

**THE DEATH OF THE FOREST:
A REPORT ON WUZHISHAN'S
AND GREEN RICH'S TREE
PLANTATION ACTIVITIES IN CAMBODIA**

December 2005

The researchers who produced this study wish to remain anonymous, for security reasons. WRM assumes responsibility for the content of the report.

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World Rainforest Movement

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1. Introduction

Proponents of industrial tree plantations argue that the plantations are “reforestation”, increasing the area of forest, providing jobs for local people, or reducing pressure on natural forests.

The reality in Cambodia exposes these arguments for propaganda. Approximately 85 per cent of Cambodia’s 13 million population lives in rural areas. A significant majority of the rural population are subsistence farmers who depend on farmland, rivers and forests for their livelihoods. During the 1990s, the government handed over approximately seven million hectares to logging companies. Although most of these concessions have now been revoked, logging continues, both legally and illegally. One of the mechanisms through which logging continues is the granting of large-scale land concessions (or “economic concessions” as they are sometimes referred to), including concessions for industrial tree plantations.

There are currently close to 1,000,000 hectares under land concessions in Cambodia, for agro-industrial crops such as cassava, sugar cane, rubber, pulpwood and palm oil.

In November 2004, the United Nations Secretary General’s Special Representative for Human Rights in Cambodia, Peter Leuprecht, released a report on land concessions from a human rights perspective. In the foreword, Leuprecht wrote: “The situation I met shocked me. The companies have been given rights over land that are very similar to ownership. Yet they have little or no regard for welfare; and they contribute little, if anything, to overall state revenue. I have concluded that the policies are wrong. They are not reducing poverty in Cambodia, and they are allowing the continued plundering of its natural resources.”

The year 2004 was marked by a boom of tree plantations for pulp and paper, with two giants breaking ground and further seeking large tracts of forest land for eucalyptus and acacia plantations: Wuzhishan LS Cambodia Group and Green Rich Co. Ltd., also known as the Green Elite Group. While these names are little known internationally or even in Cambodia, the companies behind them, Pheapimex and Asia Pulp and Paper (APP), are well-known: they are powerful, unaccountable and are known to have operated in the past in disregard of laws, welfare of local people and the environment. Pheapimex is a Cambodian company, while APP is probably the best known Asian pulp and paper company, infamous for the staggering sum of its debt, its deplorable environmental and social record and for its destructive capabilities.

This report examines these companies’ operations in Cambodia, the impacts observed to date on the local populations and the environment, and the associated human rights violations.

The research was conducted mainly between November 2004 and March 2005 in the areas affected by the two largest companies establishing pulpwood plantations in Cambodia. Further

research was carried out in Phnom Penh. Government officials, as well as company representatives, have been at times reluctant to agree to interviews, at other times outright hostile. Documents concerning these companies and their operations, which should be in the public domain, could not be obtained through legal government channels; instead they were often leaked by low-ranking civil servants who disagree with the actions of the companies and their government backers.

In October 2004, Cambodian Prime Minister, Hun Sen, announced that his government's policies aimed at "improved access to land and effective use of this resource crucial for promoting economic growth, generating employment, ensuring social equity and fairness, and strengthening effectiveness in the reforms, thus helping to reduce poverty and achieve sustainable development".¹ In a March 2005 speech, Hun Sen said that "before granting any land concessions in any location, we must go to that area and investigate it, to make sure it is not affecting the land of the people, to make sure it is not affecting the environment". He added that "investments must be sound and have the participation of the local people in those communities".²

The research conducted for this report found that practices on the ground are often diametrically opposite to the Prime Minister's statements. Problems caused by land concessions will continue to fester, fuel conflict and cause irreversible environmental damage if the gap between the rhetoric and practice is not reduced.

Hun Sen has handed out vast areas of concessions, many to his business acquaintances and friends. In the *coup* of July 1997, Hun Sen ousted his coalition partner Norodom Ranariddh thus ending the coalition government installed after the United Nations supervised 1993 elections. Hun Sen's Cambodian People's Party handed out many land concessions in the period between the 1997 *coup* and elections in 1998, a period marked by lack of accountability. During that time over 1,000,000 hectares were granted as timber concessions and 170,000 hectares as land concessions for economic purposes. Because of the secrecy with which these concessions are allocated, it is possible that many other concessions exist, but the information is unavailable to the public.

From July 2003 to July 2004, during a new political deadlock which prevented the formation of a government, Hun Sen's Cambodian People's Party once again signed over large areas of land, natural resources and lucrative contracts to Cambodian business men and women and their foreign partners. These contracts consisted of land, mining, agro-industrial and agro-tourism concessions, as well as hydropower dams and road contracts on build-operate-transfer (BOT) basis.

¹ Hun Sen, speech at the National Forum on Land Management, 18 October 2004.

² Hun Sen, speech at the 8th Government-Private Sector Forum, 14 March 2005.

In October 2004, at a “National Land Forum” in Phnom Penh the Prime Minister announced a moratorium on the granting of new economic concessions for agro-industrial purposes, until a sub-decree regulating such concessions was adopted. In his speech Hun Sen conceded that “the concessions provided to investors so far without thorough investigation of impacts with regard to location, lack of studies and assessments of long-term investment prospects and ability by the investors, have given us little benefits from the concessions. Moreover, some concessions implemented only few provisions of contracts to cover up their illegal logging activities and then left the lands idle.”

But five months later, Hun Sen’s government lifted the October 2004 moratorium on new land concessions and failed to keep its promises to adopt the sub-decree and conduct a review of the existing land concessions. In a speech on 14 March 2005, the Prime Minister announced that the government would resume awarding areas to investors. He also said that the government would amend the provisions in the 2001 Land Law which limit land concessions to a maximum area of 10,000 hectares. Hun Sen announced that this decision was immediately effective and awarded a 20,000 hectare concession in the northeast of Cambodia to an unnamed company. In doing so, Hun Sen blatantly ignored Cambodia’s Constitution, which requires that amendments to laws be adopted by at least two-thirds of the National Assembly.

The government and the companies operate in almost complete secrecy. It is therefore difficult to examine precisely how these land areas and contracts were awarded. Any studies which may have been carried out, such as cost benefit or feasibility studies, are not available to the public. In most cases it appears that no pre-feasibility studies were carried out, either by the Royal Government of Cambodia (RGC) or by the investors. To date, research indicates that the concessions generate few or no benefits, either for the state or for local economies. It appears that no revenue, direct or indirect is channeled to the State coffers. Although the land concessions generate a limited number of jobs, this report documents the nature and quality of these jobs – particularly in light of what local people stand to lose if areas are cleared and plantations established.

The 1994 Investment Law and related pieces of legislation provide incentives for those investing in certain sectors and geographical regions in Cambodia. Much of the legislation regulating investment was written on a piecemeal basis; including legal texts that were initiated and inspired by international aid agencies or their technical assistants and are inconsistent with the government’s stated policy of sustainable development and environmental protection. For example, a 1999 sub-decree on “Areas Prohibited or Limited for Investment” lists “wood processing, forestry and sectors where logs from natural forest are used for raw material” as completely closed to investment whether national or foreign. On the other hand, a 1997 sub-decree defining sectors subject to tax incentives lists paper manufacture, tree plantations, in particular for pulpwood production and agro-industrial ventures as some of the sectors in which the government encourages

investment,³ even though most of the areas allocated for these projects are forested. The sub-decree waives duties on exports, on imports for equipment and material, a corporate tax holiday for as long as eight years from the date the company declares it is making a profit.⁴

These are not the only privileges and incentives that Hun Sen's government has given these companies. The Forestry Law allows companies to establish plantations on state owned land but timber from plantations is not subject to royalty payments. Timber felled as a result of the clearing of natural forest should normally be subjected to royalties and taxes similar to those imposed on industrial logging. However, in its contract with Green Rich, the government waived royalty payments on any timber the company felled. In other cases, the companies did not remove the timber themselves but allowed local people to take the timber or burnt it.

“Tax incentives are often provided to compensate for specific local costs that are widely known to push overall production costs higher, including unofficial payments. Providing ... tax breaks diverts the attention of policy makers away from removing, or undermines the political will needed to remove, a key impediment to investment, namely corruption,” explained IMF resident representative, Robert P. Hagemann, in the *Cambodia Daily* in May 2005.

Even when laws are clear, the government fails to uphold the law. The Land Law requires that companies pay an annual rent to the government for land concessions. Yet the government is not collecting rent, arguing that the sub-decree establishing the annual rent for the economic concessions has yet to be written and adopted.

³ Sub-decree on the implementation of the law on investment in the Kingdom of Cambodia, Annex 1 identifies the “Manufacture of paper and allied products, investment capital equivalent to USD1,000,000 and above; tree plantation for making paper and paper mill, paper, paperboard mill, paperboard containers.”

⁴ Law on investment August 4, 1994, Chapter 5 Investment incentives

Article 12: The Royal Government shall make available incentives to encourage investments in such important fields as: pioneer and/or high technology industries; job creation; export oriented; tourism industry; agro-industry and transformation industry; (...)

Article 13: Incentives shall include the exemption in whole or in part, of duties and taxes.

Article 14: Incentives shall consist of the following: A corporate tax rate of 9% except for the exploration and exploitation of natural resources, timber, oil, mines, gold and precious stones, which shall be set in separate laws.

A corporate tax exemption of up to 8 years depending on the characteristics of the project and the priority of the government which shall be mentioned in a sub-decree. Corporate tax exemptions shall take effect beginning from the year the project derives its first profit. A five-year loss-carry forward shall be allowed. In the event the profits are being reinvested in the country, such profits shall be exempted from all corporate tax.

Non-taxation on the distribution of dividends or profits or proceeds of investments, whether they will be transferred abroad or distributed in the country.

100% import duty exemption on construction materials, means of production, equipments, intermediate goods, raw materials and spare parts used by: (...)

d. labor intensive industry, transformation industry, agro-industry;

5) 100% exemption of export tax, if any.

Corruption in Cambodia is rampant. A 2004 US Agency for International Development (USAID) report describes corruption in Cambodia as “pandemic” and adds that it “has become a part of everyday life”.

The USAID report points out that Hun Sen’s government has succeeded in manipulating international aid agencies as well as its own rural population:

“Politicians skillful at resisting and diverting the international development community are just as capable of controlling a largely rural population through demagoguery, false promises and intimidation. The raw power of the state, complemented by fear and the distribution of small gifts and favors at critical junctures, will continue to provide a veneer of political legitimacy. Under this cloak of legitimacy, were it to be allowed to persist by the international community, the rapacious exploitation of Cambodia’s economy will continue with unforeseen consequences for the country’s political and socioeconomic development.”⁵

In 2004, the World Bank surveyed 800 companies operating in Cambodia. The Bank concluded that “Cambodian firms identify corruption as their leading constraint.” Four fifths of the companies surveyed acknowledged the necessity of paying bribes, and the Bank found that “71% of large firms reported that these payments are frequent. The private sector estimates that unofficial payments cost firms an average of 5.2% of total sales revenue.”

