



EUTR News – March 2018 to March 2019

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 March 2018 to March 2019. 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.

If you have any updates to share that we could include in the next newsletter, or you would like to receive this newsletter by email, please email: forests-contact@clientearth.org.

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

In October 2018, the European Commission published its biennial report on EUTR implementation. In addition, the Commission hosted Expert Group meetings on the EUTR to share information and resources amongst representatives from Member States (plus Norway and Iceland).

European Commission second biennial EUTR report

On 5th October 2018, the European Commission published its second [report on the implementation of the EUTR](#) covering March 2015 to February 2017. The Commission reports that almost all Member States comply with the formal requirements of the EUTR and that over the reporting period, the number of checks made and sanctions applied for violations of the EUTR significantly increased.

Differences in EUTR implementation were noticeable in the level of penalties (administrative and/or criminal) for EUTR violations and on the number of checks on operators. The level of fines determined in national laws applicable to infringements of the EUTR also differs between Member States, ranging from EUR 14 to unlimited.

Over the reporting period more than 17,700 checks were carried out on operators placing domestic timber on the market and almost 2,800 checks on operators placing imported timber on the market. The report reveals, however, that the number of checks on operators dealing with domestic timber varied considerably between Member States, from thousands to no checks.

Regarding substantiated concerns, 14 countries reported that they received relevant information from NGOs. Of the 80 operators identified in substantiated concerns, 69 were checked, and 33 received penalties.

The report states that uneven implementation can have implications in the effectiveness of the legislation and a level playing field for operators, and that efforts are still needed to ensure uniform and effective application across Member States.

European Commission guidance document on the verification of legality in timber trade

On 19th October 2018 the European Commission adopted [guidance document on the verification of legality in timber trade](#). The document explains how to assess the legality of timber from species listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) imported to the EU.

European Commission public consultation on the product scope of the EUTR

The European Commission ran a public consultation in early 2018, on whether the current product scope of the EUTR should be amended or not, and if so, to what extent. So far, the annex

to the EUTR has not been amended. The [results of the consultation](#) are available.

European Commission public consultation on plans to ‘step up action against deforestation’

In early 2019, the European Commission held a public consultation for a new EU [Communication on ‘Stepping up EU Action against Deforestation and Forest Degradation’](#). Adoption is planned for the second quarter of 2019. In November 2018, the Commission released a ‘[roadmap](#)’ to explain the problem of deforestation and what the initiative aims to achieve and how.

European Commission overviews of Competent Authority checks

The European Commission published two overviews of Competent Authorities’ checks and enforcement actions taken over the periods of [June – November 2017](#) and [December 2017 – June 2018](#). The reports were based on data provided by the Competent Authorities and compiled by United Nations Environment Programme’s World Conservation Monitoring Centre (UNEP-WCMC).

UNEP-WCMC briefing note on EUTR implementation

UNEP-WCMC, contracted by the European Commission, continued to publish regular briefing notes on developments in the implementation and enforcement of the EUTR. The latest note covers [January 2019 to February 2019](#).

EUTR/FLEGT Expert Group meetings

Discussions were held on placing timber from Myanmar, Brazil and Ukraine on the EU market. For timber sourced in Brazil, the Expert Group recommended that operators should take mitigation measures and not rely only on document checks. For Myanmar, they stressed the need to mitigate the risk of illegality, because timber harvested in previous years is high risk, and mixing of materials along the supply chain remains very high. Regarding Ukraine, it was decided that the Commission would draft a position paper on timber imports that could be adopted by the Expert Group.

The next Expert Group meeting is scheduled for 30th April 2019.

2. Member State enforcement of the EUTR

The UK finalised a Statutory Instrument in order to ensure that provisions aimed at fighting against illegal logging will be retained after Brexit. In March 2019, EIA submitted a complaint to the German Competent Authority in which they alleged that one German company purchased illegally harvested timber from Myanmar.

UK company fined for breaching EUTR

In March 2018, the British timber operator, Hardwood Dimensions (Holdings) Ltd, was **fined £4,000 for failing to ensure that timber it placed on the market from Cameroon was legally harvested**. The prosecution was based on deficiencies in the company's due diligence systems. Hardwood Dimensions have since improved their due diligence system and completed a third party auditing process, in line with advice from the Competent Authority, and with guidance from the Timber Trade Federation.

UK finalised the 'United Kingdom Timber Regulation'(UKTR)

The UK finalised a **Statutory Instrument** the 'United Kingdom Timber Regulation' (UKTR) in November 2018. The UKTR aims to ensure that the provisions of the EUTR will be operable after the UK leaves the EU. As stated in the **explanatory memorandum**, changes to the EUTR include 'amending references to EU, EU institutions and EU administrative processes to UK equivalents; updating legal references to refer to relevant UK legislation; and retaining the requirement for government to report'.

EIA submitted a substantiated concern to the German Competent Authority

German Competent Authority received a **complaint from Environmental Investigation Agency**, in which it was raised that one German company purchased Myanmar teak in contravention of the EUTR. The complaint follows EIA's report '**State of Corruption**' presenting the results of 2-year investigation on illegal timber imports from Myanmar.

