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LIFE14 GIE/DK/000178

Mid-term / Final Report
Covering the project activities from 01/01/2016¹ to 30/06/2018

Reporting Date²
30/09/2018

LIFE PROJECT NAME or Acronym
**Increasing Awareness and Capacity to Support Effective
Implementation of EUTR**

Data Project

Project location:	International
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Project end date:	31/12/2017 Extension date: 30/06/2018
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(%) of eligible costs:	52.1 %

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¹ Project start date

² Include the reporting date as foreseen in part C2 of Annex II of the Grant Agreement

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2. List of key-words and abbreviations

AG – Advisory Group

CA – Competent Authority

GTF – The Global Timber Forum (associated beneficiary)

EC – European Commission

EUTR – European Timber Regulation

FLEGT – Forest Law Enforcement, Governance and Trade

NEEMO EIIG – External Monitoring Team

NEPCon – Coordinating Beneficiary

RA – Risk Assessment

PM – Project Manager

PR – Progress Report

VPA – Voluntary Partnership Agreement

3. Executive Summary

The project has been a great success. Despite some challenges and deviations, it achieved its overall objective of facilitating greater and consistent implementation of due diligence by the timber and timber-related industries to implement the EUTR. In just two and half years 40 timber legality risk assessments and 26 guidance documents (tools) were developed, tested by the target group, published on a new online platform and disseminated widely across Europe. Furthermore, training workshops were well attended and received in thirteen countries. A few administrative issues and one technical issue encountered at the beginning of the project meant that an extension and other amendments were required to deliver the Actions to a high standard, but these were approved, and the project benefitted as a result. This is supported by the project's impact monitoring, with 10% more survey respondents answering that they have a good understanding of what makes a good due diligence system and 8% more answering that they had a well-developed due diligence system at the final survey compared with the baseline survey. Workshop participants also responded positively with 90% saying that they felt they had a better understanding of the EUTR requirements as a direct result of the workshop and 86% saying they would use the risk assessments and guidance documents again. Positive unsolicited feedback was received, for example, an email from a stakeholder who works in tropical forestry in South America said: *"I just wanted to reach out and say, "great job!" for putting this together. [...] I'd go as far as to say it's one of the most thorough, practical resources I have come across in 15 years working on tropical forest issues."*

The first few months of the project were primarily spent on project set-up and stakeholder outreach. Management activities involved developing the Procedures Manual, Communications Plan, establishing the Advisory Group, developing the partnership agreement with GTF, establishing a meeting structure to manage the project. Stakeholder outreach activities included mapping the relevant communication channels and target group in each of the 12 project countries and running the baseline survey. The key stakeholders were engaged, including the Competent Authorities in the project countries, relevant media channels, organisations and associations. These outreach activities were conducted alongside the development and for the dissemination of the baseline survey of the target group.

By the end of the first year almost all timber legality risk assessments have been produced. The risk assessments are detailed, technical reports on the analysis of the risk of sourcing illegally harvested timber from a specific country. A method for conducting these assessments was developed and expert consultants were engaged to produce the reports for 40 countries from around the world. By this point 13 generic due diligence tools, including guidance documents and templates, had also been produced. In August 2017 all finalised risk assessments, generic tools, plus 13 country-specific tools were published on a new online platform called the [NEPCon Sourcing Hub](#). The country-specific tools included risk mitigation and document guides, along with lists of applicable legislation. Part of the development of the tools was the case study programme (the project proposal's 'demonstration cases'), which involved eight companies of various types and sizes across Europe testing the tools and providing feedback to the project.

Concurrently with the development of tools and risk assessments, different awareness raising and dissemination activities were implemented. As part of a series, four thematic articles were published about timber testing, fake documents, CITES and an overview of the risk results. The idea was that articles and news pieces relevant for the target group would be published periodically throughout the project to raise awareness about EUTR, the project tools, training

sessions and the project in general. In addition to this the main milestones and promotions were announced by press releases, for example, an invitation to participate in the case study programme was announced via a press release. Additionally, a series of videos was produced and shared on relevant media channels, these included a promotional video, 'how to' videos, recordings of webinars and presentations, along with interviews with company representatives from the case study programme.

Participation in key industry events across Europe, to meet the target group and disseminate the project results was an ongoing activity. Throughout the project relevant industry events were being identified and prioritised. Printed materials promoting the project and its activities and outputs were disseminated and, where possible, project staff delivered presentations. A booth was also hosted at large trade fair where demonstrations of the Sourcing Hub were given and 'timber legality clinics' were held.

Last, but not least, the project has delivered 12 national training workshops (one in each of the project countries) and one EU wide event called 'Sourcing Legal Timber 2.0'. All were well attended and well received. Each national workshop was one day in length and was tailored to the local audience. Content included an introduction to the EUTR, exploring what due diligence means in practice and how to use the NEPCon Sourcing Hub (and all the tools available on it) to implement due diligence. They consisted of a mixture of presentations and group exercises, the latter involved the use of the risk assessments. The national workshops attracted 460 participants in total. Workshops were delivered in the local language, where necessary, and all but one included guest speakers, ranging from representatives of the local CA, the timber industry and other NGOs. The final EU wide event took the format of a conference with nine speakers (eight of which were guest speakers) presenting and discussing around three themes: EUTR implementation and enforcement, free tools and future trends. The event was also a success, attracting 100 participants by providing for people to attend in person or via livestream. The event was well received, 78% agreed that their understanding of *how* to conduct due diligence had improved and 96% said the programme was well designed. Participants also left positive comments, such as "*Personally I was very impressed with the whole day and the tools you are providing are an excellent way to help us fulfil our EUTR obligations*" Brett Hopkins, Environmental Officer, Flacon Panel Products Ltd.

A number of deviations and challenges were encountered. The main deviations included the withdrawal of the associated beneficiary GTF and the change of one of the target countries (Hungary replaced Slovakia). A few challenges with the administration, the baseline survey and working with consultants on the risk assessments caused some delays in the initial project activities. These delays combined with the withdrawal of GTF meant that a budget revision and amendment request were submitted in May 2017 and approved in December 2017. The amendment included the additional of some of NEPCon's regional legal entities as affiliates and a six-month extension.

The main problem encountered by the project was the lack of responses to the surveys. Significant time and effort was put into disseminating the survey and encouraging people to complete it; several different approaches were taken to try to improve the response rate, alas, the target of 50 responses per target country was out of reach. However, 123 and 141 responses were received to the baseline and final surveys (respectively) from countries across Europe and were useful in providing insights.

Three other smaller deviations were encountered: 1) the stakeholder interviews videos only included Operators (representatives from the case study companies), rather than the range of stakeholders included in the project proposal, due to the difficulties in encouraging others to be interviewed on film; 2) only nine of the 14 articles/press releases were produced, a decision made because it became increasingly evident that there weren't milestones or topics of sufficient significance or interest for 14 outputs and we wanted to avoid disengaging the target group by publishing superfluous items; and 3) the EU wide workshop was conducted in London instead of Brussels for attracting greater number of participants and cost efficiencies.

Despite the challenges encountered and the deviations made to the proposal, it is not considered that the results of the project were negatively impacted. On the contrary, some of the deviations contributed to the accomplishment of the project, such as the great success of the EU wide workshop.

4. Introduction

The objective of the project is to facilitate greater and consistent implementation of due diligence by the timber and timber-related industries to implement the EU Timber Regulation 995/2010 (EUTR). EUTR prohibits placing illegally harvested timber products on the EU market and requires operators to exercise due diligence to minimise risk of doing so. Implementing due diligence should be seen as a business opportunity i.e. it is vital to understand supply chains to undertake efficiencies and improvements.

EUTR focuses on forest-product related industries and obligates the first placer (first harvester in EU and first importer) to undertake due diligence. The interpretation and implementation of the regulation is inconsistent. This is mainly due to the nature of the forest-products industry (mainly SMEs). By their very nature SMEs lack the competence and capacity to comply with EUTR. Many Competent Authorities (CA) in the EU are not aware of the number of operators affected by this regulation and to be effective the outreach on this regulation needs to be wide and targeted.

By using the experience of NEPCon and the international network of the Global Timber Forum (GTF) this will create a wide technical and communication entity to increase the consistency for thousands of operators to implement due diligence. This will provide common messages on the interpretation of the regulation with guidance and tools on due diligence that are in line with the European Commission and CAs but that is appropriate for SMEs and the different sectors. A direct means to support the capacity of the industry is to make information about the risk related to the sourcing of timber on a global scale available with the ability to mitigate the identified risks.

With thousands of operators, a key requirement for any awareness-raising campaign is not just about getting the right messages that are accepted and credible, but also getting these messages disseminated through the right messengers and as far and wide as possible. The EU originally introduced the concept of Monitoring Organisations (MO) to support SMEs to implement due diligence, however these have failed to make efficient impact. A meeting with the 4 recognised MOs and the EC in 2014 showed that none of the recognised MOs faced interest for their MO services. At project start all have experienced the same fate, little or no interest from the industry.

The target audience of the project are companies operating in the European market, with a specific focus on SMEs. This target audience, which can be divided into two groups, namely forest product companies and retailers, are also defined by being “Operators”, which is the definition used in the EU Timber Regulation. In addition, a number of key stakeholders are relevant for this specific project and thus targeted during the implementation of the project, these are for example Monitoring Organisations, Competent Authorities (CAs), Chatham House, ITTO, European Timber Trade Federation (ETTF), NGOs, relevant research institutions etc.

Overall three different activities will be used to monitor the impact made by the project – survey (baseline and final), data assessment and indicators of uptake. In the beginning and end of the project a basic assessment of handling and awareness about the EUTR will be implemented. In addition, information from the project itself and from stakeholders relevant for the project will be gathered and used in the best way possible.

Socio-economic value and environmental problem

Illegal logging is assessed to have a value of 870,000,000 EUR each year (The Ecologist, 23 February 2012), which supports corruption and illegal activities. By enabling companies to implement and comply with the EUTR, this should have a natural negative effect on the trading of illegal timber around the world. Regulations such as the EUTR have tremendous importance at policy level in regards to secure environmental safeguards and ensure benefits at a social and economic level.

A decrease in the level of illegally logged timber globally is expected to be equal to a higher level of legally logged timber. This change will have great impact on not only the forest in itself, but also the people that live in and those which depend on the forest resources. Increased demand on timber and wood-products has had some financial benefits for poor people living close to the forest. But evidence also shows that especially the very poor communities (who depend on the forest) lose out to logging companies and migrant workers, because they reap most of the benefits (WWF).

