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Impact of the EU Deforestation Regulation on Mediterranean Countries

Union for the Mediterranean
in partnership with the
European Forest Institute

German Development Cooperation, implemented by **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**

With the support of EFI

Impact of the EU Deforestation Regulation on Mediterranean Countries

SCOPING STUDY

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Recommended Citation:
Elias, P., Bou Dagher Kharrat, M., (2025). Scoping Study on the Impact of the EU Deforestation Regulation (EUDR) on Mediterranean Countries. European Forest Institute.
https://doi.org/10.36333/rs13

Date of Publication:
31/10/2025

ISBN 978-952-7608-06-7

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Preface by the Union for the Mediterranean

The Union for the Mediterranean (UfM) is pleased to present this scoping study on the impact of the European Union Deforestation Regulation (EUDR) on Mediterranean Countries. This work reflects our shared commitment to advancing sustainable development and fostering resilience in a region uniquely positioned at the crossroads of global trade.

The Mediterranean is not only a geographic bridge between continents; it is also a hub of cultural, economic, and environmental interdependence. While many of our countries are not primary producers of EUDR-regulated commodities, they play a decisive role as processors, transit hubs, and re-exporters. The new requirements of the EUDR will therefore shape the future of trade, investment, and development across our region.

For Mediterranean partners, the EUDR presents both challenges and opportunities. On the one hand, adapting to new compliance frameworks demands significant capacity-building, robust traceability systems, and greater coordination across governments, the private sector, and civil society. On the other hand, it offers a unique chance to modernize value chains, align with the EU's Green Deal objectives, and position our region as a trusted partner in sustainable trade. The UfM welcomes this study as an important step in raising awareness, strengthening technical preparedness, and promoting dialogue among all stakeholders. It underscores the need for tailored approaches that respect each country's context while fostering regional cooperation. As part of the UfM's 2030 GreenerMed Agenda, we remain committed to supporting our member states in implementing the EUDR in a way that maximizes benefits for people, economies, and ecosystems alike.

By working together, Mediterranean countries and the European Union can turn this regulatory challenge into an opportunity, enhancing competitiveness, safeguarding forests, and contributing to global climate and biodiversity goals. We thank our partners at the European Forest Institute's Mediterranean Facility (EFIMED), the author of this scoping study and the German Development Cooperation for their support, and we look forward to continued engagement in this crucial endeavor.

Nasser Kamel

Secretary General, Union for the Mediterranean

Barcelona, 2025

Preface by the European Forest Institute

The European Forest Institute's Mediterranean Facility (EFIMED) implements its mission to advance knowledge, cooperation, and innovation in the stewardship of Mediterranean forests. Its regional perspective allows the Facility to address challenges and harness opportunities that are unique to this diverse and dynamic part of the world.

At first glance, the European Union Deforestation Regulation (EUDR) may seem distant from the realities of Mediterranean countries. The regulation's targeted commodities such as cocoa, coffee, and soya are not typically produced within our forests. Yet, the Mediterranean region is far from a bystander. As a crossroads of global trade, we play a pivotal role in transforming, processing, and circulating these goods, and this is particularly the case for countries of the southern Mediterranean. This means that EUDR will inevitably affect our economies, supply chains, and businesses large and small alike.

While some major commodity producers and processors are already preparing for compliance securing expert advice, upgrading traceability systems, and adjusting procurement practices many micro-, small- and medium-enterprises (SMEs) may remain unaware of the regulation's require- ments. Without targeted support, these businesses risk being left behind, excluded from valuable markets, or risk facing unforeseen barriers. Conversely, the new rules may also create opportunities for innovative enterprises to enter or strengthen their position in EU supply chains, provided they can meet the regulation's demands.

Supporting this transition is both important and urgent, as the regulation's entry into force draws near (December 30, 2025, for large enterprises, and June 30, 2026, for SMEs). This is why the initiative led by the Union for the Mediterranean (UfM) and supported by the German Development Cooperation, implemented by GIZ, is both timely and relevant. The UfM's commitment to preserving Mediterranean forest genetic resources, as outlined in the UfM 2030 GreenerMed Agenda, and its dedication to fostering regional integration, create the ideal framework for this scoping study.

Through its broad network of stakeholders, EFIMED has worked to ensure that southern Mediterranean countries are aware of the EUDR and its implications. As in many other fields, the regional landscape is heterogeneous. There is no one-size-fits-all solution. Each country's position in global supply chains, institutional capacity, and business structure will determine how the EUDR affects them. This is why a tailored approach, adapted to each national context, is essential.

This study sheds light on the real implications of the EUDR for the southern and eastern Mediterranean, helps identify both challenges and opportunities, and ultimately will guide policymakers, businesses, and civil society in navigating this important regulatory transition. The Mediterranean's role in global trade is strategic. Our readiness to adapt will shape not only our economic resilience, but also our contribution to global forest conservation efforts.

Michele Bozzano,

Head of Facility – European Forest Institute's Mediterranean Facility

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General Abbreviations

ACP	African, Caribbean and Pacific
AfCFTA	African Continental Free Trade Area
AWU	Annual work unit
CIF	Cost, Insurance, and Freight
CPI	Corruption Perceptions Index
DCFTA	Deep and Comprehensive Free Trade Area
DDS	Due Diligence Statement
DG TAXUD	Directorate-General for Taxation and Customs Union
HS	Harmonized system
EBA	Everything-But-Arms
EC	European Commission
ECJ	European Court of Justice
ECOWAS	Economic Community of West African States
EFI	European Forest Institute
EFIMED	European Forest Institute Mediterranean Facility
EFTA	European Free Trade Agreement
ENP	European Neighbourhood Policy
ESCWA	Economic and Social Commission for Western Asia
EU	European Union
EUDR	European Union Deforestation Regulation
FAO	Food and Agriculture Organisation
FOB	Free On Board
FRA	Forest Resources Assessment
FTA	Free Trade Area
GAFTA	Greater Arab Free Trade Area
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)
GSP	Generalized System of Preferences
ITA	International Trade Association
LDC	Least Developed Country
MENA	Middle East and North Africa
MPOC	Malaysia Palm Oil Council
NDICI-GE	Neighbourhood, Development and International Cooperation Instrument – Global Europe
OEC	Observatory of Economic Complexity
OECD	Organisation for Economic Co-operation and Development
ONAT	Office National de l'Artisanat
PA	Palestinian Authorities
PEM	Pan-Euro-Mediterranean
PLO	Palestine Liberation Organisation
R&D	Research and Development

Reader's Guide

General Abbreviations

SCP	Strategic and Comprehensive Partnership
SME	Micro, Small and Medium Entreprises
TIGARA	Trade, Industry, Growth and Rapid market Access
UAE	United Arab Emirates
UfM	Union for the Mediterranean
UMA	Union du Maghreb Arabe / Arab Maghreb Union
UN	United Nations
USA	United States of America
WCO	World Customs Organization
WTO	World Trade Organization

Countries Abbreviations

ALG	Algeria
EGY	Egypt
ISR	Israel
JOR	Jordan
LEB	Lebanon
MAU	Mauritania
MOR	Morocco
PAL	Palestine
TUN	Tunisia

Other notes

The term "dollar" ($) refers to United States dollars, unless otherwise stated.

The term "euro" (€) refers to the European euro, unless otherwise stated

The term 'hundred' signifies 100.

The term 'thousand' signifies 10 hundreds.

The term 'million' signifies 1,000 thousand

The term 'billion' signifies 1,000 million.

Use of a dash (–) between dates representing years, e.g. 2018–2022, signifies the full period involved, including the initial and final years.

A dash (–) or a zero (0) in a table indicates that the amount is nil or negligible. Decimals and percentages do not necessarily add up to totals because of rounding.

Acknowledgements

The authors would like to thank **Vincent Johnson** of GreenQuills International for his editorial review of this report.

Executive summary

The European Union Deforestation Regulation (EUDR) is a groundbreaking legislative instrument designed to ensure that products placed on the EU market are not associated with deforestation or forest degradation. It covers a set of high-impact commodities, including cattle, cocoa, coffee, palm oil, rubber, soya, and timber, along with a wide range of derived products. The regulation requires due diligence and full traceability to the origin of production. Its goal is to reduce the EU's global deforestation footprint, drive sustainable supply chains, and combat climate change and biodiversity loss worldwide.

This scoping study provides an in-depth analysis of the potential implications and readiness for EUDR compliance across nine countries: Algeria, Egypt, Israel, Jordan, Lebanon, Mauritania, Morocco, Palestine, and Tunisia. The research uses a multi-dimensional methodology, combining desk-based analysis and targeted stakeholder consultations, and offering a comparative assessment of each country's legal and regulatory frameworks, along with their economic links to the EU in relevant commodity trade.

Although these countries have very low export volumes of EUDR-covered commodities—making such exports a lower priority—they nonetheless face significant challenges in infrastructure and technical capacity. In addition, both governing authorities and the private sector exhibit limited familiarity with the EUDR, which remains a relatively new regulatory framework. This combination of factors underscores the need for targeted preparation to ensure effective implementation.

Through this study, the voices of governmental representatives and private-sector actors, combined with an analysis of trade dynamics with European partners, have revealed the complexity of existing commercial relationships and agreements. The current situation of manufacturing activities involving products derived from EUDR-covered commodities provided a comprehensive view of the region's technical capacity and level of EUDR awareness. Contrary to being perceived as marginally concerned by the regulation, this study brings these countries into the spotlight, highlighting commercially active and investment-oriented economies where every effort is made to drive development.

The EUDR introduces a transformative legislative framework with the potential to redefine global efforts against deforestation and forest degradation. This study underscores that eastern and southern Mediterranean countries require substantial support, many of which face development challenges and ongoing political conflicts. Effective assistance should play a decisive role in advancing the sustainable and responsible use of natural resources worldwide.

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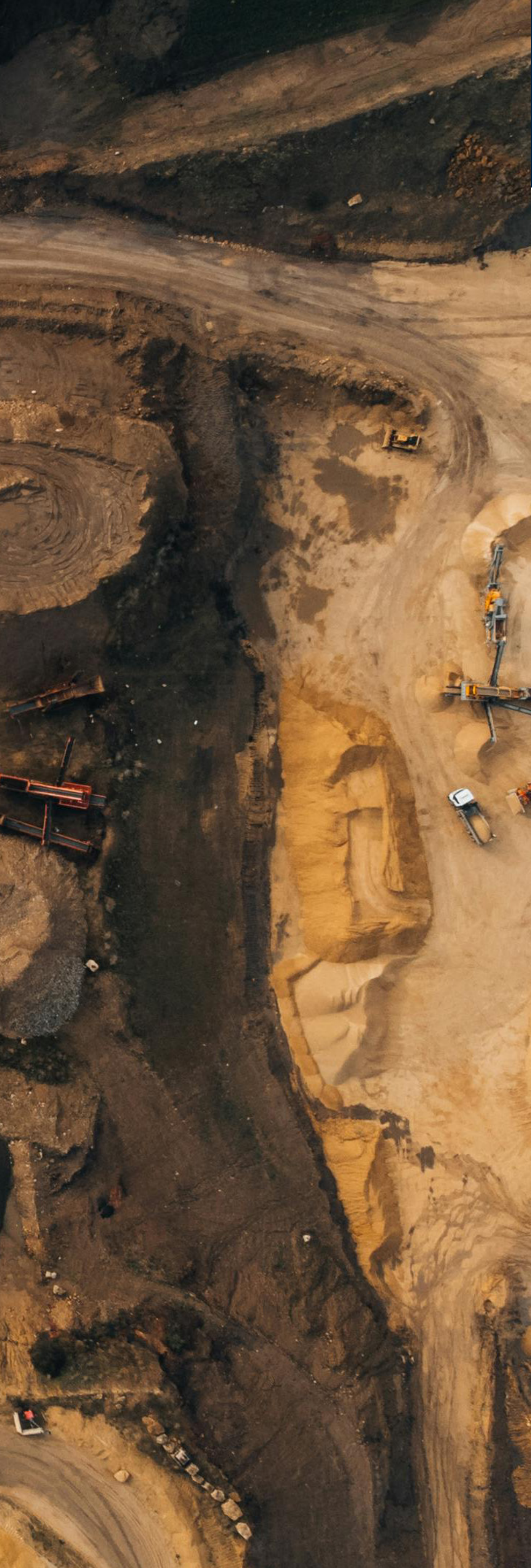

Introduction

The section opens by positioning the eastern and southern Mediterranean as a strategic maritime, manufacturing, and logistics hub. It highlights the region's pivotal role as a processor and re-exporter of commodities regulated under the European Union Regulation on Deforestation-Free Products (EUDR), despite not being a primary producer. This section sets the regional context, framing the area's significance within global supply chains.

It then addresses the current gap in assessing the region's role in EUDR compliance and explains the rationale for this study. The section presents the study's scope, purpose, and expected outcomes. This includes mapping the eastern and southern Mediterranean's position in EUDR-related trade, evaluating readiness for compliance, and identifying opportunities, challenges, and policy needs across nine countries.

Finally, the section introduces the core elements of the EUDR, outlining its background, objectives, and principal compliance requirements. It details the regulation's scope—covering seven key commodities (cattle, cocoa, coffee, palm oil, rubber, soya, and wood) associated with deforestation and forest degradation. It also defines essential terms to ensure a shared understanding, and explains due diligence obligations, with particular attention to the role of traceability and geolocation in verifying products' geographic origins.

General context

Eastern and southern Mediterranean countries occupy a strategic position in global trade, acting as key maritime, logistics, and manufacturing hubs linking Africa, Asia, and Europe. Although most are not primary producers of EUDR-targeted commodities— cattle cocoa, coffee, palm oil, rubber, soya, and wood —they play a critical role as manufacturers, processors, and re-exporters. The EUDR requirements on legality, zero-deforestation and geolocation, extend across the entire supply chain, making these transformation and transit hubs essential to compliance. Yet, while global attention has largely focused on primary-producing countries, the roles and challenges of the eastern and southern Mediterranean in meeting EUDR obligations remain underexplored, despite the region's central position in the movement of these commodities and their derived products.

The study responds to this gap, by providing a global overview of the region's position in EUDR-related trade. It then assesses the primary impact challenges, and opportunities the regulation will set in motion for eastern and southern Mediterranean economies. By analysing the implications, readiness, and potential impact across nine countries, it offers a unique perspective on how a manufacturing and transit region—rather than a primary producer—will be shaped by one of the EU's most ambitious sustainability measures. The results aim to guide policymakers, businesses, and international partners in preparing for the regulatory shifts ahead while ensuring the region remains competitive in EU markets.

Purpose, Scope, and Anticipated Outcomes of this Study

Barcelona, 2025

The purpose of this study is to provide a comprehensive assessment of the EUDR's implications for nine southern Mediterranean countries— Algeria, Egypt, Israel, Jordan, Lebanon, Mauritania, Morocco, Palestine, and Tunisia **(Figure 1-)**—by combining trade-data analysis, stakeholder consultations, and country-level evaluations. These countries were selected based on a quantitative analysis of their export volumes of EUDR-relevant commodities to the EU, identifying them as the principal exporters within the southern Mediterranean region and thereby most exposed to the regulatory and market impacts of the EUDR. The study also aims to identify challenges, opportunities, and areas where technical assistance and policy support are most needed, helping governments, private-sector actors, and regional organisations prepare for smooth compliance, and minimize trade disruptions.

The scope of this study encompasses a detailed examination of how the EUDR affects specific commodities, the potential economic and trade implications for the selected countries, and the current state of preparedness among businesses and policymakers in the region. It will consider the Mediterranean's strategic position as a trade hub, acknowledging the significant implications for logistics and customs operations that will necessitate training for officials and port authorities.

It adopts a multi-dimensional assessment methodology, adapting core principles from established readiness assessment frameworks (UNESCO, 2023) to evaluate the "readiness" of the selected countries in the context of the EUDR. Such frameworks emphasize gathering information across various dimensions, including the economic, infrastructural, legal and regulatory, and technological aspects. The methodology used (Section 2) similarly explores these dimensions to understand the existing frameworks and capacities within each country that are relevant to the

EUDR's requirements.

This study aims to deliver a series of key outcomes that will enhance understanding of how Mediterranean countries engage with the EUDR and navigate its potential implications:

- **Insight into national responses to the EUDR:** The study provides a comprehensive overview of how Mediterranean countries are responding to the introduction of the EUDR, including shifts in policy, official communications, and reactions from key stakeholders, such as government entities, industry associations, and private-sector actors. These insights identify trends ranging from proactive adaptation to cautious observation or resistance, offering a nuanced picture of the regional regulatory landscape.
- **Strengthened awareness and capacity across stakeholders:** By clearly presenting the regulatory requirements and expected impacts of the EUDR, the study contributes to raising awareness and enhancing the capacity of governments, businesses, and civil society actors in the Mediterranean region. This outcome supports informed decision-making and encourages early-stage preparedness for compliance.
- **Promotion of compliance and strategic positioning:** The study highlights opportunities for countries—particularly those potentially classified as low-risk under the EUDR benchmarking system—to align with compliance requirements. By doing so, these countries may position themselves as reliable and transparent trading partners, potentially gaining a competitive advantage in the EU market and attracting investment in sustainable value chains.
- **Identification of data gaps and structural barriers:** The analysis interprets instances of missing or incomplete data as critical indicators of two key challenges:
    - **Data sharing limitations:** Limited responses may signal institutional or technical barriers to data collection and disclosure, which could undermine EUDR compliance and signal broader governance or capacity deficits.
    - **Coordination gaps between the EU and the eastern and southern Mediterranean countries:** The absence of engagement or communication on the EUDR may reflect a lack of institutional coordination or diplomatic dialogue. This outcome underscores the need for strengthened bilateral and regional cooperation to facilitate alignment and implementation.

Overall, the outcomes not only provide a detailed landscape of EUDR readiness and challenges in the Mediterranean but also serve as a catalyst for improved coordination, strategic planning, and potential opportunities for sustainable trade development in the region.

Introduction to the EU Deforestation Regulation

The European Union Deforestation Regulation (EUDR) is a key legislative instrument designed to minimize the EU's contribution to global deforestation and forest degradation, thereby contributing to a reduction in global deforestation, greenhouse-gas emissions, and biodiversity loss (EU Regulation 2023/1115, Article 1(1)). It prohibits the introduction, marketing, or export of certain commodities and products unless they meet three crucial conditions: i) they do not contribute to deforestation or forest degradation (EU Regulation 2023/1115, Article 3(a)); ii) they have been produced in accordance with the relevant legislation of the country of production (EU Regulation 2023/1115, Article 3(b)), and iii) they are covered by a due diligence statement (EU Regulation 2023/1115, Article 3(c)).

Scope and Key Definitions

The scope of the EUDR, as defined in Article 1 of the Regulation, "lays down rules regarding the placing and making available on the Union market as well as the export from the Union of relevant products, as listed in Annex I, that contain, have been fed with or have been made using relevant commodities, namely cattle, cocoa, coffee, oil palm, rubber, soya and wood" (**Figure 2**) (EU Regulation 2023/1115). This wide-ranging scope extends beyond primary raw materials to include a broad array of derived goods such as beef, chocolate, coffee, leather, palm oil and its derivatives, rubber items including tyres, and wood-based products (Aznar Cano, 2024; EU Regulation 2023/1115).

The EUDR sets out clear and structured definitions for key terms that are critical to its interpretation and implementation. These definitions form the foundation for understanding the Regulation's compliance obligations, scope of application, and legal parameters. The core terms are presented below, as defined in the Regulation itself, complemented by references to relevant international frameworks that support their interpretation:

- **Forest:** The EUDR adopts the definition used by the Food and Agriculture Organization (FAO) Forest Resources Assessment (FRA), describing a forest as "land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or with trees capable of reaching these thresholds" (Cesar de Oliveira et al., 2024; EU Regulation 2023/1115).
- **Deforestation-free:** Refers to commodities and products produced on land that was not subject to deforestation after December 31, 2020. For wood, it specifically means that it was harvested from forests without inducing forest degradation after the same date (EU Regulation 2023/1115);
- **Deforestation:** Is defined as "the conversion of forest to agricultural use, whether human-induced or not" (EU Regulation 2023/1115), this definition is based on the FAO's Global Forest Resources Assessment (FAO, 2020; Marcic, 2024);
- **Forest degradation:** As described in EUDR Article 2, means "harvesting operations that are not sustainable and cause a reduction or loss of the biological or economic productivity and complexity of forest ecosystems, resulting in the long-term reduction of the overall supply of benefits from forest, which includes biodiversity, wood, and other products or services" (Regulation 2023/1115/EU, Marcic, 2024). Forest degradation is a

Figure 1: *EUDR 7 commodities of interest*

more gradual process where biomass decreases, species composition changes, or soil quality declines, but the land still meets the definition of a forest (Corona et al., 2023);

Under the EUDR, both **deforestation**—defined as the conversion of forest to other land uses—and

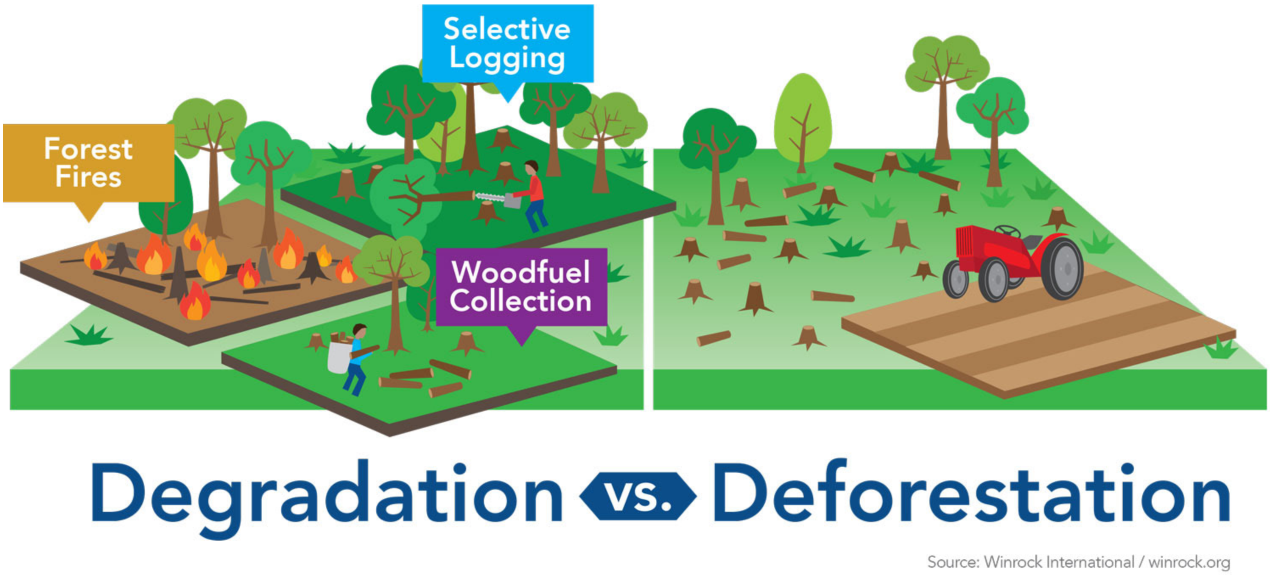

Figure 2: *Difference between Forest Degradation and Deforestation*

Source: *Winrock International. "Forest Degradation.", Accessed June 12, 2025. https://winrock.org/forest-degradation/*

forest degradation—the gradual decline in a forest's quality without changing its classification—are prohibited. Their distinction is also illustrated in **Figure 2**.

- **Relevant legislation of the country of production:** Under the EUDR, this term encompasses a wide array of legal obligations. Operators must collect verifiable information showing that commodities comply with the laws of the country of production particularly those related to land-use rights, environmental protection, forest-related regulations (including forest management and biodiversity conservation), labour rights, and relevant tax, anti-corruption, and human rights laws, as detailed in **Figure 3.** (EU Regulation 2023/1115)
- **Geolocation:** refers to the exact location of a plot of land, specified by latitude and longitude coordinates (with at least six decimal digits). For plots larger than four hectares used to

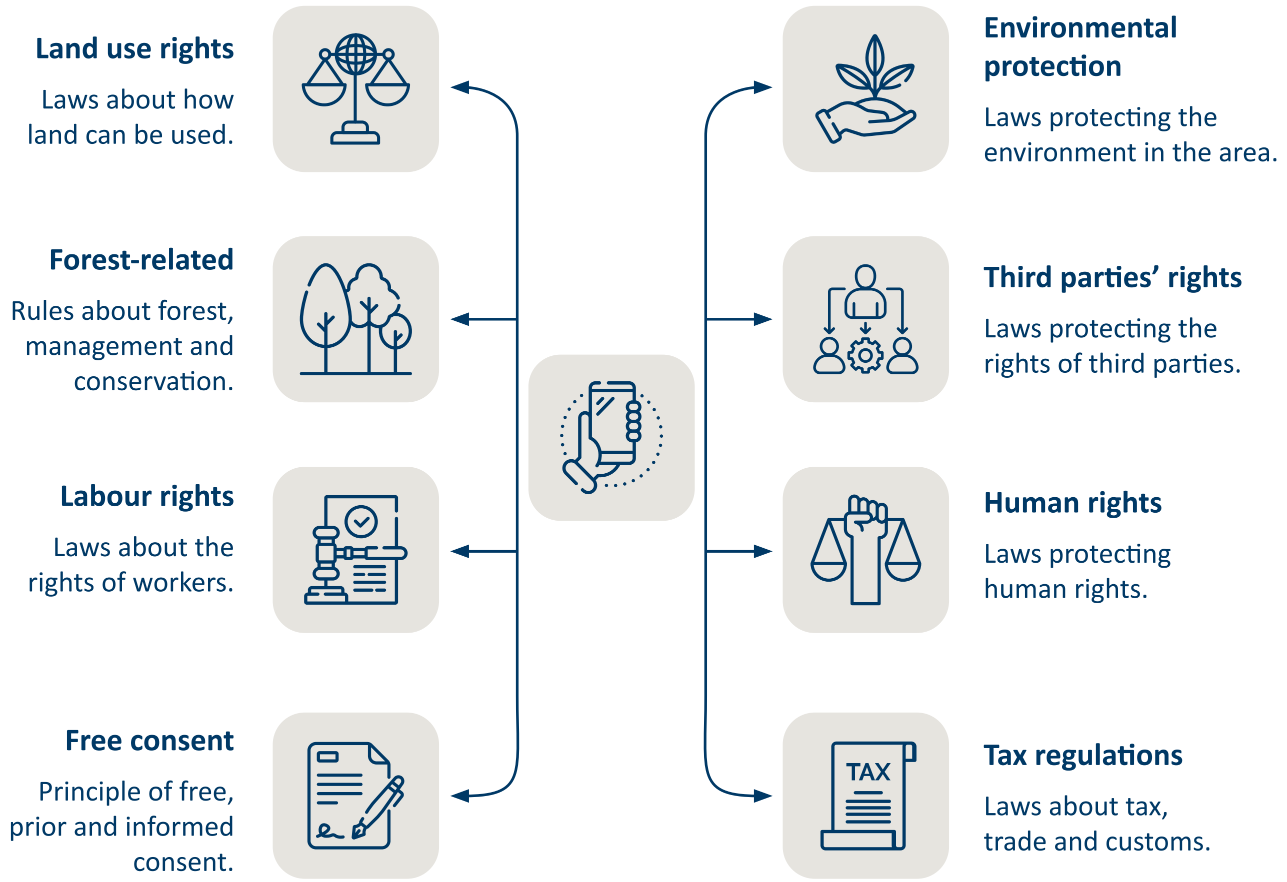

***Figure 3:** Relevant legislation of the country of production definition*
***Source of the information:** EU Regulation 2023/1115*

produce relevant commodities (excluding cattle), the location must be described using polygons. (EU Regulation 2023/1115)

In the context of the EUDR, accurate identification and classification of relevant commodities and derived products is essential for ensuring traceability and compliance. To this end, the Harmonized Commodity Description and Coding System, commonly referred to as the Harmonized System (HS), serves as a globally recognized standard for classifying goods in international trade. Developed by the World Customs Organization (WCO), the HS comprises more than 5,000 commodity groups, each designated by a six-digit code, and organized according to a legally binding and logical structure. It is used by over 200 countries and covers more than 98% of international merchandise trade, making it an indispensable tool for customs procedures, trade monitoring, and policy implementation (World Customs Organization). Throughout this assessment, HS codes will be used to reference the commodities and products falling under the scope of the EUDR, in order to ensure consistency and technical precision.

Company Classifications and Differential Obligations

The EUDR establishes a clear framework of responsibilities for businesses operating within the supply chains of relevant products. The regulation defines two primary categories of actors and outlines their specific obligations: **Operators** and **Traders**.

Operators

An **'operator'** is defined as any natural or legal person who, in the course of a commercial activity, is the first to place a relevant product on the EU market or to export it. (EU Regulation 2023/1115, Chapter 1, Article 2). This definition includes not only importers and exporters, but also any entity in the EU that transforms a relevant product into another relevant product for the first time.

Traders

A **'trader'** is any person in the supply chain other than the operator who, in the course of a commercial activity, makes relevant products available on the market. This typically refers to distributors, wholesalers, and retailers who handle products that have already been subject to due diligence by an operator. (EU Regulation 2023/1115, Chapter 1, Article 2).

In summary, the EUDR creates a dual-tiered compliance system. **Operators**, as the first point of entry or transformation, bear the primary and most comprehensive responsibility for due diligence. **Traders** are responsible for maintaining supply-chain traceability and ensuring products are linked to a valid due-diligence statement, with their obligations varying significantly based on their company size.

The EUDR applies to all relevant companies, distinguishing between **large companies** and **small and medium enterprises (SMEs)**. The classification of SMEs follows the criteria set out in Commission Recommendation 2003/361/EC, as simplified in the **Table 1** (Commission 2003; Marcic 2024). This distinction is crucial as it determines the specific due diligence and reporting obligations for each entity.

- According to the Commission Recommendation, SMEs are defined as enterprises that employ fewer than 250 persons and have an annual turnover not exceeding €50 million (approximately USD 54.11 million) [1] , and/or an annual balance sheet total not exceeding €43 million (approximately USD 46.54 million) [1] (Commission 2003, Article 2(1)). Within the SME category:
- A **small enterprise** employs fewer than 50 persons and has an annual turnover and/or annual balance sheet total not exceeding €10 million (approximately USD 10.82 million) [1] (Commission 2003, Article 2(2)).
- A **microenterprise** employs fewer than 10

[1] USD equivalent calculated using the European Central Bank average annual exchange rate for 2024 (€1 = USD 1.08)

***Table 1:** Enterprise EU Categorization*

Enterprise category	Headcount: annual work unit (AWU)	Annual turnover	or	Annual balance sheet total
Medium-sized	< 250	≤ EUR 50 million	or	≤ EUR 43 million
Small	< 50	≤ EUR 10 million	or	≤ EUR 10 million
Micro	< 10	≤ EUR 2 million	or	≤ EUR 2 million

***Source of the information:** European Commission. "SME Definition User Guide." 2020.*

persons and has an annual turnover and/or annual balance sheet total not exceeding €2 million (approximately USD 2.16 million)[1] (Commission 2003, Article 2(3)).

Due Diligence Requirements

The mandatory Due Diligence process is an EUDR cornerstone (Fern, 2023; Aznar Cano, 2024). Corporate due diligence, as defined by the Organisation for Economic Co-operation and Development (OECD), refers to processes that "identify, prevent and mitigate actual and potential adverse impacts ..., and account for how these impacts are addressed" (OECD, 2018; Marcic, 2024). Any company importing or exporting the named commodities or products into or from the EU market must exercise due diligence in accordance with Article 8 to ensure compliance with Article 3 (Fern, 2023). This process involves three main steps (Fern, 2023; Marcic, 2024):

- **Gathering information (Article 9):** Companies need to collect all relevant data related to the commodity, such as the exact place of production including coordinates of the plot of production, and data on the country and suppliers (Fern, 2023; Aznar Cano, 2024; Cesar de Oliveira et al., 2024; Marcic, 2024). This also requires adequately conclusive and verifiable information that the products are deforestation-free and produced according to local legislation (Aznar Cano, 2024). For the deforestation risk assessment, satellite imagery can be useful to compare current land use with forest cover at the 2020 cut-off date. Meanwhile, the geolocation of farm plots is typically carried out through fieldwork, where enumerators map the plots on the ground.
- **Conducting a risk assessment (Article 10):** This step involves analysing and evaluating the risks based on the collected data (Marcic, 2024). The assessment must consider factors such as the presence of Indigenous Peoples in the production area, the extent of consultation and cooperation with them, the existence of land claims, and the complexity of the supply chain. The Commission's assigned risk level for a country or region, referred as the country benchmarking (low, standard, or high), the prevalence of deforestation/forest degradation, and the reliability of information are also crucial

criteria (Fern, 2023; Aznar Cano, 2024). Risk assessments must be conducted for each shipment. However, the methodology and criteria used to carry out these assessments should be reviewed at least once a year (Aznar Cano, 2024).

- **Mitigating risks (Article 10):** This requires companies to take appropriate measures to mitigate deforestation risks (Marcic, 2024). Measures may include gathering additional information, conducting independent studies or audits, or supporting smallholders through capacity building and investment to comply with the EUDR (Fern, 2023; Aznar Cano, 2024).

Compliance, Monitoring, and Enforcement

A Due Diligence Statement (DDS) must be submitted via the EU's Information System for all products placed on or exported from the EU market (Article 7). This electronic statement, which precedes customs procedures, contains the geolocation information of all plots of land where the relevant product originates from. No information on legality or zero-deforestation is submitted at this stage, but all relevant information, documents, and data must be maintained for at least five

Table 2: Due Diligence Requirements for Operators and Traders under the EUDR's Risk-Based Approach

<table>
<tr><th>Risk Classification of Country of Production</th><th>Operator Responsibilities (Article 7, 9, 10, 11, 12, 13)</th><th>Trader Responsibilities (Article 25)</th></tr>
<tr><td rowspan="9">Low-Risk (Article 13)</td><td rowspan="2">Simplified Due Diligence:
1. Information Collection (Article 9): Collect all essential information: product description, quantity, country of production, geolocation of all plots of land, contact details of supplier/recipient, and conclusive/ verifiable information demonstrating deforestation-free status and legality.</td><td>Non-SME Traders</td></tr>
<tr><td>1. Information Collection (Article 9(1)): Collect and retain all information provided by their supplier, including the supplier's name/address and the reference number of the supplier's DDS.</td></tr>
<tr><td>2. No Formal Risk Assessment/Mitigation (Conditional): Not required to perform detailed risk assessment (Article 10) or risk mitigation (Article 11) unless there is a risk of circumvention of the Regulation or mixing with products of unknown origin or from standard/high-risk areas (Article 13(1)).</td><td>2. Information Provision: Communicate the collected information (including DDS reference numbers) to the trader's customers.</td></tr>
<tr><td>3. Substantiated Concerns: If credible information suggests non-compliance, full due diligence (Articles 10 & 11) becomes mandatory (Article 13(2)).</td><td>3. No DDS: Not required to establish a full due-diligence system.</td></tr>
<tr><td rowspan="5">4. DDS Submission: Submit a DDS for all products via the EU Information System (Article 7).</td><td>4. DDS Submission: If making products available, they may refer to DDS provided by upstream operator/trader, but are responsible for verifying its credibility (Article 4(9), Article 25(1)).</td></tr>
<tr><td>SME Traders (Article 25(3))</td></tr>
<tr><td>1. Information Collection: Collect and retain information from their supplier, including the supplier's name/address and the reference number of the supplier's DDS.</td></tr>
<tr><td>2. Information Provision: Communicate this information to their customers.</td></tr>
<tr><td>3. No Due-Diligence System or DDS: Not required to establish a due-diligence system or submit a DDS.</td></tr>
</table>

<table>
<tr><th>Risk Classification of Country of Production</th><th>Operator Responsibilities (Article 7, 9, 10, 11, 12, 13)</th><th>Trader Responsibilities (Article 25)</th></tr>
<tr><td rowspan="8">Standard-Risk (Article 7)</td><td></td><td>Non-SME Traders</td></tr>
<tr><td>1. Information Collection (Article 9): As for low-risk, but serving as the basis for a full risk assessment.</td><td>1. Full DDS (Article 5(1)): Obligations are the same as for operators, meaning they must establish and implement a due-diligence system as per Articles 7-11. They can refer to DDS submitted by upstream operators / traders (Article 4(9), Article 25(1)).</td></tr>
<tr><td>2. Risk Assessment (Article 10): Conduct a thorough risk assessment to ensure no or only negligible risk of non-compliance. Factors include prevalence of deforestation/degradation, presence of Indigenous Peoples, reliability of information, country-specific risks (e.g., corruption, armed conflict), supply chain complexity. Products can only be placed on the market if the risk is negligible.</td><td rowspan="2">2. DDS Submission: Submit a DDS for products they make available, referencing upstream DDS where applicable (Article 7, Article 25(1)).</td></tr>
<tr><td>3. Risk Mitigation (Article 11): Implement effective and proportionate measures to reduce any identified non-negligible risks to a negligible level. Measures may include additional information gathering, independent surveys/audits, capacity building with suppliers.</td></tr>
<tr><td rowspan="4">4. DDS Submission: Submit a DDS for all products via the EU Information System (Article 7).</td><td>SME Traders (Article 25(3))</td></tr>
<tr><td>1. Information Collection: Collect and retain information from their supplier, including the supplier's name/address and the reference number of the supplier's DDS.</td></tr>
<tr><td>2. Information Provision: Communicate this information to their customers.</td></tr>
<tr><td>3. No Due-Diligence System or DDS: Not required to establish a due-diligence system or submit a DDS.</td></tr>
</table>

<table>
<tr><th>Risk Classification of Country of Production</th><th>Operator Responsibilities (Article 7, 9, 10, 11, 12, 13)</th><th>Trader Responsibilities (Article 25)</th></tr>
<tr><td rowspan="8">High-Risk (Article 12)</td><td rowspan="2">1. Information Collection (Article 9): As for standard-risk, but with greater scrutiny.</td><td>Non-SME Traders</td></tr>
<tr><td>1. Full DDS (Article 5(1)): Obligations are the same as for operators, with enhanced scrutiny (Article 12). They can refer to DDS submitted by upstream operators/ traders (Article 4(9), Article 25(1)).</td></tr>
<tr><td>2. Risk Assessment (Article 10): Enhanced risk assessment, demanding more rigorous evaluation given the higher inherent risks. Products can only be placed on the market if the risk is negligible.</td><td rowspan="2">2. DDS Submission: Submit a DDS for products they make available, referencing upstream DDS where applicable (Article 7, Article 25(1)).</td></tr>
<tr><td>3. Risk Mitigation (Article 11): Enhanced and more robust mitigation measures are required to address the elevated risks. This may include more frequent audits, direct engagement, or stricter sourcing policies.</td></tr>
<tr><td rowspan="4">4. DDS Submission: Submit a DDS for all products via the EU Information System (Article 7).</td><td>SME Traders (Article 25(3))</td></tr>
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</table>

years, and provided to EU Competent Authorities in case of control (Article 9(6)). **Table 2** below outlines the specific implications and responsibilities for operators and traders across the different risk classifications as defined by the Regulation:

Companies must publicly report annually on their DD systems, detailing products, quantities, source countries/regions, risk assessment conclusions, and mitigation measures. This includes describing the consultation process with Indigenous Peoples and local communities when relevant (Fern, 2023). EU Competent Authorities are required to conduct a minimum amount of controls annually, and thresholds apply based on the country risk level (the higher the risk, the more controls). Non-compliance can lead to severe penalties, including product confiscation, temporary denial of market access, and fines of at least four percent of the company's total annual EU-wide turnover in the preceding financial year. Companies may also be asked to cover the Competent Authority's costs (Fern, 2023; Aznar Cano, 2024; Corona et al., 2023; Marcic, 2024). The EU Commission will also publish a list of all infringements, naming the companies involved and the penalties imposed (Fern, 2023; Aznar Cano, 2024).

