



FY2020 Annual Report

Photo: Neil Ever Osborne / WWF-US



PT Alam Bukit Tigapuluh
Ecosystem Restoration Concession

Tebo District | Jambi Province | Indonesia



ABOUT ABT

PT Alam Bukit Tigapuluh is an ecosystem restoration company. ABT's main goal is to restore ecosystem balance to its forest concession, which serves as the habitat of protected species, a provider of ecosystem services and a source of Non-Timber Forest Products. Through these services, the ABT forest concession will contribute significantly to local community livelihoods and welfare.

Until now, ABT's operations are still supported by various grants from foundations, public sector funding and philanthropists. However, ABT is now in a transition period, developing sustainable businesses which will support its operations to protect the forest and sustain local community livelihoods.





MESSAGE FROM THE CEO

On 9 May 2019, Indonesian 7th President Joko Widodo, launched The Vision of Indonesia 2045. In celebrating the centennial year for the nation, Indonesia is expected to take off as an industrial country and become the fourth economic power in the world.

In order to become a strong country, Indonesia must be rooted in its wealth of biodiversity resources. Biodiversity is not just an effort to conserve natural resources, but can be transformed into a capital of knowledge, a source of inspiration, a pattern of thinking and a way to manage economic, social and ecological development in a sustainable manner. Tropical rainforest is one of the places that harbors this rich biodiversity.

To welcome this future, forest management in Indonesia should be ready with groundbreaking innovations like the one that is incubating under forest ecosystem restoration models. PT Alam Bukit Tigapuluh (ABT), is one of only 16 licenses of forest concessions managed under this model. Our mission is to create viable, sustainable alternatives to business as usual, deforestation-based options, while protecting the ecosystem and its peoples.

This year will mark another milestone in the company history. 24 July 2020 will be mark our fifth year anniversary, an appropriate age to have a new skill set. Thus, we set up a target of transitioning from fully donor dependent into a revenue generating business. To play our part in supporting the Vision of Indonesia, PT ABT will develop a sustainable and profitable forest management model that can be replicated in other concessions in Indonesia and beyond.

We are grateful that PT ABT has always been supported by teams of experts ready with visionary and innovative ideas in our board of commissioners as well as the advisory group. We also have teams of staff and personnel with strong perseverance implementing our daily obligations and field activities. These elements have taken PT ABT throughout the 5 years of this dynamic journey in managing an ecosystem restoration concession and will take it further to materialize the dream of a sustainable business within a conserved forest.

Dody Rukman
Chief Executive Officer

HIGHLIGHTS FROM FY20



Fig 1. PT ABT concession blocks

This year was a turning point for the 5-year-old PT Alam Bukit Tigapuluh, as the company saw its first retail sales of one of its products – wild rainforest honey -- and established itself officially as a commercial entity.

As a company founded by NGOs pursuing an unorthodox avenue to protect one of Sumatra's disappearing lowland rainforests, the first retail sales of honey were a milestone. They are the first of several revenue-generating commodities in the works.

This was a year of growth for PT ABT in other ways, as the company contended with a severe forest fire year across Sumatra, illegal encroachment in parts of its concession and the unforeseen impacts of a global pandemic.

HIGHLIGHTS FROM FY20

- PT ABT had its first honey sales, with a line of “30 Hills” honey products being marketed by a gourmet food retailer in Jakarta.
- ABT’s internal management has been strengthened with the recruitment of a business manager to oversee the commercial enterprises being launched.
- ABT completed its first large restoration effort, with 19 hectares replanted this year and more than 90,000 seedlings growing in 2 nursery facilities.
- ABT was selected as one of just eight social enterprises to pitch potential donors and impact investors during the Asian Venture Philanthropy Network (AVPN) annual conference. PT ABT presented its business model of working with local and indigenous peoples on climate change adaptation efforts in forest dependent communities and highlighted PT ABT’s unique operations as a forest license holder. The presentation can be streamed from the AVPN website.

