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A photograph of a forest landscape. In the foreground, several large logs are stacked on the ground. The middle ground shows a line of tall, thin evergreen trees. The background consists of rolling hills covered in forest, shrouded in a thick mist or fog. The overall scene is somewhat desaturated and has a soft, hazy quality.

# STAKEHOLDER ENGAGEMENT IN FSC FOREST MANAGEMENT CERTIFICATION SYSTEM IN UKRAINE:

CURRENT PRACTICES AND RECOMMENDATIONS

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**WWF-Ukraine Forest Practice aims to improve forest management both on the local and national levels. It aims to implement sustainable forest management principles for economical, rational, and inexhaustible use of forest resources. This allows to protect biodiversity and at the same time to develop the economic potential of forests taking care of their further recovery.**

# INTRODUCTION

In 1999, the certification procedure of four state forest enterprises in Polissia under the Forest Stewardship Council (otherwise known as FSC)<sup>1</sup> commenced. Since then, FSC certification has been the only system of voluntary certification of forestry enterprises in Ukraine and has become widespread throughout the country, covering nearly 44% of Ukraine's forests (135 valid forest management certificates (FM/CoC) as of April 2020<sup>2</sup>). In terms of the area of FSC-certified forests, Ukraine is among the leaders in Europe, ranking fourth (excluding Russia), and maintains positive trends in these indicators<sup>3</sup>.

Why has voluntary forest management certification become so widespread in Ukraine? Over 75% of FSC certificate holders claim to have started the procedure due to a growing demand for certified forest products<sup>4</sup>. Surveys conducted in Ukraine confirm that the very reason for obtaining an FSC certificate is consumer requirements<sup>5</sup>. Therefore, having such a certificate grants the holder certain market advantages, which explains the demand for certification.

<sup>1</sup> <http://sfmu.org.ua/files/Rekomendaciji.pdf>.

<sup>2</sup> <https://ua.fsc.org/preview.2020.a-954.pdf>.

<sup>3</sup> FSC Facts & Figures, May 6, 2019.

<sup>4</sup> FSC Annual Report, 2010.

<sup>5</sup> [https://www.slideshare.net/fsc\\_ukraine](https://www.slideshare.net/fsc_ukraine).



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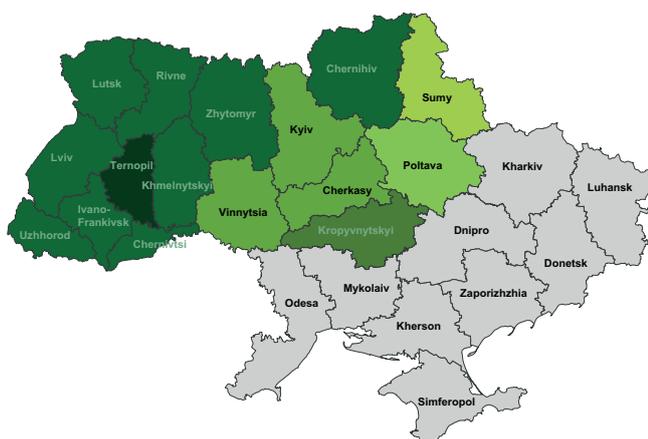
Field research in one of Polissya state forest enterprises in 2018. This forest site obtained HCVF status due to WWF involvement



Information stand on the certification of the enterprise

**44%**  
OF FORESTS IN UKRAINE ARE CERTIFIED

## FSC-CERTIFIED FORESTS IN UKRAINE AS OF 01.04. 2020



Share of FSC-certified forests (of the forest area in a region):



Data source: FSC Ukraine  
Map information: OpenStreetMap

According to the procedure, obtaining an FSC forest management certificate is possible, provided the forest user complies with the *FSC Principles and Criteria for Forest Stewardship*<sup>6</sup>. The compliance is determined by the results of evaluations (audits) conducted by independent certification bodies. As of early 2020, there were three independent accredited certification bodies in Ukraine, whose operation is governed by separate interim *Forest Management Standards*. These *Standards* are the *FSC Principles and Criteria* supplemented by Ukraine-specific indicators.

Certification of the forest management system should indicate that a forestry enterprise complies with environmental and social requirements during its economic activities, particularly timber harvesting. In other words, certification attests responsible forest management through compliance with the economic, social, and environmental requirements outlined in the *FSC Principles and Criteria*. Moreover, many certification procedures provide for *stakeholder* engagement.

According to the FSC definition, a stakeholder is “any individual or group whose interests are affected by the way in which a forest is managed”<sup>7</sup>. Hence, local communities, environmental and other non-governmental organizations (NGOs), scientists, representatives of business, and any other individuals and groups whose interests are affected by forestry management of certain FSC forest management certificate holders may qualify as stakeholders.

The general *FSC Principles and Criteria* provide for the engagement of stakeholders in conflict resolution, development of long-term forest management plans, identification and protection of high conservation value forests (HCVF<sup>8</sup>), etc. Besides, stakeholders can be involved in the annual evaluations (audits) of forestry enterprises as independent external observers. These stakeholder engagement opportunities are intended to enhance the transparency of certification procedure and, at the same time, ensure that all the stakeholders’ voices are heard and considered for the sake of deriving equal benefits from forestry management. Therefore, effective stakeholder engagement is one of the cornerstones of the properly functioning FSC forest management certification.

This report examines the current practices of stakeholder engagement in the FSC forest management certification procedure in Ukraine and sets out recommendations for improving such involvement.

<sup>6</sup> FSC Principles and Criteria for Forest Stewardship — FSC-STD-01-001 V5-2 EN.

<sup>7</sup> Stakeholder consultation for forest evaluations — FSC-STD-20-006 (V3-0) EN.

<sup>8</sup> The term “high conservation value forests (HCVF)” was used in the interim standards of the certification bodies that were active in the time of this report being developed.

