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## NEWS RELEASE

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### BUMITAMA PARTICIPATED IN INAFOR 2019

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Jakarta, 6 September 2019 – Bumitama was invited to speak at the 5<sup>th</sup> International Conference of Indonesia Forestry Researchers (INAFOR), under the panel topic called “Conserving Biodiversity Outside Conservation Areas: Managing Fragmented Landscapes For Conservation and Development” hosted by CIFOR and USAID.



Our presentation delivered by Ms. Sian Choo from the Sustainability Department focused on the Bumitama Biodiversity & Community Project (BBCP) and conservation of land outside of areas zoned for conservation (attached below). The presentation highlights a new model of plantation based on the concept of ‘protection, production and inclusion’ and the importance of linking fragmented forest together, whilst also raising the critical issues of conservation on land earmarked for development (APL area). The session continued with presentations from other panellists representing the public sector, research institutions as well as universities, followed by a lively exchange of information between the participants and the audience, facilitated by the knowledgeable Dr. Titiek Setyawati from the Indonesian Ministry of Environment and Forestry.

We thank the organisers and look forward to future opportunities to share and learn from similar conferences and forums.



International Conference of Indonesia Forestry Researchers (INAFOR) V 2019  
Theme: Innovative Solutions for Managing Tropical Forest and Conserving Biodiversity to Support Sustainable Development Goals

**Panel discussion**

Hosted by the Center for International Forestry Research (CIFOR) and USAID

# Conserving Biodiversity outside Conservation Areas

## Managing Fragmented Landscapes for Conservation and Development

**Thursday, 29 August 2019 | 09.00-12.30**

IPB International Convention Center, Botani Square, Bogor, Indonesia | Room D, Floor 3

**Moderator and panelists**



**Dr. Titiek Setyawati**

Senior Scientist, the Indonesian Ministry of Environment and Forestry - currently seconded to Wildlife Conservation Society (WCS) leading the Green Infrastructure Project within the Conservation Area



**Ms. Iin Simamora**

Researcher, Center for International Forestry Research (CIFOR)



**Ms. Galih Kartikasari**

Researcher, the Center for Research and Development on Social, Economics, Policy and Climate Change, the Indonesian Ministry of Environment and Forestry



**Mr. Tandya Tjahjana**

Director of Essential Ecosystem Management Development, the Indonesian Ministry of Environment and Forestry (to be confirmed)



**Ms. Lim Sian Choo**

Head of Corporate Sustainability, PT Bumitama Gunajaya Agro, West Kalimantan



**Mr. Hayu Wibawa**

Encroachment Mitigation and Forest Conservation Associate, USAID-funded BIJAK (*Bangun Indonesia untuk Jaga Alam demi Kelestarian*) Project



**Dr. Much Taufik Hermawan**

Faculty of Forestry, Gadjah Mada University

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Register here:  
[cifor.org/inafor-2019](http://cifor.org/inafor-2019)



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## Bumitama Landscape Initiative: Opportunities and Challenges

Lim Sian Choo  
Bumitama

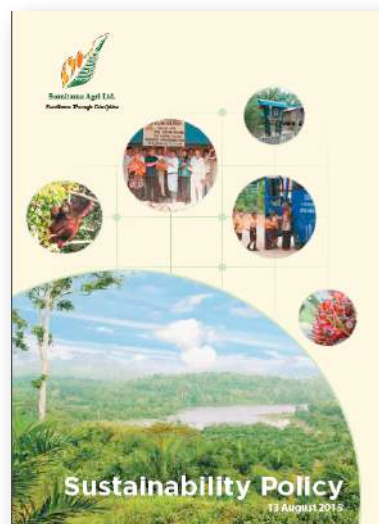


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## Introduction to our Sustainability Policy



- Bumitama adopted a NDPE policy in August 2015;
- Creation of shared value that can be embraced by multiple stakeholders;
  - *Bumitama commits to encourage and support communities ... with sustainable economic development options, also when these communities do not opt for oil palm development;*
  - *We embrace **partnership approaches to managing the landscapes** within and around the boundaries of plantation areas in order to sustain diverse landscapes that **contribute to long-term food and income security and environmental integrity.***



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# Big Picture: Remaining Forest Cover



