

# INTERNATIONAL TROPICAL TIMBER ORGANIZATION

## ITTO

### PROJECT DOCUMENT

TITLE	TRANSBOUNDARY BIODIVERSITY CONSERVATION AREA : THE PULONG TAU NATIONAL PARK, SARAWAK STATE, MALAYSIA - PHASE II
SERIAL NUMBER	PD 451/07 Rev.1 (F)
COMMITTEE	REFORESTATION AND FOREST MANAGEMENT
SUBMITTED BY	GOVERNMENT OF MALAYSIA
ORIGINAL LANGUAGE	ENGLISH

#### SUMMARY

Findings from Phase I have confirmed that the Pulong Tau National Park (PTNP) is not only an important and unique highland biodiversity conservation area but is also vitally linked to the socio-economic well being of the local communities living in the periphery of the park. Due to the remoteness and difficult access the local people have little choice but to continue to depend on the nearby forest to satisfy their many needs for timber, firewood, food and medicine. This is particularly so with the Penan community. In recent years, due to the existence of several timber licenses in the vicinities and the PTNP the people's access to the natural resources has been restricted.

In Phase II, besides making efforts to complete the extensions to the national park, the project will address the problems of park management and the local communities' dependence on the forest. Community-based activities developed through community consultations will help to reduce this dependence. Management planning of the extended park areas should consider the need to create community-use zones for the people. Other activities include conducting baseline studies in the extended park areas and some in the core area. Strengthening transboundary cooperation with the Kayan Mentarang N. P. in East Kalimantan is also an important objective. At the socio-economic level, there will be a study on the socio-economy of the Penan community and on their use of the natural resources. When the park is finally extended the highland's cultural heritage, particularly the megalith stone cultures, will become a part of the park's assets, and there must be efforts to protect them. The project will also actively promote conservation awareness among the local key stakeholders, including the timber industry. Phase II of the project will be implemented for a duration of three years. The implementation will follow the strategies and recommendations made in the Management Plan that was prepared in Phase I. By the end of the project phase, the project objectives will be achieved.

EXECUTING AGENCY FOREST DEPARTMENT OF SARAWAK

COOPERATING GOVERNMENTS

DURATION 36 MONTHS

APPROXIMATE STARTING DATE TO BE DETERMINED

BUDGET AND PROPOSED SOURCES OF FINANCE	Source	Contribution in US\$	Local Currency Equivalent
	ITTO	874,800	
	Gov't of Malaysia (in cash and kind)	615,365	
	<b>TOTAL</b>	<b>1,490,165</b>	

# TRANSBOUNDARY BIODIVERSITY CONSERVATION: THE PULONG TAU NATIONAL PARK, SARAWAK, MALAYSIA - PHASE II

## PART I CONTEXT

### 1. Origin

Phase I of the project was initiated when, in February 2002, Pehin Sri Haji Taib Mahmud, Chief Minister of Sarawak, wrote a letter to the Executive Director expressing his support for the Pulong Tau project. The two-year project was approved in 2002 and its implementation began in January 2005 until 31 December 2006. Phase I was a preparatory phase during which baseline data for the park was collected and the local people's needs and problems were identified. Highland communities living close to the national park are Kelabit in the villages around Bario and Long Lellang, Lun Bawang at Ba' Kelalan, and the Penan in a number of small scattered villages outside the western boundary of the park, including a small group that is still semi-nomadic. These people are traditional users of the forest and are now an integral part of the national park. As such, the Implementing Agency and Phase I of the project concluded that the park cannot be successfully managed without the full cooperation and active involvement of these people. The Project Steering Committee (PSC) had followed the progress closely and was fully aware that the success of the project would depend on active inputs by the local populations. The PSC had unanimously recommended that the project be extended for three more years to address socio-economic problems associated with the national park and use of its resources by the local populations, and to strengthen transboundary partnership with Kayan Mentarang National Park in East Kalimantan.

The project is consistent with the recommendations of the ITTO Mission to Sarawak in 1989-1990. The Mission recommended that *in-situ* conservation must be accomplished by preserving:

- (a) A complete series of representative widespread habitats (various forest types, for examples), to be accomplished by insuring that a full range of soil types and altitudes is included;
- (b) Examples of all unusual habitats or areas with rare or endemic species;
- (c) Viable populations of animals, especially large mammals and birds which require large home ranges;
- (d) Species which are naturally rare or endangered, or subject to intensive cropping, such as orchids.

The Pulong Tau National Park (PTNP) is one such area that meets all the above requirements, by preserving Sarawak's highland biological diversity. The park will also partner with the Kayan Mentarang N.P. (KMNP) in East Kalimantan to establish the second transboundary biodiversity conservation area between Sarawak and Indonesia. This had been discussed on a number of occasions during ITTC meetings in Bali and Yokohama and mediated by ITTO. Following further bilateral meetings, a Joint Task Force for the second Transboundary Biodiversity Conservation Area (TBCA) between PTNP and KMNP was formed in September and the terms of reference was elaborated.

This second TBCA has a special cultural and socio-economic significance to the highland communities from Sarawak and East Kalimantan that live close to the common borders. The two peoples have for many generations enjoyed cross-border trade and social activities, including inter-marriages. They will certainly benefit from the transboundary initiatives through the implementation of socio-economic activities under the ITTO-supported projects in KMNP and PTNP.

Unlike the Lanjak Entimau Wildlife Sanctuary that is closed to visitors or tourists, local and overseas tourists have visited Pulong Tau in recent years, although the number is still small. Mt. Murud is the highest peak in the park and is also Sarawak's highest mountain (2,424 m above sea level). Members of the Borneo Evangelical Mission (BEM) who live near the park regard Murud as a holy mountain and have established a church camp near the summit. It is used as a place for annual retreat by as many as several hundred members each time.

The church camp was established in the early 1990s before the area was officially declared as a national park in March 2005. Construction of the camp and a 2-km long plank walk leading to it has caused substantial damage to the vegetation and fragile montane environment as many trees were cut down. Protecting the park's resources is one of the greatest challenges of park management.

Recent studies on geomorphology and soils, forest ecology and flora and fauna have confirmed the park to be extremely rich and diverse. Its geomorphology is very complex, while the wide ranging soil types support a series of complex forest types some of which are unique to the highlands. The conservation and cultural values of the park will be greatly enhanced when its extensions are completed. The extensions will also more fully secure the water catchment functions of the park.

## **2. Forest Sector Policies**

Malaysia is an important member of ITTO and has rendered its support to the Organization's policy to promote sustainable forest management and biodiversity conservation. Institutions for biodiversity conservation have been established at the national and state levels, with Sarawak taking the lead in forming the Sarawak Biodiversity Centre in 1997.

In its effort to promote sustainable forest management the Sarawak State Government has set aside six million hectares or nearly half of its natural forest as Permanent Forest Estates (PFE) for sustainable timber production, and another one million hectares to be conserved as totally protected areas comprising national parks, wildlife sanctuaries and nature reserves. Within the six million hectares of PFE one million hectares are Licenses for Planted Forest (LPF) for the purpose of tree plantation development. These policies are being implemented throughout Sarawak. Timber concessionaires have realized the importance of timber certification and are taking steps to ensure that their forest management units are certified.

The State Forest Department (SFD) was restructured three years ago with the objective to more effectively manage the forests and biodiversity resources. The Sarawak Forestry Corporation (SFC) is the operating arm of the SFD and is responsible for implementing SFM. The timber industry has been upgraded by bringing in modern technology to improve efficiency and production in downstream manufacturing. The SFC needs to further strengthen its manpower and management capacity in order to face the new challenges posed by SFM.

Other than the PTNP project other ITTO-supported projects being implemented in Sarawak are the Model Forest Management (MFMA) project Phase III and the Lanjak Entimau Project Phase IV. It is also involved in a peat swamp conservation project in Logan Bunut National Park supported by UNDF/GEF.

The State Government's biodiversity conservation effort in the Permanent Forest Estate (PFE) includes encouraging the establishment of virgin jungle reserves within the concession areas,

and conducting studies in concession areas to collect baseline data on biodiversity so that appropriate conservation measures can be incorporated. This latter initiative is being implemented in a license area just outside the PTNP.

A number of timber licenses exist in the periphery of the national park. While the harvesting operations have in one way or another affected the livelihoods of the local communities, the timber concessionaires have provided assistance to the local people by constructing roads to the villages, giving building materials, building houses and water supply for the Penan, donating rice mills or generators, and transporting materials and fuels free of charge. Local schools have also benefited from their help. Through the Stakeholders Consultative Committee (SCC), the project has been able to establish a firmer link between the industry and the local people, particularly the Penan.

The project has also benefited in several ways. With the timber roads a lot of traveling time was saved. The timber companies have upon request provided 4-wheeled drive vehicles for the project consultants to conduct fieldwork. Without the road access a trip to the Penan settlements would take many days on foot. Clearly, conservation and socio-economic development in the northern highlands must entail multi-stakeholder participation.

ITTO's continued support on the PTNP project is based on with the understanding that the State Government would extend the national park to an area of 164,500 ha. The project has identified and proposed to the Director of Forests three areas for the extension. The extension process is time consuming, in particular as it involves forest areas that are currently under timber license. Besides serving as corridors for wildlife, two of the proposed areas contain many cultural relics that include stone megaliths and burial sites that must be preserved.

### **3. Programs and Operational Activities**

ITTO has been providing international funding for projects since the early 1990s, besides sending a mission to Sarawak in 1989-1990. Other than ITTO, DANIDA, the Netherlands, GEF and UNDP have also provided international funding in support of biodiversity conservation. In addition, Wildlife Conservation Society (WCS) has supported studies on fauna. These studies were conducted in a variety of ecosystems in peat swamp forests, mixed dipterocarp forests, national parks and logging areas. On-going projects in Sarawak are:

- (i) PD 12/99 Rev. 4 (F) – Model Forest Management Area (MFMA) - Phase III;
- (ii) PD 288/04 Rev. 2 (F) – Development of Lanjak Entimau Wildlife Sanctuary as a Totally Protected Area - Phase IV;
- (iii) MAL/99/G31- Conservation and Sustainable Use of Tropical Peat Swamp Forests and Associated Wetlands Ecosystems, funded by UNDP/GEF.

The Lambir Hills National Park near Miri has been the site for joint rain forest biology research with several Japanese universities and American universities for more than a decade. Their findings have contributed to a better understanding of the functioning of our complex rain forest.

## PART II: THE PROJECT

### 1 Project Objective

#### 1.1 Development Objective

The project will contribute to conservation of natural ecosystems in the Northern Highlands of Sarawak and to the sustainable development of the local communities, through the implementation of activities of biodiversity conservation and support to local socio-economic development initiatives.

#### 1.2 Specific Objectives

##### Specific Objective 1

To promote the ecosystem values of the Pulong Tau National Park through integrated conservation management

##### Specific Objective 2

To strengthen transboundary conservation management emphasizing cross-border participatory approach involving the local communities.

### 2 Justifications

#### 2.1 Problems to be addressed

The northern highlands of Sarawak have been the traditional homeland of the Kelabit, Lun Bawang and Penan people. The Kelabit have settled around Bario and Long Lellang, the Lun Bawang at Ba' Kelalan, while the Penan live in several scattered small villages in the periphery of the national park. There are no settlements inside the park. In spite of the remoteness and difficult access, Bario, Long Lellang and Ba Kelelan have been known to the outside world for at least five decades. The importance of the PTNP and its surrounds has been described in the project document for Phase I and is further explained below. A summary of the problems is given in the problem tree in Figure 1.

##### At the landscape level

At altitudes of between 900 and 2,424 m the northern highlands are well known for its cool and pleasant climate. The most striking geomorphologic features are Mt. Murud - the highest peak in the park and also in Sarawak, and the adjacent twin peaks of Batu Lawi (currently outside the park). During the Second World War, the unique and spectacular twin peaks of Batu Lawi were used by military pilots as a landmark in their approach to Bario. Together they represent the most spectacular landscapes of Sarawak's rugged and mountainous hinterlands. Several major rivers have their origins in the park making it an important water catchment in the Upper Baram area. Pa' Dappur and Menalio are rich in fish fauna and are popular fishing spots for tourists. Including Batu Lawi in the national park is a top priority of the project, **as this will help to protect a full range of highland landscapes and important watersheds.**

## At the ecosystem and habitat levels

Recent studies conducted under Phase I of the project have led to the following discoveries:

- The geomorphology and soils of PTNP and its surrounding areas are very complex and highly variable. Geological activities began 40 million years ago and the present landscapes were shaped about seven million years ago.
- The complex geology, landforms and varied soil formations have given rise to highland vegetation that is extremely complex. From four major forest types numerous subtypes have evolved with the microhabitats. The vegetation on shallow soils and steep terrain is extremely fragile and sensitive to even the slightest disturbance. Of particular interest is the highland Kerangas Forest on sandy podzols dominating the Tama Abu Range, **and the unique rocky summit landscapes of Mt. Murud comprising of huge rocks and boulders with its stunted montane vegetation.**

## At the biodiversity level

From the recent studies, PTNP is now known to contain about 1,150 species of plants, 315 species of birds, 58 species of mammals, 41 species of amphibians, 11 species of reptiles, 84 species of fish, 75 species of aquatic insects and 6 species of crustaceans. Of the plants, 98 species are endemic to Borneo, while 229 species are listed in the Sarawak Wildlife Protection Ordinance 1998. This includes 150 species of orchids, 19 species of *Rhododendron*, 9 species of *Nepenthes* and 9 species of *Begonia*. Twenty-three species are listed in the IUCN Red Data Book, and includes *Nepenthes murudensis*, *Durio acutifolius* and *Garcinia maingayi*. Among the fauna, the numbers of endemic species are 17 mammals, 27 birds, 17 amphibians, 17 fishes, 8 aquatic insects and 4 crustaceans. Twenty-six species of mammals and 13 species of birds recorded are listed in the Wild Life Protection Ordinance 1998; while 5 mammals, 47 birds and 5 fishes are listed in the IUCN Red Data Book. Some examples of fauna listed in the IUCN Red Data Book are Pig-tailed macaque *Macaca nemestrina*, Clouded leopard *Neofelis nebulosa*, Rhinoceros hornbills *Buceros* and *Anthracoseros* spp., and the fishes *Tor tambroides*, *Tor soro*, and *Tor tambra*.

In the Kayan Mentarang N.P. in East Kalimantan, the park management has detected the presence of wild cattle or cow and pygmy elephant. On the Sarawak two Russian tourists trekking around Batu Lawi in June 2006 claimed to have spotted a Sumatran rhinoceros. These and other animals do not recognize international boundaries, and this makes the TBCA an extremely important habitat for rare animals.

Although the claim by the Russians regarding the Sumatran rhino will have to be verified, the presence of numerous other rare, threatened or endemic species points to the need for a long-term conservation strategy for PTNP. It is absolutely essential that the national park must be extended as soon as possible beyond the present core area of 60,000 ha to include Batu Lawi and the forests close to the border with East Kalimantan. The park's management plan that is currently being prepared will recommend appropriate strategies for biodiversity conservation management at the local and transboundary levels.

## Inadequate coordination in transboundary conservation

The Lanjak Entimau-Betung Kerihun TBCA experience **has shown** that implementation of transboundary conservation projects is not easy due to differences in political, administrative, social and legislative factors. In the case of the PTNP/KMNP partnership, delay in initiating

contact between the two government authorities was partly due to the fact that the KMNP project was discontinued after Phase I was completed in 2003 and has not been extended, while Phase I of the PTNP project started only in 2005. Nevertheless, contact has been established and a Joint Task Force with TOR to forge closer cooperation was formed. In September 2006, after the joint meeting in Miri, Sarawak, park management personnel from KMNP and PTNP made a cross visit to the villages at Long Bawang (Sarawak) and Long Midang and Long Bawan (EK). Proposed areas of cooperation included cross-border eco-tourism and other socio-economic activities. The baseline socio-economic and scientific data collected from both the parks will help to initiate the conservation process. Biodiversity conservation in the highlands cannot be effective without fuller commitment and stronger initiatives from both sides. **Raising conservation awareness among the local communities is important.**

### **Inadequate management presence on the ground**

This problem has surfaced partly due to the re-structuring of Forest Department Sarawak (FDS), the PTNP as a new national park constituted only in 2005, and the shortage of suitable local management personnel to be appointed as park warden and park rangers. Presently there is only one field post at Bario, while at least three others are required. FDS, through its operating arm of Sarawak Forestry Corporation (SFC), is recruiting more management and field staff to meet the needs. **Although the local communities are generally aware of the importance of conservation they are also depending on the forest to provide them with their daily needs. Logging activities outside the park's boundaries have affected the rivers near the settlements, the fish life and ecotourism. Strengthening on-the-ground management will enhance cooperation with the local key stakeholders. Law enforcement along parts of the international borders also needs to be stepped up.**

### **Lack of opportunity by the local communities to earn an income**

Without a road link, the highland communities are still living in isolation. Bario, Long Lellang and Ba' Kelalan are accessible only by rural air services while Ba' Kelalan is additionally connected by an "abandoned" timber road to the town of Lawas. The Penan communities have to rely solely on timber roads and timber companies' vehicles to transport essential goods and materials and to visit the towns. The high air transport cost makes it very difficult for the Kelabit and Lun Bawang entrepreneurs to develop their business and make a profit. Only limited quantities of products such as rice, pineapples and salt can be brought to the major towns for sale. Their only other buyers are the occasional visitors to the highlands. **Ecotourism activities in the national park can be appropriately developed to create more employment and income.**

### **Dependence on forest resources**

Due to the remote location and difficulty of access **the Kelabit in Bario continue to depend on the nearby forest for construction timber and firewood**, while the Penan still hunt and collect forest produce, food and medicine. In the case of the Penan, only very few families have begun to grow rice and many still depend on wild sago and other forest plants and animals for food. **The surrounding forests including the licensed forest and national park are their nearest source of materials and food. As the timber resource around Bario becomes scarce, the park's resource may be threatened. A possible immediate solution is to consider setting aside community use zones in the periphery of the park to satisfy the people's needs. Use of the Church Camp on Mt Murud by the local people for bi-annual religious retreats has also created management problems.** The project's community activities are designed to reduce the people's dependence on the forest resources.

