

Annex 6a

Environmental and Social Impact Assessment (ESIA)

to the GCF Funding Proposal

*Land-based Mitigation and Adaptation through a Jurisdictional
Approach in West Kalimantan*

30/08/2024

Version 5

Submitted by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ GmbH)

Table of Contents

List of Tables.....	i
List of Figures	ii
Abbreviations.....	iii
Executive Summary	1
1. Project description	6
1.1 Background	6
1.2 Project Objective and Components	7
1.3 Project Beneficiaries	10
1.4 Project Implementation Arrangements	11
2. Legal and institutional framework.....	12
2.1 Environmental and social standards	12
2.1.1 GCF's Environmental and Social Policies	12
2.1.2 GIZ's Safeguards and Gender (S+G) Management System	16
2.1.3 UNFCCC REDD+ Safeguards	18
2.1.4 Safeguards REDD+ Indonesia	19
2.2 National policies and legal framework.....	20
2.2.1 Government of Indonesia (GoI) Regulation	20
2.2.2 Regulatory Enforcement and Capacity Assessment.....	24
3. Environmental and social baseline situation in the target regions.....	28
3.1 Socio-economic profile	28
3.1.1 Health	28
3.1.2 Demography	29
3.1.3 Economic Growth	29
3.1.4 Gender.....	30
3.1.5 Poverty	31
3.1.6 Literacy and Education	32
3.1.7 Land Tenure	34
3.1.8 Labour and employment.....	38
3.2 Environmental profile.....	40
3.2.1 Climate	40
3.2.2 Forest, deforestation, and forest degradation	42
3.2.3 Estate Crops and Horticulture	44
4. Environmental and social impact assessment.....	45
4.1 Pre-assessment of possible negative impacts (ESS triggered)	47
4.2 ESS 1: Assessment and management	64
4.2.1 Assessment	64
4.2.2 Impact rating: (low, middle, high)	65
4.2.3 Mitigation and management measures	65
4.3 ESS 2: Labour and working conditions	66
4.3.1 Assessment	67
4.3.2 Impact rating: (low, middle, high)	67
4.3.3 Mitigation and management measures	68
4.4 ESS 3: Resource efficiency and pollution prevention	69
4.4.1 Assessment	69
4.4.2 Impact rating: (low, middle, high)	70
4.4.3 Mitigation and management measures	70
4.5 ESS 4: Community health, safety and security	71
4.5.1 Assessment	71

4.5.2	Impact rating: (low, middle, high)	71
4.5.3	Mitigation and management measures	71
4.6	ESS 5: Land acquisition and involuntary resettlement.....	72
4.6.1	Assessment.....	72
4.6.2	Impact rating: (low, middle, high)	72
4.6.3	Mitigation and management measures	72
4.7	ESS 6: Biodiversity conservation and sustainable management of living natural resources	73
4.7.1	Assessment.....	73
4.7.2	Impact rating: (low, middle, high)	73
4.7.3	Mitigation and management measures	73
4.8	ESS 7: Indigenous peoples.....	74
4.8.1	Assessment.....	74
4.8.2	Impact rating: (low, middle, high)	74
4.8.3	Mitigation and management measures	75
4.9	ESS 8: Cultural heritage.....	76
4.9.1	Assessment.....	76
4.9.2	Impact rating: (low, middle, high)	76
4.9.3	Mitigation and management measures	76
4.10	ESS 9: Stakeholder engagement and information disclosure.....	76
4.10.1	Assessment.....	76
4.10.2	Impact rating: (low, middle, high)	77
4.10.3	Mitigation and management measures	77
4.11	ESS 10: Financial intermediaries	77
4.11.1	Assessment.....	77
4.11.2	Impact rating: (low, middle, high)	78
4.11.3	Mitigation and management measures	78
4.12	ESS 11: Sexual Exploitation, Abuse and Harassment (SEAH)	78
4.12.1	Assessment.....	78
4.12.2	Impact rating: (low, middle, high)	78
4.12.3	Mitigation and management measures	78
5.	References.....	80
6.	Appendices.....	81

List of Tables

Table 1: Summary of environmental and social impact assessment.....	3
Table 2: Overview of GCF's new (draft) ESS Standards	13
Table 3: Alignment of GCF/IFC ESS Performance Standards with GIZ's Safeguards and Gender Management system	17
Table 4: Summary of Institutional and Regulatory Issues for the Project	23
Table 5: Capacity Assessment of Government Agencies Relevant to the Project	26
Table 6: Public Health Status in West Kalimantan by 2022 (BPS, 2022)	29
Table 7: Gender Development Index in selected 5 (Five) Districts	31
Table 8: Poverty data in the five intervention districts.....	31
Table 9: Literacy Rate for Population Aged 15 - 59 years by Province in 2022	32
Table 10: Percentage of population aged 10 years and over who are literate	32
Table 11: School Enrolment Rate (Angka Partisipasi Sekolah/APS) of the five intervention- regencies.....	34
Table 12: Gross Enrolment Rate (Angka Partisipasi Kasar/APK) of the five intervention- regencies.....	34
Table 13: Pure Enrolment Rate (Angka Partisipasi Murni/APM) of the five intervention-regencies.....	34
Table 14: gender ratio of the labour in five intervention districts in 2021	39
Table 15: Number of Labour condition in the five intervention regencies from 2020 – 2022	39
Table 16: Percentage of Labours working in different sectors in five targeted regencies.....	40
Table 17: Natural Disasters Events impacted Villages in West Kalimantan 2020 - 2021	41
Table 18: Forest and Land Fires occurred in selected five districts from 2018 - 2022.....	42
Table 19: Forest and Land Use Type in Five target Districts – West Kalimantan 2021	42
Table 20: Summary of GCF and GIZ Standards against the Proposed Project	45
Table 21: Possible negative Impacts of the proposed Project	47
Table 22: GIZ's standards to the proposed Project.....	57
Table 23: Proposed Activities that might contribute to the potential negative impacts	62
Table 24: Environmental and Social Risks Assessment towards to Project Components and Activities.....	81

List of Figures

Figure 1: Intervention Area of the L-MAJA Project	6
Figure 2: Project Overview	8
Figure 3: Overall flow of funds for the project	11
Figure 4: Map of West Kalimantan	28
Figure 5: Number of Persons of West Kalimantan who gained education in different levels (2021)	33
Figure 6: Number of rainy days at selected Climatology Station in West Kalimantan (2021)	41
Figure 7: Map of Land Cover West Kalimantan 2021	43
Figure 8: Deforestation Rate in Kubu Raya District	44
Figure 9: The highest 10 provinces that are affected by Forest and Land Fires during January - September 2023	69

Abbreviations

AE	Accredited Entity
AFOLU	Agriculture, Forest and Other Land Use
APL	Land for Other Purposes/Non-Forest Land (Areal Penggunaan Lain)
BAP	Biodiversity Action Plan
BMUV	Federal Ministry for the Environment, Nature Conservation and Nuclear Safety
BMZ	German Federal Ministry for Economic Cooperation and Development
BKAD	Badan Keuangan dan Aset Daerah (Region Finance and Assets Agency)
BPDLH	Badan Pengelolaan Dana Lingkungan Hidup (Indonesian Environment Fund Agency)
CO ₂ eq	Carbon dioxide equivalent (referring to GHG emissions)
CSA	Climate Smart Agriculture
CSO	Civil Society Organization
DPMD	Dinas Pemberdayaan Masyarakat Desa (Community Empowerment and Village Service)
E&S	Environmental and Social
ER	Emission Reduction
ERP	Emission Reduction Program
ESIA	Environmental and Social Impact Assessment
ESDD	Environmental and Social Due Diligence
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESH	Environment, Health and Safety
ESS	Environmental and Social Safeguards
EU	European Union
EUR	Euro
FGRM	Feedback and Grievance Redress Mechanism
FMU	Forest Management Unit
FP	Funding Proposal
FREL	Forest Reference Emission Level
FS	Feasibility Study
GA	Gender Analysis
GAP	Gender Action Plan
GBV	Gender-Based Violence
GCF	Green Climate Fund
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GRDP	Gross Regional Domestic Product
GRM	Grievance Redress Mechanism

HCS	High Carbon Stock
HCV	High Conservation Value
IFC	International Finance Corporation (World Bank Group)
IPCA	Indigenous Protected and Conserved Areas
IPCC	Intergovernmental Panel on Climate Change
IPP	Indigenous Peoples Plan
IUPHHK-HA	Izin Usaha Pemanfaatan Hasil Hutan Kayu – Hutan Alam (Natural Forest Business License)
IUPHHK-HT	Izin Usaha Pemanfaatan Hasil Hutan Kayu – Hutan Tanaman (Timber Plantation Business License)
IWGIA	International Work (sic) Group for Indigenous Affairs
J-SLMP	Jambi-Sustainable Landscape management Project
LSM	Lembaga Swadaya Masyarakat / Non Government Organization
MAR	Monitoring, Assessment, Reporting
M&E	Monitoring and Evaluation
MoEF	Ministry of Environment and Forestry
MRV	Monitoring, Reporting and Verification
NDA	National Designated Authority (for the GCF)
NDC	Nationally Determined Contribution (to the Paris Agreement of the UNFCCC)
PBPH	Perizinan Berusaha Pemanfaatan Hutan (Forest Business License multi-forestry business scheme)
RAP	Resettlement Action Plan
REDD+	Reduction Emission from Deforestation and Forest Degradation Plus
SDG	Sustainable Development Goal
SEAH	Sexual Exploitation, Abuse and Harassment
SEP	Stakeholder Engagement Plan
S+G	Safeguards+Gender (Management System of GIZ)
TA	Technical Assistance
UNFCCC	United Nations Framework Convention on Climate Change
USD	US Dollar
WK	West Kalimantan

Executive Summary

The Government of Indonesia set ambitious Nationally Determined Contributions (NDCs) targets for emission reductions from the forestry sector and adaptation to climate change. Despite all efforts and progress, deforestation and forest degradation still account for a large proportion of all greenhouse gas (GHG) emissions. At the same time, the impacts of climate change, such as increased fires, extreme precipitation, and more prolonged droughts, increasingly affect the local communities, particularly within rural areas. In terms of mitigation, the forestry sector needs to reduce emissions by 17,4% (unconditional) or 25,4% (conditional) by 2030 against the reference levels, and REDD+ and forest land rehabilitation¹ are key measures to achieve these targets while enhancing the resilience of local communities and ecosystems.

West Kalimantan is amongst the most vulnerable provinces regarding fires in Indonesia² and one of the poorest provinces in Indonesia³. The province has experienced, as a major deforestation hotspot, high rates for natural forests loss. At the same time, the province has struggled in providing support to the implementation of social forestry initiatives and the REDD+ Strategy by targeting the main drivers and underlying causes of deforestation and forest degradation.

The GCF Accredited Entity (AE) for this Project is the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH based on a matchmaking process hosted by NDA to link the project idea developed by the provincial government of West Kalimantan with a suitable AE. The project aims to support the Government and people of West Kalimantan in transitioning to sustainable and climate-resilient forest and landscape management on a larger scale. The overarching objective is to reduce greenhouse gas emissions from deforestation and degradation, increase forest carbon stocks through reforestation and land rehabilitation, promote good agricultural practices, encourage sustainable and community-based forest management, and enhance the resilience of forest and peat landscapes. The focus on viable and sustainable business models strengthens the resilience of vulnerable small-scale rural producers and vulnerable agriculture and forest ecosystems affected by the impacts of climate change, including from drought and fire.

The Government of Indonesia's National Designated Authority (NDA) to the GCF is the Fiscal Policy Agency under the Ministry of Finance. The AE, with approval of the NDA, submitted a Concept Note for this project in December 2020 which was endorsed by the GCF Secretariat in March 2022 and subsequently developed a fully funding proposal package for the project.

The main executing entities (EEs) of the project are the Indonesian Environment Fund Agency (BPDLH), Solidaridad, and GIZ in close collaboration with the provincial REDD+ task force and Dinas LHK as well as other local partners include NGOs, district agencies, forest management units (FMUs), private sector actors, village governments, village forest institutions, smallholder cooperatives, indigenous people groups, and community business units, among others. The Ministry of Environment and Forestry (MoEF) is the main political partner of the project.

This Environment and Social Impact Assessment (ESIA) assess and predicts potential adverse social and environmental impacts of the project and develops suitable mitigation measures, which are documented and further elaborated in an Environmental and Social Management Plan (ESMP). The ESIA is prepared as part of the funding proposal process and

¹ In Indonesia the term forest land rehabilitation is widely used, especially in official documents. It is synonymously used and includes similar activities as the internationally acknowledged term "Forest Landscape Restoration" (FLR). It includes not only forest land but also peat restoration.

² Sistem Informasi Data Indeks Kerentanan Perubahan Iklim (SIDIK), Climate Change Vulnerability Index Data Information System, MoEF, 2018

³ Badan Pusat Statistik, 2018

with a risk assessment according to GCF's Environmental and Social Safeguards (ESS), and those of GIZ.

All projects under medium and high-risk need to disclose its ESIA and ESMP to the public in order to enable effective stakeholder participation, ensuring access to project information in an accessible and culturally appropriate manner. It also further enables stakeholders to provide feedback, raise concerns, or file grievances, as necessary. This ESIA document will cover the entire project, covering all planned activities and sub-activities.

In addition, the ESIA determines possible negative impacts and co-benefits to the project activities that may have on the natural and human environment. Negative impacts are treated as risks. The ESIA is a tool originally developed for projects with possibly significant unintended negative environmental and social (ESS) impacts, to mitigate or avoid these.

Once mitigation measures are defined, they are combined and organised in an Environmental and Social Management Plan (ESMP). This plan defines how the measures will be implemented, by whom, when, etc. The ESMP is the operational plan that will be included in the project design and implementation. The ESMP is developed in a separated document.

In addition, a gender analysis (GA) and a gender action plan (GAP) are prepared as separate documents as well as an Indigenous Peoples Plan (IPP).

GCF policy requires that all accredited entities undertake environmental and social assessments, including transboundary risks and impacts to ensure that the activities proposed for GCF financing meet their environmental and social safeguards pursuant to the ESS standards of GCF and policy. GCF is in the process of developing its own environmental and social standards and the document adopts the structure of these envisaged new GCF ESS:

- ESS1: Assessment and Management of environmental and social risks and impacts
- ESS2: Labour and Working Conditions
- ESS3: Resource Efficiency and Pollution Prevention
- ESS4: Community Health, Safety and Security
- ESS5: Land Acquisition and Involuntary Resettlement
- ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- ESS7: Indigenous Peoples
- ESS8: Cultural Heritage
- ESS9: Stakeholder Engagement and Information Disclosure
- ESS10: Financial Intermediaries

This ESIA document is structured along the new (draft) ESS Standards of GCF.

For this environmental and social assessment, GIZ tasked an independent consultant firm with reviewing the draft project documents, background studies and data, field visits, and consulting the GIZ project preparation team from West Kalimantan. The consultants have identified and assessed potential unintended negative impacts of the project and formulated recommendations and relevant observations for subsequent assessments and plans in this report. The ESMP will include mitigation hierarchies to manage and mitigate risks, and detailed mitigation and/or compensation measures, which are necessary to make the project compliant with the GIZ's and GCF's ESS Policies including the GCF's Indigenous Peoples Policy and the Policy on Sexual Exploitation, Abuse, and Harassment (SEAH).

Based on the preliminary assessment by the independent consultant firm, the proposed project triggers all ESS standards (1-10). Since the ESS 7 is also triggered, an Indigenous People's Plan (IPP) needs to be prepared as separate document. The project is also categorized as "Category B" or "medium" in terms of ESS risks.

The project will have a positive environmental and social impact on the beneficiaries in five regencies of West Kalimantan Province Indonesia by improving forest governance, strengthening Forest Management Units, implementing and upscaling social forestry models, and promoting sustainable agricultural business practices in existing concessions and smallholders through private sector collaborations, including leveraging investment at scale, while at the same time having a positive impact on the environment and biodiversity by contributing to protecting ecosystems and improving the environmental management capacity of relevant organizations.

On the other hand, potential adverse environmental and social impacts of the Project will be site-specific, not irreversible or complex in nature, and readily addressed through mitigation or compensation measures, if not minimizes or avoided before. The project area represents a highly diverse set of socio-economic, cultural and environmental conditions. The activities proposed for financing from GCF are oriented around Free Prior Informed Consent (FPIC), positively helping small-scale farmers with a focus on indigenous people groups in remote areas. However, it is possible that the project itself may lead to land-use restrictions (High Conservation Value (HCV) area), thus negatively impacting on livelihoods. Therefore, it is important for the project to establish, implement and monitor environmental and social management plans for the Project, while also ensuring effective ongoing multi-stakeholder participation at all levels throughout project implementation.

In addition, any gaps occurred need to be solved prior to the project implementation started in the selected five districts. Some of the more important district and/or site-specific gaps are as follows:

- Land tenure (tenurial or communal rights/*Tanah Wilayah Adat*)
- Specific economic aspects/ investments (while some key value chains have been identified, additional value chains may become included during project implementation)
- National and sub-national policy/regulation related to forest and land management/administration – policy harmonization

The preliminary assessment to the Project Environmental and Social Standards Risk Category is as follows:

☒ B or I-2

☐ C or I-3

Herewith below the summary of environmental and social impact assessment to the Project.

Table 1: Summary of environmental and social impact assessment

Environmental & Social Safeguards	Risk Level (B-Medium / C-Low)	Explanation on Risk Level Determination
Overall Project / Programme ESS Category	<input checked="" type="checkbox"/> B or I-2 <input type="checkbox"/> C or I-3	It shows that “Medium” risk level (50%) is dominated to the proposed activities that could result in possible negative impacts of the project, whereas “Low” and “Low-Medium” risk level contribute to 28% and 22% respectively. Thus, overall assessments for ESS category for the proposed project is medium
ESS 1: Assessment and management of environmental and social risks and impacts	<input type="checkbox"/> B or I-2 <input checked="" type="checkbox"/> C or I-3	The proposed project under assessment ESS 1 is low. The climate-induced risks to the project are categorized as low. Likewise, the risk of social conflicts to the project is low. Overall, the impact rating is medium.
ESS 2:	<input type="checkbox"/> B or I-2 <input checked="" type="checkbox"/> C or I-3	The risk level of labour and working conditions to the proposed project is low since the Government of Indonesia

Environmental & Social Safeguards	Risk Level (B-Medium / C-Low)	Explanation on Risk Level Determination
Labour and working conditions		including Government of West Kalimantan has adopted International and national labour rights. In order to maintain and improve the performance of project staff, the project management policies shall be in line with the standard operating procedures and apply for all staff directly engaged with the project by GIZ.
ESS 3: Resource efficiency and pollution prevention	<input type="checkbox"/> B or I-2 <input checked="" type="checkbox"/> C or I-3	The risk level of this ESS 3 is low – medium. The risk level is low if the negative impacts are properly managed. On the contrary, the impacts become severe (medium level) if it is not properly planned and managed. For example, the proposed activity on “Identification and mapping of agricultural land allocated to slash-and-burn practices” (sub-activity 1.2.3.5), needs to be closely monitored. The slash and burn practices shall be in line with the implementation of PERDA No 1/2022 related to agriculture land clearing with local wisdom. Otherwise, uncontrolled forest and land fires might happen and result in adverse impacts on people and/or environment with significant magnitude.
ESS 4: Community health, safety and security	<input checked="" type="checkbox"/> B or I-2 <input type="checkbox"/> C or I-3	The impact rating under this Standard is considered as medium . It has adverse impacts on people and/or environment of significant magnitude, spatial extent and duration, (but still mostly temporary, reversible if managed properly). For example, potential social conflicts or social jealousy can be avoided if proper explanation and consultations of proposed project to communities and relevant stakeholders are continuously conducted.
ESS 5: Land acquisition and involuntary resettlement	<input checked="" type="checkbox"/> B or I-2 <input checked="" type="checkbox"/> C or I-3	The impact rating under this GCF Standard is assessed as low-medium . Few activities especially related to rehabilitation, restoration and or protection in Non-Forest Land (APL) might have adverse impacts to people livelihoods. If not well managed, then the impacts might become severe moderate significance.
ESS 6: Biodiversity conservation and sustainable management of living natural resources	<input type="checkbox"/> B or I-2 <input checked="" type="checkbox"/> C or I-3	The impact rating of this Standard is assessed as low . Promoting timber plantation (monoculture system) and permanent agriculture may give impacts to the habitats for some endemic species of West Kalimantan. However, the project is not promoting timber plantation in social forestry scheme. Any allocated areas for agriculture practices will be assessed and require consent from community through FPIC process.
ESS 7: Indigenous peoples	<input checked="" type="checkbox"/> B or I-2 <input type="checkbox"/> C or I-3	The impact rating under this Standard is medium . Adverse impacts on vulnerable groups that can occur disproportionately due to certain groups’ limited access to information and lack of participation in decision making or project activities, resulting in decisions that do not reflect their interests and may weaken their economic or social position, or their access to resources. It has adverse impacts on people and/or environment of significant magnitude, spatial extent and duration, (but still mostly temporary, reversible if managed properly)
ESS 8: Cultural heritage	<input checked="" type="checkbox"/> B or I-2 <input type="checkbox"/> C or I-3	The project might affect communities’ Physical Cultural Resources (PCRs), thus the significance of impacts on PCR is considered medium . Since the project area covers ethnic minority groups, provisions for screening of PCRs during subproject investments and site locations as well as “chance find procedures” are foreseen as appropriate mitigation measures.

Environmental & Social Safeguards	Risk Level (B-Medium / C-Low)	Explanation on Risk Level Determination
ESS 9: Stakeholder engagement and information disclosure	<input type="checkbox"/> B or I-2 <input checked="" type="checkbox"/> C or I-3	The impact rating under this Standard is low . Less coordination and communication with relevant stakeholder in the program will trigger stakeholder engagement and information disclosure. However, this risk can be easily handled if all information related to project are openly accessible to relevant stakeholders. The project also will adopt and implement international and national policies in relation public disclosure to the project documents.
ESS 10: Financial Intermediaries	<input type="checkbox"/> B or I-2 <input checked="" type="checkbox"/> C or I-3	The impact rating under this Standard is low . The project will ensure that selection and criteria for intermediary agencies must meet government fiduciary standards so that transparency, accountability, and reliability in managing grants are guaranteed by intermediaries.

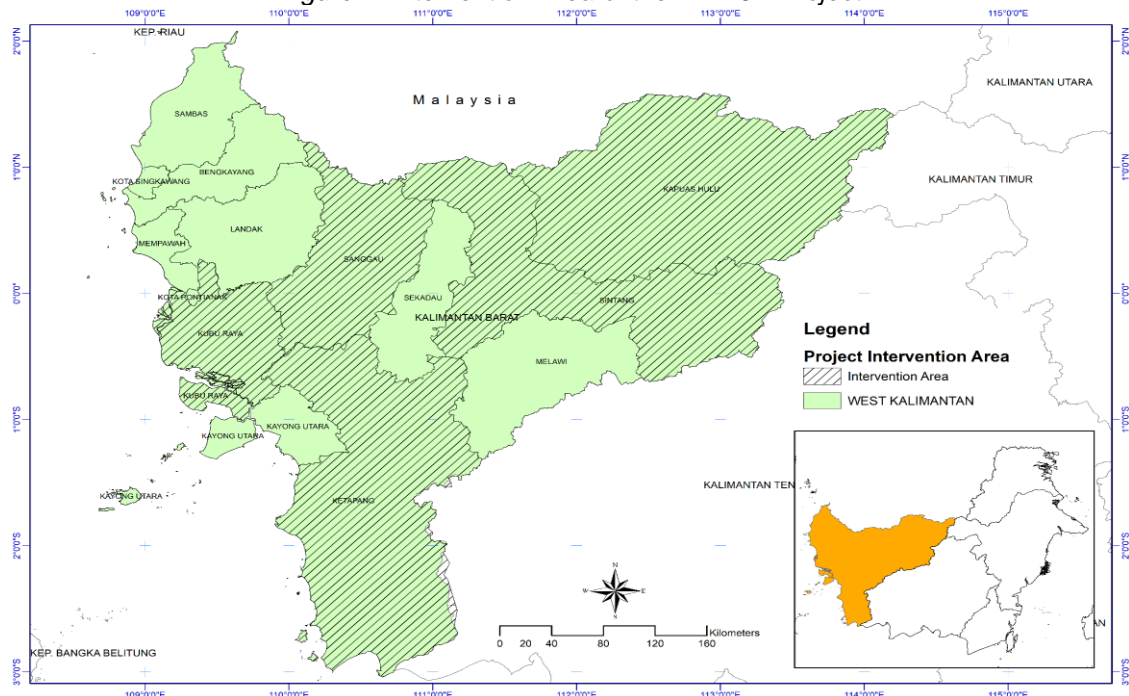
1. Project description

1.1 Background

The proposed GCF financed project is titled “Land-based Mitigation and Adaptation through a Jurisdictional Approach in West Kalimantan”. The project proposal was originally designed by the REDD+ working group of West Kalimantan Province with assistance from development partner institutions. The project supports the implementation of the Indonesian social forestry initiative and the REDD+ Strategy by targeting deforestation and forest degradation's main drivers and underlying causes. It improves forest governance, strengthens Forest Management Units (FMU), implements and upscales social forestry models, and promotes sustainable agricultural business practices in existing concessions and smallholders through private sector collaborations, including leveraging investment at scale. The focus on viable and sustainable business models strengthens the resilience of vulnerable small-scale rural producers and vulnerable agro and forest ecosystems affected by the impacts of climate change, including drought and fire.

The proposed project will cover the province of West Kalimantan. At the same time, implementation on the ground will focus on five priority regencies, covering 71% of the province's total area (10.5 m ha) and 82% (4.45 m ha) of the province's forested area (Figure 1). The proposed project location also includes the area defined as the REDD+ implementation and measurement area (referred to as WPK REDD+). It is delineated based on two categories (refer to MoEF guidelines No 70/2017): i) areas that are still forested on mineral soils and on peat soils at the end of 2012 in the form of primary forest and secondary forest and ii) peatland, which was still forested in 1990 but by the end of 2012 was no longer forested.

