

Forests in Papua: Data and Facts

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„The last frontier“ – that’s what the environmental organisation Telapak calls the forests of Papua. During the few decades, forests have been clearcut everywhere in Indonesia. Papua is the last region with surviving large continuous forests. In recent years, however, Papua has become a hotspot for the timber industry. The forest has been vanishing rapidly, and police measures against illegal logging have had little effect. A new threat comes from plans by the Indonesian government to establish gigantic palm oil and pulpwood plantations in Papua. Measures to protect the forests are either facing opposition, or are ineffective.

Forests in Indonesia

South-east Asia is one of three important regions worldwide which still have large tropical rainforests, together with the Amazon Basin and Central Africa. In 1950, shortly after independence, 84% of Indonesia was still forested.

There are two key dates which mark step changes in the rate of deforestation: 1985 and 1997. By 1985, Indonesia had already lost one third of its forest. This year saw the beginning of a new type of large-scale industrial logging. The causes were new technology which allowed for the use of giant rainforest trees, international capital investment in the timber and pulp and paper industries, as well as Suharto’s children and cronies entering the business. This managed the destruction of 33% of the forest in just twelve years, with the help of large-scale concessions.

1997 entered Indonesia’s history books as the beginning of the Asian Financial Crisis, which sparked off the overthrow of Suharto, and the El- Niño year with its devastating impacts during the annual fires season. Deforestation has drastically increased after Suharto’s overthrow, as a consequence of decentralisation and the related lawlessness in the forest sector. Today, less than 20% of the country is forested.

Land mass in Indonesia 1.919 million square km, or 192 million hectares

(= about the size of the Australian continent)

| | forested |
|---------------|----------|
| ● before 1950 | 84 % |
| ● 1985 | 60 % |
| ● 1997 | 40 % |
| ● 2008 | < 20 % |

There are big differences in deforestation rates on different islands. After independence, large continuous rainforests were found mainly on Sumatra (nearly 80%), Kalimantan (around 94%) and Papua which, apart from some savannah and wetlands and a few settlements was almost completely covered by forest. During the Suharto era, a large proportion of the tropical trees in Sumatra were destroyed by the paper and pulp industry and the palm oil industry. For the last two years, there has been no sizeable lowland rainforest in Sumatra. Instead, the island is today covered in endless plantations. The situation in Kalimantan is even more depressing. By the end of the Suharto era, half the forest was gone. Kalimantan today consists to a large part of degraded, ecologically critical land and the end of the lowland rainforests is imminent.

| | 1950 | 1985 | 1997 | Ende* |
|------------|-------|------|----------------------|----------------------|
| Sumatra | 79.7% | 48% | 35% | 2005 |
| Kalimantan | 93.6% | 74% | 55% | 2010 |
| Papua | 99.3% | 85% | 81% 2007: ca. 70% | 2022 |
| Java | 38.1% | 10% | 14% | |
| | | | | * lowland rainforest |

Clearcutting in Papua

Legal – illegal

Compared to other islands in Indonesia, Papua is still relatively rich in forests. Nonetheless, clearcutting has exacted its toll. Since 2001 in particular, deforestation has been rampant. If it continues at the present speed then Papua will have no lowland rainforest left in fifteen years. What seemed unthinkable a decade ago is a reality for some parts of Papua today: Degraded soil and ecologically critical areas without intact ecosystems.

Since 2000, a large number of logging concessions (HPH, *Hak Pengusahaan Hutan*) has been granted. As a result, over a period of seven years, legal logging has increased tenfold. Given that the HPH concessions offer conditions which can easily be abused, illegal logging has increased dramatically at the same time. The HPH concession holders exceed their mandate considerably, abuse their remit, work with forged paperwork, invade national parks etc. Furthermore, illegal timber companies are at work. We estimate that 90% of wood from Papua is illegal. Nowhere else in Indonesia is the percentage as high.

International companies, local politicians and the army – all of them are involved in the business. For the military in Papua it is particularly lucrative because even the lowest army ranks can make money from logging, including indirectly, with soldiers demanding payment from village chiefs. Those are put under pressure and are, due to their lack of capital and income, forced to fell and sell trees. The profit margins are high. For one cubic metre of hardwood the Papuans currently receive 100,000 rupees (8 Euros). The end product (timber labelled as coming from Malaysia or China, where no merbau grows) is sold for around 2,000 Euros per cubic metre.

Telapak has established that 300,000 cubic metres of merbau are taken out of Papua every month (2005). Every day, ships depart towards Malaysia and China, laden with merbau. In the southern Chinese province of Hainan alone, 500 new wood and furniture factories have sprung up since 2000. Here, merbau is turned into floor coverings and garden furniture for the world market.