The Bank’s report states that:

“Firms perceive influence to be concentrated among certain privileged groups. Over 70 percent of respondents view “dominant firms or conglomerates in key sectors” and two-thirds see individual or firms with close personal ties to political leaders as wielding substantial influence over national laws and regulations affecting firms.”⁶

Despite these findings, the World Bank has done too little, if anything, to address corruption in Cambodia and corruption in its own Cambodian projects.

⁵ Cambodia Corruption Assessment, USAID, August 2004.

⁶ World Bank Group, Cambodia Seizing the Global Opportunity: Investment Climate Assessment and Reform Strategy, 2004.

2. Green Rich / Green Elite, Bokum Sakor National Park, Koh Kong province

“It’s so beautiful and peaceful here. From my bed I can see the dolphins splashing in the river.”

Vincent Chen, Green Rich company representative, commenting on the beauty of the concession area along the Prek Khai River.

On a sleepy Sunday afternoon on 28 March 2004, a convoy of 14 logging trucks, bulldozers, excavators and approximately 60 workers rumbled down Route 68 on its way to Botum Sakor National Park. This was the first knowledge local people had of the 18,300 hectare acacia plantation that was planned for the area.

In mid-1997, only weeks after a bloody *coup d’état* that had threatened to sink the country into civil war, a company called the Chinfon Group (later renamed the Green Rich group), requested an area of 150,000 hectares of mostly forested land in Koh Kong Province for conversion to acacia and oil palm plantations. Within months the company signed a contract with the Ministry of Environment for 60,200 hectares in four of Cambodia’s southwestern protected areas: Peam Kasop Wildlife Sanctuary, Botum Sakor National Park, Dong Peng Multiple Use Area and Phnom Samkos Wildlife Sanctuary.

The fact that Green Rich was prepared to invest US\$30 million in an area renowned for banditry and instability, where no infrastructure such as roads existed at the time shortly after a *coup d’état* appeared not to cast any doubt about the nature, the intentions and the corporate responsibility of the company, at least as far as Hun Sen’s newly constituted government was concerned.

The way in which the Green Rich agreement with the government came about is highly irregular, even for the manner with which business agreements were reached in those days in Cambodia. The company made its initial request to Samdech (his lordship) Chea Sim, the Chairman of the Cambodians People’s Party. Chea Sim forwarded the request to the Council of Ministers, which in turn passed on an agreement in principle, along with instructions to proceed with a contract, to the Ministry of Environment (which is in charge of the management of protected areas). The company and the Ministry of Environment (MOE) only signed what should have been the initial document – the investment agreement – after this process.

Later still, the government realised that the Ministry of Agriculture, Forestry and Fisheries (MAFF – the line ministry in charge of land concessions for economic purposes) should have signed the agreement. The MAFF drew up a second contract which the company and the MAFF duly signed. The contract with MAFF has never been made public.

At some point in 2003, the company managing the Green Rich concession changed its name to the Green Elite company. One of the founding directors of Green Rich remained involved in the project but correspondence with the government and company paperwork gradually referred to the company as Green Elite. In August 2003, Green Rich modified the company's statutes to register Green Rich as a "single member private limited company" with a capital of US\$4.2 million owned by the Freeland Universal Limited, a company based in the British Virgin Islands, with offices in Hong Kong. This change of the company managing the concession appears to be in breach of the investment agreement that Green Rich signed, which states that "[the company] cannot transfer the right to a third person, except its successor. The [company] cannot rent or sell the location to a third party in any form whatsoever."⁷ The government, however, took no action against the company.

• **To be or not to be APP**

In the absence of disclosure laws in Cambodia researching into the background, history, connections and past activities of companies produces a picture which is often sketchy in places.

Because of reports of human rights abuses and environmental problems coming from the Green Rich concession, journalists, environmental groups and human rights workers took greater interest in the company than might otherwise have been the case. It became clear that Asia Pulp & Paper (APP) was involved in the Green Rich or Green Elite project.

Theories abound about APP's business plans in Cambodia, particularly why APP appears determined that they remain secret. Some have speculated that APP, or its parent company, the Sinar Mas Group was attempting to repatriate funds to accounts which were out of the reach of creditors and thus intended to engage in questionable, if not illegal, financial practices such as over-pricing, taking commissions on transactions between their own subsidiaries and affiliated companies or even money laundering. Others speculated that the blatant illegality of the project would bring attention yet again to APP's dubious activities, further demonstrating to creditors and potential partners or clients that APP was in fact not committed to reforming its practices, whether from an environmental or social perspective and could have an

⁷ Article 5: Transfer, lease or agreement sale, investment agreement between MAFF and Green Rich Co. Ltd. dated 25 November 1998.

impact on the debt restructuring negotiations that were taking place at the time. Another theory which was formulated was that APP decided to distance itself from the Green Rich concession once the Ministry of Environment announced a law suit against Green Rich, given the modest returns it could expect from operating in Cambodia, while it considered more profitable projects in Central Russia and elsewhere.

In December 2004, APP announced that it had hired SmartWood, a non-profit forestry consulting firm run by the Rainforest Alliance, to conduct a High Conservation Value Forest assessment. The assessment was supposed to exclude fragile or high-value forests from the plantations. APP (and SmartWood) appeared oblivious to the fact that the HCVF definitions out ruled de facto gazetted protected areas. SmartWood aborted their pre-assessment mission in Cambodia after APP forbade Smartwood from discussing plantation plans with stakeholders.

APP employees from Sumatra interviewed in Botum Sakor National Park and in the Green Rich's Phnom Penh headquarters told researchers about their affiliation to PT Arara Adabi, part of the Sinar Mas Group, APP's parent company. APP's director of Sustainability and Stakeholder Engagement admitted that APP was involved in the Green Rich plantation. Although the explanation was vague, in particular the legal arrangements, it nevertheless became clear that Green Rich was the legal holder of the concession agreement, Green Elite had been set up as the managing company and that APP had "over time" bought into the project.⁸ Another APP company representative explained that this had been achieved through the involvement of Taiwan Pulp and Paper (TPP), and the China APP group of companies.

In December 2004, the Ministry of Environment issued a lawsuit against Green Rich, seeking US\$1 million in damages. The following month, APP issued a statement denying any involvement in the Green Rich or Green Elite venture:

"There have been some false statements made recently about our relationship with two companies Green Elite and Green Rich, and we feel it is necessary to clarify our position. Neither APP China nor APP group have any ownership or interest in either Green Elite or Green Rich.

"We have not purchased any wood from these companies, or any other companies in Cambodia. We have strongly reiterated our position to all wood suppliers that they must meet all legal and environmental requirements before any purchases can be considered."⁹

⁸ Interview with Global Witness researcher, December 2004.

⁹ "APP clarifies forestry policy in Cambodia", 21 January 2005 APP press release.

Financial sources in Hong Kong report that there is a growing body of evidence demonstrating the involvement of APP in the Cambodia concession – the most obvious example being the fact that Freeland Universal Limited’s representative and APP Hong Kong are listed by Hong Kong’s telecommunication’s company as sharing the same address. The Freeland Universal Limited representative controls other companies, such as China International Union International Trading Ltd, which has business dealings with an array of Sinar Mas’s operating companies, in particular the Singaporean Vestwin company.

In 2000, Green Rich cleared a few hectares of land, dug ponds for farming shrimp and planted an experimental plot of eucalyptus. However, shortly afterwards, the company abandoned its activities. Local government sources said that the company had gone bankrupt and was attempting to sell the concession to foreign investors.¹⁰

The terms of the investment agreement and the contract with the MOE stated that “in case Party B [the company] fails to comply with this agreement, failing to start the production inside the land concession area for one year from the signed agreement, the government has the right to terminate this agreement without condition and without compensation for damage. Such termination will lead to the confiscation of the down payment as national property.” Instead of terminating the contract, the government awarded Green Rich at least three extensions to its contract.

In 2004, almost six years after the MOE and Green Rich signed the investment agreement and the contract, Green Rich established its main camp on the Northern edge of the Botum Sakor National Park in an area of mature rear-mangrove *Melaleuca* forest on the southern bank of the Prek Khai River.

Within days of arriving, workers started clearing the forest, building offices and houses and preparing the foundations for the construction of a wood chipping factory. Cambodian legislation, such as the Forestry Law, the Law on Natural Resource Protection and the Sub-decree on Environmental Impact Assessments, includes requirements that a company must fulfill before starting work on site, such as completion of an environmental and social impact assessment and allowing for a period of public comment on it; registration of chainsaws and other machinery; obtaining permits for road and forest product processing facility construction and permits to enter the forest and harvest forest products.¹¹ Green Rich ignored these legal provisions and proceeded

¹⁰ March 2003, January 2005 interviews with Koh Kong Department of Environment, Provincial Governor’s Cabinet.

¹¹ 2002 Forestry Law, articles 4, 24, 25, 31, 38.

with establishing the acacia plantation. Once again, the government took no action against the company.

The Botum Sakor National Park, a peninsula off the Gulf of Thailand, is composed mainly of evergreen forest, with mangrove and rear-mangrove formations along the rivers and its coastline. It is one of three National Parks covering an area of more than one million hectares in southwest Cambodia. Botum Sakor National Park is part of the “Southwest Elephant Corridor” (SWEC), a project funded by the US-based NGO WildAid. The English language version of WildAid’s memorandum of understanding with the Ministry of Environment, signed in 2003, stipulates that: “the Minister of the Ministry of Environment (MOE) is responsible for making sure that Green Rich Group Co. Ltd. or any affiliated company does not expand activities within the three parks. MOE must cancel all the investment contracts for the area of 52,200 hectares of the total area of 60,200 hectares, as shown in the attached map and letter.” The Khmer language version of the same memorandum of understanding states that MOE was to cancel contracts covering an area of only 42,200 hectares. Earlier in 2003, the Council of Ministers had agreed in principle to cancel 42,200 hectares of the concession area. However it appears that the cancellation was never legalised and therefore Green Rich still controlled the area originally allocated to it.

- **Worker conditions and the impacts on local people**

In response to queries from journalists, company officials gave a disjointed and confusing picture of plans for the concession, at times bordering on the fantastic. Answers regarding the amount to be invested ranged from US\$3 million to US\$1 billion. Company representatives spoke of employing up to 10,000 workers and building schools, temples, villages, markets and roads.

