

***Potential Solutions:
How MSPO can meet EUDR***





MSPO 2022 STANDARDS

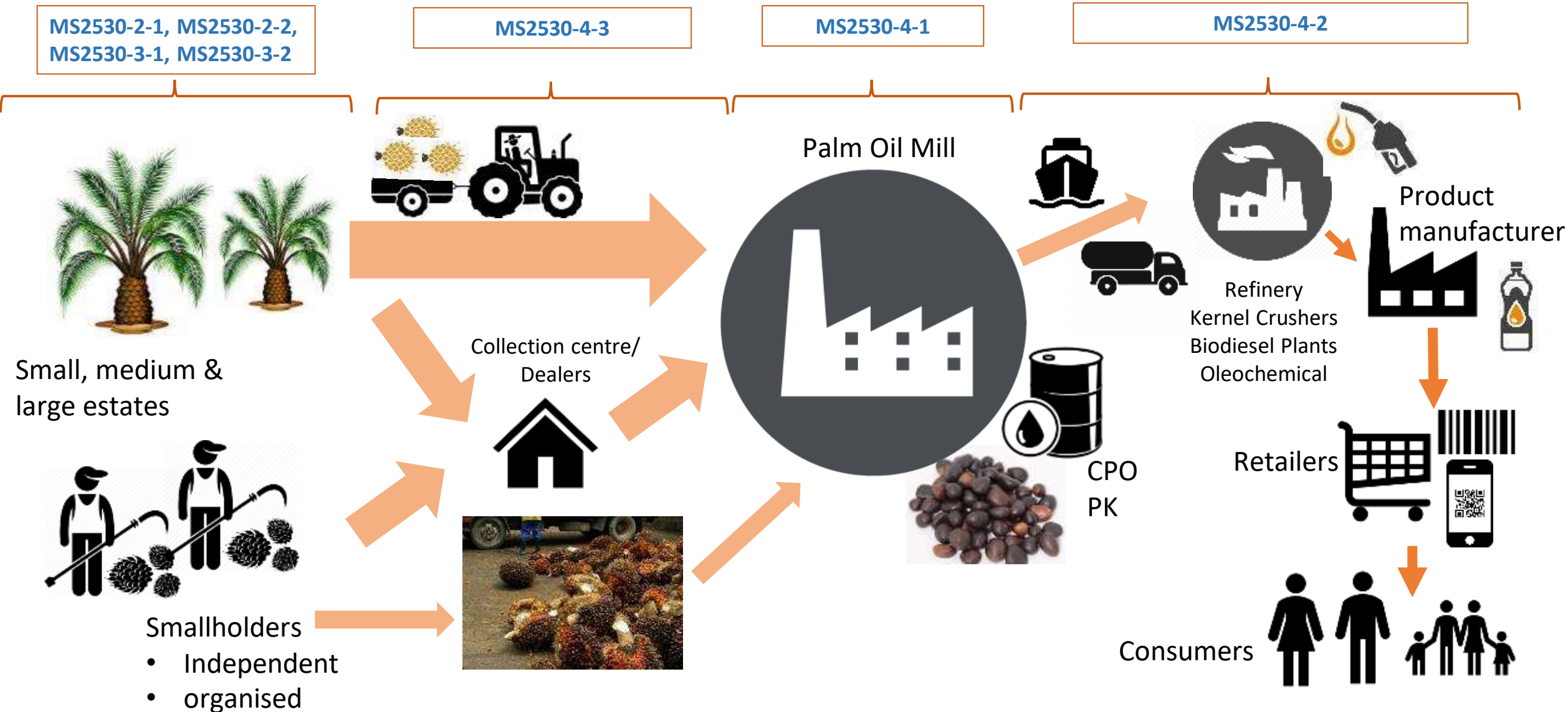


MSPO STANDARDS (MS2530:2022)



