



WILMAR AFFIRMS COMMITMENT TO OPEN, TRANSPARENT & RESPONSIBLE PRACTICES

Wilmar International Limited (Wilmar) is aware of criticisms made by Friends of the Earth (FoE) regarding some of its operations in Africa.

We recognise the importance of sustainable development and are always prepared to engage in constructive dialogues with relevant stakeholders and civil society organisations in our continuous pursuit of improvement. With regard to FoE's concerns on the oil palm project in Africa and its impacts on the local communities, Wilmar has responded with information clarifying its activities in that region, and reaffirming its commitment to open, transparent and considerate practices in all countries and communities where it operates.

Uganda

The Kalangala oil palm project was initiated in 1998 by the Government of Uganda with technical and financial support from the World Bank and International Fund for Agricultural Development (IFAD) with the aim of providing much-needed development to one of the remotest and poorest districts in Uganda.

Following an extensive evaluation process by the Ugandan Government, the World Bank and IFAD, Bidco Uganda (before Wilmar became a Joint Venture partner of the company) was invited to participate in the project as a private-sector partner. Bidco Uganda was subsequently established as a joint venture in which Wilmar had an initial stake of 29% but was later increased to 39%. Prior to project commencement, there was extensive consultation with the affected communities, including public hearings. The project was initiated with support from the communities and local and district leadership.

The Government of Uganda was responsible for the acquisition of land for the project. The acquisition process was managed by a task force comprising local, district and state ministries and representatives. To the best of our knowledge, there was no compulsory acquisition of land, and all the land was acquired on a willing-buyer-willing-seller basis with Free, Prior and Informed Consent (FPIC). There were no evictions of people on the land acquired for the project. Where it was not possible for the occupants to leave the land in question, the specific area was set aside and no oil palm development took place. Any known cases of encroachment on land already set aside for oil palm development were handled within established channels at the District Administration level.

Altogether, three environmental impact assessments (EIA) were conducted separately by the World Bank, the Ministry of Agriculture together with Bidco Uganda and the IFAD. The former two were conducted before the project commenced; and the last after the project took off. All three EIAs clearly indicated that there was no significant biodiversity value in the project area.

Before any oil palm is planted by the farmers, extensive assessments are conducted to ensure the lake buffer zone, wetlands, cultural sites and other such areas are respected. In addition, Bidco Uganda has carried out enrichment planting within the lake buffer zone areas that had been degraded by previous lumbering and charcoal-burning activities carried out prior to the project. The company is also working with the local government to monitor the area and prevent any further encroachment.

[For information on how land was acquired from the local communities, please refer to Appendix I: Letter from the Kalangala Oil Palm Growers Trust (KOPGT) to the media publication - The Independent News.]

The project has provided an important source of development and income for the communities in Kalangala. Since project initiation, Kalangala has moved from bottom of the list in terms of economic development (71 out of 76) to among the top 10 districts in Uganda. Bidco Uganda remains committed to working closely with the community in Kalangala, as well as the district and local leadership and to supporting local infrastructure developments, including schools and healthcare services.

Bidco Uganda's establishment in the country - in particular in remote areas such as the Bugala Island – has created a valuable job market and social net that was otherwise almost non-existent. Through its growing role as an employer, its substantial impact on both the local and national economies, as well as through community work, the company is bringing tangible and meaningful benefits to the country and its people.

[For information on how local communities have benefitted from oil palm development, please refer to Appendix II: Media article - "Yielding good returns from palm tree growing"; and Appendix III: Media article - "A weekend visit to Kalangala"]

In response to the unfounded allegations against Bidco Uganda and the general palm oil industry in Uganda, the Kalangala Oil Palm Growers Trust (KOPGT) which performed an important role in organising farmers' participation in this project, including facilitating loans for plantation establishments and mediating the interests of the farmers, the government and the private sector, as well as the Kalangala Oil Palm Growers Association (KOPGA), wrote directly to FoE explaining the project as well as inviting them for further dialogue.

[Appendix IV: Letter from KOPGT to FoE]

[Appendix V: Letter from KOPGA to FoE]

The unfair portrayal of the palm oil industry in Uganda also prompted the Ugandan Minister of Water and Environment and the Kalangala District Local Government to respond respectively.

[Appendix VI: Media article – "Minister Fires Back at Friends"]

[Appendix VII: Statement from Kalangala District Local Government]

We believe we have developed one of the best oil palm plantations in Africa in Kalangala and the local people have benefitted tremendously from the project. It is disappointing to see an NGO like FoE trying to distort facts and belittling the good work we have done in Kalangala.

Nigeria

Nigeria was an agricultural powerhouse from the 1950s to the mid-1960s, and was the largest producer and leading exporter of palm oil in the world, accounting for more than 40% of the world's output then. Today, Nigeria is a net importer of palm oil of 150,000 to 200,000 tonnes per annum.

Wilmar made its first oil palm plantation investment in Nigeria in 2011 when the Group made a successful bid for six plantation sites totalling about 27,000 ha from the Cross River State in Nigeria through a tendering process. Most of these plantations were first planted in the 1960s but abandoned from the 1970s onwards. The rigorous tender process included a technical and financial bid submission which also involved extensive negotiations and consultations with both the Cross River State Council on Privatisation (CRSCP) and other key stakeholders including the local communities, before the acquisition process could be concluded.

The Group's planned development includes replanting the old plantations that are due for redevelopment, as well as some new plantation site adjacent to the old ones. In the former, we were assured by the local government that the local communities were already duly compensated before we took over. On the new sites, Wilmar undertook the Free, Prior and Informed Consent (FPIC) approach with the local communities through active engagement and consultation; and fair compensation was given to them based on a mutually-agreed-upon rate.

The Group's plantation operation is expected to bring in substantial investment and create 6,000 new jobs for the local communities. We have promised the Cross River State government to develop a first class oil palm plantation and downstream industry in the State as well as help develop a smallholder scheme which will bring tremendous benefits to the State. We will also build good schools and medical facilities for our staff and the local communities.

We have started a training school to train locals in order to minimise the need for expatriates in developing the plantations. The school will also train smallholders in managing their plantation.

[For Wilmar's socio-economic contribution to Nigeria, please refer to Appendix VIII: "PZ Wilmar veers into palm oil market with \$640mn investment"]

As a committed member of the Roundtable on Sustainable Palm Oil (RSPO), we take our role as a responsible corporate citizen very seriously. We firmly believe our practices are in line with the code of conduct and standards of the RSPO and are confident we can stand up to accusations by irresponsible parties that we have breached national laws and regulations and failed to reach an agreement with the landlord communities in acquiring the plantations.

For that reason, we welcomed the RSPO's inquiry into our operations in Nigeria, to which they engaged an independent legal expert to review the alleged non-compliance issues.