The reality in the concession area was very different.

When approving the plantation plans, the Koh Kong Provincial governor had specifically stipulated that the company should employ local inhabitants as a priority. Local people, however, were reluctant to work in such an inhospitable malarial area, even for double the wages, as some of them explained later. In defiance of the governor’s orders, the company hired logging sub-contractors from the northeast of Cambodia and contracted them to bring workers and equipment to the area. Recruiters toured the country and offered workers what appeared to be attractive employment prospects. However, workers were required to pay recruiters a fee for the jobs and their own transportation to the concession area, which often meant borrowing money with interest from the recruiters. When they arrived, workers found an empty camp site: no accommodation, no latrines, no affordable source of food and no potable water. The Prek Khai River is tidal and therefore the water is brackish and unfit for human consumption; workers had to collect rain water or buy drinking water from sub-contractors. The sub-contractors also controlled the food supply to the concession and arguing high transportation costs, were inflating the price of staple foods. Workers found that they needed to continue borrowing money from the sub-contractors in order to survive.

The most deadly form of malaria, *falciparum* or cerebral malaria, is prevalent in the concession area. Instead of giving sick workers medical care, the company summarily dismissed them.

The tasks required of workers were at times insurmountable. The company divided workers into logging gangs to fell trees and transport them to a log landing for debarking and measuring. Because most of the concession area is seasonally flooded and throughout most of the year swamp, logging trucks and heavy machinery could not access the timber and thus the work gangs could not fulfill their daily quotas. Moreover, the company arbitrarily changed the terms of employment: rather than paying workers the promised CR10,000 per day (10,000 Cambodian Riel was worth approximately US\$2.6 in 2004) in wages, the company decided to pay for the amount of debarked timber that was hauled into the log landing between the rates of CR4,000 to CR8,000 per ton. A group of four workers could at best fell and transport two tons a day, provided it did not rain, that the area assigned was not under water and that the 30-40 year-old trucks did not break down. In any case CR16,000 for a day's work to be divided among four people was a significant departure from the CR10,000 a day that the company had promised.

Cambodia's labour movement has successfully secured and upheld guarantees for a minimum wage, which is the equivalent of CR160,000 a month. Working for Green Rich workers were earning less than the minimum wage. Very quickly, workers found that the longer they stayed and worked in the concession, the more they owed their employers. The company hired armed soldiers and military policemen who prevented workers from leaving the area, unless they had cleared their debt with their employers.

Just weeks after commencing operations, reports from local sources, such as commune police and environmental activists came out of workers swimming across the river at night and walking tens of kilometres through mangrove forests in order to flee the concession. Local people who helped workers hide from company security guards, reported to investigators that workers were being hunted down by company security, 'recaptured' and brought back to the concession by force.

Cambodian law prohibits such indentured labour. Cambodia's criminal code describes illegal confinement as "anyone who, without orders from the judicial authority, arrests, detains or illegally confines anyone". The penalty for breaking this law is between 3 and 10 years imprisonment.¹² Furthermore, the company was found in breach of numerous provisions of Cambodia's Labour Code, in particular those relating to forced or compulsory labor, minimum wage, contractual arrangements and housing.¹³ Once again, the government failed to take any action against either Green Rich or Green Elite.

¹² Article 35, Provisions relating to the judiciary and criminal law and procedure applicable in Cambodia during the Transitional Period, also known as the UNTAC law.

¹³ Cambodia's Labor Code, articles 15, 22, 68, 83, 104, 204 and 209.

In May 2004, local police officers and human rights workers inspected the concession area and confirmed the reports of indentured labour and poor living conditions for workers. For several weeks, human rights investigators and local police helped dozens of workers leave the area and return home. The District Police Inspector issued orders that no additional workers were to be brought into the area until allegations had been clarified, but the company ignored those orders and continued to bring in workers using different routes, which local police were unaware of or unable to monitor.

One worker, interviewed by human rights investigators, described the situation in the Green Rich concession:

“The sub-contractors promised us that they would pay high wages, give us good food, proper shelter and medical treatment if we were sick, but on the contrary they gave us nothing when we reached the workplace. They gave to some a few sheets of corrugated iron, but the workers needed to find themselves timber to build shacks. We all lived without clean water. The sub-contractors did not make contracts with us. They gave different wages from one area to another. Some people got US\$1 for one ton of debarked timber, others would get US\$1.5 or even US\$2. The sub-contractors lent us 2,000 riel per day. Most of us owed money to the sub-contractors even if we worked long days. Some workers were escaping at night by swimming across the sea and walking through the forest.”

Local people were also concerned about the impact Green Rich’s logging and plantations would have on their livelihoods. Most people living in the area are subsistence fishers. The Northern boundary of the Botum Sakor National Park is inundated part of the year and is an important fish-breeding ground. In addition, the concession area is adjacent to the Peam Kasop Wildlife Sanctuary, which is of specific importance for marine life and in particular endangered dolphins.

- **The government takes action – at last, but then backtracks**

Media reports, crime reports and press releases from forest watchdog NGO Global Witness provoked an outcry. King Norodom Sihanouk described the operations in Botum Sakor National Park as “a scandal without name”. Together with regular inspections and reports from local authorities and forest protection teams supported by WildAid it became difficult for the Ministry of Environment to turn a blind eye to the illegality of the Green Rich operations. In May 2004, the Minister of Environment issued an order to the management of Green Rich to cease all activities pending the filing and approval of an Environmental Impact Assessment report in conformity with Cambodian law, or face prosecution. Green Rich ignored the ministerial directive and pursued its operations. Again, NGOs and the media played a determining role in ensuring that the public was informed of the fact that the government was aware of the continued activities of the company. Finally, in

December 2004, in the face of the compelling evidence, the Ministry of Environment announced that it was taking legal action against the Green Rich company for ignoring the Ministry's orders.

The Ministry of Environment was seeking US\$1 million in damages and reparations.

During 2004, Green Elite company officials insisted that no part of the concession had been cancelled. They also made requests to the government for additional land to expand their plantation area. In April 2004, Green Elite requested a further 300,000 hectares in Koh Kong and Kampot Provinces from the government. The site in Botum Sakor National Park, where Green Rich started its operations, is remote, has little infrastructure and few people live there. As a result, only a few people were directly affected. However, had the government awarded the requested areas to Green Elite, tens of thousands of people would have been affected.

Given the company's connections, it is hardly surprising that company representatives felt they could operate above the law with impunity and disregard orders from government ministries. During the negotiations for the plantation expansion, Green Elite dispatched as main negotiator Lieutenant-Colonel Keo Vuthy, self-described as the assistant to the Prime Minister's deputy chief of cabinet. Keo Vuthy denied to journalists and investigators his involvement in the Green Elite company, despite government records clearly describing him as company representative. Keo Vuthy is also the holder of a land concession for a teak plantation in Northern Cambodia, which was investigated by the UN Office of the High Commissioner for Human Rights in Cambodia for abuses carried out against local people who were attempting to protect the forests from conversion.

When the lawsuit was announced by the MOE, operations in Green Elite's Koh Kong concession slowed down, but never ceased. While most of the unskilled workforce left the area, construction workers remained and continued erecting the buildings and factory. In any case, considerable and possibly irreversible damage has already been done. The company has planted approximately 3,000 hectares of acacia, felled about 20,000 cubic metres of mature-growth melaleuca trees, bulldozed a 12 kilometre road through the forest and wetlands, built a factory and associated buildings and dug drainage ditches which remove moisture leading to fires sweeping through the area in the dry season.

While the case was proceeding through the court system, observers were eager to see whether the MOE was able to win the case, given the weakness of Cambodia's judicial system and in particular its susceptibility to corruption. Eleven months after the lawsuit was announced, the case was dropped after a MAFF representative told the Koh Kong court that the company was operating legally and had obtained the permission to do so from MAFF.

It still is unknown whether APP has abandoned its plans for Cambodia, or whether it intended to return under another reincarnation to continue the plunder and conversion of Cambodia's protected forests.

3. Wuzhishan / Pheapimex: Pursat and Kompong Chhnang provinces

Wuzhishan LS is another tree plantation giant which started its plantation operations in late 2004. Wuzhishan is associated with Pheapimex, a well-known Cambodian company, which was awarded 315,028 hectares in Pursat and Kompong Chhnang provinces for a eucalyptus plantation. Wuzhishan has also started work on a 199,999 hectare pine plantation in Monduliri Province in northeast Cambodia. Hundreds of thousands of people stand to lose land, homes and important sources of income if the company proceeds with these plantations. This report focuses on the concession area in Pursat province (although some field work was also conducted in Kompong Chhnang and Monduliri provinces), mainly because, to date, Pursat is where the most serious problems have occurred. Wuzhishan's complete disregard for the welfare of the local inhabitants and related human rights abuses, the company's poor treatment of workers, the bias of government officials towards the company and the environmental devastation in the concession area in Pursat province augur poorly for the future of workers, local inhabitants and forests in the other areas that the government has awarded to the company.

Wuzhishan LS was registered with the Ministry of Commerce in May 2004. Its directors are Lau Meng Khin, Sy Kong Triv and Lui Wei.

The Wuzhishan Group operates in China's Hainan Province. According to industry sources Wuzhishan manages 20,000 hectares of pine plantations on Hainan Island for resin extraction. It also produces veneer, with three production lines.

Little is known about Chinese director Lui Wei, but the other two directors, Lau Meng Khin and Sy Kong Triv, are well-known in Cambodian business circles, as are their close ties to the Prime Minister, his family members and their business associates in the Royal Cambodian Armed Forces.

Lau Meng Khin is married to the owner of Pheapimex, Chheung Sopheap who is better known as Yeay Phou (grandmother Phou). Chheung Sopheap is possibly the best known business person in the country. For the average Cambodian who has access to the media, she has come to exemplify most of what is wrong in Cambodia: impunity, corruption, cronyism, nepotism and the large-scale exploitation of Cambodia's resources for quick profits. Chheung Sopheap and her husband are close friends with Prime Minister Hun Sen and his family. They often travel together, for both business and leisure. During state visits, the Prime Minister's entourage often includes a handful of businessmen and women; agreements are signed without delay and investors are given assurances of the approval from the highest levels of government. Not surprisingly, most business delegations include, either Chheung Sopheap or Lau Meng Khin. Sources in the industrial timber sector accuse the couple of having made false representations to investors in the past and defrauding companies of millions of dollars.

