

Social forestry business group financing strategy in Wanagiri Village, Sukasada District, Buleleng Regency, Bali Province

Muhammad Elfaza Faishal Musyaffa*, Institut Pertanian Bogor, Indonesia

Rizaldi Boer, Institut Pertanian Bogor, Indonesia

Lukytawati Anggraeni, Institut Pertanian Bogor, Indonesia

*Email for Correspondence: elfaza.faishal24@gmail.com

ABSTRACT

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Social forestry is a flagship program to preserve forests while improving the welfare of communities around forest areas. This program faces several problems and challenges, one of which is the problem of financing social forestry business groups. The purpose of this study is to analyze alternative financing strategies for social forestry business groups. This study uses an in-depth interview method with the public and experts and the results are analyzed using descriptive analysis, SWOT and QSPM. Interviews with the community found that the financing of social forestry business groups is still minimal, this is due to several factors, including access to financing, government support, human resource capacity, and institutions, so alternative strategies are needed to increase the financing potential of social forestry business groups. Alternative strategies based on SWOT and QSPM analysis include actively looking for alternative sources of financing, increasing human resource capacity, evaluating the improvement of management of social forestry business groups, managing the environment sustainably, utilizing social forestry assistance facilities, conducting active communication with related institutions, and participation in collaboration between the community, government, and the private sector in the development of social forestry business groups.

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INTRODUCTION

Social forestry is one of the policy transformations that has existed since the 1970s which began when the Indonesian government gave massive access to forestry land concession permits to the private sector, which was considered unfair by the community because the community was given minimal access to forest management. The social forestry program is essentially a system where forest areas are given access to management to the community with the aim of preserving forests while improving the economy of the surrounding community. Through the social forestry program, the community is not only given access to management but also gets facilities to increase the capacity of resources and develop their businesses. The concept of social forestry in Indonesia is divided into several forms such as village forests (HD), community forests (HKm), community plantation forests (HTR), customary forests (HA), and environmental partnerships through the Regulation of the Minister of Environment and Forestry Number 83 of 2016 concerning Social Forestry. Through the social forestry approach, it is hoped that the community can play an active role in restoring degraded forests.

The area of forest areas in Bali is around 132,171.17 hectares, this figure is relatively small compared to the area of 563,286 hectares so that sustainable management is needed to maintain forest sustainability through the role of the community. The Bali Provincial Government issued a Decree on Village Forest Management Rights (SKHPHD) in 17 villages in Bali as a follow-up to the social forestry program in order to increase the economic independence of the community through community-based forest management and one of the villages that received SKHPHD was Wanagiri Village. Village communities form social forestry business groups (KUPS) as a means to carry out social forestry programs by utilizing the results of forestry businesses. Community activities to run social forestry businesses require support, especially from finance

through financing, but minimal access to financing makes the development of KUPS hampered so that it is difficult to achieve the forest utilization target in the social forestry program.

One of the main problems faced in financing social forestry is the limited budget allocated by the government, which causes difficulties in financing all social forestry program activities. Access to financing sources also remains a significant obstacle for local communities involved in social forestry programs. The majority of communities have difficulty financing the activities required for forest and environmental management due to limited access to financing (Rakatama dan Pandit 2020). The sustainability of KUPS is very dependent on support from multi-stakeholders, especially in terms of access to adequate financing which will help KUPS to increase community participation and develop partnerships with the government and the private sector. Social forestry business groups also need financing to strengthen organizational capacity and improve forest management skills so they can produce quality products and have good economic value.

This study aims to identifying internal and external factors of KUPS that influence social forestry financing and formulate a financing strategy for KUPS. The research contributes to the field of social forestry by identifying both internal and external factors influencing financing for KUPS (Koperasi Unit Perkumpulan Sumberdaya). By analyzing these factors, the study provides insights into the complexities of funding mechanisms within social forestry initiatives. Additionally, it formulates a financing strategy tailored for KUPS, which can enhance their operational efficiency and sustainability. This contribution is significant as it not only addresses the financial challenges faced by KUPS but also promotes the broader goals of social forestry by ensuring that these cooperatives have the necessary financial support to thrive. Ultimately, the research aids in the development of effective financing frameworks that can be applied to similar social forestry contexts, fostering sustainable resource management and community development.

The research on financing strategies for social forestry business groups (KUPS) in Wanagiri Village highlights a significant gap in existing literature, particularly in its focus on financing mechanisms, which is not addressed in studies by Suwitra et al. (2023) and Ngadiman (2021), the latter of which emphasize traditional governance and agricultural innovation, respectively. While Suwitra et al. examine the role of traditional village institutions in forest preservation, and Ngadiman explores collaborative governance for community empowerment, the current study uniquely integrates internal and external factors influencing KUPS financing and identifies marketing challenges faced by these groups. Its novelty lies in the formulation of structured financing strategies based on SWOT and QSPM analyses, as well as the emphasis on collaborative efforts among community, government, and private sectors to enhance financial sustainability in social forestry initiatives.