Intermediary Functions and Responsibilities under the EUDR

In the context of intermediary countries and their responsibilities under the EUDR, the establishment of solid, reliable, and comprehensive traceability systems is critical. Such systems ensure that accurate and verifiable information is transmitted to European companies responsible for placing processed products on the EU market. The Regulation requires that every link in the supply chain contributes to due diligence, and intermediary countries carry the responsibility of consolidating and validating the information received from producers, before passing it along to EU operators.

As illustrated in **Figure 5**, the supply chain of EUDR-covered products involves a continuum of actors, from raw material producers in origin countries, to processors, exporters, importers, and finally EU-based operators. The eastern and southern Mediterranean countries examined in this study are positioned mainly at the intermediary stage, where commodities are processed, transformed, and/or re-exported. This position places a particular burden on their ability to collect, verify, and transmit due diligence information, ensuring the legality and traceability of raw materials. Their effectiveness in this role directly influences the credibility of the documentation chain on which EU operators rely for compliance.

1 Raw Material Production

EUDR Requirements:

- Ensure material is legally harvested/produced.
- Collect geo-location of the plot/forest/farm.
- Maintain records and supporting documents.

2 Local Collection & Aggregation

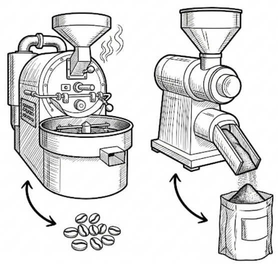
EUDR Requirements:

- Maintain traceability records linking each batch to its origin.
- Conduct basic risk assessment of suppliers (verify legality, deforestation-free status).

3 Processing / Manufacturing

EUDR Requirements:

- Keep records linking processed products back to raw material sources.
- Ensure traceability of batches throughout production.



4 Export & Shipping

EUDR Requirements:

- Maintain full documentation of supply chain.
- Ensure products are accompanied by compliance evidence for EU authorities.

5 EU Import

EUDR Requirements:

- Submit due diligence documentation proving deforestation-free and legal sourcing.
- Cooperate with EU competent authorities for checks and audits.

Responsible Actor:

EU importers / import companies.

6 Distibution & Wholesale

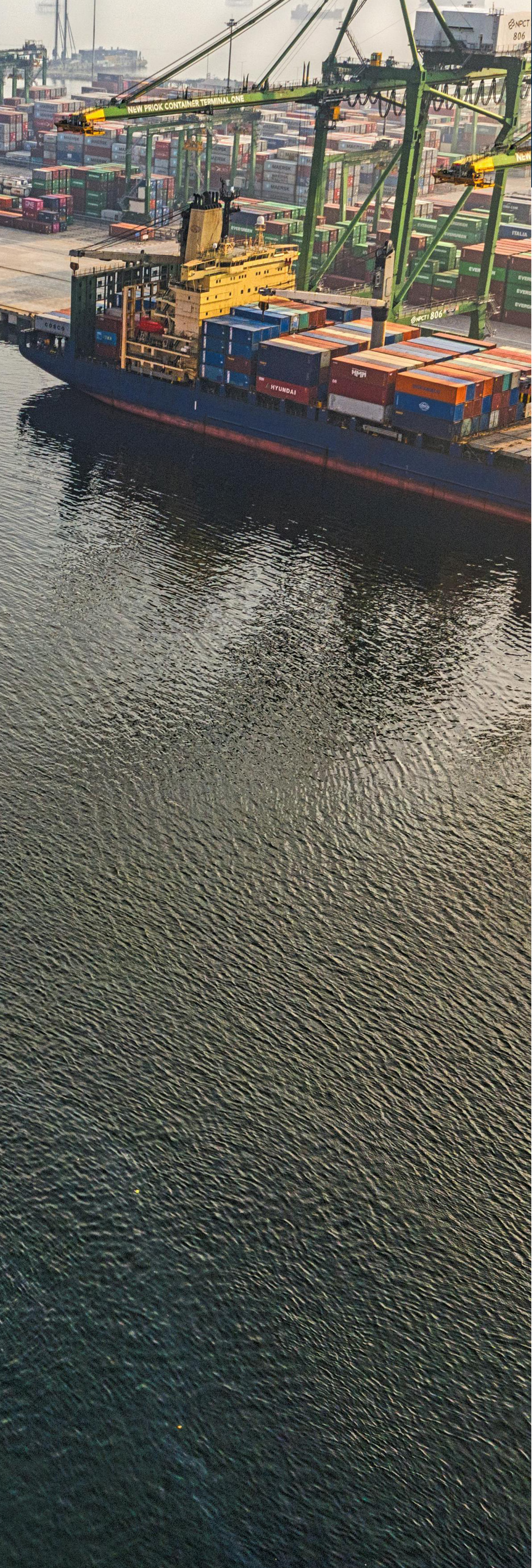
EUDR Requirements:

- Mantain records linking imported products to original suppliers.
- Ensure continued traceability down the supply chain.

Responsible Actor:

EU distributors and wholesalers.

Figure 4: *Illustrative example of the EUDR requirements by actors in a coffee supply chain*



Methodology

This section presents the methodology employed to assess the implications, impact of, and readiness for the EUDR for nine eastern and southern Mediterra- nean countries. It details the adaptation of existing readiness assessment frameworks to examine legal, economic, technological, and infrastructural dimen- sions relevant to EUDR compliance.

The section explains the desk research conducted, including the review of secondary data and trade databases, as well as the primary data collection through targeted stakeholder consultations across three key groups using tailored questionnaires. It outlines the data analysis techniques, trade data sources, and visualization methods applied.

The section also describes the stakeholder identification and outreach strategy, the management of the engagement process through a dedicated log, and the invitation of representatives of the different sectors to a final presentation workshop. Finally, it provides an overview of the report's structure, including the country-specific assessments and the thematic areas of implication, readiness, and impact.

Methodology: Assessing the Implications, Readiness and Impact for the EUDR

Desk Research

The desk research phase served as a crucial foundation for this study, providing a comprehensive understanding of the EUDR and its implications for the target countries. This involved a systematic consultation of diverse, authoritative sources. Reports from both national and international organizations (including governmental agencies, NGOs, and intergovernmental bodies) were reviewed to grasp existing policies, environmental regulations, and socio-economic contexts. Academic literature and specialized studies on trade flows and relationships between these countries and the EU were thoroughly examined to map trade dynamics and economic interdependencies. Furthermore, international databases were used to develop quantitative insights into trade volumes and commodity flows, complemented by the consultation of official EU platforms to understand trade agreements and policy perspectives.

Primary Data Sources and Analysis Tools

For the quantitative assessment of trade implications, the study utilized specific primary data sources and analytical tools, selected for their comprehensiveness and reliability.

- **Trade Data Acquisition:** For trade data, this study consistently used the **UN Comtrade database** and its derivative tools, such as the Arab region's trade data platform. EU-reported import data was prioritized as the primary reference, given its higher accuracy and alignment with rules of origin relevant to the EUDR.
- **Timeframe:** The analysis specifically focused on trade data from **2018 to 2022**. This **five-year period** was chosen deliberately to ensure the use of **accurate and comprehensively validated data**, as more recent trade statistics are often provisional and subject to revision. For consistent valuation, **cost, insurance, and freight (CIF) values** were used for imports, representing the goods' value at the importing country's border, while **free on board (FOB) values** were applied to exports, reflecting their value at the exporting country's point of embarkation.
- **Commodities covered:** For each country under investigation, the study meticulously explored the export patterns of its **top three most-significant EUDR-relevant commodities and their derived ones (HS up to 6 digits)**. This focused approach allowed for a deep dive into the sectors most pertinent to the regulation.

  For certain product categories—particularly chapters preceded by "**ex**"—the data used should be considered **approximate and not fully representative.** The "ex" designation indicates that **only specific items within the broader chapter are covered by the EUDR**, while others are not. As a result, calculations that include these chapters may **overestimate the actual volume of EUDR-relevant products**, since they may capture items not subject to the regulation. These figures are intended to provide a general estimation of potential trade flows, pending more detailed product-level clarification.

- **Data Analysis and Visualization:** All acquired trade data were meticulously processed and analysed using **Microsoft Excel**. To assess the strategic significance of EUDR-relevant commodities within a country's export portfolio, and its trade relationship with the EU, the following formulas were critically applied:

Percentage of EUDR covered Commodities

$$= \frac{\textit{Sum of EUDRcovered Commodities}}{\textit{(Total National Export)}} \times 100\%$$

Percentage of EUDR-Relevant Commodities in EU Exports (from the specific country):

$$= \frac{\textit{Sum of EUDRcovered Commodities}}{\textit{Total EU Imports from the Specific Country}} \times 100\%$$

Stakeholder Consultations

The key stakeholders, selected for their pivotal roles in shaping, and implementing, or being affected by the EUDR, were organized into three distinct target groups of government-, private- sector, and international organisations (**Figure 5**). This grouping reflected the different perspectives and responsibilities across the regulation's value chain, ensuring that the consultation captured a comprehensive range of insights.

Engagement with these stakeholders took place through structured online interviews. For each of the nine target countries, representatives from all three target groups were invited to participate in dedicated 1.5-hour virtual sessions. These sessions provided space for in-depth discussion on the anticipated challenges, opportunities, and practical implications arising from EUDR compliance, helping to build a nuanced understanding of its potential impact at national and sectoral levels.

Figure 5: *Three Target Groups of the Scoping Study*

Contact Identification and Outreach Strategy

To identify and engage with relevant stakeholders, the study applied a multi-pronged approach:

- Initial support was sought from the **Union for the Mediterranean (UfM)** to leverage their existing focal points and networks within the target countries.
- Extensive **web searches** were conducted, focusing on:
  - Identifying the most relevant EU-DR-affected commodities exported by volume or number from each country.
  - Locating well-known companies recognized for their significant manufacturing and production volumes.
  - Consulting **Chamber of Commerce lists** to find contact coordinates for businesses.
- Beyond web searches, we utilized **EFIMED's network** and the diverse professional networks of study team members. The study also engaged with initial stakeholders to connect with other relevant individuals and organizations.
- Furthermore, the study identified large organizations that serve as umbrella bodies for specific stakeholder groups, enabling broader outreach.

Once a comprehensive list of contacts was structured, official emails were sent in coordination with UfM to schedule the online sessions and disseminate the respective tailored questionnaires to the target groups.

Questionnaire development

A **tailored questionnaire** (Annexes 2,3 and 4) was developed for each of these three target groups. The development of these questionnaires followed a methodology for readiness assessment that is built on thematic building blocks, similar to approaches used for evaluating preparedness in complex regulatory shifts. These thematic **building blocks (Figure 5)** are designed to gather detailed information on national deforestation policies, political commitment, technical capacity and infrastructure, and international trade readiness and compliance frameworks.

- **Building Block 1: Understanding National Deforestation Policies** reveals the existing regulatory foundation and alignment with the EUDR objectives. This highlights current legal frameworks, enforcement capabilities, and how national definitions compare to the EUDR's.
- **Building Block 2: Assessing Political Commitment** indicates the government's prioritization of combating deforestation and engaging with the EUDR. This insight reveals the likely allocation of resources, and potential for high-level support or resistance to implementation.
- **Building Block 3: Evaluating Technical Capacity and Infrastructure** determines the practical ability to meet the EUDR's due-diligence requirements. This assessment highlights the current state of data collection, traceability systems, and verification capabilities. Identifying limitations in technology and expertise will pinpoint areas needing investment and capacity building for compliance.
- **Building Block 4: Analysing Trade Agreements** clarifies the potential economic and trade-related consequences of the EUDR. This insight reveals existing obligations, potential impacts on exports to the EU, and opportunities for cooperation. Understanding the trade landscape is essential for developing strategies to mitigate negative effects and ensure continued market access.

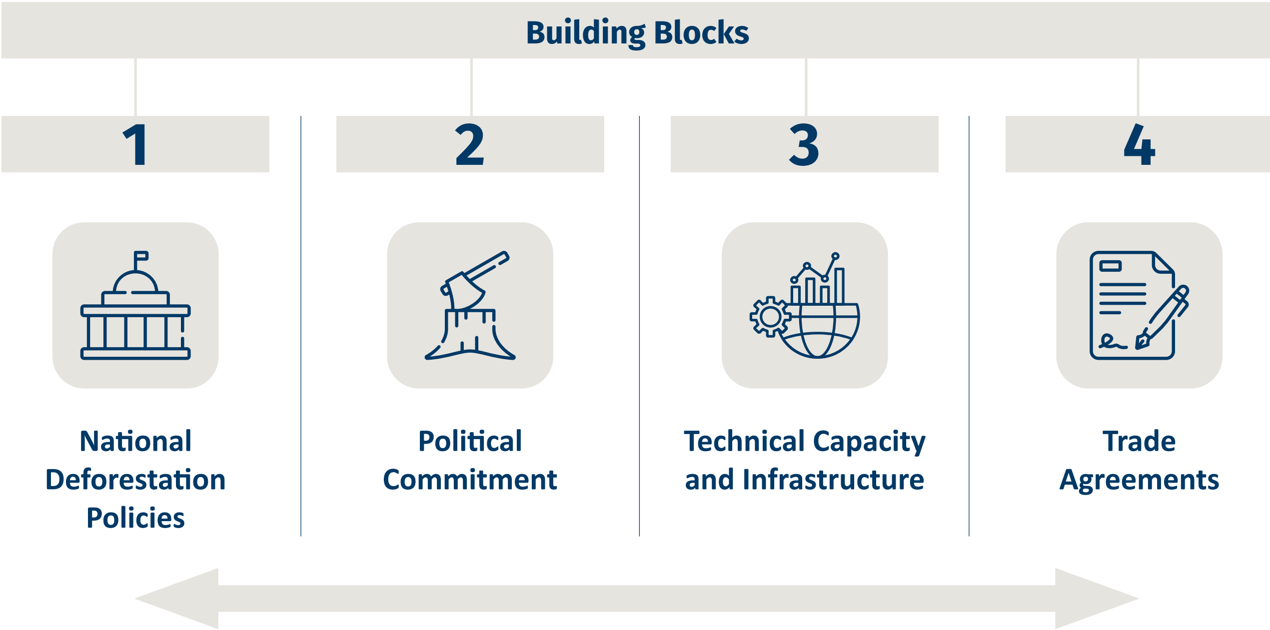


Figure 6: *Building Blocks of the Questionnaires*

This questionnaire employed a **mixed-methods approach** to data collection, utilizing a variety of question formats to gather both specific and nuanced information from key interested parties. The question types ranged from:

- multiple-choice questions, allowing for the selection of one or more relevant options
- single-choice questions, requiring the selection of the most applicable response.
- scaled evaluations, prompting respondents to indicate their level of agreement, preparedness, or expected impact on a spectrum (e.g., from "very high" to "very low").

The data collected through these varied question formats was analysed to understand the current state of readiness for trade compliance, identify potential disruptions to existing trade flows, and highlight specific challenges and opportunities in adapting to the EUDR.

Prior to each online session, stakeholders received the questionnaire to familiarize themselves with the topic. The session included a **PowerPoint** presentation introducing the project, the EUDR, and the discussion scope. Responses were recorded in **Microsoft** Forms for clear visualization and streamlined analysis. After each interview, participants reviewed their transcribed responses to verify accuracy and provide any additional insights.

The questionnaire was translated into **French and Arabic,** in addition to **English**, to ensure inclusivity and accessibility. Likewise, the presentations and the online consultation sessions were made available in all three languages, allowing stakeholders to engage, speak, and respond in the language that suited them best.

Stakeholder Engagement Log

To gather qualitative data and diverse perspectives on national readiness and potential impacts, a structured stakeholder consultation process was implemented. This process was meticulously managed to ensure comprehensive coverage across all focus countries and target groups.

A bespoke Stakeholder Engagement Log was developed and maintained in Microsoft Excel. This dynamic tool served as a central repository for tracking all interactions and ensuring the systematic progression of the consultation. For each potential stakeholder, the log meticulously recorded:

- **Contact Information:** Name, gender, position, coordinates, and affiliated organization.
- **Communication Tracking:** Dates of initial email dispatch and subsequent reminder communications. Each contact was approached up to three times: an initial invitation email followed by two reminders. If no response was received after the second reminder, the individual was deemed to have declined participation. For contacts receiving three emails without reply, no further correspondence was pursued.
- **Questionnaire Status:** Indication of whether the standardized questionnaire was received.
- **Meeting Logistics:** Status of planned meetings, including scheduling details and confirmation of completion.

The subsequent table **(Table 3)** summarizes the outcomes of this consultation process. It precisely details:

- The total number of representatives contacted within each target group for each country.
- The number of representatives who successfully responded to the study's call for engagement (i.e., provided feedback or participated in a meeting).
- The primary organizations represented by the individuals who provided input for each target group, offering an overview of the institutional diversity of the insights gathered.

***Table 3:** Overview of Consulted Stakeholder Representation*

Country	Target Group	Contacted	Replied	Interviewed
Algeria	TG1	11	5	0
	TG2	7	1	0
	TG3	2	0	0
	Total	20	6	0
Egypt	TG1	4	1	1
	TG2	6	0	0
	TG3	2	1	1
	Total	12	2	2
Israel	TG1	5	4	3
	TG2	5	0	0
	TG3	1	0	0
	Total	11	4	3
Jordan	TG1	10	3	1
	TG2	3	0	0
	TG3	3	2	0
	Total	16	5	1
Lebanon	TG1	9	5	5
	TG2	19	6	2
	TG3	3	2	2
	Total	31	13	9
Mauritania	TG1	2	2	2
	TG2	3	1	0
	TG3	1	0	0
	Total	6	3	2
Morocco	TG1	7	1	0
	TG2	11	0	0
	TG3	7	0	0
	Total	25	1	0
Palestine	TG1	11	6	2
	TG2	2	2	2
	TG3	1	0	0
	Total	14	8	4
Tunisia	TG1	10	4	3
	TG2	15	2	0
	TG3	1	1	0
	Total	26	7	2
Grand Totals		**161**	**49**	**24**
			30.43 % replied	**14.9 % interviewed**

Identification of National Representatives for the Workshop

Following the initial stakeholder consultations, we identified one representative from each of the three target groups per country, resulting in a total of three representatives per country, to participate in the upcoming workshop scheduled for October 2025. The identification was based on participants' input during the interview step, their profound knowledge of the subject matter, the pertinence and depth of their insights, and their confirmed availability and willingness to engage actively in the workshop. To ensure the participation of representatives from all focus countries and target groups, invitations for the workshop were dispatched in advance to the selected stakeholders.

A section-by-section overview of this report

Building on the two preceding sections, the main body of the report focuses on detailed, country specific assessments. For each designated focus country, the analysis proceeds through three dimensions:

- **Implication:** This section quantifies a country's involvement with the EUDR. It identifies which regulated commodities are exported to the EU, whether the country primarily produces, transforms, or trades these goods, and the significance of these exports to the national economy. For transformed products, it traces the raw material's origin and associated responsibilities.
- **Readiness:** This section assesses a country's technical capacity and willingness to prepare for the EUDR. It delves into the country's political commitment to compliance, the accuracy of national data systems, and the transparency and relationships within the supply chain between producers and transformers.
- **Impact:** This section projects how a country will be affected by the EUDR, considering its implication and readiness levels. It explores potential shifts in trade dynamics, economic repercussions, the specific effects on small and medium-sized enterprises (SMEs) versus larger businesses (who might see opportunities), and overall changes to the economic landscape.

As visually represented in the schema (**Figure 8**) below, the report's sections are systematically informed by three primary data sources: desk research and bibliography, stakeholder consultations, and trade data.

Figure 7: *Data Sources by Section*

Finally, the report concludes with a dedicated **Recommendations** section. These recommendations have been formulated with broad applicability, designed to be pertinent across all examined focus countries. They are strategically derived from the collective insights gleaned from the comprehensive stakeholder feedback and the detailed assessments presented throughout

Detailed Country Analysis: Assessing EUDR Implications, Readiness, and Projected Impacts

This section first introduces the broader aspects of navigating new compliance realities in the Mediterranean. It then provides a detailed, country-by-country analysis focusing on the EUDR's implications, national readiness, and potential impacts.

For each focus country, the Implication section assesses involvement with the EUDR by examining trade data, dominant enterprise types (SMEs or large), and roles in the supply chain (producing, transforming, or retailing). It considers the economic significance of exports and the influence of trade relationships, agreements, and past export dynamics.

Then the Readiness assessment, informed by stakeholder consultations across target groups, evaluates technical and political preparedness, alongside the available infrastructure and the technicity. This determines the country's capacity to meet bureaucratic and due-diligence requirements for continued EU exports, and identifies key challenges beyond the regulation's implementation period.

Finally, the Impact section projects the EUDR's consequences for each country. Based on its assessed implication and readiness, it forecasts shifts in trade dynamics, compliance difficulties, and the effects on SMEs versus larger businesses, considering the country's capacity and willingness to modify its operations.

Mediterranean Countries and the EUDR

Introduction: Navigating New Compliance Realities for Eastern and Southern Mediterranean Countries

The EUDR marks a pivotal shift in global trade, imposing due-diligence requirements on commodities linked to deforestation and forest degradation. For the nine Mediterranean countries at the core of this analysis the EUDR presents a multifaceted challenge and a significant opportunity to reshape their economic ties with the EU. This section will structure the assessment for each country specifically based on i) its **existing trade agreements** with the EU; ii) comprehensive **trade data** for overall national exports iii) specific export data related to the EUDR-scope commodities of interest, and iv) the percentage these commodities represent of their national exports. Understanding these dynamics is crucial for both national stakeholders within the Mediterranean region and EU operators seeking to maintain resilient and compliant supply chains.

Trade Dynamics and Economic Readiness for EUDR Compliance

The trade profiles of these Mediterranean nations underscore their varying capacities and dependencies in adapting to the rigorous demands of the EUDR. For each country there is a significant, though varied degree of dependence on the EU market for **Annex I commodities**. This means that compliance is not merely a regulatory hurdle, but a critical determinant of sustained economic access and market viability (Colombo and Soler i Lecha, 2019). While actors in the Middle East and North Africa, (MENA) countries are generally not considered EU operators or traders— unless they are legally established in the EU—they play a crucial role as suppliers and processors of raw materials. For these actors, the EUDR's burden shifts upstream, ensuring that imported inputs destined for EU operators meet the EUDR requirements, particularly when transforming raw materials into finished products for export.

The regulation's emphasis on **due diligence** places a significant new burden on businesses. Their ability to fulfil these obligations will depend heavily on the robustness of supply-chain transparency and data availability within the exporting countries. Demonstrated relatively high-export sophistication (Asik and Marouani, 2021) often correlates with greater institutional and technical capacities that can be leveraged to implement sophisticated **traceability systems** and manage the extensive data and georeferencing requirements inherent to the EUDR. Conversely, regions with less complex economies may face steeper learning curves and higher initial compliance costs, particularly in providing the granular data demanded by the regulation.

A critical factor impacting EUDR compliance across the MENA region is the pervasive issue of **corruption**. Research indicates that the negative effect of corruption on international trade is more significant for MENA countries than for European countries (Ben Ali and Mdhillat, 2015).

This directly impacts EUDR implementation, as a higher perception of corruption can compromise the transparency and credibility required for verifying supply-chain information and authenticating deforestation-free and legality claims. For EU operators, this translates into a heightened risk profile when sourcing from such regions.

Leveraging and Navigating EU-MENA Cooperation for EUDR Implementation

The EU's longstanding engagement with its Mediterranean partners, primarily through **Association Agreements** focused on economic growth and free trade, provides a foundational framework for addressing the EUDR's challenges (Colombo and Soler i Lecha, 2019). The **EU Delegations** in partner countries serve as the primary, on-the-ground agents for this, directly linking high-level EUDR objectives to local implementation. They are instrumental in coordinating with host governments and local stakeholders to build the necessary capacity for compliance, ensuring that requirements such as traceability and due diligence are practically understood and met.

However, past cooperation efforts also highlight crucial areas that must be effectively navigated for successful EUDR implementation, particularly concerning **SME**s and **small farmers.** Mediterranean countries, often acting as **manufacturers and processors** rather than primary producers of EUDR- relevant commodities, face a distinct set of challenges. Their responsibility lies not in managing local land use, but in the complex tasks of **communicating, coordinating, and gathering the necessary documentation** from their supply-chain partners in the original producing countries. This information must be in the correct format to formally declare that their sourcing of raw material is EUDR compliant.

The **following sections** i) explore which regulated commodities are exported to the EU from the focus countries of the study; ii) determine whether national actors are primarily engaged in production, processing, or retail, and iii) assess the economic importance of these exports. In addition, existing trade relationships, agreements with the EU, and historical export patterns are considered, to better understand each country's level of implication in the EUDR. Subsequently, each country's level of **readiness** is assessed based on stakeholder consultations and questionnaire responses. Finally, the **potential impact** of the EUDR is evaluated by considering both the country's degree of implication and its readiness to comply with the regulation.

Algeria

EUDR Implication Assessment

Algeria's exports are heavily dominated by **petroleum and gas,** which made up 96.3% of total export value in 2022, surpassing $42.3 billion (Economic and Social Commission for Western Asia (ESCWA), External Trade Data Platform). Other products, including EUDR-relevant **vegetable products** ($78.8 million) and vegetable oils ($1.8 million), represent only a minor share (ESCWA, External Trade Data Platform). As a result, Algeria's direct exposure to the EUDR is minimal

Continuing the analysis of Algeria's export profile, a critical data limitation arises from the UN Comtrade database, which, since 2018, does not report total export data from Algeria. This implies reliance on mirror statistics (imports reported by trading partners) or alternative sources like the Observatory of Economic Complexity (OEC) for a broader perspective on Algeria's export performance. Algeria's total exports to the world in 2023 amounted to $52.4 billion (OEC). When assessing the direct relevance of the EUDR to Algeria's trade with the EU, the focus shifts to EU import data. In 2022, the EU's total imports from Algeria amounted to approximately $44.04 billion (UN Comtrade Database). Of this substantial figure, **EUDR-relevant commodities** constituted a mere $25.36 million (UN Comtrade Database). This means that EUDR-relevant imports from Algeria represented an extremely low proportion, accounting for only **0.06% of total EU imports** from Algeria in 2022. If we consider this against Algeria's broader national export profile (using the 2023 national export value of the OEC database as a general indicator due to the UN Comtrade data gap), EUDR-relevant commodities would represent an even tinier fraction, approximately 0**.02%** of Algeria's **total national exports.** These remarkably low percentages underscore that, while Algeria will still need to ensure compliance for specific EUDR-relevant commodities destined for the EU, the regulation's direct trade implications on its overall export economy are negligible due to its overwhelming reliance on non-EUDR regulated hydrocarbons.

Dynamics of Algeria’s EUDR-Relevant Commodity Exports to the EU

While Algeria’s overall export profile is overwhelmingly dominated by non-EUDR commodities like petroleum and gas, a closer examination of its trade dynamics concerning specific EUDR-relevant commodities, reveals distinct patterns. **Table 4** below presents the aggregated Cost, Insurance, and Freight (CIF) values for commodities and derived products under each EUDR-covered commodity group imported from Algeria to the EU in 2022. Notably, wood products registered around $11.34 million exports to the EU in 2022, cattle stood at approximately $5.1 million, followed by cocoa at $3.75 million, rubber at $2.86 million, and oil palm at $2.3 million; coffee and soya exports were negligible.

Table 4: *Aggregated CIF Value of EUDR-Relevant Commodities Imported to the EU from Algeria (2022, USD)*

Commodity Group	Import Value (USD)
Sum of Cattle	5,097,874
Sum of Cocoa	3,751,588
Sum of Coffee	2,561
Sum of Oil Palm	2,299,886
Sum of Rubber	2,863,294
Sum of Soya	257
Sum of Wood	11,343,885

Data Source: *UN Comtrade database accessed 4 August 2025*

Having examined Algeria’sgeneral exportprofile and its overall, albeit minor, EUDR relevance, it is crucial to delve into the specific dynamics of its top three EUDR-relevant commodity exports to the EU: wood, cattle, and cocoa. The following analysis, supported by detailed trade data for derived products from 2018 to 2022, sheds light on their individual evolutions and implications for EUDR compliance.

Wood and Derived Products

Figure 8 depicts **Wood and derived products** imported to the EU from Algeria between 2018 and 2022, showing a highly concentrated and volatile trade pattern. The sector is overwhelmingly dominated by **“pulp and paper of chapters 48” (HS 48)**, which demonstrates a strong and consistent growth trend, with import values more than quadrupling from 2018 to 2022. In contrast, all other wood-derived commodities, including various types of **wooden furniture** and **“printed products” (HS 49),** exhibit extremely low trade volumes and significant inconsistency. Notably, categories such as **“fibreboard” (HS 4411)** and “**packing cases and similar packings” (HS 4415)** (which had been non-existent or minimal in previous years), appeared with substantial values in 2022, indicating the emergence of new, albeit potentially sporadic, trade flows. This dynamic means the EUDR’s implications for Algeria are largely focused on its paper sector, while the high volatility and low values of other wood products present unique compliance challenges despite their minor economic impact.

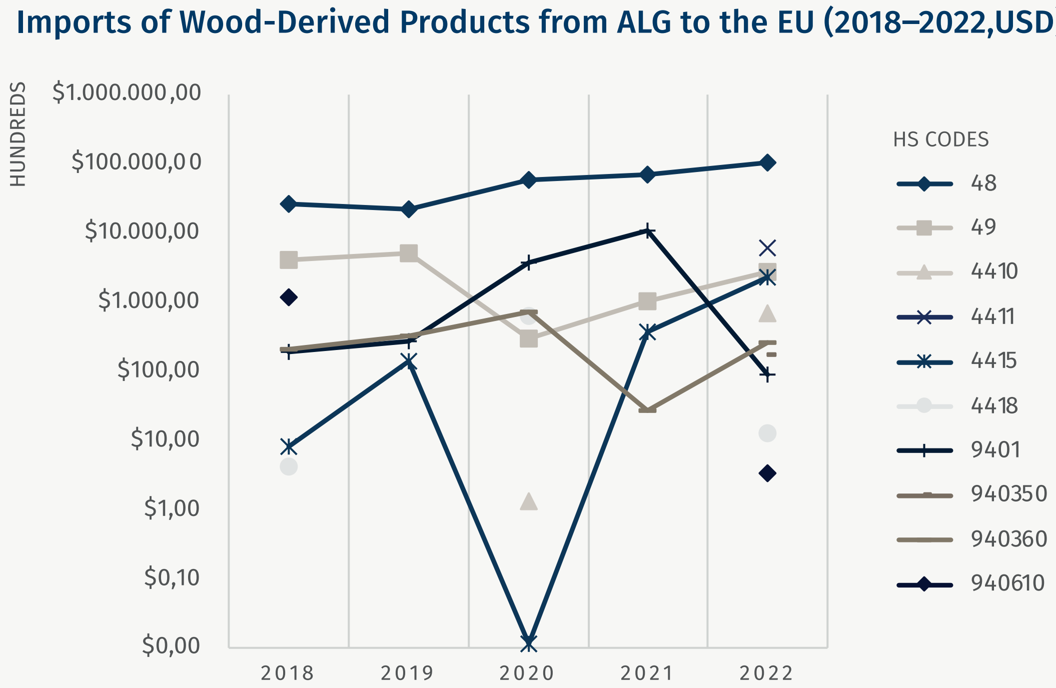


Figure 8: Dynamics of Wood-Derived Products Imports to the EU from Algeria (2018–2022, Hundreds USD). HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.
Data Source: *UN Comtrade database accessed 4 August 2025*

Cattle and Derived Products

Cattle and derived products exhibited a more U-shaped trend over the period, as depicted in **Figure 9**. This shows the fluctuation of cattle-derived product imports included in EUDR Annex 1, from 2018 to 2022. Historically, this trade has been dominated by **"tanned or crust hides and skins of bovine... without hair on" (HS 4104)**, which remained the largest component throughout. Its imports initiated at a high of approximately $5.76 million in 2018 but then experienced a consistent decline, falling to around $1.38 million in 2020. However, the subsequent two years saw a strong recovery, with exports rebounding to approximately $2.17 million in 2021 and reaching roughly $5.10 million in 2022, effectively returning to near 2018 levels. Notably, **"live cattle" (HS 10229)** emerged as a significant export only in 2022.

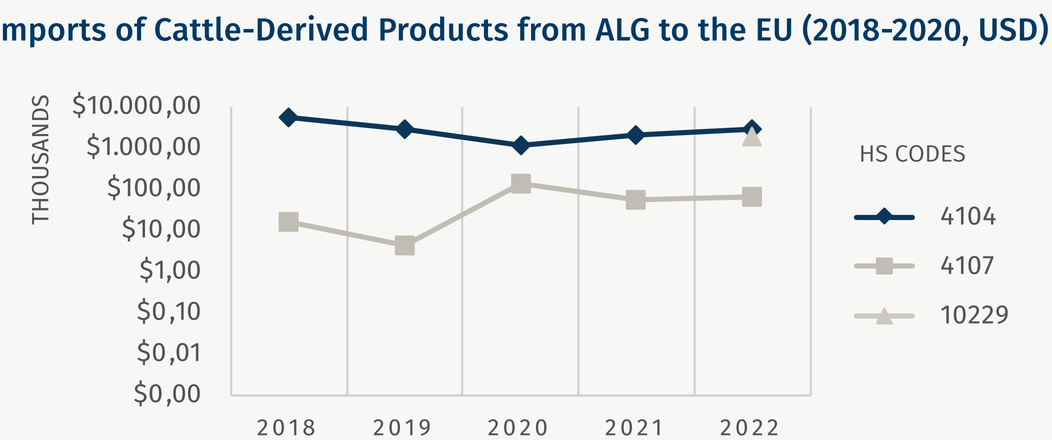


Figure 9: Dynamics of Cattle-Derived Products Imports to the EU from Algeria (2018–2022, Thousands USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.
Data Source: *UN Comtrade database accessed 4 August 2025*

Cocoa and Derived Products

For **cocoa products**, Algeria's exports to the EU exhibited significant fluctuations, as shown in **Figure 10**, over the five-year period. Starting at approximately $7.84 million in 2018, exports peaked notably in 2019 at around $11.03 million, primarily driven by **"cocoa; butter, fat and oil" (HS 1804)**. However, the subsequent years saw a considerable decline, with exports falling to about $6.50 million in 2020 and further to $3.75 million in 2022, marking a substantial reduction from its 2019 peak. While **"chocolate and other food preparations containing cocoa" (HS 1806)** showed some presence in 2021, reaching $842K, it declined sharply to just $22K in 2022, with trade remaining overwhelmingly dominated by processed cocoa fats and oils.

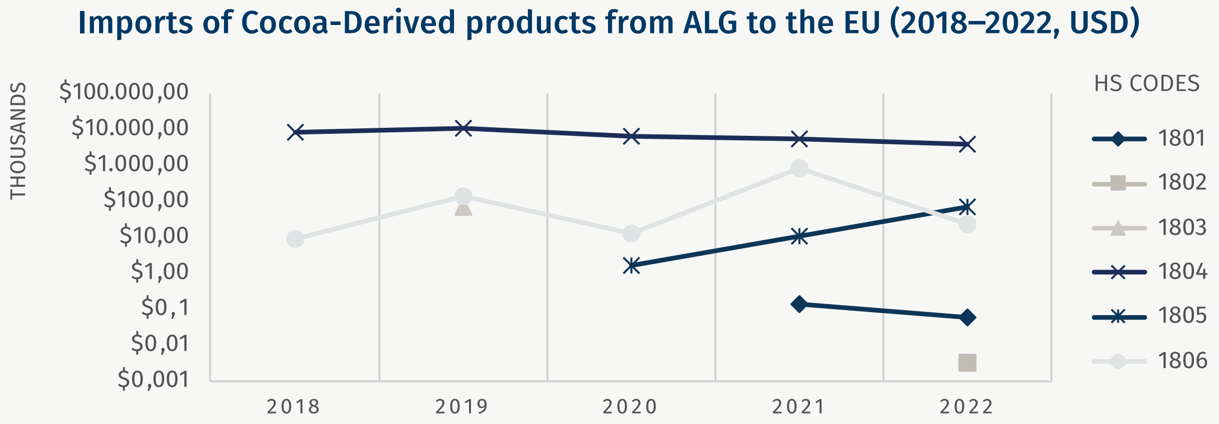


Figure 10: *Dynamics of Cocoa-Derived Products to the EU from Algeria (2018–2022, Thousands USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
Data Source: *UN Comtrade database accessed July 2025*

Trade Agreements and EUDR Implications for Algeria

Algeria's trade relationship with the EU is primarily governed by the **EU-Algeria Association Agreement,** signed in 2002 and fully in force since September 2005 (European Commission). This comprehensive agreement established a Free Trade Area by 2020, providing **preferential treatment for Algerian exports to the EU** (European Commission). The EU is Algeria's biggest trade partner, accounting for approximately 48% of its total international trade in 2024 (European Commission), underscoring the critical importance of this relationship. This highlights the strategic economic ties that bind Algeria to the EU.

