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Challenges and prospects of implementing the FLEGT system and EU Timber Regulation into Ukrainian legislation and practice

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Abstract

The research aimed to explore potential pathways for improving national legislation within the framework of extending the FLEGT system for timber products. The research methodology encompassed a comparative analysis of international and national legislation and statistical analysis concerning timber production data. Findings indicated that implementing the FLEGT system would necessitate extensive legislative and administrative modernisation. Comparison of the EU regulatory framework with national practices revealed discrepancies in standards for monitoring and verifying timber products. Implementing the FLEGT system will require enhancement of control and transparency mechanisms as outlined by Ukrainian legislation on timber products, particularly the Forest Code, which defines the regulations for forest use, protection, and regeneration. Particular attention in the article is given to issues of environmental sustainability and control over illegal logging. A comparative analysis of Ukraine and other countries highlighted several common challenges, including inadequate oversight and corruption. For both regions, it is crucial to strengthen compliance with environmental standards and to establish a more effective timber certification system.

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These efforts are hindered by insufficient funding for adaptation to new standards and the need to train personnel responsible for enforcing FLEGT requirements. The study confirmed the necessity of increasing transparency in the timber market and revealed a low level of readiness in national legislation for implementing new standards. Furthermore, the research indicated that the successful adoption of the FLEGT system could positively impact the environmental sustainability of forest management and enhance the country's international reputation as a reliable timber supplier. The findings of this study may be applied to improve the regulatory framework in the forestry sector

Keywords: market legalisation; regulatory mechanisms; environmental monitoring; legal regulation; timber; environmental-legal analysis

Introduction

A legal assessment of implementing the FLEGT (Forest Law Enforcement, Governance and Trade) system and the European Parliament and Council Regulation No. 995/2010 (2010) (hereinafter – EUTR) into national legislation is crucially important in 2024, given the global environmental challenges and increasing focus on sustainable natural resource management. In the European Union (EU), the implementation of these instruments is part of an overall strategy to combat illegal logging and strengthen control over the origin of timber products. The introduction of FLEGT (2001) allows EU countries to strengthen regulatory mechanisms and ensure transparency in timber supply chains. This issue is particularly relevant for Ukraine, where illegal logging remains a serious environmental and economic problem, threatening the country's natural resources and undermining Ukraine's integration aspirations with the EU. In other regions, such as Latin America, the implementation of similar regulatory mechanisms is of strategic importance for ensuring sustainable development and compliance with international standards. Cooperation with the EU within the FLEGT system contributes to improving forest resource management and strengthening the region's export capabilities, while simultaneously creating additional challenges for local governments and businesses.

There is a wealth of academic research that has analysed the challenges and benefits of implementing FLEGT (2001) and EUTR (2010). For example, A. Poortinga *et al.* (2019) analyse the strategies and motivations of timber producers in Ghana and Indonesia in the context of the FLEGT initiative. The study reveals that producers employ various tactics to circumvent legal requirements related to timber legality. They find that due to market and political pressures, producers often resort to informal practices, undermining the core objectives of FLEGT to ensure legality and sustainable forest management. M.A. Adams *et al*. (2020) examine governance practices in the implementation of the FLEGT voluntary partnership in Ghana. They employ Qmethodology to identify the key interests and perspectives of various stakeholders. Their research indicates that achieving good governance is a complex process that requires the involvement of diverse stakeholders and ensuring transparency and accountability at all levels. Researchers K. Buhmann and I. Nathan (2019) explore FLEGT as an example of multi-level governance for the forest sector, combining legality verification with market access. They emphasise that the effectiveness of this approach depends on governments' ability to ensure proper implementation of rules and

regulations, as well as the involvement of local communities in the management process. S. Carodenuto (2019) examines access to information and its impact on local democracies in the context of REDD+ and FLEGT/VPA initiatives in Cameroon. The study reveals that insufficient access to information limits the ability of local communities to influence decision-making processes, which, in turn, can have a negative impact on sustainable forest management. S. Nunes *et al*. (2020) and R. Myers *et al*. (2020) in their articles consider the possibilities for largescale forest restoration in the Eastern Amazon, showing that the integration of environmental standards can positively impact the sustainable development of regions. This also applies to Ukraine, where forest restoration and biodiversity conservation can become important aspects within the framework of implementing the FLEGT system.

While the aforementioned researchers have made significant contributions to the analysis of FLEGT and EUTR (2010) implementation, the specific case of Ukraine, its environmental sustainability, and resource management remains understudied. This research aimed to conduct a legal assessment of Ukraine's national forest legislation in the context of the expansion and prospects of implementing the FLEGT system. To achieve this goal, it was necessary to analyse existing Ukrainian national legislation in the field of forest resource management and determine its compliance with the requirements of FLEGT and EUTR (2010); identify key practices and mechanisms that can be implemented in Ukraine to improve forest resource management by international standards; and develop recommendations for optimising national forest product policy based on the obtained data and best practices of other countries that have already implemented the FLEGT system.