Illegal logging and associated trade is a significant cause of forest degradation and contributes to deforestation in many developing countries. The persistence of illegal logging is undermining initiatives to promote social equity, environmental conservation, sustainable forest management, and sustainable economic growth in many nations according to the World Bank. Illegal logging also robs cash-strapped governments of vital revenues, has a devastating impact on the livelihoods of forest dependent people and fosters corruption and conflict.

There are many underlying causes of illegal logging, such as poor governance, flawed policy and legal frameworks, lack of transparency, corruption, law enforcement capacity, insufficient data and monitoring and high demand for cheap timber (FAO/ITTO 2005; Seneca/WRI 2004).

The consequences of illegal logging often have serious environmental impact. Therefore, this project were important to help address and reduce the negative environmental impact from illegal logging by promoting legal trade. The key was to enhance the availability of information to make it possible to help Operators better avoid sourcing illegal timber.

Illegal logging also causes enormous environmental damage and loss of biodiversity. It undermines sustainable forest management and has a long-term negative impact on the livelihoods of forest-dependent people, many of whom are amongst the world’s poorest and most marginalised people.

Expected longer term results

Websites and project information - NEPCon is committed that all relevant project information, news and guidance will continue its existence as an important source of information regarding implementation of the EU Timber Regulation, subsequent to the finalisation of the proposed LIFE 2.5-year project period as part of the webpage of NEPCon. Continued management of the information of the website is crucial, as the available information about the risk of legality is dynamic and requires continuous updating to stay useful and credible. Also, other valuable parts of the website information – for example, regular updates about the EUTR, announcement of relevant events, etc. - require active management. However, this is already a priority as part of the ongoing communication and technical work done by NEPCon.

Capacity building - In addition, it is expected that there will still be a need for further capacity building among the target audience, as it will be impossible to train every company placing forest products for sale in the EU during the project timeframe. However, by the end of the project period, companies across the EU will have been subject to news and experiences shared by the project. Given the continued feedback of key stakeholders that is built into the project's activities, the project beneficiary will therefore be in a better position to know where there are remaining gaps in industry capacity to address risk assessment. Furthermore, with the ongoing access to information, guidelines and tools after project end, the basis for further capacity building is established.

5. Administrative part

A number of activities have been completed to organise and coordinate the implementation of the project. Firstly, a Procedures Manual (submitted with the progress report) was developed and distributed to everyone working on the project, at both GTF and NEPCon. The manual described and explained a range of relevant information, such as project organisation, institutional relationships and responsibilities, record keeping, staff rules, project monitoring, quality assurance, branding and communication and event management.

Up until the withdrawal of the associated beneficiary, GTF and NEPCon were in communication via frequent meetings. One face-to-face meeting was held in Copenhagen in April 2016. The remaining meetings was conducted via Skype, to save travel costs. Please see the attached meeting minutes in Annex 2. Several internal meetings within GTF and NEPCon were also held. A significant amount of time and resources was used on a budget issue with GTF, which the monitoring organisation and EASME was also involved in. The issue was resolved and it was decided that GTF would remain under external assistance cost in the budget, which later became less relevant because GTF decided to withdraw halfway through the project.

In addition to the coordination meetings between GTF and NEPCon other initiatives such as management steering committee meetings and an Advisory Group were also established to support the best possible implementation of the project. The Advisory Group consisted of different stakeholders relevant for the project and four meetings have been held to get their input on various project activities and deliverables.

GTF used the timesheet template provided by the EC. GTF formulated a procedure for how and when they would fill in and collect the timesheets. NEPCon has used a timesheet format generated by an internal management system, set to adhere to the requirements listed in the grant agreement. The process and requirements were outlined in the Procedures Manual.

Much support and guidance has been received from the External Monitoring Team since project start. Initially a face-to-face introductory meeting was held in January 2016 and a face-to-face midway meeting was completed in January 2017 with participants from NEEMO EIIG and NEPCon. This was followed by a project visit and project progress meeting between NEEMO EIIG, EASME and NEPCon in February 2018 and lastly a final meeting with NEEMO EIIG in August 2018.

Alexandra Banks ran the project as Team Leader, with Julie Thirsgaard Hansen as assisting Team Leader, since project start. The responsibility of Team Leader was taken over by Ann Weddle by 1 July 2016. Julie Thirsgaard Hansen continued to work as assisting Team Leader throughout the project period.

A small change in connection with an address change in NEPCon was added as an amendment to the grant agreement in the beginning of the project. In addition to this, an amendment including four amendment points concerning the addition of several NEPCon affiliates, a request for an extension, GTF's withdrawal from the project and a revised budget was approved and added to the grant agreement in October 2017.

The deliverables submitted with this report are referenced throughout, as annexes. A list of these deliverables is given as an annex itself, Annex 10.

6. Technical part

6.1. Technical progress, per Action

Action B1 – Risk Assessments and Guidance

Foreseen start date: 01/05/16	Actual start date: 01/05/2016
Foreseen end date: 28/02/17	Actual end date: 30/06/17

This action involved in-depth research and assessment of timber legality risks across 40 countries and the development of a practical toolkit to help timber importers comply with the EUTR.

The risk assessments were conducted with the help of external consultants, where expertise on the applicable legislation and risk of violations for the specific countries did not exist in-house. The consultants were individuals with extensive, on the ground experience of the forestry and timber sector of the country in question. One of NEPCon's Risk Assessment Experts worked closely with the consultant, providing instructions and guidance, along with reviewing drafts and providing feedback. Stakeholder consultation was conducted for each risk assessment by circulating the reports to key organisations and individuals working within forestry, at both national and international levels. Stakeholder feedback was incorporated into the reports, where substantive evidence was provided. The risk assessments for some countries were developed in the local language and were translated for stakeholder consultation. All reports underwent a final review by a senior Risk Assessment Expert before publication.

As part of two other related projects: ‘Filling the FLEGT Information Gap’, funded by DFID and ‘CSR: Responsible Sourcing of Soy, Cattle and Palm Oil’, funded by Danida, a new online platform was developed to host the numerous risk assessments and tools being produced under all projects. This online platform was finalised and published in the summer of 2017 and is called the NEPCon Sourcing Hub, available at <https://www.nepcon.org/sourcinghub>. The site was also used to host the articles and videos (Action B2) and training material (Action B3) produced under this project. A more detailed description of the risk assessment methodology is also given on the site: <https://www.nepcon.org/sourcinghub/info/timber-risk-assessment-methodology>

All risk assessments were published on the NEPCon Sourcing Hub in the summer of 2017 and are provided in Annex 1. The stakeholder consultation and, thus, the finalisation of the risk assessments took longer than expected, delaying the finalisation of the activity by four months. However, it was felt that this step was too important to rush, and the assessments would be more readily accepted by the target group if the consultation was allowed to run as long as was necessary. Additionally, the delay was relatively minor and had no knock-on impact on the rest of the activities.

Based on feedback received after the launch of the Sourcing Hub, the risk assessments for Guyana and Republic of Congo were taken down to allow for further stakeholder consultation. It became evident that extensive in-country consultation is needed, unfortunately, this was not budgeted for and until budget for this work is secured the assessments will remain unpublished.

The tools that are linked directly to the risk assessments are the Country Profiles, originally these took the form of two-page information sheets published in PDF but with the development of the Sourcing Hub they evolved into the Country Pages, one webpage giving an overview of the risk assessment results for one commodity for each country (the page also acts as a placeholder for the risk assessments). Floating icons at the side of the webpage make it easy for users to download the Country Page as a PDF or share via email, Twitter or LinkedIn. The full risk assessments are generally 50-100 pages long and are very detailed, fully referenced resources. The Country Pages are the user-friendly summaries of these detailed reports. An example can be seen here: <https://www.nepcon.org/sourcinghub/timber/timber-viet-nam>. After the content, format and design of these pages had been decided upon the creation of one for each risk assessment was swift because the quality of the underlying risk assessments meant that it was easy to extract the relevant information from them. These pages were created by NEPCon Risk Assessment Experts and went through a thorough quality assurance process before publication. The Communications Expert assisted with the format and design of the page template.

The guidance material also includes a suite of generic due diligence tools (submitted with the mid-term report), namely: Responsible Sourcing Policy, Supplier Management form, Supplier Information form, Supplier Information letter, Supply Chain Mapping tool, Risk Identification checklist, Risk Specification Guidelines Risk Specification, Due Diligence Guidelines for Forest Management Enterprises, Due Diligence Procedure for Forest Management Enterprises, Certification System evaluation and Product Statement. These tools were created by NEPCon Technical Experts, again with some assistance from the Communications Expert with the layout, and mostly take the form of Word or Excel documents, as templates which companies can use to create documents and records for their own business. All tools were

tested by the case study companies (demonstration cases), with feedback being incorporated into the latter versions.

As part of the general guidance documents, a leaflet aimed at retailers, addressing the specific challenges they face in meeting the EUTR requirements and one aimed to help companies conduct due diligence and to keep a good relationship with their suppliers have been produced. The last leaflet planned in this project, a leaflet about certification and the EUTR, had been produced with funding from another project and was available to use within this project. All leaflets were submitted with the mid-term report.

Finally, an additional series of country specific tools was developed. These include extended Risk Mitigation Guides and Document Guides for five producer countries: China, Honduras, Liberia, Ghana and Democratic Republic of Congo. These tools provide in-depth assistance with risk mitigation actions for sourcing timber for the specific countries. They were created with the assistance of external consultants, for example, the consultants collected examples of documents and described their purpose, the issuing authority, what particular sections companies should check and common instances of fraud.

A number of the tools were translated into a variety of key languages; the languages chosen for each tool were carefully selected, based on the activities of the relevant countries and knowledge of timber supply chains, to ensure maximum value for money. An overview of all the translated materials is given in Annex 24.

Developing the risk assessments and guidance (toolkit) was a task completed by NEPCon's Team Leader and Risk Assessment Experts, with assistance from the Communication Expert.

Action B2 – EUTR Awareness Raising

Foreseen start date: 30/04/16

Actual start date: 30/04/16

Foreseen end date: 01/05/17

Actual end date: 30/06/18

Due to the nature of the awareness raising activities, the end date for this action was updated to the (extended) project end date. This awareness raising activities worked in synergy with the dissemination, communication and capacity building actions in the project and contributed to keeping the stakeholders engaged.