Despite this foundational agreement, Algeria consistently faces a **significant and unique trade surplus with the EU,** standing out among its southern neighbourhood partners. In 2022, the difference between EU exports to Algeria and imports from it reached a substantial -**$29.7 billion USD (Figure 11)**. This pattern underscores Algeria's role as an important supplier of goods—particularly hydrocarbons—to the EU, while its imports of EU products remain comparatively smaller, highlighting its persistent challenge in its long-standing goal of **diversifying away from hydrocarbon exports**. The EUDR adds a layer of complexity to this trade balance: while Algeria aims to expand its non-oil and gas exports, the regulation introduces compliance costs and traceability demands that could further hinder its ability to improve this deficit and achieve its economic diversification objectives.

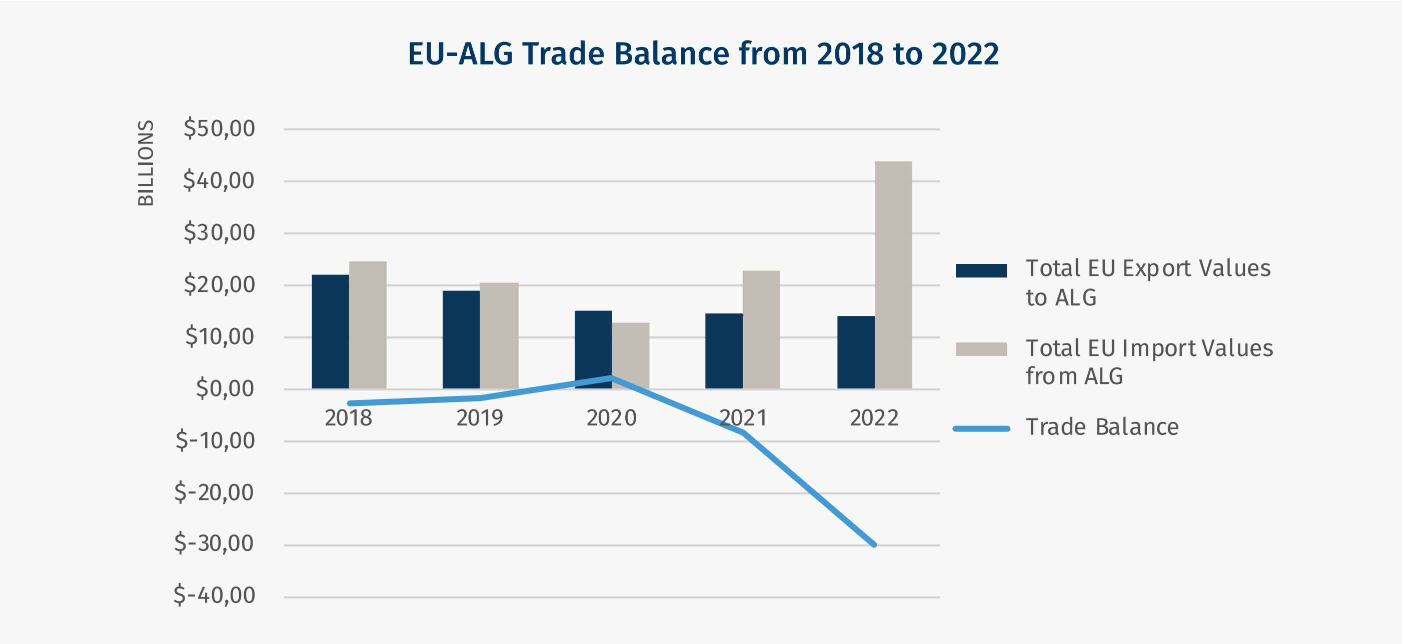


Figure 11: *EU-ALG Trade Balance (2018–2022, Billions USD)*
Data Source: *UN Comtrade database accessed 4 August 2025*

The EUDR also significantly impacts **rules of origin**, adding an environmental layer to the existing **pan-Euro-Mediterranean (PEM) cumulation system**, which Algeria joined in 2017 (European Commission). Algerian products that fall within the scope of the EUDR, even if they meet conventional rules of origin, must now provide **plot-level traceability** data and verifiable proof of deforestation-free and legal production to qualify for placement on the EU market.

BOX 1: Pan-Euro-Mediterranean (PEM) Cumulation of Origin: Framework and Implications for EUDR Compliance

The **PEM system** enables **diagonal cumulation of origin** among the EU, EFTA States, Türkiye, countries adhering to the Barcelona Declaration, the Western Balkans, the Faroe Islands, Georgia, the Republic of Moldova, and Ukraine. The system is grounded in a network of Free Trade Agreements with aligned origin protocols, which are progressively being superseded by the **Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (PEM Convention)**.

The PEM Convention establishes **uniform preferential rules of origin** and operationalizes cumulation, such that materials sourced from participating countries are considered as originating in the final product. This mechanism **facilitates eligibility for preferential tariff treatment** under the relevant trade agreements.

Distinction from the EUDR:

- The PEM framework regulates **tariff treatment** of products.
- The EUDR imposes **environmental and legality obligations** based on the **actual physical origin** of raw materials.

Implication for EU operators: A product benefiting from PEM cumulation for tariff purposes does **not exempt operators from EUDR compliance**; they must demonstrate conformity through a verifiable due diligence process.

Beyond its bilateral agreement with the EU, Algeria has also engaged in other regional trade frameworks, including active membership in the **Greater Arab Free Trade Area (GAFTA)** since 2009 and ratification of the **African Continental Free Trade Area (AfCFTA)** in 2019 (ITA, 2023). The EU's continued financial assistance to Algeria through frameworks like the E**uropean Neighbourhood Policy (ENP)** could be instrumental in supporting these necessary capacity-building and infrastructure investments (European Commission). These broader trade and cooperation initiatives highlight Algeria's commitment to economic integration, within which the EUDR now plays a crucial, conditional role.

EUDR Readiness Assessment

Assessing Algeria's readiness to comply with the EUDR is particularly challenging due to the **limited engagement from stakeholders** and the absence of publicly available trade data. Despite repeated attempts to contact around 20 stakeholders from governmental authorities, private-sector representatives, and international organizations, **no responses were received**.

The lack of engagement may indicate several possibilities. Stakeholders may not yet be interested in the EUDR, or may be hesitant to participate in studies of this nature due to other institutional or political considerations. Importantly, this absence of responses provides only **speculative insights**, and cannot be considered as definitive evidence of Algeria's policies, capacities, or intentions regarding EUDR compliance.

In addition, as Algeria has not reported its export data to the **UN Comtrade database since 2018**, this limits the ability to analyze EUDR-relevant trade flows. This lack of data availability could be due to multiple factors:

- **Technical limitations** preventing the collection, assessment, and reporting of trade data;
- **Institutional reluctance** or restrictions around sharing data externally;
- **Potential administrative or political conflicts**, including corruption concerns or very restrictive national privacy policies.

These constraints suggest that Algeria's institutional capacity to implement EUDR-compliant traceability, due diligence, and monitoring systems may be limited, though the precise reasons remain uncertain. Based on the above, the following observations can be made, noting that they remain hypothetical rather than confirmed:

- **Awareness and Engagement:** The absence of stakeholder responses indicates potential low awareness or limited prioritization of EUDR, which could result in reactive rather than proactive compliance strategies.
- **Data and Transparency:** The unavailability of official trade data suggests either a technical inability to monitor and report, or institutional reluctance to disclose sensitive information.
- **Institutional and Technical Capacity:** The lack of engagement and trade data reporting implies that the systems necessary to guarantee traceability, compliance verification, and due diligence under the EUDR might be underdeveloped.

Algeria currently exhibits low observable readiness for EUDR compliance. The absence of stakeholder feedback and trade data limits the analysis to suppositions, highlighting the need for targeted outreach, engagement, and capacity-building initiatives to understand and improve the country's preparedness for EUDR requirements.

EUDR Impact Assessment

The introduction of EUDR due diligence requirements entails administrative and operational costs for relevant commodities. While Algeria's overall exports of EUDR-covered products are limited, certain companies engaged in these specific sectors may face localized compliance challenges. For Algeria, this is more important for its wood-, cattle- and cocoa-derived products. These operators will need to carefully assess the sourcing of raw materials, particularly from countries classified as medium- or high-risk under the EU benchmarking system, to evaluate potential costs, operational implications, and effects on production margins.

Institutional readiness is a concern: limited responsiveness from government authorities, private-sector actors, and international partners, coupled with gaps in national data reporting, may hinder monitoring, traceability, and verification. Without proactive measures, affected companies could experience delays, inspections, or border rejections for EUDR-relevant shipments.

Strategic Opportunity for Modernization

Despite the limited scale of impact, the EUDR presents an opportunity for affected operators, to modernize its supply chain management (especially for wood-, cattle- and cocoa-derived products), and adopt enhanced transparency and traceability systems. By positioning EUDR compliance as a **market differentiation** strategy, Algeria can safeguard its EU market access, strengthen competitiveness, and attract potential investments in non-hydrocarbon sectors. This approach could convert regulatory requirements into a catalyst for **economic diversification** and sustainable trade development (Elaguab, Kaki, and Bouznit, 2022).

Successful compliance would reinforce Algeria's reputation in global supply chains, potentially facilitating access to other environmentally conscious markets and creating new revenue streams for EUDR-relevant commodities. In conclusion, while Algeria's direct trade impact from the EUDR is minimal in absolute value, the regulation carries indirect economic, technical, and strategic consequences. Properly addressing compliance costs and using the EUDR as a modernization driver can enable Algeria to mitigate trade risks and exploit the regulation as a tool for economic diversification and market competitiveness.

Egypt

EUDR Implication Assessment

Egypt's export relationship with the EU is heavily skewed towards energy products and industrial inputs. The general commodities exported from Egypt to the EU in 2022 were mainly petroleum and gas products, reaching a substantial $8.72 billion, with petrochemical products at $2.56 billion, and then vegetable products at $1.34 billion (ESCWA, External Trade Data Platform). These figures underscore the foundational role of fossil fuels and related derivatives, along with basic industrial goods, in Egypt's trade with the EU.

Despite the high value of these primary exports, the commodities targeted by the EUDR represent a remarkably small fraction of this trade. In 2022, out of total EU imports from Egypt valued at approximately $17.04 billion, only about $217.25 million (UN Comtrade Database), or a mere 1.28%, were classified as EUDR-relevant. When considering Egypt's overall global exports, the EUDR-relevant share shrinks even further to 1.17% of the $18.55 billion total (UN Comtrade Database). This low percentage indicates that the direct, economy-wide impact of the EUDR on Egypt's top export lines will be limited, but its implications will be highly concentrated within specific, smaller sectors.

Main EUDR-Relevant Commodities of Interest in 2022

The **Table 5** lists the CIF aggregated values of EUDR- relevant commodities imported from Egypt to the EU in 2022. The data clearly highlights the primary areas of interest for compliance. **Wood** products were the largest, with imports totalling $90.99 million. Following this, **rubber** imports amounted to $77.87 million, and **cattle** prod- ucts registered $34.03 million.

Table 5: *Aggregated CIF Value of EUDR-Relevant Commodities Imported to the EU from Egypt (2022, USD)*

Commodity Group	Import Value (USD)
Sum of Cattle	34,031,840
Sum of Cocoa	1,254,901
Sum of Coffee	12,229
Sum of Oil Palm	4,711,579
Sum of Rubber	77,868,651
Sum of Soya	8,375,212
Sum of Wood	90,993,241

Data Source: *UN Comtrade database accessed 4 August 2025*

Overall, while the EUDR-relevant trade is a small part of Egypt's total exports to the EU, the significant and growing rubber-tyre trade, alongside consistent leather and certain wood or paper product exports, will be the primary focus for Egyptian exporters in adapting to the new regulation's traceability and deforestation- free requirements. To provide a disaggregated analysis of the top three EUDR-relevant commodities from Egypt to the EU, the trends for specific HS codes within wood, rubber, and cattle are examined in the next section.

Disaggregated EUDR-Relevant Derived Products Commodities Trends (2018–2022)

Wood and Derived Products

The wood category presents a diverse range of products, as detailed in **Figure 12** through the dynamics of the wood EUDR-relevant derived products imported to the EU from Egypt. The **"pulp and paper of chapter 48" (HS 48)** commodity-derived products is the most substantial EUDR-relevant category for Egypt, though its trajectory is highly volatile. Imports plummeted from over $76 million in 2019 to less than $25 million in 2020, a decline of approximately 67%. However, the sector showed a remarkable recovery, rebounding to over $61 million by 2022.

"Wood charcoal" (HS 4402) demonstrated a consistent and robust upward trend, more than tripling in value from approximately $3 million in 2018 to nearly $10 million in 2022. Imports of **"printed books and other printed material" (HS 49)** have remained stable with slight growth since 2018, ranking third among Egypt's wood- derived exports to the EU, overtaken by wood charcoal (HS 4402) in 2022. Imports of **"fuel wood" (HS 4401),** after a decline, rebounded strongly in 2022, reaching its highest value of over $5.8 million. The upward trajectory of these commodities indicates that a growing portion of Egypt's wood-related exports will be under direct EUDR scrutiny.

In contrast to the growth in paper and charcoal, the furniture and other processed wood- products show a mixed, but generally declining, trend. Imports of **"seats" (HS 9401)** fell from over $3.1 million in 2018 to just over $2 million in 2022. Other **"wooden furniture" (HS 940360)** also dropped in value from over $4.1 million to just over $3.6 million. The other lower-value categories, such as **"plywood" (HS 4412) and bedroom furniture (HS 940350)**, exhibited high volatility with no clear growth trend.

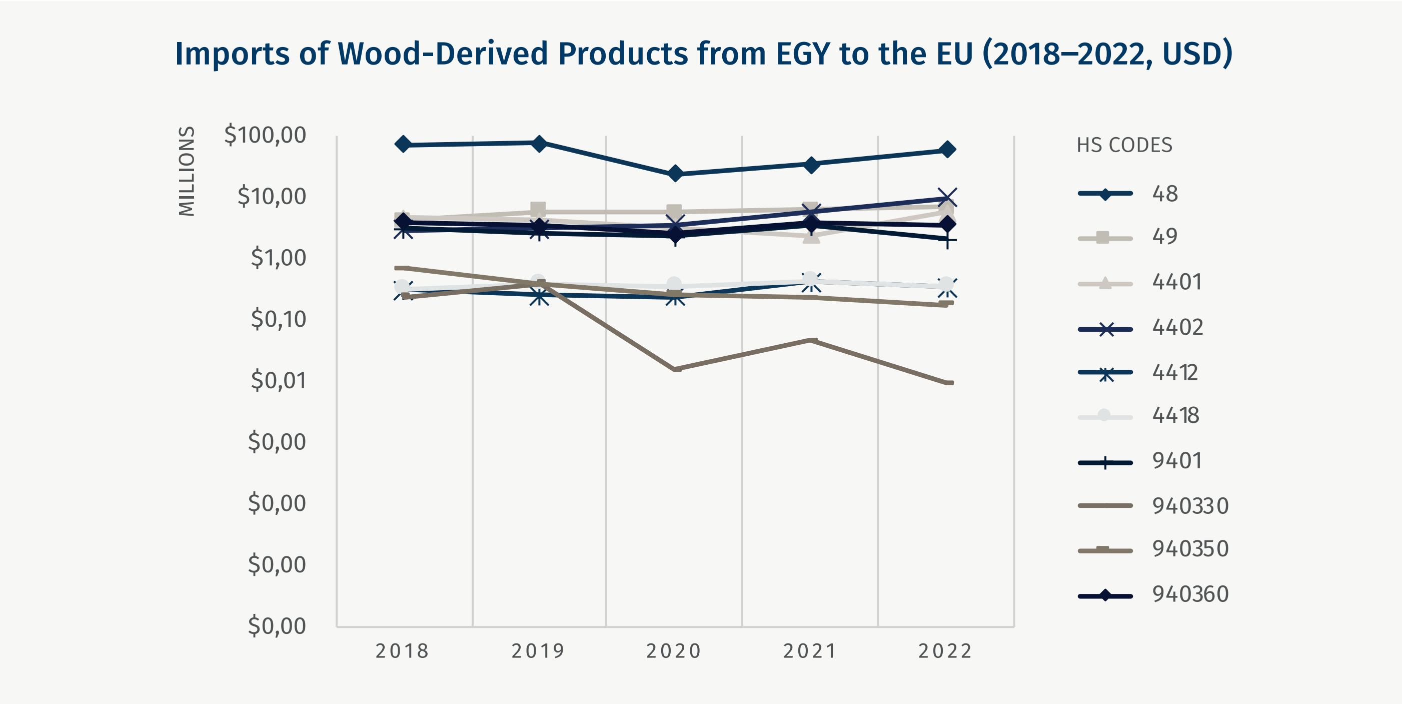


***Figure 12:** Dynamics of Wood-Derived Products Imports to the EU from Egypt (2018–2022, Millions USD)*
HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1
***Data Source:** UN Comtrade database accessed 6th August 2025*

The analysis confirms that Egypt is significantly implicated in the EUDR. The challenge is multi-faceted, with high-value and volatile sectors like paper, alongside a rapidly growing sector in wood charcoal. Egypt will need to explore the origin of both its local and imported wood raw materials to establish a deforestation-free supply chain, and comply with the EUDR traceability and due diligence requirements.

Rubber and Derived Products

The disaggregated import values for rubber products detailed from 2018 to 2022 in the **Figure 13**, reveals a clear leader: **"New pneumatic tyres" (HS 4011)**. This category consistently dominates, showing a strong and continuous upward trend from $34.17 million in 2018 to $77.16 million in 2022, representing the most significant growth among all derived products. Other rubber categories show much smaller and more volatile trade values. **"Other articles of vulcanized rubber" (HS 4016)** fluctuated but generally declined from $332,862 in 2018 to $46,212 in 2022. **"Compounded rubber"** and other forms of **"unvulcanized rubber" remained minimal (HS 4005, HS 4006)** with sporadic presence. **"Plates, sheets, etc. of vulcanized rubber" (HS 4008)** grew modestly from $26,799 to $155,349. Overall, rubber-derived products represent a relatively small market, with only new tyres (HS 4011) remaining a sector worth further attention for Egyptian export compliance.

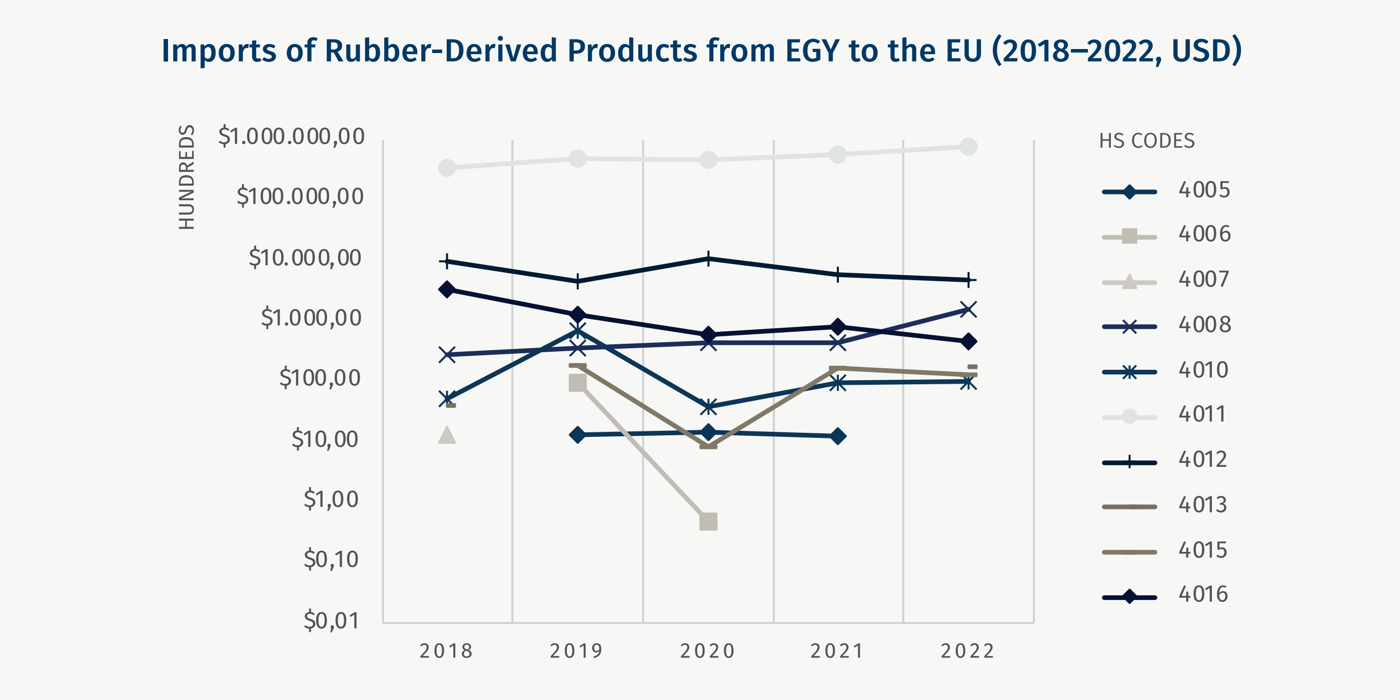


***Figure 13:** Dynamics of Rubber-Derived Products Imports to the EU from Egypt (2018–2022, Hundreds USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
***Data Source:** UN Comtrade database accessed July 2025*

Cattle and Derived Products

The **Figure 14** disaggregating the import value from Egypt to the EU of cattle-derived products shows that **"meat of bovine animals" (HS 201)** registered only a tiny value of $13.69 in 2022, with no previous recorded trade. This indicates that direct meat exports are not a significant concern for EUDR compliance from Egypt. The primary focus for cattle-related products lies with **leather**, specifically **"tanned or crust hides" (HS 4104)** and **"leather further prepared after tanning" (HS 4107**). HS 4104 consistently held the highest value within this group, though it experienced a significant decline from $43.94 million in 2018 to $21.29 million in 2022. Similarly, **HS 4107** saw its value decrease from $22.90 million in 2018 to $12.71 million in 2022, with a notable dip in 2020. **"Raw hides and skins" (HS 4101)** showed negligible or sporadic trade in most years, with a small value of $29,847 in 2022.

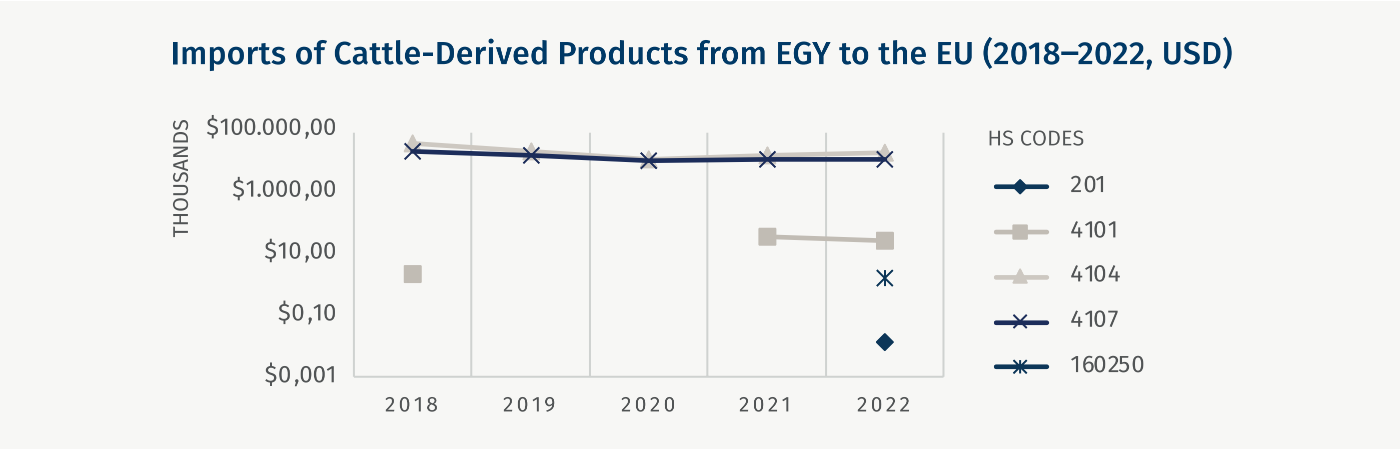


***Figure 14:** Dynamics of Cattle-Derived Products Imports to the EU from Egypt (2018–2022, Thousands USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
***Data Source:** UN Comtrade database accessed July 2025*

Egypt's Trade Agreements and EUDR Implications

The trade relationship between Egypt and the EU is governed by a series of agreements, most notably the EU-Egypt Association Agreement in force since 2004, which established a free trade area by removing tariffs on industrial goods and easing trade in agricultural products (European Commission; Access2Markets). This was strengthened by a 2010 agreement covering agricultural, processed agricultural, and fisheries products (European Commission; Access2Markets). Although negotiations for a Deep and Comprehensive Free Trade Area (DCFTA) began in 2013, they are currently on hold (European Commission). The EU remains Egypt's top trading partner, accounting for 22% of Egypt's total trade in 2024 (European Commission). However, the preferential tariffs granted under these agreements do not exempt Egyptian exports from the due-diligence obligations of the EUDR. Furthermore, Egypt is a signatory to the PEM Convention, having acceded to the Regional Convention in October 2013.

The trade balance trends between the EU and Egypt, shown in the **Figure 15**, reveal a consistent surplus in favour of the EU, but with a significant shift in recent years. From 2018 to 2021, the EU's trade surplus steadily increased, growing from approximately $11.5 billion in 2018 to a peak of over $14.2 billion in 2021. This trend indicated a growing disparity where the value of EU goods exported to Egypt significantly outpaced Egyptian imports into the EU. However, 2022 marked a dramatic change, with the EU's trade surplus sharply declining to around $4.28 billion. This substantial reduction was primarily driven by a considerable increase in value of Egyptian goods imported by the EU (from $10.7 billion in 2021 to $17.04 billion) coupled with a decrease in EU exports to Egypt (from $24.9 billion in 2021 to $21.3 billion).

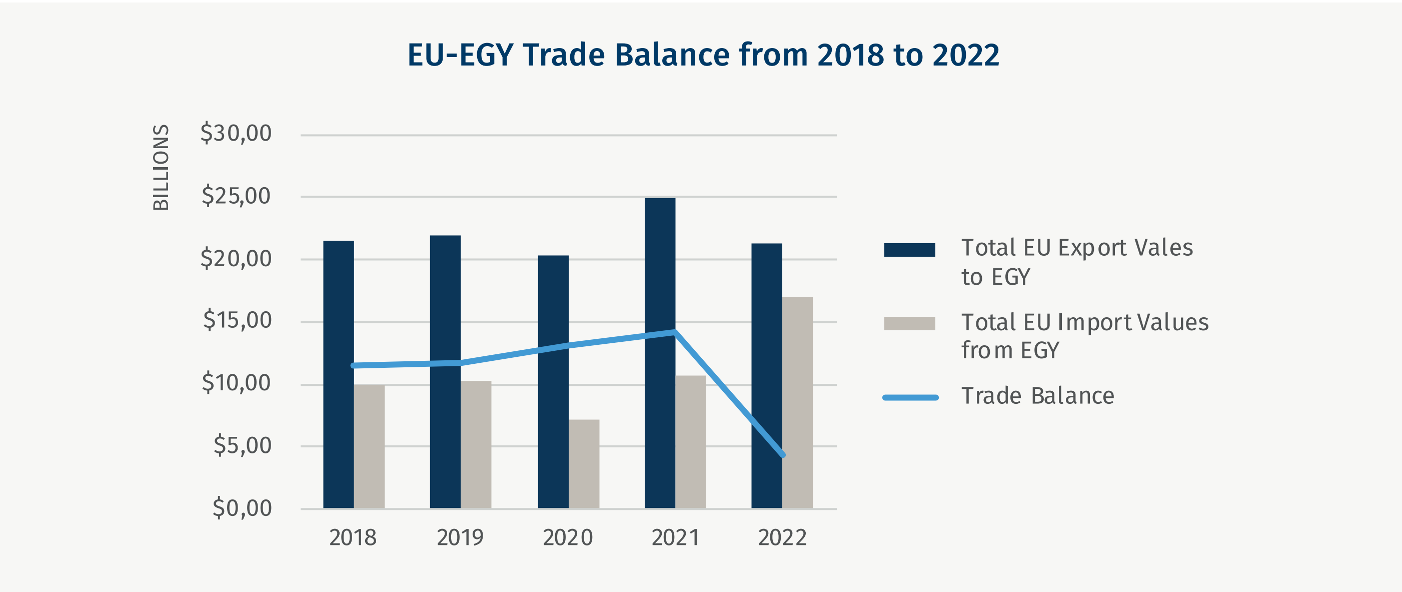


Figure 15: *EU-Egypt Trade Balance (2018–2022, Billions USD)*
Data Source: *UN Comtrade database accessed July 2025*

The sharp decline in the EU-Egypt trade balance in 2022 was driven by a surge in EU imports from Egypt, influenced by both external and domestic factors. Following the outbreak of the war in Ukraine, the Egyptian central bank struggled to stabilize the exchange rate, implementing devaluations of -15% in March 2022, -19% in October 2022, and -17% in January 2023, which cumulatively led to a depreciation of over 50% by February 2023 (Crédit Agricole S.A., 2024). While these measures failed to restore market confidence, the weaker Egyptian pound made Egyptian exports more competitive in euro terms, boosting EU imports and partially offsetting macroeconomic pressures. This temporary surge in trade inflows could strengthen Egypt's capacity to invest in regulatory compliance measures, such as those required under the EUDR, if export momentum is sustained.

EUDR Readiness Assessment

Egypt exhibits strong political commitment to aligning with EU regulatory standards, reflecting a proactive approach to potential EUDR compliance. The establishment of the EU-Egypt Strategic and Comprehensive Partnership (SCP) in 2024 demonstrates high-level willingness to integrate European sustainability priorities into national development agendas (European Union, 2024). Beyond formal EU initiatives, Egyptian stakeholders were extremely responsive within the scope of our study. They gathered collectively during an online session to discuss the EUDR, actively engaging in understanding post-implementation implications and concerned about regulatory requirements. This level of participation demonstrates not only political willingness but also a culture of proactive stakeholder engagement.

Coordination Across Agencies

Institutional coordination appears robust in Egypt, with multiple ministries, agencies, and international partners involved in implementing programs aligned with EU priorities. Initiatives such as EU support to trade, industry, growth and rapid market access (TIGARA), a trade capa- city-building project, demonstrate collaboration between government bodies and international organizations to strengthen supply chains and SME integration into EU markets (EU Delegation to Egypt, 2025). Similarly, the EU-Egypt Invest- ment Guarantee for Development Mechanism mobilizes financial, technical, and institutional support across sectors relevant to EUDR objec- tives, including sustainable agriculture, water management, and renewable energy (EU Dele- gation to Egypt, 2025). This multi-level engage- ment suggests that inter-agency cooperation is well-established, forming a solid foundation for coordinated compliance efforts.

Technical Preparedness

Egypt has made significant strides in technical readiness for EU market standards. Investments in digital infrastructure and monitoring systems related to sustainable practices, although primarily aimed at green transition objectives, indirectly enhance Egypt's technical preparedness for EUDR compliance (EU Delegation to Egypt, 2025). However, dedicated systems for geolocation and tracking of deforestation-linked commodities may require further development to fully meet the EUDR's traceability requirements.

From a deforestation rate perspective, which is particularly relevant for processing wood-derived and cattle-derived products, it is important to highlight that between 2001 and 2024, Egypt recorded a tree-cover loss of 55.5 kha, representing 19% of its 2000 baseline tree cover (Sims et al., 2025). Of this, only 2.8% was linked to deforestation drivers such as permanent agriculture, commodity production, and the expansion of settlements and infrastructure. The overwhelming majority of the loss stemmed from temporary or natural disturbances, most notably wildfires. This suggests that Egypt's forest decline has been driven primarily by environmental factors rather than commodity-driven expansion, indicating a relatively lower structural risk in terms of EUDR-related deforestation compliance.

Overall, Egypt shows a developing level of rea- diness for the EUDR. Strong political commitment is reflected in strategic partnerships and active stakeholder engagement. Institutional coordination, sector-specific capacity-building, and investment mechanisms support com- pliance, while collaboration with the EU focuses on enterprise- and industry-level adaptation. Some reluctance in data sharing reveals uncertainties around EUDR requirements and privacy, and geolocation-based monitoring and traceability systems need improvement. Nonetheless, Egypt's combination of political will, stakeholder engagement, and investment provides a solid foundation for meeting EUDR obligations.

EUDR Impact Assessment

The EUDR presents both significant opportunities and challenges for Egypt. As a country with strong trade integration with the EU, and ongoing investments in green transition initiatives, Egypt is well- positioned to leverage new market incentives. However, implementation of the EUDR will also impose additional responsibilities, particularly in terms of supply-chain due diligence, data management, and trade compliance, which will require careful policy review and operational adjustments.

Opportunities

Egypt's exports of agrifood products and other commodities covered by the EUDR are substantial, offering a strong incentive to align with EU sustainability standards. Compliance with the EUDR can further enhance Egypt's reputation as a reliable supplier of deforestation- free products, consolidating its position in the EU market.

Challenges and Risks

1. **Data Privacy and Digital Traceability**

   Egypt will need to review its data privacy policies to ensure the secure handling of geolocation and supply-chain data required for EUDR compliance. Existing monitoring systems may require upgrades to meet EU digital traceability standards while remainingaligned with domestic regulations. Governance challenges, reflected in Egypt's 2025 Corruption Perceptions Index (CPI) score of 30, ranking 130th out of 180 countries (Transparency International, 2025), may increase risks related to data integrity and transparency, underscoring the need for robust institutional oversight and capacity-building to ensure accurate and legally compliant reporting.

2. **Trade Agreements and Extended Due Diligence**

   Recent trade agreements, such as Egypt's role as an export hub for Malaysian palm oil, introduce additional compliance burdens (MPOC, 2024). According to the EUDR classification list, Malaysia is considered a standard-risk country, necessitating extended due diligence (European Commission). Based in a re-export hub, Egyptian operators will assume responsibility for ensuring that imported commodities meet EUDR requirements, including verification of legality and deforestation-free status. This places obligations on the Egyptian private sector to provide and facilitate all information required by EU operators as they implement their due diligence systems.

3. **Market and Economic Implications**

   While the EU market offers substantial economic opportunities, the EUDR may also drive the need for trade diversification or cost-intensive compliance initiatives. Some businesses might face increased operational costs to meet traceability, reporting, and verification requirements. Investments to achieve compliance may not always be cost-efficient, particularly for SMEs, and could potentially reduce competitiveness if not accompanied by financial or technical support mechanisms.

The EUDR presents a mixed landscape for Egypt: a combination of promising trade opportunities and new compliance responsibilities. While Egypt's proactive engagement, investment in sustainability, and established EU trade relationships are strengths, challenges such as data privacy, extended due diligence obligations for standard-risk trade partners, and potential cost pressures on local businesses must be addressed.

Israel

EUDR Implication Assessment

Israel's trade profile in 2022 reveals a moderate direct impact from the EUDR on its primary export sectors. In 2022, the total value of EUDR-relevant commodities imported by the EU from Israel was **$178.42 million** (UN Comtrade Database). This figure represents approximately **0.98%** of the total EU imports from Israel, which amounted to **$18.29 billion** in the same year (UN Comtrade Database). Furthermore, these EUDR-relevant imports constituted a mere **0.25%** of Israel's total national exports to the world, which stood at **$72.57 billion** in 2022 (UN Comtrade Database). These percentages indicate that, at a macroeconomic level, the EUDR is unlikely to pose a significant immediate threat to Israel's overall export economy.

Based on the 2022 data, the EU's imports from Israel are predominantly concentrated in **high-tech and industrial sectors**. The leading import category is **electrical machinery and equipment**, totalling over $6.1 billion, followed by **mineral fuels** (over $1.7 billion) and **machinery and mechanical appliances** (exceeding $1.5 billion) (UN Comtrade Database,). As these product groups fall outside the scope of the EUDR, Israel's direct exposure to the regulation appears limited based on its current export profile to the EU. This reinforces the assessment that the regulation's broader economic impact on the Israeli export sector is likely to remain contained.

Key EUDR-Relevant Commodity Categories for Detailed Analysis

Based on the aggregated CIF value data for 2022, presented in **Table 6**, the major EUDR-relevant commodity categories imported from Israel to the EU are: Rubber and its derivatives ($88.2M), followed by wood and wood articles ($54.5M) and oil palm products ($7.3M).

Analysis of Major EUDR-Regulated Commodity Imports from Israel (2018–2022)

This section provides a detailed analysis of the trends and EUDR implications for the top three EUDR-relevant commodity types imported by the EU from Israel.

Wood and Derived Products

EU imports of wood and wood products from Israel exhibited significant volatility between 2018 and 2022, as detailed in **Figure 16**. The trade is overwhelmingly dominated by **"pulp and paper" (HS 48)** and **"printed products" (HS 49)**, which saw their combined value drop from nearly $100 million in 2018 to around $54.8 million in 2022. Similarly, the import of **"seats" (HS 9401)**, another high-value product, consistently decreased from over $20 million to approximately $13.6 million during the same period. In contrast, several smaller categories showed growth, with **"packing cases" (HS 4415)** increasing from a low of $224,000 to over $1.5 million and **"kitchen furniture" (HS 940340)** emerging as a significant new import in 2022. This shift in trade composition, while not offsetting the decline in the major sectors, highlights a potential diversification of Israel's wood-derived product exports.

