

New FAQs on deforestation-linked goods regulation to be published next week, says EU counsellor

By [Syafiqah Salim](#) / theedgemalaysia.com

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ROTTERDAM (Sept 11): The European Union (EU) Commission is still preparing the guidelines on its deforestation-free products regulation (EUDR), which is scheduled to come into effect on December 30 this year.

Henriette Faergemann, first counsellor for environment, climate action, and digital cooperation at the EU Delegation to Indonesia, said an updated Frequently Asked Questions (FAQs) document will be released next week to help operators and traders comply with the regulation.

The new version will feature 30 additional questions, incorporating feedback from discussions with palm oil-producing countries like Indonesia and Malaysia, as well as consumer nations.

“When the EU decided to implement the EUDR, numerous questions arose, so we want to compile these into the FAQs. The last update (of the FAQs) included over 80 questions and answers. It’s worth paying close attention to and is easily accessible online,” she said during her virtual presentation at the third Sustainable Vegetable Oils Conference (SVOC), hosted by the Council of Palm Oil Producing Countries and the Netherlands Oils and Fats Industry.

Further, a guidance document on the implementation, set to be released soon, will clarify key aspects of the regulation which include definitions of agricultural use, legality requirements, composite products, certification and due diligence, she said.

According to Faergemann, the EU is focused on establishing an information system to facilitate compliance, which will store due diligence statements submitted by operators and traders. User registration for the system will open in November, with submissions for due diligence statements starting in December, aligning with the regulation's requirements.

Addressing the benchmarking system — a tool designed to help EU member states' authorities target limited enforcement resources and focus EU support on mitigating risks — Faergemann said the development of the benchmarking methodology is still underway.

“There will be dialogues with countries at risk of being classified as high-risk,” she said. “This process is still underway, and until it's complete, all countries will be treated as standard risk.”

On the other hand, the EU Forest Observatory, a global mapping tool designed to aid operators in assessing deforestation risks under the new regulation, is currently undergoing revisions. “While this map is not mandatory, it serves as a valuable support system for operators to evaluate risks more effectively,” she added.

To recap, the EU had in December 2022 agreed to ban the imports of various products such as palm oil, beef, soy, coffee, cocoa and timber, which shall be identified as "drivers of deforestation" if they come from land deforested after Dec 31, 2020.

The EU is Malaysia's third largest export market for palm oil after India and China.

Industry experts expect delay in implementation

Indonesia and Malaysia, two of the world's largest palm oil producers, will hold a third round of discussions with the EU on Thursday in Brussels, as part of the Ad Hoc Joint Task Force focused on the EUDR implementation.

Industry experts expect a delay in the regulation's implementation due to recent changes in the European Parliament and concerns from companies and businesses that are not yet prepared.

Deputy secretary general of the Council of Palm Oil Producing Countries Datuk Seri Nageeb Wahab opined that the regulation could potentially be reviewed or amended, given the changes in the European Parliament following the recent elections.

“While nothing is certain, we've noted that 15 of the 27 EU member states have expressed concerns about the EUDR's implementation timeline, stating they are not fully prepared. We are hopeful that there will be a review or possibly a delay in the enforcement,” he said.

While the second version of the Malaysian Sustainable Palm Oil (MSPO 2.0) certification is ready to meet the EUDR's requirements, the challenge lies in traceability particularly in polygon mapping, said director general of the Malaysian Palm Oil Board Datuk Dr Ahmad Parveez Ghulam Kadir.

Polygon mapping, at its core, is a geospatial technology harnessed for the creation of precise and detailed maps of specific geographic areas. These areas are delineated using GPS coordinates, giving birth to a digital representation of land boundaries known as polygons.

“If you recall, in 2019, the government introduced a policy limiting the planted area to 6.5 million hectares, and requiring a map of oil palm plantations. We are currently working on that,” Ahmad Parveez added.

Edited By Adam Aziz