

## THE 4TH THREAT WAVE OF FOREST IN ARU ISLANDS:

FOREST EXPLOITATION PERMITS AND  
CARBON TRADING PLANS ON THE SMALL  
ISLAND OF ARU, MALUKU.



## **PROLOGUE: THE RE-ENTRY OF LARGE-SCALE INVESTMENT PLANS INTO THE ARU ISLANDS**

The Aru community has a long history of tenure conflict against large-scale land investment plans that threaten their living space. Since the 1990s, the community has been confronted with corporations exploiting forests and fish resources in Aru. In 2013, the community strongly rejected plans for sugar cane plantations covering almost 70% of Aru's land area. Finally, in 2018, the permit for the largest cattle ranch in Indonesia, around 61,000 hectares in South Aru, was received and received a response of rejection from the community.



Currently, all these threats are back in various new forms and faces. In 2021, PT Wana Sejahtera Abadi re-activated natural forest utilization permits (PBPH-HA) covering an area of 54,560 hectares on the small islands of Wokam and Woham, Aru Islands. There are four sub-districts, namely District Aru Utara Timur Batuley (villages Kobamar and Kompame), District Sir-Sir (Bardefan and Goda-Goda villages), District Aru Islands (Gorar, Lau-Lau, Tungu, Tunguwatu, and Nafar villages), and District Aru Tengah (Selibata-Bata and Wakua villages). These four sub-districts are affected by this company's activities. PT Wana Sejahtera Abadi received strong resistance from the Aru community, so the company's activities have not operated since the permit was issued in 2012.

In addition, in June 2022, the Maluku Provincial Government issued letters of recommendation for PBPH permits for two companies with a total concession area of around 191,955 hectares<sup>1</sup>. PT Bumi Lestari Internasional and PT Alam Subur Indonesia are subsidiaries of Muller Karbon Kapital, part of the large holding company Melchor Group Indonesia or Melchor Tiara Pratama (MTP)<sup>2</sup>. This company is trying to develop a carbon trading project called the Cendrawasih Aru Project, which covers an area of 591,957 hectares.<sup>3</sup>

<sup>1</sup> Recommendation Letter from the Governor of Maluku No. 522/1671, 1672, 1673, 1674 regarding the application letter for a permit to try to utilize forests in the Aru Islands district. June 20, 2022.

<sup>2</sup> <https://www.melchorgroup.co.id/>

<sup>3</sup> <https://www.roxi.earth/en/carbon-information>

From September 2022 to April 2023, PT Wana Sejahtera Abadi and Melchor Group continued conducting field visits to Aru villages within their concession area. The impact of this visit has caused unrest in the community, which has the potential to cause conflict. These two companies also could have carried out outreach honestly and transparently to the public.

In November 2022, PT WSA visited Tunguwatu village. The WSA asked permission from the landowner of the Gorfan clan in Tungu Watu village. They borrowed a plot of land measuring 50 x 50 meters to make a nursery for nutmeg seeds. The WSA provided no socialization regarding forest utilization permits and operational plans to the community. Landlords are only asked to sign documents without any prior explanation regarding the document's contents.



Figure 1 Information on the Melchor Group Carbon Project on the website of its subsidiary Roxi

