



Forest Peoples Programme

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Dear Meg and Amar,

IFC's new investment in Wilmar:

We have been dismayed to note from the IFC website today that the IFC Board agreed to an additional investment in Wilmar on 23rd October 2008 (see attachment). As you will recall, we as complainants raised our concerns about this impending project in our letter to you on 12th August 2008. As we noted then, we would like to have your views on this matter as we feel this action by the IFC is in bad faith, given that the IFC is currently subject to an audit by the CAO for its previous project to support the same company. Further I would be grateful to learn what action the CAO took to raise concerns about the pending investment in Wilmar, between receiving our letter of 12th August and the project approval on 23rd October.

Next steps with Category 2:

Following the receipt of Amar's letter of 22 October 2008, suggesting next steps, Amar and I were able to talk in some detail over the phone. I would like to record my understandings from that conversation.

- As per our letter of 12th August 2008, we as complainants are still expecting the CAO to mediate a dialogue between us and Wilmar over the Category 2 issues and that this should include all those issues set out in our 12th August 2008 letter and in our original complaint.
- It is our view that CAO-mediation provides greater leverage, profile and resources (which would otherwise be lacking if we opted for the bilateral approach, without the involvement of the CAO, which was suggested in Amar's letter of 22 October).
- In the phone call Amar suggested that the next meeting for this CAO-mediated dialogue on Category 2 could take place in mid-December. It was further suggested that this meeting:
 - might be held in Jakarta (or in Singapore being Wilmar's base)
 - should include complainants from other Wilmar-affected areas (and it would be up to us as complainants to advise the CAO who should be invited)

- might not include the IFC - they might be brought in to later meetings on the theme
- might not include the government - they might also be brought in to later meetings on the theme.

Bringing Category 1 to a conclusion:

We are, of course, pleased that the Category 1 negotiations between Wilmar subsidiaries and two affected communities in Sambas district are drawing towards a conclusion and I would personally like to record my satisfaction with this and the efforts that have been made by all concerned notably the CAO. However, as I noted to Amar in the phone call, it may be better to delay drafting a mutually agreed press release and carrying out an evaluation meeting on Category 1 until:

- after the negotiations are concluded and the follow up, with CAO support, on participatory mapping and for monitoring and enforcement of the agreement has made progress
- there has been real progress on the Category 2 issues
- the audit has been completed (Category 3) - we understand from Henrik this is expected in February 2009.

Sectoral reform:

In the phone call Amar also informed me that he has also had discussions with IFC about an idea to do a policy review of the palm oil sector in Indonesia as a joint project of the IFC and IBRD. We look forwards to being informed about this initiative and would like to know what steps the CAO proposes to ensure that civil society organisations and signatories to the complaint are invited to participate in the policy review.

We would grateful for a letter to all the complainants clarifying all these matters.

Best wishes



Dr. Marcus Colchester
Director