

TRASHING THE LAST RAINFOREST

HOW PAPUA TREASURES ARE BEING DUMPED INTO THE WASTEPAPER BIN

MARCH 2022

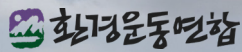


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March 2022

Trashing the Last Rainforest :

How Papua treasures are being dumped into the wastepaper bin

Disclaimer: This report was written in English and published in various languages. In case of a discrepancy, the English original will prevail.

Concession of PT Plasma Nutfah Marind Papua, S 7° 52' 44,328" S 140° 1' 13,684" E © Pusaka



Executive summary

Until recently, the pristine forests in the remote province of Papua, Indonesia, remained relatively intact. Now, however, a wave of industrial plantations is carving up pockets of the region, clearing entire ecosystems as well as Indigenous Peoples' lands to produce commodities for the global market. Moorim Paper, a South Korean company, manages a forestry concession of about 64 thousand hectares through its controlled tree plantation company, PT Plasma Nutfah Marind Papua (PT PNMP). The concession is located in a key biodiversity hotspot, where forests, swamps and savannas merge in a unique and fragile ecosystem characterized by alluvial dynamics. In these forests, clever tree kangaroos spring from tree to tree, while on the ground cassowaries run, with their characteristic coarse hair-like feathers. The area is home to 40 mammals, 30 reptiles and 130 fishes featured on the IUCN Red List of Threatened Species.

This paradise is being devastated to produce wood chips for papermaking. Between 2015 and 2021, the company cleared more than six thousand hectares of forests inside its government-granted concession, including primary forests and possibly peatlands. More forests risk being cleared in coming years.

The forests and swamps in the concession are also the customary land of a number of traditional clans. Their sago palm groves and their hamlets, fishing ponds and hunting grounds are gone, and local people must now walk a considerable distance to find food. Even their sacred sites, harbouring traditional clans' social and spiritual values, have been bulldozed. In fact, just how magical this area is can be

difficult to pin down exactly: PT PNMP has consistently failed to produce prior assessments of precisely what is at risk and what is being lost. Indigenous Peoples' sacred sites, biodiversity hotspots, sago groves, carbon-absorbing peatlands – nothing that, once destroyed, might give cause for reproach or require a remedy is to be measured, it seems.

This devastation must halt, immediately. Moorim must commit to a moratorium on further clearing, pending a serious analysis of the environmental and social impacts of its activities, and of protective measures that must be put in place. It must also commit to restore the area that it has already deforested. Indigenous clans' rights must be respected, and any use of the traditional land must be conditioned by a process implementing Free, Prior and Informed Consent (FPIC); existing damage must be fairly remedied.

Two years ago, a number of the NGOs signing the present report contacted Moorim to make them aware of the precious values in their concession. The company has turned a deaf ear, and forest clearings have continued to expand, even as this report was being edited. The same NGOs persisted, finally succeeding in obtaining certain responses from the company – but not regarding what really matters: there is not publicly announced immediate moratorium on further plantation expansion to carefully identify the conservation values it is destroying. This is unacceptable. If Moorim fails to take the necessary steps, its buyers, financiers and business partners should close supply contracts, divest and suspend financial and services agreements.

Family of workers in PT Plasma Nutfah Marind Papua © Okto

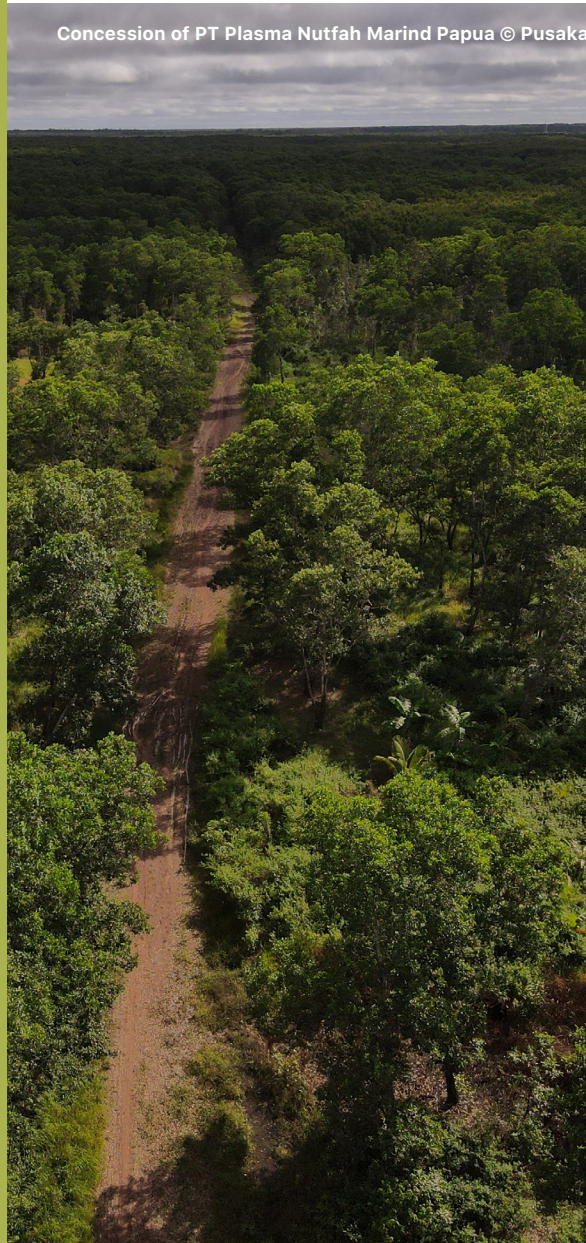


FOREWORD: WHY RAINFORESTS MATTER

Our world's vanishing forests

Eight thousand years ago, intact forest covered large tracts of the planet. Today, only a tiny fragment remains intact in large untouched tracts.¹ About half of the world's tropical forests have been cleared, most of it in the last 50 years.²

Deforestation directly threatens the integrity of our world, and our future, by heating the global climate, triggering mass extinctions, threatening food security and unleashing new pandemics.



● Climate

Forests play an integral role in the carbon cycle, storing carbon in their biomass and in the soil. Deforestation re-emits this carbon into the atmosphere, becoming the second-largest source of CO₂. Deforestation and degradation of peatlands accounts for more than 15 per cent of man-made emissions.³

● Biodiversity and mass extinctions

Forests are home to an estimated 80 per cent of the world's terrestrial biodiversity, most of it in the tropics. This biodiversity is under serious threat from deforestation, forest degradation and climate change.⁴ Degradation and loss of forests is causing a rapid loss of species, estimated by experts to be between 1000 and 10,000 times higher than the "background" or expected natural extinction rate (a highly conservative estimate). Unlike the mass extinction events of geological history, the current extinction phenomenon is one for which a single species – ours – appears to be almost wholly responsible.⁵ Often referred to as "the sixth extinction crisis", after the five known extinction waves in geological history⁶, it is the worst extinction event since that of the dinosaurs 65 million years ago. And it is mostly due to loss of forest habitats.

1. World Resources Institute (University of Maryland, Greenpeace, World Resources Institute) <https://intactforests.org/world.map.html>
2. FAO, State of the World's Forests, <http://www.fao.org/docrep/016/i3010e/i3010e01.pdf> World Resources Institute (University of Maryland, Greenpeace, World Resources Institute) <https://www.intactforests.org/world.map.html>
3. Werf, G. R. van der; et al., CO₂ emissions from forest loss. Nature Geoscience, 2009, <https://www.nature.com/articles/ngeo671>
4. FAO, The world's forests: a wealth of biodiversity, March 2020, <https://www.fao.org/publications/highlights-detail/en/c/1267161/>
5. IUCN, Species Extinction – The Facts, https://www.iucn.org/sites/dev/files/import/downloads/species_extinction_05_2007.pdf
6. FAO, State of the World's Forests, <http://www.fao.org/docrep/016/i3010e/i3010e01.pdf> IUCN, Forests and climate change, February 2021, <https://www.livescience.com/51281-sixth-mass-extinction-is-here.html>

● People

1.6 billion people directly rely on forest resources for their livelihoods.⁷

Approximately 90 per cent of the people living in extreme poverty in rural areas are dependent on forests for at least part of their livelihoods.⁸ Land-grabbing and deforestation to expand industrial plantations pose direct threats to their food security.

● Pandemics

Deforestation and land clearing are primary drivers in the emergence of zoonotic viruses such as COVID-19. Outbreaks of infectious diseases are more likely in areas of deforestation and monoculture plantations, according to a study that suggests epidemics are likely to increase as biodiversity declines. In nature, diseases are filtered and blocked by a range of predators and habitats in a healthy, biodiverse forest. When this is replaced by a plantation, such as acacia or eucalyptus (but also oil palm or other crops), the specialist species die off, leaving generalists – rats and mosquitoes, for instance – to thrive and spread pathogens across human and non-human habitats.⁹ Some 70 per cent of new emerging infectious diseases can be linked to deforestation.¹⁰



7. FAO, State of the World's Forests 2020, <http://www.fao.org/state-of-forests/en/>
 FAO, The state of the world forest genetic resource, 2014, <http://www.fao.org/3/a-i3825e.pdf>

8. FAO, State of the World's Forests, <http://www.fao.org/docrep/016/i3010e/i3010e01.pdf>
 FAO, 2018 <http://www.fao.org/state-of-forests/en/>

9. Serge Morand and Claire Lajaunie, Outbreaks of Vector-Borne and Zoonotic Diseases Are Associated With Changes in Forest Cover and Oil Palm Expansion at Global Scale, March 2021, <https://www.frontiersin.org/articles/10.3389/fvets.2021.661063/full>

10. Kate E. Jones et al., Global trends in emerging infectious diseases, Nature, February 2018, <https://www.nature.com/articles/nature06536>

The Rainforests of Papua

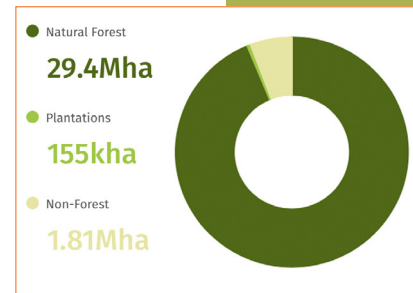
The tropical forests of Southeast Asia were once among the largest in the world, stretching across Vietnam, China, Laos, Burma, Malaysia and Indonesia. These forests are still key habitat to nearly two-thirds of the world’s floral and faunal diversity¹¹, but in the last century, they have been largely destroyed or degraded. Indonesia was a notable exception; at the end of the 20th century, the islands of Sumatra, Borneo and New Guinea were still broadly covered by luxuriant jungle. Expansion of pulpwood or oil palm plantations, and of mining and other industrial activities, has destroyed or degraded significant parts of them since the 1990s. Today, only in the provinces of Papua and West Papua in the western half of the New Guinea Island do the majority of pristine forest landscapes remain substantially intact.

Swathes of intact forests attract the interest of industries looking for wide expanses of land in which to extend their plantations. They see this land as a new frontier, and their hunger for land increases pressure on the natural habitats.¹² In 2020, Papua lost 17,800 hectares (ha) of primary forest, causing emissions equivalent to 14.5 million tonnes of CO₂.¹³ Papuan forests are now a new deforestation front, and we risk losing one of the last remaining intact rainforest landscapes in Asia. New Guinea is the second-largest island in the world, hosting the largest intact tropical rainforests in the Asia-Pacific region, and it is home to an astonishingly rich endemic biodiversity, as well as human cultural diversity. The island is divided between Papua New Guinea and the Republic of Indonesia (Papua and West Papua provinces).

Map 1: Papua and West Papua provinces, Global Forest Watch



The Papuan provinces house the largest tracts of untouched primary tropical rainforest. In 2000, 94 per cent of Papua was covered by natural forest. Despite ongoing deforestation, these forests were largely still standing at the end of 2018: 33.8 million ha of primary forests remained, or 86.2 per cent of the total land area in these provinces.¹⁴



11. R. DeFries et al., Increasing isolation of protected areas in tropical forests over the past twenty years, February 2005, <https://esajournals.onlinelibrary.wiley.com/doi/abs/10.1890/03-5258> and R. Bierregard et al., The biological dynamics of tropical rainforest fragments, December 1992, <http://faculty.washington.edu/timbillo/Readings%20and%20documents/ABRIDGED%20READINGS%20for%20PERU/Bierregard%20et%20al.%20Bioscience%20%20dynamics%20of%20Amazon%20fragments.pdf>
 12. World Resources Institute, Indonesia, <https://www.wri.org/blog/2018/11/indonesias-last-forest-frontier-3-facts-know-about-papua>
 13. Global Forest Watch, Indonesia, Papua, <https://www.globalforestwatch.org/dashboards/country/IDN/23/>
 14. Koalisi Indonesia Memantau, Planned Deforestation: Forest Policy in Papua. February, 2021, https://auriga.or.id/cms/uploads/pdf/report/7/1/planned_deforestation_in_papua_en.pdf

Other Indonesian islands like Sumatra and Borneo are heavily marked by deforestation.

Between 15 - 20,000 plant, 602 bird and 125 mammal species are found in the Papuan provinces – half of local species are endemic, living only in the region. Also 223 species of reptiles live there, of which 35 per cent are endemic.¹⁵

A recent article in Nature found that New Guinea has the most biodiverse vegetation on earth.¹⁶

Iconic animals, among them tree kangaroos, birds of paradise, rainbow fishes and birdwing butterflies, flourish in these rainforests. Much of this biodiversity has not yet been catalogued; in the last two decades, more than a thousand new species were discovered on or near the island of New Guinea. Scientists found an average of two new species each week from 1998 to 2008 – nearly unheard of in this day and age.¹⁷ Many species risk becoming extinct even before scientists can discover them – or right after – as their forests are being wiped out by ‘development’ at a pace never before seen.¹⁸

15. Sri Nurani Kartikasari et al., *Ekologi Papua*, 2012, <https://sites.lsa.umich.edu/wp-content/uploads/sites/162/2014/09/Kartikasari-Marshall-Beghter-2012-Ekologi-Papua.pdf>

16. Rodrigo Cámara-Leret et al., *New Guinea has the world's richest island flora*, *Nature*, August 2020 <https://www.nature.com/articles/s41586-020-2549-6>

17. National Geographic, *Thousands of New Species Found in New Guinea*, June 2011, <https://www.nationalgeographic.com/science/article/110627-new-species-rare-animals-papua-new-guinea-wwf>

18. Reuters, *Indonesia president makes moratorium on forest clearance permanent*, August 2019, <https://www.reuters.com/article/us-indonesia-environment-forest-id/USKCN1GH74P>

Indigenous Peoples

The island of New Guinea is home to approximately 312 different Indigenous Peoples, speaking 257 languages, making it the world's most dense hotspot of human cultural diversity. Most ethnic groups are organized into traditional clans which have deep historical and spiritual connection to the land, and the animals and plants living there. As of 2010, 44 groups in Indonesian Papua were estimated to remain *uncontacted*.¹⁹ These Indigenous Peoples are jeopardized by industrial exploitation. As plantations expand, they lose the land and the forests that sustain their way of life; provide shelter, food and fibre; and embody their cultural values.

In recent decades, the rapid expansion of industrial plantations to produce export-driven crops led to an escalation of land-grabbing, leaving a trail of social conflicts in its wake.

Indigenous Peoples' lives are directly threatened by the loss of their traditional lands and the forests that sustain them.