## 2. DATA COLLECTION METHODOLOGY FOR ANALYSIS

The study was intended to summarize current stakeholder engagement practices pertaining to the FSC forest management certification in Ukraine, aiming to draw up recommendations on how to improve such engagement.

The analysis was conducted based on the data obtained from certificate holders (forestry enterprises), stakeholders, and certification bodies. We collected data through the explicitly designed questionnaires sent out to all certified forestry enterprises (139 enterprises, including those with a group certificate), three certification bodies, and 74 stakeholders (see Annex 1). Among the latter were civic associations and individuals involved in forestry, as well as some educational and scientific institutions, institutions of the nature reserve fund (NRF) with their administrations, along with regional administrations and departments of natural resources or similar authorities geographically associated with the certified forestry enterprises.

The stakeholder questionnaire was also disseminated via social networks (Facebook and Instagram). Furthermore, some of the data were obtained (supplemented) during direct or telephone communication, including data from local communities' representatives.

Survey questions for certificate holders concerned the existing lists of stakeholders and the experience of interacting with the latter. The questionnaire for stakeholders included questions that allowed us to assess the level of awareness of FSC certification and their experience of being engaged in the procedure. Certification bodies also received questions regarding their experience in stakeholder engagement. In all cases, the survey allowed for suggestions and comments on stakeholder engagement.

The questionnaire for certificate holders was completed partially or fully by 47 certified forestry enterprises. The stakeholder questionnaire was filled out by 36 people (including via direct communication), among them representatives of the NRF objects - 31%, representatives of local communities - 28%, NGOs and individual activists - 22%, scientists - 11%, and government representatives - 8%. We further analyzed certain performance aspects of 16 certificate holders, which were randomly selected proportionately to the total number of certificates issued by each certification body. Unfortunately, an important category of stakeholders, namely representatives of local communities and local authorities, did not, for the most part, provide details of their participation in the certification procedure, although we communicated with some of them by telephone and in person.

All stakeholders, certification bodies, and certificate holders whose data was used in the report were anonymized.

Considering the limited resources of WWF Ukraine and the specificity of the information analyzed, it is impossible to statistically extrapolate the data we obtained to the entire area of certified forests in Ukraine. Based on all the examples examined here, the authors of the report provide recommendations on stakeholder engagement in FSC certification. It is also worth noting that certain gaps listed below are not a direct violation of the certification requirements, but are rather associated with a lack of clear wording of such requirements, possible ambiguity in their interpretation, or lack of regulation of certain rights and responsibilities of the certification process participants. Nonetheless, tackling such problems will allow for a significant improvement of stakeholder engagement in the FSC forest management certification system.



One of the report authors during the counting of trees, which, as required by the certification body, should remain on the site after principal logging

### 3. RESULTS

Stakeholder engagement in forest management is among the strong suits of FSC certification, and it aims to ensure transparency and credibility of the procedure itself, consideration of different interests, and sustainability of forestry management. The data collected during the study emphasized the need for improvement of stakeholder engagement processes. For instance, only 12 of the 36 stakeholders who completed the questionnaire were involved in certification procedures in some way. Furthermore, the small number of stakeholders who completed the questionnaire might be an indirect evidence of their weak engagement. Of the 47 certified forestry enterprises that submitted their responses, only half (23) mentioned that external observers attended their evaluations (audits). Considering the long-term effort of FSC certification in Ukraine, these figures point to the insufficient use of certification tools by stakeholders.

#### WHY DOES THIS HAPPEN?

The data collected during the study revealed the three major issues that negatively affect stakeholder engagement in certification procedures:

1. Nationwide problems of forestry and development of civil society.
2. Insufficient stakeholder awareness of the opportunities provided by FSC certification.
3. Stakeholders' reluctance to participate in certification procedures.

Each problem is further examined below.



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Report authors study a HCVF of one of the certified forestries in Western Ukraine

# ISSUE ONE:

## NATIONWIDE PROBLEMS OF FORESTRY AND DEVELOPMENT OF CIVIL SOCIETY

We observed that factors beyond the scope of certification have a considerable effect on stakeholder engagement in FSC certification procedures. However, they are the ones that shape the context in which certification procedures operate, which means they should be considered when planning activities to improve certification of the forest management system. These factors include:

### A) Low level of civil society development.

The survey data shows that the level of Ukrainian citizens' involvement in activities in their own communities or civic associations is low<sup>9</sup>. This particularly applies to NGOs and individuals that have expertise in Ukraine's forestry, but often fail to seize all the opportunities available to influence the situation.

### B) Insufficient knowledge of the forestry management principles

by scientists, employees of the NRF institutions, government officials, representatives of local authorities, etc.

### C) Non-transparency of forest management.

The "closed" nature of the industry to the public, non-transparent decision-making and gaps in communication outreach may partially explain public distrust of the forest industry in Ukraine. Consequently, there is a lack of motivation among stakeholders to use the existing mechanisms to influence forest planning and management.

### D) Absence of proper law enforcement.

The overall unsatisfactory work of law enforcement and judicial authorities, which manifests itself in the inability to identify breaches of legislation and hold the violators accountable (which further fosters the climate of public distrust), also has implications for the effectiveness of stakeholder engagement.

### E) Absence of security guarantees.

Protecting interests that contradict the interests of forestry enterprises (for instance, identification of violations of law or certification requirements followed by filing complaints and requests) can be dangerous for stakeholders, especially at the local level. These activities may result in isolation within a local community or pressure from employers, going as far as a direct threat to stakeholder's property or health.

### F) Outdated contact information of certificate holders.

**15 ATTEMPTS TO CONTACT ONE OF THE STATE FOREST ENTERPRISES WERE FRUITLESS.**

Certification procedures imply that in case conflicts between stakeholders and certificate holders arise, first they should be attempted to resolve at the lowest level, which is without the involvement of certification bodies. The latter should only be involved if the issue cannot be solved without their input. However, the certificate holders' contact information, which can be found in open online sources (enterprises' websites and social networks), are often outdated, which makes it virtually impossible to stay in touch with stakeholders. For instance, in the course of preparing this report, a WWF Ukraine's expert made 15 attempts to contact one of the certified forest enterprises in Western Ukraine (including 13 phone calls to official numbers), all without success. At least 10 certificate holders' websites provided outdated e-mail addresses.