We are pleased to announce that the review has concluded, and the RSPO Complaints Panel is of the view that our plantation operations in Nigeria is in compliance with the national laws of Nigeria, including the lawful acquisition of land and that due process of environmental impact assessment (EIA) was followed.

In particular, it was noted by the legal expert appointed by the RSPO that our acquisition of the estate in question was considered transparent and within the ambit of the Land Use Act. As such, the burden is on the complainant, the Rainforest Research and Development Centre (RRDC), a civil society organisation, to disprove the legitimacy of our acquisition.

[Appendix IX: Letter from the RSPO stating that Wilmar has complied with national legislation and giving the Group approval to proceed with its plantation development according to RSPO's New Planting Procedure]

In addition to legitimacy of our acquisition, we would also like to categorically refute the allegation of encroachment into the National Park of the Cross River State. We would urge RRDC, in the interest of transparency and accountability, to provide evidence of such encroachment and we will take the appropriate action to rectify the situation.

On the claim that we have not settled the land rights issue with the local communities, we have a letter from the communities clearly stating that an agreement has been reached between the landlord communities and Wilmar. The RSPO review findings also noted that Wilmar “has undertaken to look into the interest of the local communities and carry out CSR activities as contained in the fundamental agreement that was signed in May 2012.” (Please refer to Appendix IX)

[Appendix X: Letter from local communities stating that Wilmar has fulfilled its social obligations]

We understand that the complainant RRDC is not entirely satisfied with the concluding legal opinions. We would like to highlight that the Terms of Reference for this legal opinion work was finalised and agreed upon following consultation with RRDC, and in that spirit, the RSPO strongly refuted the allegations on the impartiality of the legal opinion by the legal expert whose appointment was also agreed and approved by RRDC.

[Appendix XI: Letter from the RSPO to RRDC refuting the latter's allegations on the impartiality of the review results]

Land Development Policy

Wilmar's policy mandates strict adherence to land development only in areas where we are welcomed by the local communities, regardless of location. We aim to engage the affected communities in an open, consultative manner to bring about a free, prior, informed and consensual solution that benefits all parties. In addition, Wilmar will not threaten or diminish, directly or indirectly, the resources or tenure rights of local communities.

We remain vigilant in operating on land to which we have a legal right, and in which the country's government recognises us as the rightful entity to manage the land in question. In the event of land disputes, Wilmar aims to resolve them in an open and transparent manner. We are committed to undertaking all necessary measures to avoid damage affecting legal or customary rights, property, resources or livelihoods.

About Wilmar's Commitment to Sustainability

Wilmar International Limited is Asia's leading agribusiness group engaged in oil palm cultivation, oilseeds crushing, edible oils refining, sugar milling and refining, specialty fats, oleochemicals, biodiesel and fertilisers manufacturing and grains processing. At the core of Wilmar's strategy is a resilient integrated business model that encompasses the entire value chain of the agricultural commodity processing business. Headquartered in Singapore, it has over 450 manufacturing plants globally and an extensive distribution network covering more than 50 countries. The Group is backed by a multinational workforce of about 92,000 people.

As a responsible corporate citizen, Wilmar endeavours to create and build an enduring business that is economically viable, socially beneficial and environmentally sustainable. Since 2005, Wilmar has been an active member of the Roundtable on Sustainable Palm Oil (RSPO), an international multi-stakeholder organisation that promotes the production and use of sustainable palm oil. The Group adopts an environmental management system conforming to the RSPO Principles & Criteria and the United Nations Global Compact, amongst others. In managing oil palm plantations, it upholds stringent policies of zero-burning and non-development on peatland while respecting the rights of communities by adopting the 'free, prior and informed consent' (FPIC) principle.

For more information on Wilmar's sustainability efforts, please visit <http://www.wilmar-international.com/sustainability/>

Appendix I



Kalangala Oil Palm Growers Trust (KOPGT) Secretariat,

P O Box 39, Kalangala.

e-mail: kopgtk@gmail.com

Tel: 0784846353

10/05/2012

The Editor in Chief,
The Independent News Paper,
Kampala - Uganda.

RESPONSE TO YOUR ARTICLE OF 05/05/2012 ON OIL PALM IN KALANGALA.

I am writing to provide you with the facts in response to the recent article in your magazine and other media alleging that: I wish clarify as follows:

The accusation that oil palm farmers of Kalangala are forced to sell off their plots of land due to failure to pay off the loan they obtained to grow the oil palm trees:

- Loan repayments begin only when the farmer has started harvesting 5 years after initial planting.
- Our farmers are given a flexible period (from 8 to 10 years) over which to pay off the loans when they obtain from our organization.
- Once harvesting has started, 33% is deducted from the financial value of the sale of oil palm fruits until the loan is paid off. .
- So the money that farmers put in their pocket after loan repayment each month is 67% of their net oil palm fruit sales.
- The yields of fruits that our farmers are getting now are comparable to or better than international standards, and farm incomes for the benefitting farmers have substantially increased.
- No farmer has sold their plantations due to failure to re-pay the loans. In our case the oil palm tree is so valued and we cannot afford to handle its transactions in the way your news paper seems to portray.

- To the contrary, our organisation is unable to fulfill the very high demand from farmers waiting to join the oil palm growing enterprise because it has proved to be a very profitable one.

The accusation that there is rampant “land grabbing” associated to the oil palm project:

- As for the land grabbing you refer to, the Government of Uganda avails land to our partner (Oil Palm Uganda Limited – OPUL) free of any encumbrances. The purchase of the land is also on a willing buyer willing seller basis at a negotiated price.
- If there are any squatters on the land, the land owner compensates that before the land is handed over to OPUL.
- Where it is not possible for the occupants/community to leave the land in question, the specific piece of the land is then not utilised for the oil palm development, but left to benefit the community. Such cases have been handled in Bwendero, Mulabana, Kasekulo and Bumangi.
- There are known cases of encroachment on land already set aside for oil palm development, those are handled according to the available channels at the District Administration level.
- If there are any specific cases you refer to, those cannot be attributed to our project, because land is and will continue to be a traded commodity that can be exchanged at will.
- There has never been any “land grabbing” for oil palm and the World Bank has never provided funding for oil palm development in Uganda or to our project.

The accusation that oil palm development has destroyed the environment:

- Before the investment by OPUL started in December 2004, all Environmental Impact Assessments were carried out, and the National Environment Management Authority (NEMA) has issued the certificate for the investment, along with the environmental conditions which must be respected. An environmental Impact Management System overseen by a committee composed of representatives of MAAIF, NEMA, NARO and the Kalangala Local government is charged with ensuring compliance to these conditions.

