



**Verification Report of “Suku Anak Dalam’ Community Settlement  
Demolition within the Land Use Area (Hak Guna Usaha - HGU) of PT  
Asiatic Persada**

**PT. TÜV Rheinland Indonesia  
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## 1.0 History of PT Asiatic Persada

PT Asiatic Persada (PT AP), originally named PT. Bangun Desa Utama (PT. BDU) was built in 1979 with two subsidiary companies PT Maju Perkasa Sawit (MPS) and PT Jameer Tulen (JT) which were established in 1985 and 1986. The first oil palm planting was carried out in 1988 while the last planting for the first generation of plantation was in 1996. Palm oil mill construction commenced in 1994 and crude palm oil (CPO) production started in 1997.

PT. Asiatic Persada originally owned by the Senangsyah family from whom PRPOL took a majority ownership by 51% in early 2000. PRPOL took over leadership of the PT. Asiatic Persada and its subsidiary in February 2000 while the Senangsyah family still holds a minority ownership by 49%. In November 2006 Wilmar decided to buy the 51% share. Since then PT Asiatic Persada, PT Maju Perkasa Sawit and PT Jameer Tulen came under the control of Wilmar International Limited, based in Singapore.

## 2.0 Background & Objectives of Verification Audit

It was recently published in the mass media and a letter of complaint by several NGOs to the RSPO that PT Asiatic Persada had displaced and demolished the SAD Sei Beruang sub-village. The demolition action was carried out after the arrest of several community members of Sei Beruang on charges of theft of oil palm fruit and attacks on security forces and the management of PT AP.

The objective of this audit was to investigate the events and reasons that lead to the claimed demolition of the SAD Beruang sub-village, based on information received from all related parties.

The verification audit agenda was as below:

Date	Activities	Location
August 24, 2011	Interview with NGO representatives: <ul style="list-style-type: none"> <li>▪ Setara: Rukaiyah Rofiq; Riyan Hidayat</li> <li>▪ CAPPA: Rivani Noor; Yenus</li> <li>▪ YLBHL: Jaya</li> <li>▪ Perkumpulan Hijau (Green Society): Feri; Njah</li> </ul>	Setara Jambi office, Jambi
	Discussion with representatives of SAD community of demolished settlement <ul style="list-style-type: none"> <li>▪ Saipul- NGO member of 'Gerakan Anak Bangsa (GAB) Peduli' (Nations Children's Movement (GAB) Care).</li> <li>▪ Haji Zainal Abidin SH – NGO member of 'Lembaga Keadilan' (Justice Agency)</li> <li>▪ Komi- community member of the demolished Sei Beruang settlement.</li> </ul>	Charitable house of Social Institution Jambi Province office.

Date	Activities	Location
August 25, 2011	1. Interview with AKBP Cahyono S., Police Office Head of Batang Hari District. 2. Interview with Zainal Bin Bujang, the suspected thief of oil palm fruits from PT AP. 3. Interview with Mahyudin, NGO representative of 'Gerakan Anak Bangsa'. 4. Observations and interviews with community member of Sei Beruang community: Roni (head of Sei Beruang community), Ali (Sei Beruang community member), Saiful (Sei Beruang community). 5. Interview with community of Danau Minang area: Hendra, Anang 6. Interview with Ramsi (Tanjung Lebar village Head).	Police office of Batang Hari District  Sei Beruang settlement
	7. Observations at demolished community area and surrounding areas: Sei Beruang settlement, Sei Beruang site, Sungai Buayan and Danau Minang	Tanjung Lebar Village  Sei Beruang settlement
August 26, 2011	Document check and discussion with management of PT Asiatic Persada: <ul style="list-style-type: none"><li>▪ Joko Susilo</li><li>▪ Ali Basrin</li><li>▪ Syafei</li><li>▪ Wilton Simanjuntak</li></ul>	PT Asiatic Persada office, Bungku village