### G) Certificate holders ignore requests and inquiries submitted electronically (including via e-mail).

<sup>9</sup> [https://dif.org.ua/article/gromadskiy-aktivizm-ta-stavlennya-do-reform-suspilna-dumka-v-ukraini\\_5](https://dif.org.ua/article/gromadskiy-aktivizm-ta-stavlennya-do-reform-suspilna-dumka-v-ukraini_5).



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Study of this sanitary logging in the Carpathian Mountains involved threats against the locals assisting civic activists

Some stakeholders point out that certificate holders often ignore such requests and inquiries, which cannot be explained by technical issues alone (e.g., e-mail disruptions).

**ONLY FOUR  
STAKEHOLDERS  
SUBMITTED  
THEIR SUGGESTIONS  
DURING THE  
EIGHT EIAs OF  
STATE FOREST  
ENTERPRISES IN  
CHERNIVTSI REGION**

Due to the factors listed above, stakeholders remain passive and do not use the means of influencing forest management, including those beyond certification procedures. Stakeholders take little part in procedures that affect their interests; these include procedures related to forest management, environmental impact assessments (EIAs), etc. For example, only three stakeholders submitted comments and/or suggestions during the public participation in the EIA

of five state forest enterprises in Poltava region during 2019. Only four stakeholders provided comments during the eight EIAs of state forest enterprises in Chernivtsi region.

Solving the aforementioned problems is outside the purview of solely the certification/accreditation bodies and FSC and requires the implementation of integrated solutions at the national level. Nevertheless, certification procedures are carried out within a broader national context. It is therefore pertinent to encourage environmental NGOs, FSC Ukraine, and certification bodies to cooperate on matters of reform implementation at the national level to create an environment in which FSC certification will function more effectively.

**The analysis also revealed specific reasons complicating stakeholder engagement that are largely within the purview of certification/accreditation bodies and certificate holders. These reasons are further addressed below.**

# ISSUE TWO:

## INSUFFICIENT STAKEHOLDER AWARENESS

Certification procedures are carried out under the rules established by numerous regulatory documents developed by both FSC and certification bodies. For an effective stakeholder engagement in certification, both stakeholders and certificate holders need to have at least a basic understanding of the certification principles and opportunities for participation. Of the 36 stakeholders surveyed, 17 did not have the faintest idea of certification. These included, in particular, local authorities and officials of the NRF institutions territorially affiliated with the certified forest enterprises. Some of those familiar with the FSC certification tools demonstrated an incomplete comprehension of certification procedures. Hence, engaging a large number of stakeholders is challenging due to their lack of awareness. This can be attributed to the following reasons:

### A. Incomplete lists of stakeholders or absence thereof.

Stakeholder lists are compiled by both certificate holders and certification bodies. They henceforth serve as a basis for further stakeholder engagement. Certain gaps we identified were related precisely to these lists.

Notably, the principles for compiling stakeholder lists by certificate holders varied significantly across different enterprises. It was attributable to a fairly broad interpretation of the term “stakeholder” (“any individual or group whose interests are affected by the way in which a forest is managed”<sup>10</sup>). Among the 22 stakeholder lists received, 19 contained predominantly local (district and regional) stakeholders, which included district and local authorities, civic associations, business enterprises, and other entities in various combinations. Two lists included stakeholders from all over the country (all-Ukrainian environmental NGOs, scientific institutions, etc.). One more list consisted exclusively of the certificate holder’s counterparties.

At least two individual certificate holders had no stakeholder lists at all. The same was true for the forestry enterprises that are part of a group certificate, as they also had no stakeholder lists at the level of each forest enterprise. Although the latter is not envisaged by the procedure, it may result in gaps in the group certificate holder’s interaction with stakeholders. We also found some cases of obsolete

**NEARLY HALF OF THE STAKEHOLDERS SURVEYED HAD NO IDEA OF FSC CERTIFICATION**



A group of tourists showing interest in dead wood mushrooms in the HCVF of one of the certified forestries

stakeholder contact information, for instance, upon their reorganization or death. It is noteworthy that only one of all the stakeholder lists contained private stakeholders related to tourism infrastructure.

Some of the survey questions regarded stakeholder lists developed by certification bodies. According to certification procedures, certification bodies are responsible for informing stakeholders about the upcoming evaluations of forest enterprises, collecting stakeholders’ comments and suggestions, and reviewing them<sup>11</sup>. Certification bodies are entrusted to ensure a transparent and impartial certification procedure with opportunities provided for all stakeholders. However, the lists developed by certification bodies occasionally omitted some stakeholders. For instance, the latest evaluations of at least 10 of the 16 randomly selected certificate holders took place without prior notification

<sup>10</sup> Stakeholder consultation for forest evaluations — FSC-STD-20-006 (V3-0) EN.

<sup>11</sup> Stakeholder consultation for forest evaluations — FSC-STD-20-006 (V3-0) EN.

of at least one of the following stakeholders: protected area administrations, regional environmental inspection authorities, local scientific institutions, public environmental organizations, and other civic associations.

## B. Insufficient stakeholder awareness of participation opportunities.

FSC certification provides a broad range of opportunities for stakeholder engagement in various aspects of forestry. In particular, stakeholders can take up the role of external observers and participate in main or surveillance

### AT LEAST TWO CERTIFICATE HOLDERS HAD NO STAKEHOLDER LISTS

evaluations<sup>12</sup>, provide comments and suggestions regarding the activities of certificate holders or a relevant certification body, take part in forestry planning, identification of forests in need of conservation measures, etc. However, no stakeholder engagement is possible without their awareness.

