Australian Government

Australian Centre for International Agricultural Research

Enhancing community-based commercial forestry in Indonesia

Indonesia

Overview

Millions of small-scale farmers in Indonesia cultivate trees as an integral part of their farming systems; however, most smallholders fail to realise the full commercial potential of the forests they manage or the trees they plant—leading to supplies of poor-quality wood to the industry.

The changing dynamics of rural economies make it difficult for smallholders to understand the commercial value of forestry compared with other land uses, resulting in under-investment in their forest enterprises.

Australia has a strong connection to Indonesia's forestry sector, importing AU$50 million of wood-based furniture in 2014-15, and increasingly seeking timber imports from 'certified' sustainable sources. The European Union (EU) has also introduced the Timber Regulation (March 2013) requiring all wood and wood-based products traded within the EU to be certified as originating from 'legal' sources. In response, Indonesian Government policies encourage its forest industries to source supplies from sustainably managed plantations and community-based commercial forestry (CBCF), and is progressively introducing the Timber Legality Assurance System (SVLK); however, results have been mixed, with variable returns and continuing conflict over forested lands. This project, building on two previous ACIAR projects, will focus on land privately owned by smallholders and state-owned land leased to smallholders.

KEY FACTS

ACIAR Project No. FST/2015/040
Duration: July 2016 to December 2020 (4.5 years)
Target areas: Indonesia
Budget: AU$1,341,752

Project leader
Assoc Prof Digby Race, University of the Sunshine Coast

Key partners
- Forestry Research, Development and Innovation Agency (FOERDIA)
- University of Gadjah Mada (UGM)
- University of Mataram
- Trees4Trees

ACIAR Research Program Manager
Dr Nora Devoe

Research/Objective

The project aims to identify how commercial forestry can increase the incomes of smallholders, and scale out the broader benefits of commercial forestry to local communities and industries.

The specific objectives are to:

- Enhance the commercial benefits from CBCF for smallholders by strengthening their business networks.

- Increase the capacity and number of smallholders able to make informed decisions about their silvicultural approach and likely returns from CBCF.

- Analyse the policy context for CBCF and support policy reform that enables it to become a profitable investment choice for smallholders.

Expected scientific results

- In-depth empirical data across a mix of study sites on how to increase the social and economic benefits to rural communities and industries from CBCF, contributing, in turn, to an understanding about how to use commercial forestry to reduce rural poverty.

- Scientific findings from this research and foresight analysis offering researchers and policy-makers evidence of how these approaches might be implemented at the national, provincial and local levels in Indonesia.

- Improved understanding of how smallholder farmers use and disseminate knowledge gained through participation in Master Tree Grower training to enhance their livelihoods from commercial forestry.

- Improved understanding of the requirements for smallholders to have their timber certified by different forest certification schemes.

- Research results shared at key science and policy forums and published in international peer-reviewed journals.

Expected outcomes

- Greater capacity among smallholders to critically appraise the commercial opportunities in CBCF and form the business partnerships needed with the private sector.

- Benefits for both the private sector and government agencies via improved understanding of how best to link with smallholders and identify options to enhance the enabling policy environment, respectively.

- Improved forestry skills for 300 smallholders.

- Improved business networks with the private sector for 2,000 smallholders (half of them female farmers).

- Increased financial returns from CBCF in 10 village communities with a population of 20,000 people.

- Enhanced policies helping government achieve targets for major programs supporting CBCF.