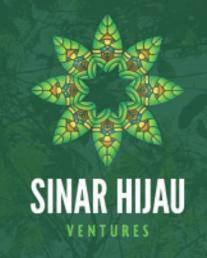
GSFP

FIELD VISIT EAST KALIMANTAN, 8 - 18 JUNE 2021

Supporting sustainable forest management and community-based forest management in East and Central Kalimantan.



Focus of field visit

- Scope of social forestry support: discussion with local government, KPHs, NGOs and civil societies.
- Supply of Lesser known timber species: discussion with HPHs and association of HPHs.
- Industry: partnership with local sawmills and factories.



Supply of Lesser known timber species.

Outcome discussions with HPHs and HPH association in East Kalimantan:

- 83 HPH concessions in East Kalimantan
- 10 HPH concessions are FSC-certified. (Gunung Gajah Group is a great prospect with three FSC-certified HPHs and an own sawmill.
- Positive response from members of the association
- FSC-certified HPHs will share data on their stock
- Trial shipments in 2021; planning of LKTS harvesting and management from 2022 and onwards
- Several non-certified HPHs have shown interest in undertaking FSC-certification to access LKTS value chain.
- FSC is working on combined audit for SVLK/PHPL/FSC to reduce cost of certification by 30%.

Social forestry.

Discussions with local government, KPHs, NGOs and civil societies.

- Governance challenges exist with HTR social forestry permits.
- Commercial logging wasn't legally feasible until recent issuance of Regulation number 9, 2021 of the Minister of Environment and Forestry of the Republic of Indonesia concerning social Forestry Management.
- Article 90 and 93 introduce the possibility for sustainable community-based timber exploitation.
- Opportunity to develop a pipeline of community-based projects in social forestry areas (HPH Rakyat).
- Support social forestry initiatives, starting from focusing on non-timber forest products (NTFP) such as rattan in landscape around targeted HPHs; using landscape approach.

Discussions

- Mrs Dyah Catur Wahyuningtyas, provincial representative of GGGI: The East Kalimantan Green Growth Program focuses on the issues of forest and land use, renewable energy and the development of Special Economic Zones.
- Mr. Pathur Asad from the economic bureau, East Kalimantan Governor's Office: The East Kalimantan Provincial
 Government requests that all wood processing activities be carried out in East Kalimantan (not brought to Java),
 so that the region and the community get added value. Cooperating with regional forestry company (Perusda),
 in forest management outside forest areas (Other Use Areas APL).
- Mr. Wijaya (Bioma): Forest management outside APL can be carried out by the community through cooperatives / Village Owned Enterprises (BUMDes). There are 2 APL that can be targeted, namely in West Kutai and Mahakam Ulu, because they still have good forest cover, have large timber potential and adequate area.
- Mr. Alvared, Head of the North Berau KPH: most of the KPH Berau Utara area is mangrove forest. Businesses that can be developed are mangrove forest ecotourism, crabs, shrimp, fish ponds and mangrove forest rehabilitation





Industry: sawmill and factory.

 SKP in Samarinda: would require a long-term agreement and improvement in equipment to be able to produce finished products.

Key Message:

- A phased approach is required with first phase focusing on operationalizing sawmill in Samarinda, and final production in Surabaya
- In subsequent stages, new investments to upgrade the existing sawmills and factories can help in bringing cost efficiency and quality management