Figure 1: Intervention Area of the L-MAJA Project



Field-level activities will target five priority regencies which account for: i) 80.6% (4.92 million ha) of the total REDD+ implementation and measurement area of WK; ii) 69.6% (10.1 million CO₂eq) of WK's total 60% pledge target (14.1 million CO₂eq); and iii) 71.2% (49.714 ha) contribution of annual deforestation in WK (69.809 ha). It consists of Kapuas Hulu (annual deforestation 5.559 ha), Ketapang (annual deforestation 29.164 ha), Kubu Raya (annual

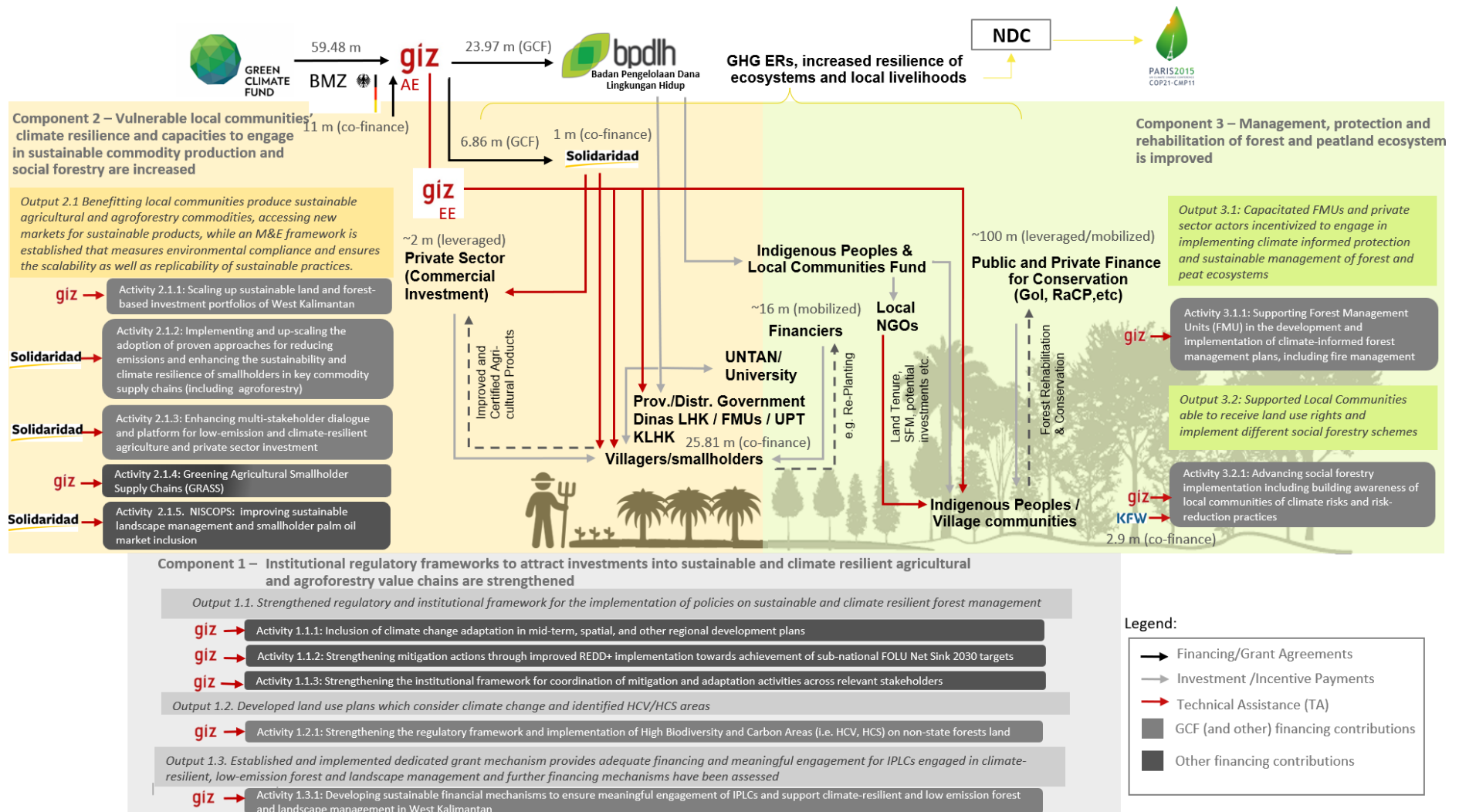
deforestation 8.764 ha), Sanggau (annual deforestation 2.521 ha), and Sintang district (annual deforestation 3.706 ha). The provincial government has selected those five priority regencies through its interdisciplinary REDD+ working group based on their importance to achieve the NDC contribution target. The forests in these districts are severely threatened by deforestation and forest degradation. The selection is based on a set of criteria including emissions, existing forest stock, and forest cover ratio to district area.

1.2 Project Objective and Components

This project's overall objective is to reduce GHG emissions from deforestation and degradation, enhance forest carbon stocks through reforestation and forest land rehabilitation, improve good agriculture practices and ultimately strengthen the resilience of forest and peat landscapes in West Kalimantan (WK) by addressing two main climate risks (a) increased forest and peat fire due to increased temperatures and droughts and b) reduced agricultural production due to increased drought. This will enable a paradigm shift towards climate-resilient and low-emission pathways at the province level. Mitigation and adaptation measures are synergetic, where the sustainability of mitigation benefits depends on successfully strengthening the long-term resilience of vulnerable small-scale rural producers and smallholders and forest ecosystems. The project consists of three outputs as depicted in **Error! Reference source not found.** below.

This project will be implemented over seven years. At the beginning the focus will be on strengthening enabling conditions, preparation for implementation in the selected districts (including safeguards and ensuring free, prior to and informed consent (FPIC) of affected partners and especially local communities) and enhancing the institutional framework for sustainable landscape planning and management (Component 1). This will form a strong foundation for efficient and effective implementation and upscaling of sustainable land, social forest, and agriculture-based commodities investments under Component 2 and 3. All components and respective activities build on proven approaches, including lessons learned for successful implementation at scale from GIZ, and Solidaridad, all active in WK for many years.

Figure 2: Project Overview



Component 1 - Institutional and Regulatory Frameworks

- **Output 1.1:** Strengthened regulatory and institutional framework for the implementation of policies on sustainable and climate resilient forest management.
- **Activity 1.1.1:** Inclusion of climate change adaptation in mid-term, spatial, and other regional development plans
- **Activity 1.1.2:** Strengthening mitigation actions through improved REDD+ implementation towards achievement of sub-national Forestry and Other Land Use (FOLU) Net Sink 2030 targets.
- **Activity 1.1.3:** Strengthening the institutional framework for coordination of mitigation and adaptation activities from relevant stakeholders and across sectors.
- **Output 1.2:** Developed land use plans which consider climate change and identified High Conservation Value (HCV)/High Carbon Stock (HCS) areas.
- **Activity 1.2.1:** Strengthening the regulatory framework and implementation of High Biodiversity and Carbon Areas (i.e. HCV, HCS) on non-state forests land.
- **Output 1.3:** Established and implemented dedicated grant mechanism provides adequate financing and meaningful engagement for Indigenous Peoples (IPs) engaged in climate-resilient, low-emission forest and landscape management and further financing mechanisms have been assessed.
- **Activity 1.3.1:** Developing sustainable financial mechanisms to ensure meaningful engagement of IPs and support climate-resilient and low emission forest and landscape management in West Kalimantan

Component 2 – Sustainable commodity production and social forestry

- **Output 2.1:** Benefitting local communities produce sustainable agricultural and agroforestry commodities, accessing new markets for sustainable products, while an M&E framework is established that measures environmental compliance and ensures the scalability as well as replicability of sustainable practices.
- **Activity 2.1.1:** Scaling up a sustainable land and forest-based business model of West Kalimantan
- **Activity 2.1.2:** Implementing and upscaling the adoption of proven approaches for reducing emissions and enhancing the sustainability and climate resilience of smallholders in key commodity supply chains (including agroforestry)
- **Activity 2.1.3:** Enhancing multi-stakeholder dialogue and platform for low-emission and climate-resilient agriculture and private sector investment.
- **Activity 2.1.4:** Greening Agricultural Smallholder Supply Chains in Kapuas Hulu through the Co Funding of the Greening Agricultural Smallholder Supply (GRASS) project
- **Activity 2.1.5:** Improving sustainable landscape management and smallholder palm oil market inclusion (NISCOPS co-financing)

Component 3 – Management, protection and rehabilitation of forest and peatland ecosystems

- **Output 3.1:** Capacitated FMUs and private sector actors incentivized to engage in implementing climate informed protection and sustainable management of forest and peat ecosystems.

- **Activity 3.1.1:** Supporting Forest Management Unit Organizations in the development and implementation of climate-informed forest management plans for FMU Units, including fire management.
- **Output 3.2:** Supported Local Communities able to receive land use rights and implement different social forestry schemes.
- **Activity 3.2.1:** Advancing social forestry implementation including building awareness of local communities of climate risks and risk-reduction practices.

1.3 Project Beneficiaries

The project aims to enhance the resilience of 680,000 villagers, with a focus on gender inclusivity (50% women), within target communities by raising awareness of climate change risks and promoting effective risk reduction practices. This initiative will directly benefit these individuals by supporting the implementation of social forestry programs, various ecosystem-based adaptation measures, including the rehabilitation of peat and mangrove areas, and the adoption of climate-resilient, low-emission agricultural and forestry techniques.

Among the direct beneficiaries, approximately 14,000 smallholder farmers will engage in sustainable agricultural practices through Component 2, while the remainder will participate in sustainable forest management activities facilitated by social forestry schemes under Component 3. This includes climate-informed land use planning, such as the establishment of High Conservation Value/High Carbon Stock (HCV/HCS) areas.

Direct beneficiaries will benefit through:

- Direct technical and financial support to implement suitable climate-resilient and low-emission AFOLU measures that contribute to REDD+ and strengthen the resilience of vulnerable communities and ecosystems.
- Development of alternative livelihood sources based on low-emission and climate-resilient sustainable land- and forest-based investments, supported by technical assistance and improved access to finance, markets and networking.
- Establishment of an enabling environment that incentivizes sustainable planning and investments, and increases transparency in monitoring REDD+, and climate change adaptation and mitigation in West *Kalimantan*.
- Strengthened awareness of climate change and the importance of REDD+, as well as suitable low-emission and climate- resilient land- and forest-based investments.
- Targeted measures will enable female beneficiaries and indigenous peoples, who are particularly vulnerable to climate change, to actively participate in and benefit from sustainable and resilient land- and forest-based investments.
- Additional targeted support to enable conflict resolution, strengthen tenure security, and safeguard food, health, and income security.

Indirectly, the project will benefit all 5.1 million people (approx. 50% female) living in WK as a result of the adaptation co-benefits including reduced impacts of forest fires, clean air, water supply etc. The project will support the strengthening of institutional and landscape level planning systems to strengthen climate-informed planning and increasing the adoption of measures for REDD+. This will enable increased use and generation of climate information in planning and monitoring, and a strengthened enabling environment for investments in low-emission AFOLU and REDD+ in WK. Cross-sectoral and multi-stakeholder coordination platforms will bring diverse actors and stakeholders together to improve the coordination and planning for REDD+ in WK. In addition, improvements to monitoring systems will facilitate climate impact monitoring, and may further strengthen the monitoring of sustainable development benefits.

Furthermore, the project will support differentiated incentives for small scale producers, communities and villages, micro, small and medium enterprises (MSMEs), producer groups,

buyers, traders and mills, and the business sector/ investors to adopt and/or invest in low-emission, and climate-resilient sustainable land management.

Furthermore, Component 3 will ensure ecosystem functionality through social forestry initiatives covering at least 200,000 hectares, the creation of wildlife corridors, and the designation of HCV/HCS areas spanning 100,000 hectares on non-forest land. Areas identified for restoration, including forests, mangroves, and peatlands, will encompass 10,000 hectares, while approximately 420,000 hectares of expansive peat areas will receive protection measures.

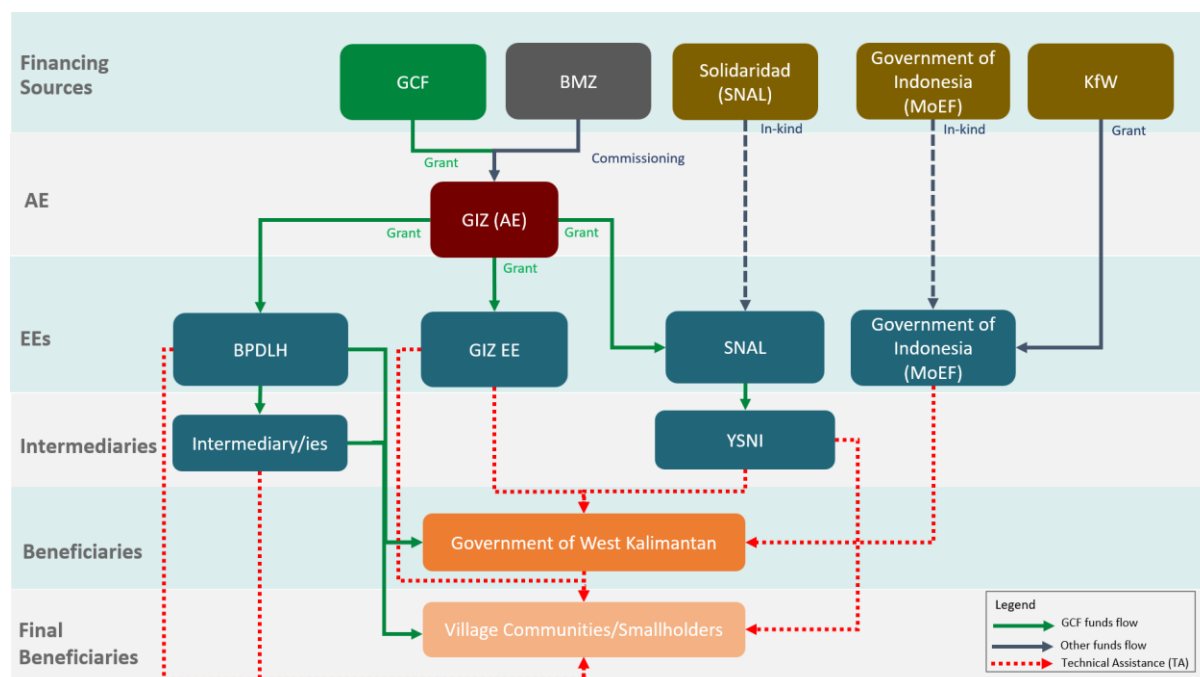
1.4 Project Implementation Arrangements

GIZ is the GCF Accredited Entity (AE) for this project, who has developed this concept note in close coordination with national stakeholders. This project institutional arrangement foresees the following executing entities (EEs): GIZ, Kementerian LHK, Badan Pengelola Dana Lingkungan Hidup (BPDLH) and Solidaridad. The EEs will jointly implement the project in close collaboration with the provincial REDD+ task force/Dinas LHK, the University of *Tanjung Pura* (UNTAN) and other local partners include NGOs, district agencies, FMUs, private sector actors, village governments, village forest institutions, smallholder cooperatives, indigenous peoples' groups, and community business units, among others. In strengthening the adaptation benefit of the project, especially through fire prevention, a cooperation with the Regional Fire Management Resource Center Southeast Asia (RFMRC-SEA) is planned.

BPDLH that has a key role in funding distribution to beneficiaries as a dedicated climate change fund agency for Indonesia.

The following Figure provides an overview of the project's institutional arrangements including the financial flow:

Figure 3: Overall flow of funds for the project



2. Legal and institutional framework

2.1 Environmental and social standards

2.1.1 GCF's Environmental and Social Policies

The GCF's "Environmental and Social Policy"⁴ (decision B.19/10⁵, paragraph (b)) is an overarching policy framework for promoting a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development. Through this policy, GCF will require that all GCF-supported activities will commit to:

- avoid, and where avoidance is impossible, mitigate adverse impacts to people and the environment.
- enhance equitable access to development benefits; and
- give due consideration to vulnerable and marginalized populations, groups, and individuals, local communities, indigenous peoples, and other marginalized groups of people and individuals that are affected or potentially affected by GCF-financed activities.

GCF policy requires that the accredited entities undertake environmental and social assessment, including transboundary risks and impacts to ensure that the activities proposed for GCF financing meet their environmental and social safeguards pursuant to the ESS standards of GCF and policy. The environmental and social assessment will be in a manner that: follows good international industry practices, identifies best alternatives and allows for an integrated and balanced view of the environmental and social risks and impacts pursuant to GCF standards and requirements of the accredited entities, considers the environmental and social factors, that can affect the achievement of intended results, and shall include where applicable upstream and downstream environmental and social risks and impacts and impacts on ecosystems and identifies opportunities to enhance the positive environmental and social outcomes and benefits.

Currently, GCF uses the International Finance Corporation (IFC) Performance Standards (PS) as its interim ESS Standards, as adopted by the GCF board in 2014. The detailed description of these standards can be found on IFC's website⁶.

- PS1: Assessment and management of environmental and social risks and impacts
- PS2: Labour and working conditions.
- PS3: Resource efficiency and pollution prevention
- PS4: Community health, safety and security
- PS5: Land acquisition and involuntary resettlement
- PS6: Biodiversity conservation and sustainable management of living natural resources.
- PS7: Indigenous peoples
- PS8: Cultural heritage

GCF is in the process of developing its own environmental and social standards and the document adopts the structure of these envisaged new GCF ESS:

- ESS1: Assessment and Management
- ESS2: Labour and Working Conditions
- ESS3: Resource Efficiency and Pollution Prevention
- ESS4: Community Health, Safety and Security
- ESS5: Land Acquisition and Involuntary Resettlement

⁴ [Environmental and social safeguards | Green Climate Fund](#)

⁵ [Environmental and Social Management System: Environmental and Social Policy | Green Climate Fund](#)

⁶ https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards

- ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- ESS7: Indigenous Peoples
- ESS8: Cultural Heritage
- ESS9: Stakeholder Engagement and Information Disclosure
- ESS10: Financial Intermediaries

This document is structured along the new (draft) ESS Standards of GCF. Find the full draft of the proposed standards with more detailed information as a “red-line-version” (in track-changes mode)⁷.

Table 2: Overview of GCF's new (draft) ESS Standards

ESS standard	Description
ESS 1: Assessment and management	<p>ESS 1 sets out the Entities' responsibilities for assessing, managing, monitoring, and reporting on environmental and social risks and impacts associated with each stage of an activity financed by GCF, to achieve environmental and social outcomes consistent with the Environmental and Social Standards. Entities carry out an environmental and social impact assessment (ESIA) of GCF-financed activities to assess the environmental and social risks, impacts, co-benefits and dependencies of the project. Included in ESS 1 are now:</p> <ul style="list-style-type: none"> • Climate change resilience and adaptation: understand project physical and transitional climate risks, provide guidance on how best to assess and manage these risks, support co-benefits, and minimize mal-adaptation, consideration of natural hazard and disaster analysis and the need to align with the Paris Agreement. • Contextual Risk Assessment and Human Rights provisions (GIZ: context and human rights analysis (iPCA)): if significant risks are identified that project activities lead to negative impacts regarding conflict, fragility, violence (incl. SEAH) or human rights violations (discrimination, social cohesion, corruption, access to services, civil rights, digitalization, eviction, etc.).
ESS 2: Labour and working conditions	<p>ESS 2 recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by protection of and respect for the fundamental rights of workers. ESS 2 establishes the need for fair treatment, including safe and healthy working conditions.</p>
ESS 3: Resource efficiency and pollution prevention	<p>ESS 3 recognizes that increased economic activity and urbanization often generate increased levels of pollution to air, water, and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional, and global level. ESS 3 outlines the requirements for managing resource use and pollution prevention, including following circular economy and responsible investment principles. Greenhouse gas emissions and embodied carbon are considered in this Standard. Where projects will involve the installation of physical infrastructure, they need to address opportunities to improve the resource efficiency. Projects that are expected to produce more than 25,000 tons of CO₂-equivalent annually, need to quantify and disclose emissions. Climate change mitigation is considered in this Standard, too.</p>

⁷ [ess-full-document-red-line-version.pdf \(greenclimate.fund\)](#) and [Virtual Stakeholder Consultation on the development of the GCF's new ESS – Stage 3: Proposed full draft | Green Climate Fund](#)

ESS standard	Description
ESS 4: Community health, safety and security	ESS 4 concerns responsible practices to reduce health, safety, and security risks to communities. The safeguarding of personnel and property in accordance with relevant human rights principles is explained. ESS 4 has a focus on community exposure to impacts and risks due to project activities, equipment, and infrastructure. The relevance of climate adaptation in managing these issues takes on greater importance with the frequently modifying baseline, including changes to settlement locations and community compositions. This Standard acknowledges that infrastructure activities can impact people and natural resources outside the footprint and that public authorities play a key role in promoting health, safety, and security of the public. The Standard addresses the responsibility of relevant entities to avoid or minimize risks and impacts to community, health, safety, and security which might arise from project-related activities.
ESS 5: Land Acquisition and involuntary resettlement	ESS 5 addresses the management of land acquisition, restrictions on land use, access to assets and natural resources, physical or economic displacement, and involuntary resettlement where this is unavoidable. This includes consideration of mitigation measures such as fair compensation and improvements to and living conditions. ESS 5 considers how issues concerning land acquisition and involuntary resettlement are to be managed. Over the decade since the Standard was developed, there has been increased emphasis on social issues, especially the sensitivities of this topic, and related lessons learned have been shared.
ESS 6: Biodiversity conservation and sustainable management of living natural resources	ESS 6 recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and managing living natural resources adequately are fundamental to sustainable development and presents how to achieve this. The strong links between climate change and biodiversity mean that current crises in both domains are heavily inter-twined.
ESS 7: Indigenous peoples	<p>ESS 7 has an objective to minimize negative impacts, foster respect for human rights, dignity, and culture of indigenous populations, and promote development benefits in culturally appropriate ways. This includes consideration of Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples, and respecting and preserving the culture, knowledge, and practices of Indigenous Peoples.</p> <p>ESS 7 considers how Indigenous Peoples' (IPs) issues are to be incorporated in the management and implementation of GCF-financed activities. In 2018, GCF published its Indigenous Peoples Policy (IPP). The process for producing the IPP included careful review and analysis of other investors' approach. The result was a carefully worded and detailed policy.</p>
ESS 8: Cultural heritage	ESS 8 aims to guide companies in protecting cultural heritage from adverse impacts of project activities and supporting its preservation. This includes protecting cultural heritage from adverse impacts and promoting the equitable sharing of benefits from the use of cultural heritage. When cultural heritage is a significant project issue, this includes the requirement for a Cultural Heritage Management Plan.
ESS 9: Stakeholder engagement and information disclosure	ESS 9 is a new proposed standard to promote open and transparent engagement between the entity, its workers, worker representatives, local communities and affected persons and, where appropriate, other stakeholders. This uses the stakeholder aspects of ESS 1 as its starting

ESS standard	Description
	point. Effective stakeholder engagement includes information disclosure, meaningful consultation, and appropriate levels of participation by those affected by project affects and interested in project outcomes.
ESS 10: Financial intermediaries	ESS 10 is a new proposed standard recognizing that financial intermediaries are a key instrument for promoting sustainable financial markets and provide a vehicle to channel funding to the micro, small and medium-sized enterprise sector. The nature of intermediated financing means that the FIs will assume delegated responsibility for environmental and social assessment, risk management and monitoring as well as overall portfolio management. Accredited entities, acting in intermediary functions, undertake all necessary measures to ensure that all component subprojects and activities meet the requirements of GCF ESS, and that the borrowers, grantees, and investees have the adequate management systems, processes, and capacity to manage environmental and social risks and impacts.

GCF Indigenous People's Policy

The GCF Indigenous People's Policy⁸ applies whenever indigenous peoples are present in, have, or had a collective attachment or right to areas where GCF-financed activities will be implemented. This includes indigenous peoples who, during the lifetime of members of the community or group, have lost collective attachment to distinct habitats or ancestral territories in the project area because of forced severance, conflict, government resettlement programs, dispossession of their land, natural disasters, or incorporation of such territories into an urban area.

The Policy (decision B.19/11⁹) recognizes that indigenous peoples often have identities and aspirations that are distinct from mainstream groups in national societies and are disadvantaged by traditional models of mitigation, adaptation, and development. In many instances, they are among the most economically marginalized and vulnerable segments of the population. The economic, social, and legal status of indigenous peoples frequently limit their capacity to defend their rights to, and interests in, land, territories, and natural and cultural resources, and may restrict their ability to participate in and benefit from development initiatives and climate change actions. In many cases, they do not receive equitable access to project benefits, or benefits are not devised or delivered in a form that is culturally appropriate, and they are not always adequately consulted about the design or implementation of activities that would profoundly affect their lives or communities. The GCF Board of Directors has additionally approved an Indigenous People's Policy (decision GCF.B.19/11). The indigenous People's Policy applies to the GCF, AEs and National Designated Authorities (NDAs). The Policy includes stringent safeguards for all projects/programmes that include indigenous people (IPs). People potentially affected by the project sometimes include "ethnic groups" which count as "indigenous people" by the definition used in the Indigenous People's Policy.

If ESS 7 is triggered, an Indigenous People's Plan (IPP) is prepared as separate document.

GCF Gender Policy

The GCF gender policy¹⁰ (B.24/12¹¹) recognizes that gender relations, roles and responsibilities exercise important influences on women's and men's access to and control

⁸ [Indigenous peoples policy | Green Climate Fund](#)

⁹ [Indigenous Peoples Policy | Green Climate Fund](#)

¹⁰ [Gender policy | Green Climate Fund](#)

¹¹ [Updated Gender Policy and Action Plan 2020–2023 | Green Climate Fund](#)

over decisions, assets and resources, information, and knowledge. It also recognizes that the impacts of climate change can exacerbate existing gender inequalities. The Gender Policy further acknowledges that climate change initiatives are more sustainable, equitable and more likely to achieve their objectives when gender equality and women's empowerment considerations are integrated into the design and implementation of projects. Further, this Gender Policy recognizes that women and vulnerable communities are also part of the solution to climate change and should, therefore, be effectively engaged in discussions and decisions that affect them. The GCF Gender policy has three main objectives:

- To support climate change interventions and innovations through a comprehensive gender approach, applied both within the institution and by its network of partners, including accredited entities (AEs), national designated authorities (NDAs) and focal points, and delivery partners for activities under the GCF Readiness and Preparatory Support Programme;
- To promote climate investments that:
 - advance gender equality through climate change mitigation and adaptation actions; and
 - minimize social, gender-related and climate-related risks in all climate change actions.
- To contribute to reducing the gender gap of climate change-exacerbated social, economic and environmental vulnerabilities and exclusions through GCF climate investments that mainstream gender equality issues.

Sexual exploitation, abuse, and harassment (SEAH)

Sexual Exploitation and Sexual Abuse violate human dignity and universally recognised international legal norms and standards and have always been unacceptable behaviour. Sexual Harassment results from a culture of discrimination and privilege based on unequal relations and power dynamics.

The GCF Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment¹² establishes GCF's zero tolerance of SEAH. It sets clear obligations for GCF Covered Individuals and its Counterparties to prevent and respond to SEAH and to refrain from condoning, encouraging, participating in, or engaging in SEAH.

In addition, GCF's Revised Environmental and Social Policy (RESP)¹³ establishes that all GCF-supported activities will commit to avoid, and wherever avoidance is impossible, mitigate the risks of SEAH to people impacted by GCF-financed activities. RESP requires, inter alia, that in case incidences of SEAH occur, there are 1. established accessible and inclusive survivor-centred and gender-responsive grievance redress mechanisms in place, with specific procedures for SEAH and 2. Modalities to provide timely services and redress to survivors.

2.1.2 GIZ's Safeguards and Gender (S+G) Management System

As an implementing agency of the German government, GIZ is legally bound to German law and regulations in environmental and social safeguarding. Additionally, specific government policies for the operations of GIZ apply.

Since 2017, GIZ uses a Safeguards+Gender Management System¹⁴ at every stage of commission management for all GIZ business areas and commissioning parties. The Safeguards+Gender Desk at GIZ's headquarters, staffed with Specialists in Safeguards Management, ensures compliance with rules and regulations, and advises analysis, risk

¹² GCF/B.23/14 : Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment | Green Climate Fund and GCF/B.28/03/Rev.01 : Revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment | Green Climate Fund

¹³ GCF B.BM-2021/18 Revised environmental and social policy.

¹⁴ [Safeguards+Gender management system \(giz.de\)](https://www.giz.de/en/safeguards-gender-management-system)

assessment and identification of adequate measures to mitigate risks as well as use opportunities for co-benefits in the safeguard areas environment, climate protection and adaptation to climate change, conflict and context sensitivity, human rights, and gender.

On climate risks, the assessment includes risks significantly affecting the climate resilience (adaptive capacity) of people, ecosystems and/or infrastructure, as well as greenhouse gas emissions caused by project activities.

GIZ's S+G Management System has been assessed as compliant with the GCF's revised Environmental and Social Policy as part of GIZ's accreditation as an executing entity for the GCF in 2017 and its continued compliance and track record in accordance with GCF's revised Environmental and Social Policy was checked as part of its re-accreditation in 2023.

