



## Introduction to the NDPE IRF

January 2020

The NDPE Implementation Reporting Framework (IRF) is a reporting tool designed to help supply chain companies to systematically understand and track progress (or lack of progress) in delivering NDPE commitments across the whole production base connected to the volumes they buy. As supply chain companies implement activities ranging from certification to supplier engagement and from landscape initiatives to smallholder support, the NDPE IRF provides a tool to systematically capture all the different activities which are underway to deliver these commitments and clarify how each activity contributes to progress towards improved performance in production, while also highlighting where gaps still remain. The framework captures progress from early actions that create an enabling environment for sustainability, such as workshops and policy development, all the way through to activities which deliver acceptable performance on the ground. Having a consistent framework for reporting on these activities, and particularly on the proportions of the total production base to which they apply, will allow individual companies and the industry collectively to monitor progress, identify gaps and drive improvement.

### 1 How does the IRF work?

The NDPE IRF is a tool for aggregating information on performance with NDPE across the whole production base supplying a refinery or (further down the supply chain) a user of palm oil. Information on actions being undertaken to deliver NDPE commitments is collected and, based on what has been done, mills are allocated to one of five categories. The results are collated into a summary profile which provides an overview of what progress has been made across all the mills in the supply base. Currently the information is collected and analysed for mills but in future can be for FFB supply to a mill.