- All the stakeholders of the oil palm project are fully aware of the importance of the environment in Kalangala, especially the 200 metres lake environmental buffer zone and the need to conserve soil and water resources.
- Before any oil palm is planted by the farmers or the nucleus plantation, suitability of the land is assessed to ensure the lake buffer zone, wetlands, cultural sites and other such areas are respected.
- The private investor, OPUL have actually carried out enrichment planting of some of the 200 meter lake zone areas where lumbering and charcoal burning had degraded. There are also joint efforts between the local Government and OPUL to police the lake buffer zone.
- The allegation of women producing blue babies as a result of drinking water contaminated with fertilizers is a totally baseless. It has never happened anywhere in Kalangala.
- Fertilizers are applied to the oil palm trees in a circumference around the base of the tree (because of the high cost of fertilizer) and only the quantity applied is that is required by the tree. Given the limit amount and ways applying of fertilizer, and the 200 metre lake protective border, there is no way fertilizer can find its way into the lake and this has been confirmed by water quality tests done by Directorate of water development.
- Contrary to your statement that tourism has suffered because of oil palm development, since 2004 the number of hotels on the island has increased from 02 to 08 today, probably because of the increased ferry service to bugala Island as a result of the project. Protected forest areas are better preserved than they were 10 years ago, because with income from oil palm and the growth in tourism there is little need for activities which mine natural resources, such as charcoal burning and wood extraction.

In a recent meeting where the President of IFAD, the Hon. Minister of Agriculture Animal Industry and Fisheries, the LC5 Chairperson of Kalangala District and the Chairperson of the oil palm farmers of Kalangala District have observed first hand that the oil palm development project has greatly improved the economy of Kalangala District. **In 2000, Kalangala was ranked 71 out of 76 districts in Uganda, thus being among the poorest. By 2007, Kalangala was ranked 7th, which confirmed the tremendous livelihood benefits which have been brought to the entire island by oil palm**

development. Oil palm development has improved their farm income, oil palm farmers are now able to improve their houses and send all of their to school, while also saving in island SACCOs.

Your article belittled the tremendous committed of smallholder farmers to oil palm development, and the commitment of the Government of Uganda and IFAD to improve livelihoods for the people of Kalangala District.

Basaalidde Nelson

Manager – Kalangala Oil Palm Growers Trust.

big story

A truck of palm fruits. The commodity has become a key source of livelihood for the people of Kalangala. PHOTOS BY JULIE KISONGO.



Yielding good returns from palm tree growing

The changing Kalangala tides. Previously concealed under a heavy forest cover, Kalangala has become a key palm fruit producing island with a number of smallholder farmers benefiting from the trade.

BY ABDU KIYAGA
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Before 2006, Euralia Nabbosa was a stay-home house wife in Njoga, a village on Bugala Island in Kalangala District.

Her husband, a fisher man would come home late carrying fish for dinner, which she would prepare with the food harvested from the family gardens.

However, around the same time Nabbosa received a rare opportunity when district officials who were moving door-to-door interested her in growing palm trees.

The officials were trying to convince residents to grow palm trees, which currently cover about 10,000 acres of the heavily forested island.

"At first many people were against the project saying it was a land grabbing trick. However, my instincts told me to try it out given that I wasn't involved in any productive activity,"

Nabbosa says.

"In Kalangala much of the land is public [land] so we only had to open parts of the forest to give way for the growth of palm oil," she says.

And according to Nabbosa, after one had opened up any piece of land, that person would become the owner of the land.

"I opened up two acres, but I bought another five at Shs150,000 from a loan that I had acquired from Kalangala Oil Palm Growers Trust (KOPGT)."

"However, just like other farmers I acquired more funds from KOPGT for buying seeds and mechanical tools that would later help me to set up my garden."

After four years, in April 2010, Nabbosa harvested her first fruits, with the first harvest giving her 324 kilograms.

"I was not that happy because I had put in so much. I had expected more. However, I kept hopeful," she says.

The government through the ministry of Agriculture earmarked Shs40.5 billion that is lent out to farmers in order to boost their productive capacity as well as adhering to quality.

The loans, which have a three year grace period, are given in form of seedlings, pesticides and harvesting knives among others items.

The three year grace period is premised on the fact that the plant can only be ready for harvest after a certain period upon which farmers can start to earn.

During harvest time, the buyers who are mainly KOPGT members deduct 33 per cent of the total sales from farmers who acquired loans.

The farmers, according to common practices are only allowed to harvest the fruit three times in a month, with a spacing of 10 days per harvest.

Ms Nabbosa, as she says, used her first harvest to acquire more land, which increased her acreage to 10.

In her seven years of growing palm trees, Nabbosa has built herself a bungalow that houses her and the family.

"I cannot pull down my old house [the wooden shack] because when I look at it, it reminds me of how far I have come from. I feel grateful that I took a decision to join the palm tree growing project," she says.

Currently a kilogramme of palm fruit goes for Shs365 and last year

Nabbosa earned Shs1.27 million from her two tonnes of the harvest.

Just like any other ventures, palm tree growing has its own challenges.

"Sometimes when the season is good I have a good harvest but there are times when things are really terrible that you even fail to raise the money for the mandatory loan repayment," says Nabbosa.

Currently there are about 500 small scale farmers who are involved in palm tree growing with Bidco being the main beneficiary of the project.

The Kenya based vegetable oil manufacturer entered Uganda in the early 2000s and it expects in future to buy an additional 6,500 acres of land for the growth of palm trees.

BACKGROUND TO PALM TREE GROWING IN UGANDA

Project implementation: Since 2008, the Oil Palm project is being implemented on Bugala Island in Kalangala District through the Vegetable Oil Development Project in Public Private Partnership between the government and out growers under KOPGT, and Oil Palm Uganda Limited, a company incorporated by Bidco.

Palm oil do's and don'ts

Seeds should not be planted unless they are one and half years old. The standard spacing of each seed should be nine meters

apart. No spraying on the plantations but a recommended amount of fertilizers (1 kilogramme per three months) should be applied.

Harvesting: Palm oil fruits should only be harvested after three years and it should only be done three times a month with a spacing of 10 days per single harvest.

Expiring and replacement: At any particular time, palm oil trees can only be harvested up to 25 years and should be replaced after the period has expired.



THE NUMBERS

7,0000

The number of acres that are currently under palm tree growing in Bugala Island, Kalangala District.

3,700

The average harvests in metric tonnes (MT) from smallholder gardens and nucleus estate per month.

4.8 billion

The total of money in shillings earned by smallholder farmers as of December, 2012.

A weekend visit to Kalangala

FRIDAY, 15 JUNE 2012 13:20 BY ANDREW M. MWENDA



How BIDCO's investment is changing the lives of people in the district and the potential it has to transform agriculture

Uganda today consumes 250,000 tonnes of vegetable oil per year, up from 100,000 tonnes in 2005. Of this, 16,000 tonnes was produced locally from oil palm by BIDCO in Kalangala in 2011. The company projects production to peak at 20,000 tonnes this year. Another 24,000 tonnes are produced by Mukwano from oil seeds. This leaves the country to import 210,000 tonnes of vegetable oil from Malaysia and Indonesia every year at a cost of about US\$300 million of which about US\$80m is transport costs.