### 3.0 Verification Results

#### 3.1 Relationship between PT Asiatic Persada and Sei Beruang sub-village

PT Asiatic Persada has a history of land disputes with several local communities due to takeover of community land which was done before PT AP was taken over by Wilmar International. One of the local communities in dispute with PT AP include an indigenous group known as the 'Suku Anak Dalam' (SAD), from which there were up to several different SAD groups that made land claims from the company. One of these groups is the SAD Sei Beruang sub-village, which is located within PT AP's land (HGU) area, covering about 540 ha. In efforts to resolve the dispute, PT AP has held several discussion meetings with the SAD groups making claims to the company's land, and based on a decision letter from the government, PT AP was required to provide 1000ha of land located in PT JT and PT MPS as compensation for land claimants that have been verified by the government and SAD community leaders to be actual community members of the SAD. However, the SAD Sei Beruang community has not accepted this land as

compensation for several reasons, among which, is that they wanted an area of land within PT AP's HGU area and not outside (where the proposed compensation area is), and the proposed area is near the Bungku community which is of a different tribe from those of Sei Beruang. The company did not agree to provide their land area as compensation because, one of the reasons being according to Regulation from the Batang Hari Regional Head no. 12 year 2010 clause 12 , the company is not permitted to change the status of their land meant for plantation without government approval.

Because of this, some of the community members who felt they have the rights to occupy PT AP's land area went into the company's area since year 2008-2009 and set up temporary huts and shelters, which are illegal. This settlement area within PT AP where the illegal huts were set up became known as Jembatan Sei Beruang settlement. Community members from other sub-villages located outside of PT AP's area also came to reside in Jembatan Sei Beruang and set up other settlements nearby, also within PT AP's HGU title area, which are now known as Sei Buayan (also sometimes called Sei Durian) and Danau Minang.

### **3.2 Information about Zainal (the accused FFB thief)**

*(Based on interviews with Zainal and SAD community leader)*

Zainal is the accused perpetrator of theft of oil palm fruit who was arrested by the police / Mobile Brigade on August 2011. He is married to an SAD member and claimed to be an SAD member himself, but his claim was rejected by the SAD community leader. Zainal started living in Jembatan Sei Beruang settlement located in PT AP's area in 2004. The community he lives in consists of some SAD members, however, some of the community members, including Zainal himself, are not from the SAD community.

According to Zainal, beginning in 2004 he lived in his own area of palm oil estate within the Jembatan Sei Beruang settlement. In 2010 he asked permission from Urus, chairman of RT 13 Jembatan Sei Beruang settlement to built a permanent house in the HGU area of PT AP because he saw quite a lot of people who set up temporary huts there. Urus, at the time, allowed him and said that the location is indeed a gathering place for people from the Sei Beruang settlement. Zainal built a hut which he turn into a permanent building about 4 months before the demolition incident. His home is the only permanent home in that area, all other were temporary huts. According to Zainal, not all hut owners have other homes or huts in their sub-villages or villages. The only shelter for them was the location that was demolished. This condition occurred because they are originally from the lower economic community which do not have their own homes.

Zainal made a living as a farmer. About 5 months ago he turned a into supplier of fresh fruit bunches (FFB) for surrounding palm oil mills. He purchases FFB from nearby farmers and sells it to the nearest mills, such as the palm oil mill of PT AP. According to Zainal, throughout his

activities as a supplier of oil palm fruit, there are several personnel from the following groups that he was linked to, and indirectly made him more influential, namely:

1. Security personnel of PT AP
2. Personnel of Brimob
3. NGO members from Jambi
4. Personnel of Police from Jambi
5. Personnel of Indonesian National Army (TNI)
6. Batang Hari Police.

When Zainal was interviewed, he admitted to having given bribes of different amounts to personnel from these groups to be his 'protectors'.

### **3.3 Chronology of Zainal's Arrest**

*(Based on interviews with Zainal, PT AP, police and several NGOs)*

On August 8, 2011 a truck owned by Zainal was arrested in palm oil mill area of PT AP when sending in oil palm fruit. This truck is arrested by the security personnel of PT AP because it was found to be carrying Costa Rica variety of oil palm fruit that is suspected to be from PT AP plantation area, because this variety of FFB is only grown in the land area of PT AP. The truck, its driver (Eli Hutagalung) and 1 person accompanying the driver (Edi) were detained by the police.

Zainal who received a report from the driver was upset with police actions and the company, so then with his children and his wife (5 persons) and another community members went to PT AP's office in Bungin region. According to information from NGOs, Zainal attacked the Brimob (mobile brigade) only with his children and his wife, with a total of 5 people. But according to information from PT AP, the police, as well as Zainal himself, the attacks were carried out by Zainal family members and other community members, with total of 15-20 persons.

