

INTRODUCTION

Illegal logging of timber

Illegal logging is a major global environmental issue with widespread implications, affecting both forested nations directly and the entire planet through negative environmental, social, and economic consequences. This illicit practice occurs when timber is harvested, transported, or traded in violation of relevant laws.

The European Commission emphasises that illegal logging leads to economic losses, environmental damage like deforestation and climate change, and social issues such as conflicts and corruption.

Reports from the United Nations Environment Programme (UNEP) and Interpol estimate that forestry crimes result in losses of \$51-152 billion (2016). Furthermore, EAAS estimates that 20% of illegally logged timber finds its way to the European Union (2011).

The primary causes of illegal logging stem from weak forest governance in producer countries and the import of timber products by consuming nations.

The EU Timber Regulation

The EU Timber Regulation or EUTR is a law that was adopted by the EU and that came into force on 3 March 2013. It is a law in all EU member states. Entities that first place timber or timber products on the EU market for commercial purposes are referred to in the EUTR as 'Operators'.

The law prohibits such Operators from placing timber or timber products on the EU market that were illegally harvested, transported or traded in their country of origin. Effectively, it means that if timber was illegal in its country of harvest, then it is also illegal to place it on the EU market.

In addition to prohibiting the import of illegally harvested timber and timber products, the EUTR also requires that Operators have a due diligence system.

Operators must:

- Have and implement a due diligence system to minimise the risk that illegally harvested timber is placed on the EU market and;
- Maintain and regularly evaluate their due diligence system.

On 29th of June 2023, the <u>EU Deforestation</u> Regulation (EUDR) stepped into force covering timber, soy, oil palm, cocoa, coffee, cattle and rubber. Since this regulation also covers timber, the EUTR will be replaced by the EUDR.

THE PROJECT

Simply put, the main aim of the project was to help companies understand the sometimes complex rules of the EUTR. We wanted to show operators that doing their homework, which is essentially what due diligence means, is just good business sense.

This included the aim to build due diligence awareness and capacity among Small and Medium sized companies, improving their knowledge and skills in assessing illegal harvesting and trade risks across the EU's core timber and wood products supply-base worldwide.

Project objective

To reduce illegal logging and improve sustainable forest management globally through improved compliance, monitoring and enforcement of the EU Timber Regulation among key duty holders.

Target groups

- 1 European companies
- Competent Authorities
- Monitoring Organisations

Partner consortium







Budget - 2,445,790 EUR



Duration - 4 years (2019 - 2023)



Project countries – Belgium, France, Germany, Italy, Netherlands, Spain





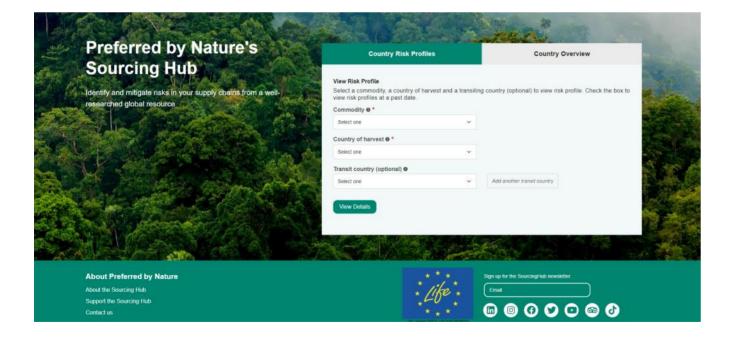
THE RESULTS

The project has delivered several outcomes:

- The project conducted 27 training sessions, predominantly in the form of webinars. These training sessions primarily covered the EUTR and EUDR, emphasising the available tools for companies and specific training on how to comply with the regulation.
- The project has created various resources aimed at assisting European businesses and their suppliers in meeting EUTR requirements. These resources include technical guides, gathering country specific risk assessment data, and toolkits.
- Creating a new Sourcing Hub that allows businesses to set up their own supply chain and receive customised risk information.

