

## **Frequently-Asked Questions about The Nature Conservancy (TNC) in Komodo (August 26, 2002)**

*Although TNC has been working in the Komodo area since 1995, it is not always clear to everybody what TNC is trying to do. We have listed some of the issues that are frequently raised, and we want to address these issues to the best of our ability. If you have other questions, please put them in writing and forward them to our office in Labuan Bajo, Flores or to our office in Bali (contact details below<sup>1</sup>). We may not always be able to provide an answer directly, but we will do our best to find out as soon as we can!*

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### *1. What does TNC do?*

The mission of The Nature Conservancy is to preserve plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive.

### *2. So does TNC only care about plants and animals?*

No. TNC thinks that the survival of plants and animals is essential for the well-being of humankind. This is the primary reason for TNC being interested in nature protection. Furthermore, TNC acknowledges that nature protection and development of local communities must go hand in hand. Therefore, TNC is supporting the development of coastal communities by helping them to find a sustainable source of income.

### *3. Why is TNC here, in Komodo?*

Komodo National Park is a unique place: Not only is it the last remaining habitat of the Komodo dragon, its seas are also home to an exceptionally high number of fishes, corals and other creatures. TNC wants to help protect this special place for the local communities, for the people of Indonesia and for humankind. In 1995, TNC was invited by the Indonesian Park authority (PHKA) to assist with the management of Komodo National Park.

### *4. I hear TNC is a very rich organization. Is that true?*

Yes and no. A better way of putting it would be to say that TNC has been fairly successful in getting donors interested in Komodo National Park. Of course, we cannot expect Komodo to be dependent on donors forever. Therefore, TNC has been developing a plan to make the Park financially self-sustaining. This plan is the tourism concession (see questions below).

### *5. How many 'orang asing' are involved in the TNC program in Komodo?*

Three, and their names are Jos Pet, Peter Mous and Mark Heighes. Often, foreigners (as well as Indonesians) work on a short-term contract for the program in Komodo. For instance, Phillip Arumugam, a Malaysian citizen residing in Australia, helps constructing the hatchery, and Ron Lilley, a UK citizen, helps integrating the various modules of the conservation program. All other staff (ca. 80 people in Labuan Bajo and 20 people in Bali) are Indonesian.

### *6. What do the local people get out of TNC's work in Komodo National Park?*

Probably the most important benefit to local people is that TNC's conservation work in Komodo helps to safeguard the Park's function as a source of young fish for surrounding fishing grounds. To better understand this, one needs to understand the problem of over-fishing and the role that Marine Protected Areas such as Komodo National Park can play to help abating this threat. Over-exploitation means that the fishery is taking more fish than the reef can produce. This may be caused because there are ever more fishers, or because the fishers start using better gear, or a combination of both. Recent research by various agencies shows that over-

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<sup>1</sup> [www.komodonationalpark.org](http://www.komodonationalpark.org)

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exploitation is rampant on Indonesia's coral reefs. This is where establishing Komodo as a Marine Protected Area comes in: By setting aside some of Komodo's reefs, so that fish and other 'seafood' species can grow and reproduce, these reefs function as capital or 'money in the bank'. The capital will yield interest (fish) for future generations. In most other areas in Indonesia, the capital has long vanished, leaving coastal communities with a choice to settle for low-valued fish, to find other fishing grounds (thereby causing the same problem elsewhere), or to find another occupation. The Park will make sure that at least in the Komodo area, there will always be an opportunity for responsible fishers to make a living. This valuable benefit is provided by the Park itself –TNC merely helps making sure that the Park can continue providing this benefit. But TNC is also directly helping with the development of local communities who are committed to conservation by implementing projects that serve conservation objectives. An example is the pelagic fishery development project, where TNC is helping local communities to make a living by fishing in the open seas for tuna and related species. Another example is the seaweed culture project that is very popular with the people from Sape. Also, the development of eco-tourism will benefit local people, and other initiatives, such as fish culture, are being planned. Of course, it takes time for these projects to reach all people, and also not all projects are equally successful!

