The Federal Government

IKI INTERNATIONAL CLIMATE INITIATIVE

Zukunft Umwelt Gesellschaft

Guidelines on Project Planning and Monitoring in the International Climate Initiative

Version 2 (as of July 2023)

IKI Monitoring and Evaluation (M&E) Unit

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1 Glossary

Additionality	Without IKI funding, corresponding measures on emissions reduction, adaptation and biodiversity conservation would not have been conducted.
Baseline	A baseline is a value or a starting point on a scale that serves as a reference point for an indicator before the start of project measures. Comparing the evolving status quo of the indicator with the baseline provides an indication of the changes achieved by the project. The baseline may either reflect the state of the indicator before the start of project activities or the expected state if no IKI funding had been provided ('business-as-usual'), or a combination of the two.
Co-benefits	Positive socio-economic effects and/or improved quality of life brought about by measures that are primarily designed to address climate mitigation, adaptation and biodiversity improvements. Examples include high-income jobs created by the introduction of renewable energy measures, or the reduction in cases of lung disease due to the expansion of green modes of transportation.
Gantt chart	Project planning instrument for scheduling the implementation of activities as well as the attainment of milestones, outputs and outcome(s).
Impact	Impacts refer to the social, environmental and economic effects of the intervention that are longer term or broader in scope than those captured under outcome(s). They are the result of a confluence of many factors and players, of which the IKI project is but one. For IKI projects, impact usually relates to climate protection in the form of broad economic, environmental and societal trends, such as reduced emissions, economic paradigms, people's wellbeing, increased biological diversity and improved ecosystems. Given that the causal chain from project activities to impacts is very long, there is generally no requirement to quantify this impact and to define impact indicators.
Implementing partners	Implementing partners are organisations, institutions or companies that directly and in a coordinated manner deliver on project outputs. At times, political partners can also be implementation partners.
Joint Projects	Large-scale, usually multi-country, projects implemented by a consortium of agencies and selected through the IKI thematic calls or country calls.
Leakage	In some cases, a project achieves positive results within the previously stipulated system boundaries, say by leading to reductions in GHG emissions, yet at the same time have adverse effects outside the system boundaries, where emissions increase. Such spatial or temporal displacement effects are called 'leakages' and have to be addressed in project planning.

Means of verification	An appropriate data source for an indicator including methodologies used for collecting data as well as analytical tools (such as organisational capacity assessment tools).
OECD-DAC Policy Markers	Within the context of Official Development Assistance (ODA) reporting, the Federal Republic of Germany reports on the breakdown of German climate financing contributions to the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).
Outcome	Outcome(s) are the overarching goal(s) of the project, i.e. the positive changes in terms of new or improved policies, plans and practices implemented by target groups that the IKI project contributes to against the backdrop of longer-term, higher level impacts. Outcome(s) generally are not changes that can be achieved by the IKI project alone but changes that the IKI project seeks to influence to a substantial extent.
Output	Outputs are products and services developed and delivered by IKI projects that are in line with partners' and target groups' needs. Projects are responsible for delivering on outputs, which in turn are expected to make a verifiable contribution to the outcome(s).
Political partners	Political partners are governmental institutions, who support the project and ensure that results are mainstreamed in the target country or region.
Project-specific indicators	Project-specific indicators serve as benchmarks for goal attainment and, hence, project progress at an output and outcome level. Unlike Standard Indicators, project-specific indicators are developed by individual IKI projects.
Replicability	Replicability denotes the possibility that developed methods, instruments and techniques can be applied in other regions or by other actors.
Results framework	Results framework refers to the table included in the IKI project proposal that provides an overview of the project's impacts, outcome(s), outputs and related indicators that have been agreed upon between the IKI and the implementing organisation. It can be regarded as a condensed and simplified form of the project's own results logic. The results logic, the associated objectives and the resulting monitoring system of the project are likely more far-reaching and complex than what is indicated in the results framework (e.g. projects might use additional outcomes or monitor context factors).
Results logic	A project's results logic is the IKI implementing organisation's visualisation and/or narrative on how change should happen within the programme. It is sometimes also referred to as Theory of Change. At the core, the results logic presents a project's outputs, outcome(s) and impacts, including links (which output(s) may lead to which outcome or outcomes, and which outcome(s) influences further desired outcomes) and assumptions (why are these changes likely to happen). It can also contain important context factors, risks and barriers the project might face.

