

Annex 13

Co-Financing Letters

to the GCF Funding Proposal

***Land-based mitigation and adaptation through a Jurisdictional
Approach in West-Kalimantan***

22/03/2024

Version 1

Submitted by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Letter of Intent German Ministry for Economic Cooperation and Development



Federal Ministry
for Economic Cooperation
and Development

Adresse

To whom it may concern

Letter of Intent

Our ref: 311 K2032 IDN-0142/020
23 November 2023
Page 1 of 2

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David.Tantow@bmz.bund.de
www.bmz.de

Project: Land-based mitigation and adaptation through a
Jurisdictional Approach in West Kalimantan

Project no: tbc

We are pleased to inform you that the German Federal Ministry for Economic Cooperation and Development (BMZ) intends to support the GCF Indonesia Project titled "**Land-based mitigation and adaptation through a Jurisdictional Approach in West Kalimantan**", as described in the Funding Proposal submitted by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The amount of the support might be up to 7 million EUR (in words: seven million Euro) in the form of grants through the following projects "Nachhaltige und Resiliente Agrarlieferketten (PN: 2022.2141.4 / 4 million EUR for the period 2023-2025)", and a new forestry project in West Kalimantan (IPA 24 / development cooperation budgeting for 2024/ subject to negotiations with the Indonesian government: 3 million EUR for 3 years).

Further contribution to the forestry project in West Kalimantan of 4 million EUR until 2031 are envisaged, however, subject to approval by the German Parliament.

Optional: Fußzeile



Page 2 of 2

Kindly note that this letter does not constitute a legally binding commitment. The final funding decision is subject to legal, budgetary and policy considerations of the Government of Germany and the project approval by the GCF Board.

Yours sincerely,

Dr. David Tantow, Senior Policy Officer

Data protection information

We take protecting your data seriously. For more information about how we process personal data at the BMZ see our privacy statement.

www.bmz.de/en/services/privacy-statement

Letter of Intent of Environment and Forestry Agency of West Kalimantan Province



PEMERINTAH PROVINSI KALIMANTAN BARAT DINAS LINGKUNGAN HIDUP DAN KEHUTANAN

Jalan Sultan Abdurrahman Nomor 137 Pontianak, Kalimantan Barat 78116
Telepon 0812-5775-9429 Laman www.lhk.kalbarprov.go.id Pos-el dlhk@kalbarprov.go.id

Pontianak, 19 Februari 2024

Nomor : 600.4.11/299/LHK
Sifat : Biasa
Lampiran : -
Hal : Penyampaian Informasi Anggaran
Terkait Pembangunan Kehutanan
Dan Sektor Berbasis Lahan (Perkebunan)
Yang Sejalan dengan Usulan Pendanaan
Green Climate Fund

Yth. Country Director GIZ Indonesia
Gd. Menara BCA Jakarta

di

Jakarta

Sehubungan dengan Penyampaian Proposal Penuh (*Full Proposal*) Pendanaan Iklim kerjasama antara Pemerintah Provinsi Kalimantan Barat dengan *Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH* (GIZ) sebagai lembaga akreditasi kepada *Green Climate Fund* melalui *National Designated Authority* (NDA) Indonesia, dengan ini disampaikan hal-hal sebagai berikut :

- Pemerintah Provinsi Kalimantan Barat mendukung penuh proposal pendanaan iklim yang merupakan inisiatif bersama antara Pemerintah Provinsi dan GIZ sebagai lembaga akreditasi yang telah dimulai sejak tahun 2020 berdasarkan Surat Gubernur Kalimantan Barat kepada Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia Nomor 660.1.132/DLHK-III/2020 tanggal 8 Mei 2020 Hal Dukungan dan Rekomendasi *Project Concept Note* kepada *Green Climate Fund* (GCF);
- Pertemuan Gubernur Kalimantan Barat dengan Country Director GIZ di Kantor Gubernur Kalimantan Barat, berdasarkan Surat Country Director GIZ Nomor 048/FORCLIME/GovWestKal/GCF/AH/III/2022 tanggal 29 Maret 2022 Perihal Pencapaian penting Hasil Persetujuan Konsep Note *Green Climate Fund* dalam Sidang Komite Iklim CIC-2 (*Climate Investment Committee*) GCF;
- Sejak Konsep Note Proyek disetujui oleh Sekretariat GCF pada tahun 2022 telah dilaksanakan berbagai pertemuan parapihak baik di tingkat kabupaten, provinsi dan nasional untuk mendapatkan masukan, pengkayaan substansi proposal;
- Surat Sekretaris Daerah Provinsi Kalimantan Barat kepada Direktur Jenderal Pengendalian Perubahan Iklim Kementerian Lingkungan Hidup dan Kehutanan Nomor 600.4.10.2/3711/LHK.PSLB3PP tanggal 16 Agustus 2023 Hal Tindak Lanjut Hasil Pertemuan Pembahasan Proposal GCF Kalbar;
- Proposal proyek yang berjudul "Mitigasi dan Adaptasi Berbasis Lahan melalui Pendekatan Yurisdiksi di Kalimantan Barat untuk periode 7 tahun secara langsung sangat sejalan dan mendukung implementasi visi dan misi pemerintah provinsi untuk pencapaian pembangunan berkelanjutan dan kontribusi pencapaian target penurunan emisi yang ditetapkan nasional (*Nationally Determined Contribution*) dan FoLU Net Sink 2030;