This action involved a range of activities and outputs:

1. Announcements on key stakeholder websites
2. Media campaign
3. Question and answers
4. Demonstration cases (case studies)
5. Video series

1. Announcements on key stakeholder websites

The launch of the project and all following news and announcements were published on NEPCon's website and in NEPCon's electronic newsletter 'NEPCon Update' (previously called 'Certified Wood Update'). The webpage for the project is <https://www.nepcon.org/projects/support-EUTR>.

A list of key stakeholders was established early in the project and added to throughout, as new contacts were made. The list contains a variety of organisations which publish news online, including trade associations, sector specific media and NGOs. These organisations were approached with information about the project and many agreed to help disseminate news. Examples include the announcement of the EU-wide workshop on www.flegt.org and www.illegal-logging.info. There was significant overlap with the media list (see below).

2. Media campaign

A media list was established early in the project and was updated frequently, resulting in a list of 400 media organisations operating in one or more of the target countries. Steps were taken to establish direct relations with the most relevant media in each country – adding to the relations already established by the project (e.g. via the target survey). These included magazines, e-portals specifically targeting the timber trade, the construction sector, retail, furniture industry, paper industry. This work paved the way for publication of articles and press releases, in which a media package including information about the project, background information and basic information about EUTR was attached.

In total, nine press releases, articles and news stories were published throughout the project. Three press releases were circulated, announcing various project milestones:

1. The launch of the NEPCon Sourcing Hub (and, thus, the publication of all the risk assessments and guidance, see Action B1). See <https://www.nepcon.org/newsroom/new-timber-risk-assessments-help-companies-source-legal-wood> and Annex 2.
2. The announcement of the case study programme, with an invitation for interested companies to join (see demonstration cases below). See <https://www.nepcon.org/newsroom/free-help-your-timber-due-diligence-system-available-companies-denmark-germany-latvia-and> and Annex 3.
3. The announcement of the workshops (Action B3). See <https://www.nepcon.org/newsroom/free-training-available-new-risk-assessments-and-tools-eu-timber-regulation-due-diligence> and Annex 4.

Four thematic articles were published:

4. **Timber Testing** – an article describing how laboratory techniques are increasingly used to reveal which species a product contains and where the wood originates from, by both Operators and CAs alike. Contains practical information such as costs and laboratory contact details. Available at: <https://www.nepcon.org/library/articles/thematic-article-no-1-timber-testing-techniques> and submitted with the mid-term report.
5. **Fake Documents** - the article includes some examples of forged documents, some practical ways to distinguish between genuine and fake documents, and some advice on what to do if a company thinks they have been given a fake document. Available at: <https://www.nepcon.org/newsroom/fake-documents-how-spot-them-and-what-do-about-them> and given in Annex 5.
6. **CITES and the EUTR** - an article that explains how CITES works, a complete list of timber species as well as permits to import, export or re-export timber listed under CITES, and how the EU Wildlife Trade Regulations (which implement CITES in EU countries) work. Available at: <https://www.nepcon.org/newsroom/practical-guide-cites-eu-timber-traders> and given in Annex 6.
7. **Risk Results** – an article exploring the overview results of all the Timber Legality Risk Assessments and the lessons we learnt along the way. Giving readers greater insight to the risk assessment process and broader understanding of the risks present

around the world. Available at: <https://www.nepcon.org/library/articles/thematic-article-no4-timber-legality-exploring-results-and-lessons> and given in Annex 7.

New stories and others:

8. **Workshop news** – a news piece reporting on the 12 national workshops and promoting the final EU-wide workshop (Action B3). See <https://www.nepcon.org/newsroom/460-timber-traders-across-europe-learned-how-dodge-risk-importing-illegal-timber> Annex 8.
9. **Sourcing Hub Update 1** – technically a new newsletter designed specifically for the news related to illegal logging, the EUTR (and related legislations) and the Timber Legality Risk Assessments. The project helped produce and launch the Sourcing Hub, an ongoing online resource which is updated with relevant news stories weekly (at the bottom of each Country Page, see Action B1). These news stories are compiled and summarised in a quarterly newsletter to help users of the NEPCon Sourcing Hub stay on top of the most relevant news. The first newsletter is available <https://www.nepcon.org/newsroom/nepcon-sourcing-hub-newsletter-launched> and given in Annex 9.

The original expected results for the media campaign was 14 press releases and articles. However, as the project commenced it became increasingly evident that there weren't milestones or topics of sufficient significance or interest for 14 outputs. After careful consideration it was decided that it would be better to circulate/publish fewer outputs than risk disengaging the target group (and key stakeholders) by generating numerous outputs of lower quality, just to meet the original target. Producing five fewer press releases/articles did not have any negative impact on the overall project results, it was found to have more impact to produce an additional ten country-specific tools produced under Action B1. The Document Guides, in particular, received excellent feedback and these guides are in many ways similar to the planned articles but categorised under Action B1, rather than B2.

3. Question and answers

A [Q&A](#) document was published on the project webpage in the first year (submitted with mid-term report). It includes information about the project, such as project scope, activities, target group and stakeholders, along with the possibility to pre-register for the training workshops. Since it is a comprehensive document and there have not been any changes to the EUTR it has not been necessary to update it since it was first published.

4. Demonstration cases (case studies)

A total of eight companies joined the project's 'case study programme', these companies represented a range of companies from across the target countries, as follows:

	Company name	Country	Business scope
1	Woodimex	The Netherlands	A trader of sawn wood of various species, importing from North America, Malaysia and Brazil
2	Omniplex	Belgium	A trader of sawn wood of various species, importing from numerous countries, including Ivory Coast, Cameroon, China and Russia.
3	MILES GmbH	Germany	A trader of processed timber products including furniture, household goods and packaging. Importing from China.

	Company name	Country	Business scope
4	Ecolor	Romania	A manufacturer of furniture for IKEA, they import wooden handles for cabinets from a supplier based in China.
5	Leroy Merlin España	Spain	A French multi-national retailer, selling DIY, home and garden goods. The Spanish subsidiary imports approx. 300 products from outside the EU.
6	Creativ Company	Denmark	A trader of DIY products; much paper based material, and small, cheap wooden products. Sources from all around the world but most comes from China.
7	SIA Ekju	Latvia	Manufacturer of outdoor furniture and related products made from pine and spruce. Most raw material is sourced locally but also imports from Russia and Belarus.
8	JAF Holz Ungarn Kft	Hungary	An Austrian multi-national wholesaler of sawn timber and construction timber and timber products including flooring, doors and decking.

None of the companies had a fully developed due diligence system, if they had one at all, prior to their engagement with the project.

The part of the action took a significant amount of time (approximately 96 days). The process varied depending on the country and company but broadly followed these steps:

1. Company outreach – either directly to companies which NEPCon already had contact with, at events (see Action B3), via the local CA or in response to the press release. The Communication Expert assisted with this stage, producing promotional material (a pamphlet, submitted with the mid-term report) and the press release (Annex 3).
2. Company agreement – signing a non-disclosure agreement and terms of reference and agreeing a workplan.
3. Initial meeting – most often this involved NEPCon’s Technical Expert conducting an evaluation (a ‘gap analysis’) of the company’s compliance with the due diligence requirements of the EUTR and/or training of the company on the EUTR and the toolkit.
4. Support via email and phone – helping the company build their due diligence system using the toolkit.
5. Follow-up/final meeting – evaluation of the company’s progress, updating action plans and gaining feedback on the tools (and the case study programme).
6. For three companies there was an additional visit for filming an interview.

The timeframe from steps 3 to 5 took between three (Latvia) and nine months (Belgium) to complete. Local NEPCon staff were involved with each case study, the amount of involvement varied depending on the experience and resources of the local staff and the language capabilities of the company involved. In some cases, the local staff conducted all the work with instructions, supervision and support from the Team Leader (Latvia, Romania, Hungary, Spain, The Netherlands) in other cases the company outreach was conducted by the local staff and the technical work was undertaken by Technical Experts from NEPCon HQ or another regional office (Belgium, Germany and Denmark).

The case studies took longer than expected, both in finding companies and the process. This was because many companies had limited resources, even some who had experienced enforcement visits from the CA had limited time for it. More than one company agreed to participate and then later pulled out due to lack of resources on their side.

By the end of the case study programme all eight companies had a due diligence system in place, an understanding of the EUTR requirements and how to implement their due diligence systems. Towards the end of the case study programme two of the companies had enforcement visits from their CAs which they both passed with positive results.

Feedback was obtained from the companies on the use of the toolkit (what tools they found most useful, which ones needed improvements, gaps in the toolkit, etc.) and the case study programme itself. Based on the varying experiences of the companies and their willingness to speak to camera three were chosen to film for the video series (see activity 5 below).

5. Video Series

A series of videos was produced and published online, as follows:

1. Promotional video for the Sourcing Hub (and, thus, the risk assessments and guidance/toolkit). <https://youtu.be/TmKZnl60-as/> / <https://www.nepcon.org/sourcinghub/info/about-nepcon-sourcing-hub>
2. Introduction to the Sourcing Hub webinar <https://youtu.be/-SBJ76CSgfi/> / <https://www.nepcon.org/events/introduction-nepcon-sourcing-hub-webinar>
3. Sourcing Hub “How To” video series (collectively all videos are found at: <https://www.nepcon.org/sourcinghub/info/sourcing-hub-how-videos>)
 - a. Introduction: Welcome to the Sourcing Hub <https://youtu.be/bD48FqumOEo>
 - b. How do I download the full NEPCON Due Diligence System? <https://youtu.be/YooUIYHt8KQ>
 - c. How do I navigate the Country Pages? <https://youtu.be/CAXLXukDEfk>
 - d. What do you mean by "source type"? <https://youtu.be/QvffBI8U844>
4. Introduction to the Sourcing Hub at the “How To Theatre” at the Timber Expo October 2017 <https://youtu.be/y0Y76UtSERk/> / <https://www.nepcon.org/events/nepcon-uk-timber-expo>
5. EU-wide event (collectively all outputs available at <https://www.nepcon.org/events/conference-sourcing-legal-timber-20>)
 - a. Session 1: EUTR Implementation and Enforcement <https://youtu.be/nvSy3D3X9Y8>
 - b. Session 2: Free Tools <https://youtu.be/FA8mNj9yt04>
 - c. Session 3: Future Trends <https://youtu.be/vM5LP3ox-Zg>
6. Interviews with the case study companies (collectively available at <https://www.nepcon.org/projects/support-EUTR>)
 - a. Woodimex, The Netherlands <https://youtu.be/AYxrJ9LCV58>
 - b. Creativ Company, Denmark <https://youtu.be/W5MKVlyhe54>
 - c. Ecolor, Romania https://youtu.be/607VR6K_JsI

Videos 2 to 6 are located under ‘Training materials and videos’ on the Sourcing Hub at <https://www.nepcon.org/sourcinghub/info/training-material-and-videos>. At the time of writing the videos collectively have been viewed 1,702 times. Annex 21 lists all the videos, along with their links.

