



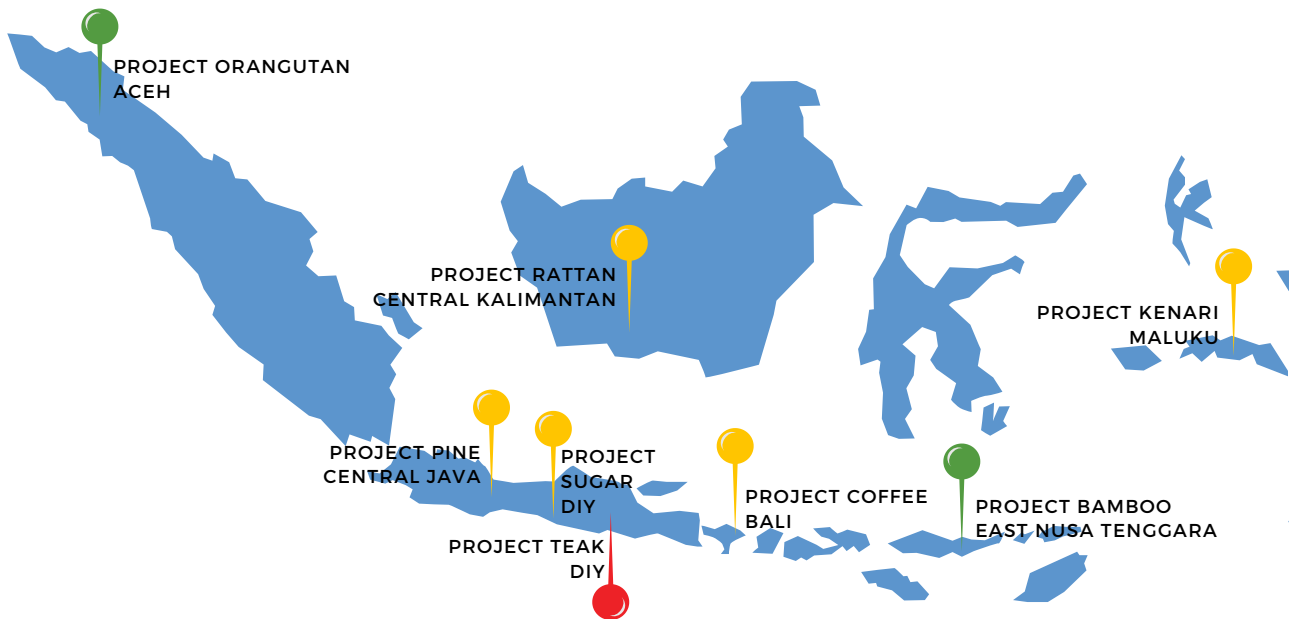
ANNUAL REPORT




**TROPICAL LANDSCAPE
PUBLIC PRIVATE
PARTNERSHIPS
FOR SUSTAINABLE
DEVELOPMENT GOALS**

2023

EDITION

PROJECT DISTRIBUTION MAP 2023



-  APPROVED PROJECTS - IMPLEMENTATION STAGE
-  APPROVED PROJECTS - CONTRACTING STAGE
-  PIPELINE PROJECT - Under APPROVAL PROCESS STAGE

7 CURRENT PROJECTS

22 INCUBATED PIPELINE PROJECTS

39 MILLION CAD POTENTIAL INVESTMENT MOBILIZED

19 THOUSAND HECTARES UNDER SUSTAINABLE MANAGEMENT

60 THOUSAND INHABITANTS BENEFITTED

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I. EXECUTIVE SUMMARY

As part of its People and Planet Program of Work, UNEP has been actively advocate for blended finance globally. In Indonesia, UNEP's commitment for blended finance works is implemented through The Tropical Landscape Grant Facility (TLGF). The TLGF is fully funded by the Global Affairs Canada and aligned with the Government of Indonesia's Medium-Term Plan Strategy. It manages conventional grants to potential green businesses, which will help them become bankable and facilitate the mobilization of investment capital by demonstrating the business case for investments at the nexus of gender and climate change and building a market for gender responsive climate projects.

The TLGF took leverage of previously successful blended finance initiatives carried out by TLFF (Tropical Landscape Financing Facility), a platform set up by UNEP, ICRAF, BNP Paribas, and ADM Capital, which was ended in April 2023 as agreed by all partners. To nurture and continue blended finance works, the TLGF has taken TLFF pipelines to its incubation program in addition to originating its own.