In this respect, the situation is little different than in other Indonesian provinces: social conflicts in Indonesia relate mostly to the appropriation of customary lands. This is because the Indonesian Government has claimed ownership of more than 70 percent of all land, including the customary lands of local communities, particularly outside Java, in Sumatra, Borneo and New Guinea. Until recently, the government failed to fully recognize traditional land rights, and millions of hectares of land were granted to companies for plantation development, for example of acacia or oil palm.

Decentralization in the 1990s transferred the power to grant

forest concessions to regency leaders (as opposed to national leaders) and increased the vast, and often corrupt, transfer of land all over Indonesia. In this century's first decade, booming international demand for products such as pulp, paper and palm oil acted as a catalyst for extensive land-grabbing. In 2013, Indonesia's Constitutional Court recognized community rights to customary forests, placing millions of hectares of previously government-controlled forest lands back into the hands of Indigenous Peoples and traditional landholders.²⁰ Despite this landmark decision, in only a minority of cases have customary landowners' claims been recognized.²¹ In reality, under existing regulations, the registration of traditional rights is a complicated, long and expensive legal process. As a result, local communities broadly still have not been recognized as legitimate owners of their lands. In Indonesia, in conflict situations where influential private or public actors are involved, claims to traditional land rights often have a difficult time being recognized.

Buepe villager © Okto



19. Uncontacted peoples are communities or groups of indigenous peoples living without sustained contact to neighbouring communities and the world community. Survival International, Question and answers: Uncontacted tribes of Papua, 2010, <https://www.survivalinternational.org/articles/3122-questions-and-answers-uncontacted-tribes-papua>

20. The Jakarta Post, Restoring forest rights restores sense of nationhood, June 2013, <https://www.thejakartapost.com/news/2013/06/06/insight-restoring-forest-rights-restores-sense-nationhood.html>

21. W.E. van der Muur, Land rights and the forces of Adat in democratizing Indonesia: continuous conflict between plantations, farmers, and forests in South Sulawesi, 2019, <https://openaccess.leidenuniv.nl/handle/1887/66271>

In the Papuan provinces, a region that had long been under military occupation, political tension aggravates social conflicts. In recent memory, occasional raids by Papuan armed separatist forces (the Organisasi Papua Merdeka, OPM, Merdeka – the Free Papua Movement) led to episodes of violent, indiscriminate repression by the army. The development of plantation or extraction industries often worsened these tensions, as industries came to occupy traditional lands under the escort of police and military officers.

As in the past, companies exploiting natural resources today may have an interest in framing social conflicts as linked to the independence movement, in order to trigger stronger retaliation – a factor complicated by the direct stake the army traditionally has in some projects.²² Indeed, the army is involved in business operations, and its heavy presence in Papua and West Papua continues to cause tension, given recent history. The arrival of military personnel accompanying prospectors still causes panic within villages.²³

Urgent action is needed to protect the Papua rainforests and to empower Indigenous Peoples by recognizing the right of each community to self-determination, as expressed in the United Nations Declaration on the Rights of Indigenous Peoples.²⁴



Buepe villagers © Okto

22. Bilveer Singh, *The Indonesian Military Business Complex: Origins, Course and Future*, Strategic and Defence Study Centre, February 2001, <https://openaccess.leidenuniv.nl/handle/1888/158271>

23. Awas MIFEE, "Three Years of MIFEE (part 2): First Villages Feel the Impact as the Plantation Menace Spreads", 23 October 2013, <http://bit.ly/160qEGU>

The International Coalition for Papua (ICF), *Human Rights and Peace for Papua*, Website, <http://bit.ly/247k660>

Human Rights Watch, *Something to hide? Indonesia's Restrictions on Media Freedom and Rights Monitoring in Papua*, November 2015, <http://www.hrw.org>

24. UNO, *United Nations Declaration on the Rights of Indigenous Peoples*, September 2007, <https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html>

Pulpwood industrial plantations in Papua

Pulpwood plantations are expanding rapidly in the region, along with the oil palm plantations, becoming the second-largest driver of deforestation in Indonesia. Time after time, vast tracts of forest are destroyed, to the detriment of local livelihoods and biodiversity, for little financial or food security gain.

Pulpwood plantations made their first appearance in the region in the 1980s, when **Scott Paper**²⁵, an American company, established a partnership with the Indonesian company PT Astra. The resulting **PT Astra-Scott Cellulosa** planned to convert 200,000 ha of land in the Merauke region into eucalyptus plantations.²⁶ The land of around 15,000 Indigenous hunter-gatherers was included in Scott's concession. Pressed by an international campaign, the company made a last-minute decision to withdraw.²⁷ While the government tried to keep the project working with a different partner, in 1992 PT Astra pulled out due to financial problems.²⁸

Where there is money to be made, however, even harmful projects rarely stay dead for long; they simply come back in a different guise. PT Astra was later replaced by **Texmaco**, a rayon producer for the textile industry. In 1989, Japanese conglomerate **Marubeni** started importing wood chips from 300 ha of mangrove area in Bintuni Bay as part of a project with **PT Bintuni Utama Murni**, which included building a chip mill on the Amutu Besar Island. No environmental impact assessment was carried out, and in clear violation of the permit terms²⁹, the concession overlapped with an area designated as conservation

forest. In Japan at the time, NGOs JATAN and Friends of the Earth organized protests against the project.

In the years since, more concessions for wood-fibre plantations have been awarded, although few of them operate at full scale. In 2009 the oil company **Medco** (controlled by Arifin Panigoro, energy tycoon and former crony of dictator Suharto³⁰) built a wood-chip mill in Merauke, and even planned a 500,000 tonnes/year pulp and paper mill. The mill project was eventually dropped – but only after the company destroyed large areas of tropical rainforest and replaced these with acacia plantations. Today Medco controls the plantation company **PT Medcopapua Alam Lestari's** 74,000 ha concession; PT Medcopapua Alam Lestari clearcut its forests and exported the resulting wood chips to Korea. Although the impact on local livelihoods and biodiversity was immense, the financial gains were small.³¹ Recently the company started to use planted trees to feed a local biofuel power station, but the future of this project is uncertain. In partnership with the South Korean company **LG international**³², Medco also controls **PT Selaras Inti Semesta's** active concession of 301,600 ha, that also cleared rainforests and traditional sago groves.³³

25. Acquired by the Kimberly-Clark Corporation in 1995

26. Rapol, December 1988, http://vuir.vu.edu.au/26201/1/TAPOL90_compressed.pdf

27. Seamus Cleary, *The Role of NGOs under Authoritarian Political Systems*, Macmillian Press, London 1997

28. Down to Earth, Twenty-two years of top-down resource exploitation in Papua, November 2011, <http://www.downtoearth-indonesia.org/story/twenty-two-years-top-down-resource-exploitation-papua>

29. Arne Kalland, Gerard Persoon, *Environmental Movements in Asia*, Curzon Press, 1998

30. The Independent, Indonesia's liberals fear new President's military ties could undermine democracy, July 2001, <https://www.independent.co.uk/news/world/asia/indonesia-s-liberals-fear-new-president-s-military-ties-could-undermine-democracy-9213414.html>

31. Awasi MIFEE, Three Years of MIFEE (part 3): As the forest is felled where's the rice?, October 2003, <https://awasmiffee.potager.org/?p=584>

32. LG International (2009): LGI Enters Industrial Forestation Business In Indonesia <http://www.lgicorp.com/en/about/global>

33. Awasi MIFEE, PT Selaras Inti Semesta has cleared important sites for the Malind People, December 2013, <https://awasmiffee.potager.org/?p=682>

Young trees in PT Plasma Nutfah Marind Papua © Okto





In 2010 the government prioritized Merauke for industrialized agricultural growth. The Merauke Integrated Food and Energy Estate (MIFEE), presented in August 2010 by the Indonesian Government, included conversion of 1.28 million ha, mostly forests, to agriculture with the stated aim of ensuring Indonesia's self-sufficiency in food and energy. Large swathes of land were granted to 45 companies, including PT Medcopapua, to cultivate the crops.

The MIFEE project actually failed to produce large amounts of food crops. Industrialized rice production has never gone beyond demonstration projects covering around 100 ha. Pointedly, local people report the deaths of children from malnutrition in one of Medcopapua concession areas – one of the very few companies in the area actually trying to grow rice.³⁴

The only remarkable results of the MIFEE project have been:

- large-scale land-grabbing by large companies producing export-driven commodities, such as wood fibre and palm oil;
- allegations of widespread corruption and militarization³⁵; and
- a number of conflicts with local Indigenous communities.³⁶

Indeed, the economic effectiveness of MIFEE has been poor.

To date, most wood-fibre concessions in the province have not been developed.

34. Awas, MIFEE and GRAIN, Relaunching destruction in Papua: monoculture agriculture project threatens indigenous lands and livelihoods, August 2015, <https://www.grain.org/en/article/5247-relaunching-destruction-in-papua-monoculture-agriculture-project-threatens-indigenous-lands-and-livelihoods>

35. Longgena Ginting, Oliver Pye, Resisting Agribusiness Development: The Merauke Integrated Food and Energy Estate in West Papua, Indonesia, 2013, https://www.ssoar.info/ssoar/bitstream/handle/document/37427/ssoar-aseas-2013-1-ginting_et_al-Resisting_agribusiness_development_the_Merauke.pdf

36. Demands and Aspiration of Indigenous Peoples of River (Kali) Bian – River (Kali) Maro, Papua, December 2012, <https://sawitwatch.or.id/download/Press%20Release%20Eng.pdf>

Moorim arrives on the scene

A new wave of deforestation was unleashed in the region in November 2011, with the award of a new concession to **PT Plasma Nutfah Marind Papua**, a relatively unknown wood fibre plantation company then controlled by the South Korean papermaker **Moorim Paper**. The project was also part of MIFEE, although it had very little to do with the production of food or energy for Indonesia, as its aim was to export woodchips to South Korea for eventual transformation into paper. The concession became active in 2015 and in seven years it cleared more than 6,000 ha, becoming one of the biggest threats to the rainforest in the region.

The present report focuses on this new threat to the integrity of the last treasures of biodiversity in Asia.

Moorim Building in Seoul ©APIL



DEFORESTATION AT MOORIM PAPER CONCESSION IN PAPUA

PT Plasma Nutfah Marind Papua (PT PNMP) operates near the village of Buepe, in Okaba and Kaptel, Merauke regency³⁷, where it clears natural vegetation and then plants *Acacia mangium* and *Eucalyptus pelita*. The concession stretches over 64,050 hectares³⁸ and includes natural forests, and even some primary forests, seasonal alluvial wetlands, and other biomes.

PT PNMP is owned by Moorim International Co. Ltd, now called Moorim P&P (99.74 per cent) and by Moorim Paper (0.26 per cent).³⁹ It was acquired in 2014 by the Moorim Group⁴⁰ (although other sources indicate that the Indonesian plantation company had already been acquired in 2011.⁴¹)



MOORIM
PT. PLASMA NUTFAH MARIND PAPUA

Lowongan Kerja

Kami Perusahaan HTI PT. Plasma Nutfah Marind Papua sedang membutuhkan dengan segera 5 (lima) operator Excavator dengan kualifikasi sebagai berikut:

1. Berpengalaman membawa alat berat Excavator Bucket dan Fixgrapple
2. Pengalaman minimal 2 tahun
3. Pengalaman Land Clearing (LC) Felling down dan Rumpukan

Bagi yang berminat lamaran diantar langsung ke kantor PT. Plasma Nutfah Marind Papua Jln. Raya Mandala No. 195 Merauke, Papua atau segera menghubungi

1. Sumardi Tarjan, No Hp [081240296224]
2. Melki Pongbanne, No Hp [081242500333]

Hanya pelamar yang memenuhi syarat yang akan dipanggil.

Announcement by Moorim - PT Plasma Nutfah Marind Papua searching an excavator operator for land clearing.

37. Papuan Governor's Recommendation Letter: Rek. 522.2 / 2311, September 4, 2008; The concession area is in the Ngguti, Okaba and Kaptel Districts. Letter of Decision of the Minister of Forestry Number IUPHHK-HTI. SK.648 / Menhut-II / 2011, November 14, 2011, total area of 64,050 ha in Okaba and Kaptel Districts. Location of Area: E 139 30'00"- E 140 03'38" BT S 07 52'43"- S 08 02'57"

38. LDPI Naturalizing Land Dispossession: A Policy Discourse Analysis of the Merauke Integrated Food and Energy Estate, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.461.2115&rep=rep1&type=pdf>

39. Moorim P&P Corporate Reporting (August 2021) filed to Repository of Korea's Corporate Filing <http://dart.fss.or.kr/dsaf001/main.do?rcpNo=20210817000974>, (original text in Korean)

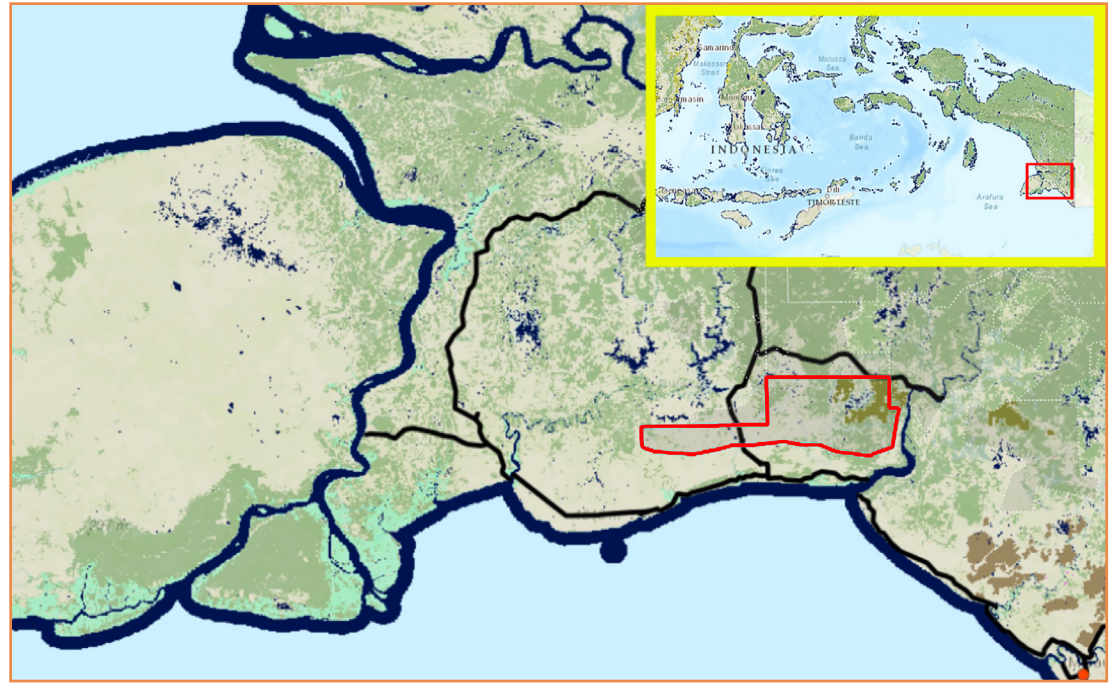
40. A job vacancy announcement in South Korea reported "Main Business Description: This is a local forestry company in Indonesia that has been acquired in 2014 by the Moorim Group, which operates the only integrated pulp and paper production plant in Korea, in order to secure a stable raw material for pulp. Currently, we are operating an industrial plantation for the production of wood chips, which is the main raw material for pulp, in Papua. We are also operating the head office in Merauke, Papua, and the Surabaya support office in East Java." WorldJob, 2014, <https://bit.ly/35IdvAv>