Table 3: Alignment of GCF/IFC ESS Performance Standards with GIZ's Safeguards and Gender Management system

GCF/IFC Performance Standards	GIZ Safeguards and Gender Management System
ESS PS1: Assessment and Management of Environmental and Social Risks and Impacts	GIZ Sustainability Policy
ESS PS2: Labour & Working Conditions	Human Rights
ESS PS3: Resource Efficiency & Pollution Prevention	Environment, Climate Change Mitigation
ESS PS4: Community Health, Safety & Security	Human Rights, Conflict and Context Sensitivity, Environment, Climate Change Adaptation
ESS PS5: Land Acquisition & Involuntary Resettlement	Human Rights, Conflict and Context Sensitivity
ESS PS6: Biodiversity Conservation & Sustainable Management of Living Natural Resources	Environment, Human Rights, Conflict and Context Sensitivity
ESS PS7: Indigenous People	Human Rights, Conflict and Context Sensitivity
ESS PS8: Cultural Heritages	Environment, Human Rights, Conflict and Context Sensitivity
GCF Gender Policy	GIZ Gender Strategy
GCF Indigenous Peoples Policy	Human Rights

The German Government pursues a feminist foreign and development policy. The feminist policy approach is guided by the following principles: a gender transformative, intersectional, and human rights-based approach, an inclusive gender understanding, the promotion of the rights, representation and resources of women and girls and marginalized groups, joint up multilateral action and close cooperation with (feminist) civil society. The German Ministry for Economic Cooperation and Development (BMZ) aims at increasing the projects/programmes targeting gender equality as a significant objective to 85% and projects/programmes pursuing gender equality and the empowerment of women as its primary goal to 8% by 2025. Both the BMZ¹⁵ and the German Foreign Office¹⁶ launched their new strategies in 2023. In addition, the BMZ launched a new Gender Action Plan in autumn 2023.

GIZ's Gender Strategy "Gender reloaded: Vision needs Attitude – Attitude meets Action"¹⁷ provides guidance and a solid accountability framework for the promotion of equal rights and opportunities for all people regardless of their gender, sexual orientation, and gender identity

¹⁵ [Feminist development policy | BMZ](#)

¹⁶ [Feminist Foreign Policy - Federal Foreign Office \(auswaertiges-amt.de\)](#)

¹⁷ [GIZ Gender Strategy. Gender reloaded: Vision needs Attitude – Attitude meets Action](#)

within GIZ and in the framework of our cooperation with development partners and commissioning parties. With its Gender Architecture, with dedicated experts and more than 500 gender focal persons, and its Safeguards+Gender Management System, GIZ is well set to meet the requirements of GCF's Gender Policy and facilitate the roll-out and implementation of Germany's feminist foreign and development policy. A gender analysis (GA) and a gender action plan (GAP) are prepared as separate documents.

GIZ does not tolerate any form of sexual exploitation, abuse, and harassment in the company. All employees must follow:

- the GIZ policy banning sexual harassment at the workplace.
- the GIZ Code of Ethics
- the GIZ Code of Conduct
- the GIZ Human Rights Policy

GIZ promotes a corporate culture of action always based on universal ethical values and principles¹⁸. Integrity, honesty, respect for human dignity, openness and non-discrimination are at the heart of this culture. We categorically reject corruption and bribery and stand for human rights¹⁹.

GIZ's ethical principles, values and beliefs are set out in a Code of Ethics²⁰. Its purpose is to guide the actions of our own workforce and all those we work with. GIZ has a specific policy banning sexual harassment at the workplace, which refers to the sanction mechanisms in place (related to HR measures etc.). Since 2021, there is also a dedicated unit within the Compliance and Integrity Unit, which is responsible for SEAH and serves as a complaint mechanism. Annex 6b details the project's grievance redress mechanism (GRM) with a distinct process for SEAH-related grievances/complaints.

The protection of whistle-blowers²¹ is a high priority. The Compliance and Integrity Unit²² investigates all reports of violations of the Code of Conduct, Discrimination, Sexual Misconduct, work harassment (bullying) or serious compliance violations. It ensures that all reports are followed-up with, including the response with appropriate consequences.

Children's rights are an essential component of GIZ's approach to human rights. GIZ takes its responsibility to protect children seriously in its business activities. The GIZ Child Protection Policy²³ is aligned with GIZ's value system, the GIZ Code of Ethics. When it comes to child protection, GIZ is guided by international legal frameworks on children's rights.

As a part of the contextual risk assessment and human rights provisions (ESS 1, ESS 4), forms of violence as contextual phenomena in the project context, such as physical, sexual, psychological and/or structural violence, power, force and/or threats, power relations in general, discrimination of population groups, corruption patterns, are analysed and addressed if such risks are identified.

With regards to executing entities, GIZ's focus is on strengthening the organisations' capacities to deal with SEAH cases and strengthen prevention mechanisms.

2.1.3 UNFCCC REDD+ Safeguards

The UNFCCC safeguards agreed on at COP 16, Cancun and reiterated under the Warsaw Framework for REDD+ also largely overlap with the safeguards (and the principles behind

¹⁸ [Ethics and Integrity \(giz.de\)](https://www.giz.de/ethics)

¹⁹ [GIZ Human Rights Policy](https://www.giz.de/human-rights)

²⁰ [Code of ethics.pdf \(giz.de\)](https://www.giz.de/code-of-ethics)

²¹ [Introduction \(bkms-system.com\)](https://www.bkms-system.com/)

²² [Compliance \(giz.de\)](https://www.giz.de/compliance)

²³ [Kinderschutzpolicy-en \(giz.de\)](https://www.giz.de/kinderschutzpolicy-en)

them) mentioned above. That local people's rights and well-being should be safeguarded at all times is reiterated in the Preamble of the Paris Agreement:²⁴

"Acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity."

Note: In any instances of discrepancies or gaps between the national legal and regulatory frameworks and GCF and GIZ requirements, the most stringent policy, law or requirement will be followed. While the national legal and regulatory framework will serve as a foundation for the project, the project may require the use/ application of additional (supplementary) measures (as appropriate) to ensure the project and its activities fully complies with GCF and GIZ requirements. This ensures the most stringent regulations and requirements will be applied within the project.

2.1.4 Safeguards REDD+ Indonesia

Implementation of Project activities is expected to benefit the environment and the people. However, residual risks may be associated with poor implementation of activities, conflicts, livelihood impacts due to access restrictions, etc. Hence, ensuring a system and capacity at the ER Program level is critical to managing potential environmental and social risks and impacts. The environmental and social instruments established under the ERP, notably the Environmental and Social Management Framework (ESMF), build on various past and ongoing safeguards initiatives in Indonesia, the most recent being the instruments under the J-SLMP pre-investment project. Each of these initiatives is summarised below.

2.1.4.1 SIS-REDD+ Indonesia

The Conference of Parties (COP) 16 in Cancun, Mexico, resulted in the agreement to formulate safeguards mechanisms for future REDD+ implementation. The agreement translates to formulating and contextualising the seven safeguards' principles in COP 16 (i.e., Cancun Safeguards) and developing a transparent Safeguard Information System (SIS-REDD) as a web-based platform to monitor safeguards performance across program interventions.

Indonesian SIS-REDD+ was developed based on existing policies and other instruments from COP 16 and additional REDD+ guidance from COP 17 and COP 19. SIS-REDD+ Indonesia was administered by the Directorate General of Climate Change Controlling (DG of CC) of MoEF and was developed to enable accessible and direct reporting of safeguards performance across implementing entities. SIS-REDD+ Indonesia was designed to be transparent inclusive, in line with national legislation, and by national contexts. SIS-REDD+ Indonesia is simple, ensuring completeness, accessibility and accountability of information contained therein. The establishment of SIS-REDD+ Indonesia included the development of database structure, mechanisms for data update/retrieval and institutionalisation of the system under DG CC, MoEF. SIS-REDD+ Indonesia contains seven safeguard principles. Those seven principles are:

- Legal compliance and consistency with national forest programmes;
- Transparency and effectiveness of national forest governance;
- Rights of indigenous and local communities (*masyarakat adat dan lokal*);

²⁴ UNFCCC Paris Agreement, p. 1

- Effectiveness of stakeholder participation.
- Conservation of biodiversity, social and environmental services.
- Reducing risk of reversals; and
- Reduction of emissions displacement.

These principles are also reflected in the Safeguards documents, such as the ESMF, ESMP, SESA and SEP documents. These documents should be made available on the SIS-REDD+ website, including the summary for each document. This measure enables all stakeholders to access the Safeguards documents and understand the key safeguard points. APPS (*Alat Penilai Pelaksanaan Safeguards*) or the Safeguards Implementation Assessment Tool is established to assess safeguards implementation in Indonesia. West Kalimantan SISREDD+ Summary Report is under development, a preliminary assessment using SIS REDD+ principles for West Kalimantan to examine the implementation of criteria and indicators outlined in the SIS-REDD+²⁵.

2.2 National policies and legal framework

2.2.1 Government of Indonesia (GoI) Regulation

Activities under the Project must apply the principles of sustainable development, including environmental, social, cultural, and economic considerations, and follow applicable government and regional regulations. This document (ESIA) is based on Indonesian Government Laws and Regulations. It considers the GCF's policies on Assessment, Risk Management, Environmental and Social Impacts (ESS1) of Indigenous Peoples (ESS7), and Cultural Resources (ESS8). Government and Regional Regulations related to environmental and social aspects related to Project are as follows:

- Law (UU) No. 7/2012 on Handling Social Conflict. This law discusses the identification of potential conflicts and procedures for resolving social conflicts that occur.
- Law (UU) No.11/2020 concerning Job Creation. This law combines regulations and replaces several articles from previous laws, such as aspects of Business Licensing, Environmental Protection, management, etc. This law seeks employment opportunities through business facilitation, environmental protection, and community empowerment of cooperatives and small and medium enterprises.
- Government Regulation of the Republic of Indonesia (PP) No 2/2015 concerning Implementation of Law No 7/2012 concerning Social Conflict Management that allows local wisdom systems to be used for conflict prevention.
- Government Regulation of the Republic of Indonesia (PP) 88/2017 concerning Settlement of Land Tenure in Forest Areas (PPTKH).
- Government Regulation of the Republic of Indonesia (PP) No.22/2021 concerning implementing Environmental Protection and Management. This PP mandates provinces and districts to develop a Strategic Environmental Assessment (KLHS). The government regulation also requires every development program to implement proper Environmental Protection and Management, including Environmental Assessment, Management Plan, and Environmental Monitoring Plan.
- Government Regulation of the Republic of Indonesia (PP) No. 23/2021 concerning Forestry Implementation. This PP regulates the Priority for Acceleration of the Inauguration of Forest Areas, Forest Areas that must be maintained, Procedures for Changing the Designation and Function of Forest Areas, Social Forestry, Forest Utilization, Development and Processing of Forest Products, Collection of PNPB Utilization and Forest Protection.
- Presiden Regulation No 86/2018 concerning Land and Agrarian Reform (Tanah Obyek Reforma Agraria/TORA)

²⁵ SISREDD+ <http://sisredd.menlhk.go.id/>

- Presidential Regulation (*Perpres*) No. 98/2021 on the Economic Value of Carbon and its Trade System in Indonesia.
- Minister of Environment and Forestry of the Republic of Indonesia Regulation No. P.84/MenLHK-Setjen/2015 on the handling of mediation of tenurial conflicts in forest areas.
- Minister of Agrarian and Spatial Planning (ATR)/National Land Agency (BPN) regulation No. 10/2016 on Communal Land Certificates. Procedures for Determining Communal Land Rights of Customary Law Communities and Communities in Certain Areas.
- Minister of Environment and Forestry of the Republic of Indonesia Regulation No. 32/2016 on Control and Prevention of Forest and Land Fires.
- Minister of Environment and Forestry of the Republic of Indonesia Regulation No. P.22/MenLHK/SETJEN/SET.1/2017 concerning Procedures for the Management of Complaints of alleged pollution and/or environmental damage and/or forest destruction.
- Minister of Environment and Forestry of the Republic of Indonesia Regulation No. P.70/MenLHK-Setjen/KUM.1/12/2017 on Procedures for the implementation of Reducing Emissions From Deforestation and Forest Degradation, Role of Conservation, Sustainable Management of Forest and Enhancement of Forest Carbon Stocks
- Minister of Agrarian and Spatial Planning (ATR)/National Land Agency (BPN) regulation No. 6/2018 on Complete Systematic Land Registration (PTSL).
- Minister of Environment and Forestry of the Republic of Indonesia regulation No. P.83/MenLHK/Secretary-KUM.1/7/2018 concerning Work Relationship Procedures for Implementing Law Enforcement in the Field of Environment and Forestry in the Regions.Regulation of the Minister of Environment and Forestry of the Republic of Indonesia (Permen LHK) No. 3/2021 concerning Business Activity Standards in the implementation of Risk-Based Business Licensing in the Environment and Forestry Sector. This Permen LHK provides ease of business licensing through an integrated electronic business licensing system.
- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia (Permen LHK) No. 3/2021 concerning Standards for Business Activities in implementing Risk-Based Business Licensing in the Environment and Forestry Sector. This LHK Ministerial Regulation provides easy business licensing through an electronically integrated business licensing system.
- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia (*Permen LHK*) No. 4/2021 concerning List of Businesses or Activities that require to have an Environmental Impact Analysis (AMDAL), Environmental Management Efforts and Environmental Monitoring Efforts (UKL-UPL), or a Statement of Environmental Management and Monitoring Ability (SPPL). This LHK Ministerial Regulation contains Environmental Document Screening based on KBLI, as well as guidelines for the preparation of AMDAL, UKL-UPL, and SPPL.
- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia (*Permen LHK*) No. 5/2021 concerning Procedures for Issuing Technical Approval and Operational Eligibility Letter (SLO) for Environmental Pollution Control. This LHK Ministerial Regulation regulates Guidelines for Issuance of Technical Approval for Wastewater and Air Emissions and procedures for issuing SLO on the approved Technical Approval.
- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia (*Permen LHK*) No. 6/2021 concerning Procedures and Requirements for the Management of Hazardous and Toxic Waste. This LHK Ministerial Regulation regulates the Storage, Management, and Utilization of Hazardous and Toxic Waste (B3) guidelines.

- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia (*Permen LHK*) No. 7/2021 concerning Forestry Planning, Forest Area Designations and Forest Area Changes, and Use of Forest Areas. This LHK Ministerial Regulation regulates the Technical Guidelines for Submitting Forestry Partnership Approval.
- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia (*Permen LHK*) No. 8/2021 concerning Forest Management and Preparation of Forest Management Plans and Forest Utilization in Protection Forests and Production Forests. This regulation regulates the Technical Guidelines for Forest Management Planning, Issuance of Business Permits for Forest Utilization, the Legality Assurance System for Forest Products, and administrative matters related to the extensive use of Forests.
- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia (*Permen LHK*) No. 9/2021 on Social Forestry Management. This regulation regulates the approval of the management of social forestry, the term of community forestry, and the development, supervision, and control of social forestry.
- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia (*Permen LHK*) No. 168/2022 concerning Operational Plan for FOLU Net Sink 2030. The document outlines detailed mitigation programs and activities, spatial approaches-based operational plan, persons in charge of the activities/programs, human resource needs, facilities and infrastructure, budgeting, and national implementation timelines for 2022-2030.
- Instruction of The Minister of Internal Affairs No. 14/2022 about Implementation of Limitations on Community Activities Level 3, Level 2, Level 1 and optimising Corona Virus Disease 2019 Handling at Village and Sub-Districts levels for controlling the spread of Coronavirus Disease 2019 in Sumatra, Nusa Tenggara, Kalimantan, Sulawesi, Maluku and Papua.
- Regional Regulation of the West Kalimantan Province No. 1/2021 concerning Mid-term regional development plan (RPJMD) 2021-2023.
- Regulation of the Governor of West Kalimantan No.6116/2019 concerning Regional Action Plan on Sustainable Development Goals of West Kalimantan Province 2019 – 2023.
- Decree of the Governor of West Kalimantan Number: 525/DLHK/2020 concerning the Establishment of Working Group and Secretariat for the Acceleration and Strengthening of Social Forestry in West Kalimantan Province for 2020 – 2023.
- Decree of the Governor of West Kalimantan No.1215/DLHK/2020 concerning targets for reduction and allocation of emissions from deforestation and forest degradation in West Kalimantan 2020 – 2030.
- Decree of the Governor of West Kalimantan No.113/DLHK/2022 concerning the formation of the peat and mangrove restoration team for West Kalimantan Province.
- Director General Climate Change Controlling regulation No 3/2018 concerning Establishment and Supervision of Community Fire (MPA)
- Other applicable environmental standards on water quality, air quality, erosion control, etc.

The Project activities will potentially have an impact on indigenous peoples. The project should provide benefits to and manage its impacts on indigenous peoples. The GOI's policy on indigenous peoples includes:

- UUD 1945 (Amendment) Chapter 18, clause #2 and Chapter 281 clause #3.
- Law No. 41 on Forestry (plus Constitutional Court Decision No. 35/PUU-X/2012).
- Presidential Decree (*Keppres*) No. 111/1999 concerning Development of Isolated Indigenous Communities (KAT) broadly defines indigenous peoples and the need for government assistance.

- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia (*Permen LHK*) No. 17/2020 on *Adat* Forest and Forest Right.
- Ministry of Home Affairs (MOHA) Regulation No. 52/2014 on the Guidelines on the Recognition and Protection of MHA (*Masyarakat Hukum Adat*).
- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia No.43/2013 regarding the delineation and designation of forest areas under the jurisdiction of Forest Management Units.
- Regulation of the Minister of Land Agency and Spatial Development No. 9/2015 on the Procedures to Establish the Land Communal Rights on the MHA Land and Community Living in the Special Area.

These regulations will support the project, and no contradiction is foreseen in the regulatory framework. Implementing Presidential Regulation No. 88/2017 must be carefully planned so the modification of forest areas (e.g., into other use areas) and the Agrarian Reform Policy (TORA) will not cause deforestation or land degradation. Constitutional Court Rule (*Putusan Mahkamah Konstitusi/MK*) No. 35/2012 should be interpreted responsibly, not provoking massive land claims within forest areas.

Baseline data on forest areas (production, protection, and ecosystem restoration) show that West Kalimantan Province has less than 30 per cent forest area. Therefore, according to Presidential Regulation No. 88/2017, resettlement may be the last measure to resolve conflicts over forest areas or increase forest cover. Consequently, the forest tenurial conflict resolution team must strengthen the social forestry strategy and environmental partnership in production and protected forests. The team may also refer to the Regulation of Director General (*Peraturan Dirjen*) KSDAE No. 6 /2018, which provides guidelines for establishing partnerships with communities in protected areas such as nature reserves and wildlife reserves national parks. A summary of institutional and regulatory issues is provided in the following table.

Table 4: Summary of Institutional and Regulatory Issues for the Project

Regulation/ Policy	Issue	Relevance to REDD+	Relevant E&S Risks
Conflict resolution in forest areas	Implementation of Presidential Regulation No. 88/2017	GRM and conflict resolution mechanism to ensure “clean-and-clear” conditions prior to implementation	<ul style="list-style-type: none"> • Access restrictions • Overlapping land uses • Loss or restriction of livelihood
Conflict resolution in non-forest areas (Other Use/APL)	Implementation of conflict resolution mechanisms by the Plantation Agency and Environmental Agency does not allow concerted efforts on conflict resolutions in APL.	FGRM and conflict resolution mechanism to ensure “clean-and-clear” conditions prior to the implementation.	<ul style="list-style-type: none"> • Access and/or livelihood restrictions • Overlapping land uses • Gender and social exclusions
FGRM	Lack of regulation that leads to an integrated FGRM mechanism (i.e., forest and other use areas) to allow the cross-sectoral grievance mechanism.	FGRM and conflict resolution mechanism to ensure “clean-and-clear” conditions prior to implementation.	<ul style="list-style-type: none"> • Unresolved conflicts and disputes • Accumulation of conflicts and disputes

Land for Agrarian Reform Program	Requires careful interpretation and execution of Presidential Regulation No. 88/2017 and 86/2018.	Preventing deforestation and degradation triggered by land conversion within forest areas.	<ul style="list-style-type: none"> • Forest conversion for agricultural practices • Land grabbing
MK 35/2012 on customary land rights	Requires careful interpretation of the rule to avoid massive land claims.	Preventing deforestation and degradation triggered by land conversion within forest areas	Abuse of MHA attribution for land claims
Commitment to emission reduction	Land based emissions are the largest contributor of GHG emissions in Indonesia.	Designation of roles and responsibilities of DGPP (MoEF) on emission reduction.	Proper FREL and MAR application as objective measures of GHG emissions

2.2.2 Regulatory Enforcement and Capacity Assessment

Implementations of the policy and regulatory framework have been assigned to the following levels of governance:

- **National level policies (forest and protected areas):** Policies mainly fall under the Sub National Technical Unit of Ministry of Environment and Forestry (MoEF) – West Kalimantan. Policies are related to forest area designation, issuance of licenses, moratorium on licenses (PIPPIB), moratorium on peatlands, agrarian reform (TORA), social forestry, and environmental/conservation partnership mechanisms. The policy of the Ministry of Home Affairs is relevant to national policy on recognition of customary community (MHA).
- **National level policies (other use areas/APL):** Policies related to land allocation and validation fall under the Sub National Technical Unit of the Ministry of Agrarian and Spatial Planning - West Kalimantan. Authorities for this ministry are mandated to offices at the provincial level (*Kantor Wilayah/Kanwil*) and at the district level (*Kantor Pertanahan*).
- **Provincial level policies:** BAPPEDA plays an important role in ensuring synergy between different sectors within provincial administration such as forestry, agriculture, and estate crops. Policies on forest management, for example, fall under the Provincial Environment and Forestry Service West Kalimantan, while field implementation is administered through the FMUs (KPH). *Kesbangpol* (National Unity and Political Stability Agency) and *Infokom* (Information and Communication Agency) can potentially serve as supporting provincial agencies related to GRM policies and implementation. The REDD+ Working Group under the Governor Decree is essential ad-hoc element in supporting the BAPPEDA and Environment and Forestry Service, that is playing a crucial role in the implementation of this Project in West Kalimantan Province. Capacity gaps include the lack of capacity for GRM, conflict resolution, and FREL, MAR, and HCV assessment and management.
- **Regency level policies:** BAPPEDA/SEKDA plays an important role in the recognising customary (*Adat*) communities and in ensuring proper implementation of Project at the grass root level. The District Agency for Village Empowerment and Development (*Dinas Pemberdayaan Masyarakat dan Pemerintahan Desa/DPMPD*) is essential in ensuring policies for funds distribution (channelling) from provincial and national government authorities to the villages under the village fund (*Dana Desa/DD*) and village fund allocation (*Alokasi Dana Desa/ADD*). Bappededa/Sekda and DPMD have the capacity to support provincial policies on GRM, conflict resolution, and HCV assessment and management. Additionally, DPR-D (local

legislative body), regency heads (Bupatis) and mayors are also involved in mediating plantation conflicts.

Recent changes in forestry regulations (e.g., social forestry, indigenous people/customary access, environmental partnerships) and in Project requirements, such as FPIC, FREL and MAR, mean that a new approach at national and sub-national levels is required. These new regulations and requirements may not be familiar to government officials at national and sub-national levels. Therefore, relevant capacity building sessions may need to be conducted. However, the most important aspect, considering the new developments, is the need to establish collaboration with NGOs. Such collaboration would allow knowledge sharing between government and non-government organisations. A summary of the capacity assessment of government agencies relevant to the Project is provided in *Table 5*.

Table 5: Capacity Assessment of Government Agencies Relevant to the Project

Agency	Relevant Mandate	Relevance to Project	Capacity Assessment	Key Gaps
DGPPI	Implementation of REDD+ initiatives	<ul style="list-style-type: none"> Supporting the process 	Technical capacity to develop documents and conduct FREL measurements and MAR	Improving knowledge and support for additional manpower (quantity of human resources)
DLHK (Province)	Synergy of REDD+ initiatives with regional development plan (RPJM)	<ul style="list-style-type: none"> Lead the Project implementation with support from PMU and Pokja REDD+ GRM at provincial level 	Coordination capacity Analysis using multi-objective land allocation to ensure that economic and ecological objectives are accommodated in the spatial planning	Requiring additional knowledge of REDD+ initiatives
Bappeda	Synergy of REDD+ initiatives in forestry sector / forest areas	<ul style="list-style-type: none"> Implement Project relevant with forestry sectors. GRM at provincial level (forestry sector) involving concession holders, local communities, and government 	Technical capacity for forest management (through FMUs), including FGRM/conflict resolution. Network for conflict resolution and mediation	<ul style="list-style-type: none"> Requiring additional knowledge of REDD+ initiatives (possibly from DGPPI) Increasing Capacity for tenurial conflict resolution and/or mediation
Governor/ Provincial Secretary (SEKDA)	Implementing Green Growth Plan/ Development in West Kalimantan (Vision of RPJMD)	<ul style="list-style-type: none"> Benefit Distribution Mechanism GRM at provincial level (social forestry, mining, estate crops, agriculture, and environment) 	<ul style="list-style-type: none"> Establishment of BLU, and development of profitable business plan for the BLU 	<ul style="list-style-type: none"> Requiring strong coordination between provincial and district government agencies particularly related to forestry and agriculture issues. Establishing conflict resolution desk to address forestry-related conflicts.
Provincial Land Administration Office (Kanwil)	Overseeing land administration issues and ensuring alignment with the spatial plan	Issuance of HGU (e.g., for estate crops, agriculture) in APL area	<ul style="list-style-type: none"> Sustainable palm oil practices Environmental and social risk assessment Safeguards 	<ul style="list-style-type: none"> Preventing land grabbing Preventing issuance of HGU that were not based on proper environmental and social assessment

Agency	Relevant Mandate	Relevance to Project	Capacity Assessment	Key Gaps
Estate Crops Agency (Province)	Synergy of REDD+ initiatives in plantation sectors/other use areas	<ul style="list-style-type: none"> • Implement Project in non-forest/other use areas • GRM at provincial level (estate crops sector) 	<ul style="list-style-type: none"> • Technical capacity for estate crops management, including GRM/conflict resolution • Effective response and resolutions to conflict (i.e., disturbance to estate crops business) • Multi-sectoral approach to address economic, social, legal, social, cultural and environmental aspects of the conflicts 	<ul style="list-style-type: none"> • Requiring additional knowledge of REDD+ initiatives (possibly from DGPPI) • Improving documentation of conflict resolution process as part of the proposed FGRM
BAPPEDA (District)	Synergy of REDD+ implementation at grass roots level	<ul style="list-style-type: none"> • Implement Project at district level and ensure synergy across relevant agencies. • FGRM at district level 	Coordination and planning capacity	Requiring additional knowledge of REDD+ initiatives (possibly from DGPPI)
BPMPD/K (District)	Synergy of REDD+ implementation with village development and funds channelling to village level	Implement Project at sub-district and village levels	Technical capacity for community empowerment	<ul style="list-style-type: none"> • Requiring additional knowledge of REDD+ initiatives (possibly from DGPPI) • Improving Environmental and social risk assessment • Developing Safeguards mechanism for agriculture and aquaculture initiatives
Women Empowerment and Child Protection (Province and District Level)	Synergy of REDD+ implementation with gender mainstreaming/ gender empowerment	Implement Project at sub-district and village level to ensure gender and social inclusion	Technical capacity for gender inclusion/ gender mainstreaming	Requiring additional knowledge of REDD+ initiatives (possibly from DGPPI)

West Kalimantan Province is a province of Indonesia, one of five provinces in Kalimantan - the Indonesian part of the island of Borneo, as shown in the figure below.

