

Illusions of Progress: Violence and Exclusion Behind Astra Agro Lestari's Claims

November 2024

Foreword

On September 2, Astra Agro Lestari (AAL) published a [progress report](#) on implementation of its unilaterally dictated three-year action plan to address ongoing conflicts and community grievances in Sulawesi. WALHI and Friends of the Earth US have previously highlighted [major gaps](#) in AAL's investigation and resulting report that informed the action plan. These gaps are reflected in the company's approach, which does not address AAL's failure to obtain Free, Prior and Informed Consent (FPIC) for its operations in Central and West Sulawesi. Fundamentally, AAL's action plan represents a

development model that places the wellbeing of communities in the hands of private companies, rather than properly identifying communities as rightsholders with self-determination. AAL's action plan continues to ignore communities' calls for the return of land taken without consent.

Reports from the ground tell a markedly different story to the curated report AAL has prepared for its palm oil buyers. During an October field visit by WALHI, community members reported that individuals were excluded from the village meetings highlighted in the company's progress report, with roads being blocked off to prevent participation and discussions held behind closed doors.



October 8: Brimob provides protection for PT ANA in North Morowali while it forcibly harvests palm oil fruit on lands claimed by communities. Communities report that Brimob fired shots to suppress community dissent.

While AAL has been publishing reports of its supposed progress in redressing grievances, over the past two months multiple demonstrations have been held by farmers unions and impacted communities in Sulawesi against the company's operations, contradicting AAL's claims. According to community members, on at least two occasions in October, AAL subsidiary PT Agro Nusa Abadi (PT ANA) accompanied by Indonesia's Mobile Brigade Corps (Brimob) – the special operations, paramilitary, and tactical unit of the Indonesian National Police, harvested palm oil fruit on lands claimed by communities, with disturbing reports of violence and intimidation against rightsholders who oppose AAL's operations and plans.

A [recent investigation](#) by the Indonesian Attorney General's Office into corruption in the management of palm oil plantations and the release of forest areas highlights the high-risk context and governance gaps that plague the industry, as previously [documented](#) by civil society. Companies and investors linked to AAL should be concerned about these risks considering their obligations under international frameworks to mitigate and prevent harm.

Illusions of Progress

AAL's September 2 progress report highlighted an MOU that was signed in Towiora village for the establishment of a public cemetery, meetings to distribute food aid to the Kabuyu community, and meetings with the government regarding overlapping land claims in Bunta village. Notably, these issues do not represent the entirety of communities' claims for redress and remedy and only address a subset of rightsholders' grievances. Furthermore, rightsholders in affected areas describe an exclusionary process where those critical of AAL's operations have been actively prevented from participating in AAL's village meetings.

In Towiora village, community members claim that the village head handpicked participants for the meeting where an MOU with the company was signed and that the meeting was not publicly announced, preventing those with outstanding land claims from attending. According to community members, the planned meetings did not end up taking place and only the MOU was signed.



September 2024: PT LTT blocked a daily access road in Towiora village.

Community members state that roads in Towiora and Rio Mukti were blocked by PT LTT and PT Mamuang to prevent community participation in AAL's village meetings, which also limited peoples' daily mobility, further impeding their livelihood activities. These reports illustrate AAL's ongoing marginalization of communities and the exclusionary process behind its dubious claims of progress.

AAL's progress report uses the phrase 'FPIC' several times in the context of discussions with village heads and other community members. While AAL states that its engagement with specific community members is now guided by FPIC principles, the reality remains that AAL has never conducted an FPIC process to obtain the consent of communities to operate on their lands and impact their livelihoods. The lack of FPIC for AAL's operations in Central and West Sulawesi continues to be a major cause of ongoing conflicts. International experts have confirmed that AAL's assertion that FPIC does not apply to its operations in Sulawesi because of when operations began is patently incorrect. As detailed in

operational guidance for FPIC by the [UN Food and Agriculture Organization](#) and [Accountability Framework Initiative](#), consent is an ongoing process through the duration of a company's operations. Once conflicts arose and rightsholders began to be dispossessed of their lands, AAL should have implemented an FPIC process. Unfortunately, AAL continues to operate on communities' lands without consent, fueling ongoing conflicts and violating land rights.

Community Resistance and Demands for Remedy

In September and October 2024, communities held multiple demonstrations against AAL and its subsidiaries in Sulawesi. On September 4, the East Petasia Farmers Union in North Morowali demonstrated outside the prosecutor's office against PT ANA's operations, citing PT ANA's lack of the legally required cultivation permit (HGU) and calling for an investigation into alleged corrupt practices.



September 4: East Petasia Farmers Union demonstrated outside the prosecutor's office in North Morowali.



October 2: WALHI and the Sinar Rio Jaya Farmers Group protest against PT Mamuang’s land grab in Rio Mukti.

On October 2 in Rio Mukti, WALHI alongside the Sinar Rio Jaya Farmers Group protested PT Mamuang’s operations by holding up a banner calling for the return of land that was forcibly taken from communities. The protest was in response to a visit to the area by AAL and its consultants Robertsbridge. AAL met with a select group of village heads and community members who supported PT Mamuang. Notably, the Sinar Rio Jaya Farmers Group states that it was not informed of the meeting and was therefore prevented from participating.

