

# **Annex 2e**

## **Logframe Explanation**

to the GCF Funding Proposal

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

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Version 1.1

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This Annex provides an overview of the ranking within the project's logframe in Section E.2 and E.4 of the Funding Proposal, which has been developed based on the Green Climate Fund's new Integrated Results Management Framework.

## Section E.2: GCF Impact level: Paradigm shift potential

Core Indicator	Baseline	Baseline ranking	Justification for ranking
<b>Scale</b>	Between 1990 and 2020 the forest area in West Kalimantan declined by 2.1 million ha (27%), from 7.5 million ha to 5.4 million ha, releasing over 23.3 MtCO <sub>2</sub> eq per year. At the time of this FP formulation (2023-2024) deforestation and forest degradation remain a major threat in the province due to its role as an important hub for producing soft commodities like palm oil. Smallholder farmers in the 5 target regencies are vulnerable to the impacts of climate change as business-as-usual practices put their livelihoods, food security and the ecosystem at risk (see FS Chapter 2.1 for further information).	Medium <sup>1</sup>	<ul style="list-style-type: none"> <li>There is clear evidence of a pathway towards increased quantifiable impact in mitigation measures, beyond the project targets. Nevertheless, the implementation of the ambitious targets at province level is lagging and a pathway towards increased quantifiable adaptation impact is not yet visible and adaptation targets still need to be defined. The project will contribute to the timely realization of the targets outlined in the provincial FOLU Net Sink 2030 Plan and at national level to the NDC and REDD+ Strategy, among other key priorities (see FP Chapter 3.3) and consider learnings from the past.</li> <li>Previous approaches by the government or implementing agencies to reduce deforestation have been partially successful, however additional support is needed to facilitate scaling and to trigger transformational change. To achieve that it, is necessary addressing barriers, developing capacities, policies, and funding mechanisms.</li> <li>The team discussed that a "low-medium" ranking would be more adequate due to very limited progress in adaptation measures.</li> </ul>
<b>Replicability</b>	At the time of this FP formulation (2023-2024) good examples of sustainable practices in the AFOLU sector are available in the province. However, these are isolated, lack coordination, and are often limited by government or NGO funding. The limited scale of these initiatives, pilot activities, and approaches prevents the achievement of impacts at province level. To fully reach	Medium <sup>2</sup>	As outlined in Chapter 1.3, the project builds on the experience of the Government of Indonesia and different implementing organizations. It aims to replicate and scale up proven approaches of governmental institutions, the executing agencies of this project and other organizations. The FP analyses the current initiatives and approaches of relevant stakeholders in the province and aims to complement these,

<sup>1</sup> Medium ranking, according to the IRMF handbook, related to scale would imply "Clear evidence of a pathway towards increased quantifiable impact in mitigation and adaptation measures is emerging beyond project or programme targets. Evidence might include increased investment/interest from existing project holders, or new interested parties; the development of strategies covering larger target areas/populations; the achievement of better-than-expected results from GCF funded or influenced interventions."

<sup>2</sup> A medium ranking, according to the IRMF handbook, related to replicability would imply "Examples of intervention models which are similar or influenced by GCF funded/supported interventions are being planned, piloted or implemented in different contexts by a one or more different organisations"

Core Indicator	Baseline	Baseline ranking	Justification for ranking
	the paradigm shift towards low-emission and climate resilient forest and land use practices, additional technical and financial support is needed to replicate and scale-up investments in climate resilient and sustainable land management in 5 regencies.		addressing persisting gaps that limit the transformation/ shift to more climate-resilient and sustainable development pathways.
<b>Sustainability</b>	The provincial government of West Kalimantan has a high ambition and commitment to implement the project to transform the AFOLU sector and contribute to the national climate targets. The relevant agencies for the AFOLU sector are operational and have made important progress in promoting on Climate Change and sustainable land use. Limited financial and human resources of relevant actors resulted in slow progress towards achieving AFOLU targets and engaging the private sector. Private sector finance for climate action is considered critical to help fill financing gaps, however current investment in climate action is low.	Medium <sup>3</sup>	There are clear examples of the institutionalization of good practice norms and institutional structures that have an effect to reduce deforestation and engage the private sector in nature protection, even though much climate action is depending on external donor funding and support. Environmental authorities are operational (with varying capacities) and private sector commitments are present (with varying ambition). Therefore, good prospects for sustained impacts beyond project completion exist, by building on existing structures and stakeholders. Good leadership needs to be developed and encouraged to set a higher benchmark for sustainable soft commodity production.

<sup>3</sup> A low ranking, according to the IRMF handbook, related to replicability would imply “No or limited evidence that the institutional structures and behavioural norms required to sustain the climate mitigation and adaptation benefits are sufficiently robust to exist without external funding and support.”