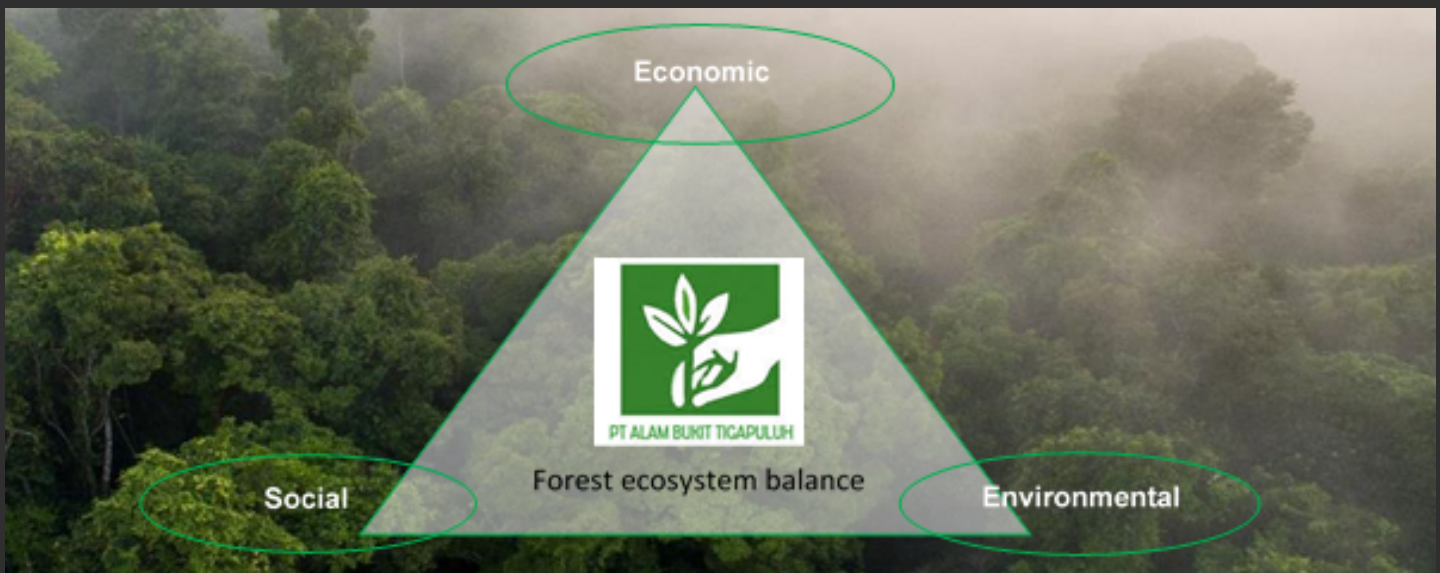


Fig 2. PT ABT operation model

ESTABLISHING A SUSTAINABLE BUSINESS

HONEY

In FY20, PT ABT's business plan development focused on wild sialang honey – harvested by tree climbers scaling 10-story-tall sialang trees to cut down honeycombs – as well as vanilla and edible endemic commodities.

The unprecedented global pandemic of COVID-19 also had an effect on the PT ABT business. Our primary retail outlet for “30 Hills sialang honey” products is the high-end Jakarta food emporium, Javara Indonesia, which had committed to purchasing 1.2 tons of PT ABT's honey this year. But given the slowdown in the retail sector, Javara was very candid that it could not fulfill its purchasing commitment. Fortunately, PT ABT's business manager was quick to find other channels to retail the PT ABT inventory by kickstarting local honey selling, to keep the production running with harvesters and tree owners.

By the end of December 2019, more than 900 kilograms of honey had been sustainably harvested by the communities. Between January and June 2020, the harvests slowed down and only 400 kg were harvested. Nevertheless, the sales in 2020 showed promising figures with 215 kg sold to Javara and more than 200 kg sold in retail outlets of the local Jambi market and sent out of town. PT ABT also has established a honey production house and started to trial the dehumidification process. To ensure the source of the honey products, a traceability system has also been developed with assistance from the Partnership for Forests (P4F) project.