Materials and Methods

The research methodology comprised three stages. The first stage involved an analysis of statistical data from the timber industry, enabling the determination of its current state and key development trends. Reports from the European Union (Forest Europe, 2020) on timber industry indicators in Ukraine, Brazil, and Peru, where the timber industry is a significant economic component, were utilised. The second stage of the research focused on analysing the legislative regulation of the timber industry and the potential for implementing the FLEGT (2001) system. The primary focus was on studying the regulations governing the timber industry in the EU, Latin America, and Ukraine, namely EUTR (2010), Brazil's new Forest Code (2016), Law of Brazil No. 12.187/2009 (2009), Law of Brazil No. 13.123 (2015), the Reducing Emissions from Deforestation and Forest Degradation program (2024), the National Forest Conservation Strategy of Peru (2010), the draft forestry strategy of Ukraine (Ministry of Environmental Protection and Natural Resources, 2020), and the Forest Code of Ukraine (1994). These documents regulate rules for responsible forest management, the legality of timber harvesting, and product certification requirements. A comparative analysis of the aforementioned legislative norms in the three regions was conducted, allowing for the identification of shortcomings and potential avenues for improving administrative control systems in each.

The third stage of the research involved a detailed examination of the potential for implementing the FLEGT (Forest Law Enforcement, Governance and Trade) system, which is already successfully operating in the European Union. This system aims to prevent illegal logging and combat the trade in illegally harvested timber, which poses a threat not only to the

environment but also to the economy. Within this stage, particular attention was paid to the possibility of introducing the FLEGT system in Latin American countries and Ukraine, where the problem of illegal logging has reached critical levels and poses a serious threat to the region's environmental sustainability and biodiversity.

The research involved an analysis of existing national legislation and its alignment with international standards for forest resource management. It assessed the readiness of government regulatory bodies to support and implement FLEGT standards at the national level, as well as the feasibility of integrating this system into the existing legal and regulatory framework. The study also examined the effectiveness of institutional structures and available resources required for FLEGT implementation, specifically whether national authorities are capable of conducting reliable monitoring and control of illegal logging and supporting transparent trade in legally harvested timber. Particular attention was paid to assessing the barriers that may hinder the implementation of the FLEGT system in these countries. These barriers included: insufficient funding, inadequate awareness among key stakeholders and the public, and limited institutional capacity for proper forest resource monitoring.

Results

The FLEGT (2001) system was established by the European Union to combat illegal logging and promote sustainable forest management. It aims to reduce the illegal timber trade by implementing international standards that ensure transparency and traceability of timber exported to EU countries. The core instrument of the system is the FLEGT licence, issued by EU partner countries, which certifies the legality of timber imported into the European Union. The licence guarantees that the timber has been sourced by the partner country's national legislation and meets environmental sustainability requirements.

The system operates through bilateral agreements between the EU and timber-supplying countries, known as Voluntary Partnership Agreements (VPAs). These countries are obliged to implement control systems that ensure compliance with FLEGT (2001) standards. A key feature of the system is the transparency and accountability of the timber harvesting, processing, and trade process, which contributes to improved forest management. Among the main advantages of the system is its ability to prevent illegal logging, as it creates requirements for traceability of timber origin. Another significant advantage is the support for environmental sustainability, as the system contributes to the conservation of natural resources and the sustainable development of forest ecosystems. Additionally, FLEGT stimulates international cooperation between the EU and timberexporting countries, improving forest management and fostering trade relations.

However, the system also has several drawbacks. Firstly, implementation is challenging for many countries, as it requires significant resources to modernise forest management systems and timber legality controls. Secondly, in countries with weak governance and high levels of corruption, the FLEGT implementation process can be ineffective or excessively slow. Furthermore, not all partner countries have completed the process of obtaining FLEGT (2001) licenses, limiting the system's global impact.

Regulation of the European Parliament and of Council No. 995/2010 (2010), commonly known as the EUTR, is a crucial piece of EU legislation that places obligations on operators who place timber and timber products on the EU market to ensure the legality of that timber. The primary goal of this

regulation is to combat illegal logging and reduce the trade in illegally harvested timber. This regulation covers both raw timber and products made from it, including furniture, paper, and wooden constructions. A key requirement of the EUTR is the implementation of a due diligence system. This system mandates that operators placing timber products on the EU market for the first time must assess the risk that the timber was sourced illegally. The due diligence system is built on three main pillars: collecting information on the timber's origin, assessing the risk of illegal sourcing, and implementing measures to mitigate identified risks. Operators must ensure that the timber complies with the national laws of the country of origin and is not the product of illegal logging.

