



“When We Lost the Forest, We Lost Everything”

Oil Palm Plantations and Rights Violations in Indonesia

HUMAN
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SUMMARY AND KEY RECOMMENDATIONS

SUMMARY

A decade and a half ago, lush forests with evergreen fruit-bearing rambutan trees surrounded the home of Leni, a 43-year-old Iban Dayak woman and mother of two, in Jagoi Babang district of West Kalimantan province—an area her Indigenous community has inhabited for centuries. Today, they have little land to farm and no forest in which to forage after the land was cleared to make way for an oil palm plantation run by an Indonesian company.

Before our lives were simple, not rich, but enough. Since oil palm came there is more suffering. I can't feed my family. I have a baby. I must put food on the table every day. How do I do that when both of us [my husband and I] are not working. Every day I must figure out how to do this.

—LENI, SEMUNYING BONGKANG, MAY 2018

Leni, a displaced Iban Dayak woman, said her family was resettled in the middle of the palm plantation with restricted access to land for gardening. She fishes in a stream in the oil palm plantation. Residents said the fish population in nearby Semunying and Kumba Rivers has dropped since the oil palm plantation was established in 2004. Bengkayang regency, West Kalimantan, September 2018.

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(left) Maliau, an elderly Orang Rimba mother of nine children, struggles to survive off land that once sustained her people, but which has since been decimated by an oil palm plantation that began operating in the area nearly three decades ago. “Life was better before,” Maliau said. “Women could find many types of food. Some wove mats from leaves and baskets. We made lamps from gum resin. Now we cannot find materials to make these.” Sarolangun regency, Jambi, September 2018.

Thousands of kilometers away to the west, in Sarolangun regency of Jambi province on the island of Sumatra, an elderly Orang Rimba mother of nine children, Maliau, struggles to survive off land that once sustained her people, but which has since been decimated by an oil palm plantation that began operating in the area nearly three decades ago. “Life was better before,” Maliau said. “Women could find many types of food. Some wove mats from leaves and baskets. We made lamps from gum resin. Now we cannot find materials to make these.”

Leni and Maliau are among the thousands of Indigenous people and other rural communities whose lives have been devastated by oil palm plantations in Indonesia—the world’s largest palm oil exporter. Indonesia is home to about 50 to 70 million Indigenous people and over 2,330 Indigenous communities, about a quarter of the country’s population.



Oil palm fruit bunches harvested by plantation lie awaiting transportation to mill. Bengkayang regency, West Kalimantan, September 2018.

The struggles of those like Leni and Maliau are invisibly integrated into a range of consumer products. Palm oil derivatives make their way into many grocery store products including frozen pizzas, chocolate and hazelnut spreads, cookies, and margarine. They are also used in manufacturing numerous lotions and creams, soaps, makeup, candles, and detergent. Crude palm oil is also processed into biodiesel blend used in vehicles and industrial machinery.

A complex web of domestic and international companies is involved in growing palm fruit, converting palm fruit into oil, manufacturing ingredients, and finally using these ingredients to produce consumer products sold around the globe.

Based on interviews with over 100 people, including several dozen members of Indigenous communities and representatives from nongovernmental organizations (NGO), this report documents how the establishment and expansion of oil palm plantations in Indonesia has adversely affected Indigenous people's rights to their forests, livelihood, food, water, and culture.

Human Rights Watch focused on the plantation operations of two companies—PT Ledo Lestari in Bengkayang regency of West Kalimantan province, and PT Sari Aditya Loka 1 in Sarolangun regency of Jambi province. Both of these oil palm plantations have had a devastating impact on the rights of two groups of Indigenous peoples: the Ibans—a subgroup of the Dayak peoples indigenous to Borneo (Kalimantan), and the Orang Rimbas—a semi-nomadic, forest-dependent Indigenous people in central Sumatra.

