



Even implementation of the EU Timber Regulation

Harmonizing and improving the
implementation of the EUTR in the EUTR
countries

Thünen Institute, 09 October 2018,
Hamburg



EUTR – EU MS obligations for application and enforcement

- Designate Competent authorities;
- Define measures and penalties for breaches by operators and traders: effective, dissuasive, proportionate
- plan of checks on operators (risk-based approach and substantiated concerns/other info)
- carry out checks and apply measures in case of breach by operators and traders: effective, dissuasive, proportionate
- Carry out regular checks on monitoring organisations

EUTR – EU MS obligations for keeping records, reporting and cooperation

- Keep records of checks for 5 years, including information on follow-up in case of findings;
- Ensure access to the information in the reports, including to reports on checks on monitoring organisations
- Make available reports on checks of Monitoring organisations
- Report to the Commission on implementation and on breaches by Monitoring organisations
- Cooperate and inform of serious shortcomings
- Optional: Provide technical assistance and guidance



EUTR - Commission facilitates and monitors

- FLEGT/EUTR Expert Group meetings (5 meetings/year);
- Communication platform with CAs;
- Bi-monthly briefing notes;
- Developing guidance;
- Country Overviews;
- Encouraging sharing of experience and best practice between Member States (incl. joint inspections);
- Promoting cooperation with third countries (e.g. USA, AUS, Japan, Korea, China).

Example of support of EUTR implementation and enforcement

Country overviews:

- Overviews for China, Brazil, Myanmar, Russia, Ukraine are finalised, more to follow, will be updated.
- Tailored for Competent Authorities but available for operators and other stakeholders.
- Country overviews include:
 - Key statistics (e.g. forest area, species in trade, risk indices)
 - Overview of legal trade, main areas of risk (relating to EUTR)
 - Information on legislation, sample documents, key reports
- Peer reviewed by Competent Authorities, authorities of the country (through EU Delegations) and in country experts, e.g. from NGOs.



Cooperation beyond competent authorities

- Meetings with Monitoring organisations
- The work of civil society organisations in identifying and tracing illegal timber has proved to be valuable, particularly in evidence gathering.
- Substantiated concerns have triggered checks and often resulted in penalties
- Meetings with representatives of the timber trade federations and individual companies and surveys lead to a better mutual understanding



What have we achieved?

- Significant progress in application: all EUTR Competent Authorities are performing checks and taking action when faced with EUTR breaches.
- Checks are carried out by Member States according to plans that are based on risk criteria. Checks are performed both for timber harvested in EU Member States and imported timber.
- The Commission monitors and facilitates enforcement of the regulation by the Member States and takes action to address cases of non-compliance or insufficient implementation by the EU member states.

But.... A lot remains to be done

- A common understanding of effective, dissuasive, and proportionate and how it can be ensured that it is reflected in the very different legal systems and in practice
- Sufficient data availability for CAs (e.g. customs data)
- Data sharing ability
- Common methodologies for interpreting data
- The knowledge of third party verification systems and in which cases and how they can support due diligence.
- Ad hoc country specific expert group opinions to help operators.

