

Asia-Pacific: Indonesia

Conserving in Papua, Indonesia through Ecotourism

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Abstract

The Misool Eco Resort (MER) is located in the remote southern part of Raja Ampat, Papua, Indonesia. The small resort is located on the island of Batbitim, deep in a vast archipelago of uninhabited islands, 240 kilometers from the nearest resort and half a day's journey from the nearest village. Misool Eco Resort is deeply committed to a policy of environmental and social responsibility. We seek to provide exceptional and enriching diving experiences in a sustainable environment. We aim to protect and revitalize both our natural surroundings and the community in which we operate. We are committed to demonstrating to our hosts, our guests, and the local government that tourism can support a local economy on much more favorable terms than mining, logging, overfishing, or shark finning. In doing so, MER entered into a lease agreement with the local community to establish a 200 square km Marine Protected Area (no-take zone) surrounding the Misool Eco Resort. Within this area, all fishing, shark finning, harvesting of turtle eggs and shellfish are strictly prohibited. We also require all boats to practice reef-safe anchoring. We regularly patrol the area for illegal fishing and shark finning. In addition, the Misool Conservation Centre is being registered as a UK-charity, and will provide a well equipped, functional base for scientific research and conservation projects, both social and environmental. Perhaps most importantly, MER is dedicated to safeguarding the local community in which we operate. Our labor force, drawn largely from the closest village, is offered favorable working conditions, health benefits, job training, and English lessons.

Project Overview

Agreement Mechanism

A land lease agreement, which includes a specified area of surrounding sea, was the formal agreement mechanism used to establish the Misool Eco Resort No Take Zone (MER NTZ) in the southern Raja Ampat. The agreement was signed on November 28, 2005. Key provisions of the agreement include:

Law: Indonesian law and Papuan law
Duration: 25 years
Payments: 5 year terms with payments due at the start of each term
Lease Area: Approx. 200 sq. km surrounding of about 1 sq. km (Batbitim) and 1/4 sq. km.
Lessor: Heads of Bahale and Yelfom families
Lessee: Andy Miners and Misool Eco Resort
Sign Date: November 28, 2005



Batbitim, including two small islands
(Jef Galyu Islands)

Governing Law

The contract was founded on principles supported by Papuan law (or Hak Adat) and formalized under Indonesian law. The Indonesian Central Government recognizes Hak Adat as part of special autonomy status (Kursus Autonomy) whereby the state of Papua has a certain degree of autonomy from the rest of

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Indonesia. Under Papuan law, people can own not just islands but beaches, reefs, and waters surrounding them.



Key Parties to Agreement

- Andrew Miners, Founder and Managing Director, Misool Eco Resort
- Bapak Yasuf Salim, Camat (pronounced "chamut") District Head South East Misool
- Haji Jalil Bahale, Kapala Desa (Head of Yellu Village)
- Bapak Hadir Yelfom, Yellu Village Secretary
- Bapak Haji Yahya Bahale, Adat Leader Yellu Village (Local traditions and culture leader)
- Bapak Marcus Wanmar, Bupati of Raja Ampat (Head of Raja Ampat Regency)
- Bapak Mambrasa, Head of tourism at Raja Ampat

Lease Rights and Limitations

Under the provisions of the lease, MER secured exclusive rights to Batbitim and Jef Galyu Islands, including hills, forests, coconut trees, water, animals and the surrounding lagoon. In addition, rights were secured to designate approximately 200 sq. km of surrounding seas as a no take zone (NTZ) including animals, coral reefs, turtles, sharks, rays and fish. Under the terms of the lease, anyone other than MER is prohibited from taking any marine products from the NTZ or granting permission to any other party to do the same.

Fees and Services Exchanged

The village of Yellu benefits in a number of ways from their agreement with MER. The most obvious benefit is MER's lease fee, payable every five (5) years. However both Yellu and MER have a clear understanding that this payment is a nominal bonus in comparison to the significant long term benefits of bringing sustainable tourism to their area. Tourism and the establishment of the NTZ offer several important economic benefits to the people of Yellu:

- New job opportunities
- Employee benefits
- Goods and services
- Language skills
- Thriving marine environment for future generations

Process and Issues

Decision-making and Implementation Process

Frequently there are no official documents that state who is the rightful owner of land and sea in Papua. In the case of the MER NTZ, the local Adat committee had to confirm who the rightful owners of the area were. A deep knowledge of the area and good relationships with the local people were critical to having the ability to form the agreement.