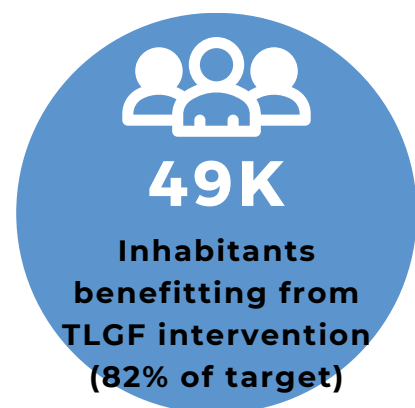
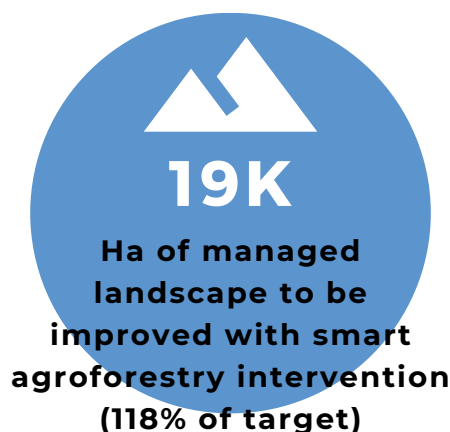
The TLGF is governed by a Steering Committee (SC) and a Grant Review Committee (GRC). To date, 7 out of 22 pipeline projects have been selected by the GRC, with the remaining are still on incubation shall the opportunity for a second phase funding raised. The Grants provides support to these selected women-driven sustainable land use enterprises to better secure private sector financing following enhanced capacities supported by technical assistance from the grants, which are mainly utilized for:

- 1** Optimization of projects' management effectiveness and gender equality advancement;
- 2** Capacity building relates to project's stakeholders, especially women's and farmer's group, including business skills, financial literacy and access; technical skills on climate-smart agricultural & forestry;
- 3** Feasibility studies and business case refinement (commodity diversification, market expansion, certification groundworks) to leverage bankability.

The TLGF marked importance of blended finance needs to leverage transformational change in the land use sector requires nurturing efforts for a broaden gender lens investing, Ideally attracting tenfold investment from each cent of the grants disbursed. Based on BPS 2023 data, women-led business making up almost 64.5 per cent of Indonesia's SMEs, hence applying gender lens investing presents untapped opportunities. It would be critical to see what “challenges and opportunities” there for this sector are given the latest significant regulatory innovations and novelties in Indonesia.

II. OUTCOMES ACHIEVED

The uniqueness of TLGF is it encourages business venture to partner with local NGOs and/or CSOs to apply for the grant, hence allowing higher impact to GEDSI and trickle down benefits to surrounding local communities. While acknowledging the challenges of forming this partnerships, the TLGF PMU has banked 22 pipelines under different stage of bankability and successfully facilitated 9 projects to readiness stage for Grant Review Committee (GRC)’s assessment in last quarter of 2023. The GRC has selected 7 out of in the above total which reflects diversified products spreading out across Indonesia which will be supported by the Grants. These 7 TLGF projects have a total of:



The Project forecasted with the next 8th project in cooperation with BPD LH/IEF, it will meet the targeted number of 60,000 inhabitants whose family income will increase by 16% through an adoption of climate-resilient approaches and improved sustainable management practices.

THE ORANGUTAN COFFEE, ACEH

PT OUL works in the rare specialty coffee niche market in Europe. The TLGF has supported this project since 2023 to develop a carbon neutral and sustainable coffee (integrating production, protection, and inclusion) model carried out by PT Orang Utan Lestari (OUL) and Yayasan Ekosistem Lestari (YEL).

Activities focus on (i) measurement of carbon footprints by calculating the coffee production carbon footprints (direct emissions, indirect emissions, and other emissions), (ii) reduce carbon footprints by developing a Carbon Footprint Management Plan and traceability system, and (iii) feasibility study conducted with matching grant from P4F (Partnerships for Forest) and IDH.

The TLGF brings additionality in terms of accelerating OUL's negotiation to secure further financing. The improved plan on carbon footprint traceability system supported by TLGF has smoothen negotiation with the Root Capital to secure debt financing for capital expenditure of USD 2 million, in addition to the current facility of USD 200,000 guaranteed by OUL's Purchase Orders. They also pursue other negotiation to close financing deals for a proposed arrangement of USD 600K per year, for 5 years period, brings the total to USD 3 million from the ACLF (Asia Climate-Smart Landscapes Fund) from the ADM Capital.

OUL and YEL has significant milestones by **completing transparency within the supply chain** for 540 farmers, which are 90% of target. This fosters trust and confidence among consumers by providing irrefutable evidence of the coffee's provenance and ethical sourcing.

The grant also enabled OUL to **update their Internal Control System (ICS) and sharpened OUL's financial model for 360Coffee business**

considering the more factual field conditions related to the availability of supply and coffee prices.