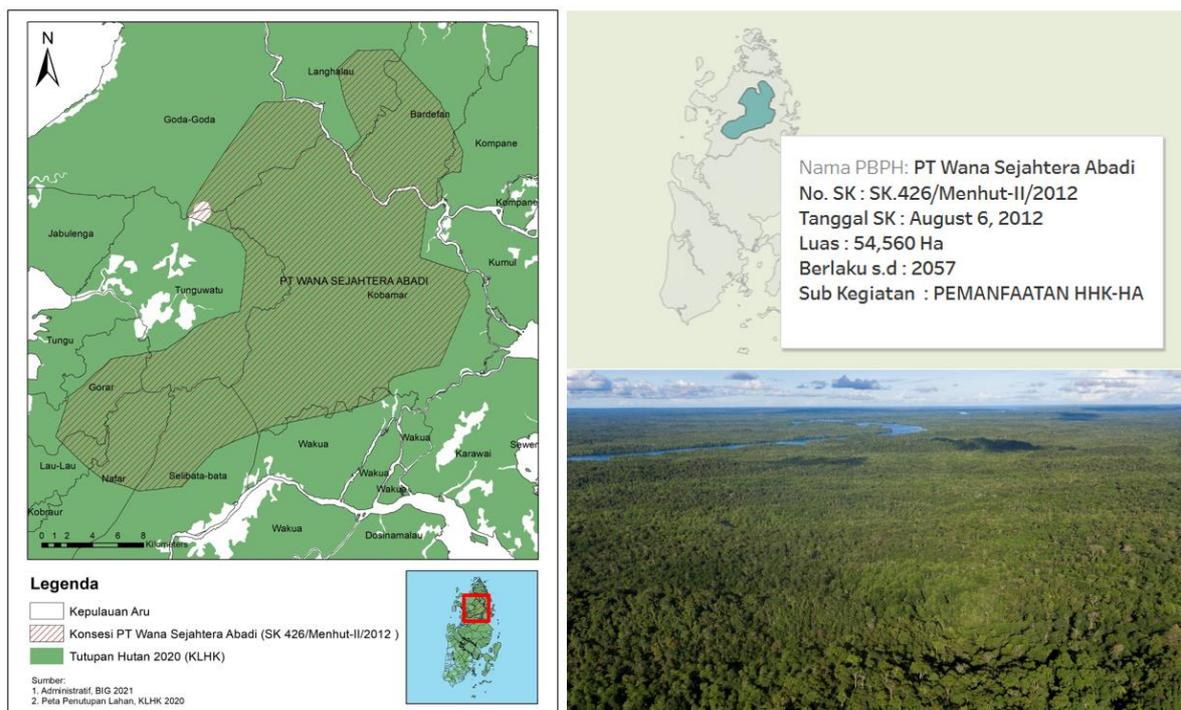


Figure 2 Map of PT Wana Sejahtera Abadi's concession permit on Wokam Small Island, Aru Islands

Likewise with the Melchor Group. Since coming to the Aru Islands in 2022, there has yet to be any outreach to the community regarding carbon trading. Melchor's Group only conveyed plans to cultivate mangrove crabs and seaweed in several villages in Aru Tengah, Aru Tengah Timur, and Aru Utara Timur<sup>4</sup>. When the letter of recommendation for the PBPH permit (Forest Utilization Business Permit) came out from the governor, the community called for a rejection of the Melchor Group<sup>5</sup>. Even in March 2023, the assembly rejected the presence of the Melchor expert team to conduct an environmental impact study.

Until now, the wave of rejection of the presence of these two companies continues to grow in the Aru community. In early November 2023, representatives of the Aru Community submitted letters of rejection to the Ministry of Environment and Forestry from the affected villages. Likewise, #SaveAru coalition activists believe that this is a plan to destroy forests and usurp the traditional territory rights of the Aru indigenous people.

## THE ROOT OF THE PROBLEM THREAT TO THE ARU ISLANDS

Even though all these investment plans were rejected and successfully cancelled several times, the root causes of all these problems still need to be resolved. The results of the FWI study found that at least three root causes are causing the threat of natural resource-based extractive industry permits that continue to arrive in Aru. The following is the explanation;

### 1. Misperception in seeing Aru Island as a single, large continental landmass.

Aru is not a complete stretch of land, as seen on the map. This area consists of small islands. There are hundreds or even thousands of small straits. These straits divide a group of small islands in the Aru Islands. The straits in the Aru Islands look like rivers. Because of that, many people think this area is one immense landmass. This wrong perception is also adopted in forestry policies and development strategies for the Aru Islands region.

