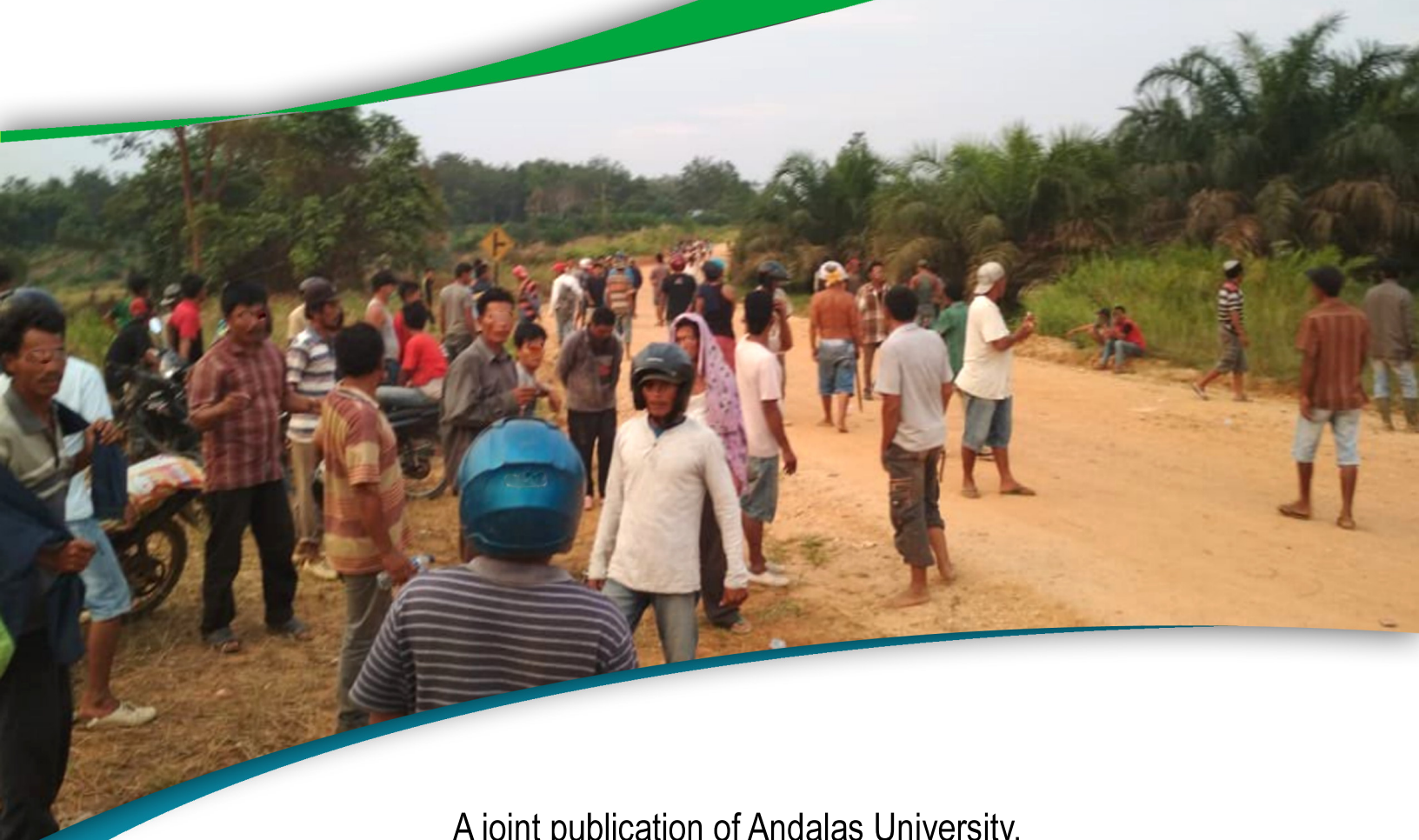


Resolving palm oil conflicts in Riau

An evaluation of the effectiveness
of conflict resolution mechanisms

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A joint publication of Andalas University,
KITLV Leiden, Wageningen University, Lembaga Gemawan, Perkumpulan Scale Up,
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A team of researchers involved in the ‘Palm Oil Conflict and Access to Justice in Indonesia’ (POCAJI) project prepared this policy report. This research is a collaboration between Andalas University, KITLV Leiden, Wageningen University as well as six Indonesian NGO’s (Epistema, HuMa, Scale Up, Walhi West Sumatra, Lembaga Gemawan and Walhi Central Kalimantan), coordinated by Afrizal (Andalas University), Ward Berenschot, Ahmad Dhiaulhaq (both KITLV Leiden) and Otto Hospes (Wageningen University). Supported by these organizations, a team of, in total, 19 researchers studied 150 conflicts in four Indonesian provinces: Riau, West Sumatra, West Kalimantan and Central Kalimantan.

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Summary

This policy report presents proposals to improve the resolution of palm oil conflicts in Riau, based on the results of a large collaborative effort to study the trajectories and outcomes of company-community conflicts in the palm oil sector across Indonesia. A team of 19 researchers supported by Andalas University, Wageningen University, KITLV Leiden and six Indonesian NGO's documented the trajectories and outcomes of 150 conflicts in Riau, West Sumatra, West Kalimantan and Central Kalimantan. This policy report focuses on the 48 conflicts studied in Riau. The main findings include:

How communities voice their grievances

- Palm oil conflicts generally stem from a sense of unfairness about how the lands are acquired by the company and how the benefits of land use are being shared.
- Communities generally voice their grievances in a peaceful manner, through demonstrations and hearings with local authorities. Yet we observed a worrying tendency that protest leaders are frequently criminalized by police and company management: community members were arrested in 54 percent of the studied conflicts in Riau, involving in total 233 arrests. These conflicts led to 56 injured people and 12 deaths.
- Palm oil conflicts are rarely solved. In Riau, in 67 percent of the studied 48 conflicts the communities did not (or barely) succeed to address their grievances. When conflicts are successfully resolved, the process takes very long: 13 years on average.