***Table 6:** Aggregated CIF Value of EUDR-Relevant Commodities Imported to the EU from Israel (2022, USD)*

Commodity Group	Import Value (USD)
Sum of Cattle	4,161,790
Sum of Cocoa	1,605,840
Sum of Coffee	261,758
Sum of Oil Palm	7,293,596
Sum of Rubber	88,224,758
Sum of Soya	632,919
Sum of Wood	76,238,196

***Data Source:** UN Comtrade database accessed 29 June 2025.*

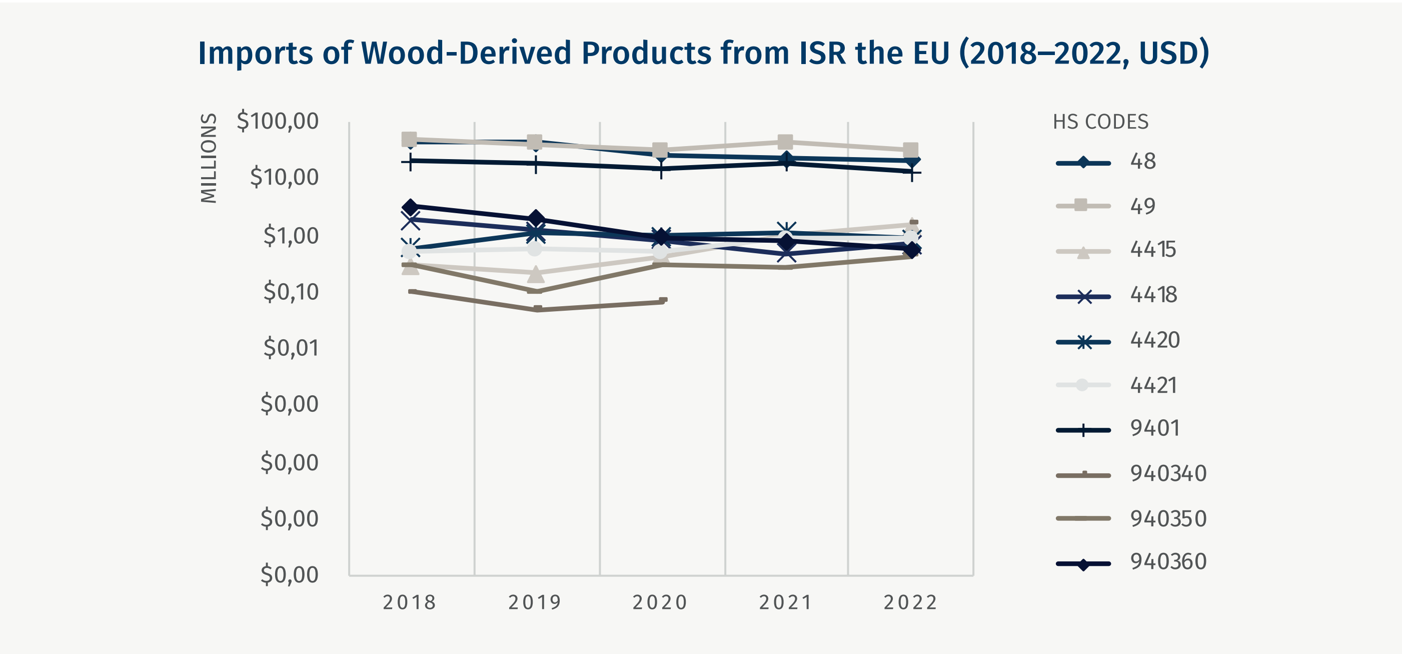


***Figure 16:** Dynamics of Wood-Derived Products Imports to the EU from Israel (2018–2022, Millions USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
***Data Source:** UN Comtrade database accessed 6th August 2025*

Rubber and Derived Products

Imports of natural rubber and rubber articles from Israel to the EU, as detailed in **Figure 17**, reveals a trade profile dominated by two major categories with highly fluctuating values. **"New pneumatic tyres" (HS 4011)** are the overwhelmingly dominant commodity, maintaining trade values in the tens of millions of dollars, fluctuating between approximately $67 million and $85 million over the period. The second most significant category, **"other articles of vulcanised rubber" (HS 4016)**, also shows significant trade, with values declining from nearly $12 million in 2018 to a low of $9.3 million in 2020, before recovering to $11 million in 2022.

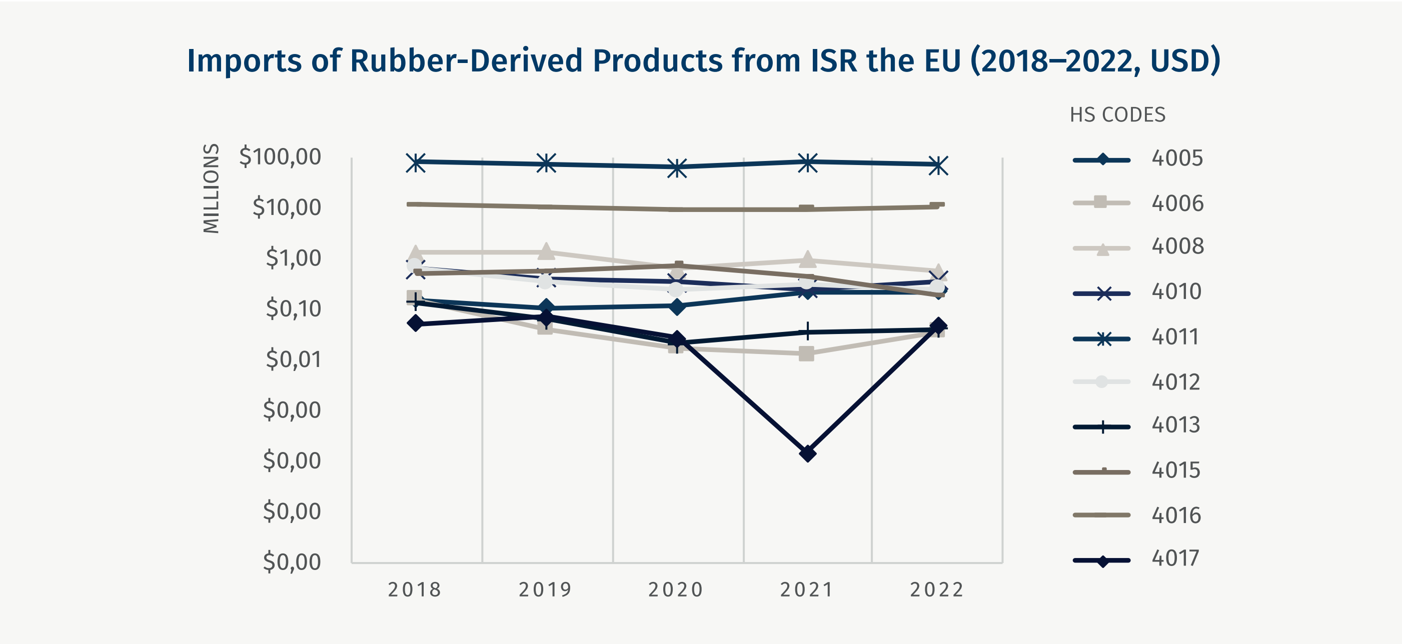


Figure 17: *Dynamics of Rubber-Derived Products Imports to the EU from Israel (2018–2022, Millions USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
Data Source: *UN Comtrade database accessed July 2025*

All other rubber-derived products listed, including "rubber plates, sheets" (HS 4008) and "conveyor or transmission belts" (HS 4010), represent much smaller and often highly volatile trade flows. This indicates that while the EUDR would apply to a wide range of rubber imports, its primary quantitative impact would be concentrated on the tyre and other vulcanised rubber articles sectors due to their substantial and consistently high trade volumes.

Oil Palm and Derived Products

Oil Palm's derived products included under the EUDR imported to the EU from Israel are depicted in **Figure 18** for 2018 through to 2022. Israel's declared oil palm-related exports to the EU are dominated by **"saturated acyclic monocarboxylic acids and their derivatives" (HS 291590)**, which exhibit a striking upward shift—from approximately $3 million to over $8 million in 2021—followed by a slight decline in 2022. This sharp increase suggests a sudden expansion of this specific market segment, reinforcing its position and creating a stable niche within Israel-EU trade.

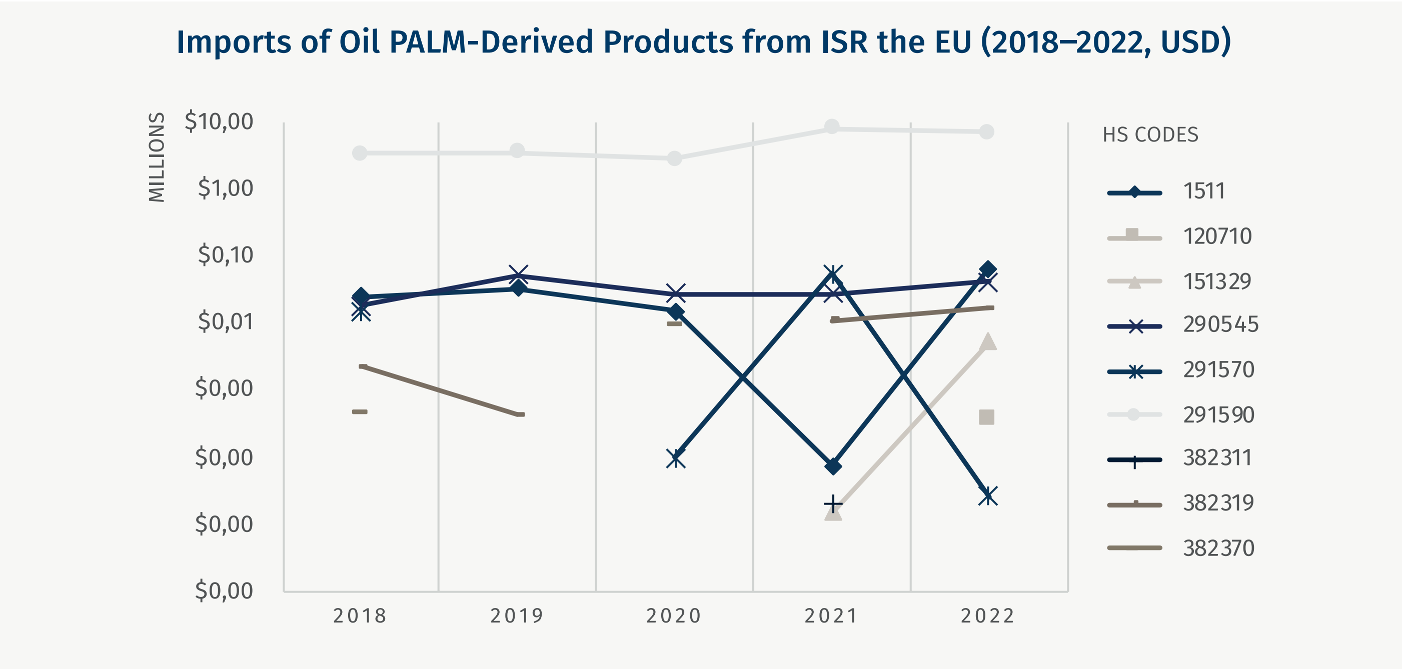


Figure 18: *Dynamics of Oil Palm-Derived Products Imports to the EU from Israel (2018–2022, Millions USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
Data Source: *UN Comtrade database accessed July 2025*

In comparison, other products show much smaller trade volumes: **"glycerol" (HS 290545)** reached $43,518, and **"palm oil and its fractions" (HS 1511)** totalled $69,016. As illustrated in **Figure 18**, the remaining derived products exported from Israel to the EU register negligible values and display irregular, sporadic trade patterns, which may become the most vulnerable under the EUDR since they will require cost-efficient compliance strategies to assess the viability of long-term investments in meeting regulatory requirements.

Implications of the EUDR on EU-Israel Trade Dynamics and Agreements

The EUDR introduces a new layer of complexity to the established trade dynamics and agreements between the EU and Israel. While trade relations are robust, governed by the 2000 EU-Israel Association Agreement and other specific accords, the EUDR directly impacts a subset of commodities, potentially altering trade flows and requiring significant adjustments from Israeli exporters (European Commission).

Existing Agreements and EUDR Integration

The comprehensive EU-Israel Association Agreement, in force since 2000, alongside agreements on agricultural trade (in force since 2010) has fostered deep economic integration (European Commission; International Trade Association, 2023). The EUDR acts as an additional regulatory framework that overlays these existing trade preferences. A critical element in this relationship, the 'Technical Arrangement' concerning goods from Israeli settlements in territories administered since June 1967 (in force since 2004), already demonstrates the EU's capacity to differentiate and apply specific trade conditions based on origin (European Commission; International Trade Association, 2023). This existing mechanism for origin verification, further strengthened by a new customs code introduced by the Directorate-General for Taxation and Customs Union (DG TAXUD) on 16 May 2023, could, in principle, be adapted or serve as a precedent for enforcing the detailed traceability requirements of the EUDR, ensuring that even processed goods exported from Israel can be traced back to deforestation-free original sources (European Commission).

Trade Dynamics and the EUDR's Influence:

The EU is Israel's largest trading partner, accounting for 32% of its total trade in goods in 2024 (European Commission). From 2018 to 2022, the EU consistently maintained a substantial trade surplus with Israel, growing from approximately $8 billion to over $12 billion, as articulated in **Figure 19**.

The trade balance demonstrates a relatively stable trend, marked by a noticeable increase in 2021, reflecting a parallel rise in both EU imports from and exports to Israel. Even the slight decline observed in 2022 affected both imports and exports proportionally, maintaining an overall equilibrium in trade dynamics.

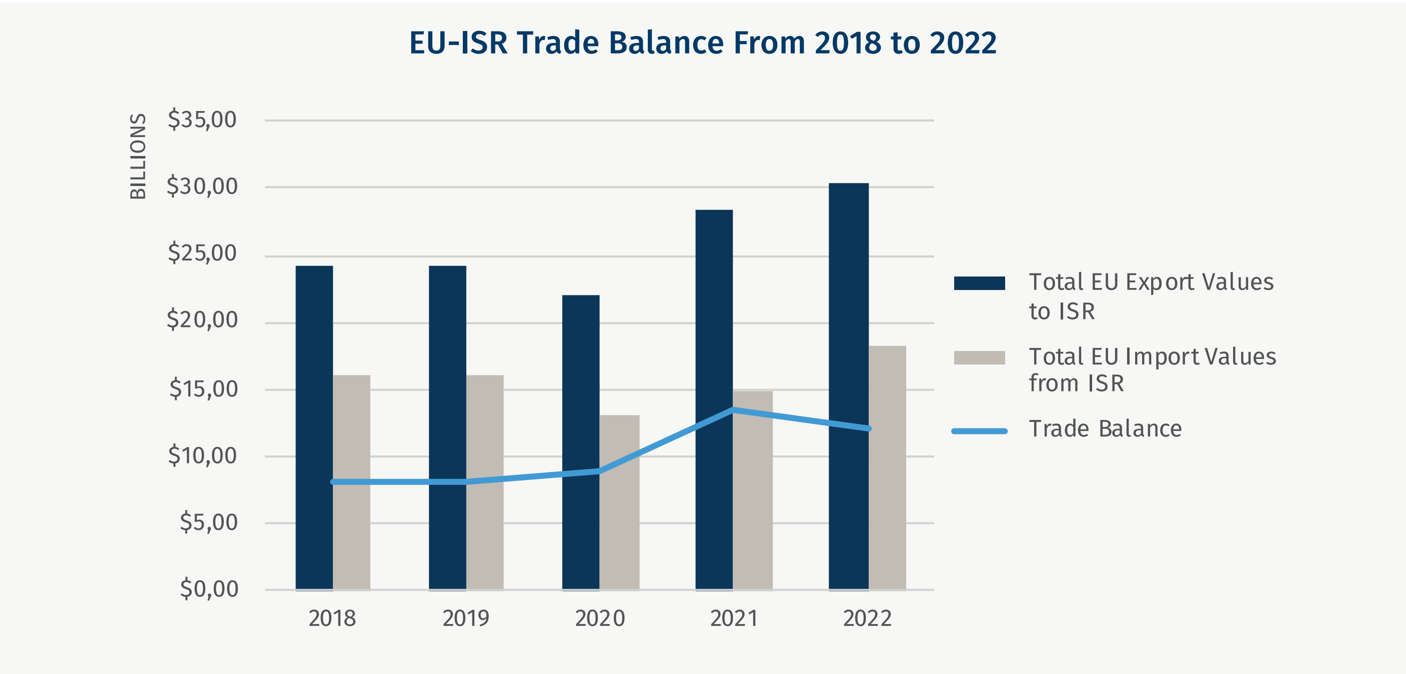


Figure 19: *EU-Israel Trade Balance (2018–2022, Billions USD)*
Data Source: *UN Comtrade database accessed July 2025*

EUDR Implication Assessment

Stakeholder consultations conducted as part of this assessment highlighted cautious engagement among representatives, particularly those from governmental authorities. Participants expressed concern regarding the implications of the EUDR for Israel and exhibited reluctance to share more detailed information on exporting industries. While this did not prevent constructive dialogue, it reflects a high sensitivity around data disclosure and underscores the challenges of obtaining fully transparent supply chain information in the Israeli context.

Institutional and Governance Capacity

Israel demonstrates moderate institutional capacity for EUDR compliance. The country benefits from EU adequacy recognition in data protection (European Commission, 2024), which facilitates the secure exchange of traceability and geo-location data required under the Regulation. The Protection of Privacy Law (1981), overseen by the Israel Privacy Authority, and the forthcoming Amendment 13 (2025) (DLA Piper, 2024) strengthen the regulatory environment for managing digital supply chain information.

On governance, Israel's ranking of 30/180 in the 2024 CPI with a score of 64/100 (Transparency International, 2024) suggests relatively low corruption risks, supporting enforcement of due diligence obligations. However, the entanglement of agricultural Research and Development (R&D) and production with settlement areas in the West Bank and Syrian Golan (Who Profits, 2020) presents a critical compliance risk. Since the EUDR requires proof of legality of production, commodities linked to disputed territories may face rejection or reputational damage in EU markets. Moreover, ongoing geopolitical developments, including the Gaza conflict, could trigger shifts in EU–Israel trade relations, adding uncertainty to market access and compliance expectations for EUDR-relevant commodities.

Awareness of the EUDR at the highest political levels remains limited. Consultations confirm that government authorities show **willingness to learn** and adapt practices but have not yet initiated specific actions to integrate the Regulation's requirements into policies on agriculture, forestry, trade, or land use. Engagement with stakeholders (industry, civil society, sub-national authorities) is minimal, though there are intentions to initiate awareness-raising and workshops in the near future.

Deforestation Dynamics and Legal Framework

Israel's deforestation profile is relatively limited compared to tropical countries but still presents risks. Between 2001 and 2024, the country lost 9.5% of its 2000 baseline, of which about 34% was permanent conversion (mainly for agriculture) (Sims et al., 2025).

Israel's forestry governance relies on the Forestry Ordinance (1926), Amendment 89 to the Planning and Building Law (2008), and the forthcoming Forest and Trees Law, which will strengthen legal protection and enforcement powers. The National Spatial Master Plan (Tama 1), adopted in 2020, sets stricter conditions for land use changes. However, agriculture remains a permitted use within forests, sometimes justified as part of fire prevention or pollination strategies. A new legislative initiative prioritising food security risks undermining forest protection, as it explicitly designates open spaces (forests, reserves, parks) for agriculture. Enforcement of land use regulations is described as not very effective, reflecting resource and political constraints.

Technical and Trade Readiness

Israel's technical expertise is strongest in sustainable agriculture and forestry management, while capacity in supply chain traceability is only moderate. Databases exist within the Forestry Division to track wood production, but broader commodity traceability systems are limited. In trade, industries most exposed to the EUDR are processing/manufacturing and export/trading companies, particularly those involved in rubber and wood panels. Key challenges foreseen include customs procedures, traceability requirements, data reporting, verification processes, and potential trade barriers. Stakeholders anticipate a slight shift away from the EU market, though further consultation with companies is needed to confirm this trend.

Israel's readiness for the EUDR is mixed. Its strong governance framework, advanced data protection regime, and relatively robust monitoring systems provide a foundation for compliance. However, persistent risks linked to weak enforcement of land-use change regulations, emerging agricultural legislation, compliance risks tied to disputed territories, and fragile industrial competitiveness could undermine exporters' ability to meet the Regulation's legality and traceability requirements.

EUDR Impact Assessment

While Israel's overall macroeconomic exposure to the EUDR remains limited—EUDR-relevant commodities accounted for less than 1% of EU imports from Israel in 2022—the regulation introduces sector-specific vulnerabilities that merit careful consideration.

Geopolitical Conflicts and Investor Reticence

Israel's geopolitical context, marked by persistent regional tensions and intermittent conflicts, elevates perceived risks for EU operators and investors engaged in EUDR-relevant sectors. The volatile security environment complicates supply chain management, creating potential disruptions in the sourcing, processing, and export of commodities.

The announced closure of Yokohama Rubber (YRC) plant in Hadera in December 2024 exemplifies the combined effects of market competitiveness and regional instability. While the relocation of production to South Asia primarily reflected cost advantages and proximity to raw materials, the broader geopolitical context reinforces the tendency for global operators to concentrate operations in more stable jurisdictions. Consequently, EU importers may increasingly prioritize alternative suppliers with lower political and operational risks, potentially reducing Israel's market share in key EUDR-relevant commodities.

Settlement-Related Trade Restrictions

A critical factor influencing Israel's EUDR exposure is the status of settlements in territories administered since 1967. The EU differentiates goods originating from these areas under existing trade agreements, directly intersecting with the EUDR's due diligence and traceability obligations. Exporters must verify that all relevant commodities are deforestation-free, which introduces substantial documentation and compliance requirements.

While the EU-Israel Technical Arrangement and the 2023 DG TAXUD customs-code update provide precedents for origin verification, adapting these mechanisms to satisfy the traceability requirements of the EUDR represents a significant operational challenge. Smaller operators may face disproportionate burdens in implementing comprehensive supply-chain monitoring systems, potentially limiting their access to the EU market unless full compliance can be demonstrated.

Sectoral Impacts and Trade Flow Adjustments

EUDR compliance requirements are expected to influence trade flows for Israel's major EUDR-relevant commodities exported to the EU, with heterogeneous effects across sectors. The principal commodities of concern include wood and wood-derived products, rubber and rubber-derived products, and oil palm-derived products.

Wood and Wood-Derived Products

Israel's wood sector is heavily reliant on imported raw materials. FAOSTAT data for 2022 indicate that domestic production of wood fuel, industrial roundwood, and sawnwood is modest relative to imports. Export volumes remain negligible across most product categories, highlighting the dependence of domestic processing on imported timber. Under the EUDR, this structural dependency necessitates rigorous chain-of-custody documentation to ensure deforestation-free sourcing, creating potential compliance challenges, particularly for smaller operators.

Rubber and Derived Products

Data on natural rubber production in Israel are unavailable (FAOSTAT), indicating the country does not cultivate rubber domestically. The substantial exports of new pneumatic tyres—Israel's primary rubber-derived commodity exported to the EU—are therefore likely produced using imported natural rubber or recycled materials. This reliance on external or secondary inputs adds complexity to EUDR compliance, as traceability and verification must extend to the origin of these materials. If the inputs are predominantly recycled or sourced from non-deforestation-risk regions, the overall sectoral impact may be limited, similar to the situation observed in Lebanon. Nonetheless, a detailed assessment of supply chains is warranted to accurately determine regulatory exposure and identify appropriate due diligence measures.

Oil Palm-Derived Products

FAOSTAT data also provide no evidence of oil palm fruit production in Israel, suggesting that exported oil palm-derived products are manufactured from imported raw materials rather than locally sourced fruits. This limits the sector's direct exposure to deforestation risks under the EUDR.

Israel's aggregate exposure to the EUDR is moderate in macroeconomic terms, yet specific vulnerabilities arise from geopolitical instability, settlement-related trade restrictions, and sector-specific compliance challenges. To mitigate disruption risks and preserve access to EU markets, Israeli exporters will need to implement targeted traceability measures, strengthen regulatory alignment, and prioritize sectors where compliance is feasible. The wood, rubber, and oil palm sectors illustrate how structural dependencies on imported inputs, variable supply-chain transparency, and regulatory requirements can shape the potential impact of the EUDR on trade flows and investor confidence.

Jordan

EUDR Implication Assessment

Jordan's export economy presents a distinct profile when assessed against the requirements of the EUDR. With total national exports amounting to approximately **$12.78 billion** in 2022 (UN Comtrade Database) and EU imports from Jordan reaching **$725.86 million** in the same year (Un Comtrade Database), the macroeconomic exposure of Jordan's trade balance to the EUDR is demonstrably limited.

The predominant components of Jordan's exports to the EU are industrially processed goods or mineral resources: **textile products** ($156.99 million), **base metals products** ($72.87 million), and **petroleum and gas products** ($31.27 million) (ESCWA, External Trade Data Platform). These categories, by their nature, are not derived from the seven Annex I commodities directly targeted by the EUDR. Consequently, the EUDR's provisions for deforestation-free sourcing and legality do not directly apply to the bulk of Jordan's merchandise trade with the EU, thereby mitigating any immediate systemic risk to Jordan's core export revenue streams.

Total Trade Volume and EUDR-Relevant Share

The cumulative CIF values of all EUDR-relevant commodities imported by the EU from Jordan in 2022 was approximately **$12.20 million** (UN Comtrade Database). This constitutes only **1.68%** of total EU imports from Jordan and a negligible **0.095%** of Jordan's total national exports. From an analytical standpoint, this implies that the EUDR functions primarily as a **sector-specific, non-tariff barrier** for Jordan, rather than a broad economic threat.

Further to the general overview of Jordan's trade profile, a deeper examination of its specific EUDR-relevant commodity exports to the EU reveals nuanced dynamics for each product category. **Table 7**, aggregating CIF values of EUDR-relevant derived products imported by the EU from Jordan in 2022 highlights that **rubber** constitute the top commodity of particular interest, requiring targeted attention for compliance efforts.

From this aggregate view, **rubber-derived products** represent the major commodity within Jordan's EUDR-relevant exports to the EU. Following rubber, **wood** products constitute the next most significant category, with exports valued at $1.5 million. All other EUDR-relevant commodities, including cattle, cocoa, coffee, and soya, register only negligible values. **Figure 20**, which details the evolution of top 10 imported commodities from Jordan to the EU by specific HS codes from 2018 to 2022, provides critical insights into the dynamics behind these figures, reveals distinct trends beyond the aggregated totals.

Table 7: *Aggregated CIF Value of EUDR-Relevant Commodities Imported to the EU from Jordan (2022, USD)*

Commodity Group	Import Value (USD)
Sum of Cattle	-
Sum of Cocoa	134,734
Sum of Coffee	90,243
Sum of Oil Palm	-
Sum of Rubber	10,277,662
Sum of Soya	65
Sum of Wood	1,699,518

Data Source: *UN Comtrade database accessed 4 August 2025*

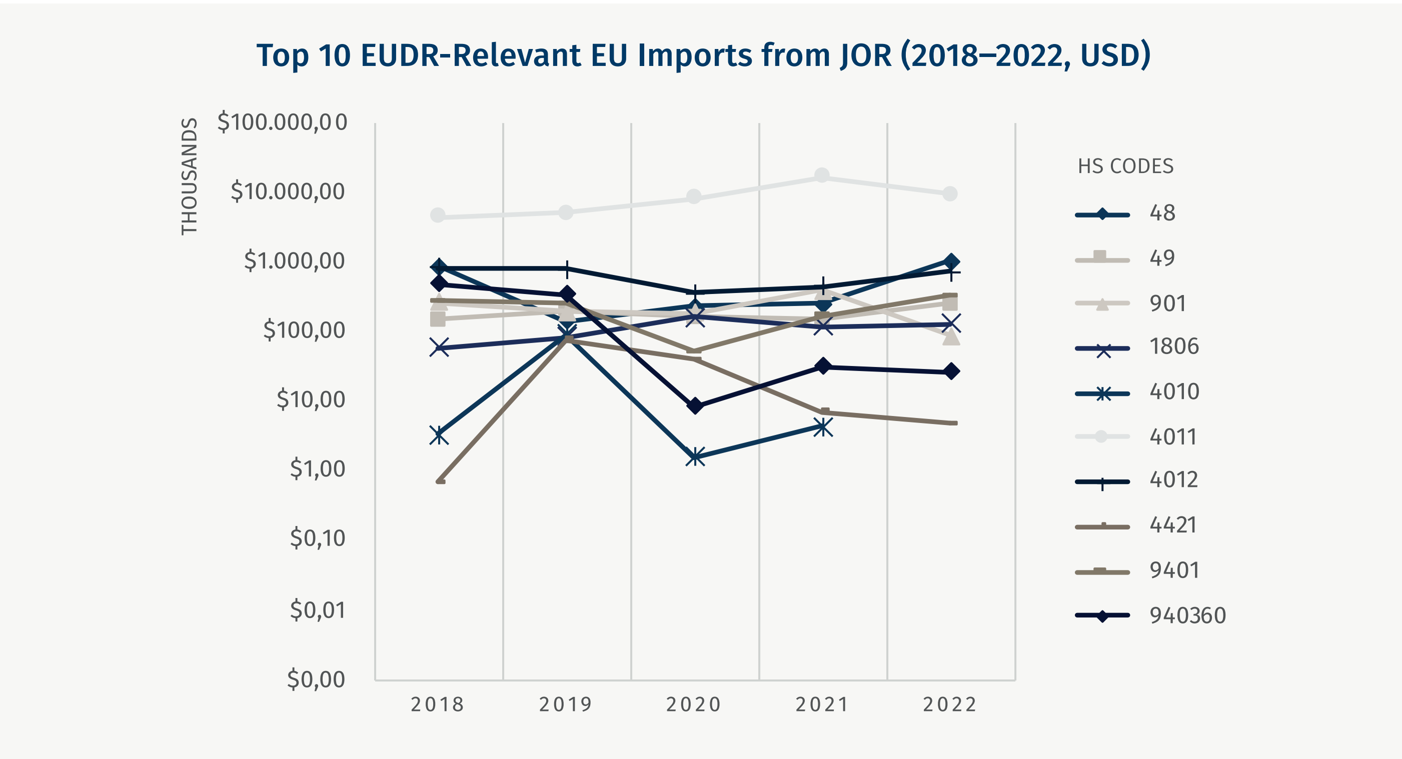


Figure 20: *EU Imports from Jordan: Fluctuation of Top 10 EUDR-Covered Commodities by HS Code (2018–2022, Thousands USD)*
HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.
Data Source: *UN Comtrade database accessed 4 August 2025*

A deeper look into the top 10 derived products of EUDR-covered commodities imported from Jordan to the EU in 2022 reveals a clear leader: **"New pneumatic tyres" (HS 4011)**. Beyond HS 4011, **Figure 20** highlights a significant emergence of **"pulp and paper of chapter 48" (HS 48)** in 2022, jumping from $254,512 to $1.06 million—a more than fourfold increase that signals a potentially growing niche vulnerable to compliance challenges. Following this are **"re-treaded or used pneumatic tyres" (HS 4012)** with $746,123 and **"seats" (HS 9401)** at $333,971.

The remaining items on the top 10 list hold marginal values in comparison, suggesting highly sporadic trade patterns. Such sporadic and emerging trade flows pose the greatest vulnerability under the EUDR framework, as they may struggle to justify the cost of compliance infrastructure and due diligence processes.

Rubber and Derived Products

Figure 21 presents a detailed overview of rubber product categories imported into the EU from Jordan between 2018 and 2022. As seen in the previous section, the leading product is **"new pneumatic tires" (HS 4011)**, with an upward trend culminating in a sharp increase in 2021, reaching a peak of $17.30 million, before moderating to $9.51 million in 2022. These fluctuations highlight the volatility of the sector, influenced by demand shifts and possibly EU supply-chain disruptions following the COVID-19 pandemic. Despite the decline in 2022, HS 4011 remains by far the most significant component of Jordan's EUDR-covered exports to the EU. The second most important product is **"re-treaded or used pneumatic tires" (HS 4012)**, which reached $746,123 in 2022. Although its scale is much smaller than HS 4011, this category has shown consistent presence in EU–Jordan trade since 2018, confirming its relevance to niche markets.

Other rubber-related products recorded minimal trade flows, though their presence underscores the diversity of Jordan's rubber exports. **"Plates, sheets, and strips of vulcanized rubber" (HS 4008)**, for instance, registered negligible values, peaking at just $1,253 in 2022. **"Conveyor or transmission belts" (HS 4010)** had moderate exports in 2019 ($93,224) but have since declined significantly. Additional categories, such as **"rubber apparel" (HS 4015)** and **"other vulcanized rubber articles" (HS 4016)**, consistently remained below $20,000 annually, while **"hard rubber articles" (HS 4017)** contributed negligible volumes.

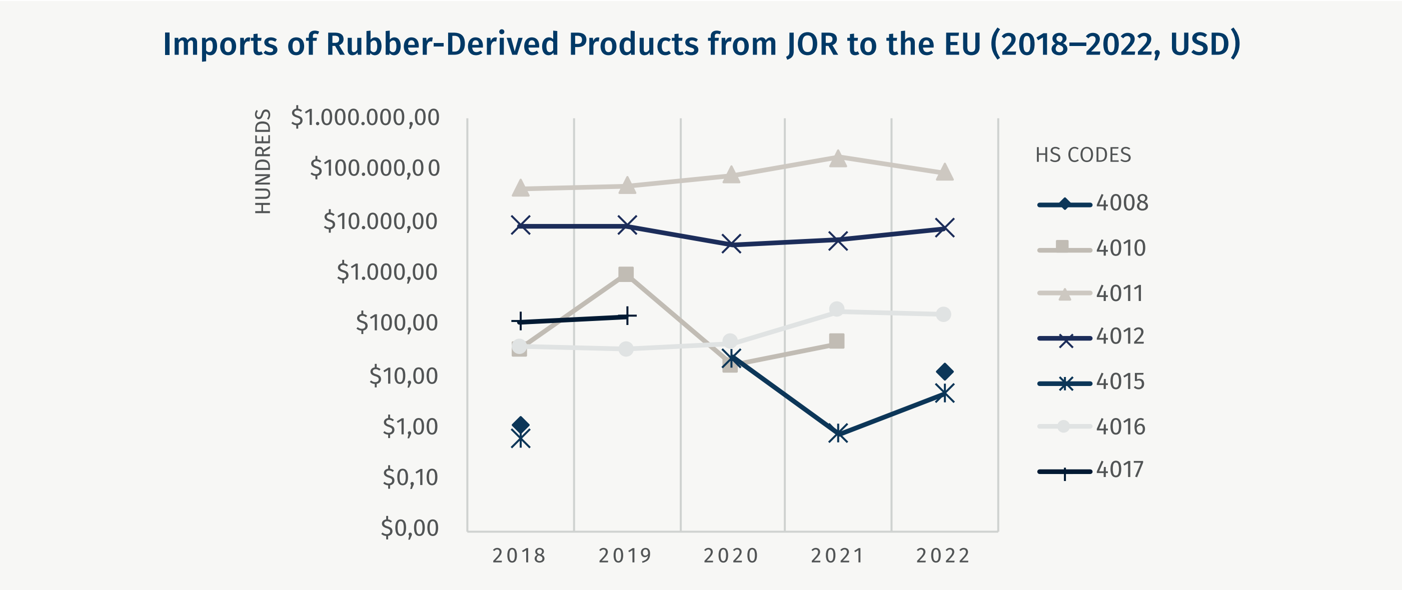


***Figure 21:** Dynamics of Rubber-Derived Products Imports to the EU from Jordan (2018–2022, Hundreds USD)*
HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1
***Data Source:** UN Comtrade database accessed July 2025*

Exporters will need to provide geolocation data for the land where natural rubber was cultivated and ensure that no deforestation or forest degradation occurred after December 31, 2020. This will require significant investment in supply-chain transparency, technological tools for data management, and coordination with upstream suppliers. For major exporters, such as those dealing with HS 4011, these investments may be justified by the scale of trade, and the strategic importance of the EU market. Conversely, minor exporters of niche rubber products will need to carefully evaluate the cost-effectiveness of compliance, as the associated expenses may exceed the potential returns from EU exports.

Trade Agreements and the EUDR: Implications for Jordan

Jordan's trade relations are shaped by a comprehensive network of agreements, particularly with the EU, which will influence the nation's adaptation to the EUDR. The fundamental framework is the **EU-Jordan Association Agreement,** which entered into force in May 2002, establishing an FTA (European Commission). This agreement has liberalized trade in industrial products entirely and substantially liberalized agricultural and processed agricultural products since 2006 (European Commission). In 2024, the EU was Jordan's third-largest trading partner, accounting for **12.4%** of Jordan's total trade in goods (European Commission).

The **PEM cumulation system** of origin, which Jordan joined in 2013, is another significant component of its trade agreements (European Commission). For rubber, this means that if Jordan imports raw or semi-processed rubber from a PEM partner (provided that source complies with deforestation-free requirements), that material could contribute to the originating status of Jordanian manufactured rubber products exported to the EU.

Jordan's Trade Balance with the EU: An In-depth Analysis

Jordan's trade balance specifically with the EU, based on data exposed in **Figure 22**, reveals a consistent and substantial deficit for Jordan from 2018 to 2022.

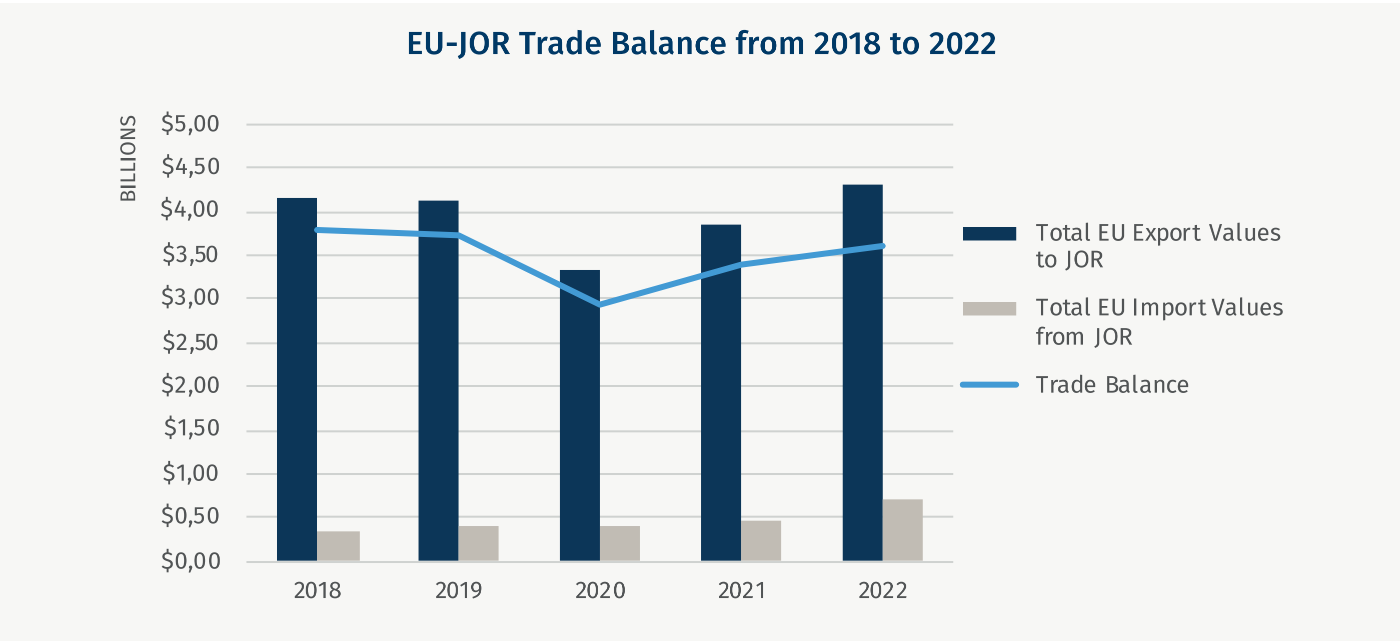


Figure 22: *EU-Jordan Trade Balance (2018–2022, Billions USD)*
Data Source: *UN Comtrade database accessed July 2025*

Jordan consistently imports significantly more from the EU than it exports, resulting in a persistent trade deficit. In 2022, for example, the deficit amounted to nearly $3.6 billion. This pattern is corroborated by the European Commission (EC), which indicates that in 2024, 15.2% of Jordan's total imports originated from the EU, while only 6.8% of Jordan's total exports were destined for the EU.

