the state and other non-federal public owners own about 5 % of the forest, while the federation owns 60 %. In addition, the share of the first category of forests in timber harvesting in 2011 was 10.4 %, and the second - 14.8  $\%^{29}$ . As we can see, the intensity of logging in the state's forests is 8 times higher than in federal forests and is

German state forest policy: all for one, one for all — Internet-newspaper «Economy». URL: <a href="http://economica.com.ua/lesnaya-otrasl/article/77700281.html">http://economica.com.ua/lesnaya-otrasl/article/77700281.html</a>

Who Owns America's Forests? — Forest Ownership Statistics - National Association of State Foresters. URL: <a href="https://www.stateforesters.org/timber-assurance/legality/forest-ownership-statistics/">https://www.stateforesters.org/timber-assurance/legality/forest-ownership-statistics/</a>

<sup>&</sup>lt;sup>29</sup> Annual Timber Harvest in Oregon — Associated Oregon Loggers. URL: https://www.oregonloggers.org/Forest\_facts\_HarvestData.aspx\_

almost equal to that in private forests. It is clear that in such a situation, no questions can be raised about any preservation of ecological functions in state-owned forests.

	1950s	1960s	1970s	1980s	1990s	2000s	2011
Private Forests	6.01	4.17	3.71	3.28	3.25	3.13	2.73
Federal Forests	2.23	4.35	4.31	3.87	1.15	.32	.54
State/Tribal/County Forests	.47	.27	.34	.37	.31	.38	.38
Total OR Harvest	8.71	8.79	8.36	7.52	4.71	3.83	3.65

fig. 4

Dynamics of logging in Oregon by forest owners, in billion cubic feet

An interesting example is France, where 15 % of forests are owned by municipalities and 10 % by the state. At the same time, a single state body, the National Forest Office, is responsible for managing both categories of public forests. The main difference in management is that for municipal forests management plans are discussed with local authorities<sup>30</sup>.

### **Conclusions and Recommendations**

Municipal forests in Ukraine, by their structure, mainly perform important ecological functions. However, municipal forest enterprises have a number of problems and are mainly characterized by a low quality of forestry and widespread unauthorized logging. Management problems, the lack of uniform rules for forestry, and insufficient funding for these enterprises play an important role in this. EU countries such as Germany and France, which have developed forestry, have established clear rules for forest use for all forest owners. At the same time, the country determines the strategy of management for all forests and provides recommendations to forest owners, and in France even manages municipal forests, almost on the same level as state forests.

In the Ukrainian reality, the solution of municipal forest management problems requires a comprehensive approach. The priority tasks are unification of requirements of forest management for forest users of all forms of ownership, ensuring transparency of municipal enterprises, clear redistribution of forest use rights between state and municipal enterprises, taking into account the possibility of effective forest management, and granting the consultative function to the SAFRU regarding non state forest owners.

Particular attention should be devoted to the solution of financial problems of municipal enterprises, for example by providing funding for forest protection from state and local ecofunds. To preserve the ecological functions of the most valuable municipal forests, it is recommended to provide the establishment of protected areas on their territory.

Such steps will help to preserve the protective and recreational functions of the most valuable areas of municipal forests, improve the biodiversity conservation in these forests, and provide more efficient

Deuffic, P., Didolot, F., Brahic, E., Giry, C. COST Action FP1201 FACESMAP Country Report. (2015) URL: <a href="http://facesmap.boku.ac.at/library/FP1201">http://facesmap.boku.ac.at/library/FP1201</a> Country%20Report FRANCE.pdf

and sustainable forest management in those municipal forests where commercial logging is environmentally sound and appropriate.

### Which steps do we suggest implementing?

## To the Cabinet of Ministers of Ukraine and the Ministry of Environment:

- 1. Unify by-laws and regulations on forest management for all forest users, regardless of ownership, based on paragraph 6 of the section "Problems of municipal forests" of this document. That is, to introduce for all forest enterprises uniform rules for the special use of forest resources and a single system of supervision over the activities of these enterprises.
- 2. Grant to SAFRU the power to consult municipal forest enterprises, following the example of Germany and the United States.
- 3. Amend the Resolution of the Cabinet of Ministers of Ukraine "On Approval of the List of Activities Related to Environmental Protection Measures" and to include in this list the activities of forest users for the protection of forest protected areas without administration, maintenance of forest protection, measures for preventing forest fires, as well as payment of land tax by protected areas.
- 4. Adopt a resolution on regulation of transfer issues of oblast and regional municipal forests to permanent use of united territorial communities. In the resolution, among other aspects, to provide responsibility of all permanent forest users of municipal forests for preservation and legal use of forest.
- 5. Provide coordination and support for continuation of protected areas establishment on the most valuable areas of municipal forests for biodiversity conservation and recreation.

# To the State Agency of Forest Resources:

- 1. Establish cooperation with oblast, regional, and local councils regarding the transfer of all stateowned forests, which are currently in the use of municipal forest enterprises, to the permanent use of state enterprises.
- 2. Develop effective mechanisms for cooperation with local governments regarding transfer to permanent use by state forest enterprises those municipally owned forests in which municipal enterprises cannot ensure proper management and conservation.
- 3. Ensure mandatory discussion with local governments and accounting the legitimate interests of local communities in the development and approval of basic forest inventory and planning materials (management plans) for municipal forests which are in the permanent use of state and municipal enterprises.
- 4. Ensure maximum transparency of the activities of municipal enterprises by centralized placement in the public domain of forest stand plans of all municipal enterprises and all logging tickets issued to municipal enterprises in all oblasts.

# To local self-government bodies and local state authorities:

1. To transfer to permanent use of state forest enterprises all forests of the state form of ownership which are still in permanent use of municipal enterprises.

2. To transfer to permanent use of state forest enterprises those municipally owned forests in which municipal enterprises cannot ensure proper management and preservation of forests, providing that the legitimate interests of local communities are taken into account and discussed with local governments when developing and approving management plans for these municipal forests.