In line with FSC standards and procedures, the majority of stakeholder-related work is assigned to *certificate holders*. This is an important observation given the limited resources of certification bodies. Certified enterprises should involve stakeholders in planning of their forestry activities, as well as during the identification and protection of HCVF, rare species, etc. Therefore, gaps in stakeholder engagement by

<sup>12</sup> Participation of external observers in on-site FSC certification audits and / or ASI assessments – FSC-PRO-01-017 V1-1 EN .

certificate holders have a profound effect on the procedure's transparency and credibility of certification in general.

Study findings indicate that certificate holders tend to view stakeholder engagement as a formality and rarely extend their efforts beyond procedures, and therefore stakeholders are informed neither about the management decisions that may have significant environmental or social ramifications nor about the opportunities for stakeholders, such as planning of forestry activities or conducting surveillance evaluations. None of the 16 randomly selected certified forest enterprises posted information on the latest annual

### NONE OF THE 16 RANDOMLY SELECTED FOREST ENTERPRISES NOTIFIED ABOUT EVALUATIONS ON THEIR WEBSITES OR VIA SOCIAL NETWORKS.

evaluation on their website or social media page, claiming that certification bodies should take care of this or that such information was available from other sources. Thus, there was no active outreach to stakeholders with regards to participation opportunities, which makes stakeholder lists purely formal. Nevertheless, the findings indicate that those certificate holders who proactively engage stakeholders eventually set up a more fruitful communication with the latter and minimize potential conflicts.

Even though certification standards indicate that individual actions (e.g., allocation of HCVF, representative sample areas, etc.) should be carried out with stakeholder engagement, the study revealed at least four cases when stakeholders were not involved in the identification of HCVF and development of guidelines regarding their protection.



Discontent with logging in berry-bearing plants in the forests around villages could be mitigated using FSC certification tools, but local residents are unaware of such tools' existence

## AT LEAST FOUR CASES OF NON-INVOLVEMENT OF STAKEHOLDERS IN THE ALLOCATION OF HCVF

We also identified weaknesses in the way *certification bodies* notify stakeholders. During evaluations, certification bodies are obligated to consult with a wide range of stakeholders regarding the work of certificate holders. In reality, the first stage of such consultations in Ukraine is notifying stakeholders of upcoming audits by e-mail. This is a mass e-mailing; the notification is sent out to all interested parties regardless of the evaluations` location; often only official e-mail addresses of NGOs, scientific and educational institutions are used. Despite this being a common practice, due to the organizational issues of the mentioned institutions or organizations (e.g., due to a lack of established paperwork system) newsletters may be ignored or end up in spam, hence not reaching the responsible persons within the stakeholder organizations. Also, at least three stakeholders indicated that communication on upcoming evaluations (including evaluations of certification bodies by an accreditation body) was not done in a timely manner. As a consequence, stakeholders either fail to participate in evaluations or there is not enough time to prepare comments or suggestions on such evaluations.

### C. Ignoring “inconvenient” stakeholders.

Another issue is ignoring "inconvenient" stakeholders

whose interests are opposite to those of the *certificate holders*. Study findings confirm instances where stakeholder lists compiled by certified enterprises did not include environmental and other NGOs that tried to limit their resource use within forests in need of conservation, although the enterprises were aware that such stakeholders exist.

### D. Absence of relevant outreach materials and measures.

Insufficient awareness of stakeholders on the principles of certification and opportunities for participation may also be linked to a lack of proper communication materials and activities. A significant portion of stakeholders are scientists, environmental activists, or representatives of local communities. These stakeholder categories generally do not have specialized expertise in forestry. At the same time, the FSC certification procedures are accessible to non-specialists. For effective participation in FSC certification, it is sufficient to understand the fundamental principles of its implementation and opportunities for participation. Even though a Ukrainian translation of stakeholder participation guidelines and the procedure itself was published<sup>13</sup>, there is still a lack of information tailored for specific target groups, such as local communities, with a simple step-by-step algorithm of actions and practical tips on how to participate

<sup>13</sup> Участь зовнішніх спостерігачів у польових сертифікаційних аудитах FSC та/або оцінюваннях ASI – FSC-PRO-01-017 V1-1 UA.



© Tetiana Karpiuk

Training for the public facilitates effective interaction between forestries and stakeholders, including through the use of FSC certification tools

## CASE 1.

*X* is an environmental NGO that uses, in particular, the FSC certification tools for the protection of HCVF. According to the representatives of *X*, since mid-2018, the organization made over 20 requests to forest management certificate holders regarding the allocation and protection of HCVF, representative sample areas, and areas inhabited by species in need of conservation. And only in one of the cases did a request result in *X* being included in a stakeholder list at the initiative of a certificate holder.

## CASE 2.

A naturalist and activist *I.* lives in one of the northern regions of Ukraine. *I.* has data on the distribution of protected species (birds and plants) within one of the certified forest enterprises in the region. He personally provided this data to the managers of this forest enterprise in 2017-2019. Nonetheless, the enterprise has never invited *I.* to participate in certification procedures or forestry planning. Data provided by *I.* on the distribution of protected species was not considered during forest management operations.

## CASE 3.

*Ch* are among the main regional state environmental and scientific institutions, they have a long experience of cooperating with local forest enterprises. For the past 10 years, *Ch* have been researching conservation value of forest stands in the region, including at the expense of the regional budget. Nevertheless, *Ch* have not been engaged as a stakeholder in the main or surveillance evaluations of certified forest enterprises in the region. Data compiled by *Ch* also has not been used. Thus, the lists of protected species within certified forest enterprises were incomplete and did not include field data collected by experts from *Ch*.

## CASE 4.

*A.* and *S.* turned out to be an emblematic case – scientists and directors of national nature parks in Western and Northern Ukraine, respectively. Both national parks encompass territories of forest enterprises certified by *X* and *Y* bodies.

