Case Id: cfb3a819-ba1d-4cac-8616-a39d25a2c90d

# Survey on the evaluation of the EU Timber Regulation two years after its entry into application

Fields marked with \* are mandatory.

### Introduction

The FLEGT Action Plan is the EU policy instrument to tackle the persistent problem of illegal logging within the EU and internationally. It was defined back in 2003 and consists of several measures. Regulation (EU) No 995/2010 (the EU Timber Regulation or EUTR) is one of the Action Plan's key elements. It was adopted in 2010 and entered into application in March 2013.

The EUTR prohibits the placing of illegally harvested timber and products derived from such timber on the EU market. It lays down obligations on operators who place timber and timber products on the internal market for the first time, as well as obligations on traders who sell or buy timber and timber products already placed on the internal market.

The EUTR covers a broad range of timber products including solid wood products, flooring, plywood, pulp and paper. The EUTR applies to both imported and domestically produced timber and timber products. Timber and timber products covered by valid FLEGT or CITES licenses are considered to comply with the requirements of the Regulation.

The EUTR defines monitoring organisations that elaborate and maintain Due Diligence Systems (DDS) and grant operators rights to use their DDS. It also designates Competent Authorities that are responsible for monitoring the Regulation's application in the EU Member States.

Each operator shall have a DDS in place, consisting of three main components: (a) measures and procedures providing access to information on timber supplies, (b) risk assessment procedures enabling to analyse and evaluate the risk of placing illegally harvested timber or timber products on the market and (c) risk mitigation measures that must be applied if the risk was assessed non-negligible.

Traders shall be able to identify (a) who has supplied them with timber and timber products and (b) whom they have supplied with timber and timber products.

Monitoring organisations provide operators with their DDS on a voluntary basis and verify that the engaged operators properly use the DDS. An organisation can be recognised as a

monitoring organisation through a formal application process managed by the European Commission.

Competent Authorities shall carry out checks on operators and monitoring organisations to verify if they comply with due diligence requirements. Each EU Member State designates one or more Competent Authorities for the application of the EUTR in its country.

The EU Member States lay down rules on penalties applicable to infringements of the provisions of the EUTR. The penalties must be effective, proportionate and dissuasive, and may include e.g. fines, seizure of timber and timber products, suspension of the authorization to trade, etc.

The European Commission will be reviewing the functioning and effectiveness of the EUTR by 3 December 2015 (and every sixth year thereafter). This survey aims to contribute to this review by encouraging stakeholders to share their experiences and views on the implementation of the EUTR over the first two years.

More information on the EU Timber Regulation, together with the corresponding documents and the latest developments, is available here.

# Important notice on the publication of contributions

Contributions received are intended for publication on the Commission's website.

#### Information about the respondent:

Please provide us with the following information:

Name of the public

authority / international organisation / organisation or company you represent: (Optional) (The information you provide here is for administrative purposes only and will not be published)

Danish Forest Association

#### Full

name (first and last name) of the individual respondent: (Optional) (The information you provide here is for administrative purposes only and will not be published)

Karin Annette Holm

is fo	ress of the respondent: (Optional) (The information you provide here or administrative purposes only and will not be lished)
k	kah@skovforeningen.dk
*Are	you replying:
$\checkmark$	On behalf of an organisation
	As a private individual
Your role	in the organisation:
	Management
$\checkmark$	Specialist/Expert
$\checkmark$	Strategy/Policy function
	Other (please specify)
Other (plea	ase specify):
Count of or	ry igin (of the organisation if relevant)
geog	organisation's graphical area of activities (indicate your area of activities if answering n individual person)
	Local
	Regional
$\checkmark$	National
	European
	Non-European
	Not applicable
	organisation's type of activity (indicate your ity type if answering as an individual person)
	International organisation
	Competent authority for the EUTR
	Other government body

✓ Professions organisation/federation
Small enterprise operator (less than 50 people, turnover/balance sheet total ≤ € 10 m)
Medium-sized enterprise operator (less than 250 people; turnover ≤ € 50 m / balance
sheet total ≤ € 43 m)
☐ SME trader
Large business operator (over 250 people; turnover more than € 50 m / balance sheet
total more than € 43 m)
☐ Civil society organisation
☐ Monitoring organisation (as per EUTR)
☐ Certification body/institution
☐ Consultancy
Other
(please specify)
Questionnaire

The EUTR and its objectives and impacts

1.1 With the EUTR the EU aims at contributing to international efforts to combating illegal logging and associated trade.

