

ABSTRACT

PAYMENT FOR ECOSYSTEM SERVICES IN AGROFORESTRY: THE CASE STUDY OF COCOA FARMERS IN POLEWALI MANDAR, INDONESIA

Declining cocoa production poses a significant challenge for several producing countries, including Indonesia, where cocoa cultivation is primarily managed by smallholder plantations. Integrating cocoa farming with agroforestry offers a promising strategy to boost agricultural yields and also provides a range of ecosystem benefits. Economic incentive schemes, such as Payment for Ecosystem Services (PES) aim to encourage adoption of cocoa agroforestry models. However, the uptake of agroforestry practices and PES schemes remains limited in Indonesia. Therefore, it is crucial to understand the level of acceptance of agroforestry among cocoa farmers and the key components necessary for effective PES implementation.

This study employs acceptance theory to assess the level of acceptance of agroforestry among cocoa farmers and identifies the factors influencing their acceptance decisions. Additionally, stakeholder theory is utilized to explore the roles and interests of stakeholders involved in the development of a cocoa agroforestry PES scheme. Data were collected through semi-structured interviews with a diverse range of stakeholders in the cocoa sector in Polewali Mandar Regency, ensuring a comprehensive understanding of the sector's dynamics.

Findings reveal that more farmers rejected than accepted adopting cocoa agroforestry due to concerns over potential income reduction from cocoa yield adjustments. Nonetheless, private sector interest in PES projects creates avenues to promote cocoa agroforestry practices. Effective stakeholder engagement in PES schemes is pivotal for maximizing funding, considering ecosystem services, governance, economic viability, and payment mechanisms.

Lastly, this study contributes to literature on farmer acceptance of agroforestry and PES schemes in Indonesian cocoa production. Insights into acceptance factors and stakeholder involvement underscore pathways to enhance agroforestry and PES implementation, supporting sustainable cocoa production.

Keywords: Payment for Ecosystem Services, Cocoa Agroforestry, Stakeholder Engagement.