



Illegal logging – evaluation of EU rules (fitness check) - EUTR and FLEGT Regulation

Our call for a more effective regulatory approach to tackle illegal logging

Classification: **Internal**

Contents

1	Introduction.....	2
2	Remarks concerning the Commission’s questionnaire	2
3	Remarks concerning the EU Timber Regulation.....	3
3.1	On the objective and legal basis of the EUTR.....	3
3.2	On the coherence of the EUTR with other EU policies (e.g. tax and customs)	3
3.3	On the scope of the EUTR	3
3.4	Enforcement and implementation of the EUTR.....	4
3.4.1	Lack of staff and financial capacity in Member States	4
3.4.2	Uneven implementation leading to market disruption	4
3.4.3	Satisfactory assistance provided for SMEs.....	5
3.4.4	Checks conducted by Competent Authorities in Member States	5
3.4.5	Penalties:.....	7
3.4.6	Member State reporting and disclosing relevant information:	7
3.4.7	Weak cooperation between enforcing authorities within Member States:.....	8
3.5	On cooperation between the EU and third countries	8
3.6	On the effectiveness of substantiated concerns	9
4	Remarks concerning the FLEGT Regulation	10

1 Introduction

ClientEarth welcomes the European Commission's call for responses to its public consultation and the ongoing work the Commission is pursuing within its fitness check to assess and study both the EU Timber Regulation and the FLEGT Regulation.

While ClientEarth considers that both the EUTR and the FLEGT Regulation have contributed to more legality and transparency in global timber supply chains and have made progress towards achieving the objectives of the FLEGT Action Plan, we hope to be able to address a number of our concerns with regards to interpretation, enforcement and objectives in this document which accompanies our response to the Commission's questionnaire.

With the European Union being one of the biggest consumers of timber globally, but also a leader in environmental policies, its regulatory influence on other countries should be remembered and considered. This should push the EU towards a decisive approach regarding the problem of illegal timber and related trade, with additional efforts required to strengthen the current legislative framework and boost enforcement efforts from Member States. Indeed, while reporting from WCMC UNEP and studies by the European Forest Institute show that some Member States are well advanced in the implementation process, discrepancies still exist. Many reports and studies reveal that several countries are facing substantial technical and economic challenges, such as "the lack of resources and knowledge, and the sheer number of operators versus personal resources of the implementing agencies".¹

2 Remarks concerning the Commission's questionnaire

While the consultation of the European Commission does address many key areas, it is however concerning to note the following issues:

- The lack of questions attempting to assess the environmental and social impact of the EUTR and the FLEGT Regulation compared with the predominance of market-based and industry-oriented questions. While ClientEarth does recognise the ancillary objectives of both regulations, their environmental legal basis (Article 192(1) of the TFEU) should not be taken for granted.
- The questionnaire does not seek to assess understanding and functioning of substantiated concerns and the under-used potential of this mechanism (to both identify illegal timber circulating on the EU market and boost cooperation between national authorities and civil society organisations).

¹ R. Jonsson, A. Giurca, M. Masiero, E. Pepke, D. Pettenella, J. Prestemon and G. Winkel, *Assessment of the EU Timber Regulation and FLEGT Action Plan. From Science to Policy* (European Forest Institute, 2015).

3 Remarks concerning the EU Timber Regulation

3.1 On the objective and legal basis of the EUTR

While the ultimate objective of the EUTR is to fight illegal logging and associated trade by prohibiting placing illegally harvested timber and timber products on the EU market², its legal basis remains Article 192(1) of the TFEU. While this does build on the logic and objectives of the FLEGT Action Plan, this environmental basis does limit a fully fleshed approach to trade enforcement by the appropriate Member State Competent Authorities. This can also have effects on judicial implication, prosecution of potentially spotted illegalities, and allocation of budget.