*A.* has never been invited to take part in certification procedures and has not received information on scheduled evaluations. According to a comment from the certification body *X*, the certified enterprises should have notified *A.* of the evaluations themselves, and relevant announcements were available on the official websites of forest enterprises and regional forestry and hunting authorities. According to the auditors, *A.* had plenty of opportunities to find out about the upcoming evaluations.

Similarly, *S.* has never participated in certification procedures. The certification body *Y.* sent information



Improper logging marking impedes public control

about the evaluations to the national nature park, but for organizational reasons *S.* did not receive such information. Another employee of the park was interviewed during the evaluation.

Neither *S.* nor *A.* has ever been involved in evaluations at their own initiative due to the lack of awareness regarding the procedure. In the meantime, as scientists, both *A.* and *S.* have data that would be beneficial for certificate holders in identifying HCVF. Moreover, certain conflicts between these national nature parks and certificate holders within their limits could also be resolved based on the FSC procedures.

# ISSUE THREE:

## STAKEHOLDERS' RELUCTANCE TO PARTICIPATE IN CERTIFICATION PROCEDURES

Lack of stakeholders' motivation to participate in certification procedures is the second specific issue identified during the analysis of obtained data. Such reluctance can be explained by negative certification experience as well as distrust of certification bodies and the procedure in general. At least seven stakeholders indicated these reasons for lack of motivation.

Stakeholders' desire to participate in certification procedures is influenced by the following factors:

### A. Distrust of FSC certification.

The distrust of certification bodies and certification in general can be caused by a variety of factors. They include:

**Distrust of auditors.** The widespread negative public attitude towards the forestry industry is often extrapolated to auditors, most of whom are related to the forestry industry due to qualification requirements. Hence, this can be a significant impediment for the participation of certain stakeholder categories, especially representatives of environmental NGOs. In particular, this position was expressed by five stakeholders.

### AT LEAST FIVE STAKEHOLDERS DO NOT TRUST AUDITORS

**Negative experience of other persons' or organizations' participation in certification.** One of the stakeholder engagement options is the initiative of their acquaintances who have previously participated in certification. However, such a mechanism is effective only in case of positive participation experience of such stakeholders. Instead, negative participation experience of one stakeholder may cause caution among others, thus reducing their motivation to participate. The reasons for negative certification experience are discussed in more detail below.

### B. Negative certification experience.

Stakeholder data (at least five reviews) clearly signal that one of the important reasons for the low level of stakeholder participation in FSC certification is the negative experience of participation in certification processes. Participation in certification requires significant amount of time from stakeholders and, therefore, process effectiveness is crucial. To a certain extent, such negative experience is related to high expectations from certification procedures due to limited awareness. However, the findings also point to deficiencies

in the work of certificate holders as well as an improper review of non-compliance reports by certification bodies. The weaknesses of these entities include:

**Inadequate review of stakeholder requests by certificate holders and/or certification bodies.** The findings suggest that the impact of this factor cannot be explained solely by stakeholders' exaggerated expectations. In the opinion of the report's authors and individual stakeholders, there is evidence of prejudice on the part of certification bodies and intentional or unintentional disregard to the identified potential inconsistencies or reasoned requests to certificate holders. Stakeholders negatively perceive lack of feedback. If this situation remains unchanged, in the future it will become an important factor that will prevent stakeholders' engagement in certification procedures.

**Denial of participation to observers.** According to the formal procedure, any stakeholder may participate in annual evaluations of forestry enterprises as an external observer<sup>14</sup>. Herewith, a certificate holder or a certificate applicant may deny participation to an external observer if there is a conflict of interest or for other specified reasons, including as a result of violation of formal procedures. The validity of such a denial is determined by the certification body, which further decides on the observer's participation in the evaluation. Stakeholder information points to at least one unjustified denial of participation to external observers.

**Violation by certification bodies of publicity and information requirements.** The FSC requirements are intended to ensure certification transparency, in particular through the publication of public audit reports and proactive informing by certification bodies of the stakeholders who have provided written comments or complaints on certain aspects of certified enterprises' activities<sup>15</sup>. Unfortunately,

<sup>14</sup> Participation of external observers in on-site FSC certification audits and / or ASI assessments FSC-PRO-01-017 V1-1 EN.



Sanitary clearcuts in one of the certified forestries in Western Ukraine is a potential source of stakeholder conflicts

such requirements may be violated. Some stakeholders report that they have not been notified by the certification body of the complaint's outcome. Other stakeholders also noted that, despite their experience of interacting with one of the certification bodies (requests, complaints), they do not receive notifications of scheduled evaluations, although personal communication is not directly required by the procedure.

### AT LEAST ONE CASE OF UNJUSTIFIED DENIAL OF PARTICIPATION TO EXTERNAL OBSERVERS

**Lack of access to procedural documents.** For example, the dispute resolution procedure consists of several steps, each of which is consistently applied if the claimant's requirements were not met at the previous stage. In a simplified way, in case of complaint processing, these steps include request to the certificate

holder, then to the certification body, the accreditation body, and, finally, directly to the FSC. Herewith, complaint processing at each stage is carried out in accordance with the procedures established by the complaint's addressee. Finding a description of such procedures, especially those developed by certification bodies, can be complicated in some cases. The same applies to other procedures prescribed by certification bodies. Moreover, some of these documents are not translated into Ukrainian.

**Language barrier.** The absence of some important documents' translation into Ukrainian can be an obstacle. For example, during the study, the authors of this report were unable to find a translation of FSC-STD-20-007b document setting out the requirements for public reports developed by certification bodies after evaluations. Given the relatively low level of English proficiency in Ukraine<sup>16</sup>, this can be a significant impediment for stakeholder engagement in certification procedures.

<sup>15</sup> Stakeholder consultation for forest evaluations — FSC-STD-20-006 (V3-0) EN.

<sup>16</sup> EF English Proficiency Index 9th Edition (2019).

## CASE 5.

*D.* is an employee of a research institution in Western Ukraine. Upon learning of FSC certification, *D.* sent complaints about the violation of the FSC Principles and Criteria to the certified enterprise and certification body. A few days later, *D.*'s leadership held a "preventive conversation" with him, strictly forbidding any similar actions in the future. Since then, *D.* has not acted as a certification stakeholder.

