

THE FINAL CUT



Illegal Logging in Indonesia's Orangutan Parks
Penebangan Liar di Kawasan Perlindungan di Indonesia



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Introduction

When staring into the eyes of our closest relatives, the Great Apes, innocence and wisdom is reflected back at our complicated lives. Gistok, a famous orangutan from Tanjung Puting National Park, would spend hours with visitors to the park - playing, watching, learning and teaching. His innocence was shattered when he disappeared, probably killed by illegal loggers. Perhaps the reflection in his eyes was too frightening.

Indonesia has entered a period of great change and has the opportunity to move towards social and environmental justice. Many of its vast forests have already been wrecked by companies owned by the few businesses that benefited from collusion, corruption and nepotism during the Soeharto regime. Local people have been oppressed by these companies, often through the authoritarian apparatus of the police, army and forest department. Across Indonesia, the situation is so bad that illegal logging now outstrips legal timber production.

It is no wonder that thousands of people have reacted to the current political void by taking the law into their own hands. But this is not a simple grassroots uprising, it is orchestrated by the very same people who have made their fortunes during the Soeharto era - timber barons who encourage this lawlessness for their own financial gain. EIA and Telepak's investigations have identified some of these people who must be dealt with immediately. Their factories and sawmills must be closed down and corrupt individuals in authority who protected them must be replaced.

Immediate action is necessary by the government of Indonesia to stop the illegal logging of Tanjung Puting and Gunung Leuser National Parks. The international community, including the USA, the European Union, Japan, the IMF and World Bank should support such action and provide support for initiatives that give the local communities genuine benefits from these areas. This is an opportunity for the political elite and international donors to prove that they really believe in reform. It will take courage and determination as the people behind the illegal logging wield financial and political influence.

EIA and Telepak actively encourage legislative changes that provide communities with greater benefits from the forestry sector and take it out of the hands of corrupt and arrogant timber barons and civil servants. Legitimate land claims by indigenous people must be addressed by returning the land to them or providing sufficient compensation.

Gistok lived in the only protected area for orangutans in Central Kalimantan. Many local people still treasure its protected status and are horrified at the blatant lawlessness that now infects the area. In the Kluet Swamp in Sumatra people have genuine grievances, but the decimation of this unique area is driven by the same forces that created their problems. This report confirms beyond doubt that Indonesia's orangutans are being pushed ever closer to extinction.

Both of the National Parks featured in this report can provide long term community support through their very uniqueness. They are part of the local heritage and of international significance. Tourism, research and their ability to attract innovative development programmes provide the local communities with a real opportunity for the future, but not if they continue to be destroyed.

Indonesia has enormous areas given over to logging concessions - many of which are now under scrutiny. These areas can provide communities with long-term forestry income if the new government is prepared to break down the power elite control over them.

The final cut of a chainsaw takes the last breath of life from the forest as the tree crashes through the undergrowth. Illegal logging in these National Parks is rapidly removing any future for the forest, its wildlife and the local communities. It serves only to fund the lavish lifestyles of the timber barons directing the destruction.

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Indonesia's Disappearing Forests

The forests of Indonesia are in the midst of a deepening crisis. After decades of unsustainable logging which saw the government take over control of the forests and virtually give huge tracts away to former President Soeharto's family and business cronies, the terrible forest fires of 1997 and 1998 finally focused world attention on the rapacious deforestation taking place in Indonesia.

Yet while limited reforms have been implemented over the last year, it is still business as usual for most of the timber barons. The economic crisis wracking Indonesia has put additional pressure on the forests, as people across the country have been forced into desperate measures to survive.

Indonesia's tropical forests are of global importance, ranked second in terms of size to those of Brazil and covering over 100 million hectares in 1995. Ten per cent of the world's remaining tropical forest cover is found in Indonesia. Yet these forests have been disappearing at a rate of more than two million hectares every year, and 72% of the country's original frontier forest has already been lost.

The forests bore the brunt of the worst excesses of the Soeharto regime. The former president and his close family and associates controlled around 7.14 million hectares of forests through stakes in 27 timber companies and forest estates. Under the old regime close friends of the president like Bob Hasan were able to control vast swathes of forest. Hasan's empire covered 3 million hectares while another close ally Prayogo Pangestu was able to acquire around 3.5 million hectares through his Barito Pacific Timber Group, Indonesia's largest forestry company.

The fires that swept through Sumatra and Borneo in 1997 and 1998 were largely caused by timber and plantation companies clearing land. Satellite monitoring allowed the identification of 176 firms accused of deliberately setting fires to make way for timber or oil palm plantations, although few have so far faced charges. The damage caused to the remaining forests is much worse than feared at the time. Sophisticated satellite analysis has shown that four million hectares of land were damaged in the province of East Kalimantan alone, compared with the official estimate of 500,000 hectares.

The Scale of Illegal Logging

The forestry sector in Indonesia is fundamentally corrupt and riddled with illegalities. Analysis reveals that the amount of timber from illegal sources outstrips that from legal operations, while in the mid-1990s 84% of timber concession holders failed to obey the rules.

A recent report by the Indonesia - UK Tropical Forest Management Programme found that illegal logging accounted for 32 million cubic metres of timber every year, compared with an official production of 29.5 million cubic metres. This is equivalent to 800,000 hectares of forest being illegally logged every year.

The report identified illegal logging of natural forest as the primary source of logs, accounting for 52% of the total. Official production from selective logging and conversion of natural forests amounts to 26 million cubic metres, or 43% of total supply.

The scale of illegal logging is largely a legacy of the unrestrained expansion of the timber processing sector in Indonesia. While the voracious processing industry can consume almost 80 million cubic metres of logs each year, official supply can only provide 29.5 million cubic metres, creating a huge shortfall.

The report concluded: "Demand for roundwood now greatly exceeds sustainable supply, the forest estate is shrinking, plantations are falling short of production targets, and a lack of control over the resource means that absolutely no demand goes unmet.

"The net result is that unless action is taken immediately the forest will disappear forever, taking with it the myriad benefits that it provides to the Indonesian people and the Indonesian economy."

Such a finding has dire implications for the future welfare of the 60 million Indonesian people who are dependent on the forests.