## **Inadequate human resource in the Highlands**

The Kelabit and Lun Bawang are among the most educated rural communities; many have graduated from universities locally and overseas and most have attended secondary schools. The university graduates as well as the secondary school leavers have nearly all sought employment outside thus leading to out migration and “brain drain”. There is also a general shortage of local manual labour. This has put the local entrepreneurs at a disadvantage. Opportunities for socio-economic development will improve if roads and other infrastructures are provided. The project can help to provide capacity building and create opportunities for employment through research and community development **and ecotourism**.

## **Inadequate stakeholder involvement in implementing solutions**

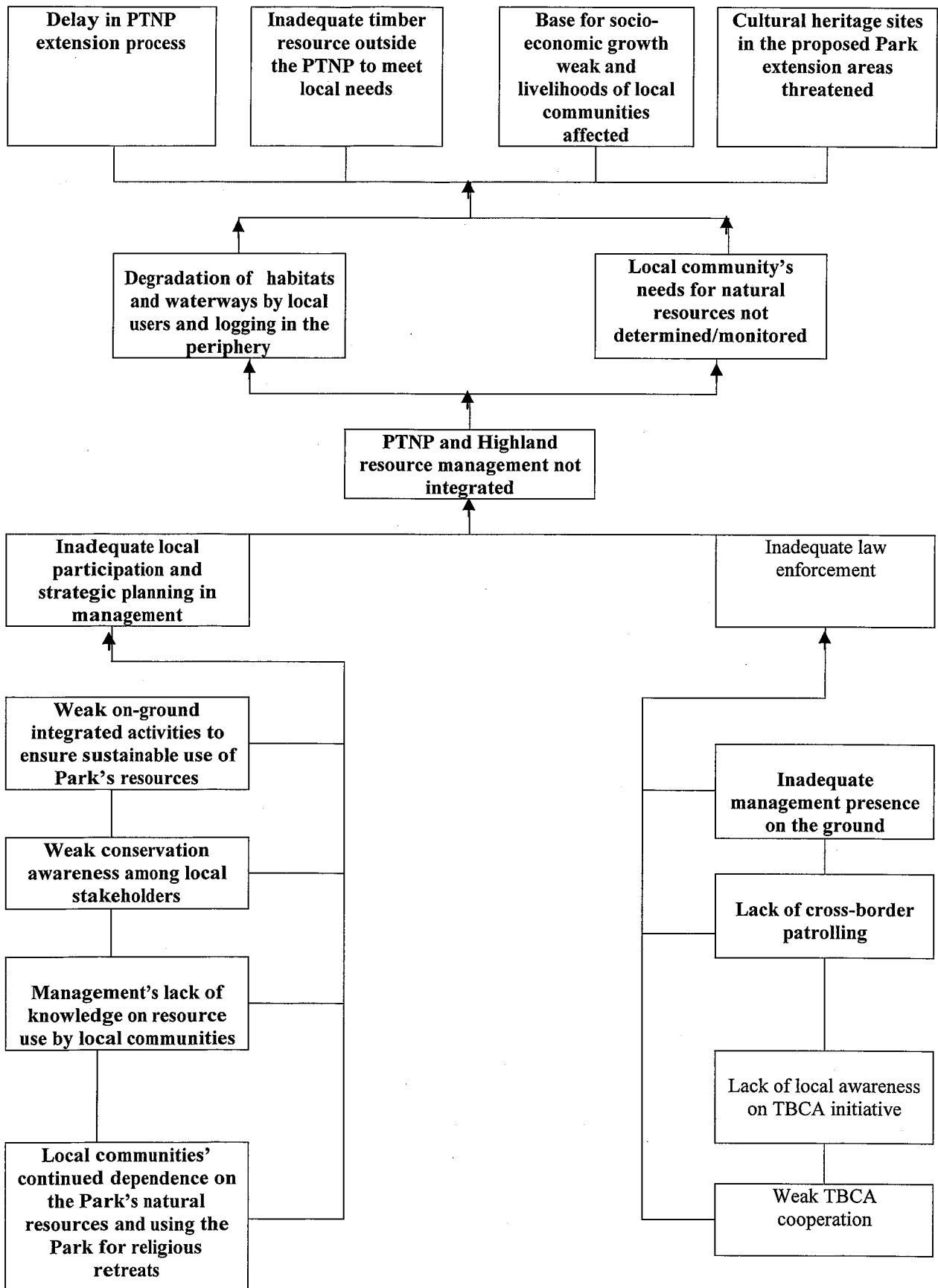
Sustainable forest management involves activities from different stakeholders, both state and non-state. Granting of timber license and establishment of TPA often leads to misunderstandings and conflicts among the local populations as they claim **that these activities have infringed on their traditional rights**. To be fair the local people are quite aware of SFM and their needs are not very substantial, as aptly said by one Penan lady said during a dialogue: “The forest is our super market, we take only what we need.” **A better understanding of the peoples’ needs and coordination between the stakeholders from the government agencies, timber and plantation industries and the local communities can be very helpful to alleviate the misunderstandings and conflicts**. For a remote national park that is surrounded on all sides by timber concessions and settlements of rural communities who have for many generations been dependent on the forest, conservation management without active local stakeholder involvement will be unlikely to be effective. The PSC fully realized the importance for multi-stakeholder consultation and participation through the Stakeholder Consultative Committee (SCC). A summary of stakeholder analysis is shown in Table 1. The ill effects of the key problems are shown in the problem tree in Figure 1. The objective tree in Figure 2 summarizes the outputs and achievements of the project objectives.



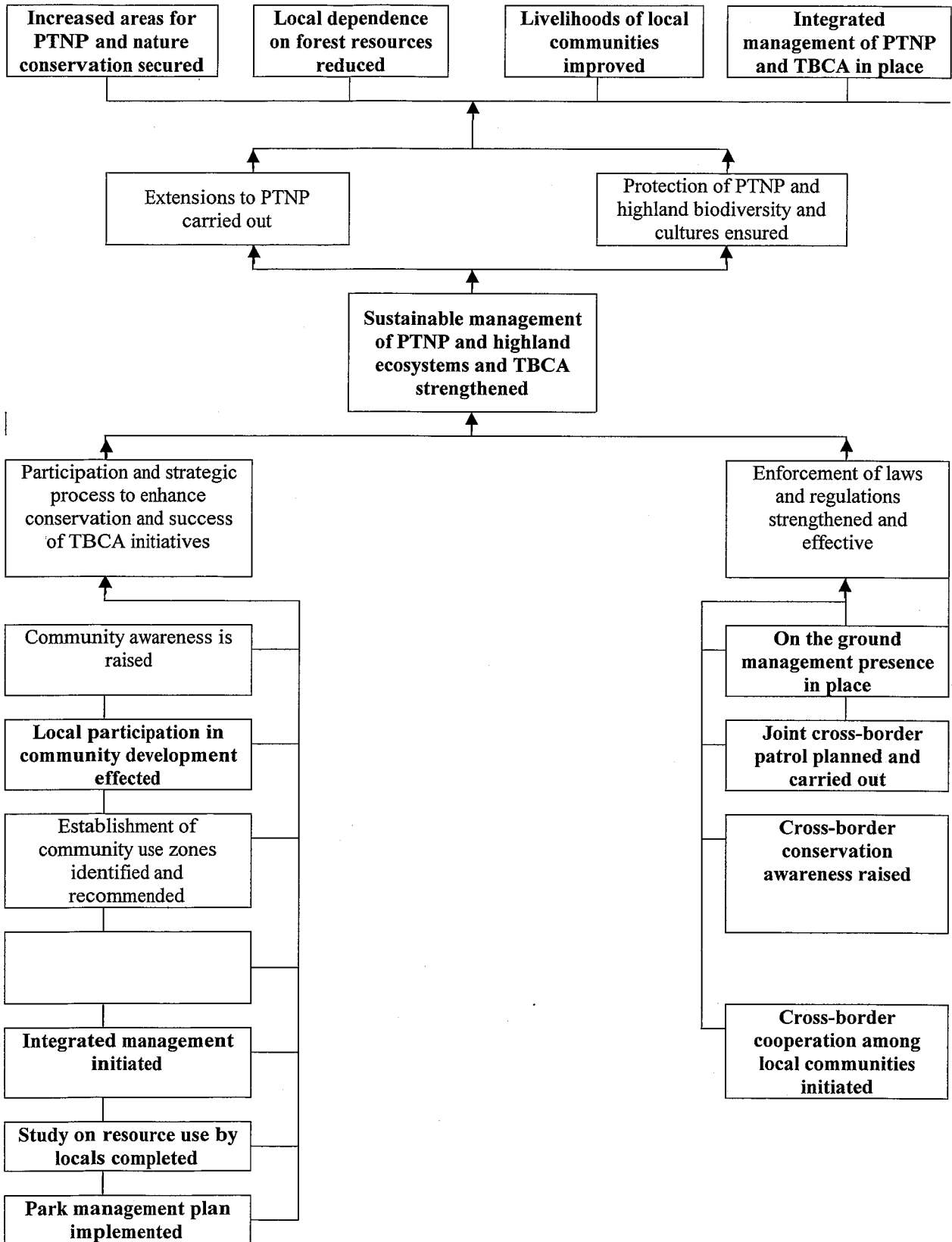
**Table 1 – Summary of Stakeholders Analysis**

<b>Stakeholders</b>	<b>Characteristics</b>	<b>Problems, needs</b>	<b>Potentials</b>	<b>Type of involvement in the project</b>
Local communities	Derive basic needs and income from forest	Inadequate outside assistance Base for socio-economic needs restricted and livelihoods threatened	Local knowledge and co-management	Primary beneficiaries of the project through active involvement
Rurum Kelabit Sarawak (Sarawak Kelabit Society)	Responsible for Kelabit welfare and development	Can be more effective if committee members are not located in different villages/towns	Authority and influence in the Kelabit Highlands	Consultation and co-management planning
JKKK (Village Development and Safety Committee)	Responsible for micro-planning and development	Not functioning to the full due to lack of new socio-economic activities	Authority and influence in individual villages	Planning and coordination at village level
Timber companies	Licensee and contractors in timber harvesting	Activities alleged to affect into basic needs and livelihoods of local populations	Collaboration in SFM and community-based development	Assist in Park management and project implementation
Forest Department Sarawak/Sarawak Forestry Corporation	Custodians of forests and forest resources	Inadequate management presence on the ground	Implement integrated management and ensure sustainability	Implementing Agency of the project
Residents/District Offices	Regional government administration	Administrative link to rural communities	Authority and influence in socio-economic development	Administrative support and advisory

**Figure 1 – The Problem Tree**



**Figure 2 – The Objective Tree**



## **2.2 Intended Situation after Project Completion**

As stated in Phase I of the project document the expected situation after project completion was:

- To have a sound basis for conservation management following a comprehensive diversity overview and identification of threats to species and their habitats,
- To better understand the local community relationship to natural resources;
- To be more aware of transboundary conservation issues.

This situation has to a significant extent been attained after two years of project implementation. A sound basis to initiate conservation management is given in the new park management plan. However, the problems relating to the local communities and the forest resources have been under estimated and need to be further addressed.

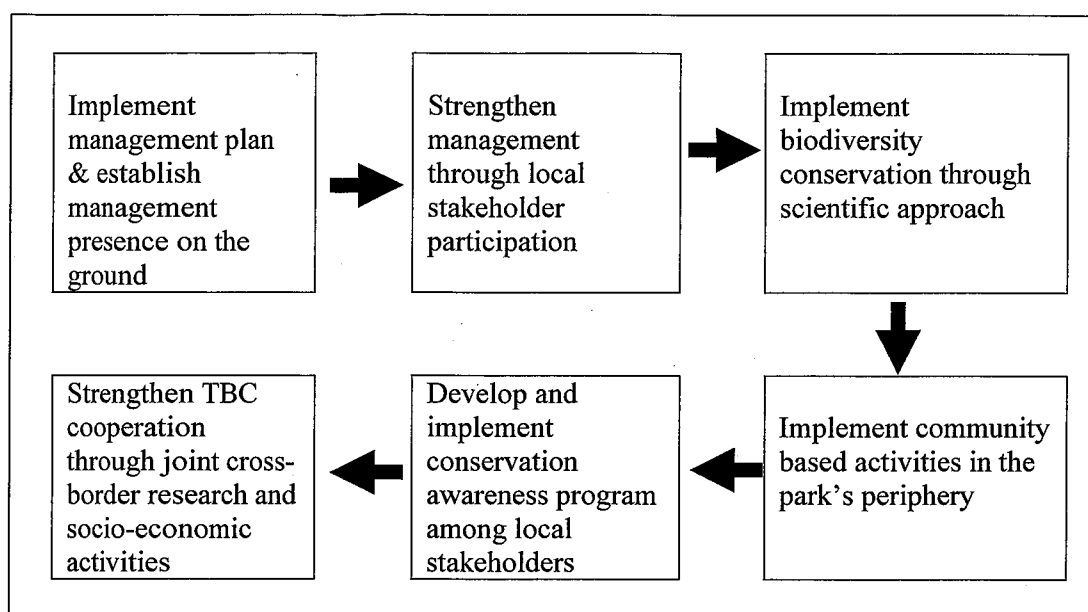
The intended situation after completing Phase II of the project will be as follows:

- Extensions to the PTNP will be carried out and highland biodiversity conservation strengthened;
- There will be greater local stakeholder participation in conservation management of PTNP;
- The immediate and long term needs of the local communities for forest resources will be fully addressed by establishing community use zones and implementing community-based activities in the villages in periphery of the park. The community use zones will serve the immediate needs for the resources, while the community development activities will reduce local dependence on the resources;
- More of the Penan families will live in permanent settlements and be trained on rice farming and fruit and vegetable growing. This can directly address the problem of malnutrition that is reported to be still widespread among the community;
- With further research, the conservation value of the park including the extended areas as a habitat for some of the state's rarest species, will be strengthened;
- The rare stone cultures of the Kelabit and Lun Bawang people, including 40 stone megaliths, will be fully preserved as a rare cultural heritage of Sarawak as well as the PTNP as they are located in one of the proposed extension areas of the park. The stone megaliths could possibly qualify as a world heritage site.
- The second transboundary biodiversity conservation area of KMNP/PTNP will be inaugurated and mechanisms for sustainable co-management developed and implemented;
- Through transboundary cooperation, opportunities for cross-border ecotourism and other socio-economic activities will be enhanced;
- Greater conservation awareness and coordination among the local stakeholders will be created;
- A team of qualified and suitable local candidates from various villages will be trained in co-management of the park and monitoring of community development activities;

## **2.3 Project Strategy**

The park's management plan will be approved and ready for implementation. The flow chart in Box 1 summarizes the different phases of implementation.

**Box 1 – Flow chart for different phases of implementation**



The strategy will focus on participatory approach in managing the park’s resources and sustainable utilization of the resources by the communities, and scientific approach in biodiversity conservation. The main issues to address are park extensions, potential threats to the natural resources, the local people’s immediate dependence on the resources, participatory process in management, and transboundary cooperation. The participatory approach is important because the park is very remote and management would not be very effective without involving the local stakeholders. Development of community-based activities is presently the only feasible option that will enable the local populations to reduce their dependence on the natural resources. The types of activities to be implemented will be based on the different identified needs of the people. As the park is extended, scientific research in the new areas will involve studies of vegetation and biodiversity of the logged-over forests and accessing the degree of degradation. Table 2 indicates the stakeholder participation plan.

**Table 2- Stakeholders Participation Plan**

Stakeholder	Participation in project implementation
Local communities	Representatives will participate in dialogues and initial workshops and scientific, cultural and socio-economic surveys and monitoring. Participate in community-based activities. Direct participation in law enforcement. Members of Stakeholder Consultative Committee and Special Park Committee.
Local village organization	Provide local knowledge in conservation and resource use. Participation in project activities and planning, implementation and supervision of community-based development.
Timber industry	Contribution to success of project implementation, providing transport and accommodation, assist in park boundary survey. Members of SCC.
State agencies	Administrative, policies and decision making. Direct support to project implementation.

The approach to transboundary cooperation will also be participatory in nature between park managers and communities from both sides of the common borders. Necessary on-the-ground activities will be joint enforcement, scientific research, cross-border visits and socio-economic activities. Table 3 shows the cooperation structure for transboundary conservation management. The structure will be used as a working framework for bi-national dialogue.

The Stakeholders Consultative Committee (SCC) has proven to be a useful tool for tapping local knowledge. This and the new Special Park Committee (SPC) will continue to provide the vital link between the project and the people.

Within the core area the science-based aspect of the project is important because the summit of Murud with its fragile ecosystems is already a heavy use zone by members of the Borneo Evangelical Mission, while the number of tourists is also expected to increase in the near future. Impacts on the natural ecological processes and species brought about by visitor activities must be understood for necessary mitigating measures to be taken.

**Table 3 – Cooperation structure for transboundary conservation management**

Level	Function	Structure	Instrument
National/State	Political orientation. Promotion of new initiatives. Review of achievements.	Bi-national Inter-governmental commission	International conventions. Governmental agreements and decisions, National Policies
Provincial /Divisional	Political and administrative facilitation of implementation	State/Divisional Commissions	Decisions of higher level commission. Decisions of State/Divisional commission, State/Provincial plans
Conservation and Management Unit	Cross-border relations with adjacent Conservation and Management Unit	Technical commissions, Task forces	Decisions taken at higher levels

Research will focus on studying and monitoring the fragile montane ecosystems in the heavy use zones, as well as inventory of selected highland fauna (birds, mammals, amphibians) as indicators of habitat disturbance both in the lowlands and on the higher elevations.