East Africa imports about 1.2 million tonnes of vegetable oil per year at a cost of US\$ 1.5 billion a year of which about US\$ 300 million is transport cost. This means that in spite of our poverty, East Africa's consumers give US\$1.2 billion of their income annually to Malaysian and Indonesian farmers. This is a story of both success and failure.

It is success in the sense that the increasing consumption of vegetable oil is a sign that incomes in Uganda (and East Africa) are increasing across the board. That is why more and more of our people are using industrial vegetable oil in their food. It is a sign of failure that agricultural economies like ours; with good climate to produce vegetable oil from its own farmers, still surrender US\$1.2 billion annually to Malaysian and Indonesian farmers.

That is why I went to Kalangala to visit BIDCO's oil palm estates last week. I spoke to all involved: The chairman of the company's out-growers association; the head of the agency that handles farmers' credit; the Managing Director of BIDCO, the LCV Chairman of Kalangala District and ordinary farmers and people.

I write this column with a lot of humility as I was the first person to lead a struggle against BIDCO in 2004. Using Daily Monitor (where I was Political Editor) and KFM (where I hosted a daily radio talk-show), I mobilised various people to try block the deal. The contract between Uganda government and BIDCO stipulated that government would buy land for BIDCO to plant oil palm. It also said that government would reimburse the company for taxes for 25 years. I made a mistake in the tax computation and felt that this was a bad deal.

Today, especially after visiting the BIDCO factory in Jinja in 2010 and now after visiting Kalangala and talking to key people in the business, I admit I was wrong and mistaken. BIDCO has about 6200 hectares of land under its nucleus farm. Its out-growers have about 3,000 hectares of which only 800 hectares of the trees are mature and therefore yielding fruit. Those farmers earn Shs 350m per month selling their palm oil fruit to BIDCO. A farmer

earns Shs 500,000 per ton. A hectare (2.5 acres) can produce 18 to 20 tonnes of the fruit per year – giving them earnings of about Shs 10 million. Therefore, a farmer with 10 hectares (25 acres) can earn up to Shs 100 million in a year.

Uganda needs about 70,000 hectares to become self-sufficient in vegetable oil. BIDCO can take 40,000 for its nucleus farm and have out-growers contributing from the other 30,000. Extrapolating from the current figures, if this happened, BIDCO would employ 12,000 directly and another 60,000 people indirectly. The out-growers would earn Shs 50 billion per year. The country would save US\$300 million it spends on importing vegetable oil; and now have that money going into the pockets of its farmers as incomes. Today, BIDCO pays Shs 74 billion in taxes; if Uganda produced 250,000 tonnes of vegetable oil, BIDCO's tax bill would reach Shs 900 billion.

But Uganda can do better than that. In 2011 BIDCO exported about US\$45 million of its oil to our neighbours. We can develop a strategy to take over the US\$ 1.2 billion East African imported vegetable oil market. This would need about 300,000 hectares of land for oil palm. But given that consumption is growing rapidly every year, in ten years we would need about 800,000 hectares to dominate the regional market.

But can Uganda mobilise its farmers to plant oil palm? This would mean people changing their patterns of agriculture. And people fear change. So there would be resistance. To overcome this would require political leadership yet this is the scarcest commodity in our country. However, the lesson from Kalangala is to secure land for the investor first. Once he/she begins a nucleus farm and a few farmers can join, the earnings of these few can have a powerful demonstration effect on other farmers. That is why today, almost every farmer in Kalangala is joining oil palm business.

The real challenge is to transform our farmers from subsistence agriculture to commercial farming. However, the existing way of life may be precarious but certain; so better the devil you know than the angel you don't. Farmers will go commercial once they have met their subsistence needs. Subsistence agriculture involves farming many crops as an insurance against the risk of one of them failing. The farmer will plant cassava, rice, maize, matooke and beans. Should the birds descend on the rice, he can save the cassava; and should the wilt eat up the bananas, the beans may rescue him.

Commercial agriculture calls for mono-cropping (planting one specific crop). It promises very high yields and a huge return in money. But it can also be risky. Should natural disasters destroy the crop or the vagaries of the market depress prices, farmers will be devastated. Peasant rationality therefore emphasises low but steady yields against expectations of high yields at the risk of an equally high potential for failure.

Because this new way is uncertain, the real challenge is how to mobilise farmers to change their lifestyles. Peasants constitute the most retrogressive class of all people. They tend to be aroused to fight in defence of tradition rather than in promotion of transformation. Within our democratic institutions, the immediate incentive for politicians facing elections and seeking to win public favour is to side with farmers in defending tradition. What is politically appealing is often economically disastrous and people may genuinely resist reforms meant for their own good. Can Uganda and East Africa avoid this cul-de-sac?

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Appendix IV



The Registered Trustees of Kalangala Oil Palm Growers

Trust (KOPGT) Secretariat.

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To

Friends of the Earth International.

Re: In response to your May 2013 Publications.

Reference is made to your 21st May 2013 publication and a similar carefully edited video posted on U-Tube at the same time. I feel obliged to respond, on my own behalf and on behalf of the smallholder farmers of Kalangala.

The publications are entitled "Land Grabbing for palm oil in Uganda", and are co-authored by Friends of the Earth International (FOEI) and Friends of the Earth Europe (FOEE).

The case you put forward is that Wilmar International working in partnership with the Government of Uganda and International Fund for Agricultural Development (IFAD) have undertaken a project for oil palm development on Islands of lake Victoria and as a consequence grabbed land from the local communities, have no long term measures to protect forest and water resources.

I consider these publications deliberate campaigns to misinform Ugandans and stifle real development. I will therefore give some facts that I have gathered and know which you will hopefully find meaningful if FOE have real concerns for the Ugandans you claim to speak for. I will start by clarifying that as far as this project is concerned, the private sector partner is Oil Palm Uganda Limited, which is made up of several companies and Wilmar is just one of the members of the consortium. The tone and content of the publications are mostly subjective, especially the instance on blowing out the Wilmar name, and yet there are other companies that makeup OPUL.

Baseline versus Impact data: While FOE did well to gather current information based on IFAD documentation, GOU reports of the oil palm development project, Kalangala District official reports and their own reports, the publishers fail to give a balanced view based on oil palm development baseline studies data. It would have been a more balanced publication if a view of what it was like 10 years ago in Kalangala as compared to today in terms of population, environment, food security, and



forest/water resources. This way comparison would be more meaningful and balanced. Baseline studies data is available in case FOE are interested.