Standard Indicators	Standard Indicators refer to the IKI's Key Performance Indicators, which capture selected results of all projects that can be aggregated across the entire IKI portfolio.
System boundaries	Temporal or spatial system boundaries delineate the events and actors that the projects seeks to influence directly or indirectly. Events and actors beyond the system boundaries may still have to be monitored by the project but realistically cannot be shaped by it.
ZUG gGmbH	Zukunft – Umwelt – Gesellschaft (ZUG) gGmbH supports the German government in implementing its funding policy aims. One of the programmes it manages is the International Climate Initiative (IKI).

2 Introduction

The International Climate Initiative (IKI)

The IKI is one of the key instruments of the German government to support international climate action and biodiversity. Currently, it is the joint funding instrument of three ministries[1] (henceforth referred to in this document as "the ministries"):

- Federal Ministry for Economic Affairs and Climate Action (BMWK): main steering and coordinating role,
- Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV),
- Federal Foreign Office (AA).

Supported by the IKI Office at ZUG, the ministries use the IKI to finance a great diversity of IKI projects worldwide aimed at mitigation, climate adaptation, REDD+ or biodiversity.

To ensure that IKI projects are geared towards and achieve results, results-oriented planning, management and implementation of projects is paramount. This document provides an overview of essential requirements and guidelines on the management, monitoring and reporting of projects receiving funding from the International Climate Initiative (IKI).

It aims to assist organisations seeking to implement IKI-funded projects particularly during early stages of project development, but also can be used for reference during implementation. IKI projects should consult the guidelines early on in the process and develop project proposals according to the requirements and guidance laid out in this document.

The document contains guidelines on numerous topics not all of which are relevant to every IKI project. The following overview of chapters should facilitate the use of the document:

- **Chapter 3** provides an introduction and overview of the monitoring and reporting system within the IKI and is therefore a must-read for all IKI projects.
- **Chapter 4** is equally relevant for all IKI projects. It contains provisions on formulating and using a results logic and respective project-specific indicators, planning work packages and activities and complying with cross-cutting requirements on gender and safeguards. For further guidance on conducting the safeguards risk analysis, projects should also consult Annex A.
- **Chapter 5** presents methodological advice that is specific for each of the four funding areas within the IKI. IKI projects consequently only need to consult the sub-chapter on the funding area that best fits with their project.
- **Chapter 6** comprises extensive guidance on the Standard Indicators within the IKI. While the introduction and provisions are relevant for all IKI projects, projects only

[1] Prior to 2022, the IKI was the main funding instrument of the Federal Ministry of the Environment (BMU; now BMUV). As a result of the elections in 2021 three ministries are now involved in the IKI.

need to familiarise themselves with the guidance sheets of those Standard Indicators that might be relevant to them.

- **Chapter 7** explains how to classify IKI projects using the OECD-DAC's policy and Rio markers, CRS codes and the EU's Team Europe Initiatives (TEI). Projects do not need to read the detailed provisions on all policy and Rio markers but can read up on those that might be relevant to accurately classify the project.

What has changed in this version?	
July 2023 (Version 2)	• Updated requirements for formulating outcome objectives: IKI projects can now formulate between one to four outcomes, instead of only being allowed to formulate one outcome • Definition of 'results logic' and 'results framework' • Editorial update on environmental and social risk analyses • Updates on the Standard Indicator Guidance Sheets for SI 1 Mitigation and SI 5 Leveraged Finance and minor editorial updates for other indicators • Update on DAC policy marker on Democratic and Inclusive Governance (former marker "Participatory Development and Good Governance) • Introduction of specific guidance on selecting Team Europe Initiatives • Further editorial updates to render document accessible.
August 2022 (Version 1) (as compared to previous versions)	• More comprehensive guidance on environmental and social safeguards • More comprehensive guidance on integrating gender in IKI projects • Overview of all monitoring requirements for IKI projects • Specific guidance for IKI Medium Grant projects (see below) • Updated Indicator Guidance Sheets for the revised IKI Standard Indicators (see Chapter 6) • Detailed guidance on selecting OECD-DAC policy markers, Rio markers and CRS codes (see Chapter 7)