In my view, the EUTR has so far been effective in...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
preventing illegally harvested timber or timber products derived from such timber being placed on the EU market.		V			
helping create a level playing field for timber trade and for operators acting in accordance with applicable legislation.			<b>V</b>		
contributing to the EU's international obligations {e.g. on sustainable forest management, combating					

deforestation and forest				
degradation, climate change,				
biodiversity conservation,				
and other internationally				
agreed goals}.	no de medica.		or control and the control and	
	Topic particular and the second secon			

## Others (please indicate)

- Effectiveness of preventing timber/timber products: As national legislation is considered to function well, Danish forest owners believe that the EUTR has little effect on the legality of domestically harvested timber. However, there is little knowledge about the effects of the EUTR on legality of harvested timber and timber products outside of Denmark.
- Effectiveness of creating a level playing field: Differences in natio nal implementation of the EUTR may create uneven competition and make i t more difficult for Danish forest owners than for other operators in c ountries with less strict implementation.

#### 1.2

The EUTR specifically aims at preventing illegally harvested timber and timber products from being placed on the EU market. It contains a prohibition on placing such products on the EU market and requires operators who place them on the market for the first time to carry out due diligence.

In my view, the EUTR's aims are addressed effectively by...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
the prohibition of placing illegally harvested timber and timber products on the market.	0	<ul><li>(a)</li></ul>	0	0	
the due diligence requirement for operators.	0		0	0	(a)
both provisions, i.e. prohibition and due diligence.	0	0	0	0	(3)

Others

(please indicate)

Guidance on due diligence systems for forest owners is lacking, both on  ${\tt EU}$  and national level.

1.3 In my view, since the EUTR became applicable in March 2013, it has made a change to...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
the quantity of certified/verified timber on the EU market.			0	0	(3)
the areas of origin of timber and timber products entering the EU market.	0	0	0	0	(3)
the volume of timber and timber products entering the EU.	0	0	0	0	<ul><li>(a)</li></ul>
the value of timber and timber products entering the EU.	0	0	0	0	
the species of timber and timber products entering the EU.	0	0	0	0	()
the entry points of timber and timber products into the EU.	0	0	0	0	<b>(</b>
the timber trade, beyond its original stated aims (see under 1.1).	0		0	0	
the level of engagement by timber-exporting countries to ensure that exports are verified to be of legal origin (including by engaging in FLEGT Voluntary Partnership Agreements with the EU and/or by developing national verification schemes).					

Please specify if possible

1.4
What are, in your view, the main challenges to implementing the EUTR effectively?

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Levels of penalties across the EU.	0	(a)	0	0	
Resources for enforcement by competent authorities in EU MS.	0	(a)	0	0	0
What is required by an operator to exercise due diligence.		0	0	0	0
Gathering information on applicable legislation in timber/timber products-exporting countries.	0	0	0	0	<ul><li>(a)</li></ul>
Carrying out risk assessment and mitigation on high-risk supply chains and/or high risk timber sources.	0	0	0	0	•
Cooperation from timber suppliers in third countries.	0	0	0	0	<ul><li>③</li></ul>
The interface with third party verification/certification.	0	0	<ul><li></li></ul>	0	0
The definition of legal timber.	<b>(3)</b>	0	0	0	0
The definition of risk (and its related assessment).	0	0	0	0	③
The product scope.		0	0	0	<b>⊗</b>

Other (please indicate)

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Competent authority in Denmark has not yet defined towards forest owner s what is applicable national legislation. Lack of clarity and uncertainty.