The contracts and quasi-monopolies awarded to the company are astounding. With four timber concessions, two bamboo concessions and two land concessions, Pheapimex controls close to 7 per cent of the land area of Cambodia. In addition, Pheapimex holds the rights to all but one of the gold deposits of the country. A few years ago, government gave Pheapimex exclusive rights to the production of iodized salt and the import of the land area of Cambodia. Along with other aid agencies, the United Nations Childrens Fund (UNICEF) runs a programme to eliminate iodine deficiency in diets in Cambodia. UNICEF has provided grants to Pheapimex. In 2004, Pheapimex was also awarded the contract for the supply of essential drugs to Cambodia's Health Ministry, apparently in contravention of previous agreements the RGC had reached with drug manufacturers based in Cambodia.

Pheapimex appears rarely to manage projects itself. Instead, the company holds exclusive rights over areas and sectors. It seeks out investors and forms partnerships in which it seems to play a dormant role, unless there is a need to seek the intervention of the highest levels of government, which it is well placed to do.

Pheapimex is notorious in timber industry circles. The company has one of the worst track records, which includes blatant illegal logging, royalty and tax evasion and strong-arming local people into surrendering forest resources upon which they depend.¹⁴

Sy Kong Triv, the second Cambodian businessman involved in Wuzhishan, is a partner in British American Tobacco's operations in Cambodia. Dr Jeff Collin of the Centre on Global Change and Health, London School of Hygiene and Tropical Medicine alleges that Kong Triv started his career as a cigarette smuggler.¹⁵ In addition to being a partner in BAT Cambodia, Kong Triv is the owner of the KT Pacific Group, which is BAT's product distributor. Other business interests include President Foods, Eastern Steel Industry Corporation, a joint venture with Japan's Sumito Corporation, and Muhhibah Masteron Cambodia.

Muhhibah Masteron is a joint venture between a Malaysian company, Kong Triv and at least one other Cambodian businessman. Muhhibah is a shareholder in the Société Concessionnaire des Aéroports, which operates the Phnom Penh and Siem Reap airports.

Muhhibah has also been awarded numerous contracts by the Asian Development Bank for the repairs of roads and railways, including in areas that service the proposed plantations in Kompong Chhnang, Pursat and Mondulkiri. ADB claims to work for poverty alleviation and its strategy in Cambodia is supposedly based on three principles: "sustainable livelihoods, social justice and a

¹⁴ See "The Untouchables", Global Witness, 1998.

¹⁵ R MacKenzie, J Collin, C Sopharo, Y Sopheap, "Almost a role model of what we would like to do everywhere": British American Tobacco in Cambodia, Tobacco Control 2004; 13 (Suppl II), http://tc.bmjournals.com/cgi/reprint/13/suppl_2/ii112.

basin-wide approach.” The ADB has chosen the Tonle Sap as its main area of work in Cambodia. The Bank’s website on the “Tonle Sap Initiative: future solutions now” is replete with dramatic statements such as “Cambodia faces environmental disaster if the Tonle Sap ecosystem is degraded further.” Yet the ADB apparently ignores the fact that the agents of this soon to be disastrous degradation are none other than their own contractors. While this may not be strictly violating ADB operating procedures, it certainly appears to involve a conflict of interest. It illustrates well the problems of “development” aid, since private corporations benefit twice from the aid (through the contract to build the roads and through the fact that another of Kong Triv’s business interests will not have to pay to build the roads). The impacts of this aid are borne by local communities.

Between 1998 and 2002, BAT donated about 3.3 million eucalyptus and acacia saplings for the “reforestation” of Kompong Cham Province.¹⁶ This “reforestation” is supposed to compensate for deforestation caused by firewood consumption for tobacco kilns. BAT was also considering contributing funding for environmental conservation to NGOs (including WildAid) that are seeing pulpwood plantations threatening forests and livelihoods in the areas where they are working.

BAT can, of course, easily afford these small environmental grants given the preferential treatment it receives from the government, notably in the form of tax holidays. Minutes of Cambodian Development Council meetings in 2003 concerning BAT’s request for an exceptional extension of tax exemptions for its cigarette factory read as follows:

“Representatives from Kampong Cham province, MAFF [Ministry of Agriculture Forestry and Fisheries] – all together supported the request in a belief that the company had helped to improve people’s living standard in Kampong Cham province – then all wrote a letter to Prime Minister, who decided to provide incentives for another two years. That two years incentives now came to an end, and the company requested another two-year extension. If we do not give the incentive, there might be problem.”

Despite initially being eligible for only one year of tax exemptions on imports, the Cambodian Development Council minutes reveal that since commencing operations in the country until mid-2005 BAT’s factory in Kampong Cham has continued to be exempt from paying taxes.

¹⁶ Department of Forestry and Wildlife, Cambodia: Forestry Statistics to 2002, May 2003.



*"It's so beautiful and peaceful here. From my bed I can see the dolphins splashing in the river." Koh Kong, Green Rich concession, May 2004.
Vincent Chen, Green Rich company representative, commenting on the beauty of the concession area along the Prek Khai River.*



Mature melaleuca forest, also referred to as black-water swamp. Koh Kong, Green Rich concession, May 2004.



Logging gangs caught red-handed. The company was logging despite lacking all the official permits for operating. Koh Kong, Green Rich concession, May 2004.



Log rest area. Koh Kong, Green Rich concession, May 2004.



Stream blocked by Wuzhishan. Pursat, November 2004.



Clearing the forest. Pursat, Wuzhishan concession, January 2005.



Before: Forest area West of the main Wuzhishan camp. Pursat, November 2004. (See next photograph).



After: The same area west of the nursery photographed 2 months later. Pursat, January 2005.



Villagers protesting against Wuzhishan/Pheapimex's plantations. Pursat, December 2004.



Area cleared by Wuzhishan. Kompong Chhnang, March 2005.



Workers said the conditions reminded them of the Khmer Rouge labour camps. Kompong Chhnang, March 2005.



Worker accommodation, described by some as 'rural slums'. Pursat, January 2005.



Fishers use a variety of forest products. Tonle Sap Lake, Pursat, March 2005.



Villagers preparing offerings and feast for the spirit ceremony. Pursat, January 2005.



Spirit ceremony. Pursat, January 2005.



Road into the spirit forest area. Pursat, January 2005.

- **Wuzhishan's concessions**

The Cambodian government awarded Pheapimex a 315,028 hectare concession in Pursat and Kompong Chhnang provinces in 1997, during a period of turmoil after the *coup* and before national elections. Green Rich won its concession during the same period.

Pheapimex's vast concession was for the establishment of eucalyptus plantations intended to supply raw materials to a pulp and paper mill. In 2000, the Ministry of Agriculture, Forestry and Fisheries drew up an investment agreement and contract, which stipulated that the company would deposit US\$20,000 and establish plantations on the land in a phased approach and in time construct a pulp and paper mill. Pheapimex and MAFF signed the contract only once Pheapimex had identified and concluded an agreement with the Chinese Farm Cooperation Group to invest in the concession, and arranged US\$70 million financing from the Export-Import Bank of China.

In 2000, Pheapimex attempted to start operations in an area of 6,800 hectares in Ansar Chambok Commune of Krakor District in Pursat Province. However, the inhabitants of Ansar Chambok were successful in organising their community, bringing attention to the imminent threats they were facing and halting the conversion of the forest in their commune. Resistance involved physically blocking the access road to the forested areas, filing lawsuits and challenging the government on the fact that the company had to fulfill legal requirements before starting operations. In 2001, people from Ansar Chambok submitted a formal request to the local authorities for a community forest. The application was turned down by the local authorities on the grounds that legislation regulating community forests had yet to be adopted. Once the legislation was put in place, the authorities told villagers that the land belonged to Pheapimex and therefore could not be allocated as a community forest.

Between 2001 and 2004, Pheapimex carried out no further work on site and the threat of the eucalyptus plantation appeared to have receded. In November 2004, however, hundreds of workers and heavy equipment arrived in Ansar Chambok Commune and proceeded to fell and bulldoze the forest, establish a tree nursery, and extend a road network in the forest area. At the same time, Wuzhishan's workers repeated similar scenarios in the neighbouring province of Kompong Chhnang and the northeastern province of Mondulkiri.

- **Mondulkiri**

The little paperwork concerning the Mondulkiri concession that has surfaced gives a glimpse of the far-reaching power of the company. Despite clear laws, promises made to international aid agencies and government policies on land, natural resources, poverty alleviation and indigenous people, the government awarded Wuzhishan a land area twenty times larger than the area permitted by law. Government documents granting the concession area to the company stated: "Agree with a solution following the land policy and the land law, asking to negotiate with the [international] donors immediately, so that we are enabled to concede the land. For the moment, give 10,000

hectares for experimental step on plantation, exploitation.”¹⁷ The government’s intention to grant the concession to Wuzhishan was further reinforced by Prime Minister Hun Sen’s March 2005 speech during which he announced that the government would be amending the Land Law, which limits the size of land concessions.

Detailed documents describing the Mondulkiri concession plans have not been made public and thus it is not possible to determine exactly how many people are potentially affected by the land concession there. In January 2005, provincial authorities summoned commune councilors to the province and demanded that they sign their approval and stamp a map of the concession area, totaling 86,894 hectares. According to the map, the boundaries of existing villages and settlements were redrawn into rectangles of one to four square kilometres. The councilors often could not read the maps, but those who could were alarmed at the land allocation to the company. They felt, however, that they had little choice but to sign the document. Seven communes in three districts are affected by the concession, including a large area which is the core zone of a biodiversity and wildlife protected area. The total population of those communes is 12,472 people. Most other areas concerned are the ancestral lands of the indigenous Phnong people, including sacred religious sites and burial grounds – many of which Wuzhishan has desecrated or destroyed. Local officials, with the exception of the Forest Administration, have complained to NGOs and journalists of the procedure by which the company determined the areas that constituted the pine plantation: the company chooses the land, plants it and only later informs the government where it is operating, rather than having the government determine the suitable areas, demarcate them and only then allow the planting.

• Pursat and Kompong Chhnang

The Pursat and Kompong Chhnang concessions are contiguous and cover an area 31 times greater than that is permitted under Cambodia’s Land Law. The concession area is situated between two protected areas, the Tonle Sap Lake Multiple Use Area (a UNESCO Biosphere Reserve) and the Mount Aural Wildlife Sanctuary, Cambodia’s highest mountain.

The Tonle Sap ecosystem is under consideration for World Heritage Site nomination and is officially protected under Cambodian law under the 1993 Royal Decree on Protected Areas. Furthermore, in 2002, two core zones were identified and nominated Wetlands of International Importance under the Ramsar Convention on Wetlands.

¹⁷ Council of Ministers letter 849 sor cho nor, dated 9 August 2004.

