

## The National Strategic Project (PSN) of Food and Energy Development in Merauke Regency, South Papua Province: Violating Human Rights and Worsening Environmental Crisis



“We know that the world is currently experiencing a food crisis due to climate change, prolonged heat, prolonged drought, heat waves, and independence, food security, food sovereignty must become a focus.”

### Introduction

The above message was given by the President of the Republic of Indonesia, Joko Widodo, in his statement to the media following the first sugarcane planting at the location of a sugarcane

plantation company, PT Global Papua Abadi, in Sermayam Village, Tanah Merah District, Merauke Regency, South Papua Province (23/7/2024).

Food development program has become a focus of the Jokowi administration. The Coordinating Minister for Economic Affairs, Airlangga Hartarto, stated that the government will establish an integrated food estate project located in Merauke, South Papua Province, as a [Special Economic Zone](#) (10/10/2023). The KEK Merauke is focused on the production of rice and sugarcane in a total area of up to 2 (two) million hectares. The Coordinating Minister for Economic Affairs subsequently added the list of National Strategic Projects in Papua, namely the Merauke Food and Energy Development Zone in South Papua Province under [Regulation of the Coordinating Minister for Economic Affairs \(Permenko\) Number 8 Year 2023](#) regarding Fourth Amendment to *Permenko* Number 7 Year 2021 regarding Change in the List of National Strategic Projects (PSN) in November 2023.

The food estate project is deemed as a way out to resolve the food and energy security crisis, create jobs and improve community welfare. Lessons learned from the experience of the MIFEE (Merauke Food and Energy Estate) food estate project in Merauke and Central Kalimantan show that the resolution of food estate projects with large-scale land use and forest conversion, based on corporations and large capital, technology, mechanization and modern organizational management, had in fact resulted in complex problems, namely: land grabbing, land acquisition and land control concentration in the hands of a few capital owners, labor exploitation, deforestation, recurring and widespread drought and ecological disasters, malnutrition and food shortages, corruption, violence and human rights violations, the victims of which are indigenous people and villagers around the project.

In the MIFEE program launched in 2010, the program was carried out with minimum comprehensive social and environmental studies. Regional and national governments provide spatial utilization directives and large-scale business investment permits to corporations, and in turn, production assets are concentrated in certain groups of companies. BKPRN (National Spatial Planning Coordinating Agency) recommends reserving a MIFEE project area of 1,282,833 hectares, an area of more than 25 percent of the Merauke Regency administrative area of 4,507,100 hectares. The entire MIFEE project is located within the customary area of the Malind indigenous people and Forest Areas.

Based on the licensing data provided by the government for the MIFEE project in Merauke Regency, which were processed by Yayasan Pusaka Bentala Rakyat (PUSAKA, 2024), the following is known:

1. Location and sugarcane plantation business permits had been granted to 18 companies with a total area of 548,194 ha.
2. Location permits for other agricultural crops cultivation company had been granted to 3 (three) companies with a total area of 82,483 ha.
3. Location and oil palm plantation business permits had been granted to 10 companies with a total area of 297,418 ha.
4. Industrial forest business permits had been granted to 7 (seven) companies with a total area of 660,556 ha;

This figure data shows that there is a concentration of control and ownership of land and forest wealth in the hands of a few people and/or business entities, namely 38 companies with various businesses and commodities on a large scale of up to 1,588,651 hectares. This data shows that MIFEE's policy mission is not in the interest of improving the people's welfare, but rather, for the accumulation of wealth of a handful of people who obtain assets and the results of land and forest exploitation in Merauke, Papua. On the other hand, the local indigenous peoples lost the control and rights to land, forests and natural resources. Land grabbing occurs, which involves the state as issuer of permits, developer and controller of economic program policies, and business actors with an interest in expanding business land. The agreements on granting land permits, use and development of business types are undertaken by the government without deliberation, without meaningful participation and without free consent with the local indigenous people. Corporations and the government use the words and promises of prosperity, compensation and rental contracts, which are utilized by corporations to acquire land which will not be returned to the people.

Land grabbing and the economic intention of capital expansion in Papua are also undertaken through lopsided legal regulations. The government issues regulations and grants wide-scale business permits to corporations, and by way of regulatory capture. Policy and licensing makers prioritize the interests of certain groups who dominate the economy through the illegal means of influencing and interfering with the process and contents of regulations, as well as implementing the regulations through bribery, pressure and influence.