Why conflicts are rarely solved

- An important reason for this large number of unresolved conflicts is that local authorities often fail to adequately facilitate the conflict resolution process between communities and companies. While in Riau such facilitation and mediation were attempted regularly (in 60 percent of all cases), of the 37 studied attempts by local government officials, DPRD and police to facilitate the resolution of conflict, only in 5 cases an agreement between companies and communities was reached and implemented.
- Another reason for the large number of unresolved conflicts concerns the difficulties to access formal conflict resolution mechanisms such as the courts and RSPO's dispute facility. They are rarely employed (in Riau only 12 cases were taken to court and 2 to the RSPO), as a combination of legal obstacles, costs, distrust and procedural complexities discourage communities from using these mechanisms. Furthermore, when communities win in court (in only 4 cases), the verdicts are often not implemented.
- In contrast, our study suggests that NGOs or professional mediators with a trained capacity for conflict mediation are much more effective in resolving palm oil conflicts.

How conflict resolution can be improved

- This policy report makes a number of recommendations to prevent conflict and to improve conflict resolution mechanisms. To prevent further conflict, this policy report calls on local governments to a. ensure that companies actually obtain free, prior and informed consent from communities before starting operations; b. better monitor the implementation of joint-venture (inti-plasma) schemes.
- To improve conflict resolution, this report proposes a. to create a provincial or district level mediation board, b. to boost the capacity of local authorities to resolve conflicts, c. to enable local authorities to impose sanctions on uncooperative companies, and d. a more professional law enforcement that avoids informal pressure from business actors.

1. INTRODUCTION

The rapid growth of Indonesia's palm oil sector is transforming the character of rural Indonesia. As the size of plantations is growing fast, palm oil companies are obtaining and changing large tracts of land. This process of land-use change is sparking palm oil conflicts¹ between rural communities and palm oil companies. Focusing on the period of the last two decades, in Riau alone we identified a total of 218 conflicts between local communities and companies over the establishment and management of palm oil plantations. These palm oil conflicts cause significant economic and personal damage not only for communities but also for companies. Finding ways to solve these conflicts is an urgent, but also challenging task.

What is the character of palm oil conflicts in Riau, what is being done to solve them, and how effective are these conflict resolution measures? This policy report addresses these questions by analyzing the trajectories and outcomes of 48 conflicts. By studying a large number of conflicts, we were able to evaluate the effectiveness of conflict resolution efforts and identify strategies to strengthen these efforts. In this way, this policy report provides ideas for communities, companies and local governments to better address company-community conflicts in Indonesia's plantation sector.

This report is drawn from a first-ever large-scale effort to document the trajectories and outcomes of palm oil conflicts across four provinces in Indonesia: West Sumatra, Riau, West and Central Kalimantan. A team of, in total 19 researchers, supported by six Indonesian NGOs, Andalas University, Wageningen University and KITLV Leiden, set out to document 150 conflicts in four provinces.

While also engaging with comparisons with other provinces, in this policy report we focus in particular on the 48 conflicts that we studied in Riau (see the annexure for the list of cases)². To study these conflicts, we collected over 7.3 GB of material involving over 123 newspaper articles, 15 government documents, 16 NGO documents, 16 academic studies and 273 online sources. We also engaged in 86 interviews with community representatives in the period between May 2019-May 2020. In this policy report we provide a summary of our findings concerning the character of the grievances sparking palm oil conflicts, the strategies that communities employ, and the usage and effectiveness of conflict resolution mechanisms. We end the report by discussing a number of policy recommendations based on our findings.

¹Here we define palm oil conflict as a publicly expressed disagreement between members of rural communities and oil palm companies and/or state institutions over the establishment or management of plantations.

²These conflicts were selected largely randomly out of a 'long list' of, in total 211 conflicts that were identified by examining newspapers and government reports over the last decade. As time, access and budgetary constraints prevented us from studying all these conflicts, initially we randomly selected 60 cases, of which 12 cases had to be dropped due to a lack of reliable sources (to safeguard the reliability of our findings, we decided to drop all cases for which we found less than six different sources).

2. THE GRIEVANCES SPARKED BY OIL PALM EXPANSION

In Figure 1 we provide an overview of the character of grievances fueling palm oil conflicts in Riau. Most conflicts involve two or more different grievances (which is why the percentages add up to more than 100 percent). The vast majority of these conflicts are fueled by a sense of unfairness about how the lands are acquired by the company and how the benefits of land use are being shared. Almost in all cases people express the feeling that they are not getting enough in return for the land that they have lost. Below we discuss the most salient issues.

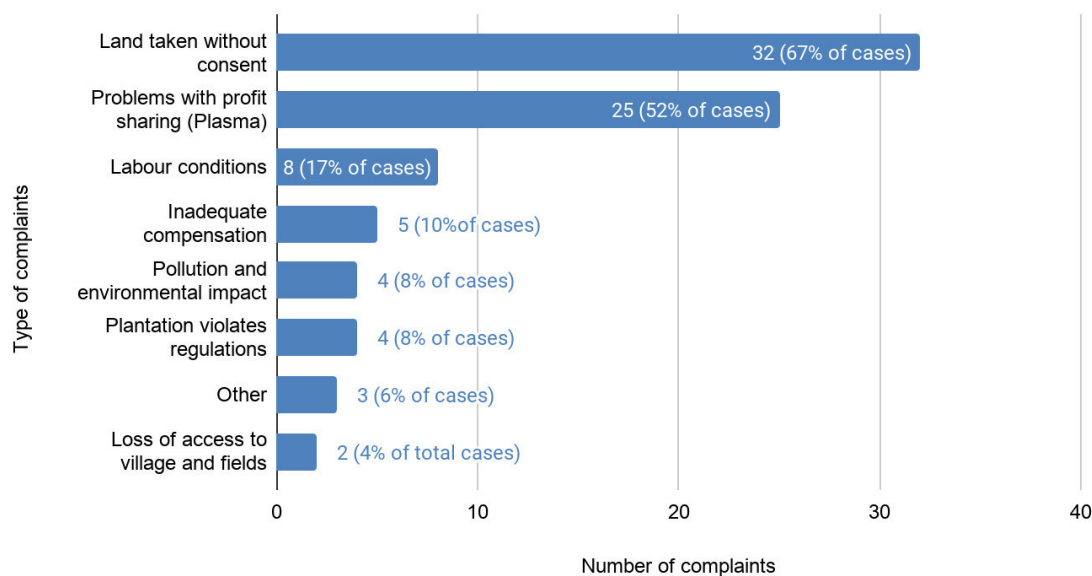


Figure 1. Types of complaints

Land taken without consent

The most common grievance concerns the manner in which companies obtain (or not obtain) prior consent from communities during land acquisition process, a grievance voiced by communities in 32 of the studied conflicts (67% of the total). Although companies are obliged—both by legal as well as palm oil industry standards—to obtain the consent of a community, not all companies make such efforts, making communities feel that they are cheated out of their land. In some of the cases, companies tend to rely on community leaders that often poorly represent their members, provide incomplete or false information of the impacts of plantation development, use of intimidation by *preman*, or lack transparency of compensation payments.