41. Awasi Mifee, Moorim (PT Plasma Nutfah Marind Papua), https://awasmifee.potager.org/?page_id=171

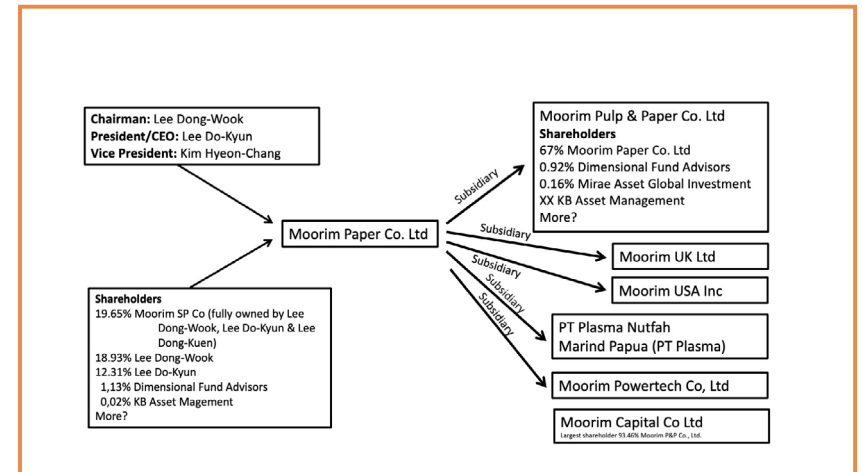
Moorim Paper is headquartered and produces pulp and paper in South Korea. Through its three Korean subsidiaries, Moorim produces pulp and paper products. This company controls a wood-fibre plantation company operating in Papua, in the Merauke district: PT PNMP.⁴²

Moorim Paper Co., Ltd. (formerly Shinmoorim Paper Mfg. Co., Ltd.) is an affiliate of Moorim SP (collectively, Moorim)⁴³ Founded in 1973, Moorim has 446 employees in South Korea and generates USD 929.91 million in sales. There are nine companies in the Moorim Paper Co., Ltd. corporate family.⁴⁴ Moorim Pulp and Paper (Moorim P&P, formerly called Donghae Pulp) is a subsidiary of Moorim Paper.⁴⁵ Moorim Group also controls Shinmoorim Paper.⁴⁶

Map 2: concession of PT Plasma Nutfah Marind Papua



Moorim Paper corporate structure.
Source: EPN elaboration of official documentation



42. Moorim web site: https://www.moorim.co.kr:13002/eng/companyinfo/global_network.php?conarea

43. Federal Register of Korea, October 2007, <https://enforcement.trade.gov/esel/south-korea/07-1025.html>

44. Dun&Bradstreet, https://www.dnb.com/business-directory/company-profiles/moorim_pp_co_ltd.8c741b8d61c37fb2b5250234a44a7b4b.html

45. Fastmarkets Risi, Korea's Donghae Pulp breaks ground for first paper machine, November 2009, <https://www.risiinfo.com/industry-news/koreas-donghae-pulp-breaks-ground-for-first-paper-machine/>

46. Moorim Paper website, https://moorim.en.ec21.com/Shinmoorim_Paper--329289.html

Return to forest

숲으로 돌아가는 종이, 네오포레

브랜드 스토리 자세히 보기 →



Misleading 'green' claims about disposable products

Moorim proudly claims to be an eco-friendly paper company for having been first to introduce paper disposable paper cups and straws in the Korean market.

Moorim's new "Neoforêt" brand is aimed to capture the growing demand for eco-friendly paper as alternatives for plastics. Moorim claims that Neoforêt products, sourced from certified forests and fossil-fuels-free, are sustainable.⁴⁷ The company website also asserts that it is not contributing to global warming, as fossil fuels are not used in the forest, and trees planted to produce paper do absorb carbon dioxide.⁴⁸

These claims are unsubstantiated. A considerable body of scientific literature suggests otherwise: deforestation and peatlands conversion, including those aimed to expand pulpwood plantations, are one of the main factors of global carbon release, causing 15 per cent of GHG emissions⁴⁹ (this rate is much higher in Indonesia, reaching 63 percent⁵⁰). On the contrary, single-use paper products are particularly short-lived; the captured carbon is released back into the atmosphere soon after⁵¹ use and may cause methane emissions (with high climate change impact) if they end up in landfills.⁵²

Recently, 191 environmental groups criticized the shift from plastic to paper as a false solution, as both plastic and paper disposable products cause significant, lasting environmental harm. The groups called for an end to single-use products.⁵³

Moorim defends its green credentials, pointing out that it is the first paper producer awarded with FSC certification in Korea and the only paper company with FSC-certified forests in Korea.⁵⁴ Significantly, the company fails to mention that FSC policies severely prohibit the conversion of natural rainforests into plantations and violations of Indigenous Peoples' rights.⁵⁵

47. Neoforêt website: <https://www.neoforet.co.kr/neoforet/en/about>

48. Neoforêt website: https://www.neoforet.co.kr/pr/en/about_paper

49. Werf, G. R. van der; et al., "CO2 emissions from forest loss". Nature Geoscience, December 2009, <https://www.nature.com/articles/ngeo671> and Brack D. et al., "Forests and Climate Change", March 2019, <https://www.un.org/esa/forests/wp-content/uploads/2019/03/UNFF14-BkgdStudy-SDG13-March2019.pdf>

50. Tacconi L. et al., Reducing emissions from land use change in Indonesia: An overview, 2019, <https://www.sciencedirect.com/science/article/pii/S138993411830460X>

Ministry of Environment and Forestry of Indonesia, Second biennial update report, 2018, https://unfccc.int/sites/default/files/resource/Indonesia-2nd_BUR.pdf

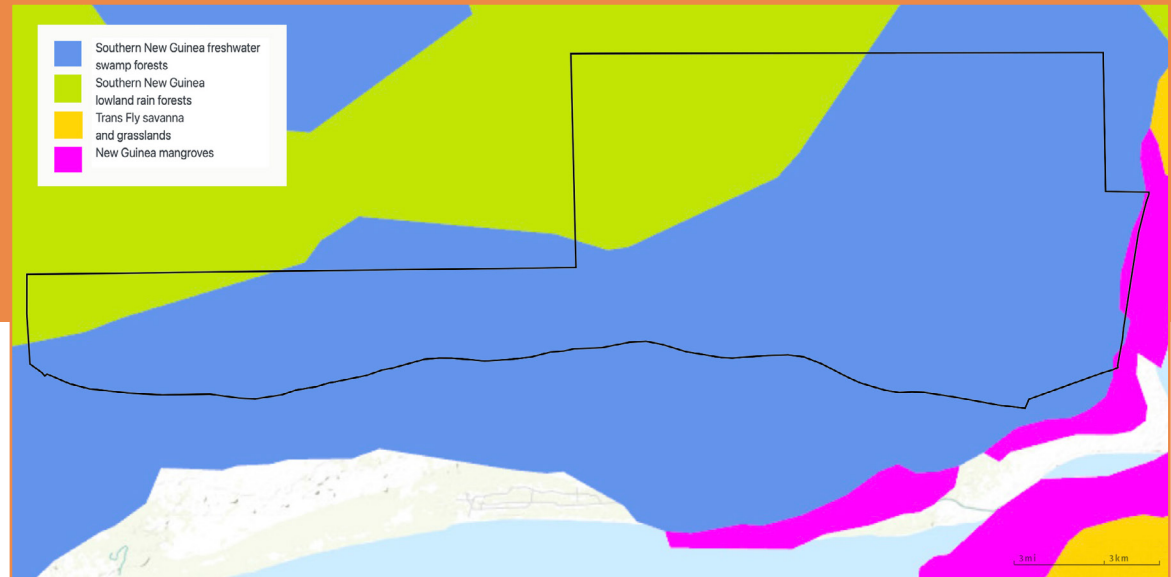
51. Herberz T. et al., Sustainability Assessment of a Single-Use Plastics Ban, May 2020, <https://d-nb.info/1222099179/34>

52. United Nations Environment Programme, Addressing Single-use Plastic Products Pollution Using a Life Cycle Approach, 2021, https://www.lifecycleinitiative.org/wp-content/uploads/2021/02/Addressing-SUP-Products-using-LCA_UNEP-2021_FINAL-Report-sml.pdf

53. 191 Groups Call for an End to Single Use - Single Use to Systems Change, February 2021, <https://canopyplanet.org/188-environmental-groups-call-for-an-end-to-single-use-products-as-the-united-nations-environment-assembly-gets-set-to-discuss-sustainability/>

54. Moorim website: https://www.moorim.co.kr:13002/bbs/board.php?tbl=monews_en&mode=VIEW&num=11&chr=en&category=&findType=&findWord=&sort1=&sort2=&page=1&conarea

55. FSC, Policy for Association, <https://fsc.org/en/document-centre/documents/resource/368>



Map 3: Ecoregions in and around PT Plasma Nutfah Marind Papua concession.

Source: WWF, Terrestrial Ecoregions of the World,
<https://databasin.org/maps/new/#datasets=68635d7c77f1475f9b6c1d1dbe0a4c4c>

PT PNMP Concession is located near the village of Buepe, in Okaba and Kaptel, Merauke regency⁵⁶, where it removes the original vegetation and plants *Acacia mangium* and *Eucalyptus pelita* instead. The concession extends over some 64,050 ha⁵⁷, including natural forests, seasonal alluvial wetlands, and other biomes.

According to Global Forest Watch, before the clearing started, the concession held by PT PNMP was rich in forests; it featured 54,800 ha of natural forests (including some primary forest, Map 5) and a further 9,610 ha of other habitats⁵⁸, such as savannahs and seasonal alluvial wetlands, also of relevant conservation value. The maps of Indonesia's Ministry of Environment and Forests (MoEF; Map 4) indicate both primary dryland forest and secondary forests (both dryland and swamp) within the concession area.⁵⁹

The concession is located in a sensitive biodiversity hotspot, with two eco-regions identified by the World Wildlife Fund: Southern New Guinea freshwater swamp forests⁶⁰ and Southern New Guinea lowland rain forests⁶¹ (the latter among the key Global 200 environments). The entire concession is part of the Trans-Fly ecoregion⁶², an ecosystem with World Heritage status as a mixed cultural and natural site.⁶³

56. Papuan Governor's Recommendation Letter: Rek. 522.2 / 2311, September 4, 2008; The concession area is the Ngguti, Okaba and Kaptel Districts. Letter of Decision of the Minister of Forestry Number IUPHHK-HTI. SK.648 / Menhut-II / 2011, November 14, 2011, total area of 64,050 ha in Okaba and Kaptel Districts. Location of Area: 139 30'00" - 140 03'38" BT 07 52'43" - 08 02'57" LS

57. LDPI Naturalizing Land Dispossession: A Policy Discourse Analysis of the Merauke Integrated Food and Energy Estate, <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.461.2115&rep=rep1&type=pdf>

58. Global Forest Watch, <https://gfw.global/3dDqQTY> Data elaboration at <https://gfw.global/3fMN0LE>

59. Ministry of Environment and Forests of Indonesia (MoEF) Simontana, Sistem Monitoring Hutan Nasional (National Forest Monitoring System/NFMS) <https://nfms.menlhk.go.id/peta>

60. OneEarth, Southern New Guinea Freshwater Swamp Forests: <https://www.oneearth.org/ecoregions/southern-new-guinea-freshwater-swamp-forests/>; map at: <https://dopa-explorer.jrc.ec.europa.eu/ecoregion/10121>

61. OneEarth, Southern New Guinea Lowland Rainforests: <https://www.oneearth.org/ecoregions/southern-new-guinea-lowland-rainforests/>; map at: <https://dopa-explorer.jrc.ec.europa.eu/ecoregion/10122>

62. OneEarth, Trans Fly Savanna and Grasslands, <https://www.oneearth.org/ecoregions/trans-fly-savanna-and-grasslands/>

63. Unesco, Trans-Fly Complex, <https://whc.unesco.org/en/tentativelists/5062/>; map at: <https://dopa-explorer.jrc.ec.europa.eu/ecoregion/10708>

In fact, the area where the concession is located is a fragile mosaic of grasslands, lowland forests and freshwater swamp forest, characterized by alluvial dynamics and influenced by monsoons.

A variety of maps outlining biodiversity conservation priority areas underscore that the concession area is a key biodiversity hotspot, among these:

- Maps for Biodiversity Intactness, produced by the United Nations Environment World Conservation Monitoring Centre (UNEP-WCMC) and Natural History Museum⁶⁴;
- Maps of Biodiversity Significance, produced by IUCN, BirdLife International, UNEP and WCMC⁶⁵;
- Maps for Endemic Bird Areas, produced by Birdlife International.⁶⁶

The concession area falls in the habitat range of 40 mammals, 30 reptiles and 130 fishes on the IUCN Red List of Threatened Species.⁶⁷

Local individuals interviewed by our team reported that many rare and endangered animals live in the area. The most notable is the tree kangaroo (genus *Dendrolagus*), which went from Critically Endangered to Vulnerable on the IUCN Red List⁶⁸, and is protected by Indonesian law⁶⁹. They also reported the presence of white cuscus, dingiso, pig-nosed turtle, and cassowary – all included on the IUCN Red List.



