



PT ALAM BUKIT TIGAPULUH ANNUAL REPORT FY 2022





Fig 1. The landscape view of PT ABT concession area as seen from the fire watchtower

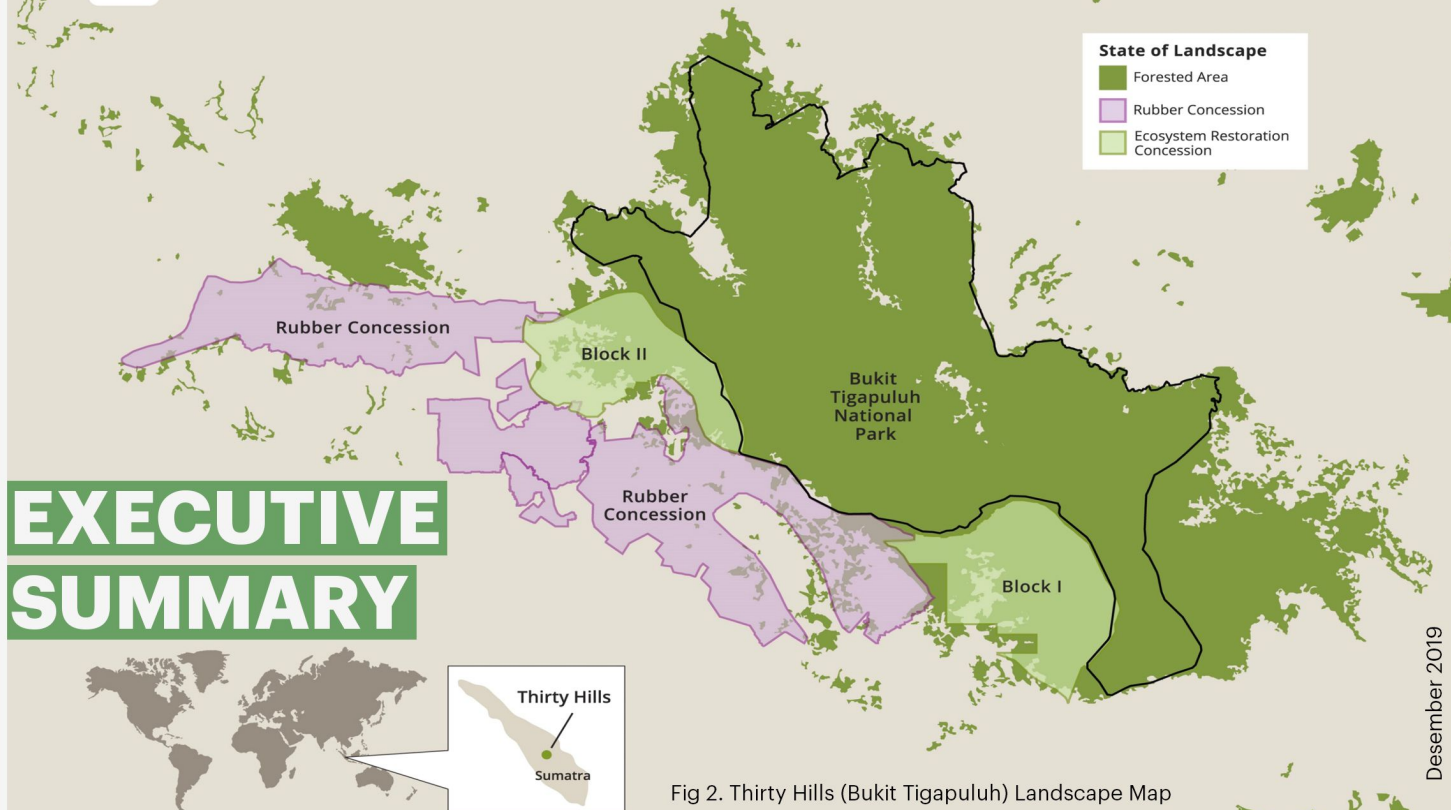
ACRONYMS

- FZS : Frankfurt Zoological Society
- MoEF : Ministry of Environment and Forestry
- MPTS : Multi Purpose Tree Species
- NTFP : Non-Timber Forest Product
- PT ABT : PT Alam Bukit Tigapuluh
- REST : Recreation, Entertainment, Sports and Tourism
- TAG : Technical Advisory Group
- TOP : The Orangutan Project
- WWF : World Wildlife Fund
- WWF ID : World Wildlife Fund – Indonesia

Acknowledgement

PT ABT Annual report for the fiscal year 2021-2022 will show you the development of forest restoration and management in our concession area in Tebo, Jambi Province, Indonesia. In addition, this report also offers you the chance to see the complexity of our work, which includes the beneficial impacts, lessons learned, and pivotal voices from local communities. It is essential to present these findings so that you can understand the dynamics of our efforts in restoring and protecting one of the last lowland tropical forests in Central Sumatra. Beyond that, we also hope that you can learn and get inspiration from these findings.