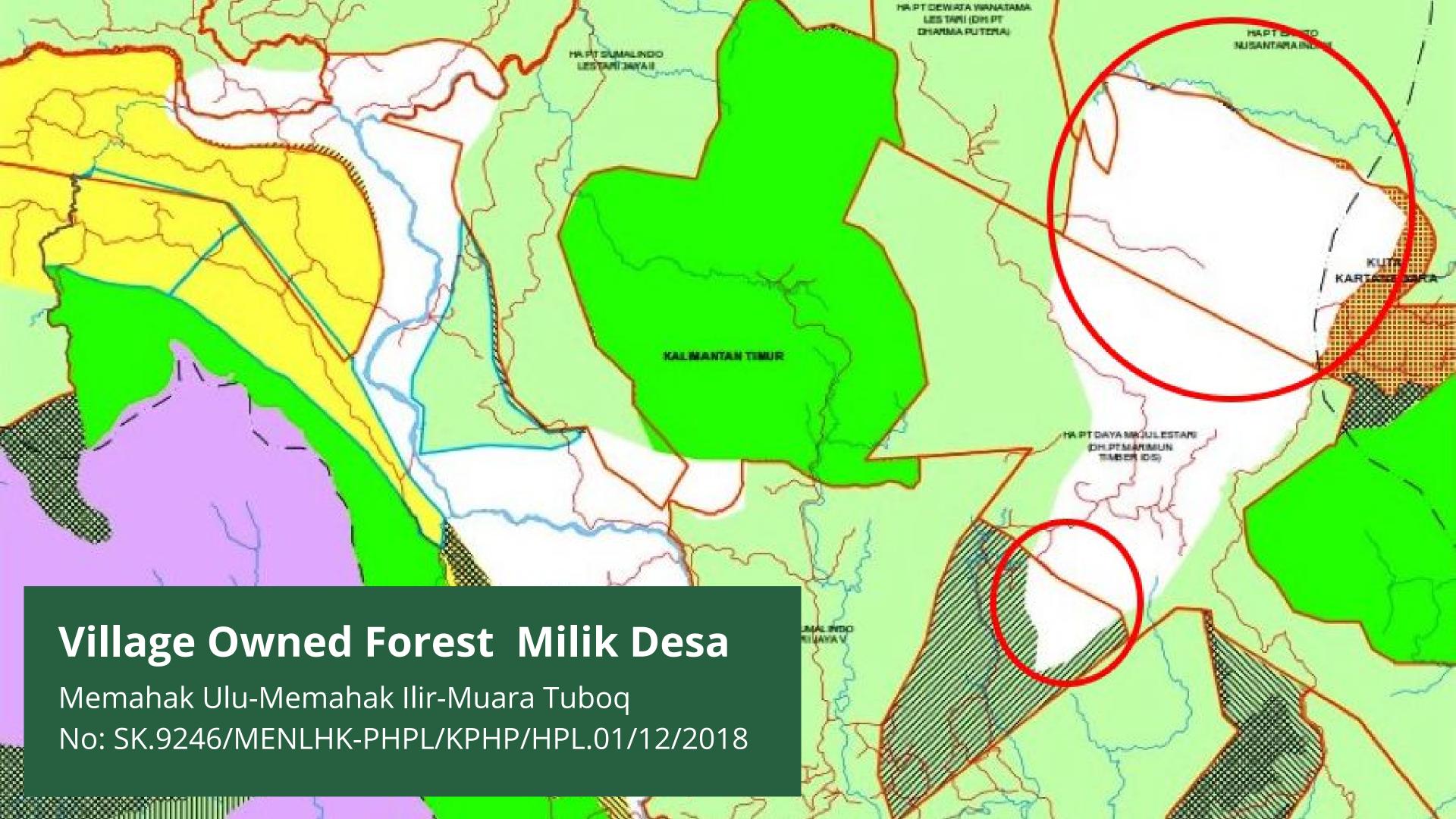






Sustainable forest management outside of forest estate

- 20,000 Ha of unlicensed forest in other land-use areas (APL).
- Bioma facilitating recognition of "Hutan Milik Desa"", SK Desa, SK Bupati.
- Zonation plan: conversation, selective logging and NTFP
- Considering it is not yet possible to source LKTS from social forestry, we will trial-test community-based logging approaches in Hutan Milik Desa (outside of forest estate)



Strategy for community engagement.

- 1.In medium term, there is possibility to develop community-based logging in social forestry areas following new regulation, but it will require time to develop appropriate model.
- 2.In the short-term, engagement with social forestry will focus on NTFP to support sustainable livelihoods and reduce pressure for deforestation in the landscapes where we are sourcing from (e.g KPH Berau Barat).



Strategy

Increased timber volumes from FSC-certified concessions to supply increasing demand.

Increase the asset value of FSC concessions and build a strong business case for FSC certification.

Improved forest management through adoption of FSC standards by more logging concessions.

Integration of social forestry into sustainable forest landscape planning and management.

Reduced threat of forest ecosystem degradation at landscape level.

Support social forestry in targeted landscape to support local livelihoods and reduce pressure on forest resources.

Incentivise adoption of FSC standards by non-certified HPHs to integrate the LKTS value chain.

Increase FSC-certified LKTS output from existing FSC-concessions.

Open-up the market, value demonstration by building market linkage for social forestry concessions

- Trial orders from FSCcertified concessions in Berau.
- Partnership with FSC to promote LKTS.
- Start assessing readiness and capacity of Hutan Milik Desa.

Pilot project development in social forestry concessions

- Consultation and participatory planning with Hutan Milik Desa.
- Development of social forestry concessions 'pipeline' with KPH Berau Barat.
- Legality and work planning documents for forestry operations.
- Standardize operations.
- Commercial agreements with communities and resource planning.

Institutional Partnerships/ Jurisdictional Approach

- Engagement with multiple social forestry concessions to build scale, standardize operations and institutional capacity.
- Long-term MoUs with FSC-certified concessions to sustainably harvest "green" LKTS (Second Commercial Timber Group/SCT).
- Engagement with FMUs to identify idle logging concessions.
- Support social forestry development in WT.

6 months to revenue

applicable sustainable development goals

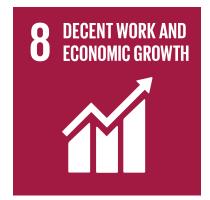






















THE GLOBAL GOALS