Another important study in the core and extended areas is rhinoceros survey. Two Russian tourists claimed to have sighted a Sumatran rhino or Badak (*Dicerorhinus sumatranus*) while trekking in the Batu Lawi area in June 2006. This long-believed-to-be-extinct species, if confirmed to be present, would constitute an important scientific discovery for Sarawak.

Socio-economic study of the Penan is important as this people are one of the main users of natural resources. A quantitative survey of the plant and animals species used will help to determine the sustainability of the resources. The project will continue to emphasize the need to grant special privileges to the people to use the Park's resources for domestic consumption.

Conservation awareness program is a necessary part of integrated management for PTNP as it helps to promote a better understanding of the conservation initiatives of the State Government and ITTO.

## **2.4 Target Beneficiaries**

The main beneficiaries are:

The Kelabit, Lun Bawang and Penan communities from direct participation in park management, ecotourism, implementing the community-based activities, cross-border socio-economic activities and employment. Direct participation will be through appointment as members of the Stakeholders Consultative Committee, the Special Park Committee and Honorary Wildlife/Park Rangers. The Kelabit and Lun Bawang will be assured of the safeguarding of their valuable cultural heritage, in particular the burial sites and stone megaliths. The Penan will equally benefit as their basic needs are provided and living standards improved.

The SFD and its operating arm of SFC as their management presence in the field will be reinforced and opportunity for staff training made available.

The State Government of Sarawak as basic scientific and socio-economic data is made available for decision making in park management and strengthening transboundary cooperation with Indonesia.

Scientists, public institutions and NGOs with a stake in biodiversity conservation.

The populations of the Upper Baram with the PTNP secured as water catchments.

## **2.5 Technical and Scientific Aspects**

In the preparatory first phase of the Project, the major thrust was to gather baseline planning data and to the priority of management actions, with directions towards management planning and SFD's presence in the field. Phase II will focus on the implementation of management plan and community development activities. An important element of the management plan is integrated management, strengthening management presence on the ground and law enforcement. It will continue to carry out research on keystone species and to extend the activities to the extended areas of the Park. In the Phase I project proposal, the following ecological activities were suggested that are largely in line with the project strategy given for Phase II:

- Carry out accurate census of the populations of rare and threatened species, and mapping their habitats;
- Implement follow-up biodiversity surveys in selected habitats or on selected animal species groups, allowing elaborating particular species management plans or monitoring schemes;
- Research on specific habitat preference and carrying capacities of habitats;
- Improve ecological monitoring system, in order to monitor trend changes in ecosystem processes, threats to Park conservation values from illegal activities, ecotourism and socio-economic development activities, effectiveness of the conservation awareness program;
- Construct secondary management field posts to support management, community development activities and research in PTNP and TBC program.

These activities will be among the most important outputs of the project. At the end of the project phase, integration of conservation management and community development with active local stakeholder participation will be achieved.

## 2.6 Socio-economic Aspects

The local communities living around the Park include about **2,000 Kelabit, 1,500 Lun Bawang and 250 Penan**. The Kelabit live in the villages of Bario, Pa' Ukat, Pa' Lungan, and Long Lellang. The Lun Bawang live in 9 villages in Ba' Kelalan. The Penan settlements nearest to the Park have been identified. These are Pa' Tik A, Pa' Tik B, Long Lellang, Peramot, and Long Sabai, plus one small group of semi-nomadic. The most difficult problem facing them is accessibility. Only Ba' Kelalan is accessible by rural air service and by a poorly maintained timber road link to the town of Lawas. The other villages depend solely on the rural air service that is often interrupted by uncertain highland weather condition. Due to the high freight charges, essentials such as fuel, gas and food cost many times more than that in the towns. The Penan's only link with the outside world is through the timber roads and the timber contractors' transport. During the recent Highland Convention held in Miri in April 2006, the people had put up a formal request to the Government for a road link to the villages. This is the only solution to bring socio-economic development to the highland communities, for, according to Mr. Henry Jala, the Kelabit Headman at Bario: "Without a road Bario will die."

The economic and social activities of the Kelabit and Lun Bawang revolve around wet paddy or rice planting and limited locally controlled ecotourism. Their most well known products are the *Bario rice*, pineapples and salt. According to the project's agricultural specialist, only 20 percent of the soils at Ba' Kelalan is suitable for agriculture due to constant flooding and unsuitable terrain. At Bario this is better at 40 percent. Buffaloes are reared for plowing rice fields and for sale, while some have started sheep farming. Among the Penan community, only Long Lobang and Long Sabai have started paddy farming and fruit tree growing.

With limited economic activities and income sources, the local populations still rely largely on the forest to meet their specific needs for construction timber, firewood and food. Although they all support the establishment of the National Park and the ITTO-support project, many have expressed concern that the establishment of the Park has deprived them of traditional use of the forest to supplement their daily needs.

The highlands are blessed with valuable natural and cultural resources that can serve as the catalysts for ecotourism through the promotion of culture, adventure and nature. Increasing socio-economic and ecotourism activities will lead to greater demand for infrastructure which the government has to favourably consider. Although road facilities are still lacking, with frequent and reliable rural flights to bring in a regular stream of visitors, coupled with development or improvement of facilities and new attractions, the ecotourism potential of the highlands can be further tapped.

Community development that focuses on upgrading the living standards will include sustainable use of natural resources, fruit and vegetable farming, fish culture and ecotourism. The proposed highland botanical gardens will bring into cultivation varieties of pitcher plants (*Nepenthes*), orchids and well known medicinal plants to promote *ex-situ* conservation and attract tourists. Sales of seedlings or products obtained through propagation in the gardens will satisfy visitors' needs and discourage thefts of the plants in the forest. There will be greater opportunities to sell local products such as rice, pineapple, salt and handicrafts directly to the visitors, as very few visitors will leave the highlands without taking at least one of these products with them.



Through transboundary cooperation, the people across the borders can work together to bring their economies closer, by improving roads, promoting cross-border trade and joint ecotourism for mutual benefits.

## **2.7 Environmental Aspects**

As early as the 1983/1984, the Kelabit people were already aware of the importance of environmental conservation, prompting them to submit a request to the Government to establish the Pulong Tau National Park. The past two decades have brought many changes to the northern highlands. Most significantly, the forests within much of the proposed Park areas, including Batu Lawi and the areas adjacent to East Kalimantan, have been licensed for timber harvesting. This has resulted in only about 60,000 ha of the originally proposed 164,000 ha being established as the PTNP in 2005. Inevitably, the logging activities have created environmental problems such as damage to biodiversity, soil erosion and river pollution. The crystal clear water of the Dappur and Menalio Rivers that are popular among tourists has turned murky, and the fish populations have been affected. Tourists have also complained about trekking through logged over and damaged forests.

Secondly, as a result of the timber licenses and the National Park, the people's access to the forest resources has been somewhat restricted. Thirdly, the majority of the nearly 100 cultural sites comprising of burial sites and stone megaliths are located within the license areas, and are liable to be damaged. Tree felling has also affected water supply for domestic use and for the rice fields.

The PTNP with its existing size is grossly inadequate to protect the highlands' environment, unique landscapes, biodiversity and cultural heritage. Phase I of the Project has helped to initiate the needed process of extending the Park as soon as possible. This is also to ensure cross-border connections between PTNP and KMNP as a TBCA. Phase I had also helped to survey and mapped all the cultural sites and sent the survey information and maps to the timber licensees to remind their workers to keep out of the sites. This is a stop-gap solution.

For the long term, the environmental problems facing the highlands must be effectively addressed by getting the National Park to be extended as soon as possible. To meet the continuing local needs for timber, the Government should consider the need to set aside suitable areas in the periphery of the Park as community use zones. The local people themselves must also refrain from felling trees along the rivers and in water catchment areas.

## **2.8 Risks**

The process that led to the formulation of this project proposal was due to the initiative of the Chief Minister of Sarawak in 2002. Environmental protection is an important agenda in the sustainable management of the State's forest resources, by setting aside one million hectares of the forest as totally protected areas comprising national Parks, wildlife sanctuaries and nature reserves. Continued political commitment and support of the PTNP project by the Sarawak Government will be assured. The Government is also committed to ensuring that extension the Park is carried out as soon as possible. There is no risk that the project will be withdrawn. The Indonesian authority has similarly committed to TBC cooperation and to wish its success. They have submitted the proposal for Phase II of the KMNP project to ITTO for approval and financial support.

Although there will be no serious risks in the implementation of the project, there are many challenges that will have to be met. These challenges are as follows:

- Integrating conservation management with community development;
- An adequate management presence in the field to provide support to the project and create a learning partnership between Park management and local communities;
- An adequate active participation from the local communities;
- An adequate suitable local human resource in the participatory and planning process;
- Good project management team committed to ensure a balance in development opportunities to meet the needs of the various communities located in different corners of the Park;
- Effectively implementing the management framework for transboundary cooperation between PTNP and KMNP.

**Based on the above challenges and assumptions, any likely risks could come from inadequate management presence on the ground and the reluctance of the local communities to participate in the management process. Measures to mitigate these risks are:**

- **To put management presence on the ground, SFC has recruited more officers who are currently undergoing training as interns;**
- **More field ranger stations or site offices will be established (e.g. at Ba Kelalan and Long Lellang), and local qualified school leavers can be employed and trained as park rangers;**
- **The Park Special Committee to be chaired by the Park Warden from SFC will be approved soon, and will comprise members from the local communities and the forestry sector;**
- **The new management plan has made a strong recommendation for a participatory approach in park management;**
- **The ITTO-supported project will help to facilitate community participation through community development activities and awareness education;**

**There is no risk of the local communities not supporting the extension of the park as the extension areas were originally included in their proposal that was first submitted to the Government in the early 1980s. With the extensions, protection of their cultural sites can be ensured.**

### **3 Outputs**

#### **3.1 Specific Objective 1 – To promote the ecosystem values of the PTNP through integrated conservation management**

##### **Output 1.1 - The conservation and management capacity for PTNP strengthened**

It is fully recognized that the Park's management cannot be effective without actively involving the local communities whose villages are scattered in all corners of the Park. This co-management process requires management presence in the field so that long-term partnerships with the local populations can be established. Several field posts are needed for this purpose and to support the Project's implementation. Presently only one such post exists

in Bario. The new posts will be located at Ba' Kelalan (for Lun Bawang community), Long Lellang (for Kelabit and Penan communities) and Long Lobang (for Penan community). The field posts will be manned by Park rangers, honorary wildlife rangers or local employees. The EA will provide a four-wheeled drive vehicle for Ba'Kelalan, and one motorcycle each for Long Lellang and Long Lobang. Radio equipment will be considered for Long Sabai and Long Lobang.

#### **Output 1.2 – The *extensions of the PTNP initiated***

The process to initiate the extension was started in Phase 1. However, since the three proposed areas are currently under license a longer period will be needed to complete the extension process. **Based on the current timber license conditions, the last timber contract will only end in the year 2012. However, a proposal has been made under Phase I to request the EA to negotiate with the timber licensees to surrender two areas in the concession covering the Batu Lawi area as soon as possible. Securing park extensions will be an important agenda under Phase II.** The extensions will take into consideration traditional use by the local communities; many cultural sites are also located in the proposed areas.

#### **Output 1.3 – Baseline ecological and biodiversity surveys carried out and results published**

**Good biodiversity baseline data are essential for sound and effective management of the National Park and its resources.** The Project Manager will be responsible for planning and coordinating the surveys. The work will be contracted to qualified consultants and technicians. Careful planning of fieldwork is necessary in order to reduce the cost of logistics, such as by conducting the different surveys jointly at one time. This had worked well for Phase I. The surveys will essentially help to fill the gaps of baseline or ecological knowledge of the Park's flora and fauna. Specific surveys will focus on a number of rare/threatened or keystone species such as the Sumatran rhino and wild cattle, and montane birds, small mammals and amphibians. A general baseline ecological and biodiversity surveys will be carried out in the **proposed park extension areas** comprising largely logged-over forests. Permanent ecological plots will be established to monitor recovery after logging. The survey will include fish resource in Kalapang and upper Limbang Rivers, with a monitoring program on the aquatic habitats and resource. Suitable community-use zones in the periphery of the Park will be identified and demarcated. Scientists/researchers from Indonesia and local relevant institutions will be invited to participate in research activities in the National Park. All data will be entered in database and kept with **SFD/SFC**.

#### **Output 1.4 – Survey on uses of natural resources carried out and community-based activities developed**

The highland populations will at least in the foreseeable future continue to depend on the natural resources to meet their needs for building material, firewood, handicraft, food and medicine. This will have a direct or indirect impact on the Park's resources and ecology. These needs of the people must be addressed, such as the types and quantities of resources (plants and animals) used and where they are obtained. This information forms an essential part of sustainable resource management. The survey will include a study of the socio-economy of the Penan who by tradition are hunters and gatherers.

Experience from Lanjak Entimau has proved that participants of community-based activities were able to reduce their dependence on the forest for food. For the highlands people, strategies or models for development of community-based activities were designed during Phase I, based on several criteria such as the most felt needs of the people, the types of activities, climatic conditions and suitability of the soils, the scale of development and logistics. While some activities are suitable for individual households, others can be developed at the communal level. Based on the feedback from the local communities, suitable activities include cultivation of fruit trees and vegetables, fish farming and sustaining the productivity of the fish resource, tree plantations for timber and firewood, salt mining and handicraft. Another activity is to establish botanical gardens in Bario and Ba' Kelalan as a demonstration of *ex-situ* conservation and for the promotion of the handicraft, herbal and ecotourism industries, while generating employment and cash incomes. Another potential product is *Gaharu* or scented wood (*Aquilaria microcarpa*). Indonesia has succeeded in inoculating the trees with the fungus *Fomes* sp. For the Penan community activities will also focus on sago, fruit and vegetable planting, and basket and blowpipe making. The plants used in basket and blowpipe making can be cultivated.

#### **Output 1.5 – Conservation awareness programs for local key stakeholders carried out**

Drawing again from the experience of Lanjak Entimau, the Iban communities from the Mujok area were the first to announce that through awareness, they had become more conscious and appreciative of the importance of the forest than before. Due to the remote location of PTNP enforcement cannot be effectively carried out without the cooperation of the local stakeholders. The awareness programs will target all the local stakeholders including the timber industry, communities, local tour agents, tourist guides, teachers and students. Training courses and workshops will be organized. The students will be encouraged to participate in nature education and outings. Education materials like brochures, booklets, posters and audio-visuals will be prepared.

### **3.2 Specific objective 2 – To strengthen transboundary conservation at the management and local community levels.**

#### **Output 2.1 – Cooperation in transboundary conservation area management is strengthened**

**A Joint TBCA Task Force between PTNP and KMNP has been formed** with the terms of reference (TOR) drawn to ensure effective transboundary management. The Joint Task Force (JTF) will study the cross-border situation and problems relating to the TBCA. The JTF has recommended to the respective governments for this second TBCA between Malaysia and Indonesia to be inaugurated sometime in July 2007 in Indonesia. **With continued support from ITTO and the Malaysian and Indonesian governments**, the bi-national biodiversity conservation initiatives will be sustained. Joint activities will include enforcement, scientific research, exchange of information, and job attachment/training of Park management staff under the project's activities.

#### **Output 2.2 – Awareness in transboundary conservation at the community level is raised**

This output will focus on cross-border participatory approach at the local community level, with activities to be coordinated and supported by the JTF. The PTNP/KMNP transboundary

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partnership has a distinct advantage over that between Lanjak Entimau Wildlife Sanctuary and Betung Kerihun N. P. in that the local communities here live very close to the international borders. Cross-border socio-economic activities have in fact existed for many generations and inter-marriage is common. Joint or collaborative cross-border activities will involve ecotourism, cross visits and workshops, exchange of knowledge on farming, salt and handicraft making, and product development and packaging. The botanical gardens proposed for Bario and Ba' Kelalan will serve as a model for the local communities across the borders. The local communities will also help to check or reduce illegal activities in the TBCA by participating in joint enforcement and patrolling duties.

#### 4 Activities and Inputs

The project activities and the inputs are provided in continuation under sub-chapters 4.1 and 4.2. Also provided under the columns are inputs on the unit costs.

