SIX HONEST SERVING MEN
a rapid appraisal of three sustainability standards for oil palm estates

Their names are What and Why and When
And How and Where and Who.
(Kipling 1902)

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❖ THIRD PARTY CERTIFICATION

Third Party Certification (TPC) is a service industry that verifies products and processes such as environmental conservation/protection, food quality, health and safety, and labour practices (Hatanaka et al. 2005). It requires on-site verification by disinterested organizations connected to neither buyer nor seller (Busch et al. 2005). In the agribusiness sector, TPC quickly became "a key institution for enforcing private (and public) standards that is both independent from producers [...] and from governments" (Hatanaka et al. 2005) that provides independent verification on corporate responsibility and due diligence (Busch et al. 2005, Fischer et al. 2005, Hatanaka et al. 2005 & Tanner 2000).

TPC for the sustainable management of natural resources is a relatively new form of certification that took flight in 1993 with the founding of the Forest Stewardship Council (*FSC*; FSC 2013). The concept verifies compliance to a broad array of national and international social concerns (such as tenure rights and labour equity), environmental concerns (including deforestation and genetically modified organisms), legal concerns (a.o. illegal land use and tax evasion), etc. It aims to achieve pre-defined qualities in the management of natural resources, to differentiate products originating from these resources and improve their market access (after Nussbaum and Simula 2005).

Today, numerous TPC initiatives are active in verifying the sustainable management of natural resources. Commodities now verified against sustainable management standards include coffee (Mutersbaugh 2002 & Philpott et al. 2007), high conservation values (*HCV*; Carlson et al. 2018 & Edwards & Laurance 2012), organic farming (Blackman and Naranjo 2012 & González and Nigh 2005), rubber (Gouyon 2003 & Kennedy et al. 2016), and soybean (VanWey and Richards 2013 & Stewart 2007). This proliferation of initiatives indicates a serious and diverse interest in the business of natural resource certification.

Consequently, similar TPC initiatives are competing for a market share. In the past, attempts were made for mutual recognition of international and national standards, like a.o. FSC and the Indonesian Ecolabelling Initiative (*Lembaga Ekolabel Indonesia*; Hinrichs and Prasetyo 2007 & Maryudi 2009), but generally this was hampered by perceptions and claims of superiority by standard-setters and/or their consultants (Assen 2016, Elgert 2012, Jansen and Hamm 2012, Ruben 2010 & Wibowo et al. 2018).

Whereas TPC had moderate success in paper and timber industries of Indonesia (e.g. Heinrich and Prasetyo 2007 and Simula and Purbawiyatna 2007), it has taken flight in Indonesia's agribusiness sectors (see a.o. Oosterveer et al 2014 and Wahyudi & Jati 2012). In particular TPC of commercial oil palm estates has flourished, and became the focus of – often emotive – public scrutiny (e.g. Environmental Investigations Agency 2015 and Palm Oil Investigations 2018).

❖ RANKING TPC STANDARDS

Many tried to compare various standards and somehow rank them along a scale. One popular approach is a desktop document review of the institutional settings and other elements of

certification initiatives (e.g. 3KEEL & LMC International 2017, Efeca 2015, IUCN National Committee of The Netherlands 2019, Muhtaman & Prasetyo 2004, Wibowo et al 2018 and Yaap & Paoli 2014). This approach obviously discriminates against less established (often national) initiatives, as they have less means for slick translations. It also ignores a crucial practicality of these standards: the conformity assessment (hereafter audit) of requirements. Any ranking based on an approach that ignores the actual practices has little value other than bragging rights, often short-lived due to yet another ranking by yet another consultant.