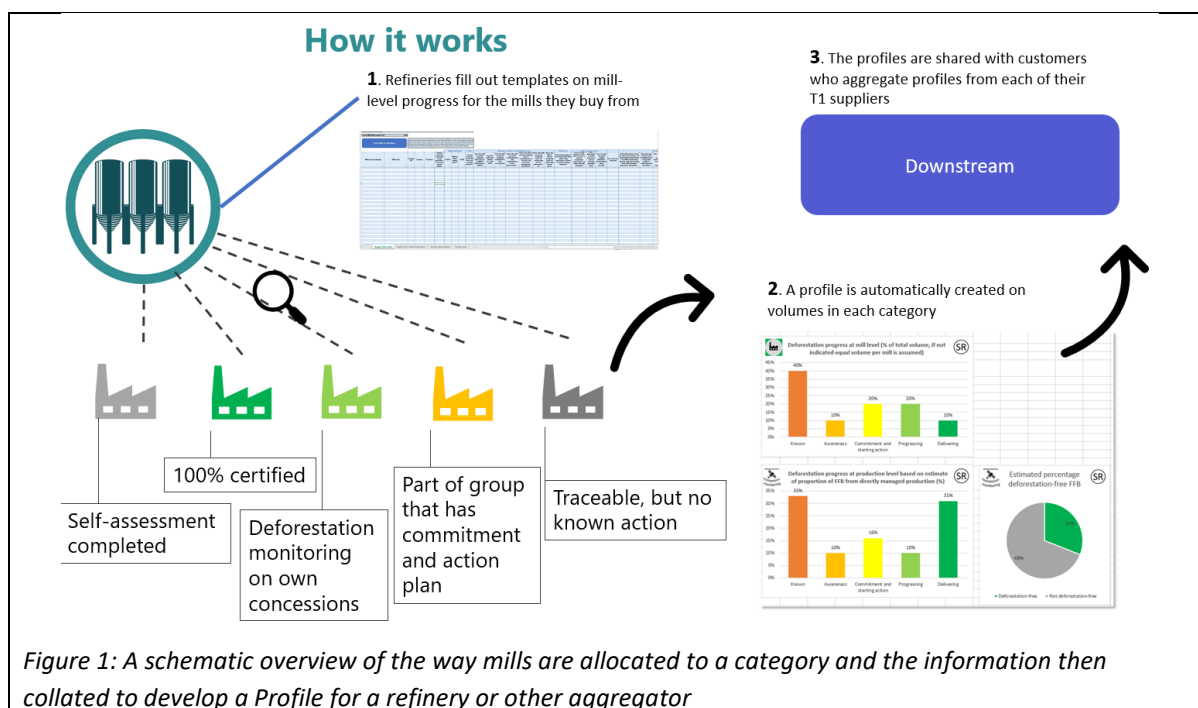
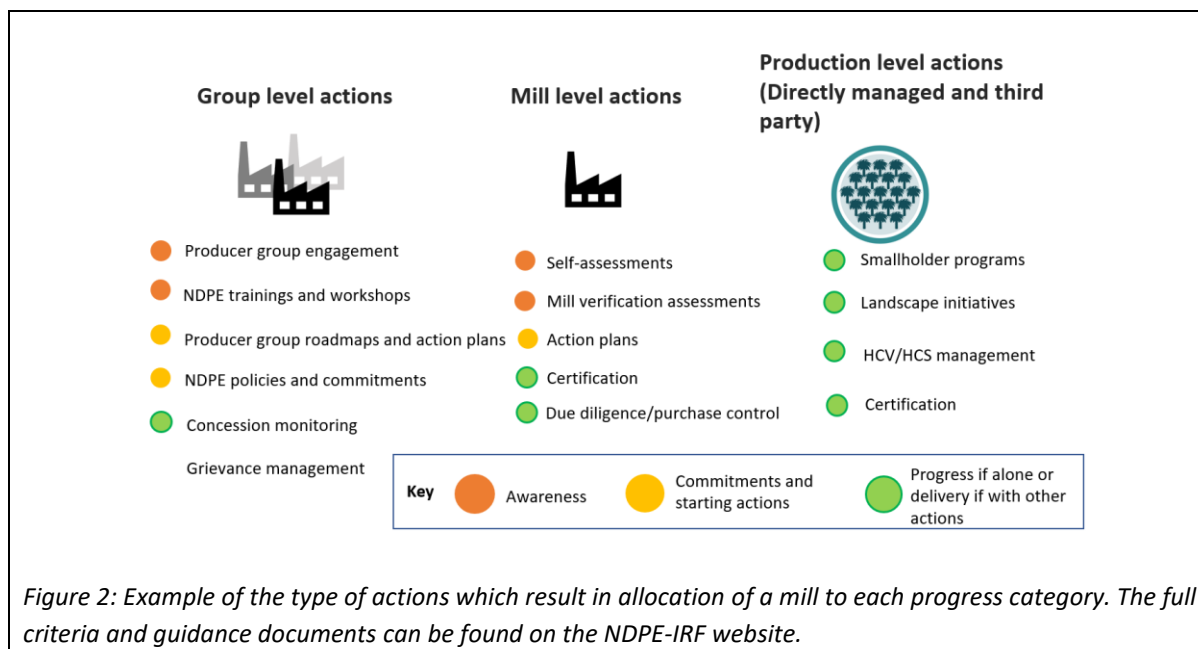


Figure 1: A schematic overview of the way mills are allocated to a category and the information then collated to develop a Profile for a refinery or other aggregator



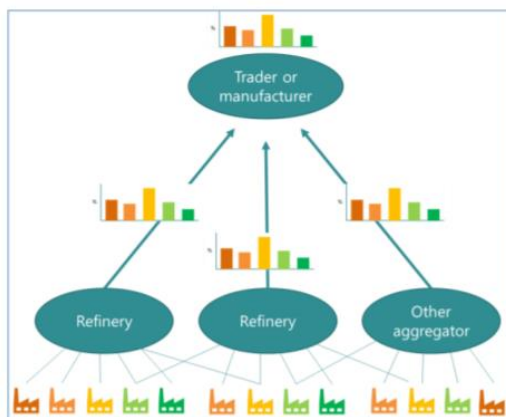
## 2 How are mills allocated to categories?

