



## **SUMMARY RECORD OF THE EUTR/FLEGT EXPERT GROUP MEETING**

### **22 APRIL 2016**

#### **1. Adoption of the agenda**

The agenda of the meeting was adopted with no additional points.

#### **2. Update on EUTR and FLEGT Regulation implementation**

##### **a) Member States' reports on changes and particular cases – tour de table:**

All the MS informed about progress made in the implementation of the EUTR and the FLEGT Regulation. The EC invited the MS to send all the relevant information in a form of official confirmation on updates on the identified issues as soon as possible. The objective is to confirm that all the MS have reached complete formal compliance under the EUTR.

UK gave a presentation on Cameroonian timber and due diligence standards. The Regulatory Delivery service is in charge of enforcement of the EUTR in the UK, using a project-based approach. Cameroon is one of the projects, selected because it is a high-risk country and there is a high number of timber imports from Cameroon in the UK. Customs data gave a list of 19 importers who were given five days to provide evidence of their due diligence system (DDS). In 15 cases, enforcement visits were needed, followed by sanctions. Only 2 of the 19 operators were compliant. Next steps: follow-up on remedial actions to see whether the obligations are now being met. A report will be published and shared with the other CAs and the EC. Training will be given in Cameroon. Awareness will continue being risen in the UK.

The EC mentioned that the Ministry of Forestry in Cameroon recently wrote to all timber operators in the country informing them of the EUTR application and asking them to comply with legal obligations described in the EU-Cameroon VPA. The EC also asked if other MS have performed or have plans to perform checks on operators importing from Cameroon.

#### **3. Information points**

##### **a) Reporting on EU-China Bilateral Cooperation Mechanism (BCM) meeting:**

The latest BCM meeting was organised in March 2016 in Beijing. Representatives of four MS were present. The Chinese authorities are extremely interested in the EUTR and FLEGT VPA experiences. The BCM is based on a yearly meeting where ongoing work plans are assessed and new ones are prepared and approved.

Points that were discussed are: work on a Chinese timber legality verification system (CTLVS), trilateral cooperation EU-China-Indonesia, common information window for Chinese and EU operators, information on EUTR implementation and cooperation with other third countries. Active participation of the Ministry of Commerce and Customs in the initiatives under the BCM is central.

Meetings were organised: a coordination meeting with representatives of MS and EIB who all expressed their interest to actively participate in the BCM, a meeting with civil society organisations based in China, a meeting with three Monitoring Organisations or their sister companies.

The next steps include further work on CTLVS, enhanced cooperation with the Chinese Ministry of Commerce and Customs and close cooperation between CAs on checks under the EUTR, including providing information for the common information window under the BCM. The EC invited MS to strengthen cooperation between CAs on checks and send information on concrete examples of checks on imports from China to the EC, to be included on the common information window.

**b) Workshop with candidate countries and potential candidates:**

The workshop *Fighting Illegal logging and associated trade: Cooperation between the EU and EU Candidate Countries and Potential Candidates on Implementation of the EU Timber Regulation* will take place on 2-3 June 2016 in Zagreb, Croatia. The first draft agenda was prepared in coordination with MS.

**c) Reporting on informal EUTR enforcement meeting:**

The informal meeting was organised on 21 April 2016 and detailed minutes will be circulated by Denmark. In the meeting, UK gave information on the project LEAF. A Ukraine case was discussed with timber transported by train. Denmark raised a point on imports to the EU from Cameroon. Another point was China. Sweden informed the others about imports from Myanmar and three injunctions. A small working group is looking at risk mitigation for SMEs. How to handle illegal logging inside the EU was also discussed, with a focus on exchange of information between CAs.

**d) Reporting on TREE workshop:**

The Czech Republic and Forest Trends organised a TREE workshop in Prague on 4-8 April 2016. There were more than 70 participants, whereof representatives of 22 MS, US, Canada, Australia, several Asian countries, NGOs, the EC and operators. A field trip to three operators was organised for non-EU participants. There was a training session on timber from Ukraine and Cameroon. A semi-closed government session was organised to discuss practical issues such as collecting information about checks. Forest Trends had prepared a questionnaire for participants, the replies to which will be put in a report. General notes from the meeting will be made available on the Forest Trends website.

**4. FLEGT Action Plan evaluation – Update**

The consultant report has received approval from the steering committee and is at final editing/formatting stage. The final report will be published soon.

The Commission Staff Working Document is being prepared to present the conclusions of the evaluation. An inter-service consultation will be launched soon for a period of

three weeks. Communication/dialogue events will take place in the coming months, such as a FLEGT ad hoc group meeting in September 2016 and a Dutch conference in May 2016, as well as bilateral meetings with VPA countries. Among the follow up measures, a strategic framework will be prepared, as recommended in the FLEGT audit report.

