EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION/DOCUMENTS WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND THE WINDSOR FRAMEWORK REGULATION 2024/3234 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 2023/1115 AS REGARDS PROVISIONS RELATING TO THE DATE OF APPLICATION

Submitted by the Department for Environment, Food and Rural Affairs (Defra).

08 January 2025

SUBJECT MATTER

- Regulation 2024/3234 postpones the application dates of the EU
 Deforestation Regulation (EUDR) by twelve months. The EUDR entered into
 force on 29 June 2023. The EUDR aims to curtail the availability and
 consumption of products that contribute to deforestation or forest degradation
 on the EU Single Market. It places due diligence measures on seven core
 commodities (soya, palm oil, coffee, cocoa, cattle, rubber, and wood) and
 certain derived products of these commodities.
- 2. Given Regulation 2024/3234 extends the application timings of EUDR, it merely maintains the current regulatory status quo by a further twelve months, so is not considered to have any substantive impact, other than to provide for a longer transition period for businesses.

SCRUTINY HISTORY

3. The Parliamentary Scrutiny history relevant to this draft Explanatory Memorandum is contained in **Annex A**.

MINISTERIAL RESPONSIBILITY

4. The Secretary of State for the Department for Environment, Food and Rural Affairs, has responsibility for the regulation in question.

INTEREST OF THE DEVOLVED GOVERNMENTS (DGs)

5. The Devolved Governments have an interest in this policy area and have been consulted in the preparation of this explanatory memorandum.

LEGAL AND PROCEDURAL ISSUES

6.

i. Legal Basis

The legal basis of Regulation **2024/3234** is Article 192 of the Treaty on the Functioning of the EU.

ii. Voting

Qualified majority voting

iii. Timetable for adoption and implementation

This regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Union.

This regulation postpones the application dates of EUDR by twelve months.

POLICY AND LEGAL IMPLICATIONS

- 7. The delay to the application of EUDR will allow third countries, operators and traders to prepare their due diligence obligations, which ensures that certain commodities and products sold or exported from the EU Single Market are deforestation-free. This includes products made from cattle, wood, cocoa, soy, palm oil, coffee, rubber, and some of their derived products.
- 8. EUDR has been in force since 29 June 2023 and its provisions were to be applied to non-SME Operators and Traders from 30 December 2024 and SME Operators and Traders from 30 June 2025. Regulation **2024/3234** which is the subject of this explanatory memorandum postpones those application dates by twelve months. Accordingly, the new date for which provisions were to be applied are;
 - 30 December 2025, for large operators and traders
 - 30 June 2026, for micro- and small enterprises
- 9. To facilitate its dual access to the UK Internal Market and the EU Single Market, Northern Ireland (NI) applies certain EU rules relating to deforestation. Accordingly, Regulation 2024/3234 will apply in NI under Article 13(3) of the Windsor Framework, subject to the democratic scrutiny mechanisms in Schedule 6B of the Northern Ireland Act 1998.
- 10.As noted above, given Regulation 2024/3234 extends the application timings of EUDR, it merely maintains the current regulatory status quo in Northern Ireland by a further twelve months, so is not considered to have any substantive impact, other than to provide for a longer transition period for businesses.

CONSULTATION

11. There has been extensive engagement on EUDR between the European Commission and various stakeholders, which has for example resulted in the revision to the implementation deadline which is the subject of this explanatory memorandum. The EU has provided its own impact assessment (IA) for EUDR. This includes a summary of the EU-run consultation.

FINANCIAL IMPLICATIONS

12. There are no costs associated with the delay.

MARY CREAGH CBE MP

PARLIAMENTARY UNDER-SECRETARY OF STATE (MINISTER FOR NATURE)

DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS

ANNEX A

RELEVANT PARLIAMENTARY SCRUTINY HISTORY 14151/21+ ADD 1-7: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE MAKING AVAILABLE ON THE UNION MARKET AS WELL AS EXPORT FROM THE UNION OF CERTAIN COMMODITIES AND PRODUCTS ASSOCIATED WITH DEFORESTATION AND FOREST DEGRADATION AND REPEALING REGULATION (EU) NO 995/2010 DEFRA EM DATED: 12/04/2022

SCRUTINY COMMITTEES' RECOMMENDATIONS:

COMMONS	LORDS
CLEARED BY HOC LETTER DATED 29/11/23. SCRUTINY NOT COMPLETED (OUTCOME AGENDA 39 12/7/23) SCRUTINY NOT COMPLETED (OUTCOME AGENDA NO 17 7/12/22) SCRUTINY NOT COMPLETED (OUTCOME AGENDA NO 9 7/9/22) SCRUTINY NOT COMPLETED (OUTCOME AGENDA NO 1 11/5/22)	SIFTED FOR SCRUTINY TO THE PROTOCOL ON IRELAND/NORTHERN IRELAND SUB-COMMITTEE (AT CHAIR'S SIFT NO 18; 16/5/22)

EM 11449/19: COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS: STEPPING UP EU ACTION TO PROTECT AND RESTORE THE WORLD'S FORESTS

DATE EM SIGNED: 08/08/2019

SCRUTINY COMMITTEES' RECOMMENDATIONS:

COMMONS	LORDS			
(AGENDA FOR REPORT NO 74;	CLEARED BY HOL LETTER 31/1/2020 NOT CLEARED, SIFTED FOR EXAMINATION TO ENERGY AND ENVIRONMENT			
	(CHAIRMAN'S SIFT 1752 - 5/09/2019)			

EM 13228/18, COM(668): REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL REGULATION (EU) NO 995/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 20 OCTOBER 2010 LAYING DOWN THE OBLIGATIONS OF OPERATORS WHO PLACE TIMBER AND TIMBER PRODUCTS ON THE MARKET (THE EU TIMBER REGULATION)

DATE EM SIGNED:23/10/2018

SCRUTINY COMMITTEES' RECOMMENDATIONS:

COMMONS	LORDS
COMPLETED SCRUTINY OF 14/11/2018 IN REPORT 44, 17/19 AS NOT RAISING SUFFICIENT ISSUES OF INTEREST TO WARRANT A SUBSTANTIVE REPORT TO THE HOUSE	COMPLETED SCRUTINY AT CHAIR'S SIFT 1712 ON 7/11/2018

EM 14482/08: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL LAYING DOWN THE OBLIGATIONS OF OPERATORS WHO PLACE TIMBER AND TIMBER PRODUCTS ON THE MARKET DATED: 03/11/2008

SCRUTINY COMMITTEES' RECOMMENDATIONS:

COMMONS		LORDS		
CLEARED IMPORTANT 14/10/2009	POLITICALLY 9	CHAIRMAN CLEARED CORRESPO	ВҮ	MINISTERIAL