Biodiversity Under Threat

Indonesia's forests are home to one of the most astonishing ranges of biodiversity in the world. The archipelago sprawls across two distinct biological regions - the Asian and Melanesian-Australian realms - and has more mammal species than any other country.

The country contains 17% of the world's bird species, 16% of reptiles, 12% of mammals and 10% of plants. Yet the pace of deforestation has caused a lengthening list of these species to be classified as endangered. Indonesia has more species threatened with extinction than any other country, with 128 mammal species and 104 bird species under threat.

The list of threatened mammals includes the Sumatran rhinoceros, clouded leopard, sun bear, proboscis monkey, Sumatran tiger, and orangutan. The greatest threat to many of these animals is habitat destruction. Of the 29 primate species found in Indonesia 20 were discovered to have lost more than half their original habitat ten years ago. The situation has certainly become more desperate over the last decade.

On paper Indonesia has an extensive system of conservation areas to protect its unique biodiversity, covering 19 million hectares or 13% of the forests. The country has 37 national parks, but in reality many of these are under attack from economic interests.

This report examines the effect of commercial scale illegal logging in two of Indonesia's prized parks, but the situation is just as dire in almost all of the protected areas. Logging and mining activities have been encroaching on the park areas for a long time, but the scale of destruction is rising dramatically and seriously threatening the future viability of Indonesia's few remaining havens of biodiversity.

The plight of one of Indonesia's most charismatic animals - the orangutan - is especially urgent. Confined to just the two islands of Sumatra and Borneo, Asia's only great ape is in dramatic decline. The wild population has fallen by 50% in the last ten years, and of the remaining 15-25,000 around 80% are found in Indonesia.

While the orangutan is protected by a host of national and international laws, its numbers continue to fall. As well as the catastrophic effects of habitat loss, orangutans are still traded on the black market as pets, and attacked as crop

raiders on the burgeoning oil palm plantations Thousands of orangutans are thought to have died during the forest fires.

As the forests fall, the remaining orangutans are pressed into isolated pockets, especially the refuges provided by Indonesia's protected areas. Yet even these havens are under pressure from illegal logging, plantations and mineral extraction.

Towards Real Forest Reform

The core of Indonesia's forestry laws stem from a 1967 law granting the state sole control over the forests. The prevailing modus operandi since that time has been the division of forest lands into 20-year production concessions under the Hak Pengusahaan Hutan (HPH) system, creating appalling deforestation, removal of people's land rights, and endemic corruption.

In the current climate of political reform in Indonesia some degree of change is inevitable - but the nature and extent of forest reform is not yet clear. On one side the status quo is seeking to perpetuate its hold over forest resources, but opposing this is an increasingly vocal network of non-governmental organisations and academics calling for genuine reform.

Unreal Reform

The economic crisis in Indonesia has sparked a raft of new measures affecting the forestry sector, created at the behest of agencies such as the International Monetary Fund as loan conditions. During 1998 there were at least 20 new decrees passed spanning trade liberalisation, forest resource utilisation and transparency.

While a few of the measures have had a discernible effect, such as the break-up of the price-fixing plywood cartel APKINDO and the freezing of the much-abused reforestation fund - used to fund a national aircraft and pulpmill, most remain on paper. For example a requirement for the forestry department to conduct a comprehensive survey of the remaining forest, using satellite imagery and mapping, has not been met.

Within Indonesia the battle over forestry reform is focused on the government's revised draft forestry law, which is being rushed through the national parliament despite opposition from NGOs, academics and a group of former ministers. While on the surface a process of consultation was followed in the drafting of the bill, in reality input from civil society has been ignored. As the Communication Forum for Community Forestry put it, the ethos has been: Inform, Invite, Ignore.

In a submission to the World Bank the forum, which includes NGOs, government and industry representatives, slammed the proposed bill on two major counts; that it perpetuates state control of the forests, and that it remains focused on the management of timber rather than the whole forest ecosystem.

The defining concept of the draft bill is the state's monopoly on forest management and resources, serving only the narrow interests of concession holders. Such an approach will never adequately tackle problems such as illegal logging, as the present government is unable to secure the forests, lacking as it does the legitimacy, capacity or political will. The draft bill once again excludes the voice of local people affected by forest exploitation, rewarding instead the timber barons and their political patrons.

It is only through a meaningful dialogue with local communities over forest management issues that the widespread problem of illegal logging can be tackled. Retaining centralised

control and using the military apparatus to secure the remaining forests is doomed to failure.

Real Reform

Many voices have spoken out against the government's bill. The Indonesian Forum for the Environment (WALHI) advocates the scrapping of the bill in favour of an over-arching Natural Resources Law, regulating oil and mineral extraction as well as forest exploitation.

The Communication Forum for Community Forestry has drafted an alternative forest resources law, aimed at returning sovereignty over forestry resources to the people, and based on public accountability. The alternative bill states that all sectors of society have the right to a role in forest resource management, and in monitoring forest utilization. Furthermore consent will be sought from all affected parties if forest use in an area is to be changed.

As it is based on the recognition of people's rights, the alternative bill has the potential to counter illegal logging. Land disputes will be settled through local negotiations between community leaders and government officials, while local people will have a clear motivation as stake-holders in forest use rather than being excluded by huge concession owners.

Although legislators in the parliament are attempting to force the official draft bill through before a newly-elected government comes into power in November 1999, there is growing dissent from factions inside and outside the parliament seeking to ensure the law is not passed in its current form.

In addition to the alternative bill, a number of other initiatives are emerging in the quest for true forest reform. One of these is the national Consultative Forestry Council, which will bring together a number of interests to represent civil society and provide an alternative voice to the government in the field of forest policy.

The Council is in the process of being established, and its basic tasks have been agreed; to monitor and counter cases where forest utilization is contrary to the public interest and contravenes communities' rights, to lobby the government over forest policies that threaten the public interest, and to resolve disputes over the ownership of forest resources.

The role of the Council will be to act as a watchdog for the forest sector, highlighting illegal activities and corruption, and resolving disputes. The organisation will be devolved through a system of national, regional and local councils, so that individual cases can be decided by the communities and groups most affected.