### **PSN Merauke : Grabbing Customary Land and Clearing Out the Source of Life of the Indigenous People**

The National Strategic Project (PSN) of Merauke Food and Energy Development Zone in South Papua Province, hereinafter referred to as PSN Merauke, is carried out by the Central Government, Regional Government and Business Entities, with the premise of growth and equitable development in the context of endeavoring to create jobs and improve community welfare, expanding and increasing agricultural productivity, reducing dependence on food and energy imports.

The implementation of Merauke PSN is divided into three projects, namely: (1) sugarcane and bioethanol plantation development project managed by 10 (ten companies) with an area of 500,000 hectares; (2) agricultural land optimization (*Oplah*) project through agricultural mechanization, construction of irrigation canals, provision of agricultural machinery (*alsintan*) in 6 (six) districts, namely Kurik, Tanah Miring, Merauke, Semangga, Jagebob and Malind Districts, with a total area of 40,000 hectares and to be expanded to 100,000 hectares, managed by the Ministry of Agriculture, regional government, TNI, farmers and *Polbangtan* students; (3) new rice field creation project managed by the Ministry of Defense and the Ministry of Agriculture, with an area of 1 (one) million hectares, construction of food security facilities and infrastructure, such as the construction of a 135.5 kilometer road located in Ilwayab, Ngguti, Kaptel and Muting Districts, Merauke Regency.

President Jokowi has issued [Presidential Regulation Number 40 Year 2023 regarding Accelerated National Sugar Self-Sufficiency and Provision of Bioethanol as Biofuel](#) in June 2023. Presidential Regulation 40/2023 provides a legal policy basis and affirms the roadmap for the program to accelerate national sugar self-sufficiency and the provision of bioethanol as biofuel, among others by adding new sugarcane plantation areas of 700,000 hectares sourced from plantation land, people's sugarcane land and forest land; and increasing the production of bioethanol from sugarcane plants to at least 1,200,000 kiloliters.

On 19 April 2024, President Joko Widodo issued [Presidential Decree \(Keppres\) Number 15 Year 2024](#) regarding Task Force for Accelerating Sugar and Bioethanol Self-Sufficiency (Sugar Bioethanol Task Force) in Merauke Regency, South Papua Province. The Task Force was formed in order to accelerate the implementation of investment activities in sugarcane plantations with the sugar industry, bioethanol and biomass power plants, which require facilitation, coordination and business permits for the business actors. The Task Force for Accelerating Sugar and Bioethanol Self-Sufficiency in Merauke Regency is led by the Minister of Investment/Head of BKPM, Bahlil Lahadalia, with the deputy chairs held by the Minister of Environment and Forestry and the Minister of Agrarian Affairs and Spatial Planning/Head of BPN. In addition, the members include the Minister of Home Affairs, Minister of Finance, Minister of Agriculture, Minister of Public Works and Public Housing, Minister of State-Owned Enterprises and Head of the Indonesian Quarantine Center.

Prior to the formation of the Sugar Bioethanol Task Force, the regional and national governments issued Approval of Suitability of Space Utilization Activities (PKKPR) and Letter of Recommendation for the Release of Forest Areas to 10 (ten) sugarcane plantation companies, sugar and bioethanol factories in the period of 2023 and 2024, with a total area of 541,094.37 hectares, which are administratively spread across Tanah Miring, Animha, Jagebob, Eligobel, Sota, Ulilin, Malind and Kurik Districts, Merauke Regency. One of the companies, namely PT Global Papua Abadi, has obtained a Plantation Business Permit from the government and has cleared out forest areas. The company is part of the Global Papua Abadi (GPA) Group.