The launch of the videos was postponed (as reported at the mid-term report), mainly because the contents of the videos had not been finalised by the original deadlines (an error with the setting of the deadlines). Because the videos either show the risk assessments and tools or interviews with the case study companies then the videos could not be produced before they were ready.

The first video to be produced, the Sourcing Hub promotional video, was produced by an external company; the aim was to produce a highly professional looking video that would really sell the outputs from Action B1 and entice people to attend the workshops in the autumn of 2017 (Action B3). The video was published during the summer of 2017 whilst the workshops were being actively promoted in all target countries. The limited budget meant that the rest of the videos were produced in-house, with the exception of hiring cameramen for two of the company interviews (Woodimex and Ecolor). The Communications Expert took the lead with this work, with input and supervision from the Team Leader and the assistance from Technical Experts, where necessary. The decision was taken to record webinars and presentations, where possible, as these were opportunities to create informative videos at little cost.

The stakeholder interviews videos only included Operators (representatives from the case study companies), rather than the range of stakeholders, as included in the project proposal. Discussions were held with both CA and trade representatives but, unfortunately, we were unsuccessful in securing these interviews. The CA representatives either did not feel comfortable doing such interviews, or said they were not permitted to. An interview with one trade association was set-up but fell through at the last minute by the representative, due to high workload, unfortunately, it was not possible to rearrange it. Time limitations meant that the decision to film only the case study companies was made; participating in such interviews was a topic that had been discussed with the companies when they joined the programme, so it was easier to persuade them to participate.

6. Miscellaneous

A National Communication Plan was developed for each of the 12 project countries (submitted with the mid-term report). Each includes an overview of all the communication activities planned for the individual country, along with a timeline and relevant information about the market and target group to ensure the best possible targeted communication.

We contacted life-comm@neemo.eu early in the project and asked if they could share one of the articles but did not receive a response.

Action B3 – Capacity Building

Foreseen start date: 01/05/16	Actual start date: 01/05/16
Foreseen end date: 20/09/17	Actual end date: 30/03/18

The end date for this action was updated to reflect the new (extended) project end date. This action involved a range of activities:

1. Industry training workshops
2. Participation in key European events
3. Ad-hoc seminar and meetings
4. EU-wide workshop

These activities are described in detail in four sections below.

1. Industry training workshops

Training workshops were delivered in the 12 target countries in the autumn of 2017. 595 people registered to attend the events, 24% of which either cancelled last minute or did not show on the day, a consequence, no doubt, of the fact that the workshops were free of charge. The resulting final number of participants being 454, an average of 38 per workshop, split as follows:

- Estonia - 26th September - 23 participants
- Latvia - 28th September - 24 participants
- Belgium - 17th October - 36 participants
- Netherlands - 19th October - 40 participants
- Germany - 24th October - 40 participants
- Denmark - 31st October - 53 participants
- Lithuania - 14th November - 43 participants
- Spain - 14th November - 39 participants
- Poland - 16th November - 48 participants
- Romania - 21st November - 41 participants
- Hungary - 23rd November - 29 participants
- Portugal - 28th November - 38 participants

The least well attended workshop was Estonia with 23 and the most well attended was Denmark with 53; it is no surprise that these countries are at either end, it reflects the level of enforcement and attention given to illegal logging in each.

The workshops were delivered by Team Leader and/or Technical Experts alongside local staff and were paired (where possible) to limit the travel time and expenses. For example, the Estonian and Latvian workshops were scheduled within the same week so that the Team Leader and Technical Expert could do both by taking only two flights and a bus to travel between the two. Two roll-up banners promoting the projects and giving visibility to the EU travelled to each workshop too. Depending on the local requirement, the workshops were either delivered in English or the local language; the latter either directly where local staff were confident in delivering the workshop (e.g. Spain) or via an interpreter (e.g. Latvia).

The local staff took care of the logistics and promotion of the workshops, with guidance and supervision from the Team Leader and the Communications Expert. The workshops were promoted in various ways, depending on the country, including outreach directly to the Operators list (see Action B2), via the local CA and trade associations. In some countries small advertisements were placed in relevant media channels (e.g. Germany and Hungary) but mostly the strategy was to use the outputs from Action B2 as content marketing, by placing articles in particular media channels which mentioned the local workshop at the end (e.g. the Timber Testing article in the German timber trade association's magazine) and via social media (e.g. sharing the promotional video of the Sourcing Hub on Twitter and LinkedIn). Registration was via an online form which allowed for ease of tracking uptake, this meant that efforts could be directed to those workshops which were attracting fewer people.

Each workshop was one day in length and was tailored to the local audience. Content included an introduction to the EUTR, exploring what due diligence means in practice and

how to use the NEPCon Sourcing Hub (and all the tools available on it) to implement due diligence. They consisted of a mixture of presentations and group exercises (except for Poland, where the local staff considered that the target group would be put off by the inclusion of exercises). Two generic agendas and sets of training materials were developed, one aimed at those with no knowledge of the EUTR (intro level) and those with some knowledge and experience (intermediate level). The decision of which level was most appropriate for the country was taken between the Team Leader and local NEPCon staff; broadly the intro level workshop was delivered in eastern European countries and the intermediate in western European countries (except for Portugal). The workshop content was adjusted further to meet the local needs where necessary, for example, an exercise specifically focusing at forest management risks in Romania was developed for the Romanian workshop. The group exercise involved a sourcing scenario (some limited information about a typical timber supply chain) for which the participants were instructed to use the knowledge gained from the earlier presentations with risk information presented on the Sourcing Hub to answer questions and come up with a risk assessment and mitigation options. The groups were provided with laptops (although many participants had brought their own, as instructed) and were guided through the exercise, with plenary session at the end so everyone could discuss their findings. Participants were given handouts; the packs include prints of the presentations and the exercise guide. Workshops were delivered in the local language, where necessary, in some instances this required the use of an external interpreter.

Local stakeholders were invited to be guest speakers at each workshop. The local CA presented at all workshops except Poland and Romania. Representatives from the case study companies also presented their experiences at the workshops in The Netherlands, Belgium, Romania. Other guest speakers included WWF in Germany and Denmark and the national timber trade association in Lithuania.

A news story covering the national workshops was published online at: <https://www.nepcon.org/newsroom/460-timber-traders-across-europe-learned-how-dodge-risk-importing-illegal-timber> (Annex 8).

The training materials are available on the project webpage and the Sourcing Hub at: <https://www.nepcon.org/sourcinghub/info/training-material-and-videos> where a page has been published for each workshop. They are also included in Annexes 11-16. An overview of all the translated materials is given in Annex 24.

2. Participation in key European events

A range of events were attended throughout the course of the project. Printed materials, raising awareness of the EUTR and the project, were distributed at all and presentations or side meetings were held at several. These included:

1. ATIBT Forum, Dubai
2. UK Hardwood Conference, UK
3. Nature 2017, Latvia
4. Interpol Conference, France
5. Spanish Forest Congress, Spain
6. SPOTT Timber, Pulp & Paper, UK
7. Society for Wildlife Forensic Science, UK
8. Illegal Logging Stakeholders Update, Chatham House, UK
9. The Modern Slavery Act & EUTR, UK

10. Timber Expo, UK

Whilst the UK was not a target country several high-profile events are held in the UK which attract participants from all over Europe (and beyond). A side meeting was held at the Chatham House event in the summer of 2017, this was one the day of the ‘soft launch’ of the Sourcing Hub, when a limited number of risk assessments and tools were published on the site, allowing for technical glitches to be noticed and fixed prior to the full launch shortly afterwards. The project had a booth at the Timber Expo, a trade fair that attracted 33,697 visitors from the construction industry. Over 100 people spent time exploring the Sourcing Hub and the printed material and talking with the Team Leader, Technical Expert and Communications Expert at the booth. Additionally, the Team Leader presented at the fair’s ‘How To’ theatre, conducting the session ‘How to assess the risk that illegal timber is present in your supply chain?’ (which was recorded and uploaded to the Sourcing Hub, see Action B2).

ATIBT (*Association Technique Internationale des Bois Tropicaux* – International Tropical Timber Technical Association) is an important stakeholder for the trade of African timber into Europe and their Forum in Dubai was well-attended by the European timber industry.

It is difficult to quantify the number of people engaged by this activity, but it is estimated to be over 500.

3. Ad-hoc seminars and meetings

This activity provided for seminars which were provided *on request* by stakeholders. Thus, NEPCon delivered presentations at the following meetings and events, as requested by the hosts:

1. TREE Meeting, France
2. FLEGT EUTR Expert Group, Belgium
3. TREE Meeting, Rome
4. Business Environmental Performance Initiative, Belgium

The first three events were meetings for the CAs, TREE stands for ‘Timber Regulation Enforcement Exchange’, a series of meetings organised by the NGO Forest Trends which aim to help the CAs build their capacity and learn from experts and each other. The [FLEGT EUTR Expert Group](#) is formal meeting of the CAs as organised by the European Commission. The fourth event was an industry event hosted by the global trade association Amfori (formerly known as the Foreign Trade Association). The presentations were delivered by NEPCon’s Technical Experts.

Again, it is difficult to quantify the number of people engaged by this activity, but it is estimated to be over 200.

4. EU-wide workshop

The final workshop was conducted on 15th March 2018 just outside of London, UK, entitled ‘Sourcing Legal Timber 2.0’. The project proposal had stated that Brussels would be the location for this event, however, it was decided that London would be a better option, for the following reasons:

- One of the national workshops had already been held in Brussels and, despite the differences in the content and format of the two workshops, it was feared that a second workshop in the same location within a few months of each other would attract far fewer participants;

- London is a transport hub, allowing ease of access;
- Many British companies expressed interest in attending the workshops; and
- Six out of the nine guest speakers are based in the UK, making it cost-effective option (travel expenses were reimbursed).