METHOD

The research was carried out in Buleleng Regency, Bali Province. The area that was the focus of the study was the village designated for the implementation of the social forestry program in Buleleng Regency, namely Wanagiri Village, and the object of focus was the KUPS in the related village administration area.

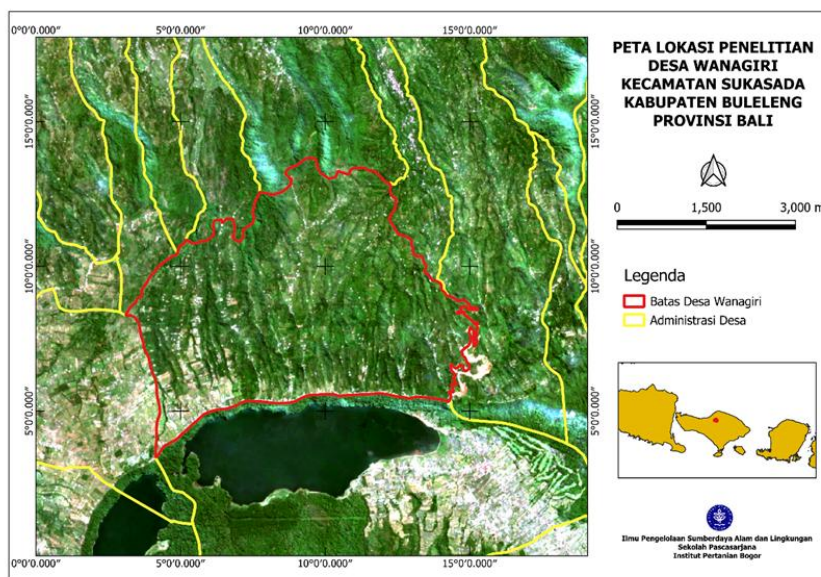


Figure 1. Map of Buleleng Regency Research Location, Bali Province

Wanagiri Village was chosen as the location for the research because it was an Integrated Area Development (IAD) implementation village where social forestry management synergized across various sectors. The potential and variety of types of village KUPS products were also quite high. By selecting locations in Buleleng Regency and Wanagiri Village, and focusing on KUPS in the region, this study aimed to contribute significantly to understanding the implementation and impact of social forestry programs at the local level.

The stage of financing strategy analysis began by analyzing the results of interviews with respondents using narrative analysis. This analysis produced a story, with the researcher as the main character. Internal and external strategic factor analysis served as the first step in SWOT analysis. This analysis was conducted to test the characteristics of internal and external systems simultaneously, supporting operational decisions. SWOT analysis was also used to formulate several alternative strategies, with the financing priority strategy derived from the QSPM analysis (Quantity Strategic Planning Matrix).

Data analysis for interpreting the results of identifying internal and external factors, alternative strategies, and carbon emission analysis utilized the descriptive narrative method. Narrative was understood as a complete story that provided meaning to the problem at hand, identified the main issue, and revealed the main solution and actions. Internal and external strategic factor analysis was part of the SWOT analysis, aimed at obtaining the weight value of each factor. SWOT analysis evaluated all factors that could act as obstacles or opportunities to prioritize development strategies within a particular sector. This analysis involved two main categories of influencing factors: internal factors (strengths and weaknesses) and external factors (opportunities and threats). SWOT analysis identified important factors that needed to be considered in designing an appropriate and sustainable social forestry financing strategy. The results of the QSPM analysis were utilized to formulate priority alternative strategies based on the analysis of each internal and external strategy factor with the alternative strategies resulting from the SWOT analysis.

RESULTS AND DISCUSSION

Social Forestry Business Group Financing

Social forestry business groups in Wanagiri Village are under the auspices of a village forest social forestry scheme based on Decree 2017/03-L/HK/2015 on October 30, 2015 with a land area managed by the community of ± 250 hectares. Preparations for the formation of village forests were carried out by the Wanagiri Village community in 2010 by forming the Village-Owned Enterprise (BUMDes) Eka Giri Karya Utama in 2012. Social Forestry Business Groups in Wanagiri Village include the Banyumala tourism group, the Wanagiri coffee business group, the Banyu Wana Amerta tourism group, the Pucak Manik tourism group, and the fun bike tourism group. These groups were formed through community efforts and assisted by participation from forest farmer groups and the BUMDes Eka Giri Karya Utama. In general, the sources of KUPS financing in Wanagiri Village can be categorized based on sources from banks or financial institutions, non-banks (BUMDes, cooperatives, etc.), corporate social responsibility (CSR), and own capital or community self-reliance. The types of businesses based on KUPS Wanagiri Village and the sources of financing obtained are explained in table 1.