Ukraine has a set of regulations in place that provide a framework for managing the country's forest resources and define policies aimed at protecting ecosystems and developing the forest economy. The Forest Code of Ukraine (1994) is the primary legislative act that governs all aspects of forest use and conservation. It establishes rules for forest management, covering issues such as ownership rights of forest lands, procedures for their use, and the protection and conservation of forests. It also defines the responsibilities of government agencies and economic entities involved in forest use. According to the code, Ukraine's forests are a national treasure, and their rational use should be based on the principles of sustainable development. The Forest Code of Ukraine (1994) regulates forestry activities, limits the unsustainable use of forest resources, and ensures compliance with environmental requirements. It also introduces mechanisms for monitoring and assessing the state of forests, including electronic timber accounting systems. This is a significant step towards ensuring transparency in the forestry sector, particularly in the fight against illegal logging.

Ukraine's draft Forest Management Strategy of Ukraine until 2035 aims to ensure sustainable forest management, including combating forest degradation, protecting biodiversity, and increasing the economic efficiency of the forestry sector (Ministry of Environmental Protection and Natural Resources, 2020). It envisions the implementation of modern technologies for forest monitoring, enhancing the role of forests in combating climate change, and improving the management of forest ecosystems. A significant emphasis is placed on increasing forest productivity and implementing measures to expand forest areas, particularly through the afforestation of degraded lands. The strategy also foresees close cooperation with international partners, allowing Ukraine to integrate into global environmental initiatives and align its national policy with European standards in forest management.

Brazil's new Forest Code (2016) and the National Forest Conservation Strategy of Peru (2010) have significantly influenced the regulation of the forestry sector. These documents outline rules for forest management, timber certification, and environmental protection, and are aimed at combating illegal practices. Brazil's new Forest Code (2016) sets out rules for land and forest users, defining the minimum areas that must remain as natural forests on private lands, known as legal reserves. For instance, landowners in the Amazon region are required to maintain 80% of their land as forest, while in savanna and grassland regions, this percentage may be lower, ranging from 20% to 35%.

Equally significant is Peru's forest conservation strategy (National Forestry and Climate Change Strategy, 2016), adopted in 2014. This strategy is part of Peru's broader national policy to conserve biodiversity and combat climate change. It aims to ensure sustainable forest management

and reduce greenhouse gas emissions through the reduction of illegal logging. The strategy also supports the development of infrastructure for forest monitoring and the use of satellite technology to track illegal activities in the forestry sector. Overall, Brazil's new Forest Code (2016) and the National Forest Conservation Strategy of Peru (2010) exemplify the regulatory frameworks being implemented to address illegal logging and govern the forestry sector in Latin America. They provide a foundation for sustainable forest management, biodiversity conservation, and mitigation of environmental impacts. However, the effectiveness of these laws is often limited by challenges related to enforcement and oversight, necessitating further reforms and international support.

To comply with the requirements of the FLEGT (2001) system, Ukraine's national legislation needs to be improved in terms of controlling the legality of timber origin, increasing transparency, and strengthening the fight against illegal logging. While Ukraine has taken some steps, such as introducing electronic timber accounting systems, many issues remain unresolved due to inadequate control and corruption risks at the local level. Improving the legislation of countries actively implementing artificial intelligence (AI) in the law-making process is critical for the effective functioning of legal systems. Specifically, clear regulations governing the use of AI algorithms need to be developed to avoid potential biases in decision-making. Mandatory transparency requirements for algorithms should be introduced so that the public can understand how these systems work. It is also essential to update data protection laws, as the collection and processing of large amounts of data are crucial for AI functioning. It is important to regulate liability for the outcomes obtained using AI, as the lack of a clear legal basis can lead to difficulties in cases of errors or misuse. Additionally, mechanisms should be introduced to assess the impact of AI use on society to ensure the ethics and social acceptability of such technologies. Legislation must be dynamic and flexible to meet the current needs and demands of society, ensuring the effectiveness and fairness of the legal system.

The implementation of the FLEGT (2001) requirements also depends on the political will and readiness of Ukrainian authorities to cooperate more closely with international partners. Successful implementation of FLEGT licensing will not only enable Ukraine to comply with EU regulations but will also contribute to sustainable forest management and ecosystem conservation. In Ghana, which has implemented FLEGT (2001), licensing has also improved forest management and reduced the volume of illegal timber trade. Research by the Centre for International Forestry Research (CIFOR) has shown that this process in Ghana has led to significant reforms in the forestry sector, including improved monitoring and law enforcement, increased stakeholder participation, and better enforcement of forest legislation. These measures have helped to protect biodiversity and ecosystem services, reducing illegal deforestation and promoting sustainable land use.