Land Use	Area (000 Ha)	%	Forest Cover (000 Ha)	%
<b>Conservation &amp; Protected Forest</b>	51,914	27.6%	41,634	80.2%
Conservation	21,996	11.7%	17,543	79.8%
Protected	29,918	15.9%	24,091	80.5%
<b>Development Use (Kawasan Budidaya)</b>				
Production Forest - Limited	27,687	14.7%	21,869	79.0%
Production Forest - Permanent	28,897	15.4%	17,311	59.9%
Production Forest - Conversion	15,525	8.3%	7,510	48.4%
Sub Total	72,109	38.4%	46,689	64.7%
Non Forestry Use (APL)	63,895	34.0%	8,167	12.8%
<b>Indonesian land</b>	187,918	100.0%		
<b>Total Forest Cover</b>			96,491	51.3%

Source: Statistik Kehutanan, 2015

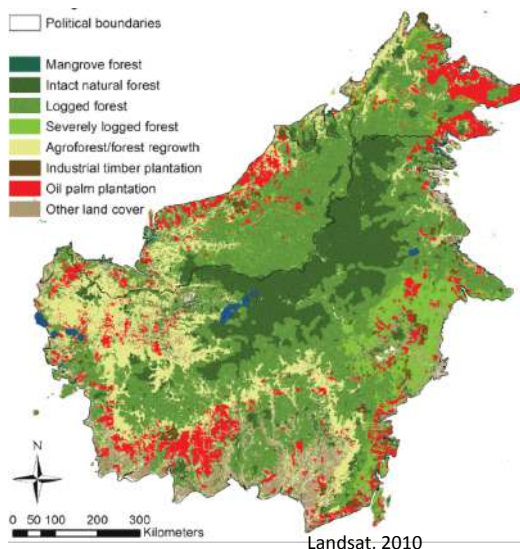
- Forest cover in Indonesia
  - 51.3%
  - Mostly in Papua
  - Kalimantan & Sumatera still have fragmented forest
- Forest cover for Conservation Area
  - 80.2%

- Forest cover in Area for Development Use
  - Production Forest 79,0%
  - Non Forestry Use, incl plantation 12.8%

We need to improve our land use planning for the remaining forest cover in Area for Development Use

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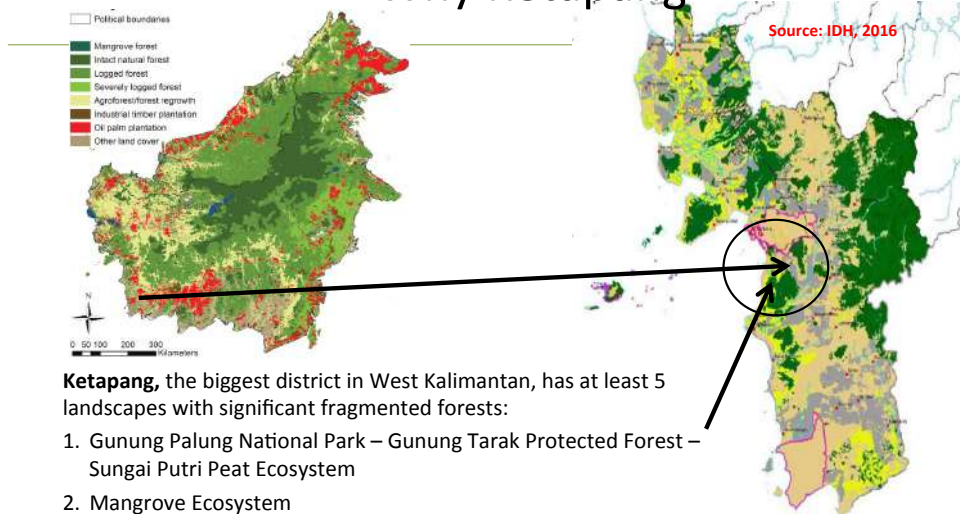
## Kalimantan Case: “Business As Usual” Scenario