Table 1. Types of business and sources of financing for KUPS Wanagiri Village

No	KUPS Name	Type of Business	Source of Financing			
			Bank	Non – bank	Owner's equity	Others
1	Banyumala	Waterfall tourism	-	BUMDes (125 million rupiah)	-	-
2	Pucak Manik	Waterfall tourism	-	BUMDes	Community self-reliance	-
3	Banyu Wana Amerta	Waterfall tourism	-	BUMDes (25 million rupiah)	Community self-reliance (20 million rupiah)	-
4	Kopi Wanagiri	Coffee	-	BUMDes (127 million rupiah)	-	Bang Pesona (50 million rupiah), CSR PLN Ltd.
5	Fun Bike	Automotive tourism	-	-	-	CSR PLN Ltd. (200 million rupiah)

The results of interviews with the KUPS community found that no KUPS used banks as their main source of financing. This is because the community feels unable to pay bank credit and the risk is high. Non-bank financing sources through BUMDes are the most widely used source of financing by KUPS Wanagiri Village. This is an indicator that the village government also supports social forestry efforts, especially *Social forestry business group financing strategy in Wanagiri Village, Sukasada District, Buleleng Regency, Bali Province*

financial support. Financial support for KUPS is very important for financial stability, which can have a positive impact on the national economy and the environment (Zhavoronok & Kovalchuk, 2020). Non-bank financing sources through BUMDes are the financing sources most widely used by KUPS Wanagiri Village. The purpose of establishing BUMDes is based on the village's capabilities, needs, and potential. The establishment of BUMDes Eka Giri Karya Utama is based on the needs of the community as a preparation for the social forestry program of Wanagiri Village in 2015 by considering the potential and capabilities of the village. The potential for agroforestry and tourism which are the advantages of the village can be utilized by the village government as a basic reference for the establishment of BUMDes Eka Giri Karya Utama. The role of BUMDes Wanagiri is important especially at the beginning of the formation of KUPS where the initial capital is provided by BUMDes which is then managed by the community. The management carried out by the community is still supervised by the village government through BUMDes even though the management of KUPS is handed over to the community as the main manager so that every activity carried out by KUPS will be reported to BUMDes and handed over to the village government. In addition to providing initial capital and supervision of the implementation of social forestry activities, BUMDes Eka Giri Karya Utama also acts as an offtaker for KUPS Kopi Wanagiri and a marketing partner for KUPS tourism. This is because BUMDes as a village apparatus has more access to parties outside the village such as forestry unit (KPH), Buleleng Regency Government, Bali Provincial Government, or private parties such as PT Perusahaan Listrik Negara (PLN Ltd.) and Bali Arabica. This access can be utilized by BUMDes to attract donors or other parties to provide other sources of financing besides village funds. The types of financing from BUMDes include assistance financing in the form of nominal money and operational assistance to KUPS. The nominal amount of money provided by BUMDes varies depending on the budget plan (RAB) made by KUPS. On average, the amount of financial assistance provided is 125-127 million rupiah, while operational assistance includes licensing assistance to related parties such as KPH, Subak, and traditional villages.

Other sources of financing used by KUPS Wanagiri Village include community self-reliance. Community self-reliance is a community action using personal funds collectively to provide support and assistance to KUPS. Community self-reliance is voluntary so that the nominal amount obtained is relatively small compared to other types of financing. Based on interviews with the community, the average financing obtained from community self-reliance ranges from 10 million to 20 million rupiah. The community's voluntary action of giving part of their income is proof that the community consciously fully supports and believes in the activities to be carried out by KUPS. The community's trust that has been formed can motivate KUPS and BUMDes to run their businesses sustainably so that the profits obtained can be used to build the village and improve the welfare of the surrounding community. The groups that received financing through community self-reliance were KUPS Pucak Manik and Banyu Wana Amerta. Pucak Manik received additional financing through community self-reliance because the main goal of establishing Pucak Manik tourism as a premium village tourism requires additional financing in addition to BUMDes. Meanwhile, KUPS Banyu Wana Amerta received financing through BUMDes of 25 million rupiah and community self-reliance of 20 million rupiah. This is because KUPS Banyu Wana Amerta is a new waterfall tourism group compared to other waterfall tourism groups and BUMDes still wants to focus on developing Pucak Manik tourism, but BUMDes still supports the management of KUPS Banyu Wana Amerta by continuing to provide financial support.