Recommendation:

- *Should a revision of the regulation be considered, the trade and internal market implications of the choice of legal basis should be examined.*

3.2 On the coherence of the EUTR with other EU policies (e.g. tax and customs)

While ClientEarth welcomes the Commission's interest in the Questionnaire in assessing the issue of coherence with other existing EU policies, certain improvements need to be made:

Recommendations:

- *Building on the Commission's latest EUTR Union-wide review from 2019³, coherence with both tax and customs policies and issues should be more thoroughly considered to fully reflect the effectiveness of the EUTR.*
- *In coherence with the current development of new related legislative acts in the EU (e.g. taxonomy, and upcoming due diligence legislation), definitions of key terms should be aligned and developed (i.e. sustainability, environmental adverse impact, environmental risk etc).*

3.3 On the scope of the EUTR

A limited product scope: The Annex to the EUTR does not include many products containing wood along with other materials. This is a widely recognized and Commission acknowledged weakness of the EUTR⁴.

Recommendation:

- *ClientEarth supports the revision and expansion of the scope of the Annex to the EUTR and encourages the adoption of solutions aligned with the EUTR objectives – to prohibit all types of products made with the use of illegal timber from the internal market.*

Uneven distributions of responsibilities – Operators vs. Traders: Currently, the only obligation the regulation imposes on traders is to keep records of purchases and sales for a five-year period and make

² Report from the Commission to the European Parliament and the Council (2020), available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1601880684249&uri=COM:2020:629:FIN>

³ EUTR: Union-wide overview for the year 2019 (European Commission, 2020), available at https://ec.europa.eu/environment/forests/pdf/30092020_EUTR_Overview%202019.pdf

⁴ Impact Assessment Study for the Revision of the Product Scope of the EU Timber Regulation (European Commission, 2019), available at <https://op.europa.eu/en/publication-detail/-/publication/fd26ad03-9895-11e9-b2f2-01aa75ed71a1>

the information available to competent authorities if they so request. Combined with a relatively low number of checks performed on traders by Competent Authorities, this certainly limits the effectiveness of the due diligence processes carried out by operators and may even facilitate circulation of illegal timber in the EU. The Commission acknowledges this in Question 5 of the Questionnaire when referring to “known issues like operators continuing to trade in non-negligible risk timber by becoming a trader rather than an operator”.

Recommendation:

- *A revision of the EUTR should also include strong, coherent and fair responsibilities for traders.*

3.4 Enforcement and implementation of the EUTR

3.4.1 Lack of staff and financial capacity in Member States

Most of the Member States reported in 2019 having less than 20 people each working on EUTR implementation and enforcement, and this in many cases included only part-time staff. Additional data on national EUTR budgets indicates the problem of under-financing the implementation and enforcement of this regulation, resulting in at least 10 Member States having no specific budget for implementation and enforcement of the EUTR⁵.

Recommendation:

- *The Commission could provide national authorities with trainings or technical assistance in order to increase their operational capacity and ensure that Member States devote the necessary financial resources in order to increase the proper implementation and enforcement of the EUTR.*

3.4.2 Uneven implementation leading to market disruption

Inconsistencies in implementation and enforcement of the EUTR between Member States can lead to serious market disruption. Some companies may be at a competitive disadvantage if located in a Member State with a stricter level of EUTR enforcement, compared to timber-related undertakings operating in Member States with weak levels of enforcement. These market discrepancies may also create incentives for operators unwilling to comply with the EUTR to identify and target Member States with weak enforcement regimes to place timber from risky sources on the EU market, which may subsequently enter other Member States or international markets⁶.

Recommendation:

- *The Commission should seriously consider the effects that uneven implementation of the EUTR has on compliance with the Regulation and the achievement of the EUTR's objectives. While we acknowledge the Commission's previous efforts to assess if the EUTR has today contributed to the creation of a level playing field between operators⁷, a full and comprehensive assessment of*

⁵ Report from the Commission to the European Parliament and the Council (2020), available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1601880684249&uri=COM:2020:629:FIN>

⁶ A Tale of Two Laws. Using existing EU and US laws to strengthen action on illegal timber trade (EIA, 2018), available at <https://eia-international.org/wp-content/uploads/EIA-report-A-tale-of-two-laws-spreads.pdf>

⁷ The issue had initially been addressed in the initial Impact Assessment (available at https://ec.europa.eu/environment/forests/pdf/impact_assessment.pdf).

the impact of the EUTR on the EU timber market would require the involvement of competition, tax, and customs authorities to thoroughly analyse national fact patterns⁸.