- Intact forest is located in the “heart of Borneo”. Elsewhere secondary forests are fragmented
- Government allocates land use on economic reasons, after setting aside conservation area
- Oil palm and other companies maximises their concessions, except for HCV, deep peat. CSR program may be implemented
- Community engages in shifting cultivation or agroforest practices: slash & burn mostly
- Encroachment with or into national park, illegal logging, illegal mining...
- Food & other basic needs are supplied from other regions
- Fire rages almost every year

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# Why Ketapang

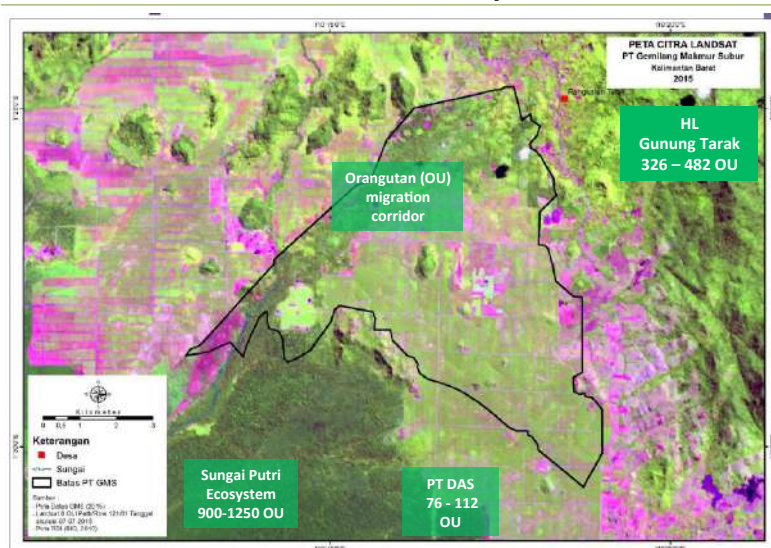


**Ketapang**, the biggest district in West Kalimantan, has at least 5 landscapes with significant fragmented forests:

1. Gunung Palung National Park – Gunung Tarak Protected Forest – Sungai Putri Peat Ecosystem
2. Mangrove Ecosystem
3. Fresh Swamp Water
4. Batu Menangis – Rongga Perai
5. Pematang Gadung – Pesatuan - Kendawangan

**Those fragmented forests need to be connected to ensure and improve biodiversity sustainability**

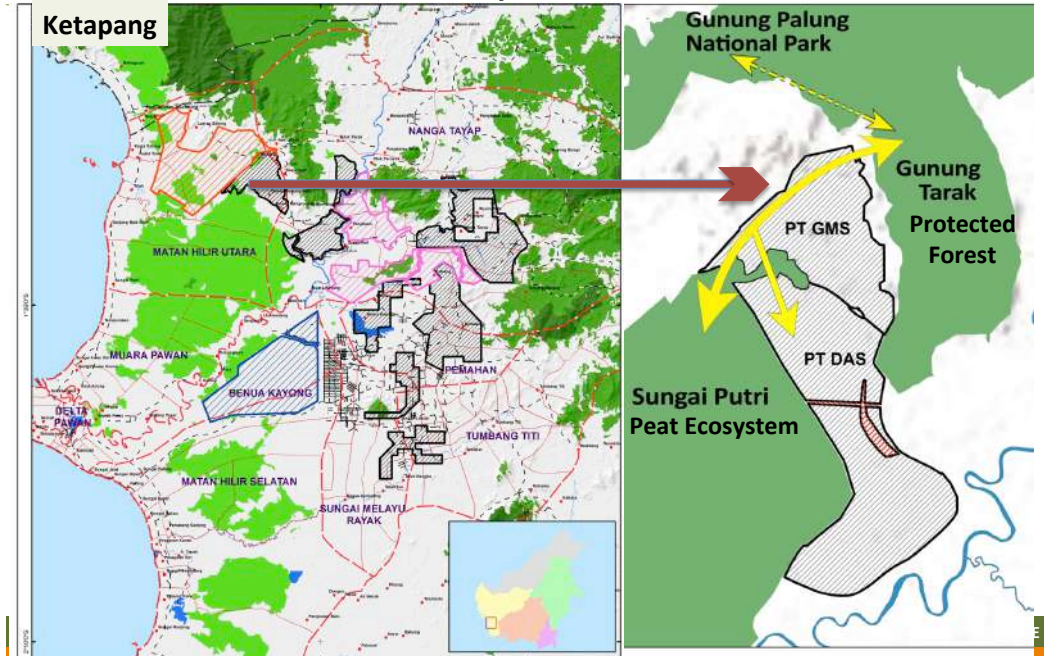
# Palm Oil as a Part of Landscape: Biodiversity Concern