## **5. EUTR Review Report**

The Report was published in February 2016. Main conclusions were presented: The EUTR has the potential to achieve its objectives. It adds significant value to the international efforts to halt deforestation and forest degradation, conserve biodiversity and address climate change. Further efforts are needed from MS and the private sector to achieve its effective and efficient application. Insufficient resources are allocated to CAs. EU operators are gradually taking steps to ensure the legality of their suppliers. CAs should further inform operators, especially SMEs, about the requirements of the EUTR, in particular cost-effective practices to implement the DD obligation. The EC has a role to play in continuing to promote and monitoring the uniform and effective application by the MS. The EUTR encouraged other consumer countries to expand their national legislation with similar legislative acts or to start considering measures with similar objectives.

Although the evaluation did not identify a clear need for changes in the core elements of the legislation, the EC may consider expanding its product scope, subject to an impact assessment of options. The EC presented an overview of inputs received from MS on possible future changes concerning the product scope.

## **6. EUTR guidelines development – Update**

The Netherlands is leading on developing further guidance on risk mitigation with a small drafting group. EC experts are currently working on an advanced version of draft guidance on recycled timber. Guidance on the structure of substantiated concerns will be developed. Additional issues could be identified for inclusion in the overall guidance document.

## **7. Monitoring Organisations – Update on checks and open questions**

France will launch a check on Bureau Veritas within the next two weeks to see how they have organised their DDS and how they use it in concrete cases. The methodology developed by the MS and already used by two MS for checks on MOs will be used.

A presentation was given by Slovakia identifying several issues. The EC suggested to continue the discussion in the June meeting and asked Slovakia to identify the key problems and solutions that could be proposed.

## **8. PEFC response to the EUTR Review Report**

PEFC, an alliance of independent certification schemes, presented PEFC schemes as a cost-effective practice for DDS implementation. If no national standard was developed in a country, PEFC is not present in that country. An important driver for certification is legislation and PEFC is interested in its recognition by FLEGT and the EUTR.

PEFC's recommendations: to broaden the scope of the EUTR, check the relevance of a differentiation between operators and traders, ensure harmonised recognition and acceptance of third party certification (give it a negligible risk status or even a green

lane), better support third party schemes and officially recognise them as contributing to a decrease in illegal logging. PEFC will continue to claim for a better status for third party certification schemes, including the option of their system to be officially checked by CAs.

PEFC briefly presented some specific experiences in MS, particularly Romania.

## **9. FSC response to the EUTR Review Report**

FSC is a forest management certification scheme. FSC's recommendations: The role and value of third party certification bodies should be better recognised as part of the DDS required by the EUTR and better clarified in a next version of the guidance document. FSC presented several concrete suggestions of elements to be included in the guidance documents. More improved and harmonised performance of CAs across the EU is needed. FSC proposes a checklist of risk assessment activities operators are expected to undertake regularly. FSC suggests an EU-wide assessment of certification systems and yearly updates of certification systems in each country. Inspectors of CAs should regularly meet with certification bodies to be kept up-to-date.

FSC briefly presented some specific experiences in MS, particularly Romania.

## **10. Update on FLEGT process**

### **a) VPA process with Indonesia:**

The EC provided an update on developments related to the implementation of the EU-Indonesia VPA: the intention to move swiftly towards the start of FLEGT licensing. This is based on the fact that Indonesia has revoked the contentious regulation that was excluding furniture from the scope of their timber legality verification system. The EC can thus move ahead again with the adoption of a Delegated Regulation amending the Annex to the FLEGT Regulation. The latest version of the Delegated Regulation was shared with MS. After the adoption of the act by the College, the European Parliament and the Council will have two months for the non-objection procedure. Then the act will be published in the Official Journal and it will enter into application 90 days afterwards.

### **b) Readiness to receive FLEGT licenses – tour de table:**

The EC made a presentation on the readiness to receive FLEGT licenses. All MS have now appointed CAs and defined penalties, so readiness to start processing FLEGT licenses has now been fully secured.

The EC would like to prepare a set of recommendations for CAs. This would complement the existing customs guidelines and be updated on a regular basis. A first draft would be prepared by end June, circulated to MS for comments and presented in the September Expert Group Meeting.

## **11. Update on FLEGIT**

The system is in the completion phase before production and training is being provided in parallel. A training session was organised on 21 April 2016. It focused on operators entering a license in the system, on validation by CAs, on clearance by customs and on general retrieving of licenses. Another training session will be organised on 10 June 2016. An additional session will probably be organised before the production (date to be

defined, in autumn). On-site training can be organised for users at national or regional level. The core functions of the system will be ready for deployment by September 2016.

## **12. A.O.B.**

The next Expert Group meeting will be organised on 9 June 2016 with an informal enforcement meeting on 8 June p.m. (to be confirmed) and a FLEGIT training session on 10 June.

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