Dokumen ini telah ditandatangani secara elektronik yang diterbitkan oleh Balai Serifikasi Elektronik (BSrE), BSSN

- f. Pertemuan parapihak tingkat nasional, berdasarkan undangan Kepala Pusat Kebijakan Pembiayaan Perubahan Iklim dan Multilateral Nomor UND-211/KF.6/2023 Hal Green Climate Fund's Mission to Indonesia yang dihadiri GCF Sekretariat, Kementerian LHK, BPD LH, NDA Indonesia, Pemerintah Provinsi Kalimantan Barat dan GIZ pada tanggal 2 November 2023;
- g. Dalam kerangka proyek GCF yang diusulkan, Pemerintah Provinsi mengalokasikan anggaran sejalan dengan proyek yang diusulkan sehingga dapat dijadikan *co-funding* untuk proyek yang diusulkan serta akan memainkan peran utama dalam komite pengarah proyek dan dalam komite teknis dalam rencana pelaksanaan proyek;
- h. Pemerintah Provinsi juga memberikan komitmennya untuk dukungan kepada proyek berdasarkan alokasi pelaksanaan kegiatan pada sektor kehutanan dan berbasis lahan yang telah berjalan, sebagai berikut :

| Jenis Dukungan | Alokasi Kegiatan | Jumlah Dukungan (Rp / Euro) |
|--|---|--------------------------------------|
| Dukungan in-kind dalam Program Pemerintah yang dialokasikan (kontribusi staff, kantor dan lain sebagainya) | Proyeksi pada Dinas Lingkungan Hidup dan Kehutanan serta KPH selama 7 tahun | Rp. 350,967 Milyar / 21,93 Juta Euro |
| Dukungan in-kind dalam Program Pemerintah yang dialokasikan (kontribusi staff, kantor dan lain sebagainya) | Proyeksi pada Bidang Perkebunan pada Disbunnak Peternakan selama 7 Tahun | Rp. 7,111 Milyar / 0,44 Juta Euro |
| Dukungan in-kind Program Pemerintah untuk Kegiatan Kehutanan dan Perkebunan dalam Usulan Proposal | Alokasi Kegiatan dalam Komponen 1, 2 dan 3 dalam proposal kegiatan GCF Selama 7 Tahun | Rp. 55,125 Milyar / 3,44 Juta Euro |
| Total | | Rp. 399,150 Milyar / 25,81 Juta Euro |

- i. Pemerintah Provinsi Kalimantan Barat berharap dapat segera bekerja sama dengan GIZ dan GCF untuk mengimplementasikan proyek dan mendukung sepenuhnya kegiatan untuk pencapaian target provinsi dan nasional dalam pelaksanaan pembangunan berkelanjutan yang rendah emisi dan berketahanan iklim.

Demikian, atas perhatian dan kerjasamanya diucapkan terimakasih.

Kepala Dinas Lingkungan Hidup dan Kehutanan Provinsi Kalimantan Barat,



Ir. H. Adi Yani, MH
Pembina Utama Madya (IV/d)
NIP. 196709301994031011

Tembusan, kepada Yth :

1. Pj. Sekda Kalimantan Barat
2. Kepala Bappeda Prov. Kalbar

Translation of Letter of intent of Environmental and Forestry Agency of West Kalimantan Province



PEMERINTAH PROVINSI KALIMANTAN BARAT
DINAS LINGKUNGAN HIDUP DAN KEHUTANAN

Jalan Sultan Abdurrahman Nomor 137 Pontianak, Kalimantan Barat 78116

Telepon 0812-5775-9429

Laman www.lhk.kalbarprov.go.id. Pos-el dlhk@kalbarprov.go.id

Pontianak, January 2024

No :
Nature of letter: important
attachments : -
Subject : Budget Information related to Forestry Development and Landbased
Sector (Plantation) inline with the GCF proposal