PROJECT
PROGRESS



THE BAMBOO PROJECT, NGADA

The project is carried out by the Yayasan Bambu Lestari (YBL) to implement agroforestry bamboo villages and promotion for gender equality income generating opportunities for the local women, in cooperation with PT Indo Bambu Lestari (IBL). In 2023, the YBL has revisited its partnerships with PT IBL due to IBL's thorough restructuring, then shifted the partnerships to Rumah Produksi Bersama (RPB) Bamboo, a provincial public-private partnerships jointly set up up by the local government, Ministry of Cooperative and other stakeholders.

TLGF grant is used to boost productivity of bamboo seedling and nursery activities cultivated by local women groups. Each bamboo agroforestry village encompass an area of 2,000 hectares (involves approximately 5-10 administrative villages). In addition to bamboo planting, the agroforestry bamboo village system also promotes other agroforestry plants to increase family's income. Progress to date of interventions been supported by the Grants are:

- 1 Completion of bamboo potential mapping in Flores of around 150,516 ha;
- 2 A talkshow on the potential of restorative economies based on SMEs;
- 3 Training on gender inclusion to bamboo supply chains and business ecosystem in 7 regencies, initiating business incubation support;
- 4 Supports biodiversity protection and agroforestry-based business models' refinement to enhance village community economy in 7 regencies;
- 5 Contributed to development of the National Development Strategy of village-based Bamboo Industry
- 6 Contributed to facilitation for the issuance of Governor Regulation on the Bamboo Village Agro-ecology



PROJECT
PROGRESS

THE RATTAN PROJECT, KATINGAN

Rattan fields in Katingan cover an area of more than 325,000 hectares and are capable of producing 7,000 – 9,000 tonnes per year. Ten out of 13 sub-districts in Katingan Regency are producers of superior-quality rattan, with 49% of the rattan used by the community was obtained from naturally grown rattan in the forest.

The project was approved by GRC in late 2023, aiming to **strengthen an Integrated Rattan Supply Chain (IRSC) in Katingan**, a rattan-rich district in Central Kalimantan Province, with focus on integration of home weavers. While the legal agreement is being finalized by UNEP, the NGO Rimbawan Muda Indonesia (RMI) keeps the initial works with PT Harmoni Usaha Indonesia (HUI) as its partners. PT HUI is a design and solutions provider for Indonesia Handicraft made from banana bark, rattan, seagrass, sisal in a sustainable manner, empowering women weavers in various provinces. HUI fully exporting their products, mainly to US markets with Target as one of their primary customers, in addition to several major global brands.

With the increasing demand of handcrafted home products, HUI intends to increase their production capacity and expand their market through new sourcing for integrating its rattan pipelines in Central Kalimantan and setting up new production facility in Katingan district with estimated USD 1.2 million of additional investment to which currently being negotiated by HUI. Both parties target low-carbon emission to increase business efficiency for the next five years, to which home weavers are vital. Home weaver will be integrated as the third link/stage of the supply chain in which ready-to-weave materials are turned into handicraft products. As such, this stage requires a high concentration of social capital, thus the need for safeguards.

The grant supports three areas of intervention: (1) **organization and capacity building for home weavers**, (2) **establishing a supportive environment** for the development of a responsive and sustainable rattan industry, and (3) **documenting best practices and learnings** from the project implementation. The first two areas are interconnected, and the latter has its own pathway connecting the dots. PT HUI is also investing in expanding the FSC FM certificate for P2RK, their main rattan supplier. The project targets in total of 3,500 hectares of rattan agroforestry areas certified by 2030.

APPROVED
PROJECTS

THE GI KINTAMANI PROJECT, BALI

The project is proposed by PT Coop Coffee Indonesia, a green coffee importing cooperative, and HWDI (Association of Women with Disability in Indonesia), a national NGO working on rehabilitation, mobility aids, advocacy, and empowerment programs to women with physical disabilities.

The project **aims to bring Kintamani GI coffee production to achieve the target of Green Economy Index (GEI) to reduce GHG emissions** by an estimated 24.7 MT CO₂e during the 5-year period through establishing self-sustaining business as usual coffee trading within GI (Geographical Indication) delimitation zone and land management resulting in reduction of up to 151 MT CO₂e over the next 20 years. The grant will support land tenure contract farming to about 6,681 coffee growers as members within the GI delimitation area in Kintamani, Bangli, Bali to **actively implemented agroforestry, address unsustainable land use, and restore degraded farmland, to effectively create low-emission land management strategies.**

The project takes the benefits of PT Coop Coffee's experiences in coffee production and trading of the GI KAKB in Kintamani delimitation zone over 6 years, bringing **improved farmers' living income, strengthened management capacity** within MPIG with over 1,214 members responsible for management of over 2,500 hectares in 12 Subak Abian, and **increased commodity yields** by 69% to 105% for nearly 2,000 farmers.