South America, a traditional leader in the timber industry, is also actively involved in updating timber extraction standards. While Brazil and Peru have taken significant steps, such as implementing forest monitoring programs and initiatives like REDD+ (Neupane *et al*., 2019), inadequate control and law enforcement remain significant challenges. Compliance with FLEGT requirements depends on the willingness of national governments to cooperate with international partners and efforts to improve administrative oversight of forest resources. Successful implementation of FLEGT licensing will not only ensure compliance

with international standards but will also enhance sustainable forest management and ecosystem conservation in Latin America, which is crucial in addressing the global environmental crisis.

Ukrainian legislation has taken some steps towards complying with the EUTR (2010) requirements. In particular, the introduction of an electronic timber tracking system has been a significant move towards transparency and effective control over timber harvesting and export. This system allows for the tracing of timber origin, which is a crucial component for proper due diligence. However, there are issues with on-the-ground control, which could pose a significant barrier to full compliance with European requirements. Insufficient oversight of timber harvesting enterprises and the possibility of avoiding registration of illegally harvested timber in the system leave significant room for violations.

Another crucial aspect of the EUTR (2010) is the control and accountability of operators handling timber on the EU market. These operators must not only ensure that their products comply with the law but also bear responsibility for every stage of the supply chain. While Ukraine has a legislative framework in place to oversee operators in the forestry sector, it is evident that there are gaps in control and a need for increased oversight by government agencies. The system of operator accountability also requires improvement and should be made more stringent to ensure compliance with regulatory requirements.

Corruption and the shadow economy are among the biggest challenges facing forest management in Ukraine, threatening both ecological sustainability and the country's economic security. The existing timber certification system in Ukraine is flawed and often lacks transparency. Despite international obligations and the need to comply with EU standards, most market operators fail to adhere to the necessary procedures for legalising the origin of timber.

Failure to comply with the EUTR (2010) creates opportunities for manipulation and abuse. This hinders transparent trade and export of Ukrainian timber to EU countries, which require compliance with regulations regarding the legal origin of products. Timber certification should become a mandatory process, ensuring full traceability from harvesting to the end consumer. This involves implementing clear mechanisms for audits, inspections, and reporting, as well as applying sanctions to violators. Without this, it is impossible to ensure proper control over timber harvesting and its legal origin, which is critical for international cooperation and trade.

Latin American countries have already taken steps towards implementing the FLEGT system, although the region as a whole has not yet achieved full integration. Peru, in particular, is working towards preparing for FLEGT cooperation. Peru is implementing national programs such as Reducing Emissions from Deforestation and Forest Degradation (2024), which support the EUTR (2010), a significant step towards FLEGT implementation. Brazil, Colombia, and Ecuador are working to improve transparency and combat illegal logging through national initiatives and international cooperation. A crucial aspect for these countries is the improvement of forest monitoring and management systems, which can lay the foundation for future FLEGT licensing. However, full implementation of this system requires a more systematic approach and closer cooperation with the EU to create an effective legal framework and control mechanisms.

Ukraine needs to amend its existing legislation, particularly Law of Ukraine No. 1264-XII (1991). It is proposed to introduce provisions mandating forest monitoring using satellite technology and

remote sensing, which would enable more effective control over illegal logging. Additionally, the FLEGT licensing system, already in use in the EU, should be implemented. This requires the adoption of a bill providing for the issuance of FLEGT licenses for timber exports, confirming their legal origin. Such changes would facilitate the harmonisation of national legislation with the requirements of the EUTR (2010) and enable Ukraine to improve access to the European timber market. Practically, it is essential to implement monitoring technologies such as satellite monitoring and remote sensing of forests. The use of modern digital technologies (e.g., blockchain) to track the origin of timber will help reduce corruption and enhance transparency in forest resource management.

Brazil needs to strengthen its existing legislation, particularly Law of Brazil No. 12.651 (2012), which governs the use of forest resources. It is proposed to introduce provisions to increase penalties for illegal deforestation in the Amazon and to implement timber export licensing mechanisms. To achieve this, Brazil should draw on the EU's experience with the FLEGT system, which would help reduce the illegal timber trade. Practically, Brazil should expand the use of the SINAFLOR system (national forest management system), which allows for the tracking of forest use processes from harvesting to export. A crucial step would be to strengthen international cooperation with the EU and other countries in exchanging information about illegal logging and timber trade. Additionally, the broader implementation of satellite monitoring through the PRODES program, which is already successfully operating in the country, would allow for more effective combating of illegal deforestation in the Amazon.