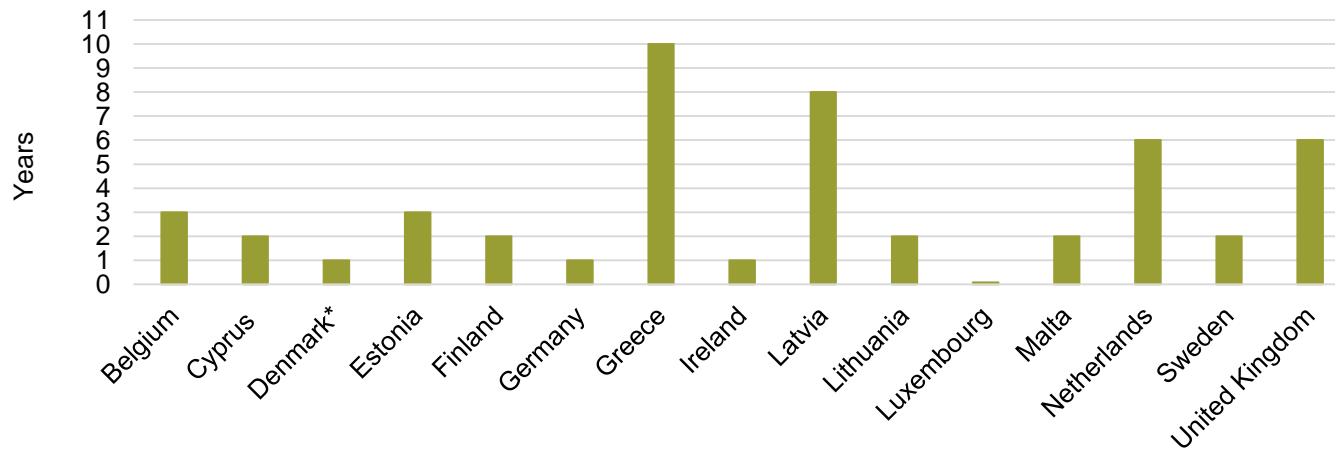
Questions still open....

- How are penalties implemented against traders with incomplete/incorrect documentation?
- How is EUTR implemented vis-à-vis domestic operators (prohibition of putting on the market in addition to prohibition to harvest illegally; due diligence)?
- How and which records are kept and how is access ensured?
- How is proportionality, effectiveness, and dissuasiveness of sanctions ensured?
- ...

EUTR implementation and enforcement

Potential penalties that Member States can issue, if breaches of the EUTR are identified:

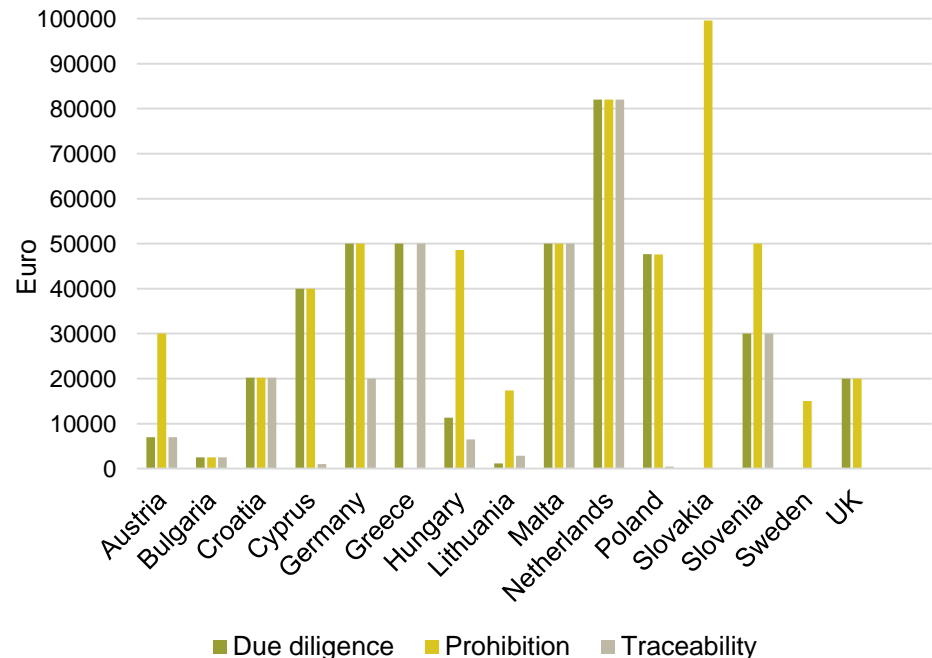
- Imprisonment:
 - 15 countries reported that imprisonment is a potential penalty (see **figure** for reported maximum possible sentences)



EUTR implementation and enforcement

Potential penalties that Member States reported that they can issue, if breaches of the EUTR are identified:

- Monetary fines:
 - 15 countries < €100 000 (see **figure**)
 - 6 countries > €100 000
 - 4 countries ≥ €1 million
 - 2 countries depending on offender's income (etc.)
 - 1 country 5x value of timber
 - 1 country no set limit