A more recent approach ranks standards through metadata analyses of public summaries and/or audit reports (e.g. Hermudananto et al. 2018 and Masters et al. 2010). While this approach includes the (public) results of field verification, it pivots around a key assumption: the competence of auditors. Guidance documents (Assurance Services International et al. 2018, Assurance Services International 2019 and Checkmark Training 2018) and personal experiences (e.g. Assen 2009 and Assen 2016) indicate that the competence in basic auditing skills (such as consultation, interviewing, mapping, sampling, and – ironically – reporting) is minimal among today's auditors. Hence, analyses based on flawed reports from flawed audits still have limited practical value in ranking standards.

Ideally, requirements set by various standards are assessed based on evidence verified during audits, rather akin to ground-truthing of satellite imagery analysis. Silva-Casteñada (2012) is one of the rare articles that identifies this crucial aspect in its research. Audit practices play a crucial role in applying standards, not in the least because auditors essentially verify a standard's indicators only. Ergo, the prowess of standards stands with the veracity of their indicators and their ability to define the appropriate evidence for verification.

Assessing requirements set by various standards is significantly hampered by the language gaps and – more so – the loan shifts among international and national standards. Indonesian terms like ambulans, konsultasi, konservasi, kontraktor, etc. have shifted pointedly from their English origins. Furthermore, the national context may make some international requirements void or redundant. A strict matching against any particular requirement, e.g. the High Carbon Stock Approach (IUCN National Committee of The Netherlands 2019), thus is superficial and – far worse – polarizes perceptions regarding the standards ranked. (See e.g. the argument of a 'counter-initiative' to a 'Northern-based' standard in Hidayat et al. 2019.)

In addition, indicators may use speculative determiners – such as fair, similar and sufficient – that trap auditors into making judgement calls about the available evidence. (This issue I coined the '*Auditor Trap*'.) For example, when is 'sufficient data collected to demonstrate the maintenance of any [HCVs]' (FSC 2013) sufficient? (Similarly, auditors are hard-pressed to adequately verify 'all', 'applicable', 'clear', 'no', etc. found throughout ISPO/MSPO/RSPO indicators.) Such determiners result in a slippery slope of auditors judging poor evidence based on limited knowledge of legislation, conservation, best management practices, and an array of other concerns that require expert knowledge of each peculiarity of the auditee. In effect, they no longer let the evidence speak for itself but make gut decisions on speculative determiners. and urge for standards to address it soon!)

Last but not least, there are fundamental differences between public (mostly mandatory) and private (mostly voluntary) standards (see a.o. Farina et al. 2005, Henson & Reardon 2008, and

Wibowo & Giessen 2018). In a nutshell, private/voluntary standards are less restricted by the intricacies of international agreements (e.g. those on trade barriers set by the World Trade Organization). Their requirements therefor can be more progressive and/or demanding than requirements by public/mandatory standards. However, private/voluntary standards cannot bank on the local (mostly legal) context of private/mandatory standards. They must include these requirements and address any gaps resulting from this, often resulting in standards within standards.

❖ APPRAISING THREE STANDARDS FOR OIL PALM ESTATES

The above quirks in audit practices, the indicators and their contexts require a paradigm shift to move beyond temporary bragging rights, and objectively assess the differences of national versus international and mandatory versus voluntary standards. Consequently, a quick-and-dirty approach is identified that (1) matches similar indicators in a holistic way and (2) determines the veracity of the matched indicators:

- Indicators were matched through identifying key terms and synonyms and aligning these among indicators. Partial requirements that Segway into numerous other indicators are removed where possible, and a second iteration of matching key terms/synonyms on (parts of) each standard's indicators is performed. These matches were then aligned with Profit, People, Planet approach (see a.o. Fisk 2010 and Pilcher 2013) to determine if this approach results in any differences between the three categories.
  Annex 1 presents the matched indicators, with their key terms/synonyms underlined and omissions marked with '…'. (Standard Operating Procedures and related records/reports are well established in the oil palm sector and have therefor been ignored during the matching of indicators.)
- The matched indicators were appraised using the auditor's 'six honest serving men' (Kipling 1902) to determine indicators adequately defined <u>who, what, where, when, why, and how to verify</u> (5W1H). Determiners that might trigger the above-mentioned Auditor Trap in indicators were also noted. Each element of 5W1H scored 1 if well defined by an indicator, ½ if partially defined, and 0 if not defined. A ½ point was deducted from the most relevant element of 5W1H where an auditor trap was observed.
  Annex 2 presents the appraisal of all matched ISPO/MSPO/RSPO indicators and notes speculative determiners.
- Each indicator was then assigned a RAG status based on its total scoring: red for scoring 0-1.5, amber for scoring 2-3.5, and green for scoring 4 and up.
  Tables 1-4 (below) present the RAG status for the appraised indicators.