64. UNEP-WCMC and Natural History Museum. "Biodiversity Intactness, <https://data.nhm.ac.uk/dataset/global-map-of-the-biodiversity-intactness-index-from-newbold-et-al-2016-science> and <https://d1w2-data.s3.amazonaws.com/conservation/zip/bc-significance-lbes.zip>

65. IUCN, BirdLife International, and UNEP-WCMC (2016). "Biodiversity importance", 2016, <https://www.unep-wcmc.org/news/new-global-forest-watch-biodiversity-maps-help-prioritise-areas-for-conservation>

66. Stattersfield, A.J., Crosby, M.J., Long, A.J. and Wege, D.C. (1998) Endemic Bird Areas of the World. Priorities for biodiversity conservation. BirdLife Conservation Series 7. Cambridge: BirdLife International <https://www.birdlife.org/worldwide/news/endemic-bird-areas-world-priorities-conservation>

67. IUCN, Spatial Data Download, <https://www.iucnredlist.org/resources/spatial-data-download>

68. IUCN, International Union for Conservation of Nature's Red List of Threatened Species, <https://www.iucnredlist.org/search?query=Dendrolagus&searchType=species>

69. PP RI No. 7/1999 and UU NO. 5/1990) <http://ksdae.menlhk.go.id/assets/uploads/Lampiran-PP-Nomor-7-Tahun-1999.pdf>

IUCN endangered species living – and dying – in the concession area

● Endangered:

Kura-kura reimani berkepala ular, or Snake-headed reimani tortoise (*Chelodina reimanni*)
Kura-kura moncong babi, or Pig-nosed turtle (*Carettochelys insculpta*)
Kuskus warna putih, or Bear cuscus (*Ailurops ursinus*)
Dingiso mirip beruang warna hitam, or Dingiso looks like a black bear (*Dendrolagus mbaiso*)

● Vulnerable:

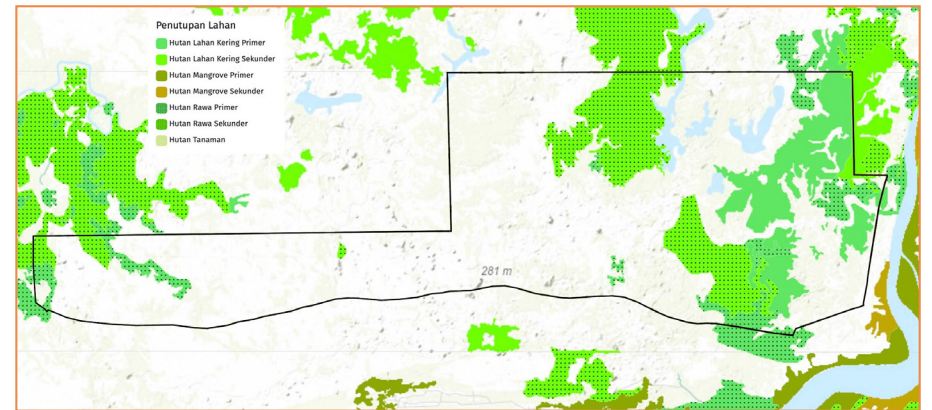
Burung Mambruk, or Broken Bird (*Goura cristata*)
Burung Nuri sayap hitam, or Black-winged parrot (*Eos cyanogenia*)
Burung Kasuari, Southern Cassowary (*Casuarius casuarius*)

Swamp inside the PT Plasma Nutfah Marind Papua concession ©Okto

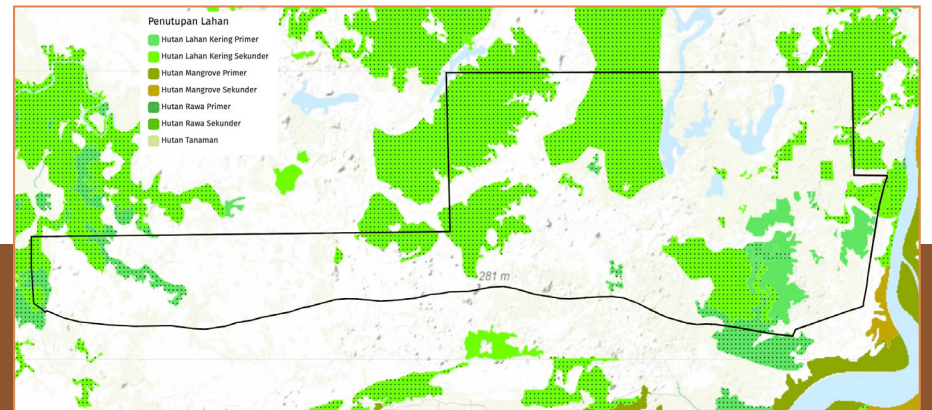


According to Global Forest Watch maps (GLAD Alerts⁷⁰), a significant part of primary forest in the concession had been destroyed by 2020 (around four thousand hectares)⁷¹, and operations now seem to target the remaining block of primary forests (see Map 5). The maps provided by the Ministry of Environment and Forests of Indonesia (MoEF) also show that primary forests have been cleared by PT PNMP, and more are at risk of being cleared in coming years (Map 4). (Slight differences in the Global Forest Watch⁷² and official MoEF⁷³ assessments of primary forests cleared are explained by differences in definitions of 'primary forests'; both are relevant.)

Map 4: PT Plasma Nutfah Marind Papua concession, primary and secondary forests mapped by the MoEF in 2014 and 2020 <https://nfms.menlhk.go.id/peta>



2014



2020

70. Hansen, M.C., A. Krylov, A. Tyukavina, P.V. Potapov, S. Turubanova, B. Zutta, S. Ifo, B. Margono, F. Stolle, and R. Moore.

2016. Humid tropical forest disturbance alerts using Landsat data. *Environmental Research Letters*, 11 (3).

<https://gfw.global/39RHx3p>

71. 33,500 GLAD alerts were reported in the area between 1 January 2015 and 29 December 2021, of which 83 per cent were high confidence alerts. Global Forest Watch maps, <https://gfw.global/3cXgpQe> Data elaboration at

<https://gfw.global/3fMN0LE>

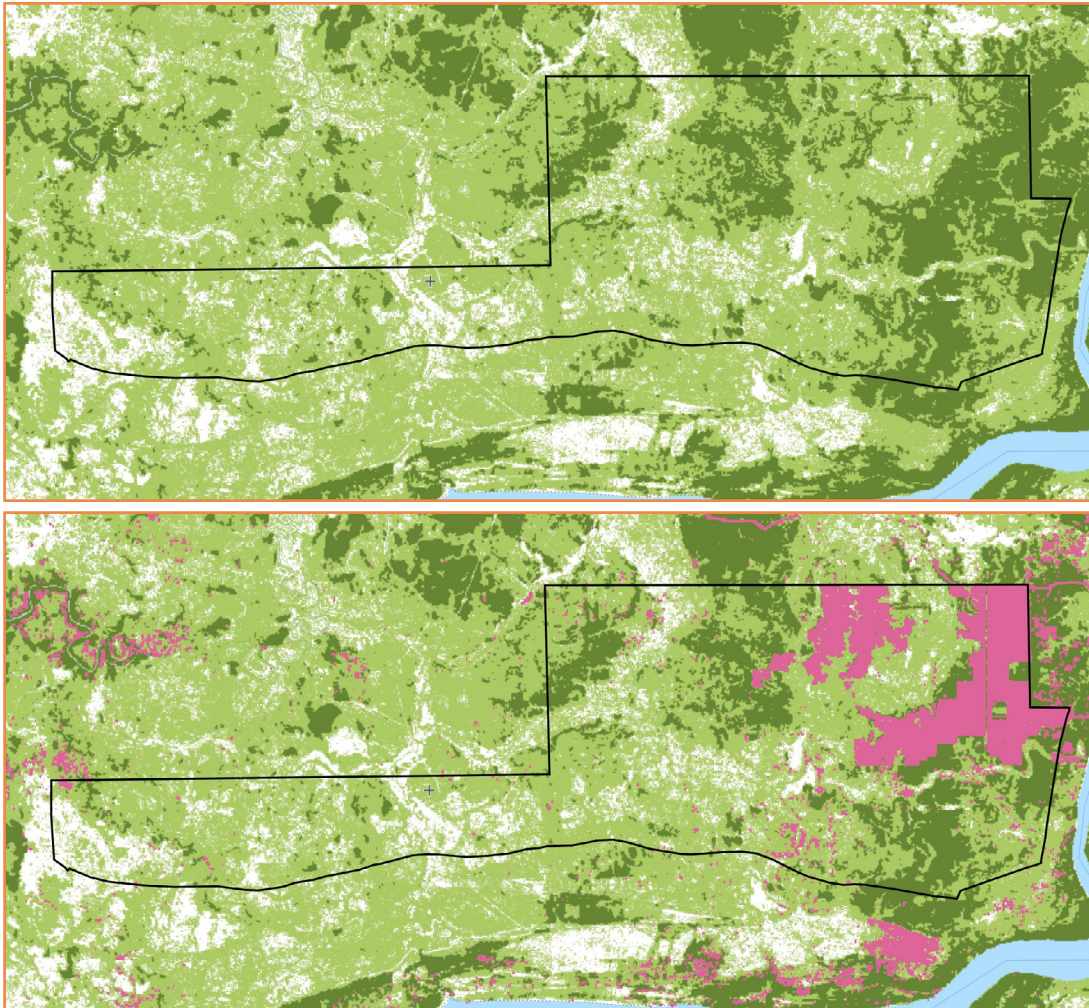
72. Turubanova, S. et al., Ongoing primary forest loss in Brazil, Democratic Republic of the Congo, and Indonesia, July 2018,

<https://iopscience.iop.org/article/10.1088/1748-9326/aacd1c/meta> and Margono B. A. et al., Primary forest cover loss in

Indonesia over 2000 – 2012, June 2014, <https://www.nature.com/articles/nclimate2277>

73. The main reference for primary forests should be the Convention on Biological Diversity (CBD) definition: "A primary forest is a forest that has never been logged and has developed following natural disturbances and under natural processes, regardless of its age (...) Also included as primary, are forests that are used inconspicuously by indigenous and local communities living traditional lifestyles relevant for the conservation and sustainable use of biological diversity" in: CBD, Definitions, <https://www.cbd.int/forest/definitions.shtml>

Map 5: PT Plasma Nutfah Marind Papua concession, Tree cover (Hansen, M. C., et al., 2010), primary forests (top image) (Turubanova, S. et al., 2001) and deforestation (bottom image) (Deforestation alerts - GLAD 2015 - 21). Source: Global Forest Watch, <https://gfw.global/3dDqQtY>



74. Nusantara Atlas <https://nusantara-atlas.org/?s=cd0748c5088c9cd062ff8be887616a1e>

75. High Conservation Value forest (HCVF) is a Forest Stewardship Council (FSC) forest management designation used to describe those forests which meet criteria defined by the FSC Principles and Criteria of Forest Stewardship: <https://www.hcvnetwork.org>

76. "The High Carbon Stock Approach is a methodology to identify areas of land suitable for plantation development and forest areas that can be protected in the long term" in: Greenpeace, The High Carbon Stock Approach: <http://highcarbonstock.org/the-hcs-approach-toolkit/>

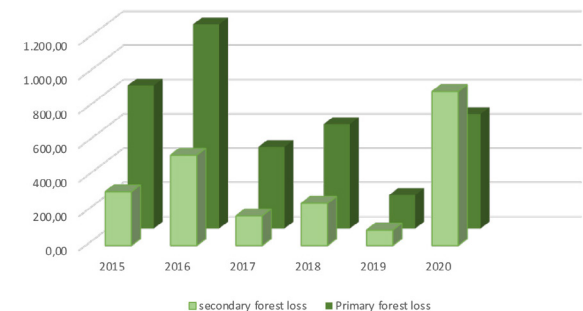
Deforestation has been ongoing since PT PNMP started to clear forests in its concession in 2015, peaking in the second half of 2020. According to Nusantara Atlas, 6,194 ha of land was cleared in the concession between 2015 and the end of 2021.⁷⁴ In fact, while the COVID-19 pandemic was slowing down many business activities, land clearing in the PT PNMP concession accelerated: 1,031 ha were cleared in a new block between April and August 2020.

According to Nusantara Atlas, 6,194 ha of land was cleared in the concession between 2015 and the end of 2021.⁷⁴ Despite the rush to convert the forests, no information is available about any High Conservation Value (HCV)⁷⁵ or High Carbon Stock⁷⁶ assessments carried out by the company prior to clearing the land.

Deforestation at PT Plasma Nutfah Marind Papua 2015 - 21, according to satellite data provided by the Nusantara Atlas
<https://nusantara-atlas.org/?s=cd0748c5088c9cd062ff8be887616a1e>

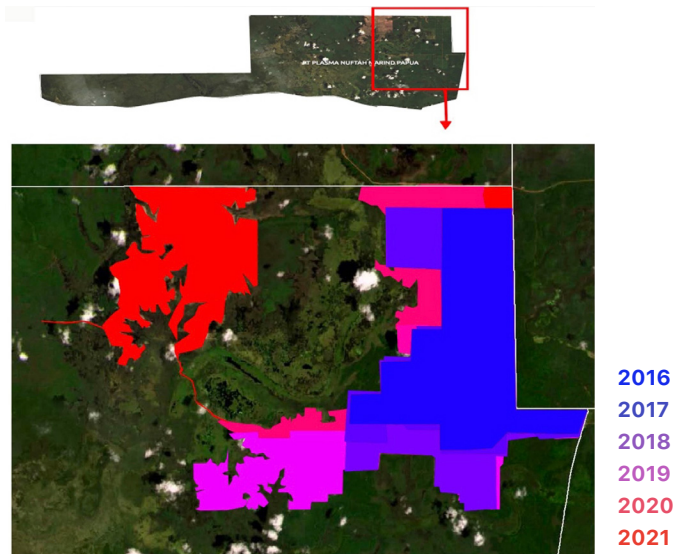


Deforestation at PT Plasma Nutfah Marind Papua, 2014 - 20 by primary and secondary forests, according to satellite data provided by Global Forest Watch
<https://gfw.global/3fMN0LE> (GFW does not yet provide data for 2021)

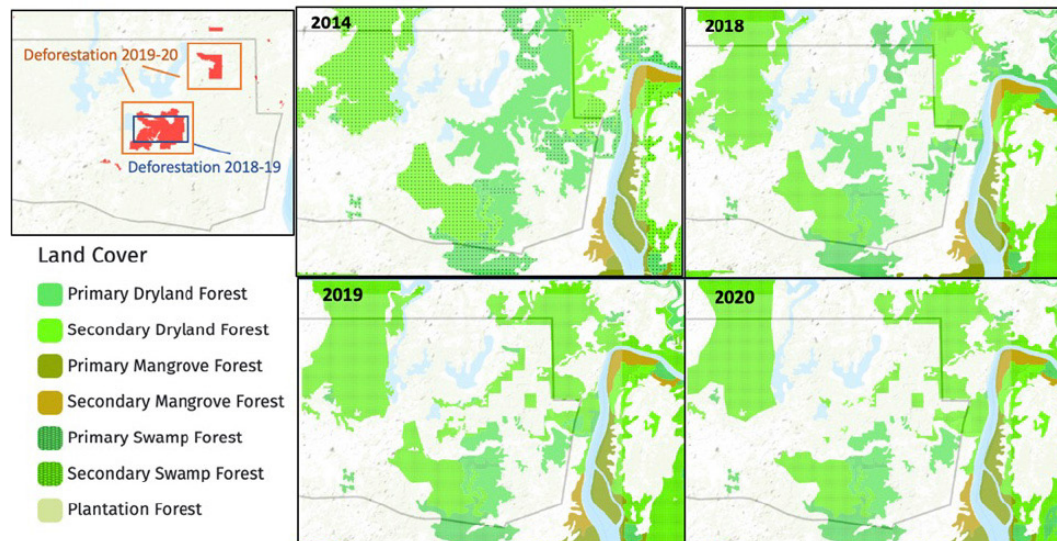


Map 6: Land clearing detected by year in PT Plasma Nutfah Marind Papua concession

Note the road linking to the more recent western block and heading further westwards.



Map 7: Analysis of deforestation in PT Plasma Nutfah Marind Papua concession (top left), conducted by Mighty Earth, based on land cover maps of primary and secondary forests published by the MoEF <https://nfms.menhk.go.id/peta>



Evidence of industrial clearing is reflected in annual forest classification maps from cartographers at the Indonesian Ministry of Forest. Their 2014 map (Map 4) classifies the majority of the land cover in the Northeastern part of the concession as Primary Dryland Forest. According to analysis by Mighty Earth (Map 7), approximately 4,423 ha of the Northeastern patch of forest is classified as such. Over the next few years, much of this land was cleared along the boundaries of the concession. Forest perimeters were redrawn with a distinct industrial clearing pattern (e.g., intentionally cleared in a North/South, East/West pattern; Map 6). By 2020, only about 1,365 ha of Primary Dryland Forest remained, a total loss of about 3,058 ha Primary Dryland Forest since clearing began in 2015. The MoEF maps indicate around 753 ha of Secondary Dryland, Primary, and Secondary Swamp Forest were also cleared, totalling about 3,811 ha of forest loss since 2015. Map 7 traces the changes in land cover from the Ministry of Forest maps, demonstrating how clearing has taken place over time.

If clearing patterns continue, thousands of hectares of Primary Dryland, Primary and Secondary Swamp Forest may be lost over the next few years. The remaining at-risk forest along the Eastern/Southeastern boundaries of the concession is of greatest concern. According to the indicative High Carbon Stock map (Schindler & Wegner, 2021), only 5,147 ha of High Carbon Stock forest remained in the concession as of March 2021. If clearing were to continue at the same rate as occurred in 2021, all remaining HCS could be lost within the next five to six years.

