

# GSFP PROJECT PRESENTATION

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Supporting sustainable forest management and social forestry in East Kalimantan.



**SINAR HIJAU**  
VENTURES

# Our vision

Support sustainable forest management and local communities' livelihoods by developing market linkages and sustainable supply chain for lesser known timber species (LKTS), non-timber forest products and business activities.

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Up to 93% of tropical forest timber volume consists of lesser known timber species (LKTS) and many such species are currently being burnt or otherwise wasted after logging operations, agricultural conversion projects (including shifting cultivation), and hydroelectric construction projects.

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Many logging concessions in Indonesia are idle or financially distressed and exposed to encroachment or conversion in the short to medium term.

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Government of Indonesia's (GoI) flagship institutions and initiatives like Forest Management Units and Social forestry, respectively, can be integrated with sustainable LKTS value chain to enable sustainable landscape management at jurisdictional level.

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A sustainable LKTS value chain could support sustainable forest management by incentivizing existing logging industry concessions.

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# GSFP aims to:

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1

Develop sustainable forest management in certified Social Forestry areas with communities and with select sustainable logging concessions.

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2

Develop global markets and value chains for lesser known timber species, non-timber forest products and business activities.

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3

Contribute to jurisdictional efforts to reduce emissions from deforestation & forest degradation (REDD+) and protect biodiversity.

# Need to move to lesser known timber species.

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## **TIMBER INDUSTRY NEEDS DIVERSIFICATION**

- Demand for timber will grow 4 times by 2050 (World Bank) – leading to overexploitation of well-known timber species and resulting in rapid degradation of primary forest areas.
- There is an urgent need to diversify the market for timber species by commercializing Lesser-Known Timber Species (LKTS) species from well-managed forests.

## **GREENWOODD SOCIAL FORESTRY PROGRAM (GSFP) ENABLES A SCALED-UP APPROACH**

- LKTS value chain development would benefit community-based social forestry programs by increasing per Ha value and livelihood creation.
- Development of a sustainable, FSC-certified, value chain for LKTS could increase sustainable timber supply without creating additional pressure on forest ecosystems.

To achieve its goals, GSFP invests in LKTS to develop community-based supply, set up transparent and sustainable supply chains, develop market linkages, and raise customer awareness.

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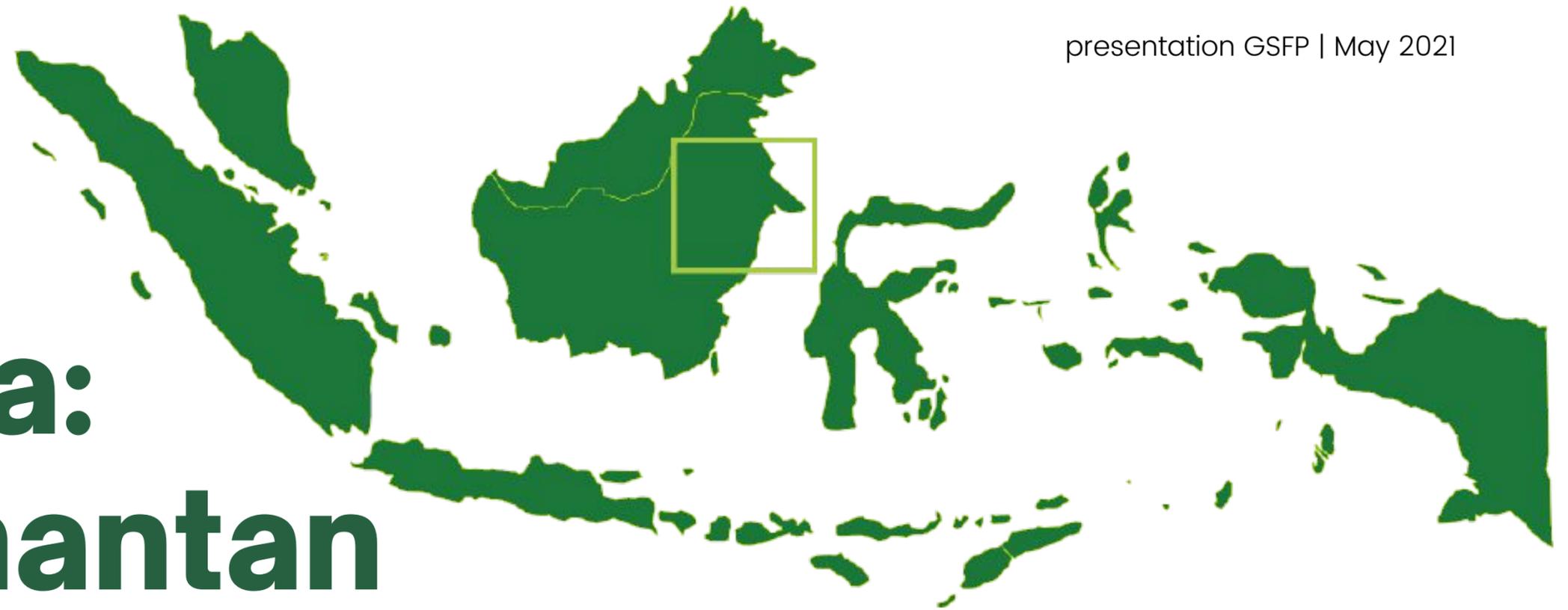
- Greater economic value for forest concessions
- Realization of social forestry development in Indonesia
- Prevent conversion into other high emission land uses such as large-scale agriculture or mining
- Strong safeguards through FSC certification

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# GSFP is aligned with GoI's social forestry initiative.