3.4.3 Satisfactory assistance provided for SMEs

Evidence has shown that some small and medium enterprises (SMEs) 'consider the compliance with the EUTR a challenge', while 'large companies seem to have been able to adapt better and quicker to the new requirements'⁹. This difficulty is being actively counteracted by providing operators (mostly SMEs) with technical assistance and capacity-building trainings carried out by competent authorities and government organisations. According to the official data, the number of operators receiving assistance or training to facilitate compliance with the EUTR requirements varies across Member States, from 7 (Cyprus) to 4 000 operators (Germany) in 2019¹⁰. In addition to this, the Commission has acknowledged that there are no clear indications that being a smaller business is a barrier to comply with the obligation of implementing due diligence systems¹¹.

Recommendation:

- *While acknowledging that SMEs can view regulatory requirements as a challenge, studies of the EUTR and statistics show that this should not constitute the grounds for relaxing requirements of micro-, small- and medium-sized companies. The Commission could offer support to national authorities with expertise and financial resources in order to increase the scope of trainings or technical assistance and review the needs of operators in this field.*

3.4.4 Checks conducted by Competent Authorities in Member States

An exact assessment of the numbers of checks over time is difficult to provide, mainly because of differences in reporting methodology¹². This, however, does not prevent the general conclusion that the number of checks remains at a low level, reaching in 2019 a total of 9300 checks on operators in all Member States. Compared to the declared estimated numbers of operators (exceeding 3 million in all Member States¹³), this shows a significant shortcoming of enforcement that needs to be addressed at the EU level. In addition to this, competent authorities perform far fewer checks on traders (2055 checks in 2019) and hardly any checks on monitoring organizations (8 checks in 2019).

⁸ See also Section 3.4.7 below

⁹ Report from the Commission to the European Parliament and the Council (European Commission, 2016), available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52016DC0074>

¹⁰ Background analysis of the 2015-2017 national biennial reports on the implementation of the European Union's Timber Regulation (European Commission, 2018), available at <https://ec.europa.eu/environment/forests/pdf/WCMC%20EUTR%20analysis%202017.pdf>

¹¹ Report from the Commission to the European Parliament and the Council (2016), available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52016DC0074>

¹² Some national laws require inspections on timber companies that are not purely focused on the EUTR enforcement, but ensure compliance with it. See: Background analysis of the 2015-2017 national biennial reports on the implementation of the European Union's Timber Regulation (European Commission, 2018), available at <https://ec.europa.eu/environment/forests/pdf/WCMC%20EUTR%20analysis%202017.pdf>

¹³ EUTR Biennial Implementation Report 2017-2019 (European Commission, 2020).

In addition to the low numbers of checks, national laws determining the procedural rules of checks differ across Member States¹⁴. The criteria to be considered by competent authorities in developing a risk-based plan for checks are not clear. Neither is it clear if this plan is being “periodically reviewed” in accordance with Article 10(2) of the EUTR. The same goes for the criteria used in assessing the “relevance” of the information submitted in substantiated concerns which are intended to identify compliance issues and thereby trigger unplanned checks.

There is also a need for common understanding of the factors relevant to determining and assessing compliance with operators’ obligations, namely – factors that determine when a check identifies a breach of obligations. The starkest example of this problem is the ratio between the number of checks performed and the number of infringements detected in regards to due diligence requirements (Articles 4 and 6 of the EUTR)¹⁵. The ratio between the number of checks conducted and the number of breaches of prohibition of placing illegally harvested timber on the EU market is even more problematic¹⁶.

Recommendation:

- *More detailed rules on frequency and quality of checks performed by competent authorities are needed. The number of obligatory checks per year could be established as a percentage of the number of timber operators, traders and monitoring organisations registered in each country. Additionally, the Commission should introduce a set of obligatory elements of a check that competent authority are obliged to perform, such as assessing both due diligence requirements and legality of timber at the same time or using the latest available scientific methods to verify origins of timber.*

Additional remarks

Reports submitted by Member States lack complete data on estimated average time spent on the different types of checks, which makes it difficult to assess their quality and accuracy, especially in regards to the checks based on desk review. This shortcoming in quality and quantity of checks could be, however, a conclusion derived from the numbers of employees in competent authorities working on the EUTR and dedicated budgets.

