



Assessment by EcoNusantara (ENS) of Wahana Lingkungan Hidup Indonesia (WALHI) grievances against subsidiary operations of PT Astra Agro Lestari (PT AAL) – Summary provided by P&G

Background

In October 2020 WALHI, an Indonesian NGO network, submitted to us grievances linked to three PT AAL subsidiary operations specifically, PT Mamuang, PT Lestari Tani Teladan (LTT) and PT Agro Nusa Abadi (ANA). The grievances were reported via the [P&G Palm Grievance Tracker](#). Pursuant to Phase 1 (Receive + Evaluate) of the [P&G Forestry Grievance Process](#), we evaluated the grievances and determined that PT ALL was linked to our supply chain via our Tier 1 Supplier, Wilmar, and there were sufficient details to move to Phase II (Investigate). We shared the [grievances](#) with Wilmar and required them to submit the grievances through their Grievance Procedure and commit to engage in discussions with WALHI. In order to accelerate progress, Landesa recommended an independent field verification, to establish the facts on the ground. In March 2022 we commissioned and funded [EcoNusantara \(ENS\)](#), an independent advisory and consultancy expert to conduct field verification of the grievances submitted. The selection of ENS was made in consultation with and alignment of WALHI with local communities, PT AAL and Wilmar.

Verification Process (April-June 2022 with reporting July 2022)

ENS conducted the verification using an “open investigation” approach where each relevant party was informed in advance about the purpose of these activities. In addition to reviewing documents, in-depth interviews were conducted with key stakeholders, such as, WALHI National Executive and Sulawesi Central Regional Office, TUK Indonesia, PT AAL, the Sulawesi Plantation Department and Land Agency, Donggala District of Central Sulawesi Plantation Department and Land Agency and North Morowali District of Central Sulawesi Plantation Department. Direct face to face discussions were also held with community representative at 6 villages, including the Panca Mukti, Tawiora, Bunta, Bungintimbe, Tompira, and Molino villages. All discussions were held in appropriate relevant local languages. ENS confirmed that all the stakeholders demonstrated goodwill, acted collaboratively during the interviews, and shared the key information transparently in a way that is vital for the assessment and ultimate grievance resolution. ENS have shared their findings in unilateral meetings with P&G, WALHI (held in Bahasa), Wilmar and PT AAL.

Summary of Findings

PT Mamuang:

Issue #1: Company and communities, each claiming the same land areas of 50 Ha.

There are overlapping land claims. For a portion of the land, Panca Mukti has obtained a Certification of Ownership (SHM). The remaining area is still in the process of obtaining a SHM at Badan Pertanashan Nasional – National Land Agency (BPN). A meeting of all the parties, including, BPN, WALHI (and local community) and PT Mamuang is required to ensure the existence and exact location of the claimed land in the field and then agree on a conflict resolution process.

Issue #2: Farmers have been criminalized

Mr. Hemsy, a farmer at Bonemarawa has been arrested and detained 3 times due to reports from employees of PT. Mamuang. In March 21, 2022, Mr. Hemsy has submitted a letter requesting a judicial review (Peninjauan Kembali) at supreme court of the criminal cases filed against him, on December 12, 2019.

PT. Lestari Tani Teladan (PT LTT):

Issue #1: Company claimed approximately 100 Ha of land from farmers

The company is claiming 100 hectares of land in the PT LTT concession for two reasons. First, the land is included in the village administration area which already has a school building, housing and community land. Second, there is the threat of Lariang river abrasion due to oil palm planting along riparian areas. According to the village council, the local community has requested about 60-100 hectares of land be enclaved from the HGU (Hak Guna Usaha = rights to conduct a business on a land with other purposes status). PT LTT should have a further discussion with the village head and the village customary council in order to come to a mutual arrangement and resolve the conflict, which could for example be carried out as a company CSR initiative.

Issue #2: The price of fresh fruit bunches produced by farmers is determined by the company itself

PT LTT has never formed a partnership with farmers, such as Plasma, thus PT LTT has no legal obligation to follow the prices benchmark regulation in the PERGUB (Governor Decree). However, PT LTT could consider working with the smallholders in the local communities to create better transparent processes on pricing.

PT. Agro Nusa Abadi (ANA):

Issue #1: The company has claimed farmers' land in four Villages covering an area of approximately 5000 hectares

After verification, there is approximately 1,140 hectare of land that is being claimed by local farmers across 4 villages, including the Bungintimbe, Bunta, Tompira and Molino villages, which overlap with PT ANA concessions. PT ANA have provided data that over 2,167 hectares has been allocated to a plasma scheme covering 7 villages including the 4 above mentioned. In addition, PT ANA have clarified that 3,680 hectares of land has already been compensated for (i.e. purchased from the communities) across those same 7 villages including the 4 above mentioned, with another 730 hectares in the process of completion for compensation (i.e. land purchased from the community). The next step will require carrying out an overlay of the lands that have been compensated for on the 1,140 hectares of disputed lands to fully confirm the extent of the actual land claim from the communities.

Issue #2: Company has been operating without HGU

The HGU for PT ANA has not yet been awarded, despite PT ANA being able to show that they have pursued the HGU application process since 2006. PT ANA has been able to show that they are actively pursuing the legal process. The clarification of the disputed lands as indicated above will help to contribute to the HGU process.

Next Steps

We have requested Wilmar to work with PT AAL on remediation of these grievances. We will continue to closely monitor developments and continue to report via [P&G Palm Grievance Tracker](#).

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