EU Parliament’s Resolution to Ban Palm by 2020?

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Outline

An overview of The European Parliament Resolution of April 2017 to ban Biofuels based on palm & other vegoils that drive deforestation-

The outlook & implications for Palm/Palm based Biofuel arising from this.

Will there be specific Sustainability Requirements for Palm in future?
The general perception of the MEP Resolution...
An example of what the Press (Guardian) says

MEPs vote to ban the use of palm oil in biofuels

MEPs say a ban, which needs approval from the European commission, is needed to avoid renewable targets contributing to deforestation.
However

The Official European Parliament resolution of 4th April 2017 “Palm oil and Deforestation of rainforests (2016/2222(INI) passed 640 to 18 with 28 abstentions is more nuanced with its

-27 Observations
-25 Considerations
-54 Recommendations
Highlights from these Observations

That the EU is committed through various international declarations and its own Agenda to halt deforestation and to restore degraded land
Observations

whereas nearly half (49%) of all recent tropical deforestation is the result of illegal clearing for commercial agriculture and this........produces 1.47 gigatonnes of carbon each year – the equivalent of 25% of the EU’s annual fossil fuel-based emissions & contributed to wild fires in Indonesia / Borneo,
Highlights from these Observations....

60% of EU palm oil imports in 2014, with 48% of imported palm oil used as fuel for transport (http://ec.europa.eu/environment/air/air_quality_transport/index.htm). Of all 70% of the palm oil for biodiesel will be 1 Mha (million hectares), of which 0.57 Mha will be deforested. Deforestation of rainforests is destroying the natural habitats of more than half of the world’s animal species and more than two thirds of its plant species and endangering multiple investigations reveal widespread abuses of basic human rights during the establishment and operation of palm oil plantations in many countries, including forced evictions, armed violence, child labour, debt bondage or discrimination against
3. Notes the complexity of the driving factors of global deforestation, such as clearing land for cattle or arable crops, in particular to produce soya feed for EU livestock, as well as palm oil, urban sprawl, logging and other intensive agricultural activity.

4. Notes that 73% of global deforestation arises from the clearing of land for agricultural commodities, with 40% of global deforestation caused by conversion to large-scale monocultural oil palm plantations.

5. Notes that palm oil exploitation is not the sole cause of deforestation, with the expansion of illegal logging activities and demographic pressures also responsible.

6. Observes that other plant-based oils produced from soybeans, rapeseed and other crops have a much higher environmental footprint and require much more extensive land use than palm oil; notes that other oil crops typically entail a more intensive use of pesticides and fertiliser;
The cultivation of palm oil can deliver positive contributions to the economic development of countries and offer viable economic opportunities for farmers, provided that it is carried out responsibly and sustainably.

... that the existence of different schemes RSPO, ISPO and MSPO is confusing for consumers and that the ultimate objective should be the development of a single certification scheme, which would improve the visibility of sustainable palm oil for consumers.
The main recommendation is a call on the Commission to honour the EU’s international commitments:

- COP21
- the UN Forum on Forests (UNFF)1,
- the UN Convention on Biological Biodiversity (UNCBD)2,
- the New York Declaration on Forests
- the Sustainable Development Goal to halt deforestation by 2020
Some of the other Recommendations....

all Member States ...... to demonstrate their commitment to working towards the establishment of an EU-wide national commitment of sourcing 100 % certified sustainable palm oil by 2020 ....and....companies that cultivate palm oil to adhere to the Bangkok Agreement on a Unified Approach to Implementing No Deforestation Commitments

launch information campaigns and to provide consumers with comprehensive information on the positive environmental, social and political consequences of sustainable palm oil production

Acknowledges the positive contribution made by existing certification schemes, but observes with regret that RSPO, ISPO, MSPO, and all other recognised major certification schemes do not effectively prohibit their members from converting rainforests or peatlands into palm plantations
Some of the other Recommendations….

Calls for the EU to introduce minimum sustainability criteria for palm oil and products containing palm oil that enter the EU market, (no ecosystem degradation, no changes in land management practices with negative environmental impacts, not giving rise to economic, social and environmental problems and conflicts, including the particular problems of child labour, forced labour, land grabbing or the eviction of indigenous or local communities)
...Some of the other Recommendations

- Increase the traceability of palm oil imported into the EU and, until the single certification scheme is applied,

- To consider applying different customs duty schemes that more accurately reflect the real costs associated with the environmental burden;

- Asks the Commission to also consider the introduction and application of non-discriminatory tariff and non-tariff barriers based on the carbon footprint of palm oil; calls for the ‘polluter pays’ principle to be fully applied in relation to deforestation.
Some of the other Recommendations

Notes with concern that 46 % of total palm oil imported by the EU is used for the production of biofuels and that this requires the use of about one million hectares of tropical soils; calls on the Commission to take measures to phase out the use of vegetable oils that drive deforestation, including palm oil, as a component of biofuels, preferably by 2020;
Work closely with other significant consumers of palm oil, such as China, India and the producing countries, so as to raise their awareness and to explore common solutions to the problem of tropical deforestation and forest degradation;
Finally…. 

Notes that simply banning or phasing out the use of palm oil may give rise to replacement tropical vegetable oils being used for biofuel production, which would, in all probability, be grown in the same ecologically sensitive regions as palm oil and which may have a much higher impact on biodiversity, land use and greenhouse gas emissions than palm oil itself; 

....recommends finding and promoting more sustainable alternatives for biofuel use, such as **European oils produced from domestically cultivated rape and sunflower seeds**
What could be future scenarios for Palm/Palm Biofuel?

Unlikely that there will be an immediate ban on Palm/Palm Biodiesel but there could be significant from 2020 under RED II.

Food crop based biofuels may be reduced or phased out (Biodiesel market in any case may shrink due to stringent emission requirements/accelerated growth of Electric cars).

Certification may become mandatory for non biofuels as well (ISCC Plus is already being used by Companies for this).

Unclear how MSPO/ISPO will be treated.
What does RED II say about this?

“Member States may ... distinguish between different types of biofuels, bioliquids, and biomass fuels produced from food and feed crops, for instance by setting a lower limit for the contribution from food or feed crop based biofuels produced from oil crops, taking into account indirect land use change”.

- means that each individual EU Government would have the ability to pick and choose limits for different types of biofuels.

- Most likely victims will be Palm & Soy Biodiesel
But the Palm Industry has to proactively address the areas of concern. No business as usual

More stringency on need to ensure No Deforestation. Existing methods for checking this will need to be strengthened. (ISCC has already developed a satellite based Risk analysis tool for this “GRAS”)

More stringent audit on Labour Practices, Land Title/rights (GRAS is being enhanced with this capability in this area as well)
Many thanks for your attention!

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