Logging, not just of merbau, is so brutal that the most valuable tree species, such as agarwood (gaharu) can hardly be found any more. Even merbau is now endangered: Indonesian experts are trying to have merbau included into the CITES list of endangered species, which would make any trade in merbau illegal.

The Special Autonomy also plays a role in deforestation. Individual districts (kabupati) rely on wood to finance their budget, and on agro-industrial development models. Those include plantations for palm oil, pulp and paper and other commodities, such as cocoa.

New threats to the forest come from two directions: The expanding palm oil sector for the production of agrofuels ('bio'diesel) and, paradoxically, carbon trading in rainforests in the name of saving the forest. Both trends result in a rush by international corporations to buy up land and forest in Papua. A similar run on the last areas of land, either for biomass production for energy or for the conservation of forests for carbon trading, can be observed worldwide.

Since 2001 we have witnessed the following developments:

- Extreme, mainly illegal deforestation
- Papua is "the last frontier" for transnational corporations
- The military plays a role in deforestation.
- Kabupaten (Districts) bank on agro-industrialisation.
- In mid-2007, the zoning of land for oil palm plantations and for the trade in emissions certificates started.

Illegal logging

- Logging and timber production has increased tenfold since 2000 (legal).
- In some locations, up to 90% of logging is illegal.
- Main customers are Malaysia and China Hauptabnehmer sind Malaysia und China (500 new wood companies in Hainan).
- Some types of wood have no longer been available on the legal market since 2002, such as gaharu.
- This has resulted in degraded and ecologically critical areas.

Licences and sovereignty

High profits and high consumption are the causes of forest destruction. Another cause for the threat to the forest lies in the fact that the Indonesian constitution and relevant laws (Forestry Law, Plantation Law, Mining Law) consider land, forest, water and their resources to be property of the state. The state has sovereignty over the land, not the people.

The land in Indonesia has been almost completely divided up and distributed to companies. One look at the 'concession' map shows that only a few regions are not in the hands of timber, pulp and paper, plantation and mining companies. There are only a few 'white' spots on the map, most of them in Papua. Only in Papua is there space for further land acquisitions.

Jakarta makes decisions about the granting of large-scale forest concessions, even in the provinces, based on the principle of state sovereignty. This includes so-called licences for forest use (HPH) and, recently, IPK concessions (*Izin Pemanfaatan Kayu*) in the order of 100,000 to 1 million hectares.

According to government data, over 14 million hectares have been given away in HPH concessions to timber companies: In the Bird's Head Area, around Bintuni Bay, in the north, and in the south, in Mappi and Boven Digul. Only the highlands have been exempted. Nearly one million hectares are in the hands of the pulp and paper industry and over half a million hectares belong to plantation companies. Furthermore, there are concessions for deep and open-cast mining.

Concessions

- Timber industry (HPH) 14.410.351 ha
- Paper industry (HTI) 916.397 ha
- Plantations (HGU) 570.497 ha

(For a map of HPH concessions, see <http://www.papuaweb.org/gb/peta/fwi/05.jpg>).

The question about the legality or illegality of timber is gaining greater political importance due to the practice of concession granting by the central government. Wood is being defined as illegal if there are no papers or if papers have been forged. Wood belonging to the firm of a multi-millionaire from Jakarta, Kuala Lumpur or Seoul can be legal wood, as can be complete clear-cutting for the establishment of plantations. Wood without paperwork is illegal. Even ordinary fuel wood for domestic use could be regarded as illegal.

Ownership of a concession does not mean that this is actually being used. Examples are palm oil companies which own half a million hectares. In reality, barely one-tenth has been planted with oil palms. The practice of concession granting has, regardless of the actual circumstances on the ground, the effect that trans-national corporations can exploit Papua's forests whilst the indigenous population loses their land rights.

The Special Autonomy Law has given new rights and responsibilities to districts. They can now grant logging permissions for areas smaller than 100,000 hectares (less than 20,000 hectares up to 2007). Papua can decide, in which forests traditional (*adat*) laws apply and can grant communities corresponding licences for forest use based on traditional rights (IPKMA = *Izin Pemanfaatan Kaya berbasis Masyarakat Adat*). In Papua's forests, national and local interests collide, for Jakarta maintains the right to sovereignty over land and forest. Conflicts are unavoidable in the long term.

Status and Reality

(see map: http://www.west-papua-netz.de/images/upload/Papua_Waldkarte.jpg)

The basis for all concessions is the legal status of the forest, which continues to be decided by the national Forestry Ministry. The legal status of the forest is not necessarily identical with the real conditions. The Indonesian model relies entirely on a productivity-focussed attitude towards the forest. Crude distinctions are being made between

- (1) production forest, where selective logging is allowed;
- (2) conversion forest, where clearcutting for plantations is permitted;
- (3) conservation forest.