In Pursat, three districts and 13 communes are affected, in which 108,051 people live, of these the entire land area of two communes, with 18,409 inhabitants are entirely within the concession area.¹⁸ In Kompong Chhnang five districts and 30 communes are affected in which 231,410 people live. A total of 111,399 people live inside the concession area. The entire district of Samaki Meanchey and another five communes¹⁹ are inside the concession area.

Aside from Samaki Meanchey District and the other seven communes which stand to lose all their land, not all people will be affected by the land concession; much depends on proximity to the concession, the land use and the history of their settlement. Research conducted for this report in a number of these communes suggests, however, that most of the available, or so-called “vacant” land is in fact used by local communities, whether for the collection of forest products, grazing grounds for cattle, farming or worship.

In defending the decision to allocate the area as an economic concession, Prime Minister Hun Sen wrote to HRM King Sihamoni on February 24, 2005: “The main products collected from the forests in the area are firewood and various fruits. They can be collected only once a year (during the Khmer New Year) and can fetch at most from 20,000 to 30,000 riel [US\$5 to US\$7].” Hun Sen’s letter continued to explain that

“The area contains only degraded forest with no commercial logs and it has only a number of small trees ... whose diameter is less than 20-30 centimetres each. Most of the land is sandy and unfertile and has not enough water for agricultural and industrial crops, except for trees such as eucalyptus and acacia that grow quickly. Rice farming can be done but it depends completely on rainwater, which is normally too little and is absorbed quickly underground resulting in yields of not more than 1 ton per hectare.”

Local people continue to contest these assertions and while recognising that parts of the forest have been degraded by logging, they describe not only the multiple usages they have for forest products, but also the central functions forests play in relation to water and soil regulation.

¹⁸ Cheu Thom (pop. 11,854) and Svay Sar (pop. 6,555) in Krakor District.

¹⁹ Presnep (pop.5,074) in Rolear Phear District; Akphivoat (pop. 9,403), Chaong Maong (pop.6,885), Khlong Popok (pop. 5,966) and Taing Kراسيagn in Teuk Phos District.

• **Ansar Chambok: Cambodia's doomed forest tree**

In modern Khmer “Ansar Chambok” is understood as the Chambok tree, one of Cambodia’s native trees (*Irvingia malayana*, *Irvingiaceae*) under the sentence of death. “Ansar” is in Khmer a word of violence charged with fatalistic finality that evokes malefic intent, imminent threat and the poignant absence of hope. Sadly, it is a most appropriate term to describe what has been taking place in the commune that bears that name, as well as in many other forested areas of Cambodia and for its inhabitants.

Ansar Chambok is located on the banks of the Tonle Sap Lake. It is a commune of 17,095 hectares, comprised of 6 villages in which 6,850 people live. To the east there are the shores of the Tonle Sap Lake which during the rainy season inundate the eastern area of the commune, up to the National Route 5 and often beyond. Aside from one floating village on the lake itself, the other permanent settlements of Ansar Chambok commune are along the highway. Beyond the residential areas there are rice paddy fields and farther yet to the south and west are the forested hills which comprise the water catchment of the Tonle Sap basin. Most of the forest is deciduous, with pockets of evergreen and semi-evergreen forest along the moister areas, mainly along the creeks and rivers and some patches of grasslands. A rare form of lowland pine forest occurs in the area.

Local people have used the forest and relied on it for their livelihoods for countless generations.

When the company returned in 2004, the people of Ansar Chambok attempted to stop the operations, as they had done successfully in the past. On 12 November 2004, several hundred villagers from Ansar Chambok, the neighbouring commune, Kbal Trach, and the neighbouring province of Kompong Chhnang held protests in Ansar Chambok along highway 5. In order to prevent the bulldozers from entering the concession area, villagers decided to organize a watch of the machinery. In the early hours of 13 November 2004, someone threw a grenade into a group of sleeping villagers, injuring eight of them.

The government’s immediate response was to announce the temporary suspension of the company’s activities until the outstanding problems were solved. The next day, provincial, district and ministerial authorities organised a meeting at the site where the grenade was thrown. During the meeting, the authorities made several promises to local inhabitants. MAFF officials told villagers that a committee would be set up which would exclude the following areas from the concession: mountains, evergreen forest, rivers, creeks, spirit forests, rice fields and farms. The district authorities further promised that the company would not cut any trees that people tapped for resin, nor the rare lowland pine forests. Most of the promises were not kept and Wuzhishan, after a week of inactivity, resumed its operations with seemingly redoubled efforts. The day after the attack, local police, without producing any supporting evidence, accused the villagers of throwing the grenade at themselves. The Prime Minister explained that

“The grenade attack was only aimed at blaming the government or the local authorities, because according to the technical examination by the competent officials,

the purpose of the grenade attack (in which some people were injured and nobody died) was just aimed to make their propaganda voices louder.”²⁰

The people of Ansar Chambok have continued to struggle against or attempt to mitigate what they consider a “death sentence”, often at considerable personal risk.

Village elders describe life before the 1960s (and the US war in Vietnam, Laos and Cambodia, which was followed in Cambodia by the Khmer Rouge regime) as a peaceful existence marked by abundance. By no means idyllic, farm work was hard and gruelling. Life as subsistence farmers was precarious but the nearby forest was vast and provided for all. One 70-year-old woman recounted how during the rainy season, when the trees were in full leaf, the canopy of the deciduous forest was so dense that one could not see the sky. Trees were old and even the pine trees were ancient giants. Elds deer, rhinoceros, elephants, *kouprey*, tigers – now extinct or endangered – used to roam the area. Villagers trapped wild game and shared it among themselves. With perhaps the exception of clothing, the forest provided everything: food, medicine, shelter and commodities to consume, sell or barter.

Then came war, displacement and labour camps. While in power the Khmer Rouge ordered the clearing of large tracts of forestland in a bid to increase the country’s rice production. An area in Ansar Chambok known as Kech Kang, which coincidentally several decades later became the main camp of the Wuzhishan plantation, was cleared of its forest for rice farming. Sources in the Cambodian Development Council claim that this was a project developed by Chinese technical advisors to the Khmer Rouge regime. Like most of the ill-conceived projects undertaken during the Khmer Rouge period, this one was soon abandoned and the forest reclaimed the land.

After the fall of the Khmer Rouge regime in 1979, people returned to their homes and attempted to rebuild their lives. The armed conflict continued, however and forests and mountainous areas provided refuge for the *guerillas*, as well as cover for safe passage to the Thai border refugee camps. Thus the government developed what became known as the K5 project, which was a fortified line that stretched from the southwestern province of Koh Kong to Oddar Meanchey Province in the northwest along the Thai border. The K5 project, which included the construction of roads deep into forest areas, removal of vast amounts of trees and laying mines, digging pits and installing booby traps, marked the beginning of intensive selective logging in Ansar Chambok commune. The K5 road projects provided the access to the timber resources. Villagers remember the felling of most of the ancient trees in the area, in particular pine trees. The logs were stored in the district football stadium and then processed into unfinished flooring, before being transported towards Phnom Penh.

²⁰ Letter from Prime Minister Hun Sen to HRH King Sihamoni, dated February 24, 2005.

Cambodia went from a state controlled economy to a free market economy (at least nominally) in the early 1990s; little thought was given to pacing and regulating reform. Private ownership of land was not allowed until 1989 and later legalised in 1992, when Cambodia hastily adopted a Land Law. Cadastral records and services had been destroyed during the Khmer Rouge regime and land titling services had not been restored. Land allocation was an unregulated process, which varied from one area to another. Typically families could request an area of land for clearing and if it was granted local authorities recorded it in a ledger. As a result, very few Cambodians have legal documentation proving ownership. In the last decade, international aid agency-assisted projects have been put into place to attempt to remedy the situation, but it could take as long as 20 years to complete the land-titling process in Cambodia. Post-conflict situations, where internally displaced people return or occupy new areas, movement of people from adjoining provinces, landlessness, loss of land, poorly functioning land titling and cadastral services susceptible to corruption and political pressure all contribute to a muddled land ownership situation, where there are numerous opportunities for the unscrupulous to speculate and grab land from the poor and vulnerable.

In Ansar Chambok after the Khmer Rouge regime, some people returned to re-occupy land they consider theirs (often inherited from their parents before the mid-1970s), others settled and claimed land by clearing and demining it. One former soldier reminisced bitterly:

“I have eight children. If the forest goes and they take my land I will have nothing for them. I struggled as a soldier. I served the party and fought their wars. When I left the army they had nothing for me, so I came back here and cleared my own land. During the war, land mines had been laid in the area and not only did I demine my own land, but other areas that everyone used, such as around ponds and along tracks. Every time there was a casualty we would mark the area and probe the surroundings with sticks. Some days there were as many as ten casualties. We had no metal detectors back then. We demined the area at the risk of our lives and we owe nothing to CMAC.²¹ Now once it is safe again the company comes and takes our land.”

One new Cham Islam settlement comprised of approximately 30 families is not recognised by the administrative authorities despite the fact that it has existed since 1998. The families settled at the border of Kompong Chhnang and Pursat provinces with the assistance of the Cham Association when they lost their land in Battambang Province to military-backed land grabbers. The district cadastral office issued provisional receipts to them, but since Wuzhishan’s return other government officials, such as Forest Administration officials, have told them that they are occupying the land illegally and that it should be returned to the State and the company.

²¹ Cambodian Mine Action Committee is the national authority that oversees all demining activities.

Very few people in Ansar Chambok have formal land titles. The cadastral office of Krakor District receives support the Seila programme, a UN-sponsored programme aimed at poverty reduction through improved local governance, but it has yet to carry out work in the area. According to villagers, only people with connections to the District and Commune officials have received land titles. Local authorities gave provisional receipts of purchase to a number of people who arrived in the area between 1996 and 1998, but these do not constitute legal documents and people feel that their legal standing is insufficient to protect them from Wuzhishan should the company claim their land. District level cadastral officials expressed sympathy for the people of Ansar Chambok, but said they were unable to help them in the face of Wuzhishan's powerful connections.

Many people who have been awarded land through one mechanism or another have left parts of their land fallow and it has been reclaimed by the forest. After Wuzhishan started its operations the authorities announced that people must clear and plant all their land, otherwise it will be taken by the company. If people do clear their land they are then required to pay a tax on the land, which amounts to 200,000 riel per hectare (US\$50). Most are subsistence farmers and have no money to pay the taxes.

South of Ansar Chambok Commune, villagers living in Boribo District near the border of Pursat and Kompong Chhnang have less than half a hectare land to live on. Many have bought or claimed land in Ansar Chambok Commune around Kech Kang, the location of Wuzhishan's main nursery. For instance, people in Salang Village, Trapeang Chan Commune, Boribo District said that more than half of the families have plots in Kech Kang; many have had these farms since 1987.