**Table 1. Company Name and Sugarcane Plantation Area**

No.	Company Name	Area (ha)	District Location
1.	PT Global Papua Abadi*	30,777.9	Tanah Miring and Jagebob
2.	PT Murni Nusantara Mandiri**	39,579	Jagebob, Tanah Miring and Animha
3.	PT Andalan Manis Nusantara	60,000	Tanah Miring and Animha
4.	PT Semesta Gula Nusantara	60,000	Jagebob and Sota
5.	PT Berkat Tebu Sejahtera	60,000	Jagebob and Sota
6.	PT Agrindo Gula Nusantara	60,000	Eligobel
7.	PT Sejahtera Gula Nusantara	60,000	Ulilik
8.	PT Global Papua Makmur	59,963,07	Ulilik dan Eligobel
9.	PT Dutamas Resources International	60,000	Eligobel
10.	PT Borneo Citra Persada	50,772.4	Malind, Kurik, Animha
	<b>Total</b>	<b>541,094.37</b>	

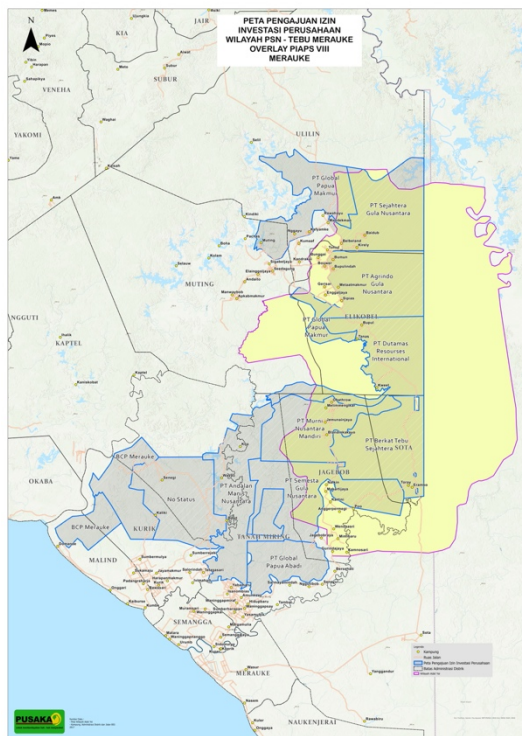
The data is processed from the licensing data information provided by DPMPSTP of South Papua Province.

\* PT Global Papua Abadi is currently applying for the release of forest area in 2024 of 9,600 ha.

\*\* Terms of Reference of the Environmental Impact Analysis of PT Murni Nusantara Mandiri, March 2024.

The GPA Group has an investment plan for the development of sugarcane plantations and infrastructure in an area of more than 500,000 hectares and the construction of 5 (five) sugar and bioethanol processing factories, with a total value of around Rp 83 trillion. GPA's sugarcane plantations are targeted to produce 2.6 million tons of granulated sugar per annum, bioethanol production of 244 million tons per annum and renewable electricity production of 100 MW.

Based on an overlapping analysis of the ten companies' permit maps and the Yei customary area map (2016), it is indicated that most of the companies' permits are located in the customary area of the Yei customary law community of 316,463 hectares and the remainder is in the Malind customary area. More than 40,000 indigenous people who live in 50 villages around and within the project location will be directly affected by the project. The Yei and Marind indigenous peoples' lives and livelihoods are highly dependent on the land and local customary forests, such as hunting, gathering, farming and managing food hamlets. They are threatened and are losing their source of life, food sources, traditional tools and cultural sites, livelihood and sources of medicine.



The government had initiated projects and issued business permits for land and forest use without any prior consultation, deliberation and free consent which widely engage the indigenous people who own the land from the onset. The companies utilized military personnel and facilities in the negotiations and the land acquisition process, location surveys and land measurements, thus the people feel unfree and pressured. The companies cleared out and evicted forest areas, swamps and places of significance for the indigenous peoples, timber forest products were taken and sold outside.

The leaders and chief of the Yei Tribe have made a Joint Statement Letter (7/5/2024) which contained a statement of their rejection to large-scale investment activities that destroy forests, land and all sources of livelihood for the people. However, the government and companies did not respond. Until the end of August 2024, one of the companies, PT Global Papua

Abadi, is actively clearing out and eliminating more than 800 hectares of natural forest.

"We can live without oil palm and sugarcane, but not without land and forests," is written on the banner raised by the Yei tribe in Kweel Village, Eligobel District, Merauke Regency (19 July 2024). The people were protesting the sugarcane plantation program and investment in the Yei customary area.