Various supportive parties have been devoting their energy, thoughts, and time to support PT ABT in protecting this ecosystem restoration concession area. They are important members of the Technical Advisory Group (TAG) and the Board of Commissioners. PT ABT would also like to thank the donors, partners, and stakeholders who have been providing their continuous support during this period.



The Bukit Tigapuluh forest has an important role in securing the biodiversity in Central Sumatra's last lowland tropical forest. It is also critical habitat to four key wildlife species: Sumatran Tiger (*Panthera Tigris Sumatrae*), Sumatran Elephant (*Elephas Maximus Sumatranus*), Tapir (*Tapirus Indicus*), and a reintroduced population of Sumatran Orangutan (*Pongo Abellii*). Since the License for the Utilization of Timber Forest Products for Ecosystem Restoration was granted by the Ministry of Environment and Forestry (MoEF) in July 2015, WWF-Indonesia (WWF-ID), Frankfurt Zoological Society (FZS), and The Orangutan Project (TOP) have been joint partners in raising funds needed to manage and finance the operational activities of PT ABT, that has a total area of 38,665 hectares split into two blocks and bordering directly on the Bukit Tigapuluh National Park.

After almost seven years of efforts in restoring and protecting this forest, PT ABT is currently preparing to transform gradually from a grant-based company to a profit-based company, as we consider the business potential of various revenue streams to implement. We currently are assessing the most relevant business model that could cover at least 25% of total costs. This report will update on the progress that our team is making on this transition.

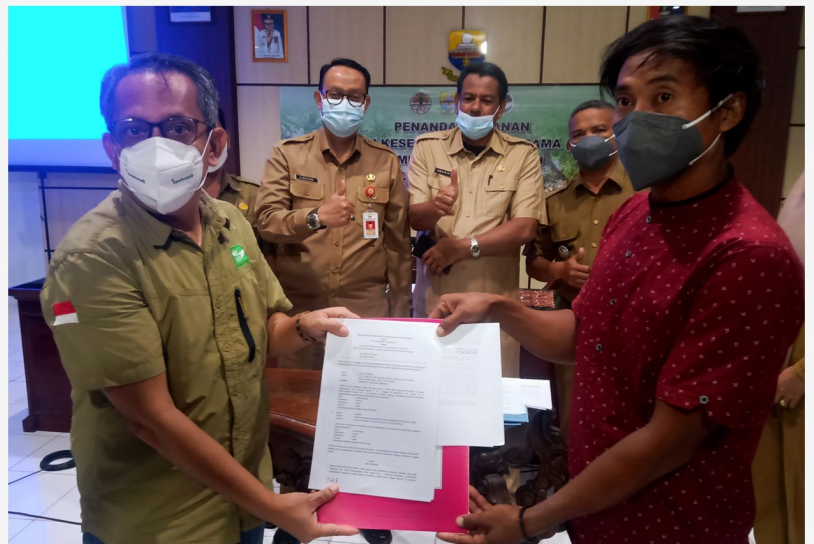
A successful business needs a strong foundation and PT ABT continues to ensure that happens in the field. In addition, PT ABT is also working to strengthen the resilience of the indigenous people who live within the area and who depend on forest resources, by giving them access to health services and education. Also, PT ABT continues to invest in the security of the concession from crime threats such as illegal logging, poaching, and forest fires, by deploying a trained protection team equipped with SMART Patrol technology.

In carrying out the operation in the fiscal year of 2021-2022, PT ABT's budget absorption amounted to 556,841 USD, with most of the funds from donations and support from our three shareholders. As for now, PT ABT's business is still in the stage of internal capacity building with ready-to-harvest Non-Timber Forest Product (NTFP) commodities as the focus, such as Sialang forest honey, forest-friendly "jungle rubber", and maximizing the Block 1 Base Camp use by visitors. PT ABT is also trying to develop business for vanilla with a total of 18,376 seedlings currently being cultivated and maintained.

KEY EVENTS IN FY 2022



Cooperation Agreement signing ceremony, where two farmer groups from Block II Pelayungan and PT ABT signed an agreement for the Forestry Partnership scheme, witnessed by the Forest Service of Jambi Province.



Phase II (July - November 2021) of wildlife monitoring efforts using camera traps, assisted and supported by WWF-Riau.