It was held at the WWF’s ‘Living Planet Centre’ an affordable office and events venue with sustainability at its heart.

The workshop consisted of three sessions, each with three guest speakers delivering presentations followed by a panel Q&A and discussion (facilitated by the Team Leader or a Technical Expert). The three sessions were:

1. EUTR implementation and enforcement

Enforcement officials and industry players will share their experience with implementing the regulation. What have been the main milestones, challenges and success stories over the past five years?

2. Free tools

There’s free information and tools out there but what is it? How can it be used in a due diligence process? We’ll look at some of the key platforms and discuss how they can be used together.

3. Future trends

We’ll explore emerging topics, ranging from new technology and innovative ways of using existing technology helping companies conduct due diligence to communicating compliance.

The agenda is given in Annex 17 and the recordings of the three sessions, along with the PDFs of the presentations delivered are available at <https://www.nepcon.org/events/conference-sourcing-legal-timber-20>.

The event was steamed live on YouTube to reach the maximum audience possible. A web camera and microphone were purchased and NEPCon’s IT Specialist assisted on the day. The YouTube event platform enabled the online attendees to ask questions of the speakers by typing in a chat box (which they did). Despite a few technical problems at the start the day this worked well, and positive feedback was received.

Copies of a sample of the risk assessments and tools were printed and displayed in the break out area and a drinks reception was held at the end of the day to facilitate networking and further discussion.

The workshop was well attended, with 66 people attending in person and 27 attending online.

The work was undertaken by the Team Leader, Communications Expert and Technical Experts.

Action C1 – Monitoring Project Impact

Foreseen start date: 15/02/16	Actual start date: 05/03/16
Foreseen end date: 15/11/17	Actual end date: 30/06/18

The end date of this action was updated to reflect the new (extended) end date of the project and the need to fully assess the impact, which is best undertaken at the very end of the project.

Surveys

A survey of target group was conducted at both beginning (baseline survey) and end (final survey) of the project. This proved to be a much more challenging and time-consuming task than initially thought. A questionnaire was developed with GTF and uploaded on the online survey tool SurveyGizmo. The target group was mapped and the survey disseminated via numerous means. The mid-term report details the challenges faced in getting responses from the baseline survey and, thus, the lengthy steps taken to try to boost the outcome. Despite the efforts only 123 responses were received in total, however, the exercise had not been in vain and much had been learnt about the target group and CAs in the process.

The same questionnaire used for the baseline survey was used for the final survey with two additional questions, asking if the respondents had answered the baseline survey and if they had participated in any of the project events. This approach limited the time required for translation, allowed for comparison of the results of both surveys and to assess whether project participation affected the results. Based on the experience of the baseline survey NEPCon auditors took the questionnaire out on audits with them right from the start. Additionally, phone calls were made in selected countries. The total number of responses received for the final survey was 141, Annex 18 gives the findings of the final survey.

Care must be taken when comparing the results of the two surveys and attributing the differences to the project, especially because only 10% of the respondents to the final survey said that they had answered the baseline survey (16% responded that they did not know and 74% said they had not). Additionally, the proportion of responses from the countries differed between two; for example, no responses were received from Portugal at the baseline survey, but Portuguese respondents made up 16% of the final survey. At the final survey a total of 54% of the respondents said that they had participated in one of the project events.

With these limitations in mind a comparison of the two survey results was made. The comparison indicates that the respondents are experiencing fewer difficulties in complying with the EUTR with those experiencing major difficulties falling from 29% (27/123) to 14% (19/141) between surveys. A greater number of respondents said that have a good understanding of what makes a good due diligence system, rising from 47% (58/123) to 57% (82/141) and there was higher number of companies responding that they had a well-developed due diligence system, 35% at baseline and 43% at final survey. Another noticeable result was the awareness the respondents had about whether they are classified as Operators, in 2016 15% answered that they did not know what the term meant, this dropped to 7% in 2018. One result which did not fit the trend of the other responses was the response regarding level of knowledge of the EUTR, the number of respondents who answered 'good' or 'very good' fell from 54% (66/123) at the baseline to 50% (77/141) at the final survey.

In May 2018 a survey was also sent to the Competent Authorities, responses were received from 12. Of these responses received 62% agreed that more companies are implementing due diligence than they were two years previously. When it came to the project outputs all respondents said they had used the Sourcing Hub within the past six months and expected to use it in the future. However, only 17% had said they had encountered companies using he tools and risk information from the Sourcing Hub in their due diligence systems.

A comparison of the baseline and final survey results is given in more detail in the Impact Assessment Report in Annex 22.

Workshop feedback

At the end of each workshop feedback was requested from the participants by way of feedback questionnaire. The response rate was high and the results extremely positive, with 90% of participants saying that they had a better understanding of the EUTR requirements as a direct result of the workshop and 86% saying they would use the Sourcing Hub again. Doris Abdel Halim, representative from the Hungarian CA (National Food Chain Safety Office Forestry Directorate) wrote afterwards:

“After having participated in your program twice already I believe you are doing an extremely valuable job. So it was a great pleasure to participate in your event.”

From the EU-wide workshop 78% agreed that their understanding of *how* to conduct due diligence had improved and 96% said the programme was well designed. Participants also left positive comments, such as

“The event was timely and worthwhile. Many thanks. Glad I attended.”

Anonymous, Physical attendee of the EU wide workshop

“Many thanks to you and your NEPCon colleagues for hosting this important conference. I must say that I found the event to be highly informative and current in the context of the EUTR, five years after its entry into force.” Anonymous, Physical attendee of the EU wide workshop

“Personally I was very impressed with the whole day and the tools you are providing are an excellent way to help us fulfil our EUTR obligations.”

Brett Hopkins, Environmental Officer, Flacon Panel Products Ltd

“After having participated in your program twice already I believe you are doing an extremely valuable job. So it was a great pleasure to participate in your event.” Doris Abdel Halim, National Food Chain Safety Office - Forestry Directorate, Hungary

CAs were present at 10 of the 12 national workshops and whilst representatives from each spoke at these events they also fed back to us that they also learnt a lot from these workshops (and in some cases brought all their staff, e.g. Portugal and Lithuania).

Other feedback

The feedback received on the content of the Sourcing Hub is that the technical content of the work is high quality. We have received consistently positive feedback on how comprehensive the reports are. For example, we received the following feedback from a stakeholder who works in tropical forestry in South America: *“... I just wanted to reach out and say, “great job!” for putting this together. [...] I’d go as far as to say it’s one of the most thorough, practical resources I have come across in 15 years working on tropical forest issues. I hope you are able to maintain this over time. Congratulations again!”*

Number of hits

The number of unique views of webpages, downloads of documents and views of videos has been monitored. Whilst we recognise that this does not inform on the impact of the project, it, at least, gives an indication of interest and reach, and the numbers encountered are significant. To date, there have been over 28,000 unique views of the Sourcing Hub and almost 6,000

downloads of the toolkit. The videos have collectively been viewed over 1,700 times, the articles over 2,000 and over 300 people have subscribed to the Sourcing Hub Updates newsletter. The monitoring of the number of hits will continue after project end, as outlined in the After LIFE Communications Plan (see Annex 19).

There is greater awareness of the EUTR across Europe and, despite the limitations described, it is logical to attribute at least part of that to the project. Whether the awareness translates into action is harder to say, which could, in part, be due to the short timeframe of the project. As shown by the case study companies, setting up and rolling out a due diligence system takes many months and that's once the required resources have been secured for it. With the publication of the risk assessments and guidance in August 2017, followed by the workshops September to November 2017 it is likely that Operators are still working on their due diligence systems. The impact that this due diligence will have on the ground, the environmental, social and economic benefits around the globe, will take even longer to be felt. The risk mitigation actions proposed by the project's guidance will ultimately impact the forest but it sometimes needs to work along supply chains, which can be long and complex.

The work under this action was conducted mostly by the Team Leader and Communication Expert, with assistance from local NEPCon staff. The associated beneficiary contributed to the baseline survey before withdrawing from the project.

Action D1 – Communication Plan

Foreseen start date: 15/01/16	Actual start date: 28/01/16
Foreseen end date: 18/02/16	Actual end date: 11/04/16

The project developed a communication plan early in the project to enhance efficient outreach to, and uptake of the project's results, by the target group, beneficiaries and other stakeholders (submitted with the progress report). The plan will also help ensure the sustainability of the project impacts after project completion and the sustainability of the EU financing of the project. It provides an overview of the communication activities and the planned human and financial resources (submitted with the mid-term report). The Communication Plan was developed by the Communication Experts and feedback from the Advisory Group (AG) incorporated.

Action D2 – Networking with other LIFE and/or Non-LIFE Projects

Foreseen start date: 01/09/16	Actual start date: 15/06/16
Foreseen end date: 15/07/17	Actual end date: 30/06/18

Coordination with stakeholders and other initiatives related to timber legality started from the outset of the project, building on the initial networks of both beneficiaries. Due to the nature of this activity, it was foreseen to continue throughout the project, so the end date was updated to the new (extended) deadline.

Just to mention a few, the project has communicated with all CAs in the 12 project countries, European Forest Institute, European Timber Trade Federation (ETTF), European Forest Institute (EFI), FAO, World Resource Institute (WRI), Global Witness, Forest Trends, Client Earth, Chatham House etc. Engaging with these stakeholders, also meant that the project had other potentially relevant projects on the radar.

Please see Action B3 for a description of the different events and meetings that the project has attended and thus used to build the project network and create awareness about the EUTR and the launch of tools and workshops.

Throughout the project there were no other LIFE funded projects working within the same field as this project.

The work for this action have been done by different project team members (communication experts, technical experts and the Team Leader), both by the coordinating beneficiary and the associated beneficiary.

Action D3 – Communication and Dissemination of the Project

Foreseen start date: 01/01/16	Actual start date: 01/01/2016
Foreseen end date: 01/10/17	Actual end date: 30/06/18

Because of the nature of this action the end date was updated to reflect the new (extended) end date of the project, since the dissemination activities continued throughout the project period in synergy with the awareness raising and capacity building actions.

The website for this project is to be found here <http://www.nepcon.org/projects/support-EUTR>. It includes information about the project, such as project scope, project activities, target group and stakeholders. In addition to this the project has received media coverage via Europe-wide channels, such as flegt.org, The European Timber Trade Federation (ETTF), Chatham House and in numerous national outlets.

Two roll-up banners (standing in for the notice board) were produced and were erected at all 13 workshops and other events, where possible. It was submitted with the mid-term report.