# 2. The EUTR and the added value of EU action in this field

#### It is

important to assess the added value that the EUTR brings, compared to what could be achieved by MS at national level without a specific EU action.

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
In my view, the EUTR's objectives could have been achieved more effectively through measures at national level without any EU action.			(3)	0	0
In my view, other policy instruments or mechanisms provide, or can potentially provide, better costeffectiveness than the EUTR.			③	0	0
In my view, other market instruments/mechanisms provide, or can potentially provide, better costeffectiveness than the EUTR.	0	0	(3)	0	0

# Further comments

Looking at the EU holistically, the EUTR may be the appropriate Tool to reach its objectives. In some member states, however, there are already sufficient instruments/systems in place. In such cases the EUTR is not adding significant value, especially when it comes to domestic harvest s. Added value may have been generated for traders.

The EUTR cannot stand alone and needs to be combined with other efforts locally in problem areas.

It should also be noted that property rights and long-term tenure improve the ability to SFM (Sustainable Forest Management).

Awareness- raising measures and education are also cost-effective tools to enhance SFM, a crucial aspect for the implementation of the EUTR.

## 3. Implementation and enforcement of the EUTR

EU Member States are responsible for laying down rules on penalties applicable to infringements of the provisions of the EUTR.

3.1 In my view, the penalties set in my Member State are...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
effective	0	0	0	0	<b>(</b>
proportionate	0	0	0	0	<ul><li></li></ul>
dissuasive in discouraging infringements	0	0	0	0	(3)

# Further comments

Levels of penalties levied in Denmark still unknown so we need to see h ow it develops.

#### The

Member States are also obliged to designate one or more Competent Authorities responsible for the application of the EUTR. Member States` Competent Authorities are required to check operators in order to verify they comply with all their obligations. Competent Authorities are also required to check monitoring organisations.

3.2 In my view, the Competent Authority in my Member State has so far...

Strongly agree	Agree	Disagree	Strongly disagree	No opinion
0		0	0	0

carried out a sufficient number of checks on operators.	There is a time particular paragraph.	Transfer of annual (s) of the s) Physic polynomials in the s) and			
carried out effective checks on operators.	0	<b>(a)</b>		0	0
given appropriate penalties to operators for infringements of the EUTR.	0	0	0	0	(3)
carried out a sufficient number of checks on monitoring organisations.	0		0	0	
carried out effective checks on monitoring organisations.	0		0	0	<ul><li>③</li></ul>

# 4. The EUTR and the business environment (i.e. operators, traders)

Operators are companies or individuals who place timber or timber products on the market; they are required to undertake due diligence before doing so. Traders are companies or individuals who buy/sell on the internal market timber products already placed on the market; they are required to keep records of their suppliers and customers. Monitoring organisations are recognised by the European Commission and can provide due diligence services to operators in the EU.

#### 4.1 In my view, in my Member State...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
operators have set up and maintained effective due diligence systems.	0		0	0	(3)
operators have effectively prevented illegally harvested	0		0	0	0

timber or timber products from being placed on the market.			Control of the Contro		
traders have effectively kept records of timber and timber products.	0	0	0	0	(3)

# Other (please indicate)

Larger forest owners in Denmark have due diligence systems in place whe reas smaller owners, who rarely harvest and place timber on the market are still investigating the applicable due diligence requirements.

4.2
It is important to understand the impacts of the EUTR on businesses in the EU.

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
The overall benefits of implementing the EUTR outweigh the costs regardless of the type and size of the business.	0		(3)	0	
Some categories of enterprises are benefiting more than others.	0		<b>⊗</b>	0	0
The EUTR has a net benefit for large business (over 250 people; turnover more than € 50 m/balance sheet total more than 43 m) compared to small (less than 50 people, turnover/balance sheet total ≤ € 10 m) and medium size enterprises (less than 250 people; turnover ≤ € 50 m/balance sheet total ≤ € 43 m).	0		0	0	
The EUTR has created direct benefits for businesses in general.	0	0	(a)		0