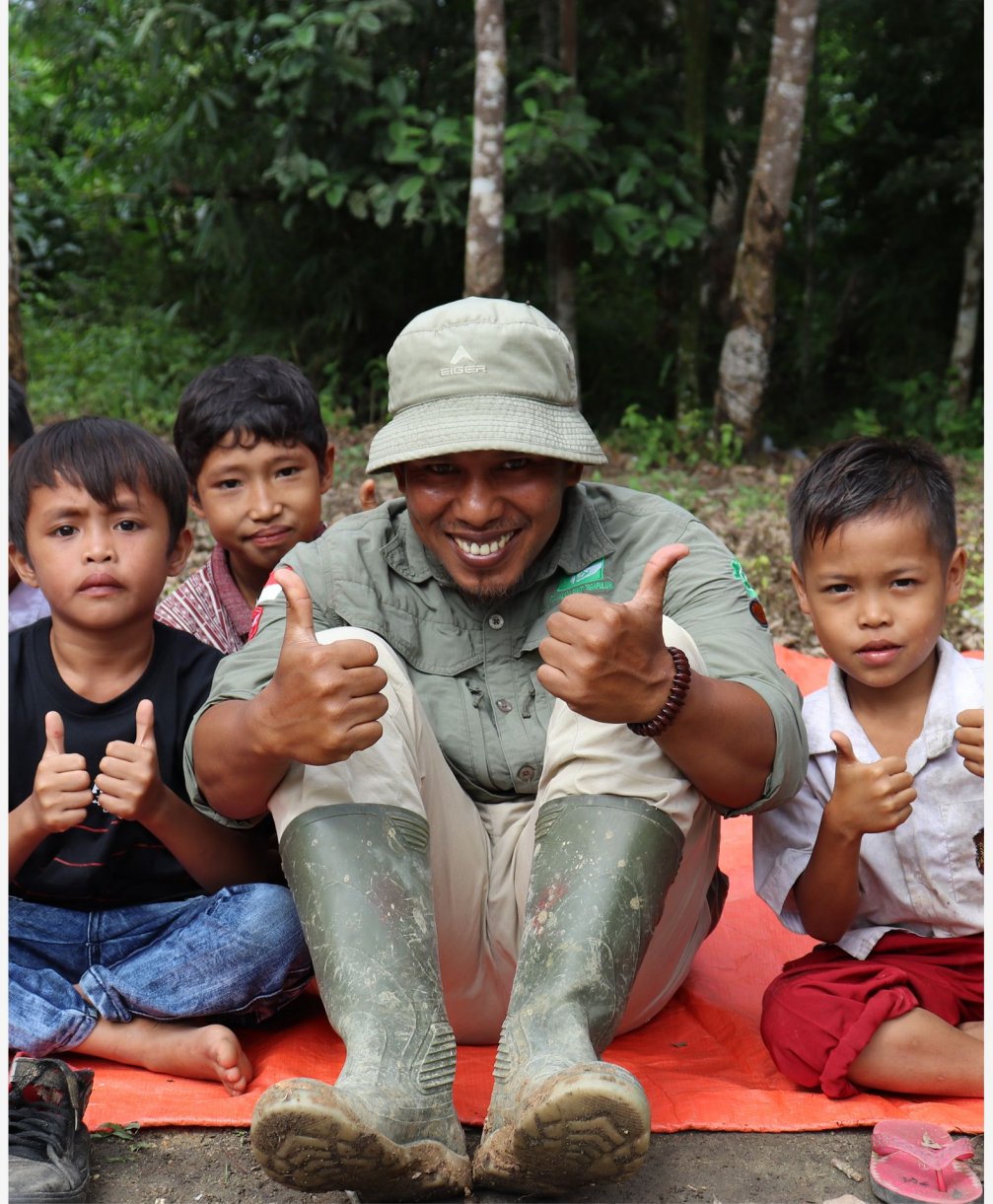
KEY EVENTS IN FY 2022



Mr. Jarwo, a well-known musician in Indonesia, as WWF-ID's ambassador came to visit to help promote the conservation efforts in PT ABT's concession area.



KEY EVENTS IN FY 2022



Community Activity Photos

Business Development Activity Photos



Sialang forest honey trees with some beehives on top.



Vanilla Cultivation in Block I.

KEY EVENTS IN FY 2022

Patrol Activity Photos



Forest Patrol simulation by PT ABT's security team for visitors.



Sumatran Tiger footprint found during hiking inside PT ABT's concession area.

INTRODUCTION FROM THE CEO OF PT ABT



Dody Rukman
Chief Executive Officer

As we all are trying to get up back on our feet after the COVID-19 pandemic hit the world, the government of Indonesia is also trying to speed up the recovery in all sectors -- especially Indonesia's economic power since it is one of the essential foundations of a country.

Indonesia is known for the wealth of its biodiversity: "the Emerald of the Equator". Since population growth is inevitable, all parties must come together to try to conserve this treasure while also using available resources in a more sustainable manner, to provide for billions of people. The last lowland forest in Central Sumatra: The Bukit Tigapuluh Landscape is one of the important pieces of this national treasure.

On July 2015, PT ABT was honored to receive this 60-year license to help the government in protecting this treasure of about 38,000 hectares of natural resources. Along with 15 other ecosystem restoration companies, PT ABT is trying to create viable, sustainable alternatives to business as usual, deforestation-based options, while protecting the balance of the ecosystem and the people who are depending on it.

July 24th, 2022, will mark our six-year anniversary, ushering in a new chapter for our future achievements, especially now that PT ABT is on the transition from fully donor dependent into a revenue-generating business. In supporting Indonesia's vision, PT ABT will develop a sustainable and profitable forest management model that we hope can be replicated in other concession areas in this country and beyond. We are also grateful that PT ABT has always been supported by teams of visionary experts and with innovative ideas from our board of commissioners as well as the advisory group. We also have super teams with strong perseverance in implementing our daily obligations and field activities. These elements have taken PT ABT throughout this dynamic 6-year journey in managing an ecosystem restoration concession and we are determined to take it further to materialize the dream of a sustainable business within a conserved forest.