A patchwork of weak laws, exacerbated by poor government oversight, and the failure of oil palm plantation companies to fulfill their human rights due diligence responsibilities, have resulted in loss of land and livelihood opportunities for Indigenous people in West Kalimantan and Jambi in the projects we researched. These findings were consistent with previous Human Rights Watch research in 2003 and 2009, which highlighted the adverse impact of the pulp and paper industry in Sumatra, and corruption, poor oversight, and lack of corporate accountability in the Indonesian forestry sector in West Kalimantan, on Indigenous people and peasant communities.

Orang Rimba families sit beneath pitched sudungs (a sheet of plastic tied to posts) in an oil palm plantation. They hurriedly move when discovered and chased by company employees. Sarolangun regency, Jambi, September 2018.





Conflicts related to land have frequently been linked to oil palm plantations. Indonesia has about 14 million hectares of land planted with oil palm. There is no clear estimate of the number of land disputes that exist nor the number of households that have been displaced or lost access to their customary forests and lands, including farmland, due to oil palm plantation expansion into their villages. Konsorsium Pembaruan Agraria (Consortium for Agrarian Reform, KPA), an Indonesian NGO, documented more than 650 land-related conflicts affecting over 650,000 households in 2017—the last year in which publicly available data is available. It estimated that, on average, there were nearly two land-related conflicts every day that year.

Deforestation on such massive scale has not only threatened the wellbeing and culture of the Indigenous population, but also has global significance, contributing to carbon emissions and heightened concerns around climate change.

Without needed government reforms—both legislative and oversight—Indigenous communities will continue to bear the brunt of the oil palm plantations' impact, and risk losing their distinct identity. Indigenous peoples have an intrinsic relationship with their environments. Their traditions, knowledge, and cultural identity are deeply connected to the natural environments in which they live. Any disruption to their natural environments, as in the case of the Ibans and the Orang Rimbas, affects their culture, languages, knowledge, and unique traditions.

Successive governments in Indonesia have turned a blind eye to widespread forest clearance, facilitating the proliferation of oil palm plantations. Between 2001 to 2017, Indonesia lost 24 million hectares of forest cover, an area almost the size of the United Kingdom.

In 2018, President Joko Widodo, popularly known as Jokowi, announced a moratorium on new permits to oil palm plantations. This was a good start. But additional reforms are long overdue. With a renewed mandate to continue his presidency following his reelection in April 2019, President Jokowi has a renewed mandate to enact and implement reforms that protect right of Indigenous peoples to be recognized and to enjoy their community rights to land and forests.

Meriau, headman of a *rombongan* (group) of about six families living in the middle of an oil palm plantation, said: "This used to be my rice field. That is why I don't leave this place." He refuses to leave the area and says he was not consulted before the plantation was established. Sarolangun regency, Jambi, September 2018.

Residents of Semunying were relocated a few kilometers into the oil palm plantation. Their community is now surrounded by oil palm trees. Bengkayang regency, West Kalimantan, September 2018.



Failure to Consult

A host of Indonesian laws, starting from 1999, made companies seeking to develop oil palm plantations responsible for consulting local communities at every stage of the project involving a series of government permits.

Semuning Bongkang and Pareh hamlets in West Kalimantan province, where PT Ledo Lestari started its operations in 2004, were home to about 93 Iban Dayak households. Human Rights Watch found no evidence of any consultations with affected households until after forests were significantly destroyed. Villagers interviewed by Human Rights Watch said they were surprised by the company's operations, only realizing their lands and forests were going to be razed when bulldozers and other equipment rolled into the area. The companies had not organized systematic and meaningful consultations with Indigenous people at different stages of the project to understand the nature and extent of the human rights risks. Mormonus, 49, now the village leader of Semuning Jaya village (includes Pareh and Semuning Bongkang hamlets), said:

I was surprised to see big equipment near the river. I asked what the equipment was for and the operators told me it was to make the state road to Samarahan, Sarawak [in Malaysia]. I visited their base camp in 2005, a month after I was made village leader. I was told the company was called PT Ledo Lestari.