Objective selection of interviewees by FOE: Kalangala Oil Palm Growers Trust (KOPGT) as a lead agency in the implementation of this project and the beneficiary growers' association: -Kalangala Oil Palm Growers Association (KOPGA) were never consulted by FOE during their research. This puts a key question as to whose interest FOE is serving. KOPGT and KOPGA have current impact data in terms of the number of households that have benefitted, the infrastructure that GOU and IFAD have availed to Kalangala as a District, and the modern agricultural technologies which are environment friendly that Wilmar have introduced to the farmer.

I would implore FOE to explore a more inclusive approach in future in their research efforts to reach out to more of the people they claim to represent. This particular publication is unfortunately skewed and refers, in part, to a land tenure case (user rights) between village neighbors, which are being handled by the courts of law. I will not write about these (on the contrary FOE chose to) as the Uganda law prohibits it. Had we been consulted we would have advised FOE on this case.

Research findings by FOE: I have reservations as to whether FOE did take serious considerations and analysis in their research to back their demands directed to EU Governments, IFAD, GOU, Wilmar and other Investors supporting Wilmar International. For example, on the issue of land acquisition, neither Wilmar nor any of the other companies that make up OPUL have any direct role in this. Only GOU, Kalangala District and KOPGT are mandated to identify land for the project activities. FOE chose to ignore this fact and I would like to find out where they got information to the contrary. Also, the publishers seem to imply that the palm oil produced in Kalangala is meant for biofuels. This is completely untrue as all the palm oil in Kalangala is produced for domestic consumption and FOE should have read this from the many reports from IFAD and GOU which they claim to have consulted.

Glaring on page 3 of the publication, FOE has misplaced demands to the financiers of Wilmar because they use assumptions rather than research findings to inference the demands. This particular part of their demands has serious negative impacts to the people of Kalangala and Uganda as the development project has many positive impacts that we stand to lose if the demands are taken

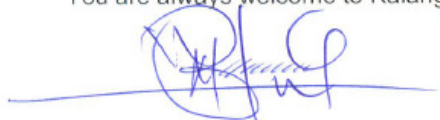
A handwritten signature in blue ink, consisting of a large, stylized 'G' followed by a long horizontal line extending to the left.

up with such negative intentions. The question to pose here is: What alternative development Initiative will FOE come up with for the Island District of Kalangala and its people, if not oil palm?

It would be worthwhile for FOE to note that whereas the 'complaints' and single stories published are by about 5 individuals, there are about 60,000 people of the island District of n Kalangala, 1600 of whom are oil palm farmers. We challenge FOE to come over and capture the voices of these farmers as well, and tell their stories to the world too.

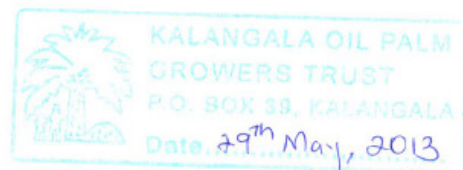
The way forward: I would therefore like to particularly and openly invite FOE to Kalangala to interact and consult more with the lead agencies in the project (OPUL, KOPGT and KOPGA), individual farmers, and other members of the community, so that future publications are more balanced and friendlier. This way, a balanced view will be availed. To be friendlier entails interacting and consulting more people (beneficiaries) and institutions engaged in development on the ground.

You are always welcome to Kalangala, the land of palms and prosperity.



Nelson Basaalidde

GM/Kalangala Oil Palm Growers Trust (KOPGT).



Appendix V

KALANGALA OIL PALM GROWERS ASSOCIATION (KOPGA).

To: Friends of the Earth International,

RE: Ill-intentioned publication by Friends of the Earth International (FOEI).

1. We the farmers registered under the above association wish to express our dissatisfaction over the publication by FOEI. " Land grabbing for palm oil in Uganda" as the May 2013 publication is titled
 2. KOPGA is a membership association of oil palm farmers in Kalangala District. All together the total number of farmers registered by the association is 1,600 with an avg holding of 2.2 Ha.
 3. We learnt about the FOEI publication through our Trust Secretariat in Kalangala. After reading a copy of the publication, we find that FOEI acted in bad faith in their pursuit to demand that financial support to our development project is stopped or withheld. It is a pity that the statements made in the publication are not cognizant of the many benefits that the oil palm project has afforded to our District of Kalangala. Similarly, the allegations on land grabbing and environmental degradation are all false.
 4. First of all these FOEI should know that we have benefited a lot from this development initiative by our Government in terms of the incomes we obtain from selling oil palm fruits to oil palm Uganda Ltd and through the extension services extended to us by Government through the Trust.
 5. Too, a lot of Infrastructure has been established in our District of Kalangala because of the oil palm Project. We are proud of the roads, ferries, tipper trucks for collecting our fruits and a palm oil Mill to process our fruits. We are therefore disappointed that FOEI do not appreciate these and yet they claim to be concerned for Kalangala District.
 6. The fruits we harvest every month amount to 450,000,000UGX and with this money we are able to meet our basic needs of decent lives education for our children and we are held in high esteem as people who have contributed to development in our District and the Country at large.
-

7. Many tourists come to Kalangala to visit the nice scenery of our plantations and to relax in the shades and greenery of the plantations.
 8. FOE 1 claimed that some of our land was “improperly taken”. We challenge FOEI to show proof that OPUL did take our land forcefully or improperly. What we know as the truth of the matter is that OPUL obtained land on lease basis from the Uganda Land Commission (ULC); an institution mandated to regulate acquisition and use of Land in Uganda.
 9. The other Institution that supported the acquisition of land for the small holder farmers was the Kalangala District Land Board (DLB).
 10. We have carefully studied your publication and we establish that FOEI did not bother to consult ULC nor DLB. We are therefore doubtful of the intentions of FOEI in matters of land tenure in our District.
 11. KOPGA has also discovered that FOEI did interview some of our farmers and preferred to mis-represent their views. One example is Edison Musimenta an oil palm farmer with a well tended oil palm plantation and earning a good living from it. After an interview with him and your agent, Edison’s views were turned into those of a charcoal dealer instead [see the 3rd pix on page 4 of your May 2013 fact sheet]. Fortunately Edson is arranging to sue FOEI for intentionally mis-representing his interview with your agent. We support Edson in his move to clear his image that FOE1 mis-represented internationally.
 12. The cases of land disputes that FOEI want to front as land grabbing are being handled by the mandated institutions in the District, such as the DLB, Magistrate courts, Area Land Committees and village councils. We therefore would like to advise FOEI to respect the institutional mandates of these institutions in our Country and to learn to respect people’s views whenever you carry out interviews with them.
 13. FOEI indicate in the report that women have not adequately benefitted from the oil palm project. This allegation is a total falsehood and we can give information that out of the 1.600 farmers, 500 are women.
-

14. We would also like to take this opportunity to invite FOEI to Kalangala to visit our plantations and homesteads so that you can witness first-hand the developments that we are proud of from the oil palm project.