PT ABT'S CONCESSION AREA MAP

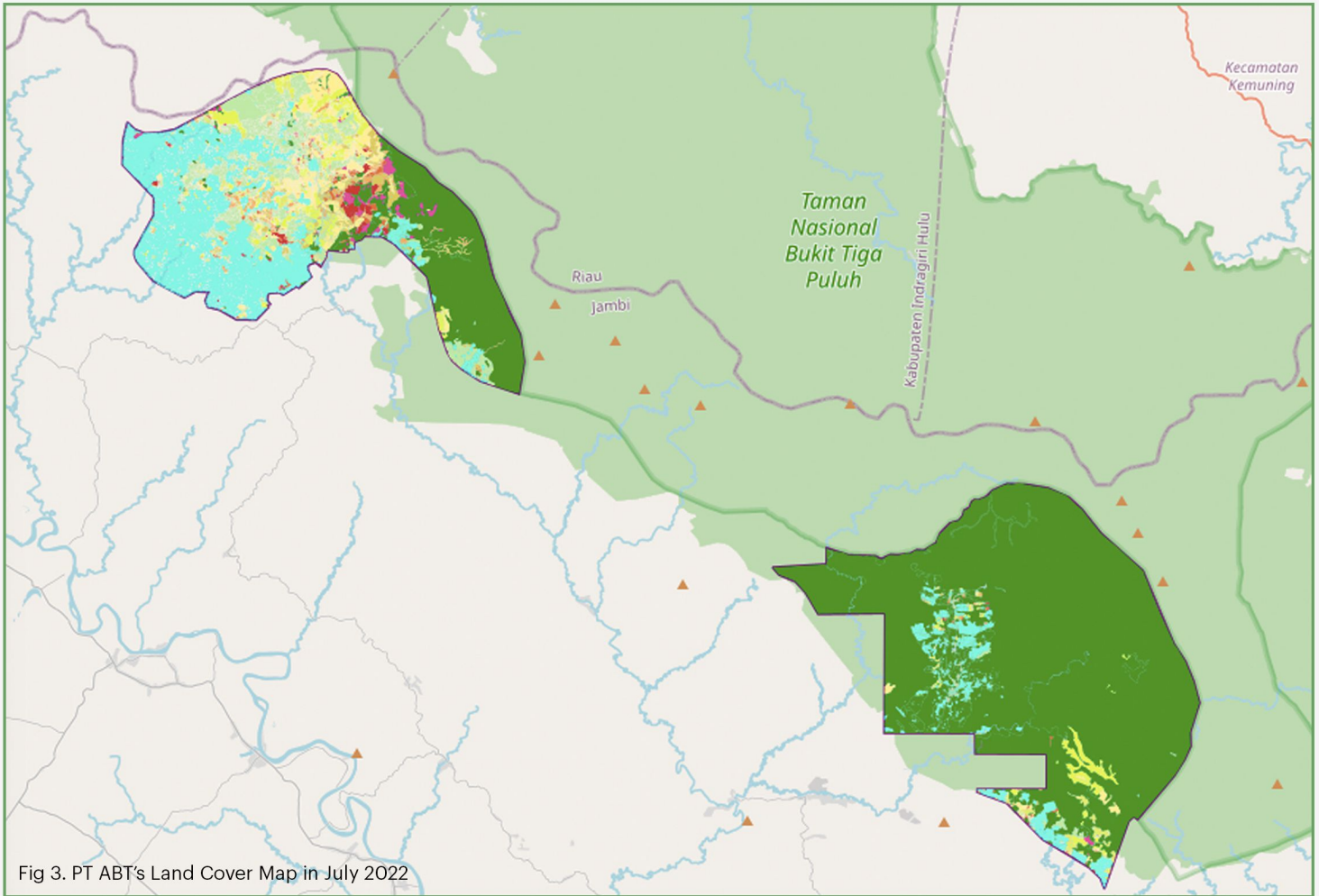


Fig 3. PT ABT's Land Cover Map in July 2022

Increase Def Rate from 2022

7,57%

Total Deforestation

15,430.329Ha

Deforestation in 2022

246.758Ha

Deforestation in 2021

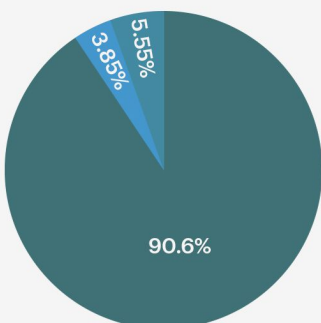
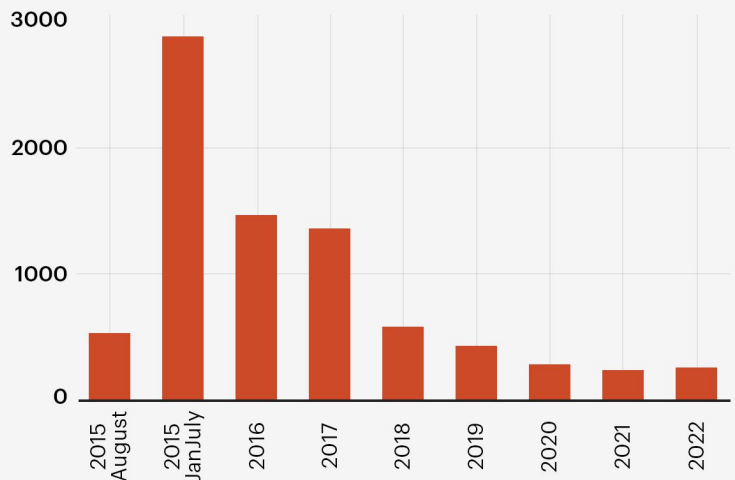
228.831Ha