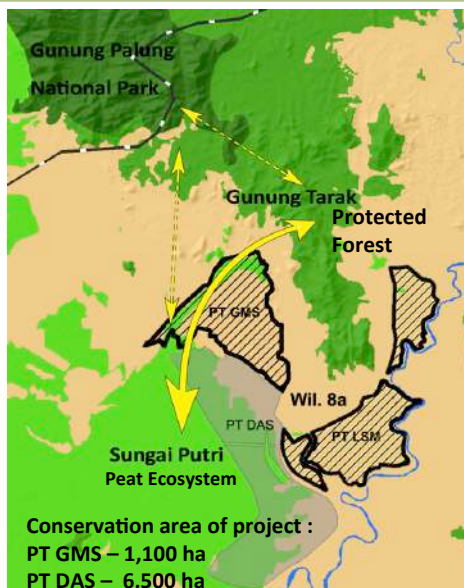
Recommendation from study by International Animal Rescue Indonesia & Borneo Nature Foundation: Re-connecting the two populations will allow for transfer of genetic materials, thus preserving the populations' integrity and prevent inbreeding.

Source: HCV Assessment, 2016; Orangutan Assessment YIARI, 2018

# Palm Oil as a Part of Landscape: Biodiversity Corridor



## Bumitama Biodiversity & Community Project (BBCP)



- Our Approach:
  - Integration of plantation with the surrounding areas and its stakeholders, rather than imposing itself onto it;
- Partnerships:
  - Collaboration with experts and NGOs;
  - Involvement of local communities;
- Policy:
  - Engagement of regional/provincial government in legalisation of conservation set-asides;
- Challenges:
  - Various stakeholders with contradictory interests;
  - Requires close alliances across all stakeholder groups.

# Objectives of BBCP



Protection	Production	Inclusion
 <ul style="list-style-type: none"> <li>• <b>Biodiversity</b> protection, especially endemic &amp; flag species</li> <li>• <b>Rehabilitation</b> of forests (peat, regenerating)</li> <li>• <b>Protecting</b> forest area from illegal loggers, miners, hunters, fire</li> </ul>	 <ul style="list-style-type: none"> <li>• <b>Ensuring sustainable production</b> of oil palm in plantation and smallholders estates</li> <li>• <b>Assisting smallholders (palm oil)</b> to legalise its operations &amp; practice sustainable agricultural practices, certification</li> </ul>	 <ul style="list-style-type: none"> <li>• <b>Alternative sustainable livelihood</b> to prevent <b>community</b> from unsustainable livelihood</li> <li>• <b>Inclusion of wider stakeholders' interests</b> Government, NGOs, community, other companies, international audience</li> </ul>

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# Landscape conservation - BBCP



- Landscape level approach for forest protection through partnerships based on protection – production – inclusion;
- Conserving and connecting forests, peat areas, and orangutan habitat with community, government and others involvement at the same time;
- Alignment of community development and conservation with the Provincial and Regional government Green Growth Programme, *Kawasan Ekosistem Esensial*, District's Mid-term Development Plan (or RPJMD);
- Participatory assessment of village land for Village Level Land Use Plans (VLLP) for implementation into regional spatial plans and budgets (PKP);
- Smallholder productivity increase and replanting programme.