The map illustrates the geographical context of the project intervention area in West Kalimantan. The intervention area is defined by a green hatched pattern, covering a significant portion of the province. The map includes labels for neighboring regions: Malaysia to the north, Kalimantan Utara to the northeast, Kalimantan Timur to the east, Kalimantan Tengah to the south, and Kalimantan Selatan to the southwest. An inset map in the bottom right corner provides a broader view of Indonesia, with West Kalimantan highlighted in red. The legend identifies the hatched area as the 'Intervention Area' and the solid green area as 'WEST KALIMANTAN'. A scale bar indicates distances up to 160 kilometers, and a compass rose shows the cardinal directions.

West Kalimantan covers an area of 146,807 km² of land. The province is located in the western part of the island of Borneo or between the lines of 2°08' north latitude and 3°02' south latitude and between 108°30' and 114°10' east longitude on the earth map. Based on this specific geographical location, West Kalimantan area is traversed by the Equator line (latitude 0°), precisely above Pontianak City. As a result, the province is one of the tropical areas in Borneo with a fairly high temperature and high humidity.

3.1.1 Health

The number of qualified health workers is also very important. Since 2021 the number of doctors in West Kalimantan has reached 1,603 people. The highest number of doctors was

28

recorded in Pontianak City with 464 doctors and Singkawang City with 166 doctors. In addition, the number of dentists was 213 people, 10,140 nurses and 5,420 midwives.

Table 6. Public Health Status in West Kalimantan by 2022 (BPS, 2022)

Kab/Kota	Number of Hospitals	Number of Community Health Facility	Number of Health Workers	Number of Nurses
	2022	2022	2022	2022
West Kalimantan	56	248	21.158	11.676
Sambas	4	28	1.706	791
Bengkayang	2	17	1.383	724
Landak	1	16	1.327	656
Mempawah	1	14	845	373
Sanggau	4	19	1.312	686
Ketapang	3	24	2.311	1.235
Sintang	6	20	1.913	1.070
Kapuas Hulu	3	23	1.478	778
Sekadau	1	12	828	414
Melawi	4	11	1.027	511
Kayong Utara	1	11	523	246
Kubu Raya	4	20	1.502	657
Pontianak City	16	23	3.403	2.326
Singkawang City	6	10	83.271	1.209

The highest number of cases of disease was malaria with 35,028 cases. In addition, there were 6,696 people with pulmonary tuberculosis (TB), 712 pneumonia people, 41 people with measles, 664 people with dengue fever, and other cases of disease. The year 2021 was also known as the pandemic year in which COVID-19 had spread out the country.

3.1.2 Demography

The province has a total population of 4.25 million people, comprising 1.8% of Indonesia's national population. Approximately 83% of the population live in rural areas. The province's ethnic composition is 35% indigenous Dayak, 13% *Melayu*, 12% *Sambas*, 9% Chinese, 9% *Java*, and 8% *Dayak Kanayatn*²⁷.

3.1.3 Economic Growth

In 1st quarter 2023, Gross Domestic Product (GDP) for West Kalimantan was 66,350,994 million rupiahs. The GDP of West Kalimantan increased from 28,649,204 million rupiahs in 2nd quarter 2013 to 66,350,994 million rupiahs in 1st quarter 2023 growing at an average annual rate of 2.23%²⁸.

Economic growth can be seen from GRDP growth (Gross Regional Domestic Product). The GRDP of West Kalimantan in 2021 reached 214 trillion rupiah with the largest contribution in the agricultural sector (21.24%), the manufacturing sector (16.49%), and the trade sector (12.77%)²⁹. This economic structure still puts the agricultural sector as the leading sector.

²⁷ EFRI, 2012. [Overview of Subnational Programs to Reduce Emissions from Deforestation and Forest Degradation \(REDD\) a Part of the Governors' Climate and Forests Task Force.](#)

²⁸ [BSP, 2022](#)

²⁹ [BSP, 2022](#)

However, over the last five years, it seems that there has been a sectoral shift, where the agricultural sector has been gradually shifted by the manufacturing and trading industries.

The economy in 2021 was successful to grow by 4.78 percent. Its growth is already better than the growth in 2020 which contracted 1.82 percent. However, it has not been recovered yet as it was before the pandemic. In 2019, West Kalimantan managed the economy to grow 5.09 percent³⁰.

It is expected that this project will contribute direct benefits to beneficiaries about 250,000 (at least 48% women) or 4% of the province's population, whereas indirect beneficiaries will be 2.25 million people (at least 50% women or 44% of the province's population).

3.1.4 Gender

It is important to understand gender roles and social characteristics of indigenous peoples. Some indigenous communities are generally dominated by patrilineal relationship patterns, but there are also indigenous community groups who adhere to matrilineal relationship patterns. However, male dominance in indigenous communities is still very strong due to the very strong influence of the patriarchal system that dominates parts of Indonesian society. For example, in the Dayak traditional community, only men are allowed to be traditional administrators or leaders, likewise in the Malay tribe, only men are allowed to be traditional retainers. Therefore, in making important decisions, women are less directly involved. The assumption that women only take care of household matters is still deeply rooted in the views of Indonesian society and indigenous communities in general.

Yusriadi (2018)³¹ stated that the presence of special terms and words for women in the Malay language in the interior of Kapuas Hulu shows that the Malay language in the interior of West Kalimantan pays attention to gender aspects. Between women and men have distinctive boundaries, which are different, and quite firm to be separated. Even in tasks that are done together, divisions of type still emerge. Women are narrated as weak figures, considered helpless or not strong, valued little, or needing more protection from men. The existence of taboos and prohibitions in society reinforces the impression of inequality. In society there are taboos and prohibitions for adult women, pregnant and giving birth women; and there are more taboos than for men. For men, taboos are mostly related to their context as fathers or husbands, or companions for a woman. There is a misalignment that is accepted as natural and normal, or accepted unconditionally, even among women.

Gender differences should not be a problem when it comes to fairness and equality. However, the gender gap in Indonesia still exists. According to the National Commission on Violence Against Women in 2020, violence experienced by women still exists, increasing from 1,413 cases in 2019 to 2,389 cases in 2020, an increase of 60%. This shows that the gender gap is still widening. Gender equality refers to equal opportunities between men and women regarding human rights, including participation in decision-making processes, participation in various economic, socio-cultural, and political activities, and equal rights to access development results. Therefore, an indicator of the success of human development in overcoming gender issues is needed, namely the Gender Development Index (IPG). IPG is an indicator that describes the comparison (ratio) of achievements between the Human Development Index (HDI) for women and the HDI for men. The IPG calculation refers to the methodology used by UNDP in calculating the Gender Development Index (GDI) and Human Development Index (HDI) in 2010. The IPG is a direct measurement of inequality between genders in achieving human development. The IPG in the five project intervention districts can be seen in Table 7.

³⁰ [BSP, 2022](#)

³¹ Yusriadi, 2018. Bahasa dan Gender dalam Masyarakat Melayu di Pedalaman Kalbar. Raheema Jurnal Gender dan Anak Vol. 5 (2): 163 – 172

Table 7: Gender Development Index in selected 5 (Five) Districts

Districts	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sanggau	65.89	79.55	80.07	-	80.38	80.59	80.92	81.04	81.19	82.14
Ketapang	82.78	86.30	86.79	-	87.84	88.41	88.52	88.42	88.60	89.12
Sintang	84.98	85.34	85.44	-	85.97	86.29	86.50	86.73	86.73	87.38
Kapuas Hulu	82.39	83.77	83.92	-	84.45	84.38	84.74	84.91	84.95	85.99
Kubu Raya	82.72	82.74	82.90	-	84.05	84.57	84.60	84.30	84.30	85.26
West Kalimantan	84.39	84.72	85.61	85.78	86.28	86.74	86.81	86.87	86.95	87.61

Source: BPS, Provinsi Kalimantan Barat 2023

3.1.5 Poverty

Poverty is a condition when a person is unable to meet standard needs for food, shelter, and clothing³². Poverty is an integrated concept that has five dimensions, which are properness; powerlessness; susceptibility to state of emergency; dependence; and isolation, both geographical or socially³³. In general, the concept of poverty is often associated with a person's income and needs. If a person's income level is insufficient to satisfy minimum or basic needs in order to live decently, the person can be considered poor. Therefore, poverty can be measured from a person or a family's income level subtracted by expenditure required to acquire basic minimal needs that are normally used as the threshold between 'being poor' and 'not being poor'.

Poverty is a fundamental and complex problem that is caused by various factors. In Indonesia, existing differences can lead to comparisons between the rich and the poor, so that poverty is always linked to the welfare of society. The higher the poverty level, the lower the income level of an area. Thus, this can cause a large number of unemployed which will hamper development in a region. One of the things that must be considered in reducing and overcoming the poverty rate is to jointly resolve all the factors that cause poverty.

The number of poor people in West Kalimantan in the last 5 years is 350 thousand people. Even though there has been an insignificant decrease, such as in 2021 the poverty rate in West Kalimantan is at the value of 7.15%, and in 2022 the poverty rate in West Kalimantan is at a value of 6.73%, this means that there has been a decrease in the poverty rate by 0.42% as shown in Table 8.

Table 8: Poverty data in the five intervention districts

Kab/Kota	Poverty line (Rupiah/capita/month)			Poor citizen percentage (%)			Total poor citizen (in thousands of persons)			Level of poverty depth (P1)			Level of poverty severity (P2)		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Sanggau	346,983	363,714	395,305	4.46	4.55	4.51	21.16	21.70	21.74	0.82	0.62	0.85	0.21	0.16	0.24
Ketapang	468,983	482,824	499,724	10.29	10.13	9.39	53.45	53.04	49.92	1.61	1.42	2.04	0.39	0.32	0.66
Sintang	573,128	593,844	620,670	9.27	9.28	8.57	39.19	39.40	36.76	1.03	1.46	1.56	0.19	0.34	0.43
Kapuas Hulu	465,360	481,826	508,087	8.99	8.93	8.59	23.93	24.03	23.43	1.52	0.94	1.41	0.35	0.15	0.37
Kubu Raya	423,430	431,211	457,367	4.42	4.34	4.12	25.90	25.47	24.39	0.62	0.47	0.40	0.14	0.10	0.09
Kalimantan Barat	471,200	483,454	520,660	7.17	7.15	6.73	366.77	367.89	350.25	1.01	1.03	1.04	0.23	0.23	0.24

Source: <https://kalbar.bps.go.id/indicator/23/40/1/kemiskinan-menurut-kab-kota.html>

³² Rahimah, U. 2023. Distribution of Poverty in West Kalimantan. Forum Analisis Statistik, Vol. 3 (1): 1 - 10

³³ Chambers, R. 2014. Rural development: Putting the last first. Routledge.

3.1.6 Literacy and Education

Education is one means of improving the quality of human resources. Adequate quality education is needed by the population in order to improve their quality of life. The high demand for educational services requires the availability of higher quality education providers. For this reason, it needs to be supported by the provision of adequate physical educational facilities and teaching staff.

As an indicator of success in the implementation of education (especially primary and secondary education) in a region, the literacy rate can be used. Indonesia's Centre for Statistical Agency (*Badan Pusat Statistik/ BPS*) observed that in general, there were 3.65% of the adult population or 15 years and over experiencing illiteracy in Indonesia in 2022. This figure is 0.31% lower compared to the 2021's position of 3.96%. It is equivalent to around four out of 100 Indonesian adults who were illiterate last year. It should be note that the trend of illiteracy among the adult population in Indonesia has generally continued to decline over the last 10 years or 2012-2022. The statistic of ten lowest provinces of literacy rate of Indonesia 2022 is explained in Table 9. West Kalimantan Province was placed on the fifth lowest literacy rates in Indonesia and was still under the country's average.

Table 9: Literacy Rate for Population Aged 15 - 59 years by Province in 2022

No.	Province	2020	2021	2022
1.	Papua	77.97	79.04	81.53
2.	Nusa Tenggara Barat	92.48	92.49	93.51
3.	Sulawesi Barat	95.54	95.81	96.46
4.	Sulawesi Selatan	95.89	96.04	96.55
5.	Kalimantan Barat	96.46	96.59	96.86
6.	Nusa Tenggara Timur	95.76	96.48	97.29
7.	Jawa Timur	96.79	97.11	97.48
8.	Jawa Tengah	97.97	98.19	98.06
9.	Sulawesi Tenggara	97.53	97.54	98.22
10.	Papua Barat	98.23	98.71	98.46
INDONESIA		98.29	98.44	98.49

Source: BPS

The statistic of literacy rates of the five intervention districts are described in Table 10. This data was the best available data in the province that can be provided (2015 – 2017). The lowest literacy rate was taken by Sintang District and the highest literacy rate was taken by Ketapang District. Kapuas Hulu and Ketapang Districts were still above the average of the literacy rate of West Kalimantan Province.

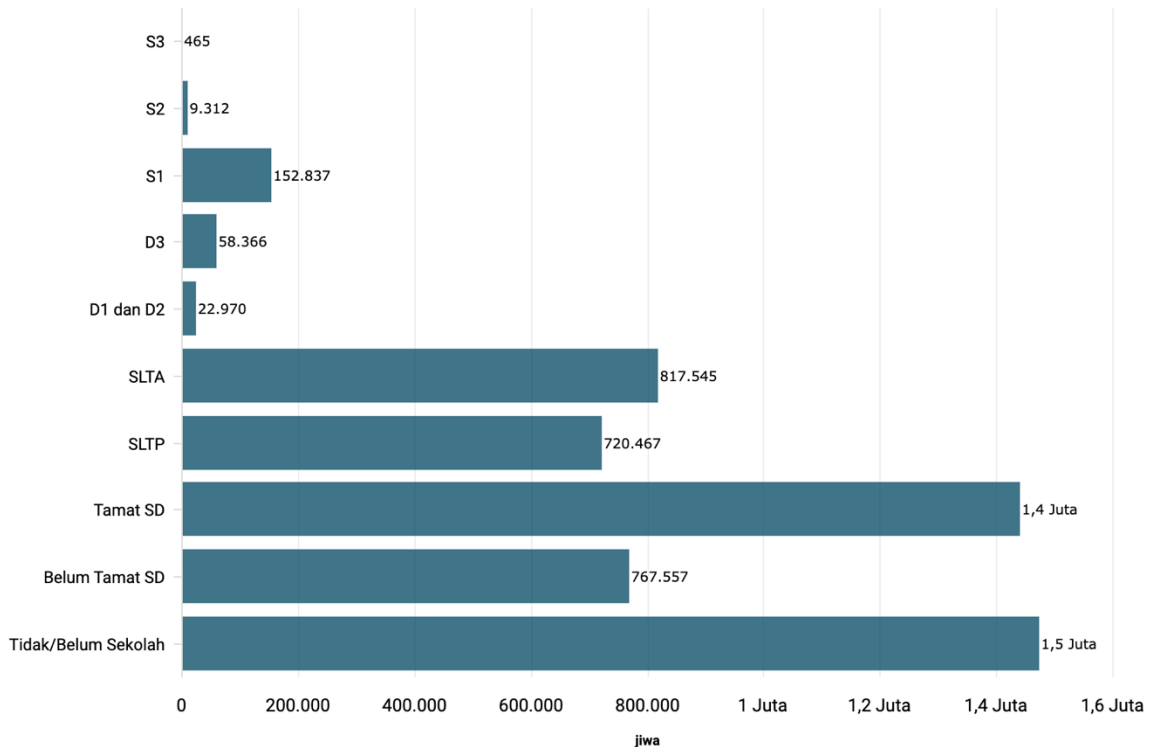
Table 10: Percentage of population aged 10 years and over who are literate

No.	District/City	2015	2016	2017
1.	Sintang	88.58	91.74	91.23
2.	Kubu Raya	93.67	92.84	92.56
3.	Sanggau	92.44	93.61	93.12
4.	Kapuas Hulu	93.84	92.33	93.65
5.	Ketapang	91.38	94.21	94.66
	Kalimantan Barat	91.81	93.28	93.25

Source: <https://kalbar.bps.go.id/indikator/28/69/1/persentase-penduduk-berumur-10-tahun-ke-atas-yang-melek-huruf.html>

Based on data from the Directorate General of Population and Civil Registration (*DG Dukcapil*) of the Ministry of Home Affairs, the population of West Kalimantan was 5.46 million people in June 2021. Of these, only 243.95 thousand people (4.47%) have education up to the undergraduate level. In addition, there are 465 people (0.01%) of West Kalimantan residents who are S3 graduates (doctoral degree), 9.31 thousand people (0.17%) educated up to the S2 level (master's degree), and 152.84 thousand S1 graduates (bachelor's degree). A total of 58.37 thousand residents of the province are educated up to D3 (Diploma degree) and 22.97 thousand people who graduated D1 and D2 (Diploma degrees). Meanwhile, the population of West Kalimantan whose last education was in secondary school amounted to 1.54 million people (28.16%). In addition, there are 817.55 thousand people (14.97%) of the population who graduated from Senior High School (SLTA) and 720.47 thousand people (13.19%) who graduated from Junior High School (SLTP). There are also 1.43 million people (26.36%) of West Kalimantan residents whose last education is elementary school (SD) and 767.56 people (14.05%) who have not finished elementary school, and as many as 1.47 million people (26.96%) who do not or have not gone to school³⁴.

Figure 5: Number of Persons of West Kalimantan who gained education in different levels (2021)



Additionally, the School Enrolment Rate (*Angka Partisipasi Sekolah/APS*), Pure Enrolment Rate (*Angka Partisipasi Murni/APM*) and Gross Enrolment Rate (*Angka Partisipasi Kasar/APK*) are also indicators of the achievement of development in the education sector in the region. APS is a comparison between the number of students of a certain school age group attending school at various levels of education with the population of the corresponding school age group and is expressed as a percentage. The higher the APS means that more school age students attend school in an area. APM is the proportion of school children in a certain group who attend school at a level appropriate to their age group. APM is always lower than APK because the numerator is smaller while the denominator is the same. APK is the proportion of school children at a certain level of education in the age group corresponding to that level of education. The higher the APK means that more school-age children are attending

³⁴ <https://databoks.katadata.co.id/datapublish/2021/11/30/hanya-465-jiwa-penduduk-kalimantan-barat-yang-berpendidikan-s3>

school at a certain level of education in a region. The statistic of APS, APM, and APK of five intervention districts are shown in Table 11, Table 12, and Table 13.

Table 11: School Enrolment Rate (Angka Partisipasi Sekolah/APS) of the five intervention- regencies

No.	Kab/Kota	SD/MI/Paket A			SMP/MTs/Paket B			SMA/SMK/MA/Paket C		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
1.	Sanggau	98.60	97.67	98.13	94.29	90.25	91.20	64.53	56.20	56.66
2.	Sintang	99.53	98.68	99.18	87.31	89.62	89.78	71.89	60.55	60.45
3.	Ketapang	98.42	98.53	98.90	89.23	93.87	93.13	58.34	64.61	64.25
4.	Kubu Raya	98.77	99.15	98.88	96.57	97.35	95.31	78.36	71.05	70.20
5.	Kapuas Hulu	98.89	99.44	98.35	90.02	87.54	86.35	67.59	71.53	71.23
	West Kalimantan	98.80	98.64	98.73	94.90	93.14	92.64	68.73	69.38	68.72

Table 12: Gross Enrolment Rate (Angka Partisipasi Kasar/APK) of the five intervention- regencies

No.	Kab/Kota	SD/MI/Paket A			SMP/MTs/Paket B			SMA/SMK/MA/Paket C		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
1.	Sanggau	97.06	97.58	98.05	65.84	65.32	65.79	42.50	43.39	42.68
2.	Sintang	98.42	98.68	97.99	54.63	57.63	56.87	44.79	45.09	45.35
3.	Ketapang	96.73	96.94	97.18	71.07	71.30	71.60	46.70	46.73	46.77
4.	Kubu Raya	97.63	97.54	97.61	81.33	80.76	80.14	52.16	53.24	53.34
5.	Kapuas Hulu	99.02	99.08	98.35	67.60	67.88	68.25	51.78	50.90	57.17
	West Kalimantan	97.35	97.42	97.52	67.42	68.11	68.32	51.70	51.77	51.87

Table 13: Pure Enrolment Rate (Angka Partisipasi Murni/APM) of the five intervention-regencies

No	Kab/Kota	SD/MI/Paket A			SMP/MTs/Paket B			SMA/SMK/MA/Paket C		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
1.	Ketapang	108.87	107.21	106.87	91.25	90.55	92.44	69.79	67.12	67.48
2.	Sanggau	109.54	108.85	113.23	81.13	80.00	75.91	71.07	74.26	74.06
3.	Sintang	114.58	115.24	115.64	71.46	73.79	69.16	80.08	82.36	82.71
4.	Kapuas Hulu	115.69	117.15	115.08	81.83	80.18	77.72	84.52	85.94	84.66
5.	Kubu Raya	106.40	107.79	109.27	98.88	97.79	94.88	99.58	101.62	100.06
	West Kalimantan	111.53	111.01	111.84	85.22	85.45	84.59	84.51	85.21	84.79

Source URL: <https://kalbar.bps.go.id/indicator/28/46/1/apk-menurut-kab-kota.html>

3.1.7 Land Tenure

Indigenous people identify with others based on lineage, referring to characteristics such as culture, nation, language, religion, and *behaviour*. An ethnic group is also a social group that is distinguished from other social groups because it has the most basic and common characteristics related to its origin, place of origin, and culture.

At the same time, the GCF applies the term indigenous peoples in a general sense that refers to specific social and cultural groups that have characteristics in varying degrees, as follows:

- self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others.
- Collective attachment to geographically distinct habitats, ancestral territories, or areas of management or seasonal inhabitants and attachment to the natural resources of those areas;
- Indigenous cultural, economic, social, or political systems that are distinct or separate from mainstream societal or cultural systems; and
- A distinct language or dialect, often different from the official language or languages of the country or region in which they live. This includes languages or dialects that once existed but no longer do due to impacts that make it difficult for a community or group to maintain a distinct language or dialect.

The distribution areas of indigenous peoples in the GCF project include Kapuas Hulu, Sintang, Sanggau, Ketapang and Kubu Raya districts.

In Kapuas Hulu, Sintang, Ketapang, Kubu Raya and Sanggau districts, there are two main tribes as indigenous peoples, namely the Dayak and the Malay tribes. However, in Sanggau District, the Malay tribe no longer qualifies as an indigenous community as stipulated in the Minister of Home Affairs Regulation No. 52/2014 on Guidelines for the Recognition and Protection of Customary Law Communities, so only the Dayak tribe qualifies as stipulated in the regulation. According to the provisions of Article 5 paragraph (2) of the Minister of Home Affairs Regulation No. 52/2014 on Guidelines for the Recognition and Protection of Indigenous Peoples, the conditions for a community group or community to be identified as an indigenous community are, among others, to have: a. history of the Indigenous Peoples; b. customary territory; c. customary law; d. property and/or customary objects; and e. customary institutions/government system. When guided by the provisions of the article above, the Malay tribe in Sanggau Regency does not qualify as an indigenous community or cannot be identified as an indigenous community. Likewise, based on the definitions and criteria used by the GCF, the Malay community in Sanggau District needs to fulfil the criteria as indigenous people.

The position of *hak ulayat* in Law No. 5/1960 on the Basic Agrarian Law is determined in Article 3, namely: By considering the provisions in Articles 1 and 2, the implementation of *hak ulayat* and similar rights of customary law communities, as long as according to reality they still exist, must be in such a way that it is in accordance with national and State interests, which are based on national unity and must not conflict with other higher laws and regulations.

The existence of customary rights shows that they have a place and recognition from the State as long as, according to reality, they still exist. In terms of implementation, it must be consistent with the national interests of the nation and state as well as other laws and regulations at a higher level.

In this case, the interests of an indigenous community must be subject to the higher and broader interests of the public, nation, and state. Therefore, it cannot be justified if in the current atmosphere of nation and state, there is a customary law community that still maintains the content of implementing ulayat rights. Furthermore, the position of customary rights of customary law communities is regulated in the Regulation of the Minister of Agrarian Affairs/Head of the National Land Agency No. 5 of 1999 stipulated in Article 1 paragraph (1), namely:

"*Hak ulayat* and similar rights of customary law communities (hereinafter referred to as *hak ulayat*), is the authority according to customary law possessed by certain customary law communities over certain areas that are the living environment of their citizens to take advantage of natural resources, including land, in the area, for their survival and life, arising from physical and inner relationships that are hereditary and uninterrupted between the customary law community and the area concerned".

The realization of this arrangement is to be used as a guideline in the regions to carry out land affairs, especially in relation to the issue of customary rights of indigenous peoples that still exist in the regions concerned. This regulation contains policies that clarify the principle of recognition of customary rights and similar rights of customary law communities, as referred to in Article 3 of the Basic Agrarian Law. These policies include:

- Equalization of perception regarding customary rights;
- Criteria and determination of the existence of *ulayat* rights and similar community rights of customary law;
- The authority of customary law of communities over their customary land.

In relation to the pattern of customary land tenure (read: customary land in Dayak and Malay indigenous peoples), in general, the pattern of land/land tenure in indigenous peoples is divided into several patterns, including the following:

- The land clearing system by the local community, in the form of primary forest clearing, is carried out jointly by the village community to establish a village, establish a betting house/single house, and so on. This activity is carried out in mutual cooperation by all villagers.
- Purchase/sale. The pattern of control of land ownership by the community can also be carried out through customary land sales or real (cash) sales. Currently, real sales are conducted in writing to ensure legal certainty.
- An exchange of a parcel of land that is carried out in a customary manner or in real terms by presenting witnesses to declare the validity of the sale-purchase agreement. The exchange process is carried out by interpreting the value of each land, and usually the land exchanged by the parties without or by increasing the price of the exchanged land.
- Inheritance. The pattern of control of land ownership can also occur due to inheritance carried out by the inheritor to the heirs, which is carried out in a customary manner and is known by the customary administrator.

All patterns of land tenure in indigenous communities are based on the provisions of customary law and customs by prioritising the principle of communal interests over individual interests. This means that if there is an intersection of interests, between communal interests and individual interests, then individual interests are put aside, because they will disrupt the entire life of the community. However, between communal interests and individual interests have the ability to thicken and thin. That means if communal interests strengthen, then individual interests tend to weaken. Conversely, if communal interests weaken, then individual interests tend to strengthen. And so on, depending on the development and social changes that occur in indigenous communities.

Land Tenure Patterns

There are two concepts of control and ownership of land rights in indigenous communities, namely communal and individual ownership. The first concept of ownership, communal ownership, is based on the understanding that indigenous peoples are seen as one big family, where family interests are the main interests and must be prioritized by each family member. Therefore, in the concept of communal ownership, the common interest must be prioritised, especially if there are individual interests in it, then individual interests must be put aside. This is reasonable because if the interests of the extended family are disrupted, then life in the extended family will also be disrupted (disharmony). The second concept is individualized ownership. Individuals in indigenous societies are considered part of a larger group that can influence the extended family's life but must not transcend or overcome the extended family and collective interests.

Confusion between communal rights and individual rights. There are two views in understanding this concept of rights. The first is the traditional concept that if communal interests come into contact with individual interests, then individual interests must be put aside. This is based on the concept that communal interests are the highest interests in order to maintain harmony (balance) in the extended family. This condition generally occurs in a genealogical community unit, one of the same descents, namely *sedatuk*. Second, is the concept in transitional societies and territorial societies. In communities like this, communal interests tend to weaken if there is a clash of individual and communal interests. This happens because they are no longer bound or feel bound in a family bond of the same descent.

According to Ter Haar, the relationship between individual and communal interests is reciprocal and has the same power. This means that the right of individuals to defend themselves against the rights of the community is as strong as the right of the community to defend themselves against individual rights. This fact can be formulated as follows: customary rights and individual rights are intertwined in an endless relationship of deflating-expanding, pushing, limiting, or known as *mulur-mungkret*. When communal rights strengthen, individual rights weaken, and vice versa, when individual rights strengthen, communal rights weaken.

