

# **Annex 9**

## **Legal due diligence**

to the GCF Funding Proposal

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

30/08/2024

Version 6.0

Submitted by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

## 9.A Legal Due Diligence

*Please provide the following information:*

*Details of any government or regulatory approvals, licenses or permits required for implementing and operating the project/programme, the relevant issuing authority, and the date of issuance or expected date of issuance.*

The Federal Republic of Germany has concluded a Framework Agreement on Technical Cooperation under international public law with the Government of the Republic of Indonesia (dated April 9<sup>th</sup>, 1984), which provides for certain privileges and immunities to be applied in projects and programmes of technical cooperation, including privileges and immunities concerning long-term stay and work permits for seconded experts, exemptions for certain taxes, customs, duties and fees etc. These privileges and immunities also apply to the Project, including GCF Proceeds.

At the time of submitting this Funding Proposal, GIZ is not aware of the project requiring specific approvals, permits, licences or land to allow for the implementation of planned activities.

*Describe applicable taxes (or exemptions thereof) and foreign exchange regulations related to the project/programme.*

The local currency in Indonesia is the Indonesian Rupiah (code: IDR). The project's local transactions will use Rupiah. The AE will manage GCF proceeds in Euro. GIZ will apply its standard rates for the conversion of currency.

*Details of any insurance policies or requirements related to the project/programme.*

GIZ, as the AE, will ensure that project activities are adequately insured as per GIZ standard operating procedures and common practices. GIZ standard operating procedures require contractors to ensure required insurance cover. GIZ policies provide insurance cover for GIZ staff. At the time of submitting the Funding Proposal, GIZ does not anticipate additional insurance to cover special risks in this project.

As described in the implementation arrangement (see B.4.1 Project management, implementation and execution structure), GIZ will sign three Subsidiary Agreements: Two Grant Agreements with the Executing Entities, Solidaridad Network Asia Limited (SNAL) and the Indonesian Environment Fund (IEF/BPDLH) and an Implementation Agreement with the Executing Entity, the Ministry of Environment and Forestry (MoEF, or successor Ministry/Ministries, that take over the respective roles of MoEF) representing the Host Country<sup>1</sup>. In this regard, in the GIZ standard Grant Agreement for GCF projects, we require Grant Recipients (i.e. SNAL and BPDLH) to ensure that, when entering into contracts for supplies and services to be financed from the grant, adequate provision is made for the insurance of goods required for the project in relation with prudent industry practice, and that supplies are insured against transportation risks to an adequate and customary extent.

Due diligence assessments with all Executing Entities were conducted. The enhanced due diligence also assessed and ensured the legal personality of the Executing Entities to enter into a legally binding agreement with GIZ and their ability to directly receive, and if relevant, reflow funds from/to the Accredited Entity, and properly manage funds.

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<sup>1</sup> The Republic of Indonesia