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**Committee on Market Access** 

## EUROPEAN UNION DEFORESTATION REGULATION (EUDR) - CONSULTATION ON NOTIFICATION TO THE CMA

## COMMUNICATION FROM BRAZIL, COLOMBIA AND PARAGUAY

The following communication, dated 8 March 2024, is being circulated at the request of the delegations of Brazil; Colombia; and Paraguay.

The Regulation on Deforestation-Free Supply Chains  $(EUDR)^1$  is inconsistent with the EU's own approach on adoption and notification of Quantitative Restrictions (QRs) to the Committee on Market Access. The regulation is likely to create the first environmental Quantitative Restriction applied unilaterally by the EU.

Taking as time reference the circulation of the Decision on Notification Procedures for Quantitative Restrictions, on 3 July 2012², all complete notifications³ from the EU have informed about QRs aimed at protecting the environment. These QRs implement the provisions from Multilateral Environmental Agreements, such as the: Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); Minamata Convention on Mercury; Montreal Protocol on Substances that Deplete the Ozone Layer; Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade; Stockholm Convention on Persistent Organic Pollutants; and the Basel Convention for the Control of Transboundary Movements of Hazardous Waste and their Disposal.

The EUDR, however, is not justifiable under the provisions of any existing Multilateral Environmental Agreement. Based upon unilaterally developed concepts, it classifies products and countries according to deforestation risk levels and imposes cumbersome obligations on due diligence. The Regulation will severely affect and virtually ban from the EU market the importation of beef, wood, palm oil, soya, coffee, cocoa, and rubber and derived products that do not comply with the requirements of said Regulation.

Considering that this new QR made effective by the EUDR will prohibit the aforementioned products from being placed or made available in the EU market, we consult the EU on whether it intends to notify the Committee on Market Access and, in case positive, what would be the indication of the grounds and WTO justification.

<sup>&</sup>lt;sup>1</sup> Regulation (EU) No. 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No. 995/2010. Available on: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115</a>.

<sup>&</sup>lt;sup>2</sup> Document <u>G/L/59/Rev.1</u>.

<sup>&</sup>lt;sup>3</sup> G/MA/QR/N/EU/1, G/MA/QR/N/EU/2, G/MA/QR/N/EU/3, G/MA/QR/N/EU/4, G/MA/QR/N/EU/5, G/MA/QR/N/EU/6.