



Indonesia: Wilmar-02/Sumatra

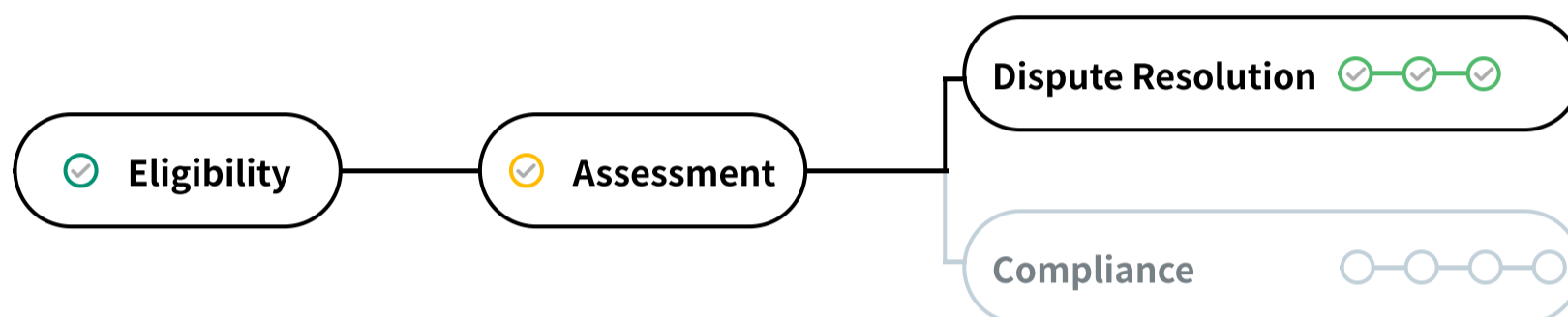
DATE FILED 01 DEC 2008

STATUS CLOSED

PHASE DISPUTE RESOLUTION (DR)

COUNTRY INDONESIA

Case Tracker



Complaint Overview

Complainant

Communities, local and international NGOs

Cross-Cutting Issues

[Land Resettlement](#)

[Land](#)

Project Information

Region

[East Asia & the Pacific](#)

Institution

[IFC](#)

Name & Number

Wilmar Group 25532 & 26271

Company

Wilmar Trading Pte. Ltd.

Sector

Synopsis

Complaint

The Wilmar Group is a large agribusiness conglomerate specializing in the production and trade of palm oil, operating in Asia, eastern Europe, and Africa. Since 2003, IFC has undertaken four investments in the Wilmar Group. In December 2008, a second complaint was lodged with the CAO by various community groups and international NGOs. This complaint raises similar issues to the original complaint from July 2007, regarding adverse environmental and social impacts of Wilmar Group operations:

1. Land clearance without appropriate community approval or completion of Environmental Impact Analysis (EIA) processes;
2. Violation of national regulations and laws as well as the certification protocols of the Roundtable on Sustainable Palm Oil;
3. Inadequate compliance with IFC operating procedures and due diligence requirements. The complainants are concerned about environmental and social impacts being experienced by local communities caused by wholly owned subsidiaries (other palm oil plantations) of the Wilmar Group.

CAO Action



Category

C

Commitment

\$33.3 million (Guarantee) & \$17.5 million (Loan)

facilitator of the disputes, but supported local mediation entities selected by the parties.

The dispute between Pangean community groups and the Cipta Riau Sarana (CRS) company in Pekanbaru, Riau:

This dispute was mediated by the local NGO, Scale-Up, involving 583 hectares of land in two villages of Giri Sako and Kuantan Sako. Parties reached a provisional settlement. The agreements are between the community group and the company. A portion of the disputed land remains unresolved as a result of differences involving the local and national government. The company has granted 147.5 ha of planted land to the community group. The granted land is already covered by a productive oil palm plantation which is 3-7 years old and free from claims. The community and company have created a framework for mutual-benefit collaboration. The company buys oil palm from "Perisai Lestari", a Pangean community smallholder cooperation unit. The monthly transaction is about 195 tons of oil palm. Scale-Up, District Government, Law Aid Institute of Pekanbaru. The CAO remains involved to monitor these agreements.

Disputes between Asiatic Persada (AP) Company and community groups in Jambi:

These disputes were being mediated by a local NGO, Setara. They relate to two separate community groups, SAD Mat Ukup and SAD 113, and involve approximately 154 ha and 3,750 ha of disputed land respectively. Agreement was reached between Asiatic Persada and the SAD Mat Ukup community group. Meanwhile some progress has been made between the company and the SAD 113 community group. Through participatory mapping, both parties agreed to enclave 241 ha of land for the community. The remaining 3,500 ha of disputed land are still in negotiation, but despite considerable investment of time and resources by all of the parties, a final resolution has not yet been reached.

Status

The process described above led to an agreement between the parties in Riau, while in Jambi, the parties had not reached a satisfactory settlement at the time CAO received the third Wilmar



Wilmar 3. As a result, CAO has closed the Wilmar 2 case, and simultaneously released the Wilmar 2 Closure Report, which is available in English and Bahasa Indonesia at the link below.

Case Documents

Dispute Resolution

ASSESSMENT REPORT(S)

IFC's Response to Assessment Report ↓

Feb 12, 2010 | English

CAO Assessment Report: Community and Civil Society Concerns of 2nd Complaint in relation to Activities of the Wilmar Group of Companies in Indonesia ↓

Oct 01, 2009 | English

Indonesian Laporan Penilaian ↓

Oct 01, 2009 | Indonesian

Wilmar Status Report ↓

Jul 01, 2009 | English

AGREEMENT(S)

Notes of Monitoring and Evaluation Team Meeting for Implementation ↓

Dec 12, 2009 | English, Indonesian

Notulensi Hasil Rapat Koordinasi Tim Monitoring dan Evaluasi Pelaksanaan Kesepakatan WSP ↓

Dec 12, 2009 | English, Indonesian

CLOSE-OUT REPORT(S)

CAO Ombudsman Conclusion Report: Wilmar Group-02/Sumatra ↓

Jun 01, 2012 | English

Laporan Kesimpulan CAO Ombudsman: Grup Wilmar 02/Sumatra ↓

Jun 01, 2012 | Indonesian



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