According to Zainal, he met two members of the Mobile Brigade on the way to the mess hall. Zainal and his family asked the Brimob to release the truck and the arrested driver. Not satisfied with the response from the police, one of Zainal's son attacked the Brimob members. Both of the Brimob members were injured with stab wounds and were taken to the hospital. Zainal and his family members and other community members went back to their homes. Zainal only then realized that two of the community members involved in the police attacks had seized two Brimob weapons. These were taken unplanned by Ruslan and Kantong, who were present during the attack. Then the weapons were stored in Zainal's house.

The next day at around 5 am, the local police (who are not under the management of PT AP) who knew about the attacks by Zainal on the security personnel of PT AP, came to the house Zainal to take back the two weapons. Zainal was willing to surrender the weapons as long as it

was exchanged with the truck and the driver, which the police agreed. However (according to information from NGOs), the police tricked Zainal by putting the truck in a location far away from his home. When his son was sent to take back the truck, the boy was arrested. According to Zainal, after knowing the location of the truck, he sent his son named Ardi bin Zainal to take the truck because he was the best driver. At the moment, perhaps due to nervousness, he stepped on the gas pedal too hard that the Brimob felt disturbed and immediately stopped the truck. But according to police, Ardi drive the truck too fast and nearly hit a member of one of the Mobile Brigade. The truck was later stopped by the Mobile Brigade and the driver was asked to come out of the truck. Ardi came out and threatened members of the Mobile Brigade with a knife. Brimob then arrested Ardi. Zainal and his other family members and other people came to the scene after hearing Ardi's screaming for help. They were then arrested and detained at the police station. The number of people arrested at the time was 18 people including Zainal family. According to Zainal, he himself was not aware that his son almost hit the Brimob member with the truck and then threatened them with a knife because he was far from the incident location at the time. Based on information received from Zainal as well confirmed by the head of police, 11 people were released , and only 7 people were detained to facilitate the investigation..Zainal and the head of police also stated that no one was shot or killed during the incident.

### **3.4 Demolition of the Settlements**

Following Zainal's arrest, the Brimob reacted by carrying out eviction and demolition of the huts owned by the community that was built in the HGU area of PT AP.

According to the NGOs, after Zainal and his group were arrested, PT AP demolished the Sei Beruang sub-village located around the HGU area. Buildings were evicted as well as permanent homes. Communities of these sub-villages tried to protect themselves. Some of which ran into the forest, went to relative's houses, and some are forced to become residents of charitable house of Social and Labor Institution of Jambi Province.

However, according to information from the Police Chief, the eviction and demolition of huts in the HGU area of PT AP was performed by PT AP in the afternoon and the locations that were demolished was not the sub-village of Sei Beruang, but only the temporary huts that were placed within the HGU area of PT AP, which is the area known as Jembatan Sei Beruang as well as Sei Buayan and Danau Minang. The only permanent housing unit demolished in Jembatan Sei Beruang was the house built by Zainal.

There were claims by NGOs that the housing at the demolished area included some permanent houses. The demolished settlements of Danau Minang and Sei Buayan were visited during the

audit, the results of field interviews and observations of TUV Rheinland team in the three locations showed that the demolished area were not sub-villages, but only temporary huts (Photos in Annex 3). The actual condition of the Jembatan Sei Beruang settlement after demolition could not be verified by the auditor because the area was already being rebuilt by the community members at the time of audit. However, the actual Sei Beruang sub-village was visited and was not demolished at all by the Brimobs or PT AP (Photos in Annex 3).

Regarding the people who are accommodated in the State Social Institutions, the Police stated that they are not originally from Sei Beruang village, but from another location. Their origin as members of SAD is denied by the traditional leader named Temanggung of Sei Beruang village. According to the police chief, the Temanggung states that people who are accommodated in the State Social Institutions today is not a member of the SAD, but other people claiming to be a member of the SAD for specific interests. Residents who actually did come from the Sei Beruang sub-village had moved back to the sub-village after their huts were demolished.

