

Promoting Selected Non-Timber Forest Products based on Community Participation Approach to Support Sustainable Forest Management in East Kalimantan (Indonesia)

Final Report

PD 277/04 Rev.3 (I)

The project was a follow-up of the Pre-project PPD 55/02 Rev.2 (I) "Assessing the contribution of selected non-timber forest products based on community participation approach to support SFM". The project aimed to increase the contribution of non-timber forest products to the forest sector earnings in East Kalimantan through the establishment of small-scale NTFP industries focusing on medicinal plants from the forests and a marketing system of NTFP. The project activities, focused on the establishment of plantations for selected NTFP both on state lands (PT Inhutani I – 50ha) and private lands (Sungai Merdeka, Mentawir, Semoi I and Semoi IV – 5ha each) and on the development of technical guidelines for sustainable management of NTFP resources, establishment of appropriate NTFP processing techniques and development of small-scale NTFP industries and business plans, including establishment of a marketing network.

In order to achieve its specific objective the project completed the following outputs:

- Establish selected medicinal plants cultivation system;
- Appropriate processing system for selected medicinal plants;
- Develop management plan of small-scale industry and business strategy of selected medicinal plants; and
- Establish marketing network of small-scale industries of medicinal plants.

The selected strategy to implement the project was based in the on-farm cultivation of the selected NTFPs and on-site demonstration plots, while at the same time improving the competence of the community in processing and marketing the NTFPs. The application of this strategy led to the following achievements:

Output 1: Cultivation of medicinal plants on-Station and on-Farm

- The participating farmers in all 4 villages (Sungai Merdeka, Semoi I, Semoi IV, and Mentawir) have been successful in growing and selling some medicinal plants for *jamu* (Indonesian curing herbs) with no serious difficulty.
- The farmers have acquired knowledge in preparing compost.
- Thus far, more than 20 hectares have been cultivated and harvested. The participating farmers are interested in cultivate species of forest-origin. The forest tree species that were planned to be developed included: gaharu (*Aquilaria malaccensis*), kina (*Brucea javanica*), akar kuning (*Arcangelisia flava*), pasak bumi (*Eurycoma longifolia*), tabat barito (*Ficus deltoidea*), and kayu sapan/secang (*Caesalpinia sappan*).
- Numerous seedlings have been established on 50 hectares of forest land (on-station cultivation).
- A small park (1 hectare) containing a collection of medicinal forest tree species was established for educational purpose.

Output 2: Processing of selected medicinal plants

- Farmers, particularly women, acquired skill and knowledge in producing hygiene herbs and various derived products, such as instant drink.
- Dried wood of pasak bumi (collected from the forest) has been processed using simple methods and shipped to an herbal manufacturer beyond East Kalimantan for export.

Output 3: Develop management plan of small-scale industry and business strategy of selected medicinal plants

- 7 legal permits, so called PIRT (Pangan Industri Rumah Tangga, certificate to produce and distribute home industry food products) have been issued by the district Health Service, granted after a thorough survey.
- A booklet in recipes of making instant drink made of various herbs has been developed and disseminated to be used in the production at household-level.

Output 4: Develop marketing network of small-scale industries of medicinal plants

- The participating farmers' organization was strengthened, links between the farmers and the district government, such as the Agricultural Service and the Health Service, have been satisfactory, as indicated by involvement of agricultural field workers (penyuluh pertanian) and the issuance of the PIRT license.

The situation prevailing after Project completion, as compared to the pre-Project situation is that some high-valued commodities having medicinal effects are now cultivated, processed, and legally distributed in the local market as compared to the situation before the Project

started. The Project provided all necessary facilities, such as workshops, trainings, materials as well as other equipment (3 different workshops with its respective proceedings been submitted to ITTO). The medicinal plants of NTFP are now planted in 50 hectares of forest land and ready to be harvested in 2-3 years, and to be processed by the surrounding communities. In addition, the communities have started to cultivate medicinal plants of forest-origin. During the Project implementation, the growth percentage of plants for forest enrichment is as the following: *gaharu* 95.0%, *akar kuning* 85.2%, *pasak bumi* 71.0%, *kina* 98.0%, *tabat barito* 45.4%, and *secang* 88.0%. Some sectors in district government have been actively involved. However, the Industry, Trade, and Cooperative Service in the respective districts has not yet taken a significant action.

The Executing Agency has submitted 4 technical reports, and a completion report. The Committee on Forest Industry declared the project completed in November 2008, pending the submission of the Final Audit which was being executed at the time of preparation of this report.