This enduring trade deficit with the EU holds several implications for Jordan's economic stability and its engagement with the EUDR. It highlights Jordan's reliance on imports from the EU across various sectors, particularly in areas like machinery, transport equipment, chemicals, and food (European Commission). Such reliance necessitates consistent foreign exchange generation to cover import costs. Trade agreements, including the EU-Jordan Association Agreement, and initiatives like the simplified rules of origin, have been designed to liberalize trade and foster Jordanian exports to the EU (European Commission). However, the persistent deficit suggests these efforts have not fundamentally shifted the overall trade balance. Empirical studies indicate a significant positive impact of Jordan's Free Trade Agreements, including with the EU, on both import and export trade creation (Awad- Warrad and Al Tarawneh; 2020). EU exports to Jordan of EUDR-covered commodities increased from $232.3 million in 2019 to $297.2 million in 2022 (UN Comtrade Database), contributing further to this imbalance. While these exports must comply with deforestation-free criteria, they simultaneously add to Jordan's import bill, reinforcing the deficit and underscoring that the EUDR's impact on Jordan will be felt more strongly on the import side than through potential export gains.

EUDR Readiness Assessment

Jordan's readiness to comply with the EUDR reflects a combination of institutional awareness,technicalcapacity,legalframeworks, and international trade considerations. Insights gathered from stakeholders' consultation with governmental authorities provide a clear picture of the current status and gaps.

Awareness of the EUDR within Jordanian governmental structures is emerging but remains limited. Stakeholders indicated that the regulation is not yet fully integrated into national policy agendas. While there is recognition of the EU's evolving trade requirements, formal strategies or action plans to address the regulation have not been developed.

- **Engagement:** Structured engagement with key stakeholders, including private sector actors, civil society, and international partners, is limited. No coordinated national platform for dialogue or knowledge exchange exists for EUDR compliance.
- **Political Prioritization:** The EUDR is not yet considered a central policy priority; its relevance is acknowledged mainly in the context of EU market access for forestry and agricultural commodities.

Jordan has established laws governing environmental protection, forestry, and trade. However, gaps remain in relation to specific EUDR requirements, particularly regarding due diligence and traceability obligations. Enforcement mechanisms are considered moderate; and limited institutional capacity and resources could hinder legal compliance verification across supply chains.

Technical Capacity and Infrastructure

Despite this political commitment, the consultations revealed notable structural and operational constraints that reduce Jordan's immediate readiness for EUDR compliance:

- **Forest monitoring** is limited, fragmented, and insufficiently accurate, which constrains the ability of private-sector actors to access reliable data on forests for producing countries;
- **Traceability mechanisms** are still largely manual and paper-based, creating difficulties in aligning with the geolocation and supply-chain transparency required under the EUDR;
- **Inter-ministerial coordination** is partial and often siloed, slowing down the establishment of coherent national systems;
- **Access to digital infrastructure and geolocation data** is very limited, particularly among SMEs and smaller traders.
- **Databases and Traceability**: National databases and digital platforms for monitoring forestry commodities and agricultural products are either underdeveloped or not linked across relevant agencies. The absence of integrated geolocation systems limits the ability to provide plot-level verification.
- **Expertise**: While technical knowledge in sustainable forest management and agricultural practices exists, expertise in EUDR-specific due diligence, supply-chain traceability, and EU regulatory compliance is limited.

Based on stakeholder consultations and analysis of institutional, legal, and technical capacities, Jordan demonstrates moderate readiness for EUDR compliance, with strengths in awareness and trade relations but notable gaps in legal enforcement and technical capacity.

EUDR Impact Assessment

Jordan's overall exposure to the EUDR is structurally limited. Exports of commodities covered by the regulation to the EU remain modest, accounting for less than 0.1% of Jordan's global exports. In aggregate terms, this implies that the regulation will not have a significant impact on Jordan's trade balance or macroeconomic stability.

By contrast, trade flows between the EU and Jordan are highly asymmetric: EU exports to Jordan are considerably larger than Jordanian exports to the EU. The EU is therefore a key trade partner for Jordan primarily on the import side, supplying machinery, industrial inputs, and manufactured goods. For this reason, Jordan's strategic interest lies not so much in protecting export revenues but rather in maintaining smooth bilateral trade relations. Ensuring that the EUDR does not generate indirect trade frictions (such as extended customs clearance times, stricter documentary requirements, or delays in logistics) remains essential to preserving the fluidity of EU– Jordan trade exchanges.

Moreover, institutional and technical gaps imply that Jordanian exporters will face immediate compliance difficulties in demonstrating EUDR-compliant supply chains. Even within the stakeholder group consulted, there was a shared expectation that exporters (especially those dealing in sensitive products such as rubber derivatives and certain wood-based articles) may temporarily reduce their exposure to the EU market. This anticipated "light shift" away from the EU would allow time for firms to secure financial resources, adapt internal processes, and develop the necessary technical capacity to meet due diligence obligations.

In the short term, the impact is likely to materialize through modest trade diversion, delayed shipments, or cautious buyer behaviour, particularly affecting SMEs with limited capacity to absorb compliance costs. This could result in a temporary contraction of EUDR-relevant trade flows without, however, possibly generating macroeconomic disruption.

In the medium term, Jordan's strong institutional willingness positions the country to progressively bridge these gaps, provided that external technical assistance, targeted financial support, and pilot compliance initiatives are mobilised. Developing standardized documentation templates, adopting digital traceability solutions, and strengthening inter-agency coordination would enable Jordanian exporters to re-enter the EU market with greater confidence. Under this scenario, the EU market could once again be perceived as a credible opportunity for Jordan to align its trade with international sustainability standards, enhancing both its environmental credentials and the competitiveness of its export sector.

Lebanon

EUDR Implications Assessment

In 2022, **base metal products** dominated Lebanon's exports to the EU, totalling **$131.1 million** (ESCWA, External Trade Data Platform). In comparison, other export categories were significantly smaller in scale: **prepared foodstuffs** reached $43.6 million, **machinery and mechanical appliances** $30.7 million, and vegetable products $26.5 million (ESCWA, External Trade Data Platform). While these sectors may include items potentially relevant to the EUDR, they encompass a mix of EUDR- covered and non-covered commodities.

Total Trade Volume and EUDR-Relevant Share

According to data from the UN Comtrade database, EU imports from Lebanon totalled **$628.8 million in 2022**. Of this, only **$50.6 million** worth of goods fall under the scope of the EUDR. This means that 8.05% of Lebanon's exports to the EU are directly affected by the EUDR. When placed in the broader context of Lebanon's global exports—valued at **$3.86 billion** in 2022 (UN Comtrade Database)—the EUDR-relevant trade represents approximately **1.31%** of total national export revenue. This confirms that the EUDR's immediate trade implications are relatively limited in scale, both in relation to Lebanon's trade with the EU and to its total global exports and indicating that the Regulation's direct implications are concentrated and sector-specific, rather than economy-wide. However, despite the relatively small share, the **$50.6 million in EUDR-covered exports** represents a strategically important segment—particularly as the EU remains a major trading partner.

As illustrated in **Table 8**, the aggregated CIF value of EUDR-relevant derived products imported by the EU from Lebanon in 2022 underscores that **rubber, wood, and coffee** are the top three commodities of particular concern. These sectors warrant attention for targeted compliance efforts under the EUDR.

***Table 8:** Aggregated CIF Value of EUDR-Relevant Commodities Imported to the EU from Lebanon (2022, USD)*

Commodity Group	Import Value (USD)
Sum of Cattle	688,512
Sum of Cocoa	233,651
Sum of Coffee	3,528,882
Sum of Oil Palm	74,969
Sum of Rubber	28,659,576
Sum of Soya	66,017
Sum of Wood	17,340,984

***Data Source:** UN Comtrade database accessed 4 August 2025.*

Direct Exposure

Building upon the identification of Lebanon's principal EUDR-relevant commodities exported to the EU, this section will delve into the disaggregation of HS4 to HS6-level commodi- ties under the wood and coffee categories im- ported into the EU from Lebanon. Stakehol- der consultations clarified that most rubber products exported from Lebanon to the EU are made from recycled rubber rather than natural rubber, making them irrelevant for EUDR compliance.

Coffee and Derived Products

The import of coffee products from Lebanon to the EU between 2018 and 2022, as exposed through **Figure 23**, reveals a trade primarily focused on **"coffee roasted not decaffeinated" (HS 90121)**, alongside **"coffee not roasted or decaffeinated" (HS 90111)**, which holds critical implications for Lebanon's compliance with the EUDR. **HS 90121** consistently maintained high values, such as $3.47 million in 2018 and $3.64 million in 2020, before a slight decline to $3.26 million in 2022. In stark contrast, **HS 90111** exhibited extreme volatility, plummeting from $182.34 K in 2018 to a mere $4.7 K in 2020, only to rebound significantly to $197.78 K in 2022. Lebanon's implication in the EUDR for coffee is multifaceted, reflecting its dual role as both a supplier of raw coffee and a processor/ exporter of roasted products. This dual exposure means Lebanon must not only ensure deforestation-free sourcing at origin but also maintain rigorous due diligence and traceability across its entire value chain.

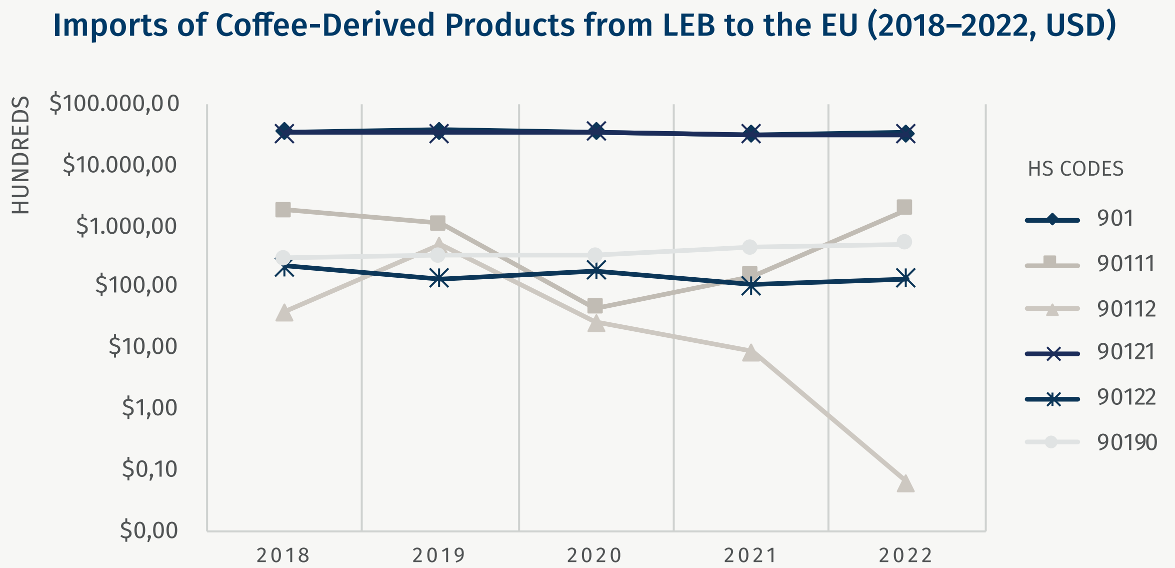


***Figure 23:** Dynamics of Coffee-Derived Products Imports to the EU from Lebanon (2018–2022, Hundreds USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
***Data Source:** UN Comtrade Accessed June 2025*

Wood and Derived Products

Between 2018 and 2020, EU imports of wood-derived products from Lebanon were dominated by **"pulp and paper from chapter 48" (HS 48)** and **"printed materials" (HS 49),** peaking at over $8.1 million and $5.6 million respectively in 2018, before declining significantly by 2020. Among other EUDR-relevant categories, "wooden furniture" (HS 940360) emerged as the most significant product, growing from $1.3 million in 2018 to $2.6 million in 2020, indicating a rising trend in value-added wood exports. Other solid wood product categories—including **"builders' joinery" (HS 4418) and miscellaneous wooden articles (HS 4421)**—registered low and inconsistent volumes, suggesting limited engagement in raw or semi-processed wood exports.

As shown in **Figure 24**, the data reflects Lebanon's relatively minor role in the EU wood supply chain from a volume perspective, but the upward trajectory in furniture exports has important EUDR implications. While current exposure may be limited, Lebanese manufacturers will increasingly need to demonstrate the legality and deforestation-free origin of wood materials used in furniture production, especially where imported inputs are involved.

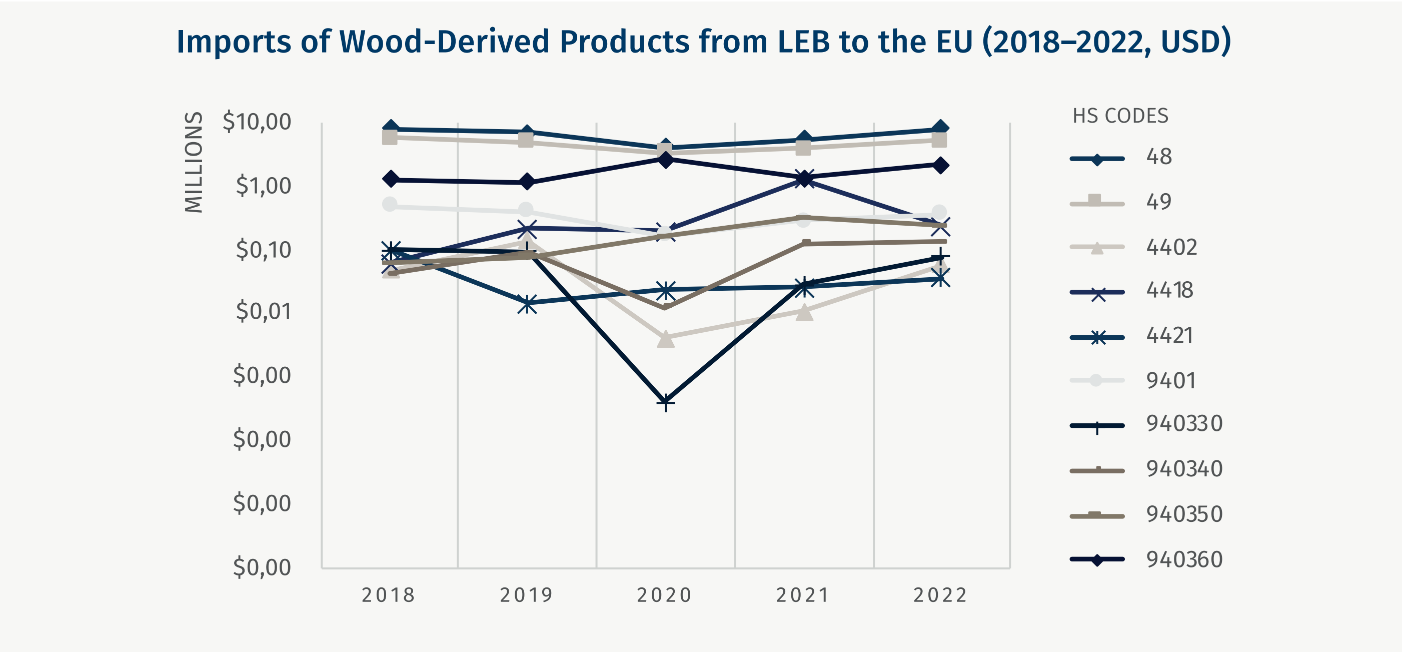


Figure 24: *Dynamics of Wood-Derived Products Imports to the EU from Lebanon (2018–2022, Millions USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
Data Source: *UN Comtrade database accessed 4 August 2025*

Awareness, Prioritization, and Engagement Analysis

Based on the survey insights, a more nuanced picture of awareness and engagement emerges:

- **Governmental Authorities:** The responses generally indicate a mixed level of awareness regarding the EUDR at the highest echelons of government. While the regulation is "acknowledged," its **prioritization is often inconsistent**, described as "limited" or "varying." This suggests that while there's an intellectual understanding of the regulation, it has yet to translate into a unified, high-level strategic imperative across all relevant ministries. Engagement efforts within the government seem to be in nascent stages, with actions to integrate EUDR into national policies often described as either "not initiated yet" or confined to "initial discussions."
- **Private Sector:** The single private-sector respondent (a printing/packaging company) demonstrates a proactive stance toward "responsible sourcing," leveraging existing FSC/PEFC certifications. This indicates a seg- ment of the private sector is independent- ly adapting to international sustainability demands. However, a notable finding from this group is the reported **"minimal to no dialogue"** with governmental bodies con- cerning evolving international sustainabili- ty standards, highlighting a significant gap in formal public-private engagement and coordinated action at the national level.
- **International Organizations:** This group assessed the level of understanding and political will within key Lebanese ministries as "okay". It also highlighted active engagement from the Lebanese diplomatic side: one of the respondent is "already aware" of the regulation, has been "approached by some companies regarding this regulation," and possesses awareness of "tools related to data to compliance." This indicates an active rolein information dissemination and preliminary engagement with the regulatory framework at the European level, contrasting with the perceived internal governmental gaps.

The stakeholder responses collectively reveal a complex landscape of EUDR awareness and prioritization in Lebanon. While high-level governmental prioritization within Lebanon appears fragmented and lacks a unified focal point, there are distinct pockets of proactive engagement. The private sector is driven by market demands, and crucially, Lebanese re-presentatives from international organisations (such as EU-Delegations) are actively engaged in monitoring and disseminating information, and interacting with both Lebanese companies and EU officials. The main challenge remains the **internal formalization and coordination** of this scattered awareness and engagement into a cohesive national strategy.

Technical Capacity and Coordination

Lebanon's technical capacity and internal coordination mechanisms present significant challenges for robust EUDR compliance. Across **governmental authorities**, capacity in critical areas such as policy planning, design, implementation, and monitoring & evaluation is consistently rated as "low equipped" or "very low equipped." This indicates a systemic deficit in the human and technical resources necessary to effectively manage and enforce complex regulations like the EUDR. While some "moderate strength" in sustainable agriculture and forestry management is noted, a distinct and critical gap exists in **supply chain traceability expertise**. From the perspective of the private sector, the capacity to invest in new traceability systems is "uncertain," underscoring the broader national challenge, particularly for smaller entities. The **international organisations** emphasize "legal and regulatory enforcement" and "participatory governance" as critical areas for capacity building.

EU Trade Profile & Exposure

Overview of Lebanon's Foreign Trade Policies and Agreements

Lebanon's foreign trade policy prioritizes liberalization and global integration, notably through its ongoing World Trade Organisation (WTO) accession application since 1999 (ESCWA, 2022). Complementing this, Lebanon has established key trade agreements: the **Euro-Mediterranean Partnership Initiative** (2002) provides Lebanese industrial and agricultural products free access to the EU market; a **Free Trade Agreement with the European Free Trade Association (EFTA)** covers industrial goods, fish, marine, and processed agricultural products; and the GAFTA (effective 1998, fully implemented 2005) ensures free trade in all animal and agricultural products across 18 Arab nations. Additionally, Lebanon maintains numerous **Bilateral Investment Agreements** with diverse partners, including China, France, Italy, Saudi Arabia, South Africa, Switzerland, United Arab Emirates (UAE), and the United States of America (USA), aimed at promoting and protecting investments (ESCWA, 2022).

In this context, Lebanon's implication in the EUDR becomes particularly significant. While its preferential trade agreements—especially with the EU—facilitate access to key export markets, they also increase Lebanon's exposure to regulatory frameworks like the EUDR.

Overall EU Trade Dynamics and EUDR Implications

The EU's enduring position as Lebanon's primary trading partner is a critical factor in assessing EUDR exposure. In 2024, the EU represented **34%** of Lebanon's total trade in goods, underscoring the profound economic interdependency. While **16.7%** of Lebanon's exports were destined for the EU, nearly **40%** of Lebanon's imports originated from the EU (European Commission, accessed 2025). This asymmetry in trade balance highlights Lebanon's import dependence, particularly for essential goods, but also points to the strategic importance of maintaining export access to the EU market.

Figure 25 details the trade balance between the EU and Lebanon from 2018 to 2022 revealing a persistent and substantial deficit for Lebanon.

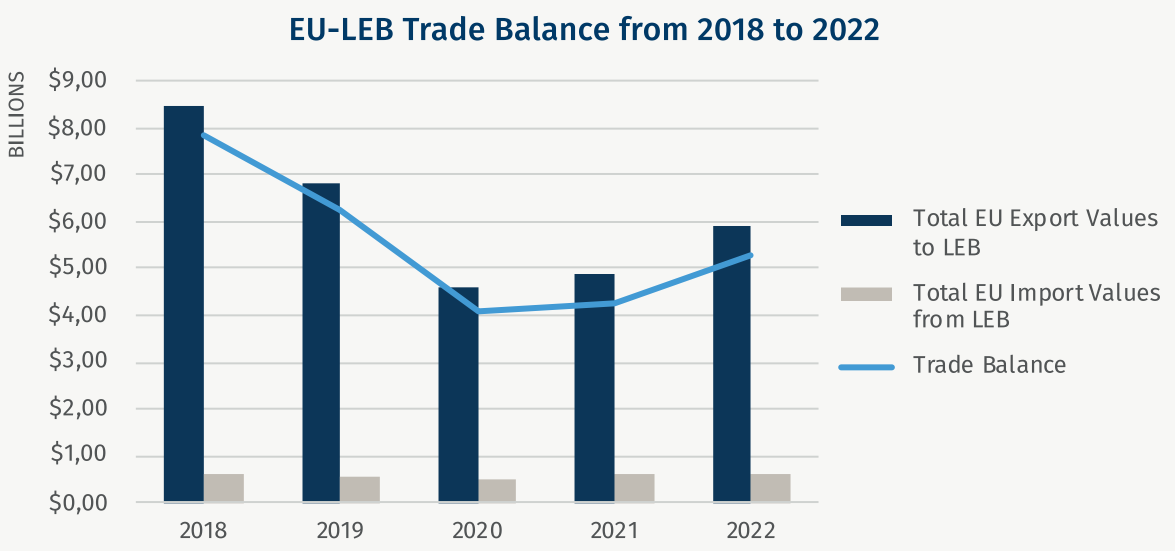


Figure 25: *EU-Lebanon Trade Balance (2018–2022, Billions USD)*
Data Source: *UN Comtrade Database*

As shown in **Figure 25,** Lebanon consistently maintains a significant trade deficit with the EU, ranging from approximately **$4.1 billion** in 2020 to nearly **$7.87 billion** in 2018. This imbalance is driven by Lebanon's substantial reliance on imports from the EU, which, after a dip in 2020 (likely reflecting the onset of Lebanon's economic crisis and currency devaluation impacting import capacity), showed a recovery in 2021 and 2022. Conversely, EU imports from Lebanon have remained relatively stable within the **$500–630 million range**, indicating a consistent but comparatively smaller contribution to overall bilateral trade. This persistent deficit underscores Lebanon's economic fragility and its critical need to maintain and, ideally, expand its export revenues to finance essential imports.

A significant analytical challenge for EUDR compliance is the **pervasive discrepancy in Lebanon's reported trade data.** Over the period 1997–2022, Lebanon's recorded exports consistently averaged 34% lower than importing countries' figures, with a specific **20% discrepancy** in 2022 (Atallah & Zoughaib, 2024). This systemic data governance issue is critical for EUDR, which mandates precise information on commodity quantity, origin, and geolocation. Such inconsistencies directly undermine the credibility of any due-diligence statement that Lebanese operators would need to submit, signalling a fundamental weakness in national data capture and potentially internal traceability systems.

EUDR Readiness Assessment

This comprehensive assessment of Lebanon's readiness for the EUDR is based on a total of **7 questionnaire responses** collected from key stakeholders. Specifically, the insights are derived from **4 responses** representing **governmental authorities, 1 response from the private sector, and 2 responses from international organizations**.

Engagement with the EU

From the perspective of the **international organisation's** representatives, formal high-level engagement with the Lebanese government appears to be in its early stages, evidenced by the explicit confirmation that "no clear focal point" for EUDR has been identified within the Lebanese government. This suggests that structured, direct government- to-government dialogue and coordination mechanisms on EUDR implementation are not yet fully established or centralized. However, these representatives are "in continuous contact with EU" counterparts regarding the regulation, demonstrating ongoing efforts to monitor developments and maintain communication at the European level.

The **private sector's** experience further highlights an indirect but powerful form of engagement: changes in their sourcing practices are "driven by foreign market requirements, not national legislation." This indicates that the demands of the EU market are already compelling Lebanese businesses to adapt, creating a reactive form of compliance pressure that effectively translates EU regulatory shifts into action on the ground, even without explicit governmental directives.

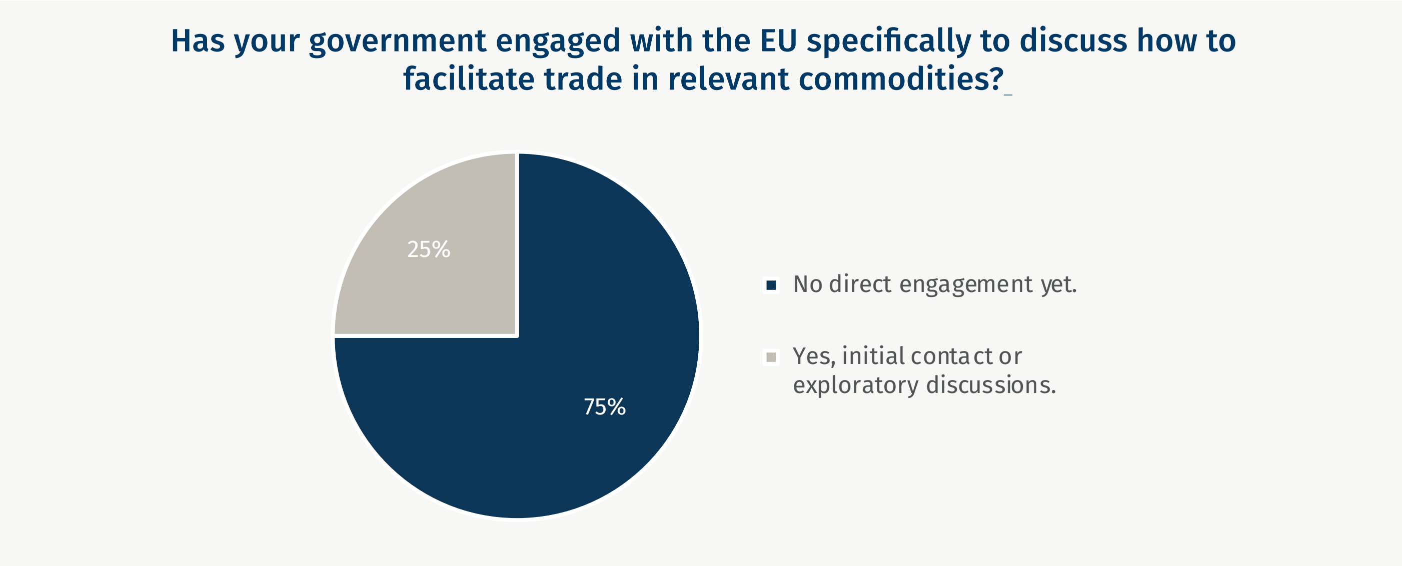


Figure 26: *Government Engagement with the EU concerning EDUR Commodities*

As shown in **Figure 26**, the majority of responses indicated that there has not yet been any direct engagement with the EU regarding the trade of commodities covered by the EUDR. This highlights that awareness and communication between the EU and Lebanon remain at a very early stage—particularly at the national institutional level within the country.

EUDR Impact Assessment

For Lebanon, this regulation presents a critical juncture, with its specific trade profile and current state of readiness dictating both the challenges and potential opportunities.

Technical Compliance and Operational Adaptation Challenges

The primary impact of the EUDR on Lebanon centres on its capacity to gather the necessary information to prove compliance, particularly given the high technicality required. In a country where advanced machinery and technologies are not fully accessible or utilized by the public sector, and where the private sector predominantly consists of SMEs, adapting to these due diligence systems presents a significant challenge. The sheer scale of this technical and operational overhaul, especially when compared to the country's overall size and resource constraints, underscores the difficulty Lebanese entities will face in meeting the EUDR's demands for granular, plot-level traceability and verifiable data submission.

Supply Chain Restructuring and Diversification Costs

The EUDR will impact Lebanon's relationships with its raw material supplying countries. As Lebanon is primarily a processor rather than a producer of EUDR-relevant commodities, its raw material inputs must be strategically selected to avoid extensive and complex risk assessments, along with the heightened risk of non-compliance. If Lebanon seeks to change or diversify its commercial relationships and sourcing origins, it must carefully consider the tariffs and additional costs associated with such shifts. In essence, a more in-depth evaluation is required to determine the most effective national strategy for managing these complex supply chain dynamics and associated economic trade-offs.

However, between 2001 and 2024, Lebanon lost 11% of its 2000 baseline tree cover (Sims et al.). Approximately 29% of this loss was linked to deforestation drivers, such as permanent agriculture. The remaining losses were largely due to temporary disturbances. This pattern indicates that Lebanon faces a moderate level of anthropogenic forest loss, which could elevate the relevance of EUDR compliance for supply chains linked to forest-derived commodities.

Transparency, Corruption, and Opportunities for Transformation

The EUDR will also have a significant impact on data transparency within Lebanon. As observed during consultations, there are existing discrepancies in declared data, alongside practices employed by the private sector to avoid declaration, contributing to pervasive corruption within an already fragile economic system. In addition to stakeholders' input, it is important to highlight Lebanon's severe corruption challenge: the country scored 22 on the 2024 CPI, ranking 154 out of 180 countries. This raises serious concerns for EUDR compliance, particularly regarding data accuracy and credibility in DDS. The EUDR faces entrenched corruption, raising the question of whether it will be obstructed by illicit practices or drive greater transparency in supply chains.

On a positive note, the consultation sessions clearly revealed a strong desire and willingness across all three target groups to adapt to the EUDR. This collective proactive engagement, if met with adequate external support and assistance, presents a significant opportunity. The EUDR can serve as a powerful external driver for modernization, fostering greater transparency, improving data integrity, and encouraging investments in sustainable production strategies. By embracing these changes, Lebanon could not only maintain its access to the EU market but also open new opportunities by enhancing its reputation as a reliable and sustainable trading partner, potentially accessing premium markets and attracting further investment in its processing and manufacturing sectors.

Mauritania

EUDR Implication Assessment

Mauritania's export trade with the EU is heavily dominated by **live and animal products**, which accounted for $55.83 million of exports. Following distantly are **base metals products** at $5.98 million, and **vegetable products** at $4.79 million (ESCWA, External Trade Data Platform). This commodity structure indicates a primary export focus on live animals and animal-derived products, along with some raw materials and industrial goods.

Despite the significant trade in animal products, the commodities directly targeted by the EUDR represent a minuscule fraction of Mauritania's overall trade. In 2022, total EUDR-relevant imports from Mauritania to the EU amounted to only $152,000. This figure represents an extremely low **0.02%** of the total EU imports from Mauritania, which stood at $796.15 million in 2022 (UN Comtrade Database). When compared to Mauritania's total national exports to the world ($3.78 billion in 2022) (UN Comtrade Database), the EUDR-relevant share shrinks even further to a mere **0.004%.** This exceptionally low percentage suggests that the direct economic impact of the EUDR on Mauritania's major export sectors will be negligible at the aggregate level, but it will necessitate targeted compliance efforts for the very specific, small-volume sectors that do trade in these commodities.

Main EUDR-Relevant Commodities of Interest for 2022

A breakdown of the EUDR-relevant commodities imported from Mauritania to the EU in 2022, presented in **Table 9**, highlights the primary areas for EUDR compliance. **Cattle** products were by far the largest, totalling $111,061. This was followed by **rubber** at $30,489, and **wood** products at $10,504. Other EUDR-relevant commodities like cocoa, coffee, oil palm, and soya had negligible or non-existent import values.

Table 9: *Aggregated CIF Value of EUDR-Relevant Commodities Imported to the EU from Mauritania (2022, USD)*

Commodity Group	Import Value (USD)
Sum of Cattle	111,061
Sum of Cocoa	-
Sum of Coffee	-
Sum of Oil Palm	1.05
Sum of Rubber	30,489
Sum of Soya	22.11
Sum of Wood	10,504

Data Source: *UN Comtrade database accessed 4 August 2025*

Fluctuation of Mauritania's Top 3 EUDR-Relevant Imports (2018–2022)

Mauritania's trade in EUDR-relevant commodities with the EU is characterized by very low volumes and high volatility over the 2018–2022 period. The overall economic significance of these exports at the national level remains limited, and their erratic nature poses a distinct challenge for EUDR compliance.

Distinct patterns emerge in **Figure 27**, which illustrates the combined trends for the top three EUDR-relevant commodities imported from Mauritania to the EU between 2018 and 2022. **Wood imports** declined from 2018 to 2019 but then experienced a sharp increase, rising from $21,360 to $93,660 in 2020. However, in 2021 and 2022, imports dropped to their lowest levels, at $13,500 and $10,500 respectively. **Rubber imports** followed a steady upward trajectory, growing from just $472 in 2018 to a peak of $43,890 in 2022, before decreasing slightly to $30,490. In contrast, **cattle imports** were highly sporadic and unstable: recorded at only $165 in 2018, they disappeared entirely between 2019 and 2021, only to reappear in 2022 with a significant surge to $111,230.

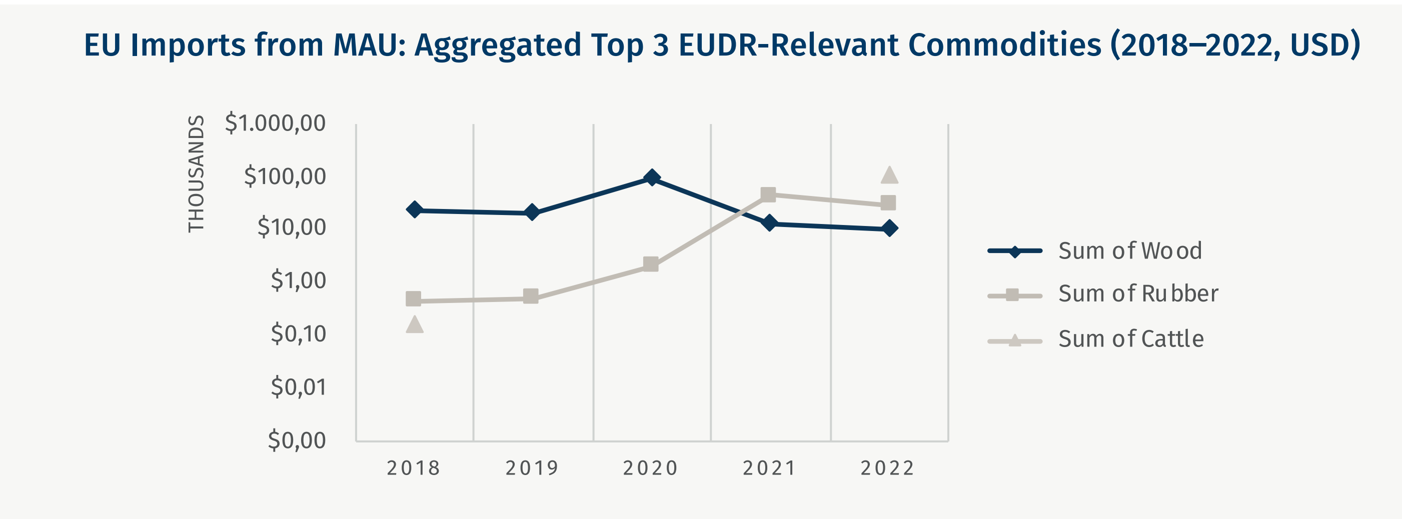


Figure 27: *Aggregated Trade Value of Top 3 EUDR-Relevant Commodity Groups: EU Imports from MAU (2018–2022, Thousands USD)*
Data Source: *UN Comtrade database accessed on the 31 July 2025*

Moreover, **Figure 28** reveals a more nuanced view of substantial underlying volatility. It disaggregates trade flows by HS code across the full 2018–2022 period.