Another initiative revolves around forest certification. Currently in Indonesia the certification of sustainable production forest management is run by Lembaga Ekolabel Indonesia (LEI), an independent and well-respected institute. The extension of LEI's work will help ensure the compliance of the timber industry to a number of ecological and social criteria, and to expose illegal timber.

A third development has been the expansion of Forest Watch Indonesia, set up in 1997 by Telepak as a network of NGOs to track logging, plantation development, mining and other industrial activities within and around Indonesia's remaining natural forests.

One of FWI's core tasks is to gather and analyse data relevant to the country's forests and to make it available to interested parties. To date the project has collected baseline data on the status of Indonesia's forests, existing and planned development projects such as plantations and mines, and documented success stories of well-managed concessions and community-led forest management systems.

FWI's strength lies in its structure as a network of local groups actively monitoring forest

concession holders across the country for infractions, and filtering the information up to the national level. It is also building the capacity of local groups to monitor and investigate forestry abuses.

If these real reforms proceed and grow, the long-term future for Indonesia's remaining forests will be brighter. Yet in the current political vacuum the situation is worsening. The international community must ensure that the current government of Indonesia takes immediate action against concession holders that break the law and the timber barons profiting from illegal logging.

Tanjung Puting National Park

The Jewel of Central Kalimantan

Tanjung Puting National Park is a conservation area of global importance, providing an island of biodiversity amid the rapidly diminishing forests of Borneo. It is recognised as a world Biosphere Reserve by the United Nations and forms the largest protected area of swamp forest in the region of South-East Asia. It was awarded National Park status in 1984 after being classified as a wildlife reserve since the 1930s.

The park is located in the province of Central Kalimantan, and occupies an alluvial peninsula jutting out into the Java Sea. Covering an area of over 400,000 hectares, Tanjung Puting embraces a variety of different ecosystems, including tropical heath forest, peat swamp forest and mangrove forest.

Despite much of the park being permanently waterlogged it contains a number of commercial tree species including meranti (*Shorea* spp.) and ramin (*Gonystylus* spp). It is home to a dazzling array of wildlife, including over 200 bird species, 17 reptile species and 29 mammal species, many of which are endangered including the estuarine crocodile, clouded leopard, Malayan sunbear and Storm's stork.

Nine of the 13 primate species of Borneo are found in the park, such as the distinctive proboscis monkey, the agile gibbon, silvery leaf-eating monkey, and Tanjung Puting's most famous inhabitant - the orangutan.

A Refuge for the Orangutan

A Refuge for the Orangutan

Tanjung Puting is known around the world as the site of the longest-running scientific research project into wild orangutan behaviour. In the early 1970s a young Canadian scientist, Birute Galdikas, travelled to the swamp forests of the region to begin an intensive observation programme which continues today.

Galdikas was one of three female researchers recruited by Louis Leakey to probe the link between the behaviour of the great apes and humans. While Diane Fossey went to Rwanda to study gorillas and Jane Goodall travelled to Tanzania to look at chimpanzees, Galdikas chose Tanjung Puting to study the mysterious orangutan - Asia's only great ape. She established an extensive research area centred on Camp Leakey, named after her mentor.

In the intervening years Camp Leakey and the ranger posts at Pondok Tanggui and Tanjung Harapan have been used to rehabilitate captive orangutans with the goal of releasing them back into the wild. These centres, along with the proboscis monkey research camp at Natai Lengkuas, provide the main tourist attractions in the park.

Today Tanjung Puting is home to around 2,000 orangutans and provides the sole protected area of orangutan habitat in Central Kalimantan.

Under Siege

Tanjung Puting National Park is being attacked on an unprecedented scale. Hemmed in by rapidly-expanding oil palm plantations, its waters poisoned by mercury used in gold mining, damaged by forest fires, the future viability of this protected oasis is severely threatened.

The gravest danger is posed by illegal logging. While the more remote regions of the park have long been affected by small-scale logging over the last year the level and extent of the logging have grown dramatically. Tanjung Puting is now facing an onslaught orchestrated by local timber barons, determined to strip the park of its remaining commercial timber.

The logging has spread like a contagion from the south and east into the core of the park, and is now even rampant along the Sekonyer River, where the research stations and tourist lodges are found. The head of Tanjung Puting National Park, Suherti Redy, believes that if the current rate of logging continues the park will be gone in five years.

The logging is carried out in full view of the local authorities and is flourishing in an atmosphere of endemic corruption among the park rangers, police and military. The main culprits behind the massive timber theft are a group of sawmill owners in the nearby port of Kumai, principally Kartono and Halim, and local timber tycoon Abdul Rasyid.

From Illegal Logger to Timber Boss

Abdul Rasyid started out as an illegal logger in the southern part of Tanjung Puting, and now through his company Tanjung Lingga owns sawmills, plywood and mouldings factories, palm oil plantations, barges, tugboats, and cargo ships. His story has come full circle, as he is now the main beneficiary of the looting of the park.

Over the years Rasyid has built up a powerful business empire in his home town of Pangkalanbun and has developed strong connections and influence with both the local authorities and provincial authorities in Palangkaraya, the capital of Central Kalimantan. These include close links with the police and military.

He is well known locally for his wealth and lavish lifestyle, and stories abound about how he owns the largest house in town and chartered an aeroplane to bring famous musicians from Jakarta to his daughter's wedding.

Rasyid's Tanjung Lingga Group is a family affair, with his second wife Nurriyah and nephew Sugianto sitting on the board of directors. The company has offices in Pangkalanbun, Jakarta and Singapore.

Tanjung Lingga's glossy brochure details seven separate trading entities, six of which do not appear in company registers held in Jakarta. The records for the seventh division, PT Rimbayu Barito, do not mention either Tanjung Lingga or Rasyid.

The brochure also lists six separate forest concessions under Tanjung Lingga's banner. Again, the only one of these to feature on official concession maps is Rimbayu Barito, but ownership of this land has been passed to the state forestry company Inhutani. It is likely that Rasyid operates by sub-contracting concessions from Inhutani, in contravention of national forestry laws.

EIA/Telapak investigators posing as timber buyers gained an insight into Rasyid's business practices during two meetings with his nephew Sugianto. During a brief initial meeting at

Tanjung Lingga's headquarters in Pangkalanbun, Sugianto said his company could offer both legal and illegal business, and recommended the second category as a way of avoiding a 30% export tax.