1. Social Forestry is a flagship initiative of the Indonesian Government's agrarian reform and is a central component of GSFP.
2. GSFP will support local communities' livelihoods by onboarding social forestry concessions into a jurisdictional LKTS supply chain, providing revenue from sustainable harvest of LKTS resources as well as payment for potential ecosystem services.
3. GSFP will aim to secure the integrity of important forest ecosystems in production forest areas by engaging local Forest Management Units, CSOs, private sector, and communities to develop integrated production protection plans for communal forests.

# Focus area: East Kalimantan



## **GSFP PROGRAM SHALL TAKE A TWO STEPPED APPROACH:**

1. Open-up the market and value chain through partnership with existing FSC-certified concessions and
2. Expand to jurisdictional-level planning and partnership integrating multiple social forestry concessions and select logging concessions.

## **EAST KALIMANTAN PROVINCE HAS TWO UNIQUE ADVANTAGES:**

1. Strong forest governance, committed local government, well managed Forest Management Units and ambitious social forestry programs for further scale up.
2. Existing FSC-certified HPH concessions with LKTS stock to get the supply chain started.

# Existing supply potential



10 FSC-certified concessions are registered in East Kalimantan, covering over 800,000 Ha of forest, notably 200,000 Ha in Berau.



Potential for social forestry partnerships

- 150,000 Ha of Village Forest, notably 68,000 Ha in Berau district.



Partnership with Private sector and SOEs

- Inhutani 1 is considering developing 4,000 Ha of logging concession in partnership with local communities.
- Several idle logging concessions are also seeking alternative business models.

# Annex

# A unique concept

The forest management business concept that developed by Greenwoodd+ Social Forestry Program (GSFP) is a unique business concept because:

- It involves local communities in long-term sustainable forest management (SFM).
- It focuses on the balance between ecological, social and production sustainability.

# Market demand for lkts

## Short-term market demand

The short-term demand for LKTS will make use of the increasing global demand for timber in general. Additional demand for LKTS species is coming from climate change and sustainability conscious buyers, who want to be associated with its impact on social forestry and ecosystem benefits. Endorsement from FSC and other well-known NGOs for LKTS will contribute to create a demand pull.

## Medium-term market demand

Medium-term prospects for LKTS are excellent because of their availability, characteristics and decreasing supply for regular commercial species. Timber demand will increase four-fold by 2050 (World Bank). LKTS demand will further increase since global demand for timber tends to switch from species-specific to usage-specific demand, which is also being promoted by the Forest Stewardship Council.



# Growing demand

- A housing program was launched in the Netherlands, requiring supply of sustainable wood for the construction of over a million housing units by 2030. This represents over 1.4 million m<sup>3</sup> of sustainable timber.
- Germany is lacking around 670,000 social houses nationwide.
- In the UK the housing supply is not keeping up with demand. There are almost 1.8 million households on English local authority housing registers and significant levels of overcrowding in the private and social housing stock.
- U.S. Housing market is nearly 4 million homes short of buyer demand.
- The most recent FAO projections estimate that by 2030 global consumption of industrial roundwood will rise by 60 percent over current levels, to around 2,400 million m<sup>3</sup>.

# Global markets and sustainable supply chains

GSFP will build and develop global markets and sustainable supply chains for:

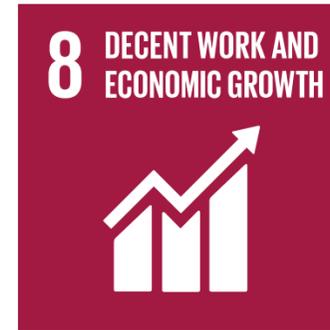
- Certified lesser known timber species (LKTS)
- Certified non-timber forest products (NTFP) and cultivated products
- Certified carbon sequestration and storage
- Ecotourism

# **BUSINESS LICENSE FOR UTILIZATION OF TIMBER FOREST PRODUCTS-COMMUNITY PLANTATION FOREST**

15 IUPHHK-HTR covering an area of 12,941.98 Ha have been issued in East Kalimantan. The objectives of Community Plantation Forests are as follows:

- Rehabilitation of abandoned and/or empty production forest areas.
- Increasing the potential and quality of production forests.
- Empowerment of communities around production forest areas.
- Increasing wood production in production forests
- Providing employment and business for communities around production forests.
- Security
- Building togetherness, justice and openness in optimal forest management.

# applicable sustainable development goals



**THE GLOBAL GOALS**

"Wood is currently the most important source of renewable energy worldwide."

source: UNECE

"Lesser known timber species are more cost effective and increase the viability of responsible forest management."

source: WWF

"Timber is with no doubt the most important renewable resource for structural applications, playing a more and more important role in developing a sustainable society.."

source: Prof. Dr. Ir. van de Kuilen, Delft University

"Lesser known species from FSC certified forests can offer companies cost-effective, aesthetically attractive and high performing replacements for species that are commercially in-demand. This has obvious business benefits and less obvious but highly significant environmental benefits."

source: IWPA

"Utilization of lesser known timber species is highly desirable and the potential is enormous."

source: FAO

"Using wood in our buildings and bridges could save 31% of global CO2 emissions."

source: World Economic Forum

# Non-timber forest products:

- rattan
- honey
- mushrooms
- fruit
- sap
- birds' nest

# Business activities:

- utilization of water flow services
- biodiversity protection
- ecotourism and natural tourism
- escue & environmental protection
- carbon sequestration and/or storage
- water utilization

A group of approximately 15 people, mostly young adults, are standing on a wooden walkway. They are wearing white t-shirts with a logo. One person in the center is holding a large banner that says "Greenwood International". The background shows a building with a thatched roof and some trees.

# CONTACT

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