Initially, the idea of leasing the area from "owners" who lacked any formal documentation of their ownership rights was cause for great concern. There was a strong possibility that we might enter a lease

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with the wrong people or end up in a situation where counter claims undermined or invalidated the lease. To gain comfort, we went to great lengths to meet with the relevant folks in the local government and community leaders. Several factors worked in our favor:

- There are only a few villages bordering the proposed NTZ with only one obvious candidate for ownership.
- The Camat provided excellent guidance in helping locate the proposed NTZ in an area where no known counter claims existed.
- A large pearl farm operating about 10km from Batbitim leased from the same family that MER leases from and has been operating for 12 years in this location without any counter claims.

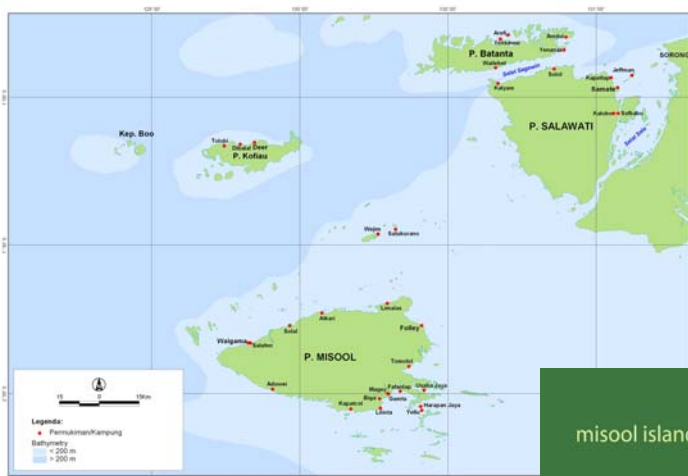
These factors, combined with our extensive due diligence, provided the necessary assurance that a formal legal agreement would be sufficient to secure the area for our purposes.

Lands and Resources

Southern Misool offers some the best and most pristine diving in Raja Ampat. One dive site, Fiabecet, is considered by many to be one of the top ten dive sites in the world. In addition to obtaining permission to build MER on Batbitim Island, steps were taken to secure a NTZ reaching in all directions from the island. The goal was to include as many of the healthiest and most diverse reefs within the NTZ. Andy Miners, having been a dive master in this region for years, had intimate knowledge of many of these sites. At the same time, care was taken to not "overreach" and remove too many of the traditional fishing areas. It was critical that the area start with the support of the local villages and that support continued into the future.

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granting permission to any other party to do the same. Likewise, MER has the right to prevent any other parties from extracting marine resources from the NTZ. There is one exception to this rule established to honor traditional fishing practices. Once every two years certain shellfish can be collected by members of Yellu village over a period of only two weeks without the use of air compressors or dive equipment. This is restricted from designated dive sites.



The MER NTZ is located in the southern most boundary of Raja Ampat. South of the NTZ, open water stretches for 80 miles until you reach Ceram and Ambon even further south. Historically, many of the outside fishing fleets entered Raja Ampat from these locations, passing into and through what would become the NTZ area. Many of these boats engaged in incredibly

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destructive fishing practices including reef dynamiting, shark finning, turtle harvesting, turtle egg collecting and destructive trawling. These fleets were unwelcome by the local villages but the locals were ill equipped to do anything about it. Frequently these boats would anchor and dynamite or fin sharks on the southern sides of the islands to avoid detection. By locating MER and the NTZ on this boundary, a buffer was established that would significantly reduce the level of encroachment by these outside fishermen. No longer could they hide on southern aspects or enter this area of Raja Ampat undetected.