Boundaries_IK_ABtshp

□ Limit of PT Alam Bukit Tigapuluh

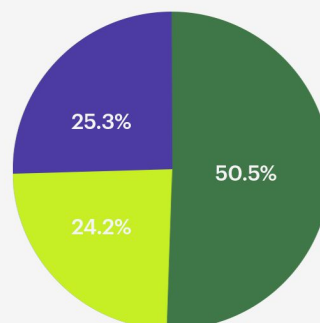
Deforestation - Updated

- No Forest before License
- Deforestation 2015 Jan - July
- Deforestation 2015 August
- Deforestation in 2016
- Deforestation in 2017
- Deforestation in 2018
- Deforestation in 2019
- Deforestation in 2020
- Deforestation in 2021
- Deforestation in 2022
- Remaining Forest 2022 to July



Areas Block 1 Deforested

- Null
- BeforeLicense
- AfterLicense



Areas Block 2 Deforested

- Null
- BeforeLicense
- AfterLicense

FOREST PROTECTION AND SECURITY

Before PT ABT existed and the ecosystem restoration permit was established, the local communities had already been developing plantations within and around the forest area in Muara Kilis and Pelayungan Villages in Block II, also in the Simerantihan Village in Block I. The population of migrants has also increased significantly since 2012, especially in Pelayungan Village where about 35% of PT ABT's concession area had been converted into palm oil and rubber plantations. Even more, some illegitimate companies were behind those thousands of hectares of encroachment in the area of Pelayungan.

PT ABT is currently collaborating with multiple stakeholders to solve this issue, carefully mitigating the conflict with the local communities and negotiating a better solution using a Forestry Partnership scheme. PT ABT will only take litigation action as the last resort, and with direct support from the MoEF of the Republic of Indonesia.

The infrastructure, facilities, and equipment for forest fire prevention have been completed and certified by the Forestry Service of Jambi Province, which includes: 2 units of fire watch towers, 6 units of artificial water reservoirs, 2 units of cars, and personnel equipment for the fire rangers.

Since 2021, the support for the Forest Protection and Security team has been made possible by other donors. The team contains 23 members and 5 Community Fire Care units. Since early 2021, the Forest Protection and Security team has implemented SMART Patrolling into their patrol shifts regularly. The commander has been leading the team with new approaches, which are: cooperating closely with the local communities, participating in joint operations with other land managers in the Bukit Tigapuluh area, and collaborating with law enforcement, a forest ranger rapid response unit, and the Special Law Enforcement of the MoEF of the Republic of Indonesia.



Fig 4: PT ABT's security team patrolling and marking findings the concession area



Fig 5. PT ABT's Forest Protection and Security team on drone training in Medan, North Sumatra

On June 5th, 2022, 4 personnel of the Forest Protection and Security team participated in a test of basic practices of unmanned aircraft, or drones, organized by Drone Edutech. The test was conducted for certification and also participated in by participants from various institutions in the Cadika Scout field in Medan, North Sumatra.

FOREST MANAGEMENT

The core business model of PT ABT is restoring the forest area and creating buffer zones for Bukit Tigapuluh National Park through the ecosystem restoration permit that was granted to the company by the MoEF. PT ABT is also working to generate revenue from the potential of NTFPs and Payment for Ecosystem Services.

With NTFPs, forest honey and vanilla have been our two top priorities. The honey is harvested from the beehives that nest in the trees called the “Sialang trees” by the local communities. Based on the inventory activity, there are about 80 Sialang trees that have been identified in Block I, with 21 trees that are active (i.e. there is beehive availability). However, an early challenge discovered with this product is that the supply can be easily affected by increasingly unreliable weather patterns caused by climate change, hence the difficulty of getting a solid prediction. For instance, between the period of July-December 2019 we successfully managed to harvest 1.3 tons of honey; in 2020, we could only harvest 900 kg of honey. So, the forest honey harvest yields are mostly influenced by climate, forest fires, land conversion, and rain intensity.

Forest honey as a business is still promising, especially due to demand for sustainable wild rainforest honey. However, the challenge is to find the right market with the right price.

Vanilla is the second promising commodity for PT ABT. However, we need to wait for 3 to 5 years to harvest this vanilla. In 2020, the development of a vanilla garden was finalized and implemented in Block II. It started with a 5-hectare garden and we expect it to be expanded by 1 hectare each year. In June 2022, the vanilla seedlings that are available in the Block I nursery reached 1,531 vanilla seedlings; in Block II, there are 16,845 seedlings ready to be planted.

