

**Notes of the Meeting of
the Monitoring and Evaluation Team for Implementation of the Agreement between
WSP Co and the community of Senujuh and ANI Co and the community of
Sajingan Kecil, held in Pontianak on December 12 2009.**

I. Aims and Participants.

Meeting Aims:

1. Share and discuss the latest information about the implementation of the agreement of WSP-Senujuh and ANI-Sajingan Kecil.
2. Discuss re-scoping the work of the Monitoring and Evaluation Team
3. Discuss M&E plan in the future.

The members the M&E Team attending the meeting:

- Sriyanto (Co-ordinator of the M&E Team, Dishutbun Kab Sambas)
- Herujono (BPN Sambas)
- Almizan (Tokoh Masyarakat)
- Andiko Sutan Cahyo (FPP/HuMA)
- Norman Jiwan (Sawit Watch)
- M. Lutharif (Lembaga Gemawan)
- Gamal Pasya (CAO). Gamal was assisted by Ari (Support staff for CAO).

II. Updates and Discussion

Sriyanto (Dishutbun/District Forest Agency):

- Forest has started to come back in Sajingan Kecil (SK), but the company has not yet given a schedule for reforestation activity. The community also asked if there is a time limit by when this matter must be completed.
- Concerning the concession area of PT. SAM, Dishutbun Sambas has received a letter signed by the Village Head of Senujuh (SNJ), stating that the village wants to hand over its land and partner with PT SAM. Dishutbun will study this request in detail, including the wish of PT Sam for a plantation partnership with the community. Dishutbun will also study and consider the status of the land proposed by this community.
- The plasma partnership: Both communities (Sajingan Kecil and Senujuh) have started the preparations for the partnership.
- PT ANI has planted 50% of the plasma area in Sajingan Kecil. Sajingan Kecil has formed a co-operative and Senujuh is in the process of forming a co-operative. Both are hindered by lack of funding. The regional government will issue Sajingan Kecil with a prospective farmer's co-operative and this will be utilized to assist the community in obtaining credit.

- There is a challenge in Senujuh where the TPKKS (the Management Team for Sawit Plots) will only manage 31 Ha of oil palm. The question has arisen as to how profits will be shared among the members. (Gamal noted that in accordance with the agreement of WSP-Senujuh, the plasma area will be village plasma, and will not require distribution of the plasma or its benefits to each of the 540 heads of households in Senujuh. The TPKKS Senujuh plasma is to be a source of the income for the village that will be utilized for the service of the Senujuh community.)
- There are three areas of preparation for plasma that are needed before it can begin: the co-operative, Avalis ¹/ and credit.
- WSP's location permit has been closed. From WSP's location permit of 14,100 ha, 3000 ha was forest and 800 ha was managed by WSP. The remaining 10,300 ha of the location permit was handed over to PT Musimas by the Sambas district government. The challenge is that WSP must be in partnership with other actors to develop the area, so that the partnership with Senujuh is not restricted also. The company is not yet involved in building the plantation because of a technical MoU between the company and the community is yet to be developed; moreover capital has not yet been obtained.
- The M&E team only does M&E based on the main agreement, while the technical agreement to be developed based on the main agreement was to become the responsibility and the authority of the government. For example MoU Kemitraan Koperasi-ANI became responsibility of Dishutbun Sambas.

Lutharif/Gemawan:

There were three matters that were the obligation of the company in the agreement with Sajingan Kecil:

1. Reforesting the Hutan Dusun (Community Forest)
2. Plasma: Planting is already more than 50%. Not all the areas that have been cleared in preparation for planting are yet planted due to, according to ANI, a lack of seedlings. The community is worried that the land is becoming vegetated and will need to be cleared again, with the cost a burden of the co-operative. The company made a commitment that it would not make a distinction in the quality of the development of the inti and plasma. The reality according to the community is that the plasma, four months after planting were still not fertilised or cleaned of weeds, especially in Bloc 20-M.

Another community demand that had been agreed by the company was to delineate permanently the areas of plasma-inti and the border between the plasma areas of the villages of Sajingan Kecil and Senabah (in the south)).

¹ Avalis is the term for the company who stands as bank guaranties for the community to get credit.