*7. Is TNC doing business in Komodo National Park?*

No. TNC is a non-profit organization, and therefore TNC is constantly being scrutinized by external auditors to make sure that no profit is being made. TNC would immediately lose its non-profit status once violation is demonstrated. This would have enormous negative implications for TNC worldwide. Of course, TNC can still help other businesses to develop, as long as these businesses support conservation. The bottom line is that these businesses will not provide profit to TNC, nor to her employees.

*8. So where does TNC get the money for working in Komodo?*

TNC gets its money from private donors and from institutional donors who are interested in conserving Komodo National Park, and who think that TNC is well-positioned to help achieving this objective. Examples of such donors are the Packard Foundation, USAID, the Hardner Foundation, the Keidanren Nature Conservation Fund, and many, many other organizations and individuals. As an international organization, TNC cannot raise funds in Indonesia. However, TNC can work together with Indonesians interested in nature conservation –for example, the land of the hatchery that is currently being constructed in Loh Mbonghi is owned by an Indonesian partner.

*9. The roads in Labuan Bajo are very bad, especially the road to the airport. So why does TNC not help with repairing those roads?*

The money that TNC has available was given to TNC because donors expect TNC to fulfill its mission 'to preserve plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive'. Hence, TNC's Komodo project is not free to use the money for anything that may benefit local communities – repairing the road to the airport, though beneficial to the local economy, does not serve a conservation objective, and therefore this should be done by other agencies or organizations. Besides, although TNC has been able to raise significant amounts of money, it would still not be enough to pay for everything that could be improved in Labuan Bajo.

*10. I hear TNC is arresting people for fishing. Is that true?*

No. TNC, as an international NGO cannot make arrests. TNC has helped local enforcement agencies to do their work by providing, for example, boats to patrol the Park. Only fishers who use illegal methods, such as blast fishing, cyanide fishing or fishing in a no-take zone, are being arrested.

*11. I hear that TNC is making a profit out of selling fish. Is that true?*

No. See also question 7. Some people think that TNC is in the fish business because TNC is now constructing a fish hatchery. This hatchery is a pilot project, and the objective of this pilot project is to show that fish culture can be done in Labuan Bajo in a sustainable and economic way. Once this has been proven, TNC will hand over the project to a local business, a local institute, or to a fisherman's cooperative. TNC is interested to develop fish culture because we think that fish culture may encourage fishers shifting from catching fish to culturing fish, thereby reducing the threat of over-exploitation (see Question 6). Also, we hope that the model and techniques we develop will help to transform the trade in live food fish from an unsustainable, capture-based to a sustainable, culture-based industry.

*12. Will TNC sell or give hatchery-produced fingerlings to the local communities?*

TNC aims to help local communities setting up a business in fish culture. We will do so by providing training and by making fingerlings available to trainees. So, initially TNC will give fingerlings to those villagers who choose to participate in a training program. Once there are sufficient trained fishers who are interested to become fish farmers, TNC will look for a responsible partner to take over the hatchery. This partner may be a local business, a fishermen's cooperative or an Indonesian governmental research or training institution. Whomever is then responsible for the hatchery will have to work out together with the fish farmers how to go about recovery of costs for producing fingerlings. There are many different ways to accomplish this, but it is still too early to say which way will work out best.

*13. How did TNC get its broodstock?*

A large part of the broodstock were caught as fingerlings during the 'gango' project. This project was abandoned because of the possible negative effects to the environment, but the fish were kept. These fish have now reached sexual maturity. Other fish (*kerapu tikus* and *kerapu macam*) were bought from local fishers. Fortunately, our broodstock is now complete, and presently we buy less than one fish per month to replace fish that died because of sickness or old age. We think that once the hatchery starts producing we will not have to buy any wild-caught fish any more – we can just use some of the hatchery-produced fish.

*14. I sometimes see the TNC speedboats taking out SCUBA divers and snorkelers. Are those people tourists?*

No. Mostly, the divers are members of the monitoring team (staff of the Komodo Field Office, Park rangers, and sometimes volunteers). TNC is implementing monitoring programs that provide the Park management with information. For example, the coral monitoring program showed that the coral reefs are gradually recovering in the Park, whereas the fish monitoring program showed that the grouper stocks are still at a very low level. Also, the speedboats are sometimes used to show donors, journalists and government officials the Park. We use speedboats instead of local boats because these people often have very little time during which we would like to show them as much of the Park as possible.