The TLGF grant is targeted to support **improvement of climate-smart agriculture** to Kintamani coffee farmers through provision of training and nursery, to which will heavily involved the HWDI members. Second, TLGF will contribute to **development of organic waste management**; Thirdly, it will support job **training and opportunities in coffee businesses to disability communities** in particular the HWDI members.

PT Coop Coffee has been as supplier to a worldwide brand coffee chains, and has secured PO to this customer for limited branding of Single Origin Indonesia Bali Batur Volcano. PT Coop Coffee is now expanding to Japan coffee market with the "NGUIN" Drip Coffee Bags. The TLGF grants enable them to improve production efficiency, including setting up roasting center and broader market penetration.

TLGF has assisted them to develop potential carbon revenue opportunities and linked them to international potential buyers during the incubation program.

**APPROVED
PROJECTS**

THE PINE RESIN PROJECT, EAST JAVA

Oleo Pine Resin (OPR) is a non-timber forest product produced from tapping pine tree trunks and has exceptionally high economic value. This project will be implemented through a partnership between CV MB Jaya Mandiri (business venture) and Yayasan Pusat Informasi Lingkungan Indonesia (the non-profit organization). Yayasan Pusat Informasi Lingkungan Indonesia or known as PILI-Green Network (PILI) is a non-governmental organization that has been active in Indonesia since 2000. PILI's programs and competencies focus on gathering and exchanging information on biodiversity, natural resource protection, problem solving environment, and community empowerment assistance.

The CV MB Jaya Mandiri is a company engaged in the processing of non-timber forest products (NTFPs), namely pine resin since 2015 located in the city of Pekalongan, Central Java. Its main products are gum rosin and turpentine. Currently, the company has more than 10 suppliers of pine resin from various regions throughout Indonesia

The grant will support collaborative action among 80 groups of small-scale producers consisting of 300 individuals on innovative investment models such as gum rosin and turpentine sustainable value chains in Trenggalek and Ponorogo regencies in East Java and stabilize processing facilities from end-buying partners. TLGF will be used to **strengthen good governance of small-holders pine resin, production and improve management practices on replicable schemes for improved benefit-sharing mechanisms and promotion for sustainable pine forests management.**

TLGF grant will bring additionality of around USD200,000 investment from Gol's social forestry program and mobilize potential private investment of USD 3 million for 2025/26 period to set up new processing unit with increased traceability and bring production to 1,500 tons/month with an impact to 1,500 affected forest farmers (pine sap tappers and land owners), contributes to development of small-scale NTFPs in 2 (two) new supply locations in Trenggalek and Ponorogo of East Java.

**APPROVED
PROJECTS**

THE RIMBAWAN PROJECT, MALUKU

This is a collaboration between Yayasan Solidaridad Network Indonesia, the Landscape Finance Lab, and PT Sinar Hijau Ventures (SHV), aiming to **incubate social forestry businesses** (Kelompok Usaha Perhutanan Sosial or KUPS) **and commercialize curated forest products** from West Seram, Maluku for premium prices.

The Rimbawan Market platform operated by SHV aims to **connect forests and markets, empowering forest stewards (Rimbawans) to sustain their traditional agroforestry models and cultural heritage**. The project connects both ends of the food value chain, curating and aggregating high-quality and sustainable forest commodities produced by KUPSs, and linking them with responsible food artisans, producers, and consumers. The focus of the proposed investment is to enable the aggregation and trading of premium nutmeg and vanilla, starting with 3 containers of nutmeg and 1 tonne of vanilla by mid-2024, and scaling up to 10 containers of nutmeg and 2 tonnes of vanilla by the end of 2025. The scaling and replication potential of the project is significant, with over 400 thousand hectares of social forestry in Maluku and North Maluku. Social Forestry areas are currently managed by 700 KUPS in need of incubation services.

PT SHV has secured commitment from 2 financial institutions to support the realisation of transactions through trade finance. TLGF funding would therefore be envisioned to consolidate supply and institutional partnerships in Maluku, in order to unlock trade finance. In parallel, PT SHV, through the Rimbawan Market initiative, is starting to promote agroforestry products to food professionals, hotels, and restaurants in Bali and Jakarta to create local demand for premium regional products.

The **TLGF will invest into readiness and piloting phases, to unlock investment into trading of social forestry commodities, most notably nutmeg, kenari, and vanilla**. The proposed USD 200K grant will trigger additional investment and market penetration to commodity transactions of approx. USD 860,000 by 2025. Currently, PT SHV works with two major spices traders, with an absorption capacity of over 2,000 tonnes per year for nutmeg with distribution network in Bali and Jakarta for kenari and vanilla and is able to absorb 1 tonne of vanilla per year and 10 tonnes of Kenari.