Peru needs to strengthen the enforcement of its current Forest and Wildlife Law (Law of Peru No. 29763, 2015). Legislative changes should focus on ensuring transparent forest resource management by introducing mandatory certification of the origin of timber for export. Peru can learn from the EU's experience in implementing the FLEGT system to combat illegal logging, similar to Brazil. Practically, the use of the digital SERFOR system should be expanded, allowing for better control over the origin and movement of timber. Additionally, investment is needed in the development of satellite forest monitoring, as successfully implemented through the Geobosques programme, which already helps track logging in real-time. Expanding this program and active international cooperation will help Peru more effectively combat illegal timber trade and protect the Amazon rainforest. All of the aforementioned recommendations will help to reduce the risks of illegal logging and ensure the preservation of forest resources for future generations. In particular, to improve the situation with forest products following EU legislation, an assessment of the actual state of the sector is necessary, as shown in Table 1.

Table 1. Comparison of the Wood Processing Industry in Ukraine and Latin America

Criteria	Ukraine	Brazil	Peru
The volume of timber production	Approximately 16 million cubic meters per year	Over 100 million cubic meters per year	Approximately 6.2 million cubic meters per year
The volume of timber exports	11% of total exports (2023 data)	25% of total timber exports in Brazil go to the EU	Approximately 2.6 million cubic meters per year

Table 1. Continued

Criteria	Ukraine	Brazil	Peru
Level of technological development	Moderate level of automation, implementation of digital solutions	High level of automation, use of innovative technologies	High level of dependence on traditional methods, but a growing number of modern technologies
Share in total industrial output	5% of the country's industry	8% in Latin America (mainly in Brazil, Chile, and Argentina)	Approximately 1.3% of GDP
Contribution to GDP	1.2% of Ukraine's GDP in 2023	3.5% of Brazil's GDP, a significant contribution to timber exports	Approximately USD 1.4 billion
Level of employment in the industry	Around 50,000 employees in the woodworking industry	Over 500,000 are employed in Latin America, especially in Brazil	Approximately 300,000 jobs, most of which are in rural areas
Environmental indicators and impact on the environment	The woodworking industry meets minimum environmental standards but needs improvement	Gradual implementation of international environmental standards, including FSC	High level of deforestation, especially in the Amazon rainforest; problems with forest management, but active efforts to improve environmental sustainability

Source: compiled by the author based on R.S. Mbatu (2020), S. Nunes *et al.* (2020), S.R. Lewis and J. Bulkan (2022), E. Verhaeghe (2023), and K. Gregor *et al.* (2024)

These figures may vary depending on the source and year, so for the most up-to-date information, it is advisable to consult the latest reports and studies. Based on the data in the table, it is evident that timber export volumes in 2023 decreased by 11% compared to previous years due to economic instability and export regulations. In Brazil, the industry demonstrates a high level of innovative technologies, such as drones for forest monitoring and the use of sustainable timber production methods.

The actual state of the timber industry in Ukraine and Latin America reflects varying levels of development and environmental sustainability. In Ukraine, the woodworking industry faces challenges related to illegal logging and poorly developed control mechanisms. While timber export volumes remain significant, there is a need to implement more modern production technologies and environmental regulations to ensure the sustainable development of the sector. The current state of the forestry sector in Ukraine and its related legislation presents several issues that complicate the achievement of environmental sustainability. Despite the existence of laws regulating logging and environmental protection, there are problems with their enforcement. Many cases of illegal logging go unpunished. Regulatory bodies do not always effectively perform their duties, leading to abuse and corruption, and contributing to further deforestation. Moreover, current forest policy is often not comprehensive and does not consider all environmental, social, and economic aspects.

The European Union has established a robust legal framework to regulate forestry and the timber industry. The FLEGT (2001) regulation was introduced to combat illegal logging and to create a market exclusively for legally harvested timber. This system incorporates various levels

of control and certification, including FSC (Forest Stewardship Council) certification, which guarantees environmentally and socially responsible forest management. The EU also imposes strict requirements on companies exporting timber to its market, mandating them to prove the legality of their product's origin. This due diligence process requires companies importing or exporting timber to have clear documentation proving the legality of its harvesting. This includes information about suppliers, logging licenses, and details regarding processing and transportation. Companies are obligated to implement a due diligence system that involves assessing risks and taking measures to minimise them. Failure to provide adequate documentation or comply with these requirements can result in fines, trade bans, and other sanctions from regulatory authorities.

Such stringent regulations have helped to reduce rates of illegal logging in countries seeking to trade timber with the EU. However, the situation regarding the legislative regulation of the forestry industry is more complex in Latin America, particularly in countries like Brazil, Peru, and Argentina. For example, Brazil has specific laws to protect the Amazon rainforest (Law of Brazil No. 12.187/2009, 2009; Law of Brazil No. 13.123, 2015) which regulate the use of Amazonian genetic resources, protect the region's biodiversity, and ensure the protection of biological resources by controlling access to them and promoting sustainable development. Law of Brazil No. 12.187/2009 (2009) includes provisions to reduce greenhouse gas emissions by protecting forests, especially in the Amazon, and aims to preserve ecosystems and promote sustainable forest management. Despite these laws, their enforcement is hindered by weak control and widespread corruption. For example, the Forest Code requires landowners to register their lands in the Rural Environmental Registry (CAR) and maintain certain areas under forest cover, but many landowners evade this requirement due to insufficient inspections and corrupt schemes that allow them to hide illegal logging. Additionally, in the Amazon region, there is often weak enforcement of the law as local law enforcement agencies have limited resources, allowing offenders to evade punishment.