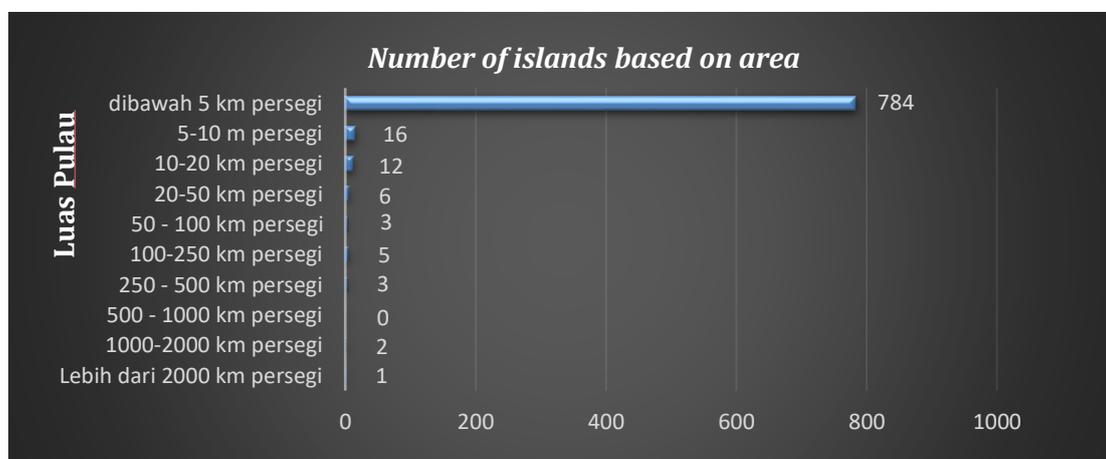


Figure 3 Number of islands based on area (FWI analysis)

<sup>4</sup> The list of villages visited by the Melchor Group is Lorang, Juring, Batu Goyang, Kumul, Karaway, Koba Selfara, Manjau, Warloy.

<sup>5</sup> Based on the rejection letter from the community in the Fanaan traditional community on August 10 2023

## **2. The current approach to determining forest areas is overly focused on land.**

Almost the entire land area of the Aru Islands is designated as a forest area. Through the Minister of Forestry Decree No. 854/Menhut-II/2014 policy, the Aru forest area is determined to be around 779,031 hectares or 96% of the total land area. Breaking down the proportion of forest area functions, most of Aru's land area is designated as a forest area with production forest (HP) functions, namely around 87% or 705,450 hectares. Only around 9% is defined as a protected function, namely 67,243 hectares of natural reserve areas and 6,337 hectares of protected forests. These forest area functions are located on more than 832 small islands in Aru.

Production forests have a large functional area which can be used for various purposes like logging and releasing forest areas. Generally, permits for the forestry extractive industry are issued in production forest areas. However, the current determination of the function of existing forest areas in Aru has not considered ecological aspects and the carrying capacity of the islands. This can have a significant impact on the island's environmental carrying capacity as forest utilization activities can exhaust all the forests on the island.

The current forest area policy perceives the land and forests in Aru as unoccupied and barren. This belief is reflected in the allocation of only 4% of Aru's total land area for other purposes. However, most of the village settlements in Aru are situated around forests, and the community's relationship with the environment is multi-faceted, encompassing social, economic, cultural, spiritual, and political aspects.

## **3. The potential and socio-cultural conditions of small islands are often overlooked in the concept of regional development.**

In the Aru Islands Regency Regional Spatial Planning (RTRW) policy for 2012-2032, around 30% of Aru's land area is protected, and the rest is a cultivation area. Protected areas stretch across several islands, such as the protected forest around East North Aru, the Kobror Island habitat reserve, and Baun Island. Meanwhile, the cultivation areas are spread across every island, and most regions are used for agriculture and plantations.

The existing spatial pattern plans and utilization directions are inversely proportional to the condition of the land and its current utilization. For example, Wokam Island has a PT Wana Sejahtera Abadi PBPH concession permit. Wokam Island is designated as a forest area in the form of a production forest and conversion production forest. The direction for its use is mainly for land conversion activities such as plantations and logging. Wokam Island is a small island that is vulnerable to environmental changes, one of which is the availability of freshwater.

The case is different on Trangan Island, where companies have repeatedly requested permission for investment activities in sugar cane plantations and cattle breeding. Referring to the directions for space utilization does support this activity. However, the savanna there is not an empty, uninhabited space. But it has an essential meaning for the people who live there because they continue to carry out the Tordauk traditional traditions passed down from generation to generation yearly.