**APPROVED
PROJECTS**

THE COCONUT SUGAR PROJECT, YOGYAKARTA

PT Aliet Green (AG) is a female-owned social enterprise, based in Yogyakarta, with extensive on-field experiences and strong social capital amongst farming communities and local stakeholders. Formed in 2009, it is Indonesia's leading organic Fairtrade producer of food products. AG is fully exporting its products in bulk (70% to the US, 30% to Europe & Asia). The largest demand for palm sugar comes from the US, with approximately valued at USD 22 million in 2015. There is significant scope for expansion of coconut sugar. One of AG's customers is also a Canadian-based company.

Sangga Bumi Lestari Foundation or YSBL is a not-for-profit organization focusing on transformative sector change in sustainable landscape and global value chains. Both parties has implemented the Sugar & Steam project aims to **improve the incomes, productivity, and climate resilience of 1,568 smallholders that supply regenerative coconut sugar** to Aliet Green. They work with farmers to introduce good farming practices and enhance sustainable land development and water conservation.

The project **addresses the current most prominent threats to the environment there: soil erosion and reduced soil quality and poor agro-ecological practices and rainwater reliance**. Plus, a substantial danger for most elderly men climbing 30-metres tall trees to harvest sap and reluctance of women and youth to practice coconut farming because of these risks.

The grants will enable AG and YSBL to **develop sustainable land and water management packages for different slopes** and the **replanting of regenerative dwarf coconut trees**. This replanting program would reduce risks to the farmers and enlarge opportunities for women and less able or willing farmers to be involved. The grants will contribute to train farmers on integrated intercropping mature agriculture system through a series of training on climate-smart agroforestry practices while promoting inclusive value chain and transform gender roles in this sector. The AG also plan to expand the implementation of their new traceability software which will eventually increase AG's quality control and production capacity to meet raising demands on the commodities, improving their opportunity to secure investment to establish its own processing facility.

**APPROVED
PROJECTS**

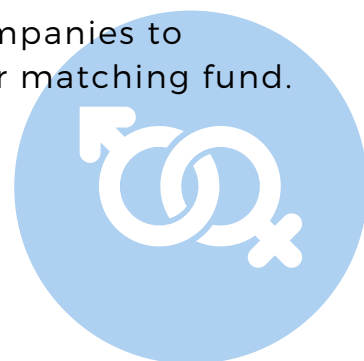
III. IMPLEMENTATION ARRANGEMENTS, ACHIEVEMENTS AND EXPERIENCES

GENDER LENS THROUGH TLGF

UNEP ensures that all project proponents are provided coaching clinics on gender neutral in green investment, tailored based on preliminary assessment conducted by UNEP and TLGF gender expert. During initial assessment, the project notes for a need to develop gender lens audit for the green companies, focusing on landscape and agriculture value chain network, subject to fund availability.

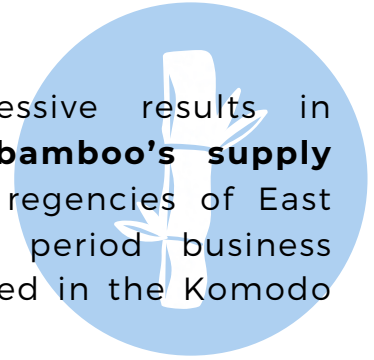
UNEP also foreseen that **strong and regular knowledge management sharing to the local and national financial institutions on gender sensitivity and analysis for commercial products** will be essential. This is part of affirmative actions to the industry to broaden opportunities for women entrepreneurs accessing financial support. At the policy level, TLGF is actively advocating blended finance for women-driven businesses through engagement with the Indonesia Environment Fund (IEF/BPDLH) through building a business case for women-driven teakwood business in Gunung Kidul, contributing to the GoI's social forestry program. The cooperation will not only supporting IEF/BPDLH on accelerating their revolving loan program but also shaping gender investment framework, roadmap and guidelines and tools to evaluate gender impact from this planned investment.

Besides the 8 targeted grantees, TLGF PMU **continues providing consultations to remaining 15 potential projects under pipeline** as part of technical assistance to enable women-initiated medium scale companies to sharpen business case and possible link for matching fund.





THE BAMBOO PROJECT has progressive results in promoting **gender inclusion within bamboo's supply chains and business ecosystem** in 7 regencies of East Nusa Tenggara through its one-year period business incubation support and trainings delivered in the Komodo and Turetoغو Bamboo Campus.



The grant also supports escalation of impacts on sustainable land management and gender mainstreaming in Ngada and Nagak districts to provincial scale, contributes to ground works for strategic partnership between East Nusa Tenggara province and national government for National Strategy on Bamboo (Stranas Bambu) while strengthened operationalization of a cooperative, called Rumah Produksi Bersama for bamboo fabrication, supported by the provincial government and Ministry of Cooperative and Small Businesses.