The following day the undercover team were invited on a tour of one of Tanjung Lingga's ramin factories, accompanied by Sugianto. After a journey by motor launch south out of Pangkalanbun along the Arut River, the huge factory was reached. The operation was divided into three separate hangars - a sawmill, storage area and a mouldings plant - providing an integrated ramin processing facility.

During the tour vast amounts of ramin were observed, and construction work was expanding capacity by adding new drying rooms. In the sawmill area a small klotok boat was seen delivering unmarked ramin logs, showing that the wood had not come from a legal concession.

At a meeting held after the tour Sugianto soon returned to the theme of illegal business. He advised the potential buyers to cover up any illegal trade with Tanjung Lingga by carrying out a small amount of legal business to provide the necessary paperwork. Sugianto said he found illegal export of timber to Malaysia, Hong Kong, Singapore and Taiwan easy as customs could be influenced, but warned that China was far more difficult. He also spoke of his plans to export ramin blinds to the USA at a price of \$1,200 per cubic metre.

On the boat journey back to town, Sugianto boasted of Rasyid's connections to the local military and told how his uncle had begun his career as an illegal logger in Tanjung Puting.

A second EIA/Telapak team gained access to another of Rasyid's ramin operations, further north on the Arut River. The team observed that the factory, called Fajar Harapan, was stacked high with ramin, before being escorted off the site by armed security guards. Behind the factory was a barracks housing the factory's workers, who were on a 40-day contract to process the ramin at a fee of Rp 8,000 (\$1.3) per day.

Local people said Rasyid owns four ramin factories along the Arut River, yet only one of Tanjung Lingga's business divisions appears on a list of all the sawmills and wood factories licensed to operate in Central Kalimantan. As ramin has virtually been logged out in the area and is only found in substantial amounts within Tanjung Puting, the source of the logs feeding Rasyid's expanding ramin business is clear.

The legal veneer covering the illegal logging, which Sugianto advocated, is easily obtainable for a man of Rasyid's local influence. He simply buys the stolen ramin which the authorities occasionally seize. On 7th June 1999 a steel barge was seized by the authorities in Kumai Bay. On board the "Sinar Pawan II" were almost 1,500 illegal ramin logs, equivalent to 864 cubic metres of wood and worth \$500,000 on the international market. The consignment was auctioned by the police on 23rd June, and one of the two buyers was the company PT Sinarut Wirya Perkasa - owned by Rasyid.

The Kumai Connection

While Rasyid's empire along the Arut River grows, timber dealers and sawmill owners in the port of Kumai are also getting rich from the pillage of Tanjung Puting. The waters of Kumai Bay are busy with small boats towing log rafts, steel barges and tugboats, all involved in moving timber stripped from the park onto the international market, and in full view of the authorities.

Two of the largest processing operations in Kumai receiving the illegal logs are sawmills owned by Kartono and Halim - timber dealers from Pontianak in West Kalimantan. Kartono, who uses the company name CV Kapitan Jaya, runs a sawmill south of Kumai. EIA/Telapak investigators witnessed a huge amount of ramin logs tied up outside this factory, and traced several boats emerging from the park pulling logs to be added to the pile. On one occasion

the log rafts stretched for over one kilometre, and were all unmarked.

Local people spoke of the sawmill being lit up all night as it worked around the clock to process the illicit timber. Not only does Kartono take illegal logs, his whole sawmill is illegal. Official records reveal that this sawmill has never been granted licence by the authorities.

A second sawmill profiting from the destruction of Tanjung Puting is located on the waterfront in the north of Kumai. This operation is run by Halim, whose company is called UD Muslim Halim, one of the two buyers of the illegal ramin seized from the Sinar Pawan II barge. While Halim does have a licence to process wood, he also takes a cut of the illegal ramin from the park.

Much of the timber processed in these plants is moved through a sophisticated network of dealers and onto the international market. Pontianak and the port of Kuching in Malaysian Borneo are key points in this network.

EIA/Telapak investigators boarded a ship called Hasil Prima, docked in Kumai, which was loading ramin and other wood. The captain said he was taking the illegal timber to Kuching, in Malaysian Borneo, adding that the cargo would be transferred onto another ship for the final part of the journey to avoid problems with the Malaysian authorities. He also spoke of a Pontianak businessman who organised the delivery and had the necessary contacts to launder the timber on the international market, including Europe. Two further boats loading ramin were also bound for Kuching according to the crew, where the ramin would fetch up to Rp 2 million (\$300) per cubic metre.

The sheer scale and commercial nature of the logging taking place in Tanjung Puting is vividly illustrated by the presence of steel barges in Kumai Bay, loading up the ramin brought out of park in small rafts.

EIA/Telapak saw two barges on a single day in May 1999, anchored near the mouth of the Sekonyer River. One of the barges, "Sapphire 7", was the centre of intense activity as a crane scooped up ramin logs floating around the barge. A stream of klotok boats brought more log rafts to the site, including the Garuda 2 which normally takes tourists around the park.

On 22nd June three barges were observed in the Kumai Bay area - The Rimba Megah and Yi Jin I were preparing to load, while the Malian 02 had already begun taking ramin on board. This last barge was reported arriving with its illegal cargo at the Javanese port of Surabaya on 14th July, by which time it mysteriously acquired legal papers.

The Ramin Trade

The Ramin Trade

Ramin (*Gonystylus* spp.) is a tropical hardwood tree species, occurring in lowland freshwater swamp and peat swamp forests. Its distribution is confined to Borneo, Sumatra and Peninsular Malaysia and all of the 27 different species of ramin for which data exists have been classified as vulnerable.

The status of ramin was discussed at the 1994 meeting of the Convention on International Trade in Endangered Species (CITES). Concerns were raised over the effects of over-exploitation and habitat loss on the survival of the species, but failed to result in trade restrictions, mainly due to opposition from Malaysia.