The Base Camp in Block I has been welcoming visitors and developing it into a business branch of PT ABT in ecotourism and research.



Fig 6. PT ABT Base Camp in Block I

FOREST COMMUNITY WELFARE

Since 2015, PT ABT has been supporting the Talang Mamak community in the Simerantihan Village with basic services such as healthcare and education. Each year, there are approximately 50 Talang Mamak children attending the Elementary School built in the middle of their settlement as which is considered an extension of the main elementary school in Suo-Suo Village outside the ABT concession. This main school, SDN 167/VIII Simpang 3 Suo-Suo, is about 20 km away from the Simerantihan Village. Due to its remoteness, the school is under-resourced. The support that PT ABT has been providing includes school renovations, teachers' transportation, school supplies (e.g. uniforms, books), meals and additional equipment.

Since 2019, ABT shareholder The Orangutan Project (TOP) has been supporting the students through a program called "Food for School". With TOP's support, PT ABT has been providing healthy meals and snacks for the students. This program is still in operation, and it has helped to improve attendance and performance in school.



Fig 7. Simerantihan's students enjoying their meals from the Food for School program. Credit photo to Hardi Baktiantoro



Fig 8. Simerantihan people enjoy regular health service provided by PT ABT partnering with local health service center

As for healthcare services, under an agreement between PT ABT and the local Community Health Center of Sumay Sub-District, which is in the Suo-Suo Village, the Talang Mamak community began receiving monthly visits by their doctors and medical staff. In Simerantihan Village, there are about 53 households with a population of 200 individuals. On every visit, more than 60 residents take this chance to get free health services such as checkups, treatment, and immunizations for children.

In 2021, another donor agreed to continue and expand this success story of healthcare service facilitated by PT ABT. In the second quarter of 2021, the frequency of visits has increased to 3 times per two months. Simerantihan Village remains the main location for regular visits, while the other two locations rotate within the area of PT ABT. In addition, there's also a full-time health worker stationed in Base Camp Block I to provide health services for PT ABT's staff and visitors if needed. Every month, there are about 250 – 300 people living within and around the area of PT ABT who take advantage of this health service.

PT ABT is currently collaborating with ASRI, a national NGO, to conduct the study of the impact of providing health services on deforestation in PT ABT's concession area. On April 2022, 5 staff of PT ABT joined the training for the study. The staff learned about some Harmony.

Desktop research was conducted during May and June 2022, while the Radical Listening was conducted in July 2022.

Since 2015, PT ABT and the Talang Mamak community have been working together in maintaining the road access that we all regularly use. The 8 km road to their settlement can be easily damaged during the rainy season. This matter is very important because this road access is used to transport all the items and equipment that both the Talang Mamak community and PT ABT's staff need.

In 2021, the Base Camp in Block I was supported with the installation of 2,000-watt-powered solar panels. This energy source is supporting the activities that occur in PT ABT's Base Camp for about 8 hours every day, including for a community health facility that is currently being built and supported by donors.

There is a sustainable farming group in Simerantihan that comprises 11 women and 5 men. PT ABT also has been supporting this group by providing seedlings of Multi-Purpose Tree Species (MPTS) and forest plants with economic benefits (e.g., Dragon's Blood/Jernang). They have started to cultivate their own yards with vegetables and have already sold their products to the village's Food for School program, which is beneficial to them as additional income and to the school program as well. It is a win-win situation for both parties since it is way more efficient than travelling to the nearest market, which is 10 km away. This saves both time and cost. Since the group let PT ABT determine the price to run the program, it has been an opportunity for PT ABT and the community to build mutual trust.



Fig 9. Signing process of Cooperation Agreement of Forestry Partnerships by PT ABT and two farmers groups from Blok II

As for Block II, on November 2021, Alam Bukit Sejahtera and Bukit Keramu Alam farmer groups signed the Cooperation Agreement for Forestry Partnership with PT ABT. The signing ceremony was held in the Forestry Service's office of Jambi Province, in Jambi City. The event was attended by Dody Rukman, CEO of PT ABT, along with the PT ABT team, the Head of the Sub-District of Sumay, Head of the Production Forest Management Unit of West Tebo, Forestry Services of Jambi Province's staff, and the representatives of each farmer groups.

This is significant progress for the community development effort in Block II Pematang, as PT ABT has been trying to approach the conflict resolution with new methods.

FOREST RESTORATION AND WILDLIFE CONSERVATION

The main strategy for the restoration of PT ABT's concession area is through natural regeneration, and protection of the area plays an important role to keep it undisturbed and give an opportunity for the forests to regenerate naturally. Planting and enrichment pursued as part of PT ABT obligation towards the government which was stipulated in the 10-years business work plan and the annual work plan.

