



## EUTR News – July to September 2016

This issue of the EUTR News provides an update on the operation of the EU's law to address illegal logging, the EU Timber Regulation (EUTR), from July to September 2016. As with all of our previous editions, this issue will include information on what both the European Commission and EU Member States are doing to ensure the proper application of the EUTR, and provide updates on similar legislation internationally.

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# 1. European Commission support to implementation and enforcement of the EUTR

The European Commission has taken active steps to ensure the proper functioning of the EUTR. In the past three months, they have updated their infringement decision register on EUTR-related cases, and published a new delegated regulation to recognise Indonesian FLEGT licensed timber. The register provides status updates on infringement cases with the Commission regarding Member States' non-compliance (either implementation or enforcement) of EU law.

## European Commission updates its infringement register

The Commission updated its infringement register on 29 September, announcing the closure of two EUTR-related cases: cases 2015/2046 against Hungary and 2015/2152 against Romania. Hungary had been issued a reasoned opinion, and Romania a formal notice, for non-compliance with their obligations to implement the EUTR.

Cases 2015/4046 against Greece, and 2015/2052 against Spain, are still being assessed by the Commission, and are at the reasoned opinion stage. If the new rules adopted by Spain and Greece in 2015 are found to be non-compliant with the EUTR, the Commission could bring the matters before the Court of Justice as a next step.

[Access the register](#)

[More information about the cases against Greece and Spain](#)

[Read earlier updates on the cases in the EUTR newsletter](#)

## European Commission updates EU law to make Indonesian FLEGT licenses operational

On 18 August, the Commission published a new delegated regulation that puts the final EU law details in place for Indonesian FLEGT licensed timber. This regulation is effective from 15 November. From then, Indonesia will be able to issue FLEGT licenses for verified legal timber products it exports to the EU.

The delegated regulation amends Annexes I and III of the FLEGT Regulation (2173/2005) so that these now include the list of Indonesian timber products to which the FLEGT licensing scheme applies.

Once the regulation becomes effective, timber products exported from Indonesia to the EU will have to have a FLEGT license. The license will act as a guarantee of legality, meaning that those products will be considered legally harvested for the sake of the EUTR.

One third of the EU's tropical timber imports by value come from Indonesia.

[Access the new delegated regulation](#)

## European Commission updates Member State implementation scoreboard

The Commission updated its scoreboard indicating the progress of Member States in implementing the EUTR on 20 July 2016. It shows that of the 28 EU Member States:

- 27 have designated a Competent Authority;
- 27 have legislation on penalties for breaching the EUTR; and
- 27 have started to carry out checks on companies.

As the scoreboard was last updated in July, it does not fully reflect the Commission's updates to the infringement decision register.

In compiling the scoreboard, the Commission relies on information from Member States. It does not independently assess whether penalties in Member States are in fact 'effective, proportionate and dissuasive', as required by the EUTR, or if there are penalties in place to penalise breaches of all the EUTR's requirements.

[Access the scoreboard](#)

## 2. Member State enforcement of the EUTR

At the national level, a number of Member States are working to ensure compliance with the EUTR. Only a fraction of enforcement figures are actually published, and as such we have no recent, publicly available information to report for this issue.

### Checks on operators

The next Timber Regulation Enforcement Exchange (TREE) meeting will take place in Paris from 23 to 27 October. The meeting has the confirmed participation of 18 EU Member States, and representatives from the United States and Canada.

A second enforcement survey has been sent to EU Member States, with a deadline for responses by mid-November. The results of this survey will hopefully be published by the end of the year.

[Access more information on the TREE meetings, and the results of the first enforcement survey](#)

### Denmark adopts new regulatory order to implement the EUTR and FLEGT Regulation

Denmark has adopted a new regulatory order which implements the EUTR and FLEGT Regulations, which entered into force on 1 July 2016. The new regulatory order amends the authority responsible for enforcing the EUTR to the Agency for Water and Nature Management, a new agency part of the Danish Ministry of Food, Agriculture and Fisheries.

[Access the new regulatory order, and all other Member State EUTR implementing legislation](#)

### 3. Publications and resources

Recently, several publications and resources have been released. Below is a selection of publications that aim to inform stakeholders across the EU and internationally on progress and key elements related to the EUTR.

#### EU FLEGT Facility launches FLEGT licence information point

Following the announcement that FLEGT licensing will commence in Indonesia, the EU FLEGT Facility has launched a FLEGT licence information point. The website provides useful information on licensed timber and a comprehensive FAQs section, with guidance on basic to complex trade scenarios, and how to report issues.

[Access the new website](#)

#### BVRio releases new report on big data

BVRio has released a report on detecting illegalities in the Amazon timber sector. The report outlines the regulatory process for operating in the Amazon, the main types of fraudulent activities in the region, and some different approaches for detecting and preventing illegality. The study estimates that over 40% of the forest management operations in the Pará State and Mato Grosso State are likely to be involved in severe breaches of the law. This tool can be used by operators in the EU when undertaking EUTR due diligence on timber originating from Brazil.

[Access the report](#)

For more information on specific illegalities in Brazil's Pará State, please see below

#### Commission publishes report on evaluation of EU FLEGT Action Plan

The Commission has published a Staff Working Document on the evaluation of the FLEGT Action Plan of 2003. The report summarises the findings of the independent evaluation published earlier this year, and echoes the independent evaluation and recent EUTR evaluation. It notes that the FLEGT Action Plan is a highly relevant and appropriate mechanism to tackle the complexities of illegal logging, and that it has, to varying degrees, been effective. The Staff Working Document also notes that changes in the global timber trade, particularly linked to forest conversion, may affect the relevance of the Action Plan in the future.

[Access the Staff Working Document](#)

## 4. International Updates

Internationally, authorities are making progress on the enforcement of illegal logging activities, while the Australian government has amended the due diligence requirements of its Illegal Logging Prohibition Act (ILPA).

### INTERPOL issues notice on illegal timber trading activities in Brazil

INTERPOL has issued a 'Purple Notice' (an international alert/request for cooperation) on illegal timber trading activities in Brazil's Pará State. The Notice highlights the practice of falsely using Forest Management Plans (FMPs) to illegally harvest high-value species and includes the names of particular FMPs and companies involved.

In 2014, timber from the same region was temporarily seized in Belgium. Following an investigation and contact with authorities in Brazil, the timber was released. While no sanctions were issued, the investigation caused a ripple effect of action and discussion in Brazil and the EU, which resulted in heightened awareness of potential illegalities, and the Purple Notice being published.

This information should be used by timber operators and Member State regulators to inform their due diligence risk assessment, and enforcement, respectively.

[Access the Purple Notice \(475\)](#)

### Australia amends requirements of ILPA due diligence obligation

The Australian Government is now recognising the PEFC and FSC Chain of Custody systems for businesses (importers of timber and wood-based products into Australia and processors of domestically grown raw logs) who hold PEFC and FSC certification. Chain of Custody certified businesses will still need to collect information related to the chain of custody for their PEFC and FSC certification, but do not need to duplicate efforts for that specific element of the ILPA due diligence obligation. This recognition does not remove the requirement from certification holders to undertake other aspects of the due diligence obligation, including gathering information, risk assessment, risk mitigation and record keeping requirements of the regulation.

[Access the Compliance Notice](#)



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