Corporate social responsibility is a company's ability to be responsible to the community for the impacts that may arise from business activities. The CSR funding budget can come from special funds that have been prepared by the company through the department that handles the CSR program each year (Banerjee & Saha, 2024; Harahap, 2021; Ngadiman, 2021). The amount of funds that have been budgeted varies based on the company's decisions and considerations. KUPS Fun Bike received CSR assistance through PLN Ltd. amounting to 200 million rupiah. The funding provided to the Wanagiri Village community will be used to build the new KUPS Fun Bike which was formed in 2023. Based on interviews, the community needed quite a lot of funds to build KUPS Fun Bike from the beginning of its formation. The need for main facilities and infrastructure such as purchasing conventional bicycles, ATV motorbikes, and making counters requires large funds. The KUPS Fun Bike management does not rule out the opportunity to use alternative financing such as BUMDes savings and loans or creating a BUMDes financing scheme as an investor such as the type of KUPS Waterfall Tourism. Funding through CSR is not only obtained by KUPS Fun Bike but KUPS Kopi Wanagiri also received CSR funding from PLN Ltd. but in a different form. The Kopi Wanagiri social forestry business group received CSR assistance in the form of procurement of drying house technology and assistance for coffee bean dryers. This shows that CSR is not only in the form of financial funding but can be in the form of procurement of facilities according to the needs of CSR recipients. On average, the procurement of facilities built through CSR are public facilities such as highways or bridges (Ebekozi et al., 2023; Treviño-Lozano & Martín-Ortega, 2023; Yudhistira et al., 2022) but CSR can be provided in the form of special facilities for the development of social forestry businesses as long as the CSR products provided can be utilized by the community for the common welfare (Li et al., 2021; Untung et al., 2021; Villamor & Wallace, 2024).

The financing facility for the Nusantara Social Forestry Development Assistance (*Bang Pesona*) provided by the government is intended to provide encouragement to recipients of assistance and aims to improve the business capabilities of social forestry program participants in and around forests in order to contribute to realizing community welfare through the Directorate of Social Forestry Business Development (PUPS) or previously the Social Forestry and Customary Forest Business Development (BUPSHA) of the Directorate General of Social Forestry and Environmental Partnerships of the Ministry of Forestry. The assistance provided can be in the form of goods, seeds and livestock as a facilitation of social forestry businesses. The target of prospective recipients of *Bang Pesona* is one of the holders of social forestry approvals, including holders of village forest management rights, one of which is Wanagiri Village through the Decree that has been issued. The allocation of funds provided to KUPS is 50 million rupiah and the form of assistance is in the form of purchasing tree and agroforestry plant seedlings, purchasing livestock, making equipment or infrastructure for social forestry activities, and labor-intensive activities. The Wanagiri Village social forestry business group received funding assistance of 50 million and plant seeds from the *Bang Pesona* program, the allocation of which was given to BUMDes which was then distributed to KUPS Kopi for labor-intensive activities, while the plant seeds were given to BUMDes to carry out a planting program as a conservation action. Other social forestry business groups did not receive funding assistance from *Bang Pesona* due to government regulations that allocate one village one KUPS even though Wanagiri Village has many KUPS so that the distribution of aid funds is only given once. The use of *Bang Pesona* funds by KUPS Kopi Wanagiri includes the procurement of roasting machines, grinders, sealers, production equipment and roasteries.

Social forestry business groups in Wanagiri Village receive funding sources according to the conditions and needs of each KUPS so that the funds received will be right on target and utilized optimally by the KUPS management. The Banyumala group received funding only from BUMDes, this is because the Banyumala KUPS is the first KUPS formed so that the Banyumala KUPS is the first social forestry business pilot project after the issuance of the Wanagiri Village social forestry decree in 2015. The formation of the Banyumala KUPS received good results and positive responses from the community so that community trust and support increased along with the success of the Banyumala KUPS. After the success of the Banyumala KUPS, the next group, namely the Pucak Manik KUPS and the Banyu Wana Amerta KUPS, gained community trust since the beginning of its formation due to the successful Banyumala KUPS business so that the community voluntarily provided financing support through self-reliance. Village funds issued by BUMDes are only given to KUPS Pucak Manik because building this KUPS requires more funding, this is because the condition of the tourist location is very extreme with steep topography so that it becomes an obstacle in the development of the Pucak Manik tourist location. The Banyu Wana Amerta Group received assistance from the community through community self-reliance with a value of 20 million rupiah which was used to build tourist facilities such as ticket counters, footpaths, toilets, changing rooms and safety facilities such as guardrails.