To further emphasize the above point, MER itself is located on a historical dynamite fishing camp. Many of Batbitim's south, east and shallow bay reefs were almost completely destroyed by dynamiting that occurred in the late 1990s and early 2000s. The northern reefs by comparison are stunning and virtually intact. The decision to locate MER on such an island was a deliberate one. The objective was to select a location where tourist traffic would not negatively impact the local reefs (the water cottages are situated primarily behind dynamited reef) and where active conservation and reef building efforts would significantly improve the health of the local reefs with each year that passed.

Threats

The primary threats to the NTZ are illegal fishing, shark finning, turtle/turtle egg harvesting, reef damage from net fishing, reef damage from boat anchoring, life reef harvesting (hookah divers), pollution (flotillas of plastic debris that wash in with certain currents clogging bays and mangroves) and climate change.

The NTZ agreement expressly forbids any kind of fishing or animal (turtles/eggs) harvesting and it gives authority to MER to enforce these provisions. Since all reefs are protected within the NTZ, the agreement enables MER to administer and enforce boat anchorage policy. There is nothing that can be done locally to combat the outside pollution and climate change. These are serious realities that are affecting marine environments globally.



Organizational and Partner Capacity

A sound knowledge of the local area was essential to determine the appropriate location for the NTZ. Relationships with key local stakeholders (existing and new) proved critical to securing the land and sea ownership rights. As described above, navigating ownership ambiguity, traditional fishing seasons (sasi) and establishing the necessary approval required strong relationships at the local, district and regional levels.

Villagers in Raja Ampat speak both Indonesian and local dialects in their daily lives. The ability to speak proficient Indonesian (Andy does not speak the local dialect) proved essential in getting to the heart of their needs and concerns, as well as establishing mutual trust and respect.

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Established NGOs provided important guidance and resources when it came to the nuances of establishing and administering an MPA. These benefits included: access to their local and regional government contacts, research and reports, maps and surveys, fisheries data, interpretation of laws, insight on pending legislation, and even transportation. These resources proved valuable as we had never before established an MPA.

Legal Framework

The contract was founded on principles supported by Papuan law (or Hak Adat) and formalized under Indonesian law. The Indonesian Central Government recognizes Hak Adat as part of special autonomy status (Kursus Autonomy) whereby the state of Papua has a certain degree of autonomy from the rest of Indonesia. Under Papuan law, people can own not just islands but beaches, reefs, and waters surrounding them. The region has a long standing local tradition of fishing seasons (Sasi) which the local villages "open" and "close" in their areas and surrounding villages generally respect.

The "sasi" proved to be a fundamental element to obtaining the lease. Because two families hold all rights to the land, sea and creatures within the sea, they thereby also have the right to exclusively lease the area. Gaining the support of the village leaders, the district head, the regional head, and the tourism department created the necessary agreement as to the form of the contract.

Having secured all rights to control the land, water and creatures within the NTZ, MER was empowered to take the steps necessary to enforce the "no take" provisions of the agreement. MER has decided to abide by the same provisions that prevent the lessor from extracting anything from the NTZ, thereby establishing an important check and balance. MER believes that if either party were to extract from the NTZ, it would be far more difficult to explain and regulate such activity.

Socio-economic Considerations

From the outset, the local community was keen to bring tourism to the area. Their positive experience with the local pearl farm helped foster an environment of receptiveness to outside business ventures in their area. It is important to note that MER (the resort) was of much greater interest to them than the NTZ. Whereas the NTZ required that they give up some of their traditional fishing areas, the resort offered the prospect of long term employment and income for the villagers. In reality, the NTZ was formed on the back of the resort, with the favorable economic possibilities of the resort driving their desire and willingness to grant the NTZ.



As described in the overview, the village of Yellu benefits in a number of ways from their agreement with MER. The most obvious benefit is MER's lease fee, payable every five (5) years. However both Yellu and MER have a clear understanding that this payment is a nominal bonus in comparison to the significant long term benefits of bringing sustainable tourism to their area. Tourism and the establishment of the NTZ offer several important economic benefits to the people of Yellu:

- **New job opportunities** - Under the terms of the Agreement, MER has agreed to give preference to local communities in the village of Yellu and surrounding area when recruiting non-skilled staff. MER jobs include construction, maintenance, resort services, dive services, and NTZ rangers. All staff is paid above the "going rate" set by the man power department. MER currently employees 75 people with 45 coming from the village. When operational, MER expects to employ 35

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villagers full time with the majority from the village, and an additional 15 staff for future construction.

