

Layman's Report

Increasing Awareness and Capacity to Support Effective Implementation of EUTR

LIFE14 GIE/DK/000178 LIFE- Support EUTR

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The background

Illegal logging

Illegal logging is a significant global environmental problem, which affects most forested countries directly, and the entire planet through negative environmental, social, and economic impacts. Illegal logging takes place when timber is harvested, transported, or traded in violation of applicable legislation.

UNEP and Interpol report that forestry crimes account for an estimated 51-152 billion USD in lost resources (2016)¹. The EAAS estimates that 20% of all illegally logged timber ends up in EU (2011)².

Primary causes of illegal logging can be summarised as:

- Weak forest governance in producer countries; and
- Lack of due diligence in consumer countries to ensure the timber products they are importing have been legally sourced.

The European Timber Regulation in short

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 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 illegal to place it on the EU market too.

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.

¹Nellemann, C., Henriksen, R., Kreilhuber, A., Stewart, D., Kotsoyova, M., Raxter, P., Mrema, E., and Barrat, S., 2016. The Rise of Environmental Crime. Available from: https://wedocs.unep.org/bitstream/handle/20.500.11822/7662/-The_rise_of_environmental_crime_A_growing_threat_to_natural_resources_peace_development_and_security-2016environmental_crimes.pdf.pdf?sequence=3&isAllowed=y [24 August 2018]

²EU Delegation Liberia (2011), Fight against illegal logging: the European Union and Liberia sign accord to ensure legal origin of imported wood products to the EU. Available from: http://www.eeas.europa.eu/archives/delegations/liberia/press_corner/all_news/news/2011/20110728_en.htm [24 August 2018]

The project

Overall, the core project goal was to tackle the continuing lack of understanding of the EUTR's sometimes seemingly complex requirements and show companies that due diligence is, at heart, good business practice.

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

The project has three areas of focus:

- Awareness raising about the problem and the regulation.

- Creating and making available tools and information for timber companies to assess risks.

- Building the capacity of timber companies by offering training in understanding the legal requirements and how to implement a due diligence system.

Ultimately this project has helped EU timber trade SMEs take a step closer to sourcing legal timber products effectively and consistently. This creates the potential for them to make a real difference for themselves and the wider trade, not to mention the forest.

PROJECT OBJECTIVE

The objective of the project is to facilitate greater and consistent implementation of due diligence by the timber and timber-related industries to implement the EU Timber Regulation 995/2010 (EUTR).

Budget

574,387 EUR

Implementer

Duration

2.5 years (2016-2018)



Primary countries

Belgium, Denmark, Estonia, Germany, Hungary, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania and Spain

The results

The project has achieved a number of results:

- **60+ Risk Assessments** –extensive risk data assessing the risks that companies to be aware of when sourcing timber from a specific country. The risk assessments also provide guidance on actions the timber companies can take manage or avoid the identified risks.
- Country Specific Tools – for timber companies to make the information in the risk assessments directly applicable to their supply chains. Specific tools for timber companies to help them identify and address the risks in their supply chains for example include a **risk mitigation guide**, a **document guide** and a **supplier verification checklist**.
- Due Diligence Toolkit – this **toolkit** includes templates such as supplier letters, due diligence guidelines, supplier management forms, risk checklists and supplier information forms. Timber companies can freely download these and use them to create or add to their own due diligence system.
- NEPCon Sourcing Hub – a platform providing **free access** to all information and documents developed to help companies to assess risks and move towards responsible sourcing of timber.
- EUTR Workshops – events held in each of the project countries to provide **specific training** in EUTR and its requirements, tools available to comply with the regulation and training in how to use the risk information available on the Sourcing Hub.
- Case Study Programme – timber companies across Europe participated in the projects case study programme, which provided them with **expert help** to help them with their challenges in mapping their supply chains and setting up and implementing a due diligence system.
- Information material – articles, videos, brochures, press releases, news pieces etc. developed and disseminated among the timber industry to raise awareness about the EUTR and the **tools and information available** to help timber companies comply with the regulation.



The NEPCon Sourcing Hub



"The Sourcing Hub is a very good tool, and makes it easier for us to source legal timber"
– Timber Importer.

"I really like the NEPCon Sourcing Hub. It's easy, clear and very useful!"
– Service provider.

"We have found the NEPCon risk assessments for Cameroon and Ivory Coast to be invaluable tools to understand risk, (they) set out detailed indicators for risk mitigation that offers industry a clear message on what constitutes adequate due diligence"
– Brooks Bros.

"Access to relevant, up-to-date and really comprehensive information - it truly is a one-stop-shop for timber due diligence!"
– Industry Association.

www.nepcon.org/sourcinghub

The training

“Personally I was very impressed with the whole day and the tools you are providing are an excellent way to help us fulfil our EUTR obligations”

– Brett Hopkins, Flacon Panel Products Ltd.