Enforcement officials gather for Timber Regulation Enforcement Exchange meeting

The Timber Regulation Enforcement Exchange (TREE) meetings bring together enforcement officials from EU Member States, Australia and the US to support coordinated efforts to address the trade in illegal timber.

The latest TREE meeting was held in March 2019. Topics discussed included: legality risks and due diligence standards for timber sourced from Brazil and Turkey; timber imports coming from Democratic Republic of Congo, Honduras and the Russian Far East; efforts made by certification bodies to improve transparency, new resources to support risk assessment and the latest science-based authentication technologies. At the meeting ClientEarth presented on their '**Forest Logbook**' – a new hub of resources on timber legality. Resources from the meeting, including summaries of presentations and discussions, are **available**.

3. Other EU and international updates

In the EU and internationally, several organisations and institutions have been working to address the problem of illegal logging. Discussions were held around timber trade with Ukraine. In April 2018, the Court of Justice of the European Union ruled that increased logging in Białowieża Forest violated EU law.

EU

Discussions around timber imports from Ukraine

In July 2018, Earthsight released a [report](#) on corruption and illegality in the Ukrainian timber sector and EU imports of illegal and high-risk wood from Ukraine. The report reveals that 70% of Ukrainian wood is exported to the EU and suggests that more than 40% of this wood was traded or harvested illegally. According to the report, the most common form of illegal logging is illegal sanitary felling, while others include cutting outside boundaries of planned harvest areas and cutting more trees than permitted in the forest management plan. The report says that the EUTR did not prevent buyers from sourcing illegally harvested wood from Ukraine, and that 'part of the problem lies with the law itself, and part with how it is interpreted and enforced'.

The findings of the report were discussed at 28th Global Forum on Forest Governance at Chatham House, where [Earthsight](#) and [State Forests Resources of Ukraine](#) presented.

The Ukrainian law on preservation of forests and preventing the illegal export of rough timber [was amended](#), and came into force on 1st January 2019. The law aims to ensure better forest governance and minimise illegal logging. It [restricts the domestic consumption of unprocessed timber](#) and introduces significantly higher fines for illegal logging. Previously, the EU Technical Assistance and Information Exchange (TAIEX) conducted an [expert mission](#) to assess the governance situation within the Ukrainian forest sector.

CJUE ruling on logging in Białowieża, Poland

In March 2016, Jan Szyszko, then Minister for Environment, tripled the logging limits in Białowieża Forest, despite warnings from scientists that this would be very harmful for the forest. ClientEarth, together with six other organisations, led a complaint to the European Commission. In July 2017, the case moved to the EU Court of Justice.

In April 2018, the EU Court of Justice ruled that increased logging in Białowieża Forest violates the Habitats and Birds Directives. The judgment is final and Poland cannot appeal it.

In May 2018, the Polish Minister of Environment agreed to repeal one of the two illegal logging permits, but in December, the media revealed that a state-owned forest company plans to restart commercial logging in Białowieża Forest. ClientEarth, along with a [coalition of other NGOs](#), [have sounded the alarm](#) over plans to cut down thousands of trees in the next 3 years.

European Commission takes legal action against Polish government for breaking EU laws

The European Commission [launched legal proceedings in July 2018, against the Polish government for breaking EU nature legislation](#). The Commission is urging them to ensure proper safeguards are in place for protected forests, after recent changes to Polish laws have allowed forest work to be carried out where it destroys vulnerable plants and habitats, breaking the Birds and Habitats Directives. The Commission also criticised the Polish government for not ensuring the public has access to justice over forest management plans, which goes against EU nature protection law and breaks the Aarhus Convention. The Polish authorities replied to the letter of formal notice in September 2018.

International

Global Witness report on timber imports from Democratic Republic of Congo

In March 2019, Global Witness published a report revealing serious concerns on the legality of logging operations carried out by Industrie Forestière du Congo (IFCO), a company based in the Democratic Republic of Congo (DRC). The allegations include logging outside the boundaries of the permitted harvest area and logging while the provincial governor had suspended the company's operations. According to the report, at least 10 European timber companies based in Poland, France, Italy, Belgium, Spain and Portugal bought timber from IFCO between June and October 2018. The report recommends that EU-based timber importers should exercise proper due diligence and focus on specific risks raised in the report. It also recommended that Competent Authorities in the EU countries mentioned carry out thorough investigative checks. So far, [the Portuguese Competent Authority has announced that they will inspect the company named in the report](#).

EIA report on illegal timber imports from Myanmar

In February 2019, the Environmental Investigation Agency (EIA) published a [report](#) presenting the results of a two-year investigation on illegalities related to global trade of Myanmar's teak. The report shows connections between business representatives, corrupt officials, politicians and criminal players. It describes how high quality grades of teak were mis-graded and illegally exported, particularly to China. The report also mentions the weaknesses of the EUTR, such as lack of seizure powers for due diligence offences and that the core provisions apply only to operators who place timber on the market for the first time.