Similarly, in Sarolangun regency, where PT Sari Aditya Loka 1 started its operations in 1989, the company had ample opportunity to consult with the Orang Rimba to mitigate any ongoing harm after legal reforms introduced clear obligations to do so. International law provides for companies to have ongoing consultation. To date, it has failed to organize any meaningful consultations and reach agreement to provide remedies to the Orang Rimba who were forcibly evicted from their forests. The company responded that they obtained a right to cultivate the land from the state.

A displaced resident in Semuning holds an agreement with the company that promised to exchange a house and yard for a new one a few kilometers from his village. Residents say company representatives made oral promises, such as a community plantation and amenities including health clinics and schools, which have not materialized. Many of those who signed the "agreement" said they felt compelled to do so because their forests were already cleared. Bengkayang regency, West Kalimantan, September 2018.



Lack of Just, Fair, and Equitable Compensation

The oil palm plantations not only destroyed Indigenous people's forests, lands and the resources in them that they were using for generations but also failed to create any mechanism to explore restitution or provide just and fair compensation for losses suffered, in consultation with the Indigenous people impacted.

In West Kalimantan, after the Iban Dayak carried out a series of protests between 2004 and 2010, PT Ledo Lestari appears to have engaged in consultations to placate individuals to sell family land, but women from the community said they were not included in those discussions. The company made some monetary payouts ranging between 1 and 2 million Indonesian rupiah (IDR) (US\$70 to 140) per hectare to some of the 93 households affected. But the monetary compensation did not account for loss of the community's adat forest (literally, customary forests), wild rubber, and other forest products that women in particular used for food or as a source of revenue.

The distinct losses women experienced of passing on intergenerational knowledge and skills, such as weaving products they sold to supplement their incomes, as well as the loss of their unique culture, were not taken into account. Damage to the community's cultural identity is palpable in the everyday experience of Indigenous peoples who have lost access to their ancestral forests. The damage is aggravated by the lack of plans to preserve what little remains, and to compensate for irreversible losses.

PT Ledo Lestari gave some of the 93 families "agreements" to sign. One that Human Rights Watch reviewed promised exchanging a house and yard for a new one a few kilometers away from their village. But community members said company representatives promised them a host of other measures, such as the ability to continue to harvest within their yards, land titles, shares from a plasma, or community plantation, that the company would set up, and other amenities including health clinics and schools, to lure them to leave the area. None of these have materialized. Their community is now enclaved within PT Ledo Lestari's oil palm plantation. They said that in a few instances when community members dared to harvest oil palm fresh fruit bunches from their backyards to use as cooking fuel, the company security guards have branded them as "thieves." Human Rights Watch wrote to PT Ledo Lestari on two occasions requesting their response and feedback but did not receive a response. Bengkayang police on several occasions have expressed willingness to mediate between the affected communities and PT Ledo Lestari.



Francesca, a 28-year-old mother of two, stands on the site of her former home. She and her husband refused relocation. She said that company representatives torched her home in 2010, rendering them homeless. Bengkayang regency, West Kalimantan, September 2018.



(above) Kinda, 48, a resident of Dusun Pareh, said, “The water [in the river] is contaminated.” Some residents believe the Kumba River they previously relied on for water to drink, cook, and perform household chores has been contaminated, based on their observations of the color of the water and their perceived skin sensitivities to it. Bengkayang regency, West Kalimantan, September 2018.

(opposite) Margareta (right), 40, a community leader in Dusun Pareh, sits with her mother. “Our identity as Iban Dayak is almost lost now, we have no forest,” she said. Bengkayang regency, West Kalimantan, September 2018.

