## AHEC Alert - 12-month delay to EUDR

Dear AHEC Members,

Today, the European Parliament voted in support of the European Commission's proposal to delay by 12 months the entry into application of the EU Deforestation Regulation (EUDR). The motion in support of the 12-month delay was passed with a large majority (371 votes for, versus 240 against, with 30 abstentions). Now that the proposal to delay has been endorsed by all three EU institutions – Parliament, Council, and Commission – it can be safely assumed that the law will apply from 30 December 2025 instead of 30 December 2024.

## Several weeks before delay can be written into EU law

However, it may take several weeks for the new date of application to be written into EU law. This is because the center-right European People's Party (EPP) – now the largest party in the Parliament – used this opportunity to propose a series of additional amendments, some of which were also endorsed by the European Parliament. These amendments must now be agreed by both the European Commission and the European Council before the new legal text, including the new date of application, can be signed off.

According to an EPP letter circulated to Members of European Parliament and seen by AHEC earlier this week, the Council and Commission have confirmed that there is enough time between now and 30 December to finalize a new legal text without risking the one-year postponement. However, if the new amendments are not finalized in time, they will withdraw them and revert to the existing EUDR text so that the 12-month delay is still confirmed.

## Other amendments endorsed by Parliament, still needing Council and Commission Agreement

Some of the amendments adopted during the Parliamentary vote, if they are endorsed by the Council and Commission, could also have important implications for the requirements imposed on U.S. hardwoods.

One of the most significant amendments agreed to by Parliament would be to extend the country categorization to include a <u>"no risk" category</u> alongside the existing "low risk", "standard risk", and "high risk" categories.

The amended text defines "no risk" to refer to "countries or parts thereof" that meet the following assessment criteria:

- forest area development has remained stable or has increased compared to 1990;
- the Paris Agreement and international conventions on human rights and on preventing deforestation have been signed by those countries and parts thereof; and
- regulations on preventing deforestation and forest conservation at national level are strictly implemented and enforced in full transparency and monitored.

According to the parliament's amended text, the <u>requirement to provide geolocation data would</u> <u>not apply to commodities from "no risk" countries</u>. The specific data required from these countries would be:

- trade name and type of the relevant products;
- the quantity of the relevant products;

- the country of production and, where relevant, parts thereof;
- the name, postal address and email address of any business or person from whom they have been supplied with the relevant products;
- the name, postal address and email address of any business, operator or trader to whom the relevant products have been supplied;
- adequately conclusive and verifiable information that the relevant products are free of forest degradation;
- adequately conclusive and verifiable information that the relevant commodities have been produced in accordance with the relevant legislation of the country of production.

Before today's vote, the EPP withdrew one proposed amendment that would have delayed the date of application by 2 years, instead of the 1-year delay endorsed by the EC and Council. However, Parliament did vote on and endorse with a relatively large majority (324 versus 296) another amendment requiring that the European Commission "undertakes to publish the risk classification so that the relevant stakeholders can prepare for the defined mandatory scope of this Regulation. Both the platform for the exchange of information and the risk classification should be available and fully functioning at least six months before the date of application. In the event of further delays, the date of application should be postponed accordingly."

There was one amendment proposed by the EPP that was rejected by the European Parliament in today's vote. This would have required the EU to cooperate more closely with other WTO members during EUDR implementation. This was very narrowly defeated (309 in favor versus 311 against).

AHEC will follow up with additional updates as this highly dynamic situation evolves over the next few weeks.

Best,

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