The concept of thickening and thinning customary rights, as described by Ter Haar, also occurs in the customary rights of the Dayak (read: customary land) and Malay communities. Two factors influence this. First, communal rights have changed to individual rights. Second, the socio-cultural changes of the Dayak indigenous people due to modernization.

Communal rights themselves in the Dayak indigenous community have several levels, including the following:

- One small family consisting of one clump from the *sedatuk* family; between families still have a close blood relationship, so that property rights in the form of land, heirlooms, *tembawang*, etc., collective ownership is still strong.
- Two or more clumps of *sedatuk* families; In this family, collective ownership is also still quite strong, but the ownership is already owned by several descendants, of course, the first descendant has higher rights than the descendants, second or third.
- Several clumps that still have family ties from the same descendant. In this family, collective ownership could be stronger, but the continuity of clan life and family relations are maintained.

Model for Settlement of Land Disputes Owned by Indigenous Peoples

The mechanisms for resolving land disputes in indigenous communities in West Kalimantan include:

- Litigation model (through the customary justice system); and
- Non-litigation model (outside the customary justice system).

The non-litigation model is the model that is put forward in every problem-solving. The principle of resolution is deliberation and consensus. This is related to the understanding that the community and individuals are one big family, and one big family must live in harmony and peace to maintain the balance of the community as a socialization unit. Meanwhile, the litigation model is the last resort (*ultimum remedium*) if the consensus is not reached.

In terms of settlement through the litigation model, not all cases are appealed. Only customary civil cases can be appealed. The exception is customary criminal cases where the community's sense of justice is neglected. This is very reasonable because civil cases are not directly related to the interests of the community (customary law society), while criminal cases are directly related to the community (customary law society). This principle aligns with aspects of individual interests that are always distinct from community interests. This is a basic teaching found only in customary law. But this does not mean that customary law does not recognize the existence of individual rights, which are widely given a place in the modern legal

tradition. However, the concept of individual rights is only recognized as long as it does not infringe on the community's interests. The individual must be kept from his community because the individual's duties are always considered in relation to his involvement in the community. Thus, the individual and the community are two ends of a single thread that cannot be separated.

The communal way of life, as found in *adat* is reflected in the basic teachings about individual life in the community, which is very similar to family life, where a distinction is rarely made between personal affairs and communal interests. In legal matters, it is often found that considerations of communal solidarity influence decisions regarding business transactions. Since individuals are essentially part of the wider community, harmony between the individual and the community or between one group and another is a key issue in maintaining the legal values that exist within the community.

The legal determinations by customary judges, to what extent do these determinations have binding force? According to Ter Haar, customary law that applies in society can become a law binding on behaviour, if the community has not been determined by the customary head concretely, then the regulation still needs to have the nature of law. This means that the rule of law can only be binding if the customary head has made a decision or stipulation. Otherwise, if there is no stipulation of the customary head, the rule is not binding because it is not a law, only a custom of behaviour.

The Role of the People's Head (Customary Court) in Tenurial Dispute Settlement

The role and importance of the assistance of the people's head is to perform legal acts in various fields of community life, such as marriage, buying and selling, and so on. The purpose of the action of the people's head is so that the action is clear and does not violate customary law. On the other hand, if the people refuse the assistance requested, then the legal act to be performed is generally an act that violates customary law. If an act is forced to be done, it is done without the assistance of the head of the people so that the act is considered a "petting" act (dark act), and therefore the act cannot be protected by law against third parties.

In the event of a dispute in the community, where the dispute is contrary to customary law, the head of the people acts to restore it through customary peace to restore balance in the community. Similarly, in the event of a dispute in the community, the first attempt to get the two parties to reconcile/get back together is through *adat* peace conducted by the customary chief/head of the people.

Thus, the actions of the head of the people have an important meaning to take concrete actions, preventive actions (prevention of violations of the law), as well as repressive actions (actions to restore the law) against the existence of actions that will occur and have occurred in society.

3.1.8 Labour and employment

The population, in terms of employment, is the supply for the labour market. The labour, which is the capital for the movement of the wheels of development, in terms of the number and composition of the workforce, will continue to change along with the demographic process. The manpower referred to here is every person/population of working age (15 years and above) who is able to do work in order to produce goods and/or services either to meet their own needs or the needs of the community. Regional development planning needs to be supported by the availability of accurate and up-to-date data in order to produce directed development planning. Employment development in a region is no exception, requiring accurate and continuous data and information on various matters related to employment, such as the development of the number and composition of the workforce, the number of working

people, the number of unemployed and job seekers, or the quality of the workforce as measured by educational attainment³⁵.

The main problem faced by most developing countries to date is how to take advantage of the abundant and mostly unskilled human factor for its development, so that a large population is not a burden for development. Labour can be absorbed by formal and informal sectors. For developing countries, the role of the informal sector is greater, due to its ability to absorb labour that does not require a high level of skill. Even the informal sector can be a place for human resource development, where untrained workers can improve their skills by entering the informal sector before entering the formal sector.

The growth of informal sectors in big cities is also a result of rapid urbanization. Urbanization is mostly caused by differences in the expected income, although these expectations have deviated from reality. Migrants who cannot enter the formal sector in the city are thrown out, then these migrants try to enter the informal sector which provides opportunities for anyone to enter. The informal sector is often seen as a transitional sector for workers from the agricultural sector in rural areas to the industrial sector in cities. The phenomenon of the emergence of the informal sector is mostly temporary.

Manpower data and information are very important in preparing manpower policies, strategies, and programs in the context of development and solving manpower problems. Good conditions of manpower data and information determine good manpower strategies and programs. If employment policies, strategies, and programs have been developed, employment problems will be solved more optimally. The working-age population of West Kalimantan, based on the August 2022 Provincial Employment Statistics reached 3.91 million people if grouped by gender, almost balanced, namely 1.98 million men and 1.93 million women. However, when viewed according to the area of residence, 62.55 percent are in rural areas and 37.45 percent in urban areas. In addition, Table 14 provides gender ratio of the labours in five intervention districts in 2021. The ratio was around 33% to 41% of female workers and 59% to 67% of male workers, respectively (Table 14).

Table 14: gender ratio of the labour in five intervention districts in 2021

No.	Kab/Kota	Male Worker	Male ratio	Female Worker	Female ratio
1.	Sintang	137,323	59%	96,861	41%
2.	Kapuas Hulu	85,598	61%	54,925	39%
3.	Sanggau	151,451	62%	90,925	38%
4.	Kubu Raya	169,375	62%	103,909	38%
5.	Ketapang	158,286	67%	76,566	33%
West Kalimantan		1,521,180	61%	961,273	39%

The description of number of labours in the five intervention districts is shown in Table 15. It shows that during 2020 – 2022 Kapuas Hulu, Sintang, and Sanggau were the higher ratio of employment and workforce compared to the other districts (Ketapang and Kubu Raya).

Table 15: Number of Labour condition in the five intervention regencies from 2020 – 2022

No.	District	Labours (person)			Ratio of employment and workforce (%)		
		2020	2021	2022	2020	2021	2022
1.	Kapuas Hulu	140,753	140,523	156,483	95.98	95.82	97.79

³⁵ Analisis tematik kependudukan Provinsi Kalimantan Barat tahun 2023

No.	District	Labours (person)			Ratio of employment and workforce (%)		
2.	Sanggau	241,987	242,376	248,149	96.48	96.55	96.24
3.	Sintang	222,933	234,184	225,629	95.50	96.05	97.03
4.	Ketapang	216,390	234,852	225,481	92.70	93.06	93.29
5.	Kubu Raya	269,826	273,284	266,217	92.86	92.98	93.13
West Kalimantan		2,458,296	2,482,453	2,557,523	94.19	94.18	94.89

Based on data (2018), labours were mostly employed in sectors of agriculture, forestry, hunting and fishery that accounted for 50.95% for West Kalimantan Province. Table 16 shows the highest share of those sectors were distributed in three districts, namely Kapuas Hulu, Sanggau and Sintang. The data was also described that most of the economic activity of were concentrated in these three districts.

Table 16: Percentage of Labours working in different sectors in five targeted regencies

No.	Cluster of Activity	Kapuas Hulu		Kubu Raya		Ketapang		Sintang		Sanggau		West Kalimantan	
		Labour	%	Labour	%	Labour	%	Labour	%	Labour	%	Labour	%
1.	Agriculture, Forestry, Hunting and Fishery	84,105	60.56	94,165	39.35	112,999	49.08	145,808	71.60	162,201	68.14	1,195,545	50.94
2.	Wholesale Trade, Retail, Restaurants and Hotels	19,051	13.72	41,464	17.33	39,344	17.09	14,747	7.24	30,143	12.66	378,009	16.11
3.	Community, Social and Individual Services	18,036	12.99	35,137	14.68	25,981	11.28	20,006	9.82	23,667	9.94	309,596	13.19
4.	Construction	5,997	4.32	23,111	9.66	18,197	7.90	6,406	3.15	6,247	2.62	151,211	6.44
5.	Processing industry	2,852	2.05	25,650	10.72	18,424	8.00	4,328	2.13	9,187	3.86	146,307	6.23
6.	Transportation, Warehousing and Communications	647	0.47	11,286	4.72	9,761	4.24	2,192	1.08	2,509	1.05	76,523	3.26
7.	Finance, Insurance, Building Rental Business	1,517	1.09	7,197	3.01	2,644	1.15	2,240	1.10	2,666	1.12	43,577	1.86
8.	Mining and Excavation	6,469	4.66	569	0.24	2,039	0.89	7,302	3.59	650	0.27	36,230	1.54
9.	Electricity, Gas and Water	207	0.15	746	0.31	844	0.37	609	0.30	785	0.33	9,883	0.42
Grand Total		138,881	100.00	239,325	100.00	230,233	100.00	203,638	100.00	238,055	100.00	2,346,881	100.00

Source: <https://kalbar.bps.go.id/subject/6/tenaga-kerja.html#subjekViewTab5>

3.2 Environmental profile

3.2.1 Climate

In 2021, the maximum temperature in West Kalimantan reached 34.6⁰ C and a minimum of 21.4⁰ C. The maximum wind speed reached 18.00 m/second with a maximum air pressure of 1,015 mbar. The amount of rainfall during 2021 was 2,918.20 mm (**Error! Reference source not found.**). There was a decrease in rainfall from 2020 of 3,673.40 mm. The number of rainy days during 2021 was 208 days and the sun's radiation was 65.70 percent. The current climate in the province makes the province vulnerable to forest and land fires. West Kalimantan is also exposed to climate related natural hazards such as fires, floods, prolonged droughts,

landslides, sea level rise, and extreme heat. In the last twenty years, 215 floods were happened in West Kalimantan resulting 35 people passed away, 750,026 people affected, 82,358 houses damaged, and 5,818 Ha lands eroded³⁶. During the period 2022 – 2021, flood events impacted 35% of villages, drought events 3% of villages, forest and land fires events 6% of villages in West Kalimantan³⁷.

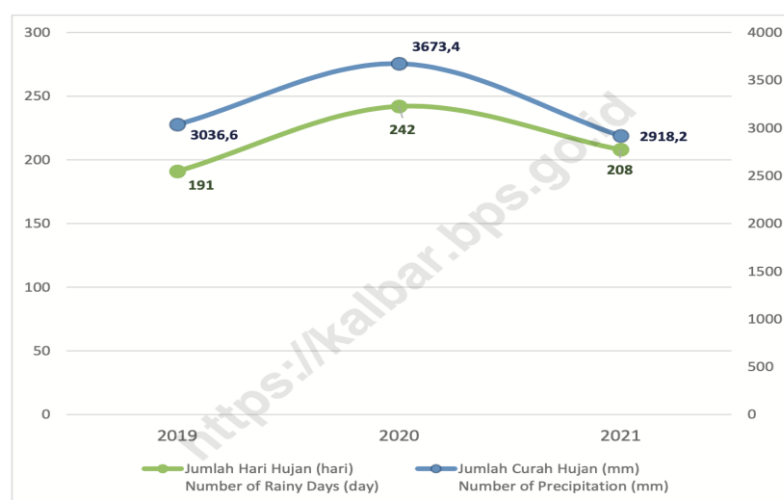
Table 17: Natural Disasters Events impacted Villages in West Kalimantan 2020 - 2021

Kabupaten/Kota Regency/Municipality	Tanah Longsor Landslide	Banjir Flood	Banjir Bandang Flash Flood	Gelombang Pasang Laut Tide	Angin Puyuh/Putting Beliung/Topan Typhoon/ Cyclone	Kebakaran Hutan dan Lahan Forest and Land Fires	Kekeringan Drought	Abrasi Abrasion	Tidak Ada Bencana Alam No Natural Disaster	Total Villages
Sambas	1	69	1	8	0	21	11	8	110	229
Bengkayang	8	47	0	1	4	2	4	1	72	139
Landak	10	91	5	0	5	5	8	1	61	186
Mempawah	1	24	0	2	2	20	11	4	33	97
Sanggau	8	63	0	0	9	8	7	2	106	203
Ketapang	4	94	4	24	6	14	10	4	133	293
Sintang	3	144	0	0	1	11	4	0	260	423
Kapuas Hulu	11	105	1	0	1	3	4	2	172	299
Sekadau	2	33	0	0	2	0	1	0	54	92
Melawi	18	125	10	0	1	4	3	1	36	198
Kayong Utara	0	17	1	6	4	7	1	3	18	57
Kubu Raya	0	38	0	5	8	31	10	7	73	172
Kota Pontianak	0	6	0	1	7	4	0	0	16	34
Kota Singkawang	0	8	0	1	3	5	1	0	14	32
PROVINSI	66	864	22	48	53	135	75	33	1 158	2 454
PERCENTAGE (%)	3%	35%	1%	2%	2%	6%	3%	1%	47%	100%

Catatan/Note: *Periode Tahun 2021 adalah Januari-Juni/2021 Period is January-June

Sumber/Source: Publikasi Statistik Potensi Desa Provinsi Kalimantan Barat 2021/Village Potential Statistics of Kalimantan Barat Province 2021

Figure 6: Number of rainy days at selected Climatology Station in West Kalimantan (2021)



Sumber/Source : Badan Meteorologi, Klimatologi, dan Geofisika / Meteorology, Climatology, and Geophysics Agency

However, in the last five years (2018 – 2022) there were about 270,317 ha affected by forest and land fires in West Kalimantan. Ketapang district is the highest district affected by the fires (91,833 ha forest and land fires in 2019) – see Table 18.

³⁶ <https://jurnal.untan.ac.id/index.php/jpfu/article/view/51589/pdf>

³⁷ <https://kalbar.bps.go.id/statictable/2015/03/26/84/banyaknya-des-1-kelurahan-menurut-jenis-bencana-alam-dalam-tiga-tahun-terakhir.html>

Table 18: Forest and Land Fires occurred in selected five districts from 2018 - 2022

Kabupaten/Kota Regency/Municipality	2018 (ha)	2019 (ha)	2020 (ha)	2021 (ha)	2022 (ha)	Total 5 years (ha)	Percentage (%) againts province
Sanggau	752	2.572	462	622	2.196	6.604	2%
Ketapang	19.807	91.388	1.843	2.929	4.573	120.540	45%
Sintang	2.229	6.530	326	784	829	10.698	4%
Kapuas Hulu	603	1.291	208	245	269	2.616	1%
Kubu Raya	22.883	13.365	357	8.271	2.475	47.351	18%
PROVINSI	68.421	151.819	7.647	20.591	21.839	270.317	

Source: sipongi.menlhk.go.id cited in <https://data.kalbarprov.go.id/dataset/informasi-kejadian-bencana-karhutla-di-kalimantan-barat-update-30-mei-2023/resource/fd99145f-98db-4d00-818b-49a295a5acb6>

3.2.2 Forest, deforestation, and forest degradation

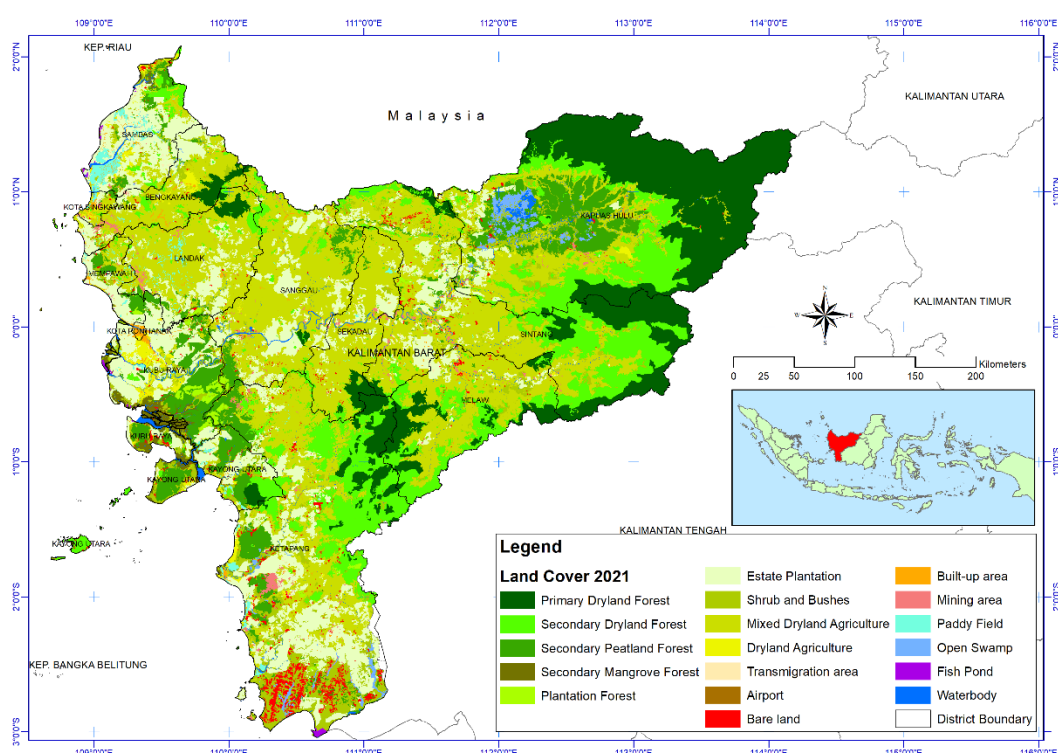
Most of the land area of West Kalimantan is forest (63.28%), which consists of shrub forest (22.06%), dense forest (31.34%), swamp forest (4.75%), and similar forests (5.13%). The largest forest area is located in Kapuas Hulu district with an area of 3,130,492 ha (17.73 percent), followed by Ketapang district with an area of 3,012,292 ha (11.77 percent).

Table 19: Forest and Land Use Type in Five target Districts – West Kalimantan 2021

Forest and Landuse Type	KAPUAS HULU (Ha)	KETAPANG (Ha)	KUBU RAYA (Ha)	SANGGAU (Ha)	SINTANG (Ha)	Grand Total (Ha)
Land for Other Purpose (APL)	757.258	1.240.136	491.743	728.961	895.336	4.113.434
Natural Reserve (CA)		148.181		1.579		149.760
Protected Forest (HL)	819.742	292.358	138.529	96.925	456.360	1.803.915
Production Forest (HP)	188.194	590.048	135.634	342.576	136.683	1.393.135
Forest Possible for Conversion	30.730	71.820	24.821	4.974	17.841	150.186
Limited Forest Production	390.717	614.449	66.658	61.053	608.745	1.741.623
National Park	943.598	22.048			69.138	1.034.784
Nature Tourism Park					1.282	1.282
(blank)	254	33.251	1.180	0		34.684
Grand Total	3.130.492	3.012.292	858.565	1.236.069	2.185.385	10.422.803

Table 19 shows that 39.5% of total areas is designated as Land for Other Purpose (APL), whereas 60.5% is still under authorization of Ministry of Environment and Forestry (MoEF). Kapuas Hulu district has a large of primary forest area and peatlands. The district is known as conservation district in which it has national park with the size of nearly one million hectares (945,598 ha).

Figure 7: Map of Land Cover West Kalimantan 2021



Processed wood productions in Kalimantan Barat are mostly sawn timber, plywood, pulp, wood chips and veneer. Plywood production has continued to decline over the past 5 years. In 2020, plywood production was 184,30 thousand m³. Log production in 2021 reached 184.30 thousand m³. The actual log production originating from Natural Forest Concession Rights (known as IUPPHK-HA³⁸) that is 197,530 m³, whereas non-IUPPHK-HA is 33,730 m³, and industrial plantation forest (known as IUPPHK-HT³⁹) is 673,710 m³.

Since 1990, the forest area in West Kalimantan has declined by 27%, from 7.5 million ha to 5.5 million ha in 2018. During the same period, average deforestation rate of 69,000 ha/year, and forest degradation rates of 11,000 ha/year were observed⁴⁰. This includes large areas of peat forests (up to approx. 42.000 ha/year). It puts West Kalimantan as one of the country's deforestation hotspots⁴¹.

In 2020, the West Kalimantan REDD+ Working Group published a greenhouse gas emissions monitoring report at province level for period of 2013 - 2018⁴². Referring to this report, deforestation in Ketapang district was the highest level, contributing 36 percent of the total deforestation that occurred in West Kalimantan Province for the 2013-2018 period. Kubu Raya district is the second highest of deforestation level in the province. The deforestation rate in Kubu Raya 2013-2018 was 18,320 hectares per year. This figure is higher compared to the baseline deforestation data of 8,780 hectares per year. The increase in deforestation rates was very significant, with a figure of 208 percent of the baseline figure (see **Error! Reference source not found.**).

According to the West Kalimantan Strategy REDD+ Action Plan (SRAP REDD+)⁴³, deforestation in the province is due to diverse and underlying causes. Unsustainable forestry

³⁸ These types of forest licenses have been converted into PBPH (Forest Business Licenses)

³⁹ These types of forest licenses have been converted into PBPH (Forest Business Licenses)

⁴⁰ https://repository.untan.ac.id/index.php?p=show_detail&id=1157

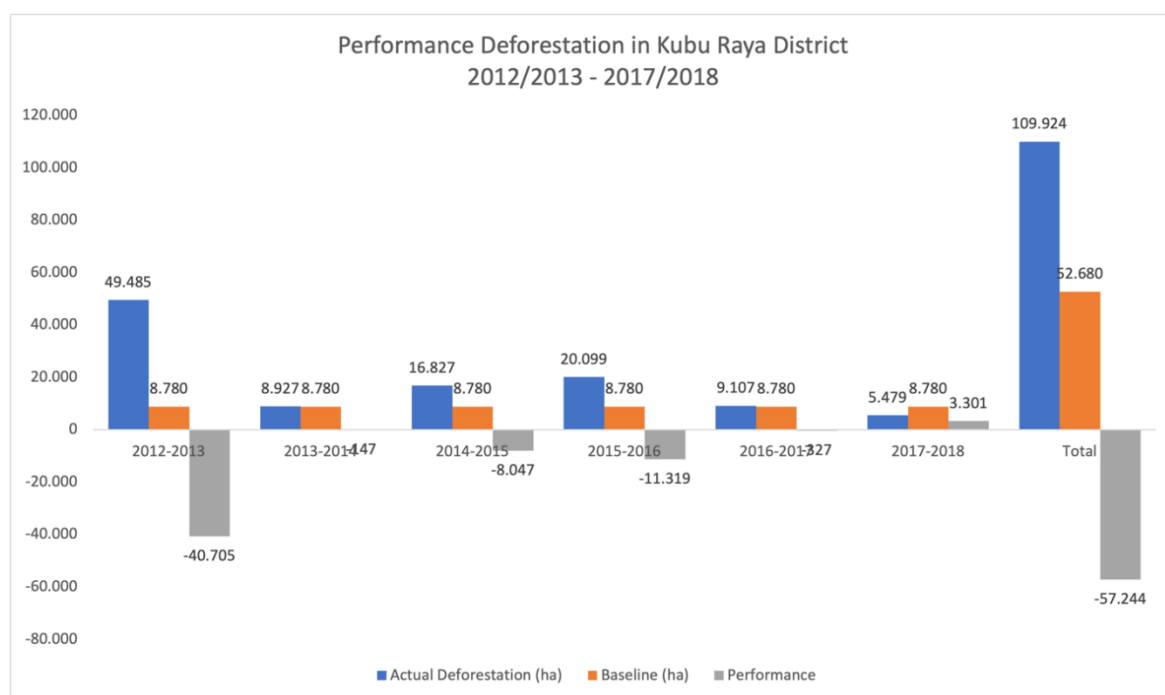
⁴¹ <https://www.wri.org/blog/2019/07/indonesia-reducing-deforestation-problem-areas-remain>

⁴² Monitoring, Reporting, and Verification (MRV) report on emission reduction of West Kalimantan 2013-2018, 2020.

⁴³ https://repository.untan.ac.id/index.php?p=show_detail&id=1157

practices are the main contributor to deforestation, accounting for 58%, while conversion into agriculture accounts for 40% (overwhelmingly due to palm oil expansion). Other factors, including crop expansion, settlements, roadway expansion, and mining account for the remaining 2% of deforestation⁴⁴. It seems that forests continue to decline as business as usual if there is no intervention to avoid forests from deforestation and degradation.

Figure 8: Deforestation Rate in Kubu Raya District



3.2.3 Estate Crops and Horticulture

Almost all estate crops commodities have decreased their products due to limited land areas for cultivation, such as coconut, rubber, coffee, cacao, and pepper. Oil palm production has decreased by 1.32 percent from 4.97 million tons in 2020 to 4.90 million tons in 2021. Coconut has also decreased production from 80.90 thousand tons to 77.73 thousand tons in 2021. Meanwhile, rubber production has increased by 0.97 percent from 266.65 thousand tons in 2020 to 269.13 thousand tons in 2021⁴⁵.

The production of shallot plants in West Kalimantan is 1,037 quintals. Bengkayang Regency is the district with the largest shallot production. The production of large chili plants in the province is 25,578 quintals. The largest fruit production in the province is banana as much as 1.41 million quintals, followed by pineapple with as much as 1.19 million quintals, and tangerine fruit with 725.57 thousand quintals. There was a decrease in tangerine production by 45.60 percent from 1.33 million quintals in 2020 to 0.73 million quintals in 2021⁴⁶.

Plantations in West Kalimantan include rubber, palm oil and coconut, but only palm oil and rubber have been operating consistently. The area planted with rubber, especially smallholder plantations, increased in 2014 compared to previous year. In 2014, there was also an increase in rubber plantation area especially in smallholder plantations, it increased by 0.08 percent with productivity of 0.44 tons per ha. The area planted for coconut commodities decreased by

⁴⁴ Based on provincial land use. Source: [Monitoring, Reporting, and Verification \(MRV\) report on emission reduction of West Kalimantan 2013-2018, 2020.](#)

⁴⁵ [BSP, 2022](#)

⁴⁶ [BSP, 2022](#)

0.14 percent with production reaching 74,646 tons or an increase of 0.71 percent from the previous year⁴⁷.

For palm oil commodities specifically for large plantations during the 2010-2014 period, the palm oil plantation area had an increasing trend. Planted area in 2014 rose 2.52 percent from the previous year, while production fell 1.37 percent. For smallholder plantations, plant area growth increased by 7.92 percent and production also increased by 3.24 percent⁴⁸. From 2011 to 2016 WK experienced the highest growth in palm oil plantation area nationally. Of the 1.53 million ha converted to palm oil plantations between 2000 and 2016, 230,000 ha (15%) were intact forests, and 400,000 ha (26%) were post-1973 logged forests⁴⁹. Currently there are approximately 400,000 ha of remaining forests found inside concession areas⁵⁰.