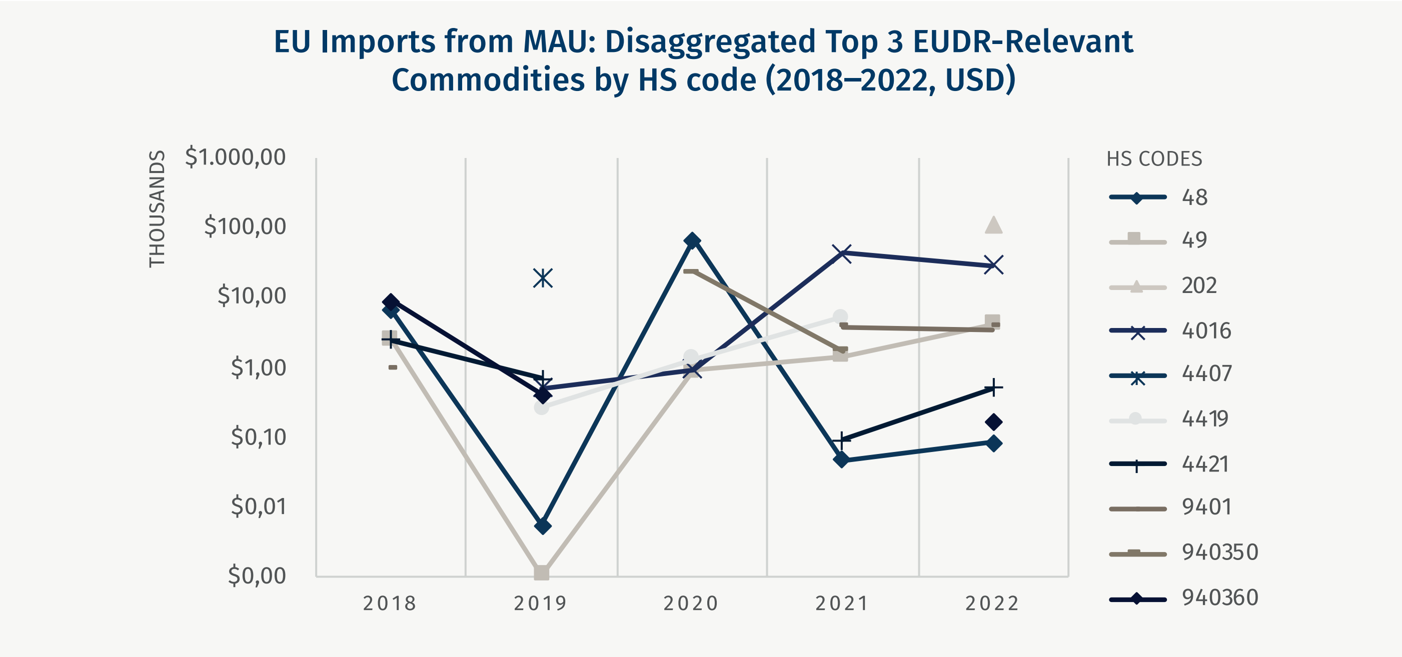


Figure 28: *Disaggregated Trade Value of Top 3 EUDR-Relevant Commodities by HS Code: EU Imports from MAU (2018–2022, Thousands USD). HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
Data Source: *UN Comtrade database accessed on the 31st of July 2025*

Notably, **cattle exports ("frozen bovine meat" - HS 0202)** suddenly reappeared in 2022 with an import value of $111,061, after being absent for several years, signalling a new and immediate due diligence obligation under the EUDR. **Rubber exports ("mainly other articles of vulcanized rubber" - HS 4016)** showed even greater fluctuation: a spike to $43,478 in 2021 followed a period of low values, such as $190 in 2020, before receding to $29,571 in 2022. Other rubber product categories were traded only sporadically and in very low volumes. For **wood products**, trade remained consistently low in value and highly fragmented. While **"other wooden furniture" (HS 940360)** peaked in 2020, its value dropped sharply by 2022. Other wooden items registered only minor and inconsistent trade volumes throughout the period. These included **HS 4407, HS 4419, HS 4421**, and even printed materials with potential wood pulp content **(HS 49)**.

Overall, the patterns across all three commodity groups suggest fragmented, low-frequency, and largely opportunistic trade, rather than stable, integrated supply chains. This fragmentation will likely hinder Mauritanian exporters' ability to meet EUDR requirements, which demand continuous data collection, geolocation transparency, and consistent supply chain traceability — even for relatively small and irregular shipments.

Mauritania's Trade Agreements and EUDR Implications

Mauritania's trade relationship with the EU is governed by several agreements that grant preferential market access, yet these do not exempt the country from the emerging environmental due-diligence requirements of the EUDR.

EU-Mauritania Trade Relationship Overview

Most of Mauritania's exports go to the Chinese market (23% of total exports in 2023), followed by Canada (22%) and the EU (20%). Most imports originate from the EU (35%), the UAE (19%), and Brazil (7%)(EU Generalised Scheme of Preferences (GSP) Hub). The EU is Mauritania's top trading partner, accounting for 29% of the country's total trade. It ranks first as a source of imports and third as an export destination. While Mauritania ranks 99th as an EU import partner and 88th as an export partner, its share in overall EU trade is relatively small at 0.0% (European Commission). Over the period 2020–2024, EU imports from Mauritania saw an average annual growth rate of 7.0%, while EU exports to Mauritania grew by 14.1% (European Commission).

Mauritania benefits from a range of preferential trade agreements that provide broad access to international markets, particularly the EU. As a Least Developed Country (LDC), Mauritania is eligible under the **Everything-But-Arms (EBA)** initiative, which grants duty-free and quota-free access to the EU for all products except arms and ammunition. It is also a signatory to the **Cotonou Agreement**, strengthening its trade relations with the EU as part of the African, Caribbean and Pacific (ACP) group. Regionally, Mauritania is a member of the **Arab Maghreb Union (UMA)**, has signed an association agreement with the **Economic Community of West African States (ECOWAS)**, and was among the early ratifiers of the **AfCFTA**. These frameworks collectively aim to enhance Mauritania's integration into global and regional markets through reduced tariff barriers and increased trade facilitation.

However, while these agreements provide important economic advantages by removing tariffs and quotas, they do not exempt Mauritanian exports from the EUDR. As such, Mauritanian exporters of EUDR-relevant commodities must now demonstrate — regardless of their preferential market access — that their products are deforestation-free and legally produced in accordance with national legislation.

In this context, the trade balance data offer a more precise understanding of the trade dynamics between Mauritania and the EU; based on UN Comtrade data for the 2018–2022 period exposed in **Figure 29**, the trade balance between the EU and Mauritania consistently shows a surplus in favour of the EU.

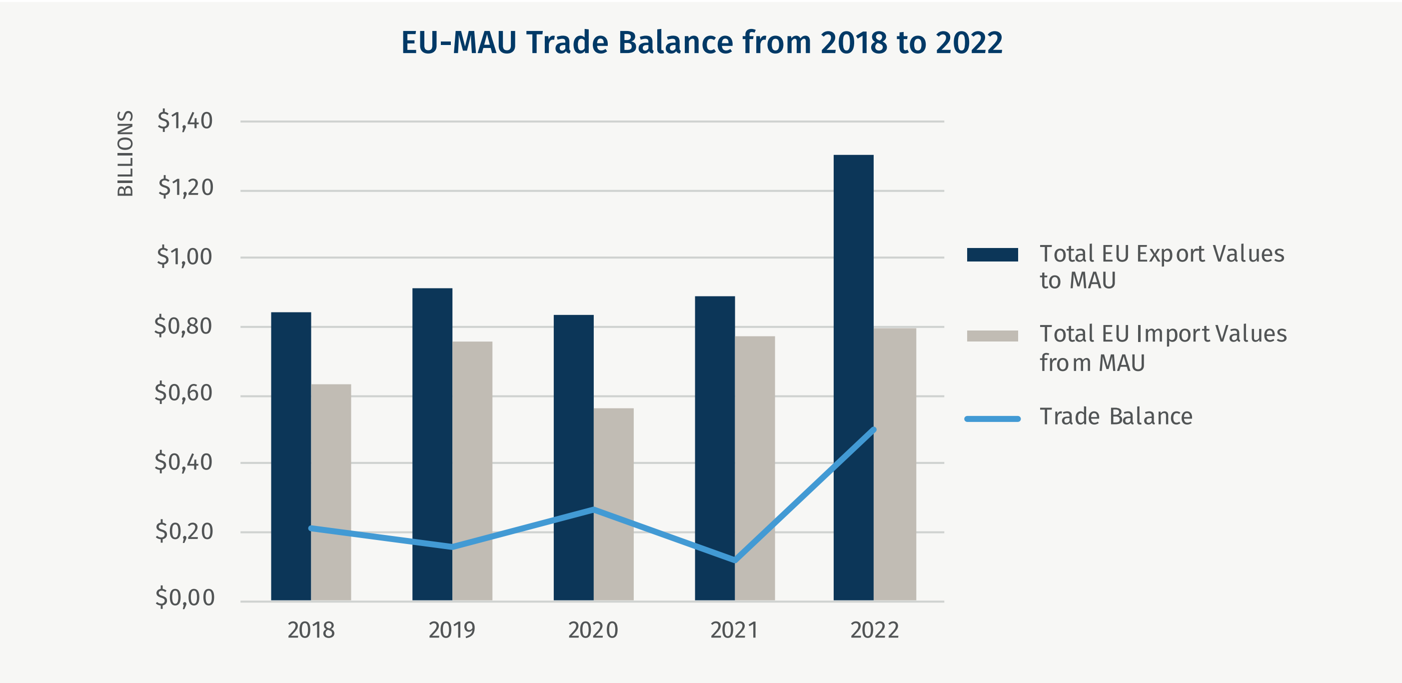


Figure 29: *EU-Mauritania Trade Balance (2018–2022, Billions USD)*
Data Source: *UN Comtrade database accessed 30 July 2025*

The EU's trade surplus with Mauritania has fluctuated significantly over the 2018–2022 period. Starting at $212.7 million in 2018, it declined in 2019 to $153.3 million due to higher EU imports, rebounded in 2020 to $268.8 million as imports fell, and decreased again in 2021 to $116.8 million with recovering imports. In 2022, the surplus surged to over $501.5 million, driven by a sharp rise in EU exports alongside growing imports from Mauritania. This marked increase clearly demonstrates Mauritania's strong dependence on EU products, highlighting the strategic importance of its trade relationship and the need to explore EUDR compliance.

EUDR Readiness Assessment

Political and Institutional Readiness

Based on the responses provided by representatives from government authorities, Mauritania's government shows a foundational lack of preparedness for the EUDR. One of the representatives highlighted "limited awareness" at the highest levels and confirmed that no specific actions have been initiated to integrate the regulation into national policy frameworks. There is also a significant communication breakdown between the public and private sectors, with the governmental representative admitting to "no active engagement" with industry stakeholders to discuss the regulation's implications.

Technical and Operational Capacity

The technical and operational capacity to meet EUDR requirements is lacking. A central issue is the complete absence of national databases or digital platforms for traceability. This is particularly problematic given that most Mauritanian enterprises are SMEs with very little equipment, which means they lack the resources to implement sophisticated digital systems. Consequently, data collection relies on unstructured, paper-based records. The private-sector representative confirms a lack of standardized methods and essential equipment, reinforcing the conclusion that current infrastructure and practices are far from meeting the due diligence obligations of the EUDR.

Market Implications and Private Sector Outlook

A pronounced and concerning disconnect exists between the government's and the private sector's perceptions of the EUDR's impact. The government optimistically projects "no significant change" in trade patterns. However, the private sector is foreseeing "significant potential barriers" that could threaten their market access. For small, under-equipped SMEs, the complexity and cost of compliance represent a substantial and potentially burden. The private sector is already exploring market diversification, signalling a reactive and risk-averse strategy aimed at avoiding the EU market altogether. This asymmetrical risk perception highlights a significant vulnerability.

EUDR Impact Assessment

The EUDR presents Mauritania with a critical challenge and a more limited, but still significant, strategic opportunity. The country's classification as a standard-risk country (EU Green Forum) fundamentally changes the compliance landscape. It means that all products exported from Mauritania will face complete due diligence requirements, eliminating the possibility of simplified checks. This places a heavy responsibility on its private sector and elevates the risk to its trade with the EU.

Challenges and Vulnerabilities

The primary challenge for Mauritania is its severe lack of readiness across all EUDR compliance criteria, which is magnified by the structure of its private sector. Most enterprises are **SMEs with very little equipment**, making the cost and complexity of implementing robust due diligence systems a formidable barrier. This makes it difficult for businesses to provide the crucial geolocation data and supply-chain information required for **full due diligence compliance**.

Furthermore, Mauritania's position as an emerging exporter, with fragmented supply chains, could be complicated by its trade agreements with other countries that are also struggling with EUDR compliance. In addition, Mauritania faces significant corruption challenges, with a CPI score of 30 in 2024 (ranking 130 out of 180)(Transparency International), which adds further uncertainty to EUDR compliance.

This complexity and the high cost of investment needed for compliance could lead many SMEs to follow the path already being considered by the private sector: **shifting away from the EU market** to avoid the new requirements, now that there is no simplified route to market access.

Strategic Opportunities

The EUDR still offers a pivotal opportunity for Mauritania, but it is one defined by the country's need to **meet stringent standards**. By demonstrating a commitment to the EUDR's full due diligence requirements, Mauritania can prove itself a reliable and transparent partner.

As the EU market becomes stricter and more restrictive, many EU companies will seek to build resilient supply chains with partners they can trust. A country like Mauritania, by successfully adapting to these rules, could still become an attractive sourcing partner. This provides Mauritania with a unique chance to open a door to the EU market and gain market share by becoming a compliant supplier, an opportunity that requires overcoming significant obstacles to maintain and grow its EU trade.

The EUDR could either be a catalyst to adjust this imbalance or a risk that could further exacerbate it.

- **Positive Scenario**: If Mauritania embraces the EUDR as a strategic opportunity, it could position itself as a reliable, compliant partner. By meeting the strict due diligence requirements, it could increase its exports to the EU, thus helping to narrow the trade deficit.
- **Negative Scenario**: If Mauritania's SMEs are unable or unwilling to bear the cost and complexity of full compliance, they may simply divert their trade away from the EU. This would lead to a decline in Mauritanian exports to the EU, potentially causing the already significant trade deficit to grow even larger.

Ultimately, the EUDR's impact on Mauritania is not a foregone conclusion. It is a defining moment that will test the country's institutional and private-sector resilience, determining whether it can turn a regulatory challenge into a strategic economic advantage.

Morocco

EUDR Implications Assessment

In 2022, Morocco's exports to the EU were dominated by **vehicles and spare parts** (over $5.6 billion), **electrical machinery**, and **textiles**, which fall outside the scope of the EUDR (ESCWA, External Trade Data Platform). However, some products within these categories—such as **"new pneumatic tyres" (HS 4011)**—are covered due to their rubber content. While overall exposure may seem limited, these overlaps highlight the need for targeted due diligence and supply chain traceability in specific sub-sectors.

For a comprehensive analysis, EU's total imports from Morocco in 2022, amounted to **$22.77 billion** (UN Comtrade Database). When aggregating the CIF values for 2022 specifically for commodities relevant to the EUDR, Morocco's total exports to the EU within this scope amounted to **$530.28 million** (UN Comtrade Database). Based on these figures, EUDR-relevant commodities constitute approximately **2.33%** of Morocco's total exports to the EU. Furthermore, considering Morocco's total national export to the world in 2022 was **$42.18 billion** EUDR-relevant commodities represent about **1.26%** of Morocco's overall national exports. Based on the aggregated CIF values from 2018 to 2022, presented in **Table 10** the EUDR primarily implicates products derived from **wood, rubber**, and **cattle** within EU's import portfolio from Morocco.

Table 10: *Aggregated CIF Value of EUDR-Relevant Commodities Imported to the EU from Morocco (2022, USD)*

Commodity Group	Import Value (USD)
Sum of Cattle	24,920,110
Sum of Cocoa	649,029
Sum of Coffee	90,018
Sum of Oil Palm	4,983,317
Sum of Rubber	60,240,935
Sum of Soya	914,283
Sum of Wood	438,486,080

Data Source: *UN Comtrade database accessed 4 August 2025*

Wood and Derived Products

Based on the provided import data, exposed in the **Figure 30,** for wood-derived products from Morocco to the EU between 2018 and 2022, the implications for the EUDR are significant due to the scale and nature of the trade. Unlike other countries where wood-related exports may be volatile or minor, Morocco's trade is dominated by large, stable categories.

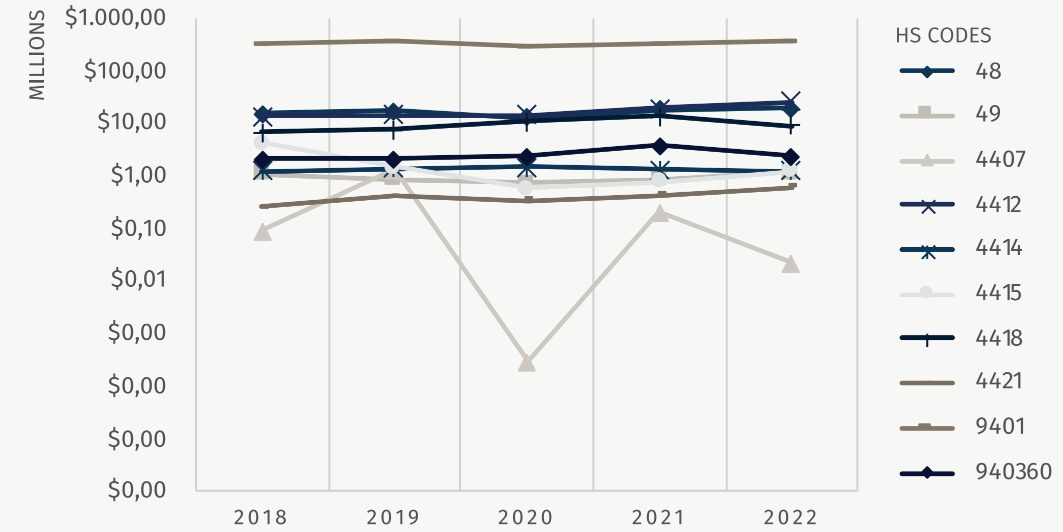


***Figure 30:** Dynamics of Wood-Derived Products Imports to the EU from Morocco (2018–2022, Millions USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
***Data Source:** UN Comtrade database accessed on the 31 July 2025*

The trade is overwhelmingly led by **"seats" (HS 9401)**, with values consistently in the hundreds of millions of dollars, reaching a high of over $373 million in 2022. This category, which includes parts for furniture, shows a strong and stable upward trend, making it a critical component for EUDR due diligence. The second-largest derived product is **"plywood and laminated wood" (HS 4412)**, which also displays a robust growth trajectory, increasing from approximately $14 million in 2018 to over $26 million in 2022. **Pulp and paper from chapter 48 (HS 48)** is another key category, with its trade value fluctuating but ending at a higher value in 2022 ($19.9 million) than in 2018 ($16.2 million). Other notable wood-derived products with substantial value and growth include **"builders' joinery" (HS 4418)**, which grew from nearly $7 million in 2018 to over $9.5 million in 2022, and **"wooden furniture" (HS 940360)**, which experienced growth and a peak value in 2021.

The majority of wood-related products imported by the EU from Morocco are processed or derived, highlighting the need to trace raw-material origins and assess sourcing-country risk classifications. Morocco produces a significant share of industrial roundwood domestically **(441,000 m³ in 2022)** (FAOSTAT), but higher-value products such as sawnwood **(54,520 m³)** and wood-based panels **(103,400 m³)** rely heavily on imports **($336,392 and $353,896 thousand**, respectively) (FAOSTAT). Consequently, robust traceability systems are essential, as domestic production alone cannot ensure EUDR compliance, making imported timber a key factor for due diligence. This reveals a critical need to assess the raw wood material sourcing used in their production.

Rubber and Derived Products

As shown in **Figure 31**, the primary implicated derived product under the rubber commodity is reflected in the export of **articles of vulcanized rubber. “Other articles of vulcanised rubber” (HS 4016)** stands as the second most valuable EUDR-relevant export from Morocco. Its CIF values ranged from a high of $81.56 million in 2019 to a low of $58.07 million in 2021. Overall, from 2018 ($67.52 million) to 2022 ($58.93 million), **HS 4016** experienced a decrease of approximately **12.72%.** Despite this decline, its consistent multi-million-dollar annual trade underscores its continued relevance for EUDR compliance.

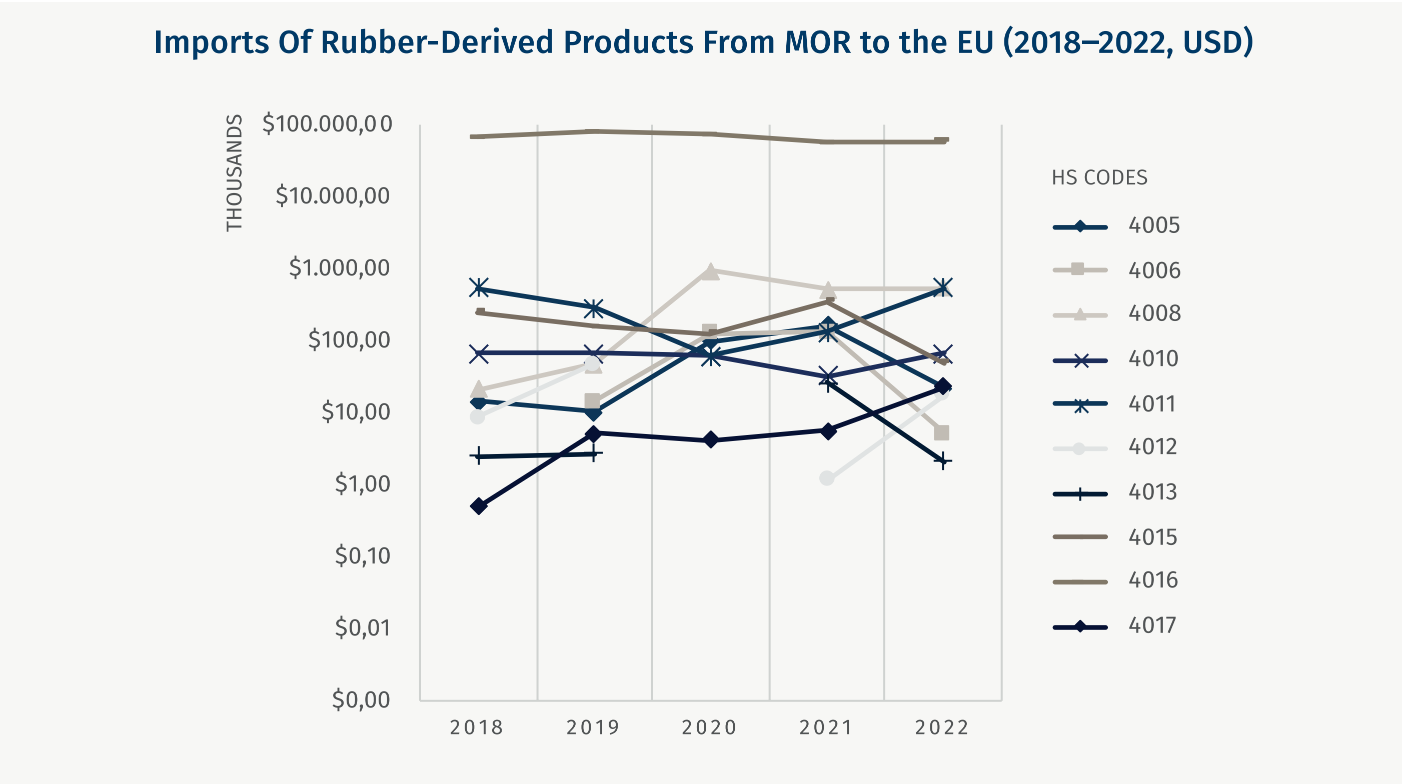


***Figure 31:** Dynamics of Rubber-Derived Products Imports to the EU from Morocco (2018–2022, Thousands USD)*
HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.
***Data Source:** UN Comtrade database accessed 15 July 2025*

The remaining derived products under the rubber commodity category show stable trends overall, without major disruptions. However, **“plates, sheets, strip, rods and profile shapes, of vulcanised rubber other than hard rubber” (HS 4008)** stands out for its sharp emergence in 2020, when imports to the EU jumped from $47,400 in 2019 to $962,000. Since then, it has remained the second most imported rubber-derived product from Morocco, despite a gradual decline to $527,000 in 2021 and $561,000 in 2022. This suggests that HS 4008 has secured a steady niche in the EU market, although at a lower level than its 2020 peak.

The third key product, **“new pneumatic tyres” (HS 4011)**, presents a more volatile pattern, moving from $549,000 in 2018 down to $285,000 in 2019, $62,600 in 2020, and then slightly up to $132,000 in 2021. This irregularity reflects shifting trade opportunities, likely driven by market demand or supply-side constraints, rather than structural trade dependence.

In addition, other rubber-derived products exported from Morocco appear to follow highly sporadic and emergent patterns, with certain HS codes experiencing sudden appearances in trade flows before disappearing completely. This instability indicates a fragile market for these minor niche products. Under the EUDR framework, such sporadic trade patterns are particularly vulnerable because compliance costs could outweigh the limited export value, leading exporters to reconsider their market participation.

Cattle and Derived Products

Within this category, the primary derived products imported by the EU from Morocco include **"bovine and equine leather" (HS 4104 and HS 4107)** as observed in the **Figure 32** exposing the dynamics of cattle imports from Morocco to EU from 2018 to 2022. **HS 4104** maintained a substantial presence among the top EUDR-relevant exports, with values fluctuating significantly from $24.08 million in 2018 to $7.29 million in 2020, recovering to $18.75 million in 2022. From 2018 to 2022, **HS 4104** saw a decrease of approximately 22.13%. HS 4107 similarly showed a decreasing trend, from $8.48 million in 2018 to $6.17 million in 2022, a reduction of approximately 27.24%.

The export values of these leather products show clear growth for the two major derived products, while other derivatives remain sporadic and uncertain. This implies that Morocco's leather sector faces the challenge of tracing products back to the specific animals and, consequently, to their grazing lands, necessitating verification of deforestation-free status.

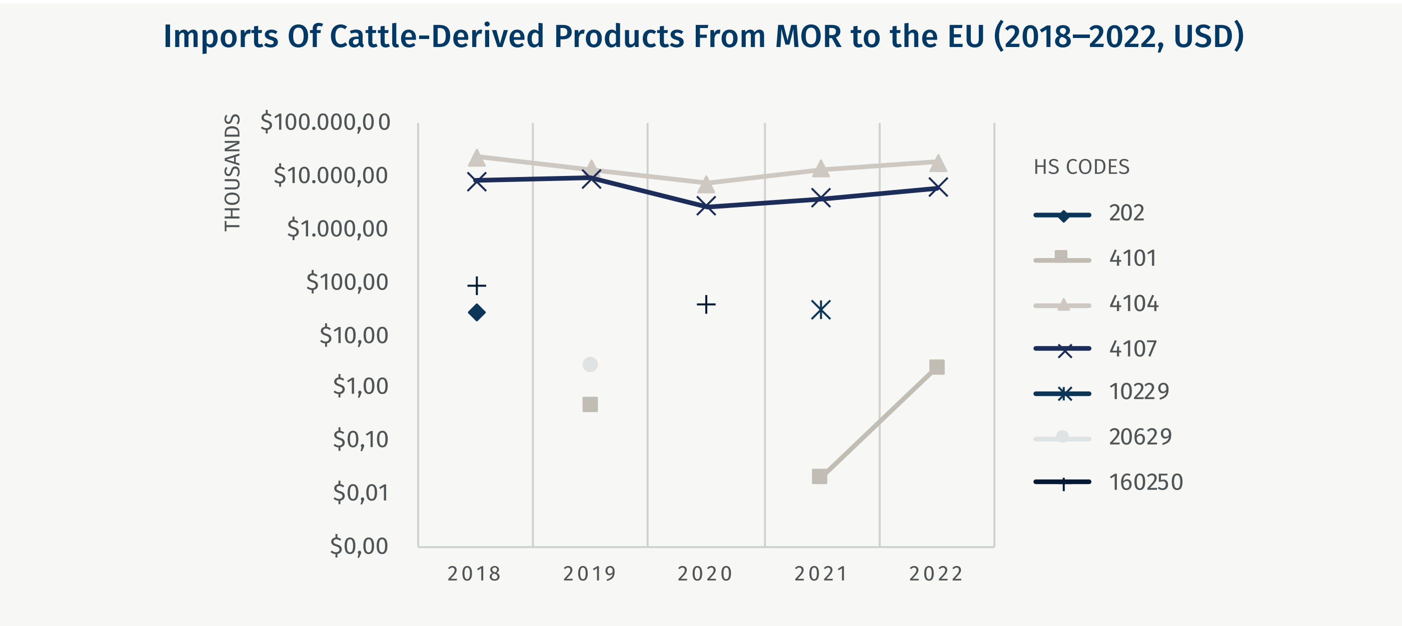


Figure 32: *Dynamics of Cattle-Derived Products Imports to the EU from Morocco (2018–2022, Thousands USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
Data Source: *UN Comtrade database accessed 15 July 2025*

Morocco's Trade Agreements and Overall Trade Landscape with the EU

The **EU-Morocco Association Agreement,** in force since 2000, created an FTA by fully liberalizing industrial goods and significantly opening agricultural and fisheries markets (European Commission; Access2Markets). Further liberalization entered into force in 2012, and Morocco was granted "Advanced Status" in 2008, leading to negotiations for a DCFTA, which were suspended in 2014 (European Commission). Morocco receives substantial EU support, with financial allocation under the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE) for 2021–2024, making it a key partner under the **European Neighbourhood Policy.** It also participates in the **Agadir Agreement** and the PEM Convention, an important mechanism for navigating EUDR supply chain traceability requirements (European Commission).

Beyond the EU, Morocco has adopted a broad trade liberalization strategy, including signing the AfCFTA in 2019, though it has yet to ratify the agreement (International Trade Association, 2024). It has also sought closer economic ties with West Africa through its ECOWAS membership application (2017) and launched FTA negotiations with Canada and **Mercosur** (2017), though none have been finalized (International Trade Association, 2024). As Morocco diversifies its trade partners, the varying deforestation risks of these origins will increase due diligence obligations under the EUDR.

From 2018 to 2022, the EU consistently ran a trade surplus with Morocco, with exports regularly exceeding imports, as exposed in **Figure 33**. The surplus dipped from $8.27 billion in 2018 to $5.57 billion in 2020, reflecting COVID-19-related disruptions, as EU exports fell from $27.14 billion to $22.75 billion and imports from Morocco from $18.87 billion to $17.19 billion. Following 2020, trade rebounded strongly: the EU surplus reached $8.29 billion in 2021 and $10.44 billion in 2022, with imports rising to $21.13 billion and $22.77 billion, respectively. The faster growth of EU exports highlights its entrenched role as Morocco's main trading partner and supplier.

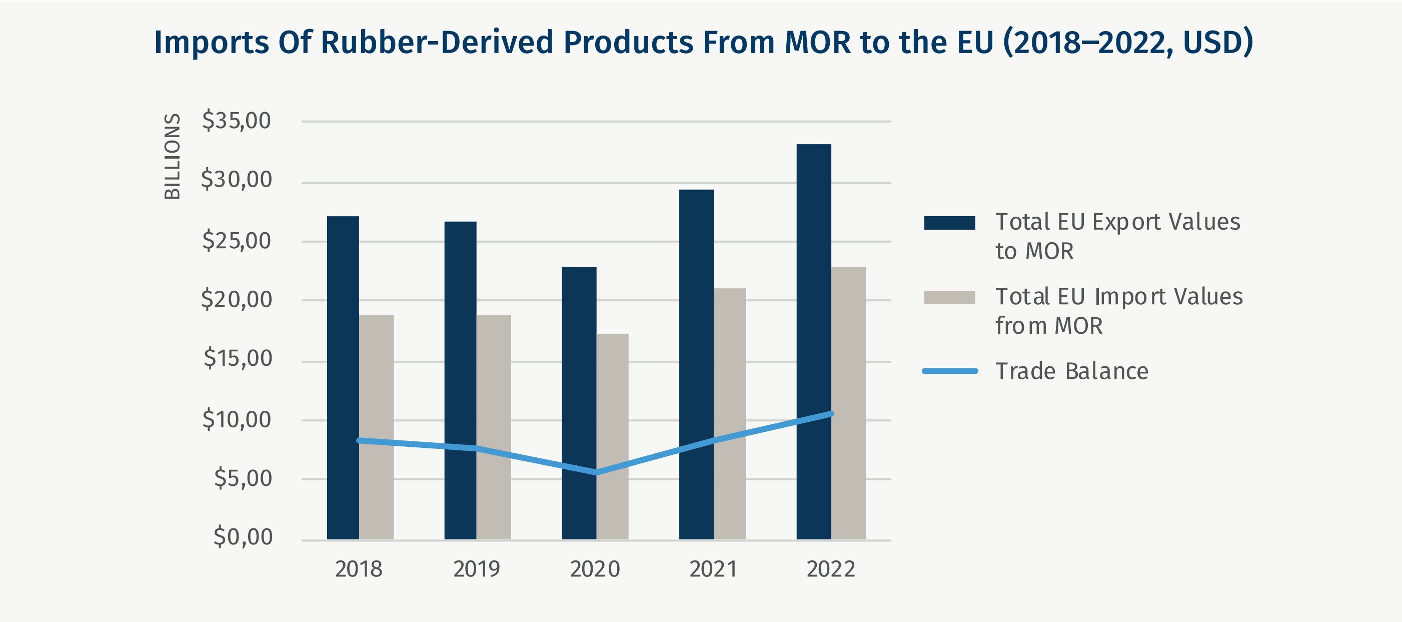


Figure 33: *EU-Morocco Trade Balance (2018–2022, Billions USD)*
Data Source: *UN Comtrade database accessed 15 July 2025*

Morocco maintains significant and longstanding trade relations with the EU, which stands as its largest trade partner. As of 2024, the EU accounted for 59% of Morocco's total trade in goods, receiving 67.7% of Morocco's exports and providing 54% of its imports (European Commission). Morocco itself is the EU's 18th biggest trade partner, representing 1.2% of the EU's total trade in goods with the world in 2024 (European Commission).

EUDR Readiness Assessment

Efforts to assess Morocco's readiness for the EUDR included contacting approximately 25 representatives from governmental organizations and the private sector. Response rates were extremely low, with only a single reply received. This low engagement suggests that the EUDR is currently not a priority topic for many stakeholders or that awareness remains limited.

The one response received, from a ministry representative, indicated that certain officials had recently participated in EU-commissioned meetings assessing the potential impact of the EUDR on key sectors. This suggests that Morocco is beginning to engage with the regulation at a governmental level, albeit through broader initiatives led or facilitated by the EU Delegation. The response also highlights that Moroccan authorities are monitoring developments and exploring sectoral readiness, even if no direct consultations or new initiatives have been organized in relation to this study.

Based on the limited feedback and the context provided:

- **Awareness:** Morocco demonstrates emerging awareness of the EUDR, particularly within government institutions. The participation of officials in EU-initiated missions indicates that the country is starting to explore the regulation's implications.
- **Prioritization:** At present, the EUDR appears to be a secondary priority. Existing engagement is reactive and coordinated through EU-driven initiatives rather than through a dedicated national strategy.
- **Political Will:** Although the EUDR is not yet a high-level priority, the acknowledgment of its relevance by at least some officials implies that there is openness to engagement and potential for future strategic action. It is worth highlighting that Morocco scored 37 on this year's CPI, ranking 99th out of 180 countries (Transparency International, 2025). This represents another red flag that should be considered regarding the accuracy and credibility of data in DDS.

Morocco's readiness for the EUDR can currently be characterized as nascent. Awareness is emerging, driven largely by EU-led initiatives, but institutional preparedness, technical capacity, and private sector engagement remain limited.

To add to this, deforestation data shows that between 2001 and 2024, Morocco experienced a tree cover loss of 9.3% of its 2000 baseline. Of this, roughly 28% was due to deforestation, primarily from permanent agriculture. Most losses were caused by temporary or natural disturbances, notably wildfires and logging. This pattern suggests that while natural factors are the main contributors to forest loss, human-driven deforestation remains significant, indicating that Morocco will need effective monitoring and verification systems to ensure EUDR's deforestation-free standards.

EUDR Impact Assessment

Morocco's exposure to EUDR-relevant commodities is concentrated in wood-derived products, rubber, and leather. The maturity and stability of Morocco's furniture and plywood exports suggest that exporters will face sustained compliance obligations, requiring systematic investments in traceability, documentation, and verification procedures. SMEs may face heightened challenges absorbing these costs, potentially resulting in **short-term reductions in EU export volumes** or selective market withdrawal.

The EUDR compliance for Morocco is significantly influenced by the sourcing of raw materials, which extends beyond domestic production to a **complex network of international suppliers.** Key implications include:

- **Shift from Domestic to International Due Diligence**: Moroccan operators act as importers and re-exporters, bearing direct responsibility for verifying the legality and deforestation-free status of imported wood prior to EU export.
- **Increased Supply Chain Complexity**: Wood inputs are sourced from diverse regions (Chatham House, 2020). Each source presents distinct regulatory frameworks, deforestation risk profiles, and levels of transparency, which increases the complexity of risk assessments and compliance verification. Operators may need to re-evaluate supplier portfolios, favouring partners with verified sustainability credentials even at higher cost, to reduce exposure to high-risk or opaque supply chains.

Consequently, Morocco's role as a significant processor and re-exporter of wood-derived products implies that the **EUDR compliance burden extends globally,** demanding a technologically driven and proactive approach to ensure that all imported materials meet regulatory requirements prior to transformation and export.

Trade Considerations and Strategic Implications

Morocco maintains a strong trade relationship with the EU, which serves as a major trading partner, particularly in imports. This trade dynamic provides a **strategic incentive to ensure uninterrupted bilateral trade flows** while adhering to EUDR requirements.
The implementation of the EUDR presents Morocco with a dual challenge: managing immediate compliance pressures while positioning its export sectors to leverage long-term market opportunities.

- **Short-Term Disruption**: In the initial phase of EUDR implementation, Moroccan operators are expected to encounter increased compliance costs, logistical complexities, and capacity constraints. SMEs may experience temporary reductions in EU-bound shipments, notably within the wood, rubber, and leather sectors.
- **Medium-Term Opportunity**: Over the medium term, the strategic adoption of digital traceability solutions, coupled with targeted institutional support and capacity-building initiatives, can enable Moroccan operators to convert compliance into a competitive advantage. Successfully implementing EUDR-aligned processes will reinforce access to EU markets, enhance the credibility of Moroccan exports, and position the country as a reliable supplier of sustainable, deforestation-free products.

While Morocco has a strong trade relationship with the EU and demonstrated awareness of sustainability challenges, several risks must be addressed to ensure effective EUDR compliance. Non-compliance or partial compliance in high-value sectors, particularly wood and furniture, could lead to restricted EU market access and reputational damage among international buyers.

