

Summary report of FSC Ukraine's roundtable

The Forest Stewardship Council®(FSC®) organized the roundtable “**Wood in the Reconstruction and Development of Ukraine: State Policy, Regulation and Green Recovery Goals**” on July 23, 2024 to raise awareness of the principles of decarbonization, the circular economy and the Green Recovery of Ukraine. By facilitating dialogue between key stakeholders, FSC Ukraine enables the development of a sustainable forest sector, the revival of Ukraine's domestic market and the country's path to EU.

This roundtable followed up on the analysis “The Role of Wood Construction in Ukraine's Recovery: Overview of Strategies and Initiatives” by sustainable development expert Brian Milakovsky, and built on its recommendations for stakeholder dialogue. The roundtable was intended to identify key topics for advocacy with the Ukrainian government and international donors to enable a greater role for wood construction in Ukraine's Green Recovery.

The roundtable was divided into three sections: State Policy, Regulations and Civil Society.

1. State Policy

During this section participants discussed the question “*What state policies exist regarding the role of wood construction in the Green Recovery?*”

Olena Shuliak, chair of the Verkhovna Rada Committee on Local Governance, Regional Development and Urban Planning called on roundtable participants and other representatives of civil society to take part in public hearings through her committee that will address Ukraine's Recovery strategy, including the integration of Green Recovery principles and the principles of the New European Bauhaus. In addition, interested stakeholders can take part in hearings on the revision of the State Construction Regulations (DBN) initiated by the Ministry of Recovery.

Shuliak noted the high proportion of national emissions from the construction sector, and the role that wood can play in substituting for other construction materials with much larger carbon footprints.

Dmytro Kysylevskyi, vice-chair of the Economic Development Committee of the Verkhovna Rada, noted that using domestically produced building materials is a question of job creation for returnees, internally displaced persons and other war-affected Ukrainians, and revival of the economy so as to avoid a recovery that leads to repaired buildings that are empty, because the economy did not restart. He noted that after the passage of the moratorium on roundwood exports from Ukraine, capital investment in wood processing grew by 90%.

Volodymyr Vlasiuk, CEO of Ukrainian Industry Expertise, reinforced that Ukraine must seek to capture more of the value added from wood processing inside the country, as neighboring Poland has succeeded in doing with similar forest resources to Ukraine's.

Both Kysylevskiy and Vlasiuk observed that increasing the use of wood building materials in the reconstruction of Ukraine could stimulate growth in value-added wood processing.

Orest Kiyko of Ukrainian National Forestry University called decarbonization of the building sector in Ukraine an essential component of the country's European path, which means that Ukrainians must overcome their biases against wooden construction as something just meant for luxury homes. He noted the experience of countries like Finland and Austria that have mandated certain proportions of wooden construction in publicly funded building projects.

2. Regulation

During this section participants discussed the following questions: *“What regulations prevent the construction of multi-story homes with wood in Ukraine? Is the harmonization of construction regulations with EU norms planned such that multi-story wood construction would become possible?”*

Nataliya Diuzhilova, Deputy Head of the State Architecture and Urban Planning Inspectorate (DIAM) noted the significant progress in integrating EU building material standards into Ukraine's regulatory framework, which should help remove some of the regulatory barriers to the use of wood in construction. But she noted that the country has a critical shortage of laboratories and testing equipment for these products according to the new standards. Sending wood building materials abroad for testing and certification is prohibitively expensive. This shortage of testing capacity within Ukraine disadvantages domestic building materials producers against their EU peers, even in the Ukrainian market.

Diuzhilova noted that the State Construction Regulations are also in the process of adaptation to EU norms. Earlier public perception that wood was not a safe material for large-scale production was reflected in these regulations, and so they must be adapted to the new possibilities afforded by modern wood building materials. She told participants that Ukraine is in the process of approving its first Green Building standards for civilian construction with the participation of civil society and independent experts.