*15. Why is TNC spending so much on monitoring?*

TNC currently spends about 7% of its total budget for Komodo on monitoring. Monitoring is necessary to understand what is going on in the Park, and it also helps keeping illegal fishers out! Only if we understand what is going on in the Park, we can be efficient in managing the Park.

*16. Why does TNC employ so few local people in its extension program?*

The Community Awareness and Education team comprises 7 positions (whereof two are vacant). Of the five positions that are currently (June 2002) filled in, three are taken by residents of the Komodo area (Labuan Bajo and Sape). Of all 79 people currently employed (long-term and short-term) by TNC in Labuan Bajo, 59 are locals (West Flores, Komodo islands, East Sumbawa).

*17 Why does TNC forbid local people to catch teripang (and other fish)?*

In principle, TNC does not forbid local people anything –TNC cannot do so because TNC is an international non-governmental organization and as such TNC has no mandate to enforce any regulations. Of course, TNC does assist in the enforcement of Park and of district regulations that pertain to fishing inside the Park. One of these regulations is the ban on using a hookah compressor. This regulation is implemented by the local government, therefore by the people of Manggarai themselves, as they are represented in the local government. It is important to remember that the zoning plan for Komodo National Park actually allows for fishing in large areas in the Park, namely in the Traditional Utilization Zones and in the Pelagic Use zones. Besides these ‘utilization’ zones, there are also ‘no-take’ zones. These ‘no-take’ zones are necessary to make sure that fish can reproduce, thereby replenishing the utilization zones and the fishing grounds around Komodo National Park.

*18. What does the cooperation between TNC and the Park authority (Balai Taman Nasional Komodo, BTNK) look like?*

TNC was invited by the national Park authority (PHKA) to become involved in conservation management in Komodo National Park. This cooperation was formalized in a Memorandum of Understanding (MOU). In practice, TNC and BTNK implement field activities together. For instance, most monitoring and community awareness activities are carried out by a team that comprises both TNC staff and Park rangers.

*19. OK, I understand that TNC’s obsession is the conservation of Komodo National Park. What is TNC’s next step?*

Although TNC cares deeply about the marine environment, TNC is not ‘obsessed’ with anything. We do not go beyond our objectives for Komodo: protection of biodiversity in Komodo National Park and safeguarding Komodo National Park as a source of recruits (‘seed’) for surrounding fishing areas.

*20. TNC seems to be working only with residents of the Komodo area who are either Bajo or originally from Sulawesi. Why is this?*

This is because in the field TNC works with people who are living in the coastal area, and most of the coastal people happen to be Bajo or originally from Sulawesi. So it is a coincidence, not a choice, that TNC tends to work a lot with Bajo or Sulawesi people. TNC does not apply selection criteria that are based on ethnicity in any of her activities.

*21. TNC always works by itself. Why?*

This statement is not true. TNC works primarily through partnerships. Our main partner is the Park authority, and there are many, many other individuals, organizations, government agencies, research institutes and businesses we frequently work with.

*22. Why does TNC always try to help local people? Is there some hidden agenda or so?*

TNC believes that conservation of nature must go hand-in-hand with development of local people. We believe that if local people can get a livelihood that can be sustained over the generations, they will seize that opportunity. There are already so many commercial species that have nearly disappeared from the Park (sharks, big groupers, lobster, mother-of-pearl, giant clam, abalone etc.), we think it is time to develop livelihoods that conserve, rather than deplete natural resources. We try to help local people in finding such a sustainable livelihood by helping them to become involved in pelagic fishery, in seaweed culture, and in fish culture. There is no hidden agenda.

23. *To what extent is TNC committed to working with local NGOs?*

At present, TNC supports the fishery cooperative 'Harapan Keluarga' and its sub-groups. TNC will support local NGOs that are committed to nature conservation and with expertise with development and that have proven to be effective in nature conservation. TNC will also support projects of NGOs that in some way contribute to nature conservation, even if the NGO itself has other objectives such as the development of local communities. An example of such an organization is 'Harapan Keluarga'. Unfortunately, effective local NGOs dedicated to nature conservation do not exist in the Komodo area, which is why TNC got invited to work in Komodo in the first place.