Ramin is the most valuable tree species found in Borneo's swamp forests, but is vulnerable to commercial extraction due to low regeneration rates in this ecosystem. It has never been successfully cultivated as a plantation timber. Between 1980 and 1987 statistics showed over 7.6 million cubic metres of ramin was logged in Indonesia's forest concessions, an

amount exceeded only by meranti. Production has fallen steadily during the 1990s as supplies become scarcer, and by 1997 production had dropped to 489,000 cubic metres.

On the international market ramin is a much sought-after luxury timber due to its lightness, blond appearance, straight grain and good finish. The main uses include furniture components and veneers, futon beds, dowels, and mouldings such as skirting, cornices and picture frames. Ramin is also used in snooker cues, wooden toys and window blinds. There is an insignificant market for ramin within Indonesia, with the vast majority of the timber exported to the USA, Europe and Asia.

The top export markets for Indonesian ramin are Taiwan, Japan, Singapore, Hong Kong, USA, Italy and the UK. Italy's tradition as a centre for fine furniture manufacture makes it Europe's largest importer of ramin, while the US market has grown recently partly due to the increased use of ramin for futons and picture frames.

Its use in luxury products and increasing scarcity make ramin a valuable timber on the international market. Prices vary from \$600 per cubic metre for sawn ramin to \$1,200 per cubic metre for moulded ramin.

Along the Sekonyer River

It is the timber barons of Kumai and Pangkalanbun who are responsible for the havoc descending along the river systems in the west of Tanjung Puting.

The Sekonyer River, along which a series of research stations, tourist lodges and ranger posts are located, was untouched by illegal logging until the summer of 1998. The situation has rapidly spiralled out of control.

In mid-May an EIA/Telapak team travelled along the river and found a deteriorating situation. A few days before a team of rangers from the PKA (Forest Police and Conservation Department) provincial office in Palangkaraya had conducted an enforcement operation in Tanjung Puting, confiscating 300 illegal ramin logs.

The confiscation provoked an angry reaction from the loggers, who had already paid the local PKA rangers for a "permit" to log in the park. Local people spoke of a further levy demanded by the rangers of Rp.10, 000 (\$1.5) for each log emerging from the Sekonyer.

The boat driver who had transported the Palangkaraya team into the park was attacked by loggers armed with machetes, and was forced to dive into the Sekonyer River to escape. After an angry confrontation between loggers and rangers at the Tanjung Harapan post, most of the rangers were pulled out of the park - leaving it at the mercy of the loggers.

Evidence of unbridled illegal logging was recorded all along the Sekonyer. The sight of illegal log rafts and the sound of chainsaws from within the park were commonplace over a five-day period.

Two logging camps were entrenched on either side of the proboscis monkey research centre at Natai Lengkuas, and a system of wooden rails had been built to move the logs from the interior forest to the river.

The situation at the ranger post of Pondok Tanggui further downstream was even worse, surrounded on three sides by logging camps. Rangers said a team of 40 loggers carrying machetes had walked through the post recently in a show of strength.

One of the most famous ex-captive orangutans of Tanjung Puting, called Gistok, had disappeared from Pondok Tanggui. The rangers feared loggers had killed him, as the orangutan was domesticated and had never left the post for more than a day before. The

proximity of the logging camp had also forced the rangers to move the orangutan feeding station to a new position, further away from the loggers.

On a single day EIA/Telapak observed six large log rafts moving down the Sekonyer. The rafts were composed solely of ramin, in some cases part-sawn and in others raw logs. The largest raft snaked for over 100 metres and was made up of over 200 ramin pieces. Altogether over 800 ramin logs were counted during a two-hour period. At several sites along the river loggers were busy lashing ramin logs into yet more rafts.

The logging gangs operating along the Sekonyer receive a pittance for their labours and are organised by a handful of middlemen based in Kumai, notably Akiong. These people ferry supplies along the river, such as fuel for the chainsaws, and pay the loggers around Rp.25,000 (\$4) for each cubic metre of ramin. They then sell the timber to sawmills for between Rp.300, 000 (\$46) and 600,000 (\$90) per cubic metre. Two of the Kumai middlemen were observed travelling up the Sekonyer by speedboat towards the logging camps.

Between 14th June and 18th June almost 500 ramin logs were moved down river, owned by the Kumai middlemen Bawai, Kusnadi, Wito, Sabur and Sipur. The following month the arrival of a joint enforcement team, comprising park rangers, police and the army provoked anger among the loggers and some residents of Kumai. The park was closed for a day and the operation led to the seizure of 800 logs in the Natai Lengkuas area.

Within a year the situation along the Sekonyer has radically changed - from being relatively untouched by timber theft, to being blatantly logged in full view of the authorities charged with protecting the park. The most valuable tree species in the park - ramin - is the sole target for the Sekonyer logging gangs, and is being removed at an alarming rate.

The logging frenzy is reported to be even worse in the Buluh Besar River area, to the south of the Sekonyer and in the centre of the park. On a single day in July eight logging camps were spotted on the banks of the Buluh Besar, and huge log piles of ramin were awaiting transport down the river. Over 1,500 logs were counted and an extensive network of wooden rails for moving the logs permeated the area. The owners of the logs included Basri, Acong and Jalil.

Logging in the East of the Park

The nature of illegal logging activities in the more remote eastern region of Tanjung Puting differs significantly from the Sekonyer and Buluh Besar operations. The east has endured logging for far longer, and the valuable ramin tree has largely been removed from the area, forcing the illegal loggers to target less profitable dipterocarps like meranti and bangkirai instead. Illegal logging is so entrenched in the area that roads have been built inside the park to take the timber out.

The eastern boundary of Tanjung Puting runs parallel to the Seruyan River, which is located approximately seven kilometres to the east of the park. The port of Kuala Pembuang is found where the Seruyan reaches the Java Sea, and there are several tributaries running into the main river which provide access into the park.

One of these tributaries is the Bangkuang River, in Pembuang Hulu district. An EIA/Telepak team spent a week in this region building up a detailed picture of illegal logging activities and identified the people running the logging gangs.

The upstream area of the Bangkuang River is divided up by the logging bosses into informal "concessions" inside Tanjung Puting. These middlemen - seven of whom were identified operating in the area - are based in local villages along the Seruyan River, including Tanjung Hanau, Benua Usang, Telaga Pulang and Baung.