Fig 3. Sustainable practice of honey harvesting



Fig 4. Vanilla planting model



Fig 5. Women group processing edible endemic commodities

VANILLA

Planting tests for vanilla have been conducted with a 50% success rate. This provides further credence and support for the feasibility of growing vanilla in the PT ABT concession. The next step is to set up a pilot 1-hectare area to plant vanilla in the PT ABT concession. Further learning by visiting a vanilla field managed by our wholesale partner Java Agro Spices is also planned for 2020. A design and budget for this plan have been developed.

EDIBLE ENDEMIC COMMODITIES

To develop value-added food products created by local people from local commodities, like mushrooms and herbs, trainings were held with support from Javara Indonesia, our honey purchaser, and Seniman Pangan, a non-profit organization dedicated to empowering local food producers to increase the quality of their products. The first one was conducted in a Javara kitchen in Jakarta in July 2019, with seven women participating from 5 nearby villages that ABT works with. A second training was conducted in Suo Suo village in August 2019 with additional participants.

A design has been developed for the production house of edible endemic commodities. This field kitchen will be developed as a pilot in the Suo Suo village, just outside the ABT concession. Suo Suo has been selected as the pilot site due to its location between the other two participating villages, Muaro Kilis and Muaro Sekalo.

"The unprecedented global pandemic of COVID-19 had an effect on the PT ABT business"

PROTECTION AND RESTORATION OF CONCESSION AREA

The deliberate setting of fires after clearing forest is a massive challenge across Sumatra—and one that has regional implications from the staggering level of haze it generates every year. Active and ongoing forest patrols within the concession, proactive investigations into illegal activity, and social forestry partnerships with local communities are helping to address these challenges. As a result, the deforestation rate has dropped to an all-time low inside ABT.