The Land Optimization and One Million Hectare Rice Field Creation Project was initiated and marked by a Coordination Meeting of the Minister of Agriculture with the Deputy Minister of Defense along with high-ranking military officials in Papua and the regional government at the Regent's Office of Merauke Regency, on 17 April 2024, with the theme "Towards a World Food

Estate, Basis of Super Power”, and inspected the location of the Food Estate program and rice harvest in Kuper Village, Semangga District, Merauke Regency, which was attended by the Minister of Agriculture, Amran Sulaiman, and the Deputy Minister of Defense, Lt. Gen. TNI (Ret.) M. Herindra, accompanied by the Special Assistant for Food Security, Lt. Gen. TNI (Ret.) Ida Bagus Purwalaksana, Special Assistant to the Deputy Minister of Defense Brigadier General TNI (Ret.) Rusdianto, Head of the Land Forces Acceleration Task Force, Lt. Gen. TNI (Ret.) Putranto, Head of the Indonesian Ministry of Defense's Strategic Logistics Reserve, Brigadier General TNI Heru Sudarminto, Head of Public Relations Bureau of the Secretariat General of the Ministry of Defense, Brigadier General TNI Edwin Adrian Sumantha, together with the acting regent of Merauke, Romanus Mbaraka.

The Minister of Agriculture, Amran Sulaiman, stated that the agricultural field development is carried out by the Ministry of Agriculture with TNI (11/7/2024). “The one hectare land clearing is under the control of Regional Military Commander (Pangdam) XVII/Cenderawasih. This is to prevent dualism of command which will disrupt the system and to achieve our dream”, said Amran Sulaiman, as quoted from [www.rri.co.id](http://www.rri.co.id) (30 May 2024)

The government is using the Food Production Center Area (KSPP) to accommodate the land for the one-million-hectare new rice field creation project and sugarcane and bioethanol plantations. The KSPP area consists of five clusters and is spread across several districts. Table 2 shows the availability of land by cluster and location. All locations for creating new rice fields are within the customary areas of the Malind, Maklew, Khimaima and Yei indigenous peoples. It is estimated that more than 50,000 indigenous people will be affected by the project.

**Table 2. Availability of KSPP Land by Cluster**

No.	Cluster	Area (ha)	Location (District)
1.	Cluster 1	371,189	Kimaam, Tabonji and Ilwayab
2.	Cluster 2	283,066	Ilwayab, Tubang
3.	Cluster 3	632,000	Animha, Kurik, Malind, Tanah Miring, Jagebob
4.	Cluster 4	352,000	Tubang, Ngguti, Okaba
5.	Cluster 5	651,000	Ngguti, Kaptel, Muting, Ulilin, Okaba

Source: Sucofindo’s Presentation Material, Feasibility Study of Food Production Center Area in Merauke Regency, South Papua Province, July 2024

In June 2024, the cruise ship J7Explorer was spotted in the waters of Wanam, Ilwayab District, Merauke Regency. The J7Explorer ship is owned by the businessman, Andi Syamsuddin Arsyad a.k.a. [Haji Isam](#), a wealthy businessman from South Kalimantan and owner of the Jhonlin Group of companies. The J7Exploprer ship carried helicopters, cars and ship crew, passengers and military personnel, who were suspected of being survey operators and planning the implementation of the new rice field creation project. The local indigenous people were never informed and notified of the purpose and objectives of the Jhonlin Group's activities, and there was no news report.

At the end of July 2024, the barge Liana LXXIX, owned by Haji Isam, loaded and unloaded dozens of heavy equipment, namely Sany brand excavators, bulldozers and other equipment at the port in Wobikel, Ilwayab District. Haji Isam together with the Deputy Minister of Defense (*Wamenhan*),

Lt. Gen. TNI (Ret.) Muhammad Herindra, and high-ranking military officials, also oversaw the unloading of heavy equipment.

To date, there are 232 excavators and other equipment operating in the Wanam field. Furthermore, the company cleared out and evicted land, hamlets, orchards, swamps, sacred places and customary forests belonging to the Marind Maklew indigenous people in Wanam, Ilwayab District, Merauke Regency. Military personnel oversaw and guarded the operations to clear forests, swamps and agricultural land of the indigenous people for the projects to build facilities and infrastructure for docks, farm roads, irrigation canals and rice field creation.

