

Europe failing to use legal armoury against illegal logging

Commission's report on status of implementation of EU forest protection law due in weeks

Brussels, 1 February 2016 – In the coming weeks, the European Commission will adopt a report assessing the implementation and effectiveness of the EU Timber Regulation (EUTR), which became applicable in March 2013, and formulate recommendations about its next steps. The EUTR is a strong and important legal instrument to regulate the European market for timber and timber products. It was specifically designed to combat the trade in illegal timber. Yet weak enforcement and late implementation of the EUTR and the failure to comply by many European companies have hindered its effectiveness and thus undermined Europe's fight against illegal logging and associated trade. Once published, the Commission's report will be submitted to the Council and European Parliament. An exchange of views is due to be held in the Agriculture Council on 10 May.

Commenting on the EUTR's implementation, Sébastien Risso, Greenpeace EU forest policy director, said: *"Europe's market is contaminated with timber from countries where forests are being illegally cleared and degraded. There is a solid piece of law that could prevent this, but delays, deficiencies, and European governments' lack of resolve to apply the law vigorously are casting doubts over Europe's commitment to fight illegal timber trade. If the EU wants to be a credible global force in forest protection, it must make sure European companies abide by the law and keep illegal timber out of the market".*

From the Amazon to the Congo Basin, illegal logging is a major threat to the world's forests and people who depend on them and their biodiversity. According to Interpol, illegal logging is estimated to account for 50–90 per cent of the volume of all forestry products in key tropical producer countries and 15–30 per cent globally [1]. The global economic value of illegal logging, including from processing, is estimated to be between US\$ 30 and US\$ 100 billion [2], equivalent to 10–30 per cent of global trade in timber and timber products. The associated corruption has detrimental effects on government revenues, economic stability and the rule of law.

Amazon crime file: EU companies caught red-handed

In its most recent investigation (*November 2015, see note 3*), Greenpeace exposed 26 European companies importing Brazilian Amazon timber from a supplier heavily implicated by illegal timber trade.

The logging, milling and timber exporting company *Madeira Iller* was part of an illegal timber trade network, which was recently dismantled by the Brazilian federal police. Importers in several European countries including Belgium, France, Italy, the Netherlands and Portugal purchased timber from this supplier, despite evidence that its official paperwork could not be trusted.

Greenpeace has called on the competent authorities to enforce the EUTR by inspecting all companies that have imported timber from *Madeira Iller* over the past 18 months and by sanctioning those found to have breached EU law. Greenpeace has not yet been informed of the inspection results, nor of further developments.

Moreover, illegally harvested timber pushes down the market price for all timber. Therefore, the lax enforcement of the EUTR penalises compliant companies that have to compete on unfair grounds with traders in illegal timber.

Recent Greenpeace investigations [3] gave rise to concerns about operators' compliance with the EUTR in several European countries. Many companies continue to import timber at risk of being illegal.

Overall, throughout the EU, national authorities have so far failed to conduct sufficient and effective checks and/or have been too lenient in enforcement. In many cases, where non-compliance was detected, national authorities sent simple warnings and notices of remedial actions to the companies concerned, but did not, or rarely, impose sanctions.

In comparison, when US authorities have taken action against the companies that violated the US Lacey Act, which bans illegal timber [5], they have imposed dissuasive economic sanctions.

Back in October, the European Court of Auditors slammed Spain, Greece, Romania, and Hungary for delays in the implementation of the EUTR. The Commission has opened infringement proceedings against these four countries. Spain recently amended its national laws and adopted a [decree](#) to introduce provisions on the EUTR.

In Romania, [the media report](#) that the Romanian President, Klaus Iohannis, has signed [a law](#) which defines illegal logging as a national security threat. Romania lost forests at a rate of three hectares per hour between 2000-2014, according to a [Greenpeace study](#).

The EUTR in a nutshell

European countries adopted the EUTR in 2010 and it became applicable in 2013. The EUTR prohibits the placing of illegally harvested timber and timber products on the EU market. Companies – termed operators – that first place timber or timber products on the EU market are responsible for assessing their supply chains and taking appropriate steps to avoid illegal timber and timber products. This process is referred to as “due diligence”.

Downstream purchasers of timber and/or timber products – known as traders – must keep records of their transactions, so that any potentially illegal timber can be traced back to the company that first placed it on the EU market. EU countries are to set up appropriate legal instruments and administrative structures to enforce the EUTR and, where appropriate, impose dissuasive sanctions on companies that disregard its provisions.

Next steps

Greenpeace expects the Commission’s evaluation to clearly identify the obstacles encountered in implementing and enforcing the EUTR and to recommend measures to:

- Speed up EUTR implementation;
- Ensure EU countries:
 - carry out adequate and effective checks on operators,
 - enforce the law strictly and in a uniform manner, apply dissuasive sanctions on non-compliant companies, provide adequate resources to EUTR enforcement authorities, train or hire qualified personnel, and enhance information-sharing and structured cooperation at national, EU and international level;
 - improve transparency, including access to information about national checks, the criteria used to evaluate operators’ due diligence and the resulting enforcement actions;
- Close loopholes to ensure that all timber products, including printed materials, seating and musical instruments, are covered by the EUTR, and increase synergies with other laws related to timber trade, such as the EU Wildlife Trade Regulations and the FLEGT (Forest Law Enforcement, Governance and Trade) Licensing Scheme Regulation.

Notes:

[1] <http://www.interpol.int/Crime-areas/Environmental-crime/Projects/Project-Leaf>

[2] http://www.unep.org/pdf/RRALogging_english_scr.pdf

[3] Recent Greenpeace investigations include: [The Amazon’s silent crisis: partners in crime](#) (November 2015); [CCT’s timber trade from Cameroon to Europe – a test case for EUTR’s due diligence requirement](#) (September 2015); [Trading in chaos: the impact at home and abroad of illegal logging in the DRC](#) (May 2015); [The Amazon’s silent crisis: license to launder](#) (June 2015). More investigations from 2014 and 2013 can be found on [Greenpeace website](#).

[4] <http://ec.europa.eu/environment/forests/pdf/EUTR%20implementation%20scoreboard.pdf>

[5] See [Gibson Guitar Corp](#) case (2012) and [Lumber Liquidators](#) case.

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