This approach was applied to 3 current standards for the sustainable management of oil palm estates: the Indonesian Sustainable Palm Oil (*ISPO*) System, the Malaysian Sustainable Palm Oil Certification (*MSPO*) Scheme, and international Roundtable for Sustainable Palm Oil (*RSPO*):

- Established in 2011, the ISPO is awaiting formal endorsement of the latest revision of its standard (pending a new cabinet likely later this year). This will be the current revision of

its 2015 standard[1], based on an in-depth analysis of various TPC standards (including MSPO and RSPO) and the latest national legislation by KEHATI Foundation. Guidance is available with each indicator in the form of verifiers and a matrix noting if records, interviews and observations must be verified.

- Developed by the Department of Standards Malaysia in 2013[2], the MSPO standard is now managed by the Malaysian Palm Oil Certification Council. This standard is split into 4 parts, with part 4 (General principles for oil palm plantations and organised smallholders) being relevant to estates.
- Established in 2004, the RSPO's current standard was endorsed late 2018. This version is a major revision of the 2013 standard[3], with significant changes to its indicators. While guidance is provided with some indicators, others are yet to be defined (e.g. indicator 7.12.3), and the RSPO regularly updates its interpretations of indicators (e.g. RSPO 2019a).

(All three standards have requirements in place for audits of individual smallholders as well, but these are still highly dynamic. For instance, the RSPO's public consultations for its smallholder standard are still ongoing during the finalisation of this brief. However, the general agreement among these standards is that commercial entities and smallholders require their own specific standards for verification.)

Some **general observations** on the matched indicators can be made:

- Structured Approaches similar ISO's Plan-Do-Check-Act (see e.g. Lee 1999 and Sokovic et al 2010) are found throughout all three standards. For instance, MSPO indicators #4.6.4.1-#4.6.4.4 (see Annex 1/Table 1 #3) follow such structured approach, as do ISPO's points b-e under indicator #2.3.4.3 (see Annex 2/Table 1 #13). But structured approaches are not systematically implemented, which leads to gaps in verification of conformity during evaluations (in particular of how they result in revisions of management plans). All three standards likely will benefit from systematic, structured approaches.
- Speculative Determiners occur far less in ISPO indicators (7) than MSPO (15) and RSPO indicators (14), suggesting ISPO is less prone to auditor traps. They occur far less in the appraised 'legal' (0.3/set) indicators than 'people' (1.8/set), 'profit' (2.3/set) and 'planet' (2.4/set) indicators.
- All standards poorly address <u>why to verify</u> their indicators. For many of them this can be extrapolated from their parent criteria or principle, but do auditors actually do this during verification? For instance, #4 (Annex 1/Table 2) on Chain-of-Custody only defines <u>what to verify</u>, and most likely auditors verify indicators to the letter of the "law" only.
- Similarly, <u>when to verify</u> is often not explicit in indicators. A lack of guidance on it will result in auditors prioritizing the wrong sources for evidence, resulting general evidence in audit reports rather than specific evidence verifying conformity with the indicator(s). For instance, when verifying work permits of foreign managers versus foreign harvesters the indicators should guide auditors to assess the risk of non-conformity of both groups, i.e. focus on the foreign harvesters.