Dear Country Director GIZ Indonesia
Menara BCA Building,
Jakarta

Related to the submission of the full proposal for climate funding cooperation between West Kalimantan Province and GIZ *Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH* as an accredited entity to the *Green Climate Fund* through *National Designated Authority* (NDA) Indonesia, hereby some matter as below :

- a. West Kalimantan Province fully supports the climate funding proposal as a joint initiative between the Province Government and GIZ as an accredited entity which has been started since 2020 based on the letter of the Governor to the Minister of Environment and Forestry of the Republic of Indonesia number 660.1.132/DLHK-III/2020 dated 8 May 2020 regarding support and recommendation for PCN to GCF;
- b. Meeting between the Governor of West Kalimantan and GIZ Country Director on approval of GCF Concept Note in the CIC-2 hearing;
- c. Since the approval of the Concept Note of the project by GCF in 2022 various stakeholder consultations have been conducted to enrich the proposal content;
- d. Response of Regional Secretary to the Director General of Climate Change Control (PPI) as mentioned in the letter no 600.4.10.2/3711/LHK.PSLH3PP of Aug 16th, 2023 on the follow up of the proposal inputs;
- e. Project proposal titled "Land-based mitigation and adaptation through a jurisdictional approach in West Kalimantan for the period of 7 years is inline and supports the achievements of sustainable development as the Province' targets and contributing to lower the emission which has been determined nationally (as *Nationally Determined Contribution*) dan FoLU Net Sink 2030;

- f. Stakeholder meeting on November 2, 2023 during GCF Mission to Indonesia was attended by national entities: MoEF, NDA and BPD LH;
- g. In framework of proposed the GCF project, the Province Government allocates budget inline with the proposed project as co-funding and will play the main role in the Project Steering Committee (PSC) and Project Technical Committee (PTC) in the implementation planning;
- h. The Province Government is also committed to support the project based on the allocation of implementation activities in the forestry and land-based sector as follows :

| Type of support | Activities allocation | Support amount (IDR/euro) |
|--|--|--|
| In-kind support (contribution of staff, office etc) | Projection to Province and FMUs for 7 years | IDR 350,967 billion / 21,93 million Euro |
| In-kind support (contribution of staff, office etc) | Projection to the Plantation Service for 7 years | IDR 7,111 billion / 0,44 million Euro |
| In-kind support for forestry and plantation activities in the proposal | Allocation for component 1,2, and 3 for 7 years | IDR 55,125 billion/ 3,44 million Euro |
| Total | | IDR 399,150 billion/ 25,81 million Euro |

- i. Government of West Kalimantan Province is looking forward to work with GIZ and GCF to implement the project and fully supports the activities to achieve province and national targets in the implementation of low emission and climate resilient development.

Thank Yoi for yoir attention and cooperation

**Head of Environment and Forestry
Service of West Kalimantan,**

**Ir. H. Adi Yani, MH
Pembina Utama Madya (IV/d)
NIP. 19670930 199403 1 011**

Cc :

1. Acting of Governor of the Province of West Kalimantan
2. Head of Regional Planning Agency (Bappeda) of West Kalimantan

Letter of Intent of ADM Capital (Asia Debt Management Hong Kong Limited)



To: Philipp-Georg Hahn
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
GmbH Dag-Hammarskjöld-Weg 1-5
65760 Eschborn

Confidential
Hong Kong, 19 March 2024

To whom it may concern,

Re: Letter of Interest in collaborating with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH within the framework of the 'Land-based Mitigation and Adaptation through a Jurisdictional Approach in West Kalimantan' project, co-financed by the Green Climate Fund.

Following our recent discussions, Asia Debt Management Hong Kong Limited ("ADM Capital") for and on behalf of ADM Capital Climate-smart Landscapes Fund LP (ACLF) is pleased to hereby confirm our preliminary non-binding interest in collaborating with GIZ on the above mentioned project. As a private sector lender to SME's, ACLF could potentially play an important collaborative role with project partners, providing finance to processors with climate outcomes, where that would be relevant.

ACLF was established to provide senior secured lending to SMEs with smallholder supply chains in sustainable agriculture, agroforestry and aquaculture, delivering both risk adjusted returns and E&S impact across four areas: reduced emissions, better land use management, livelihoods and gender.

ADM Capital is a fund manager established in 1998 with approximately US\$2.0bn assets under management. Headquartered in Hong Kong, ADM Capital focuses on investments in the Asia-Pacific Region and is licensed by the Securities and Futures Commission of Hong Kong and registered as an exempt reporting advisor with the Securities and Exchange Commission of the United States.

