Efeca & CPET

- Efeca, founded in 2009, works on responsible sourcing of commodities
- Focus on monitoring and reporting
  - Regulations, market requirements, voluntary commitments
  - Range of tools: earth observation data, surveys, impact studies
- In 2012 became delivery partner for CPET, the Central Point of Expertise on Timber, expanded to cover palm oil and woodfuel
Need for Improved Reporting & Monitoring

- Plethora of private sector initiatives, many with 2020 commitments linked to forest commodities – palm oil and others.
  - Zero/net/gross deforestation
  - Going beyond certification – wider sustainability issues (RSPO +, HCS etc)
  - Certification schemes adapting to changing landscape, broadening scope of application
- Public sector
  - EU FLEGT action plan for commodities, New York Declaration on Forests, SDGs
  - Member State commitments, bi-lateral agreements, eg Amsterdam declaration for palm oil
  - REDD +, other landscape drivers, climate change funds (NORAD)

Deforestation Reduction Commitments

[Graph showing number of commitments to reduce deforestation from company supply chains, with data from 2009 to 2014.]
CPET and the UK Palm Oil Commitment

- UK Government funded Central Point of Expertise on Timber, and Palm Oil and Woodfuel, CPET
- CPET supports stakeholders in sourcing CSPO – workshops, newsletters, hotline, data templates, guidance notes, eg Food and Drink Federation 5 Step Guide
- CPET measures annual progress to meeting the target – Annual Consumption Report (ACR) – for previous 4 years

The UK Palm Oil Commitment

- In 2012, Defra published the UK Statement on Sustainable Production of Palm Oil
  “The UK is working towards achieving 100% sourcing of credibly certified sustainable palm oil by the end of 2015”
- Signed by trade associations for key palm oil using sectors, NGOs and Government
- The Netherlands, Belgium, France, Germany, Denmark and Sweden also launched sustainable palm oil initiatives
- Now until 2020: the Amsterdam Declarations on palm oil and deforestation
Aims of Annual Consumption Report

- Track progress in sustainable palm oil consumption through:
  - Imports and sales of CSPO by UK refiners, as a proportion of total sales of palm oil and palm kernel oil in the UK
  - Purchases of GreenPalm certificates
  - Supplemented by RSPO ACOP data for UK Retailers and CGM
    - though this is not included in the total palm oil tracked as could represent double counting in some areas
- Does not include derivatives or imported finished goods – difficult to track
2014 Findings

- Volume of sustainable palm oil in the UK continued to increase:
  - 396,109 metric tonnes (mt) in 2014 from:
    - 289,963 mt of Certified Sustainable Palm Oil (CSPO)
    - 106,146 mt of GreenPalm certificates

- CSPO is 72% of all UK imports and palm oil and palm kernel oil, using Oil World baseline data
- CSPO is 93% of all UK imports and palm oil and palm kernel oil, using FEDIOL data
2014 Trends

• 2014 - an increase of 30% for Segregated (SG) and Mass Balance (MB)

• For Greenpalm a 13% increase

• Overall CSPO consumption more than doubled 2009 - 2014

RSPO ACOP 2015

• Progress in finished goods - ACOP 2014-15
  – Reported downstream consumption of palm oil & sustainable palm oil
    • Consumer goods manufacturers – 558,981 tonnes up from 224,293 last year
    • Retailers – 55,675 tonnes up from 52,816 last year
ACR Analysis Challenges

- Estimates of trade data for imports of palm oil and palm kernel oil vary and may be inaccurate
  - Oil World uses EUROSTAT (official trade data) but refines the data
  - FEDIOL uses only EUROSTAT data
  - 21% disparity b/w FEDIOL and EUROSTAT data
  - Tonnage of UK conventional palm oil consumption could be under or overestimated
- Timelines
  - 1 Year Lag time in receiving Oil World, FEDIOL and ACOP data
- Consistency in data
  - Data from UK refiners on CSPO usage – changed from imported to sold in 2013, though difference in figures is likely to be minimal
  - ACOP changing questionnaire – this year we were unable to report on total uncertified for Retailers and CGM