In 2019, PT PNMP applied for a permit to build a chip mill with a processing capacity of 82,000 tons/year.⁷⁷ This suggests that the company is strongly motivated to continue to expand the operations of forest clearing in the still-intact western area of the concession, and to further deforest the chip mill area (67 ha of heavily forested land at the river bank, outside the concession borders.⁷⁸)

77. PT Plasma Nutfah Marind Papua, Profil Perusahaan, May 2019, <http://nutfahmarindpapua.blogspot.com>

78. PT Plasma Nutfah Marind Papua, Analisis dampak lingkungan hidup (AMDAL) rencana kegiatan industri kayu serpih dan fasilitas pendukungnya, 2020

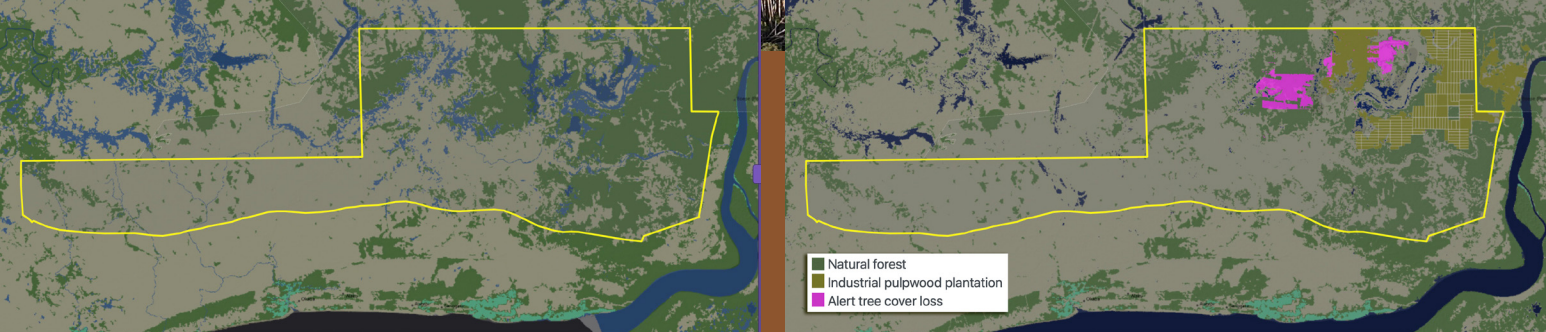
Map 8: Remaining High Carbon Stock forest (green) as of March 2021



It is difficult to assess the High Conservation Values (HCVs) that have been cleared, as the company failed to conduct any HCV assessment before land clearing began. Taking into account the biodiversity values of the region, its relative integrity⁷⁹, and the high social value of sago gardens, sacred forests, and hunting and fishing grounds, these lost values can be extremely high.

Concession of PT Plasma Nutfah Marind Papua, S 7° 53' 2,256", E 139° 59' 35,352" © Pusaka

79. Global Forest Watch, Forest Landscape Integrity Index <https://gfw.global/3Ak1Yo7> (based on Grantham, H. S. et al. Anthropogenic modification of forests means only 40 per cent of remaining forests have high ecosystem integrity. Nature communications, 2020 11(1), 1-10).



Map 9: Deforestation in PT Plasma Nutfah Marind Papua concession between 2015 and the end of 2021. Source: Nuantara Atlas

Swamps and peatlands

To produce acacia pulpwood, palm oil or other non-native agricultural crops, swamp water must be drained. After drainage, the peat oxidizes, releasing carbon in the form of CO₂ into the atmosphere. Drained peatland contributes more than half of Indonesia's GHG emissions, which when added to above-ground deforestation emissions, puts Indonesia *among the world's highest GHG emitters*.

Swamp in the Yahwaba sacred place (owned by the clan Yolmen), in the concession of PT Plasma Nutfah Marind Papua ©Okto



The release of CO₂ from an acacia plantation on peat has been identified by a scientific field study in Sumatra: around 80 tonnes per year, per hectare⁸⁰. Emissions are even higher in the first five years of plantation development. Dynamics in Papua may be different, however; the PT PNMP concession lies in an area shaped by a mosaic of swamp forests and spots of shallow peat. According to the peat maps for Papua published by Wetlands International in 2006, a good part of the concession is on peat more than 50 cm deep.⁸¹ These maps are now outdated, and the newer maps released by the MoEF do not show the presence of deep peat in the concession – although satellite imagery may fail to capture shallow peat.⁸² Peatlands less than 300 cm deep do not fall within the 2015 government ban on peat conversion, despite the fact that shallow peat represents 80 per cent of Indonesian peatlands, preserving 10.6 gigatonnes of carbon. This represents, 42 per cent of Indonesia's total peat carbon, and roughly 12 years of global emissions from land use change.⁸³

While uncertainties persist about the accuracy of digital peat maps⁸⁴, especially in the Papua region⁸⁵, the presence of peat in the concession has been confirmed by local people our team interviewed, who reported about the company's practice of laying logs over the peat in order to manage the land with the heavy machinery. Local people also have complained that the peatlands that traditionally provided them with sago have been destroyed.

80. J. Jauhiainen, et al, Carbon dioxide emissions from an Acacia plantation on peatland in Sumatra, Indonesia, July 2011,

https://helda.helsinki.fi/bitstream/handle/10138/34598/Jauhiainen_et_al_2012_bg_9_617_2012.pdf

81. Peta-Peta Sebaran Lahan Gambut, Luas Dan Kandungan Karbon Di Papua Maps Of Peatland Distribution, Area And Carbon Content In Papua 2000 - 2001, 2006,

<https://www.wetlands.or.id/PDF/buku/Atlas%20Sebaran%20Gambut%20Papua.pdf>

82. Hooijer, A., et al., The use of LiDAR data in peatland mapping and management, Deltares, 2016, https://circabc.europa.eu/sd/a/9963a292-5729-4bd7-aebd-f92c92aced7/Presentation_The%20use%20of%20LiDAR%20in%20peatland%20mapping%20and%20management.pdf

83. Warren M., et al. An appraisal of Indonesia's immense peat carbon stock using national peatland maps: uncertainties and potential losses from conversion, May 2017, <https://cbmjournals.biomedcentral.com/track/pdf/10.1186/s13021-017-0080-2.pdf>

84. Minasny M., et al., Digital mapping of peatlands – A critical review, 2017, <https://www.sciencedirect.com/science/article/abs/pii/S001282521830360X>

85. Warren M., et al. 2017, see footnote 83

Felled logs left on the ground to cover a cleared swamp in the Yahwaba sacred site (owned by the clan Yolmen) ©Okto



These reports from the villagers suggest the possible presence of water with a shallow layer of peat or alluvial sediments rich in organic material. Although conversion of shallow peat is not forbidden by local regulations, it may still cause significant climate emissions. Unfortunately, there is no knowledge of any credible peat survey carried out by PT PNMP before clearing the land.

The importance of peat in storing carbon offers yet another reason to respect the Precautionary Principle and preserve these wet forests. Yet villagers report a plan to drain swamps in the area – information that a document shared by the company appears to confirm.⁸⁶

It would be highly irresponsible to carry out draining without a previous analysis of the environmental and social values of the swamps, including of their functions to the surrounding habitats and an accurate peat survey.

86. Moorim communication with SFOC and APII, 22 December 2021

Social conflicts at Moorim Paper concession in Papua

The pulpwood concession held by PT Plasma Nutfah Marind Papua (PT PNMP) is located on land traditionally inhabited and owned by the Malind Indigenous People (Malind-anim), yet PT PNMP has repeatedly failed to respect the principle of free, prior and informed consent.

The Malind People's social structure is organised into traditional clans, subclans and extended families. Some of the people live in the village of Buepe, on the southern coast of the Mbyan river. The original inhabitants of Buepe are members of the Malind people and they still spend part of their time in their traditional forests.

The Malind culture retains land use practices and traditions through an ancient lineage: members of each clan are related by kinship, myth and genesis to particular animals, plants and natural features of the forest.⁸⁷ They consider these animals and plants akin to grandparents (amai), endowed with consciousness and feelings. Together with the ancestral spirits (dema), they take part in the life of the clan, and every clan identifies itself with the mythological ancestors.⁸⁸ Land-grabbing and deforestation take away not only local peoples' livelihoods, they also strip them of their social and spiritual values.

The principle of free, prior and informed consent (FPIC)⁸⁹ is embedded in Article 10, of the UN Declaration on the Rights of Indigenous Peoples⁹⁰ (Indonesia voted in favour). Its aim is to defend the rights of Indigenous Peoples confronting the impact of industrial development. FPIC is integral to implementing the right of self-determination embodied in the International Human Rights Covenants⁹¹, both of which Indonesia acceded

to in 2006. Proper consultation with traditional owners is also required by national law.⁹²

No evidence suggests, however, that FPIC was implemented by PT PNMP prior to entering the concession and starting to convert the land. The company appears to have taken remedial action only, for the most part, after repeated protests. These actions are more patchy and erratic compensation measures, than a comprehensive plan to address the previous harm. PT PNMP does not seem to have standard operating procedures (SOP) in place to respect community rights and set up grievance procedures. Significantly, the company did not start even a belated FPIC process.

To collect first-hand information, EPN interviewed residents of Buepe village, located at the fringe of the PT PNMP concession.

87. Sophie Chao, "There Are No Straight Lines in Nature" – Making Living Maps in West Papua, *Anthropology Now*, July 2017, How land grabbers co-opt indigenous ritual traditions in Papua: Q&A with anthropologist Sophie Chao, March 2019, <https://news.mongabay.com/2019/03/how-land-grabbers-co-opt-indigenous-ritual-traditions-in-papua-qa-with-anthropologist-sophie-chao/>

88. Jeroen A Overweel, *The Marind in a changing environment*, <https://tinyurl.com/tdj3u8c>

89. Forest Peoples Programme, *Free, Prior and Informed Consent*: <http://www.forestpeoples.org/guiding-principles/free-prior-and-informed-consent-fpic>

90. Indonesia voted in favour, <https://digitallibrary.un.org/record/609197?ln=fr>

91. Article 1, common to both Covenants; other economic, social and cultural rights in these Covenants are also relevant (for example International Covenant on Economic, Social and Cultural Rights (ICESCR), Article 15, <https://www.ohchr.org/en/professionalinterest/pages/cescr.aspx>; and International Covenant on Civil and Political Rights (ICCPR) Articles 26 and 27 <https://www.ohchr.org/en/professionalinterest/pages/cescr.aspx>)

92. Law No. 21/2001 on special autonomy of Papua Province, Article 43 (4).



Livelihoods from the vanishing forest

“Sago hamlets, Sacred sites, hunting grounds for all – the company have cleared them. Now, if you want to find food, you have to walk a long way.”

Mr Seblum Kinamde, Traditional Chief of the Buepe village

The village of Buepe is inhabited mostly by people from the Malind Tumid clan: Darat and Rawa. The former live principally by foraging, hunting, fishing; the second, mostly by foraging. Transmigrants from other areas of Papua and from Sulawesi, Maluku, Toraja and Timor are also present.

Individuals are organized in clans and sub-clans: the Moyuwend (or Moyuen) clan, the Kinamde clan, the Yolmen clan, the Balagaize clan, the Basik-Basik clan, the Ndiiken clan, the Yahimahe clan, the Walinaulik clan, the Moaend (or Moain) clan, the Yaneten clan, and the Biluken clan. These sub-clans live in the area, eight of them live in the village of Buepe.

Hunting, fishing and foraging provide the main livelihood for the villagers, who still rely on their traditional forests to find sago, tubers, natural vegetables, fish, and meat, often travelling to their customary forests and staying there for weeks, or months. Bows and spears are the basic tools children receive when entering adolescence. For the traditional Malind people, the forest is an irreplaceable source of life. They secure food (fish, meat, sago, vegetables), fibre and medicines from the forest. Hunting and fishing spots are passed down from generation to generation, but they are not exclusive: people from other clans or even migrants may be allowed to use customary forests for hunting or fishing, if they share part of the catch with the hamlet or the clan that owns the forest.

"They used to be close, but now we tend to our sago gardens from far away. The company has cleared the forest, now it's hard to get wood, bark, to tend to the sago – most of it is dead now, and the sago groves are getting farther away."

Ani Kaize, woman living in Buepe

Women play a dominant role in the production of food: they are responsible for the cultivation and collection of sago, fish, clams, mussels, and to some extent, garden produce. Sago, in particular, provides the most important carbohydrates for Malind people, providing staple sago starch. The plant also holds central significance in Malind myth and culture, it is associated with invigorating "wetness" (dubadub) growth and fertility and often with spirits. In turn, humans sustain the sago palm through a range of direct and indirect actions and rituals, a relationship that is not just utilitarian, but characterized by an intense connection.⁹³ Women traditionally tend the sago, collecting and processing it (by squeezing and washing the sago pith); clearcutting the sago groves around the village affects them directly, and heavily.

When the company cuts down the forests, the villagers are deprived of their main source of food, and must walk hours or even days before reaching a forest still standing in which to hunt, fish and forage – but those forests belong to other clans. "Now the people of Buepe are starting to look for food next to the Mbyan river, but the area is owned by a different hamlet. It is only possible because they have family ties, so they can still look for food there," said Mr. Seblum Kinamde, Traditional Chief of Buepe village.

93. Sophie Chao, The Truth About "Sustainable" Palm, June 2019, https://www.researchgate.net/publication/333773850_The_Truth_About_Sustainable_Palm_Oil

Magdalena Mahuze, Buepe village ©Okto



Health care

The village of Buepe does not offer an easy life: there is no running water, no sewer system, no preventive medicine – nor any modern health care system at all. As a result, illnesses such as chronic cough, flu, malaria, and ringworm, are common. Repeated petitions to build a local clinic have been unmet, and the nearest health facility is the Kaptel Health Center, a five-hour drive from the village.

Most medical cases therefore must be dealt with using medicinal plants from the forest. For example, the blackboard tree (*Alstonia scholaris*) is used to treat abdominal pain, fever and after childbirth, and d'anau tree bark (Kulit pohon D'anau) cures snake bites.

When the forests disappear under the company's bulldozers, the natural pharmaceutical resource also vanishes, and the villagers do not know where to turn for cures. On this foundation of debilitated general health care, COVID-19 is now striking a killing blow.

“Every place that we consider sacred has a song. During traditional rituals, the ancestors sing songs that talk about the sacred place. These songs are passed down from generation to generation and we know the songs, so all places, be it swamps, sago stands, rivers, or forests in the hamlets of the clan, have songs.”

**Mr. Luke Samkakai,
Chief of the Samkakai clan**

Cultural and spiritual sites

Buepe villagers once had many sacred sites in their customary forests: old traditional villages, ancestral graves, sacred sago groves, old wells, places of traditional music (Dema), and sites of traditional rituals. “Each of these places has a story related to the clan and its ancestral journeys,” says Mr. Luke Samkakai, Chief of the Samkakai clan. The bonds between sacred sites and clans are immortalized in songs passed down through the generations.

The company has not spared these sacred sites, which were bulldozed alongside the surrounding forests. Without the forests, the location of some of these sacred sites has now been lost. Local people cannot recognize their places anymore, as their ‘coordinates’ are based on the forest: a tall tree, a turn of the river, a sago bush Once forests are cut down, traditional geography disappears. PT PNMP denies having cleared any sacred site.⁹⁴

94. “The company did not clear Yawabah, Milamil, Wayim or any other sacred site”, PT PNMP, in a Letter to Pusaka, 3 January 2022.