Inadequate profit sharing (plasma)

The implementation of profit-sharing schemes (plasma) also regularly leads to conflict. Figure 1 shows that complaints about these plasma-schemes are very common (52% of the total). These complaints basically take three forms: 1. Some companies are not providing plasma land while this was promised; 2. Plasma land is provided, but no or too little profits are shared with community 3. The cooperative set up to manage the plasma scheme is not functioning properly as community

members running these cooperatives are not sharing the profits in a transparent manner.

Given these kinds of complaints, what kind of solutions do communities generally pursue? An important finding of our study is that in response to the above-mentioned grievances in general people are not rejecting oil palm plantation development or calling for the halt of plantation operation (only in 7 (15%) of the studied conflicts we encountered such claims). Instead, in most cases, the main aim of communities is to get (some of) their land returned to them (involving 25 (or 52%) of the studied conflict in Riau). Furthermore, communities also demand a better share of the benefits of palm oil: people want for example, (more) profit sharing through plasma-schemes (involving 31 % of the cases), more compensation for the land they lost (25 % of the cases), and more contribution of companies to communities in terms of jobs opportunities (13%) and CSR (8 % of the cases). This pattern also suggests that in general people do not want the plantation to go entirely. They want, instead, to be compensated better for the land that they have contributed to the plantation development.

3. HOW COMMUNITIES VOICE THEIR GRIEVANCES

What kinds of strategies are communities adopting to voice their grievances? We found that communities in Riau adopt a very varied range of protest strategies, ranging from confrontative to accommodative strategies (Figure 2). Demonstrations are the most commonly employed strategy: in 90 percent of the studied cases communities staged at least one demonstration to voice their grievances. Over the period of 2010-2019, we found that in Riau these conflicts generated 85 demonstrations, 39 hearings led by local politicians and bureaucrats, 26 land occupations and 16 attacks on property.

A remarkable finding is that communities often direct themselves to local governments rather than the companies. Many communities do start out to negotiate with the company directly, but as companies often do not respond, communities then very commonly organize demonstrations in front of district government or the local parliament (DPRD) buildings. These demonstrations often convince local authorities to organize a hearing to discuss the issue: in 39 of the cases we studied (58% of the total), hearings either with DPRD members, district heads or governors took place. A very common strategy, in other words, is to try use demonstrations and hearings to get support from local authorities, in order to put more pressure on the company.

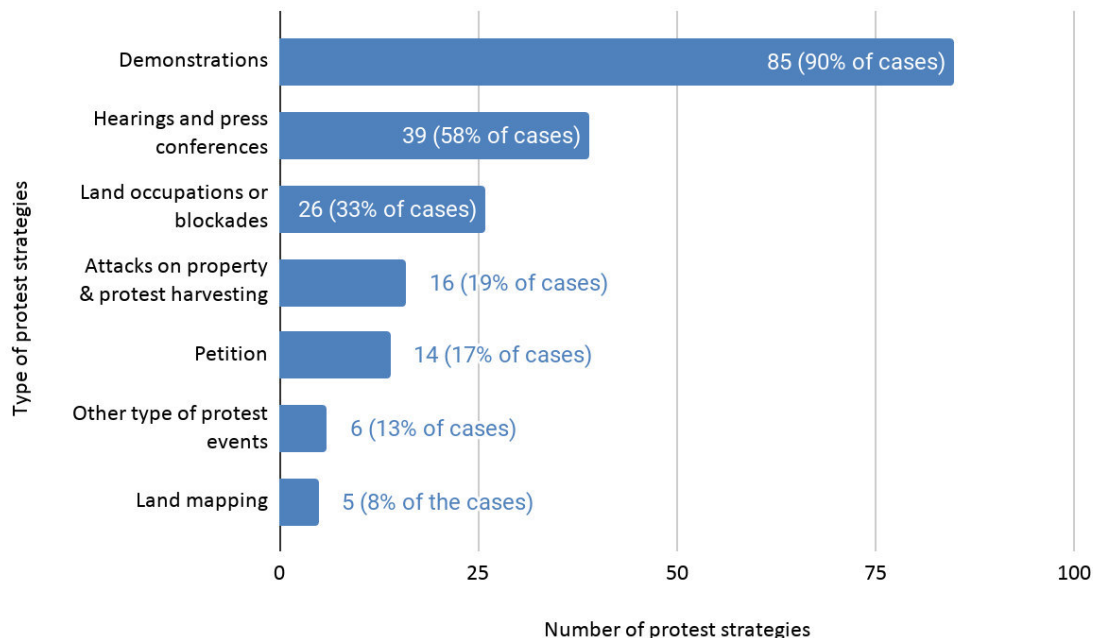


Figure 2. Protest strategies used by communities

Confrontative strategies such as land occupations or blockades are relatively rare (33% of the cases). It is similarly remarkable that communities generally avoid violence: while violence occurred in 29% of the studied conflicts, only a quarter of these violent incidents was perpetrated by the community alone. Often the violence during protest events is perpetrated against the community, either by the police or the company's security guards and hired *preman*. Yet community members do sometimes engage in illegal harvesting of palm fruit bunches from disputed land (in 6% of the cases). We refer to such practices as 'protest harvesting': while often leading to arrests, individuals seem to engage in this practice as a last-ditch attempt to get some compensation for their land.