The nursery is the heart of the restoration workstream, and in June 2022, there were 16,435 successful seedlings ready to be planted. Those seedlings are made up of 15% forest tree seedlings and 85% MPTS/NTFP seedlings. The MPTS seedlings include Durian (*Durio zibethinus*), cardamom, pepper, Gaharu (*Aquilaria malaccensis*), and vanilla. Besides natural regeneration, PT ABT also has done enhancement for 10 hectares in December 2021 and planting of 3 hectares (for two farmers groups). The nursery is located in Block I, close to the Basecamp. In addition, on April 2022, PT ABT started to build a shelter for the staff so they could take a break or have their lunch in the shelter. This shelter was completed in June 2022.

In 2021, PT ABT worked with PT Panda Lestari (a subsidiary company of WWF-Indonesia) and WWF-ID for the "My Baby Tree" campaign. This campaign opens opportunities for any individual who would like to contribute to the reforestation process in PT ABT's concession area through the adoption scheme of planted trees. The money generated from the adoption payment is being used to fund the maintenance of the trees, which will be reported to the adopters regularly. The target that we're aiming for this program is to have 10,000 trees planted in the concession area of PT ABT, as well as to maintain, monitor, and share updates on their conditions to the public. This program is aligned with the obligation that was mentioned before. Until June 2022, there were 2,447 trees in 13 hectares of area that have been planted for this program. We are currently in the process of building a shelter for the staff to have their breaks during work and improving the quality of the seedling's storage.



Fig 10. Nursery shelter building finished in June 2022

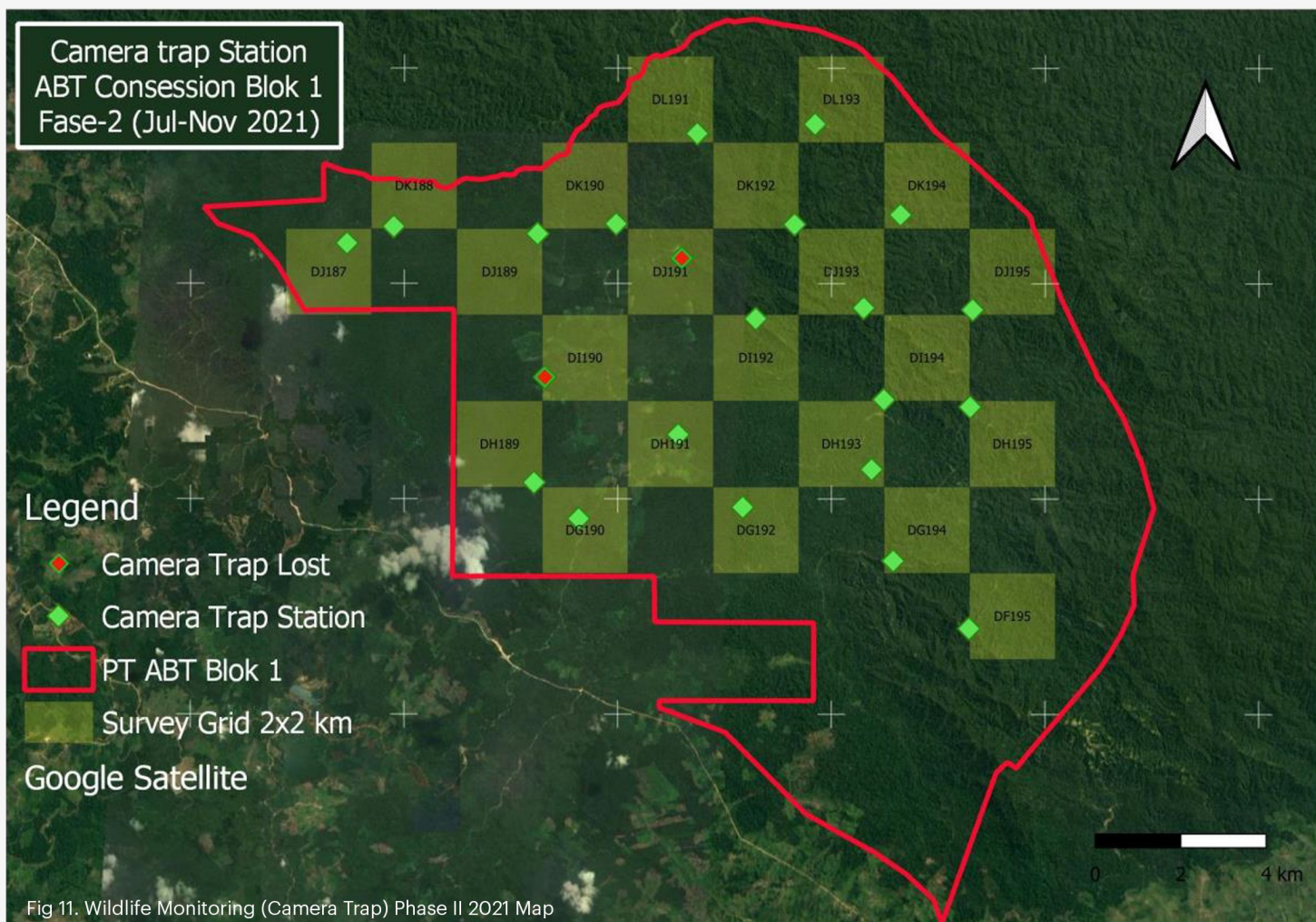


Fig 11. Wildlife Monitoring (Camera Trap) Phase II 2021 Map

For wildlife monitoring, in July-November 2021, phase II of camera trap installation was conducted with the assistance and support of WWF-Riau. There are 22 camera stations (44 units of camera) that were installed in Block I (with 2 cameras that got stolen or destroyed). The cameras were installed in pairs at each station to enable photographs to be captured of both sides of an animal as it passes by, which helps identify individual tigers by their stripe patterns. Based on 40,170 frames (pictures and videos), the team identified 3 individuals of Sumatran Tigers and 32 species of wildlife in the camera trap footage. Monitoring was conducted periodically, especially on data books, inventory of forest potential, and evaluation of monitoring with camera traps.

