

## PROJECT SUMMARY

Project Name	Financing Empowerment of Local Communities and Mitigating Climate Change through a Carbon Credit Business Partnership, Indonesia
Project Duration	July 1st, 2026 – March 31, 2029 (3 years with DGBP funding), followed by up to 30 years with sale of carbon credits through a Verified Carbon Unit Purchase Agreement
Project Location	The peat swamps of the Mawas region in Central Kalimantan, Indonesia
Project Partners	<p><b>Save the Orangutan Foundation (StO)</b> is a Danish non-profit charitable foundation, working for the conservation of the critically endangered orangutan and its habitat in Indonesia and Malaysia, as well as supporting sustainable development and rights of indigenous people and forest dependent communities. StO is responsible for the overall administration of the project and the contact with and reporting to the Danida Green Business Partnerships (DGBP)/Danish Ministry of Foreign Affairs (DMFA).  <a href="https://redorangutangen.dk/">https://redorangutangen.dk/</a></p> <p><b>Borneo Orangutan Survival Foundation (BOSF)</b> is an Indonesian organisation, originally established in 1991 under the name Orangutan Conservation Project. For more than 30 years, BOSF has specialised in the improvement of the conditions surrounding the orangutan and the local communities along with their well-being. BOSF is responsible for the implementation of the Project in the field, through the Mawas Conservation Program (BOSF-Mawas).  <a href="https://www.orangutan.or.id/">https://www.orangutan.or.id/</a></p> <p><b>The Commercial Project Partner (CPP)</b> must be an international (non-Indonesian) private company in need of carbon credits to meet net-zero commitments at a lower cost and with more control compared to buying offsets from intermediaries on the voluntary carbon market. The CPP invests in (co-finances) the Project implementation and buys the verified carbon units generated by the Project at an agreed and stable price.</p>
Project Funding	<p>Grant from DMFA through the Danida Green Business Partnerships facility (max. 75% of the total Project budget).</p> <p>Funding from the Commercial Project Partner in cash or kind (minimum 25% of total Project budget).</p>
Project Objective	<p>The project aims to empower Indigenous People and Local Communities (IPLCs) in the Mawas peat swamp region and mitigate climate change by establishing a mutually beneficial carbon credit business partnership with a commercial partner, strengthening tenure rights, and promoting sustainable forest management.</p> <p>The development of a robust carbon credit scheme ensures sustained production of high-quality carbon credits, and a transparent and secure developer-vendor-purchaser model. By financing the creation of a scalable business model, the project aims to support long-term sustainable forest management activities.</p>
Project Summary	The peat swamps of Mawas in Central Kalimantan are confronted with great socioeconomic and environmental challenges, including a lack of income-generating opportunities and socioeconomic security for the IPLCs inhabiting the

Danida Green Business Partnerships (DGBP)

	<p>area, as well as loss of natural resources, degradation of ecosystems, severe droughts, and fires.</p> <p>A large part of the Mawas peat swamps was drained and opened for cultivation as part of the “Mega-Rice project” which began in the late 90’s in the last years of the Suharto’s era. Drainage and deforestation accelerate decomposition of the peat which causes massive emissions of carbon dioxide, and the dry peat is vulnerable to fires which are exacerbated by increasingly severe droughts, themselves a result of the progressing climate change. Peat fires add massive amounts of CO<sub>2</sub> to the atmosphere.</p> <p>The Indonesian National Social Forestry program makes it possible for local communities and indigenous people to obtain Social Forestry licenses to parts of state forest areas, to manage these forests for non-timber forest products and to protect the areas against forest fires, illegal deforestation, and other threats. However, the local people face barriers in applying for and operationalizing Social Forestry permits, due to inadequate local resources, capacity constraints, and limited access to forest management knowledge. The project aims to help the local communities overcome these barriers, by empowering IPLCs through locally anchored business development and the establishment of a mutually beneficial carbon partnership.</p> <p>The project is planned to include a protected forest concession (15.000 ha) and four social forestry license areas held by villages (&gt;20.000 ha potentially). The estimated emission reductions from forest degradation avoidance and peat rewetting over an area exceeding 35,000 ha, yields an annual potential of 170,000 tCO<sub>2</sub>e.</p> <p>Community-driven project activities, such as hydrological restoration (rewetting), reforestation, and sustainable land management practices, can yield significant emission reductions over the short and long term. The amount of CO<sub>2</sub>e emissions sequestered and avoided through such initiatives, can be verified and turned into valuable carbon credits. The verified carbon units can be bought by the Commercial Project Partner at a stable price, enabling the communities to benefit both environmentally and socioeconomically. Part of the proceeds from the sale of the verified carbon units can be used by the participating IPLCs to fund sustainable management of the Social Forestry license areas.</p> <p>In addition to the carbon credit potential, restoration of the Mawas peatland will not only safeguard the critically endangered Bornean orangutan (<i>Pongo pygmaeus</i>) but also enhance overall biodiversity by reviving native peat swamp vegetation and restoring habitat for numerous species such as hornbills, sun bears, and amphibians. Rewetting and reforestation will reestablish hydrological balance, reduce fire risks, and improve key ecosystem services including water regulation, soil fertility, and habitat connectivity, thereby strengthening both ecological resilience and the livelihoods of local communities.</p>
<p>Benefits from the Project</p>	<p><b>Participating IPLCs:</b></p> <ul style="list-style-type: none"> <li>• License(s) to manage a part of the peat swamp area under the Social Forestry license scheme.</li> <li>• Increased capacity to manage the Social Forestry license area sustainably</li> <li>• Income from sale of Verified Carbon Units to the Commercial Partner</li> </ul> <p><b>Commercial Project Partner:</b></p> <ul style="list-style-type: none"> <li>• Carbon credits of minimum 170.000 VCUs per year for offset purposes at a fair and stable price, to contribute to net-zero commitments</li> <li>• Inputs to the CPPs ESG/sustainability goals and reporting</li> </ul>

Danida Green Business Partnerships (DGBP)

	<p><b>BOSF/STO:</b></p> <ul style="list-style-type: none"> <li>• Significant contributions to both organisations' objectives, priorities, and strategic targets for the conservation of the orangutan and its habitat, and the improvement of the livelihoods of IPLCs in the Mawas peat swamp area.</li> </ul>
--	---

Photos from the project target area



Main Canal in Mawas peat swamp area



Somewhere within Tanjung Taruna HD



On the way to Tanjung Taruna LPHD



Coffee-coloured water in the peat swamp



Low water levels make boat access difficult



Lunch with LPHD Katimpun