Mills are allocated to one of five categories ranging from *Known* where the only information available is that the mill supplied oil, through *Awareness* and *Commitment/Starting Action* where there are early interactions with the mill to build understanding of NDPE requirements and there is commitment and initiation of action to deliver the required performance. *Progressing* indicates actions are underway to address any issues identified and *Delivering* that performance is adequate to deliver on that aspect of NDPE.



Each aspect of NPDE (deforestation, expansion on peat, labour rights, land rights) requires its own set of allocation criteria - and its own Profile - since a mill can have very different actions, progress and performance for each aspect. The Allocation Criteria for each aspect set out what progress category the mill can be allocated too depending on the activities which are underway (see Figure 2). This allows all the different actions and activities to be consolidated, and the resulting progress and remaining gaps to be clearly understood.

## 3 How does the information move through the supply base?



Refineries and other first aggregators create a Profile based on the mills in their supply base as discussed in the previous sections. They then pass the Profile down the supply chain to customers together with the mill list that already accompanies volumes sold (note that currently the individual mill allocation is not being shared, only the mill list and the overall Profile). Downstream companies can then create their own Profiles by combining information on volumes and Profiles from each of their suppliers.



## 4 Action to support progress

The IRF is proving to be a very effective tool for understanding performance across the whole production base. This is very useful for reporting on progress with NDPE implementation, but the most important use of the information is to provide a basis for planning effective action on the ground to support progress wherever performance is not yet adequate (see Figure 4). This is now a growing focus of the companies using the IRF.

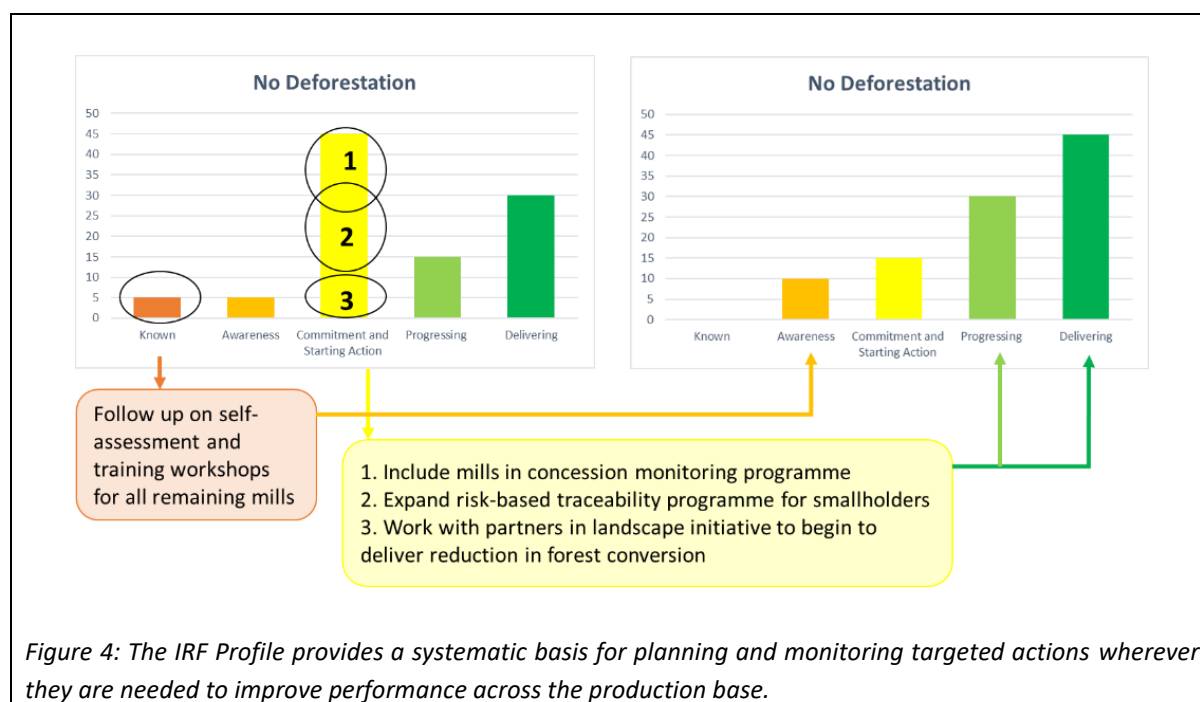


Figure 4: The IRF Profile provides a systematic basis for planning and monitoring targeted actions wherever they are needed to improve performance across the production base.