This means that companies will only see the information about risks and how to address them that applies to their specific supply chain. Visit the Sourcing Hub here.

- A video universe of four training videos guiding the viewer through relevant topics on EUTR was created and shared with businesses and other relevant stakeholders. View the videos here.
- Building a platform for businesses <u>EUTR.info</u> - to visit when wanting to learn about the EUTR and its requirements.
- Information material articles, videos, guides, press releases, news pieces etc. developed and disseminated among the industry to raise awareness about the EUTR primarily, but also the EUDR and the tools and information available to help businesses comply with the regulations.



PROJECT PARTICIPANTS

"Thank you all for a very valuable session, providing insight that is not yet out there :0) much appreciated." (Legal timber from Russia and Ukraine, English)



"Thank you for the interesting workshop. As a true newcomer to the industry, I have learned a lot from it anyway" (Basic intro to EUTR, Dutch)



"I wanted to thank you, Laura, Chloe, Sarah and the other presenters for the webinar. Good information and tools to enhance due diligence practices." (EUTR/UKTR and Brexit, English)

"Very good composition/variation of speakers. Well organised, good content." (EU wide event in Berlin)

"I wanted to thank you for the initiative of the EUTR workshop that we just completed. It really is the first understandable source to carry out the work that was required of us."

(Basic intro to EUTR, Spain)

PROJECT IMPACT

People trained

- 3,226 individuals took part in the training sessions
- Webinar recordings have been viewed 13,040 times. Watch the recordings here.
- Training videos have been viewed
 32,331 times. Watch the videos here.
- 36 articles were published and the total readership is **31,766**.
- Visitors on EUTR.info
- Unique users 43,262
- Unique page views 85,266
- Establishing database and building new interface tailoring risk data for individual users visit the new Sourcing Hub here.

Behavioural change measured by the project:

24% of the responding companies indicate that they have implemented a Due Diligence System within the project period.

All Competent Authorities in the six project countries indicate that they are better equipped to enforce EUTR than four years ago. 4 out of 6 report that they have increased their efficiency and effectiveness because of the available tools and resources from the project by 25-75%.

19 out of 27 operators and traders indicate that they are going to use the Sourcing Hub in the future. 6 out of 6 Competent Authorities expect to use the Sourcing Hub in the future.

During the project period, it seems that more companies have become capable of documenting their supply chains several links or all the way back to the source of the wood, with 73% in the final survey and 66% in the baseline survey. This indicates that more companies have functioning due diligence systems in place.





WHAT IS NEXT?

Moving from EUTR into EUDR. The obvious next steps are to exploit all the work done in this project and put it to use, as far as possible, for the companies and authorities that will be dealing with the EUDR.

Most of the activities conducted in this project will be relevant to repeat for EUDR companies. These activities would be capacity building, development of technical data and tools and awareness raising. Provided that more funding will become a reality the following will be the obvious **next steps**:

- Supporting timber companies in the transition from EUTR to EUDR compliance.
- Supporting authorities in the transition from EUTR to EUDR compliance and alignment in the enforcement approach.
- Replicate the EUTR focused tools to EUDR focused tools.
- Build the data for EUDR commodities and adjusting the existing data to comply with EUDR requirements and make it available on the Sourcing Hub.
- Help companies in the process of being in compliance with the EUDR across EU member states.
- Support authorities in their enforcement effort of the EUDR across EU member states.

Comments from target groups

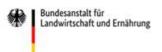
Operators and Traders mention that they would like to see a more harmonised approach to implementation and control of the EUDR across EU member states.

Competent Authorities point to the importance of implementing EUDR at the same time across EU member states, as uneven timing will create difficulties for the CAs.





























For more information, please visit:

EUTR.info https://preferredbynature.org/sourcinghub/eutr-info Sourcing Hub https://sourcinghub.preferredbynature.org/



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