The local bosses scout out new logging areas inside the park by surveying parts of the forest on foot and counting the density and size of commercial tree species. When a suitable "concession" is discovered it is marked to keep out other loggers, although conflict over the more abundant forest areas can occur.

With a new area now claimed and marked out, the boss returns to the village to recruit a logging gang. The gangs consist of between five and 12 people, both chainsaw operators and labourers to pull the logs out, who work the area for around six months. Loggers claim to take out around 2,000 cubic metres of timber over the six months from each illicit concession. As five distinct "concessions" were identified, at least 10,000 cubic metres of illegal timber is being taken from inside the park each year from the Bangkuang River district alone.

EIA/Telapak investigated one of these concessions to find out how the logging is organised. The boss of the area was identified as Jali from Tanjung Hanau. Using a Global Positioning System the investigators confirmed the presence of four different logging camps within the park working on Jali's "concession". The loggers working in the area are both local people and from other parts of Indonesia, including Lombok and East Java.

The logging team takes mixed wood such as meranti and bangkirai, which can be floated on the rivers out of the logging area. The process of moving the timber from the logging area to the Seruyan River is torturous and can take up to four months, but in Jalil's area a crude road had been cut out of the forest to allow the use of a truck for part of the route. Wooden rails were also discovered in the area and are used to pull the logs along.

In the investigation area over 30 small log piles were counted. After being sawn into about three sections per log and stacked, the timber is pulled out along the rails. A 20-tonne truck is then used to transfer the timber to the site of a large log pond on the Bangkuang River. At least two kilometres of road was observed within the park. The logs are moved down the river during the rainy season to the village of Tanjung Harau, on the banks of the Seruyan. EIA/Telepak saw over 130 logs in the pond, and over 1,000 log pieces in total spread across the "concession" area.

At the village the local boss takes control of the timber and pays the logging gang around Rp 50,000 (\$8) per cubic metre. Out of this payment the chainsaw operator will receive about Rp 12,000 (\$2) for each tree felled, the truck driver gets Rp10, 000 (\$1.5) per cubic metre, and the team of labourers receive about Rp 25,000 (\$4).

The timber is then transported down the Seruyan River in large rafts, destined for one of the 26 sawmills of Kuala Pembuang. While the local boss pays just Rp 50,000 for each cubic metre of illegal timber, he can expect to sell it for up to Rp 250,000 (\$40) in Kuala Pembuang.

Logging activities in the Baung River area inside Tanjung Puting were also documented. In an area inside the park known locally as Natai Empat seven separate logging camps were counted. The main camp appeared to be a permanent settlement within Tanjung Puting, with a range of crops being grown and up to 30 loggers in residence. The loggers knew they were inside a protected area.

Again the forest was dissected by a network of rails for pulling the logs out. Three separate rail systems were seen, each with a series of spurs running off to log collection sites. One main rail appeared to be newly constructed and ran for over one kilometre. Ramin has also disappeared from this part of the park, leaving the loggers to seek dipterocarps like meranti instead.

From the evidence accumulated in the east of Tanjung Puting, it is clear that the illegal logging here has been proceeding for a number of years and has entered a distinct second phase. While the first phase involves the specific targeting of ramin - the most valuable tree found in the park - and is characterised by events along the Sekonyer and Buluh Besar river,

loggers have virtually stripped the east clean of this tree. One of the illegal loggers operating in the Bangkuang River said ramin had finished in the area over four years ago.

Instead commercial dipterocarps are now being felled, which although not as valuable as ramin still offer considerable profits to those behind the logging. This second phase may ultimately be even more damaging to the park as more tree species are being felled.

From detailed investigations a clear picture of the progression of the logging of Tanjung Puting has emerged. The logging operations have been moving steadily towards the core part of the park, which contains most of the orangutan research areas. As ramin has been removed from the south and east of the park, the logging gangs make ever-deeper incursions in search of the timber. One of the local bosses from the east has been surveying forest just ten kilometres from Camp Leakey. Unless the wave of logging is halted soon not a single part of Tanjung Puting will remain unscathed.

Gunung Leuser National Park

History and Importance

Gunung Leuser is one of the largest Indonesian National Parks covering 890,000 hectares and situated in the north of the island of Sumatra. It formerly consisted of a number of nature reserves. Its biodiversity is staggering, boasting many high profile mammals such as the orangutan, Sumatran tiger, Sumatran rhinoceros, Malayan sun bear, Asian elephant and clouded leopard. Of the 10,000 plant species recorded in the West Indo-Malayan region, it is estimated that 45% are found in the Leuser ecosystem.

Gunung Leuser is largely mountainous covering more than 100 kilometres of the Bukit Barisan mountain range, but it also encompasses the Sumatran west coast in South Aceh Province including turtle beaches, mangroves, swamp land and lowland rainforest.

The park and the surrounding ecosystem are critically important for protection of the water supply, so vital for the forests and the people living in surrounding areas. The swamp forests act as a carbon sink and also absorb water, so preventing flooding further downstream in agricultural areas. Without this ecological protection, flooding becomes more widespread.

Political and Management Problems

There has been an enormous shift in power since the Soeharto regime collapsed in May 1998. A development and management project for the Leuser ecosystem was created during the old political regime, designed to run for seven years and to hand over the staff, procedures and facilities to a non-profit NGO. In this way the park's management is to be privatised. This project, known as the Leuser Management Unit (LMU), is a joint Government of Indonesia and European Union funded project (Ecu 50 million). It is run from the North Sumatran city of Medan and is designed to cover the park and the surrounding ecosystem, in total 2.5 million hectares. More than two million people live in the immediate surrounding area.

LMU's stated goal is to conserve the ecosystem by expanding the park, helping to develop areas surrounding the park and to create buffer zones. To achieve these aims the project carries out research and monitoring and is helping to develop "appropriate economic activities" around the periphery of the park.

The new reformation era of Indonesian politics has shifted some of the power to those who wish to oppose the law for political or financial reward. Communities are becoming more aware that there is an opportunity for them to take some control over the land and in some

areas the law is breaking down.