Other social forestry businesses in Wanagiri Village besides tourism are coffee cultivation businesses through the Wanagiri Coffee KUPS. At the beginning of the planning for the establishment of the coffee KUPS, KTH Wanamerta as a farmer group that cultivates coffee plants in Wanagiri Village was a farmer group that started a coffee business. Limited business knowledge about coffee was an obstacle to managing the coffee business at that time, so the BUMDes decided to form the Wanagiri Coffee KUPS to develop the potential for coffee cultivation by involving KTH Wanamerta as coffee farmers. Financing intervention and initial capital from BUMDes amounted to 127 million rupiah, assistance funds from *Bang Pesona* amounted to 50 million rupiah and CSR to help develop the Wanagiri coffee business which was used to purchase production equipment such as roaster machines, procurement of drying house facilities and roasting houses to the creation of a Wanagiri coffee shop to serve processed coffee.

The Fun Bike social forestry business group is a business group that was just formed in 2023 so it is currently still in the planning stage. The basis of financing through CSR funds from PLN Ltd. amounting to 200 million rupiah which is given as a form of corporate responsibility to the surrounding community. The attraction provided by KUPS is touring the village using the transportation facilities that have been provided. Based on interviews, several plans that will be carried out include the procurement of transportation facilities such as ATV motorbikes and conventional bicycles. The long-term plan that will be carried out by KUPS Fun Bike is the procurement of hardtop or jeep type cars as a variation of the transportation facilities provided by KUPS. In addition to the transportation facility procurement plan, another management plan that will be implemented is to collaborate with other KUPS to develop tourism packages in Wanagiri Village so that tourist attractions can be integrated with each other.

Identify Internal Factors

The identification of internal factors is divided into two important aspects, strengths and weaknesses. Internal factor analysis considers all activities or events that occur within the KUPS. Conditions within KUPS

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are an important part of the development and sustainability of KUPS in the social forestry program. The internal factors of the Wanagiri Village KUPS are presented in. The aspects with the highest strength weights based on table 2 in a row include community participation and conflict resolution with a value of 0.076, meaning that these two aspects are the most important aspects in the management of KUPS. While the aspect with the lowest weight is natural resource management and the availability of capital with a value of 0.070, meaning that this aspect is an important aspect but not a basic aspect in the management of KUPS. The aspect with the highest rating is community participation and support with a score of 4, which means that this aspect has gone well. The aspect with the lowest rating, namely resource management and the availability of capital with a value of 2, means that this aspect has not fully run well based on the results of the assessment of the resource persons.

Community participation is the aspect with the highest weight value of 0.305, meaning that community participation is the main force in the implementation of social forestry management in Wanagiri Village. Community support and participation in the social forestry program is very important in the sustainability of the social forestry program, especially in Wanagiri Village, so that this aspect becomes the aspect with the highest value. Community support in the social forestry program can be the strength of the KUPS as well as minimizing conflicts in the implementation of the social forestry program. The outline of the objectives of community-based forest management is to address forest conflicts, degradation, and deforestation with the support of stakeholders with assistance programs (Asmin et al., 2019). The village community is very supportive of the existence of social forestry programs in their neighborhoods. This is evidenced by the enthusiasm and active participation of the community to form and manage KUPS according to the capabilities of each group.

Table 2. Internal Factor Analysis

No	Aspects	Weight	Rating	Weight Value
Strenghts				
1	There is community support for social forestry programs	0,074	4	0,296
2	Community participation in social forestry efforts through KUPS	0,076	4	0,305
3	Natural resource management by KUPS has been carried out well	0,070	2	0,139
4	Availability of KUPS business capital	0,070	2	0,139
5	The potential of KUPS in improving the local and national economy	0,072	3	0,215
6	Minimal conflict at the site level	0,076	3	0,229
Weaknesses				
1	Weak capacity of human resources in KUPS in access to social forestry financing	0,065	3	0,195
2	Management, organizational and institutional management of KUPS that have not been maximized	0,065	4	0,260
3	Lack of knowledge of KUPS about social forestry financing sources	0,070	2	0,139
4	Lack of role of social forestry facilitators in KUPS financing planning	0,074	4	0,296
5	Lack of knowledge of KUPS on the latest information on KUPS financing	0,070	3	0,209
6	Lack of access to financial resources or credit facilities for KUPS	0,072	1	0,072
7	Limited marketing of KUPS products and services	0,074	1	0,074
8	Lack of KUPS ability in social forestry business planning	0,074	3	0,222
		1,000		