- Part 1 : General Principles
- Part 2-1 : General Principles for **Independent Smallholders (40.46 hectares and below)**
- Part 2-2 : General Principles for **Organised Smallholders (40.46 hectares and below)**
- Part 3-1 : General Principles for Oil Palm **Plantations (Above 40.46 hectares to 500 hectares)**
- Part 3-2 : General Principles for Oil Palm **Plantations (Above 500 hectares)**
- Part 4-1 : General Principles for **Palm Oil Mill including Supply Chain Requirements**
- Part 4-2 : General Principles for **Palm Oil Processing Facilities including Supply Chain Requirements**
- Part 4-3 : General Principles for **Dealers including Supply Chain Requirements**

MSPO certification in the Malaysian palm oil value chain



PRINCIPLES OF MS2530:2022

1

Management
commitment &
responsibility

2

Transparency

3

Compliance to
Legal and other
requirements

4

Responsibility to social,
health, safety and
employment conditions

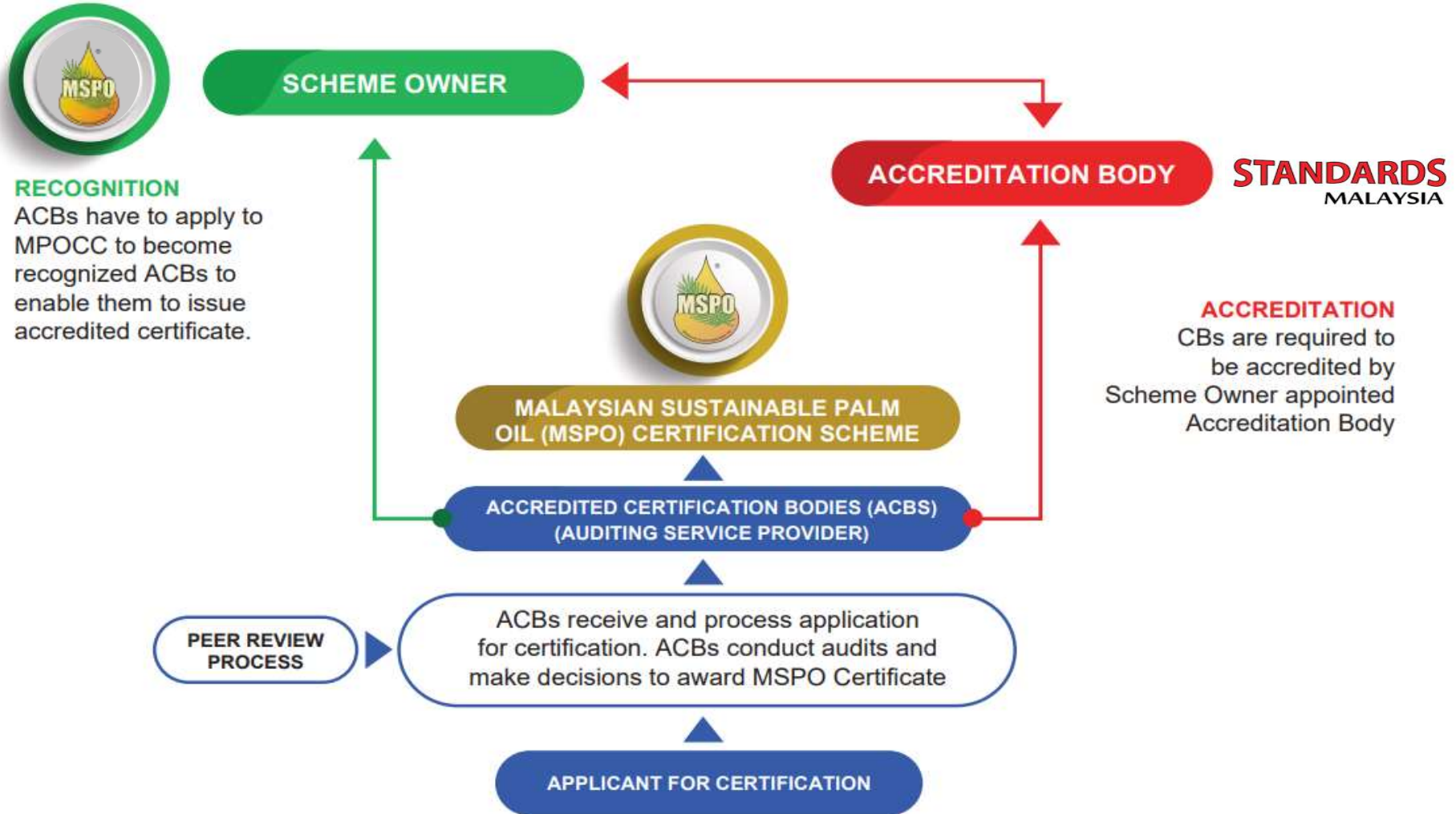
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Environment, natural
resources, biodiversity
& ecosystem services