Signed by:

1. Mr Lugambwa Martin- Chairperson KOPGA +256782481446 
 2. Mr. Mpanga Samuel – Vice Chairperson KOPGA +256782384581 
 3. Mr Nsubuga Constantino –Member representing Bbeta East Block +256775346771 
 4. Mr Lwasa Paul – Member representing Bbeta West Block +256782240970
 5. Mr Ssekajja Gitta – Member representing Bujumba Block +256753197677  H
 6. Ms Nagganda Jane Francis – Member representing Kagulube Block +256752860655 
-

Appendix VI

“Minister Fires Back At Friends”

by Samuel Nabwiiso

29 July 2013

All Africa

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Kampala, Jul 29, 2013 (East African Business Week/All Africa Global Media via COMTEX) -- Uganda's environment minister has refuted the recently released findings by Friends of the Earth International (FOE) that growing palm oil trees is causing environmental destruction and also leading to land grabbing in the islands district of Kalangala.

Kenya-based Bidco, processes the Kalangala output, in the multimillion dollar project backed by the government and the International Fund for Agricultural Development (IFAD).

Professor Ephraim Kamuntu, the Minister of Water and Environment told East African Business Week the research carried out by the FOE is faulty. "The project is environmentally friendly. No encroachment has been registered on all our central forest reserves in the island district of Kalangala. In addition to that, the managers of the project are also participating in tree planting. Then how come FOE say that the Bidco project is causing forest depletion in the country?" he queried.

In 2002, Bidco signed an agreement with the government to develop an integrated palm oil project on Bugala island. According to Bidco, 'Kalangala Oil Palm Project was and still is part of the Ugandan Government Vegetable Oil Development Project (VODP) initiative geared towards increasing vegetable oil production in Uganda. The project is supported by IFAD and the World Bank with BIDCO and Wilmar Plantations playing a major role as the private investors.'

Kamuntu said the project is not even emitting industrial pollutants in the atmosphere because all the waste from the processing plant is re-used in the production of power at their Bugala Island power plant and the rest are used as fertilizer.

The Minister's reaction comes after FOE claimed in its report that international banks were financing Wilmer International, (a Singapore-based leading palm oil dealer), which has shares in the Kalangala project on the shores of Lake Vitoria.

FOE claims Wilmer International has had a hand in destroying the Bugala Island environment by way of deforestation to make way for palm oil plantations. FOE adds that have been cases of people being displaced from their land holdings.

However, Kodey Rao, the Bidco Uganda managing director said all their palm oil projects are on private land outside the central forest reserves.

He clarified that Bidco acquired land from the locals and compensated them using government rates at the time and that the government itself also bought land from the locals but outside the Central Forest Reserve through the National Forest Authority (NFA). "The Government acquired land for the nucleus estate. A total of 8,500 hectares for the nucleus estate, although only 6,500 hectares was accessible by the

company for planting oil palm. One thousand, five hundred hectares was within the 200-metre buffer zone and therefore could not be used for planting palm oil trees. Another 1000 hectares was left for the communities to plant palm oil and also use for other agricultural and settlement activities" Rao said last week.

When asked how the project has helped the local communities in Kalangala District, Rao said the project has supported the restoration of environment in the degraded Islands in Kalangala District.

He said some islands in Kalangala and Buvuma District, also on shores of Lake Victoria where there is no farming of palm oil, there is considerable charcoal burning and firewood harvesting, which has left big chunks of natural forests being degraded by the locals themselves.

"At Bugala Island, where we are operating, locals have stopped charcoal burning but now concentrate on palm oil farming which is environmentally friendly. But let those environmentalists (FOE) go to Buvuma islands and see the rate at which forest have been cut off for both timber and charcoal burning" he said. Rao said since the project started, over 3,000 people are benefiting directly and another 10,000 indirectly. That however has not stopped activists from complaining.

In June, David Kureeba, FOE Uganda representative said, "Communities in Kalangala, living and working on land acquired for palm oil plantations have been displaced, often with no compensation or alternative livelihood options. About 3,600 hectares of forest have been destroyed, negatively affecting the environment and livelihoods of local people."

"Instead of importing what could be domestically produced, it made sense to grow oil palm locally, support the farmers to grow the crop and use the limited foreign exchange to import what the country could not produce," Rao said.

Appendix VII



THE REPUBLIC OF UGANDA

KALANGALA DISTRICT LOCAL GOVERNMENT OFFICE OF THE CHAIRPERSON LC 5,

P.O.Box 2
Kalangala,

29th may 2013.

Dear all,

RESPONSES TO ARTICLES ON U-TUBE FROM FRIENDS OF THE EARTH ABOUT OIL PALM GROWING IN UGANDA.

INTRODUCTION :

I have written to give clarifications to all readers of articles written and published by friends of the earth, about oil palm growing in Uganda.

The articles therein, falsely portrayed BIDCO, as a land grabber and being very insensitive to the environment which is totally malicious, damaging and fictitious.

BACKGROUND:

Government of Uganda invited BIDCO to participate in oil palm growing as investors on an arrangement of PPP- public private partnership.

Kalangala district local government identified land which did not have any encumbrances and together with central government leased the land to BIDCO.

BIDCO was never and has never been involved in any land acquisitions. In places where there was land identified for leasing and it had settlements, these were surveyed off. These areas are found in Mulabana, Kananansi, Nakatiba, Kasekulo and Kasenyi to mention but a few

No single person or people were displaced. District through the land board has allocated land to the interested individuals from its former public to the tune of 2500 hectares. There are also cases, where government bought land from willing sellers, on the basis of willing seller- willing buyer basis.

In Uganda, land is treated as per article 26 of the constitution of the republic of Uganda.

FACTS ON GROUND:

Friends of the earth went to the villages with the officials of Kalangala NGO FORUM, and got information from people and distorted it, in order to justify their project, born out of the false illusion and imagination to account for donor funds, creating a problem of land grabbing where it does not exist. A few of such people whose films/ pictures were taken and information written on them have been

disowned. They said that what was captured was distorted by the friends of the earth. However, some people interviewed were giving wrong information. A case in point is that of Mr. MUYISA JOHN OF BUMANGI.

The truth about Muyisa John is that he trespassed on land Block 49 plot 1 belonging to MS. Kalule Sempa. He destroyed the forest to establish a farm of coffee. The land lord wanted to take Mr. Muyisa to courts of law on counts of trespass on land and malicious damage to property, to which the district mediated and the case was settled out of court, leaving Mr. Muyisa with 3 acres of land. Indeed, the land lord had proposed to give 7 acres to Mr. Muyisa with a title on the same block but Muyisa refused demanding 200 millions from the land lord. There were other tenants who were farming from the same block as Muyisa, but for them, they agreed with the compensation given by the landlord. They were residents of Kasenyi fishing village.

This case between Mr. Sempa and Muyisa is not a case for BIDCO as an investor, and therefore, Muyisa should stop accusing BIDCO OF grabbing his land but rather, Muyisa was the one trying to grab land from MR. kalule sempa.