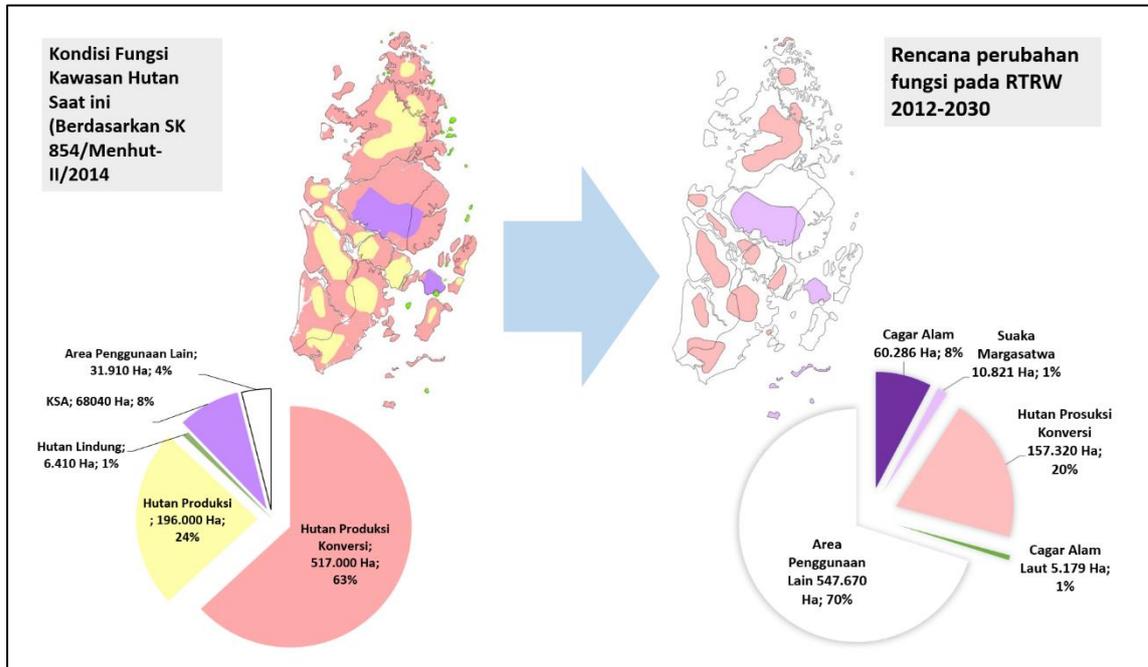


Figure 4 Situation of forest areas and regional spatial planning of Aru Islands District

# IMPACT OF FOREST EXPLOITATION AND CARBON TRADING BY COMPANIES IN THE ARU ISLANDS

## The Distinctive and Vulnerable Ecology of Small Islands

The Aru Islands are a group of small islands in the middle of the Arafura Sea. Small river-like straits separate more than 800 islands<sup>6</sup>. Referring to the Coastal and Small Island Management Law<sup>7</sup>, only one island is included in the large island category, namely Trangan Island, with an area of 2300 km<sup>2</sup>. The rest are categorized as small islands. Administratively, Aru is included in the Maluku Province region. However, this archipelago has close connections with the Papua region<sup>8</sup>.

The small islands of Aru have a geographical landscape that is very vulnerable to environmental change. Most of the island's land area is formed on karst rocks with low topography, almost parallel to the highest sea tides. This results in the absence of a large river basin (DAS) in the Aru Islands. Fresh water is challenging to find in most areas of Aru. Therefore, plans to exploit forests on small islands will have high risks and impacts on the surrounding environmental conditions and require very high ecological costs.



Figure 5 Map of the Aru Islands (Top), a group of small islands separated by a strait (bottom left), and islands formed on karst rocks (bottom right).

<sup>6</sup> Forest Watch Indonesia Study 2019

<sup>7</sup> Law no 1 of 2014 concerning Coastal and Small Island Management

<sup>8</sup> Cahyono Eko et al. 2019. Papua Bioregion: Forests and People. Forest Watch Indonesia

## Threat of Damage to Natural Ecosystems and Endemic Animal Habitats

The Aru Islands boast a remarkable ecosystem brimming with rare and endemic biodiversity. Impressively, over 75% of the island's land area - approximately 705,000 hectares - remains largely untouched and adorned with tropical rainforest<sup>9</sup>. The mangrove ecosystem is particularly noteworthy, boasting a rich diversity of 25 species across 11 families. Spanning roughly 156,524 hectares<sup>10</sup>, this coastal stronghold plays an integral role in preserving the islands' natural balance. Additionally, the southern savanna ecosystem spans as far as the eye can see, providing a vital habitat for deer and other wildlife.