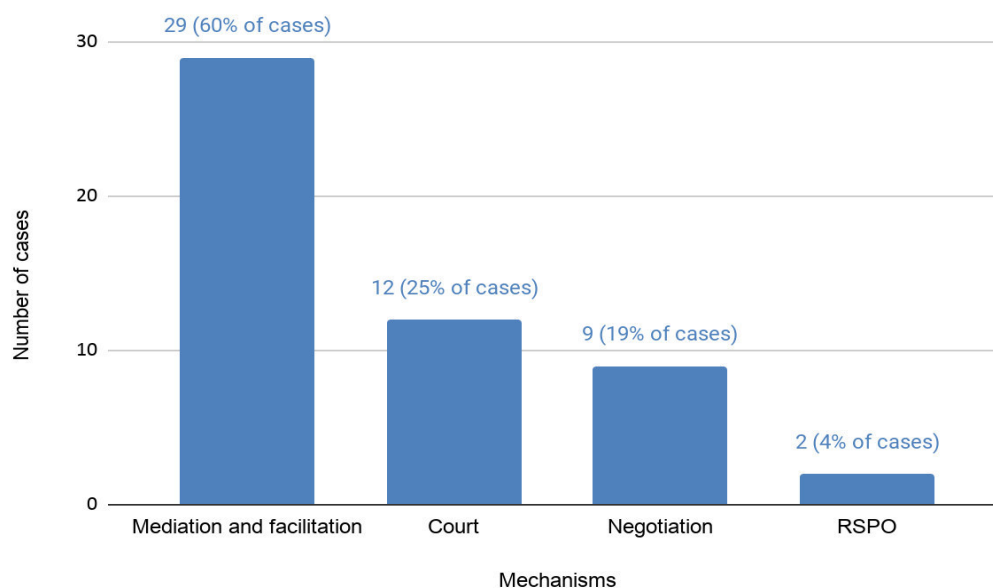
In short, open confrontations with either the company or the government are generally avoided. An explanation for these rather accommodative protest strategies lies perhaps in another pattern that we found: particularly protest leaders run considerable risk at being arrested by police. Communities regularly complain about *kriminalisasi*, as protest leaders are regularly arrested, mostly for very minor violations such as carrying a machete in a plantation or using threatening language. We found that community members were arrested in 54 percent of the conflicts occurring in Riau (42.7% percent in all four provinces), involving in total 233 people were arrested in Riau. We also recorded that the studied palm oil conflicts in Riau led to 56 injured people and 12 deaths. This criminalization of protest leaders for, generally, flimsy reasons suggests that the local authorities are not sufficiently safeguarding the communities' right to voice their grievances. As a result, the local government and law enforcement officials (e.g. police) are often seen as favouring investors' interests over the struggle of indigenous people.

Table 1. Cases involving violent incidents and arrests

	Riau	West Kalimantan	West Sumatera	Central Kalimantan	Total (150 cases)
Incidence of Violence (cases)	14 (29%)	6 (19%)	8 (32%)	15 (33%)	43 (29%)
Arrests (cases)	26 (54%)	10 (31%)	8 (32%)	20 (44%)	64 (43%)
no. wounded	56	12	62	76	195
no. deaths	12	0	0	4	16
no. of arrests	233	94	101	272	700

4. CONFLICT RESOLUTION STRATEGIES

What kind of conflict resolution mechanisms did communities employ to address their grievances? Figure 3 below shows that formal conflict resolution mechanisms are rarely employed. The involvement of courts (25% of the total cases) and RSPO's dispute facility (4%) are relatively rare. During our interviews, respondents often express distrust of the courts, while the costs and the perceived complexity of procedures also seem to be obstacles. Another reason is that Indonesian law restricts land ownership for rural Indonesians while such formal ownership is important to win court battles related to land³. The lack of (the possibility of obtaining) formal land titles is discouraging rural communities from taking their land-related grievances to court.

**Figure 3.** Use of conflict resolution mechanisms

³See Berenschot, '150 tahun belenggu atas hak tanah', Kompas 20 July 2020 (<https://kompas.id/baca/opini/2020/07/20/150-tahun-belenggu-atas-hak-tanah/>)

As a result, communities instead rely on informal mediation, facilitation and negotiation. As companies generally avoid engaging in direct negotiations with communities (taking place only in 19% of the total cases), communities most commonly relied on mediation and facilitation (involving in 60% of the cases). This mediation has many advantages compared to formal mechanisms, as it is cheaper, allows communities to participate in decision making, and better accommodates traditional land claims.

In practice, the mediation and facilitation in Riau are led by several actors (see below), but in most cases local politicians or bureaucrats facilitate a meeting with company and community representatives and try to work out a compromise between them. This reliance on facilitation by local authorities corresponds with the above-mentioned tendency to undertake demonstrations in front of local government offices as a means to get authorities to mediate between them and the company. Unfortunately, while this is apparently the most accessible mechanism, this informal facilitation provided by local authorities is remarkably unsuccessful. We will explore this ineffectiveness of informal facilitation below.

5. EFFECTIVENESS OF CONFLICT RESOLUTION MECHANISMS

In light of our aim to identify how palm oil conflicts can be most effectively solved, we asked community representatives to evaluate the outcome of their conflict and assess to what extent communities succeeded in realizing their claims. In this manner the interviewed community members as well as the researchers studying these conflicts ranked the outcome from 1 (we had no success at all) to 5 (we fully achieved our aims)⁴.

The results—reported in Table 2—indicates that communities feel that they rarely succeed in achieving their aims. In Riau, in 23 (48%) of the conflicts, community representatives reported that they did not achieve anything at all. In another 10 cases (21%) they consider that they barely achieved a result (apart from minor token gestures of goodwill from the company such as contribution of CSR money or the setting up of a cooperative unrelated to the main claims of the community). In other words, in 33 (69 percent) of the studied 48 conflicts the communities did not (or barely) succeed in addressing their grievances. This reflects a common pattern: in all four provinces communities rarely succeed in realizing their claims vis-à-vis palm oil companies. These findings suggest that all three of the main conflict resolution mechanisms – the courts, RSPO’s complaint facility as well as informal mediation by local authorities – are rather ineffective. Below we discuss each of these mechanisms.

⁴To strengthen the reliability of these assessments, we endeavoured to have at least two community representatives to provide assessments, which we complemented by independent assessment of local researchers.