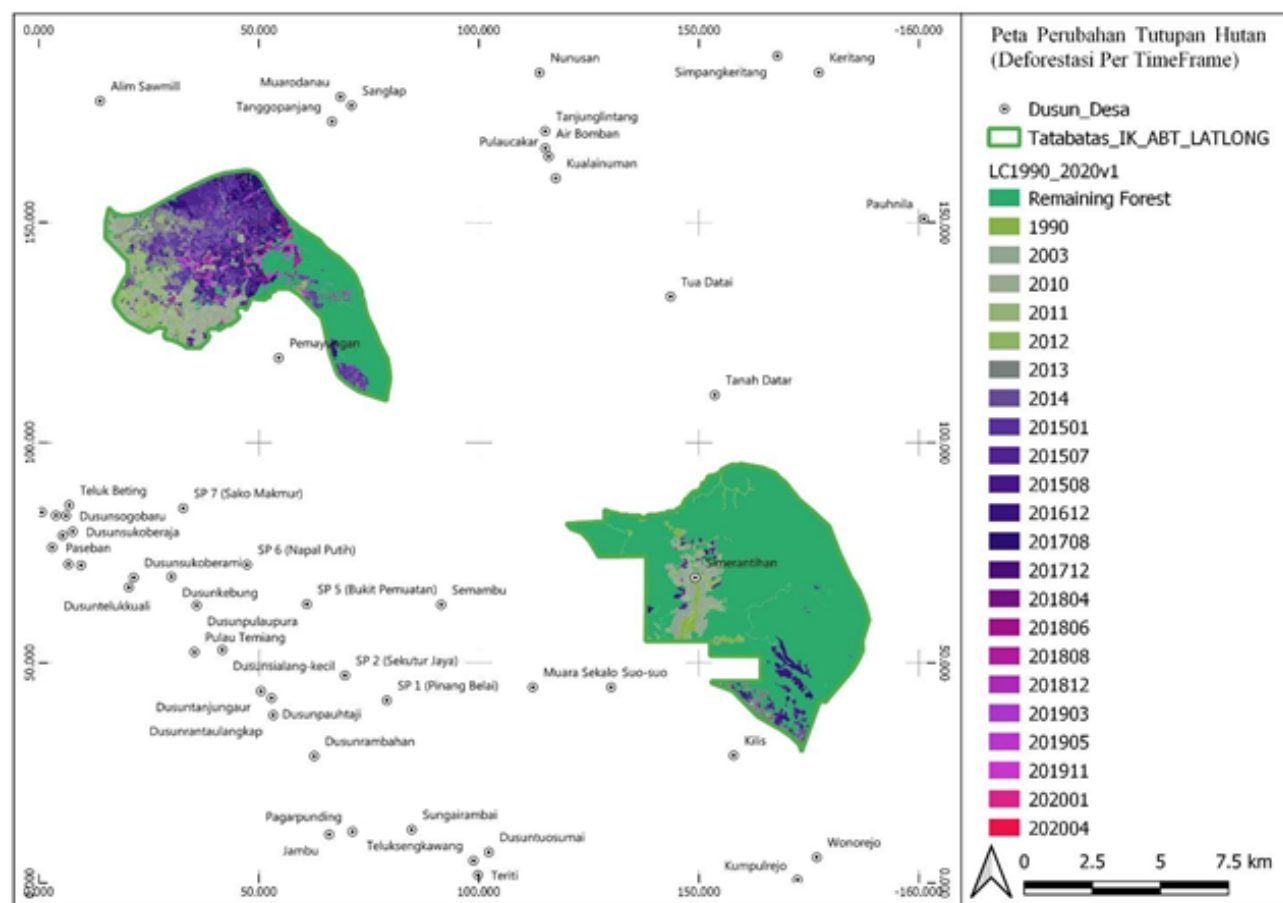


Fig 6. Forest cover change during the period of 1990 up to early 2020

In early 2020, PT ABT identified a need to expand the protection team, to accommodate a shift to a more effective and sophisticated SMART (Spatial Monitoring and Reporting Tool) patrolling effort. The team has been expanded to 41, including the manager. Procurement of equipment and vehicles to support the patrol were completed in 2019.

The following are achievements in protection efforts across the concession based on the challenges:

ENCROACHMENT

PT ABT is undertaking a collaborative management approach with communities who had begun illegally cultivating land before the concession license was issued in 2015. Rather than evicting these encroachers who were there before ABT came into existence, this approach allows them to remain as long as they agree to certain conditions – most importantly, to protect the concession area from further encroachment and other illegal activities.



Fig 7. Nursery facilities providing seedlings for reforestation

In Block I, a social mapping process has begun with three communities and village officials to secure commitments not to deforest new parts of the ABT concession. In August 2019, a formal meeting with the community of the Muaro Kilis village, attended by the village government and the Production Forest Management Unit of the Ministry of Environment and Forestry (MoEF), resulted in an agreement with the community to collaborate on participatory mapping of the area. (Village agreement attached as an appendix to this report).

Block II, where one community has long profited from illegal logging and illegal land clearing in ABT's concession, saw a different set of challenges. Threats of starting fires for land clearing continued from some communities. A deployed patrol team has shifted its focus to ground check hotspots and put out fires. Efforts to engage the community were also focused on education to stop slash-and-burn methods.