One elderly couple had moved in 1998 from Kompong Chhnang Province to the Kech Kang area, some 500 metres from the Wuzhishan nursery, after leaving their old home to their five grown children. They established a small farm and were able to live off the land, growing fruit and vegetables. They said that until this year they never experienced water shortages as they had a spring running below their land that provided clear water all year. In February 2005, however, it had dried up and the couple attributed this to the clearing of the forest that once surrounded them. Their farm is now surrounded by the plantation operations and Wuzhishan has dumped heaps of fertilizer and soil near their land.

Another couple, with four small children, living some two kilometres from the nursery, had been allocated five hectares in the late 1980s by the local authorities. They had cleared only two hectares and intended on keeping the remaining three fallow until their children married and needed land to raise their own families. Government representatives visited them in early 2005 and told them that all land claimed by local inhabitants needed to be cultivated and they were required to pay a tax on cultivated land which they could not afford. They were concerned about the effects of eucalyptus and in particular its ability to monopolise water to the detriment of other crops or vegetation. They were very worried that their already shallow wells would dry up and that their crops would fare poorly if surrounded by a plantation. Wuzhishan had built a dam across the O Thom stream in which they fished. Previously, one fishing trip to the stream provided enough protein for two or three meals for the family, as it did for most people living in the area.

Apart from the farming land that is close to the village, many inhabitants of Ansar Chambok who have their primary residence along the national road have their farms and rice fields farther away. Often they have constructed huts where they live while tending to the farm or rice fields. Many of the farms are not recognised by the local authorities and farmers are concerned they will lose the land.

It is too early in Wuzhishan's operations to know whether the company will claim land belonging to or used by the people of Ansar Chambok and attempt to evict them. The company's lack of transparency also makes predictions difficult. But the confusion created by the absence of clear, written information combined with broken promises contribute towards creating a climate of suspicion and fear as statements by local authorities and actions by the government are often contradictory.

Commune officials have stated privately that they were prepared to tolerate the destruction of the forest and the natural resources but would assist their constituents if the company were to start taking people's land.

One MAFF official promoting the plantation told Ansar Chambok villagers that "The company will bring in cubic metres of money." But local people are concerned that Wuzhishan has co-opted their elected representatives either by employing them or promising gifts in the form of money or tracts of land within the concession area.

Of the dozens of people interviewed for this report, over 90 per cent considered themselves at risk of losing land to Wuzhishan's plantations. All were aware of the fact that their legal standing could be contested in the absence of formal land titles and were concerned that the local authorities would do little to protect them.

Loss of land and access to forests would have a serious impact on villagers' livelihoods. Ansar Chambok villagers estimate that approximately half of their income is made through rice farming and the other half is from the collection of forest products, in particular resin tapping.

Dry and liquid resin is collected from Trach and Cheuteal trees respectively, both dipterocarp species. Trees must be mature, usually at least 60 centimetres in diameter, in order to be tapped without harming the tree. In Ksach L'eath village most of the resin tappers are women who inherited their trees from their mothers or grandmothers, as a form of dowry.

Dry resin is crushed into a fine powder and mixed with liquid resin. The resulting paste is either fashioned into a roll and wrapped in dried leaves to make torches or mixed with sand and applied directly on the wooden surfaces it is to protect, notably fishing boats. Resin torches are sold for between 300 to 350 riel and resin paste is sold for between 100 and 150 riel for a kilogramme depending on the quantities and quality involved.

The following extracts from interviews with resin collectors indicate how important resin trees are to local livelihoods:

Resin collector 1: “I own 35 trees, both *cheuteal* and *trach*. I have another 100 trees in reserve, which I will tap once they mature. I visit my trees every three to seven days. Every month I am able to make 350 resin torches. I inherited my big trees from my mother, who inherited them from her mother. Recently some of my trees have been cut down and others marked with red paint by the company. In the past I used to go to the forest alone, or with my daughter. Now I am afraid that I will meet the company people and I only dare go if there is a group of people with me.”

Resin collector 2: “I have 70 trees. I am 78 years old and I learned to tap trees from my parents. My children are now resin tappers. My trees that are close to the village I tap every three days; the ones far away I visit every week. After each trip I can make 40 torches which I exchange for rice and *prahok* [a fermented fish paste, a Cambodian staple]. My 2 hectares of land don’t provide enough rice to feed the eight people in my family.”

Resin collector 3: “I have 48 trees which are all mature and tapped. I inherited them from my grandmother, who taught me how to tap them. Right after the Khmer Rouge I came back to the area and reclaimed my trees. This is all I know how to do and they are all I have. Every week I can make 50 resin torches.”

Resin collector 4: “I am worried that I will lose everything. I have 3 hectares of land, but the village chief told me that they are all in the concession. I had 50 resin trees, but now only 20 are left. Thirty of my trees were cut in the last week. I don’t know who did it, but they were cut with axes and chainsaws and only the stumps and crowns remain – the timber has disappeared.”

Until recently there was an interdependent relationship between farmers and forest product collectors and fishers on the Tonle Sap Lake. Villagers sold or bartered forest products such as resin, vines, bamboo and timber for fish. Fishers and shop owners in the floating villages on the Tonle Sap Lake describe how in the past they purchased most of the products from Ansar Chambok. This year the largest resin merchant of Ansar Chambok stopped buying resin from the commune because the supply had all but dried up. He now buys resin from the Northeastern shore of the Tonle Sap Lake in Kompong Thom Province. Because of the added transportation costs, the price of resin has increased. As a result, some of the poorest fishermen can no longer afford the annual resin coating of their boats and resort to using cement or plastic sheeting. Resin torches are now sometimes hard to come by in the local markets.

Besides resin, local people identified a plethora of products collected from the forest.

Several dozens of vine species are collected; their uses are varied and range from material for weaving fishing baskets, to ingredients for traditional medicines, to fibre for ropes. For instance, the vine known as Voar Trey (fish vine) is used by fishers on the Tonle Sap Lake for manufacturing fishing traps. One hundred pieces are sold for 4,000 riel (US\$1) and one person can collect on average 200 to 300 pieces in one day. However, fishers are gradually abandoning the use of vines for the manufacture of fishing traps as the supply is becoming unreliable. Traps are now made of synthetic materials: plastic and nylon. Unlike vines, these will not bio-degrade if lost or abandoned by fishers in the lake. Furthermore, the switch to synthetic materials allows for a resulting finer mesh in the traps, thus capturing juvenile fish and impacting on population structures and breeding patterns.

Over 20 tree species grow in the Ansar Chambok forests. Most objects found in rural Cambodian farms and homes are made by the inhabitants themselves, usually from materials collected in and around farms. Only recently have consumer products and modern appliances started finding their way into Cambodian homes. Timber is used for firewood, housing, furniture, musical instruments and farming implements, such as oxcarts, wooden trucks, ploughs and threshers. Objects of worship such as statues are also made from timber, and in some cases the trees themselves are objects of worship. Despite the intensive selective logging that took place in the commune throughout the 1980s, local people are eager to point out that the forest is regenerating and that none of the tree species has disappeared locally. There is, however a clear understanding and concern that numerous species will become locally extinct as a result of Wuzhishan's proposed clear-cutting and conversion to monoculture plantations.

Local people say that wildlife species such as tigers, elephants and Cambodia's now extinct national animal, the *kouprey*, have disappeared from the area as a result of habitat fragmentation and loss. The only large species still encountered in the area are *banteng*, sun bear, gaur and leopard. The exception being a lone tiger, apparently disturbed by the clear felling of the forest, which villagers have seen roaming around their villages.

The few professional hunters in the commune are mainly people with access to weapons and ammunition such as people in the military, military police or police. Local people occasionally hunt or trap small game, which is shared among neighbours and eaten, but these are usually species common to the area, such as hare, deer and wild pig.

Attitudes towards hunting are slowly changing in the commune. Many villagers, having seen the disappearance of some species and observing the dwindling numbers of others, stress the importance of prohibiting hunting and even actively protecting those species facing extinction. In that spirit, the traditional ceremonial *banteng* hunting dance which is part of the annual ceremony to honour and thank the spirits of the elements and the forests was modified during the last ceremony to a dance celebrating the fertility of the *banteng* and all wildlife in general.

Bamboo and rattan is collected for household use. Bamboo is used for manufacturing small household implements and furniture, often as an alternate to wood. Rattan is used for baskets,

twine and furniture. Villagers receive orders from furniture and mat manufacturers from neighbouring provinces. A piece of rattan sells for 300 riel.

Local people identified over 26 varieties of forest fruit, which is collected intensively when in season and consumed by the villagers, any surplus is sold to market vendors or from roadside stalls along the national highway. Many urban Cambodians view, often nostalgically, these fruit as delicacies and are prepared to travel lengthy distances to buy them. Other food found in the forest and consumed or sold by villagers are bamboo shoots, wild potatoes and mushrooms. Local people were able to name 15 varieties of edible mushrooms that occur in the area and which they collect when in season. According to UNDP Human Development Indicators 36 per cent of Cambodia's people are undernourished, as are 45 per cent of the children under the age of five. The forests provide not only additional food many a Cambodian needs, but often the nutritional variety that humans require in order to remain healthy. Losing the forest and the array of foods it provides would render the inhabitants of Ansar Chambok even more vulnerable to nutritional deficiencies.

Each village or cluster of villages in Ansar Chambok has a Kru Khmer, a practitioner of traditional Khmer medicine. The Kru Khmer will attend to child births, treat illnesses and injuries, and ward off evil spirits or spells that people sometimes believe have been cast upon them. The ministrations of the Kru Khmer are often a mix of magic rituals, incantations and administration of concoctions whose recipes are determined during dreams. The Kru Khmer's secrets are jealously guarded and only passed on from generation to generation to the knowing. Most of the ingredients for the medicine are found in the forest. Proponents of western medicine often view such practices as harmful or ineffective at best. Beyond the scientific debate on the merit of traditional medical practices, active ingredients and research into them, it is often the only affordable and accessible healthcare for rural Cambodians. Like most of the public services in Cambodia, the healthcare system remains dysfunctional and riddled with corruption, resulting in less than half of the population having sustainable access to affordable essential drugs.²²

Between 170,000 to 250,000 tons of fish are caught annually in the Tonle Sap Lake and River, accounting for 60 per cent of Cambodia's inland fish catch and making it the world fourth largest fresh water catch in the world. The Asian Development Bank estimates that fish from the Tonle Sap Lake provides 40 to 70 per cent of the Cambodian population's protein. Tonle Sap fish provides food security to 11 per cent of the population. Fish is also a main source for calcium, which is important in Cambodia where dairy products are not part of the traditional diet. On average Cambodians consume 47 kilogrammes of fish every year.