## CASE 6.

In city *H*, there are several environmental NGOs that have significant experience of working with a local certified forestry enterprise *U*. The state forest enterprise *U*'s stakeholder list does not include any of these NGOs. During the annual evaluations, the auditors have never interviewed the representatives of environmental NGOs in city *H*. Available NGOs' data on the distribution of rare species within the state forest enterprise *U* were not used by the forestry enterprise to meet the requirements 6.4 and 9.1 of *The FSC Principles and Criteria*.

The representatives of city *H*'s NGOs were aware of the FSC certification procedures, but they did not participate in such procedures because they were convinced that the auditors performed their job poorly and were protecting the interests of the certified state forest enterprise *U*. Moreover, the death of one of the city *H*'s activists, which the representatives of environmental NGOs relate precisely to his professional activity, raises concerns about personal safety.

According to the certification body's commentary, they were unaware of the existence of environmental organizations in city *H*. The certification body explains this by the complexity of finding contacts of environmental organizations, that is stakeholders active at regional or local levels.

## CASE 7.

*X* is an environmental NGO in the North Ukrainian region. *X* repeatedly interacted with one of the certification bodies providing information on the discrepancies found in the work of the forestry enterprises the latter certified. The certification body did not notify *X* of the evaluation of the enterprise regarding which *X* filed a complaint with auditors in 2018, several months before that. In addition, the public audit report included only one of the issues raised in the complaint. The public report did not cover the issue of inadequate protection of species included in the Red List of Ukraine and forestry activities on sites inhabited by red-listed species although *X* raised it in the complaint. Contrary to respective requirements, the certification body also failed to notify *X* of the complaint's processing within three months after the evaluation was completed.

According to the certification body's commentary, the received complaint did not regard issues of inappropriate



Stakeholders are one of the information sources on rare species, including the nests of large birds of prey and black storks

conservation of the red-listed species while consideration of other issues raised in the complaint was reported in the public audit report available on the official FSC website.

## CASE 8.

In 2018, *P.*, an expert at one of the environmental NGOs, found significant systematic violations of the environmental legislation of Ukraine in the activities of one of the certified forestry enterprises in Western Ukraine. The cases of such violations were subsequently confirmed by the State Environmental Inspectorate of Ukraine. Information on the violation was provided to the certification body but the latter still found no reason to record this and other violations. The illegally harvested timber was sold as certified timber. Only one year later, during the re-evaluation (recertification audit) involving international auditors, the breaches identified in the previous year by *P.*, as well as other inconsistencies, led to the certificate's loss by the state forest enterprise. *P.* noted that the fact of the certification body's disregard for the violations he found caused unwillingness to get engaged in the certification procedures as a stakeholder in the future.

According to the certification body's commentary, it took all the necessary measures. In particular, the facts identified by *P.* led to the engagement of experts from other countries. In addition, identified discrepancies encouraged the certification body to abandon the practice of issuing group certificates.

## CASE 9.

*V.*, an employee of one of the regional departments of ecology, got interested in FSC certification in 2018 and, having received respective training, submitted complaints concerning the work of one of the certified state forest enterprises of Northern Ukraine. However, neither during the evaluation nor after it did the auditors contact *V.* regarding the issues raised in his complaints. Respective complaints were also omitted in the public report. Therefore, *V.* considers participation in certification procedures inappropriate in the future.

## CASE 10.

*P.*, an environmental NGO employee, has considerable experience of interacting with one of the certified state forest enterprises *H* in Central Ukraine. In particular, *P.* worked on the creation of a protected area which should have partly included the forests of *H*. However, as the law permits, the enterprise *H* refused to approve the creation of a protected area.

Having expressed willingness to participate in the surveillance evaluation of this state forest enterprise in 2019, *P.* was denied. The holder of the certificate *H* motivated the denial by *P.*'s having a "conflict of interest" manifested in the desire of *P.* to create a protected area and, thus, in the work for the "competitor" of the state forest enterprise *H* – the ministry. *H*'s denial to allow *P.* to participate in the evaluation as an observer was recognized as reasonable by the certification body.

According to the certification body's commentary, such a situation aroused due to the imperfection of internal procedures, which created possibilities for denial of participation to an external observer due to the disagreement of the certificate holder or certificate applicant. This case encouraged the certification body to make changes to the procedures that would prevent similar situations from occurring in the future (see Case 17).

## CASE 11.

*O.* is a representative of an NGO engaged in tourism development in Ukraine. *O.* has a positive track record of resolving conflicts between certificate holders and the NGO in which he works. *O.* regards certification as one of the most effective mechanisms of affecting forestry management. However, in recent years, *O.* has not been engaged in certification procedures, explaining this by the poor performance of certification bodies and the fact that effective participation in certification requires too much time but does not provide expected results. In addition, the position of *O.* was adversely affected by the unmotivated denial of the certificate holder to allow *O.* to participate in the evaluation as an external observer exactly on the day of evaluation start, which the certification body declared acceptable.

According to the certification body's commentary, the certificate holder suggested that *O.* visit the forest sites on any other day the latter would specify.



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Timber skidding using water streams is a typical breach in the Carpathian region and can be easily identified even by non-professionals

# 4. CONCLUSIONS AND RECOMMENDATIONS

The study findings demonstrate that the practices of stakeholder engagement in FSC certification require improvement. More than half of the surveyed stakeholders did not have information about the opportunities to participate in certification procedures or had no motivation to participate. Stakeholder engagement gaps contribute to the emergence of conflict situations, which stay unresolved, and forestry management, hence, disregards the balance of interests of all stakeholders.

On the other hand, active engagement of stakeholders in the certification process and consideration of their interests, suggestions, and recommendations could contribute to the improvement of the forest management quality, forest biodiversity conservation, and resolution of conflicts between foresters and the public.

