



Forest Peoples Programme

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Dear Meg,

3rd Complaint about Wilmar International

Attached to this letter please find a detailed report which summarises serious problems that have recently occurred in the concession of a subsidiary company of Wilmar International, PT Asiatic Persada (PT AP). Wilmar is the international palm oil trading company that has been the recipient of several forms of financial support from the IFC.

As you know, subsequent to our second complaint about Wilmar in 2008, the CAO set up a dispute resolution process related to this concession, PT AP. This mediated negotiation, which was carried out on behalf of the CAO by a local NGO, Setara, and which the CAO observed and provided mentoring for, broke down earlier this year.

Concurrently with the mediation process, the company, with the local government, has been trying to impose a settlement on the communities that is in our view both contrary to IFC Performance Standards and with the use of coercive measures. It was also done outside the MoU and Code of Conduct agreed by the CAO. Recently, as detailed in the report, there have been serious human rights abuses and forced evictions of local community members. These acts were carried out by PT AP staff and by the Mobile Police Brigade (BRIMOB) from the Provincial Capital, Jambi, which had been contracted by PT AP to enforce security in its concession since July 2011.

During a week-long operation between 9th and 16th August 2011, BRIMOB and PT AP staff systematically evicted some 83 families from their homes and demolished their dwellings in the south of the concession. According to testimonies gathered in the investigation, BRIMOB entered the communities without warning, firing guns and chasing men, women and children from their settlements, while company staff under the directions of estate managers proceeded to bulldoze and smash the houses, even to the extent of using caterpillar tractors to tear up concrete floors and shove them into the nearby creeks. While some persons were injured, many have been made destitute and most have been seriously upset by these events.

Underlying these conflicts lie unresolved land disputes, the company having acquired its 20,000 ha. concession over the customary lands of the Batin Sembilan peoples without their consent. The community members interviewed allege that the company has cleared and planted its estates without paying compensation for lands and other properties so taken.

The purpose of this letter is to formally register our complaint and request that the CAO steps up its efforts to resolve this conflict and restore the rights and livelihoods of the affected people.

We are glad to be able to report that, following discussions first with the communities and then with both the Head of Sustainability at Wilmar and with the Chairperson of the RSPO, it seems to be agreed by all parties that:

- the CAO should return to mediate a negotiated settlement between the affected communities and PT AP/ Wilmar
- the RSPO's newly formed Dispute Settlement Facility would observe the process in order to build up its own capacity to resolve further such problems in the future.¹

In filing this complaint we are aware that Wilmar has been the subject of CAO mediation for over 6 years. The CAO's involvement has led to (partial) resolution of the problems in the Wilmar subsidiary operations in Sambas District in West Kalimantan and also one site in Riau. We are grateful for this progress.

However, Wilmar is a very large conglomerate and, as this case illustrates, it has clearly not succeeded in resolving problems in all its many other subsidiary operations. Therefore, in addition to mediation of the disputes in PT AP, we also call on the CAO to carry out, in collaboration with affected communities and supportive NGOs, and then make public, a much wider review of Wilmar's operations as they relate to land acquisition and dispute resolution.

Where other unresolved land conflicts are identified, we ask that the CAO also involve itself in mediating solutions in these areas and work with the company to ensure it adopts effective measures to systematically address land conflicts in its concessions in line with international human rights standards, the IFC Performance Standards and the Principles and Criteria of the RSPO, of which both Wilmar and the IFC are prominent members.

We are indeed sorry to have to be writing to you again about these conflicts but once you have read the attached report I am sure you will appreciate that our concerns are substantive ones.

Yours sincerely



Dr. Marcus Colchester
Director, Forest Peoples Programme

Abetnego Tarigan
Executive Director, SawitWatch

Andiko
Executive Director, HuMa

Rukaiyah Rofiq
Director, Yayasan SETARA, Jambi

Rivani Noor,
Facilitator, Community Alliance for Pulp Paper Advocacy, Jambi

¹ The RSPO DSF is still untested and the consensus seems to be that it lacks the experience and capacity to resolve such a serious and protracted dispute but that by accompanying the CAO it could benefit from observing the process.

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Executive Director, Institut Manua Punjung, West Kalimantan

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Feri Irawan
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Anwar Sadat
Direktur of Walhi Sumatera Selatan

AW Boyce
Wahana Liar Sumatera Barat

Bahtiar, A.R.
Suku Anak Dalam Kelompok Mat Ukup

Acil Saputra
Ketua Suku Anak Dalam Kelompok Mat Ukup

Annex 1:

Additional information in accordance with Model Letter.²

We are NGOs and indigenous peoples' organisation living and/or working in Indonesia and/or in support of people in Indonesia. This complaint is also be made on behalf of palm oil affected groups including indigenous peoples and smallholders.

We are lodging a complaint concerning Project 26271 which is an IFC loan to Delta Wilmar a member of the Wilmar Group. Wilmar sources a major proportion of its palm oil from Indonesia much through subsidiaries wholly owned by Wilmar International.

We can be contacted through the address, telephone and fax numbers given in the letterhead and the email addresses in the email through which this message is being sent to you.

We work on behalf of people who are being and are likely to be affected by the social and environmental impacts of the project in ways detailed in the letter above and in the publications referred to in the footnotes which we have sent you in previous correspondence. The loan doubled the processing capacity of Delta Wilmar and will contribute to an expansion of the palm oil sector notably by Wilmar's wholly owned subsidiaries in West Sumatra, Riau, West Kalimantan and Central Kalimantan and by other companies from which Wilmar sources palm oil in all parts of Indonesia.

We have raised our concerns about these loans and investments in letters and dialogues with the IFC and Wilmar Trading since 2004 and have had meetings with IFC staff to clarify the procedures through which these investments have been made. We have also raised concerns about this specific loan in prior correspondence with the IFC Board and Vice President Thurnell and with the CAO. These letters are also referenced above. Some of us have also had meetings and correspondence with the staff of Wilmar and its subsidiary companies in Indonesia.

We would like to see this complaint resolved by:

- Publication of an independent participatory review of the operations of Wilmar group companies in Indonesia;
- The adoption of reformed standard operating procedures by Wilmar
- ensuring Wilmar and IFC take remedial actions to mitigate or undo the harms detailed and compensate those whose livelihoods and environments have been irremediably harmed.

² CAO Operational Guidelines page 34.