4.3 In my view, the EUTR has created additional obligations and burdens for business in the EU particularly on...

	Strongly	Agree	Disagree	Strongly disagree	No opinion
setting up a due diligence system.	0	(a)	0	0	0
maintaining a due diligence system.	0	•	0	0	0
using a monitoring organisation's due diligence system.	0	0	0	0	(3)
changing suppliers.	0	0	0	0	
changing geographic supply sources.	0	0	0	0	(
changing timber species.			0	0	(3)

Another reason (please specify)

4.4. It is important to understand the impacts of the EUTR on businesses outside the EU.

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
The EUTR has brought overall benefits to timber exporters to the EU and non EU operators.	0	0	0	0	(3)
The EUTR has a net benefit for large businesses	0	0	0	0	(3)

compared to small and medium-sized enterprises.		Personal programmer and			
The EUTR has created direct benefits only for certain types of businesses.	0	0	0	0	(3)

Please specify

# 5. Monitoring organisations

Monitoring organisations are recognised by the European Commission to provide due diligence services to operators in the EU.

5.1 In my view, monitoring organisations have so far developed due diligence systems that...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
effectively help operators to assess and mitigate the risk of placing illegal timber on the EU market.	0		0	0	(3)
are affordable for large businesses (over 250 people; turnover more than € 50 m/balance sheet total more than 43 m).		0	0	0	(3)
are affordable for small (less than 50 people, turnover/balance sheet total ≤ € 10 m) and medium enterprises (less than 250 people; turnover ≤ € 50 m/ balance sheet total ≤ € 43 m).	0	0	0	0	(3)
do not currently have a market while other services are preferred (i.e. training, free	0	Ο	0	0	(3)

access to information, other tools).	. Transfer constitution of states of	Pracy Communication Constitutions and Constitution and Constitutio			
are in need of further improvements.	0		0	0	

### 6.

#### Third parties' substantiated concerns

The EUTR allows for third parties to raise substantiated concerns with Competent Authorities concerning compliance by an operator with the EUTR.

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Competent Authorities in my Member State have responded appropriately to substantiated concerns.	0	<ul><li>②</li></ul>	0	0	0
I am aware of concerns but without proven evidence.	0	0	( <b>3</b> )	0	0
It is not clear how to channel concerns and substantiate them.	0	0	(3)	0	0

Further comments

#### 7.

#### Communicating about EUTR

For the EUTR to function effectively it is important for operators and traders to be aware of information which affects their businesses.

7.1 In my view, operators in my Member State are sufficiently aware of...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
the requirements of the EUTR.		0	(3)	0	
how to access the European Commission's online EUTR guidance documents.	0	(3)	0	0	Ο
who their EUTR Competent Authority is.	0		0	0	0
how to access information from their EUTR Competent Authority.	0	(3)	0	0	0
the requirements of the due diligence obligation.	0		<b>(</b>	0	0
the services provided by monitoring organisations.	0	0	0	0	( <b>3</b> )

Applicable legislation in Denmark still not specified by the Competent Authority.

7.2 In my view, traders in my Member State in general are sufficiently aware...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
of the requirements of the EUTR.	0	0	0	0	(3)
of how to access the European Commission's online EUTR guidance documents.	0	0	0	0	

who their EUTR Competent Authority is.	0	The second of th	0	0	<ul><li>②</li></ul>
how to access information from their EUTR Competent Authority.	0		0	0	(3)
the requirements of the due diligence obligation.		0	0	0	<ul><li></li></ul>

# 8. The EUTR and other relevant legislation

The EUTR has specific

links to other policies, such as the Forest Law Enforcement, Governance and Trade (FLEGT) Regulation, and the EU Wildlife Trade Regulations. Optimising these synergies can enhances their effectiveness

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
The EUTR is complementary to other existing legislation and has a coherent approach.	0	<b>⊚</b>	0	0	0
In my view, the implementation and enforcement of EUTR and/or other related legislation can be improved to benefit their interconnections.	0	0	0	0	(8)

Please specify

#### Contact

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