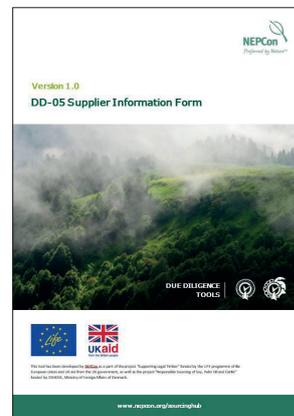
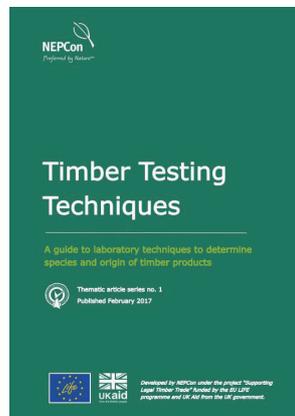
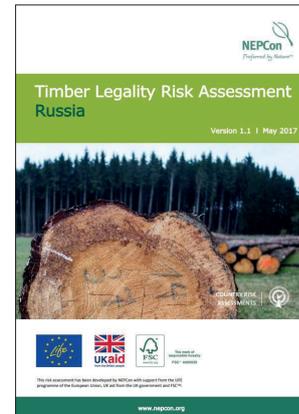
“Many thanks to you and your NEPCon colleagues for hosting this important conference. I must say that I found the event to be highly informative and current in the context of the EUTR, five years after its entry into force.”

– UK conference participant.

www.nepcon.org/sourcinghub/info/training-material-and-videos



The tools



“All the templates NEPCon provides just link you from piece to piece, and that’s when we started to fit all the pieces together. It just became more structured and very clear for us.”
- Nicole van Dooren, Woodimex International.

“Me and my company really like the colour grading and risk score NEPCon provides. Helps answering the question ‘does illegal harvesting prevail in the country of harvest’ as required by the EUTR”
– German workshop participant.

www.nepcon.org/sourcinghub/info/tools-and-resources

The impact

Basic numbers:

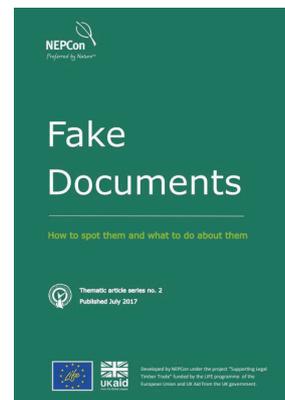
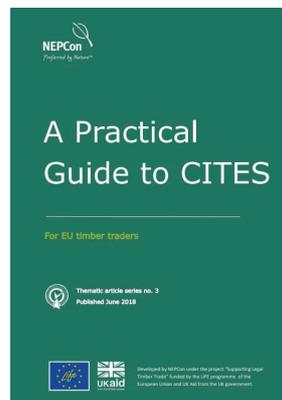
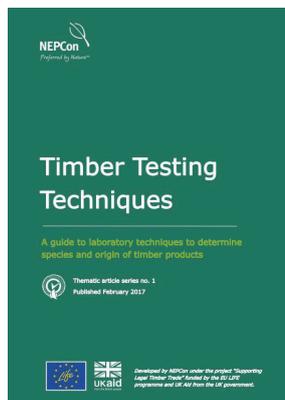
- 560 people trained
- Thousands of people reached by the awareness raising activities at events and published communication materials
- 12,780 unique users on the Sourcing Hub
- 7,414 downloads of tools from the Sourcing Hub
- Document downloaded most times: Timber Document Guide for China
- Increase in companies with a DDS

“NEPCon has done a gap analysis for us through which it quickly became clear where we should focus on in our Due Diligence system. After that NEPCon gave us professional tools for our DDS. This makes the work clear and structured. We know that when we use NEPCon’s plan and tools, we’ll be ending up with a strong and robust DDS.”

– Woodimex BV, Dutch case study company.

“Looks like good reference tools for responsible & sustainable timber trading.”

– Anonymous, received via email after the launch of the Sourcing Hub.



The next phase

The specific objectives for the next phase are:

- 1.** To further increase capacity among key stakeholders to understand, comply with, monitor, and enforce the EUTR requirements, especially those regulating imported timber in EU countries where the highest impact can be made.
- 2.** To improve efficiency and effectiveness in EUTR compliance, monitoring and enforcement among key stakeholders through increased availability and quality of free information about legality risks for imported timber.
- 3.** To increase awareness of key stakeholders regarding the availability of free information and resources regarding imported timber risks to enable better EUTR compliance.

In detail this means

- In depth capacity building of the following stakeholder groups, particularly those working in countries importing large volumes of timber from high risk sources:
 - Timber companies (Operators)
 - Competent Authorities (authority appointed by the Commission to enforce the legislation)
 - Monitoring Organisations (Monitoring Organisations are private entities that provide EU operators with operational due diligence systems).
- Strengthen implementation of, and ease of access to, current and additional tools and information.
- Higher level of stakeholder involvement in the development of national risk information – establish networks that will feed relevant and updated information on an ongoing basis and will aid with the dissemination of the results.

The idea with the next phase is to fill gaps in capacity where EUTR duty holders still struggle to achieve effective and efficient compliance, with a specific focus on CAs, MOs, and industry Operators in critical timber import countries. Specifically focusing on timber imports, as these have been identified as the highest risk for EUTR violations (as opposed to timber grown in the EU).



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www.nepcon.org/sourcinghub

www.nepcon.org/projects/support-EUTR