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# NTFP For Forest Conservation: Community Involvement in 8 villages

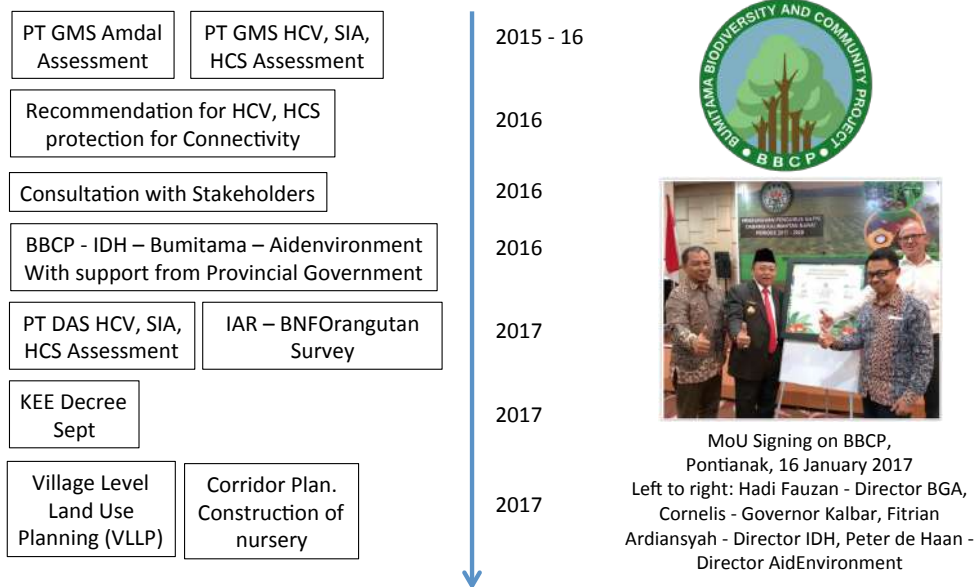


- Stakeholders stewardship inclusive of community for set-aside areas;
- Protection of the forest linked with economical benefits:
  - Harvesting NTFP such for crafts, food or medicinal purposes;
- Engaging community for rehabilitation & patrolling of the set-aside areas;
  - Loggers are taken out of forest and provided alternative livelihoods;
- Building on the indigenous people’s knowledge, passing to younger generations;
- Trainings and workshops with NGOs on sustainable forest products;
- Paludiculture pilot for peat rehabilitation and research



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# Bumitama Biodiversity & Community Project (BBCP): Timeline



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# 1. HCV & HCS are not fully recognised



HCV	Indonesian Regulations
1 Species diversity	UU 5/1990 Conservation of Natural Resources and Ecosystem, UU 41/1999 Forestry, Keppres 32/1990 Management of Conservation Area
2 Landscape level ecosystem	UU 32/2009 Environmental Protection & Management, UU 5/1990
3 Ecosystems & habitats	UU 32/2009, UU 5/1990
4 Ecosystem services	UU 5/1990, UU 32/2009, Keppres 32/1990
5 Community needs	Keppres 32/1990
6 Cultural values	Keppres 32/1990

- Not all elements of HCV & HCS are covered in Indonesian regulations & ISPO
- Which toolkit to use in assessment? RSPO? ISPO?
  - HCV from HCV RN
  - HCS from HCSA
  - Need to lobby for inclusion in ISPO & other regulations
- Expensive (Rp 500 – 1 Bilion), can take long time - 1 year or longer
- Plantation development may be halted. Location Permit (Izin Lokasi) could be taken away (valid for 3 years)
  - Now Moratorium on new licenses ?

Source: WCS, 2011

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# 2. Conservation Area: Abandoned Land, Protection, Plasma Demand



- Enclave for conservation may be perceived as lack of commitment for development & IUP could be revised & given to others
  - Government can perceive unplanted area/ land bank - > abandoned land
  - Banks & investor can assume the company is lack of comittement
  - Conservation area in IUP have to be protected. Cost concern. Fire usually occurred in unmanaged/ unplanted land
  - Strongest protection is by acquisition of land from community.
    - Community lost rights to land if land is acquired
    - Plasma demand
    - Cost concern
- Some parties perceive that plasma is from Pelepasan Kawasan (forest relinquishment), IUP, acquired land, or HGU, not planted land
  - IUP 10,000 ha. HCV HCS 5,000 ha. Planted 4,000 ha, 1,000 ha community enclave.
  - Plasma 20% of 10,000 = 2,000 ha, or
  - 20% of 4000 ha = 800 ha?
- Community wants to develop the conservation area for palm oil or at least other options with similar returns
  - Palm oil = no
  - HCV agroforestry?
  - HCS = no development
  - How the return can match palm oil? CSR need to intervene

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# Dilemma: Earning of palm oil smallholders are higher than others