There is another case which again needs clarification. In this case, Mr. Stephen and his wife were cultivating on public land at Kyabwima. Later, Stephen died. Mr. Luyima abubaker grabbed the piece of land and planted volunteer oil palms. Mrs. Stephen took Luyima to court so, BIDCO is not in any way involved in the land issue as written by friends of the earth.

Look at a case, where friends of the earth filmed a family at Bumangi complaining that they were earning a living from burning charcoal but the job was destroyed by oil palm growing. Surely, friends, there is a need for a more sustainable source of energy rather than depending on charcoal burning. The way this was captured by the NGO indicates that you support charcoal burning.

I have seen Leokadia 65 years old. This lady is also called Somoka Nalongo. She has a home on the catholic mission land. She complained that the children are chased when they go look for firewood. Friends of the earth should have advised the lady to plant woodlot for the family instead of thinking that firewood will always be gathered from neighbors' lands, which is not sustainable.

We have seen captions for Mr. Musimenta of Njoga village. This man is annoyed with friends of the earth saying that they recorded information which he had never talked thus disowning friends of the earth.

CONCLUSION:

I want to call upon friends of the earth, other NGOs that may have similar illusions, or individuals, to come to the chairperson Kalangala district local government to get facts instead of relying on rumors. As far as the district is concerned we are happy with the way our investor is implementing the oil palm project.

Willy LUGOLOOBI

CHAIRPERSON LC 5/ KALANGALA DISTRICT LOCAL GOVERNMENT



PZ Wilmar veers into palm oil market with \$640 mn investment

ODINAKA MBONU

PZ Wilmar, a joint venture of PZ and Wilmar international is set to invest \$640 million to help revive the already diminishing palm oil industry in Nigeria.

The project which is self funded has delivered a 1,000 tons daily capacity refinery in Ikorodu, Lagos and is also poised to amass a 50,000 hectares of plantation said Christos Giannopoulos, Chief Executive Officer, PZ Cussons.

He stressed that the company's desire to veer into palm oil production was orchestrated by the desire to fill the significant demand gap in Nigeria's palm oil market which is currently filled by finished products smuggled into the country.

He lamented the country's export of only seven percent of palm oil in comparison to its 82 percent export in the 60's, a phenomenon he believes PZ Wilmar would address.

"The project will create new income, new markets for local industries and job opportunities for indigenous communities", said Giannopoulos. According to him over 12,000 and

33,000 direct jobs and indirect jobs will be created respectively at various skill levels.

Continuing, he said that over 600,000 high yield plants have been transplanted, while 2.1 million seedlings are at four nursery sites across the site within a palm nursery.

The project also includes a current training school located in Mbarakom, Cross-River, for training of extension workers in modern farming practices.

Giannopoulos noted that the project will also deliver Nigerians with fresh palm oil

which is currently lacking in the market as most palm oil are imported into the country, a process which lasts over a period of three months before getting to the final consumer.

"Our 1000 tons capacity refinery located in Lagos is a world class refinery designed

to provide Nigerians with pure palm oil", said Emmanuel Kattie, Supply Chain Director, PZ Wilmar.

"We will also ensure we maintain high quality control standards in our refinery to meet up with best standard in the world," he added.



L-R: Oduwale Uwadiae, Partner in charge of IFRG Implementation, Akintola Williams Deloitte; Mr. Jim Osayande Obazee, Executive Secretary and Chief Executive Officer, FRON; Mrs. Bisi Adeyemi, Managing Director, Deloitte Corporate Services Ltd; Dr. Fabian Ajogwu, SAN; Managing Partner, Kenna Partners; Mr. Haruna Jala-Waziri, Executive Director, Business Development, Nigerian Stock Exchange; Mrs. Osaretin Odaro-Oyewumi, Corporate Governance Consultant and CEO of CLS-Sage; Mr. Jibril Adu, Managing Director, Ecobank Nigeria Ltd and Sir. Chris Ogbachie, Director, Etisalat Corporate Social Responsibility Centre.

Appendix IX



Roundtable on Sustainable Palm Oil

RSPO Secretariat Sdn Bhd
Company No.: 787510-K
Unit A-37-1, Level 37, Tower A
Menara UOA Bangsar,
No. 5 Jln Bangsar Utama 1
59000 Kuala Lumpur
Malaysia

Telephone : +603-2302 1500/
Fax : +603 2201 4053
Email : rspo@rspo.org

Simon Siburat
Group Sustainability Controller
Wilmar International Limited
56 Neil Road,
Singapore 088830

10 October 2013

Dear Sir,

RE: Complaint Against Biase Plantation/Ibiae Estate

With reference to the complaint by Rainforest Research and Development Centre on 10 November 2012.

In light of your membership of the Roundtable on Sustainable Palm Oil and following concerns regarding some of your organisation's sustainability practices highlighted in the complaint by Rainforest Research and Development Centre on 10 November 2012, the RSPO Complaints Panel notifies you of the following.

The RSPO takes all infringements of its Statutes, By-Laws, Code of Conduct and Principles and Criteria by its members very seriously. Its ultimate sanctions are to suspend and subsequently terminate membership of the RSPO. A complaints procedure has been started in this case as a result of the RSPO Complaints Panel's decision that there was sufficient evidence in the complaint concerning the member and the likely infringement of both the New Planting Procedure and Principles and Criteria of the RSPO.

Consequently, the Panel made a decision on 14 May 2013 that stated:

1. the RSPO shall appoint a lawyer, who is well acquainted with Nigerian laws to review and give an authoritative opinion, on whether Biase Plantation/Wilmar has complied with the legal requirement of Nigeria and the RSPO New Planting procedure.

**The Terms of Reference for this legal opinion was finalized following consultation with both sides*

2. Upon receipt of the legal opinion, Biase Plantation/Wilmar must undertake all necessary actions to ensure compliance with the said Acts, the RSPO Code of Conduct and the RSPO Principle 2, before it begins operations in Biase Plantation.
3. Wilmar was also instructed to stop work pending the resolution of the complaint.

The legal opinion from the lawyers PUNUKA of Lagos, Nigeria was received on 27 of August 2013. This legal opinion was again shared with both Wilmar and the Complainant.



Roundtable on Sustainable Palm Oil

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The Panel has now reviewed the legal opinion and the comments expressed by the complainants, RRDC. Having deliberated at length on it, the Panel is of the view that Biase Plantation is in compliance with the national laws of Nigeria i.e.