No.	Activity	Input (cost in US\$)
<b>Specific Objective 1 – To promote the ecosystem values of PTNP through integrated conservation management</b>		
<b>Output 1.1 – The conservation management capacity of PTNP strengthened</b>		
A 1.1.1	To create the Park's Field Management Unit, the PSC and the SCC	<ul style="list-style-type: none"> <li>- Project manager, 36 pm @ 6,000.-/month</li> <li>- Office staff (Accounting and secretary) @ 2,033.-/month</li> <li>- Office supplies for the project @ 1,500.</li> <li>- 3 x project field offices @ 3,000.-</li> <li>- 2 PSC and SCC meetings (x 4 areas) @ 400-/meeting</li> <li>- 1 unit computers @ 2,000.-</li> <li>- Information material on PTNP @ 4,000.-</li> <li>- Air travel inside &amp; outside Malaysia @ 10,000.-</li> </ul> <p><b>Malaysian contribution</b></p> <ul style="list-style-type: none"> <li>- Projects coordinators @ 72,000.-</li> <li>- Chief local counterpart @ 54,000.-</li> <li>- 36 pm Park warden @ 1,000.-/month</li> <li>- 24 x 6 Park rangers @ 400.-/ranger/month</li> <li>- 24 x 6 field assistants @ 300.-/assistant/month</li> <li>- 3 units computer @ 4,000.-</li> <li>- Office expenses @ 2,000.-/month</li> <li>- Air travel within Malaysia @ 2,500.-/month</li> <li>- Subsistence allowance for officers, Park rangers and field assistants @ 30,000.-</li> </ul>

A 1.1.2	To service the Park's Field Management Units basic equipment and staff	- 10 x 4 field management assistants @ 300.-/assistant/month  <b>Malaysian contribution</b> - Land acquisition and field infrastructure @ 30,000,- - 2 units land cruiser @ 32,400.- - 2 units motorcycles @ 2,000.- - 3 units refrigerators @ 2,000.-
A 1.1.3	To construct 3 field rangers posts at Ba' Kelalan, Long Lellang and Long Lobang	<b>Malaysian contribution</b> 3 ranger stations with office equipment @ 24,000.-
<b>Output 1.2 – The extensions of the PTNP initiated</b>		
A 1.2.1	To develop accurate thematic maps of the PTNP based on better satellite images using systematic analysis & interpretation for Park management	- 6 pm IT/technical assistant @ 800.-/month
A 1.2.2	To survey and mark extended boundaries and community use zones	- 1 pm technical assistant @ 2,000.-
<b>Output 1.3 – Baseline ecological and biodiversity surveys carried out and results published</b>		
A 1.3.1	To conduct post-logging ecological survey and establish ecological plots, floral inventory and resource use in the extended Park areas and mixed dipterocarp forest in the core area, monitor ecosystem changes	- 6 pm forest ecologist @ 3,500.-/month - 6 pm forest botanist @ 3,500.-/month - 24 pm research officers x 2 @ 800.-/month - 8 pm botanical assistant @ 500.-/month - Logistics and camping cost for 15 persons @ 300.-/person

A 1.3.2	To conduct faunal surveys in the core area and extended Park areas and monitor ecosystem changes	<ul style="list-style-type: none"> <li>- 12 pm biologists (Rhino, birds, small mammals, fish, amphibians) @ <b>3,500.-/month</b></li> <li>- 8 pm research officers (fish, rhinoceros) x 2 @ <b>800.-</b></li> <li>- 12 pm wildlife assistant @ 500.-/month</li> <li>- Logistics and camping cost for 15 persons @ 300.-/person</li> </ul> <p><b>Malaysian contribution:</b></p> <ul style="list-style-type: none"> <li>- 4 portable generators @ 2,500.-</li> <li>- Camping equipment @ 4,000.-</li> <li>- 2 units radio equipment @ 3,000.-</li> </ul>
	<b>To support Swiss students practical training</b>	<b>This activity originally under A 1.3.3 has been DELETED</b>
A 1.3.3	To organize scientific workshop	- Two-day meeting for 50 participants @ 3,000.-
A 1.3.4	To publish results of ecological and biodiversity studies and workshop proceedings	- 3,000 copies and their distribution @ 5.-/copy
<b>Output 1.4 – Survey on uses of natural resources carried out and community-based activities developed</b>		
A 1.4.1	To <b>monitor</b> resource use by Penan and Lun Bawang	- <b>6 pm research officer @ 800.-/month</b>
A 1.4.2	To develop community-based activities	<ul style="list-style-type: none"> <li>- Two highland botanical gardens @ 60,000.-</li> <li>- Trees, fruits &amp; vegetables planting, fish culture, salt mining, handicrafts: Bario, Pa' Lungan, Ba' Kelalan, Long Lellang, Long Sabai, Long Lobang @ <b>50,000.-</b></li> </ul>
A 1.4.3	To conserve the fragile montane vegetation and flora of Mt. Murud and re-establish the natural vegetation	<ul style="list-style-type: none"> <li>- Non-timber light weight construction materials for lodges @ 50,000.-</li> <li>- Power and water supply @ <b>15,000.-</b></li> <li>- Improve/maintain jungle trails @ 15,000.-</li> </ul>



A 1.4.4	To support highland conservation and ecotourism	<ul style="list-style-type: none"> <li>- <b>Tourist guides training</b>, information materials: guidebooks, brochures/pamphlets, posters etc. @ 6,000.-</li> <li>- Proposing Kelabit stone cultures (megaliths) as World Heritage Site @ 2,000.-</li> </ul>
<b>Output 1.5 – Conservation awareness programs for local key stakeholders carried out</b>		
A 1.5.1	To conduct conservation awareness activities	<ul style="list-style-type: none"> <li>- 10 pm publicity officer @ 1.500.-/month</li> <li>- Publicity/teaching materials/audio visuals @ 5,000.-</li> <li>- Logistic and travel costs to villages/schools/timber camps @ 5,000.-</li> <li>- Nature camps for students and visits to PTNP @ 5,000.-</li> </ul> <p><b>Malaysian contribution</b></p> <ul style="list-style-type: none"> <li>- Logistics and travel cost @ 5,000.-</li> <li>- 1 unit audio visual equipment @ 4.000.-</li> <li>- Nature camps and survey equipment, raincoat, etc. @ 3,000.-</li> </ul>
<b>Specific objective 2 – To strengthen transboundary conservation at the management and local community levels</b>		
<b>Output 2.1 – Bi-national cooperation in transboundary biodiversity conservation area management is strengthened</b>		
A 2.1.1	To organize and attend Joint Task Force meetings	<ul style="list-style-type: none"> <li>- 1 meeting/year x 3 @ 1,000.-/meeting</li> <li>- 2 x exchange of management staff visits to PTNP/KMNP @ 4,000.-</li> </ul>
A 2.1.2	Joint scientific research in PTNP	<ul style="list-style-type: none"> <li>- 6 Indonesian researchers attachment for 1 month: <ul style="list-style-type: none"> <li>* Air tickets and miscellaneous expenses @ 3,000.-</li> <li>* Living allowance for 30 days x USD25.-/person/day @ 4,500.-</li> </ul> </li> </ul>

A 2.1.3	To characterize transboundary ecosystems and habitats and identify bi-national interests in biodiversity conservation and ecosystems protection	- 2 pm consultants (bi-national team) @ 3,000.-/month
A 2.1.4	Joint patrol/enforcement	<ul style="list-style-type: none"> <li>- Logistics and camping @ 4,000.-</li> </ul> <p><b>Malaysian contribution</b></p> <ul style="list-style-type: none"> <li>- Logistics and allowances for 6 Park rangers @ 18,000.-</li> <li>- Wages for 10 field guides/porters @ 10,000.-</li> <li>- Camping and field equipment (compass, GPS) @ 3,000.-</li> </ul>
<b>Output 2.2 – Awareness in transboundary conservation and sustainable utilization of natural resources at the community level is raised</b>		
A 2.2.1	To initiate cross-border socio-economic activities among the local communities	<ul style="list-style-type: none"> <li>- Cross visits and dialogues @ 2,000.-</li> <li>- 2 training workshops on crop/herbal cultivation, fish culture @ 3,000.-</li> <li>- Handicraft training @ 1,500.-</li> <li>- Product development and packaging training @ 1,500.-</li> <li>- Cross-border ecotourism: resource development, joint promotion materials, tourist guides training/visits @ 3,000.-</li> </ul> <p><b>Malaysian contribution</b></p> <ul style="list-style-type: none"> <li>- Logistic cost (transport, fuel) @ 5,000.-</li> <li>- Allowances for 4 technical/field assistants @ 8,000.-</li> <li>- Support to training (materials, allowances, etc.) @ 5,000.-</li> </ul>

## 5 Logical Framework

PROJECT ELEMENTS	INDICATORS	MEANS OF VERIFICATION	ASSUMPTION
<p><b>DEVELOPMENT OBJECTIVE</b></p> <p>Contribute to conservation of natural ecosystems in the Northern Highlands of Sarawak and to the sustainable development of the local communities, through the implementation of biodiversity conservation and support to local socio-economic initiatives</p>	<p>Extensions of the current PTNP area, higher involvement of highland communities in conservation management activities</p>	<p><b>Government gazette of Park extensions, PTNP extension maps, community-based activities, project progress reports</b></p>	<p>Continued political support of the State of Sarawak <b>and cooperation from the timber licensees</b></p>
<p><b>SPECIFIC OBJECTIVE 1</b></p> <p>To promote the ecosystem values of PTNP through integrated conservation management</p>	<p>The PTNP management plan approved and implemented</p>	<p><b>On-the ground management presence, local participation in management and community development, project progress reports</b></p>	<p>Cooperation of key stakeholders, local communities and relevant state institutions</p>
<p><b>SPECIFIC OBJECTIVE 2</b></p> <p>To strengthen transboundary conservation at the management and local community levels</p>	<p>TBCA structures set up and are operational in the first year, the TBCA inaugurated, cross-border socio-economic activities implemented.</p>	<p><b>Communities participating in joint cross-border activities, joint inauguration of the TBCA, illegal activities reduced, project progress reports</b></p>	<p>Continued support of Indonesia and State of Sarawak; full cooperation of the Joint Task Force and local communities across the borders</p>

<p><b>Output 1.1</b> The conservation and management capacity for PTNP strengthened</p>	<p><b>New field ranger stations established</b>, quality project staff allocated, infrastructures and equipment provided</p>	<p>SCC &amp; SPC formed and operational, <b>local participation in management, maintenance of Park boundaries and law enforcement</b>, project progress reports</p>	<p>SFD provides qualified project counterparts and technical staff, active involvement by SFC, assistance from timber companies for transport /road maintenance</p>
<p><b>Output 1.2</b> The extensions of PTNP initiated</p>	<p><b>Government gazette of extensions with detailed boundary descriptions</b>, new boundaries surveyed and marked</p>	<p><b>Maps covering extensions and marked boundaries</b>, project progress reports</p>	<p>Continued political commitment of the State of Sarawak and cooperation from timber companies</p>
<p><b>Output 1.3</b> Baseline ecological and biodiversity surveys carried out and results published</p>	<p>By middle of year 2 <b>surveys of the extended Park areas and certain core areas completed and baseline data collected</b>, reports of studies prepared and published</p>	<p><b>Baseline data</b>, project progress reports and final reports of studies</p>	<p>Support by SFD and SFC staff, assistance from timber companies</p>
<p><b>Output 1.4</b> Survey on uses of natural resources carried out and community-based activities developed</p>	<p>By the beginning of year 2 resource use data compiled and community activities implemented</p>	<p><b>Sustainable use of natural resources recommended, selected community activities implemented</b>, participants from the various communities, project progress reports and final reports</p>	<p><b>Cooperation and active participation of local communities</b></p>
<p><b>Output 1.5</b> Conservation awareness programs for local key stakeholders carried out</p>	<p>Awareness materials prepared, programs to suit different stakeholders developed</p>	<p><b>Programs implemented in timber camps, schools, and local communities, local participation</b>, project progress reports</p>	<p>Active participation of local stakeholders, support from SFC</p>

<p><b>Output 2.1</b> Bi-national cooperation in TBCA management is strengthened</p>	<p>TBCA inaugurated, JTF operational, <b>enhanced effort in transborder management and addressing problems</b></p>	<p><b>Reduced cross-border illegal activities, joint enforcement &amp; research, progress reports</b></p>	<p>Active participation by management agencies and communities from both sides</p>
<p><b>Output 2.2</b> Awareness in transboundary conservation and sustainable utilization of natural resources is raised</p>	<p>Cross-border coordinating bodies for <b>joint activities</b> set up, strategies for cooperation developed, activities implemented</p>	<p><b>Training and cross-border socio-economic activities enhanced, reduced cross-border illegal activities, progress reports</b></p>	<p>Active cross-border community participation, support from KMNP &amp; PTNP projects</p>

## 6 Work Plan

Outputs/ Activities	Responsible party	Month from starting date																																						
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36			
<b>Output 1.1</b>	SFD																																							
A 1.1.1	SFD																																							
A 1.1.2	SFD																																							
A 1.1.3	SFD																																							
<b>Output 1.2</b>	GOS																																							
A 1.2.1	PM																																							
A 1.2.2	SFD/PM																																							
<b>Output 1.3</b>	PM																																							
A 1.3.1																																								
A 1.3.2																																								
A 1.3.3																																								
A 1.3.4																																								
<b>Output 1.4</b>	PM																																							
A 1.4.1																																								
A 1.4.2																																								
A 1.4.3																																								
A 1.4.4																																								
<b>Output 1.5</b>	PM																																							
A 1.5.1																																								
<b>Output 2.1</b>	SFD																																							
A 2.1.1	PM																																							
A 2.1.2	PM																																							
A 2.1.3	PM																																							
A 2.1.4	SFD																																							
<b>Output 2.2</b>	PM																																							
A 2.2.1																																								

## 7 Budget

### 7.1 ITTO Budget by Activity

Output Activities	Budget Components US\$						Total	Year
	Project Personnel	Sub-Contracts	Duty Travel	Capital Items	Consumable items	Miscellaneous		
<b>Output 1.1</b>	216,000	88,200	14,000	2,000	5,500	-	325,700	
A 1.1.1	216,000	76,200	14,000	2,000	5,500	-	313,700	1st
A 1.1.2		12,000					12,000	1st
A 1.1.3							-	
A 1.1.4							-	
<b>Output 1.2</b>	-	6,800	-	-	-	-	6,800	
A 1.2.1	-	4,800	-	-	-	-	4,800	1st
A 1.2.2	-	2,000	-	-	-	-	2,000	1st
A 1.2.3								
A 1.2.4								
A 1.2.5								
<b>Output 1.3</b>	-	145,200	-	-	24,000	3,000	172,200	
A 1.3.1	-	84,400	-	-	4,500		88,900	1st
A 1.3.2	-	60,800	-	-	4,500		65,300	1st
A 1.3.3						3,000	3,000	3rd
A 1.3.4					15,000		15,000	3rd
<b>Output 1.4</b>	-	194,800	-	-	6,000	2,000	202,800	
A 1.4.1		4,800	-	-			4,800	1st
A 1.4.2		110,000	-	-			110,000	1st
A 1.4.3		80,000	-	-			80,000	1st
A 1.4.4					6,000		6,000	1st
A 1.4.5						2,000	2,000	1st
<b>Output 1.5</b>		30,000					30,000	
A 1.5.1		30,000					30,000	1st
A 1.5.2							-	
A 1.5.3							-	
A 1.5.4							-	
<b>Output 2.1</b>		6,000	15,500	-	4,000	3,000	28,500	
A 2.1.1			8,000			3,000	11,000	1st
A 2.1.2			7,500				7,500	1st
A 2.1.3		6,000					6,000	2nd
A 2.1.4					4,000		4,000	1st
<b>Output 2.2</b>		8,000			3,000		11,000	1st
A 2.2.1		8,000			3,000		11,000	
A 2.2.2							-	
<b>TOTAL</b>	<b>216,000</b>	<b>479,000</b>	<b>29,500</b>	<b>2,000</b>	<b>42,500</b>	<b>8,000</b>	<b>777,000</b>	

## 7.2 Yearly ITTO Budget

Budget headings		Total	Year 1	Year 2	Year 3
<b>10</b>	<b>Personnel</b>				
	10 Project Manager	216,000	72,000	72,000	72,000
	11 Administrative staff	73,200	24,400	24,400	24,400
	<b>19 S/Total</b>	<b>289,200</b>	<b>96,400</b>	<b>96,400</b>	<b>96,400</b>
<b>20</b>	<b>Sub-contracts</b>				
	201 Field posts	15,000	5,000	5,000	5,000
	202 Boundary survey & thematic maps	6,800	3,000	3,000	800
	203 Ecological biodiversity surveys	145,200	90,000	30,000	25,200
	204 Develop community-based activities	110,000	80,000	15,000	15,000
	205 Consultant resource study	4,800	4,800	-	-
	206 Conserve & re-establish montane vegetation	78,000	30,000	30,000	18,000
	207 Conduct conservation awareness	30,000	20,000	5,000	5,000
	208 Joint scientific research	7,500	7,500	-	-
	209 Characterize TBCA ecosystems	6,000	-	6,000	-
	210 Cross-border socio-economic activities	8,000	3,000	3,000	2,000
	211 Training	4,000	4,000	-	-
	<b>29 S/Total</b>	<b>411,300</b>	<b>243,300</b>	<b>97,000</b>	<b>71,000</b>
<b>30</b>	<b>Duty Travel</b>				
	31 Travel inside & outside Sarawak	20,000	6,000	8,000	6,000
	32 PSC & SCC meetings	4,000	1,500	1,500	1,000
	<b>39 S/Total</b>	<b>24,000</b>	<b>7,500</b>	<b>9,500</b>	<b>7,000</b>
<b>40</b>	<b>Capital Items</b>				
	411 Two 4-wheeled drive vehicles			-	-
	412 Three units computers	2,000	2,000	-	-
	<b>49 S/Total</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>
<b>50</b>	<b>Consumables</b>				
	51 Office supplies	1,500	500	500	500
	52 Information materials	13,000	5,000	5,000	3,000
	53 Logistics and camping costs	13,000	5,000	5,000	3,000
	54 Publications of scientific & community studies	15,000	-	-	15,000
	<b>59 S/Total</b>	<b>42,500</b>	<b>10,500</b>	<b>10,500</b>	<b>21,500</b>
<b>60</b>	<b>Miscellaneous</b>				
	601 Proposal for WHS	2,000	2,000	-	-
	602 Joint Task Force meetings	3,000	1,000	1,000	1,000
	603 Scientific workshop	3,000	-	-	3,000
	<b>69 S/Total</b>	<b>8,000</b>	<b>3,000</b>	<b>1,000</b>	<b>4,000</b>
	<b>Sub-Total</b>	<b>777,000</b>	<b>362,700</b>	<b>214,400</b>	<b>199,900</b>
<b>80</b>	<b>Monitoring, evaluation, administration</b>				
	81 Monitoring cost & Evaluation cost	18,000			
	82 Ex-post evaluation costs	15,000			
	<b>S/Total 1</b>	<b>810,000</b>			
	82 Administration support cost (8% of Sub-total)	64,800			
	<b>S/Total</b>	<b>97,800</b>			
<b>100</b>	<b>GRAND TOTAL (777,000 + 97,800)</b>	<b>874,800</b>			