Residents have noticed that, over time, the nearby Kumba and Semunying Rivers, which they rely on for drinking, fishing, and household chores, have become more polluted. Human Rights Watch could not independently verify their claims, but residents attribute pollution to increased soil erosion, the use of fertilizers, herb and pesticides, and effluents from the oil palm plantation that seep into the ground and rivers. Households living here have intergenerational knowledge of the water resources and fisheries that have been passed down through methods of sharing traditional knowledge. Based on this knowledge and lived experience, residents believe that the company’s operations and the pollutants in the river are related to a reduction of fish population in the nearby rivers. To catch fish to feed their families, they say they must ride out for an hour in boats. Women feel the impact of not being able to fish in nearby waters more deeply because they do not own boats. Residents said they can go

a full day without catching fish in rivers close to their homes, forcing them to spend the little money they have, to buy fish. Francesca, a 28-year-old Iban Dayak woman from Semunying Bongkang, said:

Sometimes you see dead fish afloat on Sungai [River] Semunying.... It means something killed them—poison from the number of hectares of land covered by oil palm. When it rains, a lot of fish end up dead. We can't eat that.

Today, in Jambi province in central Sumatra, the Orang Rimba community lives in abject poverty. Many have been left homeless, live in plastic tents, and without livelihood support. Orang Rimba Human Rights Watch interviewed said that they had once been self-sufficient but are now reduced to begging on the highway or “stealing” oil palm fruits from the plantation area to sell and make money. The plantation employs only a handful of the several hundred Orang Rimba adults estimated to live in the area. In September 2018, Human Rights Watch saw numerous Orang Rimba women and children begging for cash or food along a highway in Sarolangun.

PT Agro Astra Lestari, the parent company of Sari Aditya Loka 1, which operates the oil palm plantation in Jambi Province, has a host of policies on sustainability, traceability, and grievance redress, that apply to all its subsidiaries and oil palm plantations. The company responded to Human Rights Watch communications about its impacts on the Orang Rimba community with a detailed summary of the education, health and economic services and programs it provided, including livelihood support for the Orang Rimba groups they were in contact with. Orang Rimba and local NGOs have approached the company to return some land to them but they say their efforts have proved futile.

PT Ledo Lestari, which operates the plantation in Bengkayang, West Kalimantan, does not have any published policies on sustainability or the protection of

A man weaves a pukat (fishing net). Residents said the average catch progressively declined after the plantation's operations, although there could be various reasons for the drop off. Bengkayang regency, West Kalimantan, September 2018.





An unfinished Iban Dayak beaded necklace lies pinned to a traditional conical hat. The loss of the forest and displacement has negatively affected inter-generational crafts that had cultural significance for Iban women. Bengkayang regency, West Kalimantan, September 2018.

Indigenous people's rights. It has also not engaged with Human Rights Watch or local NGOs.

Needed Government Reforms

President Jokowi should give priority to creating a high-level commission that includes representatives from Indigenous peoples' groups to resolve land disputes involving Indigenous communities. This commission should ensure full women's participation in its operations. Harmonizing complex legal frameworks regarding Indigenous land tenure should be a focus of the commission. Local Indigenous rights groups have long advocated for these reforms.

Customary rights of Indigenous people are lost in a maze of laws that were designed to protect them but do the opposite. As a result, Indonesia's Indigenous people struggle to have their rights to customary land recognized.

A vast number of Indigenous territories have been mapped, but local NGOs say very few Indigenous communities have been issued legal certificates.

To address this longstanding problem, President Jokowi should prioritize consultations with representatives of Indigenous groups to finalize a bill that would protect Indigenous peoples' rights and ensure that simple recognition procedures are put in place. This would go a long way in implementing a 2013 Constitutional Court decision that granted Indigenous people rights to their customary forests.

Adopting new laws and a high-level commission are critical to ensuring the success of Jokowi's 2018 "Complete Systematic Land Registration until 2025" program. The World Bank-funded initiative aims to register all land in Indonesia by 2025.

The Indonesian government's 2011 certification mechanism, the Indonesian Sustainable Palm Oil (ISPO) system, accredits oil palm plantations that comply with Indonesian local laws and principles of social responsibility. The certification mechanism, which supplements the plethora of laws that govern land acquisition and oil palm cultivation, needs a overhaul. NGOs have criticized the ISPO for its narrow focus on national law, inadequate environmental protections, neglect of human rights, weak monitoring and oversight, lack of a grievance mechanism, and poor enforcement.