On October 30, farmers from North Morowali held a demonstration in front of police and

prosecutorial offices in Palu City, the regional capital of Central Sulawesi, calling for the withdrawal of security forces from the area where PT ANA is operating.

Over the past several years, rightsholders affected by AAL’s operations in Sulawesi have repeatedly called on the company to return land taken without their consent. Notably, nowhere in AAL’s unilaterally dictated action plan is there any mention of how the company will address the ongoing lack of FPIC for its operations, nor does it address communities’ statutory and customary rights and claims over land that is occupied by AAL subsidiaries.



October 30: Farmers from North Morowali protest in Palu, calling for the withdrawal of security forces.

Violence, Intimidation, and Threats of Criminalization

While AAL has attempted to paint a rosy picture of company-community relations for its buyers, reports by rightsholders and impacted communities of recent instances of violence and intimidation by AAL and Indonesian security forces tell a decidedly different story.

According to community members, on September 23, PT ANA met with the Head of Petasia Timur District, the Head of Towiara village, the Head of Towiara Pantai village, and the Head of Peboa village, along with the chairman and administrators of the three village cooperatives at the company's dormitory in Molino Village in North Morowali. The meeting reportedly excluded community members who oppose PT ANA's operations. The meeting minutes indicate six "points of agreement" which resulted in PT ANA restricting community access to community lands, which were subsequently patrolled by Brimob, while PT ANA harvested palm oil fruit while rightsholders attempted to resist the enclosure of their lands.

According to community members, on October 8, PT ANA appeared with paramilitary force Brimob to harvest palm oil fruit from lands claimed by local farmers and communities. Community members reported that Brimob fired shots to suppress protests against PT ANA's actions.

According to community members, on October 22, PT ANA returned with Brimob to harvest palm oil fruit on land that is supposed to be returned to members of the Petasia Timur Farmers Group by the Government of Central Sulawesi. Brimob approached farmers in Bungintimbe village and directed them to stop their activities. Brimob stated that if the community group did not stop, then the palm oil fruit harvested by the community would be confiscated.

On October 29, [police](#) named six community members in North Morowali as alleged perpetrators of palm oil fruit theft from PT ANA and issued a summons. These instances continue AAL's sordid history of [intimidation](#) and [criminalization](#), which have been shared with [global consumer brands](#) and financiers and previously raised with Indonesia's National

Human Rights Commission and the UN Special Rapporteur on Human Rights Defenders.

Ongoing Governance Risks

On October 3, the Deputy Attorney General for Special Crimes (Jampidsus) of the Attorney General's Office [conducted raids](#) on the office of the Ministry of Environment and Forestry (KLHK) as part of an investigation into corruption in the management of palm oil plantations between 2005 and 2024. The Attorney General's Office confirmed that the investigation was examining illegal palm oil management in forest areas, including the [forest release process](#).

The June 2024 [report](#) *Cultivating Conflict* revealed that 17 AAL subsidiaries' concessions overlap with over 17,000 hectares of Indonesia's forest estate, at least 1,100 hectares of AAL's plantations in Indonesia's forest estate appear to be illegal, and multiple AAL subsidiaries in Sulawesi are operating without the required cultivation permit (HGU). While AAL contests these figures, the company has been unable to provide evidence in the form of maps and permits. The Attorney General's Office investigation into corruption regarding the forest release process is directly relevant to the findings in the June 2024 report. While no companies have been named yet in the investigation, the Attorney General's investigation highlights the heightened governance risks related to palm oil operations in Indonesia's forest estate.

Given the high-risk context of corruption and uneven implementation of the rule of law in Indonesia, AAL's buyers must conduct heightened independent due diligence. The risks related to palm oil operations are increasingly clear and the best way for agribusiness traders and consumer brands to mitigate these risks is to end sourcing from companies engaged in sustained environmental, human rights, and governance violations.

Rejecting AAL's RSPO Membership

In September 2024, 36 people from Rio Mukti signed a letter calling on the Roundtable on Sustainable Palm Oil (RSPO) to reject AAL's application for membership in the industry-

led sustainability body. The [letter](#) stated that if the RSPO accepts AAL as a member, it cannot claim to be a sustainability certification institution for the industry. The letter called on the RSPO to reject AAL's request for membership until the company returns land forcibly taken from communities, cooperates with regional and national government agencies to ensure the proper return of land, restores areas damaged by AAL's palm oil operations, compensates communities for damages, restores the good name of community members criminalized by AAL, ensures no further intimidation, violence, or criminalization against impacted communities, and issues an apology for damages and harm done.

A Lack of Progress

In summary, AAL's claims of progress toward resolving ongoing conflicts and redressing community grievances are an illusion. While AAL has attempted to curate a story for its palm oil buyers, reports from the ground indicate ongoing violence, intimidation, and repression behind company operations. Companies and financiers that are linked to AAL's conflict palm oil should fulfill their obligations to mitigate and prevent harm by cutting ties with AAL and its parent companies, Jardine Matheson and Astra International.