The local indigenous people rioted and protested against the arbitrariness of the military apparatuses and the companies, who brought in equipment, cleared out and evicted customary land and forests belonging to the people without being preceded by the process of free deliberation, permission and consensus. The people are worried that this new project will encroach on customary lands and sacred places, and they do not want to become victims and mere spectators of the development.

“This land is not vacant, please respect us”, said a Wanam resident in a viral video.

The Commander of the TNI Food Task Force, Major General TNI Ahmad Rizal Ramdani, and Haji Isam, are of the same tone in responding to the public’s focus and tend to ignore the demands of the indigenous peoples to respect and protect the rights of indigenous peoples.

"All I have in mind is just to actualize the idea of the president-elect, Mr. Prabowo Subianto. Whatever it takes, in order that one million hectares can be realized and successful in three years, without thinking about profit or loss, this is the state's duty assigned to me," said Haji Isam as published by the media.

The Minister of Environment and Forestry (KLHK), Siti Nurbaya, issued Decision Letter of the Minister of Environment and Forestry of the Republic of Indonesia Number 835 Year 2024 on 12 July 2024, regarding Approval of the Use of Forest Areas for Food Security Facilities and Infrastructure Development Activities in the Context of Defense and Security on Behalf of the Indonesian Ministry of Defense in an area of 13,540 hectares in Protected Forest Areas, Permanent Production Forest Areas and Convertible Production Forest Areas in Merauke Regency, South Papua Province, hereinafter referred to as SK KLHK 835. The letter was circulated on social media following public attention which questioned the legality of the rice field creation project.

PUSAKA (2024) has conducted an overlapping analysis of the maps attached to SK KLHK 835, maps of forest areas, administrative maps, and maps of places of significance for the indigenous peoples in Merauke (WWF, 2006), as well as reports from the residents, the result is that the location of the development in question is within the customary forest area and there are places of significance with high conservation value, such as sacred places and ancestral routes, food hamlets, hunting grounds and traditional conservation areas, which are located in Ilwayab, Ngguti, Kaptel and Muting Districts, Merauke Regency.



### **PSN Merauke : Destroying the Natural Forest**

PUSAKA (2024) has analyzed the maps of sugar cane and bioethanol plantation permits granted to ten GPA Group companies and conducted a rapid study of forest area use and environmental aspects, it was discovered that most of the permits granted to companies for an area of 541,094 ha is located in Convertible Production Forest Areas by 47 percent, Limited Production Forest by 32 percent, and the remainder in Other Use Areas (APL) by 21 percent. There are yet any large-scale production activities for the utilization of forest products and conversion of forest area function in the forest area concerned.

It is indicated that the GPA Group's sugar plantation permit areas are located in primary natural forest and peatland areas, and are the object of a permit moratorium or on the Indicative Map of the Suspension of Granting Business Permits (PIPPIB) by more than 30 percent or around 173,785 hectares, consisting of Primary PIPPIB covering an area of 149,016 ha and Peatland PIPPIB covering an area of 24,768 ha. This project poses environmental risks, mainly increasing greenhouse gas emissions, which cumulatively worsens the ecological crisis. Furthermore, it was discovered that the permit locations of GPA Group companies are deviating from the RTRW (Regional Spatial Planning) of Merauke Regency, whereby it is indicated that around 44% of the permit areas of the nine companies are in Protected Areas and the remaining 56% are in Cultivation Areas.

This is also the case with the KSPS area for the one-million-hectare new rice field creation project and the project of Food Security Facilities and Infrastructure Development in the Context of



Defense and Security of 13,540 hectares. It is discovered that the KSPS area and the target location for the rice field creation project are mostly in Forest Areas and other use areas, where there are protected forests and peatlands (See Table 3). Figure 2 shows the map of business permits of the companies in each cluster which have been operating and are not yet operating, transmigration area and social forestry.