The co-operative: There is yet to be a technical agreement between company and the co-operative of Sajingan Kecil; the community is waiting for follow-up on this by the company, so that the community can receive information on who will supervise the field. Communication between ANI and Sajingan is limited to communication with the head of the village. It is necessary for the company to communicate with the village community and the co-operative.

The forest: Although not yet reforested, the land is already returning to scrub. The community wants to have the area reforested with appropriate species and guarded so that it won't have to be cleared again. They are hoping to plant Tengkwang, Gaharu, and fruit trees. The community wanted to have regular meetings with ANI and make internal M&E. The community garden unit is relatively uninformed and inactive, while the Bina Mitra Division of Wilmar West Kalimantan has stated that field communication was carried out with the community garden unit.

According to the community, the company has seldom been pushed to help make the co-operative well managed (making a work program, compiling budget, etc.). In fact ANI had never done capacity-building for this, although there was an obligation on ANI through its community development commitment. In the field, at the request of the community, Gemawan took the initiative to carry out this training on managing cooperatives.

Compensation fund for community development/buildings: The community hoped that the Dana Kompensasi Pembangunan for years 2 to 5 could be given up front so that the development of the mosque was not interrupted. The community has sent a letter to company management on this but did not yet have the response.

The company must facilitate infrastructure development in the plasma area (roads and drainage) in order to have the standard the same as in the inti area.

3. Compensation: apart from development/building compensation for the village, ANI has settled its obligations to pay compensation.

About Senujuh: The Senujuh community requested WSP to immediately facilitate resolution of the status of 150 ha between Senujuh and SAM (Wilmar supplier) in SAM's concession, especially as it was WSP that opened this land.

Herujon/BPN-Land Body of District:

- Witnessed the handover of compensation between WSP to Senujuh.
- Suggested that Senujuh form a co-operative because the credit contract can only be made with a legal body. (report on this from Dihutbun: Senujuh is making a co-operative)
- The Determination of the membership of the co-operative and the recipients of plasma must be by letter of the Regent, based on data put forward by the community and the company.

- the Community generally does not yet understand how co-operatives work, and needs facilitation support from the Cooperatives Service.

Almizan/ Pension of DPRD Member (Tokoh Masyarakat):

- Asked for clarification of his membership of the M&E Team because he was not elected as a member of the People's Representative Council Sambas again. (The M&E Team meeting said that the status of the membership of the ME team was unlimited for both institutions, but also for individuals that in a voluntary and professional manner dedicated his resources to carry out M&E activities. Therefore, Almizan will continue as the member the M&E Team).
- Progress was clear enough in Sajingan Kecil, while in Senujuh the situation in regard to implementation of the agreement is still grey and this is natural given the community dynamics.
- In Sajingan Kecil, further support is needed, including capacity building, and clarity on who will do this. An example is the internal M&E of the implementation of the agreement by the community which has been interrupted because the team of negotiators dispersed while no arrangement was made for a community M&E team. ANI necessarily has a moral responsibility, including facilitation and brokering the costs of forming the co-operative (Note from Gamal: the Report from ANI, says that ANI already brokered this matter. This confirmation came up from Manager of Plasma Development of Wilmar West Kalimantan).
- Sajingan Kecil needs a team/special unit that can oversee the implementation of the agreement. For example until this time, reforestation of the village forest of Sajingan Kecil has not yet taken place.
- In Senujuh on several occasions letters authorizing land use coming from the head of the village were offered to investors. This must be carefully guarded against in order to not create a cause of conflict in the future.

Andiko (FPP/HuMA):

- Follow-up to the agreement on several matters is the authority of the public and also a government responsibility. The position of the M&E Team needs to be clarified, whether so far to push the government agencies to carry out their public service. For example the formation and capacity building for the co-operative (Note Sriyanto: this Matter became responsibility of the Sambas Govt service on Cooperatives and was supported by Dishutbun).
- Issue of whether the ME Team will become observers to the technical agreement that will follow from the main agreement, or will only monitor the

implementation of the main agreement. (Note Sriyanto: the M&E Team only works on the main agreement)

- It is better if the M&E team is a loose framework only: What is the object and the subject of observation, where and who have an obligation for that (the M&E Team or the government agency?). We see the main agreement, then the matrix of activities and responsibilities that it entails: agreement on what, fulfilling what, then the requirement for the existence of a technical agreement that will possibly emerge from the main agreement. Then how far the ME Team was involved in this technical agreement (Gamal comment: Best if the ME team plays the role of reminding government units that bear responsibility for the substance of the technical agreement; the ME team should not act to push government agencies).
- Trade in land by elements of the village to immigrants or investors must be guarded against in order to not become a problem in the future and this must be pointed out to the local government.