Table 2. Overall evaluation of conflict outcomes in four provinces

	Riau*	West Sumatra*	West Kalimantan*	Central Kalimantan*	Total (150 cases)
No success at all	23 (48%)	9 (36%)	12 (38%)	13 (29%)	57 (38%)
Barely	10 (21%)	7 (28%)	9 (28%)	19 (42%)	45 (30%)
Partially	9 (19%)	4 (16%)	7 (22%)	9 (20%)	29 (19%)
To a large extent	5 (10%)	5 (20%)	4 (13%)	3 (7%)	17 (11%)
Fully successful	1 (2%)	0 (0%)	0 (0%)	1 (2%)	2 (1%)

*number of conflict cases

Courts

Our study of the conflicts that went to court suggests that, indeed, communities rarely succeed in realizing their claims by employing Indonesia's formal justice system. As Table 3 illustrates, court cases brought by community members are often dismissed, and court victories of communities are relatively rare. In Riau in only 3 out of 12 cases communities achieved a favourable ruling (and one mixed ruling). In all our four provinces in 13 out of the studied 40 conflicts involving court cases the community achieved either a favourable (10 cases) or a mixed ruling (3 cases). So communities achieve a favourable ruling in less than one-third of the cases they initiate. Particularly worrying is that even these court victories often turn out to be meaningless, as our exploration of the court victories suggest that in three cases the court verdicts were not implemented as the court injunctions to return land from the community were not executed and/or ignored by the company. There seems to be little that communities can do in such cases.

Table 3. Outcomes of court cases

	Riau	West Kalimantan	West Sumatera	Central Kalimantan	Total
Declared inadmissible	4	2	6	1	13
Ruling in favour of company	3	-	2	5	10
Ruling in favour of community	3	2	3	2	10
Mixed ruling	1	1		1	3
Case withdrawn by claimant	1	-	2	1	4
Total	12	5	13	10	40

RSPO

Another important finding is that communities rarely take their cases to the Roundtable on Sustainable Palm Oil (RSPO). This organization has set up a specific body – a dispute settlement facility – to facilitate the resolution of conflicts involving one of its member companies. During interviews, most community respondents are not aware of this mechanism. In Riau in only two of the studied cases – PT Citra Riau Sarana and PT Ivo mas Tunggal – communities opted to ask RSPO for help. In one of these cases, PT Citra Riau Sarana, the RSPO decided not to take up the case after both company and community actors have agreed to enter a mediation process facilitated by an NGO, while the case of PT Ivo Mas Tunggal the community complaint was dismissed by the RSPO. The latter reflects a pattern we found across our four provinces: of the 17 number of studied conflicts that were reported to the RSPO, 5 cases were not taken up and 3 cases the complaints were dismissed, while 2 cases remain pending for long periods of time mainly because of the unwillingness of companies to cooperate. The general pattern is that due to the complexities of their procedures and limited capacity to pressurize companies, RSPO's dispute resolution facility succeeded in resolving only a tiny fraction of the conflicts we studied.

Mediation and facilitation

The most commonly employed conflict resolution mechanism – informal facilitation by local authorities and politicians⁵ – turned out to be similarly ineffective. When studying the third-party mediation and facilitation, we documented whether this led to agreements between companies and communities, and to what extent these agreements were implemented. The results are sobering: only in 18% of the studied conflicts we found that facilitation and mediation efforts enabled the conflicting parties to reach an agreement that was also partially or fully implemented. It turns out that local authorities are failing in their efforts to facilitate conflict resolutions: as the figure below illustrates, while district heads, local bureaucrats, DPRD politicians and police officials are regularly involved in facilitation, they rarely succeed: of the, in total, 37 studied attempts by these government authorities (i.e. excluding NGOs, governor and village heads) to facilitate the resolution of conflict, only in 5 cases an agreement between companies and communities was reached and implemented. In another 12 cases an agreement was reached, but it was not implemented.

These results for Riau are similar in our three other provinces. In a telling contrast, our material suggests that NGOs or professional mediators with a trained capacity for mediation are much more effective: they succeed in brokering an effective agreement in 2 out the 3 conflicts they mediated in Riau (5 out of 7 in all four provinces). This finding suggests that when mediation is done systematically and facilitated by trained or experienced mediators, it can lead to positive results.

⁵For practitioners, the term mediation is distinguished from facilitation. In terms of process, mediation generally follows structured stages to reach a consensus or agreement between the disputing parties, starting from the *pre-mediation* stage (agreeing on the mediator, conflict assessment, actor identification, mediation management design), *mediation* (the negotiation process and finding points of agreement), and *post-mediation* activities (implementation of agreements, monitoring and evaluation). Meanwhile, what happens more often in the field is that politicians and local officials are limited to facilitating meetings between the disputing parties and asking both parties to find a common solution.