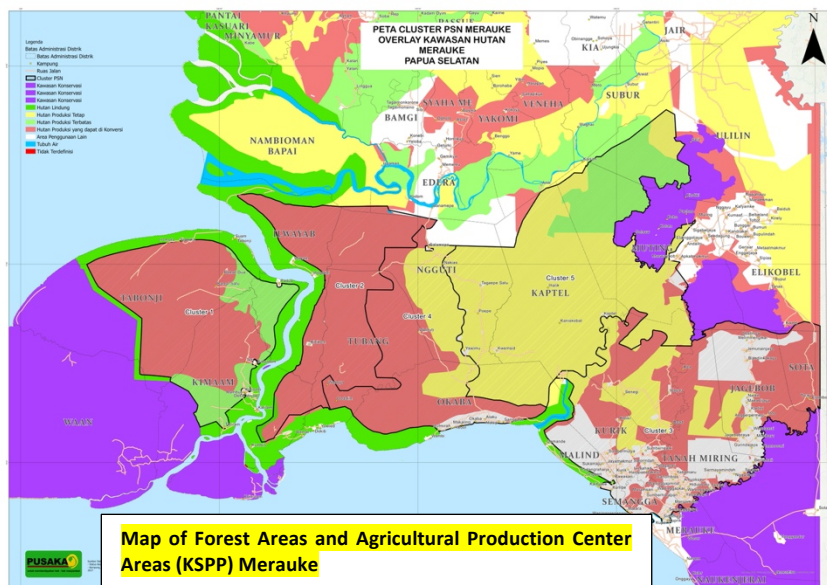
**Table 3. KSPS Field and Forest Area by Cluster**

No.	Cluster	Location (District)	HPK (ha)*	HPT (ha)**	HP (ha)***	APL (ha) #
1.	Cluster 1	Kimaam, Tabonji and Ilwayab	284,000	87,000	-	189
2.	Cluster 2	Ilwayab, Tubang	282,000	626	-	440
3.	Cluster 3	Animha, Kurik, Malind, Tanah Miring, Jagebob	299,000	115,000	-	218,000
4.	Cluster 4	Tubang, Ngguti, Okaba	241,000	98,000	-	13,000
5.	Cluster 5	Ngguti, Kaptel, Muting, Ulilin, Okaba	5,300	114,000	532,000	2,700

Source: Sucofindo’s Presentation Material, Feasibility Study of Food Production Center Area in Merauke Regency, South Papua Province, July 2024

\* Convertible Production Forest; \*\* Permanent Production Forest; \*\*\* Production Forest; # Other Use Area.

Based on the land cover map in the areas targeted for the creation of new rice fields and the development of food security facilities and infrastructure in Kimaam, Tabonji, Ilwayab, Tubang, Okaba and Ngguti Districts, it is discovered that the lowland forest and peatland in this area are dominated by land cover, namely secondary swamp forest, swamp thickets and savanna. All of them are located in Forest Areas with the functions of Convertible Production Forest, Permanent Production Forest and Other Use Areas. The existence of Forest Areas in Kimaam and Tabonji Districts in the Provincial RTRW and Regency RTRW is designated as Protected Forest Areas.



The Merauke PSN policy and the granting of permits will and are destroying the remaining natural forest areas and peatlands which have high conservation value and are rich in biodiversity (WWF, 2017; Pammai, et al, 2022), thus potentially increasing deforestation and worsening the environmental crisis, drought and food shortage, floods and other ecological disasters.

The Indonesian government is implementing an ambitious policy of reducing emissions by 41% in 2023 in line with the NDC (Nationally Determined Contribution) target and the Low Carbon Development Initiative (LCI) policy, through the policies which include land reforestation, suspension of the granting of permits for primary and secondary forest areas and peatlands. In practice, the Merauke PSN policy and the granting of business permits which targeted the remaining natural forests and peatlands indicated that the government and corporations are acting inconsistently with the climate policy and instead exacerbating the environmental crisis.

### **PSN Merauke : Violating Human Rights**

The National Strategic Projects (PSN) policy is contained in [Government Regulation Number 42 Year 2021](#) regarding Facilitation of National Strategic Projects, which requires that the PSN must be carried out in accordance with the spatial planning plan and obtain recommendations for conformity of spatial use from the minister (Article 8); produce feasibility studies; determining the location of land acquisition; environmental documents and financing sources (Article 19). Furthermore, Presidential Regulation Number 3 Year 2016 regarding Accelerated Implementation of National Strategic Projects, Article 4 paragraph (3), the permits and non-permits required to commence the implementation of PSN, namely (a) determining the location; (b) Environmental Permit; (c) Borrow-to-Use Forest Area Permit; (d) Building Construction Permit.

