



bruno  
manser  
fonds

for the peoples of the rainforest



March 8<sup>th</sup>, 2017

IOI Corporation  
Two IOI Square, IOI Resort, Wilayah Persekutuan,  
43300 Putrajaya, Malaysia

**RE: Recommendations To Resolve The Long Teran Kanan Complaint In Compliance With The Roundtable on Sustainable Palm Oil Principles and Criteria**

Dear IOI Group and IOI Loders Croklaan,

The undersigned organizations are writing to put on record our shared concerns about the continuing unresolved land dispute between IOI and the community of Long Teran Kanan and surrounding villages along the Tinjar in Sarawak, Malaysia, being affected by the operations of your majority owned subsidiary IOI-Pelita.

Ever since the complaint against IOI has been filed with the Roundtable on Sustainable Palm Oil (RSPO), we have been concerned to ensure that IOI respects the rights of the communities in line with the RSPO Principles and Criteria, notably that the company must respect the customary rights of the communities to their lands, respect their right to choose their own representatives and only acquire their lands subject to their free, prior and informed consent.

After long delays, the Complaints Panel upheld the substance of the complaint and requested IOI to resolve the dispute in accordance with the P&C particularly 2.2 and 2.3 in March 2011. The complaint was then passed to the Dispute Settlement Facility (DSF) to find a mediated solution. After one false start with a mediator who was given inadequate Terms of References by the RSPO Secretariat, an effort has been made to resolve the dispute with the involvement of the local Government. RSPO DSF agreed to this process on condition that IOI seek to resolve the dispute in line with the RSPO standards and subject to being able to observe the negotiations. However, despite considerable involvement of RSPO staff, members of the DSF Advisory Group and other experts asked to observe the meetings, the negotiation process that ensued has not upheld the RSPO standard.

These matters were discussed in detail with representatives of IOI and IOI LC, (Dr. Surina Binti Ismail and Ben Vreeburg) and others during the RSPO Roundtable meeting in Bangkok in November 2016, where it was agreed that negotiations should be restarted with an independent mediator to be provided by the DSF. Notwithstanding these agreements, IOI (Sarawak) then unilaterally informed us that it had decided to continue with the negotiations through the local government. Consequently and after observing yet one more meeting that quite evidently was not based on RSPO standards, the DSF terminated its oversight of the process and handed the case back to the Complaints Panel.

As NGOs observing this process we now want to reiterate our demand that IOI ensures the land dispute is resolved in accordance with the RSPO Principles & Criteria. The company must take steps to ascertain the extent of the customary land rights of all affected communities, including farmlands, forest fallows and areas of collective resource use prior to engaging in negotiations about the lands already taken. It must allow the communities to independently choose how they are to be represented in any negotiations over the use of their lands and it must accept that the communities have the right to say 'yes' or 'no' to the operations of the company on their lands. Further, compensation for community land already cleared should be identified and agreed with individual and communal rights holders in collaboration. Only a negotiation based on these principles can be considered compliant with the RSPO P&C and the ruling of the Complaints Panel.

Specific short-term actions that IOI should now undertake to resolve this dispute are:

1. Take responsibility for upholding the community's right to Free, Prior and Informed Consent, as expressed in the RSPO Principles & Criteria.
2. Ensure that the community is able to make decisions through an informed process and take responsibility for ensuring they are provided with information on the settlement offer in ways that allows them to understand it. IOI should support NGO's efforts to enlist credible experts to help the community organise themselves and interpret the implications of the offer.
3. Identify the community members who have been affected and are due compensation for the initial loss of land and the ongoing use of their land for oil palm plantations.
4. Work with the community to identify and draw up maps for each landowner's area(s), and jointly approach the Sarawak state government to request those areas are excised from their PL to provide better security for the community's land rights.

Our organizations look forwards to learning what steps IOI now plans to take to overhaul the negotiation process so these core principles of the RSPO are upheld.

Yours sincerely,

Lucas Straumann, Director, Bruno Manser Fund

Jeff Conant, Senior International Forests Program Director, Friends of the Earth USA

Upreshpal Singh, Director, Friends Of The Orangutans Malaysia

Timi Gearson, Campaign Director, Forest Heroes

Marcus Colchester, Senior Policy Advisor, Forest Peoples Programme

Andrew Ng, Partner, Grassroots

Annisa Rahmawati, Senior Campaigner, Greenpeace Southeast Asia

Deborah Lapidus, Campaign Director, Mighty

Sarojeni Rengam, Executive Director, Pesticide Action Network Asia and the Pacific (PANAP)

Wally Baldwin, Palm Oil Consumer Action

Lorinda Jane, President, Palm Oil Investigations

Gemma Tillack, Agribusiness Campaign Director, Rainforest Action Network

Fatah Sadaoui, Senior Campaigner, SumOfUs.org

Glorene A Das, Executive Director, Tenaganita