Prior to the demolition, the company had previously asked them to come out of the occupied area because they came into HGU area without permit. There is a letter no 53/BM. PT. AP/I/2011, dated January 10, 2011, regarding to the fourth appeal addressed to the group of settlers within buffer zone area of PT Asiatic Persada Sei Bungin Region. The company had sent a letter three times on February 8, 2010, 3 May 2010 and August 2, 2010, through the company's representative, PERMASAD institution, to request the community members who had set up huts in the company's location to move out of the area. But until the incident of Zainal's arrest, this letter was never implemented by the community.

The company admitted that the demolition done after the community members attacked and seized the Brimob's weapons on 9 August 2011. This was not through a good process, but a result of the high pressure situation.

#### **4.0 Conclusion**

1. The settlement eviction by the Brimob in the three locations around Jembatan Sei Beruang was done in response to the attacks on police officers and seizing of their weapons by Zainal, who the Brimob accused of stealing FFB from PT AP,together with some of his community members. No one was killed during the incident.
2. There is evidence that the demolished settlements were not part of Sei Beruang sub-village, as Sei Beruang sub-village was visited and found to be intact. The demolished settlements were those of Jembatan Sei Beruang which was a settlement within PT AP's area set up by community members of Sei Beruang sub-village and other community members from other places. According to the community and NGOs, the community set up the settlements in PT AP's area because they did

not agree to PT AP's compensation offer of part of 1000ha of land and they felt they have the right to the land within PT AP's area.

3. There is still an ongoing land dispute between PT AP and the Sei Beruang community, as well as the SAD 113 community. This land dispute is in process of resolution (refer to Annex 3 for further information). The RSPO Certification of PT Asiatic Persada will not be approved until the dispute is resolved.

**Signing off by the Lead assessor**



**Dian Susanty Soeminta**  
**Lead Auditor**

**Acknowledgement and acceptance of report  
by PT Asiatic Persada**

**Annex 1 – Police official record about the crime in the area of the PT Asiatic Persada**

1. In 2010 occurred 39 cases of theft of palm oil fruit in plantations of PT Asiatic Persada.
2. In the year 2011 from the month of January to August there were 37 cases handled by the police on the plantation of PT Asiatic Persada. Zainal was only reported in year 2011 due to his involvement in a violent demonstration against the Brimob members, not due to a theft case. No one was shot or killed during the incident.

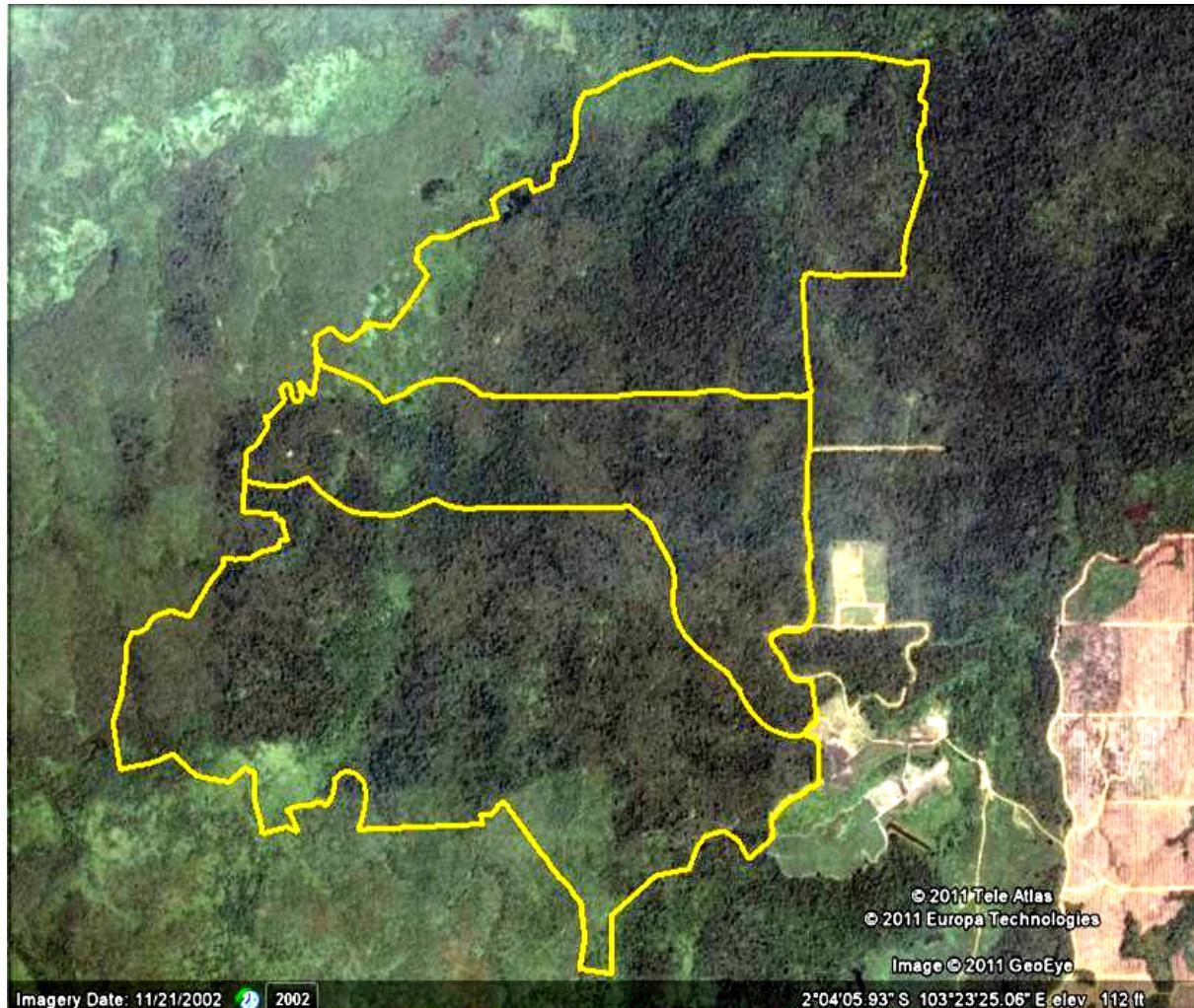
The case alleged against Zainal includes three charges as follows:

1. Stealing of palm oil fruit owned by PT AP.
2. Beating AP management staff
3. Attacking two members of Mobile Brigade who were assigned as the guard of PT AP.

**Annex 2 – Google Earth Overlay Map Area with Map of HGU PT Asiatic Persada**

In Google Earth maps dated in 2002 (imagery date 21 November 2002) which was overlayed with the HGU area of PT AP the area which is currently the area of Sei Beruang sub-village did not appear to have any houses, as shown in Figure 1 below:

Figure 1. Location of Sei Beruang sub-village in year 2002



As seen in the Google map dated 21 November 2002 as well, there were only about 3-4 huts in a location now known as the Sei Beruang sub-village. While at the other two locations which were demolished (Danau Minang and Sei Buayan), there were no settlements found. Whereas according to the claims of community, they claimed to have been in the HGU Bungin Division area of PT AP since 1995. Refer below:

Figure 2. Location of Jembatan Sei Beruang (Settlement of Zainal CS) in year 2002

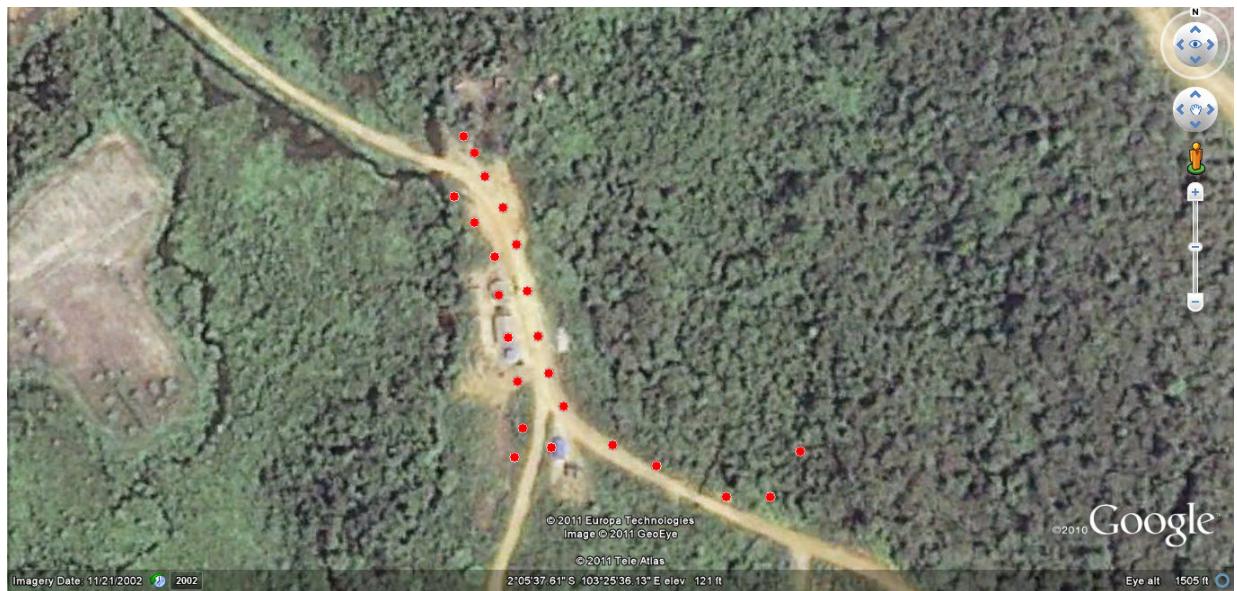
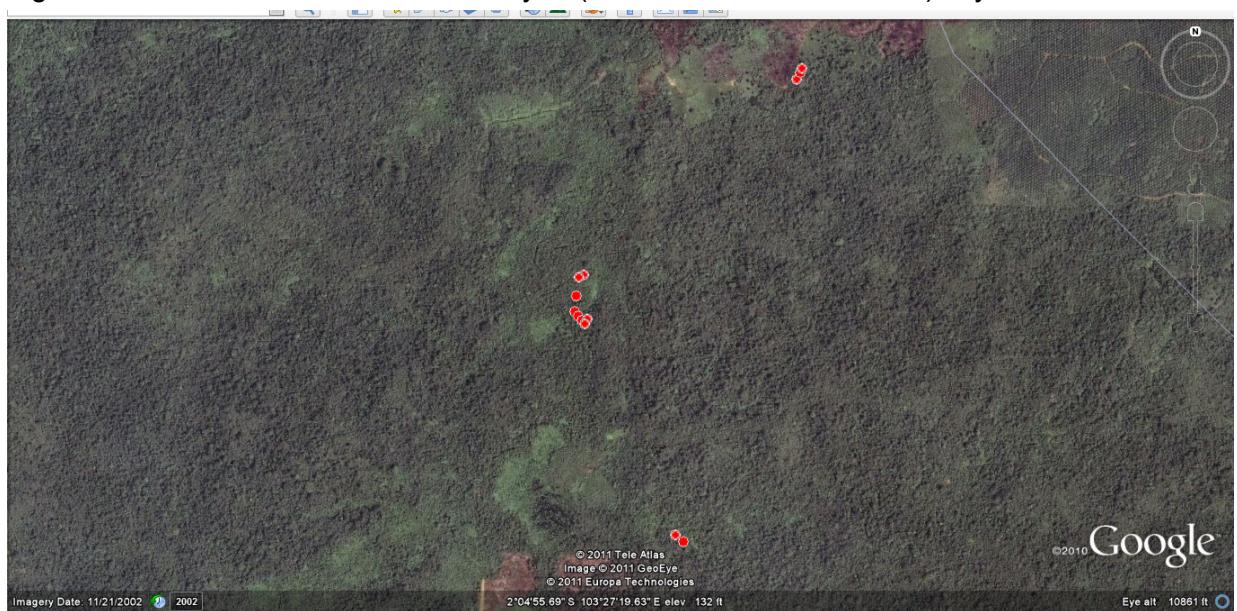