Solving systemic national level issues is beyond the scope of the FSC procedure. However, without this, achieving



Forest site on the territory of one of the Polissia forestries. It is listed as a representative one on WWF Ukraine's request

the necessary level of stakeholder engagement seems impossible. In particular, it is necessary to stimulate the development of civil society in Ukrainian regions, promote forestry management transparency and quality, improve the legislative mechanism of public participation in forestry activities' planning, establish a fruitful and constructive dialogue between stakeholders, etc. However, with respective support, the FSC can make a significant contribution to the development of civil society in Ukraine, in one way or another stimulating the development of public associations that could serve as stakeholders.

On the one hand, addressing internal issues related directly to the certification processes is a simpler task. However, the implementation of such decisions requires consistent work of all stakeholders, certification and accreditation bodies, as well as coordination by the FSC. According to WWF Ukraine, the first steps to improve the practices of stakeholder engagement in certification procedures should include:

#### **Improving certification bodies' performance.**

Such issues as lack of certificate holders' interaction with stakeholders, distrust of certification bodies, and negative experience of certification procedures, as evidenced by the case studies, are largely related to the poor performance of certification bodies. Despite the complexity of the situation behind each of the cases, they are an alarming signal that cannot be ignored. Therefore, improving the performance of such bodies should be a priority. For example, systemic monitoring of the national law compliance during evaluations will resolve the issue of ignoring stakeholder requests and requests to certificate holders. Stakeholders should be sure that FSC certification is able to facilitate dialogue and address existing issues. Transparency and publicity, especially when considering controversial and ambiguous issues, should contribute to this.

**Engaging persons unrelated to the Ukrainian forestry industry as experts to audit teams.** These can be biology scientists or environmental scientists who have not worked in the forestry system of Ukraine or higher forestry educational institutions. This will increase the credibility of certification bodies and the level of control over compliance with the Standards' environmental requirements, and thus increase the motivation of stakeholders to participate in certification procedures.

**Developing and disseminating easily available information materials to stakeholders.** Simple materials, yet providing meaningful content, are able to raise stakeholder awareness of the opportunities offered by FSC certification. These materials can include short brochures, action infographics, video lectures/video presentations, etc. regarding both general and procedural certification aspects. When developing them, it is important to consider the peculiarities of each stakeholder category (e.g., low forestry management awareness). The distribution

of such materials should be thoroughly arranged (see below).

**Developing and maintaining up-to-date stakeholder lists by certificate holders.** Gaps in informing and engaging individual stakeholders can be reduced by developing as comprehensive a list of stakeholders as possible and keeping it up to date. At the same time, for organizations, initiatives, and institutions that consider themselves stakeholders of a particular state forest enterprise, it is important to clearly state their wish through an appropriate request to the state forest enterprise.

**Developing and maintaining up-to-date stakeholder lists by certification bodies.** Such lists should be as comprehensive as possible in relation to specific territories and should include both general contacts of institutions and organizations and current contact details of individual stakeholders. Information on environmental NGOs, forest users, regional state administrations, etc. can be used to develop such lists.

**Proactive stakeholder engagement by certification bodies and certificate holders.** Informing specific stakeholders through phone calls, SMS, social media posts, and similar means is far more effective than mass e-mailing. It is necessary to disseminate this practice both at the level of certification bodies and at the level of certificate holders.

**Informing certificate holders about the best stakeholder engagement practices.** Partly, the gaps in the work of certificate holders relate to the lack of awareness of the best stakeholder engagement practices. Certificate holders should understand that stakeholder engagement, including in ways that go beyond established procedures, helps resolve issues and prevent potential conflicts. In particular, it is of utmost importance to set up a process for stakeholder informing about management decisions that have significant environmental or social implications, as well as effective stakeholder informing about participation opportunities. It is advisable to inform certificate holders of the best stakeholder engagement practices both through the preparation and distribution of relevant information materials and during trainings and seminars in each region. In the development of information materials and training, it is advisable to engage both members of the public and certificate holders with successful experience of interaction with stakeholders.

**Creating a single web resource to host certification materials.** Certification process transparency can significantly enhance the translation of all documents describing certification procedures (developed by both the FSC and certification bodies) and their placement on a single web resource. The same resource may contain informational materials while links to it may be used to inform stakeholders.

During the analysis of the obtained data, we have identified positive cases that can serve as examples for certificate holders and certification bodies to follow. They include:

### CASE 12.

In 2018, *X*, one of the environmental NGOs in Northern Ukraine, filed a complaint with the certification body *Y* about inconsistencies found in more than 20 certificate holders. The certification body *Y* informed *X* that such issues would be addressed during the annual surveillance evaluations. In the following months, the certification body *Y* regularly contacted experts of *X* when conducting such evaluations and notified about the complaint's processing directly in the field. Therefore, as *X* constantly received feedback, it did not lose its motivation to further participate in certification procedures.

### CASE 13.

The certification body *X* informs of the surveillance evaluation's date through social networks and contacts individual stakeholders in person. In 2018, this alert made it possible to engage a botanist in the identification of rare species on the territory of one of the certified enterprises in Northern Ukraine. As a result, this enterprise's forestry management considers the identified rare species, which promotes sustainable forest management.

### CASE 14.

*X* is a certified state forest enterprise in Western Ukraine. In 2019, during the certification of one of its own products, *X*, on its own initiative, contacted four local governments on the issue of sustainable use of forest sites that are the source of such products. As a result, the aforementioned sites have been identified as HCVF. Such actions prevent potential conflicts, ensure consideration of all stakeholders' interests, and exemplify the quality and proactive work of a certificate holder.

### CASE 15.

*K* is one of the Western Ukrainian forestry enterprises located near the regional center. Numerous conflicts with the public encouraged *K* to improve interaction with stakeholders. In particular, since 2019, maps of planned forest management activities, allotment plan, all contact details of responsible officials (including personal phone numbers), and other relevant information necessary for stakeholder engagement is available on the enterprise's website. The enterprise also holds public discussions on the planned forest management activities. This helps reduce tensions in relations with both the local population and environmental NGOs.