Many hours were spent on the dissemination of the outputs and promotion of activities, in particular for the launch of the Sourcing Hub and the promotion of the workshops (as described under Actions B2 and B3), the press releases for these were picked up and run by 16 and nine media channels, respectively. Additionally, the Timber Testing articles was reported in ten media channels, the Fake Documents article in eight.

A Layman's report was produced and is published on the project webpage and is included as Annex 20. An After LIFE Communications Plan (see Annex 19) has been developed, outline numerous actions for continuing the dissemination of the project outputs for years to come.

The Advisory Group were consulted on the project webpage and the Sourcing Hub and their feedback incorporated.

All NEPCon project team members worked on this action, as did those from GTF before their withdrawal from the project.

Action E1 – Management Setup and Organisation

Foreseen start date: 01/03/16	Actual start date: 01/03/16
Foreseen end date: 31/03/18	Actual end date: 30/09/18

The end date for this action was updated to 30th September 2018 to reflect the approved extension.

Under Action E1 a procedures manual was elaborated and shared with all relevant project staff (submitted with the mid-term report).

A project Advisory Group was established at the beginning of the project. It consisted of 18 members representing a range of industries and organisations relevant for the project activities. Meetings with the Advisory Group were held approximately once every six months and focused on the development of the communication plan, the tools, the webpage, engaging relevant stakeholders, the training sessions and the case study programme. For example, the AG suggested companies whom they thought would be useful to include in the case study company.

Initially, a partnership agreement was developed to cover the collaboration between NEPCon and GTF. The agreement covered areas such as duration of the partnership, roles and obligations of each partner, payment and payment terms, financial contribution of GTF and the reporting schedule for the project. Because GTF decided to withdraw from the project as associated beneficiary, the partnership agreement terminated on 21st April 2017.

Throughout the project there was frequent communication between NEPCon and the contact person from the External Monitoring Team ensure the best possible setup for the project. The contact person was extremely helpful and advised on issues such as timesheets, budget changes, address change, amendment, mid-term report, the withdrawal and the budget issue with the associated beneficiary, etc.

Our response to the feedback given by EASME to the mid-term report is given in Annex 23.

The work done under this action have been done by different project team members, such as the Team Leader, the Assisting Team Leader and the Financial Officer.

Action E2 – Monitoring of Project Progress and Audits

Foreseen start date: 01/06/16	Actual start date: 05/06/16
Foreseen end date: 31/03/18	Actual end date: 30/09/18

The end date for this action was updated to 30th September 2018 to reflect the approved extension.

The Team Leader managed the project, keeping track of progress and meeting with team members at least weekly. The Team Leader reported to the Projects Division Manager during fortnightly meetings. The Projects Division Manager reported further to NEPCon's 'Project Council', a council that met once every six months. This council is made up of senior NEPCon staff from a range of departments to discuss matters arising from all of NEPCon's projects, thus, any cross-cutting issues could be discussed together. Before GTF withdrew from the project a number of joint meetings were conducted. The majority of the meetings were held online, due to the geographical locations of project staff but occasional face-to-face meetings were had when numerous or complicated issues needed to be resolved that would take significant time spent.

NEPCon conducted a face-to-face kick-off meeting in Copenhagen with the External Monitoring Team in January 2016. NEPCon and GTF had one face-to-face meeting in Copenhagen in April 2016 and the project staff from the coordinating beneficiary had a face to face workshop in mid-January 2017. NEPCon and the External Monitoring Organisation had a status meeting in the end of January 2017 and another in February 2018.

The staff working on this project within the coordinating beneficiary are having bi-weekly meetings online to ensure the best possible collaboration, synergy and progress of the project activities.

The Financial Officer oversees the financial management and monitoring of the project. The remainder activities under this action has been implemented by the Team Leader and the Assisting Team Leader.

6.2. Main deviations, problems and corrective actions implemented

One of the first deviations was the change of one of the target countries, Slovakia for Hungary. As communicated in the first progress report (submitted July 2016), this change was made because the Hungarian CA showed great interest in collaborating in the project. It was also noted how it imports larger quantities of timber than Slovakia, meaning the potential impact of the project would be greater. This proved to a successful change for the project because the workshop was well attended and received (with the collaboration of the CA) and a case study company was found in the country.

Of course, the main deviation was the withdrawal of the associated beneficiary, GTF. As explained in the amendment letter (dated 2nd May 2017, submitted with the mid-term report) the decision was made entirely by GTF and was connected to the budget and whether GTF could be considered personnel or external consultants. Their withdrawal did not change the scope or activities of the project, all tasks were reallocated within NEPCon and ultimately it did not have a noticeable impact on the project.

The amendment letter contained for amendments:

1. The addition of affiliates to the grant agreement, these were the legal entities that employed NEPCon staff working in the regional offices (i.e. other than HQ at the Copenhagen address).
2. A six-month extension
3. Withdrawal of GTF
4. Revised budget

The main problem encountered by the project was the lack of survey respondents. This problem was encountered right from the beginning of the project, before GTF withdrew. Significant time and effort was put into disseminating the survey and encouraging people to complete it, both at the baseline survey and the final survey. Several different approaches were taken to try to improve the response rate, alas, the target of 50 responses per target country was out of reach. However, 123 and 141 responses were received to each survey (respectively) from countries across Europe and were still useful in providing insights. The delay caused by the problems encountered with the survey, some delays with the consultants working on the risk assessments and the considerable amount of time spent resolving the

administrative issues and the loose of GTF all contributed to the need for the six-month extension.

Three other smaller deviations were encountered:

1. The stakeholder interviews videos only included Operators (representatives from the case study companies), rather than the range of stakeholders included in the project proposal. Discussions were held with both CA and trade representatives but, unfortunately, we were unsuccessful in securing these interviews. The CA representatives either did not feel comfortable doing such interviews, or said they were not permitted to. An interview with one trade association was set-up but fell through at the last minute by the representative, due to high workload, unfortunately, it was not possible to rearrange it. Time limitations meant that the decision to film only the case study companies was made; participating in such interviews was a topic that had been discussed with the companies when they joined the programme, so it was easier to persuade them to participate.
2. Only nine of the 14 articles/press releases were produced. As the project commenced it became increasingly evident that there weren't milestones or topics of sufficient significance or interest for 14 outputs. After careful consideration it was decided that it would be better to circulate/publish fewer outputs than risk disengaging the target group (and key stakeholders) by generating numerous outputs of lower quality, just to meet the original target. It is not considered that producing five fewer press releases/article had any negative impact on the overall project results. Furthermore, the additional ten country specific tools produced under Action B1 could be seen to make up for the shortfall, with the Document Guides, in particular, receiving excellent feedback.
3. The EU wide workshop was conducted just outside of London instead of Brussels. It was decided that London would be a better location, for the following reasons:
 - One of the national workshops had already been held in Brussels and, despite the differences in the content and format of the two workshops, it was feared that a second workshop in the same location within a few months of each other would attract far fewer participants;
 - London is a transport hub, allowing ease of access;
 - Many British companies expressed interest in attending the workshops; and
 - Six out of the nine guest speakers are based in the UK, making it cost-effective option (travel expenses were reimbursed).

6.3.Evaluation of Project Implementation

Methodology

Risk Assessment Methodology

The volume and quality of feedback at stakeholder consultation during the development of the risk assessments varied considerably between countries. On publication of the risk assessments significantly more feedback was received for a few countries, particularly Guyana and the Republic of Congo, where it has been recognised that a more thorough in-country consultation was necessary to elicit the level of feedback required. While we took every effort at the time to try to elicit feedback (writing numerous times to key stakeholders), we acknowledge that we could and should have done more to ensure stakeholders were consulted prior to publishing the risk assessments.

We have updated our stakeholder consultation methodology which now includes in-country stakeholder consultation for certain regions. We will also ensure that future processes include sufficient budget for in country work in countries that are identified as high risk for remote consultation. We anticipate that at least all VPA countries will be included as in-country consultation countries for any future work.

In-country (i.e. holding workshops and meetings physically in the country) stakeholder consultation for certain regions (especially VPA countries) would more likely have resulted in risk assessments that were accepted. Thus, the risk assessments for Guyana and the Republic of Congo would not have to be pulled from the Sourcing Hub.

Thorough research was conducted as part of each risk assessment and it was found that a range of information was publicly available for each country. However, some of the critical feedback received after publishing the risk assessments pertained to the limited reference to the progress some of the VPA countries have made in recent years. This potentially indicates a lack of publicly available information on the status of forest governance improvements and evidence of the impact of such improvements on illegal logging and the trade in illegal timber in those countries.

One of the specific difficulties encountered in the development of the risk assessments for the VPA countries was to accurately reflect the extremely dynamic and evolving processes being carried out in those countries. A VPA country is a country which is negotiating or has entered into a Voluntary Partnership Agreement with the EU, as part of the EU's FLEGT Action Plan. The risk assessment documents are static documents, which reflect an assessment of a situation at a single point in time. Once a draft of the assessment has been developed, the process for consultation, quality assurance and final approval can be lengthy, meaning that the ongoing developments in a country may not be reflected in the final report.

In the future, NEPCon plans to build a data management mechanism which will enable more dynamic handling of the risk assessments. This will allow us to update them more regularly and include information as it comes to us in real time.

Results

The objectives of the project were met. The table below outlines the successes and lessons learnt for the various Actions. Overall, the most successful Actions were B1 and B3, most lessons learnt were learnt in Actions B1, B2 and C1. The project amendment was necessary to help project completion after the withdrawal of GTF, disseminate the outputs and build capacity in local languages and ensure there was sufficient time to finalise Actions to a high standard.

Action	Foreseen in the proposal	Achieved	Evaluation
B1. Risk Assessments and Guidance	Expected results: -Risk assessments for 40 countries - Risk tools developed -Leaflet about certification -Leaflet for retailers -Leaflet about certification	Yes	Successes: As described in Section 6.1 the outputs are being accessed and positive feedback has been received. Lessons learnt: See risk assessment methodology above.
B2. EUTR Awareness Raising	Expected results: -Videos launched at website - EUTR Q&A Announcement of the project to key stakeholders (app 50-80) -14 press releases/articles -Demonstration cases (case studies)	Yes	Successes: As described in Section 6.1 the outputs are being accessed and positive feedback has been received. Lessons learnt: The time required to produce articles and videos, and the time required for the case studies was significantly more than initially thought. The proposal noted that finding companies willing to participate in the case study programme and finding stakeholders willing to be interviewed on camera may be a constraint. Whilst we were able to find companies in the end it required a much larger level of effort than was foreseen. This ate into the budget available for finding and convincing stakeholders to interview, which was also much more challenging than foreseen. Specialist skills are required to produce high quality videos. Staff can learn and build up these skills, but it takes time.