This letter is supplied solely for the use of GIZ and nothing in this letter shall be construed as expressing a commitment by the undersigned to engage in any transactions or take any actions whatsoever, or as expressing an opinion on the financial, operating or business condition of Paladium International or any person.

We are enthusiastic about the possibility of contributing our expertise to this project and our team is keen to engage in discussions to explore potential areas of collaboration that drive positive change toward climate action.

ASIA DEBT MANAGEMENT HONG KONG LIMITED
2801 Three Pacific Place, Wanchai, Hong Kong
Tel: (852) 2336 4567 Fax: (852) 2147 2813

Regulated by the Securities and Futures Commission in Hong Kong

ADM CAPITAL

Yours faithfully,

On behalf of Asia Debt Management Hong Kong Limited.

By:  _____

Name: Chris Botsford

Letter of Intent of TREEO (Fairventured GmbH)



TREEO | Fairventures Digital GmbH, Hasenbergstraße 31, D-70178 Stuttgart

Philipp-Georg Hahn

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Dag-Hammarskjöld-Weg 1-5

65760 Eschborn

Stuttgart, 15.12.2023

Letter of Intent

Through this letter of intent, we wish to convey our earnest interest in fostering collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH within the framework of the 'Land-based Mitigation and Adaptation through a Jurisdictional Approach in West Kalimantan' project, co-financed by the Green Climate Fund. The objectives outlined in the [Project Concept Note](#) resonate strongly with TREEO's vision and missions, particularly in relation to Output 1 and 3. At TREEO, we focus on both carbon capture and carbon storage. TREEO supplies companies that are deeply dedicated to addressing climate change by offering nature-based Carbon Dioxide Removal (CDR) solutions. We provide 'balancers' with verifiable, precise carbon data for every single tree. Additionally, TREEO provides the construction industry with timber as a substitute for high-carbon materials like concrete and steel, ensuring sustained carbon storage in timber building components within the built environment and harvested wood products (HWP).

TREEO is providing a sustainable business model for social forestry permit holders by enabling farmer groups to generate income from carbon sequestration via reforestation/afforestation and biochar production. This initiative creates an additional income stream for agroforestry activities. TREEO not only provides the technology to measure sequestered carbon accurately, but also trains the farmers to be able to independently monitor ex-post data. Moreover, TREEO is providing market access for the sequestered carbon via its customers. At a rate of 35€ per tonne of CO₂e, with half paid upfront to support planting activities, a 1000-hectare afforested area is anticipated to yield revenues of 3,500,000€ (calculated as 1000 hectares multiplied by

Fairventures Digital GmbH
Hasenbergstraße 31
D-70178 Stuttgart
Tel +49 711 220468 0

Amtsgericht Stuttgart, HRB 782079
Geschäftsführer: J. Schwegler, Dr. S. Ferber
<https://www.treeo.one/>
contact@treeo.one

Baden-Württemberg Bank
IBAN: DE11 6005 0101 0405 5102 98
BIC: SOLADEST600
USt-IdNr: DE 348527830



100 tonnes/hectare, multiplied by 35€/tonne). Over a 10-year period, about 80% of this revenue (around 2,800,000€) is projected to directly benefit the growers.

Below we outline the cross-cutting activities proposed as a means of collaboration between TREEO and GIZ within the project:

| | |
|-----------------|--|
| Output 1 | <ul style="list-style-type: none">• Policy advice regarding the inclusion of afforestation/ reforestation methodologies in the SRN.• Engage in pilot activities to measure tree biomass and sequestered carbon through afforestation/reforestation programs in the social forestry areas (over 200,000 ha). |
| Output 3 | Training for measuring tree biomass and carbon sequestration in areas under Social Forestry licences. |

We are enthusiastic about the possibility of working together and contributing our expertise to this project. Our team is eager to engage in discussions to explore potential areas of collaboration and develop a mutually beneficial partnership that drives positive change in the realm of climate action.

