

Palm Oil in Papua

Development of oil palm expansion

In reaction to rising demand for palm oil for energy since 2006, Indonesia plans to expand its then (in 2006) existing 5.6 million hectares of oil palm plantation to 26 million hectares in 2025. Papua is, next to Kalimantan, the main target. Proposals for the opening of seven million hectares for both Papua provinces are on the table. Besides mega-plantations for oil palms, also those for other commodities like sago, rice, sugar cane, rubber, coffee and cacao are to be developed.

First agreements have been made in the beginning of 2007, and land seizure started in mid 2007. The Department of Agriculture (its Research and Development Agency) completed in 2008 the development map for Papua and West Papua. Based on the map, the Department of Agriculture is giving recommendations to the local governments regarding new plantation area developments, especially those made by eight to ten big business groups. Since then, these companies are very active in Papua land. All of them are closely linked to certain high level politicians and certain parties. The process of licencing is on the way; some of the companies already finished it and started clear-cutting the forest and planting oil palms.

Business groups developing oil palm plantations in Papua land

- PTPN II (state owned company which already owns a plantation in Arso near Jayapura)
- PTPN Prafi (state owned company which already owns a plantation in Prafi-Sidey-Masni near Manokwari; eventually will be overtaken by Medco Energy)
- Sinar Mas Group (already started plantations in Lereh near Jayapura (80,000 hectares) and in Merauke (50,000 hectares))
- Korindo Group in Asiki, district Boven Digul (has an older plantation about 10,000 hectares and is in the process of expanding to 50,000 hectares)
- Medco Energy (a newcomer in palm oil business, started logging and planting in January 2009 next to PTPN Prafi in Manokwari for a proposed 45,000 hectares plantation)
- Raja Garuda Mas Group
- Asian Agri
- Wilmar International (Merauke)
- Rajawali Group

In summary, to date the process of land acquisition, logging and planting covers around 400,000 hectares. A very fast development, compared to the 38,000 hectares of plantations which have been developed since the mid 1980's. There is high political pressure to speed the opening of Papua land for large scale agriculture in the coming years. Main target areas are Merauke, Keerom, Jayapura, Manokwari, Sorong, Sarmi, Mappi, Bintuni.

What to do:

- Get an overview over Indonesian and international campaigns

- Support local partners strengthening the bargaining power of indigenous and local people
- Get access to business groups: most have Chinese and Christian background. Most of them approached church leaders first to get approval of Papuans.
- Support education on global aspects and global chains of environment and economy
- Get an overview on the international financing sector investing in palm oil and other commodities for the world market. Lobby international banks and investors.

Environmental Impacts

According to the development map for Papua of the Department of Agriculture, around 800,000 hectares of non forested (or degraded or unused) land are suitable for oil palms. This means that conversion forest (9.3 million hectares) will be opened for plantations. Most urgent environmental problems are linked to the lost of biodiversity, carbon sinks and water cycles. Impacts of already locally felt: floods, droughts, less access to drinking water, unpredictable weather conditions.

What to do:

- Global campaign on biodiversity, climate change etc. to save the forest of Papua
- Locally: supporting environmental education
- Research
- Lobby Convention on Biodiversity – which is also an option to lobby for indigenous peoples

Social impacts

Demographical impacts: for every two hectares, there is need of roughly one working force, mainly people from outside. One million hectare plantation would be equal to half a million plantation workers and smallholders, plus their families and other followers – a revival of the former transmigration program.

Indigenous peoples lose their land rights and thus access to livelihood. Experience in Papua and other places like Kalimantan demonstrate that local and indigenous peoples are driven into poverty, lose their cultural and social heritage. Tensions between communities are already common, and conflicts on all levels arise.

What to do:

- Support workshops, projects on land rights
- Do participative land mapping
- Pressure for consultation processes before local district officials make agreements
- Strengthen campaigns on land reform process in Indonesia
- Approach UN bodies (human rights, racial discrimination, biodiversity)
- Build up international knowledge of Papua