While manning Kilis guard post in Blok I in May 2022, Forest Protection and Security personnel saw a Sumatran Tiger passing near the post in the morning. In addition, PPH personnel also provided assistance to FZS staff to relocate a Sumatran Orangutan from around the Kilis post area.

Staff also found Sumatran Elephant dung and food scraps, as well as the feathers and sounds of the Great Argus bird. Other personnel also reported the sightings of deer and the footprints of Sun Bear in the forest concession.



Fig 12. Sumatran Tiger footprint found by PT ABT staff and visitors while hiking through PT ABT's concession area in Blok I Suo-Suo in June 2022

In June 2022, when the WWF-ID team brought celebrity Mr. Jarwo as one of their "Nature warriors" to visit the concession area, the team found Sumatran Tiger footprints while hiking in the forest. It was speculated to belong to a male Sumatran Tiger who could have been looking for a water source as the footprints' direction was heading to a river nearby.

In the same month, PPH personnel assisted Nature Conservation Agency of Jambi Province to release several animals within the forest of Block I of PT ABT. They successfully released three individual Sun Bears (*Helarctos malayanus*), two hornbills and one gibbon.

A Story from Community:

TALANG MAMAK CHILDREN PAVING THE WAY ON HOPES AND DREAMS

The calling of the Siamang (*Symphalangus syndactylus*) has risen Alex from his sleep in the cold morning. He brushed his face and slowly opened his eyes. With one swift move, he got up from the worn-out woven mat he slept on. Alex went out of his house, took some water, washed his face, and poured some onto his body to feel fresh and ready. That morning, for some reason Alex felt in higherspirits than usual.

Returning to his house, Alex started to run his hands on a pile of clothes and picked up his school uniform. He put on a white shirt and red pants. He felt that he was growing bigger in the uniform. Or maybe it was just because his shirts and pants were a bit wrinkled. Well, nobody has an iron in this place. The 12-year-old boy looked neat anyway.

When he was ready, Alex started to leave his house. Some might appropriately call the place made of bark a hut. He lives only with his father, because his mother passed away when Alex was a little boy. What others might consider an incomplete family has never discouraged Alex from keeping on walking through his life. With steady steps, he was slowly leaving behind the hut in the middle of their cultivated field (umo).

On his way, he called to each house he passed through for his schoolmates to walk together. One by one, the children he called for came from their houses and joined the group. They walked together, up the muddy road from the rain in the last few days.



After about an hour, and thousands of steps, walking down 4 km, the children arrived at their destination. Other children started to show up one by one or in small groups, just like them.

State Elementary School (Sekolah Dasar Negeri – SDN) fraction class Simerantihan is the place they come to every weekday. It is the only official education institution in the area. The humble two-room building is a facility for Talang Mamak children in the Simerantihan settlement to get their basic formal education.

Previously, we only had one teacher here, and her schedule was irregular, sometimes there was no class for a month and only a few days of class, stated Fahmi, the former head of Simerantihan.

Now, kids are studying every day, we have additional teachers and classes every day, added Kindok, the current head of Simerantihan Sub-Village.

A voice from a head-scarfed woman put the vibrant, chattering children to a halt in the wet morning. She is Bu Fatma. She then called the students to gather in front of the building. "Your study report will be distributed at around 10 a.m.," she announced. The students and their parents who were attending nodded in understanding.

Alex was sitting in the corner of the room. He accepted his report card without his father, who was gathering dragon's blood (*Daemonorops draco*) in the forest. "Congratulations and maintain your performance" are the words that he will always remember. Alex got the highest rank in his class. He smiled widely, satisfied with his hard work to study.

"I will continue to learn. I want to be a soldier in the army," said Alex about his dream.

Talang Mamak people can succeed too, even though we live in the forests, we must move forward and compete with the other communities out there. Will, hard work, and cooperation are needed to make it come true. And we will need support from many people, including PT. ABT, stated Serunai, a Pati (customary leader) when Alex was opening his report card.

The day ended with a jubilant meal for everyone. Happiness and energy with hope showed in their eyes and faces that morning. Hope and dreams have soared to be reached together.



MOVING FORWARD

Moving forward, we will continue to progress our goals:

- Refining our business plan for this transition from a grant-based company to a self-sustaining company;
- Continuing to prioritize an effective, inclusive community engagement strategy, which to date has included the community development program, participatory mapping, community involvement in business and restoration activities, and regular dialogue;
- Continuing 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.