Coupled with this are local timber barons with military and police support, who are exploiting this current power vacuum. Anarchy is to their financial advantage and they are prepared to stir the local communities to further their aims. In reality, they are running away with most of the local resources and paying the local people a pittance to break the law on their behalf. Authoritarian oppression of the people has been replaced by financial and resource exploitation.

The LMU sees the new era as a useful chance for it to extend its community programmes, but it suffers from a perception that it is part of the old establishment. Many local people see the LMU as chiefly a donor agency, a perception that is reinforced by EU funding restrictions. The fact that the project has to purchase EU vehicles for transportation leads to the staff driving around in "alien" green Landrovers, and further reinforces the donor perception of their work.

Co-operation with some other authorities has clearly broken down. It is common knowledge that tensions exist with the Forest Department, partly because it is making too much money out of the forests to be interested in LMU's long-term goals. Enforcement authorities have failed to react to LMU's recent calls to stop illegal logging at the Suaq Balimbing Research Station.

Adding to the LMU's difficulties is the freezing of much of the EU's grant since November 1998 and the failure of the Indonesian government to pay its share. This has had a very serious affect on the ground, where LMU staff have attempted to help some communities by making financial promises which they cannot now keep. In these cases, resentment amongst local people to the LMU and the park is growing. It is claimed that illegal logging in the Suaq Balimbing Research Station started immediately after the LMU failed to turn up to two local community meetings.

The political instability of Aceh Province creates additional problems for the park. Local community empowerment is an important factor throughout Indonesia in the current period of reformation, but in Aceh an independence movement also exists creating more political factions and routine lawlessness. Military and police involvement in illegal logging is well documented creating a power structure both regionally and locally which is difficult to break.

The Orangutans of the Swamps of Aceh Province

The Orangutans of the Swamps of Aceh Province

Unique and extraordinary, the orangutans of the Kluet swamp in Aceh have been regularly observed using tools made from branches to extricate food from holes in trees, bee's nests and the well protected Neesia fruits. This kind of behaviour has never been seen in orangutans from other areas.

Besides their use of tools, the orangutans of the Aceh swamps are also found in very high population densities. It is believed that this may be due to the high food productivity of the swamp forest supporting high numbers of orangutans, which in turn has created social groupings. This is unheard of in Borneo where orangutans are usually regarded as solitary.

The populations of these unique creatures have been severely hit by partial logging of their habitat. Even prior to the illegal logging onslaught breaking out in May it was estimated that only 49% of the original habitat remains and only 48% of the estimated number of orangutans. In total, only around 2,500 orangutans are believed to remain in the three swamp areas of Aceh. With the current logging activities this number could be much less.

Until recently the Kluet and Singkil swamps were the last two intact swamps in the whole ecosystem. Illegal logging activities have now rapidly degraded these swamps as well. Globally, the ecological significance of these areas is very high. About 80% of the world's

freshwater peat swamps are in Indonesia and already about 80% of these have been lost.

The importance of these swamps to orangutan conservation cannot be under-estimated. Orangutan population density maps of the area show the highest concentrations to occur where the three swamps are found. If the logging is allowed to continue, the majority of the orangutan population will rapidly disappear, only remaining in much lower densities on higher land.

Illegal Logging in the Swamps

There is widespread illegal logging in the swamps of South Aceh, which has increased during the power vacuum caused by the resignation of President Soeharto. Local timber barons have encouraged the communities to break the law by providing them with chainsaws and loans for food and supplies.

Less fear of authority has given local people greater courage to break the law without expecting repercussions. In some areas there is virtual anarchy, but the old power structure is still not far behind. Involvement of the various law enforcement agencies in the illegal logging continues, including the Forest Police and Conservation Department (PKA, formerly known as PHPA), the army and the police. This involvement ranges from actively organising illegal logging to taking bribes to turn a blind eye.

Tripa Swamp

All three swamp areas in Aceh are already degraded with the northernmost Tripa swamp unprotected and affected by a former concession which was owned by PT Dina Maju and an active concession run by PT Gruti, a division of PT Mujur Timber.

Mujur Timber has already been seriously implicated through its company PT Duta Maju Timber in West Sumatra in misrepresenting the borders of the Kerinci Seblat National Park on its maps so as to log within it. In this case it took a joint investigation team by the Ministry of Forestry and the World Bank to hike throughout the area and re-plot the logging area to prove that Mujur Timber were illegally logging this protected area for the second year running.

Singkil Swamp

The Singkil Swamp is suffering "ubiquitous timber poaching at each and every of the sites visited or rivers surveyed" by a recent team reporting to the LMU. They found that along the Simpang Kiri / Alas river "there are virtually no areas left that are not seriously degraded." Even along the inaccessible west coast illegal logging was taking place. This is despite the area having protected status.

The swamp has also been logged by two concession holders, one of which is Alas Aceh Perkasa and is still active in the area. This company is owned by Mujur Timber.

Kluet Swamp

A joint team from EIA, Telapak Indonesia and Yayasan Leuser Lestari (YLL) visited the Kluet Swamp area within the Gunung Leuser National Park and the surrounding area formerly under the control of concession holder PT Medan Remaja Timber (PT MRT). They met with villagers, illegal loggers, community leaders, the local governor (bupati) and researchers at the Suaq Balimbing Research Station. While trekking the team saw areas of the National

Park devastated by logging, heard chainsaws in most directions, witnessed the felling of trees within the park and learned the location of some of the sawmills receiving the stolen logs. They visited one sawmill owned by Mr Siao - reputed to be the biggest timber baron in the area.

Logging teams build their camps within the National Park boundaries and destroy many trees to clear an area and build their structures. The local people are working for a pittance and are forced to take loans for their food and cigarettes while in the forest. This ties them to a particular timber baron who also pays off the local enforcement authorities.

The two man logging teams are tied to the local sawmill owners, who are the main force behind the timber theft. The loggers work out of a camp with a number of other teams and are provided with the chainsaw and fuel. The team leader will borrow Rp 150,000 - 200,000 (US\$23-30) per week to provide food and cigarettes for him and his assistant. The team leader pays Rp 10,000 (US\$1.50) to his assistant per day. They can cut at least one tonne of timber per day (approximately one cubic metre) for which the team leader is paid Rp 60,000 (US\$9). If they cut the minimum of seven tonnes each week the team leader will receive Rp 175,000 (US\$27) after paying his assistant and repaying the credit to the sawmill owner.