The Merauke PSN should have been preceded by an Environmental and Social Study, as well as Environmental Feasibility Approval permit, as stipulated in Government Regulation Number 23 Year 2021 regarding Forestry Implementation and Regulation of the Minister of Environment and Forestry Number 7 Year 2021 regarding Forestry Planning, Changes in Forest Area Designation and Changes in Forest Area Function. Furthermore, the existence and meaningful participation of the community is highly necessary and are in line with the principles of sustainable development and human rights, therefore, development program ideas are not necessarily determined and arise from the power holders alone, but rather, also involve the people. Involvement of the community and environmental organizations is regulated in Articles 27 and 28 of Government Regulation of the Republic of Indonesia Number 22 Year 2021 regarding Implementation of Environmental Protection and Management.

The fact is that the Merauke PSN, with a large scale of up to 2 (two) million hectares and has cleared out, damaged and eliminated customary forests and sources of life for indigenous peoples, is lacking the Strategic Environmental Study (KLHS) and AMDAL and the Environmental Feasibility Approval permits as the requirements with regard to preventing social and environmental impacts. The government and companies did not fully carry out consultations and socialization which engaged the wider community, the people were not given and did not receive information on the project nor were they given the freedom to make decisions regarding the Merauke PSN which is undertaken in customary areas. The government makes decisions and grants business permits which grabbed customary land, companies use military forces to intimidate and to safeguard the projects.

The policies and facts of the Merauke PSN have shown that the state disregards and violates human rights, the rights of indigenous peoples, the rights to land, the rights to development, the

rights to healthy environment, the rights to food and nutrition, the rights to preserve culture and customs, the rights to freedom and the rights to obtain a sense of security and peace, as regulated in the 1945 Constitution and the laws and regulations, as well as international human rights instruments. Similarly, corporations, operators and project intermediaries have carried out plantation and agricultural land development activities without respecting and by depriving the rights of indigenous peoples, damaging the environment and destroying the source of life of the indigenous peoples, which is contrary to the principles and provisions of sustainable business and human rights.



## Who Are the Project Beneficiaries

The Merauke PSN project for the development of sugarcane and bioethanol plantations is controlled and owned by 2 (two) main beneficiaries, namely (1) the Fangiono family entrepreneur, owner of First Resources Group, Fangiono Agro Plantation (FAP) Agri Group and Ciliandry Anky Abadi Group, which is owned by Wirastuty Fangiono; (2) the entrepreneur, Martua Sitorus, owner of Wilmar Group. Table 4 presents the shareholding in sugarcane plantation companies in the Merauke PSN project.

Based on the research by PUSAKA (2024) using company profile data sources published by the Directorate General of General Law Administration, it is discovered that the shareholding in nine companies other than PT Dutamas Resources International is dominantly owned by Angelia Bonaventure Sudirman, Antoni and Tan Keng Liam. Angelia is the granddaughter of Martias Fangiono and Silvia Caroline is the second wife of Martias Fangiono. Meanwhile, Tan Keng Liam is identified as an executive of the companies under the control of Wilmar International Limited, such as the director of Katingan Timber Group, an Industrial Plantation Forest company in

Merauke, PT Wahana Samudera Sentosa, in which the ultimate beneficiary of Wilmar International is Martua Sitorus.

When President Jokowi visited the sugarcane plantation location in July 2024, he was seen accompanied by Wirastuti Fangiono, Martias Fangiono and Martua Sitorus.

The shareholding in nine companies uses shadow subsidiaries as shell companies, such as: PT Mega Makmur Semesta, PT Merauke Gula Mandiri, PT Merauke Sugar Group, allegedly to protect the interests of the beneficial owners. Shell companies or also known as special purpose vehicles (SPV) are often associated with business activities which potentially violate the law, such as tax evasion, money laundering and hiding/disguising funds originating from criminal acts. The companies are established solely to carry out certain special functions for the benefit of their founders, such as purchasing and/or financing investments, and they do not carry out active business activities.<sup>1</sup>