Palestine

EUDR Implications Assessment

In 2022, Palestine's exports to the EU were largely composed of products outside the direct scope of the EUDR. Key exports included **fruit and nuts (HS 08)**—primarily dates (HS 0804)—valued at over $17 million, and **olive oil (HS 1509),** exceeding $5.6 million (ESCWA, External Trade Data Platform). As Palestine's primary export commodities to the EU (namely various fruits, nuts, and olive oil) are not on this list, Palestinian operators are currently **not directly subjected** to the rigorous due diligence obligations.

Further solidifying the limited direct EUDR impact, a proportional analysis of the 2022 trade figures, reveals that the total EUDR-relevant products imported to the EU from Palestine ($163,871) (UN Comtrade Database) represent approximately **0.634%** of the total products imported to the EU from Palestine ($25,827,401) (UN Comtrade Database). When viewed against Palestine's total exports to the world ($1,525,158,846) (UN Comtrade Database), this figure becomes even more marginal, accounting for only about **0.0107%.**

Palestine's Major EUDR-Relevant Exports to the EU (2018–2022)

This section analyses EUDR-relevant commodities exported from Palestine to the EU between 2018 and 2022. **Figure 34** illustrates the fluctuation in trade values over this period, offering insight into the scale and evolution of Palestine's exposure to the Regulation.

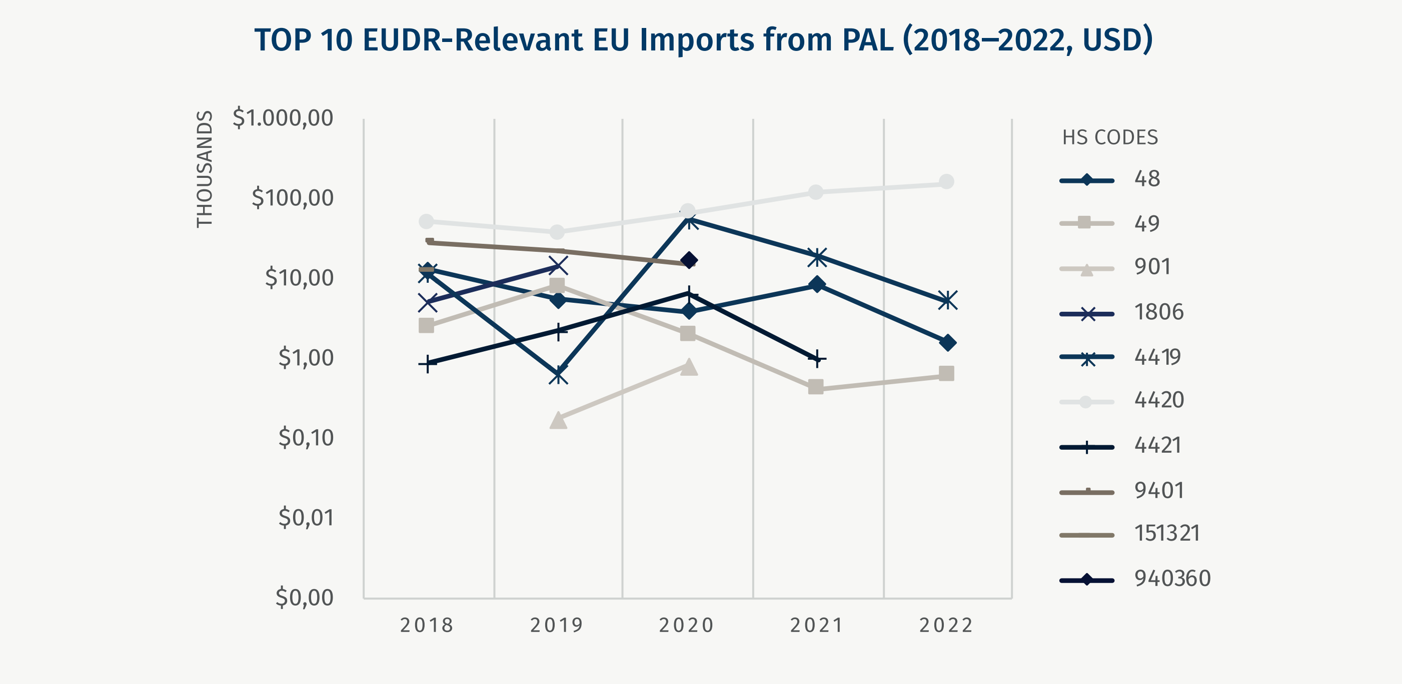


Figure 34: *EU Imports from Palestine: Fluctuation of Top 10 EUDR-Covered Commodities by HS Code (2018–2022, Thousands USD)*
HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.
Data Source: *UN Comtrade database accessed 4 August 2025*

An upward trend in the export of certain wood- based products—specifically those falling under **"wood marquetry, inlaid wood, caskets, and similar articles" (HS 4420)**—signals a growing relevance that warrants closer attention. Exports under HS 4420 have shown consistent and significant growth over the period from 2019 to 2022, increasing from $38,266 in 2019 to $67,418 in 2020, nearly doubling again to $119,183 in 2021, and continuing to rise in 2022. This indicates that woodcraft and decorative wood products are becoming a more strategic part of Palestine's trade profile and may attract further investment. While another wood-based commodity—**tableware and kitchenware of wood (HS 4419)**—experienced greater fluctuation, it peaked at over $57,000 in 2020, suggesting a brief period of heightened relevance. Since then, however, its trade volume has decreased.

Other EUDR-covered products, such as **"seats" (HS 9401), wooden furniture (HS 940360), and "vegetable oils, palm kernel or babassu oil and their fractions" (HS 151321)**, were present with relatively high values until 2020, after which they disappeared from trade flows. Their absence in recent years suggests a shift in export dynamics or perhaps external factors affecting production or demand. Meanwhile, products like cocoa preparations and coffee appear only sporadically and in negligible amounts, with no consistent export trend.

Additionally, **Table 11** below shows that **wood** was the only commodity imported from Palestine to the EU that falls under the scope of the EUDR. The table presents total CIF values of EUDR-relevant commodities imported from Palestine to the EU in 2022. This highlights the **minimal direct relevance** of the EUDR to Palestine's current export profile.

Table 11: *Aggregated CIF Value of EUDR-Relevant Commodities Imported to the EU from Palestine (2022, USD)*

Commodity Group	Import Value (USD)
Sum of Cattle	-
Sum of Cocoa	-
Sum of Coffee	-
Sum of Oil Palm	-
Sum of Rubber	-
Sum of Soya	-
Sum of Wood	163,871

Data Source: *UN Comtrade database accessed 4 August 2025*

Implications of Trade Agreements and Trade Balance for Palestine's EUDR Compliance

Palestine's trade relationship with the EU is governed by a framework of trade agreements designed to foster economic cooperation, yet these are simultaneously impacted by profound geopolitical and economic constraints. This intricate context significantly shapes Palestine's trade profile and, by extension, its exposure to regulations like the EUDR.

An Interim Association Agreement on Trade and Cooperation was established between the European Economic Community (EU's predecessor) and the Palestine Liberation Organisation (PLO) on behalf of the Palestinian Authority (PA) in 1997. This agreement grants duty-free access to EU markets for Palestinian industrial goods and phased-out tariffs on EU exports to Palestine over five years (European Commission). A subsequent agreement for further liberalization of agricultural products, processed agricultural products, and fish and fishery products entered into force in 2012 and was extended in 2021 (European Commission). Despite these preferential agreements, the difficult economic situation and restrictions on movement and access to Palestine have severely limited trade, making Palestine the EU's **144th trade partner in 2024** (European Commission). Furthermore, economic relations with Israel are managed under the Paris Protocol (1994), which, while allowing the PA to establish trade relations with third countries, mandates conformity with Israel's import policy and subjects' Palestinian exports to Israeli inspections (International Trade Association, 2023).

An evaluation of the trade balance between the EU and Palestine from 2018 to 2022, visually represented in **Figure 35**, consistently reveals a substantial surplus in favour of the EU, indicating Palestine's significant reliance on EU imports:

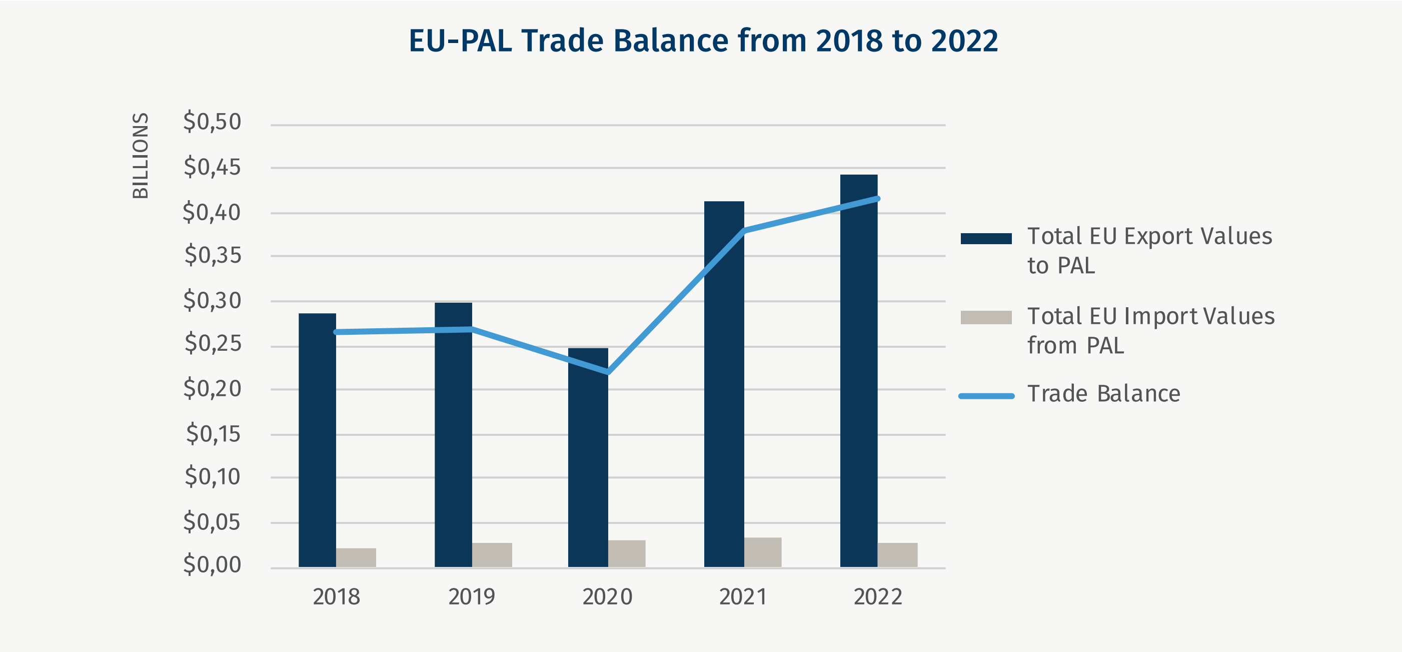


Figure 35: *EU-Palestine Trade balance (2018–2022, Billions USD)*
Data Source: *UN Comtrade database accessed 20 July 2025*

This persistent and growing trade deficit underscores Palestine's **limited export capacity,** a factor directly influencing its negligible volume of EUDR-relevant exports to the EU. The PEM cumulation system, which Palestine joined in 2014, promotes regional trade by allowing diagonal cumulation of origin among partner countries—including the EU, EFTA, Türkiye, and southern Mediterranean countries (European Commission).

Although such trade agreements theoretically enhance Palestine's access to the EU market, actual export potential remains severely constrained by geopolitical factors. Structural obstacles, including restrictions on movement and trade, contribute to Palestine's widening trade deficit, and hinder its ability to fully benefit from preferential trade frameworks. Furthermore, while the PEM system offers tariff advantages, it simultaneously imposes demanding traceability requirements for EUDR compliance. For Palestinian operators, this means that even limited export activity involving EUDR commodities could require disproportionate administrative effort.

Palestine's trade profile and economic structure is shaped by its geopolitical constraints, which limits its direct exposure to the EUDR. Trade patterns are influenced by market size, proximity, and trade barriers, and Palestine's profile is particularly impacted by "commercial border closures" (Fannoun and Hassouneh, 2019). As a result, its exports are largely limited to simpler agricultural commodities like fruits, nuts, and olive oil (Sadeh, 2024), which are currently outside the scope of the EUDR. However, future shifts toward export diversification—especially into processed goods reliant on imported EUDR-relevant raw materials—would likely heighten the regulatory burden. In such cases, Palestine's already complex trade logistics would face further strain due to the EUDR's stringent traceability and legality requirements (Fannoun and Hassouneh, 2019; Sadeh, 2024).

EUDR Readiness Assessment

Based on responses provided byrepresentatives of governmental authorities, awareness of the EUDR within Palestinian governmental structures is minimal. The regulation has not yet been integrated into the national political agenda, and no formal strategies have been developed to address its requirements. High-level political actors demonstrate a limited understanding of the EUDR's provisions and implications.

Stakeholder consultations indicate that government authorities are willing to engage in pilot projects, awareness-raising workshops, inter-agency dialogues, and technical consultations to align national practices with EUDR requirements.

Technical Capacity and Infrastructure

Palestine currently faces limitations in technical infrastructure necessary to fully comply with the requirements of the EUDR.

- **Data Systems and Monitoring**: There is no centralized national database or digital platform enabling complete traceability of commodity production and supply chains. Existing data are fragmented across multiple institutions, including the Central Bureau of Statistics, the Ministry of Agriculture, and environmental authorities. Remote sensing, GIS-based monitoring, and satellite imagery are employed irregularly, with updates occurring at medium frequency. Forests are not systematically monitored, and geolocation tracking of production areas is only partially feasible, particularly in politically sensitive or restricted areas such as Area C of the West Bank and Gaza.
- **Technical Expertise**: While expertise in sustainable agriculture, forestry management, and data analysis exists within select government agencies and academic institutions, significant gaps remain in areas critical to EUDR compliance. These include supply-chain traceability, geolocation verification, and the integration of digital monitoring tools across sectors.

Deforestation Mitigation Measures

Efforts to mitigate deforestation in Palestine are implemented through both governmental and non-governmental initiatives. Government- led programs include annual forest planting campaigns, free distribution of seedlings to farmers, municipalities, and institutions, and school-based tree-planting activities. Non- governmental organizations and community groups also contribute through afforestation projects, awareness campaigns, and activities held on Arbor Day and Forest Day.

Despite these efforts, several constraints limit effective monitoring and enforcement. Restricted access to territories under occupation and the Gaza Strip hinders field surveys and on-the-ground observation. Data collection remains fragmented, and there is no unified national monitoring system. Technical infrastructure and trained personnel for remote sensing and geospatial analysis are insufficient, while enforcement of forest protection laws is weak, and inter-agency coordination remains limited.

Legal Compliance and Trade Implications

Compliance with the EUDR's legality criterion presents significant challenges due to Palestine's geopolitical context.

Implications for Palestine

- **Weak Enforcement**: Existing national laws are insufficiently enforced, complicating verifiable legal documentation.
- **Land Tenure (for locally produced commodities)**: Territorial fragmentation and ongoing land disputes hinder verification of legal land tenure and geolocation of production areas.
- **Customs Dependency**: Reliance on Israeli customs adds operational complexity. Although legality obligations apply only to the country of production this dependency may limit access to documentation, constrain traceability, and restrict participation in EUDR-regulated supply chains.

Implications for Israel as Intermediary

- **Operator Responsibility**: Israeli businesses acting as intermediaries are considered "operators" under the EUDR and must conduct due diligence on the legality and origin of products.
- **Contested Origin**: Goods from Israeli settlements in occupied territories are excluded from preferential treatment under the EU–Israel Association Agreement. Even if EUDR environmental criteria are met, trade restrictions may still apply.
- **Customs Data**: Cooperation from Israeli authorities is required to provide origin verification data, which may generate friction.

The EU–Israel Association Agreement, effective since 2000, provides preferential tariff treatment for goods originating from Israel. However, products manufactured in Israeli settlements located in occupied territories since 1967 are excluded from preferential treatment. Proofs of origin are required under a Technical Arrangement between EU and Israeli customs authorities (European Commission). The European Court of Justice reinforced this in the 2010 Brita case, ruling that products from the West Bank do not fall within the EU–Israel Association Agreement and are therefore ineligible for preferential treatment (Al-Haq, 2010). Even if settlement goods meet EUDR environmental criteria, they may still face restrictions due to their origin. This highlights the EU's broader strategy of using trade regulations to uphold international law and human rights standards, particularly regarding the Israeli-Palestinian conflict (Gordon & Pardo, 2015).

EUDR Impact Assessment

Palestine's exposure to the EUDR is currently limited due to the structure of its trade and economic priorities. Given the composition of Palestine's exports and the country's focus on domestic consumption and trade with Israel, the immediate economic impact of the EUDR is expected to be minimal. The bulk of exports—agricultural commodities, marble, and stone—are not covered by the regulation, and current trade flows with the EU are modest.

Should Palestine pursue future export expansion toward EU markets, particularly in EUDR-relevant sectors such as wood-based or processed agricultural products, the impact of the regulation could become more significant. The current gaps identified in governance, technical infrastructure, and monitoring capacity would likely constrain the ability of producers and operators to comply with the EUDR's due diligence requirements.

Palestinian exporters could face a strategic shift away from the EU market due to:

- **Disproportionate Compliance Cost**: The effort and resources required for full DDS are likely to far outweigh the revenue generated from the currently negligible volumes of EUDR-relevant exports to the EU. SMEs, which often characterize the Palestinian export sector, are particularly vulnerable to these disproportionate compliance costs.
- **Logistical Complexities**: Palestine's unique operational environment, marked by "commercial border closures" and other geopolitical factors, already presents significant hurdles for efficient trade. Adding the granular traceability and documentation demands of the EUDR for complex international supply chains could render these specific export ventures economically unfeasible.
- **Optimization of Resources**: By deprioritizing the EU market for these niche EUDR-relevant products, Palestinian operators can redirect valuable time, capital, and human resources towards maintaining and expanding their dominant non-EUDR export sectors to the EU. Alternatively, they could explore other international markets for EUDR-relevant products where similar regulations are either absent or less demanding, thereby diversifying their export destinations and optimizing their overall trade strategy.

Influence of Local Conflicts on Trade Priorities

Palestine's economic decisions are heavily shaped by the ongoing conflict, political instability, and territorial fragmentation. Local priorities, such as ensuring domestic food security, maintaining livelihoods, and managing limited resources, often take precedence over regulatory compliance for external markets.

- **Conflict-Driven Constraints**: Land tenure disputes, movement restrictions, and reliance on Israeli-controlled customs channels limit the feasibility of implementing EUDR-compliant supply chains.
- **Priority Trade Focus**: Economic activity is largely oriented toward domestic demand and trade with Israel, further reducing the immediate relevance of EU regulations.
- **Adaptive Capacity Under Stress**: In periods of heightened conflict or political tension, capacity for regulatory adaptation is likely to be deprioritized, reinforcing the minimal short-term impact of the EUDR.

In conclusion, the EUDR's short-term economic impact on Palestine is minimal due to the current trade structure and domestic focus. Long-term impacts could be significant if Palestine diversifies its export profile toward commodities covered by the EUDR; however, successful adaptation will depend on conflict-sensitive capacity-building measures, strengthened governance, and proactive engagement with producers and stakeholders. Palestine's exposure to the EUDR is therefore primarily forward-looking, with immediate effects limited by trade structure and local conflict-driven priorities, while future impact will hinge on institutional readiness, infrastructure development, and strategic engagement.

Tunisia

EUDR Implication Assessment

In 2022, Tunisia's export landscape to the EU was predominantly characterized by industrial and manufactured goods. The top commodity groups imported by the EU from Tunisia were: **electrical machinery and equipment**, valued at nearly $4 billion; **textile products**, amounting to approximately $2.76 billion; and **petroleum and gas** products, at about $937 million (ESCWA, External Trade Data Platform). This underscores that Tunisia's principal exports are largely exempt from the provisions of the EUDR, which is a key consideration for assessing the regulation's direct economic impact on the country.

In 2022, the total value of these EUDR-relevant imports from Tunisia to the EU was $278.8 million (UN Comtrade Database). This value represents a mere **2.12%** of EU's total imports from Tunisia. When considering Tunisia's total national exports to the world, the EUDR-relevant share shrinks even further to **1.5%.** This demonstrates that while the overall economic impact on Tunisia's macro-trade balance might appear minor, the regulation's implications are highly concentrated within specific, vulnerable sectors.

A detailed breakdown presented in **Table 14**, of the EUDR-relevant commodities in 2022 reveals that **wood products** are by far the largest, accounting for a substantial $178.84 million. This significantly overshadows **rubber** ($7.78 million) and **oil palm** ($6.61 million), as well as smaller values for the remaining EUDR-covered commodities.

***Table 12:** Aggregated CIF Value of EUDR-Relevant Commodities Imported to the EU from Tunisia (2022, USD)*

Commodity Group	Import Value (USD)
Sum of Cattle	3,029,408
Sum of Cocoa	161,758
Sum of Coffee	4,524
Sum of Oil Palm	6,608,040
Sum of Rubber	7,778,384
Sum of Soya	456
Sum of Wood	261,214,517

***Data Source:** UN Comtrade database accessed 30 July 2025.*

In-Depth Dynamics and Trends of Top 3 EUDR-Relevant Commodities Imported to the EU from Tunisia

This section provides an analysis of the specific dynamics and trends for the top three EUDR-relevant commodity groups imported into the EU from Tunisia: **Wood, rubber**, and **oil palm**.

Wood and Derived Products

Wood products represent the most significant EUDR-relevant commodity group exported from Tunisia to the EU, with overall trends indicating a mixed picture. **Figure 36** exposes the dynamics of wood derived products imports to the EU from Tunisia from 2018 to 2022.

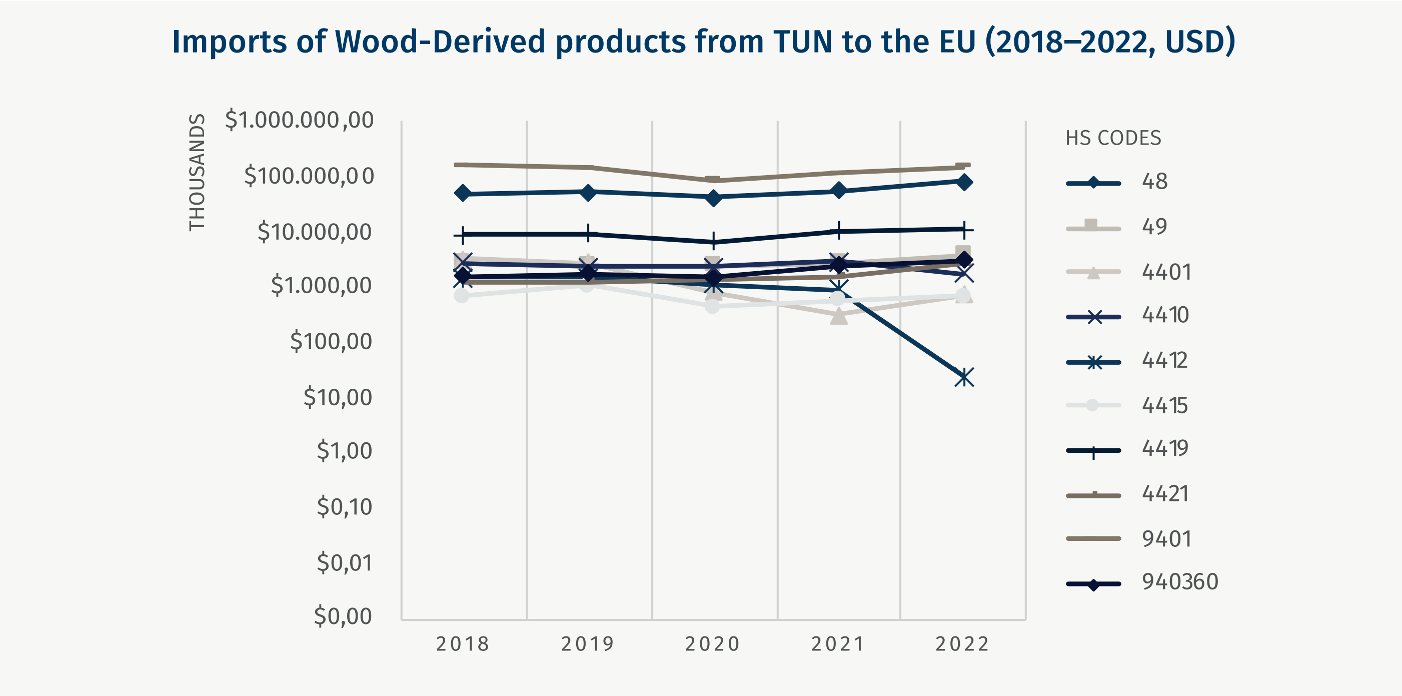


***Figure 36:** Dynamics of Wood-Derived Products Imports to the EU from Tunisia (2018–2022, Thousands USD) HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.*
***Data Source:** UN Comtrade database accessed 5 August 2025*

For wood-derived products imported from Tunisia to the EU, the most prominent product is **"seats" (HS 9401)**, which exhibits considerable fluctuations over the analyzed period. Notably, it experienced a sharp decline in 2020, followed by a strong rebound, reaching $152.7 million in 2022. Another significant product is **"pulp and paper from chapter 48" (HS 48)**, which shows relatively stable trade volumes, fluctuating from $50.9 million initially, slightly increasing to $51.4 million in 2019, dipping to $43 million thereafter, and then steadily rising from $56.7 million in 2021 to $81.9 million in 2022.

"Tableware and kitchenware of wood" (HS 4419) also demonstrates an upward trajectory, increasing from approximately $8.8 million in 2018 to $10.3 million in 2020. The remaining wood-derived products shown in **Figure 36** are niche imports with comparatively low values and limited impact on overall trade flows.

Tunisia faces forest pressures from agricultural expansion, urbanization, infrastructure development, forest fires, and prolonged droughts according to stakeholder consultations. For EUDR compliance, it is crucial to determine the origin of wood: if materials are domestically sourced from areas with these risks, due diligence must address potential legality and deforestation concerns; if imported from abroad, operators must assess the sourcing-country risk and associated compliance obligations. Clear traceability is therefore essential to evaluate risks and ensure adherence to the EUDR.

Rubber and Derived Products

Rubber products constitute a smaller, yet notable EUDR-relevant export from Tunisia to the EU, with total imports around $7.78 million in 2022. The **Figure 37** highlights the fluctuation of the top 10 imported rubber-derived products to the EU from Tunisia between 2018 and 2022.

The trade is dominated by processed rubber articles such as **"articles of vulcanised rubber other than hard rubber" (HS 4016),** fluctuating between $5.17 million and $6.48 million, and **"articles of apparel and clothing accessories" (HS 4015)**, which showed consistent market presence above $1.3 million. Imports of raw **"natural rubber" (HS 4001)** are minimal, indicating that Tunisia primarily exports manufactured goods containing rubber. An emerging rubber-derived product is **"new pneumatic tyres" (HS 4011),** which exhibited a substantial increase in export value from

$159,726 in 2021 to $604,153 in 2022. This represents a growth of approximately 278%, highlighting a notable upward trend in this category. Such a rapid increase underscores the product's rising market relevance.

The key implication of the EUDR for this sector is that Tunisian exporters of these finished rubber goods must ensure the natural rubber content can be traced back to deforestation-free land and legal production in major producing countries.

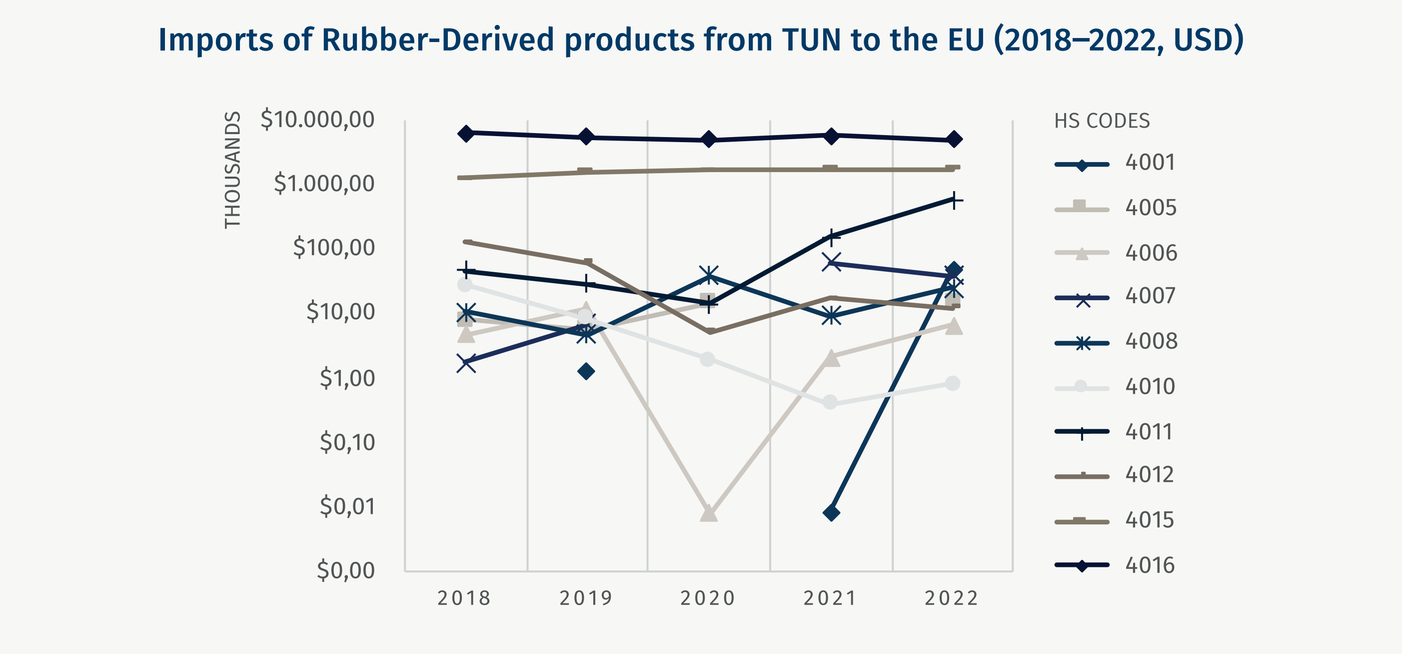


Figure 37: *Dynamics of Rubber-Derived Products Imports to the EU from Tunisia (2018–2022, Thousands USD)*
HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.
Data Source: *UN Comtrade Accessed 30 July 2025*

Oil Palm and Derived Products

Oil palm products represent the smallest of the top three EUDR-relevant commodity groups, with total imports around $6.61 million in 2022. The trends of the oil palm-derived products imports to the EU from Tunisa are detailed in **Figure 38.** The vast majority of these imports fall under **“industrial monocarboxylic fatty acids” (HS 382319),** which saw a significant increase from $1.63 million in 2018 to $6.34 million in 2022, indicating a focus on refined industrial derivatives rather than crude/unrefined oil palm. For the remaining oil palm-derived products imported from Tunisia, trade flows are highly sporadic and unstable, making investments in compliance or traceability systems particularly vulnerable. Moreover, as Tunisia is not a major oil-palm producer, the crude/ unrefined oil palm used in these industrial derivatives is almost entirely imported.

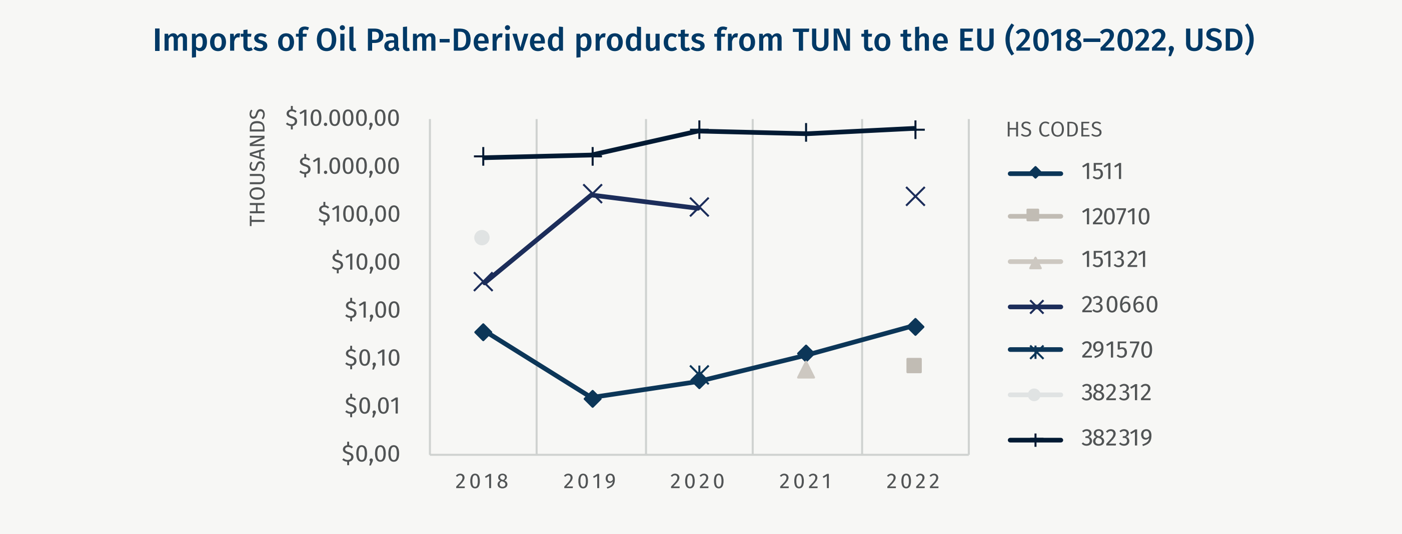


Figure 38: *Dynamics of Oil Palm-Derived Products Imports to the EU from Tunisia (2018–2022, Thousands USD)*
HS codes refer to product categories listed in Annex I. Full descriptions are available in Annex 1.
Data Source: *UN Comtrade Accessed 30 July 2025*

Consequently, the EUDR will compel Tunisian refiners and exporters to obtain comprehensive due-diligence statements from their oil-palm suppliers, demonstrating that the source plantations are deforestation-free.

Implications of the EUDR on Tunisia’s Trade Agreements with the EU

The EUDR introduces a new layer of complexity and potential opportunity for Tunisia’s trade relationship with the EU, a relationship primarily governed by the 1995 Association Agreement and ongoing discussions for a DCFTA.

The EU is Tunisia’s largest trading partner, accounting for 54.8% of its total trade in 2024, with 67.2% of Tunisia’s exports going to the EU and 45.2% of its imports originating from the EU (European Commission). The existing Association Agreement, ratified in 1996 and fully implemented for industrial goods by 2008, established a free-trade area with zero tariffs on industrial products, and a progressive opening for selected agricultural and fisheries products (European Commission; International Trade Association, 2024). While the Association Agreement has been criticized for its limited impact on Tunisia’s overall trade patterns, and for not significantly liberalizing non-tariff barriers or agriculture (Gasiorek and Mouley, 2018; Yemen and Marzouki, 2024), it provides the foundational framework for trade.

The ongoing, yet currently paused, negotiations for a **DCFTA** aim to create deeper trade and investment opportunities. They also aim to better integrate Tunisia's economy into the EU single market, extending liberalization to agriculture and services, and harmonizing legislation with EU standards (European Commission; Yemen and Marzouki, 2024). This broader scope of integration is where the EUDR could have more pronounced implications. The **PEM cumulation system**, to which Tunisia acceded in 2015, allows for diagonal cumulation of origin (European Commission). This system is crucial for Tunisia, which often relies on imported raw materials for its EUDR-relevant exports. However, the PEM system's rules of origin now interact with the EUDR's requirements, necessitating that not only the origin be from a PEM country, but also that it meets the deforestation-free criteria.

Details of the trade balance between the EU and Tunisia from 2018 to 2022 in **Figure 39,** reveal a consistent trade deficit for Tunisia. From 2018 to 2022, Tunisia consistently imported more from the EU than it exported, with the deficit ranging from approximately

$1.76 billion in 2018 to $1.14 billion in 2022, though it saw a low of $176.8 million in 2020 amidst global trade disruptions (UN Comtrade Database).

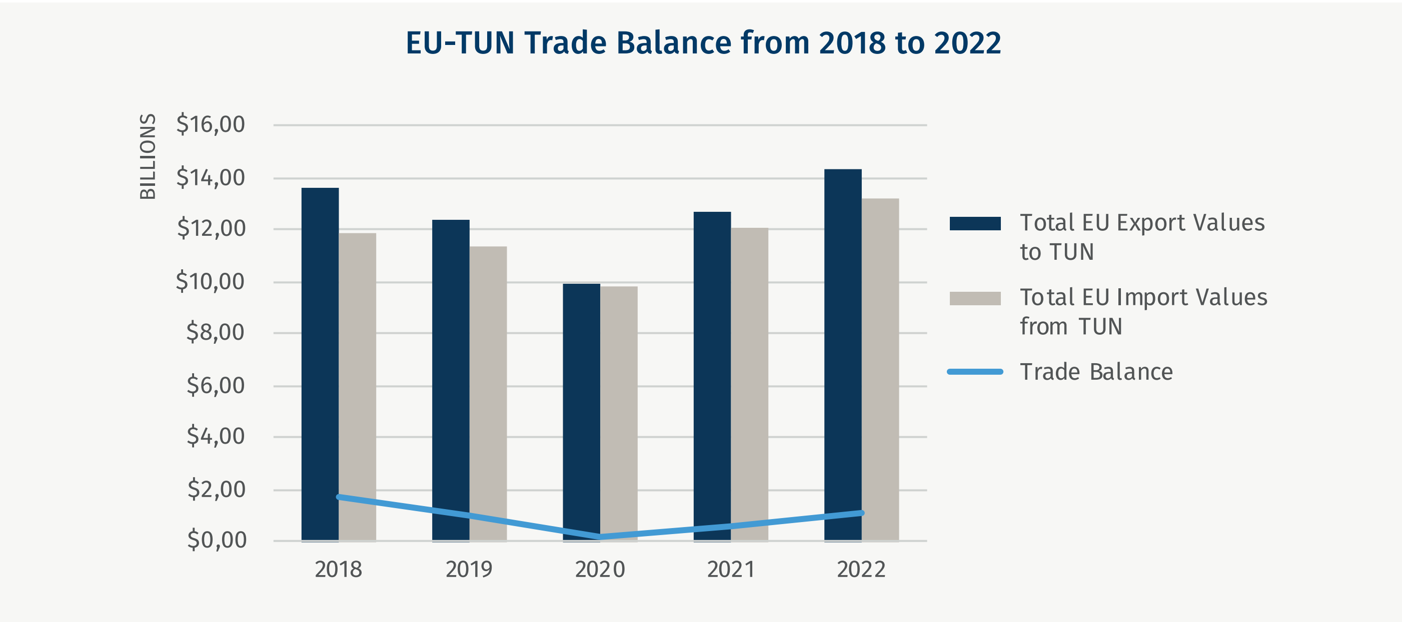


Figure 39: *EU-Tunisia Trade Balance (2018–2022, Billions USD)*
Data Source: *UN Comtrade database accessed 30 July 2025*

Furthermore, the low deficit in 2020 indicates that while Tunisia has import needs from the EU, the deficit is not overwhelmingly high and has shown signs of being manageable, even significantly reducing during periods of global economic flux.