4. Environmental and social impact assessment

The following Table 20 provides a summary of risks assessments on both GCF and GIZ Standards against the proposed project. Table 21 and Table 22 present an overview and discussion of the GIZ and GCF safeguards triggered by the proposed project. Based on assessments, all GCF performance standards were triggered, whereas only one GIZ Standard (GIZ Climate Change Safeguards: Mitigation of Greenhouse Gas emissions) was considered as **not triggered** by the proposed project.

In terms of risks level to each GCF Standards, the risks assessments considered as **medium** level are as follows: a) ESS 4: Community Health, Safety, and Security, b) ESS 7: Indigenous Peoples & GCF Indigenous Peoples Policy; and c) ESS 8: Cultural Heritage.

On the other hand, the risks assessments considered as **low-medium** are as follows: a) ESS 3: Resource Efficiency and Pollution Prevention; and b) ESS 5: Land Acquisition and Involuntary Resettlement. For GIZ standards, it is GIZ Safeguard Conflict & Context Sensitivity that is considered as **low-medium** level. The **low-medium** level here means that the proposed activities were considered to have low impacts but if not handled or properly managed by the project staff then could result in adverse medium impacts to the project.

For example, if FPIC processes and public awareness to relevant stakeholders (including representation of vulnerable groups/ethnic groups) are not properly planned and conducted, then potential conflict between traditional/indigenous people land and forest land under social forestry program (for example participatory land-use planning and management plans for different forest types) might happen because of misunderstanding on tenurial issues. As a result, unintended negative livelihood impacts might occur (medium risk).

The risks assessments considered as **low** are as follows: a) ESS 1: Assessment and Management of Environmental and Social Risks and Impacts, b) ESS 2: Labour and Working Conditions; c) ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources; d) ESS 9: Stakeholder engagement and information disclosure; and e) ESS 10: Financial intermediaries. In addition, there is no low risk level for GIZ Standards.

Table 20: Summary of GCF and GIZ Standards against the Proposed Project

ESS Policy/Standards	Triggered?	Risk Assessment:
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Yes	Low

⁴⁷ https://repository.untan.ac.id/index.php?p=show_detail&id=1157

⁴⁸ https://repository.untan.ac.id/index.php?p=show_detail&id=1157

⁴⁹ S. Peteru, E.M. Wardani, Y. Laumonier, C. Chan. 2018. "West Kalimantan, Indonesia" in C. Stickler et al. (Eds.), The State of Jurisdictional Sustainability. San Francisco, CA: EII; Bogor, Indonesia: CIFOR; Boulder, CO: GCF-TF.

⁵⁰ Based on provincial land use. Source: [Monitoring, Reporting, and Verification \(MRV\) report on emission reduction of West Kalimantan 2013-2018, 2020.](#)

ESS 2: Labour and Working Conditions	Yes	Low
ESS 3: Resource Efficiency and Pollution Prevention	Yes	Low-Medium
ESS 4: Community Health, Safety, and Security	Yes	Medium
ESS 5: Land Acquisition and Involuntary Resettlement	Yes	Low - Medium
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Yes	Low
ESS 7: Indigenous Peoples & GCF Indigenous Peoples Policy	Yes	Medium
ESS 8: Cultural Heritage	Yes	Medium
ESS 9: Stakeholder engagement and information disclosure	Yes	Low
ESS 10: Financial intermediaries	Yes	Low
GIZ Sustainability Policy	Yes	Medium
GIZ Safeguard Environment	Yes	Medium
GIZ Safeguard Climate Change	CCM ⁵¹ : No CCA ⁵² : Yes	Medium
GIZ Safeguard Conflict & Context Sensitivity	Yes	Low-Medium
GIZ Safeguard Human Rights	Yes	Medium
GCF & GIZ Gender Policy	Yes	n/a
GCF Independence Redress Mechanism/GRM	Yes	n/a

⁵¹ CCM stands for "Climate Change Safeguard: Mitigation of Greenhouse Gas emissions".

⁵² CCA stands for "Climate Change Safeguard: Adaptation to the Impacts of Climate Change".

4.1 Pre-assessment of possible negative impacts (ESS triggered)⁵³

Possible negative impact that can trigger ESS are listed below.

Table 21. Possible negative Impacts of the proposed Project

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	<u>Social:</u> (-) Insufficient knowledge and experiences of culture, tenure, and religious values of the IPs, including communication skills and consultations could lead to misunderstanding of the proposed project by the relevant stakeholders, which might cause social conflicts. <u>Environmental:</u> (-) The promotion of agriculture might indirectly cause the risk of increased use of herbicides and pesticides and forest clearance.	Cross-Cutting	Low	Yes
ESS2: Labour and Working Conditions	(-) Infringement of decent working conditions.	All sub-activities	Low	Yes.
	(-) Confrontative physical exposure to OHS risks might occur during law enforcement measures against illegal logging, forest and land fires, and wildlife poaching by FMU Forest Rangers conducting law enforcements for illegal logging, forest and land fires, and wildlife poaching.	sub-activity 3.1.4.2: Strengthen law enforcement to secure FMU areas from illegal logging, forest and land fires, wildlife poaching, and other activities lead to deforestation and degradation.	Low	Yes.

⁵³ For guidance on risk screening see 4.1.-4.10. in this template and [Sustainability Guidance - Screening and categorizing GCF-financed activities \(greencimate.fund\)](#)

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
ESS 3: Resource Efficiency and Pollution Prevention	(-) Project activities might lead to environmental risks of fires through involuntary promotion of slash and burn practices.	Sub-activity 1.1.2.3: Identification and mapping of agricultural land allocated to slash-and-burn practices by Indigenous Peoples (IPs) forestry & agriculture practices, investment into sustainable supply chains and sustainable sourcing practices	Low	Yes.
ESS 3: Resource Efficiency and Pollution Prevention	(-) Project activities might lead to environmental risks through: - indirectly increased use of pesticides and other chemical products in intensified community or smallholder farming and agriculture - indirectly increased chemical waste from intensified fish food production	<u>Sub-activity 1.3.1.1:</u> Establish a dedicated grant mechanism for Indigenous Peoples (IPs) for climate-smart agriculture and sustainable forest management. <u>Sub-activity 2.1.1.1:</u> Design of a sustainable land and forest-based business model <u>Sub-activity 2.1.2.1:</u> Improved capacities to implement resilient and sustainable smallholder farming. <u>Sub-activity 3.2.1.5:</u> Developing climate-resilient aquaculture infrastructure for coastal communities	Low-Medium	yes

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
ESS 4: Community Health, Safety, and Security	(-) Potential social conflict and jealousy might arise between villages and communities as not all will receive assistance from the programme	<p>Sub-activity 2.1.1: Design of a sustainable land and forest-based business model</p> <p>Activity 2.2.1: Improved capacities to implement resilient and sustainable smallholder farming.</p> <p>Sub-activity 3.1.4.3: Rehabilitation of degraded areas in APL (peat and mangrove areas) and establishment of agroforestry plots</p> <p>Sub-activity 3.1.4.4: Improve community-based forest management practices, include improve sustainable and alternative livelihoods, climate change and disaster awareness, fire mitigation (...)</p> <p>Sub-activity 3.2.2: Develop and strengthen Social Forestry business units (KUPS) to establish, improve, and expand market, supply chain, and value-added communities' products (...)</p>	Medium	Yes

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
ESS 5: Land Acquisition and Involuntary Resettlement	(-) The loss of livelihood through rehabilitation of degraded areas in APL and peat and mangrove areas might aggravate the socio-economic conditions of local impoverished communities and provoke social conflicts in the project areas.	Sub-activity 3.1.1.4: Support FMU Organizations in five target Regencies in implementing climate-informed RPHJP and RPHJPd through the development of information systems and enhanced forest management practices. Sub-Activity 3.2.1.4: Forest restoration and rehabilitation of mangrove and peat forest ecosystems.	Low - Medium	Yes
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Environment: (-) The promotion of agriculture may cause impacts on the habitats of endemic species of West Kalimantan (such as Orangutan, Proboscis Monkey) which might lead to a loss of biodiversity. (-) Increased sales of estate crops products may lead to potential forest encroachment by farmers and risk to biodiversity.	Sub-activity 1.2.1.1: Identify areas and develop management plans for High Biodiversity and Carbon Areas within non-state forest land across West Kalimantan Province. Sub-activity 1.2.1.2: Develop and strengthen regulations at provincial and district levels, to govern the protection and sustainable management of the High Biodiversity and Carbon Areas. Sub-activity 1.2.1.4: Support and monitor the management plan implementation for High	Low	Yes.

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
		<p>Biodiversity and Carbon Areas.</p> <p>Sub-activity 2.1.1.1: Design of a sustainable land and forest-based business model</p> <p>Sub-activity 2.1.2.1: Improved capacities to implement resilient and sustainable smallholder farming</p> <p>Sub-activity 3.2.1.2: Develop and strengthen Social Forestry (SF) business units (KUPS) to establish, improve, and expand market, supply chain, and value-added communities' products, including the creation of KUPS models and capital supports</p>		

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
ESS 7: Indigenous Peoples & GCF Indigenous Peoples Policy	<p>(-) Social conflicts may arise among relevant stakeholders in FMU areas and indigenous peoples' land and forest land under social forestry program (for example participatory land-use planning and management plans for different forest types), furthermore potentially resulting in unintended negative livelihood impacts.</p> <p>(-) Due to insufficient recognition of adat communities, the involvement of indigenous people might be limited.</p>	<p>Sub-activity 1.3.1.1: Implement an on-granting programme focusing on Indigenous Peoples(IPs) in West Kalimantan</p> <p>Sub-activity 2.1.1.1: Design of a sustainable land and forest-based business model</p> <p>Sub-activity 3.2.1.1: Develop and implement SF management plans and support new SF permit proposal for local communities.</p> <p>Sub-Activity 3.2.1.2: Develop and strengthen SF business units (KUPS) to establish, improve, and escalate market, supply chain, and value-added communities' products, including the creation of KUPS models and capital supports.</p> <p>Sub-Activity 3.2.1.3: Capacity building for SF permit holders</p> <p>Sub-Activity 3.2.1.6: Accelerate and enable access to potential financial streams for climate change mitigation</p>	Medium	Yes

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
		<p>(e.g. REDD+) and adaptation (...)</p> <p>Sub-Activity 3.2.1.8: Direct investments to KUPS (village communities) to implement social forestry licenses to contribute to sustainable management of forest land</p>		
ESS 8: Cultural Heritage	<p>(-) In some areas people's access to areas for the exercise of cultural heritage, especially of an intangible nature, might potentially be affected, if there is a change in land use, or if any of their lands are overlapped with the social forestry licenses. Potential conflicts between companies and communities could theoretically arise during identification and management of HCV areas.</p>	<p>Sub-activity 1.2.1.1: Identify areas and develop management plans for High Biodiversity and Carbon Areas within non-state forest land across West Kalimantan Province.</p> <p>Sub-activity 1.2.1.2: Develop and strengthen regulations at provincial and district levels, to govern the protection and sustainable management of the High Biodiversity and Carbon Areas.</p> <p>Sub-activity 1.2.1.3: Increase stakeholders' capacities (i.e. companies, communities, provincial and districts governments) in implementing</p>	Medium	Yes

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
		<p>the management plan for High Biodiversity and Carbon Areas within non-state forest land.</p> <p>Sub-activity 1.2.1.4: Support and monitor the management plan implementation for High Biodiversity and Carbon Areas.</p> <p>Sub-activity 2.1.1.1: Design of a sustainable land and forest-based business model</p>		

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
ESS 9: Stakeholder engagement and information disclosure	<p>(-) Lacking acceptance of the policies at regency and provincial levels as a result of insufficient involvement and consultation of relevant stakeholders, amongst them (1) Policies on protecting the high biodiversity and carbon areas in Non- State Forest lands (APL) and the (2) regulatory frameworks at provincial level as part of the programs and activities implementation of REDD+ and FOLU Net Sink 2030 policies.</p> <p>(-) The lack of previous experiences by FMUs with this kind of engagement may create a considerable risk for unsustainable business endeavours (focusing largely on rent seeking from existing informal extraction of timber and/or non-timber products).</p>	<p>Sub-activity 1.1.2.1: Align the provincial REDD+ policies with the current national mitigation policies and regulations.</p> <p>Sub-activity 1.2.1.2: Develop and strengthen regulations at provincial and district levels, to govern the protection and sustainable management of the High Biodiversity and Carbon Areas.</p> <p>Sub-activity 3.1.1.2: Supporting FMU Organizations in five target Regencies to receive the status of “Effective FMU Organization”.</p>	Low	Yes
ESS 10: Financial intermediaries	<p>(-) In case the number of beneficiaries is too large and BPDH has limited capacities to monitor and disburse the fund, intermediary agencies might be recruited by BPDH If the agencies are insufficiently skilled and experienced in funding management, possible leakages, less transparency and accountability might occur.</p>	<p>Sub-activity 1.3.1.1: Implement an on-granting programme focusing on Indigenous Peoples (IPs) in West Kalimantan</p> <p>Sub-activity 3.2.1.8: Direct investments to KUPS (village communities) to implement social forestry licenses to contribute to sustainable management of forest land.</p>	Low	Yes

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
ESS 11: Sexual Exploitation, Abuse and Harassment (SEAH)	(-) risks of sexual abuse, exploitation and harassment (SEAH) exist in the context of project-supported training and capacity building support, agricultural service provider activities (regarding both potentially exploitative relationships with small holder farmers and contacts between service provider staff and members of the public), and Forest Management Unit (FMU) staff supporting communities in implementing social forestry (see also Gender Assessment in Annex 8a).	<p>Sub-activity 1.1.1.2: Capacity building and implementation support related to climate change adaptation for stakeholders at provincial, regency and village level</p> <p>Sub-activity 2.1.2.1: Improved capacities to implement resilient and sustainable smallholder farming</p> <p>Sub-activity 2.1.2.2: Climate-resilient commodity and agroforestry scaled with improved market access</p> <p>Sub-activity 3.1.1.3: Capacity building for FMU and UPT Organizations to strengthen capacities and implement climate-informed RPHJP and RPHJPd</p> <p>Sub-activity 3.1.2.2: Community-based management and conservation of peatland systems in targeted landscapes</p> <p>Sub-activity 3.2.1.3: Capacity building for permit holders of</p>	High	Yes

ESS	Risk of negative impact	Related project (sub-) activity	Assumed Risk mitigation effectiveness (High, Medium, Low)	ESS triggered? (In-depth assessment necessary?) (Yes or No)
		SF and other legal CBFM schemes		

Table 22. GIZ's standards to the proposed Project

GIZ Standards	ESS triggered? (In-depth assessment necessary?) (Yes or No)	Assumed Risk mitigation effectiveness (High, Medium, Low)	Description of ER Risk
GIZ Sustainability Policy	Yes	Medium	Identical to ESS 1. See Table 21 above for details.
GIZ Safeguard Environment	Yes	Medium	Identical to ESS 6 (low risk), ESS 4 (medium risk) and ESS 8 (medium risk). See Table 21 above for details.
GIZ Safeguard Climate Change	CCM ⁵⁴ : No CCA ⁵⁵ : Yes	Medium	ES Risk: Climate change can potentially lead to: <ul style="list-style-type: none"> • Wet season and annual precipitation increase • Temperature increased hotspots increased (potential uncontrolled forest fires increased if not managed properly)⁵⁶ • Dry season precipitation decrease • Wet season runoff increase

⁵⁴ CCM stands for "Climate Change Safeguard: Mitigation of Greenhouse Gas emissions".

⁵⁵ CCA stands for "Climate Change Safeguard: Adaptation to the Impacts of Climate Change"

⁵⁶ https://jurnal.lapan.go.id/index.php/jurnal_inderaja/article/view/1609/1447

GIZ Standards	ESS triggered? (In-depth assessment necessary?) (Yes or No)	Assumed Risk mitigation effectiveness (High, Medium, Low)	Description of ER Risk
			<ul style="list-style-type: none"> • Potential for increased flooding (215 floods happened during the period 1998 – 2021 in West Kalimantan⁵⁷), and • High precipitation poor pollination and less photosynthesis, therefore: • Agricultural productivity decreased and; • Existing food scarcity aggravated <p>Risk assessment: Climate change related risks to the project are assessed as medium, because:</p> <ul style="list-style-type: none"> • Impact on forests likely medium. • Impact in relation with precipitation and water availability on agriculture and food security likely low <p>Potential measures: For forest ecosystems:</p> <ul style="list-style-type: none"> • Include climate-induced stressors in forest monitoring under social forestry program (Output 3) • As part of management plans, the project supports FMU in forest rehabilitation in APL including peat and mangrove inventory as a baseline to support government developing peat and mangrove protection and management plan <p>For agriculture:</p> <ul style="list-style-type: none"> • Minimize uncontrolled fires by enforcing implementation of PERDA No.1.2022 on agriculture land clearing with adopting local wisdom • Capacity building and training on climate agriculture practices

⁵⁷ <https://jurnal.untan.ac.id/index.php/jpfu/article/view/51589/pdf>

GIZ Standards	ESS triggered? (In-depth assessment necessary?) (Yes or No)	Assumed Risk mitigation effectiveness (High, Medium, Low)	Description of ER Risk
			<ul style="list-style-type: none"> Support climate agriculture business models and to strengthen Multi-Stakeholder Forum (MSF) in order to increase government staff capacity to promote sustainable agricultural production.
GIZ Safeguard Conflict & Context Sensitivity	Yes	Low - Medium	<p>Based on the latest article on conflict management in West Kalimantan⁵⁸, there is a rare social conflict between two native ethnicities, Dayaks and Malays. The conflicts had only occurred between native ethnics (either Dayaks or Malays) and migrants. It happened in 1996 (between Dayaks and Madurese) and 1999 (between Malays and Madurese). In the period between 1994 and 2018, in West Kalimantan alone, a total of 69 conflicts occurred between local communities and companies over the establishment and management of palm oil plantations⁵⁹.</p> <p>See also ESS 5.</p> <p>Potential Measures:</p> <ul style="list-style-type: none"> Allocate budget to hire professional mediators with a trained capacity for conflict mediation that are much more effective in resolving palm oil conflicts. Mediation allows communities to participate in decision making and better accommodates traditional land claims.
GIZ Safeguard Human Rights	Yes	Medium	<p>No record for violating human rights occurred in West Kalimantan. However, since West Kalimantan has experienced conflicts (especially land conflicts in palm oil plantation), violation of human rights might happen. Violation of human rights still exists outside of</p>

⁵⁸ Maisondra. [Conflict Management In West Kalimantan Prediction, Ethnic Grouping Patterns When Conflicts Happened](#), 2020. Palarch's Journal Of Archaeology Of Egypt/Egyptology 17(4), 663-673. ISSN 1567-214x.

⁵⁹ https://drive.google.com/file/d/1QZp-7h3oe0RRkCXbi1snDuJ8ybOc_L2z/view

GIZ Standards	ESS triggered? (In-depth assessment necessary?) (Yes or No)	Assumed Risk mitigation effectiveness (High, Medium, Low)	Description of ER Risk
			<p>West Kalimantan. Based on Indonesia 2022 Human Right Report⁶⁰, in 2021 security personnel from PT Toba Pulp Lestari clashed with thousands of residents in Toba Regency, North Sumatra, who protested the company's activities on what they claimed was Indigenous land. In August police forced their way through a barricade erected by protesters and opened fire using rubber bullets.</p> <p>Potential measures:</p> <ul style="list-style-type: none"> ○ Support Regional West Kalimantan Task Force on Business and Human Rights ○ Provide capacity building on introduction of business and human rights to small holder farmers in 5 target districts in relation to upscale low emissions business models <p>Human rights-relevant aspects have been examined under:</p> <p>ESS 2: Labour & Working Conditions (ES risk: low)</p> <p>ESS 4: Community Health, Safety & Security (ES risk: medium)</p> <p>ESS 5: Land Acquisition & Involuntary Resettlement (ES risk: Low-Medium)</p> <p>ESS 6: Biodiversity Conservation & Sustainable Management of Living Natural Resources (ES risk: low)</p> <p>ESS 7: Indigenous People (ES risk: medium)</p> <p>ESS 8: Cultural Heritages (ES risk: medium)</p> <p>In summary, the risk classification of GIZ's safeguard "Human Rights" is medium.</p>

⁶⁰ https://www.state.gov/wp-content/uploads/2023/02/415610_INDONESIA-2022-HUMAN-RIGHTS-REPORT.pdf

GIZ Standards	ESS triggered? (In-depth assessment necessary?) (Yes or No)	Assumed Risk mitigation effectiveness (High, Medium, Low)	Description of ER Risk
GCF & GIZ Gender Policy	Yes	n/a	Promotion of gender equality and gender equity must be applied as stated in the Policy. A separate Gender Assessment and Gender Action Plan addressed this in detail.
GCF Independence Redress Mechanism/GRM	Yes	n/a	Given the number of different ethnic groups, must be applied in a way suitable to their cultures and that ensures access to all people. Anonymity must be assured.

In summary, Table 21 and Table 22 show an overview and discussion of the GIZ's pre-assessment of possible negative impacts triggered by the proposed project. All proposed activities trigger potential risks of negative impacts (ESS 1 – 10) with variation from low, low-medium, and medium. The possible negative impacts need to be addressed through the proposed measures in order to minimize the risks to the project. Table 23 provides the summary of the selected activities that might contribute to the possible negative impacts.

Table 23: Proposed Activities that might contribute to the potential negative impacts

	Proposed Sub-Activities	ESS	Risk Level
Component 1: Strengthening institutional and regulatory frameworks for sustainable and climate-resilient forest and landscape management			
1.1.1.4	Monitoring and reporting of adaptation activities	ESS 1	Medium
1.1.2.1	Align the provincial REDD+ policies with the current national mitigation policies and regulations	ESS 9	Low
1.1.2.3	Support creation of enabling conditions for mitigation activities <ul style="list-style-type: none"> ➤ Identification and mapping of agricultural land allocated to slash-and-burn practices by Indigenous Peoples (IPs) 	ESS 3	Low-Medium
1.1.2.4	Monitoring and reporting of mitigation activities	ESS 1	Medium
1.2.1.1	Identify areas and develop management plans for High Biodiversity and Carbon Areas within non-state forest land across West Kalimantan Province.	ESS 6 ESS 1 ESS 8	Low Medium Medium
1.2.1.2	Develop and strengthen regulations at provincial and district levels, to govern the protection and sustainable management of the High Biodiversity and Carbon Areas.	ESS 6 ESS 8 ESS 9	Low Medium Low
1.2.1.3	Increase stakeholders' capacities (i.e. companies, communities, provincial and districts governments) in implementing the management plan for High Biodiversity and Carbon Areas within non-state forest land	ESS 8	Medium
1.2.1.4	Support and monitor the management plan implementation for High Biodiversity and Carbon Areas.	ESS 6 ESS 8	Low Medium
1.3.1.1	Implement an on-granting programme focusing on Indigenous Peoples (IPs) in West Kalimantan	ESS 7 ESS 10	Medium Low
1.3.1.1	Implement an on-granting programme focusing on Indigenous Peoples (IPs) in West Kalimantan	ESS 3 ESS 10	Low – Medium Low
Component 2: Scaling up climate-resilient and low emission agricultural and agroforestry practices and unlocking private sector investments			
2.1.1.1	Design of a sustainable land and forest-based business model	ESS 3 ESS 4 ESS 7 ESS 8	Low - Medium Medium Medium Medium
2.1.2.1	Improved capacities to implement resilient and sustainable smallholder farming	ESS 3 ESS 4 ESS 6	Low – Medium Medium Low
2.1.3.1	Establish commodity-based platform at district level and engage with provincial, national and international MSPs to promote dialogue on sustainable forestry & agriculture practices, investment into sustainable supply chains and sustainable sourcing practices	ESS 3 ESS 6	Low – Medium Low
Component 3: Implementing community-based Forest and Landscape Management across 500,000 ha			

	Proposed Sub-Activities	ESS	Risk Level
3.1.1.4	Support FMU Organizations in five target Regencies in implementing climate-informed RPHJP and RPHJPd through the development of information systems and enhanced forest management practices.		
	<ul style="list-style-type: none"> Strengthen law enforcement to protect FMU areas from illegal logging, forest and land fires, wildlife poaching, and other activities that lead to deforestation and degradation. 	ESS 2	Low
	<ul style="list-style-type: none"> Rehabilitation of degraded areas in APL (peat and mangrove areas) and establishment of agroforestry plots 	ESS 4	Medium
	<ul style="list-style-type: none"> Improve community-based forest management practices, include improve sustainable and alternative livelihoods, climate change and disaster awareness, fire mitigation through the development of Fire Group, etc. 	ESS 4 ESS 5	Medium Low - Medium
	<ul style="list-style-type: none"> Improve stakeholder coordination and activity alignment on a landscape level (between FMUs, forestry license holders, Social Forestry license holders) through adapting the Integrated Area Development (IAD) approach 	ESS 5	Low - Medium
3.2.1.1	Develop and implement SF management plans and support new SF permit proposal for local communities	ESS 7	Medium
3.2.1.2	Develop and strengthen Social Forestry business units (KUPS) to establish, improve, and expand market, supply chain, and value-added communities' products, including the creation of KUPS models and capital supports	ESS 4 ESS 6	Medium Low

4.2 ESS 1: Assessment and management

All proposed activities that have environmental and social risks and impacts trigger ESS1. The standard emphasizes the necessity to manage and monitor the environmental performance of the project throughout its lifetime, requiring a dynamic and robust environmental and social management system.

The potential risk under ESS 1 for the project is the potential lack of human capacities, skills and experiences in monitoring, assessing, managing, and reporting environmental and social risks and impacts.

The environmental and social risk associated with implementing the project is assessed as **low** (see Table 21).

However, the ESMP implementation risks can readily be addressed, and best practices are available. Since the project is of long duration (seven years) its concept allows for participatory, consent-based and adaptive approaches, any lessons learned gained by the project shall be taken account for improvement.

4.2.1 Assessment

Assessment of Project Risks on Climate

Generally, the project will mainly have positive social and environmental impacts, but if not managed adequately, it can have unintended negative impacts (ES risks) in the context of working with Indigenous Peoples, migrants, land use planning, influencing regulated and customary land-use, and in the agricultural sector for example the not-project-financed use of herbicides and pesticides, and in forestry sector mostly related to tenurial rights inside social forestry permits. The risks are considered as **low**.

Assessment on Conflicts and Violation of Human Rights

The proposed activities on identification and development of high biodiversity and carbon areas within non-state forest lands across West Kalimantan (Output 1.2.1) might affect tenurial rights of communities and indigenous people that result in unintended negative livelihoods impacts. Insufficient knowledge and experiences of culture, tenure, and religious values of the communities and indigenous people, including communication skills and consultations could lead to misunderstanding of the proposed project by the relevant stakeholders. It might cause social conflicts.

West Kalimantan had experiences on ethnic conflict occurred in 1996 and 1999. However, there is a rare social conflict between two native ethnicities, Dayaks, and Malays. The conflicts had only occurred between native ethnics (either Dayaks or Malays) and migrants. It happened between Dayaks and Madurese in 1996 and between Malays and Madurese in 1999⁶¹. In addition, between 1994 and 2018, a total of 69 conflicts between local communities and companies over the establishment and management of palm oil plantations occurred in West Kalimantan⁶².

Conflicts between communities and oil palm companies in Kalimantan occurred in the past. Some conflicts leading to violation of human rights outside West Kalimantan province were recorded. Based on Indonesia 2022 Human Right Report⁶³, in 2021 security personnel from PT Toba Pulp Lestari clashed with thousands of residents in Toba Regency, North Sumatra Province, who protested the company's activities on what they claimed was Indigenous land. In August 2021 police forced their way through a barricade erected by protesters and opened fire using rubber bullets.