A comparative analysis of the legal frameworks in the EU and Latin America has revealed several key aspects that highlight the main shortcomings in the regulation of the forestry industry in these regions. The EU's Directive No. 2019/1937 (2019) imposes stringent requirements on environmental protection and sustainable forest management. Article 14 of this Directive stipulates that "Member States shall ensure that the forest sector adheres to the principles of environmental sustainability through the implementation of management standards". This document provides clear criteria for assessing sustainability, ensuring a unified approach to forest use. In contrast, Ukrainian law, specifically Article 34 of Law No. 2456-VIII (2018), states that "forest resources shall be exploited per the principles of rational use of natural resources", but the requirements for environmental sustainability are not as detailed as those in the EU. This indicates a more general approach in Ukrainian legislation, making it difficult to monitor compliance with sustainable forest management standards. While the legislation of Peru and Brazil includes several environmental requirements, they are less structured. For example, Brazil's Law No. 12.651 (2012) outlines the fundamental principles of "forest restoration and conservation to reduce deforestation" in Article 3. However, due to a lack of detailed procedures or regulatory bodies, the level of compliance with these provisions remains low, leaving room for violations.

Regarding economic incentives, the EU's Directive No. 2019/1937 (2019) also includes provisions for financial incentives for forest managers who implement environmental standards. Article 21 states that "Member States may grant subsidies to support environmental measures", encouraging businesses to adopt sustainable practices. This is important for strengthening legislation, as it motivates businesses to comply with standards. The Forest Code of Ukraine (1994) provides for financial penalties for violations of regulations, but there are no direct subsidies for environmental initiatives within the forestry sector. This reflects a lack of economic incentives, which could lead to the neglect of environmental considerations in favour of commercial interests. Peruvian legislation does not mention subsidies or compensation for sustainable forest use, indicating insufficient motivation for businesses in these countries to adhere to environmental norms. European regulations also ensure strict oversight of legal compliance. For example, the EUTR (2010) holds forestry companies accountable for the origin of timber. Article 5 of this Regulation specifies that "all timber importers must have certification of the legality and sustainability of the origin". This reduces the risks of illegal logging. Ukrainian legislation stipulates administrative and criminal liability for illegal logging; however, in practice, enforcement effectiveness remains low. For instance, the Forest Code of Ukraine (1994) provides for sanctions in Article 37, but due to the low effectiveness of law enforcement, there remains room for corruption and illegal logging. Brazil has mechanisms to control illegal logging, but their effectiveness depends on regional law enforcement (Law of Brazil No. 12.651, 2012).

The analysis revealed that the EU's legal framework is more structured compared to those in Latin America and Ukraine. The EU has implemented clearer standards that promote sustainable development, whereas Ukraine and Latin American countries have gaps in monitoring and incentivising compliance with environmental regulations. This highlights the need for more detailed legal norms, particularly in terms of oversight, incentives, and terminology, which could facilitate better law enforcement and forest conservation.

The third phase of the research was dedicated to analysing the potential for implementing the FLEGT system in Latin American countries, where the problem of illegal logging remains pressing, as well as in Ukraine, where the regulation of the forestry sector requires further improvement. FLEGT (2001) is one of the key initiatives of the European Union aimed at combating illegal logging, managing forest resources, and preventing illegal timber trade. Studying the possibilities of introducing this system in different regions of the world helps assess the readiness of national legislations and regulatory bodies to support international standards in forest management and sustainable development. Ukraine, as part of the European market and an active participant in international environmental initiatives, has some experience cooperating with the EU on environmental protection issues. However, the timber industry still faces problems with illegal logging, non-transparent forest management schemes, and insufficiently effective implementation of environmental standards.

Implementing the FLEGT system in both Ukraine and Latin America requires a comprehensive approach that involves strengthening the legal framework, increasing transparency, promoting sustainable development, and fostering active international cooperation. Although both regions face different challenges, the common goal is to combat illegal logging and improve forest management. The implementation of

FLEGT (2001) can be a significant step towards sustainable development and the preservation of forest ecosystems.