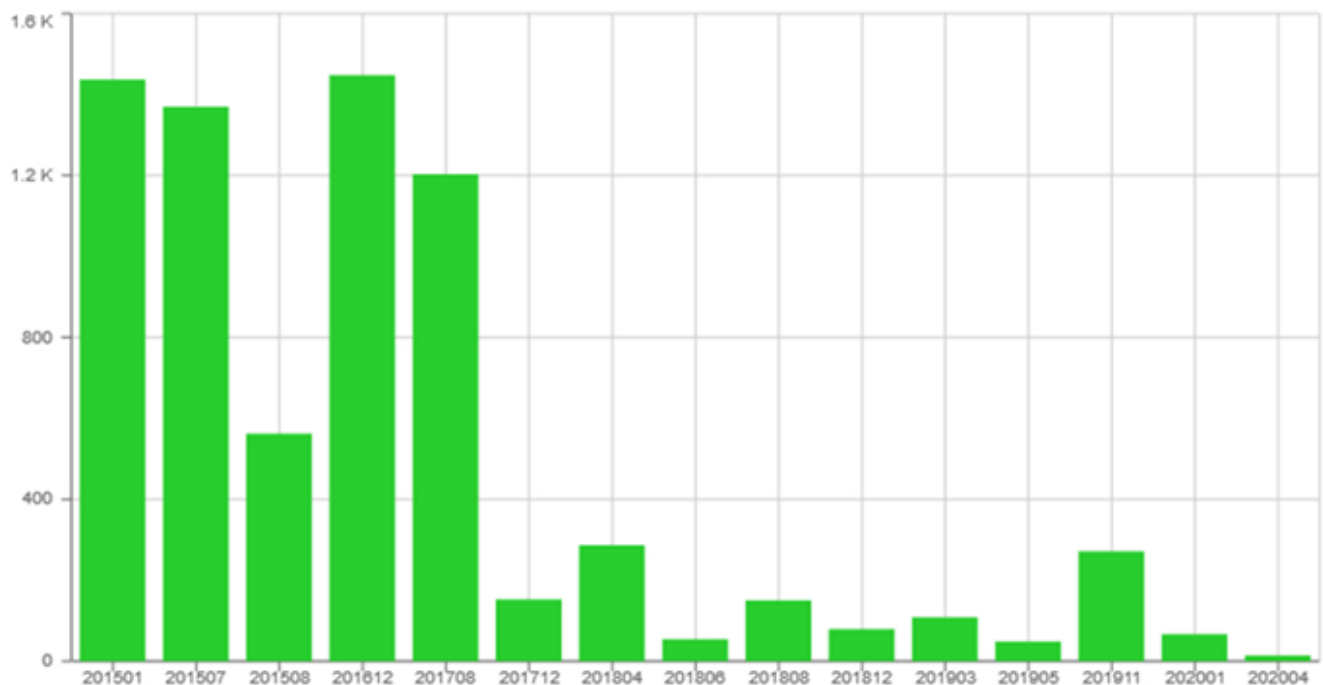


Fig 8. Deforestation area size (ha) per monitoring period, combined for block I and II



ILLEGAL LOGGING

Satellite monitoring is conducted to detect land cover change either by encroachment or illegal logging. To monitor these activities, monthly satellite images provided by NASA are analyzed to detect areas of land cover change and illegal logging. The reports are then submitted to MoEF, who follow up with law enforcement and continue any investigations with the Police and the Army. In addition, two guard posts have been built to monitor traffic along the major two main access road inside Block I.

Strategies to counter illegal logging in the PT ABT concession were explored through a multi-stakeholder approach. Regular reports were submitted and discussions were conducted with the Directorate General of Environmental Law Enforcement (GAKKUM) of the Ministry of Environment and Forestry on illegal logging. Findings from field investigations, i.e number of logger trucks accessing the forest block and their license plates, were also reported.

Between February and March 2020, 8 reports were filed with action taken. PT ABT plans to continue these operations as funding is available.



Fig 9. Fire watch towers are mandatory to be installed in each concession block. The towers are essential to monitor the concession areas from wildfires threats.

FOREST FIRES

In January, the Ministry threatened sanctions against ABT when fires burned 145 hectares in ABT Block II. This is a common practice all over Sumatra, unfortunately, for smallholders and encroachers who want to clear land easily for planting. ABT was given 90 days to take measures to restore the burned area and ensure stronger firefighting responses. Through June, PT ABT mobilized personnel to address the burned area and work with communities and stakeholders, including the forestry agency and police force.