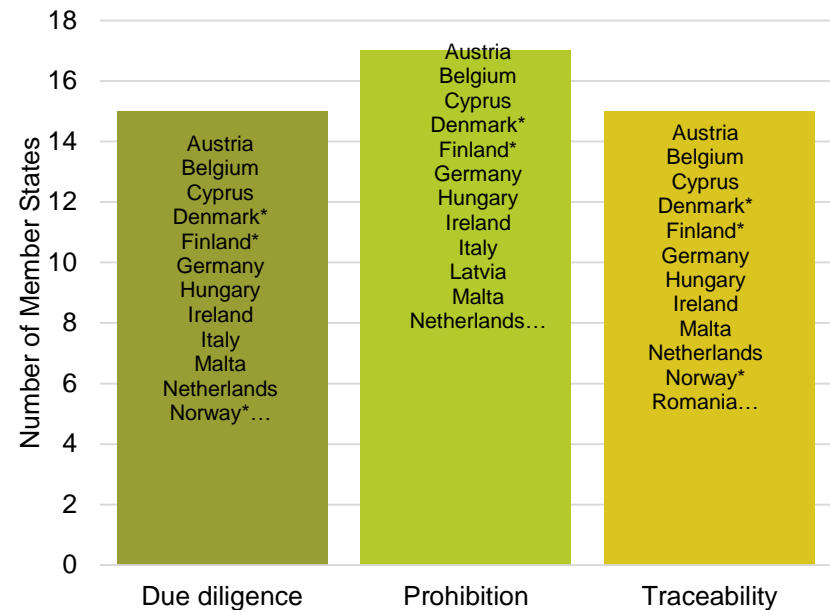
Operators – How many are there?

Country	Domestic	Imported
Austria	140 000	6 000
Belgium	***2300	**1 800
Bulgaria	4 013	unknown
Croatia	2700	5 000
Cyprus	*62	*780
Czech Republic	300 000	2 500
Denmark	28 000	3 800
Estonia	10 000	450
Finland	***350 000	**2 000
France	5 000	14 000
Germany	***2 000 000	**25 000
Greece	1 559	233
Hungary	***46 700	***2 674
Ireland	unknown	unknown
Italy	not specified	not specified
Latvia	140 000	**330
Lithuania	25 940	800
Luxembourg	***200	**245
Malta	unknown	750
Netherlands	100	4 900
Norway	120 000	5 000
Poland	34	62
Portugal	*2 525	*853
Romania	4 372	162
Slovakia	9 700	unknown
Slovenia	***461 000	**1 030
Spain	1 000	11 000
Sweden	***100	**4 500
United Kingdom	unknown	6000