Closely linked with the problem of underfinancing, the quality of inspections is determined by the level of use of technological advances in detecting illegal timber. Checks must be carried out to a standard that would support further enforcement steps. Results of inspections conducted with the use of scientific tools, like timber tracking, forensic methods, satellite imagery, genetic testing or camera traps, constitute a stronger evidence base that could be used in further enforcement action. Technological advances are

¹⁴ National reports submitted by Member States are missing complete data on estimated average time spent on the different types of checks, which makes it difficult to assess their quality and accuracy, especially in regards to the checks based on desk review.

¹⁵ Some of the Member States, despite a relatively high number of checks carried out, reported no infringements or a very small number (for example, Greece – 620 checks and 0 infringements; Austria – 932 checks and 34 infringements; Romania – 1984 checks and 49 infringements), while others reported infringements in more than 75% of checks carried out (for example, Finland – 60 checks and 49 infringements; Malta – 28 checks and 26 infringements; UK – 90 checks and 68 infringements). See national reports for the period 2017-2019 (sections ‘Checks on domestic operators (ref. EUTR Article 10)’ and ‘Checks on importing operators (ref. EUTR Article 10)’).

¹⁶ Background analysis of the 2017-2019 national biennial reports on the implementation of the European Union’s Timber Regulation (European Commission, 2020), available at <https://ec.europa.eu/environment/forests/pdf/EUTR%20Analysis%202017-2019.pdf>.

an indispensable tool in verifying origins of timber, yet only a few Member States reported performing checks with scientific methods in 2019¹⁷.

3.4.5 Penalties:

While certain Member States have chosen a penalty regime relying mainly on administrative penalties, others rely mainly on criminal penalties for key EUTR obligations, and some have adopted a combination of these two systems. Differences also emerge with regards to the level of penalties as well. This is especially apparent in case of maximum levels of financial penalties, which range between €50,000 and €32,000,000 (criminal fines), and between €50 and €1,600,000 (administrative fines). The fines imposed, however, are often relatively low compared to the maximum amounts available. Many Member States have not established the minimum levels, or have made them very low, sometimes even symbolic (starting at only tens or hundreds of euro). These practices contradict the obligation of Member States to adopt and enforce measures that are 'effective, proportionate and dissuasive' in accordance with Article 19 EUTR.

Based on EU jurisprudence¹⁸, a penalty for a breach of the EUTR should represent enough of a threat to a company's operation that the company will comply with its due diligence obligations and refrain from placing timber at risk of being illegal on the EU market. In other words, obeying the law needs to be clearly more economically viable than breaching it. A penalty should also effectively prevent illegal timber from accessing EU market, and be coherent with other penalty regimes for similar offences under national law.

Recommendation:

- *Member States should be encouraged to adopt clear and credible enforcement policies related to the penalties for breaches of EUTR, available to competent authorities, police and customs officers, as well as prosecutors and judges (depending on the national enforcement setup – state authorities involved in the EUTR enforcement)¹⁹. The Commission should ensure that Member States take “all measures necessary” to ensure that penalties are properly implemented in accordance with Article 19(1) EUTR.*

3.4.6 Member State reporting and disclosing relevant information:

National reports submitted by Member States contain many gaps regarding certain areas of EUTR enforcement, such as data on operators, details on human and financial capacity of competent authorities or on compliance checks and subsequent enforcement proceedings. In addition, there is relatively little information on EUTR enforcement publicly available and the transparency of administrative processes remains in general at a very low level. It is of crucial importance for competent authorities to have relevant data on operators when it comes to developing risk-based plans for compliance inspections. Without this data, it seems impossible for them to develop an appropriate risk-based approach.

¹⁷ Only 6 Member States reported using scientific methods in checks in 2019. See: Background analysis of the 2017-2019 national biennial reports on the implementation of the European Union's Timber Regulation (European Commission, 2020), available at <https://ec.europa.eu/environment/forests/pdf/EUTR%20Analysis%202017-2019.pdf>

¹⁸ See Judgment of 26 September 2013, Texdata Software, C-418/11, EU:C:2013:588, par. 50 and the case law cited.