Status of Papua's Forests

(Land area of Papua : 422.248 km² , or 42,2 million hectares; roughly the combined size of Germany and Austria)

According to data by the Indonesian government, 32 million hectares of land are classed as forest:

Production forest: 11.3 million hectares
Conversion forest: 9.3 million hectares
Conservation forest: 10.6 million hectares.

Saving the forest

Police methods

Anybody travelling to Papua today will see vast quantities of confiscated rotting merbau logs. This is the result of a collaboration between the forestry ministry in Jakarta, the local administration and the police. Administrators have been trying to control illegal logging through police raids (*Operasi Hutan Lestari I und II, 2002-2006*). In fact, so much wood was confiscated that we must draw the conclusion that ALL companies in Papua work illegally. NGOs in Papua have recommend abolishing the system of HPH concessions, to allow no further logging by any companies and, above all, to grant no new HPH concessions.

During the police raids, more wood was impounded than is produced officially and legally in Papua. One example (according to the NGO Yasoil): In Sorong alone, 63,000 square metres of timber, or 13,000 logs were confiscated during OHL (police raid) II. This quantity is equivalent to the entire legal annual production in Sorong. Another calculation using figures from the police files: Over the course of just two weeks, 52.607 logs, six ships, six motor boats, 16 lorries, 29 chain saws (including Stihl chain saws from Germany), 568 bulldozers and other heavy machinery were confiscated. 47 persons are on the list of people wanted by the police, including well-known businessmen from Jakarta and Malaysia. At least six people were arrested, but only temporarily. They were let free again...

In view of the confiscations, the police and the forest department are speaking about a “big success”. They claim that there is no more illegal logging. Yet despite the impressive results of the OHL police raids, the export of illegal timber from Papua has not declined. The timber mafia, far from stupid, uses new methods. Since 2002/03, in the wake of the Special Autonomy, Papuan communities or village cooperatives have been allowed to grant logging concessions (*Izin Pemanfaatan Kayu Masyarakat Adat, IPKMA*) based on indigenous land rights (*hak ulayat*). Illegal operators have been working with those documents ever since.

Sustainable forest policy

The question is how illegal logging inside Papua can be confronted, without a change in the national forestry policy, without shaking up the constitutional principle of national sovereignty over land, without a paradigm shift in the classification of forests and the practice of concession granting by Jakarta.

The Papuan government is very aware of the complex problems. It has developed a sustainable forestry concept. Agust Sumule, advisor to Governor Suebu, who was elected in December 2006, presented this concept during an autonomy seminar by the West Papua Network in Germany in March 2007. It is a courageous concept. First of all, timber exports are to be prohibited, which has now happened. However, the concept involves more than tackling illegal logging. Papuans themselves shall benefit from the wood by running their own companies. Forestry officials are to learn sustainable forest management.

These principles alone are a major challenge to the exploitation by Jakarta and by traditional corporations. A real challenge to the national identity of the state is the declaration “the forest belongs to the people, not the state”.

Principles of the new forest policy in the province of Papua

- total prohibition of wood exports;
- addressing land conflicts by securing Papuan’s access to the forest: „The forest belongs to the people, not the state“;
- efficient administration and public services;

- quality in forest management;
- clear legal regulations;
- strengthening small and medium-sized enterprises by forest dwellers.

Protecting the forest and earning money

The conservation of forests as carbon sinks plays an important role in addressing climate change. So far, however, there are no mechanisms for financing this under the Kyoto Protocol. The UN Climate Conference in Bali in December 2007 agreed in principle to include existing forests into emissions trading. This model is known as REDD (*Reduced Emissions from Deforestation and Degradation*). At the same time, the World Bank launched its Forest Carbon Partnership Fund through which governments and industry are to pay offsets for their emissions which go towards protecting forests.

Barnabas Suebu, Governor of the Province of Papua, knows similar models from his time as ambassador in Mexico and regards them as suitable ways of saving the forest and at the same time earning money from emissions trading. Six months before the UN climate conference in Bali, in April 2007, Papua negotiated an agreement with the World Bank to exclude one million hectares of land from the 9.3 million hectares of land classed as ‘conversion forest’ and to protect it through one of the World Bank financed projects.

This idea makes sense, but there are problems. The agreement had barely been signed when many started to smell a new source of money. The ownership of forests for climate protection could be lucrative for corporations. We are therefore witnessing a new rush on Papua’s forests. A number of *bupati* (district chiefs) were visited by emission traders. Several contracts have now been signed (for a discussion of Papua’s role regarding the REDD model and the concerns about REDD, see http://www.biofuelwatch.org.uk/files/carbondealers_papua_aceh.pdf).