## **Frequently-Asked Questions about The Nature Conservancy (TNC) in Komodo –**

### **The Concession, the Joint Venture and Collaborative Management**

1. *I hear that TNC is trying to get a monopoly to the Park. Is that true?*

No. TNC, together with a local tourism entrepreneur (Feisol Hashim) have formed a Joint Venture ('Pt Putri Naga Komodo') that has applied with the Indonesian Park authority for a concession to manage tourism in Komodo National Park. In this Joint Venture, TNC has a majority share. The concession will allow the JV improve Park infrastructure, to develop the Park as an eco-tourism destination and to collect entrance fees. The purposed of setting up this JV is to make Komodo National Park financially self-sustaining. Revenues will be re-invested in the Park. TNC will make sure that no exclusive or preferential rights to any aspect of Park entry or use will exist in any form, to anyone.

2. *Why has TNC chosen to form a Joint Venture to implement the Concession?*

This was because TNC itself cannot apply for a Concession under Indonesian law: Indonesian law requires that a Concession can only be granted to a company with an Indonesian shareholder (not to a foreign or national NGO).

3. *Why is Mr Feisol Hashim a partner in this Joint Venture, and not somebody else?*

At the time this idea was born, Mr Hashim was the most suitable partner around. Mr Hashim knows the area well, he owns land in and around Komodo National Park, and, as a tourism entrepreneur with a vested interest in the area he is concerned with the conservation of Komodo National Park as a valuable eco-tourism destination. Furthermore, Mr Hashim, as a member of various national and international tourism boards and councils is well-positioned to bring Komodo National Park to the attention of the tourism industry. By the way, other businesses and organizations are free to apply with the national Park authority (PHKA) for a concession by themselves.

4. *Will the Joint Venture, or any of the entities in the Joint Venture, benefit financially from operating the concession?*

No. Shareholders will not, under any circumstances, make any financial gain from the company established for this purpose as stated in the JV Articles of Association.

5. *Will there be any hotel or resort development in the Park?*

No. Not even on Pulau Mauan.

*6. Why is it not allowed for the private sector to develop hotels or resorts inside Komodo National Park?*

Komodo National Park is a UNESCO World Heritage Site and is internationally renowned as a unique storehouse of biodiversity. Development of hotels or resorts inside the Park would decrease the nature value of the area -not only because these hotels would take up space, but also because hotels would cause pollution in the Park. Furthermore, the dry terrestrial ecosystems of the Park cannot sustain further extraction of water needed for hotels and resorts. Fortunately, there is an opportunity for the tourism industry to develop hotels in the area surrounding the Park.

*7. What is this Collaborative Management Initiative that I have been hearing about?*

Presently, only the Park authority has a mandate to manage the Park. The Collaborative Management Initiative (CMI) aims to involve more parties. The parties represented in the Collaborative Management Initiative are the Park authority (PHKA), the local government (PEMDA), and the Joint Venture. The Collaborative Management Team will be advised on matters pertaining to Park management by a Council representing local communities, the tourism sector and government agencies. For instance, the Council may advise to adapt a proposed regulation to make this regulation more acceptable to the stakeholders.

*8. Why is TNC not giving more details on the Concession and the Collaborative Management Initiative?*

Because these initiatives are still in the design phase and subject to the outcome of negotiations with all partners involved, TNC cannot always give details. Chances are that the details will turn out different than expected! However, we will provide regular updates on any new developments.

*9. I hear that TNC is organizing tours for representatives from the government and the Park authority. Is that true?*

Yes. TNC organized a study tour to the Galapagos Islands (South America) in February 2001, and sometimes government officials are invited to attend meetings, workshops and conferences on coral reef conservation.

*10. Will TNC, the JV or the Collaborative Management Team close all local tourism operators down?*

No, on the contrary: As TNC acknowledges the importance of a strong, local tourism industry, TNC will develop a support program for local entrepreneurs to bring their businesses to international standards. Furthermore, there will be no exclusive or preferential rights to any aspect of Park entry or use will exist in any form, to anyone.