To address the burning and ensure more robust firefighting efforts going forward, ABT:

- Replanted more than 19 hectares of the burned areas with more than 10,000 tree seedlings;
- Constructed 2 fire watch towers, 1 in each concession block;
- Constructed 3 artificial water reservoirs in each concession block;
- Subscribed to a satellite-based hotspot monitoring system powered by the US federal agency NASA to alert PT ABT of fires in Block I and II;
- Established WebGIS Alam Bukit Tigapuluh, a portal for data of PT ABT concession, and in the process of establishing a server on the PT ABT website to monitor land cover changes. (<https://gis.alambukit30.com/>). Registration is required to access data in this server.



Fig 10. Forest fire personnel also doing socialization to community

The threat of sanctions was thus averted and in addition, the Jambi Provincial First-Level Forestry Department awarded a certificate that PT ABT has fulfilled the standard equipment required for forest and land firefighting measures.

RESTORATION OF DEFORESTED AREAS

During this fiscal year, planting activities were mostly conducted in the burnt areas that were indicated by the MoEF. In total, more than 19 hectares of burnt area were planted, with 3 hectares of this area in Block I and the rest in Block II.

Two nursery facilities were set up in Block I, near the Simerantihan sub-village (the Talang Mamak settlement) and near the basecamp. By the end of the fiscal year, more than 90,000 seedlings were placed and collected by the local community in Block I. Half of the seedlings are ready to be planted in the restored areas, with the priority of planting these seedlings in the burnt areas.