## 5 Assurance

The initial development of the IRF has relied on refineries self-reporting their Profiles, using a common template developed so each participant can analyse their own data sets. This is very similar to the initial phase of providing traceability to mill where each actor in the supply chain created a mill list with little independent scrutiny.

The next step in building credibility and assurance is to have independent scrutiny of the data used to allocate mills to categories and to build Profiles which is being called **Profile Data Verification**. This will provide independent review of the data used to populate the template and thereby to assign mills to categories and thus to build the Profile. The protocol for Profile Data Verification is being developed in the first quarter of 2020, based on input from different stakeholders and led by Control Union.

In parallel with this work, there is also ongoing discussion about verification of actual performance for mills and FFB production. Currently, the allocation criteria require approaches with 'built in' verification such as RSPO segregated certified or independent concession monitoring to allocate mills to the delivering category but there is more work to do building on existing mechanisms and creating collaboration with groups working on new approaches which can all potentially contribute to the creation of an effective assurance system for the IRF



## 6 Development

The IRF is a collaborative initiative between a coalition of companies forming the IRF Active Working Group. The main objective of the group is ongoing support for the practical development and deployment of the tool, and acceleration of uptake across the sector. The group functions as a working group of the Palm Oil Collaboration Group which is a group of companies from all stages of the palm oil supply chain co-convened by PepsiCo and Cargill. In addition to the Active Working Group, there are two additional groups:

- The practitioners group made up of practitioners implementing the IRF with companies who liaise to support development and roll-out of the tool
- The stakeholder group which provides a space for updates to and input from interested stakeholders via physical meetings in the fringes of RSPO meetings as well as occasional email information.

## 7 Tools and Guidance

NDPE IRF Technical Documents: Technical tools and guidance are central to the development and use of the NDPE IRF tool. Listed below is the technical documents series showing which are available and under development.

- **IRF\_01 Overview of the tool (this document)** – featuring a short and concise description of what is the role and implementation of the IRF
- **IRF\_02 Refinery profile template for Deforestation and Peat** – version 5 of the refinery template is now available, with edits incorporated following from consultations with refineries and companies which pilot tested the template
- **IRF\_03 Refinery profile guidance (embedded in the template IRF\_02)** – the guidance provides additional clarity on how to answer the questions in the template and how does the answers allocate you to one of the five categories
- IRF\_04 Downstream profile guidance – guidance for downstream companies on how to use the IRF and how to aggregate profiles (under development)
- IRF\_05 Action to support progress guidance – guidance on how to support actions on the ground which lead to effective progress and move through the IRF categories (under development)
- **IRF\_06 Allocation criteria methodology** – methodology which outlines the means through which mills are allocated to certain category depending on information provided in the IRF template
- IRF\_07 Transparency and claims – guidance on sharing profiles and public dissemination (to be developed)
- IRF\_08 IRF Profile data verification protocol – protocol for auditors on how to verify the data in the IRF profiles (starting development)
- IRF\_09 Land rights allocation criteria and template – part of the No-Exploitation criteria development for the IRF (under development)
- IRF\_10 Labour rights allocation criteria and template – part of the No-Exploitation criteria development for the IRF (under development)

All technical documents are uploaded on the web page: [www.ndpe-irf.net](http://www.ndpe-irf.net)

For more information and any questions about the implementation reporting framework contact the coordinator on: [ndpe-irf@proforest.net](mailto:ndpe-irf@proforest.net) or go to the website at [www.ndpe-irf.net](http://www.ndpe-irf.net).