- Employee Benefits - All staff, both full time and temporary, receives health, accident and pension benefits. Full time staff receives benefits for their families. This is certainly not the norm for the area or required by the state.
- Goods and services - MER purchases fuel, fish, some dry goods, and some vegetables from the local villagers. MER is encouraging them to grow more to sell to MER.
- Language skills - MER employees two professional language instructors and is teaching the village staff to become proficient in English. This is an important and valuable skill necessary for them to succeed in the tourism business.
- Thriving marine environment - Outside fishermen have increasingly been entering the traditional fishing grounds of the village and taking fish without securing permission or paying a permit fee. Even when a permit fee is paid, the amount received by the local community is relatively insignificant. For this reason, many in the village feel that their marine produce is being "stolen". Furthermore, the elders in the village fear that in the future, outsiders may severely degrade their reefs and deplete their fish stocks. The NTZ provides for the long term health of their reefs and fish stocks, with the anticipated spillover effect to surrounding waters offering sustainable and abundant fish catches for the villagers. Given that the concept of "closed" seasons and areas is fundamental to "sasi", they are able to grasp the idea of "spillover" benefits from the NTZ. Furthermore, they appreciate the fact that healthy reefs ensure the long term success of the dive tourism in the Misool area, and hence their ongoing MER employment.

Outreach

Key stakeholders include:

- Bapak Yusuf Salim, Camat (pronounced "chamut") South East Misool District: Pak Camat is an elected government official and district head of South East Misool. He is one level senior to the Kapala Desa.
- Haji Jalil Bahale, Kapala Desa: Kapala Desa is the government head of the village. Pak Desa has been head of Yellu village for over 20 years and is a powerful and respected man. He is also the younger brother of Pak Haji (Adat leader).
- Bapak Hadir Yelfom, Yellu Village Secretary: Second in command to the Kapala Desa, Bapak Yelfom is the head of the second largest family in Yellu and joint owners of the land and seas in the area.
- Bapak Haji Yahya Bahale, Adat Leader Yellu Village: Adat is the name given to local traditions and culture. Adat is well respected by local inhabitants of Raja Ampat. Pak Haji is an influential man and head of the Bahale family, which as the longest lineage in Yellu and holds traditional rights (Hak Adat) to all the islands around Batbitim and Yellu.
- Bapak Marcus Wanmar, Bupati of Raja Ampat: Bapak Wanmar is the government head of the Raja Ampat regency. While he was not directly involved in the lease, he has lent us his support.
- Bapak Mambrasa, Head of tourism for Raja Ampat: A number of meetings were held with Bapak Mambrasa, however it was his staff that were more helpful. Although friendly, the tourism department of Raja Ampat is very young and quite inexperienced. Very little direction and assistance was provided in arranging the lease.

Each of the above stakeholders were important in the formation of the agreement. The process began in early 2004 with a year spent on site surveys. In March 2005, meetings began in earnest with the land planning department to better understand laws governing land leasing in Raja Ampat. In May, we were introduced to the Camat who identified the land owners and facilitated a meeting with the village. Scheduling conflicts and the monsoon season delayed further meetings until September.

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During this delay, time was spent identifying investors to provide seed funding. In September the meetings resumed and we learned that the Camat had already shared the concept with the village leaders. We held meetings with the village and though they were very enthusiastic, both the Secretary and Kapala Desa were not present. Returning to Sorong, we met again with the Camat and the Village Secretary to draw up the lease agreement. The Village Secretary recommended a final meeting with the village to make certain they were very clear that they could not fish in the NTZ. This meeting was held and on November 28, 2005 the lease was signed.