¹⁹ See: National EUTR penalties: are they sufficiently effective, proportionate and dissuasive? (ClientEarth, 2018), available at <https://www.clientearth.org/media/cuxibicg/national-eutr-penalties-are-they-sufficiently-effective-proportionate-and-dissuasive-ce-en.pdf>

When comparing the numbers of operators submitted by Member States in their annual reports, there is a serious concern that many Member States do not regularly collect up-to-date information on how many operators place timber on their national markets²⁰. This oversight is likely to encourage companies placing illegal timber on the market to operate under different company names to avoid detection and without being linked with illegal actions from the past.

Recommendations:

- *Member States should adopt strict and harmonized policies on gathering data on operators, ideally in a form a joint EU-wide register of operators and traders operating in the internal market. Such a register could include data on companies' size, countries of operation, supply chains complexity, frequency of timber imports and quantities and value of the timber imported and placed on the market.*
- *Member States should disclose information on EUTR enforcement on a regular basis, possibly in the form of public registers or dedicated websites with data on compliance checks, substantiated concerns and subsequent enforcement measures.*

3.4.7 Weak cooperation between enforcing authorities within Member States:

It seems that in most Member States, cooperation with other authorities involved with the enforcement of the EUTR (e.g. customs and tax authorities, police etc) is limited only to some data/information exchange when actively requested²¹. This can result in inconsistency of enforcement procedures, such as the level of scrutiny of compliance checks.

Recommendation:

- *Competent Authorities and the Commission should work together to facilitate a new platform of communication between all enforcing authorities that could promote the exchange of data/experience, as well as provide enforcing authorities with the relevant training to perform joint activities (like supranational inspections).*

3.5 On cooperation between the EU and third countries

There are significant shortcomings in communication and cooperation between different competent authorities, the Commission and third countries' authorities, as well as a lack of clear procedures in this regard.

Recommendations:

- *The Commission, together with Member States, should work towards a common understanding of criteria and concepts included in the EUTR, that would create stronger links between the national laws of third countries and enforcement efforts in the EU.*

²⁰ Some numbers of operators reported by Member States has remained totally static since 2013 (for example, cases of United Kingdom or the Czech Republic).

²¹ EUTR: Union-wide overview for the year 2019 (European Commission, 2020), available at https://ec.europa.eu/environment/forests/pdf/30092020_EUTR_Overview%202019.pdf

- *The Commission should support both competent authorities and operators in verifying the credibility of documents issued by third countries' officials. Competent authorities should follow harmonized rules of scrutinizing official documentation issued in third countries²².*

3.6 On the effectiveness of substantiated concerns

The lack of provisions or detailed guidance on the procedure of submitting and handling substantiated concerns weakens the grounds for public participation in the EUTR enforcement. Member States are not obliged to introduce any national procedures that would facilitate a common use of this mechanism. Some substantiated concerns may not be considered sufficiently 'relevant' by the authority to conduct a check in accordance with Articles 8(4) and 10(2) of the EUTR²³. In 2017-2019, Member States reported receiving 480 substantiated concerns regarding operators and traders. Out of the total of 480 substantiated concerns received in this period, most triggered compliance checks, resulting in more than 600 enforcement actions (including notices of remedial actions and penalties)²⁴. This proves that substantiated concerns are an effective tool for identifying stakeholders breaching the EUTR requirements and can give strong support to competent authorities struggling with shortcomings in personnel and financial resources.

Recommendation:

- *The Commission should strengthen the wording of the EUTR regarding substantiated concerns by adopting a legal definition of a 'substantiated concern' and common criteria for scrutinizing the evidence of infringements provided by third parties, as well as provisions that would facilitate an appropriate process to challenge decisions of competent authorities to dismiss the evidence provided in substantiated concerns.*

²² Using official documentation under the EU Timber Regulation's due diligence obligation (ClientEarth, 2015). See: <https://www.documents.clientearth.org/wp-content/uploads/library/2015-03-25-using-official-documentation-under-the-etr-due-diligence-obligation-ce-en.pdf>.

²³ This is problematic in the sense that the assessment of the evidence raised in a substantiated concern lies at the discretion of the relevant competent authority and there are usually no avenues open to the third party to question the competent authority's position.