Best regards,

Johannes Schwegler

Executive Director

Fairventures Digital GmbH
Hasenbergstraße 31
D-70178 Stuttgart
Tel +49 711 220468 0

Amtsgericht Stuttgart, HRB 782079
Geschäftsführer: J. Schwegler, Dr. S. Ferber
<https://www.treeo.one/>
contact@treeo.one

Baden-Württemberg Bank
IBAN: DE11 6005 0101 0405 5102 98
BIC: SOLADEST600
USt-IdNr: DE 348527830

Letter of Intent of KfW Entwicklungsbank (German Development Bank)



KfW Entwicklungsbank • Postfach 111141 • 60048 Frankfurt am Main

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
GmbH
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn
Germany

Geschäftsbereich
KfW Entwicklungsbank

Sebastian Dittrich
Phone: +49 69 7431 6397
Email: sebastian.dittrich@kfw.de

21.03.2024

The Green Climate Fund "GCF"
G-Tower, Songdo Business District
175 Art center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea

»» Letter of Intent

Dear Madam/Sir,

KfW and the Republic of Indonesia entered into a Grant Agreement providing funding for the project "Social Forestry Support Programme". Such Programme supports for an amount of approximately EUR 2.9 million activities connected with the project "Land-based mitigation and adaptation through a Jurisdictional Approach in West Kalimantan" submitted for funding by GIZ to GCF.

We hereby express our intention to support the project to the extent and subject to the terms set out in the Grant Agreement.

Sincerely yours,
KfW

Vibeke Christensen
Head of Division
Natural Resources and Climate, Asia

Jonas Müller
Portfolio Manager
Natural Resources and Climate, Asia

Letter of Intent for Solidaridad



Solidaridad Network Asia Limited
Room 1318-20 Hollywood Plaza, 610 Nathan Road
Mong Kok, Kowloon, Hong Kong

26th March 2024

To:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

and

The Green Climate Fund "GCF"

Re: Co-financing commitment letter for "Land-based mitigation and adaptation through a Jurisdictional Approach in West Kalimantan, Indonesia"

Dear Madam/Sir,

I am writing to you to express our commitment to support "Land-based mitigation and adaptation through a Jurisdictional Approach in West Kalimantan, Indonesia", that was proposed to the Green Climate Fund (GCF) for funding.

This is to confirm the in-kind contribution of Solidaridad Network Asia to co-finance the project, should the proposal be approved, with a total value of EUR 1,000,000.00 (Euro One Million Only).

Sincerely yours,

A handwritten signature in green ink, appearing to read "Shatadru Chattopadhyay".



Shatadru Chattopadhyay
Managing Director
Solidaridad Network Asia Limited



**SOLIDARIDAD NETWORK ASIA
CO-FUNDING ALLOCATION**

| A. Landscapes where palm is grown are well governed , and forest is protected/restored | GCF Co-Funding Allocation (in Euro) |
|---|--|
| Multi stakeholder forum in the provincial level (West, Central and East Kalimantan) | 10,500 |
| Multi stakeholder forum in the provincial level (7 in West, 4 in Central and 4 in East Kalimantan) | 24,500 |
| Training GAP, BMP, ISPO-RSPO | 210,000 |
| Output 1.3. (Artisanal) mills, communities, SHs are trained in climate smart practises | 43,750 |
| Piloting Regenerative Agriculture | 49,000 |
| Total A | 337,750 |
| B. Smallholders in programme have improved incomes | |
| Establish and strengthen farmer Agroforestry group | 35,000 |
| Carbon measurement for carbon baseline and carbon monitoring (invite expert/use cool farm tools) | 52,500 |
| Registering GOI carbon system | 8,750 |
| Link to the carbon market initiative | 17,500 |
| Monitoring and supervision on implementation of climate smart ag in the farm level (7 in West, 4 in Central and 4 in East Kalimantan) | 75,600 |
| Workshop on GHG counting (7 in West, 4 in Central and 4 in East Kalimantan) | 42,000 |
| Mills visit and supervision, alongside with Dinas Perkebunan (7 in West, 4 in Central and 4 in East Kalimantan) | 42,000 |
| Mills staff capacity building | 19,250 |
| Support on SOP GHG management, counting and reporting by mills | 3,500 |
| Group strengthen and deliver capacity building training (SLA, Business plan, marketing etc.) | 126,000 |
| Total B | 422,100 |
| C. International companies source from and invest in SH inclusive sustainable palm production | |
| Building partnership with closer mills | 35,000 |
| Building Traceability system that align mills and Project | 17,500 |
| Develop traceability tools | 24,500 |
| Total C | 77,000 |
| D. Producer and consumer country policy and practice are D-free and SH inclusive | |
| Partnerships with producing and consuming countries developed for enabling policy environments | 71,750 |
| Joining national, provincial and international event | 37,013 |
| Total D | 108,763 |
| E. Project Management | |
| Project Manager | 31,500 |
| Project Officer | 22,888 |
| Total E | 54,388 |
| Total Co-Funding | 1,000,000 |

Shahzad Khan