ACR Analysis Challenges

- GreenPalm certificates for UK RSPO members
  - Represent companies who trade internationally
  - CPET did not include estimates for non-UK certificates
  - Low risk of double counting UK palm oil purchases supported by RSPO certification. This can happen if GreenPalm purchases are used to account for palm oil which previously held a physical claim as Segregated or Mass Balance, having lost the claim during progress down the supply chain (which may be unknown to the buyer)
- Lack of derivatives and palm oil in imported goods
  - Data very difficult to obtain and track
Stakeholder Survey

- Key challenges noted:
  - Sourcing sustainable palm kernel oil
  - Justifying the price premium for CSPO
  - Tracking derivatives and sourcing CSPO derivatives
  - Increasing market access for smallholder growers
  - Encouraging the UK foodservice industry to source CSPO

Post 2015 – Next Steps

- Mapping and estimating derivatives trade flows – in the UK and Europe
- Measuring palm oil imported in the UK in finished goods and ensuring its sustainability
- Switching to 100% physical CSPO usage and/or RSPO Next
- Working with international partners to increase the number and transparency of global CSPO supply chains
- Develop a European-wide methodology for measuring and monitoring palm oil usage, potentially with a scorecard approach
- Supply chain training, awareness raising
- Improved monitoring – real-time, satellite based
European Initiatives

• Engagement with the Amsterdam Palm Oil Declaration
  – In December 2015, a group of national European organisations from Denmark, Germany, the Netherlands, Norway and the UK signed the Amsterdam Declaration in support of a “private sector-driven commitment to 100% sustainable sourcing and increased traceability of palm oil by no later than 2020”
• Second Amsterdam Declaration “Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries” by 2020

Efeca and Rezatec

• Satellite Remote Monitoring and Reporting platform for Sustainable Commodity Management
  – Satellite imagery with 10x10 m resolution is combined with expert analysis to build a picture of the real-time and historical impacts of production.
  – Management tool for buyers and suppliers to measure progress in sustainable production commitments including Zero Net Deforestation
  – Piloted for 3 years with European Space Agency
  – Useful for commodity traders, plantation owners, consumer goods manufacturers and retailers linked to soy, beef, timber, palm oil, rubber, sugar, coffee, tea, cocoa, minerals or other commodity production
Further Reporting Initiatives

- **WWF Palm Oil Scorecard** - looked at the performance of 137 retailers, manufacturers and food service companies on sustainable palm oil in 2015

- **SPOTT – ZSL, Global Forest Watch** - combines satellite mapping technology with in-depth performance assessments on 25 of the largest publicly listed companies that grow oil palm.

- **PALM Risk Tool** – Global Forest Watch, Unilever, Proforest and Daemeter - can identify palm oil mills with high historical deforestation and high potential for future deforestation

- **Forest Trends’ Supply Chain Report** - Ecosystem Marketplace, CDP and WWF – captures data from 243 companies describing 307 commitments, snapshot of corporate commitments and performance

Increasing the Use of ACOP Data

- **Opportunities:**
  - Increasing demand for monitoring and reporting on progress
    - Public sector, national commitments, wider EU etc
    - Private sector, CSPO and wider deforestation commitments

- **Requirements:**
  - Improve consistency
  - Ensure members know which metric to report in/ ensure ACOP data checks
  - Provide analysis of headline trends, issues, comparisons
  - Present data in a user friendly, graphic way
  - Make more real-time?
Discussion - Potential opportunities?

- What information is required and in what format, what frequency?
- How can double counting be addressed?
- How to deal with derivatives?

- What monitoring and reporting outputs are produced?
- Is there a way to share data, analysis and reporting to avoid duplication of efforts and resources? Use of monitoring tools, earth observation data etc.
- Amsterdam Declarations?
- Linking with wider zero deforestation commitments

- How do we drive an increase in the volume of CSPO produced?
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