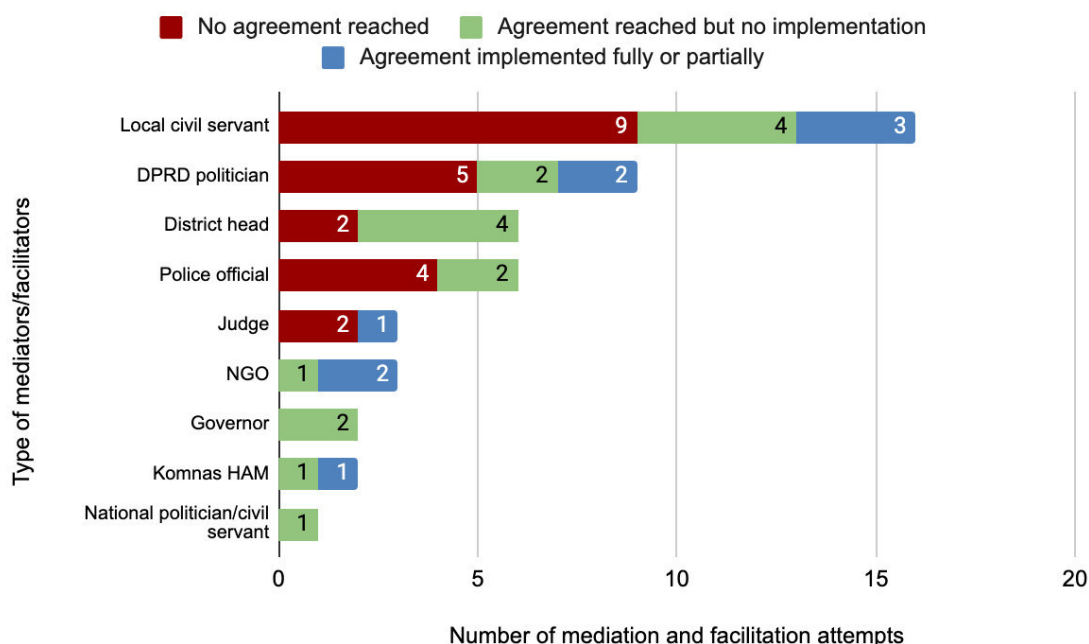


Figure 4: effectiveness of different mediators and facilitators

The result of this ineffectiveness of conflict resolution mechanisms is that conflicts drag on for many years and that they generally remain unresolved. We found that in Riau of those conflicts that research some sorts of resolution, this took on average 13 years. And the studied conflicts that are as yet unresolved have been ongoing for, on average 12 years.

6. WHY IS CONFLICT RESOLUTION GENERALLY INEFFECTIVE?

These sobering findings raise urgent questions: why does conflict resolution generally fail, and what explains the rare successes? Our material on these facilitation processes suggest the following three main reasons why local authorities are often so unsuccessful in resolving conflicts:

- **Lack of systematic procedures.**

A first reason is that local authorities generally facilitate conflict resolution processes with little training or procedures on how to conduct mediation. Contrary to the elaborate step-by-step plans of professional mediators and NGO's, local authorities have to improvise and they generally lack knowledge on how to identify common ground between disputing parties.

- **Limited commitment and capacity of local authorities for mediation.**

A related problem is that local authorities generally do not expend enough time, money and efforts needed to resolve a conflict. At first, local authorities often do spend some time, engaging in a field visit and/or organizing a hearing to hear the viewpoints of both parties. Yet after one or two such sessions, local politicians or officials generally stop their efforts. Yet we know from the successful mediation cases that such processes can be lengthy, involving numerous rounds of mediation sessions.

- Lack of sanctions for uncooperative companies.**
 An important characteristic of palm oil conflicts is that palm oil companies generally face little incentives to resolve them. Particularly when they have already taken control over the land (i.e. in most of the cases), they face no pressing need to resolve the conflict. As a result, we often observe that companies are reluctant to send high-level staff to attend the meetings called by local authorities, refuse to provide requested evidence or refuse to commit to the implementation of agreement. Currently, local authorities are relatively powerless when faced with such behavior: they lack sanctions that could compel companies to participate constructively in conflict resolution efforts.
- Contested community representation and leadership.**
 Another obstacle for effective conflict resolution can be found on the side of communities: in quite a number of studied conflicts we found that conflict resolution efforts were hampered by contested and inadequate community leadership. On the one hand, community leaders such as *adat* leaders or village heads sometimes make agreements with companies without properly consulting their members, while on the other hand alternative leaders emerge who might not represent all community members. These problems of community leadership are generating conflicts and complicate their resolution, as companies often do not double-check if community representatives really represent their community.

7. CHARACTERISTICS OF SUCCESSFUL CASES

Sometimes communities do manage to address their grievances. In some cases palm oil companies have been willing to implement effective agreements while in other cases the community managed to make effective use of the RSPO or Indonesia' justice system. We encountered five such 'success cases' in Riau. To draw lessons from such cases, we provide an overview of these five cases in the table below.

Table 4. Relatively successful cases

Name of successful cases	Main grievances	Process of conflict resolution	Duration of conflict	Outcome
1. PTPN V and Senama Nenek Community	Land taken without consent	Initially the community petitioned DPRD, Bupati, and the Governor without meaningful results. The case was further brought to KOMNAS HAM and DPD RI. The conflict ended after President Joko Widodo issued a decree to return the land to the community.	25 years	2,800 ha of land was returned to the community.
2. PT Peputra Masterindo and Sungai Jalai Community	Land taken without consent and problems with profit-sharing (plasma)	Early mediation facilitated by the police and DPRD did not lead to a resolution. The case ended only after the Village Head negotiated with the company.	14 years	Those who can provide proof of ownership of <i>tanah pusaka</i> may continue to work on the disputed land.

Name of successful cases	Main grievances	Process of conflict resolution	Duration of conflict	Outcome
3. PT Citra Riau Sarana and Pangean Community	Land taken without consent	Community reported the case to RSPO and the CAO IFC/World Bank, which recommended the company to hold mediation with the community. By appointing Scale Up (NGO) as a mediator, the company and community eventually reached a resolution agreement.	6 years	The company provided 225 ha of palm oil plots to the Pangean community.
4. PT Inti Indosawit Subur and Ukui 2 Community	Land taken without consent	The community initially brought the case to the district, provincial and supreme courts only to find that their claims were declined by the court. The conflict parties reached an agreement after KOMNAS HAM mediated the conflict.	24 years	The community received compensation from the company after mediation by KOMNAS HAM.
5. PT Sumber Jaya Indah (SJI) Nusa Coy and Ulak Patian Community	Problems with profit-sharing (plasma), labour conditions, pollution and environmental effect	Mediation facilitated by Disbuthun Rokan Hulu did not lead to an agreement. The Komisi IV DPRD then recommended sanctions against the company. While subsequent negotiations failed, the company did agree to return (some) land.	5 years	The company is willing and in the process of handing over 375 Ha of KKPA plots to the community.

Our analysis suggests that there are three main lessons to be drawn from these success cases. First, it is clear that in order to successfully address their grievances, communities need to be united and persistent, in order to endure a relatively long struggle. As we can see in Table 3 above, the resolution of these conflicts took between 5 and 25 years. In the case of PT SJI, villagers from four adat tribes in Kepenuhan Sub-district united and supported each other during the struggle to get back their land. Similarly, in the case of PT IIS, hundreds of young and old members of *adat* community of Petalangan Bathin Tuo Napuh consistently participated in protest activities to demand compensation for their land.

