

Background briefing for media

# European Union Timber Regulation (EUTR) 2013

The European Union Timber Regulation (EUTR) is one part of the EU's [FLEGT](#) (Forest Law Enforcement, Governance and Trade) [Action Plan](#) to help stamp out illegal logging worldwide.

## The world's forests: a vital natural resource

1.3 billion of the world's poor depend on forests for part or all of their livelihoods. Apart from sustaining these communities, forests also contribute to climate change mitigation and adaptation, support biodiversity and play a key role in environmental protection, for example preventing desertification and erosion. Forests are also economically valuable, with forests and trees providing at least €180 billion per annum in income from timber, fuel wood and non-timber forest products.<sup>1</sup>

## Illegal logging: What's the problem?

Illegal logging - the harvesting of wood in a way that breaches the laws or regulations of the *country of harvest* - has severe **economic, environmental** and **social impacts** for some of the world's most valuable remaining forests and the billions of people that rely on them.

It results in **lost revenues** (an estimated €7 billion per year), **undermines** the efforts of **legitimate operators**, and is associated with **deforestation**, the **loss of biodiversity** and the emission of **green house gases**, as well as **conflicts** over land and resources and the **disempowerment** of indigenous communities.

## Role of the European Union (EU)

In 2011, 35% (€37.8 billion) of the global trade of primary timber products was by and within the EU. It is difficult to estimate what percentage of this trade was in illegally harvested timber but we know that the EU is an important export market for those countries where levels of illegality and poor governance in the forest sector are most serious.

By allowing wood and wood products that are potentially derived from illegal sources onto the EU market, we jeopardise the efforts of timber-producing countries to fight against illegal logging and essentially sustain the practice.

## EU response: the FLEGT Action Plan

Illegal logging has long been a problem but it was not until the 1990s that research in countries such as Cambodia and Indonesia revealed just how severe it was. It became a subject for intergovernmental discussion at the G8 Action Programme on Forests in 1998.

In order to address the issue at EU level, in 2003, the [FLEGT](#) (**Forest Law Enforcement, Governance and Trade**) [Action Plan](#) was adopted. The plan provides a number of measures to exclude illegal timber from our market, to improve the supply of legal timber and to increase the demand for responsibly produced wood products. The **EU Timber Regulation (EUTR)** along with [Voluntary Partnership Agreements](#) (VPAs - bilateral trade agreements with timber exporting countries that help prevent illegal timber from being placed on the European market) are the two key elements of the Action Plan.

<sup>1</sup> Source FAO - Forest resources assessment 2010

## EU Timber Regulation: an overview

The [EUTR](#) – Regulation (EU) No 995/2010 - was adopted on 20 October 2010 and will be applied in all EU Member States from 3 March 2013. It prohibits the placing on the EU market of illegally harvested timber and products derived from such timber. It divides those dealing in wood or wood products into two categories - operators and traders. Each has its own distinct obligations.

### *Who is affected?*

Operators – defined in the Regulation as those who place timber or timber products on the EU market for the first time – are required to put in place a risk management or '[due diligence](#)' system. Meanwhile, traders – defined in the EUTR as those who sell or buy timber or timber products already placed on the EU market – are required to keep information about their suppliers and customers so that the timber products can be traced if necessary.

### *What is covered?*

Both timber and timber products produced in the EU and those imported from outside the EU are covered by the legislation. It applies to a wide range of, but not all, timber and timber products. The list of products covered by the law can be found in the Annex of the EUTR.

### *Secondary legislation*

The EUTR is complemented by two other pieces of legislation that offer more detail on specific points within the law:

1. Regulation on rules for the recognition and withdrawal of recognition of monitoring organisations:  
[Commission delegated Regulation](#) (EU) No 363/2012
2. Regulation to ensure the uniform implementation of the law:  
[Commission implementing Regulation](#) (EU) No 607/2012

## Voluntary Partnership Agreements (VPAs): an overview

Voluntary Partnership Agreements (VPAs) are bilateral agreements with timber-producing countries. These agreements allow the EU to meet the demand for legal timber but also provide technical assistance and capacity building to the government, private sector and civil society of the country concerned. For countries that have an operational VPA with the EU, only timber and timber products covered by a FLEGT licence may enter the EU market. These products are considered to comply with the EUTR.

As of October 2012, Ghana, the Republic of Congo, Cameroon, the Central African Republic and Liberia have signed VPAs, while Indonesia is due to sign in 2013. In addition, negotiations are in progress with the Democratic Republic of Congo, Gabon, Malaysia and Vietnam, and they have started with Guyana, Honduras and Laos.