Earning of 3 livelihoods in 2015:

- Palm oil smallholders in 7 provinces > 61% higher from Minimum Wage (UMR)
- 163% higher from paddy farmers

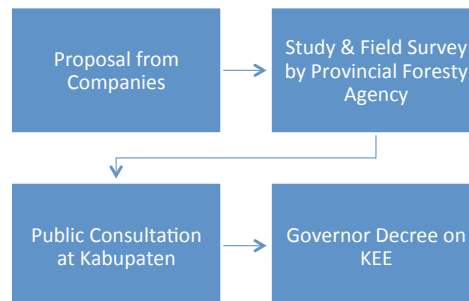
PROVINCE	OIL PALM SMALLHOLDER	PADI FARMERS	MINIMUM WAGE
North Sumatra	3,508,325	1,040,000	1,625,000
West Sumatra	1,992,252	1,204,000	1,615,000
South Sumatra	1,688,761	980,346	1,974,346
Jambi	3,210,000	1,001,400	1,710,000
Lampung	3,853,000	1,285,720	1,581,000
Riau	2,896,667	998,100	1,878,000
South Kalimantan	2,636,401	1,017,000	1,870,000
<b>AVERAGE</b>	<b>2,826,487 (€ 173)</b>	<b>1,075,224 (€ 66)</b>	<b>1,750,478 (€ 107)</b>

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Source of data = 2016 preliminary studies by 9 universities and 1 research center, funded by IECF, compiled by Dr. Diana Chalil of University of North-Sumatera

## 3. Local Regulations on KEE & Conservation

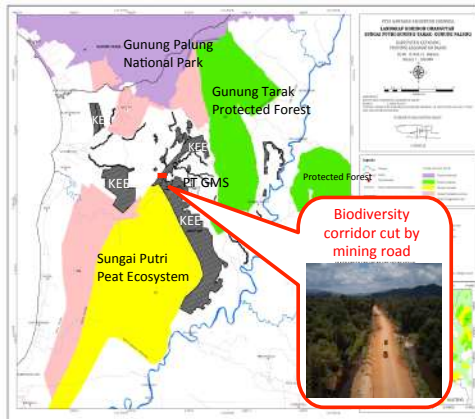


- Ministry of Forestry encourages provincial government for protecting conservation area in APL
  - Governor Decree on KEE
  - BBCP is covered by Governor Decree on KEE, among the firsts in Indonesia
  - Would be good if Ministry of Forestry can strengthen the legal basis
- West Kalimantan government issued local regulation 6/2018
  - Sustainable Management of Business using Land, for agriculture, plantation, mining, forestry
  - Conservation set at 7% from license
  - Adopted HCV methodology
- Challenges:
  - Since it is a governor decree, the Governor & Bupati/local government have discretion to revise if there are other different priorities, e.g. mining, public roads



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## Mining License Overlaps with Plantation License & KEE



- Existence of mining license (IUP) covering bigger area
- The IUP was not revealed in a public consultation at kabupaten & provincial level
- The mining cleared the corridor & other area, incl HP (Production Forest)
- Confusion between government agencies (central, provincial, local) & companies (plantations, mining)

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## The Aftermath



- Bumitama employs 31,000 workers and works with 28,000 plasma smallholders – in rural areas where poverty is double compared to urban areas;
- Providing minimum starting wages 10 - 20% higher than regional minimum;
- Community benefits from the employment – children are assisted, teachers in the state owned schools and facilities;
  - Accessible to more than 4,900 children of employees through 36 internal and 10 external partnership schools;
- Infrastructure development for the benefit of local communities;
- Variety of socio-economic programmes



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# Summary

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- We need a stronger regulation & incentive to protect conservation area in APL, incl how to assess the conservation area (HCV, HCS toolkits)
- Sustainability should apply to all stakeholders
  - Not only companies, smallholders, community
  - But also Government
  - Key partners: bankers, investors, retailers, consumers, NGOs, academic institutions and whole supply chain
- Sustainable landscape project provide ways to engage with all stakeholders in meaningful, win-win ways
  - International stakeholders need to be convinced on the sustainability of Indonesian palm oil
  - Sustainable landscape projects are offering new ways of engaging wider international stakeholders