Numerous fish species spawn in the headwaters of the streams and later swim down to the Tonle Sap Lake. Very little research has been carried out on the migratory fish species in the lake's

²² According to UNDP Human Development Indicators (2003) between 0 and 49 per cent of the population of Cambodia has access to affordable essential drugs.

tributaries. It is thus not known what impact Wuzhishan's damming of streams could have on fisheries in the Tonle Sap. Local people have complained of the loss of fish as a result of Wuzhishan's dams, but consider that the most precious resource lost is the water itself. In Ksach L'eath village, Wuzhishan disrupted the irrigation system bringing water to the village when it built dams on two streams in order to fill reservoirs for the nurseries and plantations. Some of the villagers have surface wells, but they complain about the quality of the water and are concerned that the quantity of water in the wells is insufficient for their cattle. Villagers' water buffaloes need even more water in which to wallow, in order to prevent dehydration.

When the Tonle Sap Lake floods, the area underwater increases from 2,500 square kilometres to 15,000 square kilometres. Most of Ansar Chambok Commune on the Eastern side of the national highway is flooded between August and December. Some years, when the flooding is particularly severe, the villages themselves become flooded and the villagers relocate to higher grounds to an area known as Veal Veng, which is now part of the concession area. There are numerous huts dotting the Veal Veng area, as well as the mature fruit trees which villagers planted decades ago. As far back as people can remember Veal Veng has been used as grazing grounds for cattle once villagers run out of fodder and as an area to keep the cattle during the annual flooding. Ksach L'eath villagers estimate that in the village itself there are approximately 1,000 oxen and water buffaloes and that neighbouring villages probably keep just as many animals.

The Cham community in the commune keeps cattle for Cham businessmen from Kompong Chhnang; people are allowed to keep every second calf that is born, as payment for looking after the herd. Cham villagers are now concerned that the businessmen will relocate their herds elsewhere because Wuzhishan has ploughed villagers' grazing lands.

Ansar Chambok villagers say that come the rainy season and the flooding they are considering bringing the cattle into the concession area, as they have little choice in the matter. However, they are concerned that Wuzhishan will confiscate their cattle and either hold the animals for ransom or shoot them. A neighbouring concessionaire called Rattanak Visal has shot villagers' animals in the past when the animals were found inside the company's concession.

Concern about their future livelihoods leads to those villagers who have any money spending less. Others have already lost their source of income and therefore have no money to spend. Market vendors already report seeing their sales plummet.

Despite the impact on livelihoods and income, very few people of Ansar Chambok Commune have sought employment with the company, claiming they prefer to starve rather than be responsible for the destruction of the forests and the livelihoods of neighbours and fellow villagers. According to our interviews, those who did take jobs with Wuzhishan stayed on the job less than one month.

A villager who moved into the area several years ago told us his story:

“I live on my brother’s land. Before I lived in Svay Rieng at the Vietnamese border but I left because I was always sick with malaria and I could not always look after my family without help from my relatives. I caught malaria in 1985 when I worked on the K5 project. I was sent to an area around Pailin [in western Cambodia]. I was an ammunition porter and I also had to lay mines and spikes. I was there for about three months until I got sick. When I got back to Svay Rieng I transmitted malaria to two of my children who died. After the death of my children I moved back to this area and cleared land for a farm in the concession area. Two more of my children caught malaria in the forest and died, so I abandoned the farm and moved here with my brother along the road. I have five living children and thanks to the forest I was able to send all of them to school. Until this year I was a resin tapper and wild potato collector, but now the company has destroyed the area I used [the nursery area]. I used to exchange forest products for rice, but this year I have nothing to exchange. Neighbours help me out and sometimes give me work to do, but I will never work for the company.

On the other hand, people from neighbouring communes and districts were found working for the plantation. Consistently workers explained that they found the jobs distasteful, but were in desperate need of income after two consecutive years of drought and failed rice crops. One group of workers from the neighbouring commune of Kbal Trach explained the importance of forests on the water cycle, but excused their involvement in the logging by noting the “hoards of hungry and poor people in Cambodia who will take the jobs if we don’t.” Although the commune of Kbal Trach is also within the concession area, they stated that they believed the Ministry of Environment would protect their community forests from the company.

The government has defended its decision to allow the concession by referring to the number of jobs generated by the company: “2,500 workers for each province.” While the creation of 5,000 jobs may appear a lot, particularly in a country that is struggling to find employment for the 200,000 people that enter the job market each year, it is a tiny fraction of the 129,808 people living inside the concession boundaries who stand to lose land and important sources of income.

At the height of its operations, the company employed 1,000 workers in Pursat and roughly the same number in Kompong Chhnang. However, there is a high turnover and working and living conditions seem to have rapidly deteriorated since operations started. Workers are required to work from 6:00 am until 11:30 am then 1:00 pm until 5:00 pm – this does not include time spent travelling to the worksites, which are often several hours walk. Workers are allowed only three days off each month. When workers are sick and unable to work, their pay is docked. When they are too sick to work the company dismisses them. No medical treatment is provided. The pay is 5,000 riel a day (US\$1.25) and workers are paid every month (although Cambodia’s Labour Law requires workers to be paid every two weeks).

When the company first set up its operations it built rudimentary accommodation for workers – roughly assembled platforms covered with tarpaulins. However, as the workforce increased, the

company quickly stopped providing even this basic accommodation and subsequent visits to the areas showed workers sleeping directly on the ground, under scavenged plastic sheeting, recycled bags which had contained chicken waste fertilizer or even woven tree leaves. To date the company has only operated during the dry season – conditions are expected to worsen considerably once the monsoon rains commence.

Many workers have contracted malaria and/or diseases associated with the consumption of unclean water and exposure to the elements. In addition to unclean water in several of the camps, the supply of water is insufficient and workers are now obliged to buy water (500 riels for 30 litres).

The Labour Law requires that rice be allocated to workers and their family members. Initially Wuzhishan promised 25 kilogrammes of rice per month for each worker after the first month of employment. Soon that practice changed and Wuzhishan gave rice only to permanent workers (not those who were hired on a weekly or even daily basis). Later still the rice was not allocated individually but given to the supervisors of working gangs. This caused problems as supervisors kept most rations for their own use. Otherwise Wuzhishan does not provide food; small vendors have set up stalls nearby and because of the remoteness of the camps are able to charge inflated prices. Workers are scavenging in the forest – eating snails, frogs and small fish captured in streams.

In at least a dozen cases, workers borrowed money from company security in order to buy food and now are in a situation of indentured labor, with the armed security guards preventing them from leaving the area unless they have cleared their debt and the associated interest.

Many workers have brought their family members with them. The Labour Law requires the company to assure educational facilities for children if there are more than 20 children of the age to attend school. Wuzhishan has ignored this legal requirement. Also, the company does not give additional breaks to mothers with young babies to allow them to breastfeed their babies. One worker complained bitterly about hearing the hunger cries of his new born child. The company is using child labour. The youngest worker we interviewed was 13 years old.

The company tells workers that they are employed to plant trees, but once there, they end up clearing natural forest and logging. Because they have incurred costs to travel to the concession, workers are often able to leave only after having completed a first month of work. Workers progressively and increasingly complained of maltreatment at the hands of Chinese supervisors and even compared the conditions to the labour camps during the Khmer Rouge regime.

One villager from Ansar Chambok related a conversation with plantation workers:

“There were seven workers from Kompong Speu Province who wanted to escape, but they didn’t know the way out of the concession. They asked me for directions, but I told them that they would probably get lost in the forest. They said that working there reminded them of the Khmer Rouge times.”

In late February 2005, in the Kompong Chhnang concession the situation deteriorated into near riots after a Chinese supervisor beat a worker unconscious with a hoe. As a result, the entire work force was dismissed. The worker is currently in Kompong Chhnang prison charged with attempting to murder the Chinese supervisor.

The Kompong Chhnang worker is not the only person languishing in prison after interacting with the Wuzhishan company. In December 2004, Veng Hul was arrested and charged with attempted murder, following a complaint made by a Wuzhishan Chinese supervisor. Veng Hul has five hectares in the Kech Kang area. According to witnesses he got drunk and shouted insults at the supervisor. Veng Hul's primary residence is in Kompong Chhnang Province, where Pursat military police do not have jurisdiction. According to neighbours, on 27 December 2004 Ansar Chambok police in civilian clothes came to Veng Hul's house and invited him to the Kech Kang area to measure his land that was going to be excluded from the concession. Veng Hul followed them and once they had crossed the provincial boundary, the police handcuffed and detained him. Initially, Veng Hul was questioned in relation to the 13 November grenade attack, but then later accused of attempted murder. Veng Hul's wife has spent all her savings visiting her husband in prison, bringing him much needed food and making all possible moves to obtain the release of her husband. She has since taken a loan with a micro-credit agency and is resigned to the fact that she stands to lose her house, her 0.5 hectare plot of land in the village, the five hectares in Pursat, two buffaloes and three chickens, which constitute her worldly possessions, should she fail to repay the loan.

One of Veng Hul's neighbours soberly noted: "This is like a kidnapping. The charges are exaggerated. The government is abusing its power."

Many officials, including court officers, admit privately that there is no merit to the case against Veng Hul, but that it is likely to proceed given the company's power and its backers. People living in and around the concession area state they understand Veng Hul's case is a warning from the government authorities that they must not oppose the company's activities. In late June 2005, after six months in prison awaiting trial, the authorities released Veng Hul.

Fear and helplessness are now the dominant emotions in Ansar Chambok. Numerous acts of intimidation, regular threats and warnings from the government authorities and company employees have created fear of physical harm for those attempting to stop the company's progress into their lands. One young man recounted his encounter with Wuzhishan employees in the concession area:

"I was coming back from the spirit mountain when I met four people: one Chinese employee, two military policemen and one interpreter. The Chinese man asked me where I was coming from. I told him that I had come to take some wood to repair my house. They told me that I had no right to take any wood as it all belongs to the investors. I said nothing. One military policeman continued and told me that if I insisted on coming in the concession, he would shoot me dead in the forest. By law, we should be allowed to complain. The company's actions are contrary to the law;

they should not be hiring armed groups. The government should disarm them. Now people don't dare go alone. We go in groups of five or six and are always scared."