Norman/Sawitwatch:

- Signatories should monitor the implementation of the main agreement, and also the implications of the agreement should be considered by the Monitoring and Evaluation Team.
- Sawitwatch/as a signatory also wanted to monitor whether Wilmar has learnt from the process of Sambas mediation and if it will improve itself and carry out resolution of other cases, or if it will continue to cause new and similar cases of conflict. Wilmar still has many weaknesses of management, and the process of the implementation of the Sambas agreement could degrade because of these weaknesses.
- At this time the World Bank has postponed investment in the oil palm sector all around the world. We should pay close attention to that the underlying causes of legal violations, and failure to fulfill the P&C of the RSPO as these are often not yet addressed by the industry including by Wilmar. It is necessary that these issues are taken up by government also.
- Other problems that still need to be dealt with by Wilmar include the problem of the violation of the laws (Category-2), and the fulfillment of the indicators and criteria of HCVF. Wilmar saw this as a transitional problem and that they must have enough time to address these issues. In the HCVF implementation (although the ME Team did not have authority in this case), there were several implications that match the objective of ME. For example, Hutan Sajingan Kecil. This became the object of observation because this area entered the agreement, and as an HCVF object should not be converted.

- Category-2 and Category-3 will have implications for the work of the M&E Sambas Team, and this must be anticipated. Because Category-1 issues were isolated from the wider problems, and the focus in M&E in the Sambas agreement is on resolution of land conflict, there is a worry that this achievement will become partial with regard to issues relating to Category 2 and 3 and that is very much to be regretted.
- The Plan of handing over the management and WSP assets to PAN- P must be known by the community. (Gamal has the statement from Wilmar (Goh) that this matter will not change Wilmar's obligation in filling the contents of the agreement).

III. Table summarizing the Agreement, Achievement and Implications and the Requirement for a Technical Agreement for the continuation of Information of SENUJUH-WSP Co and SAJINGAN KECIL-ANI Co.

| No | Agreement | Status | Implications and needs for further technical agreement | Comments |
|--------------------|---|--|--|--|
| SENUJUH-WSP | | | | |
| 1 | WSP will help organize a conference between Senujuh and PT. SAM | <ul style="list-style-type: none"> ○ Delay in resolving conflict over 150 ha between Senujuh and SAM (supplier of Wilmar) ○ Part of this area is believed to have been given the status of individual land and no longer is under collective control of the community. | <ul style="list-style-type: none"> ○ (NEED) Clarify and document the reasons why the conference and resolution of the conflict hasn't happened yet. | Request WSP to implement clause 6 of the agreement between WSP and Senujuh. |
| 2 | Compensation for loss of livelihoods | Complete | (IMPLICATIONS) There was a problem with distribution of the compensation. It is believed that compensation didn't reach all the community from the | <ul style="list-style-type: none"> ○ Request WSP to provide evidence of paying compensation. ○ In regard to the problem with distribution of |
| 3 | Compensation for releasing land | Complete | | |

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| | | | team that received the compensation. | the compensation, the ME team can only document the alleged failure of compensation to reach all community members. |
| 4 | 99 ha to become inti plantation area for WSP | Complete | | |
| 5 | 32 ha that was in dispute to be managed as plasma of the village of Senujuh | Not yet. The Management Team for Sawit Plots (TPKKS) argues that the plasma area should be managed by the TPKKS, while the government requires the credit to be arranged with a legal cooperative or village government body or based on an agreement between WSP and the village government. | | There is a possibility that the form of the cooperative will be made based on work together between WSP and Senujuh. |
| 6 | 86 ha of cleared area to be returned to the community | Complete. (Parties have agreed on the handover of these lands) | (IMPLICATIONS) In practice, these lands are not yet managed by the community. | Documentation of the conditions, as learning tool |
| 7 | WSP will not open other areas in Senujuh outside of the 231.5 ha already agreed to. | Complete. (Already a signed agreement) | | Documentation of the conditions, as learning tool |
| SAJINGAN KECIL – ANI Co | | | | |
| 1. | Compensation | Complete | | ○ Request ANI |