THE ORANGUTAN COFFEE PROJECT have refined their **gender-responsive framework for coffee supply chain management** in consultation with farmer groups, incorporating best practices for gender mainstreaming in agricultural development. The framework were integrated into the ICS Manual, to ensure gender equality considerations are embedded in all operational procedures and decision-making processes; and regular monitoring and evaluation of progress towards gender equality goals; and accountability for achieving gender-inclusive outcomes within the organization.



NEWLY SELECTED PROPONENTS such as Aliet Green (AG) has been a long promoter for women empowerment through implementation of gender sensitive approach to agricultural extension services. Located in Kokap subdistrict, the poorest subdistrict in Yogyakarta, this project is expected to improve local livelihood and address soil degradation due to farming practice in the area. The intervention made will promote inclusive coconut sugar supply chain through dwarf coconut introduction, potentially **transforming gender roles in the sector and closing information gap through AG's women-centered approach** by empowering women to contribute to decision-making on the farm. AG and Sangga Bumi Foundation will also ensure Green Warriors' work to increase women farmers participation on learning and coaching session.





INVESTMENT LENS THROUGH TLGF

By the end of 2023, the PMU has disbursed USD 450,000 out of total USD 600,000 grants awarded to Bamboo and OrangUtan coffee projects. While the upcoming committed grants awards to newly 5 selected projects will add a total of USD 1.1 million. It is **expected that the grant could trigger tenfold investment in the ventures following enhanced capacity** enabled through the TLGF supports.

BAMBOO

Secured commitment for an equity financing in the form of an equipped shared factory and operational cash flow for business incubation support to the Joint Production Houses (RPB) operation in West Manggarai, and land contribution for RPB expansion factory site from the local government. Progressively this shared factory will produce carbon negative bamboo-based products for innovative high-end furniture and affordable prefab housing. Later, they will explore for bamboo biomass power plant installed as alternative electricity source for the RPB.

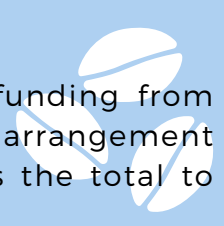
The project continues to facilitate EBF and RPB to carry on negotiation for resource mobilization for debt and/or equity financing from Sub-National Capital Fund.



ORANGUTAN COFFEE

Secured debt financing for capital expenditure of USD 2 million from Root Capital, in addition to the current facility of USD 200 guaranteed by OUL's Purchase Orders.

Intensively negotiated with ADM Capital to close funding from ACLF (Asia Climate Landscape Fund) with proposed arrangement of USD 600,000 per year, for 5 years period, brings the total to USD 3 million.



With the support from TLGF PMU during the 2nd batch incubation program, some of the proponents have advanced negotiation for additional investment. PT Coop Coffee has secured debt financing from a domestic bank, for equivalent to USD 7 million to advance their contract farming program. PT Coop Coffee has also signed an MoU with an Indonesian private equity company and the Government of Bali for equity financing up to 47% equity. PT Coop Coffee is continuing their negotiation with 2 French Development banks for soft debt financing.



Aliet Green has also successfully laid out its business plan to enlarge production capacity by advancing processing facility. By 2028, AG aims to reach a significant increase in sales volume and production, enable them to demand for its products. In effort to the above, AG is seeking investment of USD 900,000 by 2026. AG is in final discussion to close deal with two international impact investors and an Indonesian company to expand its production facility. The additional investment will be used to acquire land, buildings, equipment, and machinery needed. AG has established an Impact & Debt Investors Network in the past 3 years. Some have shown interest, with the best options for financing to fulfil expansion plan to be explored within 2 years.

UPCOMING INITIATIVE WITH THE INDONESIA ENVIRONMENT FUND (IEF/BPDLH)

The TLGF PMU is on intense discussion with IEF to secure TLGF support for **developing business case of the Wana Manunggal Lestari Cooperative (KWML) as Social Forestry groups supported by MOEF and IEF** under Social Forestry program and revolving loan to teakwood smallholders in Gunung Kidul, Yogyakarta. The cooperation aims to improve effectiveness of current mechanism and reduce non-performing loans through de-risking facility supported by the TLGF. TLGF's technical assistance will also enhance ground capacity of the respected local institutions to improve business process and loan repayment met the standards.

The provision of technical assistance will enhance women-led cooperative, KWML, to serve as intermediary to IEF investment in the areas. While the prevailing conditions of the respective actors are not yet in place, a TA from TLGF will intervene in the forms of capacity building to the local institution and internal IEF in parallel to design collateral guarantees to build credit history of the farmers.





