

Briefing Note for the Competent Authorities implementing the EU Timber Regulation April 2017 - May 2017

ENFORCEMENT OF EUTR



Dutch court ruled that an operator importing timber from Cameroon did so in breach of the EUTR (May 2017)

The Dutch CA successfully brought to court a case of a Dutch operator who imported timber from CCT in Cameroon, a sawmill found to be dealing in illegally harvested timber (e.g. reports by IM and Greenpeace). The operator was acting in contravention of the EUTR, as they failed to provide documents for the trade chain and had not taken any mitigating measures. In March 2016, the CA put in place measures whereby the operator would forfeit a sum of money per meter cube of timber if they continued importing from Cameroon. In March 2017, the CA took the case to the administrative court and on 24 May, the court ruled in favour of the CA. The operator had claimed that the CA should have provided more advice and that the CA's interpretation of the legislation was biased, but these were dismissed by the court. The court also highlighted that operators must provide documentary evidence to the CA of their compliance with the legislation and take sufficiently robust mitigation measures. Greenpeace, the NGO that submitted the initial substantiated concern to the Dutch CA, issued a **press release** on the ruling.

German public prosecutor finds that teak used in the construction of "Sailing Yacht A" was illegal (April 2017)

Public prosecutor Axel Bieler found that the German shipyard Nobiskrug used illegally sourced teak in the construction of "Sailing Yacht A". The German CA clarified that the Kiel Public Prosecutors Office did not seek the advice of the CA regarding the factors surrounding imports from Myanmar.

German Court rules two shipments of wenge wood were imported into Germany from the Democratic Republic of the Congo, via Belgium, in contravention of EUTR

The German Federal Agency for Agriculture and Food (BLE), the German CA for the EUTR, confiscated the shipments in 2013 after concerns were raised by Greenpeace regarding potential unlawfulness of the DRC concession contract and evidence submitted by the Belgian authorities that aspects of supporting documents were inconsistent and indicative of forgery. The German importers of the wood ('operators' in EUTR terms) brought an action against BLE subsequent to this confiscation, which was heard by the administrative court (Verwaltungsgericht) this year; the court dismissed the action, agreeing with BLE's findings that the supporting documents for the import were falsified, justifying the confiscation of the timber. The applicants have announced their intention to appeal the decision.

Italian CA issued reply to Substantiated Concerns raised by EIA on Myanmar teak (April 2017)

The Italian CA confirmed that checks were carried out on five of the operators of concern raised in EIAs substantiated concern. These checks found that one operator had areas of non-conformity with respect to EUTR, while others did not import timber products from Myanmar.

EIA formally responded in May 2017, stating that Italy's response "raises significant concerns that Italy has failed to address the concerns raised by EIA in most, if not all of the cases submitted" and detailing the issues they understand to remain unresolved. The Italian CA is expected to address these concerns.

UK Competent Authority issued notice of remedial action to UK operators

Notices were issued to two UK operators importing timber from Myanmar: one importing directly, and one importing via the United States.

Portuguese CA improves EUTR implementation in the country

The CA has scheduled improvements to the database and website for EUTR information, in order to improve capture and storage of data from reports. The CA has also developed a website, currently in the testing phase, to monitor indicators of EUTR implementation in Portugal and collate documentation on EUTR. The CA has also strengthened links with the Spanish CA through joint checks and training sessions; within Portugal, the CA held a workshop with regional departments in 2016 to standardise checking procedures. Operators are also issued a guidance note on EUTR upon registration with the Portuguese web system.

The Nordic-Baltic Cooperation group will expand to include Lithuania

The Nordic-Baltic group comprises Iceland, Norway, Sweden, Denmark, Latvia, Estonia and Finland, with Lithuania joining this year. The group aims to share information and increased mutual understanding of EUTR by meeting face to face once a year, holding video meetings, when needed, and conducting joint checks or jointly coordinated checks. The 5th meeting of the group will be held in Riga, Latvia, in July 2017.