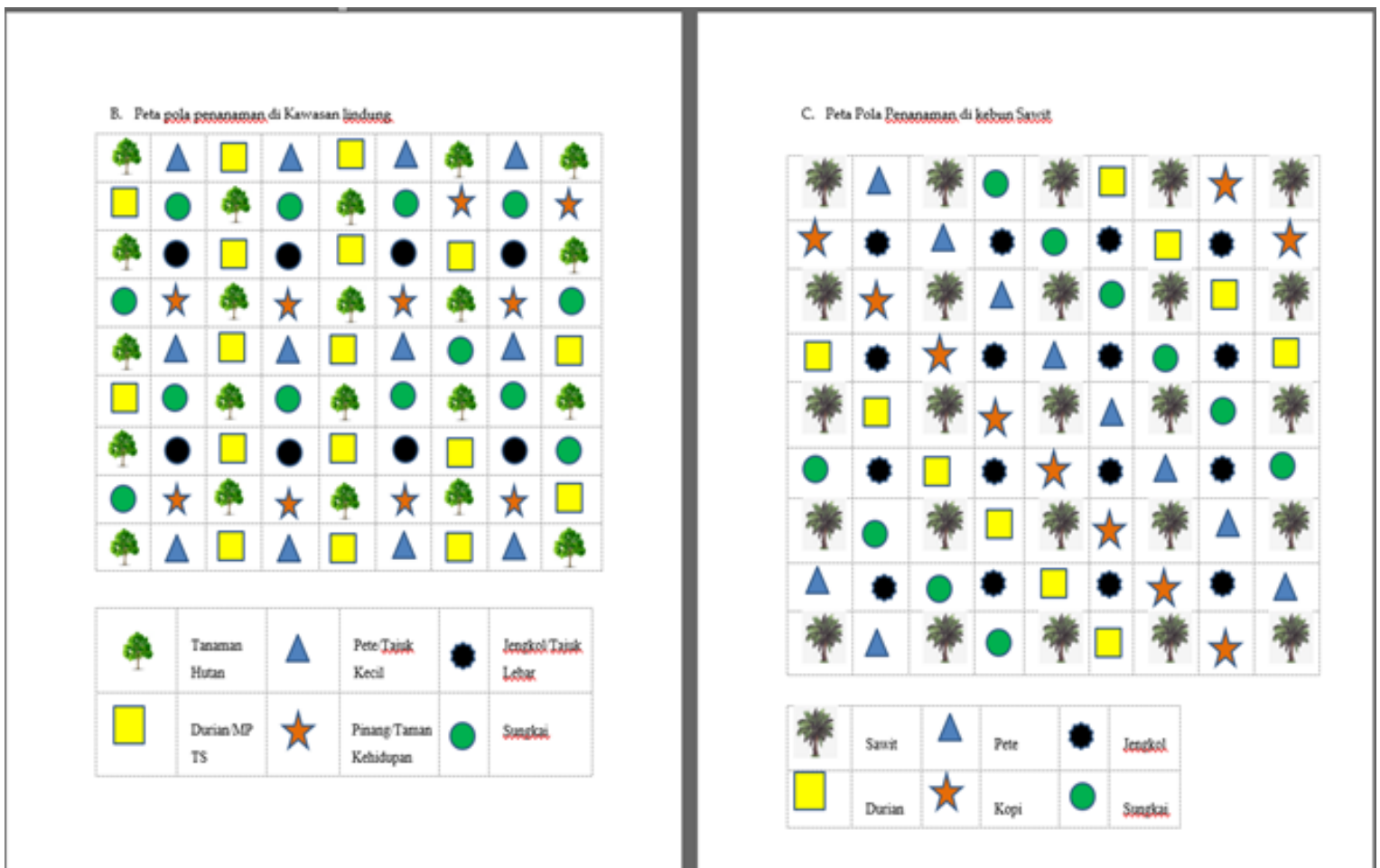


Fig 11. Planting pattern for reforestation effort in the identified burnt areas

COMMUNITY ENGAGEMENT

PT ABT continued the participatory land mapping exercise with local communities in Muaro Kilis and Simerantihan. Around 60 hectares of land cultivated by 15 households in the Muaro Kilis area in the PT ABT concession were mapped out. The purpose of participatory land mapping is to distinguish and chart which areas were in use for farming and other activities and which could be set aside as off-limits for restoration to natural forest. The map of concession blocks, updated with land cover change and showing the remaining forests and areas that have been claimed by communities, will be used as the basis for PT ABT to develop collaborative management plans with the communities.



Fig 13. Talang Mamak people are provided access to add variation to their weaving tradition

The project providing the school with food has been well received by the students, school, and community in Simerantihan, with student attendance and discipline also improving. Student attendance in class has increased by approximately 40%. Further quantitative data is needed to demonstrate how significant these improvements are.



Fig 12. Talang Mamak school children and the school food project

PT ABT continued to help provide the Talang Mamak community with health services and education access. Monthly visits from a local health service provider have continued, even during the pandemic. In addition, PT ABT provided assistance for the indigenous community to ensure access to staple foods like rice, cooking oil, and sugar. To stimulate school attendance, PT ABT, supported by The Orangutan Project, implemented a program to deliver a daily lunch in the school. This program was conducted on top of the regular support provided by PT ABT to the Simerantihan Elementary School.

LOOKING TO THE FUTURE

There are few models for the kind of approach to forest conservation that PT ABT is piloting and the staff continues to innovate:

- To learn all aspects of business, in order to formulate alternative strategies for different scenarios and explore new NTFP commodities to develop with local communities;
- To actively promote PT ABT business and operations to garner support from like-minded investors or funders, while remaining open to every possibility;
- To continue the implementation of effective community engagement strategies, which to date have included the community development program, participatory mapping, involvement in business and restoration activities, and regular discussions;
- To continue regular formal, as well as informal, meetings with related directorates in the Ministry of Environment and Forestry, on sustainable forest management, forest crimes, and natural resources conservation.



Fig 14. Jambi Province Forestry Agency certified PT ABT for fulfilling standard equipment, infrastructure and staff for forest fire prevention