Not only is this work illegal, it is gruelling and the workers live and sleep in the forest seven days a week. In their ramshackle temporary shelters the loggers are easy prey to an array of biting and stinging insects, and have to endure leeches and possible snake bites.

While the logging team gets just Rp 60,000 for each tonne, the sawmill owner can sell one tonne of timber for Rp350, 000 - 400,000 (US\$54-\$62).

Loggers working in the protected forest explained that the timber they cut all goes to sawmills owned by Mr Siao. He has five sawmills located at Kota Fajar, Pasir Lembang, Bakongan and Paya Laba.

In addition to Mr Siao, the loggers claimed that other sawmill owners with loggers in the Park are Mr Ja'i of Paya Laba, Mr Suhaimi from Kandang, Mr Darto from Medan, and Mr Kamal of Pasir Lembang.

The Kluet swamp is the site of the unique Suaq Balimbing Research Area. This internationally renowned research site lies within the National Park and has been the home for scientists under Prof. Carel van Schaik since the early 1990s. He fears that the spate of illegal logging will destroy the unique behavioural traits, such as the use of tools, observed in the orangutan population which are known to be critically dependent on the proper environmental conditions. Van Schaik believes the very survival of the orangutans of Suaq Balimbing is threatened.

Logging started in the park area soon after the downfall of President Soeharto, but on a relatively small scale. It did not spread into the research station until March 1999. By July it was estimated that about 100 loggers were operating within the study area, based at 24 logging camps and using a system of 20 rails to pull the logs out.

Two of the three most important food trees for orangutans in the area have been heavily logged. It is estimated that 50-66% of the Neesia trees and 25-33% of Sandoricum beccarianum have been cut in the study area.

The complete failure of the LMU to gain support from the authorities and the community to stop the illegal logging demonstrates the lack of local support for the programme. The current power vacuum has led to a situation where the authorities drop any pretence at even trying to deal with the problem of illegal logging. It is no wonder that the sawmill owners can send the loggers in with impunity.

Meetings held between various authorities and the loggers resulted in an ultimatum, which was more a case of bravado than a sense of reality. The loggers were told they could

remove their illegally felled timber but must stop their activities. Most ignored the ultimatum and logging continues.

Successful Community action against PT MRT

The problem of illegal logging in the swamp areas is symptomatic of the abuse that the forests in the Leuser ecosystem have endured for many years. This fragile ecosystem is surrounded by 13 separate logging concession companies, some of which have recently ceased operations. A number of these companies have broken the regulations governing forestry practices within their concessions.

One such case was PT Medan Remaja Timber (PT MRT) which ran a concession bordering the Kluet swamp. Workers from this company were found logging within the National Park by investigators from YLL who also found an oil palm plantation and a sawmill within the concession area. Both these activities are illegal. Additionally, timber was being cut near water sources and on slopes with steep gradients.

YLL has provided detailed reports to the authorities on the illegal activities of PT MRT since 1996, and enlisted the support of local communities hit by PT MRT's flagrant disregard for the law. Communities downstream of the concession area endured serious hardships, believed to be due to PT MRT's illegal operations. A flood that destroyed a school building in the village of Kandang was blamed on PT MRT. Farmers suffered from irrigation problems, and a logging road was built straight through a village's crops without talking to the villagers. These arrogant actions by the company sparked local protests, which escalated into company buildings being burned, a logging road being blocked and the seizure of a bulldozer.

A local community leader took the evidence and grievances to Jakarta and successfully lobbied the Ministry of Forestry to close this concession down. The company is appealing against the closure with the support of the chief of the Forest Department in Aceh Province - the only authority that opposed the closure despite the evidence.

Conclusions

- The illegal logging in two of Indonesia's most important protected areas - Tanjung Puting National Park and Gunung Leuser National Park - is out of control and orchestrated by timber barons, members of the military, police and the forest department. The situation is exacerbated by the fact that the current wave of logging is not simply a recent reaction to the country's political vacuum, but an acceleration of entrenched illegal activities, corruption and collusion which have defined Indonesia's forest practices for the past three decades.
- Local communities, although involved in the illegal logging, are merely reacting to the climate of corruption that has surrounded them for years. In many instances the illegal logging is a consequence of the marginalisation and alienation of local people from their rights to forest resources. The loggers themselves are being recruited in increasing numbers to create chaos in the forests, to the continuing profit of the timber barons and corrupt officials behind the massive timber theft. The situation is so bad that illegal logging now outstrips legal timber production in Indonesia.
- This short-term pillaging of the forests is the legacy of a system that has seen the country's forest resources carved-up between a few members of the power elite, a system the international community failed to condemn. Despite publicity of the recent destruction in Indonesia's National Parks, there has been no outcry from other governments.

- This rapid onslaught is tearing the heart out of Indonesia's few remaining islands of biodiversity as well as removing future potential for local communities. The environmental fall-out is causing an incalculable loss in terms of priceless biodiversity and pushing the orangutans of Indonesia ever closer to extinction.

Recommendations

The logging of the National Parks must be stopped immediately. This must be done in the context of the following actions:

- Closure of illegal sawmills and immediate audit of licensed sawmills in the vicinity of the Parks. Immediate investigations and prosecution of owners of sawmills proven to be acting illegally.
- Major international donors, including the USA, the European Union, Japan, the IMF and World Bank, must be held responsible for upholding actions to stop illegal logging and reform forestry law.
- Investigation into corruption of the authorities, including the police, military and Forestry department in the local area, the provinces and central government in Jakarta. Prosecution and replacement of individuals, including those at the highest level.
- An alternative forestry law taking into account local community rights, local participation in forestry, and recognition of land claims.
- Establishment of a Consultative Forestry Council with real moral authority and power to provide a medium for forestry issues to be resolved between all the stakeholders at a national, regional and local level.
- Strengthening PKA (Forest Police and Conservation Department) in areas of management and establishing park boundaries through participatory mapping. Create an enterprise spirit that includes the community, wildlife and forest conservation and tourism.
- The international community must take responsibility for their consumption of illegally produced timber from Indonesia.