### CASE 16.

*P.*, a representative of an all-Ukrainian environmental NGO, has repeatedly addressed the situation in the state

forest enterprise *X* and has made relevant publications in the media. However, at the main evaluation stage, the state forest enterprise *X* did not inform *P.* and other stakeholders of the audit. As a result, the issues identified by *P.* have not been resolved, in particular, certain forests valuable in terms of biodiversity conservation were not excluded from logging plans. However, during the surveillance evaluation, the director of the state forest enterprise, upon learning of *P.*'s desire to participate in the evaluation, personally invited him and accompanied him during the procedure. As a result, most of the conflict issues were resolved, the aforementioned forests were excluded from logging plans, and the state forest enterprise engages biology scientists to identify rare species on its territory.

### CASE 17.

Following numerous complaints from two environmental NGOs, the certification body *Y* arranged a special stakeholder meeting to discuss all conflicting issues and agree on further cooperation. The certification body also introduced changes to its internal procedures that make it impossible for state forest enterprises to deny participation to "inconvenient" external observers. Such feedback motivates stakeholders to participate in certification procedures.



Forestry workers, together with scientists, go to see the identified nest of a lesser spotted eagle

### CASE 18.

In 2018, *A.*, an environmental NGO employee, informed the state forest enterprise *X* of finding a nest of a bird included in the Red List of Ukraine. The state forest enterprise *X* ensured the creation of a protection area around the identified nest. Moreover, in 2019 the state forest enterprise *X* representatives, on their own initiative, contacted *A.* and informed him that that year the nest he had found had been re-populated and that they fully comply with safety obligations.

# APPENDIX 1.

## DATA COLLECTION QUESTIONNAIRES

### CERTIFICATE HOLDER QUESTIONNAIRE

1. What is your enterprise name?
2. When did you first receive an FSC certificate? (year)
3. Have you interacted with stakeholders on any FSC certification procedures? If no, please indicate why
4. Please describe your experience of interaction with stakeholders within FSC certification. The sample response is as follows:
  - date of comment/complaint/proposal receipt;
  - stakeholder name;
  - stakeholder contact information (phone, e-mail)
  - form of receipt (written/oral/other);
  - the nature of the comments/complaints/suggestions received;
  - how the comments/complaints/suggestions received were considered;
  - if unconsidered/partially considered, why?
5. Have you engaged any stakeholders or external experts in field research within FSC certification? Example: scientists' engagement in the identification of rare species on the enterprise's territory, in particular on a paid basis. If yes, please describe
6. Have external observers been involved during your enterprise evaluations?
7. Have you denied evaluation participation to external observers? If yes, please explain why
8. Does the Enterprise have a stakeholder list? If yes, please provide it below.
9. What principle was used to develop the list of stakeholders?
10. What principle is used to add new stakeholders (if applicable) to the list?
11. Do you inform stakeholders about future evaluations or other important events that may engage them?
12. What communication channels (e-mail, phone, social networks, personal communication, etc.) do you use to inform stakeholders?
13. Do you think that interaction with stakeholders within FSC certification is being carried out properly? How would you improve stakeholder engagement?
14. Other complaints, comments, and suggestions regarding stakeholder engagement within FSC certification

# STAKEHOLDER QUESTIONNAIRE

1. Your contact information (phone, residence region)
2. Do you consider yourself a stakeholder of any forestry enterprise in Ukraine? If yes, please indicate why
3. Do you know about FSC certification and stakeholder engagement in its procedures? If yes, please briefly describe
4. Have you received notifications about forestry enterprises' evaluations within FSC certification?
5. Do you have experience of engaging with FSC-certified enterprises as a stakeholder?
6. Would you like to know more about the possibility of impact on forest management within FSC certification?
7. What information channels (social networks, media, newsletters) and forms of information submission (seminars, video lectures (webinars), electronic or printed educational materials, etc.) would you use to obtain information about participation opportunities in FSC certification?
8. The following questions apply only to the stakeholders who have experience in engaging with FSC certificate holders:
9. Why do you consider yourself a stakeholder?
10. Please provide the name of the organization/local community or other reasons why you consider yourself a stakeholder
11. Have you participated in the evaluations of forestry enterprises as an external observer? If yes, please describe. If no, please indicate why
12. Have you provided suggestions/comments/complaints regarding the performance of FSC-certified state forest enterprises directly to the state forest enterprises, audit companies, or ASI? Please describe stating the date of submission of proposals/comments/complaints; their form (written/oral); to whom they were provided (state forest enterprise/audit company); their contents; and their consideration outcome
13. Have you been engaged in FSC certification processes in ways other than those mentioned above (for example, field-work to identify HCVF)? If yes, please describe
14. What do you think are the strengths of stakeholder engagement in FSC certification?
15. What do you think are the weaknesses of stakeholder engagement in FSC certification?
16. How would you improve stakeholder engagement within FSC certification?
17. Other comments, suggestions, and wishes regarding stakeholder engagement within FSC certification

## CERTIFICATION BODIES QUESTIONNAIRE

*Note: The certification bodies questionnaire concerned only 16 randomly selected certificate holders.*

Please answer the questions below for each identified state forest enterprise:

1. List of stakeholders of the Enterprise (name and contacts) developed by the certification body.
2. Stakeholder list developed by the certificate holder.
3. Have all the listed stakeholders been notified before the evaluations?
4. How exactly have the stakeholders been notified (e-mail, verbal communication, etc.)?
5. What comments/complaints/suggestions have the stakeholders (including those not included in the list under question 1) provided regarding the Enterprise's performance during the evaluation and at any other time? Please indicate the name of the stakeholder, the date of request, its contents, and the auditors' further steps to resolve the issue.
6. Have the stakeholders participated in Enterprise evaluations as observers? Please name these stakeholders.



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