

Earthworm Foundation Progress Report of Wilmar's Operations Linked to Pasaman Barat Community, West Sumatra

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Since October 2019, Earthworm Foundation (EF) has been working intensively with Wilmar and local communities in Pasaman Barat to resolve land conflicts linked to Wilmar's subsidiaries in the region. Between October and December 2019, EF and Wilmar prioritised two cases and accelerated resolution at two subsidiaries; PT Primatama Mulia Jaya (PMJ) and PT Permata Hijau Pasaman (PHP) Unit 2. The conflict resolution at PT AMP Plantation and PT Gersindo Minang Plantation (GMP) will take place in parallel with the land conflict resolution processes at these two subsidiaries.

In the Pasaman Barat region, there are customary claims that are hereditary, in addition to customary claims that are passed down via customary leaders to the government. The current situation is that there are overlapping claims of customary leadership, and these all have followings in the various communities. As a result, the communities themselves in this region can have differing positions on rights, and therefore identifying claimants can be very challenging and can take time. This scenario also means that discussions and building resolution with the communities must be pursued carefully and is not rushed, to avoid offence to any side and to ensure the resolution dialogue is taking place with the right claimants and in accordance with FPIC principle.

Given these circumstances, issues pertaining to customary land rights become particularly complicated despite the legality of the agriculture land status in Indonesia being relatively clear. Hence, disagreements with communities are common challenges for companies operating in Pasaman Barat.

An important step has been establishing open communications between Wilmar and the local communities. With EF in the role of mediator, an open and direct communications channel between the parties has been established. While we continue our engagement towards resolution, there is robust progress with both Wilmar and the communities now willing to come to table to discuss constructively.

The overall progress can be viewed in below table.

No.	Activity	Status	Update as of end January 2020
1.	Resolve land conflict with Koto Baru and Kinali communities (PT PMJ)	In progress	<ul style="list-style-type: none">• EF and Wilmar have clarified with BPN in Pasaman Barat regarding the boundaries between Koto Baru and Kinali customary areas. BPN reiterated that the customary boundaries should be determined by the customary institutions first.• Based on EF and Wilmar discussion with Customary Leaders of both Nagari, the customary boundaries between Koto Baru and Kinali are not yet agreed.

No.	Activity	Status	Update as of end January 2020
			<p>Next Step</p> <ul style="list-style-type: none"> Investigation on understanding Koto Baru's Pucuk Adat continues to identify the rightful claimants. Facilitation of dialogue on the customary boundaries between Koto Baru and Kinali.
2.	Resolve land conflict with Maligi community (PT PHP Unit 2)	In progress	<ul style="list-style-type: none"> Ground-check verification was carried out by EF with the Maligi community to determine the object of dispute. A series of dialogues between Wilmar and Maligi communities, facilitated by EF, have been taking place. Wilmar and Maligi are in the process of discussing options for resolution. Good-will agreement was reached by the community to allow Wilmar's workers to enter the claimed area within the plantations again, while resolution discussion takes place <p>Next Step</p> <ul style="list-style-type: none"> EF continue to facilitate dialogue between Wilmar and Maligi communities. Resolution is expected to be discussed and finalized by February 2020 at the earliest.

In addition to the land conflict resolution, EF and Wilmar continue to undertake the overall recommendations as outlined in the [first phase's public report](#).

No.	Recommendations	Status	Update as of end January 2020
1.	Revise company structures and increase information sharing to enable company-community communication to improve, and to enable Wilmar group level senior management to gain purview and control over grievance management	In progress	A dedicated team to resolve the issues in Pasaman Barat has been established. Coaching and training session for the newly dedicated team continue to take place in the upcoming 18 months, facilitated by EF.
2.	Prepare and operationalise a new and appropriate grievance mechanism with local subsidiaries and suppliers including community cooperatives	In progress	The consultation process of Wilmar's grievance mechanism on social aspects (No Exploitation), led by CORE, is taking place. This process is expected to be completed by Q2 2020

3.	Cross-reference all current subsidiaries' plantations and plasma areas to past and existing agreements with communities and community cooperatives	In progress	Wilmar and EF will clarify the status of all current subsidiaries' plantation areas in West Sumatra. This will take place in Q1 2020.
4.	Review and revise as necessary existing and new agreements with community cooperatives in order to bring them in line with the company good governance principles, including conditionality on compliance with company NDPE policies for suppliers	In progress	Wilmar is currently reviewing all the agreements with the plasma cooperatives and discussing potential alternative solutions to improve the accountability of cooperatives.