[1] Ministry of Agriculture of the Republic of Indonesia (2015). Principles and criteria of Indonesian sustainable palm oil/ISPO for plantation company operating cultivation. Regulation Number 11/Permentan/OT.140/3/2015.
[2] MSPO (2013). Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organised smallholders. MS 2530-3:2013.
[3] RSPO (2013). RSPO Principles and Criteria for the Production of Sustainable Palm Oil.

- The lack of the why to verify may be a key reason that who/where to verify is incomplete or missing in numerous indicators (see Annex 2/Table 1; e.g. #3 on Agreements/Contracts with Third Parties and #5 on Complaints & Grievances). A striking example of this is the verification of FFB quality (see Annex 2/Table 1 #1), for which none of the three standards clearly defines the 5W1H to verify.

Table 1 RAG Score for 'Prosperity' Indicators

Key Concerns	ISPO	MSPO	RSPO Notes
#1 Fresh Fruit Bunch Quality	verifier 2.3.10.2 verifies CPO processing & monitoring & quality measurement; cross-checks records, interviews and observations	indicator 4.6.2.3 verifies FFB quality; no cross-check defined; Auditor Trap: 'may'	Guidance verifies FFB yield trends and CPO extraction rates; no cross-check defined
#2 Monitoring & Evaluation	indicator 2.1.3 verifies financial audit; document check only; legislation may define other 5W1H but may not be verified	indicator 4.6.2.1 verifies no monitoring or evaluation; no cross-check defined; legislation may define other 5W1H but may not be verified	indicator 3.1.1/3.1.3 verifies regular reviews of a.o. internal audits and preventive and corrective actions; no cross-check defined; Auditor Trap: 'appropriate'
#3 Ethical Contracting	indicator 2.2.5/5.3.2 verifies agreements/contracts and implementation; document check only; legislation may define other 5W1H but may not be verified	indicator 4.6.4.1/4.6.4.2/ 4.6.4.4 verifies agreed contracts, adherence to MSPO requirements, and monitoring/evaluation; no cross-check defined; legislation may define other 5W1H but may not be verified; Auditor Trap: 'applicable'	indicator 2.2.2/5.1.5 verifies legal compliance, but somewhat ambiguous ("fair"); no cross-check defined; Auditor Trap: 'all', 'applicable', and 'fair'
#4 Fresh Fruit Bunch Trade	indicator 6.1.2 verifies all suppliers and risk assessments and receipts; cross-checks records and interviews	indicator 4.2.3.4 verifies records of sales, transport and delivery; no cross-check defined	indicator 2.3.1/2.3.2 verifies point of origin, ownership, and relevant licenses of suppliers; Auditor Trap: 'applicable'

All appraised **'profit' indicators** (Table 1, above) show numerous gaps in the 5W1H to verify, with few significant differences:

- Fresh Fruit Bunches (*FFB*) Quality is addressed mainly in 1 indicator for MSPO, a *verifier* for ISPO and *guidance only* for RSPO (see Annex 2/Table 1 #1). This gap in all standards is surprising, as quality of FFB and timely transport to the mill is a crucial factor in monitoring, evaluation and revision of planning. As mentioned above, all standards would benefit by reassessing this concern and (re)define indicators for it. MSPO scores best on this concern, while ISPO and RSPO take joint second place.
- Business Planning, Monitoring & Evaluation is largely covered in 1 indicator each for ISPO and MSPO, and 2 indicators by RSPO (see Annex 2/Table 1 #2). All standards could be more explicit on who approves/endorses/implements planning and where documents should be available. While ISPO and RSPO score similarly on this concern, MSPO scores weaker.
- Agreements/Contracts with Third Parties are mainly covered under 2 indicators by ISPO, and 3 indicators each by MSPO and RSPO (see Annex 2/Table 1 #3). Whereas ISPO and MSPO can claim legal context for the who/where/when to verify this concern, all standards could be more explicit on these questions. For instance, they be explicit on who shall approve agreements/contracts and where they are to be kept. Notably, RSPO has discontinued the term 'contractor' and now uses 'contracted parties', but it needs to

clarify what exactly it means with 'fair' contracts. While ISPO and RSPO score similarly on this concern, MSPO scores weaker.