Discussion

The escalating challenges faced by global forest management in the context of climate change, economic transformations, and social inequalities have become increasingly pressing. In light of contemporary environmental threats such as biodiversity loss, ecosystem degradation, and the adverse impacts of climate change, the need for effective forest management strategies is more evident than ever. This is particularly significant within the European Union (EU), which aims to integrate forest policy into a broader environmental and economic strategy. Notably, K. Gregor *et al*. (2024) in their article analyse the synergy between forest, biodiversity, and climate policies in the EU, highlighting the importance of integrating various strategies to achieve sustainable forest management. This aligns with the findings of this research, which revealed that Ukraine needs to focus on integrating its forest strategies into a broader environmental policy context to enhance the effectiveness of forest resource management. The study by L. SolísMendoza *et al*. (2024) on the implementation of the FLEGT agreement in Ghana highlights the significance of political will and government oversight for successful reform implementation. Similarly, conducted research has shown that Ukraine suffers from a lack of adequate government oversight, hindering the implementation of international standards. High levels of corruption further impede the implementation of these reforms, as supported by the findings of S.R. Lewis and J. Bulkan (2022) who describe political dynamics in the context of multilateral negotiations in Thailand, where similar problems are observed. The study by M. Marzano & J. Urquhart (2020) discusses the impact of social systems on tree health in the context of climate and trade challenges. This issue is also highly relevant to Ukraine, where insufficient cooperation between government agencies and civil society organisations hinders the achievement of forestry goals. The research results confirm that for the successful implementation of the FLEGT system, Ukraine needs to intensify cooperation with international organisations and leverage their experience in combating illegal logging and increasing the transparency of forest resource management.

The findings of R.S. Mbatu's (2020) research emphasise that the implementation of FLEGT and REDD+ in Cameroon faces a range of challenges, including insufficient political will and resources for monitoring. These conclusions align with the results in Ukraine, where there is also a lack of resources and technical capacity for effective forest resource management oversight. This creates risks for the successful implementation of FLEGT, as without the necessary resources, ensuring compliance with international standards is difficult. The study by C. McDermott *et al*. (2019) highlights the importance of integrating global governance with local access to resources in the context of FLEGT agreements in Ghana and Indonesia. This research also stresses the significance of local initiatives and community involvement in forest management processes in Ukraine, which could substantially enhance the effectiveness of FLEGT implementation. Issues related to the implementation of FLEGT in Indonesia are discussed by M. Mutawalli *et al*. (2023), who notes that improvements in legislation and monitoring were key factors in ensuring the effective operation of the FLEGT licensing scheme. In Ukraine, however, despite efforts to introduce electronic timber tracking systems, there remains low transparency in management. This underscores the need for

reforms not only in legislation but also in the overall forest resource management system. Based on Y.N. Prasada's *et al*. (2022) study on the impact of FLEGT licensing on the competitiveness of the Indonesian plywood industry in the EU, it is evident that the FLEGT system can positively influence timber product exports if implemented correctly. Similarly, in Ukraine, the proper implementation of FLEGT standards could significantly enhance competitiveness in international markets, underscoring the importance of aligning national policy with international requirements.

Studies by P. Thuy *et al*. (2021) and S. Ramcilovic-Suominen (2024) highlight the critical role of civil society participation in implementing FLEGT in Laos, underscoring the need for multi-stakeholder involvement in decision-making processes. This further reinforces the necessity of active community participation in Ukraine to improve forest management. Discussions on access and benefit-sharing in Namibia by N. Nakanyete *et al*. (2024) demonstrate that international environmental standards can benefit local communities if equitable benefit-sharing mechanisms are established. This is a crucial issue for Ukraine as well, where forest conservation and sustainable development can go hand in hand. Implementing FLEGT is a complex process requiring a comprehensive approach, including legislative reforms, enhanced community engagement, and collaboration with international organisations. This is particularly relevant for Ukraine where the existing legal framework and control mechanisms need improvement to ensure the effective implementation of the FLEGT system and achieve sustainable forest management.

Implementing the FLEGT system is a significant step towards ensuring the legality of timber products, which in turn contributes to the conservation of forest ecosystems and the fight against illegal logging. However, the implementation of such initiatives often faces significant challenges, including corruption, inadequate technical infrastructure, and a lack of experience among local authorities. In Ukraine, for example, despite progress in introducing electronic forest resource accounting systems, the issue of transparency remains critically important. This highlights the need for improved control and monitoring mechanisms to prevent illegal activities and enhance the effectiveness of implementing international standards. Lack of transparency in forest management negatively impacts the trust of the public and international partners, which can hinder the attraction of investments and international assistance. Therefore, creating conditions for greater openness and accountability in forest management is a key factor in achieving sustainable development goals.