1. the acquisition of Ibiae Estate Plantation from the Cross River State by Biase Plantations Limited/Wilmar International is transparent and was within the ambit of the Land Use Act No.6 1978.
2. the the Cross River State Council on Privatization (CRSCP) have the authority to undertake the tender exercise.
3. the Lease Monitoring Bureau has the authority as an agent of the Cross River State Government to lease out Government owned Estates in Cross River State.
4. the assignment of the State Government's interest in Ibiae Estate through a privatization process to Biase Plantations Limited requires no notice of acquisition.
5. The provisional compliance certificate was lawfully issued in line with the operating Laws of Cross River State.
6. that the Interim EIA Approval issued by the Environmental Assessment Department of the Federal Ministry of Environment satisfies the requirement of the Federal Environmental Protection Agency Act No. 58 of 1988 and Environmental Impact Assessment Act No. 86 of 1992 particularly, Section 12 (1) of the EIA Act .
7. Furthermore, the Panel is satisfied that Wilmar :
 - i. is currently operating legally under an interim EIA certificate as evidenced by the letter from the Federal Ministry of Environment dated 12 September 2013.
 - ii. has undertaken all the necessary action to obtain the final Environmental Impact Assessment certificates as stated by letter from the Federal Ministry of Environment dated 12 September 2013.
 - iii. has duly compensated the CARES farmers as evidenced by the letter from the Government of the Cross River State dated 3 September 2013.
 - iv. has undertaken to look into the interest of the local communities and carry out CSR activities as contained in the fundamental agreement that was signed in May 2012.



Roundtable on Sustainable Palm Oil

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Therefore, based on 1-7 of the above , Wilmar has satisfied the requirement of the RSPO Principle 2 – on compliance with national legislation and 7 on New Planting Procedure and is hereby allowed to proceed with the development in Ibiae Estate, Biase Plantation.

Yours faithfully,

Ravin Krishnan

Complaints Coordinator

for and on behalf of the Complaints Panel of the Roundtable on Sustainable Palm Oil,

Copy to Odey Oyama- Rainforest Research and Development Centre.

Appendix X

IBIAE LANDLORD COMMUNITIES

BIASE LOCAL GOVT. AREA, C.R.S

18TH January, 2013

**The Executive Director,
Rainforest Resources & Development Centre (RRDC)
Plot 7, Block 12, Federal Housing Estate, Ikot Ansa
G.P.O Box 2483
Calabar,
Cross River State.**

Sir,

**RE: FACT AND RESOLUTIONS OF IBIAE OIL PALM LANDLORDS
COMMUNITIES HELD ON THE December 29,2012**

We refer to our earlier letter, with the caption above, dated December, 29,2012 complaining of the neglect of the IBIAE landlord's communities in the scheme of acquisition of the IBIAE Oil Palm Estate by Wilmar International Limited through the government of Cross River State. *Copy of the said letter is hereby attached for your ease of reference.*

2. Consequent upon the letter under reference, there had been series of meetings and interactions between the government and the management of Wilmar International Limited, in the course of which meetings and interactions new facts were revealed to us including the following:

- a. That Wilmar International Limited, in the course of the negotiation for the IBIAE, had met all the conditions highlighted in our letter under reference to the Government.
- b. That owing to the communication lapses between the government and Landlord communities, these facts was not made known to the communities, hence the fears of being neglected.
- c. The same reasons stated above led to our reaction over the RRDC comments on Wilmars operations in IBIAE Oil Palm Estate, dated 30th November, 2012 in favour of Wilmar.

3. Now having been clarified, on those issues, it is the resolved of the landlord communities that:

- a. Wilmar International Limited has met all the conditions required by the landlord communities and the law for its operations in IBIAE Oil Palm Estate.

b. A few issues that bother on negotiation has been perfected by wilmar to the government; and
we are trusting the government to live up to its responsibility in making use of its promises to us.

c. Meanwhile Wilmar International Limited is at liberty to continue its project in the estate, mindful of its co-operate social responsibility to the communities which is the lasting relationship between the parties.

4. We urge you by this letter, therefore, to discountenance the letter under reference and its contents, as the issues therein have been resolved amicably.

Thank you sir,

For ourselves and on behalf of our people.

We are:

Signed:

IDOMA: Clan/Village Head

Youth Leader

Women Leader

Community Leader

BETEM: Clan/Village Head

Youth Leader

Women Leader

Community Leader

IGBOFIA (EHOM): Clan/Village Head

Youth Leader

Women Leader

Community Leader

AKPET COMMUNITY: Clan/Village Head

Youth Leader

Women Leader

Community Leader

HRH ATTE Obhovt Sunday Evong



Copy:

1. The Chairman
C.R.S. Privatization Council.
2. The Hon Commissioner
Ministry of Agriculture and Water Resources
3. The Hon, Commissioner,
Ministry of Lands and Housing
4. The General Manager
Wilmar International Limited
(Biase Plantations)
5. The Chairman
Biase Local Government.

Appendix XI



Roundtable on Sustainable Palm Oil

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Rainforest Research and Development Centre
Plot 7, Block 12, Federal Housing Estate,
G.P.O. box 2483,
Calabar,
Cross River State,
Nigeria

Attn: Odey Oyama

10 October 2013

Dear Sir,

RE: Complaint Against Biase Plantation/Ibiae Estate
Comments on PUNUKA's Legal Opinion

The RSPO would like to thank you for the letter dated 15 September 2013. Your original complaint has been successful in triggering detailed investigations by the RSPO and improvements implemented by Wilmar. We understand you may not be entirely satisfied with the concluding legal opinions. However, we strongly refute allegations on the impartiality of the legal opinion. Please allow us to point out a few facts:

- 1.The decision of the Complaints Panel dated 14 May 2013 was copied to you and since we did not hear any objections from you on the appointment of a consultant to seek independent legal advice, we assumed consent.
- 2.The Terms of Reference for the independent legal advice was also shared with you and in fact ,you had kindly revised the modified Terms of Reference on 21 June 2013 and it was incorporated into the final Terms of Reference.
- 3.PUNUKA are a reputable law firm in Nigeria and they have 'no conflict of interest' on the complaint and that is the reason ,they were appointed. Moreover, they were contracted to give a written legal opinion based purely on the Terms of Reference and this did not include consultations with RRDC nor with Wilmar.
- 4.The RSPO clearly said in the letter of 14 May 2013 that RSPO will commission and that Wilmar will pay ,through RSPO for the legal advice.
- 5.On the lack of consultation; please bear in mind that the issues were narrowed down to two items only and only to the areas that are undergoing new planting as this complaint originated from an NPP notification . So no other areas or estates should be brought into this complaint.

Hence, RSPO is confident about the impartiality of the legal opinion and the lawyers at this stage and the RSPO has been absolutely transparent in the manner that it handled this



Roundtable on Sustainable Palm Oil

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complaint. The Panel considers the case now closed. We are grateful for your contributions to the verifications.

Yours faithfully

Ravin Krishnan

Complaints Coordinator

for and on behalf of the Complaints Panel of the Roundtable on Sustainable Palm Oil,

Copy to Simon Siburat - Biase Plantation/Wilmar