Third party certification system in Myanmar

In August 2018, the Myanmar Forest Certification Committee launched a Third Party Certification System. Four Certification Bodies (United Forestry Services, Nature Watch, Myanmar Forest Association and Double Helix Tracking Technologies) were selected to issue Legality Compliance Certificates under the Myanmar Timber Legality Assurance System. More detailed information is available [in the MFCC press release](#).

EIA report on illegal timber trade with Gabon and Republic of Congo

In March 2019, the Environmental Investigation Agency (EIA) published a report 'Toxic Trade' on illegally harvested timber from Gabon and the Republic of Congo entering the US and European markets. According to the report, a group of affiliated timber companies 'Dejia Group' was involved in forest crimes including illegal obtainment of forest concessions, export of over 100,000 logs in excess of the export quota, and tax evasion. The report states that the placement of thousands of tons of illegally harvested timber on the US market was the result of the active complicity of one US importing company, identified in the report.

Katowice Declaration on Forests and Climate

During the Conference of the Parties (COP24) in December 2018 in Poland, 69 countries supported the Silesian Ministerial 'Forests for Climate' Declaration, in which they pledged to accelerate actions to ensure that the global contribution of forests and forest products as sinks and reservoirs of greenhouse gases, is maintained and enhanced by 2050.

4. Publications and resources

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

EU

UNEP-WCMC report on the interplay between CITES and EUTR/FLEGT

In March 2019, the European Commission published a [report](#) prepared by UNEP-WCMC comparing the requirements for ensuring the legality of timber under European Union Wildlife Trade Regulations (EUWTR), the EUTR and the FLEGT Regulation. The report describes the key differences between due diligence obligations under the EUTR and the verification of legal acquisition under CITES/EUWTR. It summarises the main difference as ‘the EUTR due diligence obligations consider a broader scope of laws in the country of harvest and call for a more comprehensive methodology for the verification of legality than the EUWTR’. The report then goes on to make recommendations for aligning the approaches.

INCF website for monitoring EUTR implementation

The Portuguese Competent Authority, INCF (Portuguese Institute of Nature Conservation and Forests Services), has [developed a website](#) that provides interactive data visualisations of indicators to help with monitoring EUTR implementation.

EU-FLEGT Facility comparison of South Korea’s Act on the Sustainable Use of Timbers with the EUTR

The EU-FLEGT Facility published a [comparison between the EUTR and South Korea’s Act on the Sustainable Use of Timbers](#), explaining differences in the scope of the regulations, compliance measures and implementation support.

Asia

Translation of the Japanese Clean Wood Act, and comparison with other illegal logging laws

The Japanese Forestry Agency published an official English translation of the [Clean Wood Act](#) on its website. The Clean Wood Act aims to tackle the high levels of illegal timber being sold in the country. ClientEarth developed a table with key information to [compare the Japanese, EU, US and Australian laws](#).

EIA report on fake CITES permits in Rosewood trade

The Environmental Investigation Agency (EIA) published a [report](#) suggesting that Vietnam imported and re-exported Siamese Rosewood from Cambodia, in violation of the CITES Convention. The report claims that the Vietnam Management Authority knowingly accepted CITES permits when authorising imports of Siamese Rosewood from 2013-2015, which was subsequently re-exported to China.

Africa

Ghana Forestry Commission launched Timber Transparency Portal

The new [Ghana Timber Transparency Portal](#) was launched in March 2018 by the Forestry Commission of Ghana in collaboration with Civic Response. The portal provides public information on logging permits, timber logging companies and their areas of operation, and exports of timber from Ghana.

DEVE study on transparency and accountability in the forestry sector in developing countries

The European Parliament's Committee on Development (*DEVE*) published a study reviewing the state of [transparency and accountability in the forestry sector](#) in developing countries, focusing on contributions of EU actions and provisions. The study was based on Cameroon, Ghana and Tanzania.

Worldwide

ClientEarth launches an online legal hub, 'The Forest Logbook'

ClientEarth [launched an online resource](#) to provide access to information about forestry laws. The free online tool offers open access to unbiased legal information regarding the forestry sector, with information on forest governance. The 'Forest Logbook' links to resources published by organisations and institutions, selected based on their impartiality or on their official status. ClientEarth encourages users to send new or updated information that could be added to the logbook to increase the information available.

UNEP-WCMC EU Timber Trade interactive dashboard

UNEP-WCiC, contracted by the European Commission, have created an [EU Timber Trade interactive dashboard](#) as an accompaniment to a report analysing patterns of trade in timber and timber products into and within the European Union over the period 2006-2016.

WRI Guide for businesses on sourcing legally produced wood

The World Resources Institute (WRI), in partnership with the World Business Council for Sustainable Development, published an updated version of '[Sourcing Legally Produced Wood, a Guide for Businesses](#)'. The document provides information on illegal logging and associated trade, private and public procurement policies, export country logging, log export bans, and wood products legality legislation in the United States, the EU and Australia.

TRASE supply-chain tracking tool

Stockholm Environment Institute and Global Canopy created a **new tool aimed at improving transparency of supply chains**. The **Transparency for Sustainable Economies tool** ('Trase') shows the connections between internationally traded commodities and places where deforestation is happening.



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