Sacred site Iweu, Samkakai clan,
S 7° 55' 33,5" E139° 53' 3,6" © Okto



Sacred site Yahwaba, Yolmen clan,
S 7° 55' 7,2" E139° 53' 42,3" © Okto



Sacred site	Coordinates	Owner clan	Location /description
Wahim	n.a	Moaend clan	Sacred site and a livelihood hamlet, cleared in 2020.
Mewi	n.a	Moyuwend clan	Sacred site and a livelihood hamlet, cleared in 2016. The location has been lost and turned into an industrial plantation.
Yahwaba	S 7° 55' 7,2" E139° 53' 42,3"	Yolmen clan	Sacred site with peat and swamp. The company built a road on it between 2019 and 2020.
Iweu	S 7° 55' 33,5" E139° 53' 3,6" S 7° 55' 33" E139° 53' 12,5" S 7° 55' 26,2" E139° 53' 16,5"	Samkaki Clan	Sacred site, livelihood hamlet, and an old village cleared in October 2021 and turned into an industrial plantation.
Ngolangdemami	S 7° 55' 12,1" E139° 54' 5,6"	Moaend Clan	Sacred site including an old livelihood hamlet called Talol; the sacred site has been lost and turned into a plantation in 2020.
Malab	n.a	Yolmen Clan	Sacred site including an old livelihood hamlet and some peat swamps. These were lost when the area was turned into a plantation.
Koul	S 7° 55' 26,2" E139° 53' 16,5"	Samkakai clan	The location was being cleared in October 2021.
Biss	S 7° 56' 53,4" E139° 58' 40,7"	Moyuwend clan	Right in the middle of the concession. Since 2015 it has been surrounded by plantations, but has not been cleared.

Child in the Buepe village ©Okto



Malind have a tight relationship with the forest elements with whom they share common descent from ancestral spirits. These forest organisms provide food, medicine, tools and especially clothing used in traditional rites:

- The headdresses (Ndon) are made from the Bamle/Mando-Mando bark, swamp grass (Ngel-Ngel), and black clay.
- The bracelets (Welle) are made by interwoven rattan.
- The Awud traditional clothes are made of Bamle/Mando-Mando bark.
- Body decoration consists of beads (sipul) made with seeds taken from the bead tree and feathers of white or red parrot.
- The loincloth (Bawai) is made from the bark of the Bamle/Mando-Mando tree.
- The bows (Mi) are made of old bamboo, the bowstring is made of young bamboo skin. The arrows (Tat) are made from the Tat tree, a plant also called 'swamp sugar cane tree'. The spearhead (Song); made of tuyu feather tree.
- Gloves (Ngim) are made of paddle wood (Keib); Made from old and dry bamboo, usually this bamboo 'skin' is woven together with rattan.
- The traditional drum called Kdle is made of paddle wood (Keib/Smab) and kangaroo leather (waleb).



Intimidation

"I was forced to sign that letter, when Nelwan Kosa, CSR Manager of PT PNMP came to see me with operatives of the Brimob." (special police, author's note)

Mr. Luke Samkakai,
Chief of the Samkakai clan

"They used to be close, but now we tend to our sago gardens from far away. The company has cleared the forest, now it's hard to get wood, bark, to tend to the sago – most of it is dead now, and the sago groves are getting farther away."

Ani Kaize, woman living in Buepe

PT Plasma Nutfah Marind Papua (PT PNMP) – although it is a private profit venture – is protected by publicly funded security. The concession is guarded by a permanent post held by the National Police Mobile Brigade (Brimob), a special operations, paramilitary, and tactical unit of the Indonesian National Police with counter-insurgency and anti-riot duties. Three Brimob agents are quartered around the concession, and as well as two military personnel from the nearby Okaba Koramil garrison. According to a PT PNMP manager, the company provides a regular contribution to both of them.⁹⁵ When company officers meet the villagers, they are usually accompanied by army officials. Not only do these officials represent indirect intimidation with their imposing presence, but according to villagers interviewed by our team, also directly interfere in the discussions with the villagers. According to the company, "soldiers do not directly participate in conversations" (see Annex2.) Whatever the truth, the imposing presence of uniformed men during the talks, is intimidating.

95. Verbal communication by Mr Cha of PT PNMP with Pusaka, 20 January 2022.

Working conditions

"We work without any guarantees from the company."

**Mr. Jafar Kaize,
ex-Planting Worker for PT PNMP**

Most of the workers hired directly by PT PNMP come from outside Papua, some from the City of Merauke, some from Java. Only a handful of villagers have found a direct job in the concession: according to Mr. Jafar Kaize, an ex-planting worker, only three residents of Buepe work for the company. Since PT PNMP does not directly employ most of its workforce, most villagers are hired as subcontractors. Working conditions are harsh, and forest field workers often suffer from illnesses such as chronic cough, flu, malaria, and poisoning. No agreed working time exists; rather each worker is expected to complete a target, regardless of the time required. Targets are not differentiated according to physical conditions, age or gender. The wages depend on the category of work and on the results. Salaries range from 1 to 5 million Rp. (70 to 350 USD) monthly.

Most of the salary goes to pay debts with the local grocery stores, offering food at expensive prices, but since in such remote areas they operate as monopolies: the workers have no alternative.



Working life at PT PNMPW ©Okto





Horizontal conflicts

“This company is full of deceit and manipulation.”

Mr. Luke Samkakai,
Chief of the Samkakai clan

The presence of PT PNMP has also created horizontal conflicts among clans, conflicts within the clans themselves, and conflicts between locals and transmigrants. The company has never met all the villagers at once, nor asked them what consultation framework they would consider appropriate, as Free Prior and Informed Consent (FPIC) requires. PT PNMP have met many times with individuals, or groups of villagers, making different promises to different people. Villagers suspect that money has been given to certain individuals as part of obscure arrangements to facilitate the land-grabbing, though it is difficult to determine whether this has actually occurred. All of this has created mistrust, tension and suspicion among communities that, until recently, lived together harmoniously.

Land-grabbing, a decade of conflicts and broken promises

“This land is the Mother who looks after and cares for us, so if the land has been stolen like this, we will have a hard life.”

Mr. Luke Samkakai,
Chief of the Samkakai clan

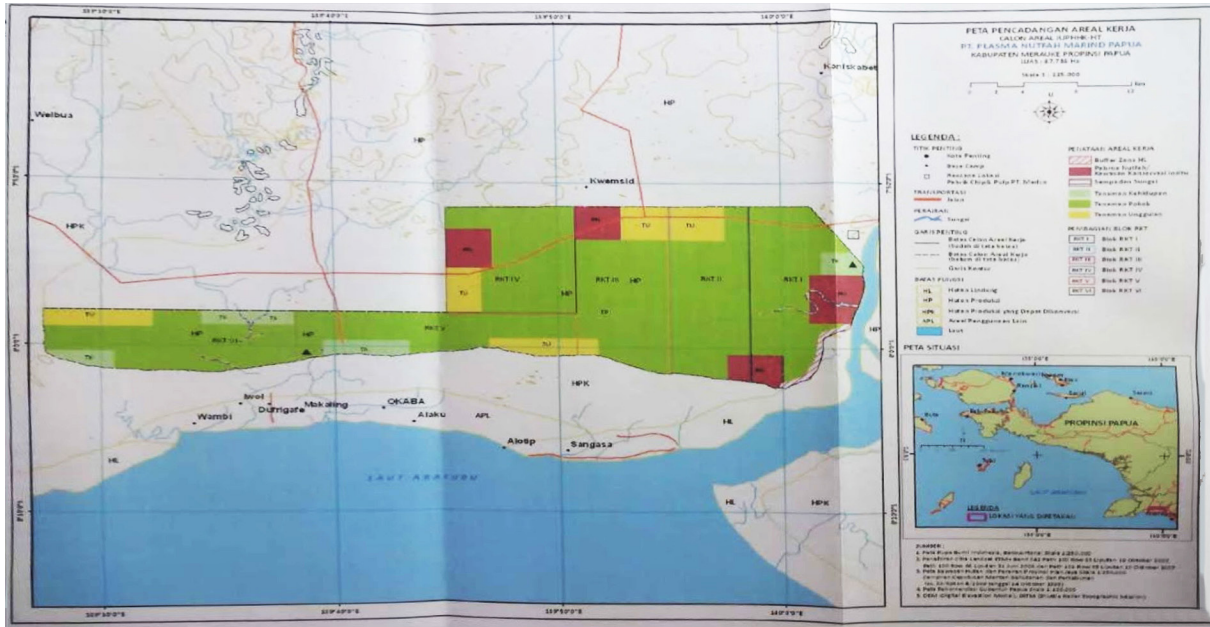
PT PNMP’s recent history in the Merauke area suggests a clear lack of good practices in its dealings with local communities. In 2008, PT PNMP expressed interest in investing in Merauke to develop a timber plantation (IUPHHK-HTI) over an area of more than 60,000 ha in the districts of Ngguti, Okaba, and Kaptel (where the concession is now located)⁹⁶. On 21 October the same year, the Governor of the Province of Papua, Barnabas Suebu, issued a Recommendation Letter for an Industrial Forest Plantation permit (Hutan Tanaman Industri / HTI).⁹⁷

The PT PNMP’s concession was subsequently included in the MIFEE (Merauke Integrated Food and Energy Estate) scheme, a broad project aimed to expand domestic food production. It ended up transferring land to industrial plantations producing export-driven commodities such as palm oil and wood-chips, while failing to meet food production goals.

96. The boundary demarcation noted the land area as 64,050 ha. See: Investment and One Stop Licensing Office, Merauke Regency, 2016.

97. Recommendation Letter Number 522/4516/SET concerning Recommendation for IUPHHK HTI PT PNMP, dated September 4, 2008.

Map 10: PT Plasma Nutfah Marind Papua concession map from the Environmental Impact Assessment study (Amdal)



Sign for PT Plasma Nutfah Marind Papua ©Pusaka



In July 2009 an environment impact assessment study (AMDAL) was produced by a consultant (PT Inti Mitra Makmur). On 14 November 2011, the Minister of Forestry issued a decree granting the timber plantation concession for 60 years over an area of 64,056 ha to PT PNMP in Kaptel District and Okaba District, Kab. Merauke.⁹⁸ In 2012 a controversial middleman named Acang organized a meeting between PT PNMP and the two leaders of Buepe and the nearby village of Sanggase. Still today, many residents from Buepe and Sanggase are unaware of the outcome of that meeting, but they reported that Acang loaned money to certain key residents, pressuring them to accept the company's presence.

Two years later, this middleman disappeared from sight, and PT PNMP, while finalizing its paperwork for obtaining the concession, held meetings with local residents. However, the company did not ask for consensus for operations over the 60-year span of the concession. Instead, it negotiated with one single village (Sanggase village) over 5 ha of land for a nursery (and subsequently further 12 ha for a demonstration garden) – and even then, did not involve the whole community, but only select individuals. According to the villagers, this agreement has been successfully used to justify company operations over other Peoples' lands.

98. SK.648/MENHUT-II/2011 granting IUPHHK HTI PT PNMP covering an area of 64,056 ha in Kaptel District and Okaba District, Kab. Merauke.

Since 2014, almost yearly to date, local people have organised protests, and company managers consequently meet with the clans' representatives. However, these meetings have failed again to involve the full communities. Promises are made, sometimes they are recorded in meeting minutes – but more often, not – and according to the villagers, many of them have not been implemented.

In 2018, after further protests and involving the provincial government, new meetings were held in which the company drafted a Memorandum of Understanding (MoU) between PNMP and the eight clans of Buepe; this included some compensation, but still failed to involve the full communities who traditionally own the land. The agreed provisions still remained broadly unimplemented,⁹⁹ according to the villagers interviewed (see Annex1).

The MoU included tributes for clans' leaders, a pledge to build infrastructures, cubage fees (compensation for timber products which are not optional, but required by law¹⁰⁰) and the commitment to buy food from the villagers and to hire them as workers.

Disagreements surround the editing of the final version of the MoU, done by the company. Verbal accounts from the villagers claims that MoU document was signed by a clan leader months later under pressure which could amount to duress, as he was summoned hurriedly from his home by company managers accompanied by special police agents, with the demand to sign it immediately or lose everything (see Annex1).

Subsequently, some money was handed out, but even the individuals involved fail to clearly understand the object of this money transfer: is it a show of 'good will', or compensation for the harm caused by the company (partial? total?), a rent, a lease or the price for the full extent of the clan's land inside the concession (which awards the land for 60 years).

Meanwhile every year the company bulldozes wider areas of traditional land.

Protests by affected clan members continue even as this report is being compiled, in 2021. Forest clearing continues unabated, however, expanding westwards into areas owned by other clans. The project now affects inhabitants of several other hamlets, including Alette, Alaku, Makaling, Iwol, Dukmiro and Wambi. The company is expanding also on the lands of another village, Kwemsit (Okaba sub district), without proper consultation with the clans owning that land (Samkakai, Walinaluk, Yolmen and Kaize).¹⁰¹

99. South Papua Post, Buepe Residents Ask for Mou with PT. Marind Germplasm Revised, 23 January 2020

100. Regulation Number 64 of 2012 concerning Compensation Standards for Timber Forest Products and Non-Timber Forest Products in Customary Rights Areas of Indigenous Peoples, <https://papua.go.id/view-detail-produkhukum-310/standar-kompensasi-atas-hasil-hutan-kayu-dan-hasil-hutan-bukan-kayu-yang-dipungut-pada-areal-hak-ulatoryamasyarakat-hukum-adat.html/>. This regulation sets a very low compensation rate for the harvested timber: IDR 2,500 (0.17 USD) per cubic meter, not comparable to the commercial value of the wood.

101. The community of the Kwemsit Village have close relations with those of the Buepe Village, as some traditional Buepe villagers live in Kwemsit. The company land clearance is progressively moving towards the Kwemsit village, and its villagers are concerned about their livelihoods.



CONCLUSIONS



● **Forests and biodiversity** The concession held by PT PNMP was rich in forests, with 54,800 ha of natural forests (including some primary forest), and a further 9,610 ha of other habitats of conservation value, such as savannahs and seasonal alluvial wetlands. The Indonesian Ministry of Environment and Forests' maps indicate that both primary dryland forest and secondary forests (dryland and swamp) were found in the concession area. The landscape where the concession is located is home to precious, endangered biodiversity. In recent years, a significant part of primary forest has been destroyed and operations are now moving towards the remaining block of primary forests.

● **Deforestation** From the start of work in 2015 until the end of 2021, 6,194 ha of land has been cleared in the PT PNMP concession. No information is available about any High Conservation Value (HCV) assessment or High Carbon Stock assessment carried out by the company before clearing the land.

● **Swamps and peatlands** Although deep peat is not evidenced in official maps inside the concession, local people report the presence of peatlands destroyed by PT PNMP and partially covered with logs. The presence of shallow peat is likely, which would cause significant climate emissions when destroyed. Nothing suggests that a credible peat survey was carried out by PT PNMP before clearing the land. On the contrary, there is information about a plan to drain swamps in the area – again – without evidence of a previous analysis of the environmental and social values of the swamps, including their functions to the surrounding habitats, and an accurate peat survey.



● **Livelihoods** Forests and swamps in the concession areas are the customary lands of a number of traditional clans. Local peoples have lost their traditional hunting and fishing grounds and sago hamlets because of the plantation development. This suggests that these locations were not properly mapped prior to carrying out forestry operations.