- *FFB Chain-of-Custody* is covered under 1 indicator each for ISPO and MSPO, and 2 indicators for RSPO (see Annex 2/Table 1 #4). None of the standards clearly define who/where/ when/how to verify the chain-of-custody of FFB. It thus would be no surprise if audit reports included too high quantities and qualities (i.e. oil extraction rates) for third party FFB. All three standards score equal for this concern.

Table 2 RAG Scores for 'People' Indicators

Key Concerns	ISPO	MSPO	RSPO
#5 Responses to Stakeholders	indicator 2.4.3 verifies response document or information service; cross-checks records, interviews and observations; legislation may define other 5W1H but may not be verified	indicator 4.2.2.3 verifies records of actions taken; legislation may define other 5W1H but may not be verified; no cross-check defined; Auditor Trap: 'all'	indicator 1.1.3 verifies responses to be maintained; no cross-check defined
#6 Operational Health & Safety	indicator 4.1.8/4.1.9 verifies training and up-to-date PPE; cross-checks records, interviews and observations; legislation may define other 5W1H but may not be verified; Auditor Trap: 'all' and 'adequate'	indicator 4.4.4.2 verifies risk assessment, training program and PPE; no cross-check defined; legislation may define other 5W1H but may not be verified; Auditor Trap: 'adequately' and 'appropriate'	indicator 6.7.3 verifies PPE and sanitation; no cross-check defined; Auditor Trap: 'appropriate'
#7 Foreign Employees	indicator 4.2.5 verifies foreign worker permits; cross-checks records, interviews and observations; legislation may define other 5W1H but is not verified; Auditor Trap: 'relevant'	not covered	not covered
#8 Child labour	indicator 4.4.7 verifies employees and contractors are not <18 years and policy is socialised; cross-checks records, interviews and observations; legislation may define other 5W1H but is not verified	indicator 4.4.5.14 verifies minimum age and hazardous working conditions; legislation may define other 5W1H; no cross-check defined	indicator 6.4.1/6.4.2 disallows child labour and protects young workers and socialisation at plantation and third parties; no cross-check defined; Auditor Trap: 'all'
#9 Trade Union	indicator 4.5.4 verifies employee feedback/ grievances/opinions and awareness of procedures; cross-checks records, interviews and observations; legislation may define other 5W1H but may not be verified; Auditor Trap: 'clear'	indicator 4.4.5.13 verifies freedom to form and join an organization, and negotiate terms; legislation may define other 5W1H; no cross-check defined; Auditor Trap: 'applicable'	indicator 6.3.2/6.3.3 verifies minutes of meetings and non-interference by estate; no cross-check defined; Auditor Trap: 'all'
#10 Community Development	indicator 5.2.1 verifies identification, support and documentation; cross-checks records, interviews and observations	indicator 4.4.5.10 may verify support to local communities; no cross-check defined	indicator 4.3.1 verifies contributions to community development, guidance provides more context; no cross-check defined

The appraised **'people' indicators** (Table 2, above) show similar gaps as those related to profit, but with a more significant gap in who to verify and more varying scores:

- Complaints & Grievances are part of one indicator each by ISPO, MSPO and RSPO (see Annex 2/Table 2 #5). All indicators mainly address what to verify (a response) rather than who to verify (the person in charge but also the complainant), and how/when to verify (e.g. a personal grievance versus a public complaint). ISPO and MSPO score similar, and slightly higher than RSPO due to their legal context.
- Legal Approval of Foreign Workers is mainly covered in 1 indicator by ISPO only (see Annex 2/Table 2 #7). This indicator covers when/how to verify this indicator but is weak on who/ what to verify (e.g. the work permit may not be verified). ISPO scores higher than MSPO and RSPO on this concern.
- Minimum Age is included in 1 indicator each by ISPO and MSPO and 3 indicators by RSPO (see Annex 2/Table 2 #8). All standards cover 5W1H well, with ISPO and MSPO banking on legal requirements. MSPO and RSPO are more explicit regarding what to verify (including protection for young employees) while ISPO puts more emphasis on how to verify. All standards score similar on this concern.
- Local Wisdom is mainly included in 1 indicator each by ISPO, MSPO and RSPO (see Annex 2/Table 2 #10). ISPO is the only standard that defines this term, although it may be covered under 'community development' by MSPO/RSPO. (ISPO uses the conjunction 'or' in its indicator, and thus this concern might be ignored by an auditor.) RSPO is less explicit regarding local wisdom overall and emphasises community development. ISPO scores higher on this concern, with RSPO scoring second and MSPO third.
- Indicators covering people are surprisingly weak on who to verify, with little guidance on methods and approaches on evidence gathering among contractors, employees and communities.

The **'planet' indicators** (Table 3, below) generally score higher than those related to profit and people, and more consistent scores:

- Water Management is mainly linked to 1 indicator by ISPO, and 2 indicators each by MSPO and RSPO (see Annex 2/Table 3 #11). RSPO strikes a good balance in all aspects of 5W1H to verify, through the use of a detailed guide on best management practices concerning the management of water. ISPO is less explicit concerning who/how to verify water management, in particular regarding third parties (communities and employees). ISPO stipulates cross-check through interviews and observations, whereas RSPO does not. RSPO scores higher on the 5W1H, whereas ISPO is more explicit on cross-checks. MSPO scores lowest on this concern.
- Peat Land Conversion is covered in one indicator each by ISPO, MSPO, and RSPO (see Annex 2/Table 3 #13). This is best covered set of indicators for all standards, with RSPO covering most of the 5W1H on auditing. ISPO does not identify what it considers 'applicable standards' and would benefit from being more specific. MSPO's 'MPOB guidelines' were not available and reviewed. RSPO scores higher for this concern, followed by ISPO and then MSPO.
- Integrated Pest Management is mainly covered in 1 indicator by ISPO and 2 indicators by RSPO (see Annex 2/Table 3 #14). No indicators by MSPO were encountered. Both ISPO and RSPO are ambiguous on who to verify. RSPO is more explicit regarding chemical and biological pest management, while ISPO is stronger on mechanical pest control. ISPO scores slightly higher than RSPO, with MSPO not covering this concern.