Under this piloted scheme, TLGF supports IEF to develop the scheme through a dedicated credit analyst TA. TLGF will provide a collateral guarantee scheme to de-risk IEF's revolving loan program to targeted and analyzed smallholders and in parallel providing training and coaching clinics to the Cooperative, KWML, and its partners. Most of the targeted farmers have not having credit history yet. It is expected by end of this pilot, Cooperative KWML has the capacity to strengthen social forestry enterprise ecosystem through incubation and credit de-risking activities. JAVLEC as the CSO will support the incubation of KWML as the engine of market access player. It is targeted that **within 2 years KWML has strengthened its capacity to serve as IEF's distribution partner** who are able to carry out its business process and provides recommendation and assurance to IEF's social forestry revolving loan scheme.

The TA will **build KWML's capacity to conduct credit analysis of smallholders and make solid recommendation to IEF for disbursement plan**. JAVLEC will coach KWML on assessment and monitoring loan utilization and ensure on-time repayment in the forms of teakwood logs sold to KWML. KWML guarantees the market & sales of commodity to private companies and ensure loan repayment to IEF through a deduction of sales income from processed logs sold with loan instalment due by KWML members. Any remaining amount will be transferred back to the farmers. Upon 2 years pilot, it is expected to have the developed scheme works smoothly between IEF and KWML Cooperatives.

IV. CHALLENGES & ADAPTIVE MANAGEMENT

CHALLENGES ENCOUNTERED	ACTIONS TAKEN
Different maturity level of each proposed projects	TLGF PMU continues serving incubation consultation for remaining pipelines and facilitating to funding match shall the needs identified and capacities matched.
Project personnel turnover	The PMU has to spend extra efforts to adapt on project personnel turnover in 2023 through new recruitment and reallocation of workload among current personnel.
Significant changes in budget allocation due to shift from originally 3rd party Trustee to fully UNEP manage modality in managing the grants.	<p>The dynamic in setting up the 3rd party Trustee as originally planned has caused significant delay in implementation. Hence, to avoid further delay, UNEP decided to fully manage the grants by its own and set up an independent Grant Review Committee to select projects.</p> <p>the decision brings consequences in terms of budget reallocation which requires donor approval. The approval process is ongoing with expected date to secure by Q2-2024.</p>
Facilitating network and match making to potential investors to TLGF grantees	<p>Characteristic of most land use-based green business in Indonesia are still within small to medium scale. Despite the high potential business growth of TLGF grantees, it is still challenging to match investment suits to their current situation as most interested green investors set minimum financing ticket size way beyond grantees' needs and capacities.</p> <p>UNEP expand facilitation to network the grantees with both international and national potential financiers. Upon grantees' readiness, the TLGF will facilitate investors pitching and gathering as to broaden network and opportunities. The TLGF PMU also actively explore with Islamic finance network in Indonesia as it has potential to be transformative force in climate finance and sustainable development.</p>

V. ACTIVITIES FOR NEXT PERIOD

Date of significance for implementation in year 2024/2025:

MAIN ACTIVITIES	DELIVERABLES	SCHEDULE
Signing of Project Cooperation Agreement	Contracts for the newly 5 selected grantees are signed and registered in the system.	May-July 2024
Grant disbursement	Delivery rate of grant disbursement reached at minimum 75% of the target	August 2024
Gender training	gender equality assessment, result and strategies as rapid tools assessment and training to selected proponents and respected stakeholders	September 2024
Midterm evaluation	Evaluation activities conducted	September 2024
Media Visit	Around 5 media are pitched to cover progress being made by TLGF grantees and partners through a visit to grantees' sites.	December 2024
Investors Gathering and Knowledge sharing.	All TLGF grantees are prepared and ready to meet and pitch for investment from the potential investor's partners.	December 2024
Semi-annually project monitoring.	Monitoring activities conducted	Jan- Feb 2024 & Dec 2024



"WE UNDERLINE THAT INVESTING IN WOMEN-LED BUSINESSES IS A VIABLE AND COMMERCIALY-SOUND INVESTMENT STRATEGY, IT HAS THE POTENTIAL TO IMPROVE FINANCIAL PERFORMANCE, REDUCE RISKS, AND EXPAND IMPACT."

-TLGF-

VI. PROJECT RELEVANCE

The TLGF works to prove good small to medium-scale green business which are promising but not yet at the scale needed while in parallel facilitating them to crowd in private capital, philanthropic, concessionary capital and private investment on a scale that we have never experienced. To date, approximately 22 projects listed on the pipelines, to which 7 are already selected and another one as special arrangement with BPDH is on finalization stage for GRC approval.