Finally, donors should support the Indonesian government in carrying out the host of reforms needed to protect Indigenous peoples' rights. These should include creating a database to improve data collection and transparency on plantation concessions; related required permits; and numbers of land conflicts, their status, and their resolution. Currently, lack of data is exacerbated by putting some of the available information regarding plantation concessions behind paywalls. For example, the Ministry of Agrarian and Spatial Planning has refused access to plantation permit data, citing a paywall, even after the Supreme Court upheld a freedom of information request in 2017.

Corporate Responsibilities

The United Nations Guiding Principles on Business and Human Rights sets out company responsibilities independent of government obligations. The practical implication is that even where government oversight is poor, companies should have independent human rights due diligence mechanisms.

Human Rights Watch research in West Kalimantan and central Sumatra indicates that the companies were falling short of their human rights responsibilities.

Oil palm plantations and leading corporations within palm oil supply chains need to create and implement strong human rights due diligence procedures to ensure that palm oil production does not cause or contribute to human rights abuses of affected communities.

Companies, investors, and governments importing palm oil from Indonesia—including China, India, Pakistan, and the Netherlands—should closely monitor the reforms needed to ensure that oil palm plantations are not developed with such devastating human and environmental cost.

Introducing these reforms will allow Indonesia to support investments to improve its economy, while also protecting its forests and all those impacted by such investments, especially indigenous people.

KEY RECOMMENDATIONS

TO THE INDONESIAN GOVERNMENT

- Urgently recognize and protect Indigenous peoples and their community rights to land and forests.
- Revise the Indonesian Sustainable Palm Oil (ISPO) certification system to align with international human rights standards.
- Establish a Land Dispute Resolution Mechanism.

TO OIL PALM PLANTATION COMPANIES IN INDONESIA

- PT Ledo Lestari and PT Sari Aditya Loka 1 should initiate mediation with affected communities and Indigenous peoples to resolve longstanding grievances, and offer compensation or remediation to those affected.
- All companies operating plantations should carry out robust human rights due diligence and provide just, fair, and equitable compensation in accordance with international human rights standards.

TO OIL PALM IMPORTING COUNTRIES

- Require companies to be transparent about their palm oil supply chains.

TO DONORS

- The World Bank and other donors should support the Indonesian government in carrying out the reforms needed to protect community and Indigenous people's rights to land.

“When We Lost the Forest, We Lost Everything”

Oil Palm Plantations and Rights Violations in Indonesia

Indonesia has about 14 million hectares of land planted with oil palm. Palm oil is used in a wide variety of grocery store products and biofuel. A vast number of documented land conflicts in Indonesia are linked to these plantations.

“*When We Lost the Forest, We Lost Everything*” details how a patchwork of weak laws, exacerbated by poor government oversight, and failure of oil palm plantation companies to fulfill their human rights due diligence responsibilities have resulted in human rights harms to two Indigenous communities in West Kalimantan and Jambi provinces.

Based on interviews with over 100 people from these communities, lawyers, and land rights activists, the report documents the establishment and expansion of two oil palm plantations that has resulted in loss of ancestral or traditional forest, displacement, and has adversely affected Indigenous people’s rights to livelihood, food, water, and culture.

Human Rights Watch calls on the government of Indonesia urgently to recognize and protect Indigenous peoples and their community rights to land and forests; revise the Indonesian Sustainable Palm Oil (ISPO) certification system to align with international human rights standards; and establish a land dispute resolution mechanism.



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(above) Iban Dayak women walk towards a canoe that will take them to their farms. With the loss of their forest and farmland, residents are forced to rent others’ lands in villages several kilometers away, outside the plantation area, adding to expenses. Bengkayang regency, West Kalimantan, September 2018.

(front cover) Women show baskets made by their grandmothers, which they inherited when they married. Lindan (left), 57, said, “We can’t teach the next generation because there are no materials [leaves]. Learning the technique takes time. The motifs and flowers on the baskets tell a story, the story of the Iban.” Bengkayang regency, West Kalimantan, September 2018.