A second, less visible factor concerns the ability of communities to build political connections with sympathetic government officials and NGOs. In the case of PTPN V (Senama Nenek), the land conflict had gone on for about 25 years. In addition to the strong community unity and persistence, the case was finally resolved thanks to the capacity of adat leaders to establish good relations with officials at district, provincial and national levels, including the inner circle of President Joko Widodo. The President eventually made a political decision to call on the company to return the community's customary land (*tanah ulayat*), right after he was elected for the second term. This case illustrates how many palm oil conflicts are settled not through a conventional conflict resolution mechanism (e.g. court) but on the basis of the ability of local actors to build connections with influential political actors.

In that light, in order to be successful, communities need to bring their case (or grievances) to the attention of authorities at either national or international levels. In many cases, this requires support from NGOs. In the case of PT CRS, communities sought support from Scale Up (an NGO) that brought the case to the RSPO dispute facility. Eventually both parties requested Scale Up to act as mediator in this case, which led to an agreement between the parties. Another example concerns PT Indosawit Subur (IIS): in this case the community successfully pressurized the company into coming to an agreement by reporting the case to Indonesia's human rights commission (KOMNAS HAM RI) after earlier mediation efforts by local authorities had failed.

In short, while successful, these five cases also illustrate how difficult conflict resolution is, as it requires a lot of energy and resources during the long duration of the conflict. Given their capacity to struggle for many years, and their success in building good political connections, these five communities have been exceptionally persistent and skillful in overcoming the obstacles that communities face when dealing with better-resourced and better-connected companies.

8. CONCLUSION AND POLICY RECOMMENDATIONS

The main finding of this policy report is that currently available conflict mechanisms are largely ineffective in solving palm oil conflicts. In that light, we build on our study of 150 conflicts to provide a number of policy recommendations on how conflicts can be avoided, and conflict resolution efforts can be made more effective. In this report we focus on measures that the district and provincial governments in Riau can take. Recommendations for measures that could be taken by the national government will be discussed in a future report.

Conflict prevention

- **Improvement in the process of obtaining ‘free, prior and informed consent’.**

It is mandatory for companies to obtain consent from communities before commencing operations. Yet this process of obtaining consent needs to be improved: consent from individual community members is needed, intimidation should be avoided, and a clear (implementation of a) compensation package needs to be provided. From their end, communities need to set up better community representation when engaging with incoming palm oil companies: many conflicts originate from inadequate community leadership or the capture of it, as local leaders regularly consent to companies taking community land without adequately consulting with community members (and, often, without sharing the benefits they received for providing such consent).

- **Local governments need to better monitor the implementation of joint-venture (inti-plasma) schemes.**

A large group of conflicts (52 percent of the total) involves complaints about such schemes: either companies renege on their promise to provide *plasma*, they do not pay out any or very little profits of this scheme, or the management of the scheme (through a cooperation) is very intransparent. Many of these conflicts could be prevented if local governments would take a more proactive role in

monitoring the implementation of such plasma schemes. This monitoring would be particularly effective if local governments would have the capacity to sanction companies that are found to be at fault.

Conflict resolution

- **A provincial or district level mediation board is needed.**
 In the light of the ineffectiveness of available conflict resolution mechanisms, and the limited success of local authorities to solve conflicts, there is a need for setting up a new impartial mechanism: a 'mediation board' or 'conflict resolution desk' that involve professionally trained mediators that will help facilitate the resolution of conflicts at local level. Institutionally, such a mediation board could be established through either SK Bupati or Perda and funded by the government. Given the considerable suffering and economic damage caused by these conflicts, conflict resolution deserves more government funding.
- **More elaborate procedures and training could boost the capacity of local authorities to resolve conflicts.**
 Local politicians or officials generally engage in mediation without much training or knowledge of mediation techniques. While there are impressive exceptions, generally the facilitation efforts by local politicians and officials are limited to bringing the disputing parties to a meeting and asking them to come to an agreement. Generally, little effort is made to explore what kind of common ground can be found between the community and the company. Similarly, local authorities seem to pay relatively little attention to monitoring the implementation of agreements – which is crucial as many agreements are not implemented. Given the local authorities very regularly engage in mediation, provincial governments could make their efforts more effective by providing them with training and guidelines.
- **Local authorities need to be able to impose sanctions on uncooperative companies.**
 Perhaps the most important reason for why local authorities often fail to resolve conflicts, is that they lack a capacity to impose sanctions (other than revoking licenses) on companies unwilling to participate in conflict resolution. We often observed that mediation efforts failed because companies were unwilling to come to meetings or to provide relevant evidence (of, for example, claims that they had already compensated community members). Similarly, companies regularly renege on their promises: many agreements with communities ended up not being implemented. At present, there is relatively little local authorities can do in such cases – apart from taking the most drastic step of revoking licenses. Conflict resolution could be strengthened if local authorities were given the authority to impose monetary fines or temporarily close the plantation. This could serve to incentivize companies to participate more constructively in mediation efforts.
- **There is a need for more professional law enforcement that avoids informal pressure from business actors.**
 In addition to the enforcement of the above sanctions, the government and law enforcers (police, prosecutors, judges) should be more professional in law enforcement, including in terms of monitoring, enforcement of administrative and criminal sanctions against legal violations by companies. In many cases, law enforcement (punishment) tends to target indigenous peoples, but not companies or officials who are involved in acts that are against the law. Legal violations by

the company and the use of force by the security forces against the community are often taken for granted. The findings of this study recommend that law enforcement be carried out professionally and by placing the principles of equality and equal rights before the law. If these principles are applied, it is hoped that conflicts can be prevented and can be resolved more quickly. Apart from that, there is a need for legal empowerment for affected communities to have better capacity when bringing their cases to the court.

There is an urgent need to find better solutions to palm oil conflicts. These conflicts affect the welfare of people of Riau, they damage the image and profits of the palm oil industry, and they have negative effects on Riau's local economy. In that light, fair and effective conflict resolution mechanisms are needed in order to prevent such damage and to achieve fair and effective agreements between communities and palm oil companies. This policy report was written with the hope of contributing to that end.