Most of the land-use based projects on this first phase are on sustainable farming projects of which it acts along with the entire value chain while learning of women and men experiences different impact of climate changes thus important to addressed differently in policy making, develop a gender-responsive green business and financial inclusion. The nurtured collaboration on pipelines sharing with domestic private banks and equity capitals provides bigger opportunity for investment flows to the grantees. It is important to ensure the financial ecosystem works more strategically with blended finance especially in a non-infrastructure project where blended finance is still limited, attempts to bring low-cost capital have not yet been successful.

The sectors should be expanded for the proposed second phase to which urgent important sectors such as renewable energy and blue economy should be highly considered. Hence, UNEP's resources mobilization effort for the second stage of TLGF have provided positive signal from several Donors.

Mainstreaming gender perspective in blended finance policy will enhance effectiveness of policy implementation and bring positive impact to communities/groups potentially affected by climate change, including women and indigenous people (IP).





RESTORATION IS NOT JUST ABOUT HALTING DEFORESTATION, IT ALSO MEANS ENDING DEFORESTATION IN COMPANY SUPPLY CHAINS AS TODAY'S BIGGEST FOOTPRINTS.

IT IS EQUITABLE DEVELOPMENTS BY IDENTIFYING INDIGENOUS PEOPLE, LOCAL COMMUNITIES, LOCAL FARMERS, WHO ARE THE REAL STEWARDS' BIODIVERSITY.

IT IS FINDING THOSE PEOPLE AND EMPOWERING THEM ECONOMICALLY SO THAT NATURE CAN BECOME AN ECONOMIC CHOICE TO DRIVE EQUITABLE DISTRIBUTION THAT DRIVES ECOLOGICAL RECOVERY.

-TLGF-

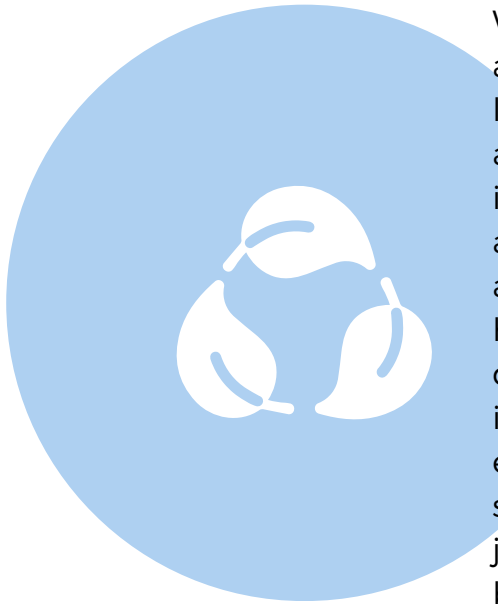
VII. SUSTAINABILITY

Noting that the scale of TLGF grantees and pipelines are yet not up to the minimum ticket size set by global investors, the TLGF PMU collaborates with ASSIST, a UNEP project for accelerating sustainable investment to the SDGs, to explore with ASSIST's national banking partners to link financing facility to TLGF grantees. TLGF also explores collaboration with 2 fintech embedded SME lenders: NIKEL, a Singapore-based and AKSELERAN, an Indonesia-based fintech companies to facilitate impact investment.

The domestic banking industries also face challenges in developing and firming sustainability financial framework. To response on this, UNEP promotes and encourages banking sectors to innovate sustainability link loan. Through this works, TLGF also contributes to implementation of ESG-based financing in Indonesia.

As part of the Grant Review Committee, the Coordinating Ministry of Investment and Maritime acknowledges TLGF as a catalyst to unlock opportunities to build community-based and environmentally sustainable business ecosystems through empowering local communities, including indigenous and people with disability, and enabling broaden participation from women to benefit from sustainable business ventures.

The TLGF is actively developing collaboration with potential blended finance actors such as KADIN, APINDO and the Secretariat of G20 Blended Finance Alliance to advance the project into scalable impact and advance knowledge sharing among respected stakeholders. TLGF promotes coaching program to a broader network working on nature-based solutions and business diversification that would create a more resilient local economy. Within the same context, TGLF PMU is expanding coordination to other UN sister agencies such as UNIDO and UNCDF.



While TLGF brings forth numerous opportunities, it also faces challenges on potential political landscapes changes and focus of new administration often results in the need for other innovative financial bridging. Shall the opportunity arise, a continuation to the 2nd phase will scale and draw in more capital from other sources to help de-risking many projects. Project development remains a key bottleneck hence interventions based on intensity of demand with expected impacts contributing to workable systems and business model is at this crucial juncture enables investors and fund managers to bring more projects to successful financial close, and in so doing support Indonesia to deliver on its economic and development objectives.

Continually looking at sectors that have traditionally been underfunded, TLGF is acknowledged for its roles and contribution to sustainability, lying in its capacity to add value through capacity building and technical assistance to a practical understanding of improving bankability to Indonesian growing interest for green investment.