Funding

Because the NTZ establishment was tied to the resort, we needed to secure funding for both MER and the NTZ to get started. The initial NTZ lease payment was funded through a private loan. Two financing rounds were necessary to fund the construction of the resort. Construction will be completed in September 2008 and the resort opens to guests in October 2008.

The MER Conservation Center will play a critical role in the future management of the NTZ and funding is now being sought for this non-profit entity. The Conservation Center will be responsible for oversight, research, projects, patrolling and regulations within the NTZ. Most importantly, it will ensure that the no take provisions are strictly adhered to and work to restore reefs that have been damaged by destructive fishing methods.

Perhaps the most urgent need is the establishment of full time patrolling of the NTZ. Currently the resort uses its boats to intercept any observed fishing activity or destructive anchoring. In addition, periodic patrols are conducted to let fishermen know the area is being watched over. If the NTZ provisions are not enforced from the onset, it is possible the agreement could collapse because a tradition of non-compliance will be established.

Finally, a second NTZ area is currently under discussion. This will require additional funding. As described in more detail below, it offers critical environmental benefits but only modest tourism value.

Conclusions

Opportunities

We have currently secured one site under lease, the MER NTZ. Though still early in the project, the last 1.5 years have demonstrated some great success with the majority of the fishermen honoring the NTZ.



We are under discussions to establish a second NTZ in a beautiful mini-archipelago just over 1 hour from the resort. It is far from the traditional fishing grounds of the communities that own rights to it, and hence only fished occasionally by them. Likewise, the resort will only make occasional use of it as there are many world class dive sites within 1-15 minutes of the resort. The driving motivation to secure this area is the fact that it currently acts as a base for outside fishermen who set up illegal camps and destructively fish in the Misool region. They pay no fees to the villagers and plunder the reefs of fish, turtles and sharks. Establishing an NTZ along with ranger stations and a patrol vessel could create an incredible sanctuary within Raja Ampat and provide a sustained financial return and ranger jobs to the villages who own the area.

Perhaps the most important factor maintaining the sanctity of the NTZ is the full time, long term presence of MER. Every day the villagers are reminded that the NTZ plays a critical role in the success of MER and

therefore their own personal incomes. Our model of a resort combined with an NTZ can be replicated in other parts of Raja Ampat as well as abroad.

It is worth noting that the NTZ was formed on the back of the resort, with the promise of employment more than justifying the sacrifice of a portion of the fishing grounds. This may be a good model for future NTZ development. The partnering of conservation groups with business enterprises can be a powerful force in marine conservation. The business enterprise can bring jobs and income while the conservation group brings programs, education and protection of resources. As time passes, the conservation group can transition its functions to the business and local community, thereby creating a completely self sustaining model.

Scale

The MER NTZ is operating at the local level both ecologically and politically. Though it covers an incredible abundance and diversity of reefs (200 sq. km), it is still relatively small in comparison to the larger MPAs in Raja Ampat. In addition, the area is leased from local villages and not a state or regional government.

If this model were embraced at the program level, NGOs could seek to group a number of private enterprises together in a given geography to support larger shared NTZs. This would require increased orchestration and collaboration between a large number of stakeholders.

Benefits to expanding this strategy include:

- Larger NTZs would provide greater protection for species that move and migrate more.
- Economies of scale as more stakeholders share in the cost of the NTZ.
- Increased monitoring and patrol with more stakeholders.
- Larger scale community impact thereby increasing longevity of NTZ.
- Creating a legal framework whereby future NTZs could be established more rapidly and be held to best practice standards.

Limitations to expanding this strategy include:

- A limited number of eco-resort operations can be sustained in any given area.
- Finding private organizations committed enough to take on the challenge is difficult.
- Identifying suitable locations where locals are willing to give up fishing rights is difficult.
- Patrolling and enforcing larger marine areas is costly but necessary, as poaching is rampant in MPAs.

Complementation

TNC, CI and WWF have been working together with the regional and local governments in Raja Ampat to establish a series of MPAs in the regency. These MPAs became officially recognized in December 2006 when Raja Ampat was declared a marine regency (or Kabupaten Bahari). The charter of the Regency is to focus on marine economics including marine tourism.