INSTITUTIONAL ARRANGEMENT FOR MSPO CERTIFICATION SCHEME

(Accreditation of CBs & Certification Process)



MS2530: 2022 Key New Elements



- High Conservation Value (HCV) Assessment



- New Planting cut-off date (31 Dec 2019)
- No conversion of HCV area, protected area and natural forest

- Social Impact Assessment (SIA)
- ILO Forced Labour Indicators
- ILO Decent Work Agenda
- Triangular Employment
- Ethical Conduct and Anti Bribery



- Green House Gas (GHG) Calculator

**MSPO
PROGRESS**





Certification Uptake as of March 2024

MSPO Certified Planted Areas, **87.63%**
4.95 million hectares

MSPO Certified Mills, **89.65%**
416 units

MSPO-CSPO Production
Actual 2023

17.5 mil ton

Forecast 2024

17.7 mil ton

Approach to sustaining certification uptake:

1. Continuous monitoring by MSPO and Accredited Certification Bodies.
2. Licensing enforcement by MPOB.
3. Continuous engagement with stakeholders.



**POTENTIAL
SOLUTIONS:
HOW MSPO
CAN MEET EUDR**



Geolocation: Potential solutions



Upgrade **MSPO Trace** so that geolocation information (in line with EUDR) can be uploaded by CBs and transferred along the supply chain.



Use **MSPO Segregated** Supply Chain model for EU market and adherence to the MSPO system requirement.



Link **MSPO Trace** with **MPOB's Geopalm Portal** which has geolocation information in line with EUDR requirements.

Deforestation-free: Potential solutions



Identify and **publish information on plantations that are 'deforestation-free'** i.e. established before 31 Dec 2020