### 7.3 Yearly Contribution of Malaysian Government to the project budget (USD)

	Budget items	Total	Year 1	Year 2	Year 3
<b>10</b>	<b>Project Personnel</b>				
	11 Project Coordinator	72,000	24,000	24,000	24,000
	12 Assistant Finance and Administration	54,000	18,000	18,000	18,000
	13 3 Forest rangers/Park wardens/Forest Asst	164,800	54,934	54,933	54,933
	14 2 Secretaries	-	-	-	-
	<b>19 S/Total</b>	<b>290,000</b>			
<b>20</b>	<b>Duty Travel</b>				
	21 Air Travel within Malaysia	7,500	2,500	2,500	2,500
	22 Daily subsistence allowance	72,000	24,000	24,000	24,000
	<b>29 S/Total</b>	<b>79,500</b>			
<b>40</b>	<b>Capital items</b>				
	41 Office administration at Bario	30,000	30,000		
	42 Road construction 15 km				
	43 2 Landcruisers	64,800	64,800		
	44 2 motorcycles	4,000	4,000		
	45 4 portable generators	10,000	10,000		
	46 4 Freezers/refrigerators	6,000	6,000		
	47 2 Radio equipment	6,000	6,000		
	48 3 units computer	4,000	4,000		
	49 Miscellaneous camping equipment	10,000	5,000	5,000	
	50 Laboratory and field equipment	30,000	30,000		
	<b>49 S/Total</b>	<b>164,800</b>			
<b>60</b>	<b>Miscellaneous</b>				
	61 Community socio-development program				
	<b>69 S/Total</b>				
	<b>SUB-TOTAL</b>	<b>535,100</b>			
	Administration cost 15%	80,265			
	<b>TOTAL</b>	<b>615,365</b>			

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## PART IV – THE TROPICAL TIMBER FRAMEWORK

### 1 Compliance with ITTA 1984's Objectives

The project is in compliance with the ITTO's effort to promote global transboundary biodiversity conservation among its tropical member countries. Sarawak Government's support to the initiative led to the approval of Phase I of the project by ITTO in 2003. The PTNP/KMNP transboundary partnership is significant as the conservation of up to 1.5 million hectares of Northern Borneo's remaining pristine rain forest is assured. The TBCA also enables the complete protection of Northern Borneo's highland biodiversity outside of Mt. Kinabalu in the State of Sabah. In extending the PTNP many of the old and rare cultural sites of the highland people are also secured.

The project complies with the ITTA 1994 by meeting the following objectives of its Article 1:

© *To contribute to the process of sustainable development;*

(i) *To encourage members to develop national policies aimed at sustainable utilization and conservation of timber producing forests and their genetic resources and at maintaining the ecological balance in the regions concerned, in the context of tropical timber trade.*

Furthermore, for promoting cooperation in transboundary biodiversity conservation between Sarawak and Indonesia, the project meets Article 27 paragraph 2(a), as follows:

The Committee on Reforestation and Forest Management shall (a) promote cooperation between members as partners in development of forest activities in member countries *inter alia*, in the following areas:

(iii) Forest management

As a member of ITTO, Malaysia has committed itself to achieving sustainable management of its natural forest resources, namely by achieving the Year 2000 Objective. In 1993, ITTO members identified 4 key areas for action towards sustainable forest management in compliance with that Objective. This project idea is relevant to three of them:

- *Security of forest resources and prevention of unplanned deforestation;*
- *Production of optimal mix of goods and services;*
- *Improvement of the social and political environment concerning forest management.*

The project also meets one of the criteria of the allocation of resources from the Bali Partnership Fund as defined in Paragraph 4 of Article 21 of the ITTA, as follows:

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4. *In allocating resources of the Fund, the Council shall take into account (b) the needs of members with significant forest areas who establish conservation programs in timber producing forest.*

## **2. Compliance with ITTO Yokohama Action Plan**

The PTNP project is in compliance with “cross-cutting strategies” of the Yokohama Action Plan requiring ITTO to:

*(k) Support demonstration and pilot projects in all of its substantive work, especially on regional basis.*

The project is also in compliance with priorities defined under Goal 1 “Support to activities to secure the tropical timber resource base” of the Committee on Reforestation and Forest Management outlined in the ITTO’s Yokohama Action Plan as specified in the following:

*(1) Action 2: Support networking and the exchange of information with relevant international organizations to maintain the integrity of the resource base, including protected areas network.*

In addition, the project complies with Goal 2 “To promote sustainable management of tropical forest resources” as specified under Action 10 as follows:

*Establish areas dedicated to biodiversity conservation in accordance with ITTO guidelines, including transboundary conservation areas, in close collaboration with other relevant organizations and bodies.*

In addition, the project complies with ITTO Guidelines for the Sustainable Management of Natural Tropical Forests, Principal 7 as follows:

*The different categories of land to be kept under permanent forest are: land to be protected, land for nature conservation, land for production of timber and other forest products, land intended to fulfill combinations of these objectives.*

Appendix 1 of these Guidelines describes categories of forest land, including “forests set aside for plant and animal species and ecosystem preservation”

In this respect, Sarawak has set aside 6 million hectares of its natural forests as permanent forest estate, while one million hectares will be established as totally protected areas. This is to ensure a sound balance between sustainable timber production and conservation of biodiversities and natural habitats. The PTNP will also be extended to a total area of over 150,000 hectares to more fully preserve the highlands’ biodiversity and cultures.

Furthermore, as a contribution to the strategy of conserving biodiversity by the establishment of large undisturbed conservation areas, the project also meets the ITTO Guidelines on the Conservation of Biological Diversity in Tropical Production Forests.

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### **Documents Consulted**

1. An ornithological report of Pulong Tau National Park, Slim Sreedharan
2. Ecological survey of forests in Pulong Tau National Park, Lim Meng Tsai
3. Ecological monitoring system for Pulong Tau National Park, Lim Meng Tsai
4. The Flora of Pulong Tau National Park, K.G. Pearce
5. Fish Fauna of Pulong Tau National Park, Lee Nyanti & Jongkar Grinang
6. Cultural Sites of the Northern Highlands, Wilhelmina Cluny & Paul Chai P.K.
7. Geomorphology and soils of Pulong Tau National Park, Sia Puon Chiew
8. Crabs, prawns and aquatic insects of Pulong Tau National Park, Jongkar Grinang & Lee Nyanti
9. Mammals, amphibians and reptiles of Pulong Tau National Park, Oswald T. Braken, Engkamat Lading, Paschal Dagang & Taha B. Wahab
10. Socio-economic study in the Pulong Tau National Park, Jiram Sidu
11. Designing community-based activities in Pulong Tau National Park, Kueh Hong Siong
12. Northern Highlands Biodiversity—The Pulong Tau National Park, Paul Chai P.K., Wilhelmina Cluny and Jongkar Grinang

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## **ANNEX 1 – TERMS OF REFERENCE FOR THE PROJECT STAFF**

### **1. Project Manager**

The Project Manager will report to the Director of Forests, Sarawak Forest Department and through him to the Project Steering Committee. He will be responsible for:

- Technical and administrative orientation and coordination of all project activities;
- Supervision of the use of property funds;
- Elaboration and implementation of annual project operation plans;
- Collaborating with the Sarawak Forestry Corporation in matters relating to the Park's biodiversity conservation and management;
- Relations with SFD and other public agencies and institutions;
- Giving appropriate guidance to the operations for boundary survey and demarcation of PTNP extensions, and carrying out the necessary lobbying for a timely decision on these extensions;
- Supervision of the selection of consultants;
- Giving guidance for the work of consultants, supervising them and controlling the quality of their results;
- Information on project objectives and work, targeting the public in general and key stakeholders in particular (State authorities, local authorities, local communities, NGOs, international bodies);
- Making contributions to the scientific foundations of TBC between PTNP and KMNP integration of PTNP/KMNP databases and design of joint management criteria for the transboundary ecosystem and joint ecological monitoring system;
- Actively participate in TBC activities between PTNP and KMNP, such as visits, workshops, regular communications and exchange of information (reports, documents, fax, e-mail, etc.);
- Monitoring progress toward achieving project objectives and elaboration of all reports required by ITTO and by the project objectives.

### **2. Research Officers**

- Assist the Project Manager in implementation of all project activities;
- Assist in preparing and coordinating awareness programs;
- Conduct research, resource surveys and monitoring activities;
- Assist in conducting SCC meetings and community dialogues.
- Assist in the development, updating and management of the project's website.

### **3. Publicity Officer**

- Establish environmental education unit for the project;
- Source and prepare publicity materials and environmental education (EE) modules;
- Implement EE awareness programs among local key stakeholders;
- Design and prepare publicity materials (pamphlets, posters etc.) for distribution;
- Liaise with relevant information services and the media;
- Maintain audio visual equipment.

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#### **4. Technical Assistants**

- Assist in preparation of IT/GIS materials and thematic maps;
- Assist project consultants in carrying out field surveys;
- Validate and prepare maps of extended PTNP and community-use zones;
- Map out community settlements, important habitats and cultural sites;
- Assist in preparing plant or animal specimens for identification and storage;
- Assist in compiling baseline data for reports and publications.

#### **5. Administrative and Accounting Officer**

- Assist the Project Manager in the administration and financial management of the project financial resources;
- Ensure proper keeping of project accounts and financial documents;
- Input financial data in a computerized accounting system;
- Assist in preparation of financial reports;
- Assist in the process of timely calling of funds;
- Execute payment of salaries to project personnel;
- Assist in all other administrative and finance-related matters as requested by Project Manager;
- Ensure an adequate supply for project needs;

#### **6. Office Secretary**

- Assistant to the Project Coordinator and Project Manager;
- Carry out secretariat duties in the ITTO Office;
- Maintain office correspondence and files;
- Maintain office equipment;
- Assist in preparing consultant reports for publication;
- Assist in organizing meetings and workshops;

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## **ANNEX II – TERMS OF REFERENCE FOR MAJOR STUDIES TO BE SUB- CONTRACTED**

### **Ecological, biodiversity, resource use and socio-economic surveys**

- Carry out a description and a mapping of PTNP's habitats using satellite imagery;
- Carry out an inventory of the flora and fauna in parts of the core area and in the extended areas of the Park, recording GPS data for the samples;
- Establish ecological plots to monitor habitat changes and natural regeneration;
- Conduct socio-economic study of the Penan community;
- Conduct resource use surveys to determine sustainability of important natural resources;
- Based on the data and social needs of local communities, recommend modalities for having community-use zones in concessions located within or in the vicinity of the Park and make an outline of guidelines to manage those community-use zones;
- Identify important biodiversity areas to recommend as special management zones;
- Survey and provide data on occurrence and ecology of rare and threatened animal species;
- Design a monitoring system to assess future changes against the baseline data;
- Recommend studies and activities to be carried out as follow-up action;
- Present results in a form that is appropriate for publication.

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## ANNEX III – FOURTH PROJECT PROGRESS REPORT

### 1 Project Identification

1.1	Title	Transboundary Biodiversity Conservation: The Pulong Tau National Park, Sarawak State, Malaysia
1.2	Serial No.	PD 224/03 Rev.1 (F)
1.3	Implementing Agency	Forest Department, Sarawak
1.4	State Government	Government of Malaysia
1.5	Starting Date	1 <sup>st</sup> January 2005
1.6	Duration	24 months
1.7	Project Cost	US\$740,781

### 2 Period Covered by This Report

This is a cumulative progress report that describes the achievements of Phase I of the two-year project from 1 January 2005 to 31 December 2006.

### 3 Description of the Work Implemented

The project activities were implemented according to the Work Plan set out in Yearly Plan of Operation (YPO) for each year. The main activities for the first year focused on Output 1.1 to strengthen the Park Management Unit (PMU), Output 1.2 to initiate extension the national park, and Output 1.3 to collect baseline data on ecology and biodiversity. During the second year, activities under Outputs 1.2 and 1.3 continued. In addition, Output 1.4 to conduct socio-economic surveys and Out 1.5 to prepare the park management plan were carried out. Progress was also made in the transboundary conservation initiative with Indonesia.

### 4 Execution of the Work Plans

#### 4.1 Work Plan Review

The work plan for Year I was reviewed at the recommendations of the Project Steering Committee (PSC) as follows:

To initiate boundary survey to secure the core area of the park (A1.1.3);

To operationalize the stakeholder consultative committee (A1.1.5);



To adjust the budget for A1.2.3 (validate maps of the extended areas), and A1.2.4 (secure the official recognition of the updated park limits). There was no major review of the work plan for Year 2. However, the PSC recommended that a socio-economic study of the Penan community as well as a survey on the use of the forest resources by this community should be carried out as the information was necessary to ensure effective park management.

#### 4.2 Progress on Implementation of the Activities

A summary of the progress is given in Table 1. With the exception of the boundary survey and the studies on the Penan all other activities had been successfully completed. A total of 15 final reports were received for final editing and printing.

**Table 1 – Progress of implementation of activities.**

Activities	Percentage Executed	Expected Completion Date
1. Geomorphology & soils	100	Final report submitted
2. Forest ecology	100	Final report submitted
3. Botany / Floral survey	100	Final report submitted
4. Fish survey	100	Final report submitted
5. Bird survey	100	Final report submitted
6. Mammal & reptile survey	100	Final reports submitted
7. Cultural sites survey	100	Final report submitted
8. Securing park boundary	50	Continuing activity
9. Socio-economic survey	100	Final report submitted
10. Community-based activities study	100	Final report submitted
11. Study tour to LEWS		Completed
12. Park extension	30 (Stage 1)	Continuing activity

#### 4.3 Inputs Applied

A total amount of USD 589,990 had been received. After submitting the 4<sup>th</sup> and final progress report for Phase I to the Secretariat the EA made a request in November for the final installment of USD 81,850 to be released. The cash flow and financial statements for the period ending 31 December are given in Appendix IA-1C.

#### 4.4 Outputs Achieved

As shown in Table 1, securing of the boundary of the core area requires continuing effort by the EA largely due to the difficult access. Nevertheless, the boundary in three critical or sensitive areas had been surveyed, cut and marked on the ground. A number of timber licenses are currently operating in these areas. Some work on the socio-economic survey and survey of resource use by the Penan has been initiated and will continue into the extension period of nine months up to September 2007. Likewise, printing and

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distribution of all the final reports will only be completed by March 2007. In 2007, further meetings of the TBCA Joint Task Force and between the higher authorities of Malaysia and Indonesia will be organized to discuss transboundary work and the proposed inauguration of the TBCA between PTNP and KMNP. On the extension of the national park under Output 1.2, negotiations between the Executing Agency and the timber licensees are still on-going. It is hoped that stage 1 of the extension covering the core area of Batu Lawi and the second area of Long Repun adjacent to the common border with Kalimantan, Indonesia, will be approved soon.

The study tour by 17 participants from the Kelabit, Lun Bawang and Penan communities to Lanjak Entimau Wildlife Sanctuary was a success. They were all happy to see that the Iban communities at Ulu Mujok had benefited from the ITTO-supported project. They were also impressed that the Iban longhouse communities were able to work together as a team for mutual benefits. They were able to better appreciate the objectives and efforts of ITTO after the visit. Following the visit, the community in Ba' Kelalan have formed a village committee and proposed activities that can be implemented in their villages.

The CRF approved the EA's request to extend the project for a further nine months with additional funding during the recent 41<sup>st</sup> ITTC Session in Yokohama in November 2006.

## **5.0 Critical Analysis of Project Progress and Lessons Learned**

The EA had realized from the outset had project implementation would not be easy due to the remote location of the national park. The magnitude of the problems was largely underestimated. These problems were:

- a) The remoteness of the project site with very difficult access;
- b) The widespread and scattered distributions of the local communities in all corners of the national park;
- c) The heavy dependence on the timber contractors' transport to get to the study sites and the local villages that are accessible only by logging roads;
- d) The difficulty of transporting chemicals (spirit, formalin, petrol) by air and the rising fuel and transport costs during the second year period;
- e) The continuing dependence of the local populations on the forest resources, including resources of the national park.

The difficult access and dependence on timber companies' transport meant that prior careful planning of field trips was necessary. The timber companies' transport was not always available at the time of request. More time was also needed for the survey teams to reach the study sites, often involving one to three days of trekking through the forest, sometimes resulting in less time spent on the surveys. The socio-economic survey teams needed between two to four days to get to the settlements scattered in all corners of the park – first by timber roads then trekking. Field work was sometimes interrupted by heavy rain and floods.

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The project had also underestimated the basic needs of the local populations with respect to use of some of the forest resources in the national park. Their needs include construction timber, firewood and other materials and food. The project had surveyed and marked two areas located along the park's western boundary that were traditionally used by the Penan community, and requested the Director of Forests to consider granting special privileges to the community to use these areas to meet their immediate needs.

Progress in extending the park has not been satisfactory because all the proposed areas are currently under timber licenses; extension is possible only after the licenses have expired. The EA is seeking the cooperation of the licensees to surrender certain areas before the expiry of the license period.

There was some delay in the preparation of the soil and faunal reports because the studies were contracted to the Sarawak Forestry Corporation, and the specialists involved were also at various times involved in other studies within the Corporation. Printing and distribution of some of the final reports will be delayed.