Table 3 RAG Scores for 'Planet' Indicators

Key Concerns	ISPO	MSPO	RSPO
#11 Water Conservation	indicator 2.3.1.2/2.3.10.2 verifies drainage and defines riparian buffer zones; cross-checks records, interviews and observations; legislation may define other 5W1H but may not be verified; Auditor Trap: 'adequate'	indicator 4.5.5.1/4.6.1.2 verifies water management plan, monitoring & implementation, and contamination of surface water; no cross-check defined; legislation may define other 5W1H	indicator 7.8.1/7.8.2 verifies water management plan, monitoring & implementation; additional guidance in the standard as well as separate guidance on management of riparian zones; Auditor Trap: 'appropriate'
#12 Zero Burning	indicator 2.3.1.3 verifies mechanical land clearing and fire prevention reports; cross-checks records, interviews and observations	indicator 4.5.7.3 verifies controlled burning and compliance to legislation; legislation may define other 5W1H; no cross-check defined; Auditor Trap: 'applicable'	indicator 7.1.3 disallows use of fire for pest control unless dispensation is available, also covered in NPP; no cross-check defined; Auditor Trap: 'no'
#13 Peat Land	indicator 2.3.4.3 verifies identification and reporting of peat to relevant authorities; cross-checks records, interviews and observations; Auditor Trap: 'applicable'	indicator 4.7.2.1 verifies planting on peat complies to external guidelines; no cross-check defined	indicator 7.7.1/7.7.2 verifies identification and reporting of peat to relevant authorities; linked to HCV; no cross-check defined; Auditor Trap: 'no'
#14 Integrated Pest Management	indicator 2.3.6.4 verifies early identification of pests, use of approved pesticides, and mechanical/biological/physical alternatives; cross-checks records, interviews and observations	not covered	indicator 7.1.1 verifies plans, guidance adds mechanical/biological/physical alternatives, promotes native species; no cross-check defined; Auditor Trap: 'effective'
#15 Waste Management	indicator 3.4.3 verifies implementation of all wastes and records kept, links to legal requirements; cross-checks records, interviews and observations; Auditor Trap: 'no'	indicator 4.5.3.2 verifies waste management plan and monitoring/reducing waste; legislation may define other 5W1H; no cross-check defined	indicator 7.3.1/7.3.2/7.3.3 verifies waste management plan, proper disposal, and disallows burning wastes; guidance adds recycling and management/disposal of hazardous wastes; no cross-check defined; Auditor Trap: 'proper'
#16 RTE Conservation	indicator 3.7.1/3.7.3 verifies SOPs, legal compliance, maps and planning and socialisation; cross-checks records, interviews and observations, and HCV approach	indicator 4.5.6.2/4.5.6.3/4.7.5.3 verifies legal compliance and management plans; focusses on identification rather than conservation efforts; legislation may define other 5W1H; no cross-check defined; Auditor Trap: 'appropriate', 'any', 'inappropriate', 'effectively' and 'excessive'	indicator 7.12.2 verifies HCV with other issues work in progress (see procedural note for 7.12); cross-check through HCV approach
#17 Green House Gas Emissions	indicator 3.8.2/3.8.3/3.8.5 verifies sources of emission, calculations of GHG and mitigation records; cross-checks records and interviews (not observations)	indicator 4.5.4.1/4.5.4.2 verifies action plan to reduce GHG; no cross-check defined; Auditor Trap: 'all', 'significant'	indicator 7.10.1/7.10.2/7.10.3 verifies emission sources, planning and monitoring of mitigation; references to GHG calculator; no cross-check defined

- Conservation Efforts are mainly addressed in 1 indicator by ISPO, 3 indicators by MSPO, and 2 for RSPO (see Annex 2/Table 3 #16). ISPO and RSPO clearly define capitalize on the improvements made on the HCV approach (see HCV Resource Network 2018). RSPO has additional requirements through the High Carbon Stock (*HCS*) Approach (HCS Approach

2017). MSPO focusses on legal requirements for conservation only, and its indicators on conservation contain the highest number of speculative determiners among all matched sets. RSPO scores slightly higher than ISPO on this concern, whereas MSPO scores lowest.

- Green House Gas Mitigation is covered in 3 indicators by ISPO, 2 indicators by MSPO, and 3 by RSPO (see Annex 2/Table 3 #17). ISPO and RSPO cover what/where/when to verify in detail, but could be more explicit on who/how to verify. MSPO only verifies what to verify. ISPO and RSPO score similarly on this concern, whereas MSPO scores lower.

Table 4 RAG Scores for 'Legal' Indicators

Key Concerns	ISPO	MSPO	RSPO
#18 Indigenous Lands	indicator 1.1.2.3 verifies indigenous lands are excluded from commercial plantations; cross-checks records and interviews	indicator 4.7.6.4 not scored, see text below; Auditor Trap: 'any'	indicator 4.6.1 verifies procedure for identification of land use rights
#19 Land Use Rights	indicator 1.1.3.1/1.2.4.1 verifies various licenses and permits; cross-checks records and interviews	indicator 4.3.2.2 not scored, see text below	indicator 2.3.1 verifies proof of ownership and/or valid use right of third-party suppliers; no cross-check defined
#20 Land Conflicts	indicator 1.1.4.2 verifies resolution of land conflicts; cross-checks records and interviews	indicator 4.3.2.4 not scored, see text below	indicator 4.8.2 verifies conflict resolution processes; no cross-check defined; Auditor Trap: contradicting requirements and references
#21 Land Use Permits	indicator 1.1.5.1/1.2.1.4 verifies identification of legal and illegal land use; cross-checks records, interviews and observations	indicator 4.3.2.2 not scored, see text below	indicator 2.3.1 verifies proof of ownership and/or valid use right of third-party suppliers; no cross-check defined

