

Palm oil and public procurement



Palm oil and its consumption - be it for food or fuel - is one of the big issues under the spotlight in the discussion of deforestation, and understanding the impacts of EU consumption of agricultural commodities on deforestation. With tropical forests disappearing at a rate of about 13 million hectares per year (an area approximately the size of Greece), the current scale and pace of destruction is alarming.¹

Earlier this year, the results of a [study on the Environmental Impacts of Palm Oil Consumption and on Existing Sustainability Standards](#) were published. The one-year study, commissioned by the European Commission's (EC) [DG Environment](#), carried out an extensive review of the environmental, social and economic aspects (both positive and negative) of palm oil production and consumption, and analysed existing palm oil sustainability initiatives.

Palm oil today is by far the most important source of vegetable oil in the world. Its high yield means palm oil requires less area than competing oil crops and makes it a very attractive source of income for smallholder farmers, with the added attraction that it is harvested year round.²

The oil palm produces two chemically distinct oils: crude palm oil (CPO) and palm kernel oil (PKO). CPO is transformed into a variety of different products, including biodiesel, refined palm oil for frying and specialist usage in confectionary, baking and spreads. PKO is the primary feedstock for the production of natural fatty alcohols, which are widely processed into products such as shampoos and

liquid detergents. It is also used in specialist food applications. CPO is transformed into a variety of different products, including biodiesel, refined palm oil for frying and specialist usage in confectionary, baking and spreads. Both uses of palm oil are relevant for the area of public procurement.

After energy and transport, food is the sector with the biggest impact on our climate – responsible for over 10% of greenhouse gas emissions in Europe.³ In terms of public food/catering services and green public procurement (GPP), requirements addressing sustainably produced palm oil form part of the current proposals for the new [EU GPP Criteria](#) for Food and Catering Services. An

¹ <http://ec.europa.eu/environment/forests/deforestation.htm>

² http://ec.europa.eu/environment/forests/pdf/palm_oil_study_kho2182o8enn_new.pdf

³ European Environment Agency (2014), as cited in [The Procura+ Manual - A Guide to Implementing Sustainable Procurement](#), 3rd Edition (2016).

updated set of GPP criteria for this area are on the table for publication in the coming months.

The [latest proposals from the EC](#) indicate that defined shares of food and drink products containing palm oil will need to meet sustainability requirements including impacts on soil, biodiversity, land use change, organic carbon stocks and conservation of natural resources. Certification schemes for sustainable production that are based on multi-stakeholder organisations with a broad membership, such as that of [RSPO](#) (Roundtable on Sustainable Palm oil), for instance, can be used as a mean for proof. In terms of further guidance, the Dutch government address the issue through animal products sourced (animal feed should come from sustainably produced

palm oil and soy) in their [Public Catering Guidelines](#).

On the subject of fuels, the [EU Renewable Energy Directive](#) (EU RED) sustainability criteria do not allow biofuels that are produced from areas that used to be forest or peatlands (as is the case with palm oil cultivation) that were further drained to count towards EU RED targets. The [Norwegian Parliament](#), in June 2017, voted to ban all public purchases of palm oil for use as biofuels. The ban followed a pledge to make Norway's public procurement policy deforestation free.

And finally, when considering purchases of rinse-off cosmetic products and cleaning products, the [EU Ecolabel](#) can help choosing products where palm oil, palm kernel

oil and their derivatives come from sustainable sources.

The [European Parliament's resolution](#) (from 4 April 2017) "calls on the Member States to introduce obligatory requirements favouring sustainable palm oil in all national public procurement procedures". The EU currently does not have a specific policy on palm oil. However, the study on palm oil will serve to inform the EU's work on global deforestation, including the consideration into setting up an EU Action Plan on deforestation.

More information is available at http://ec.europa.eu/environment/forests/studies_EUaction_deforestation_palm_oil.htm