The important lessons learned are as follows:

- Effective resource management of the national park rests on one important factor namely, addressing the needs of the local populations with respect to the use of the forest resources. If these needs are not met, many will continue to obtain timber and other materials from the forest;
- The roles played by the local key stakeholders - the timber licensees and the local populations - are crucial. Without their support and cooperation it would have been extremely difficult to complete the project's activities;
- The local communities are all in support of the national park and understand the need to use the natural resources in a sustainable way. Community-based development activities should help to reduce their dependence on the forest;
- Awareness education should target at all the local key stakeholders including the school teachers and students in the villages;
- Continuing dialogue with the local users of natural resources is an essential part of the awareness campaign and park management process;
- Park management will not be very effective without the interest and active participation of the local communities.
- In areas like Bario, implementation of community-based activities may be difficult as most of the land is privately owned. The soils in some villages are also too poor for crop cultivation;

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- Transboundary cooperation can be strengthened if the local communities on either side of the common borders are able or willing to participate actively in the project for mutual benefits.

## **6.0 Summary of Project Findings and Problems that remain to be solved**

Phase I was devoted to the implementation of the following main activities:

- (i) Collecting baseline data for the national park, covering geology, soils, ecology and biological resources;
- (ii) Initiating socio-economic and cultural surveys, mapping of villages, and designing community-development activities among the various community groups;
- (iii) Initiating the process of extension to the national park through negotiation with the timber licensees;
- (iv) Establishing stakeholder consultative committee to serve as a communication link between the project, the park management and the local populations;
- (v) Preparing the park management plan;
- (vi) Establishing official contact with Indonesia on TBC cooperation.

The baseline data on geology, soils, ecology, biodiversity, socio-economics and cultures provide important background information to the park managing authority in future management planning. The new park management plan will become effective after it is approved by the State Authorities.

### **Problems that remained to be solved**

A number of problems need to be urgently addressed as they are likely to have an impact on the conservation value of the park and sustainability of its resources. Firstly, the EA must ensure that the national park is extended to the size stated in the project document. This is to more effectively protect the highlands' biodiversity and cultural sites and to establish transboundary connection with Kayan Mentarang N.P. in East Kalimantan. During Phase II, baseline resource survey will be continued in the extension areas, especially to assess the impact of logging activities on the forests, biodiversity and cultural heritage. The extension boundaries will be surveyed and marked. It is also proposed to establish community-use zones in the extension areas to benefit the local communities.

Secondly, the local populations' continued reliance on the forest resources will have a long-term impact on the national park because the park is located close to a number of villages, while the State land forest in the vicinities are largely deprived of big trees. This use must be regulated, and steps taken at the same time to reduce their dependence. As mentioned in the Phase I project document, Phase II was envisaged to enable community-based activities to be planned and developed to help improve the peoples' livelihoods.

Thirdly, impacts caused by visitor use in the park also need to be addressed. The main users are the followers of the Borneo Evangelical Mission from the Highlands and elsewhere. A church camp with over 90 huts was built near the summit of Murud in the early 1990s for

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members to go on annual (now bi-annual) retreat and to pray. More than 25 hectares of the fragile summit vegetation and soils have been damaged by the construction of the camp and jungle trails. As the facilities will continue to be used, the damages must be monitored and visitor activities regulated. In the coming phase, the project will help to assess the impacts and propose measures to rehabilitate the damaged areas, and determine the park's carrying capacity. Phase II will also help to build local capacity in co-management and in monitoring land use change in the park.

Fourthly, awareness education among the key stakeholders will help to raise interest on the park – through organizing workshops, talks, audio-visuals and websites. Due to the remote location and difficult access, law enforcement cannot be effective without the awareness and direct participation of the local stakeholders.

Finally, more effort is needed in transboundary biodiversity conservation. The strategy is to actively involve the local communities on both sides by supporting community-based activities for mutual benefits. Park managers and researchers will benefit from exchange visits and joint research activities under Phase II of the PTNP project. The activities will be coordinated by TBCA Joint Task Force that was formed in July.

## **7.0 Conclusion**

When preparing the project document for Phase I the consultant had envisaged that the project should be continued in order to implement the findings and recommendations of the project consultants. These findings and recommendations are given in the new park management plan. The focus for Phase II is to more fully achieve the conservation objectives of PTNP - by addressing and solving the problems described above. The success of the Lanjak Entimau Wildlife Sanctuary (LEWS) project is used as a model in the preparation of the Phase II project. The LEWS project provides an excellent example of how five Iban longhouses with a population of several hundred people have derived additional cash incomes from the fruit tree planting and fish culture projects. Equally important is that these people have changed their perception about nature conservation, and are making conscious effort to help protect the sanctuary's resources by disallowing outsiders from hunting and fishing in the sanctuary. These same results can be achieved in the PTNP.

APPENDIX 1A

CASH FLOW STATEMENT - PERIOD ENDING 31 DECEMBER 2006

PD 224/03 Rev.1(F) - Transboundary Biodiversity Conservation : The Pulong Tau NP, Sarawak State  
( 1 January to 31 December 2006 )

Component	Reference	Date	Amount	
			in US\$	in R.M.
<b>Funds received from ITTO</b>				
1. First Installment ( December 2004 )	TT From Japan	29.12.04	\$ 221,000.00	RM 833,165.00
2. Second Installment	TT From Japan	01.11.05	\$ 186,995.00	RM 699,730.29
3. Third Installment	TT From Japan	29.05.06	\$ 181,995.00	RM 657,178.95
4. Fourth Installment	TT From Japan			
5. Interest Earned				RM 22,545.27
<b>Total:</b>			<b>\$ 589,990.00</b>	<b>RM 2,212,619.51</b>
<b>Expenditures by Executive Agency:</b>				
A. Personnel - Local	-	-	456,153.17	1,710,695.77
B. Field Transportation / Duty Travel	-	-	0.00	0.00
C. Capital Items	-	-	0.00	0.00
D. Air Travel Within Malaysia	-	-	29,982.73	112,443.23
E. Office Expenses			0.00	0.00
F. Miscellaneous			103,831.70	389,396.52
<b>Total:</b>			<b>\$ 589,967.60</b>	<b>RM 2,212,535.52</b>
<b>REMAINING BALANCE:</b>			<b>\$ 22.40</b>	<b>RM 83.99</b>

The exchange rate \$ to RM is 3.7503

APPENDIX 1B

**FINANCIAL STATEMENT –PERIOD ENDING 31 DECEMBER 2006**  
**PD 224/03 Rev.1(F) – Transboundary Biodiversity Conservation : The Pulong Tau NP,**  
**Sarawak State**  
**(1 January to 31 December 2006)**

**ITTO Contribution – Breakdown of expenditure (in US\$)**

COMPONENTS	#CONTRIBUTION RM (A)	UP TO DATE			BALANCE OF FUNDS (A)+(D)
		Committed (B)	Spent (C)	Committed & Spent (D)=(B)+(C)	
<b>I. Funds managed by Executing Agency</b>					
<b>A. PERSONNEL - LOCAL</b>					
Project Manager	132,000	6,031.57	125,832.50	131,863.98	136.02
Sub-contracts	406,500	25,598.18	298,691.01	324,289.19	82,210.81
<b>B. DUTY TRAVEL</b>	30,000	3,813.06	26,169.67	29,982.73	17.27
<b>C. CAPITAL ITEMS</b>	10,500	186.65	10,303.57	10,490.22	9.78
<b>D. CONSUMABLES</b>	63,400	17,518.78	45,874.80	63,393.55	6.45
<b>E. MISCELLANEOUS</b>					
Meeting & Staff exchange	29,950	1,119.92	28,828.01	29,947.93	2.07
Sub-Total	<b>672,350</b>				
<b>TOTAL in VOTE LEDGER</b>	<b>589,990</b>	54,268.15	535,699.46	589,967.60	22.40
<b>II. Fund Retained by ITTO</b>					
<b>D. ITTO MONITORING, REVIEW &amp; EVALUATION</b>	27,000.00	-	-	-	a/
<b>E. ITTO PROGRAMME SUPPORT COST (5.5%) CONTRIBUTION (US\$)</b>	38,775.00	-	-	-	a/ a/
Sub-Total	<b>53,775.00</b>	-	-	-	a/
<b>TOTAL in VOTE LEDGER</b>	<b>726,125.00</b>	-	<b>535,699.46</b>	<b>589,967.60</b>	<b>22.40</b>

Note : Balance in Ledger Book as at 31.12.2006 RM 83.99 = US\$22.40

a/ Funds retained and accounted by ITTO- details not available with Executing Agency

## APPENDIX 1C

**FINANCIAL STATEMENT –PERIOD ENDING 31 DECEMBER 2006**  
**PD 224/03 Rev.1(F) – Transboundary Biodiversity Conservation : The Pulong Tau NP,**  
**Sarawak State**  
**(1 January to 31 December 2006)**

**ITTO Contribution – Breakdown of expenditure (in RM)**

COMPONENTS	#CONTRIBUTION RM (A)	UP TO DATE			BALANCE OF FUNDS (A)+(D)
		Committed (B)	Spent (C)	Committed & Spent (D)=(B)+(C)	
<b>I. Funds managed by Executing Agency</b>					
<b>A. PERSONNEL - LOCAL</b>					
Project Manager	495,035.13	22,620.00	471,905.00	494,525.00	510.13
Sub-contracts	1,524,483.18	96,000.00	1,120,170.77	1,216,170.77	308,312.41
<b>B. DUTY TRAVEL</b>	112,507.98	14,300.00	98,143.23	112,443.23	64.75
<b>C. CAPITAL ITEMS</b>	39,377.79	700.00	38,641.13	39,341.13	36.66
<b>D. CONSUMABLES</b>	237,766.87	65,700.00	172,042.69	237,742.69	24.18
<b>E. MISCELLANEOUS</b>					
Meeting & Staff exchange	112,320.47	4,200.00	108,112.70	112,312.70	7.77
Sub-Total	<b>2,521,491.43</b>				
TOTAL in VOTE LEDGER	<b>2,212,619.51</b>	203,520.00	2,009,015.52	2,212,535.52	83.99
<b>II. Fund Retained by ITTO</b>					
<b>D. ITTO MONITORING, REVIEW &amp; EVALUATION</b>	101,258.10	-	-	-	a/
<b>E. ITTO PROGRAMME SUPPORT COST (5.5%) CONTRIBUTION (US\$)</b>	145,417.90	-	-	-	a/ a/
Sub-Total	<b>246,676.00</b>	-			a/
TOTAL in VOTE LEDGER	<b>2,575,266.43</b>	-	<b>2,009,015.52</b>	<b>2,212,535.52</b>	<b>83.99</b>

Note : Balance in Ledger Book as at 31.12.2006 US422.40 = RM 83.99

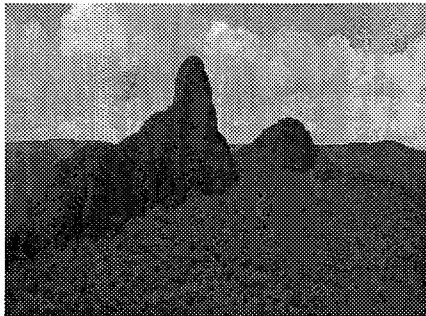
a/ Funds retained and accounted by ITTO- details not available with Executing Agency



## ANNEX IV - Project Supervisory Mission (PSM): 1 – 8 May 2005<sup>1</sup>

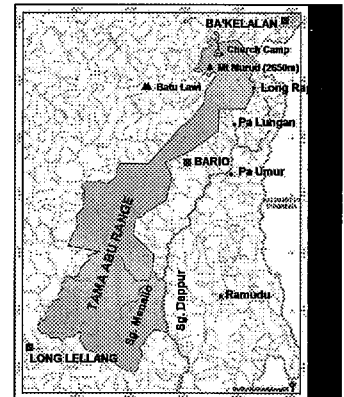
### PD 224/03: Transboundary Biodiversity Conservation: The Pulong Tau National Park, Sarawak State, Malaysia

#### 1 Short description of the project<sup>2</sup>



The Pulong Tau National Park (PTNP) is located in the northeast of the Malaysian State of Sarawak in the Kelabit Highlands, bordering Indonesia. The project is concerned with the effective protection and management of a proposed protected area of 164,500 hectares, composed by an already gazetted area (national Park) over 59,800 hectares of submontane and mountain landscapes (the so-called core area) and an additional 105,000 hectares that still need to be classified and protected (extended national Park). The extension will allow connecting the PTNP to Kayan Mentarang National Park in Kalimantan, Indonesia, that is also supported by Swiss (seco) funding. The development objective

of the project is to contribute to the conservation of the last remaining mountain dipterocarp forests in the northern part of Borneo and to the sustainable development of the communities in the Kelabit highlands and the adjacent forest areas of Penan communities through the implementation of biodiversity conservation and support of local socioeconomic development activities. The project is planned over a time frame of 6 to 8 years. In its first phase of two years, the specific project activities are (1) to initiate a process of sustainable management of the PTNP; and (2) to improve cooperation between Sarawak and Indonesia for the conservation of the transboundary ecosystems of PTNP and the Kayan Mentarang National Park. The major thrust of the first phase of the project is to secure the boundaries of the core area of the Park and to propose a feasible extension of the Park so that it can achieve transboundary conservation objectives. Baseline planning data will be gathered and priority management actions will be formulated in a management plan. It is expected that at the end of phase 1, in addition to a protected area management plan, there will be also a strategy in place to promote socioeconomic development of local communities and an agenda for collaboration in transboundary conservation with Indonesia.



#### KEY INFOBOX ON THE PROJECT

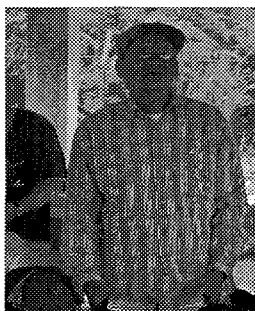
- Executing Agency: Forest Department of Sarawak (FDS)
- Project leader: Dr. Paul Chai (ITTO resident consultant), Zarina bt Shebli (FDS)
- Planned duration of phase 1: 24 months
- Signing of the contract between ITTO and the executing agency: July 15 2004
- Official start of the project: January 1 2005; first disbursement US\$ 221,000
- Date of the first steering committee meeting: May 4 2005
- Phase 1 Budget: Total US\$ 1,546,563 (Gov. of Sarawak: US\$ 805,782; ITTO: US\$ 747,781)

<sup>1</sup> The present mission was conducted by Juergen Blaser, Head of the Forest-Environment Team of Intercooperation (IC), who also wrote the present report. James Gasana from the Forest-Environment Team of IC has been involved in the project preparation in 2002 as the international consultant responsible for the formulation of the project. The project is co-financed by seco with a total amount of US\$ 300,000. The major donor country is Japan (US\$ 407,000). Minor donors are US and Norway (US\$ 20,000 each).

<sup>2</sup> **Photo 1:** The landmark of Batu Lawi, right outside the core area of the Park. This landmark needs to be integrated into the national park because of its spiritual importance for Penan and Kelabit communities and its outstanding landscape value. The

## 2 Itinerary of the project supervisory mission

Travel to Sarawak on May 1 and 2. The mission started by a meeting with Paul Chai in the premises of the Forest Department in Kuching in the morning of May 3. This meeting was followed by a mapping exercise, document studies and a telephone briefing of the Swiss Embassy in Kuala Lumpur (Mr. Schläfli). In the afternoon, a discussion was held in the law office of Baru Bian on legal issues relating to the wider Pulong Tau area. The project Steering Committee meeting was held in the morning of May 4 in the Forestry Department in Kuching (see the minutes in Annex 1). In the afternoon, a group of five people, including a representative of the Forestry Department and the Forest Development Cooperation traveled to Miri. Overnight in Miri.



In the early morning of May 5 the mission traveled by airplane to Bario in the Kelabit highlands<sup>3</sup>. It was attended by the highest authorities of the Kelabit community (Pemanca), the second highest authority (Penghulu) and 15 village heads to discuss during several hours issues relating to the national Park and local livelihoods. A dinner was organized in the evening. Overnight in Bario. On May 6, a qualitative assessment of the Park extension and its boundaries was conducted through helicopter survey. Helicopter ride back to Miri in the late afternoon. A telephone discussion with a local lawyer in Miri (Harrison Ndge) was then conducted on concerns of the Penan communities in relation to the national Park. Flight back to



Kuching in the evening of May 6. In the morning of May 7 a discussion was held with the representative of the Wildlife Conservation Society in Malaysia (Dr. Melvin Gumal), followed by a discussion of the proceedings of the Steering Committee meeting proceedings with Paul Chai and his staff. A debriefing telephone call with Mr. Schläfli from the Swiss Embassy in Kuala Lumpur was also conducted. In the afternoon, a discussion was held with the head of the Kelabit Association, Mr. Gerawat Gala (lawyer) and Ms. Zarina bt Shebli from the Forest Department of Sarawak. Report writing in the remaining of the day. Flight back to Kuala Lumpur in the evening, flight back to Zurich overnight, arrival in Bern on Sunday, May 8 in the afternoon.

## 3 Main findings of the mission

Even though the project officially started on January 1, 2005, relevant activities to achieve the project's objectives have only been started in March 2005. It is therefore much too early to assess at this stage any achievement of the project. A strong team has been selected by the Sarawak Forestry Department to implement the project. It is led by Dr. Paul Chai, who already guided the Swiss sponsored protected area project in Lanjak-Entimau over the past 8 years. He is a very professional and experienced project leader and indeed the best choice for the project. Dr. Chai's counterpart, Ms. Zarina bt Shebli (FDS), is an experienced professional who has worked many years on constitutional aspects in respect to environmental protection. I am very confident that the two will lead the project with professionalism and dedication. Dr. Hiras, former high official in the Indonesian forest administration, will monitor the project from ITTO side. Dr. Hiras has an excellent understanding of the issues facing the project and it can be expected that ITTO will fully fulfill its control function.

