



Forest Peoples Programme

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Mrs. Meg Taylor
Vice President
Compliance Advisory Ombudsman
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Dear Mrs Taylor,

Transferal of topic 2 issues from the CAO Ombudsman to CAO Compliance

First we would like to make clear, in order to avoid further misunderstanding, that we are pleased by the overall progress being made by the CAO to deal with our complaints about the way IFC has been supporting the Wilmar palm oil group. We note that the first complaint has been divided into three 'Topics', the first concerning direct impacts of Wilmar company operations on local communities, the second on the wider social and environmental impacts, legal compliance and Wilmar's sourcing of palm oil from other companies, and the third on IFC's compliance with its own operational standards and procedures ('due diligence'). We note that the CAO has been effective in helping reach an agreement between two communities in Sambas and Wilmar subsidiaries aimed at resolving the land disputes there. We also note that the compliance issues are now subject to audit and a final report is expected soon.

During the recent meeting you attended in London between complainants and the IFC CAO Compliance audit panel, we the complainants raised the question of why topic 2 issues from the first complaint relating to broader systemic concerns have been passed from the ombudsman to CAO Compliance.

In the aforesaid meeting held in London on 25th February 2009 we were asked by you to put our questions in writing. We are therefore sending this letter in response to your request.

We the complainants learnt for the first time in a letter dated 5th February 2009 that topic 2 issues had been passed to audit in December 2008. Given that we had explicitly and on several occasions by formal letter, email and on the telephone during 2008 requested that Topic 2 issues be dealt with through a CAO Ombudsman-mediated dialogue between the complainants and Wilmar – which, moreover was a process Wilmar agreed to in November 2008 – we wish to enquire why the ombudsman office has now unilaterally passed these issues to the audit function (in the case of the first complaint) and has suggested they be referred to the RSPO in the case of the second complaint?

We had been given to understand by the CAO when we first met in Pontianak that the procedures used for dealing with complaints – whether via ombudsman or audit - needed to be agreed by the complainants.

In relation to Topic 1 issues from the first complaint, it was agreed that these should go to mediation with the Ombudsman once Wilmar had agreed to a principled approach to their resolution. With regard to Topic 3 issues, after a trial mediation, it was agreed that these should go to Compliance. Why then were the Topic 2 issues sent to audit when this was against our expressed choice?

We note that in the CAO Operational Guidelines (April 2007) on page 17 it says that in the case where the CAO Ombudsman refers a complaint to CAO Compliance 'The Ombudsman will provide an assessment report (including agreements to proceed with a collaborative process or decisions to refer to CAO Compliance) to the stakeholders, the President and Board of the World Bank Group, and the public.' According to our records, we the complainants do not yet seem to have received any such assessment with regard to Topics 2.

We would again respectfully request that in the case of the second complaint the topic 2 issues be dealt with by Ombudsman-mediated dialogue between Wilmar and the complainants.

Looking forwards to your reply.

Yours sincerely



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