The aspects with the highest weights on the weaknesses in a row are marketing and business planning with a value of 0.074 while the aspects with the lowest weight are human and institutional capacity with a value of 0.065. The aspect with the highest rating is institutional with a value of 4 while the aspect with the lowest rating is access to financing and marketing sources with a value of 1. The marketing aspect is the aspect with the highest weight but the lowest rating, meaning that marketing is important but in its implementation it is still not optimal. Based on interviews, the community agreed that marketing is important for the sustainability of social forestry businesses, but the marketing of the Wanagiri Village KUPS is currently still lacking. The marketing of the Wanagiri Village KUPS is limited to local marketing only so that the general public's

knowledge of the products in Wanagiri Village is still not optimal. Support is needed for the marketing of the Wanagiri Village KUPS to increase public awareness. In addition to increasing public awareness, marketing can also open up new financing alternative opportunities by making the private sector interested in the potential of Wanagiri Village so that it can increase investment opportunities from the private sector. The financing that has been obtained by KUPS can be reallocated to increase marketing so that the sustainability of KUPS' business can be maintained.

Identify External Factors

The identification of external factors is divided into two important aspects, namely opportunities and threats. The analysis of external factors considers all activities or events that occur outside the KUPS. The external condition of KUPS is part of the development and sustainability of KUPS and social forestry programs. External factors in social forestry management through the Wanagiri Village KUPS are presented in table 3. The aspects with the highest opportunity weights based on table 9 in a row include government support, market conditions, and climate change mitigation with a value of 0.078, while the aspects of assistance, private participation, financing alternatives, and policy development are the opportunity aspects with the lowest value with a value of 0.075. The aspects of opportunity with the highest rating are government support, private participation, and market conditions with a value of 4 while the policy development aspect is the aspect with the lowest rating with a value of 1. Government support and market conditions are the aspects with the highest weight value of 0.311, meaning that this aspect is an aspect that must be utilized by the Wanagiri Village KUPS.

Table 3. External Factor Analysis

No	Aspects	Weight	Rating	Weight Value
<i>Opportunities</i>				
1	Local and central government support in social forestry	0,078	4	0,311
2	Potential assistance outside the Ministry of Environment and Forestry sector	0,075	3	0,226
3	There is private participation in social forestry efforts	0,075	4	0,301
4	Market conditions that support KUPS	0,078	4	0,311
5	There are alternatives to social forestry financing other than village funds	0,075	2	0,150
6	Climate change mitigation can open up access to new financing	0,078	3	0,233
7	Development of policies and regulations that support social forestry	0,075	1	0,075
<i>Threats</i>				
1	Lack of budget from the government	0,083	2	0,165
2	Lack of coordination between institutions, regions, and the private sector in social forestry	0,075	4	0,301
3	Lack of role of financial institutions as a means of distributing social forestry financing	0,078	4	0,311
4	Financial institution programs in the distribution of assistance funds that have not been maximized	0,075	2	0,150
5	Lack of role of business partners or offtakers in the social forestry business	0,078	3	0,233
6	Climate change can pose a threat to the sustainability of natural resources	0,078	2	0,155
		1,000		

The aspect with the highest weight on the threat is the government budget, with a value of 0.083 while the aspect with the lowest weight is coordination between institutions and financial institution programs with a value of 0.075. The aspects with the highest ratings are coordination between institutions and the role of financial institutions with a value of 4 while the aspects with the lowest rating are government budgets, financial institution programs and climate change with a value of 2. The budget aspect is the aspect with the highest weight but the lowest rating, meaning that the government budget is important but in its implementation is still very limited. The government budget is very limited to support social forestry programs. Budget constraints in social forestry management are a problem that can be a threat to the sustainability of KUPS (Gusliana et al., 2022). This is the motivation of KUPS managers to increase new financing alternatives in

addition to relying on government assistance or village funds, therefore opening new financing alternatives is an important point to maintain the sustainability of KUPS.

Financing Strategy of Social Forestry Business Groups

The results of the SWOT analysis are based on the identification of internal and external factors (strengths, weaknesses, opportunities and threats) in the financing and funding of KUPS in Wanagiri Village, so with the SWOT analysis, 12 alternative strategies can be formulated consisting of 3 strategies each that combine strengths and opportunities (SO), weaknesses and opportunities (WO), strategies that combine strengths and threats (ST), strategies that combine weaknesses and threats (WT). Alternative financing and funding strategies for the Wanagiri Village KUPS using SWOT analysis are presented in detail in table 5.