Regardless of the excellent setting up of the project, it has to be underlined at this stage that the project will probably be **one of the most challenging projects in seco's actual ITTO projects portfolio**. In spite of the laudable aim of protecting the last remaining tropical mountain dipterocarp ecosystems and the living space of Kelabit and Penan communities, there are a considerable number of issues that

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area is actually under a logging concession contract. **Photo 2:** Map showing the Kelabit highlands with the main centre Bario and the core area of the Park (in green). Note the minimum connection with the Kayan Mentarang National Park in Indonesia.

<sup>3</sup> **Photo 3:** Welcome address of Mr. Ngimat Ayu, Pemanca of the Kelabit Community, the Highest Authority. **Photo 4:** Traditional welcome of guests in Kelabit Highlands: Traditionally dressed woman offering a pineapple drink and a collier.

need to be addressed in this very first stage of the project. Issues include the extent of the transboundary protection area, the status of protection, the control and enforcement of boundaries, the access to traditional forest uses for local communities, the potential conflict between protective and productive functions in overlapping areas, effective wildlife management and socioeconomic demands. It must be expected, nevertheless, that some of the issues cannot be solved in the first phase of the project. In addition, project implementers and donor agencies need to be aware that the project will be under severe scrutiny of national and international bodies, governmental and non-governmental, in Sarawak, within the ITTO and – considering our particular situation - in Switzerland.

The main issues facing the project at this stage can be summarized under the following six items:

**Issue 1:**

**Securing the boundaries of the gazetted Pulong Tau National Park (core area) as by notification No. 2174 of June 1998.**



In 1998, an area of 63,700 hectares has been gazetted as the Pulong Tau National Park. This gazetted area (called subsequently the *core area* of Pulong Tau National Park) is substantially less than stated in the ITTO project submitted by the Government of Malaysia in 2003 (see Issue 2). Due to demands by Penan and Kelabit communities for Native Customary Rights (NCRs) several areas bordering the core area have been identified and proposed by the Forest Department to be degazetted from the National Park. These areas amount to approximately 3,900 hectares. Therefore, the actually gazetted core zone covers an area of 59,800 hectares.

Preliminary interpretation of satellite imagery indicates that there is encroachment of logging roads and probably some logging activities happening within the core zone of the Park, in the southeastern, western and northwestern division<sup>4</sup>. There is urgency in demarcating boundaries in the field, securing such boundaries and eventually preparing a file of each violation for further procedure. This work had not been included in the initial work plan of the project but will be so in the revised version, as approved by the Steering Committee.

**Issue 2: The proposed extension of the gazetted core zone to a total of approximately 164,500 hectares, as described in Output 1.2, is most probably unrealistic.**

The project document, as formulated by the FDS and IC, endorsed by the Government of Malaysia and submitted to ITTO for further consideration and funding was overoptimistic on the possibility to officially classify the entire area of the Kelabit highlands and the Batu Lawi area as a national Park (see sketch map in Annex 3). It is a fact that, with the exception of the main valley around Bario, the entire area around the core zone of the Park has been allocated to timber concessions. One single holding (Samling) possesses - under different enterprises (Raven Scott, S.I.F. Sdn. Bhd; Marawa Sdn. Bhd.) – the legal timber concession rights for the entire area surrounding the Park. Some of these concession rights have been allocated several years ago, particular in the area south, west and north of the Park, but other areas have been allocated only recently<sup>5</sup>. Some of the concessions might expire soon, others will last until the year 2017. As the concessions are legal, there are mainly two approaches possible: To wait until the concessions have expired and then classify the area; or to define hot spot areas that have not been logged yet and to start negotiation to integrate these areas in the extended Park as soon as possible. The Kelabit

<sup>4</sup> Photo 5: Logging roads in mountain areas cause great damage and pollute the streams. Photo taken in the Pa Tik area, right outside of the core area of PFNP.

<sup>5</sup> Data are yet not available on the dates of issuing the timber concession licenses, particularly the most recent licenses (T9000 series) bordering Indonesia and comprising the extended PTNP area. As the Kelabit community had requested the extended park to the Chief Minister, it is important to understand the synchrony in between all these actions.

community is aware that under the present circumstances, it will be impossible to classify the proposed 164,500 hectares. Nevertheless, in those areas where logging will happen over the coming 12 years, they requested the support of the project to classify and help to enforce the protection of their cultural and spiritual sides. In the western parts of the Park, nearly the entire area has been logged over, with the exception of the northeastern and northwestern part of Batu Lawi<sup>6</sup>.

The mission is of the opinion that the second approach should be followed with urgency. To do so, all stakeholders need to be fully involved, starting with the Chief Minister of Sarawak who has asked ITTO to support the creation of the PTNP, the States Planning Ministry, the Forestry Department, Samling Company, Penan and Kelabit communities, ITTO and international donors. **We must be aware that such a consultation process is probably one of the most challenging ever undertaken in Sarawak.** It will need time and effort to succeed.

### **Issue 3: Securing user rights for Penan and Kelabit communities in the gazetted core zone and the possible extended PTNP.**

The National Park, as officially gazetted today, does not include traditional user rights, in particular hunting and gathering of other forest products for local Kelabit and Penan communities. Such rights are generally not allowed in national Parks in Malaysia, but an exception had been made for the second largest national Park in Sarawak, the Mulu National Park near Miri. In that national Park, Penan can continue to use forest resources for their livelihoods. The issue somehow has also been taken up by the Kelabit community, particularly in respect to timber for local use, firewood and pig hunting. As sufficient areas will be excluded from the Park, the question of timber and firewood can be resolved through the sustainable management of buffer zone areas. In respect to hunting and gathering of NWFP by Penan, the issue has first to be taken up with the communities living adjacent to the Park. This should be done at the same time when the boundary assessment is being undertaken. Based on the information gathered, a file needs to be prepared and the question of traditional user rights in the Park needs to be brought up to the Parliament. It must be expected that such procedure will take at least two years.

### **Issue 4: There are still claims in respect to Native Customary Lands.**

Informal consultation with local lawyers revealed the fact that there are claims of the Penan communities against the classification of the core area of the PTNP. They claim areas in the Park as Native Customary Lands. The State of Sarawak, however, has not recognized such claims in the past<sup>7</sup>. In respect to the claims relating to the boundaries of the PTNP, detailed information still need to be gathered. Most important at this stage is, however, that a real communication process needs to be started between the parties so that transparency and understanding between them can happen. In early 2005, the Forestry Department has declassified 3,900 hectares from the Park in the western, southern and eastern part of the core zone and recognized these areas as Native Customary Lands. The extent of the core area has therefore been reduced from 63,700 hectares to 59,800 hectares. It is not clear yet if this will take care of all pending claims. It would be important, however, that such a declassified area is taken into account in an overall management plan of the Park, as they border the Park area and their management is closely linked with sustainable forest and land use.

### **Issue 5: Local stakeholders have different views about their present and future livelihoods.**

The consultation meeting with the authorities of all settlements in the **Kelabit** highlands revealed that there is a general consensus on the importance to protect the forests in order to secure their livelihoods. There are some fears, however, that once the entire area has being classified as national Park, their

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<sup>6</sup> Indeed, and in contrary of the information received from BMF, a great part of the Batu Lawi area is still intact. This is important in particular for the Penan community. But also in the general opinion, there is agreement that this area should be protected. The landmark publication 'National Parks of Sarawak'<sup>6</sup>, for which the Chief Minister wrote the foreword noted in 2001 that "the scenic and spectacular rock pinnacle of Batu Lawi and its surrounding landscape needs to be included in the (proposed) Pulong Tau National Park".

<sup>7</sup> Indeed, NCR claims are not specifically addressed against the PTNP, but they are pending cases over the past 30 years in all areas that have been given out for timber licences (see the issues relating to the Land Right Act of 1958).

livelihoods and economic activities will be affected by restrictions in the use of natural resources. The fact that timber harvesting will happen seems to be accepted, nevertheless nobody really wants it. A big issue is the fact that the Kelabit highlands do not have road access to other parts of Sarawak. All products have to come by air, or, in some parts of the year, by boat. As the logging companies have built a road that is only 15 km south from Bario<sup>8</sup>, the main population centre, the population has made the request to Samling to built the road to Bario. Negotiations are ongoing. Nevertheless, it is a fact that Samling will not construct an access road to the enclave the Kelabit highlands, but a logging road. The “road against timber bargaining” constitutes a high price for the local Kelabit community. The project indeed is challenged here to help finding a solution.

Due to the adverse weather conditions, there was no possibility during the present mission to talk to the **Penan communities** living in the southern and western part of the Park<sup>9</sup>. The project team will however meet the authorities in Long Sabai in the southern part in the coming weeks for a general exchange of views.

**Issue 6: There is no transboundary protected area if the core area will not be extended.**

The title of the project suggests that the project deals with transboundary protected areas and important international conservation purposes. As it stands now, the PTNP borders less than 2 km in length with the Indonesian Kayan Mentarang National Park. This is an unacceptable situation and we can barely speak of a transboundary protected area. Indeed, ITTO and the donor community have approved and funded the project in the understanding that it is a transboundary area project. Migration of animals, effective protection of fauna and flora and maintaining traditional livelihoods is closely linked with this concept. In order to secure the needed longer-term involvement of ITTO and the donors, it would be important to create a sufficiently large boundary area. The helicopter survey indicates that by the inclusion of the northeastern part of the Kelabit highlands, the minimum criteria to classify the area as transboundary protected area would be fulfilled (see map in Annex 2).

#### **4 Conclusion and Recommendations**

##### **4.1 At the project level in Sarawak**

**Policy dialog: High-level contacts are crucial for the project to succeed**

ITTO has a good record in Sarawak. It is the only international organization that has had some influence on forestry in Sarawak. It was the Chief Minister of Sarawak who wrote the letter to ITTO in 2001 to officially ask ITTO to support the creation and development of PTNP. Therefore it is proposed that the Executive Director of ITTO makes a courtesy call to the Chief Minister some weeks before the official launching of the project in September this year. This courtesy call should inform the Chief Minister on the fact that ITTO had responded positively to his demand. The ED of ITTO would further inform the Chief Minister on the importance of the extended Park, including at least the wider Batu Lawi area and the northeastern part of Samling’s concession area in order to have an effective transboundary protected area. The meeting should further inform the Chief Minister on the importance of some limited access of local communities to the Park. In addition, it is proposed that ITTO’s ED also visits SAMLING Company in respect to their possible collaboration in the extended PTNP.

**An official launching act is of great importance to achieve the project’s objectives**

Besides the effect of high visibility, an official, high level launching ceremony will serve the purpose to effectively protect the PTNP, to profile local stakeholders and to raise the concerns of the need for an extended forest area to be fully protected. It is proposed at this stage to organize a launching ceremony in

<sup>8</sup> There is also an existing road in the northwestern part of Bario that has reached the core zone of the PTNP. That road would cross the core zone and is unacceptable for conservation purposes. The local population prefers indeed the road access through the south, that would also link the main settlements in the Kelabit highlands.

<sup>9</sup> The helicopter was not available on May 5, on May 6, the attempt to reach Pa Tik and Long Sabai has failed due to adverse weather conditions.

the third week of September in Miri, followed by a launching in Bario. It is proposed that besides Sarawak Authorities the E.D. of ITTO and the Swiss and Japanese Ambassadors to Malaysia should attend such a ceremony. The launching is proposed in Miri and Bario in the third week of September 2005. Forest Department and project staff have agreed to such high level policy dialog approach and have underlined their importance for the delivery of the project's output. Indeed, it can be foreseen that without such high level intervention, the project will fail to achieve its objectives.

### **Securing the core zones boundaries: a priority task**

Securing the boundaries of the core area is the most important immediate task that should be undertaken as a priority action over the coming six months. Boundaries need to be identified in the field and demarketed physically, and problem zones must be thoroughly mapped. This demands intensive field work, additional helicopter survey and purchasing newest satellite imagery. Boundary demarcation also includes the first systematic consultation process with local communities living adjacent to the Park and the logging companies that have legal concession rights bordering the PTNP.

### **Develop an effective and feasible strategy for an extended PTNP by the inclusion of pristine hot spot forest areas**

Besides securing the core zones' boundaries, another immediate task of the project is to develop a clear strategy in order to determine the most important areas for the extended PTNP ("hot spots") that need to be classified as soon as possible. The selected hot spots include the Batu Lawi area (approximately 20,000 hectares), the area between 4000 and 6000 feet above sea level at Gunung Murud (approximately 6,000 hectares) and the northeastern part of the Kelabit highlands (above Pa Lungan in Samling's concession T-9082, compartments 9A and 10A, due to logging between 2009 and 2011, approximately 10,000 hectares), see sketched map in Annex 2. The inclusion of this northeastern part into the Park would protect the entire upper watershed of the Kelabit highlights and guarantee a minimum border area of about 25 km with the Kayan Mentarang National Park in Indonesia. The helicopter survey on May 6 showed that the major part of the Batu Lawi area remains in a pristine stage and unlogged, regardless of the fact that a road access exists and logging has progressed towards the area.

### **Project activities for phase 1: a balance between policy level dialog, stakeholder consultations and ecological surveys**

The policy dialog at the highest level might result in a revised work plan for the phase 1 of the project. Based on such policy dialog, a wider consultation with local stakeholders, in particular with the Penan communities is needed in order to get an overall ownership for the Park (core area and extended area). Most importantly, the project will need to closely consult with Samling Corporation that holds all the legal concession contracts surrounding PTNP. In addition, there are an important number of ecological studies under way since March 2005 that will need close supervision. These studies, undertaken by consultants, include inter alia habitat survey, bird, mammals survey, plants survey, tree inventories, etc. The socio-economic survey that will also define development activities in the adjacent area to PTNP will be undertaken on the basis of the information gathered in the boundary survey. All these studies form one of the basics for the Park's management plan.

### **Road building to Bario: an important element for the socio-economic situation**

The people in Kelabit highlands want an access road to Bareo by any means, and they go for a lot of compromises in order to get it done by the logging company. After consultation of satellite imagery and other considerations, the most feasible and ecologically acceptable road will have to come from the south. About 15 km are left to connect the existing internal road system in Kelabit highlands with the overall logging road network in northern Sarawak. The project should support a meaningful planning of the remaining part of this road, and support an environmentally friendly road building and the improvement of the already existing logging road reaching the Kelabit highlands. The project nevertheless cannot fund the construction of the road itself.

### **Steering Committee and Stakeholder Consultative Committee**

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In its first meeting, the Steering Committee has proven its high competency. It comprises members from different State institutions, from the Federal Government, the Resident from the Miri area, and a conservation NGO (Wildlife Conservation Society). In order to fully serve its purpose of steering the project, Switzerland has proposed the inclusion of a representative of the Samling Company and a representative of the Kelabit and Penan communities as full members of the Steering Committee. The latter would need to be nominated through the Stakeholder Consultative Committee (SCC), as proposed in the project document. The SCC will be formed on an *ad hoc* basis after the first informal consultation during the boundary demarcation process.

#### **4.2 At the monitoring level in Switzerland**

IC will give high priority to the monitoring of this project in its backstopping mandate with seco. It will closely involve seco in all relevant policy aspects relating to the project, and maintain, on request of seco, close relationship with the Swiss Embassy in Kuala Lumpur and interested stakeholders in Switzerland.

IC's regular monitoring work will include filing all relevant information on the project and activities affecting the project; backstopping the project implementation unit in Sarawak and keep Swiss based stakeholders informed on the progress of the project. Over the coming three months, the following activities will be conducted:

- Briefing of ITTO's ED in respect to the policy dialog on the project with the Chief Minister of Sarawak and Samling Timber Company;
- Purchase of two sets of satellite imagery of the extended PTNP, scale 1:75.000, including clearance and logging roads (in three colours: before 2001; 2002-2003; 2004). One set will be made available to the project implementation unit.
- Gathering and filing of baseline information, including *inter alia* all existing maps; ordinance 2174; legal claims in respect to native customary rights in the protected area; basic information extracted from the licenses of the logging concessions bordering PTNP (date of issuing; duration; specific conditions).
- Preparation of the project launching from the Swiss side (Organizational questions; briefing of the Swiss Ambassador in Malaysia; other matters as requested by seco).

The next Steering Committee is scheduled right before the launching of the project in the third week of September 2005. An IC representative (probably JB) will participate in the Steering Committee and in a possible stakeholder consultation meeting in the project area. The Swiss Embassy in Kuala Lumpur will thoroughly be briefed at the beginning of the mission, before the official launching of the project.

In order to set some clear benchmarks, a number of criteria that need to be fulfilled in order to engage Switzerland beyond phase 1 of the project is proposed in Annex 4. This list is preliminary and will be revised after the next project visit.

#### **Annex:**

**Appendix 1: Minutes of the Steering Committee Meeting, May 4 2005**

**Appendix 2: Sketched map: the main area of concern for the extended PTNP**

**Appendix 3: Criteria for engaging in the formulation and funding of phase 2 of the project**

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APPENDIX 1

**Minutes of the 1<sup>st</sup> Project Steering Committee Meeting**

**ITTO PROJECT PD 224/03 Rev.1(F)  
TRANSBOUNDARY BIODIVERSITY CONSERVATION - THE PULONG TAU  
NATIONAL PARK  
STATE OF SARAWAK, MALAYSIA**

**Date : 4<sup>th</sup> May 2005  
Time : 9.15 - 11.30 am  
Venue : 9<sup>th</sup> Floor, Jabatan Hutan Sarawak  
Wisma Sumber Alam, Kuching  
Sarawak, Malaysia**

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**1. Opening Remarks**

The Chairman, Haji Sapuan Ahmad welcomed all members to the first Project Steering Committee (PSC) meeting, especially to Dr Jurgen Blaser from the Swiss Inter Cooperation and Dr Hiras Sidabutar (ITTO Projects Manager for Reforestation and Forest Management for the Asian-Pacific region) from Yokohama. Having just taken over the duties from Dr Penguang Manggil he looked forward to the support and cooperation from all PSC members in making the project a success. The Pulong Tau Project is the second transboundary biodiversity conservation area (TBCA) in Sarawak supported by ITTO. On behalf of Malaysian Government, the State of Sarawak and the Director of Forests, he expressed appreciation to ITTO and especially to the donors for their contributions.