HCV

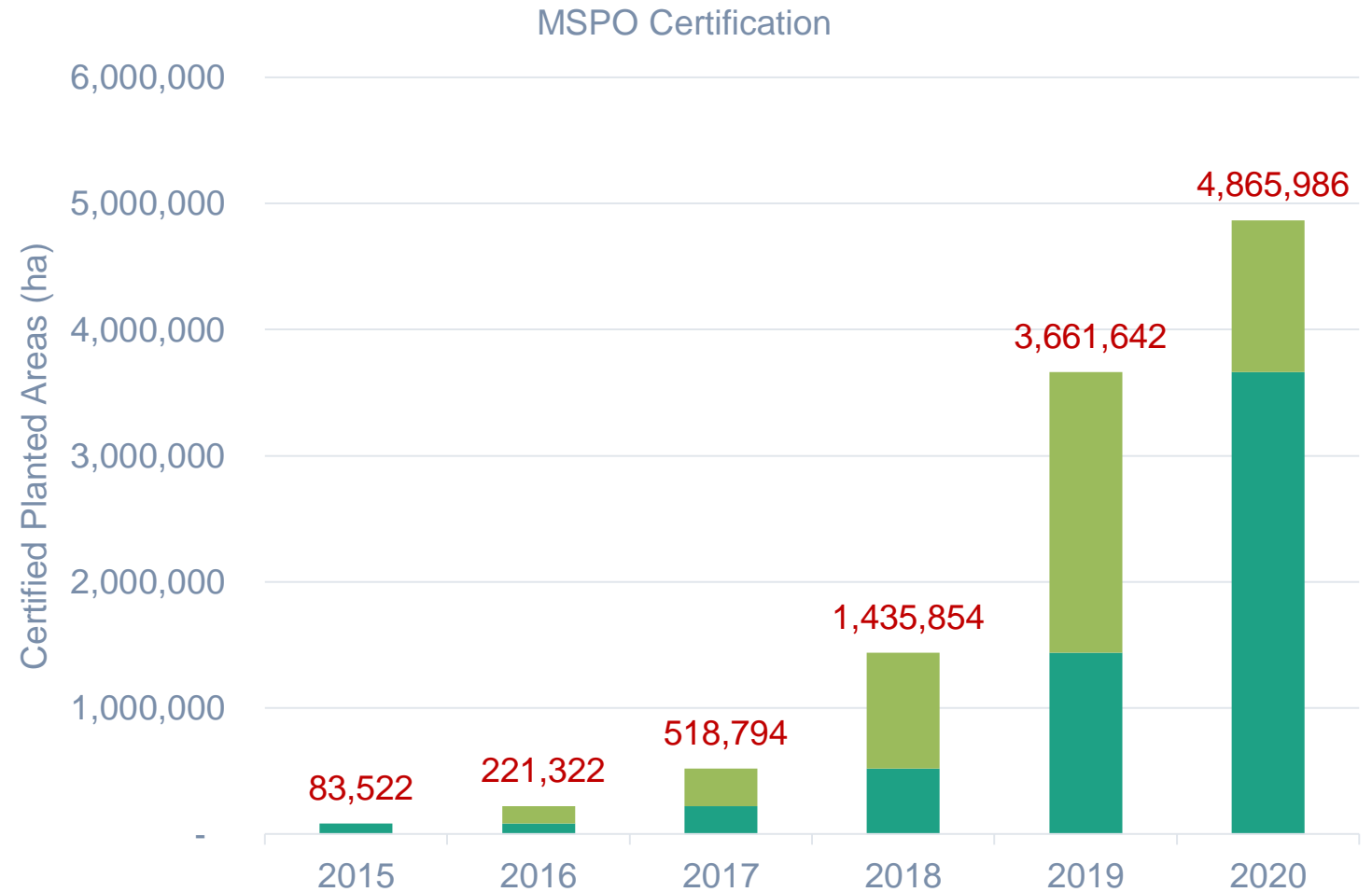
Use the **HCV mechanism** to identify and verify deforestation free status of new plantings – align forest definition in the HCV Guidelines with the FAO/EUDR definition



Explore the alignment of the MSPO definition of forest to the FAO/EUDR definition of forest.

MSPO Statistic from 2015 to 2021

- 2015 - Voluntary implementation of MSPO certification started
- February 2017 - Announcement of MSPO mandatory implementation by 2020
- 1 January 2020 - Mandatory implementation of MSPO beginning



Legality: Potential solutions



MSPO Guidance could include a **list of the relevant international conventions to which Malaysia has ratified**, and which hold legal force Malaysia especially in relation to human rights to align with information needs of **Article 2 (40f)**.

Information related to tax, trade, and customs regulations could be made available through declaration for the purpose of EUDR.

Solutions for the EU market

- Upgrade MSPO Trace to allow for full traceability to the plot of land where FFB was produced for products sold to the EU
 - *require relevant EU operators to register as a buyer in MSPO trace (to allow access to relevant supply chain information)
- The revised MSPO 2022 Standards include a standard for dealers. Certification of dealers will enable smallholders to be included for supply chains selling to the EU market.

MSPO is the tool to address sustainability requirements



1

Traceability

2

Deforestation-free

3

Legitimate land title

4

Good labour practices (human rights)



Plantations

- Large
- Smallholders



Mills



Refineries



Oleochemical



Consumer Products

- Food
- Non-food

Terima Kasih
Thank you