## Section E.4: Outcome level: Enabling environment

Core Indicator	Baseline	Baseline ranking	Justification for ranking <sup>4</sup>
Core Indicator 5: Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low emission climate-resilient development pathways in a country-driven manner	<p>The Government of Indonesia has established ambitious climate targets for the land use sector that aim to turn the land sector into a net carbon sink (FOLU Net Sink 2030). The provincial Government of West Kalimantan has already elaborated the provincial plan for achieving their provincial FOLU Net Sink target. However, the institutional capacities and financial resources are currently insufficient to implement this plan. The subnational forest administration at province, regency, and FMU level needs to be strengthened to realize the targets outlined in the plan. The same is true for the provincial REDD+ Task Force (Pokja REDD+). While there was more progress on mitigation policies, regulations on adaptation and gender mainstreaming are still missing. In addition, there is a lack of monitoring systems for mitigation and adaptation that hinders monitoring and evaluation of climate action.</p> <p>Regarding low-emission policies, there is a lack of clarity regarding the role and duties of FMUs after the Job Creation Law</p>	low	<p>The baseline was assessed using the enabling environment score card for Core Indicator 5. The assessment yielded a score of 9, which corresponded to a 'low baseline ranking'.<sup>5</sup></p> <p>Elements yielding a Score 2:</p> <ul style="list-style-type: none"> <li>There is clear evidence and examples of improved legal/regulatory/policy frameworks being developed and put into place which show an appreciation of low emission climate pathways (e.g. Updated NDC, FOLU Net Sink 2030 Operation Plan at national and province level (West Kalimantan), Provincial REDD+ Task Force, provincial GHG action plan). However, adaptation policies and measures are still lacking.</li> <li>There are examples of local private sector companies in the project area that are aware of their contribution to climate change, but often do not have the resources, structures, or skills to respond in a timely manner. Some have reacted on pressures from soft commodity buyers and CSOs to implement basic standards like following NDPE (No Deforestation, Peat, Exploitation) principles. Others achieved RSPO or ISPO certification.</li> <li>Some civil society organizations understand climate change challenges and develop</li> </ul>

<sup>4</sup> Assessed using the score cards provided in the draft GCF Integrated Results Management Framework (IRMF): Results Handbook (V.1, December 2021).

<sup>5</sup> Using the score card for enabling environment, a 'medium' ranking corresponded to a "Total element score: <=11-14".

Core Indicator	Baseline	Baseline ranking	Justification for ranking <sup>4</sup>
	(No. 11 of 2020 on Job Creation). This also affects the unclear working relationship between FMUs and the provincial forestry service, UPTs, and other stakeholders. Policies, protocols, and standards need to be developed or updated to reflect the need to build the needed capacity for GHG mitigation in the forestry sector.		<p>strategies to hold the public and private sector to account. They already play an important role at national and provincial level, but additional support is required to facilitate stronger accountability in the AFOLU sector.</p> <p>Elements yielding a Score 1:</p> <ul style="list-style-type: none"> <li>• There are limited budgets and resources allocated to supporting the development of institutional and regulatory frameworks with limited evidence of progress being made. Yet, the scale to adequately finance climate action is clearly insufficient to achieve the outlined climate targets in the land use sector (as described in FP chapter 3.5.5).</li> <li>• Efforts are being made at national level to identify skills and capacity gaps to addressing the climate change crisis at both organisational and individual level. However, at provincial level these changes are currently not happening. The national training center for state foresters has integrated climate related issues into their training modules, but at province level climate related trainings are not offered. At the province level a REDD+ Task Force was established, but as outlined in the FS (see 3.2), there remain clear capacity gaps at individual and institutional level that need to be filled.</li> <li>• Currently there is no or limited horizontal coordination between MoEF and MoA or other key ministries in Indonesia who play a role in climate change issues. It is unclear whether there</li> </ul>

Core Indicator	Baseline	Baseline ranking	Justification for ranking <sup>4</sup>
			is an awareness of the need for coordination. At provincial level, the REDD+ Task Force is in a good position to facilitate coordination, but so far it has had limited impact in engaging other sectors with the forestry sector for meaningful climate action.
Core indicator 7: Degree to which GCF Investments contribute to market development/transformation at the sectoral, local, or national level	<p>Poverty and a lack of alternative livelihood opportunities (e.g. off-farm employment) have resulted in a high dependence on agriculture and natural resources for household income in the project area. Smallholders lack capacities and financial means to adopt sustainable business models and access markets for certified products. Price premiums for sustainable production are not yet the norm. Further engagement of the private sector to support the development of sustainable value chains is required. While examples for sustainable production exist, the minority of companies is currently certified (e.g. ISPO or RSPO for palm oil or other). At the same time, regulatory measures from consumer countries are demanding higher transparency and traceability of forest risk products, which risks the exclusion of smallholders from the value chain.</p>	medium	<p>The assessment yielded a score of 7, which corresponds to a “medium” ranking. The following factors were considered:</p> <p>Elements yielding a Score 2:</p> <ul style="list-style-type: none"> <li>• Examples of progress towards effective market development and transformation are available for selected commodities (for example RSPO certification in palm oil) and market segments for price premiums are developed.</li> <li>• Clear examples of projects and programmes that are contributing to market development – for example ISPO certification, concessional loans for sustainable agriculture, traceability initiatives and tools, multistakeholder platforms sustainable production.</li> <li>• Clear evidence of increased demand for sustainable soft commodities and higher levels of interest from possible new market players.</li> </ul> <p>Elements yielding a Score 1:</p> <ul style="list-style-type: none"> <li>• Very limited evidence of projects/programmes incentivizing market participants to adopt low emission climate resilient development pathways.</li> </ul>