In his opening remark, Dr Hiras congratulated to Haji Sapuan Ahmad as the new ITTO Projects Coordinator, and thanked the project for organizing the meeting. Sarawak Forest Department (SFD) has capability to implement the project well. One of big challenges is to initiate and sustain collaboration between Indonesia and Sarawak on transboundary conservation.

Dr Jurgen informed the Committee that the proposal for the Pulong Tau project was conceived as early as 1994. In 2001, the Chief Minister of Sarawak personally invited ITTO to support the Pulong Tau project and to initiate a study on conservation and sustainable forest management. This initial phase is for two years but there is longer term commitment from ITTO and donor countries for further extension to fully achieve the conservation objective of securing extension to the Park from the present core area as stipulated in the project document. Several issues that the project needed to address urgently were:

- (i) To initiate survey to secure the boundaries of the core area;
- (ii) To form the Stakeholder Consultative Committee (SCC) as soon as possible and include representatives from the local communities (Kelabit, Penan) and the timber concessionaires as members;
- (iii) To secure the extension over the present core area comprising of the PTNP in line with the objective of establishing the transboundary conservation area and as stated in the project document.

**2. Yearly Plan of Operation and Progress Report**

Dr. Paul Chai, the Project Manager, presented the yearly plan of operation (YPO) and progress report. The YPO was thoroughly discussed by the meeting. The meeting agreed that the YPO had to be reviewed and improved taking into account the developing project environment. To be realistic, for example, Output 1.2 has to be redefined to enable the timeframe and budget of several activities to be adjusted, and



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to consider the need for a Stakeholder Consultative Committee (SCC) to be established. Adjustments would also need to be made to address the urgent issue of surveying and securing boundaries over the core area (the PTNP) and the extended areas.

A Conservation and Management Unit comprising of members in Kuching, Miri and Bario had been formed to facilitate project implementation. The forest ecology and botany inventory teams were already in the field covering the Tama Abu Range to be followed soon by the bird survey team. Fieldwork is constrained by the remoteness and difficult access and high cost of transport, fuel and other materials.

### **3. Matters Arising**

The PSC recognized that there were major challenges to the project and were aware of the difficulties and problems associated with the implementation. These challenges and problems needed to be addressed. The Committee noted the following:

- 3.1 The project proposal submitted by the Executing Agency (EA) to ITTO was to include the extension of the existing Park known as the core area (area 59,817 ha) to approximately 164,500 ha, covering the Batu Lawi in the west and the area due south of the PTNP bordering Kalimantan. It was on this basis that the project was approved and funded by donors. The present core area could not stand as a part of the transboundary biodiversity conservation area without the extension.
- 3.2 Securing the extension within the project duration of two years would be too ambitious. The project document was over optimistic in this respect. However, the project must initiate the study as soon as possible to map the extension areas and secure the official recognition of the updated Park limits. With the support and cooperation of the relevant authorities and the stakeholders the extension process could be accelerated.
- 3.3 Owing to on-going logging and other human activities around the core area it is very important to survey and mark the Park boundaries on the ground to create visibility.
- 3.4 Output 1.2 of the YPO should be redefined and the allocated budget adjusted to address the urgent issues of the extension and securing the Park boundaries.
- 3.5 The Stakeholders Consultative Committee (SCC) must comprise members from the local communities and the timber industry operating in the area. The SCC should meet at least twice a year.
- 3.6 The project should consider the need to extend certain activities beyond the core area to collect baseline data on the plant and animal resources that are an important source of food and material for the local communities. An important protein source is the bearded pig. A part of the proposed extension area near Pa Lungan in the north adjoining Kayan Mentarang N. P. in Kalimantan is the last migratory route for the animal. Protecting this route to secure the livelihoods of the local communities would be politically, socially and economically sensible.
- 3.7 The meeting was informed that extension of Batu Lawi had been submitted to the Ministry in the past but decision was deferred. The Executing Agency should re-submit the proposal by putting up a strong case.
- 3.8 The Committee agreed that launching of the project would be useful and would help to create awareness on the importance of the project to the people of the Ulu Baram. The launching was proposed for mid-September. The Committee agreed to invite the Sarawak Chief Minister to officiate at the launching ceremony.

### **4.0 Financial Statement**

- 4.1 The financial statement was presented and endorsed by the PSC. The budget allocation presented in the YPO would be revised accordingly as the outputs were redefined.

## 5.0 Decisions and Recommendations

The following decisions and recommendations were made by the PSC:

- To secure the boundaries of the core area through ground survey and boundary cutting especially in the zones that are most likely to be affected by logging;
- To initiate the process of securing the extension over the core area as soon as possible in line with the project document;
- To extend biological and social studies outside the core area to evaluate the impact of the local communities on the national Park;
- To redefine the outputs and reschedule certain activities in the YPO and adjust the budget allocation to enable the above studies to be carried out;
- To form the Stakeholder Consultative Committee as soon as possible with members from the local communities and the timber industry;
- To consider the establishment of a ranger's post at Long Sabai where there are settlements living close to the Park;
- To organize a high level launching ceremony in Miri in mid-September with the Sarawak Chief Minister as the guest of honour.

There being no other matter business, the meeting adjourned at 11.30 a.m.

We, the undersigned, endorse the minutes as a record of the meeting.

4 May 2005, Jabatan Hutan Sarawak, Wisma Sumber Alam, Kuching, Sarawak

### Attendance List

#### Present:

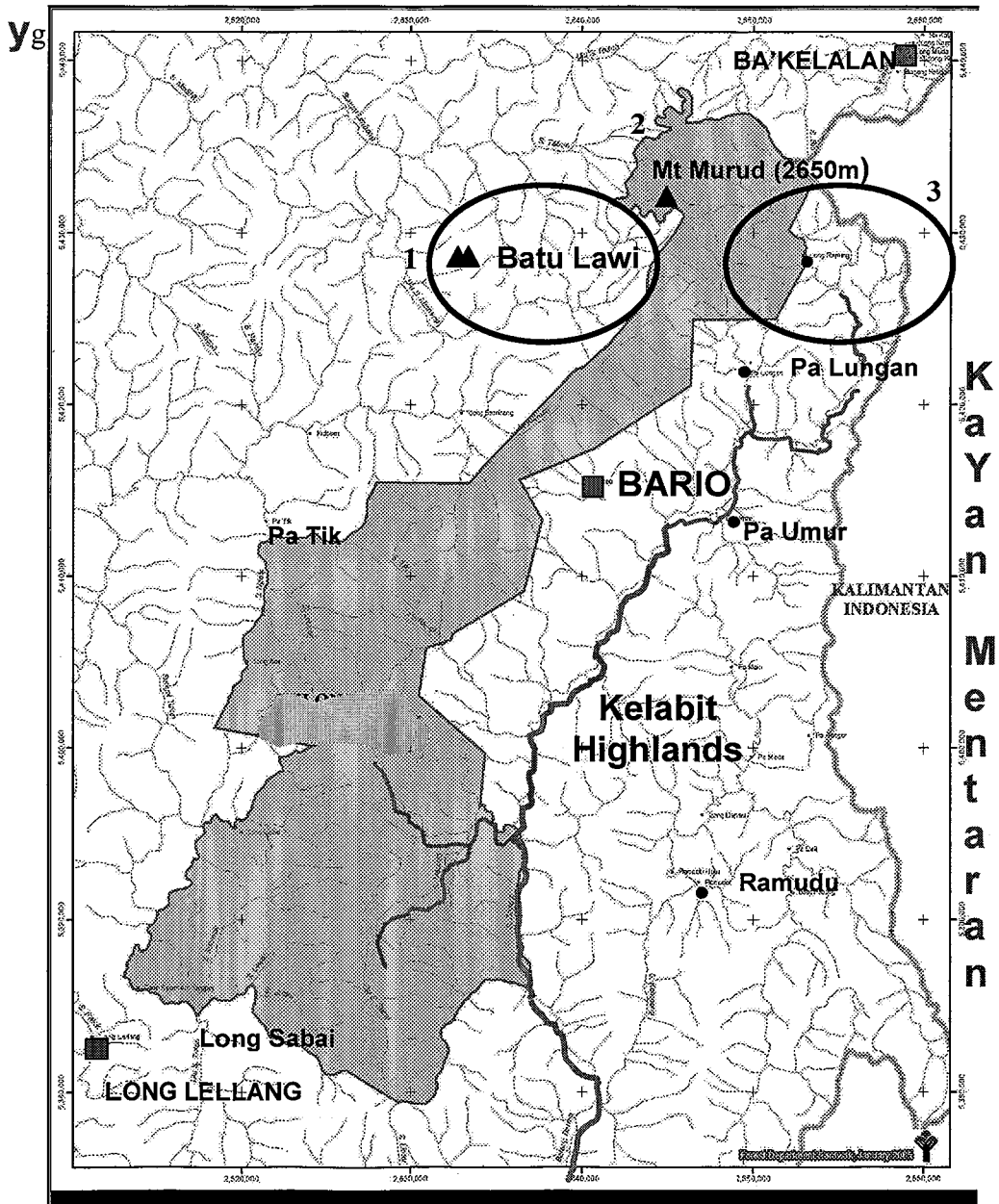
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|-----|-----------------------|---|
| 1.  | Haji Sapuan Ahmad     | Chairman<br>ITTO Projects Coordinator                 |
| 2.  | Dr Hiras Sidabutar    | ITTO Projects Manager                                 |
| 3.  | Dr Jurgen Blaser      | Intercooperation, Switzerland                         |
| 4.  | Dr Paul Chai          | ITTO Project Manager (Pulong Tau Project)             |
| 5.  | Dr Melvin Gumal       | Wildlife Conservation Society                         |
| 6.  | Mr Simon ak David     | Ministry of Natural Resources and Environment         |
| 7.  | Mr Kameri Hj. Affandi | Ministry of Planning and Resource Management          |
| 8.  | Mr Andrew Tukau       | State Planning Unit                                   |
| 9.  | Mr Wilfred Landong    | Protected Area and Biodiversity Conservation (SFC)    |
| 10. | Mr Sia Puon Chiew     | Applied Forest Science and Industry Development (SFC) |
| 11. | Mr Slim Sreedharan    | Project Consultant-Bird Specialist                    |
| 12. | Mr Jongkar Grinang    | Project Officer (Pulong Tau Project)                  |

#### Absent with apologies:

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|----|-----------------|---------------------------|
| 1. | Mr Ose Murang   | Resident Miri Division    |
| 2. | Mr Maria Hasman | Resident Limbang Division |

APPENDIX 2

Sketch Map of core area (in green) and hot spots of extension (1, 2, and 3).



### APPENDIX 3

#### Criteria for Project Progress (benchmarks, end of phase 1)

Nr.	Criteria	Fully achieved	Partly achieved	Not achieved
1	Core zone boundaries assured			
2	High policy level discussion on extension has taken place			
3	Agreement on Batu Lawi area achieved			
4	Agreement on Pa Lulong area achieved			
5	Multi-stakeholder dialog happening (extended SC and functioning SCC)			
6	Traditional user right issues tackled			
7	Transboundary issue has taken fully into consideration			
8	Commitment of Sarawak F.D. fully assured			

All 8 criteria must be at least in the “partly achieved” category in order to engage Switzerland in a continued support beyond phase 1 of the project.

First preliminary assessment: June 2006.



**ANNEX VI: RECOMMENDATIONS OF THE 33<sup>RD</sup> PANEL AND THE RESPECTIVE MODIFICATIONS**

<b>Recommendations of the 33<sup>rd</sup> Panel</b>	<b>Respective modifications in the proposal</b>
<p>1. Refine the problem analysis by re-examining the causal effect relationships and construct an objective tree accordingly</p>	<p>See Pages 10 and 11. Modifications are given in bold.</p>
<p>2. Redefine the project elements based on the newly constructed objective tree and construct a sound logical framework accordingly with due attention to measurable indicators</p>	<p>See page 27. Modifications given in bold.</p>
<p>3. Provide details on potential to ecotourism development and likely implications of the undertaking on sustainability of the Park.</p>	<p>The ecotourism potential of the Park lies in its exceptional beauty, the pristine rain forest, and many species of rare and attractive plants such as <i>Nepenthes</i>, orchids and <i>Rhododendron</i>. The local community has agreed that visitors to the park can make use of the existing facilities at the Church Camp. Meanwhile, new and shorter trails to the Church Camp and summit have been surveyed to minimize disturbance to the soil and vegetation. With the setting up of an office at Ba Kelalan, visitors to the Park this year will be closely monitored. Through training, the project can help to equip local tourist guides with better knowledge on the park and raise awareness on conservation. With careful development planning and monitoring, it is unlikely that ecotourism development will affect the sustainability of the park.</p>

Recommendations of the 33 <sup>rd</sup> Panel	Respective modifications in the proposal
<p>4. Include detailed information on access road construction and settlement of the Penan people and elaborate implications of these activities on future conservation of the Park</p>	<p><b>(a) Access road construction</b></p> <p>The local communities have requested the Government to provide a road link to their villages around Bario and Ba Kelalan. This will certainly help to open up the Highlands for socio-economic development. However, because the area is isolated and the populations are small, the proposal is being carefully studied by the Government. The proposal does not mention any extension of the road to reach the Park. Some people have argued having a road access to a national park will only encourage illegal activities such as hunting and collecting of forest produce. This is so provided there is inadequate on-the-ground management, enforcement is not effective, and local support is lacking. Many national parks overseas have road access but the above problems rarely arise due to effective management. As far as the PTNP is concerned, having an access road would have the following advantages:</p> <ul style="list-style-type: none"> <li>(i) Providing access to the remote park;</li> <li>(ii) Strengthening on-the-ground management, facilitate regular patrolling and law enforcement;</li> <li>(iii) Facilitating the development of park infrastructure such as ranger stations and check points in strategic locations;</li> <li>(iv) More effective control and monitoring of tourist arrivals and activities in the Park.</li> </ul> <p><b>(b) Penan Settlement</b></p> <p>It is the State Government's policy to encourage the rural populations, including the Penan, to live in larger settlements so that centralized facilities for education, health care, welfare and development can be provided. The Penan now living closest to but outside the Park's boundaries are settled in five small villages with the number of families ranging from 6 to 23 families, while several families are semi-nomadic. By encouraging these small communities to live together in one or two bigger settlements would not in any way result in increased pressure on the future conservation of the Park because the total population will remain the same, while better attention can be given by the Government. More and more families are also beginning to grow rice and other crops and rear live stocks. The project's community-based activities can help to further reduce their dependence on the forest.</p>

Recommendations of the 33 <sup>rd</sup> Panel	Respective modifications in the proposal
<p>5. Elaborate risks in relation with the assumption made and formulate risk mitigating measures accordingly especially as regards community support to extending and sustaining the Park</p>	<p>This is given in bold in a separate paragraph under the section on Risks.</p>
<p>6. Clarify role of the timber companies in the process of extension of the Park area and in the implementation of local community development program initiated by the government as well as current status of their relationship with the local communities</p>	<p><b>(i) Role in the Park extension process</b></p> <p>Three timber licenses were issued by the Government <i>before</i> PTNP was constituted in March 2005. These licenses happen to occupy all the areas that are proposed for the extension. Legally, the Government cannot withdraw the licenses without paying the necessary compensations. The project has submitted a proposal to the EA to enable the extension to be carried out in two stages. For Stage 1, the EA has agreed to request or persuade the licensees to surrender two small areas to enable the first extension to be carried out. The final extension will be completed when the timber licenses expire in the year 2012.</p> <p><b>(ii) Role in implementation of community program</b></p> <p>Timber companies throughout the State have played a significant role by not only providing road access to the remote villages and longhouses but also support to schools, health facilities and piped water and generators for power. In the Highlands, the local communities depend on the timber for transport and supplies of materials, fertilizers, pesticides and insecticides for agriculture projects, materials and food for schools, and for Government offices and clinics. For the people of Bario this dependence has significantly increased in the last two years due to the cancellation of the rural air charter caused by the higher price of petrol and gas. Without the timber roads, the people's livelihoods will be greatly affected.</p>



	<p><b>(iii) Current status of their relationship with the local communities</b></p> <p>The relationship is one of “love and hate”. The local communities are unhappy that logging has polluted the rivers, damaged some of their properties, and denied them access to the forest resources. On the other hand, they cannot do without the roads and have in actual fact requested the companies to extend the logging roads to near their villages and to carry out road maintenance for their benefits. The logging companies’ support to the communities includes free transport, donating construction materials, and building houses and water supply for the Penan. By providing such assistance, the companies expect in return greater support and cooperation from the communities. They are also troubled by groups or individuals who are against logging.</p>
<p>7. Scale down the budget in the following lines:</p> <ul style="list-style-type: none"> <li>• Apply monthly rate salary for Project Manager of US\$5,500</li> <li>• Reduce inputs to the sub-contracts to the extent possible</li> <li>• Reduce the inputs for the “community based activities”</li> <li>• Allocate US\$ 18,000 for ITTO monitoring and evaluation costs</li> <li>• Recalculate ITTO Programme Support cost at 8% of total project costs</li> </ul>	<p>We strongly recommend that the original rate be retained because of the great difficulties in managing the project and the tremendous responsibilities of the Project Manager.</p> <p>Reduced as shown in bold in the project document.</p> <p>Reduced as shown in bold in the project document.</p> <p>Adjusted.</p> <p>Done</p>