The Aru forest ecosystem is home to a diverse range of endemic animal species. Due to the location of the Aru Islands on the Indo-Australian plateau, the ecological makeup of the animal population is similar to that found in Papua and Australia. It's worth noting that some animal species in the area are endangered and have protected status such as Aru's Wallaby (*Thylogale brunii*), two types of cuscus (*Phalanger gymnotis* & *Phalanger intercastellanus*), Aru's Bat (*Pteropus aruensis*), Aru's Lizard (*Varanus beccarii*) and Green tree phtyon (*Morelia viridis*).



Figure 6. Large meranti tree in the Aru forest (top left), Aru yellow bird of paradise (*Paradisaea apoda*)(top right), king of paradise (*Cicinnurus regius*) (bottom left), landscape of the Aru forest ecosystem (left -lower)

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<sup>9</sup> Forest Watch Indonesia Forest Cover Analysis 2021

<sup>10</sup> Mangrove Cover Data Ministry of Forestry and Environment 2018

Apart from that, there are around 185 bird species in the Aru Islands<sup>11</sup>. Around 34 types of them have protected status. Several types of birds in Aru that are protected are the large yellow bird of paradise (*Paradisaea apoda*) and the king of bird of paradise (*Cicinnurus r. regius*). Cassowary (*Casuarius casuarius*), King Cockatoo (*Probosciger aterrimus*), Cockatoo (*Cacatua galerita*), Rainbow Lorikeet (*Trichoglossus haematodus*), Aru Parrot (*Chalcopsitta scintillata*) and others.

## Threats of Land Grabbing and Damage to the Local Tenurial System

The threat of land grabbing and damage to the local tenurial system can have a devastating impact on the Aru's traditional way of life. The land, forests, mangroves, rivers, and seas are all integral to the livelihoods of the Aru people. With a population of approximately 102,920 individuals<sup>12</sup>, the Aru people have lived in harmony with the forest for generations. They inhabit 119 villages spanning from the eastern tip of Batu Goyang to the north of Waria Lau.

In the Aru community's tenure system, the clan collectively owns and manages the natural and agrarian resources at the local level. This is done through jurisdictional areas known as Petuanan<sup>13</sup>. The Petuanan region is a significant part of the Aru indigenous people's identity, as it is where their customs and culture originated. The preservation of the land and forests is a legacy left by their ancestors, and it is a message they hope to pass on to future generations of children and grandchildren.

The intrusion of corporations through large-scale land control poses a threat to the traditional communal tenure system, leading to the conversion of natural resources from communal to private ownership. The fencing off of these resources results in restricted community access, ultimately diminishing their rights to vital natural resource areas that have long served as a source of livelihood for the community.

## Disruption of Community Livelihoods and Economy

For generations, the Aru indigenous people have relied on nature for their livelihood, carefully preserving the environment for future generations. The changing seasons play a crucial role in their daily lives, as they adapt their practices to the conditions around them. During the high sea season (west), they turn to the forest for hunting and gathering. Conversely, during the calm sea season (east), they take to the sea and explore the mangrove forest for bia (shellfish) and crabs.

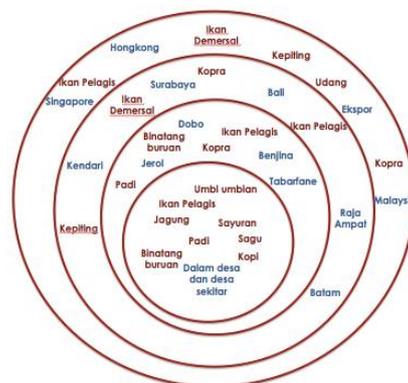


Figure 7 Economic Commodity Chain of the Aru Islands Community. (Source: FWI and P4W IPB)

<sup>11</sup> Aru Islands Bird Checklist Indonesia, Michael K. Tarburton, Pacific Adventist University

<sup>12</sup> BPS, 2021

<sup>13</sup> Petuanan is a traditional territory of the Aru people which has been owned for generations

Beyond relying solely on sea and forest resources, the Aru people cultivate a variety of staple foods including rice (*Oryza sativa*), corn (*Zea mays ceratina Kulesh*), sweet potato (*Ipomoea batatas*), gembili (*Dioscorea esculenta*), cassava (*Manihot esculenta*), and local vegetables. This enables them to meet their basic needs in an independent and self-sufficient manner. Additionally, several other commodities such as mangrove crabs, sea cucumbers, and seaweed play a vital role in supporting the local economy.



Figure 8 Community livelihood activities include catching crabs and hunting.