⁶¹ Maisondra. [Conflict Management In West Kalimantan Prediction, Ethnic Grouping Patterns When Conflicts Happened](#), 2020. Palarch's Journal Of Archaeology Of Egypt/Egyptology 17(4), 663-673. ISSN 1567-214x.

⁶² https://drive.google.com/file/d/1QZp-7h3oe0RRkCXbi1snDuJ8ybOc_L2z/view

⁶³ https://www.state.gov/wp-content/uploads/2023/02/415610_INDONESIA-2022-HUMAN-RIGHTS-REPORT.pdf

No records for human rights violation exist for West Kalimantan, however. Furthermore, the project's focus is on securing land tenure and bringing transparency into land use, thereby reducing the risk for conflicts. Thus, the risk of social conflicts due to the proposed project is considered as **low**. As mitigation measure the successfully-proven settling mechanism of Conflict Resolution Desks will be upscaled from Kapuas Hulu Regency to the other four target regencies.

4.2.2 Impact rating: (low, middle, high)

The proposed project under assessment ESS 1 is **low**. The climate risks from the project are categorized as **low**. The risk of social conflicts to the project is **low**. Overall, the impact rating is **low**.

Unintended negative impacts

None anticipated. The project support on agriculture generally does not contribute to expanding agriculture, but improves skills, diversification, and efficiency for using existing agricultural lands in a sustainable. Sustainable forest management (SFM) under social forestry scheme will not contribute to diminishing resilience or adaptive capacity.

4.2.3 Mitigation and management measures

Overall assessment under ESS1, the project needs to allocate budget for and hire a dedicated Environment and Social safeguards team consisting with an adequate number of ES specialists including sufficient qualifications to manage the different ES risks identified for the project (in particular stakeholder engagement, indigenous peoples, environmental, safety and health, ESMP implementation, monitoring and learning).

Since the proposed project is dealing with promotion of sustainable management practices in forest and land-use in selected five districts of West Kalimantan, capacity buildings for project staff and relevant stakeholders (particularly for community/farmers and indigenous people) are necessary required, including FMU staff on recognition of the indigenous people's rights and cultural heritages and values inside State Forests under social forestry scheme. Regular and comprehensive monitoring conducted within the framework of the project at local level, including with various ethnic groups in order to benefit from their knowledge, can lead to early detection, follow-up and the identification of suitable management practices/adjustments as necessary.

In addition, the project team should include a qualified staff member responsible for monitoring the impact of the project and implementation of the Environmental and Social Management Plan (ESMP), including climate change related risks.

Other mitigation measures to minimise the risks are as follows:

- FPIC processes should be initiated and maintained throughout the lifetime of the project with all participating villages, affected ethnic groups and other stakeholders prior to the implementation of any activities.
- Consultations and public awareness on Project should be conducted regularly to relevant stakeholders mainly to communities (and vulnerable groups). Explanation of potential benefits and its procedures/mechanisms to relevant stakeholders should be disseminated and consulted.
- Regular dialogues and meaningful consultations at local level to identify emerging problems shall be continuously conducted.
- Communication skills for field facilitators should be improved so that conflict and misunderstanding on tenurial issues can be avoided.
- Project grievance mechanism should be provided and available in order to deal with complaints and issues that may arise as a result of the project; including national

grievance mechanisms in project communication; ensuring with the guidelines, policies or laws of Government of West Kalimantan.

- Ensuring existing national and sub-national laws/regulations related to cultural heritage are fully respected, especially when designing HCV areas and developing sustainable land and forest-based business model with communities.
- Ensuring all information on project activities are easily accessible and in appropriate ethnic languages.

4.3 ESS 2: Labour and working conditions

The standard for labour and working conditions aims to understand how the project management treats their workers fairly, providing safe and healthy working conditions, avoiding the use of child or forced labour, and identifying risks in their primary supply chain.

The objectives are as follows:

- To promote the fair treatment, non-discrimination, and equal opportunity of workers.
- To establish, maintain, and improve the worker-management relationship.
- To promote compliance with national employment and labour laws.
- To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain.
- To promote safe and healthy working conditions, and the health of workers.
- To avoid the use of forced labour.

International recognition on economic, social and culture rights first occurred in 1948 through the adoption of Universal Declaration of Human Rights (UDHR) by the General Assembly of the United Nation. On its development, in 1966 General Assembly of the United Nation adopted the International Covenant on Economic, Social and Cultural Rights (ICESCR). Besides the UDHR and ICESCR, multilateral agreements adopted by the General Assembly of the United Nations related to the human rights protection include: Convention on the Rights of the Child (CRC); The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICRMWF); The Convention on the Elimination of All Forms of Racial Discrimination (CEARD); The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW); The International Covenant on Civil and Political Rights (ICCPR).

Furthermore, nations which adopt these international conventions have two obligations. First, adopting the ratified agreement into their legislation, Second, obligation to take various measures and regulation to carry out the responsibility to respect and to protect, and to fulfil human rights.

In addition, Indonesia has ratified ICESCR and ICCPR on 30 September 2005. In October 2005, House of Representative (DPR) issued UU no 11/2005 regarding the International Covenant on Economic, Social and Cultural Rights and UU No. 12/2005 on International Covenant on Civil and Political Rights.

Regarding the labour fundamental rights, Indonesia has ratified several conventions on International Labour Organization (ILO) as follows:

- Convention number 29 regarding the Abolition of Forced Labour
- Convention number 87 regarding the Freedom of Association and Protection of Rights to Organize
- Convention number 98 regarding the Rights to Organize and Conduct Collective Bargaining
- Convention number 100 regarding the Equal Remuneration for men and women
- Convention number 105 regarding the Abolition of Any Form Forced Labour

- Convention number 111 regarding the Discrimination on Employment and Occupation
- Convention number 138 regarding the Minimum Age to be allowed to work
- Convention number 182 regarding the Abolition of Worst Form of Child Labour

Since those ILO's conventions have been ratified, then Indonesian Government including Government of West Kalimantan particularly in forestry/land-based sector has consequences to do as follows:

- Respect the fundamental rights of the labours, including the freedom of speech, collective bargaining and rights to strike.
- Practice the ethical recruitment by not charging any fee to the labours for the job and not confiscating their passports or any of their identity documents.
- Abolish the steersman of child labour, including the unrealistic high harvesting quota that requires the workers to bring their children to work,
- Practice the responsible work ethic by employ the workers directly on regular contract, written and limit the practice of casual daily labours and sub-contractor for non-core plantation work which is temporary and seasonal.
- Ensure the labour right to occupational health and safety by banning the hazardous pesticide and provide them free adequate protective equipment.
- Commit to the reasonable working hours and development of the living wages payment.
- Establish a legitimate, accessible, and transparent complaint mechanism consistent with the United Nations Guiding Principles on Business and Human Rights; and
- Commit to transparency and disclosure of the labours data and the meaningful plantation process.

4.3.1 Assessment

Since 1975 GIZ as one of project Executing Entities (EEs)⁶⁴ has strongly worked and engaged with Government of Indonesia, the available working office space at provincial and district level are not considered to be an issue. GIZ will ensure that the office facilities such as sanitation facilities, working space, and meeting rooms will be provided through sub-national government office's arrangements. GIZ will also follow and adopt the international and national labour rights and policies to the project implementation including hours of work, wages, overtime, compensation, and benefits. Opportunities for women and members of vulnerable groups to work with the project implementation will be openly promoted. The risk of indecent working conditions is considered to be low.

On the other hand, there is a risk of physical contacts during the project implementation such as enforcing laws and regulations done by government officers (FMU staff). The proposed project under sub-activity 3.1.1.4 – "Strengthen law enforcement to secure FMU areas from illegal logging, forest and land fires, wildlife poaching, and other activities lead to deforestation and degradation" will cause possibly physical contacts between FMU forest rangers and poachers/illegal loggers. However, project staff directly employed by the project will not be involved in law enforcement operations. Project staff will be in capacity building, advisory and management positions. With such circumstances, FMU staff needs to be supported by strengthening their investigation practices and protocols so that physical contacts could be avoided.

4.3.2 Impact rating: (low, middle, high)

The risk level of labour and working conditions to the proposed project is **low** since the Government of Indonesia including Government of West Kalimantan has adopted International and national labour rights. In order to maintain and improve the performance of

⁶⁴ The Executing Entities of the Project are GIZ, BPD LH and Solidaridad.

project staff, the project management policies shall be in line with the standard operating procedures and apply for all staff directly engaged with the project by GIZ.

4.3.3 Mitigation and management measures

- Provide Capacity Building for the project staff in relation to their roles and responsibilities in the project. A capacity needs assessment needs to be conducted in order to ensure that there is a clear and tailored strategy to build the needed capacities to support project implementation. Where possible the project needs to promote the institutionalization of trainings, building on detailed documents, manuals, and curricula, including training of trainers, to enable this knowledge to be effectively passed on and stored by various institutions.
- A clear and robust human resources management framework needs to be established to enable efficient and effective project implementation.
- Provide accessible information on rights under national labour and employment policies including rights related to hours of work, wages, overtime, compensation, and benefits.
- Provide opportunities for women and members of vulnerable groups to work with the project where possible.
- Conduct training on safety procedures.
- Make drinking water and sanitation facilities available to workers whenever possible.
- Require medical certificate to ensure that staff is fit to work in various work conditions of the project.
- Expressively forbid no child labour
- Available safety operational procedures for all project activities that may pose risks to people or equipment including for GoWK partners and other stakeholders involved in project implementation.
- Ensure that project management policies are in line with GIZ standard operating procedures and national laws and apply for all staff directly engaged with the project.

For physical contacts during law enforcement:

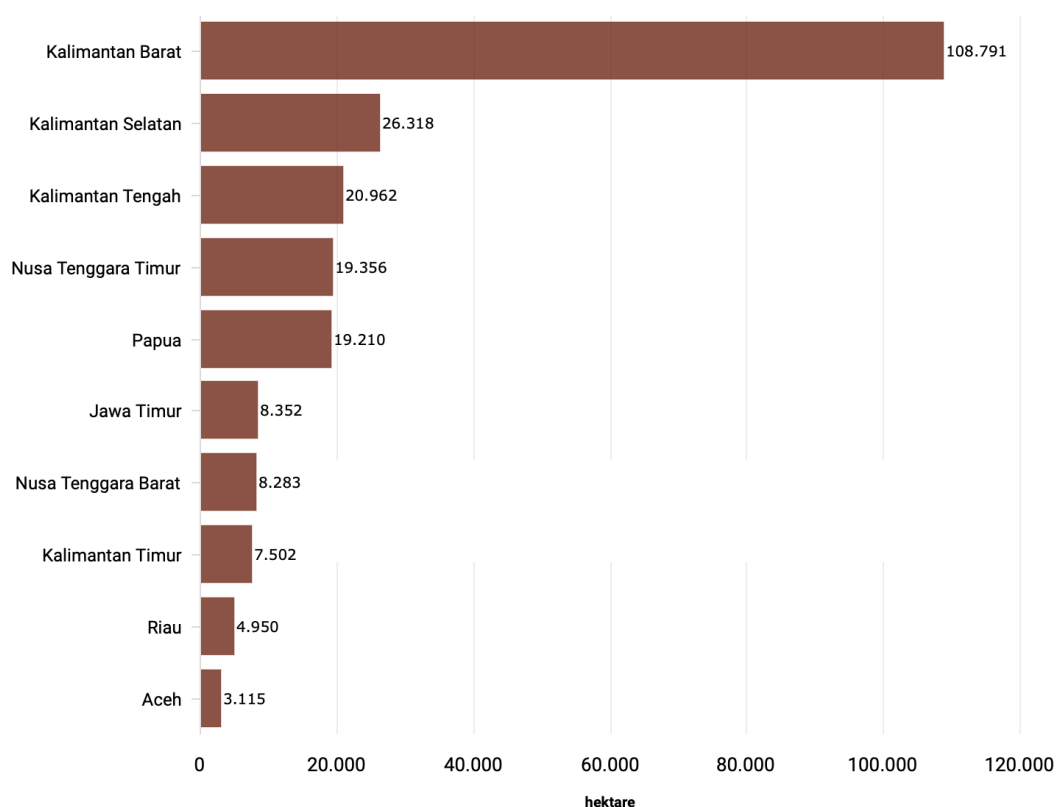
- FMU Staff supporting the implementation activities related to law enforcement to be trained on civil servant investigation practices and protocols.
- Project staff directly employed by the project will not be involved in law enforcement operations.
- Project staff will be in capacity building, advisory and management positions.
- Support the procurement of forest patrolling equipment such as radio, GPS device, cameras, batteries, walkie-talkies, and drones.
- Available First Aid Kits at all times.
- During forest patrolling, use of personal protection equipment will be mandatory and adequate trainings will be provided.

4.4 ESS 3: Resource efficiency and pollution prevention

The proposed activities in the project that could generate emissions or discharge pollution into water and land, would be related to forest and land based managements. The uncontrolled use of chemical products in agriculture practices, for example, will have potential negative impacts to the lands. It needs capacity buildings including public awareness on the use of chemical products to the agricultural lands. If the use of agrochemicals cannot be avoided, then risk assessment on such chemical product must be conducted. The assessment aims to identify adequate measures to reduce health and environmental risks to acceptable levels.

The implementation of PERDA No.1/2022 related to agriculture land clearing or slash and burn needs to be monitored. Without any strong law enforcement, wildfires on forest and peat land might severely happen. From January to September 2023, the total area affected by fires reached 108.791 ha in West Kalimantan (**Error! Reference source not found.**). It puts West Kalimantan as the biggest area affected by forest and land fires in the country.

Figure 9: The highest 10 provinces that are affected by Forest and Land Fires during January - September 2023



Source: <https://databoks.katadata.co.id/datapublish/2023/09/05/area-kebakaran-hutan-di-kalbar-capai-1360-kali-luas-monas>

4.4.1 Assessment

Negative impacts stemming from the use of pesticides and fertilizers (paddies, agricultural production, livelihood activities) and water pollution, soil contamination are expected to be **low** as long as properly managed with standard solutions as part of the ESMP.

4.4.2 Impact rating: (low, middle, high)

The risk level of this ESS 3 is **low – medium**. The risk level is **low** if the negative impacts are properly managed. On the contrary, the impacts become severe (**medium** level) if not properly planned and managed. For example, the proposed activity on “Identification and mapping of agricultural land allocated to slash-and-burn practices” (sub-activity 1.1.2.3), needs to be closely monitored. Possibly resulting slash and burn activities shall be in line with the implementation of PERDA No 1/2022 related to agriculture land clearing with local wisdom. Otherwise, uncontrolled forest and land fires might happen and result in adverse impacts on people and/or environment with significant magnitude.

4.4.3 Mitigation and management measures

The mitigation and management measures under the ESS-3 are as follows:

- staff training on ESMP to ensure regular monitoring and compliance by the team, overseen by the project ESGI officer
- Regarding the mapping of Slash-and-burn areas:
- Provide accessible information on heat index for communities in the villages so that fires on slash and burn practices could be controlled.
- Ensure implementation of PERDA No 1/2022 related to agriculture land clearing under inclusion of local wisdom.
- Regarding agro-chemicals/pesticides:
- the Project will support an integral pest management approach and follow GIZ’s “Procurement policy for agrochemicals, pesticides and mineral fertilisers”
- GIZ policies prohibit pesticide purchase. None of the project’s EEs will use or nor support the procurement of agrochemicals.
- Provide blacklisting support to selected crops where extensive negative impacts from agrochemicals are widely documented (oil palm).
- Provide capacity building and awareness raising for villagers, farmers, partners and trainers/ extension staff on the hazards and responsible use of agro-chemicals/pesticides prior to implementation of sustainable agriculture land and forest-based investments to prevent groundwater and surface water resources being contaminated with chemical products/pesticides.
- Promote the use of good practices for integrated pest management (the project will only promote no-pesticide farming practices including a range of integrated tools for plant protection taking into account climate change effects on pests and diseases).⁶⁵
- For potential sub-projects:
- Annually monitoring of compliance with environmental and social safeguard including all measures included in the management plans/proposals and agreements
- a question linked to pesticides/agrochemicals in the checklist for ESS risk screening of potential sub-projects will be ensured
- All grant recipients will have to sign a formal declaration prior to receiving any funds that they will not purchase any pesticides with these funds and that eligibility of related activity costs will be refused in case of infringement.

⁶⁵ <https://www.giz.de/en/downloads/giz2018-en-IPM-guideline-web.de.pdf>
<https://www.iied.org/sites/default/files/pdfs/migrate/9293IIED.pdf>

4.5 ESS 4: Community health, safety and security

4.5.1 Assessment

Adverse impacts on community health and safety that could result from agricultural practices and forest management and involve public nuisances are generally considered as of **minor significance** and manageable with standard solutions. However, these activities could cause **moderately significant** impacts to the environment such as uncontrolled forest fires if they are not properly managed.

One key criterion for the site selection will be the scale of land tenure and conflict potential, to ensure that investments will not be implemented in areas where territorial land disputes are considered as not solvable. The activities for supporting sustainable land and forest-based business model, however, may stir or exacerbate intra- and intercommunal conflicts among groups or individuals and may have impacts of moderate-substantial significance on public safety.

The potential of conflicts between and within communities might happen as not all communities will have the opportunity to be reached by the project. Misinformation about the project might also happen if engagement and consultations with communities is insufficient. Not all communities receive assistances and supports from the project such as provision of sustainable alternative livelihoods.

The other proposed activities that might have risks on this standard include rehabilitation of degraded areas in APL (peat and mangrove areas), improvement of community-based forest management practices, improvement of sustainable and alternative livelihoods, climate change and disaster awareness, and fire mitigation through the development of Fire community-based Group.

As a mitigation measure the application of participatory mapping of land use and borders/ PLUP/Social Forestry Mechanisms is foreseen to clarify and demarcate land tenure within and between villages and with appropriate village institutions. This needs to be accompanied by consultations and public awareness campaigns so that misinformation about the purpose of the participatory mapping and border demarcation will be avoided.

4.5.2 Impact rating: (low, middle, high)

The impact rating under this Standard is considered as **medium**. It has adverse impacts on people and/or environment of significant magnitude, spatial extent, and duration, (but still mostly temporary, reversible if managed properly). For example, potential social conflicts or social jealousy can be avoided if proper explanation and consultations of proposed project to communities and relevant stakeholders are continuously conducted.

4.5.3 Mitigation and management measures

- Conduct community consultation during the design of a business model.
- FPIC processes to be initiated and maintained throughout the lifetime of the project with all participating villages, affected vulnerable groups and other stakeholders prior to the implementation of any activity.
- Continue consultation and program dissemination to relevant stakeholders to avoid misinformation about the project.

4.6 ESS 5: Land acquisition and involuntary resettlement

4.6.1 Assessment

The proposed project in rehabilitation of degraded areas in APL and supporting peat and mangrove protection (sub-activity 3.2.1.4) might cause as potential impacts social conflicts related to land acquisition. If not well managed, the planting of mangroves in existing fishponds (although many of them having a low productivity and profitability) may constrain local communities' only livelihood, inadvertently aggravating the socio-economic conditions of impoverished populations. Fewer fishponds may lead to less labour demand, decreasing overall wage levels in the project sites (potentially even affecting wages in ponds that are not converted into mangrove forests). Consequently, specific project measures may inadvertently contribute to the marginalisation of specific groups, as alternative livelihood opportunities may – at least in the short-term - not be as profitable as fish/shrimp ponds. (Note: Difference in significance is related to the perceived importance of fishponds for communities and lack of alternative income opportunities)

In addition, activities focusing on conservation measures in existing mangrove forests (e.g. by strengthening the enforcement of demarcation, land-use and/or land-access rights in specific areas for social forestry program) may interfere with areas informally used for local subsistence farming/fishing, firewood collection. If not adequately managed, the loss of livelihood may aggravate the socio-economic conditions of local impoverished communities and provoke social conflicts in the project areas.

The sustainable conservation of mangroves requires the effective enforcement of existing laws and regulations by all institutions and actors involved. The long-term benefits of enhanced protection can only be assured if an effective monitoring & control system is established, allowing for the detection, processing, conflict prevention and effective penalization of legal violations (e.g. by oil plantation or fish-pond owners, timber companies, local politicians etc.). The influence of the project on resolving these overarching challenges is limited, creating a significant risk, that conservation measures implemented during the project may be reversed or disregarded after the project operations finish.

In terms of compensation claims, the communities and owners of palm oil plantations/aquaculture ponds might have the right under ESS 5 to seek compensation in case project interventions aiming for restoration or conservation lead to the restriction of communities' or concessionaires' current (formal/informal) business activities. If not properly managed, this could lead to legal disputes and potential reputation risks for GIZ/EE.

4.6.2 Impact rating: (low, middle, high)

The impact rating under this GCF Standard is assessed as **low-medium**. Few activities especially relate to rehabilitation, restoration and or protection in APL and could potentially have adverse impacts to people's livelihoods. If not well managed, then the impacts might become severe moderate significance.

4.6.3 Mitigation and management measures

- FPIC processes to be initiated and maintained throughout the lifetime of the project with all participating villages, affected vulnerable groups and other stakeholders prior to the implementation of any activities. If a potential loss of livelihood is expected, identified, or claimed the project will not intervene in the respective area. Thus, no basis for livelihood restoration/compensation is given.
- In private businesses concession areas, such as oil palm plantations, the project would intervene only within the province's existing regulatory framework on "procedures and mechanisms to conserve areas within private concessions" (PERGUB 60/2019), which obliges companies to conserve and/or rehabilitate certain part of their land. The project team will ensure that implementation occurs

only within the framework of the province government's law/regulation enforcement, so that no basis for compensation is raised for concession holders.

- Additionally, the following mitigation measures are planned:
- Increase public awareness on Program to relevant stakeholders mainly to communities including benefits that could be obtained by communities.
- Continue consultations with communities on forest management plan under social forestry programme.
- Land-use planning as well as developing or changing management plans to be conducted in participatory (PLUP) manner with local stakeholders always, taking into account the inclusion of vulnerable groups and gender balance.
- Regular dialogues and meaningful consultations at local level to identify emerging problems.
- Improve communication skills for field facilitators so that conflict and misunderstanding on tenurial issues can be avoided.
- Provide and ensure project grievance mechanism to deal with any complaints and issues that may arise as a result of the project.

4.7 ESS 6: Biodiversity conservation and sustainable management of living natural resources

4.7.1 Assessment

The proposed activity in Identification of areas and development of management plans for High Biodiversity and Carbon Areas within non-state forest land across West Kalimantan Province might provide adverse impacts to stakeholders' interests in those areas (APL). Restoration area for high biodiversity purpose in APL might restrict communities to access forest resources for their daily needs and consumptions (local subsistence farming) or firewood collections. If not adequately managed, the loss of livelihood may aggravate the socio-economic conditions of local impoverished communities and provoke social conflicts in the project areas.

Promoting timber plantation (monoculture system) and permanent agriculture may give impacts to the habitats for some endemic species of West Kalimantan (such as Orangutan, Proboscis Monkey) that might lead to reduced biodiversity. The forest areas that are allocated for Social Forestry scheme are habitats for some endemic species. The promotion of forest-based business models might disturb the habitat for those species. Some foods (fruits and leaves) for species daily consumption are threatened by competition with farmers who take their foods for commercial purposes. If the food supply is shortened, then the potential sustainability of species becomes endangered. However, any project activity that could have the potential to negatively impact on areas of ecological value or result in the conversion/degradation of natural habitats will be prohibited under the project.

4.7.2 Impact rating: (low, middle, high)

The impact rating of this Standard is assessed as **low**. Promoting timber plantation (monoculture system) and permanent agriculture may give impacts to the habitats for some endemic species of West Kalimantan. However, the project is not promoting timber plantation in social forestry scheme. Any allocated areas for agriculture practices will be assessed and require consent from community through FPIC process.

4.7.3 Mitigation and management measures

- During the participatory land use planning, it needs to be ensured that the existing biodiversity and ecosystem services are safeguarded.

- Develop and apply guidelines in consultative processes together with potential investors, farmers, and communities for biodiversity.
- Conduct continued consultations and monitoring at village and landscape level throughout the project.
- Provide capacity building and awareness raising for villagers, farmers, partners, and trainers/ extension staffs on the impacts of monoculture systems on biodiversity and habitats to endemic species of West Kalimantan
- Conduct monitoring of land-use changes
- The project will not promote the expansion of monoculture agriculture or timber plantations.
- Instead, all project activities will happen on land that is already under agricultural use or heavily degraded production forest.
- Train stakeholders about ecosystem services, to be aware of sensitive flora and fauna and to apply best practices for their protection and production.

4.8 ESS 7: Indigenous peoples

4.8.1 Assessment

Most of the targeted regencies are inhabited by indigenous people of West Kalimantan. The proposed project will intentionally work with customary communities and vulnerable groups that meet the characteristics of Indigenous Peoples as outlined in ESS 7. The significance of impacts on their traditional livelihoods is, hence, considered substantial in these areas.

Given the existence of traditional customary tribes in West Kalimantan, project interventions have to be designed and coordinated with customary communities in accordance with their traditions (and possibly the traditional “*adat*” laws, referring to the customary law of the indigenous people of Indonesia). Potential access restrictions to enhance conservation areas in APL, or restrictions regarding the use of natural resources in areas inhabited historically by customary communities would have to be diligently planned, implemented and monitored by E&S experts to ensure their ownership and participation in project design and implementation.

In the course of planning any project measure in areas of customary communities, all project members and partners have to recognize that traditional customary communities / indigenous peoples have their own understanding and vision of well-being, based on an intrinsic relationship to lands and traditional practices. Full adherence to FPIC principles is therefore important.

If participation in the project would come under the condition of acceptance of certain restrictions of access and use rights, these would have to be decided, negotiated, and agreed in a participatory manner by the communities themselves and in compliance with FPIC principles.

Potential conflict between customary communities'/indigenous peoples' land and forest land under social forestry program might happen where areas for social forestry licenses overlap with indigenous peoples' land resulting in unintended negative livelihood impacts and conflicts. The other conflict might occur due to social jealousy because not all villagers in the project site receives or participate in the project. Due to sometimes lacking *adat* recognition of communities, their involvement and participation as indigenous people in the project might be limited.

4.8.2 Impact rating: (low, middle, high)

The impact rating under this Standard is **medium**. Adverse impacts on vulnerable groups that can occur disproportionately due to certain groups' limited access to information and lack of participation in decision making or project activities, resulting in decisions that do not reflect

their interests and may weaken their economic or social position, or their access to resources. It has adverse impacts on people and/or environment of significant magnitude, spatial extent and duration, (but still mostly temporary and reversible, if managed properly)

4.8.3 Mitigation and management measures

- Provide capacity building of district and provincial service officers especially FMUs staff in recognition of indigenous people's rights inside State Forests under social forestry schemes.
- Develop Indigenous Peoples Plan (IPP) or Community Engagement Plan and/or dedicated ESMP that consist of information as follows:
 - Project area, components and activities and their potential impact on indigenous peoples
 - Affected indigenous peoples and their locations (land, territories, resources, etc.)
 - Vulnerable groups within the affected peoples (e.g. women and girls, the disabled and elderly, etc.)
 - Description of participation, consultation and FPIC processes taking needs of indigenous peoples into account
 - Summary of relevant legal framework – both national and international applicable to the project context
 - Extract findings and recommendations from other relevant social and environmental assessments and mitigation measures pertaining to potentially adverse impacts to indigenous peoples, their lands, resources and territories, the details and associated timelines for the planned measures to avoid, minimize, mitigate, or compensate for these adverse effects.
 - Provide description of measures to protect traditional knowledge and cultural heritage.
 - Grievance redress mechanism and procedures taking needs of indigenous peoples into account.
 - Institutional arrangements and roles and responsibilities for IPP or IP action implementation; and budget and timeline
- Ensure IP Action(s) and plans minimize, mitigates, and enables the project to compensate appropriately when project activities impact on indigenous people's rights, regardless of whether there is a legal recognition of land titles, resources, and territories.
- FPIC processes to be initiated and maintained throughout the lifetime of the project.
- Ensure existing national laws related to indigenous peoples are fully respected.
- The project should identify and offer financing measures that specifically enable the most vulnerable customary communities to have better access to land, technical support for implementing good agriculture practices, sustainable land management (SFM, FLR, etc.), and green finance measures.
- Project staff and trainers to include male and female representatives from diverse customary communities; positively target particularly vulnerable groups; all to receive training on gender equality and social inclusion within the context of the project.
- Opportunities for collaboration with other stakeholders (e.g. CSOs) to be sought out to strengthen stakeholder outreach and the engagement of various ethnic groups and vulnerable households.

