

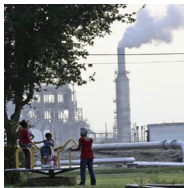
# The EU Timber Regulation

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# EUTR Main Provisions

From 3 March 2013:

- Operators are **prohibited** from placing illegally harvested timber on the EU market
- Operators must exercise '**due diligence**' as to the risk that timber is harvested illegally
- Operators and traders must **keep records** of suppliers and buyers

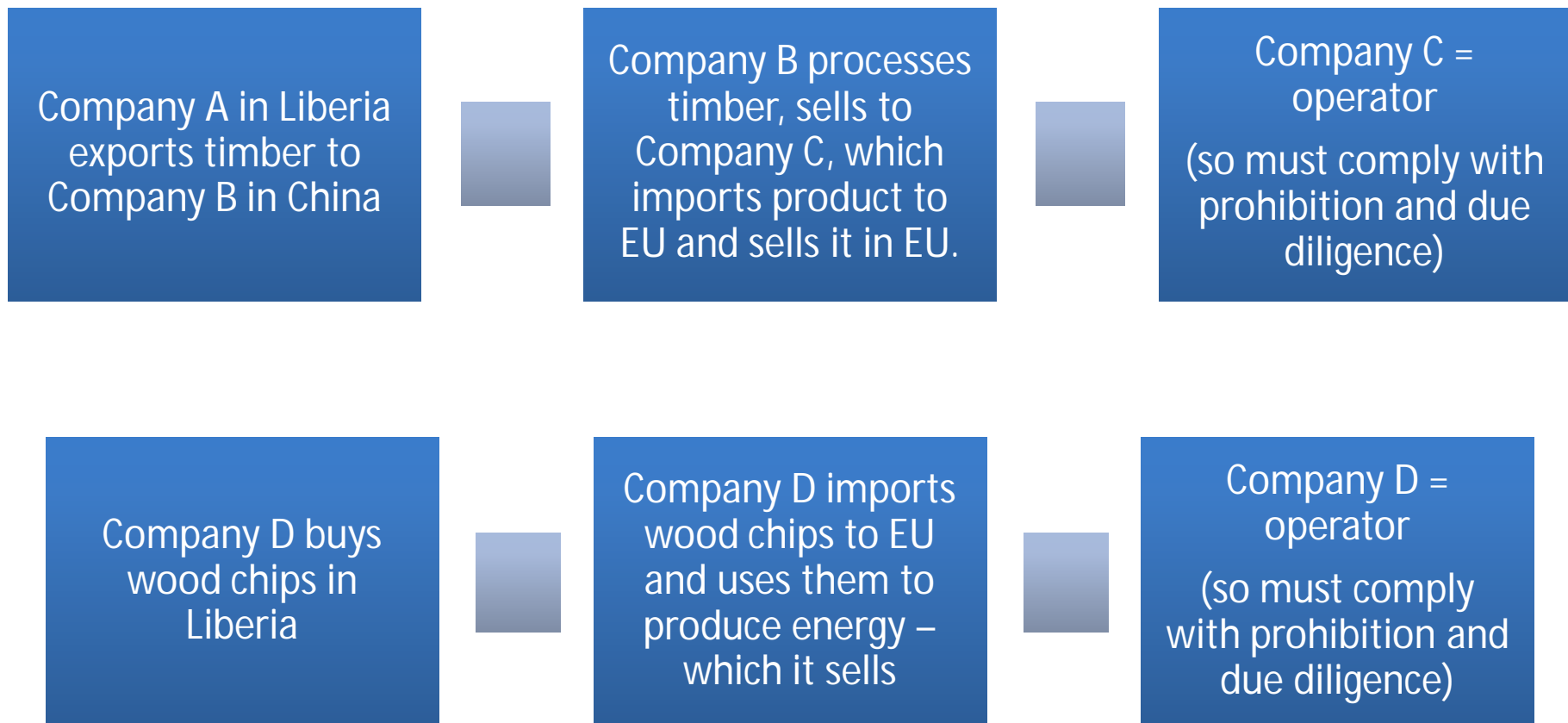
Operators = those that 'first place' timber on the EU market

# Scope of the EUTR

- Applies to timber/products listed in Annex, including:
  - Fuel wood, wood chips, builders joinery, rough wood, sawn wood, plywood, particle board, wooden frames, veneered panels, ...
- Applies whether harvested in EU or beyond
- Focus is legality in country of harvest – even if timber arrives in EU via a processing country

# Who is an Operator?

Operators = those that 'first place' timber on the EU market



# Due Diligence System

## Access to Information

- Species
- Country / region of harvest
- Documents indicating compliance with relevant law
- Quantity
- Supplier
- Buyer

## Risk Assessment

- Assurance of compliance with legislation
- Prevalence of illegal harvest of species
- Prevalence of illegal harvest in country
- Sanctions by UN/EU on timber
- Complexity of supply chain

## Risk Mitigation

- IF risk is greater than 'negligible', take steps to minimise risk e.g.
  - Require additional information
  - Third party verification

# Certification & Legality Verification

Not automatic evidence of legality

Are possible 'tools' for due diligence:

- Operators must assess how relevant and credible they are
- No current system provides all information operators would need
- Even if a system does provide all information, operators will always retain legal liability and risk

# Impact of FLEGT licence

Timber with a valid FLEGT licence is automatically considered legal under the EUTR.

Reduces business risk for operators:

- May use FLEGT licence to demonstrate compliance with due diligence obligation
- May determine timber to be 'negligible risk'

# Enforcement

## Member State Competent Authorities:

- Risk and intelligence based checks
- Role for third parties to provide information of substantiated concerns

## Penalties

- 'Effective, proportionate, dissuasive'
  - Fines proportionate to environmental damage, value of timber, tax/economic loss
  - Seizure of timber, suspension of right to trade



# Summary of Key Points

- From 3 March 2013 timber to EU must comply with EUTR
- Operators have the main legal responsibilities and will need 'access to information' from suppliers
- FLEGT licence reduces risk for operators
- Certification is not a one-stop solution
- Civil society (in EU and non-EU timber producing countries) has a role in effective enforcement

# Thank you

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