EUDR Readiness Assessment

This assessment is based on responses provided by two representatives of governmental authorities and one representative the Tunisian's EU-Delegation.

Current Situation and Deforestation Policies

Based on responses from two governmental representatives, Tunisia faces deforestation and forest degradation pressures similar to those observed across the eastern and southern Mediterranean region. Major drivers include agricultural expansion, infrastructure development, urbanization, and forest fires. Prolonged droughts, particularly during eight consecutive years, have further contributed to forest decline. Although deforestation risks are generally considered limited outside fire- affected areas, existing management measures are constrained by structural and operational limitations.

Monitoring of forest resources is currently **irregular** and **infrequent**, with forest and pasture inventories completed every **five to ten years**. Annual data collection is often **imprecise**, limiting the ability to accurately track deforestation trends. Legally, Tunisia has established frameworks such as the Forest Code, the Law on Protection of Agricultural Lands, and the Planning and Urban Development Code. However, enforcement is considered **moderately effective,** hindered by social factors and the lack of physical land demarcation. Some initiatives promote sustainable forest management and community engagement, including mushroom cultivation and essential oil production, though these remain limited in scope.

Additional feedback from the EU Delegation in Tunisia highlights that Tunisian authorities have recently engaged regarding the EUDR, with particular attention to the **olive wood craftsmanship sector.** Although modest in economic volume, this sector has strategic importance for Tunisia's export image. The **National Office of Handicrafts (ONAT)** requested support to ensure compliance, particularly with respect to legality requirements. While Tunisia is classified as a low-risk country under the EUDR, existing national laws protecting olive trees create challenges for demonstrating legal compliance. Potential challenges were also noted for pre- assembled furniture exporters, though further investigation is required.

Tunisia lost 17% of its 2000 baseline tree cover between 2001 and 2024 (Sims and al., 2025). Only 7.8% of this loss linked to deforestation, primarily from permanent agriculture. The majority of losses resulted from temporary or natural disturbances, notably wildfires (Sims et al., 2025). This suggests that Tunisia's forest decline is largely driven by environmental factors rather than commodity production, indicating a relatively lower structural risk for EUDR compliance.

Institutional Engagement and Political Readiness

Awareness and integration of the EUDR at senior political levels remain limited, although the regulation is acknowledged within government structures. Tunisia is in the early stages of preparation, with ongoing discussions on how national policies could align with EUDR requirements.

The prioritization of the EUDR varies between the two governmental representatives. One highlighted limited awareness at senior levels, while the other recognized the issue but noted inconsistent prioritization. Engagement with stakeholders—including industry associations, private companies, and civil society—is largely inactive, reflecting a gap in dialogue and collaborative planning.

Government capacity assessments show diverging perspectives. One representative rated the government's ability to plan and design policies highly (4/5–5/5) but noted weaker implementation capacity (2/5), whereas the other assessed all capacities very low (1/5). Both respondents emphasized the need for initiatives to enhance understanding and action, such as awareness campaigns, workshops, and inter-institutional dialogues.

The EU Delegation confirmed that a dedicated forestry component will be included in their 2025–2027 programming, providing a framework for continued engagement and technical support, including potential collaboration with EFI to support olive wood and other relevant sectors.

Technical Capacity, Infrastructure, and Coherence Across Levels

Tunisia's technical capacity and infrastructure reveal significant gaps, particularly regarding data collection and management necessary for EUDR-compliant supply chain traceability. The existence of national databases is contested: one representative indicated no centralized databases exist, while the other suggested databases exist but are poorly accessible and unreliable. This indicates the absence of a centralized digital platform for monitoring supply chains. Current monitoring relies on satellite imagery and field surveys, but data collection is irregular, and access is limited, or on request.

Expertise assessments also diverge. One representative reported a lack of public sector expertise in supply-chain traceability, with technical knowledge concentrated in the private sector. Conversely, the other assessed expertise as very strong across sustainable agriculture, forest management, traceability, and data analysis. Geolocation information for production areas is limited, and traceability is often conducted manually or on paper, posing a significant barrier to compliance.

Regarding coherence between national and local levels, stakeholders agree that the manufacturing sector will be most affected. Key trade challenges include data collection and reporting requirements, customs procedures, supply chain traceability, and potential trade barriers.

EUDR Impact Assessment

Tunisia's overall exposure to the EUDR is relatively low at the macroeconomic level, with EUDR-relevant products representing only around 2% of exports to the EU. This suggests limited immediate disruption to the broader economy. However, this aggregated figure masks sector-specific vulnerabilities.

Sectoral Vulnerabilities

The most significant challenges will be felt in the **wood products** sector, which relies heavily on imported raw materials. Each imported batch will require verification of deforestation- free origin, creating dependency on supplier compliance in third countries. **Olive wood handicrafts,** a niche but emblematic product for Tunisia, were specifically highlighted following a stakeholder consultation conducted by an international organization that focused on this sector. Although Tunisian law protects olive trees, these protections do not directly align with the EUDR's legality definitions, creating a potential compliance gap. Existing legislation prohibiting the felling of olive trees complicates the demonstration of traceability and legal compliance required under the Regulation.

Other affected exports, such as processed **rubber and oil palm derivatives**, will depend on international suppliers' ability to meet EUDR standards. This reliance on external documentation may slow export processes, create administrative bottlenecks, and expose Tunisian exporters to risks outside their direct control.

Institutional and Technical Challenges

While Tunisia has relevant legal instruments such as the Forest Code and the Agricultural Land Protection Law, enforcement is weakened by resource constraints, fragmented institutional responsibilities, and limited coordination between ministries. Technical infrastructure for supply chain monitoring is underdeveloped: no centralized, interoperable database exists for real-time tracking of production and trade flows; available datasets are often incomplete, inaccessible, or non-standardized. Monitoring is conducted on an ad hoc basis, relying on satellite imagery or local inspections, which are insufficient for systematic EUDR compliance. Awareness of the regulation remains low among policymakers and industry actors, which delays the development of a coordinated national response.

Despite these constraints, the EUDR could serve as a catalyst for Tunisia to modernize its supply chain governance and strengthen its position in the EU market. Early compliance could position Tunisia as a **trusted, sustainability-aligned supplier,** opening opportunities in higher- value market segments. Digital traceability platforms, if integrated into existing national trade systems, could improve efficiency and competitiveness beyond EUDR-covered goods. Engagement with EU institutions and technical partners can provide financial support, knowledge transfer, and capacity building for high-priority sectors, particularly wood products and olive wood handicrafts.

Concluding Remarks on Country Impact Assessment

The comparative assessment of the nine eastern and southern Mediterranean countries demonstrates that their direct exposure to the EUDR is primarily operational and administrative, rather than linked to deforestation in situ. These countries are predominantly manufacturing and processing hubs rather than primary producers of high-risk commodities. As such, their responsibilities under the Regulation focus on and verifying documentation and ensuring complete traceability throughout the production and supply chain. Compliance will therefore require careful management of records, verification of raw material origins, and consistent reporting to EU operators.

Table 13: *Summary of EUDR Exposure and Compliance Impacts for eastern and southern Mediterranean Countries*

Country	EUDR Exposure	Impact
Algeria	Low	• Limited exports of EUDR commodities • Weak institutional readiness and data reporting • Localized compliance costs
Egypt	Medium	• Challenges in data privacy, digital traceability, and governance (CPI 30)
Israel	Medium	• Sector-specific vulnerabilities in wood, rubber, and oil-palm products • Settlement-related trade restrictions; dependence on imported inputs; SMEs face compliance burdens
Jordan	Low	• SME capacity and compliance gaps; risk of trade diversion
Lebanon	Low- Medium	• Trade data discrepancies • Technical barriers for SMEs • High compliance costs corruption challenges (CPI 22)
Mauritania	Low	• SME limitations • Fragmented supply chains • Corruption challenges (CPI 30)
Morocco	Medium	• Wood, rubber, and leather exports; imported raw materials must be verified for legality and deforestation-free origin • EU delegation actively supports compliance; opportunity to convert compliance into competitive advantage and secure EU market access
Palestine	Low	• Traceability and reporting barriers due to border closures and political fragmentation • Compliance costs likely exceed benefits
Tunisia	Medium	• Wood and niche olive wood handicrafts dependent on imported raw materials; origin verification required • Weak technical infrastructure

Table 13 presented above summarizes the impact of the EUDR on each country, highlighting the level of exposure, main challenges, and strategic opportunities. Across the region, the primary challenges identified include:

- **Data traceability and verification**, particularly for imported raw materials
- **Limited awareness and preparedness** among public authorities and private sector actors, especially SMEs
- **Institutional and governance gaps**, including fragmented responsibilities and inconsistent monitoring, which may complicate compliance and reporting

Figure 40 complements the table by showing the commodities most exposed to the EUDR per country. For most eastern and southern Mediterranean countries, these include **wood-derived products, cattle-derived products, and rubber**, which will be the focus of compliance and due diligence efforts.

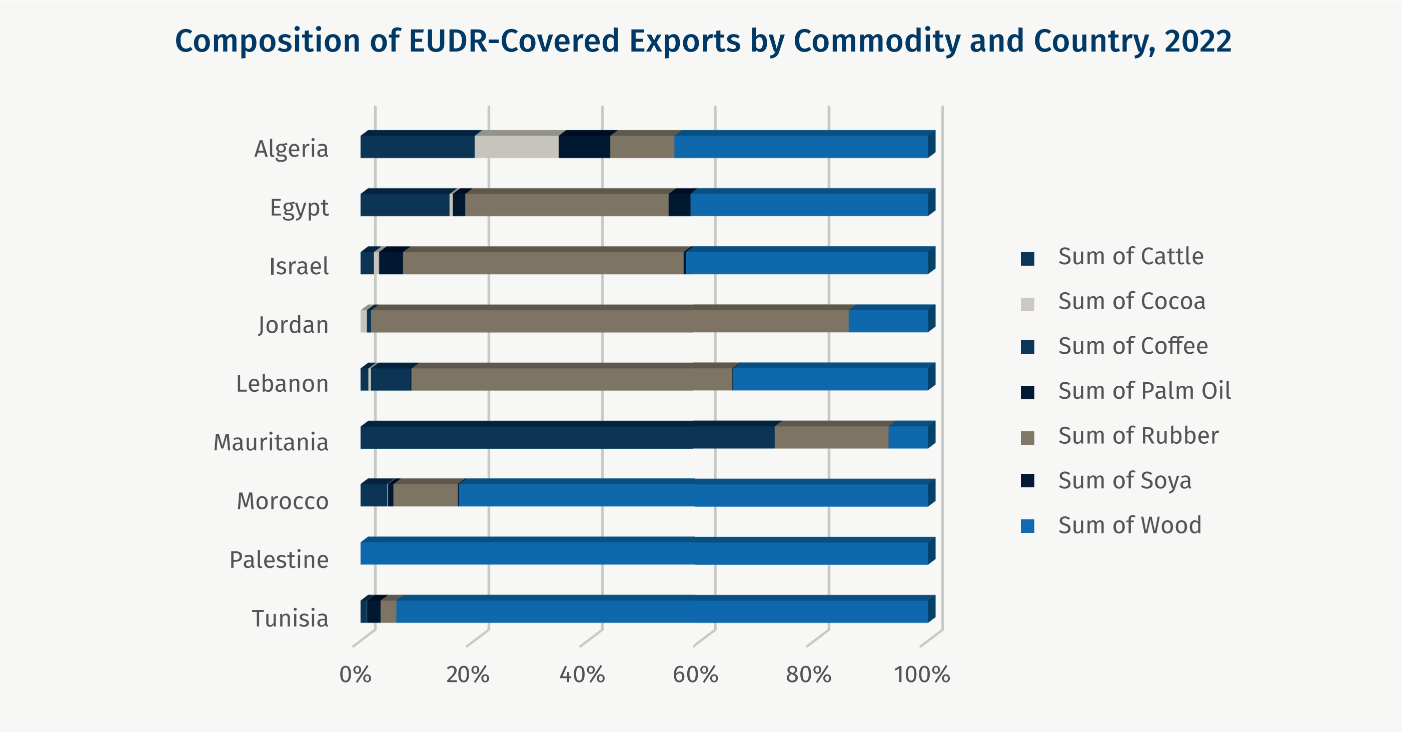


***Figure 40:** Composition of EUDR-Covered Exports by Commodity and Country, 2022*
***Data Source:** UN Comtrade Database*

In conclusion, these countries are **only marginally and indirectly affected by the EUDR,** as they are neither major exporters to the EU nor direct producers of the covered commodities on their own territory. Consultations revealed that, for most countries, awareness of the EUDR is recent, often gained through these engagement processes, and many actors do not feel directly concerned. Nevertheless, they carry a **responsibility to ensure complete traceability** throughout the supply chain—from the sourcing of raw materials, through processing, to export.

In these countries, challenges such as corruption, data reliability, and incomplete monitoring of production chains make compliance particularly vulnerable. Monitoring deforestation is generally not a priority when the commodities are not produced locally. However, if the raw materials being processed originate from local production, then due diligence obligations intersect with the country's capacity to monitor deforestation.

Overall, **the impact of the EUDR is moderate**, and compliance will require **targeted approaches focused on niche markets** where traceability and documentation can be effectively ensured. **Table 14** reveals that only 1.1% of the nine countries' total exports to the EU likely to be affected by the EUDR.

Table 14: *Summary of EUDR influence on target countries*

Country	EU Imports			EUDR		
	Total	EUDR-linked		Implication	Readiness	Impact
	(million $)		(%)			
Algeria	44,040	25.36	0.06	Minimal	Limited	Limited
Egypt	17,040	217.25	1.28	Contained	Developing	Moderate
Israel	18,290	178.42	0.98	Contained	Mixed	Limited
Jordan	725.86	12.2	1.68	Minimal / Contained	Moderate	Limited
Lebanon	628.8	50.6	8.05	Contained	Limited	Moderate
Mauritania	796.15	0.15	0.02	Minimal	Limited	Limited
Morocco	22,770	530.28	2.33	Contained	Developing	Moderate
Palestine	25.83	0.16	0.63	Minimal	Limited	Limited
Tunisia	13,168	278.8	2.12	Minimal / Contained	Developing	Moderate
Totals	**117,484.64**	**1,293.22**	**1.10**			

Recommendations

Although a European regulation, the EUDR has effectively become a gateway to a market that is increasingly restrictive, making compliance essential for continued access. Eastern and southern Mediterranean countries must prepare for these changes, as the region faces both emerging opportunities and compliance challenges. Due to limited awareness of the regulation, many stakeholders risk only realizing the implications after their products are rejected, leading to reactive rather than proactive responses. Furthermore, as predominantly developing countries, most eastern and southern Mediterranean nations have limited experience with systematic data collection and complex traceability systems, particularly for intricate supply chains. The region is also historically and currently affected by geopolitical conflicts, and any shifts in trade could influence political relationships with the EU, underscoring the importance of proactive engagement.

Following a stakeholder consultation with regional organisations representing most of the countries targeted in this study, it became evident that direct engagement with EUDR-related initiatives remains very limited. No dedicated assessments, projects, or institutional mechanisms currently address deforestation prevention, supply-chain traceability, or sustainable land management in a way that aligns with EUDR requirements. This gap underscores the urgent need for coordinated action to build awareness, capacity, and technical infrastructure.

To support timely and effective action, this section integrates findings from stakeholder consultations, where open-ended questions allowed participants to express their needs and concerns. The recurring use of specific words in their responses, as exposed through **Figure 41**, highlights the main priorities and gaps, which have directly informed the structure of the tailored recommendations presented below.

Figure 42: *Stakeholder Responses on Investments Needed for EUDR Implementation*

To support overall readiness and implementation of the EUDR, the following recommendations outline a set of general, strategic actions.

1. **Capacity Building & Training**
    a. Organize seminars, workshops, and practical training for governments, enterprises, and SMEs to clarify responsibilities and due diligence obligations.
    b. Strengthen technical and data literacy among employees to ensure proper use of monitoring and traceability systems.
    c. Provide comprehensive training for public officials in forest governance, data management, and compliance verification.

2. **Traceability & Monitoring Systems**
    a. Develop digital traceability platforms (including blockchain) to ensure transparency and compliance.
    b. Invest in advanced monitoring tools such as satellite imagery, drones, GIS platforms, and artificial intelligence.
    c. Create interoperable digital systems with standardized procedures and manuals for data collection and reporting.
    d. Offer technical assistance and financial support to enterprises, especially SMEs, to implement these systems.

3. **Private Sector Engagement**
    a. Engage industry associations and SMEs early and continuously in EUDR compliance discussions.
    b. Provide targeted guidance on due diligence, risk assessment, and mitigation strategies.
    c. Establish funding mechanisms, incentives, and partnerships to support the private sector's adaptation to sustainable production practices.

4. **Institutional Coordination**
    a. Create national EUDR task forces to link ministries, public authorities, and private stakeholders.
    b. Establish formal inter-ministerial and multi-stakeholder platforms to coordinate policies and enforcement.
    c. Implement bureaucratic reforms to reduce fragmentation and enhance policy coherence.

5. **Regional Cooperation**
    a. Harmonize data standards and share best practices across Mediterranean countries.
    b. Launch joint capacity-building programs and regional platforms for information exchange.
    c. Promote collaborative research initiatives on sustainable practices.
    d. Develop trusted systems for data sharing that respect privacy and national regulations.
    e. Coordinate regional advocacy efforts with the EU to influence regulatory developments.

6. **Governance & Legal Frameworks**
    a. Strengthen legal enforcement mechanisms to ensure compliance.
    b. Improve transparency and accountability in governance.
    c. Foster participatory stakeholder engagement to build trust and legitimacy.

7. **International & EU Support**
    a. Leverage EU and donor funding for infrastructure, training, and monitoring technologies.
    b. Expand technical cooperation and knowledge transfer with countries already engaged in EUDR compliance.
    c. Build structured dialogue with EU authorities to clarify requirements and negotiate transitional arrangements.
    d. Use external EU perspectives to better understand compliance benchmarks and reduce uncertainty.

Executive Summary – Key recommendations for EUDR compliance

1. **Strengthen Capacity Building**

    a. Deliver targeted training and workshops for public officials, enterprises, and SMEs to clarify due diligence obligations and build technical/data literacy.

2. **Develop Robust Traceability & Monitoring Systems**

    b. Invest in interoperable digital platforms, blockchain solutions, and advanced monitoring tools to ensure transparent and verifiable supply chains.

3. **Engage and Support the Private Sector**

    c. Provide financial incentives, technical assistance, and partnerships to help SMEs and industry associations adopt sustainable production and compliance practices.

4. **Enhance Institutional Coordination**

    d. Establish national EUDR task forces and inter-ministerial platforms to align policies, reduce fragmentation, and strengthen public–private dialogue.

5. **Promote Regional Cooperation**

    e. Harmonize data standards, expand regional capacity-building programs, and create trusted mechanisms for information sharing across Mediterranean countries.

6. **Leverage EU & International Support**

    f. Secure donor funding and EU technical cooperation to scale infrastructure and training, while engaging proactively with EU authorities to clarify requirements and safeguard market access

7. **Improve Governance & Transparency**

    g. Strengthen legal enforcement, reduce institutional fragmentation, and foster participatory stakeholder engagement to build trust and ensure compliance readiness.

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Annex 1:
Harmonized System (HS) Codes Product Description

Commodity group	HS	Product Description
Cattle	010229	Live cattle
	0201	Meat of cattle, fresh or chilled
	0202	Meat of cattle, frozen
	020629	Edible offal of cattle, fresh or chilled
	160250	Other prepared or preserved meat, meat offal, blood, of cattle
	4101	Raw hides and skins of cattle (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split
	4104	Tanned or crust hides and skins of cattle, without hair on, whether or not split, but not further prepared
	4107	Leather of cattle, further prepared after tanning or crusting, including parchment-dressed leather, without hair on, whether or not split, other than leather of heading 4114
Cocoa	1801	Cocoa beans, whole or broken, raw or roasted
	1802	Cocoa shells, husks, skins and other cocoa waste
	1803	Cocoa paste, whether or not defatted
	1804	Cocoa butter, fat and oil
	1805	Cocoa powder, not containing added sugar or other sweetening matter
	1806	Chocolate and other food preparations containing cocoa

Commodity group	HS	Product Description
Coffee	0901	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion
	090111	Coffee; not roasted or decaffeinated
	090112	Coffee; decaffeinated, not roasted
	090121	Coffee; roasted, not decaffeinated
	090122	Coffee; roasted, decaffeinated
	090190	Coffee; husks and skins, coffee substitutes containing coffee in any proportion
Oil Palm	120710	Palm nuts and kernels
	1511	Palm oil and its fractions, whether or not refined, but not chemically modified
	151321	Crude palm kernel and babassu oil and fractions thereof, whether or not refined, but not chemically modified
	151329	Palm kernel and babassu oil and their fractions, whether or not refined, but not chemically modified (excluding crude oil)
	230660	Oilcake and other solid residues of palm nuts or kernels, whether or not ground or in the form of pellets, resulting from the extraction of palm nut or kernel fats or oils
	290545	Glycerol, with a purity of 95 % or more (calculated on the weight of the dry product)
	291570	Palmitic acid, stearic acid, their salts and esters
	291590	Saturated acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxy acids; their halogenated, sulphonated, nitrated or nitrosated derivatives (excluding formic acid, acetic acid, mono-, di- or trichloroacetic acids, propionic acid, butanoic acids, pentanoic acids, palmitic acid, stearic acid, their salts and esters, and acetic anhydride)
	382311	Stearic acid, industrial
	382312	Oleic acid, industrial
	382319	Industrial monocarboxylic fatty acids; acid oils from refining (excluding stearic acid, oleic acid and tall oil fatty acids)
	382370	Industrial fatty alcohols

Commodity group	HS	Product Description
Rubber	4001	Natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip
	4005	Compounded rubber, unvulcanised, in primary forms or in plates, sheets or strip
	4006	Unvulcanised rubber in other forms (e.g. rods, tubes and profile shapes) and articles (e.g. discs and rings)
	4007	Vulcanised rubber thread and cord
	4008	Plates, sheets, strips, rods and profile shapes, of vulcanised rubber other than hard rubber
	4010	Conveyer or transmission belts or belting, of vulcanised rubber
	4011	New pneumatic tyres, of rubber
	4012	Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps of rubber
	4013	Inner tubes of rubber
	4015	Articles of apparel and clothing accessories (including gloves, mittens and mitts), for all purposes, of vulcanised rubber other than hard rubber
	4016	Other articles of vulcanised rubber other than hard rubber, not elsewhere specified in chapter 40
	4017	Hard rubber (e.g. ebonite) in all forms including waste and scrap; articles of hard rubber
Soya	1201	Soya beans, whether or not broken
	120810	Soya bean flour and meal
	1507	Soya-bean oil and its fractions, whether or not refined, but not chemically modified
	2304	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil

Commodity group	HS	Product Description
Wood	48	Pulp and paper of Chapters 47 and 48 of the Combined Nomenclature, with the exception of bamboo-based and recovered (waste and scrap) products
	49	Printed books, newspapers, pictures and other products of the printing industry, manuscripts, typescripts and plans, of paper
	4401	Printed books, newspapers, pictures and other products of the printing industry, manuscripts, typescripts and plans, of paper
	4402	Wood charcoal (including shell or nut charcoal), whether or not agglomerated
	4407	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm
	4410	Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances
	4411	Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances
	4412	Plywood, veneered panels and similar laminated wood
	4414	Wooden frames for paintings, photographs, mirrors or similar objects
	4415	Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood (not including packing material used exclusively as packing material to support, protect or carry another product placed on the market)
	4418	Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes
	4419	Tableware and kitchenware, of wood
	4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94
	4421	Other articles of wood
	9401	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof, of wood
	940330	Wooden furniture, and parts thereof
	940340	
	940350	
	940360	
	940610	

Annex 2:
Questionnaire for Target Group 1

Annex 3:
Questionnaire for Target Group 2

Annex 4:
Questionnaire for Target Group 3

Annex 5:
Supporting Analysis for Recommendations

This annex provides a detailed exploration of the analysis underlying the recommendations presented in the main report. It offers additional context, supporting data, and explanations that informed the formulation of each recommendation. In particular, it highlights insights from the stakeholders' survey conducted, which nourished and guided the development of the recommendations, allowing readers to better understand the rationale and evidence behind the suggested actions.

Raising Awareness and Building Capacity

A foundational step for eastern and southern Mediterranean countries will be to implement coordinated awareness campaigns and targeted training initiatives to enhance understanding of EUDR obligations across government institutions, the private sector, and civil society. Stakeholder consultations indicated that the highest-priority actions requested were awareness campaigns and workshops specifically focused on compliance requirements under the EUDR, as presented in **Figure 43**.

These consultations emphasized that seminars and practical training are essential to ensure that all relevant actors understand their responsibilities. They also revealed significant gaps in knowledge at both governmental and enterprise levels, with stakeholders highlighting the need for clear guidance on due diligence and compliance mechanisms.

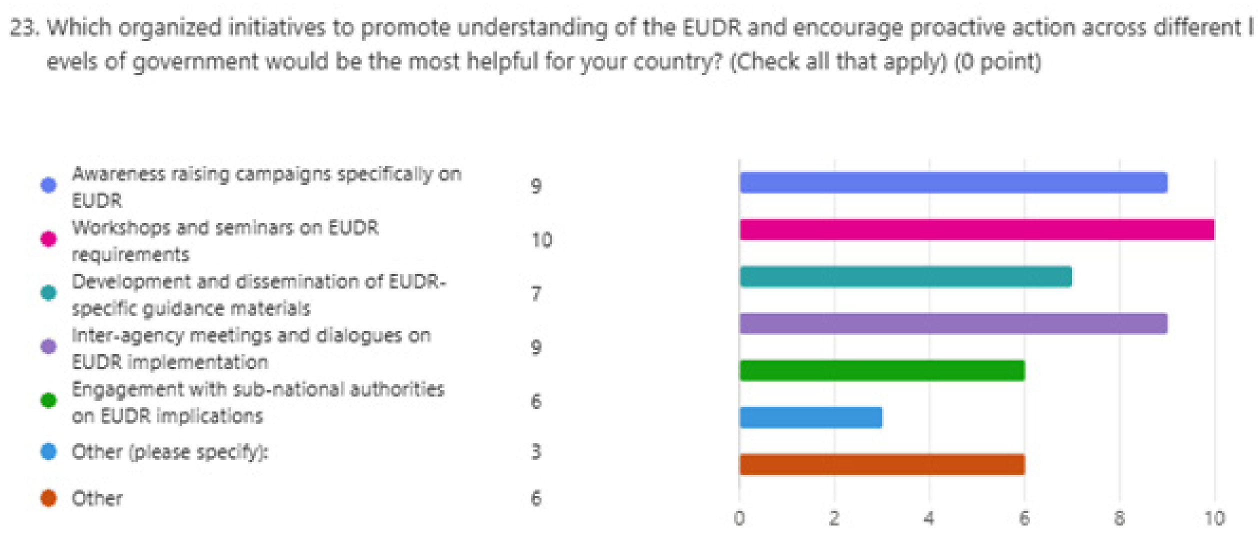

Figure 43: *Survey Responses on Effective Measures to Encourage Proactive Action on the EUDR*

Developing Comprehensive Traceability and Monitoring Systems

Investments in digital traceability platforms, geolocation verification tools, and standardized procedures are critical to establish robust and verifiable monitoring of EUDR-relevant commodities. Stakeholders consistently stressed the importance of digital traceability systems, including blockchain technology, as well as the need for advanced monitoring tools such as satellite imagery, drones, GIS platforms, and artificial intelligence.

The consultations highlighted the necessity of building institutional capacity to implement and maintain these systems effectively. Exporting companies located in eastern and southern Mediterranean countries face significant limitations due to fragmented, paper-based record-keeping (as shown in the Figure 44), and the absence of standardized procedures, which undermine their ability to guarantee the origin and sustainability of commodities. Addressing these gaps requires not only strengthening technical capacity but also improving technical and data analysis literacy, so that employees can understand and correctly use the tools and systems provided. Developing interoperable digital platforms, ensuring the availability of technical assistance for enterprises, and establishing standardized manuals for data collection and management, and reporting are therefore imperative to achieve EUDR compliance.

Given the potential for significant trade disruptions, countries should undertake commodity-specific impact assessments to identify vulnerabilities and compliance gaps. Early engagement with EU counterparts could help clarify requirements, negotiate transitional arrangements, and safeguard market access. Supporting the private sector through funding mechanisms, incentives, and partnerships will be critical to enabling adaptation to sustainable production practices.

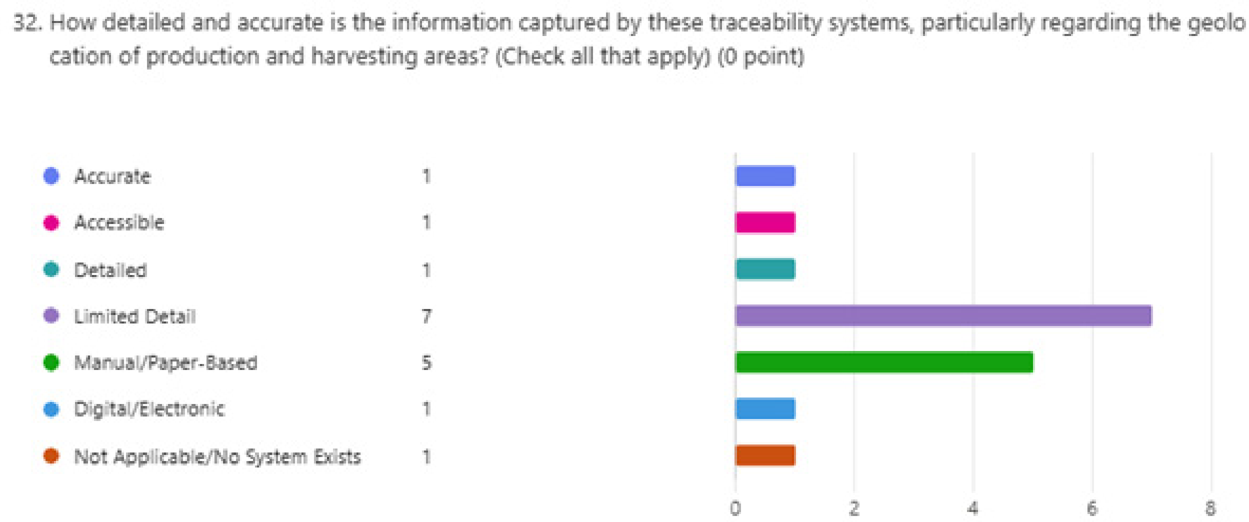

Figure 44: *Survey Response for Accuracy and quality of traceability systems of focus countries*

The private sector, including industry associations and SMEs, is a key actor in EUDR compliance, and requires early and continuous engagement. Stakeholders emphasized the importance of targeted workshops and seminars to provide practical guidance on due diligence obligations. The development and implementation of traceability systems fall primarily under the responsibility of private actors. Ensuring operational feasibility and widespread adoption of compliance measures requires their active engagement, supported by technical assistance, training, and guidance on risk assessment and mitigation strategies. A proactive engagement not only strengthens compliance but also supports the development of sustainable, transparent supply chains across the region.

Institutional Coordination and Regional Cooperation

Institutional fragmentation represents a significant barrier to effective EUDR compliance. The study underscores the need for formal **inter-ministerial and multi-stakeholder platforms** to coordinate EUDR-related policies, enforcement, and public–private dialogue. Stakeholders highlighted that inter-agency coordination, bureaucratic reforms, and capacity building are critical to unifying efforts, eliminating redundancies, and enhancing policy coherence. Creating national EUDR task forces linking relevant ministries and public authorities, establishing regular dialogue mechanisms with private sector actors, and providing comprehensive training for public officials in forest governance, data management, and compliance verification are essential steps toward building institutional readiness.

Regional collaboration is another key strategy to address common challenges and create a coherent compliance environment across the eastern and southern Mediterranean. Stakeholders highlighted the benefits of harmonizing data standards, implementing joint capacity-building programs, establishing regional platforms for information exchange, promoting collaborative research, and coordinating advocacy with the EU. At the same time, consultations revealed a significant challenge: data is often limited in access or only moderately accessible, as shown in the **Figure 45**, reflecting a reluctance among some countries to share information, including export data, internal infrastructure capacity, trade volumes with key partners, and the content of bilateral or multilateral trade agreements. Even when data is available, handling it remains sensitive due to privacy and regulatory concerns.

To overcome this barrier, structured discussions and the development of clear, trusted systems are essential to make data more accessible while fully respecting national privacy policies. Collaborative research initiatives can drive innovation in sustainable practices, while coordinated advocacy with the EU can amplify the region's collective voice in shaping future regulatory developments. Finally, it is important to acknowledge the influence of governance challenges and political instability in parts of the region, which can hinder EUDR implementation. Strengthening legal enforcement, improving transparency, and fostering participatory stakeholder engagement will be essential to creating the enabling environment required for compliance.

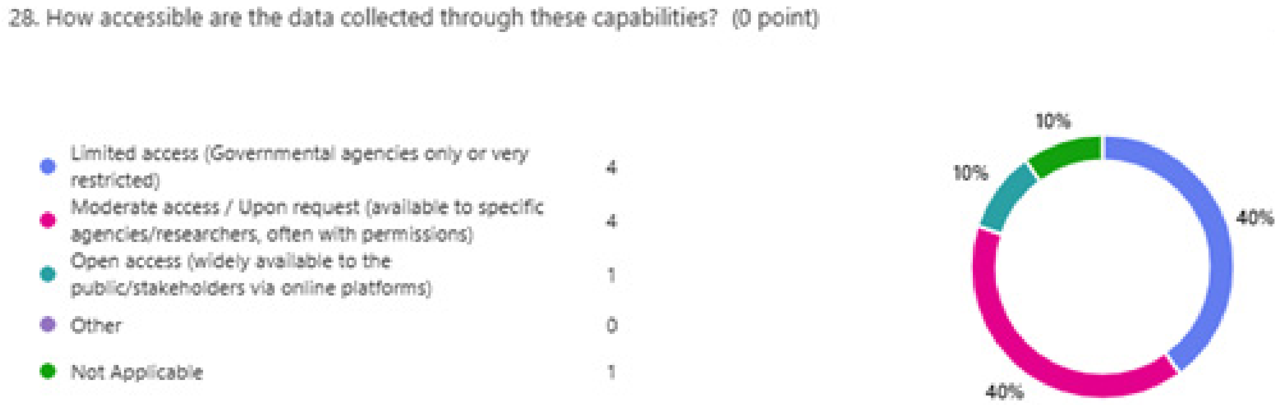

Figure 45: *: Survey Responses on Availability and Accessibility of Relevant Data*

Leveraging International and EU Support Mechanisms

Given the resource constraints faced by many eastern and southern Mediterranean countries, leveraging international and EU support is essential for accelerating compliance readiness. Stakeholders highlighted the need for investment in capacity building, digital infrastructure, and technical assistance. Engaging with donors and technical partners can provide financial support for the implementation of traceability platforms, advanced monitoring technologies, and targeted training programs.

As seen in Tunisia and Morocco, EUDR-focused initiatives are already taking shape, and through these efforts, both public and private-sector actors feel encouraged and supported, making them more receptive and motivated to engage with the EUDR and understand forthcoming regulatory requirements. Moreover, these collaborations facilitate knowledge transfer and technical exchanges with countries already experienced in EUDR compliance. International support also enables joint advocacy initiatives and strengthens regional cooperation, creating synergies that enhance the overall effectiveness of national and regional EUDR strategies.

The proactive development of a structured dialogue with EU Member States and their competent authorities is equally important. These member states ultimately set the benchmarks for risk assessment under the EUDR, and define the level of due diligence required for Mediterranean exports. Beyond ensuring compliance, such interactions provide eastern and southern Mediterranean countries with a critical external perspective on how their governance, data systems, and commodities are perceived by EU regulators. This allows partner countries to better understand the criteria by which their exports are assessed, reduces uncertainty, and fosters trust, ultimately enabling them to position themselves more strategically within the evolving EU market framework.

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The information presented herein, including data, analysis, and stakeholder perspectives, is based on international trade statistics extracted from the **UN Comtrade Database**, as well as a structured process of stakeholder consultation and validation conducted in 2025. While every effort has been made to ensure the accuracy and reliability of the information, **EFI** cannot guarantee the completeness, accuracy, or timeliness of all data and stakeholder inputs.

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Scoping Study

On the impact of the EU Deforestation Regulation on Mediterranean Countries

Scoping Study on the Impact of the EU Deforestation Regulation on Mediterranean Countries explores the readiness, implications, and potential impact of the EU Deforestation Regulation (EUDR) on nine eastern and southern Mediterranean countries—Algeria, Egypt, Israel, Jordan, Lebanon, Mauritania, Morocco, Palestine, and Tunisia. This study provides unique perspectives concerning how these countries, as processing and transit hubs for key commodities, are positioned within global supply chains increasingly shaped by sustainability standards. The research engaged around 160 key stakeholders from government, private-sector, and international organizations. It leverages trade data, visualized through more than 40 graphs of harmonised-system (HS)-coded derived products and insights from three targeted surveys. Results highlight critical gaps in infrastructure, technical capacity, and regulatory awareness, revealing minimal preparation for compliance and potential vulnerabilities in trade flows. The study offers actionable recommendations to strengthen traceability, improve data accessibility, and enhance institutional and private sector capacity.

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