● **Sacred sites** The forests in the traditional clan lands harbour their social and spiritual values. During its forestry operations, PT PNMP destroyed seven sacred sites.

● **FPIC** Although PT PNMP has been well aware since 2014 that the land was traditionally owned by the clans, no evidence suggests that the company implemented proper FPIC methodology before entering the concession, and starting to convert the land. In 2014 the company held certain meetings with local residents regarding a few hectares for a nursery, but it did not seek consensus for over 60 years of operations to come on the rest of the concession. No indication is given of clear Standard Operational Procedures (SOPs) concerning FPIC, nor of a public grievance procedure. Nor did PT PNMP carry out inclusive social conflict mapping. Sporadic and piecemeal compensation was agreed after protests, which eventually involved local authorities, but no comprehensive plan addresses previous failures. As a result, local villagers remain confused as to the purpose of the money: whether the money has been given as “door-knocking money”, as Tali Asih, as land renting, as compensation for timber products (cubage tax), as compensation for losses or as payments for services.

● **Intimidation** National Police Mobile Brigade (Brimob) maintains a unit at the concession and as well as two military personnel from the nearby Okaba Koramil garrison. When company officers meet the villagers, they are often accompanied by army officials or by Brimob personnel. The imposing presence of these officials already represents indirect intimidation, and villagers interviewed by our team report that they also directly interfere in company discussions with the villagers.

Between 2016 and 2020 the traditional landowners organized several protests against the forestry operations in the concession held by PT PNMP.

On 27 February 2019 a group of NGOs wrote to Moorim to inform the company of the irreplaceable values in the forest, and to ask whether the company had set up procedures to implement FPIC.¹⁰² No answer was provided.

On 12 December 2021, a group of NGOs wrote to Moorim demanding an immediate halt to the land clearing by PT PNMP and the elaboration of a comprehensive plan to remedy environmental and social harm, based on a wide consultation with all affected communities according to FPIC principles, and on peer-reviewed HCV studies.¹⁰³

At a 22 December 2021 meeting with KFEM, APIL and SFOC, the representatives of Moorim Paper shared some information on company’s social programmes, and some unreferenced maps aimed to prove that there has not been deforestation. At that meeting the company declined to commit to a moratorium on further logging until HCV and HCS assessment, social conflict mapping, FPIC procedures and SOPs could be completed.

At a 20 January 2022 meeting with Pusaka, the representatives of PT PNMP declined again to commit to that moratorium.

In a letter to comment the findings of this report, Moorim said that that has “temporarily paused the plantation work from the end of 2021 to present (february 2022, see Annex2.) This is a good step, but but there is not yet a public announcement of a moratorium pending a serious analysis of the environmental and social impacts and of needed protective measures, nor a public commitment to remediate harm.

102. KFEM, Pusaka, EPN, letter to Moorim, February 2019

103. APIL, SFOC, Pusaka, EPN, Mighty Earth, letter to Moorim, December 2021

Demands to Moorim Paper

Moratorium

An immediate moratorium on further plantation expansion is necessary, as the company failed to carefully identify the conservation values it is destroying.

The moratorium must be announced publicly, with related time lines, it must include infrastructure development (including roads, the chip mill and the plan to drain the wetlands), clearing and new planting or harvest in areas with unresolved social and land conflict. This moratorium will support efforts to reach agreement on conflict resolution processes, conduct joint participatory mapping, and help to resolve conflicts in areas with social and land conflict. Such a moratorium would apply to the company's own operations as well as those of subcontractors.

FPIC implementation

Implement Free, Prior and Informed Consent (FPIC) practices with local and Indigenous communities, and commit to remedy past harm caused by failure to respect FPIC.

This must include a commitment to respect human rights, to prohibit resorting to police or the use of violence, threats and coercion as means of addressing conflicts. A fully inclusive revision of the MOU, based on FPIC procedures, is necessary to resolve ongoing conflicts, and to open a constructive dialogue with the local communities. All members of affected communities must be informed of the conflict mapping and of opportunities and methodologies to present grievances, with the option to refer to independent NGO advisors of their choice and to independent mediation.

Biodiversity protection

It is difficult to assess accurately the conservation values still present in the concession area, but satellite maps and villagers' knowledge suggest that they are considerable. Therefore, it is necessary to carry out a comprehensive HCV study, peer-reviewed according to the HCV network methodology.

The HCV studies shall include all land affected by such major activities as building a chip mill, opening a new road or an eventual drainage of wetlands, and must fully involve local communities. Assessment of HCVs 4, 5 and 6 should include proper consultation with local communities and other relevant

stakeholders. The aim of this study is the protection of HCV values, and its scope must include natural forests, and other natural habitats such as swamps, areas of food sources and livelihoods.

For the very same reason, it is also necessary to carry out a detailed baseline study of the eventual presence of peat, of the current ecological and hydrological conditions of the area, including water table, groundwater quality and swamp biomes, to serve as a basis for future analysis. This must include credible strategies, guidelines and Standard Operating Procedures (SOPs) to protect the current water table, peat and water quality and related biodiversity.

The company shall commit to a plan for the restoration of the HCV that has already been destroyed. For this purpose, it is necessary to carry out a full assessment of environmental harm, including forest clearing and swamps destruction, and an assessment of social values that have been destroyed: sacred sites, fishing sites, hunting grounds, sago swamp forests, etc. The assessment shall be based on local knowledge and agreed upon by affected communities. Restoration plans shall be inclusive and agreed with local communities and relevant stakeholders.

Social conflicts resolution

Because of poor practices, social conflicts are, unfortunately, inherent to the plantation development. Their resolution requires the implementation of a number of measures, including Standard Operating Procedures (SOPs) that integrate principles of equity and transparency, conflict resolution units, and a grievance procedure.

Standard Operating Procedures (SOPs) aim to urgently and fairly resolve all pending cases, ensuring adequate compensation for damage and, eventually, giving back land if requested. SOPs shall be developed and agreed with key stakeholders and made public. Priority SOPs include: Free, Prior, and Informed Consent; remedying harm; participatory mapping; security procedures; and a robust, transparent and accessible grievance mechanism based on local language and culture; The process shall be based on conflict resolution units with the necessary authority and training to mobilize resources and to resolve conflicts through action plans and timeframes agreed with communities and their chosen advisors. All communications with and commitments to communities must be documented, and shared publicly;

Social conflict resolution and grievance management shall be managed with the help of a third party in order to avoid personnel involved in abuse being in charge of evaluating whether a grievance is legitimate. Independent mediation must be also adopted in a conflict resolution process if one party is not satisfied with the process outcome; All subcontractors must accept this policy and incorporate it in their SOPs; any serious policy violation by subcontractors or their operatives will lead to contract termination.

Full transparency

Full transparency is a key step to restore trust and to feed all processes with local, on-the-ground knowledge.

It is important that the company share with local communities and involved stakeholders the full version of relevant documents, such as environmental impact assessments; HCV and HCS studies, hydrology and water quality studies; a full list of all past land acquisition agreements, including maps; minutes of meetings with local communities; plantation management plans, biodiversity offset management plans, prescriptions and SOPs, social conflict mapping, social harm mapping, environmental impact assessments and restoration plans for forests and swamps.

Auditing

The implementation of aforementioned actions shall be assessed by a third-party independent auditor, agreed together with affected parties and relevant stakeholders, and the report shall be made publicly available in full.

Demands to investors, buyers and other business partners.

Risk to reputation in doing business with Moorim Paper

● Risks for buyers

One of Moorim Paper's key assets in the market is its FSC certification for chain of custody.¹⁰⁴ Given the clearing of large tracts of natural (and even primary) forests in Papua, they are at risk of losing that certification for violating the terms of Policy for Association,¹⁰⁵ as recently occurred with Korindo.¹⁰⁶ Furthermore, microscopic analysis of paper products could potentially identify deforestation originating in the Moorim applications.

● Risks for financiers and investors

Investors and financiers may worry about associating with a company involved in rainforest deforestation and abuse of Indigenous rights. Plantation operations in Papua may result in stranded assets, due to deforestation, climate emissions and social conflicts.¹⁰⁷ This may become a key issue, especially if associated with pre-existing financial risk due to high loan dependence¹⁰⁸ and underperforming financial return.¹⁰⁹

The possibility of Moorim Paper losing its FSC certification due to deforestation and abuses should be a red flag for financiers and investors. Many financial institutions' forestry policies rely on FSC. If Moorim Paper loses that certification, the company will be in direct violation of such a policy. Moorim Paper is both a high-risk client for financial institutions, and for the reputations of investors and financiers.

● Demands to buyers, investors and business partners

The signing organizations expect Moorim's business partners to ensure that Moorim Paper, its subsidiaries and all related companies agree to and successfully implement (as per independent third-party audit) the demands in this report. If Moorim fails to act, business partners should close supply contracts, divest, and suspend financial and services agreements.

Deforestation in the concession held by PT Plasma Nutfah Marind Papua ©Okto



104. Certificates number SCS-COC-001308, SGSBK-COC-003135, SGSBK-COC-005455, SCS-COC-001180, SGSBK-COC-005408. See FSC certificates database: <http://info.fsc.org/certificate.php#result>

105. Forest Stewardship Council, Policy for the Association of Organizations with FSC, September 2011, <https://ic.fsc.org/file-download/policy-for-the-association-of-organizations-with-fsc-pol-01-004-v2-0-en.a-8060.pdf>

106. Forest Stewardship Council, Korindo Group, Disassociated, October 2021, <https://fsc.org/en/unacceptable-activities/cases/korindo-group>

107. Carbon Tracker, Stranded Assets, August 2017, <https://carbontracker.org/terms/stranded-assets/>

108. "Moorim P&P really is carrying too much debt." Moorim P&P (KRX:009580) Has No Shortage Of Debt, April 2021,

<https://simplywall.st/stocks/kr/materials/kose-a009580/moorim-pp-shares/news/moorim-pp-krx009580-has-no-shortage-of-debt> The same sources

highlighted three risk factors for Moorim P&P: Interest payments are not well covered by earnings; dividends of 3.12% are not well covered by earnings; and large one-off items impact financial results. Simplywall, Moorim P&P, A009580 Stock Overview, Risk Analysis, <https://simplywall.st/stocks/kr/materials/kose-a009580/moorim-pp-shares#executive-summary>

109. Moorim Paper has been defined by SimplyWall as a company in poor shape, with low returns and under-performance (ROCE of 3.3%, which has fallen from 5.2% over the last five years and is very low, compared to the Forestry industry average of 5.2%). Returns on capital and sales for Moorim Paper have fallen, meanwhile the business is deploying more capital than it was five years ago. SimplyWall, Returns On Capital At Moorim Paper (KRX:009200) Paint An Interesting Picture, February 2021, <https://simplywall.st/stocks/kr/materials/kose-a009200/moorim-pp-shares/news/returns-on-capital-at-moorim-paper-krx009200-paint-an-inter>

Demands to the government of South Korea

The Korean Forestry Service has provided a total 9.1 billion KRW loan to Moorim P&P for developing overseas forestry resources via PT PNMP.¹¹⁰ By providing financial services to PT PNMP, the Korean government is directly linked to the environmental impacts and human rights violations caused by PT PNMP. The Korean government must monitor the impacts of PT PNMP's operations and review the adequacy of providing the loans to them.

This is not the first time the Korean government has given loans to corporations for developing questionable overseas projects. Through the Korean Forestry Service, it has provided a total 216.9 billion Won loans to 33 corporations developing forestry resources in foreign countries from 1993 to 2020.¹¹¹ Some of these projects reportedly involve deforestation and human rights abuses, such as oil palm plantations in Indonesia.¹¹² As pointed out at the 2021 National Assembly's Budget and Account Committee meeting, since 2011 the Korean Forestry Service has provided a total of 72.435 billion won in loans to companies operating oil palm plantations in Indonesia, a high-risk sector, without reviewing any environmental or human right impacts in their operations.¹¹³

It seems that the government of South Korea has again failed to put in place the necessary due diligence to prevent it from directly subsidizing deforestation and human rights abuses, and releasing of huge amounts of greenhouse emissions. The Government of South Korea is therefore bound to open a transparent and inclusive investigation into the impacts caused by Moorim P&P in its overseas forestry operations, and into the necessary remediation activities that the company must be required to implement.¹¹⁴ Furthermore, the Korean government should establish mandatory requirements for corporations to conduct human rights and environmental due diligence in their operations when applying for loans for overseas forestry resource development.

110. Loans were provided in 2015, 2020 and 2021 each to support the business of PT PNMP. In 2015, 5,071,000,000 KRW was provided to Moorim International (now changed to Moorim P&P); 600,00,000 KRW and 2,429,000,000 KRW were provided to Moorim P&P in 2020 and in 2021 respectively. (Source: Member of Congress, Mr. Eoh, Kiyku in 2021).

111. Korea Forestry Service, "Moorim P&P, Eagon Corporation were selected as the beneficiaries of the Oversea Forestry Resource Development Loan Program" (2021. 4. 16), https://www.forest.go.kr/kfswweb/cop/bbs/selectBoardArticle.do?bbid=BBSMSTR_1036&mn=NKFS_04_02_01&nttid=3157498

112. Advocates for Public Interest Law, Korean Federation for Environmental Movements and Solutions for Our Climate, "No Good Oil to Burn" (2021), p.39.

113. Minutes from the National Assembly's Budget and Account Committee meeting on 10 November 2021, p.79. <http://likms.assembly.go.kr/record/mhs-40-010.do?classCode=3&daeNum=21#none>

114. Noting that the Republic of Korea acceded to the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR) in 1990.

A press conference criticizing the Korea Forest Service on April 2021 ©KFEM



Annex 1 - The company and the clans

Chronology of conflicts and failed agreements

The following dates refer to important milestones in the tense relations between PT PNMP and the customary owners of the land on which the company's concession lies.

2008 The Governor of the Province of Papua issues a Recommendation Letter for an Industrial Forest Plantation permit.

2009 The environment impact assessment study (AMDAL) is submitted to the ministry.

2010 AMDAL is approved.

2011 The Minister of Forestry issues a 14 November decree granting the timber plantation concession to PT PNMP (IUPHHK-HTI). The 10-year working plan (RKU) is submitted to the ministry.

2012 First meeting between PT PNMP representatives and certain leaders of Buepe and Sanggase villages is held; the meeting outcome is uncertain.

2013 Moorim Paper signs the contract to take control of PT PNMP. An initial consultation with the residents of the Buepe village over the use of an area of about 62,000 ha is held, but the single meeting excludes many residents. PT PNMP obtains from Sanggase village, in the Okaba district, the right to build a nursery over 5 hectares, expanding later over a further 12 hectares to develop a demonstration garden for its eucalyptus trees.

Comment: Reportedly many of the villagers in Sanggase 'strongly opposed the agreement, claiming that "the full project had never been discussed with them as owners of the land."¹¹⁵

2014 Acquisition of PT PNMP by Moorim is completed in November. The company opens a port at the Mbyan river in the hamlet of Awell, on the customary land of the Moyuwend clan (also called Moyuen), and opens a road into the forest. At this location, a ritual agreement ceremony featuring a pig slaughtering is held and an agreement is signed, including the

payment of 100 million Rp (around 7,000 USD) to the Moyuwend clan as development fund. A further 250 million Rp (around 17,000 USD) are paid the following month as Tali Asih or perhaps as "development fund" (Tali Asih box, see page 48) to obtain access to the land for the port, the road and the related construction camp.