Table 4. SWOT Analysis Results

	Strengths	Weaknesses
Internal Factors External Factors	1. There is community support for social forestry programs 2. Community participation in social forestry efforts through KUPS 3. Natural resource management by KUPS has been carried out well 4. Availability of KUPS business capital 5. The potential of KUPS in improving the local and national economy 6. Minimal conflict at the site level	1. Weak capacity of human resources in KUPS in access to social forestry financing 2. Management, organizational and institutional management of KUPS that have not been maximized 3. Lack of knowledge of KUPS about social forestry financing sources 4. Lack of role of social forestry facilitators in KUPS financing planning 5. Lack of knowledge of KUPS on the latest information on KUPS financing 6. Lack of access to financial resources or credit facilities for KUPS 7. Limited marketing of KUPS products and services 8. Lack of KUPS ability in social forestry business planning
	Opportunities	Weakness-Opportunity (WO)
1. Local and central government support in social forestry 2. Potential assistance outside the Ministry of Environment and Forestry sector 3. The participation of investors and companies (CSR) in social forestry efforts 4. Market conditions that support KUPS 5. There are alternatives to social forestry financing other than village funds. 6. Climate change mitigation can open up access to new financing 7. Development of policies and regulations that support social forestry	SO1: Collaboration between the community, government, and the private sector in the development of social forestry business groups SO2: Minimizing destructive conflicts to bring in funding opportunities from outside parties SO3: Paying attention to market opportunities to develop the potential of social forestry businesses	WO1: Utilizing government and private support for marketing and promotional activities WO2: Utilizing social forestry assistance facilities both from the Ministry of Environment and Forestry sector and from outside the Ministry of Environment and Forestry WO3: Strengthening the institution of KUPS to increase economic potential
Threats	Strength-Threat (ST)	Weakness-Threat (WT)
1. Lack of budget from the government 2. Lack of coordination between institutions, regions, and the private sector in social forestry 3. Lack of role of BPD LH as a means of distributing social forestry financing	ST1: Effectively and efficiently using financing sources from village funds and non-governmental organizations for the development of KUPS ST2: Managing the environment sustainably to preserve natural resources and minimize the impact of global climate change	WT1: Strengthening coordination between the community and the government WT2: Actively looking for alternative sources of financing and funding WT3: Evaluating and improving the management of KUPS

4. BPLDH program in distributing aid funds that has not been maximized	ST3: Conducting active communication with relevant institutions to build networks and increase understanding between stakeholders
5. Lack of role of business partners or offtakers in the social forestry business	
6. Climate change can pose a threat to the sustainability of natural resources	

The formulation of financing and funding strategies for social forestry business groups in Wanagiri Village was carried out using QSPM analysis. This analysis is the next stage of the analysis of strategy formulation based on SWOT analysis. The strategy that has the highest total attractiveness score (TAS) is the main strategic priority in financing and funding social forestry business groups in Wanagiri Village. The order of priority strategies based on the results of the QSPM analysis can be seen in table 5.

Table 5. QSPM Analysis Results

No	Alternative Strategies	TAS
1	Actively looking for alternative sources of financing and funding (WT2)	20.473
2	Utilizing government and private support for marketing and promotional activities (WO1)	20.277
3	Evaluate and improve the management of KUPS (WT3)	20.189
4	Utilizing social forestry assistance facilities both from the Ministry of Environment and Forestry sector and from outside the Ministry of Environment and Forestry (WO2)	19.847
5	Managing the environment sustainably to preserve natural resources and minimize the impact of global climate change (ST2)	19.802
6	Conduct active communication with related institutions to build networks and increase understanding between stakeholders (ST3)	19.411
7	Collaboration between the community, government, and the private sector in the development of social forestry business groups (SO1)	19.217

Based on table 5, 7 financing and funding strategies for the Wanagiri Village KUPS can be formulated. The alternative strategy with the highest priority is actively seeking alternative sources of financing and funding with a TAS value of 20.473. This alternative is in the weakness-threat option so that this strategy is used to reduce weaknesses and avoid threats. The weaknesses of KUPS in financing, especially access to alternative financing and the lack of budget from the government which are threats, can be covered by this alternative strategy. This strategy is highly recommended to be applied to the Wanagiri KUPS, because the good potential of Wanagiri Village needs to be supported by good financing so that it requires alternative financing other than village funds. The obstacle in this strategy is the lack of community initiative to seek alternative financing. Other problems such as low access of KUPS to credit information and services, complicated credit requirements and procedures, high interest rates, and lack of coaching in financial management are also obstacles for KUPS to use credit facilities (Wardhani dan Pramono 2016). Based on the results of the interview, the community depends on the existence of BUMDes in providing initial capital. The minimal interest of the community in using credit is due to concerns from the community who are unable to pay the credit so that socialization is needed from related agencies and institutions to increase public trust in using credit facilities. Credit facilities that have the potential to be used by KUPS to develop their businesses include people's business credit (KUR) and revolving fund facilities (FDB). People's business credit is credit facilitated by banks to help finance working capital for KUPS while revolving fund facilities are credit facilities provided by the government through the Indonesian Environmental Fund (BPDLH). Another alternative is to use funds that are in the form of funding such as company CSR which does not require a return of funds. Another weakness-threat strategy is to evaluate and improve KUPS management. Internal KUPS evaluation is needed to assess the effectiveness and efficiency of KUPS management in managing financial resources to achieve conservation and sustainable economic goals, while management improvement is a follow-up to the evaluation with the aim of finding solutions to identified errors or deficiencies. An important aspect in evaluating KUPS funding and financing is the management of funds from various sources, such as government assistance, loans, and investments. Based on observations and evaluation interviews conducted by KUPS, it includes KUPS institutions, accountability to related parties, environmental management and program continuity.

