Enabling Social Forestry Enterprises in Indonesia

What is Social Forestry?

- Social Forestry is a forest management and protection system in which the communities are the main actors.
- Social forestry has become one of the priority national programs through Ministerial Regulation for Environment and Forestry (MoEF) No. 9 Year 2021 about Social Forestry Management.
- Until 2022, approximately 5 million hectares of Social Forestry Utilization Permits (Izin Permanfaatan Hutan Perhutanan Sosial/IPHP) have been distributed to communities across Indonesia.
- Social Forestry has the potential to empower forest enterprises (Kelompok Usaha Perhutanan Sosial/KUPS) to improve communities' livelihoods, as well as to enhance environmental management.

Social Forestry Schemes

- Community Forest (Hutan Kemasyarakatan/HKm)
- Village Forests (Hutan Desa/HD)
- Community Plantation Forests (Hutan Tanaman Rakyat/HTR)
- Forest Partnership (Kemitraan Kehutanan/KK)
- Customary Forests (Hutan Adat/HA)

Social Forestry Areas in Indonesia

- Up to 12.7 million ha targeted to be allocated to forest communities
- 37.2 million people closely interact with or dependant on forest areas
- 66 million tons of potential non-timber forest products (NTFP) per year

Social Forestry Areas in GGGI Focal Provinces

GGGI focal provinces, the forest management unit (FMU) and some of their key NTFPs:

<table>
<thead>
<tr>
<th>Province</th>
<th>FMU</th>
<th>Area (ha)</th>
<th>Key NTFPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Kalimantan</td>
<td>FMUs - Nunukan, Tana Tidung, Bulungan</td>
<td>258,776</td>
<td>Honey, gum, eucalyptus</td>
</tr>
<tr>
<td>Central Kalimantan</td>
<td>FMU Kapuas</td>
<td>1,100,745</td>
<td>Coffee, essential oil, honey</td>
</tr>
<tr>
<td>East Kalimantan</td>
<td>FMU Santan</td>
<td>423,704</td>
<td>Cacao, aren sugar, agarwood</td>
</tr>
<tr>
<td>South Kalimantan</td>
<td>FMUs - Tabalong, Balangan, Cantung</td>
<td>146,416</td>
<td>Honey, aren sugar, gum</td>
</tr>
<tr>
<td>West Papua</td>
<td>FMUs - Fakfak, Sorong</td>
<td>650,476</td>
<td>Cacao, nutmeg, coffee</td>
</tr>
</tbody>
</table>


KUPS Categorization by the Ministry of Environment and Forestry

**KUPS (Forest Enterprises)**
KUPS with Silver and Gold categories are selected to be provided with support by GGGI.

**SILVER**
Owns a RKPS (Rencana Kerja Perhutanan Sosial) and a business unit

**BLUE**
Have met all criteria to become a KUPS. Business potential identified.

**GOLD**
Owns a product/service to be marketed Has local consumers or tourists and access to capital from grant, loan or is self-subsistent.

**PLATINUM**
Has regional, national or international consumers or tourists.

**Kelompok Usaha Perhutanan Sosial (KUPS), or forest enterprises in the Silver and Gold categories require advancement in their production and business capabilities to scale up and cater to regional, national and international markets.**

GGGI Interventions to Support the Post-Permit Social Forestry

- **Support Objectives**
  - **Funding**
    Explore new and existing sources of funds to support forest enterprises.
  - **Sustainable Commodities & Market Linkages**
    Drive development of green commodities in a sustainable and profitable manner.
  - **Community Empowerment**
    Ensure communities are able to build sustainable livelihoods from the social forestry areas.

- **Support Mechanism**
  - **KUPS (Forest Enterprises)**
  - **Capacity Building**
    - Build understanding and interest to run NTFPs businesses.
    - Strengthening the entrepreneurship drive of forest communities.
    - Introduction to Revolving Fund Facility as an option to fund forest enterprises.
  - **Business Analysis of Social Forestry**
    - Analysis of NTFPs supply & value chains.
    - Analysis and mapping of stakeholders.
    - Building sustainable business operations and models for Social Forestry enterprises.

**Global Green Growth Institute Indonesia**
Jl. Taman Patra Raya No. 10
Kuningan Timur, Setiabudi, Jakarta Selatan
Indonesia 12950

**Indonesia Green Growth Program**
http://greengrowth.bappenas.go.id/en/