²⁴ Report from the Commission to the European Parliament and the Council (2020), available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1601880684249&uri=COM:2020:629:FIN>

4 Remarks concerning the FLEGT Regulation

ClientEarth welcomes the work the Commission has developed on the FLEGT Regulation, and wishes to stress the following points:

On the participation of CSOs in decision-making resulting from FLEGT-VPA processes

ClientEarth works with partner organisations in Côte d'Ivoire, Ghana, Liberia and the Republic of Congo on forest governance. These countries are at different stages of negotiation and implementation of FLEGT-VPAs. Yet, they have already achieved important procedural changes to the process of law reform on forest governance issues. FLEGT-VPAs have allowed CSOs to get a seat at the table and to take part to a greater extent in decision-making, even outside FLEGT-VPA processes.

On law reform and stronger LCIPs rights

FLEGT-VPAs have been instrumental in recent law reform processes. All of ClientEarth focus countries have reviewed their national laws governing forests when developing a legality standard for FLEGT. These reforms, conducted with the participation of CSOs and community representatives, have addressed inconsistencies and gaps in forest laws and in some cases achieved a stronger recognition of LCIPs' substantial and procedural rights. For example, the new Forest Codes in Cote d'Ivoire and Republic of Congo, and Legislative Instrument 2254 in Ghana. FLEGT-VPA processes have therefore contributed to systemic changes in forest governance.

On advantages of FLEGT-VPAs over certification

The successes listed above constitute a major difference between FLEGT-VPA processes and private certification schemes. Private sector certification is a means for companies individually to show their improvements towards sustainability at the concession-level or business-level. FLEGT licenses are the result of changes to the legal framework and governance systems of a country as a whole. Unlike private sector certification, FLEGT licences contribute to systemic changes agreed on by all stakeholders. Their effects are wider ranging and longer term, going beyond operations by a specific company.

Private certification could possibly be applied at a country-level, as is being discussed in Gabon. Unlike FLEGT-VPA processes, this could risk weakening sovereignty over forest governance because of the role private auditors would play in certifying compliance with certification standards.

On technical complexity and scope of FLEGT-VPAs

In West and Central Africa, FLEGT-VPAs are not yet at a stage where FLEGT licenses are issued. The technical complexity and scope of these trade agreements, in particular as they provide for multi-stakeholder processes and encompass all timber produced and transited through a country, may have been underestimated²⁵.

On an EU stance to resolve contentious points among stakeholders

In producer countries, some consider that the EU could do more to encourage FLEGT-VPA negotiation and implementation. When contentious questions arise, it has been noticed that the EU does not engage actively, letting national stakeholders resolve issues among themselves. On the other hand, technical and financial support provided by the EU is key to further progress. The EU's continuing partnership with producing countries will be instrumental to achieving FLEGT licenses and improved forest governance.

²⁵ See our response to Question 53 of the Questionnaire that a step-wise approach to VPAs might be more suitable.

On access to the EU Market

The weight of the EU market in the global timber market has reduced since the adoption of the FLEGT Regulation. In that context, countries negotiating or implementing a FLEGT-VPA may not see easier access to the EU market as a strong incentive to make significant progress. The weaknesses in the EUTR implementation at EU level as well as the relatively low impact of FLEGT licenses on Indonesia's timber trade do not send a strong signal to partner countries.

On forest conversion and EU initiative to tackle deforestation

In addition to timber, the growing demand in both domestic and international markets for commodities like soy, cocoa, palm oil and beef is driving global tropical deforestation.

The scope of the EUTR and the FLEGT Regulation does not adequately encompass forest conversion, including potential breaches of sectoral laws outside the forest sector. We therefore strongly recommend the EU to develop legislative measures, including a mandatory due diligence obligation, to address deforestation, forest degradation and associated human rights violations. Such measures should be accompanied by appropriate technical support for producing countries.



Brussels
60 Rue du Trône (3ème étage)
Box 11, Ixelles, 1050 Bruxelles
Belgique

Berlin
Albrechtstraße 22
10117 Berlin
Germany

Warsaw
ul. Mokotowska 33/35
00-560 Warszawa
Polska

Beijing
1950 Sunflower Tower
No. 37 Maizidianjie
Chaoyang District
Beijing 100026
China

London
Fieldworks
274 Richmond Road
Martello St. Entrance
E8 3QW
United Kingdom

Madrid
García de Paredes
76 duplicado
1º Dcha
28010 Madrid
Spain