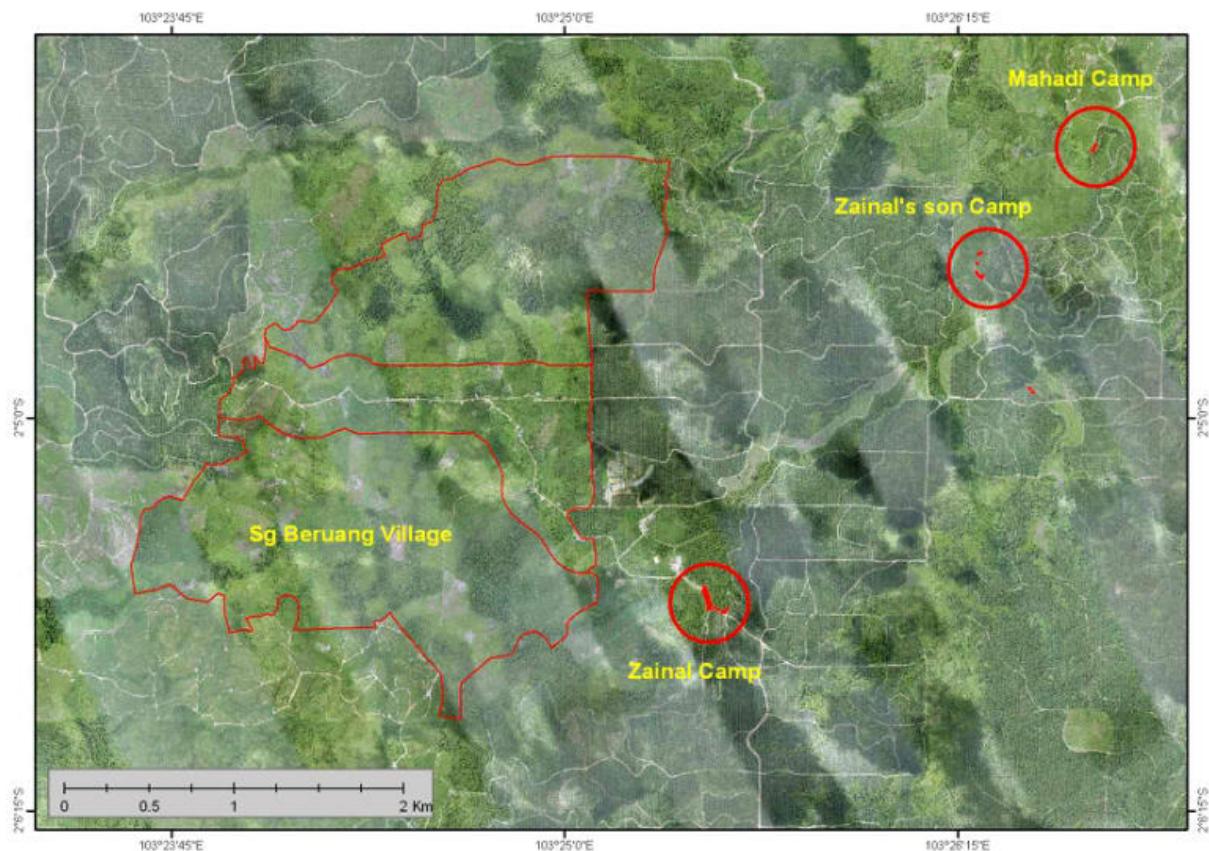
Figure 3. Location of Jembatan Sei Buayan (Settlement of Zainal's son) in year 2002



#### Description:

- ♣ The red dots indicated the most recent location of settlement huts.
- ♣ Based on the 11/21/2002 date google earth images, the following can be seen:
  1. In Figure 1, there were no huts
  2. In Figure 2, there are around 3-4 huts located at the site.
  3. In figure 3, at the location of Sei Buayan, there were no huts

Figure 4. Aerial view showing relative location of Sei Beruang sub-village, Zainal's camp and Zainal's son's camp within PT AP's HGU area.



### Annex 3 – Photos taken during this Verification Audit

**Photos 1 (a-d): The demolished temporary settlement huts where the Danau Minang and Sg. Buayan community members stayed**





**Photo 2: Entrance to Sei Beruang Sub-village**



**Photo 3: Interview with the Head of the Sei Beruang Sub-village (third from left) by Pak Irpan (TUV Rheinland Indonesia auditor) (fourth from left)**



**Photo 4 : Zainal (right) being interviewed by Fadli (TUV Rheinland Indonesia Auditor)(left) at the police station**



**Photo 5: The head of Batang Hari police (right) being interviewed by Pak Fadli (second from right) with representatives of Wilmar present**



**Photo 6: Interview with the Tanjung Lebar village head, Edi Ramsi (left) by Pak Irpan (centre) with representative of Wilmar present**