**Table 4. Sugarcane Plantation Companies and the Shareholders**

1.	PT Global Papua Abadi	Antoni, S.E. and Angelia Bonaventure Sudirman
2.	PT Murni Nusantara Mandiri	<u>Tan Keng Liam</u> and David King
3.	PT Andalan Manis Nusantara	Antoni, S.E., and Angelia Bonaventure Sudirman
4.	PT Semesta Gula Nusantara	Antoni, S.E. and Angelia B Sudirman
5.	PT Berkat Tebu Sejahtera	Tan Keng Liam and Angelia Bonaventure Sudirman
6.	PT Agrindo Gula Nusantara	Antoni, S.E., and Angelia Bonaventure Sudirman
7.	PT Sejahtera Gula Nusantara	Angelia Bonaventure Sudirman and Tan Keng Liam
8.	PT Global Papua Makmur	Angelia Bonaventure Sudirman and Tan Keng Liam
9.	PT Dutamas Resources International	The shares are owned by Dudy Christian; Angell Madeleine; Michael Angelo; Rita Rushy.
10.	PT Borneo Citra Persada	Silvia Caroline Fangiono

The Fangiono Family and Martua Sitorus are billionaires who control and own plantation companies and they are world palm oil traders, own property businesses, sugarcane plantations and sugar businesses<sup>2</sup>. In the Land of Papua, the Fangiono family through Ciliandry Anky Abadi Group also owns a palm oil business and controls two oil palm plantation companies, PT Inti Kebun Sejahtera (38,300 ha) and PT Inti Kebun Sawit (37,000 ha) in Sorong Regency. Furthermore, the company has new palm oil plantation business permits in the names of PT Sorong Global

<sup>1</sup> See: <https://www.hukumonline.com/klinik/a/mengenal-perusahaan-cangkang-dan-potensi-penyalahgunaannya-lt607e98841fa61/>

<sup>2</sup> See: <https://www.wilmar-international.com/our-businesses/plantation/sugar-milling>

Lestari (16,305.16 ha) and PT Papua Agri Mandiri (27,166 ha), both located in Sorong Regency, as well as PT Lestari Papua Perkasa which acquired the land of PT Varia Mitra Andalan in South Sorong Regency, covering an area of 19,239 ha.

A report by PUSAKA (2024) revealed the forest destruction and deforestation of up to thousands of hectares in the oil palm plantation concession areas of companies in Sorong Regency. An investigation by The Gecko Project and Tempo Magazine (2023) revealed traces of crimes and business expansion of the Fangiono Family's subsidiaries which cleared hundreds of thousands of hectares of forest in Kalimantan. The Forest Peoples Program (2022) made a report on the activities of PT Karangjuang Hijau Lestari (KHL), one of the subsidiaries owned by Fangiono, which is in conflict with the Dayak Agabaq indigenous people of East Kalimantan, in which there were intimidation and criminalization of residents.<sup>3</sup> In Merauke, South Papua, the customary land owner clans testified to the alleged manipulation of signatures and intimidation of residents who rejected the sugarcane company plans, involving local military apparatuses.

### **Recommendations:**

1. Urging the President of the Republic of Indonesia and the Minister of Defense, the Minister of Agriculture and the Minister of Investment/Head of Investment Coordinating Board, to immediately evaluate and suspend the Merauke PSN, the sugarcane and bioethanol plantation development project, and the one-million-hectare new rice field creation project.
2. Requesting the Minister of Environment and Forestry to immediately conduct environmental evaluation and audit to assess the compliance of the persons in charge of the businesses and/or activities with the legal requirements and environmental suitability, and impose the sanction of revocation of business permits and use of forest areas.
3. Requesting the government to respect and protect the existence and rights of indigenous peoples, and conduct meaningful consultations with various indigenous community groups to develop inclusive socio-economic development, just and environmentally sustainable.
4. Requesting the UN Human Rights Council to urge the Indonesian government to invite the UN Special Rapporteur on the Rights of Indigenous Peoples to visit Papua and discuss various allegations of violations and omission of the fulfillment of indigenous peoples' rights.
5. Requesting the government and the TNI/Polri state security apparatuses to stop the security approach and the involvement in commercial development projects.

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<sup>3</sup> See: [https://www.forestpeoples.org/sites/default/files/documents/FP-4755%20First%20Resources%20Shadow%20Document\\_BAHASA\\_v4.pdf](https://www.forestpeoples.org/sites/default/files/documents/FP-4755%20First%20Resources%20Shadow%20Document_BAHASA_v4.pdf)

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