The broader MPAs will be zoned into different use areas including: traditional use, tourism, and strict conservation. The MPAs are still awaiting zoning and with a few exceptions, there are no NTZs in place. One of the MPAs covers southeast Misool. As they look to zone this region, TNC has expressed a desire to use the MER NTZ as the center of the larger NTZ for this MPA.

There is a great opportunity to form a complementary strategy which includes smaller private groups and larger NGOs such as TNC, CI and WWF. While these NGOs can work from the top down with central and local governments to change policies and establish broader conservation measures, the smaller private

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groups can work at the community level to implement them. In the case of MER, the NGOs broader efforts to establish MPAs in Raja Ampat combined with MER's grassroots work to establish its own NTZ made for a perfect complementary strategy. MER is on the ground 24/7. The staff is primarily from the local villages enabling closer and deeper relationships with the villages. The local leaders visit the resort and NTZ and see for themselves the conservation practice in action. Over time (two years now) they know from their own people's accounts that MER has adhered to the covenants of the NTZ lease and have been protecting it from outside intruders.

An NTZ is perhaps the most strict form of MPA and often the most controversial. As such, it necessitates real agreement from the community for it to be granted and actually adhered to. MER offers the kind of community integrated project necessary to secure this agreement and create "real" NTZs.

Lessons Learned

Things we did right and will continue to do:

- Selected an area of incredible biodiversity and abundant fish life.
- Chose an area where ownership rights could be established with reasonable confidence.
- Created an NTZ instead of an MPA (with managed fishing).
- Invested in relationships and secured agreement at the local and regional levels.
- Created a very real and long term economic opportunity for local community.
- Took a serious and uncompromising eco approach to the resort.
- Maintained a constant presence since day one.
- Kept our word when we made commitments to the local community.
- Engaged the community in the protection and improvement of the NTZ.
- Realized that constant face-to-face communication is essential in order for the NTZ to be correctly socialized and to avoid any misunderstandings

Things we did right but could do better:

- Constantly socializing the concept of the NTZ with the local community so they felt part of it (initially the younger members felt the elders had sold off a part of their heritage).
- Secured funding for the project prior to forming agreement.
- Understood the scope and complexity of the project in such a remote location.
- Provided for adequate transportation to and from MER.
- Accounted for the difficulty in regulating and patrolling the NTZ.
- Garnered local government support for implementing regulations for all the live-aboard and land based operators in the area.
- Established clear understanding with live-aboard operators regarding the rules and regulations of the NTZ.

Things we did not do but should have:

- Provided voice and data communications from the island.
- Secured funding for the establishment of Conservation Center.
- Employed a full time community relations officer.

Things we did not do and are glad:

- Established the resort without first securing the NTZ.
- Compromised our commitment to resort eco construction and operation.
- Compromised our commitment to provisions of the NTZ (i.e. allow the resort to fish but not villagers).

General Point: By not compromising on the "eco-ness" of our building practices we offer a clear visible message to the local community when they visit that we are really doing what we say we are - protecting the environment. They know we are doing good and that we are there to preserve the environment.

Recommendations

There are significant benefits to having a private enterprise work at a local/regional level to establish MPAs/NTZs. NGOs frequently focus primarily on issues of law, regulation, zoning, and management. These more global concerns are critical to the long term sustainability of MPAs and must be addressed. However, they take time, resources and patience. Moreover, many NGOs frequently view their role as temporary (months to years) with the objective of creating a self sustaining model. This also is an important objective.

In the meantime, we are all aware how rapidly critical marine habitats are being stripped of their resources. At the current rate of loss for marine habitats and fish populations, every day without protection is significant. In addition, many regions lack the proper infrastructure to provide much or any economic alternatives to local peoples. This is where private conservation groups coupled with business enterprises can fill the gap. Ecotourism can offer immediate jobs and income to the local community in exchange for the rights to establish MPAs/NTZs. The community sees immediate benefits from their decision and become advocates and enforcers of the MPA regulations. And finally, because the community and private enterprise depend upon each other and form long term relationships, there is a constant daily reminder of the importance of the MPA to the futures of both groups.