First EUTR meeting of Central European Competent Authorities held (May 2017)

The Hungarian EUTR Competent Authority (the National Food Chain Safety Office) hosted the first regional expert level meeting of Central European Competent Authorities from 29 to 31 May, with the participation of Austria, the Czech Republic, Slovakia and Slovenia. The main objectives of the meeting were to mutually recognise each country's legal, professional and procedural frameworks, present the existing challenges and strengthen relations and cooperation to facilitate joint activities in the future. A priority area of future cooperation is to harmonise the methods of import checks, including requesting and accepting the same legality verification documents from different third countries in every Member State.

All participants found such informal collaboration very useful and were committed to continue it and invite other Member States from the region to participate. A forthcoming expert meeting will take place next year in the Czech Republic.

The Forest Stewardship Council started a new Policy for Association investigation of the Schweighofer Group (March 2017)

The **investigation** aims to determine whether the Schweighofer Group was involved in violation of Romania's timber measurement standards, and will involve an assessment of the company's operations in Romania. The Schweighofer Group has committed to full cooperation and collaboration in the investigation.

The UK's Timber Trade Federation **agreed to mandatory species testing of plywood imported into the UK (March 2017)**

The testing will apply to plywood entering the UK from higher risk supply chains outside the EU.

India enhanced its **traceability system for wooden craft products (April 2017)**

India's Export Promotion Council for Crafts has announced it will barcode all wood craft products for export, with the barcode linked to details of the timber used and its origin. The system is intended to be used in addition to the current VRIKSH certificate to enable buyers to meet their due diligence requirements.

ILLEGAL LOGGING & TRADE



Singaporean businessman and firm fined for illegal import of rosewood logs (April 2017)

A shipment of rosewood logs, reported to be worth approximately US\$50 million, was seized in March 2014 due to the lack of appropriate permits. The importing company's owner was sentenced to three months' jail time and a fine of \$500 000 Singapore dollars.

Attempted illegal exports of kevazingo wood in Gabon (April 2017)

Customs authorities in Gabon confiscated the contents of several shipping containers due to be exported from the country, in which kevazingo (*Guibourtia* spp.) had been falsely declared as different timber species.

Seizure and arrest figures for Myanmar illegal timber harvesting published (April 2017)

During the fiscal year 2016-2017, the Myanmar Forestry Department confiscated over 50 000 tons of illegal timber, including 14 000 tons of teak, and arrested over 8000 people alleged to have been involved in illegal timber harvesting and trade.

A brief on illegal trade in CITES-listed rosewood in Asia released by EIA (March 2017)

The briefing focuses on factors EIA identified as playing key roles in the ongoing illegal trade in Siamese rosewood, including use of fake CITES permits, issues with source reporting on permits and verification of permits.

New report on illegal timber trade between Cambodia and Viet Nam released by EIA (May 2017)

The report covers an investigation into illegal logging in Cambodia, including in community protected areas and wildlife sanctuaries. It implicates government and military officials in Viet Nam and links illegally logged timber in Cambodia to Vietnamese wooden furniture placed on the EU market.

LEGISLATION & POLICY



EU

The **FLEGT/EUTR Expert Group** met in Brussels on 19 April. Discussions included national EUTR implementation and enforcement steps, actions taken relating to cases of substantiated concern involving timber imports from Myanmar and potential violations of forest concession allocation processes in Liberia. The Commission provided updates on the status of draft EUTR guidance documents as well as the implementation of the FLEGT licencing scheme. This included discussions of problems identified and steps to address these, and the deployment of version 2 of FLEGIT. They also provided an overview of the status of the FLEGT Work Plan and the VPA processes with Cameroon, Ghana and Liberia. Presentations were provided on tree species identification through genotyping technologies (GTTN-2), an analysis of import levels of timber, paper and furniture (Conlegno), potential traceability of teak from Myanmar (ETTF), and developments under the ENPI East FLEG II programme (World Bank). The Agenda and all relevant materials and presentations from the meeting can be found at the **FLEGT/EUTR Expert Group register**.

WWF held a Business Roundtable workshop in Brussels (April 2017)

The WWF European Policy Office organised a “business roundtable” workshop on 20th April, bringing together a range of Competent Authorities, businesses, timber certification bodies and NGOs. The European Commission and UNEP-WCMC also attended. The workshop focused on the potential expansion of the EUTR product scope, as well as on the national enforcement of the EU Timber Regulation. Taking place under “Chatham House rules”, it provided an opportunity to share experiences and concerns, as well as visions for next steps.