In April 2005, the United Nations Cambodia Office for the High Commissioner for Human Rights issued a report on the Wuzhishan concession, which documents incidents of acts of intimidation, in particular against community representatives. Most had been invited by the local authorities for questioning and told that their activities constituted incitement were illegal and that they could be arrested at any time. Others were told that they could face arrest if they persisted in "criticizing eucalyptus trees". The organisers have been regularly accused of acting on behalf of NGOs, or the opposition political party, the Sam Rainsy Party (SRP). In his February 2005 letter to the King, Prime Minister Hun Sen argued that the

"protests conducted were not for the interests of the people or the development of the country, they were only for the interests of the opposition party in order to blame the government and cause social unrest. The majority of the people understand and support the company, but a small number, who are only activists of the opposition party and extremist non-governmental organisations, are still standing firm with their opposing ideas and continue their protests to demand the cancellation of this tree plantation investment project, even though they know that their protests are unreasonable."

The people of Ansar Chambok vehemently refute these accusations and explain that the protests are led by the people themselves and are not politically motivated. An Ansar Chambok community organiser said, "We have asked the government to not see this as a political issue, but as an environmental one; then they say we are involved in politics and threaten to kill us."

The opposition party has gained in following in the commune, however, since elected officials, mainly from the ruling party, and local authorities failed to address villagers' concerns. The bias towards the company has generated much bitterness among the people, who voted overwhelmingly for Huns Sen's Cambodian People's Party (the ruling party) in past elections. As one villager told us:

"In the next election we will not vote for the Cambodian People's Party, who has done nothing to help us. We will vote for Sam Rainsy Party. Even if the SRP does not succeed in solving the problem, people will vote for the SRP because at least they pay attention to our problems."

The breakdown in communication and especially trust is acknowledged on both sides. One district official stated:

"If you talk to the authorities in the district it is like a dialogue between a fisherman and a *montagnard*: we live in very different environments. Only those who have initiated the plantation activities can put a stop to them. I did not say this to the

villagers because they are allowed to express their opinions according to their conscience, but they will not succeed in stopping the activities.”

In the neighbouring province of Kompong Chhnang community organisers face the same problems with their local government. One community leader said:

“We have tried many times to talk to the district and provincial authorities, but it is useless. They are ignoring the problems. The provincial governor came himself to one of the meetings. It all sounded like bad propaganda. He said to us: ‘Let’s join hands with the Chinese who will create jobs for the people and alleviate their misery.’ He also told us that the company will set up a paper factory in Boribo District. I have told them to wait and see what happens once the area is planted with eucalyptus and the area dries up. The company will spray herbicides and pesticides and discharge chemicals from the factory. All the area will be polluted.”

In February 2005, in a bid to present the company and its plans in a favourable light, the government and the company organised a visit to the concession which received extensive media coverage. In attendance were the provincial governor, the owner of Pheapimex, the Director of the Forest Administration, the wife of the Minister of Industry, Mines and Energy, as well as the wife of the Minister of Agriculture, Forestry and Fisheries. Gifts supplied by the company were distributed by the dignitaries to local people, and to plantation workers.

In reference to community organisers using the terms employed by their Thai neighbours affected by eucalyptus plantations, describing the eucalyptus as the ‘ghost tree’, the director of the Forest Administration is reported by local media²³ to have said:

“It is not true that the eucalyptus tree is the ghost tree. The Ghost is not inside the tree it is inside the heart of the human being. Therefore, he who said that eucalyptus is ghost tree, is a ghost himself. (...) India, Thailand, Vietnam, China planted a lot of eucalyptus to produce paper, without any negative impacts or creating any problem at all, it brings benefits to the people and prosperity to the country. The plantation of eucalyptus provides many profits such as local paper production; poor people having work; and embellishes the natural environment. If there are four persons in a family who get work, they will get from 400,000 to 600,000 riels per month, which can support a family easily and which has never happened before. At the same time, (...) people should not do anything that affects the operations of the company, because it is the development goal of the government.”

²³ “Gift Distribution and Salary Offering at Plant Nursery: Pheapimex Company Declares it will Modernize the Forest Area to Agro-industry”, Koh Santepheap Daily, February 17, 2005.

Beyond the fear of physical harm, people live in fear of the future and what it holds for them, their children and even the nation. They resent the government's bias towards the company all the more because they feel they are struggling to protect much more than their livelihoods: their natural and cultural heritage and their sense of identity.

During the height of the dry season, Ansar Chambok market is only two kilometres from the shores of the Tonle Sap Lake, but the trip is perilous because the road is covered in a thick layer of sand. People living in the area explain that ten years ago there was no sand and that year after year they watched the sand deposits on the shores of the lake grow thicker and the lake shallower. They attribute this to logging and resulting erosion of the topsoil and the sandstone that forms the hills in the Western part of the commune. Villagers are aware of the need to protect the fragile ecosystem of the lake, but there is growing concern that impoverished villagers will not be able to resist the temptation of gathering timber and non-timber forest products in the lake's flooded forests if they lose access to the resources they currently use. One community organiser explained:

“I am worried that when the company finishes destroying the forest villagers will move to the Tonle Sap Lake and will destroy the flooded forests there and also the fish resources. The fish need the forest for their habitat. The government should conduct research on the impacts seriously and not play around like they are doing now.”

Every year Ansar Chambok villagers organise a ceremony to honour Neak Ta Kleang Meoung, a 16th century warrior hero, and seek his blessing and guidance for the year to come. Ta Kleang Meoung established one of his strongholds at Psar Chambok, which is now within the concession area. A modest wooden shrine has been replaced by a permanent concrete structure protecting a statue of the national hero alongside his wife. Ta Kleang Meoung is said to have saved the nation from a Siamese invasion by sacrificing his life and recruiting an army of ghosts from the underworld that enabled the Khmer army to push back the invasion.²⁴

Visiting the shrine in February 2005, Ansar Chambok villagers grappled with questions of their identity. They could not help but point out the irony that another type of invasion was threatening a historic landmark dedicated to a figure that incarnated national integrity. On that particular day, children returned from school with a new set of instructions on how to honour and pray to their ancestors. A Chinese Buddhist sect leader had been touring the elementary schools of the area and recruiting new followers. Although two directors of Wuzhishan are Cambodian businesspeople, the company is widely seen as being Chinese. Many people feared that the sect leader and the Chinese company were connected and that this constituted an effort to brainwash the children and make them forget their origins and ancestors. Discussions followed whether the children should return to school. One worried villager explained:

²⁴ Buddhist Institute, *Compilation of Khmer Legends*, 2003.

“There are other shrines to Ta Kleang Muong in the Province – many are much more magnificent – but this area is important to us. It is a historic site and we would protect it with our lives. The country is more important than we are. Foreigners are slowly eating up Cambodia and this place is here to remind us and our children of who we are and how we defended our nation. Now they are trying to drum their religion into our children’s heads. We might one day become an ethnic minority like the Cham.”

Another annual ceremony that is held in Ansar Chambok is to thank all the spirits that inhabit the area and seek their counsel. Before the war, all 22 spirits had designated media through which they could communicate with their worshippers. As far back as villagers could remember, every year they converged to the most powerful mountain in the area and during three days prayed, prepared elaborate offerings, talked with the spirits and organised traditional games and dances.

The 2005 ceremony, perhaps the last ever, was a modest affair overshadowed by fear. Weeks before the ceremony, the District Department of Religious Affairs informed all the head monks that they were prohibited from attending the ceremony as the planned tree blessing ceremony was deemed “a political activity”. In the past, village elders determined the day of the ceremony and informed villagers. This time, they had to get permission from the district authorities. Under armed police watch and accompanied by human rights observers, some 200 villagers converged towards the sacred mountain to communicate with the spirits.

The 11 monks who had defied the authorities’ orders blessed the trees of the sacred site. They chanted prayers and adorned the trees with saffron robes and Buddhist flags. Villagers laid offerings in the form of jellied pig heads, cigarettes, rice wine and trays of fruit before a sandstone outcropping where the spirits were said to converge.

Only two media had survived the war and a third medium joined them a few years later. The three old women the spirits had chosen to speak through swayed to the drum beat, went into a trance and conversed with the villagers. The 19 other spirits, having lost their voices, were silent. One of the forest spirits said through the old woman acting as its medium: “All we are left with is our eyes to watch the destruction and to cry with.” Villagers and spirits accused each other of not doing enough to prevent the advance of the company, but in the end agreed to join forces to push back the destructive forces facing them.

The next day, the local authorities toured the pagodas and collected the names of the monks who had attended the ceremony.

Three days later, Wuzhishan workers cut down most of the trees surrounding the spirit forest, including ones that had been blessed by the monks.

In March 2005, Wuzhishan pulled out from both locations in Kompong Chhnang and Pursat, dismissing the workers, removing heavy machinery and leaving a handful of police and military policemen behind to watch the facilities and the seedlings.

4. Looking into the future

There is much speculation by all those involved concerning Wuzhishan and its plans for the concession area in Pursat and Kompong Chhnang. Some claim the company will return once the rainy season has started in earnest; Forest Administration officials state that the company has devolved responsibility to them for the planting of the saplings; others claim that Wuzhishan has sold the concession areas to new investors, as evidenced by the Taiwanese company representatives who visited in May 2005 and discussed the possibility of producing lemongrass essential oil. The return of a smaller concessionaire, Rattanak Visal, that had overlapping boundaries in Krakor District with the Pheapimex Concession also has local people speculating that Pheapimex no longer wishes to sustain such a large land holding that is so obvious to the public eye and instead, while continuing to exert control over the area, will gradually fragment it and sell it.

Others seem to believe that finally the numbers have spoken and that it has dawned on the investors that the project is currently not economically viable, production and transportation costs being too high. In November 2004, a group of agro-forestry consultants conducted a study on the wood demand from China and Cambodia's potential to meet that demand. One of the study's findings concluded that with Cambodia's current infrastructure and high transportation costs, only Cambodia's coastal areas could profitably produce pulpwood. At about the same time Wuzhishan inexplicably left its Pursat and Kompong Chhnang operations. Although he has denied this, local government sources and environmentalists in Koh Kong allege that Sy Kong Triv is planning a 100,000 hectare tree plantation and pulp mill along the coast.²⁵

Much can be learned from these cases. Green Rich and Wuzhishan concessions are examples of how the poor, civil society and NGOs can resist and alter the course of irreversible damage – at least temporarily. The speculation and incessant rumors surrounding the concessionaires and their plans highlights the need to tackle transparency, access to information and the rule of law.

The RGC takes great pride in having ended the civil conflicts that wracked Cambodia for many decades and given its people much needed stability. While it is true that the devastating threats of war have receded to memories and after effects, stability has not quite been achieved as far as the people living in concession areas are concerned. Those local communities continue to live in an unstable world, where, because of the lack of clear information and predictability they continue to fear what the future holds for them and their children. The fear of being dispossessed at any time of their homes, land and the natural resources they manage robs the people of the security that in turn would enable them to invest safely and commit to further the development of their community, surrounding environment and future.

²⁵ Wildaid letter addressed to Cambodia World Bank Representative, June 2005.