Action	Foreseen in the proposal	Achieved	Evaluation
			<p>Whilst five fewer press releases/articles were produced it is considered that the overall objective of the Action has been met, with thousands of stakeholders having been reached.</p> <p>The project extension made the largest difference to this Action, with several of the outputs being finalised during this period.</p>
B3. Capacity Building	<p>Expected results:</p> <ul style="list-style-type: none"> -Programme for sessions developed for 12 national workshops -Programme for sessions developed for 1 EU wide workshop 	Yes	<p>Successes: All workshops were successfully delivered, they were well attended, and positive feedback received. For example, 90% of participants saying that felt they had a better understanding of the EUTR requirements as a direct result of the workshop and 86% saying they would use the Sourcing Hub again. Doris Abdel Halim, representative from the Hungarian CA (National Food Chain Safety Office Forestry Directorate) wrote afterwards: <i>“After having participated in your program twice already I believe you are doing an extremely valuable job. So it was a great pleasure to participate in your event.”</i></p> <p>Lessons learnt: None.</p> <p>The project extension helped to implement this Action, it allowed for a highly professional and successful EU wide workshop to be delivered.</p>
C1. Monitoring Project Impact	Expected results:	Partially	Successes: As described in Section 6.1 the outputs are

Action	Foreseen in the proposal	Achieved	Evaluation
	<p>-Target survey completed for 50 companies in each of the 12 countries</p> <p>- Final survey completed for 50 companies in each of the 12 countries</p> <p>-Impact Assessment Report</p>		<p>being accessed and positive feedback has been received. For example, 10% more survey respondents answering that they have a good understanding of what makes a good due diligence system and 8% more answering that they had a well-developed due diligence system at the final survey compared with the baseline survey. Workshop participants also responded positively with 90% saying that they felt they had a better understanding of the EUTR requirements as a direct result of the workshop and 86% saying they would use the risk assessments and guidance documents again. Positive unsolicited feedback was received, for example, an email from a stakeholder who works in tropical forestry in South America said: <i>“I just wanted to reach out and say, “great job!” for putting this together. [...] I’d go as far as to say it’s one of the most thorough, practical resources I have come across in 15 years working on tropical forest issues.”</i></p> <p>Lessons learnt: Significantly more time needs to be devoted to impact monitoring, right from project start. We should not be afraid to ask for external, professional help, nor requesting more significant amendments to the project, should these be deemed necessary to the achieve the best outcomes.</p>

Action	Foreseen in the proposal	Achieved	Evaluation
D1. Communication Plan	Expected results: - Communication Plan developed -Consultation on Communication Plan with AG -After LIFE Plan	Yes	Successes: The high level of interest encountered for all workshops shows the individually tailored, country-specific communication plans were effective. Lessons learnt: In some countries it is necessary to take out small advertisements (e.g. Latvia and Hungary) and in others it is sometimes required to pay for the placement of articles (Germany).
D2. Networking with other LIFE and/or non-LIFE projects	Expected results: -80 main stakeholders engaged in the project	Yes	Successes: Hundreds of stakeholders have engaged with the project via numerous events and meetings. Lessons learnt: The more experienced gained through the project the easier it became to identify the events which would result in highest impact.
D3. Communication and Dissemination of the Project	Expected results: -Consultation on website with AG -All risk information available on website -Laymans Report	Yes	Successes: The Sourcing Hub has been hugely successful in displaying the information from the risk assessments, making them more easily accessible. The AG provided useful input into the development of the site. Overall, the project outputs have been disseminated to thousands of stakeholders. Lessons learnt: It is impossible to please everyone; the Sourcing Hub generated criticism from some (e.g. stakeholders in VPA countries) for how it displays the findings of the risk assessments but the main target group (the industry) have said that the display is

Action	Foreseen in the proposal	Achieved	Evaluation
			useful, making the information easier to access and understand.
E1. Management Setup and Organisation	<p>Expected results:</p> <ul style="list-style-type: none"> -Procedures manual -Establish Advisory Group -Setting up agreements and other tasks to secure the basis of the project management -Progress Report -Midterm Report -Final report -Midterm and final payments calculated 	Yes	<p>Successes: The set-up of the project team worked well, ensuring efficiency of performed tasks and supervision. The AG provided useful input and helped promote the project in their networks.</p> <p>Lessons learnt: We did not have a Project Finance Manager for the first year of the project (the position was open). This meant that the duties were fulfilled by general finance personnel in our Danish and regional offices. We don't consider any poor management resulted from this situation, but it meant that staff had to work outside the scope of their normal roles, which is not ideal. Once a Project Finance Manager was recruited it became evident just how beneficial it was to have someone prioritising the financial management of our projects.</p> <p>The project amendment allowed for the continued smooth management of the project after GTF withdrawal.</p>
E2. Monitoring of Project Progress and Audits	<p>Expected results:</p> <ul style="list-style-type: none"> -Meetings -Management meetings with GTF -General management issues 	Yes	As above.

Action	Foreseen in the proposal	Achieved	Evaluation
	-Financial management -Reporting		

Policy impact

The overall aim with this project is to support the awareness of and compliance with the EU Timber Regulation, which means that all activities in the project directly or indirectly support this legislation. The project has been successful to underline the importance of the EU Timber Regulation and ensure that the policy can be addressed by the target group of timber traders and processors.

In addition to providing direct benefits to industry as a due diligence tool, the risk assessments may also play a role in the implementation of VPA processes around the world. For example, Vietnam, a major importer of timber, has included imported timber in the scope of their VPA. In this case, the risk assessments could be used as an important part of the process to ensure that material that will eventually enter FLEGT-licensed products has been sourced via supply chains where the risks of illegality have been assessed and mitigated. In addition, VPA countries could adopt the concept of risk assessments, to provide important information to the construction of their own TLAS, by focusing on areas of high risk. In all, the risk assessment work that NEPCo has done with EU funding has the potential to make it significantly easier for VPA-governments and thousands of companies to combat illegal logging and timber trade.

Additionally, the project falls in line with several other relevant legislations/policies/strategies as written in form B3 'EU added value', such as the LIFE Regulation, Annex III because of the focus on due diligence, which helps promote the sustainable management of forests and thus creating a disincentive for illegal timber. Moreover, the project is also in line with the requirement in the EU Biodiversity Strategy, which states 'contributions from other environmental policies and initiatives', which this project supports by its purpose of ensuring the implementation of existing EU environmental legislation.

6.4. Analysis of benefits

1. Environmental benefits

Due to the nature of the project all such benefits are indirect and, thus, impossible to quantify within the limits of the budget. The benefits include better compliance by harvesting operations with environmental regulations (e.g. maintaining buffer zones along watercourses) and protected sites and species regulations (e.g. respecting harvesting boundaries, limits or bans). They result by Operators implementing the risk mitigation actions detailed in the risk assessments.

2. Economic benefits

The due diligence approach can be more cost effective than certification because efforts are directed to where they are most needed. Many companies buy certified timber from well-regulated countries, which can be seen as a waste because there is often little

difference to how certified and non-certified forests are managed. The members of the target group will save resources, because the project developed the risk assessments and tools for them to use in-house.

As with environmental benefits indirect economic benefits will result in producer countries through better compliance with various tax laws, as specified by the risk mitigation actions outlined in each risk assessment.

Finally, the producers of wooden products have a competitive branding advantage when safeguarding the legality of their products. An increasing number of consumers will support companies with responsible sourcing practices compared to those which neglect such responsibilities. For example, IKEA has decided to only source certified wood by 2020.

3. Social benefits

As with environmental benefits indirect social benefits result in producer countries through better compliance with regulation on (where applicable) Health & Safety, legal employment and third parties' rights, as specified by the risk mitigation actions outlined in each risk assessment. For example, logging operators being given the appropriate Personal Protective Equipment (PPE) to wear.

4. Replicability, transferability, cooperation

The risk assessment methodology can be (and already has been) applied to other commodities (soy, palm oil, and beef), which provides the potential for replicating the approach to other sectors. The likelihood of this method being replicated is high, which is driven both by the market and dependent on the policy. The Sourcing Hub shows the results of the application of the methodology to beef, soy and palm oil to date but it is equally applicable to other deforestation impact commodities such as cotton, coffee and cocoa.

Cooperation, the Sourcing Hub brings together producers and importers and provides a common language for discussing the complex of topic of illegal logging and the EUTR and a mutual understanding of what actions are necessary to meet the requirements.

5. Best Practice lessons

In short, the project made information available related to legal timber trade, structured it, developed tools and used this to conduct training and awareness building. Furthermore, tools are now available to ensure that the project contributes to legal timber trade also after project end. This approach has been tested in smaller scale before by other projects. It may be improved by increased stakeholder and target group involvement at early stage of the project. However, this will extend the duration of the project and costs for travel.

6. Innovation and demonstration value

Many aspects of this project were innovative, both in approach and methodology. The risk assessment framework methodology was developed by NEPCon, and is extensive and comprehensive, NEPCon's approach to risk assessments is unique. We developed the methodology in consultation with FSC International and with inputs from a number of key stakeholders. In the preparation of a risk assessment, we engage directly with local experts to provide both technical input and critical review of the findings. Working with FSC International on a number of risk assessments prior to the commencement of the current project enabled us to refine the development process and streamline our internal review systems. While many organisations are collating information on the

applicable legal systems relevant for Operators under the EUTR, no other organisations were evaluating risk so comprehensively, and making the information publicly available.

There are many data platforms available aiming to support sustainable production of commodities and provide information to industry and civil society. One may ask why another one is needed? The NEPCon Sourcing Hub is needed because the information we make available supports rather than overlaps many other initiatives with comparable goals. Unlike supply chain tracking and mapping websites that have been recently developed to help companies to help manage their due diligence systems related to supply chain sourcing, the NEPCon Sourcing Hub is different in that it is an *information hub that provides comprehensive and specific data about risks*, as well as tools and suggestions for how to manage identified risks.