The **'legal' indicators** (Table 4, above) showed the most pronounced scoring, with the best overall scored for 5W1H found here:

- ISPO scored high on all of its matched indicators. It capitalises on the lessons learned from Indonesia's experts on timber legality verification, and defined clear indicators and guidance for its legal requirements.
- MSPO indicators were not scored, as insufficient expertise and references were available to discuss the legal context of Malaysia.
- RSPO indicators scored significantly lower than ISPO (and likely also MSPO). This is to be expected from a global standard, as it cannot identify all intricacies of national and local regulations around the globe.
- The low scores for RSPO's indicators for land use rights and permits (Annex 2/Table 4 #19 and #21), however, were unexpected! These requirements appear to have been omitted during the latest revision of the standard, with the most recent Generic Auditor Checklist (RSPO 2019b) only verifying land use rights and/or permits of third-party suppliers. It can be argued indicator 2.1.1 (the unit of certification complies with applicable legal requirements) may cover land use rights and permits of the auditee, but this will require a major revision of RSPO's Generic Auditor Checklist.

❖ CONCLUSIONS

Undoubtedly, the quick-and-dirty approach used above still contains significant errors. A rapid appraisal based on a small sample of indicators has insufficient safeguards against personal bias. This bias is further exacerbated by limited access to information on the various standards, in particular a lack of access to MSPO's supporting documents and guidance.

Nonetheless, some tentative conclusions can be drawn from the findings:

- The indicators covered matched well between the standards, with few partial indicators adapted for matching (see Annex 1). The standards are structured along different approaches, with RSPO applying its prosperity-people-planet approach whereas ISPO applies more of a plan-do-check-act approach. But this has little impact on the content of matched indicators.
- ISPO appears to aggregate more requirements into a single indicator while RSPO separates more of them into multiple indicators. MSPO is positioned between ISPO and RSPO on this. The practice of aggregating/separating requirements has no apparent impact on the veracity of the indicators. Most matches show minor variations in scoring the 5W1H only, with minor differences in scoring.
- Indicators covering planet scored higher than those covering profit and people. While this may be due to a personal bias as a forester, this may also indicate that all standards are better suited for conservation purposes.
- Explicit guidance on who to verify for each indicator may improve audit practices that are weak so far (such as consultation and interviewing; see the point on auditor competence covered above under 'ranking TPC standards'). The significant lack of explicit guidance on who to verify explains to some extent the habit of auditors to rely too much on documented evidence from the management entity and are poorly cross-reference this against verbal information provided by individuals.
- All three standards may benefit significantly if they are more explicit on why to verify each indicator. This likely will further define the contents of each indicator and make the remaining 5W1H more explicit. (RSPO has initiated this concern through its Theory of Change, but so far applies it more to a criterion level.) For instance, the indicators on Complaints/Grievances (Annex 2 #5), Water Management (Annex 2 #11) and FFB Quality (Annex 2 #1) will benefit from a clear rational for why to verify them.

Regarding the veracity of the various indicators, ISPO scores best among the three standards. In particular, it stands out on less speculative determiners and more details on how to verify. The latter is due to its matrix for all indicators identifying if records must be cross-checked against interviews and or observations.

The bottom line is that all standards need to redefine the target group for their indicators: the auditors. Standards need to provide more – much more – guidance on who, what, where, when, why and how to verify their plethora of indicators and external guidelines.

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