4.9 ESS 8: Cultural heritage

4.9.1 Assessment

There may be areas where people's access to areas for the exercise of their cultural heritage, especially of an intangible nature, may be affected, if there is a change in land use, or if any of their lands are overlapped with the social forestry licenses. For example, sub-activity 1.2.1.1 "Identify areas and develop management plans for High Biodiversity and Carbon Areas within non-state forest land across West Kalimantan Province" might encounter cultural heritages owned by indigenous Dayak peoples.

Insufficient knowledge and experiences on identification of historical and cultural heritage areas by project staff or field facilitators might disrespect cultural values owned by locals. It might result adverse moderate significant impacts of indigenous people or customary communities' trust to the proposed project.

4.9.2 Impact rating: (low, middle, high)

The project might affect communities' Physical Cultural Resources (PCRs), thus the significance of impacts on PCR is considered **medium**. Since the project area covers ethnic minority groups, provisions for screening of PCRs during subproject investments and site locations as well as "chance find procedures" are foreseen as appropriate mitigation measures.

4.9.3 Mitigation and management measures

- FPIC conducted prior to designation of HCV/HCS areas (High Biodiversity and Carbon Areas).
- FPIC processes to be initiated and maintained throughout the lifetime of the project.
- National, regional and/or local museums will be consulted on any historical, indigenous or cultural heritage areas.
- Provide capacity building of district and provincial service officers especially FMUs staff in recognition of the indigenous people's rights and cultural heritages and values inside State Forests under social forestry scheme.
- Ensure existing national and sub-national laws/regulations related to cultural heritage are fully respected.
- All information on project activities will be made easily accessible and in appropriate ethnic languages.
- Regular dialogues and meaningful consultations at local level to identify cultural heritage areas or lands prior to the project implementation.
- Conduct continued consultations and monitoring at village and landscape level throughout the project. This will ensure that stakeholders are at any time aware of the project, its progress as well as any changes. This will also be used as a mechanism to identify any arising issues, including areas of traditional or cultural significance.
- Conduct monitoring of land-use changes.

4.10 ESS 9: Stakeholder engagement and information disclosure

4.10.1 Assessment

High-risk through "Effective FMU Organization" (sub-activity 3.1.1.2): The new effective FMU organization (previously known as "FMU business model") is based on additional revenue generation by engaging in trilateral agreements with private sector businesses (production technologies and capital) and local communities (land access rights). While this bears great potential for positive change and enhanced entrepreneurial dynamics on the ground,

benefiting the local communities, the lack of previous experiences by FMUs with this kind of engagement may create a considerable risk for unsustainable business endeavours (focusing largely on rent seeking from existing informal extraction of timber and/or non-timber products). Consequently, the support of GIZ for FMUs and potential trilateral agreements to foster the socio-economic development in selected project sites (and ensuring sustainable forest management), involves opportunities for innovative approaches and out-of-the-box-thinking, but may also bear risks to get involved in failed investments, illegal activities, and corruption.

The other risk is due to insufficient participation by relevant stakeholders in developing policies on protecting the high biodiversity and carbon areas in Non-State-Forest lands (APL), resulting in little reliability, transparency, and acceptance of the policies at district and provincial levels. It is necessary to ensure that all information on project activities is easily accessible and disseminated to relevant stakeholders in both province and regency levels and in appropriate ethnic languages.

In addition, in terms of gender sensitivity, the development of alternative economic activities may face gender discrimination as consequence of inadequate participation of women in the planning and implementation process. Gender sensitization and the development of “*ibu PKK groups*” are therefore essential to ensure the equal involvement of women in the process of peatland and mangrove rehabilitation and management.

4.10.2 Impact rating: (low, middle, high)

The impact rating under this Standard is **low**. Less coordination and communication with relevant stakeholder in the program will trigger stakeholder engagement and information disclosure. However, this risk can be easily handled if all information related to project are openly accessible to relevant stakeholders. The project also will adopt and implement international and national policies in relation public disclosure to the project documents.

4.10.3 Mitigation and management measures

- Ensure all information on project activities easily accessible and disseminated to relevant stakeholders in both province and district levels and in appropriate ethnic languages.
- Conduct continued public consultations with relevant stakeholders throughout the project. This will ensure that stakeholders are at any time aware of the project, its progress as well as any changes. This will also be used as a mechanism to identify any arising issues that would revise and improve mitigation and adaptation policies.
- Ensure participation from different stakeholders (including vulnerable groups) in development of regulatory frameworks related to mitigation and adaptation policies at provincial level.

Other action measures are related to ESS 1, 5, 7 and 8.

4.11 ESS 10: Financial intermediaries

4.11.1 Assessment

The Indonesian Environment Fund Agency (known as BPD LH) was established in October 2019 and will become the country’s official mechanism to manage and channel environmental and climate funds, including from both domestic and international sources. The sub-activity 1.3.1.1 under the proposed project was proposed to “Implement an on-granting programme focusing on Indigenous Peoples (IPs) in West Kalimantan”. The IPs’ access will be under BPD LH’s policies and regulation.

However, as the grant mechanism particularly funds disbursements from national level (BPD LH) to field level (IPs) it needs to be clearly consulted and communicated with relevant stakeholders such as sub-national government agencies (BKAD province and district agencies, DPMD province and district agencies), community leaders, and existing financial institutions. In case the number of beneficiaries is too large and BPD LH has limited capacities to monitor and disburse the fund, intermediary agencies might be recruited by BPD LH with approval from Government of West Kalimantan. Experiences for those intermediary agencies in managing funds are required including monitoring and disbursing the funds to micro, small, and medium-sized enterprise sector, and communities (including IPs). If the agencies are insufficiently skilled and experienced in funding management, possible leakages, less transparency, and accountability might occur.

4.11.2 Impact rating: (low, middle, high)

The impact rating under this Standard is **low**. The project will ensure that selection and criteria for intermediary agencies must meet government fiduciary standards so that transparency, accountability, and reliability in managing grants are guaranteed by intermediaries.

4.11.3 Mitigation and management measures

- Ensure intermediaries having experiences in managing finance including monitoring and channelling funding to micro, small and medium-sized enterprise sector (including to Indigenous People and Local Communities).
- Ensure transparency, accountability, and reliability in managing grants by intermediaries for IPs and Local Communities (on climate-smart agriculture and sustainable forest management).
- Provide capacity building on grant management (especially financial report) for grantees.

4.12 ESS 11: Sexual Exploitation, Abuse and Harassment (SEAH)

4.12.1 Assessment

Sexual exploitation, abuse, and harassment (SEAH) can occur in any project or workplace, regardless of the location or industry. For the proposed project, risks of sexual abuse, exploitation and harassment (SEAH) exist in the context of project-supported training and capacity building support, agricultural service provider activities (regarding both potentially exploitative relationships with small holder farmers and contacts between service provider staff and members of the public), and Forest Management Unit (FMU) staff supporting communities in implementing social forestry (see also Gender Assessment in Annex 8a).

4.12.2 Impact rating: (low, middle, high)

The impact rating under this Standard is **low**. The project does not exacerbate SEAH risks, but it is necessary to include mechanisms to avoid SEAH, to monitor occurrence, and to implement a zero-tolerance policy. The project will ensure that all project staff, including consultants and implementing partners will strictly adhere to GIZ's SEAH Zero Tolerance Policy⁶⁶.

4.12.3 Mitigation and management measures

- The reduction of this risk will be achieved through: Establishment of a distinct protocol for the Grievance Redress Mechanism (GRM) for SEAH grievances to ensure that grievances from communities and stakeholders are well responded to

⁶⁶ See, for instance: GIZ Code of Ethics, [GIZ Code of Conduct for Contractors](#), [GIZ Corporate Gender Strategy](#).

and managed in a survivor-centered and gender-responsive way (see ESMP Annex 6b and GAP in Annex 8b).

- Development of a Code of Conduct informing about and prohibiting SEAH, which needs to be signed by project staff and implementation partners, (see Annex 8b - GAP)
- Training and awareness raising on SEAH (see Annex 8b - GAP).
- Peer support group(s) on SEAH related issues is established and supported with capacity building and linkages (see Annex 8b – GAP).

These measures are integrated into the ESMP (Annex 6b) and Gender Action Plan (Annex 8b), to ensure their implementation, monitoring, evaluation and reporting. They will be monitored on an annual basis, and the implementation of these plans, including the SEAH-related provisions, will be the responsibility of the Project's ESGI Specialist. The project will oversee the follow-up of reported cases, ensuring all records are stored confidentially and securely. Monitoring efforts will involve collecting data on the number of cases reported and the proportion addressed by the government, police, NGOs, and other relevant organizations.

5. References

- Annex 7a: Stakeholder Engagement Plan
- Annex 6b: ESMP
- MRV, 2020. [Pemantauan Emisi Gas Rumah Kaca dari Deforestasi dan Degradasi Hutan Periode 2013 –2018](#)
- [FREL West Kalimantan, 2023](#) (Presentation prepared by Manuri., 2023)

6. Appendices

Table 24: Environmental and Social Risks Assessment towards to Project Components, Outputs and (Sub-)Activities

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
Component 1: Institutional & Regulatory Frameworks							
Output 1.1: Strengthening institutional and regulatory frameworks for sustainable and climate-resilient forest and landscape management							
1.1.1	Inclusion of climate change adaptation in mid-term, spatial, and other regional development plans	1.1.1.1	Development of adaptation policies and regulations at provincial level in line with national adaptation policies	Policy: (+) development of policy/regulation related to adaptation on climate change within the province (including districts) (+) empowerment of supports to existing regulation/policy related to adaptation on climate change in province and districts	Environment: (-) potential conflict of interests between national, province, and district governments in particular natural resource management and utilization such as in mining and forestry sectors (-) overlapped areas due to disharmonized policies/regulations between national and sub-national level	Medium	Policy gap analysis for all regulations applied for West Kalimantan
		1.1.1.2	Capacity building and implementation support related to climate change adaptation for government agencies at provincial, regency and village level	Social: (+) improvement of government staff skills and capacities in relation to adaptation climate change	Social: (-) the goal of capacity building is not linked with the needs of government agencies' priority development plans	Low	The needs of training assessment prior to capacity buildings conducted

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		1.1.1.3	Development of tools for the implementation of adaptation activities	<u>Social:</u> (+) variance of tools to address adaptation challenges	<u>Social:</u> (-) development of tools might not reach to address adaption challenges at field level	Medium	<ul style="list-style-type: none"> • The identification of the needs of development tools • Identification of priority tools development
		1.1.1.4	Monitoring and reporting of adaptation activities	<u>Social and Environment:</u> Progress and outputs of adaption activities are monitored and reported	<u>Social and Environment:</u> (-) Lack of capacities and resources of government agencies to conduct monitoring and reporting, as a result the quality of data might be bias and less accurate	Medium	The needs of training assessment prior to capacity buildings conducted
1.1.2	Strengthening mitigation actions through improved REDD+ implementation towards achievement of sub-national FOLU Net Sink 2030 targets	1.1.2.1	Align the provincial REDD+ policy (SRAP) with the current National FOLU Net Sink 2030 policy, the national REDD+ strategy, and the FRL	<u>Social and Environment:</u> (+) Alignment and harmonization of provincial regulations and policies into the national policies in relation to the use of forests and lands	<u>Social and Environment:</u> (-) potential environmental risk on different priority development plans within government levels. For example, expansion of agriculture land is first priority by district government than development of social forestry	Medium	Policy gap analysis for all regulations applied for West Kalimantan
		1.1.2.2	Internalizing REDD+ SRAP & FOLU Net Sink 2030 into provincial and district development plans				
		1.1.2.3	Support implementation of enabling conditions for mitigation activities				

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		1.1.2.4	Monitoring and reporting of mitigation activities	<u>Social and Environment:</u> Progress and outputs of mitigation activities are monitored and reported	<u>Social and Environment:</u> (-) Lack of capacities and resources of government agencies to conduct monitoring and reporting, as a result the quality of data might be bias and less accurate	Medium	The needs of training assessment prior to capacity buildings conducted
1.1.3	Strengthening the institutional framework and coordination across relevant mitigation and adaptation agencies	1.1.3.1	Further develop institutional arrangement for provincial body of climate change	<u>Social and Environment:</u> (+) Harmonization and internalization of roles and responsibilities of relevant provincial and district government agencies into the national climate change agenda	<u>Social and Environment:</u> (-) potential increase of provincial and district government budgets in relation to modification, coordination, and improvement of the roles and responsibilities to those sub-national agencies	Medium	institutional Arrangements Analysis on Roles and Responsibility
		1.1.3.2	Support provincial body for climate change operations to coordinate overall mitigation and adaptation activities				
Output 1.2: Developed land use plans which consider climate change and identified HCV/HCS areas							

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
1.2.1	Strengthening the regulatory framework and implementation of HCV/HCS protection in 100,000 ha of non-state forests	1.2.1.1	Capacity building on HCV identification and management	<p><u>Environment:</u> (+) Data HCV available and sustainable environment maintained (+) Designation of HCV areas in order to avoid forest or land encroachment (+) Increase of HCV areas</p> <p><u>Social:</u> (+) improvement of community awareness and understanding on the function of HCV areas (+) increase of community ownership to maintain their conservation areas based on HCV principles (+) maintain company commitment's to achieve sustainable palm oil development (ISPO/RSPO)</p>	<p><u>Social:</u> (-) reduce designated areas for company plantation (-) potential conflict on identification and management of HCV areas between company and communities</p>	Medium	The needs of training assessment prior to capacity buildings conducted

		1.2.1.2	Designation of HCV areas in non-state forests	<p><u>Environment</u></p> <ul style="list-style-type: none"> (+) reducing opening canopy forest (+) reducing soil erosion (+) maintaining natural seedlings on the forest floor (+) ensuring the supply of water sources (+) Increasing forest biomass/carbon stock (+) preserving non-timber forest products (+) reducing forest fragmentation (+) increasing forest integrity (+) reduced turbidity of streams and rivers (+) preserving endangered species of flora and fauna (+) increasing life expectancy of flora and fauna (+) reducing incomes of illegal loggers (+) reducing encroachment <p><u>Social</u></p> <ul style="list-style-type: none"> (+) securing supply of non-timber forest products for community needs (+) ensuring giant trees still as hosts for honey bees (+) Local communities will be exposed to forestry practices either directly or indirectly (+) Clean water sources for local residents remain safe 	<p><u>Social</u></p> <ul style="list-style-type: none"> (-) Potential social conflict with the owner of tenurial right (-) Limit access to communities living surround the HCV area for livelihoods or hunting purpose 	Medium	FPIC conducted prior to designation of HCV areas
--	--	---------	---	--	---	--------	--

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		1.2.1.3	Develop or strengthen the existing regulation for the protection of HCV/HCS areas in non-state forest	<p><u>Environment:</u> (+) increase quality of forest governance in non-state forest (+) ensure protection of the forest from illegal logging, encroachment, and loss of biodiversity (+) clarity of forest demarcation</p> <p><u>Social:</u> (+) ensure the tenurial rights of local community and indigenous people. (+) clear boundary leading to less social or tenurial conflict (+) increase awareness for farmers in protecting HCV (+) increase capacity of the villages in HCV identification and management</p>	<p><u>Social:</u> (-) potential conflict on the use of NTFPs between the company and community in HCV area (-) HCV area without management could invite illegal loggers or encroachment</p>	Medium	Policy gap analysis for all regulations applied for West Kalimantan

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		1.2.1.4	Support and monitoring of HCV management plans	<p>Environment: (+) ensure protection of forest canopy (+) ensure quality of biodiversity and ecosystem in HCV areas</p> <p>Social: (+) ensure tenurial rights of the communities</p>		Low	HCV manual and guidelines (policy and regulation)
Output 1.3: Established and implemented dedicated grant mechanism provides adequate financing and meaningful engagement for IPs engaged in climate-resilient, low-emission forest and landscape management and further financing mechanisms have been assessed.							
1.3.1	Developing sustainable financial mechanisms for climate-resilient and low emission forest and landscape management in West Kalimantan	1.3.2	Elaborate strategies, policies, and procedures for one or several financing mechanisms for climate resilient agriculture and forestry	<p>Environment: (+) ensure sustainability of HCV area</p>	<p>Social: (-) The potential unfair distribution of benefits or grants to beneficiaries</p>	Low	Study of existing Benefit Sharing Mechanism within West Kalimantan
		1.3.1	Implement an on-granting programme focusing on Indigenous Peoples (IPs) in West Kalimantan	<p>Environment: (+) ensure sustainability of IP's practices in CSA and SFM</p> <p>Social: (+) increased awareness and knowledge of IP in the implementation of CSA and SFM</p>	<p>Social: (-) The potential unfair distribution of benefits or grants to beneficiaries</p>	Low	Study of existing Benefit Sharing Mechanism within West Kalimantan

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
Component 2: Sustainable commodity production and social forestry							
Output 2.1: Scaling up climate-resilient and low emission agricultural and agroforestry practices and unlocking private sector investments							
2.1.1	Scaling up sustainable land and forest-based investment portfolios of West Kalimantan	2.1.1.1	Design of sustainable land and forest-based business models	Environment: (+) ensure efficiency of land and forest management businesses	Environment: (-) potential forest degradation due to investments that could open forest canopy Social: (-) potential conflict with traditional land or forest business done by communities	Medium	Community Consultation during the development of design business model
2.1.2	Implementing and upscaling the adoption of proven approaches for reducing emissions and enhancing the sustainability and climate resilience of smallholders in key commodity supply chains (including agroforestry)	2.1.2.1.	Improving capacities to implement resilient and sustainable smallholder farming	Environment: (+) ensure implementation of sustainable smallholder farming is taken place	Social: (-) potential conflict with traditional land or forest business done by communities	Medium	The needs of training assessment prior to capacity buildings conducted
		2.1.2.2.	Climate-resilient commodity and agroforestry scaled with improved market access	Social: (+) increase incomes because the high price of the product (+) community receives good variety of climate-resilient commodity thus open opportunity to sale the products into the market	Social: (-) potential high cost for maintenance of the quality of agricultural products (-) Increased sales of estate crops may lead to potential forest encroachment by farmers and risk to biodiversity when not supported by technical assistance on sustainable agricultural practices in intensifying production in the same land	Medium	Market Analysis on climate-resilient commodities

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		2.1.2.3.	Facilitate farmer to access the finance instruments (developed under 1.5.4) for climate resilient commodity and agroforestry production	<p><u>Social:</u></p> <p>(+) possibility increase modality of farmers to</p> <p>(+) The financial access will help the farmers to increase their productivity if the funding is managed well</p>	<p><u>Social:</u></p> <p>(-) Not all financial access would benefit farmers. Some farmers can get a loan, but they might fail to pay the debt without sufficient knowledge to manage the loan.</p> <p>(-) potential farmers could not pay the debt.</p>	Medium	Market Analysis and Capacity of Farmers in fulfilling financial instruments

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		2.1.2.4.	Digital systems for value chain traceability and certification, and improved access to services	Social: (+) increase incomes because the high price of the product (+) increase confidentiality of farmers on their supply chain because the products have been certified (+) easy to monitor raw materials from production to distribution and market	Social: (-) Community will be entirely dependent on the electricity and internet access (-) Potential jealousy if the program is only limited to certain groups (-) dependency to the programme (updating software and technical skills required) (-) not all communities have access to the digital market (-) less price for high competitiveness with the other digital agricultural products	Medium	Analysis on advantage and disadvantage using digital system for value chain traceability
		2.1.2.5.	Built private sector partnerships for smallholder inclusion in value chain and markets	Social: (+) increase incomes because the high price of the product (+) increase confidentiality of farmers on their supply chain because the products have been certified (+) easy to monitor raw materials from production to distribution and market	Social: (-) possible private sector takes advantages if the capacity of smallholder is low or weak (-) bargaining power of smallholder is weak due to high dependency to the private sector	Low	institutional Arrangements Analysis on Roles and Responsibility

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
2.1.3.	Enhancing multi-stakeholder dialogue and platform for low-emission and climate-resilient agriculture and private sector investment	2.1.3.1.	Commodity based platform to promote dialogue on sustainable forestry & agriculture practices, investment and trade at national and international level	<p>Environment: (+) improve policies that aim to strengthen the implementation of sustainable forestry and agriculture practices, investment, and trades related to mitigation and adaptation of climate change</p> <p>Social: (+) possible add more funds if the regulations/policies related to climate change on mitigation and adaptation are available</p>	<p>Social and Environment: (-) less bargaining power in dialogue if the commodities are not met with national and international standards</p>	Low	Policy gap analysis on national and international market for agricultural commodity products
Component 3: Management, protection and rehabilitation of forest and peatland ecosystems							
Output 3.1. Capacitated FMUs and private sector actors incentivized to engage in implementing climate informed protection and sustainable management of forest and peat ecosystems							

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
3.1.1.	Supporting Forest Management Units (FMU) in the development and implementation of climate-informed forest management plans, including fire management.	3.1.1.1	Development of climate-informed management plans of FMUs	<p><u>Environment:</u> (+) increase quality of the forests and animals habitats (+) gain better environmental services due to proper management plans (+) clear demarcation of FMUs with forest concession areas (+) better understanding of forest management based on the weather seasons (dry season: high risks for fires, wet season: rehabilitation) (+) efficiency in forest management</p> <p><u>Social:</u> (+) less potential conflict inside FMU's area (+) ensure indigenous people's rights (+) increase and strengthen capacity of FMU's staff</p>	<p><u>Social:</u> (-) potential conflict of interests among relevant stakeholders in FMU areas (-) high maintenance costs for FMU (updating software and hardware on IT systems)</p>	Low	institutional Arrangements Analysis on Roles and Responsibility
		3.1.1.2.	Supporting FMUs to receive the status of "Effective FMU"				
		3.1.1.3.	Support FMUs in implementing climate-informed RPHJP and RPHJPD through the development of information systems				

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
			and enhanced forest management practices				
		3.1.1.4.	Capacity building for FMUs to execute climate-informed RPHJP and RPHJPD				
Output 3.2: Supported local communities are able to obtain land use rights and implement various social forestry schemes							

3.2.1	Advancing social forestry implementation including building awareness of local communities of climate risks and risk-reduction practices	3.2.1.1	<p>Develop and implement SF management plans for local communities</p> <p><u>Environment:</u> (+) ensure quality of biodiversity (+) increase function of water catchment area (+) reduce deforestation and forest degradation (+) better protection of forest conservation (+) improve and protect mangrove ecosystem (+) improve quality of forest management (+) improve forest protection and biodiversity (+) increase carbon stock and reduce illegal logging</p> <p><u>Social:</u> (+) Increase access to forest resources and improving people's livelihoods (+) Increase capacity of community groups related to social forestry (+) potential sustainability income generation for local communities (+) increase benefits for local communities (environmental services, e.g., ecotourism and economic activities) (+) improve implementation of customary forest for indigenous people (+) less tenurial conflict due to clearer administrative boundaries (+) possible to get access to</p>	<p><u>Social:</u> (-) Potential conflicts because not all community members have the opportunity to participate and lack of awareness about forest conservation program (-) Potential conflict and social jealousy, because not all villages or villages receive assistance related to the program (-) because of adat less properly recognized, the involvement of indigenous people becomes limited (-) less access for communities living remoted areas</p>	Medium	institutional Arrangements Analysis on Roles and Responsibility
-------	--	---------	---	---	--------	---

				the financing/ funding business development			
--	--	--	--	--	--	--	--

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		3.2.1.2	Develop and strengthen SF business unit (KUPS) to establish, improve, and escalate market, supply chain, and value-added communities' products, including the creation of KUPS models and capital supports		<u>Social:</u> (-) less knowledge and experience for community to work as a business group under social forestry scheme		

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		3.2.1.3.	Capacity building for SF permit holders	<p><u>Environment:</u> (+) ensure well implementation of SF at field level (+) improve communities' skills and knowledge on SF</p> <p><u>Social:</u> (+) ensure tenurial rights of communities under social forestry scheme (such as customary forest) (+) reduce social jealousy and conflict within communities and also with private concessions adjacent to social forestry license (+) improve knowledge and skills of SF permit holders</p>	<p><u>Lingkungan:</u> No Risk</p> <p><u>Social:</u> (-) less interest to participate the training since technical terms in social forestry might not be familiar for communities. Technical and literacy rate issues can hinder and exclude some vulnerable communities to participate in the programs. (-) potential jealousy for communities that are not under social forestry scheme</p>	Medium	

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		3.2.1.4.	Forest restoration and rehabilitation of mangrove and peat forest ecosystems	<p><u>Environment:</u> (+) ensure quality of biodiversity in mangrove and forest (+) increase function of water catchment area (+) reduce deforestation and forest degradation (+) better protection of forest conservation (+) improve and protect mangrove ecosystem (+) improve quality of forest management (+) improve forest protection and biodiversity (+) increase carbon stock and reduce illegal logging</p> <p><u>Social:</u> (+) potential sustainability income generation for local communities (+) increase benefits for local communities (environmental services, e.g., ecotourism and economic activities) (+) less tenurial conflict due to clearer administrative boundaries</p>		Low	

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		3.2.1.5.	Developing climate-resilient aquaculture infrastructure for coastal communities (9 nature-based/green and reversible canal blockings, 2 tree nurseries)	<p><u>Environment:</u> (+) improve better management of coastal areas for climate-resilient aquaculture infrastructure (+) ensure protection of the existing biodiversity in coastal areas (+) Improve environmental services due to better management practices</p> <p><u>Social:</u> (+) increase people's income from aquaculture practices (+) Increase capacity of fishpond production</p>	<p><u>Environment:</u> (-) Possible expansion of clearing of mangrove forests (Deforestation) for the development of aquaculture (Fish Pond) (-) Chemical waste from fish food may pollute the environment</p> <p><u>Social:</u> (-) Potential conflicts due to not all community members having the opportunity to participate and lack of awareness about forest conservation (-) Potential for social jealousy, because not all villages or villages receive assistance related to the program (-) The program is only limited for people living in coastal areas</p>	Medium	Analysis on the needs of Agriculture Infrastructure for communities in coastal areas

Project component and activity				Anticipated benefits / positive impacts / potentials for enhancement	Potential negative risks and impacts	For negative impacts, preliminary assessment of impact magnitude	Applicable standards (based on above analysis) Pre-mitigation plan to minimize the negative impacts
		3.2.1.6.	Accelerate fund disbursement from BPD LH to SF holders	<p>Environment: (+) accelerate implementation of SF (+) ensure protection of the existing biodiversity and forest cover in SF area</p> <p>Social: (+) increase people's income from the sale of products from SF business groups (KUPS) (+) increase confidence of communities to manage forest areas in sustainable way (+) increase willingness of other villages to propose SF licenses</p>	<p>Social: (-) Some local communities can fail to write the proposal. Because not every community had limited to receipt the knowledge. (-) the misuse of the grants to communities on social forestry</p>	Medium	Study of existing Benefit Sharing Mechanism and Disbursements to beneficiaries within West Kalimantan