Laos and the EU held the first face to face negotiations towards a Voluntary Partnership Agreement (April 2017)

The meeting focused on the scope of the VPA and defining legality for timber from different sources.

Viet Nam and the EU formally concluded their negotiations towards a Voluntary Partnership Agreement (May 2017)

Both parties initialled the text of the VPA in May, setting the stage for the agreement to be signed and ratified.

The Republic of Congo and the EU held the sixth meeting of their Voluntary Partnership Agreement Joint Implementation Committee (May 2017)

The Committee reviewed the progress in VPA implementation since their last meeting and discussed, *inter alia*, deployment of recently developed traceability software, finalisation of procedures for verifying legality and progress towards finalisation of the draft text of the country’s forestry law and its implementing texts.

International

Nigeria suspended wood exports and harvesting (March 2017)

The suspension covers exports of rough or sawn timber and covers all species. Harvesting rights also appear to be suspended.

Ghana partially lifted the ban on trade in rosewood, *Pterocarpus erinaceus* (May 2017)

The Ghana Forestry Commission announced that companies with seized rosewood held at ports and depots will be granted a CITES permit to export the stock, subsequent to payment of a penalty for non-observance of the “stop-work” order effective from 1 January 2017.

Zambian government banned “in transit” timber from the country (April 2017)

Seventeen species of timber are included in the ban of timber transported through Zambia en route to other countries, including *Pterocarpus chrysotrix* (muklua). The ban aims to address concerns over disease introductions and will be in place until further notice.

Indonesia extended the moratorium on issuing new licences to harvest wood on primary forest and peatland (May 2017)

The moratorium will be extended for two years (due to end in 2019), and is the third extension since the initial moratorium in 2011.

Myanmar published a statement reaffirming its commitment to reforming the country’s timber production and exports (March 2017)

The statement from Myanmar’s Ministry of Natural Resources and Environmental Conservation (MONREC) emphasised its belief that Myanmar’s current timber traceability system served its purpose, although it also acknowledged challenges faced by EU importers in accessing key documentation. It stated that a multi-stakeholder group will be formed in the framework of the country’s FLEGT process to improve the Myanmar

Timber Legality Assurance System (MTLAS). The Myanmar Forest Certification Committee is **inviting** third party verification agencies to join a focal group to inform the establishment of a system of third party verification for the Myanmar Timber Legality Assurance System. The Mandalay Regional Government also **introduced** additional penalties for those involved in illegal forest activities, in addition to the actions taken under the existing Forestry laws.

New Forest Trends **report released on the impact of Laos' log and sawnwood export ban (April 2017)**

Forest Trends' report assessed the impact of Laos' 2015 ban on log and sawnwood exports in the primary consumer markets of China and Viet Nam. The report shows a near 75% decline in exports to China and Viet Nam 2014 – 2016, which the authors contend indicates progress towards more effective enforcement of laws and regulations in Laos.

TRAFFIC released a new **report on East and Southern Africa timber trade (April 2017)**

The report provides an assessment of the current status of timber production, domestic use and international trade in six East and Southern African countries and provides recommendations to governments, forest agencies, research institutes and civil society organisations in the region.

IIED released a report on strengthening sustainable forestry in Mozambique (April 2017)

The **report** focuses on six main areas of concern and makes recommendations to improve practices of Chinese timber traders and their Mozambican partners, to be prioritised in discussions between Chinese and Mozambican forest operators.

CIFOR published an interactive deforestation and industrial planting **atlas of Borneo (April 2017)**

The atlas covers 42 years of forest cover from satellite and land ownership records to document forest conversion, and is searchable by plantation owner.

Eastern African nations launched the **Steering Committee for the Zanzibar Declaration on Illegal Trade in Timber and other Forest Products (April 2017)**

Member States of the Zanzibar convention met to discuss progress of the implementation of the Declaration and further ways to collaborate to manage timber trade in East Africa in a sustainable way. Among the topics discussed were ways to standardise collection of trade reporting and initial discussion on a block agreement between the Member States and Asian importing countries.



Developed by UNEP-WCMC as a consultant of the European Commission in close cooperation with the Member States Competent Authorities.

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