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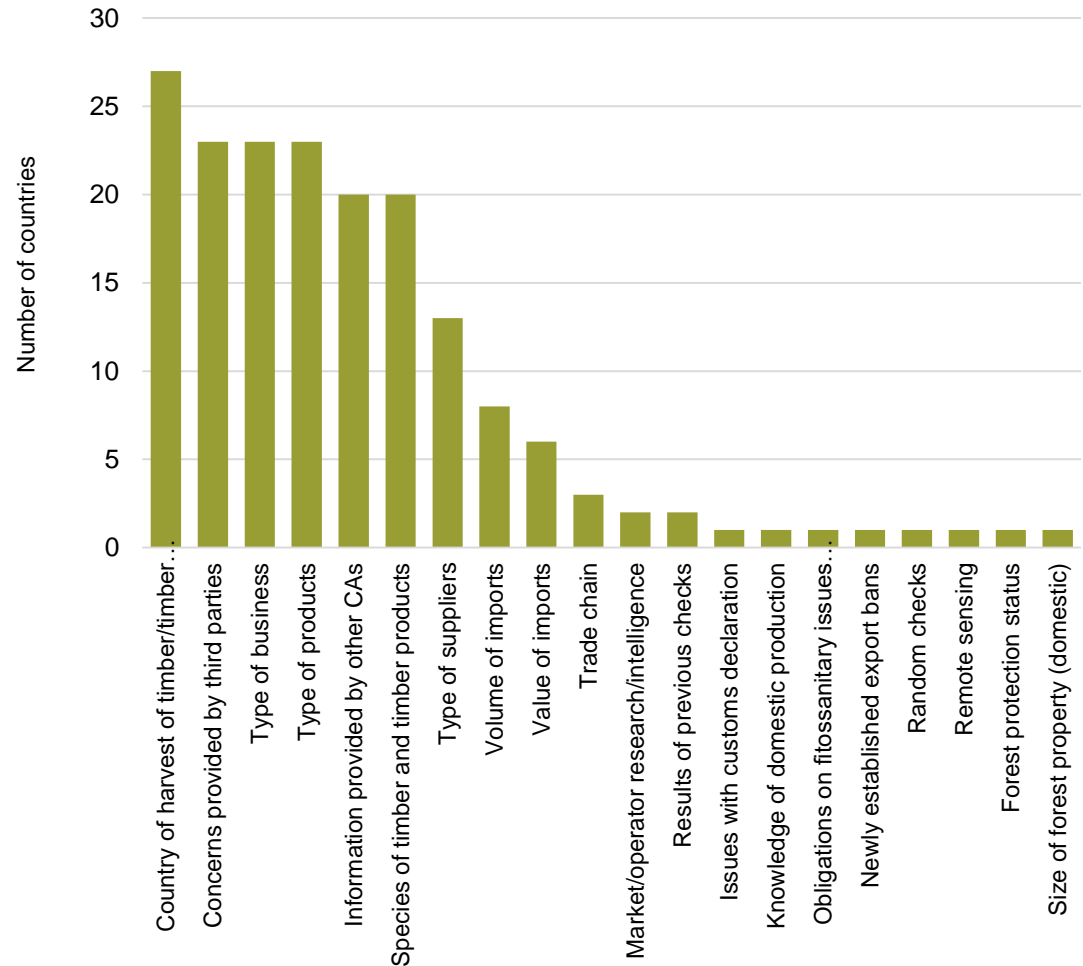
Potential penalties that Member States can issue, if breaches of the EUTR are identified:

- Other penalties:
 - 19 countries reported that they can seize timber
 - 4 countries said they can seize machinery etc. used in the infringement
 - 8 countries reported that they can suspend the operator's authorisation to trade
 - etc.



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- Competent Authorities prepare **risk based check plans**, which take into consideration a range of different elements (see **figure**)
- Customs data is generally analysed to identify operators for checks



EUTR implementation and enforcement

June-November 2017: 16 reporting Competent Authorities
Checks on operators: 325 checks on >283 domestic and 638 checks on 620 importing

Checks on traders: 152 checks on traders of domestic timber and 31 checks on traders of imported timber

107 substantiated concerns to 6 countries, all followed by checks

Country	No. of operators checked	No. of desk based reviews	No. of document reviews on site	No. of product inspections on site	No. of document & product inspections on site	No. of operators without appropriate DDS	No. of notices of remedial action	No. of notices of remedial action that led to penalties	No. of financial penalties	No. of court cases	No. of no action	No. of other penalties
Austria		4	4			1	3					
Belgium		2	0	2	0	0	2	1				
Finland		16	2	14			10	1	2			
France		14	14			14						
Germany		103	6	46		51	66	47	5			
Hungary		5	2	0	0	3	2	2	0	0	0	4
Ireland*		28	25			3						
Italy		343				343	9		14			
Latvia		10	4	7		2	3					
Luxembourg		11	9	2			11	5	0	0	0	0
Netherlands		20	0	0	0	20	5					5
Norway		10		2		8	9	9				
Republic of Cyprus		11		5		6	1	1				
Slovenia		9	0	9	0	0	1	0	1	0	0	
Sweden		7	2	5			7	4				3
United Kingdom		27	6	13		8	23	7	0	0	1	



Thank you!