*11. Is TNC trying to privatize all aspects of Park management? (In other words, will the Joint Venture be responsible for all aspects of Park management?)*

No. Under the Collaborative Management Agreement, the JV will co-manage the Park, but ultimately the mandate for Park management (including enforcement) in the Park will continue to reside with the Directorate-General of Forest Protection and Nature Conservation of the Ministry of Forestry (PHKA). It is important to note that the Concession for Eco-tourism management is granted to the JV by PHKA, and that PHKA can also revoke the Concession if deemed necessary.

*12. When will the Collaborative Management Agreement come into action?*

We hope that the agreement will be signed in the year 2002.

*13. What will happen with the profits realized by the JV?*

If the revenues from the Park entrance fees exceed the operational expenses, the surplus (profit) will be channeled back into conservation management. For instance, the profit may be used for another community development project, to develop a new monitoring activity, to install additional mooring buoys or the profit may be deposited in a fund that will cover deficits during years when revenues from entrance fees are less than expected.

*14. How come that one of the Joint Venture partners, Mr. Feisol Hashim, owns an island inside Park boundaries (Pulau Mauan)?*

This is because of revisions in the Park boundaries over the last 10 years: Pulau Mauan used to be just outside the Park, but now it is well within the Park. Mr Hashim bought the island when it was outside the Park. In fact, over the period 1990-1998 four versions of the boundaries of Komodo National Park circulated. The commonly used version of 1997 was the one that excluded Pulau Mauan. The current version that includes Pulau Mauan was officially endorsed in 2001 (PHKA reference 65/Kpts/DJ-V/2001).

*15. So Mr Feisol Hashim owns the island, whereas the island is under the jurisdiction of the Park authority. How does the Joint Venture and the Collaborative Management Team go about this predicament?*

All partners in the Collaborative Management Team, including Mr Feisol Hashim, have agreed to work within Park regulations. Park regulations state that there will not be any hotel or resort development inside the Park, and this also holds for Mauan.

*16. Is Pt Putri Naga Komodo a closed or open joint venture (JV)?*

Pt Putri Naga Komodo is a closed JV company, but under specific conditions specified in the charter of the company, the two shareholders can transfer their shares to other parties if the JV partners and the government agree (e.g. exit strategy from the park for both shareholders).

*17. Do the funds that support Pt Putri Naga Komodo result in a debt?*

All funds in support of the JV are grants and therefore these funds will not add to the debt burden.

*18. So Pt Putri Naga Komodo will only manage zones that are designated as 'intensive tourism use' in the endorsed zoning plan for Komodo National Park. How will surveillance be organized?*

Presently, the Park authority and other government agencies (Water and Aviation Police, Navy etc.) are responsible for surveillance in Park waters. Once the Joint Venture is in operation surveillance in Park waters will be coordinated by the Park together with Pt Putri Naga Komodo, but surveillance will still be implemented by the relevant enforcement agencies. Any Pt Putri Naga Komodo staff involved in surveillance will have a role that in some ways is comparable to a private security service.

*19. When is the expected break-even point for Pt Putri Naga Komodo?*

The break-even point expected in the 7th year of operation.

*20. What percentage of the revenues collected by Pt Putri Naga Komodo will be allocated to the government?*

Over years 1-7, total revenues paid to the government are expected to increase in absolute terms. Over the same period, the percentage of total revenues collected by Pt Putri Naga Komodo due to the government dues will decrease gradually from 20% to 15%.

*21. The 25 Year Management Plan for Komodo National Park mentions Park infrastructure, but there is nothing about community development projects such as the projects that are currently being carried out by The Nature Conservancy and Balai Taman Nasional Komodo. Is there any master plan that outlines what will happen to these community development projects?*

The tourism concession project of Pt Putri Naga Komodo is dependent on funding from the Global Environment Facility (GEF). The proposal to GEF gives ample consideration to community development that is supportive to the objectives of the Park. So GEF funding will partly be used for community development projects.

*22. I hear rumours that the government has a plan to relocate communities that are presently living within Park boundaries. What is the position of Pt Putri Naga Komodo regarding this matter?*

In principal, re-location is a government matter and the Joint Venture will abide by governments policies. However, the Joint Venture will expect that re-location costs will be carried by the government. The Joint Venture will be more pro-active to prevent further encroachment into the Park, and the Joint Venture will work together with the local government to overcome this challenge.