The difference in the NEPCon Sourcing Hub is:

- New, *well researched, comprehensive and up to date information about risks* of sourcing different commodities from different countries. The Risk Assessments are detailed reports which form the foundation of the Sourcing Hub. They are commodity, jurisdiction and source type specific. Importantly, this level and scope of detailed risk analysis has never been published before.
- *Free and open source* - there are no subscription requirements for users to access the useful information. The underlying data presented by NEPCon on the Sourcing Hub may be retrieved by any organisation or entity interested and applied in other databases, or due diligence systems, thus supporting the efficiency of such systems.
- Designed specifically to *assist in conducting due diligence on supply chains* - we have a fully due diligence process available to download for free, country profiles with information structured around the three steps of a due diligence process, and country/commodity specific tools that summarise elements of the risk assessments. All presented in concise and user-friendly way.
- Our tools are tailored to the target groups and are focused on giving practical assistance, based on our experience of working with the industry and regulators for many years. A number of the tools are innovative, such as the Certification System Evaluation Checklist (DD-13), the first of its kind to help the target group evaluate if a voluntary certification/legality verification scheme meets the requirements of the EUTR.

7. Policy implications:

The potential impact of the risk assessments on the VPA processes, by aiding the development of the TLASs and possibly highlighting focus countries. Furthermore, the project supports due diligence performed by European companies when sourcing timber. This shows that due diligence is possible and can be done also by smaller companies. We expect that future legislation in other areas than timber trade will be developed in the coming years. The present project shows that practical mitigation actions can be taken if supported by projects like this.

7. Key Project-level Indicators

The LIFE Indicators Scheme was updated and submitted with the Midterm Report in May 2017. The indicators have been updated in accordance with the project results in the Key Project Indicators database for LIFE projects.

For the compliance and enforcement indicators (10.1.1) the numbers for Monitoring Organisations (MOs), large enterprises, Competent Authorities (CA) and SMEs have all been changed. The number of MOs have been adjusted from 12 and 50 (five years beyond) to 14, because that is the total number of registered MOs. Large enterprises have been adjusted from 500 to 350 for the 5 years beyond indicator, which builds on the experience the project team has from implementing the project. For the Cas, the end of project indicator has been adjusted from 12 to 19 because CAs from non-project countries, in- and outside the EU have been engaged. The 5 years beyond indicator for the CAs have been adjusted from 50 to 30 to reflect the total number of CAs (including non-EU). For SMEs whose awareness has been raised the end of project indicator has been updated from 600 to 800 SMEs, again, based on project implementation experience. The 5 years beyond remains the same.

For the NGOs and stakeholders (10.2) involved in the project, the indicator for end of project for NGOs has been adjusted from 5 to 15, because of NGOs whom participated in the project's workshops and events and NGOs whom engaged in the stakeholder consultation phase of the risk assessments. The 5 years beyond indicator remains the same at 50. For the private enterprises the numbers have not changed and remains 800 for the end of the project indicator and 2500 five years beyond. The CAs involved in the project has been adjusted from 17 to 19 at project end and from 50 to 30 CAs at 5 years beyond.

Indicator 11.1 focuses on the website indicators, which have changed significantly. When writing the proposal, it was understood that the number of individuals and the number of unique visits were different, this is incorrect, and they are, in fact, the same. Thus, we have taken the opportunity to use the 'number of individuals' indicator to report on the number of unique visitors *plus* the number of returning visitors. For this indicator, the end of project figure has been updated from 6,000 to 16,560 visits. The number of unique visits is adjusted from 1,000 to 15,068. For five years beyond the indicators have been adjusted respectively from 15,000 to 30,000 and from 5,000 to 25,000. The number of downloads has been adjusted from 500 to 7,414 at project end and from 1,500 to 12,000 five years beyond. The top three downloads are the Chinese Document Guide, the Chinese Risk Mitigation Guide and the Russian Risk Assessment. The average duration of a visit is 2.5 minutes and this duration is expected to be the same five years beyond, which is considered a great result.

The figure for indicator 11.2 for events at project end remains at 1,000. However, the number five years beyond the project has been increased from 0 to 1,500, because NEPCon will continue to promote the outcomes of the project at conferences and events in the future. For the media (videos) the indicator figure has been reduced from 2,000 to 1,700 at project end. Consequently, the figure at five years beyond has been reduced from 5,000 to 3,000.

Indicator 11.3 is for the target and final surveys. The figure was originally set at 500 participants for project end, but as described previously it showed to be a greater challenge than expected to reach this number. Thus, the number have been adjusted to the actual number of participants, which was 250 in total.

For the networking (networking, workshops and conferences) indicator 12.1 the actual number at project end was 1,150, down from the forecast 1,200. For 5 years beyond, the figures has been increased from 1,200 to 1,300 because of the future workshops NEPCon expects to either contribute to or host, where the projects outcome will be included.

8. Comments on the financial report

8.1. Summary of Costs Incurred

Project expenditure more or less followed the costs forecast in the amended budget, as shown in the table below. There was an overspend of 12.5%, this was foreseen several months before project end and the decision was taken to continue with the activities and outputs as planned, so as to ensure the quality of the work. Accepting that the additional spend would be covered by NEPCo solely. The other notable deviations are the underspend on the travel and the overspend on the external assistance, along with expenses within two categories for which there was no original budget (consumables and other direct costs).

There were no funds in the budget for consumables, however there were some small consumables (e.g. printing and small hardware for workshops) which were incurred. Additionally, we were advised to report on the expenses of for the workshops in this category, including venue hire, lunch and refreshments. Likewise, there was no budget for other direct costs but we were advised to report on the workshop guest speakers' expenses there, which partially explains the underspend on travel and subsistence where that budget was allocated. These travel costs were lower than forecast because industry representatives were not present at all twelve national workshops and where they were, they were locals, meaning that the travel costs were small (none of the representatives took flights for the national workshops, only the EU wide workshop). The overspend on external assistance was mainly due the use of local experts for technical work on the risk assessments and guides and the translation of the guides and training materials, where costs were higher than foreseen.

PROJECT COSTS INCURRED			
Cost category	Budget according to the grant agreement in €*	Costs incurred within the reporting period in €	%**
1. Personnel	386,510	402,508	104.14%
2. Travel and subsistence	39,925	28,631.28	71.71%
3. External assistance	110,378.00	141,196.55	127.92%
4. Durables goods: total non-depreciated cost			
- Infrastructure sub-tot.			
- Equipment sub-tot.			
- Prototype sub-tot.			
5. Consumables	0.00	26,377.86	100%
6. Other costs	0.00	5,324.68	100%
7. Overheads	37,574.00	42,282.70	112.53%
TOTAL	574,387.00	646,321.30	112.52%

*) If the EASME has officially approved a budget modification through an amendment, indicate the breakdown of the revised budget. Otherwise this should be the budget in the original grant agreement.

***) Calculate the percentages by budget lines: e.g. the % of the budgeted personnel costs that were actually incurred

Costs have been reported under ‘Personnel_NON_EMPLOYEES’, these are for NEPCon employees who fall into two categories:

- 1) Employees who live in a country where NEPCon does not have a legal entity (e.g. Malory Weston and Alexandra Banks in Australia). The employees have long-term consultancy contracts with NEPCon which read like employment contracts, such that they include working hours, annual leave allowance, terms of reference, etc. The employees register their time and expenses in the same way as all other NEPCon staff and in all senses are treated in the same way, the only differences being that they invoice NEPCon on a monthly basis and are responsible for paying their own social security charges. NEPCon’s salary policy is used to determine the fee levels for these employees so they are in line with all other NEPCon employees.
- 2) Employees who are contracted by a NEPCon legal entity that was not added as an affiliate at the contract amendment (e.g. Anh Thi Ngoc Luu and Ngan Nguyen Thuy are employed by NEPCon Vietnam).

It should be noted that Alexandra Banks was a direct employee of the NEPCon HQ office in Copenhagen before she moved to Australia at the end of 2016, hence why her name appears under both ‘personnel, employee’ and ‘personnel, non-employee’ because these are for different time periods.

8.2. Accounting system

At NEPCon the internal project code for this project is INT-030; this code is used to identify time spent, expenses held or any other data related to this project across the various electronic management systems used.

A financial online accounting system called Hansa is used. All financial transactions for the organisation are recorded there. All expenses related to this specific project were recorded in Hansa with a field indicating the project code INT-030. All expenses related to the DFID project ‘Filling the FLEGT Information Gap’ and included as co-funding for this project were recorded as with the code INT-053.

A project management software called Salesforce is used to manage the outputs of projects as well as used by all employees for time and expense registration (drawn on an organisation credit card or as cash reimbursables).

All expenses held by the employees must be recorded in Salesforce with the attached documentation. When a month, or any shorter period is finalised, the expenses are submitted to the relevant supervisor for approval and afterwards to an accountant for final approval. When the last approval is completed, the transactions are imported to the finance system. The name of the approver and dates that each step was undertaken are visible in the system.

For other costs, such as invoices for external consultancies or workshop venues, the invoice is uploaded to Salesforce and linked to the relevant contract or a specific project output that the expense is related to. The invoice must be approved by the project manager and an accountant before it is paid. The name of the approver and dates that each step was undertaken are visible in the system. This system has been in place from about 1st March 2017.

All staff must record all their time in Salesforce. All time recorded to this project has the project code INT-030 or, if co-funding, linked to the project. Again, the project code INT-053 was used for the DIFD project that contributed most of the co-funding for this project. Electronic registrations are made daily and adheres to the requirements outlined in the grant agreement. Timesheets are extracted monthly and signed by the staff member and either the Team Leader or the Project Division Manager in NEPCon. The timesheet records show all the time registered by the staff member for the specific month, specifically outlining the time recorded for the LIFE project with the LIFE code. An electronic approval system was established and implemented from 1st June 2017 where a staff member's line manager must approve the timesheets submitted at the end of each month.

All vendors invoicing the project is asked to add the LIFE project code (LIFE14 GIE/DK/000178) to the invoice and when the invoice is received it follows the procedure described above. Invoices for other projects, which are used as co-funding, can be clearly linked to this project's activities, as described above.

8.3. Partnership arrangements (if relevant)

The associated beneficiary withdrew from the project prior to the mid-term report, please refer to that report for details.

8.4. Certificate on the financial statement

Not applicable for this project. Referring to article I.3 paragraph (a) and article II.23 paragraph (d) a financial audit is not required for a project with a total European Union contribution under 300,000 EUR. The EU contribution for this project is below this requirement, with a budgeted EU contribution of 299,483 EUR.