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| | for use of land | | | to provide documentation of provision of compensation. |
| 2. | Cash support for Development of Dusun Sajingan Kecil | Complete for the first year | (NEED) Community has requested ANI to immediately provide the cash assistance for years 2 to 5 so that the construction of the mosque is not delayed. | Request ANI to provide evidence of compensation payments. Tim will convey the request of the community to ANI. |
| 3. | Development of 472 ha of plasma for the community of Sajingan Kecil (based on the results of the mapping after the agreement). | In process of being realised: <ul style="list-style-type: none"> ○ 224,57 ha. already planted . ○ 247.43 ha. already cleared ○ Sajingan has already formed a cooperative “Cempaka Biru” that will manage the plasma. ○ A technical MoU has not yet been prepared. ○ List of candidate plasma farmers from the cooperative and candidate areas from ANI is finished. This will be processed | (NEED): Capacity building for the <i>Koperasi Cempaka Biru</i> (KCB). <i>Anggaran Dasar</i> (Basic Role) already made, but <i>Anggaran Rumah Tangga</i> (Basic Guidelines) not yet. (IMPLICATIONS): Need an institution and or professional individuals to help and support the cooperative KCB and suggest ART can be fulfilled by the government, ANI or IFC Indonesia office. | Provide an opinion paper to ANI on building capacity of the KCB cooperative, including preparations, analysis of risks and opportunities from an MoU on cooperation between the community and company. (referring to stipulation from the Minister on plasma partnerships). |

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| | | with a decree from the Bupati. | | |
| 4. | Replanting of the forest area opened by ANI | Not yet. | Need a clear plan (who and when) the reforestation will start and finish. (in accordance with the mapping and planning process from January 2009, the reforestation should start in the same year). | <ul style="list-style-type: none"> - Ask ANI about its technical plan for carrying out reforestation, how and who will carry it out. - Send an opinion letter to ANI to fulfill the agreement on reforestation |
| 5. | ANI will not open other sites for plantations in the area of Dusun Sajingan Kecil | Complete (An agreement on this has already been signed) | | Document this as an aid to learning from the case. |
| 6. | 769 ha of land will become Inti for ANI (based on the result of the remapping after the agreement). | Completed. (When the results of the remapping were complete, an agreement was signed) | | Document this to serve as an aid to learning. |

IV. Re- scoping the work of the Monitoring and Evaluation Team:

The M&E Team only monitors and evaluates the implementation of items of the primary agreement (quantity and quality). If it finds other implications outside the items of the agreement and/or implications that did not involve the two agreeing sides (company and the community), it suggests:

- a. If the implications were about other activities covered by the agreement, then the parties will ask the government to facilitate these matters.
- b. If these implications or problems were apart from the issues covered by the existing agreement, then the team will only document them and provide information to the signatories, the IFC, CAO, related government agencies, and the agreeing sides.

The M&E Team is responsible to the parties to the agreements. If M&E team finds matters that are yet to be fulfilled by one of the parties, then the Team will make an opinion note and provide it to the relevant party to assist them in fulfilling their part of the agreement.

V. Plan for M&E Activities.

In the future it will send opinion letters to the parties to the agreement, concerning aspects of the agreement that are yet to be fulfilled or are postponed. It will give three months to the party to take action based on the issues raised by the M&E team. After that a M&E meeting will be held also attended by the parties to the agreement.

| No. | Nama/Name | Lembaga/Institution | Signature/Present |
|------------|--------------------------------------|--|--------------------------|
| 1 | Sriyanto | Team Coordinator / Forest Agency of Sambas District | 1. present |
| 2 | Herujono | Team Member / Land Administration Office of Sambas | 2. present |
| 3 | Uray Sentosa | Team Member / Investment Cooperation Board of Sambas | 3. not present |
| 4 | Almizan | Team Member/ People Representative Council of Sambas | 4. present |
| 5 | Andiko Sutan Cahyo | Team Member / Forest Peoples Programme (FBB) | 5. present |
| 6 | Norman Jiwan | Team Member / Sawit Watch | 6. present |
| 7 | M Lutharif | Team Member / Gemawan | 7. present |
| 8. | Gamal Pasya (And Ari, Support staff) | Team Member / CAO | 8. present |