



Case Study

VILLAGE FOREST MODEL, WEST KALIMANTAN, INDONESIA

In Kubu Raya district, West Kalimantan, sustainable farming was catalysed through the innovative “village forest” business model developed by IDH. This was the first phase of a EUR 6-million loan, marking a crucial step towards scaling the business model across Indonesia.



The village forest scheme, known locally as “hutan desa”, was revitalized by the Indonesian government in 2014 as part of the Indonesian president’s social forestry program to encourage community-based forest management. The scheme grants licenses to selected villages to manage and protect nearby forests, peat and mangrove, whilst gaining non extractive economic benefit. It enables the connection of forest corridors and protects them from encroachment. Ultimately, it aims to increase forest sustainability, provide legal rights for the community welfare improvement and reduce pressure over land availability.

Recognizing the success of this pilot, the Indonesian government is now supporting four village farmer groups within the Village Forest to scale and strengthen the business model with a committed soft loan of EUR 6 million. This low-interest loan will help the farmers further develop their businesses sustainably and, eventually, to do so independently, without grant support.



Social forestry program is very important. There are still 9.5 Million hectares that we need to encourage, but we also need to maintain the quality, not only the quantity. The Ministry put efforts to maintain the quality of program implementation by providing assistance, so that forest access provided can bring ecological, social and economic benefits.

Bambang Supriyanto

Director General of Social Forestry and Environmental Partnership (PSKL) of the Ministry of Environment and Forestry



ACHIEVEMENTS & FUTURE GOALS



70,000 ha of mangrove, peat and forest agreed to be protected by farmers.



4,918 hectares of forest and mangrove restored through natural revegetation and community forest rehabilitation programs, according to satellite data.



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