Apart from the question of who will benefit from the financial transfers, the model itself must be seen critically. On the one hand, there is the risk of greenwashing, if only a small part of the forest is preserved whilst a much larger one is given up. Critical voices warn that this is too little to have a positive impact on climate change. On the other hand it will hardly be possible to avoid that the indigenous Papuans will be on the side of the losers if they have no land titles and could be excluded/evicted from the REDD-protected forests.

- REDD: Reduced Emissions from Deforestation and Degradation
- April 2007: Decision to preserve 1 million hectares of concession forests through the REDD mechanism, to be financed amongst others by the World Bank.
- From June 2007: Obscure carbon traders negotiate with bupati.
- December 2007: Bali Conference postpones a decision on REDD to 2009.

Palm Oil

The Indonesian government reacted to the global energy hunger for ‘bio’ diesel by planning 20 million hectares of oil palm plantations. Papua is to provide at least 5 million hectares. This could even mean that the 9.3 million hectares of conversion forest are being earmarked for conversion for plantations. The first agreements for mega plantations and corresponding infrastructure were signed in January 2007. President Susilo Bambang Yudhoyono is putting Papua under pressure, to give in to Jakarta’s palm oil programmes.

The agrofuel boom leads to massive expansion of oil palm plantations

| | Hectares |
|---|-----------------------|
| 1985 | 600,000 |
| 1999 | 3.000,000 |
| 2005 | 5.600,000 |
| 2007 | 6.400,000 |
| 2025 | 26,000,000* |
| PAPUA | 5 – 9,300,000? |
| (Source: Indonesian Ministry for Agriculture) *planned | |

Papua's plantation industry is not large at present. Cocoa, coconut and palm oils are significant. According to the plantation department (*Dinas Perkebunan Provinsi Papua*), less than 50,000 hectares have been planted with three commodities (cocoa, coconut and oil palms). By the end of 2006, i.e. before the strong demand for palm oil for agrofuels and CHP plants, the palm oil companies alone held 500,000 hectares.

Plantations in 2007

- Coconut 286 ha
- Cocoa 7.127 ha
- Young oil palms 15.000 ha
- Productive oil palms 23.814 ha

Larger 'productive' oil palm plantations so far only exist in Jayapura (Lereh, Arso) and in Boven Digul (Korindo), all of them with extremely low productivity. The experience with those existing plantations are bad: Flooding in Lereh, human rights abuses in Arso and on the Korindo Plantation in Boven Digul, loss of hunting grounds, leading to impoverishment, diseases from malnutrition and hunger.

There is a close link between plantations and clearcutting, since the forest MUST be completely cleared to establish a plantation and forest residue as well as roots must be destroyed by burning. Palm oil companies thus own a lot more land than they ultimately plant, not just in Papua but also in Borneo and Sumatra.

In January 2007, the Indonesian government concluded the first large contract relevant to Papua. The Indonesian company Sinar Mas was to establish one million hectares in plantations and the Chinese oil corporation, CNOCC, was to set up the necessary infrastructure. One of the financiers named in the Indonesian media was the German KfW (Kreditanstalt fuer Wiederaufbau), or rather their private subsidiary, DEG. Today, there is doubt whether the project will be realised: DEG appears to have pulled back from it and Sinar Mas is talking about 'risks'.

Nevertheless, Jakarta is putting strong pressure on Papua, to give in to the push for expansion. On the other hand, companies are also interested in the lucrative business and negotiate at all levels:

with the governors as well as with individual bupati. There are plans for mega plantations along the north coast (Sarmi, Jayapura), in the Bird's Head area (Manokwari, Sorong) and in the three southern districts of Merauke, Boven Digul and Mappi. In the south alone, three million hectares are being planned, 1.3 million of them in Merauke.

Papua's forest to give way to plantations

- International conglomerates are already in Papua
- Contracts being signed at three levels: State, province, district
- "To finance infrastructure investment"
- North: Sarmi, Jayapura
- South: Boven Digul, Mappi, Merauke
- West: Sorong, Manokwari

The plans are being drawn up at the green table, with a ruler. Plantation companies have been in Papua since May 2007 and are trying to persuade the policy decision makers and the church, by promising investment in education and infrastructure. In recent months, some companies have succeeded in acquiring land rights over tens of thousands of hectares. The population has no right to participate in the decisions. Most people probably don't know what is coming. Some, however, such as the indigenous Kanume in Merauke, are defending themselves against the loss of their forest and thus their land rights.

It is still questionable whether mega plantations can be realised on the planned scale. Even the companies know that investment in a still non-existing agro-industry in a country with little infrastructure and high security risks poses an economic risk. One thing, however, is certain: The final dividing up of Papua's forest has begun.