Utilizing government and private support for marketing and promotional activities is one good strategy to take advantage of opportunities and reduce weaknesses (weakness-opportunity). Government support through program credit, aid funds, and other types of financing can be used by the community to prioritize

marketing and promotion of social forestry businesses. Based on interviews with the community, one of the obstacles in developing social forestry businesses is marketing. The community considers that current marketing activities are still lacking so that social forestry businesses are difficult to develop. The approach through off-takers and partners is important to increase marketing for Coffee KUPS while digital marketing skills are one of the good marketing techniques for Tourism KUPS. This strategy can be implemented by utilizing financial support provided by the government. In addition to financial support, support for KUPS can also be provided through social forestry assistants. Assistance to the community in financing and funding social forestry businesses is still minimal, this is due to the limited ability of assistants in knowledge about access to financing and funding. This problem is commonly found in KUPS in Indonesia, therefore assistants are needed who have the competence and knowledge about access to financing and funding for KUPS. Communities can utilize assistance from the Ministry of Environment and Forestry or outside the Ministry of Environment and Forestry, but often the number of assistance personnel from the Ministry of Environment and Forestry is not appropriate and has minimal knowledge. These shortcomings can be anticipated by providing training to assistance before providing guidance to the community (Supriyanto et al., 2021).

The strategy to use strength in the form of sustainable environmental management to avoid threats, namely climate change (strength-threat) can be done through natural resource management. Good natural resource governance is not limited to restorative activities, but involves preventive activities. All KUPS programs must be based on actions to prevent damage to natural resources and environmental conservation, this is what distinguishes KUPS from other efforts. The sustainability of nature conservation can be increased by empowering KUPS such as providing seeds whose results can be used by the community (Yunita et al., 2022). This activity has been carried out by KUPS Wanagiri Village in their forest area. The community can utilize forest products with permission from the village and customary authorities by conveying their intentions and needs, usually the community uses forest products as a means of traditional ceremonies.

Communication plays an important role in building networks and increasing understanding between stakeholders. Intensive interaction with related parties can expand their networks, strengthen relationships and identify opportunities for collaboration and broader support. This strategy is a strategy to harness the power of community participation and prevent the threat of lack of coordination between stakeholders. Regular meetings with the government can be a bridge for the community to better understand regulations and policy decisions. Through discussions with financial institutions and investors, the community can gain knowledge about financing or funding that can be accessed. The methods used in implementing communication can be formal or non-formal communication so that the community can dig deeper into information about financing and funding.

The development of KUPS to achieve economic, social, and environmental goals can be done by creating collaborative synergy between stakeholders. This strategy is a strategy of using strength to gain opportunities (strength-opportunity). Collaboration between related parties, especially from the community, government, and private sector is important because each has different interests but is related to the same goal. The community has the ability and knowledge in managing natural resources directly and has an interest in the utilization of natural resources but is limited in capital and market access. The government has the power to create regulations, policies and incentives to support management carried out by the community. The private sector brings capital, technology and access needed by the community to increase productivity and marketing of KUPS. The management mechanism through a collaborative approach can provide many benefits so that this can be an alternative strategy in building cooperation between interested parties by carrying out good interactions in every activity (Butolo et al., 2019). Successful collaboration will create positive synergy for sustainable economic development as well as build trust and strong partnerships.

CONCLUSION

The research identifies community participation as a key strength in supporting social forestry programs through KUPS, while highlighting marketing as a significant weakness due to its minimal implementation. It recognizes government support and favorable market conditions as opportunities, but warns of the threat posed by a limited government budget. Based on SWOT and QSPM analyses, seven alternative financing strategies were formulated, with a primary focus on actively seeking diverse funding sources, including financial institutions and CSR funds. Future research should explore strategies to enhance community participation in marketing KUPS products, assess the impact of government support on KUPS success, and conduct comparative analyses of financing options. Additionally, it should investigate the sustainability of these financing models and innovative marketing approaches to improve market access for KUPS products within the social forestry sector.

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