#### **Annex 4 – Land Conflict Resolution Process of PT Asiatic Persada**

PT Asiatic Persada since 2009 have been making efforts to resolve land claim disputes in the company's area. Among the groups who have made land claims to the company include KOPSAD (representing the Sei Beruang Settlement SAD), PERMASAD (representing Zainal Abidin, Datuk Bujang and Sani), FORKALASAD, FORMASKU (Datuk Zen and Ardani), Datuk Dahlan and Group of Regent Decree 2003 (295 people). Additionally other individuals who also have conflict with PT Asiatic Persada are Husin A Roni, Roni Bakhtiar A, Hamdani and They are part of FORMASKU, Mat Ukup Group, and Group 113. Settlement of land conflicts with Matt Ukup and SAD 113 Group was facilitated by Yayasan Setara Jambi appointed by SAD to becomes the third party to mediate land claims settlement process. Yayasan Setara itself had invited all the groups and individuals to join in negotiations with the company but they have decided to deal directly with the government. So, only the Mat Ukup Groups and SAD 113 Group were willing to negotiate (SETARA has since resigned as mediator).

1. In order to solve the land claimed by groups of SAD, there is evidence of meetings held between the groups and PT AP. But not all the meetings came to a resolution or agreement by all parties. Through a long process since 2006, with facilitation of the meetings by the local NGOs and government, in 2008 the local government issued a decision letter regarding the land conflict resolution i.e 'Surat Keputusan Bupati Kabupaten Batang Hari no.: 522.26/3128 SDA' dated on November 24, 2008. This decision letter stated that PT AP should compensate the SAD people who have cultivated area in PT Asiatic Persada HGU land prior to the issuance of HGU. This compensation was to be in the form of 1000 ha of oil palm estate land that would be provided to locals verified by the government to be actual SAD community members. The verification is done to confirm who are actual SAD members who have the rights to receive part of the compensation land. Those who felt they had the right were requested to register themselves with government and undergo verification. During this process, there were 771 people who underwent verification and passed, and were provided with part of the 1000 ha of land as agreed. Evidence of this was in the form of a working agreement between PT AP and Koperasi Sanak Mandiri (representing the SAD community) regarding the partnership of management of the oil palm estate area. The agreement was signed by the president director of PT AP and representatives of Sanak Mandiri (Hendriyanto, Muhamad Adam, and Acil Sapitra). The 1000 ha of land was part of the Location Permit (izin lokasi) area of PT Jameer Tulen and PT Maju Perkasa Sawit (subsidiaries of PT AP) that were already planted.

In 2010, there was an agreement between PT AP with the Mat Ukup group that the group willing to accept compensation for plantation development partnership of 1000 Ha. But not so with the SAD 113 and Sei Beruang community, which did not agree to the land compensation area and

did not want to undergo the verification process. Although the conflict with the SAD 113 until now has not been resolved, PT AP remain open space for settlement either through negotiations or court of law. Most recently, SAD 113 and PT AP have both agreed to get the Provincial government to mediate the process.

PT AP has since stated that the 1,000 ha of plasma as a form of compensation is applicable to all land claimants, including SAD from Sei Beruang. Any SAD members who can prove that they once stayed and cultivated the land inside HGU area prior to HGU issuance is entitled for the 1,000 ha plasma as a form of compensation.

Until today, the company has kept all records about objections to the claims settlement process from all related parties. There are a number of records of incoming mail from SAD Sei Beruang and responses by the company.

### **List of Abbreviations**

AKBP	Ajung Komisaris Besar Polisi (District Head of Police)
BDU	Bangun Desa Utama (previous name of PT Asiatic Persada)
Brimob	Mobile Police Brigade
CAPPA	Community Alliance for Pulp Paper Advocacy
CPO	Crude Palm Oil
FFB	Fresh Fruit Bunches
GAB Peduli	Gerakan Anak Bangsa Peduli (NGO)
HGU	Hak Guna Usaha (Land Use Rights title)
JT	Jameer Tulen (subsidiary of PT AP)
MPS	Maju Perkasa Sawit (subsidiary of PT AP)
NGO	Non-Government Organization
PRPOL	Pacific Rim Palm Oil Limited
PT AP	PT Asiatic Persada
SAD	Suku Anak Dalam (name of local community)
TNI	Tentera Nasional Indonesia (Indonesian National Army)
TRID	TUV Rheinland Indonesia
YLBHL	Yayasan Lembaga Bantuan Hukum dan Lingkungan (NGO)