Comment: This agreement is controversial, and still today residents have no clarity about the agreement's content. Some believe it concerns the land where the company built the harbour, some claim that at that meeting the company made many formal promises orally, but these were not reported in the written text (traditional Papuan culture values highly the words that are spoken in front of the whole community, but does not have high consideration for written agreements).

Furthermore, not all residents were convened at the meeting, nor – more importantly – were all the clans whose land was under negotiation.

2015 The company opens a pilot plot in the customary land of the Moyuwend clan and starts to expand onto the land of other clans. By the end of the year, PT PNMP operations have led to approximately one thousand hectares of deforestation.

Comment: Although the company had mapped the customary clans' land boundaries, it neglected to involve other clans holding customary title in the negotiations. According to the villagers, the first mapping exercise did not involve the clans' representatives, and the resulting map did not include the clans' names, leaving room for the company to manoeuvre and to pit clans against each other. The company later produced a new map with the respective clans' territories, but we have no knowledge of this mapping process having involved the interested clans.¹¹⁶ Also, it is very difficult for traditional Papuans to draw borders on a map once the land has been cleared, as all the traditional geographic landmarks and references (trees, creeks, swamps ...) have been removed.

2016 More than 1,500 ha of forests are converted into plantations this year.

On 10 December the residents of Buepe organize a peaceful protest against the company for failing to implement its commitments. The company meets the villagers in the



Member of the Gebze Clan, Buepe village @Pusaka

115. West Papua Media, Local people reject PT Nutfa Malind-Papua in Okaba, April 2011, <https://westpapuamedia.info/2011/05/01/local-people-reject-pt-nutfa-malind-papua-in-okaba/>

116. The minutes of a later meeting, held in March 2020, report the commitment by the company to draw a map of the clans' land. This suggests that the issue was far from satisfactorily settled.

Customary Chief's home, and the company manager, Mr. Lee, promises to give "big money in sacks to the clans in Buepe village".

Comment: The promise was vague, and was never transcribed nor quantified, let alone fulfilled.

2017 According to PT PNMP the company has some form of negotiations with the clans about its use of customary land, but no agreement is reached.¹¹⁷ The company nonetheless proceeds to log the traditional land; more than 500 ha of forest is lost this year.

2018 PT PNMP converts a further 700 ha of forest, and other non-forested land into plantation, and the local dwellers become increasingly worried. On 21 May, the residents of Buepe convene at the Parliament Office of the Merauke Regency for a peaceful demonstration. With the mediation of the Regent of Merauke, Frederikus Gebze, the company representatives meet the clan leaders, and present a Memorandum of Understanding (MoU) to resolve the conflict.¹¹⁸ However, again, the meeting does not involve the whole community. According to the villagers, the MoU includes:

- Land use permit for the remaining 50 years awarded to PT PNMP;
- Compensation for customary rights is to be addressed with the compensation for logs (that apparently had not been paid in previous years¹¹⁹);
- The company is to buy food (vegetables, fish and meat) from the villagers;
- Self-Management work will be prioritized;
- A company commitment to build two clan houses every year;
- A company commitment to support the children's education, by renting a house in Merauke (worth about Rp. 1,500,000, around 100 USD);
- A company commitment to sponsor scholarships for excellent children from Buepe village;
- Tribute to clan leaders of Rp. 1,000,000 per clan (around 70 USD);
- Tribute to the traditional chiefs of Rp. 1,500,000 (around

100 USD).

- The rest of the money for the tribute is given upon signing of the MoU (Rp. 50 million, around 3,500 USD, to each clan);
- Further requests outside the MoU are to be dealt with by the company within its CSR programs.

According to the minutes, although 100 million Rp is paid during the meeting, the remaining tributes of Rp. 50 million Rp are to be handed over after signing the deal.¹²⁰

Comment: The minutes did not clarify whether the object of the payment was compensation for the damages, or an agreement to cede clans' lands to the company use: the payment was initially qualified as Tali Asih or 'tribute'; however in a later communication by the company, it was qualified as 'compensation'¹²¹, suggesting that these categories are easily confused (Tali Asih box, see page 48).

The company claims that the MoU was signed by Mr. Luke Samkakai, the chief of the Samkakai clan, who volunteered to steer the eight clans, whose chiefs later validated the document.

The villagers report that not all clan's leaders and representatives were present at the meeting, nor did they have any chance to agree or disagree with the MoU. They verbally reported that MoU was signed by Mr. Luke Samkakai on the company car, a Toyota Hilux, under considerable pressure, as 'take it or leave it' as the PT PNMP management was leaving for Jakarta. This may amount to duress: Mr. Samkakai reported that he felt pressured to sign the agreement because of the presence of special police agents.

Different versions of the meeting exist and the affected communities are highly dissatisfied. This indicates that the agreement was poorly managed by the company. Probably for this reason, the Chair of the Merauke Regional Legislative Council (DPRD), Benny Latumahina, declared that MoU is legally flawed ("a legal defect"), and must be reviewed.¹²²

After further protests, on 28 November 2018 the clans Balagaize, Moaen, Moyuen, Ndiken, Samkakai, Walinaulik, Yaimahe and Yolmen sign a further agreement¹²³ with PT PNMP director Cha Hee Nam. It is once again not clear whether and how affected community members are involved. There are, however, minutes of the meeting detailing the commitments by the company.¹²⁴

2019 Company operations seem to have slowed down this year, and deforestation is limited to 200 ha.

117. PT PNMP, Letter to Pusaka, 3 January 2022.

118. The Memorandum of Understanding is signed by Nelwan (Notewriter), Lukas Samkakai (as representative of eight Clans) and Koo Du Seo (Manager Supporting Team), and by seven clan other representatives, 23 May 2018.

119. Verbal communication by Mr Cha of PT PNMP with Pusaka, 20 January 2022.

120. Minutes signed on 28/11/2018.

121. Moorim communication with SFOC and APIL, 22 December 2021

122. South Papua Post, The Council Asks for a Review of the MoU between PT Plasma and the Buepe Residents, Benny Latumahina: "This is a Legal Defect", 1 February 2020

123. Notarial act authenticated by the notary PPAT Ahmad Ali Muddin, SH., M.Kn, in Merauke. Notarial act not available.

124. The minutes of the agreement contain a number of commitments by the company:

- Commitment to hire workers in the Buepe village;
- Commitment to map of boundaries of customary lands;
- Commitment to support the education of the Buepe village children;
- Commitment to fund facilities for Buepe village;
- Establishment of a cooperative of Buepe villagers;
- Job training for Buepe villagers;
- Commitment to not give or transfer to other parties the use of this land without the consent of the Indigenous Peoples;
- Commitment to use this land solely for the benefit of the plantation, which does not include mining minerals.

Undersigned minutes are available.

2020 PT PNMP converts more than 800 ha of forest and a further 1,000 ha of non-forest land into plantations.

As land conversion restarts at a greater pace, the relationship with traditional clans becomes more troubled. The situation apparently does not improve, and Buepe residents hold yet another peaceful demonstration: on 24 January the clan protests at the company offices¹²⁵, and again on 12 February at the Regency of Merauke because of the company's refusal to implement part of the MoU. The day after, a public hearing mediation is held at the Regency with representatives of the administration (Department of Manpower, Forestry Service, Legal Division, Environment Service) and with company managers (Mr. Nelwan Kosa and Mr. Chaa). The meeting is overseen by a Brimob special police officer, and results in a commitment to review the MoU; such a revision is never been carried out.

As the company is not open to re-discussing the disputed MoU, on 5 March, the clans block the company activities. On 14 March, the representatives of clans owning customary lands and the village government of Buepe hold another meeting with the company at the Merauke local parliament (Merauke DPRD, Commission C). Discussions continue until 27 March. PT PNMP agrees to transfer a further 100 million Rp (around 7,000 USD) in exchange for deleting the part of the MoU about the tributes that the company does not want to implement.

***Comment:** Despite promises of direct jobs, the villagers report that the company contracted some temporary work with local people, but only three villagers were fully hired by PT PNMP. According to PT PNMP, an agreement was reached with eight clans regarding additional compensation, but still related to the MoU signed two years earlier.*

In December villagers from five clans blocked access to the concession area, having realized that the company was also going to build a chip mill without their Free Prior Informed Consent or any consultation process.

2021 PT PNMP clears more than one thousand hectares of land.

On 1 August 2021, the residents of Buepe block access to the company concession in the customary land of five clans (the Moaend, Samkakai, Gebze, Yolmen, and Yaimahe).

The forest clearing continues, expanding into areas owned by other clans. The project now affects inhabitants of several other hamlets, including Alette, Alaku, Makaling, Iwol, Dukmiro and Wambi.

The company is expanding also on the lands of another village, Kwemsit, without any FPIC consultation with the clans owning that land (Samkakai, Walinaluk, Yolmen and Kaize).

125. Jubi.co.id, Warga datang PT Plasma Nutfah Marind-Papua menuntut pembayaran honor, January 2020, <https://jubi.co.id/warga-datangi-pt-plasma-nutfah-marind-papua-tuntut-pembayaran-honor/>

The Tali Asih and the manipulation of traditional rituals

Under any jurisdiction, when a company buys, rents or leases a surface of land, and pays the due amount to the owner according to contractual obligations, the transaction is clear. However, Indigenous cultures follow a different path; any transaction is embedded into a relationship. You bring gifts when entering their land to show respect to the owner, you share any food hunted or collected with the landowner. When the clans receive money, they may think it has been given as part of this process; when they discover the company will take the land for 60 years, they feel they have been cheated.

In oral culture, written papers are not considered as relevant, while a commitment made in front of the community is as if written in stone. Company representatives can easily make vain promises – for example, to give “big money in sacks to the clans in Buepe village”: people will believe such a declaration made in front of the people, and they will be willing to sign a paper, even without reading it.

For traditional people, when outsiders wish to use their customary lands, different kinds of transactions are needed:

- **Door-knocking gifts:** When entering another clan’s land, homage to the owner must be paid with gifts appropriate to the deal you wish to strike.
- **Tali Asih, or tribute:** Also called “honorarium”, it is given to the land chief to show the respect that is the landowner’s due.
- **Sharing what the land produces:** Individual hunters may share a portion from the game; for loggers, this takes the form of a compensation for timber products (cubage tax on the logs).

On top of that, other transfers may relate to **renting** or **leasing** land, **compensation** for losses, payments for **services**, etc.

Unfortunately, confusion surrounds these concepts. Concession holders are either ignorant about local practices, or purposely muddle them to minimize the profit-sharing required by law. Often money is handed over with no explanation, to encourage people to sign contracts. Mongabay reports: “When the company came to the villages, they told them to prepare pigs for slaughter, for a ceremony. Then when they came back, they handed out stacks of cash. They gave out envelopes to each clan with a large amount of money in it. Quite arbitrarily. They used the term tali asih to describe the payment. But the villagers were confused about what it was for.”¹²⁶

The “*Tali Asih*” (literally, “tribute”) is a typical case where Indigenous ritual traditions in Papua have been abused to deceive local communities, according to Sophie Chao. “My interlocutors were hugely confused over this concept of *tali asih*. In part because it seemed to be used interchangeably with *ganti rugi* [a fee for destroying their existing crops], compensation, *uang ketuk pintu* [“door-knocking money”], a payment, *sewa harga* [rent], *kontrak sewa* [lease] ... and the list can go on and on. And it remains unclear what exactly the difference is. Is this a show of goodwill? An opening-the-door gift? Is it a gift? Is there an expectation of return? The *uang ketuk pintu* – I mean it literally means the money you bring when you knock on the door. So it suggests an invitation into a social relationship. But for the most part, people were put in a position of feeling that they needed to reciprocate. The only way they knew, the only thing the companies seemed interested in, was the land. So, there’s a huge lack of clarity over what these terms mean”.¹²⁷

126. Mongabay, How land grabbers co-opt indigenous ritual traditions in Papua: Q&A with anthropologist Sophie Chao, March 2019, <https://news.mongabay.com/2019/03/how-land-grabbers-co-opt-indigenous-ritual-traditions-in-papua-ga-with-anthropologist-sophie-chao/>

127. Mongabay, March 2019, see footnote 126.

Annex 2 - Letter from Moorim on February 2022

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Tel 02. 3485. 1500 Fax 02. 511.4040 www.moorim.co.kr



No.	MOORIM 2022 - /2	Date	2022. 2. 18
Attn.	Soojin Kim, Solutions For Our Climate		
C.C.	Franky Samperante - Pusaka, Sergio Baffoni - Environmental Paper Network, Annisa Rahmawati - Mighty Earth, Shin Young Chung - Advocates for Public Interest Law		
Subject	Reply to the publication of report about Moorim's plantation business		

1. This is a reply from Moorim ("our company") to your letter of publication on PT Plasma Nutfah Marind Papua ("PT PNMP") by five environmental organizations on Feb 8th, 2022.

2. Although our company responded to you for the current status of PT PNMP's plantation operations through on & off-line meetings and sending references from Dec 2021 to Jan 2022, some results of your survey are different from the real, therefore we would like to explain the following opinions.

- ① According to the map that published by 'Ministry of Environment and forest Indonesia' for the purpose of reviewing natural forest protection and licensing approval, there was no primary forest and peat land area, and our company delivered relevant data to your companies in Dec 2021.
- ② In order to implement Free Prior and Informed Consent (FPIC), PT PNMP completed to get an approval and the payment of compensation to Buepe 8 clans before entering into the area. Although the consultation period between PT PNMP and local residents has been longer, 8 clans have agreed to sign the MOU and the payment of compensation was completed. For non-entry areas such as Sanggase village in the afforestation permit area, MOU and compensation consultations will be conducted in accordance with the business plan
- ③ If PT PNMP enters or damages the sacred or protected area of local residents, it can't be carried out the projects due to residents' protests and claims. Therefore, we have been listening the local clan's opinion through the meeting and there can be no destructive acts on protected area. For your reference, the location map of the protected area was delivered to PUSAKA on Feb 8th, 2022.

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④ At paying compensation to local residents, each compensation is explained verbally to the clans' representative and signed in writing. The compensation is paid in accordance with the Papua state's rule, it's not the concept of tribute as you mentioned. As it is illegal if not paid, so PT PNMP pays full compensation under the relevant laws without omission.

⑤ PT PNMP is expanding CSR every year in an effort for co-prosperity with local residents, and is striving to improve residents' inconveniences and requirements through continuous meetings. Especially, providing jobs to local residents is an important support on improving the quality of life. Because the number of workers in the plantation is not abundant, conditions of labor contracts are not bad and labor exploitation is not possible. Also, security personnel, including soldiers you mentioned, are only intended to protect PT PNMP employees when there's a conversation with local residents, soldiers do not directly participate in conversations, but our CSR manager is participating in conversations.

⑥ During the meeting between your 3 companies on 22nd Dec, 2021, your company asked our company for a permanent suspension of the plantation and our company said it was difficult to accept it without fact check. Our company has temporarily paused the plantation work from the end of 2021 to present our will for conversation and explanation on your questions. And the plantation will not be continued for the next few months to give you an investigation period.

3. Our company would like to inform you again that PT PNMP's business site is a plantation area consisting mainly 2nd forest and shrublands, and is proceeding smoothly without conflict under the principle of co-existence with local residents. Our company promise to carry out the business carefully for preventing any situations nor misunderstandings like illegal afforestation, environmental destruction and human rights violations that you are concerned about. Also, our channel is always open for communication with your company, so please contact us at any time.





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