

RSPO and the EUDR Implementation: Better Prepared, More Sustainable

On 16 May 2023, the Council of the European Union adopted a landmark piece of legislation, the EU Deforestation Regulation (EUDR).

At the forefront of sustainability in the global palm oil sector for nearly 20 years, the Roundtable on Sustainable Palm Oil (RSPO) has made a systematic analysis of the EUDR versus the RSPO 2018 Principles and Criteria (P&C) and chain of custody requirements. Although some gaps have been identified, **RSPO is in a good position to facilitate compliance to the EUDR for its members.**

The regulation itself **explicitly recognises third party verified schemes as tools** which can be used by companies in their risk assessment, without substituting the operators' legal responsibility with regards to due diligence. Beyond the risk assessment, there are **many other reasons why RSPO Certification will remain an important tool to demonstrate sustainability**, both for RSPO Members as well as for the National Competent Authorities responsible for monitoring compliance.

Enhanced preparation and capabilities to align with EUDR

Traceability

RSPO is developing a new digital platform for traceability. This platform will allow members to upload and trace relevant EUDR compliant information throughout the supply chain. It will allow members to include EUDR relevant information on requirements which are not covered by the 2018 RSPO P&C, on a voluntary basis. The platform can also contain information on the conventional material members source for their Mass Balance supply. Members will be responsible for their own due diligence on no deforestation and legality for the conventional material, and by providing the system to transfer the information, the RSPO will make it easier for its members to show National Competent Authorities how they are EUDR compliant.

Checks

Initial contact with the National Competent Authorities indicate that they are willing to see RSPO Certification as a risk mitigation indicator, to help them determine how to allocate their resources for

the risk-based approach to their checks as prescribed by the EUDR. This means RSPO Members will have a lower chance of checks and administrative burdens.

RSPO Certification goes beyond the EUDR requirements for sustainability

While no deforestation is important, sustainability has a much broader scope. By being RSPO Certified, our members show they have a holistic view on sustainability. Beyond “legality” and “no deforestation”, the RSPO Standards promote smallholder inclusion, gender policies, pesticide and water management, as well as many other social and environment topics that are not part of EUDR.

Networking and information sharing

The RSPO Europe Team organises an informal ‘Monthly Member Update Meeting’ on the second Thursday of each month (10:30 - 11:30 AM CET), where recent developments are discussed and members are invited to share information around EU dossiers. For more information, please contact info.eu@rspo.org.

Main gaps identified and way forward

Deforestation

- The definition of “forest” within the EUDR is a quantitative general threshold value while within the RSPO P&C it is a qualitative site-specific methodology (HCS-HCV methodology);
- The exemption for High Forest Cover Countries (RSPO P&C) versus non exemption (EUDR).

Legality

- EUDR requires that information on legality is transferred through the supply chain, whereas the RSPO P&C does not currently require this transfer of information.

Geolocation

- Geolocation requirements of “polygons” P&C for plots above four hectares (required under EUDR) are not mentioned in the RSPO P&C.
- Definitions of “Fresh Fruit Bunch origin” (RSPO P&C) and “plot of land” (EUDR) are not aligned with the EUDR defining plot of land as “an extension of land within a single real-estate property”;
- The existing exemption/transition period in the RSPO P&C for mills going for the first year of certification from the obligation to collect smallholder geolocation information is not compatible with EUDR.

Way forward:

1. The development of the new digital platform for traceability which will contain EUDR relevant information.
2. The ongoing RSPO P&C review offers an opportunity to address certain gaps. The new version will be presented for voting at the RSPO General Assembly on 22 November 2023.
3. RSPO will continue to engage with the European Commission and National Competent Authorities as well as national ministries to offer its support as a resource, to facilitate good regulatory implementation for RSPO Members.