Annex

List of studied conflicts in this report

No.	Company name	Duration (years)	Grievances of community		Overall evaluation of outcome	
1	PT Arindo Tri Sejahtera	21	Land taken without consent		3. Partially	
2	PT Riau Agung Karya Abadi (Danau Lancang)	13	Land taken without consent	Employment practices	Inadequate compensation	1. No success at all
3	Pt. PTPN V Rakit Kulim, Inhu	6	Inadequate profit sharing (plasma)		3. Partially	
4	PT Perkebunan Nusantara IV (Panipahan)	8	Land taken without consent		4. To a large extent	
5	PT Gunung Mas Raya	23	Land taken without consent		1. No success at all	
6	PT Adei Plantation & Industry-Pelalawan (Kuala Tolam)	12	Land taken without consent			2. Barely
7	PT Perkebunan Nusantara V (Ganting)	16	Land taken without consent			2. Barely
8	PT Musim Mas	17	Land taken without consent	Loss of access to village and fields		1. No success at all
9	PT Citra Riau Sarana	6	Land taken without consent			4. To a large extent
10	PT Tunggal Perkasa Plantation	6	Breach of partnership agreements	Inadequate profit sharing (plasma)		1. No success at all
11	PT PTPN V Sungai Lala	7	Inadequate profit sharing (plasma)			1. No success at all
12	PT Wana Jingga Timur	29	Land taken without consent	No CSR contribution		1. No success at all
13	PT Rigunas Agri Utama	21	Inadequate profit sharing (plasma)			3. Partially
14	PT Kharisma Riau Sentosa Prima	11	Land taken without consent			3. Partially
15	PT Inti Indosawit Subur	24	Land taken without consent			4. To a large extent
16	PT Bintang Riau Sejahtera (Inhu)	11	Inadequate profit sharing (plasma)			1. No success at all
17	PT Peputra Masterindo	14	Land taken without consent	Inadequate profit sharing and management of plasma.		4. To a large extent
18	PT Citra Sardela Abadi	7	Inadequate compensation	Inadequate profit sharing (plasma)		2. Barely
19	PT Ganda Buanindo	22	No CSR contribution	Employment practices		3. Partially
20	PT Merangkai Artha Nusantara	12	Intransparent profitsharing (Plasma)	Breach of partnership agreements		2. Barely

No.	Company name	Duration (years)	Grievances of community			Overall evaluation of outcome
21	PT Perkebunan Nusantara (PTPN) V (Senama Nenek community)	25	Land taken without consent			5. Fully
22	PT Tor Ganda	11	Land taken without consent			1. No success at all
23	PT Panca Agro Lestari	14	Land taken without consent			1. No success at all
24	PT Safari Riau	12	Management of profit-sharing (Plasma)	Intransparent profitsharing (Plasma)		2. Barely
25	PT Mekarsari Alam Lestari	15	Land taken without consent	Inadequate profit sharing (plasma), Pollution & Illegal plantation boundaries		3. Partially
26	PT Sinar Sawit Sejahtera	6	Land taken without consent	Inadequate profit sharing (plasma)		1. No success at all
27	PT Inti Kamparindo Sejahtera	21	Land taken without consent	Employment practices		1. No success at all
28	PT Kencana Amal Tani	25	Labour wages	Land taken without consent	Inadequate profit sharing (plasma)	1. No success at all
29	PT Panca Surya Agrindo	16	Intransparent & inadequate profitsharing (Plasma)			2. Barely
30	PT Riau Agung Karya Abadi (Rantau Bertuah)	10	Land taken without consent			2. Barely
31	PT Runggu Prima Jaya	3	Land taken without consent	Inadequate licencing process	Pollution and other env impacts	1. No success at all
32	PT Teguh Karsa Wana Lestari	14	Land taken without consent	Land taken without consent		1. No success at all
33	PT Sumatra Agro Tunas Utama	2	Land taken without consent			1. No success at all
34	PT Sumber Jaya Indah (SJI) Nusa Coy	5	Inadequate (management of) profitsharing (Plasma)	Employment practices & Pollution		4. To a large extent
35	PT Serikat Putra	22	Land taken without consent			3. Partially
36	PT Tasma Puja (Kampar)	2	Inadequate compensation	No CSR contribution, Employment practices & profit sharing (plasma)		3. Partially
37	PT Surya Dumai Agrindo	5	Inadequate compensation	Inadequate profit sharing (plasma)		1. No success at all
38	PT Tri Bakti Sarimas	9	Inadequate profit sharing (plasma)	Labour wages		1. No success at all
39	PT Marita Makmur Jaya	10	Inadequate licencing process	Inadequate profit sharing (plasma)		3. Partially

No.	Company name	Duration (years)	Grievances of community		Overall evaluation of outcome
40	PT Air Jernih (Labour)	8	Labour conditions	Labour wages	1. No success at all
41	PT Setia Agro Lestari	5	Land taken without consent	Pollution and other env impacts	1. No success at all
42	PT Adei Plantation (vs Koperasi Harapan Maju)	8	Intransparent profitsharing (Plasma)	Land taken without consent	1. No success at all
43	PT Ivo Mas Tunggal	7	Land taken without consent	Inadequate compensation	2. Barely
44	PT Perkebunan Nusantara V (Batu Gajah)	5	Loss of access to village and fields		2. Barely
45	PT Perkebunan Nusantara V (Lubuk Batu Tinggal)	8	Land taken without consent		1. No success at all
46	PT Perkebunan Nusantara V (Lubuk Dalam)	27	Land taken without consent		2. Barely
47	PT Panca Surya Agrindo	17	Land taken without consent	Inadequate licencing process	1. No success at all
48	PT Sekar Bumi Alam Lestari	12	Land taken without consent		1. No success at all

What is the general character of oil palm conflict in Riau? What has been done to solve it? and how effective are these conflict resolution efforts? This policy report attempts to answer these questions by analyzing the trajectories and outcomes of 48 conflict cases in Riau.

By studying a large number of conflicts, we evaluate the effectiveness of conflict resolution efforts and propose strategies for scaling up those efforts. As a result, this policy report provides ideas and recommendations for communities, companies and local governments to better improve the mechanisms for resolving oil palm conflicts in Riau. For more information, contact: pocaji.info@gmail.com.