## Gradual Loss of Local Knowledge and Wisdom

The Aru people rely on their rich traditions and local knowledge to manage their natural resources. This encompasses collective ownership and dissemination of knowledge, beliefs, and customs throughout the entire community. Such practices have been in place for generations, underscoring the deep-rooted nature of communal life.

For instance, the inhabitants of Aru possess valuable insight when it comes to safeguarding biodiversity. In areas where mangrove forests abound, locals hold the belief that the mangroves serve as an indicator for optimal crab-catching opportunities. For instance, in Kobamar, the mangrove *Xylocarpus sp*, or *Lairatu* as it is known in the local tongue, serves as a marker for the right time to harvest crabs. When the *Lairatu* leaves turn yellow and begin to fall, it is a sign that crabs are reaching maturity, and that is the prime moment for crab-catching, yielding maximum results.

Different from the *Dal Sir Savai Dam Sir Aja Jelburom Matvui*<sup>14</sup> in the Aru Utara Timur community. The community applies marine *Sasi* in the form of a prohibition on taking sea cucumbers for a period of 3 to 5 years. *Sasi* is a form of local wisdom that is still preserved in eastern Indonesia, especially in the Maluku islands and the land of Papua, which is a way of regulating the harvest of certain resources (marine and land life) within a predetermined period. The goal is that resources can remain sustainable and be taken appropriately. The ban on *Sasi* provides sufficient time so that biological resources in nature can have time to reproduce and restore populations.

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<sup>14</sup> Heatubun SY, Lewier M, and Latupeirissa E. 2020. Batuley Oral Literature in the Dal Sir Davai Dam Sir Aja Jelburom Matvui Traditional Ceremony in Kabalsiang Village, Aru Utara Timur District, Batuley, Aru Islands Regency. <https://doi.org/10.30598/mirlamvol1no2hlm265-286>

## **Hindered of efforts to recognize indigenous territories and communities**

It is worth mentioning that following the sugar plantation threat in 2013, the Aru indigenous community made concerted efforts to address the recurring issue of agrarian conflicts in the Aru Islands. These conflicts persist due to conflicting interests in the traditional territories of the Aru people. The community is working towards promoting the recognition and safeguarding of the rights and customary territories of the Aru people.

The Aru Ursia-Urlima Traditional Law Community received a significant boost in 2022 when the Islands Regency ratified Regional Regulation Number 02 of 2022. This policy offers vital recognition and protection to the Aru indigenous community, helping to establish their traditional territory and resolve conflicts at the regional government level. As part of this initiative, the community is engaging in participatory mapping of customary territories in the Aru Islands. However, this task becomes more challenging when the government has already issued a corporate forest management permit in the same area.

## **RECOMMENDATION SOLUTIONS**

In view of the ongoing issues and challenges experienced in the Aru Islands, and our unwavering commitment to safeguard human rights, preserve the environment, and against climate change, we respectfully recommend that the honorable take appropriate measures to address the situation:

### **1. Minister of Environment and Forestry, to take actions:**

- a) Cease all operations and revoke PT Wana Sejahtera Abadi's PBPH (forest utilization permits) in the Aru Islands Regency.
- b) Halt the licensing process for PBPH subsidiaries of the Melchor Group, specifically PT Bumi Lestari Internasional and PT Alam Subur Indonesia in the Aru Islands Regency.
- c) Conduct a thorough review of the policy for determining forest areas in Maluku Province, with a focus on the Aru Islands Regency.
- d) Perform an audit of natural resource-based permits and concessions in Maluku Province, particularly in the Aru Islands Regency, and impose strict sanctions, including permit revocation, for any proven violations of the law.

### **2. Governor of Maluku Province to take action:**

- a) In line with the governor's power to halt the operations of PT Wana Sejahtera Abadi in the Aru Islands Regency;
- b) In accordance with its authority to promptly cease the PBPH licensing procedure for MTP's subsidiaries, specifically PT Bumi Lestari Internasional and PT Alam Subur Indonesia in Aru Islands Regency;
- c) Evaluate and amend the Spatial and Regional Planning policies of Maluku Province, with a particular focus on the Aru Islands Regency;
- d) In accordance with its jurisdiction, refrain from granting permits and endorsements for any natural resource-based industries/concessions that have the potential to harm forests and displace the Aru indigenous peoples from their living spaces.



## #SAVE ARU COALITION :