Nataliya Oliynik, acting general director of the State Research Institute and Training Center on Problems of Standardization, Certification and Quality added that while more than 500 building material safety standards have been integrated into Ukraine's regulatory framework from the EU Normative #305, the majority are still not translated into Ukrainian. This technical barrier also limits their practical use in Ukraine. **Roman Hryshchenko** of the Ukrainian Green Building Council noted that it is not just translation,

but also *adaptation* of these standards to the Ukrainian regulatory context that is needed for them to truly change construction practices in the country.

3. Civil Society

Representatives of civil society organizations in Ukraine provided their perspective on the question “*How do wooden building materials fit into the concept of the Green Recovery?*”

Valeriia Kolomiets of WWF Ukraine said that her organization fully recognizes the necessity of forest management and wood processing in the country and the beneficial role of wood construction, but that Ukrainian society demands that the wood be sourced sustainably. She criticized the bill in the Verkhovna Rada to suspend Environmental Impact Assessments for sanitary harvesting in forests, which she said could lead to forest degradation and unsustainable sourcing of wood. **Roman Puchko** of ReThink reinforced that while his organization recognizes the beneficial climate impacts of substituting steel and concrete with wood, it is also focused on sustainable regeneration of forest resources.

Yuriy Diuh of WoodIndustry UA stated that manufacturers of wood products in Ukraine are in agreement with environmental organizations about the necessity of sustainable wood sourcing. They are all working towards integration of European principles into Ukrainian practice.

Natalia Kozub of Ro3kvit said that progressive architects in Ukraine support the use of wood in construction, but face practical obstacles. These include the lack of certification for many Ukrainian wood products, which makes it easier to use products from European sources (for example, to produce wood-straw panels). Not all Ukrainian wood products have Environmental Product Declarations, which are important for calculating the carbon footprint of new buildings. Finally, the price of Ukrainian wood products, including Cross Laminated Timber, is not always competitive with imported goods. But the desire amongst architects to use Ukrainian wood remains strong.

Brian Milakovsky, an expert on sustainable development, noted that many of the issues raised above could be addressed with funding from the Ukrainian budget and Western donors, but competition for these funds is intense. It is necessary to follow the example of many European countries and develop coalitions of climate organizations, progressive architects and wood building material manufacturers to lobby for necessary investments, further regulatory changes and for the inclusion of wood construction in Ukraine’s reconstruction strategy.

In conclusion, the roundtable revealed the following challenges and opportunities that should be addressed to facilitate the greater use of wood in Ukraine’s reconstruction:

- 1) Supporters should make their voice heard in public hearings on the country's recovery strategy and on revision of its State Construction Regulations. For this purpose, it is important to establish a broad-based coalition of manufacturers, architects and builders, environmental and climate organizations. This coalition should not only lobby the Ukrainian government and international donors, but also work on popularizing wood construction amongst the Ukrainian public and countering the perception that wood is only a material for elite or single-family homes;
- 2) This coalition should convince the Ukrainian government and civil society that wood construction is part of Ukraine's European integration, since it can help with the EU priority of decarbonizing the building sector, and also as an instrument for reviving Ukraine's domestic economy;
- 3) This coalition and the wood building materials sector in general should pursue financial resources to finance certification laboratories for wood building materials in Ukraine, as well as the translation and adaptation of EU building material norms. These funds can be requested from the state budget and international lenders and donors, but could also come partially from industry itself as a necessary investment in market access;
- 4) Continuing dialogue is needed between the forest sector and civil society about sustainable sourcing of wood in Ukraine to ensure that wood is perceived as a "green resource" for the country's reconstruction. Challenging issues that should be discussed openly include the proposed revisions to the law on Environmental Impact Assessments, the use of sanitary harvesting, implantation of Closer to Nature Silviculture. FSC Ukraine can play a key role in facilitating this dialogue.

A logical continuation of the discussion begun in this roundtable would be to explore experience in the EU with building "pro-wood" coalitions. FSC Ukraine should continue to engage policymakers, regulators and civil society organizations in the next roundtable, but should strive to bring in building material manufacturers, architects and construction companies as well, with the goal of gathering the beginnings of a Ukrainian coalition for wood construction in the Green Recovery.