Collaboration between government agencies, non-governmental organisations, and international institutions is crucial. This interaction can facilitate the exchange of experiences, knowledge, and resources, which is essential for implementing effective forest management strategies. At the international level, initiatives such as REDD+ have already proven successful in reducing carbon emissions and conserving biodiversity, opening up new opportunities for countries seeking to implement similar programs. It is important not only to introduce new policies but also to ensure their implementation at all levels of governance. Only through a holistic approach can the set goals be achieved, improving the state of forest resources and ensuring their sustainable development, which, in turn, will have a positive impact on the socio-economic development of regions and the country as a whole. Creating effective forest management mechanisms based on international standards will guarantee environmental security

and sustainable development in Ukraine and other countries implementing similar initiatives.

Conclusions

A study conducted on the implementation of the FLEGT system and EU regulations in Ukraine's forest resource management has revealed that while existing national legislation partially meets the system's requirements, there are significant gaps in the mechanisms for monitoring its implementation at the local level. Insufficient oversight by government agencies, coupled with high levels of corruption, hinders the realisation of international initiatives, as the introduced electronic timber accounting systems do not fully address the issue of management transparency. It is necessary to enhance cooperation with international organisations and implement independent monitoring systems, as well as develop training programs for forestry professionals to improve forest resource management under international standards.

An analysis of Ukraine's national legislation regarding the implementation of the FLEGT system has revealed that while its core provisions partially align with European standards, significant improvements are needed. Insufficient control over the enforcement of forest legislation at the local level and corruption risks remain major barriers, significantly reducing the effectiveness of existing electronic timber accounting systems. Despite progress in implementing international initiatives, a lack of cooperation with international organisations hinders adaptation to FLEGT standards. The research also indicates the need to adopt practices successfully implemented in Latin America, particularly Peru, where agreements have been signed with the EU and national forest conservation programs have been developed. However, challenges such as corruption and resource constraints persist in Peru, highlighting the need for a comprehensive approach to FLEGT implementation. The forest legislation of Latin America, Ukraine, and the EU shares similar goals but differs significantly in approaches and the level of protection afforded to forest resources.

In Latin America, which has the largest area of tropical forests, legislation focuses on biodiversity protection and the conservation of natural resources. However, in some countries, there are significant gaps in its implementation due to corruption and illegal logging. EU legislation is aimed at sustainable development and is stricter, regulating not only forest conservation but also its impact on climate and ecology under the European Green Deal. In Ukraine, forestry legislation is only gradually aligning with EU standards, focusing on reducing illegal logging and promoting sustainable development, although it faces several challenges, such as limited funding and insufficient control. The analysis of the situation in Latin America, particularly in Peru, showed that although the country has made some progress in implementing FLEGT, it faces similar problems, such as corruption and a lack of resources for effective monitoring. This highlights the importance of a comprehensive approach to implementing the system.

The prospects for further research lie in examining the impact of international environmental standards on the economic resilience of the timber industry, as well as the mechanisms of financial support for implementing FLEGT in developing countries.

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Conflict of Interest

None.

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Проблеми та перспективи впровадження системи FLEGT та регламенту ЄС щодо лісової продукції в українське законодавство та практику

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Анотація

Метою дослідження було вивчення можливих шляхів вдосконалення національного законодавства в контексті поширення системи FLEGT щодо лісової продукції. Методологія дослідження включала порівняльний аналіз міжнародного та національного законодавства, аналіз статистичних даних щодо лісової продукції. Результати дослідження показали, що впровадження системи FLEGT потребує значної модернізації законодавства та адміністративних механізмів. Порівняння нормативної бази ЄС з національними практиками виявило розбіжності у стандартах контролю та перевірки лісової продукції. Впровадження системи FLEGT потребує вдосконалення механізмів контролю та прозорості, передбачених законодавством України щодо лісової продукції – Лісовим кодексом, який визначає порядок використання, охорони та відтворення лісів. Особливу увагу у статті приділено питанням екологічної стійкості та контролю за нелегальними вирубками. Порівняння України з іншими країнами дозволило виявити ряд спільних проблем, пов'язаних з браком належного контролю та корупцією. Для обох регіонів важливо посилити контроль за дотриманням екологічних норм і впровадити ефективнішу систему сертифікації лісової продукції, чому перешкоджають брак фінансування для адаптації до нових стандартів та необхідність навчання кадрів, відповідальних за контроль над дотриманням вимог FLEGT. Проведене дослідження підтвердило необхідність підвищення прозорості ринку деревини та низький рівень готовності національного законодавства до впровадження нових вимог. Крім того, дослідження показало, що успішне впровадження системи FLEGT може позитивно вплинути на екологічну стійкість лісового господарства та поліпшити міжнародну репутацію держави як надійного постачальника лісової продукції. Отримані результати дослідження можуть бути використані для вдосконалення нормативної бази в галузі лісового господарства

Ключові слова: легалізація ринку; регуляторні механізми; екологічний моніторинг; юридичне регулювання; деревина; еколого-правовий аналіз