2.1 Information for IKI Medium Grants

The IKI Medium Grants (IMG) is a sub-programme of the IKI specifically designed to support non-profit organisations from Germany in collaboration with local partners in jointly **advancing innovative bottom-up solutions to implement the Paris Agreement and the UN Convention on Biological Diversity**. The IMG planning and monitoring system is embedded into IKI's overarching planning and monitoring. To meet the specific requirements of the IMG, it is at times adapted or simplified. Projects funded through the IMG should therefore keep in mind the following IMG-specific provisions when working with this document:

- Aiming at strengthening capacities and networks of civil society actors (in the fields of climate change mitigation, adaptation and biodiversity conservation), **expected results of IMG projects may have a more narrow focus** than the examples in this document suggest. Consequently, the methodological guidance presented in Chapter 5 of this document is merely relevant for IMG projects in terms of providing orientation on overall impact dimensions of the IKI. Much rather, IMG projects are expected to contribute to the following outcome objectives:
    - Uptake of innovative bottom-up solutions in IKI's funding areas
    - Improved perception of civil society organisations as experts and implementation partners in IKI partner countries
    - Enhanced networking of civil society actors from the Global North and South
- Selected aspects of these Guidelines are not explicitly relevant for IMG projects. This includes the involvement of **political partners** (since IMG projects focus on bottom-up solutions) and the achievement of **co-benefits** (which is desirable, but not necessarily monitored; see Chapter 3.1). Moreover, some aspects are **simplified for IMG projects**, e.g. only **one outcome**, the **lower number of outputs and indicators required** (between two and four outputs with at least one indicator each) and the **necessity of designing work packages** (only if more than four activities per output; see Chapter 4.3). If in doubt, the requirements stated in the respective proposal/reporting template are to be followed.
- While the monitoring and reporting framework for IMG projects is the same as for other IKI projects, no individual project evaluations are foreseen. However, a **programme evaluation**, which may involve field visits of selected projects, as well as a survey of implementing organisations will be conducted at regular intervals in order to assess the performance of the IMG as a whole.
- In contrast to other IKI projects, changes to IMG project goals or indicators do not require the formal approval of the respective ministry responsible for the project but of ZUG as the responsible agency for managing the programme. From a project perspective, however, the process remains identical to other IKI projects. **Changes that require approval must be addressed in a formal request to ZUG**.
- Please refer to the IMG application templates for the correct numbering of the chapters and annexes to which reference is made in the following text.

3 The monitoring and reporting system of the IKI

The IKI's **monitoring and reporting system aims to support the effectiveness, accountability and learning of IKI projects in all of the IKI funding areas**. One of the prerequisites for the success of any project is its orientation towards verifiable goals and a regular review of project progress as well as decision-making that takes monitoring data and other evidence into account.

Results-based monitoring also lays the foundation for project evaluation and for accountability vis-à-vis funders and project partners. It helps recognise whether the goals that you have set with your project are being attained using the chosen outputs and activities, and which unforeseen effects may have been triggered by the project. Monitoring is therefore part of good project management: it helps to identify strengths and weaknesses in your work and to regularly adjust course.

The IKI **monitoring and reporting** system is based on the concepts, experiences and standards of:

- the **United Nations Framework Convention on Climate Change (UNFCCC)**
- the **Convention on Biological Diversity (CBD),** including the Green Climate Fund
- **Organisation for Economic Co-operation and Development (OECD)** standards
- German funding legislation

The monitoring and reporting system at the level of individual projects currently comprises:

- **Results-based project planning, monitoring and implementation along project-specific indicators at outcome and output level as well as milestones**
- **Regular annual reporting (annual financial statements and status reports**) on progress towards achieving goals and developments in the project context and any necessary changes in project design and implementation
- **Final report** on the attainment of goals and the respective indicators and implemented activities
- **Monitoring and reporting of cross-cutting topics (incl. gender, co-benefits and safeguards)**
- **For Joint Projects: mid-term evaluations and a final review**

At the level of the overall IKI funding programme, effective as of 2015 it comprises:

- Data collection on aggregated results of the overall IKI programme based on a **small number of Standard Indicators** that project implementers are required to report on where relevant
- **Performance reviews** of the entire IKI programme in line with national funding legislation (checking the achievement of objectives, results and use of funding)

- **Strategic evaluations** of the complete IKI programme serving both learning and accountability purposes on key strategic questions

In the following sections, some of the components of the IKI's monitoring and reporting system are introduced in more detail:

IKI funding areas and goals of IKI projects

The IKI supports projects that pursue the goals of **GHG mitigation**, **adaptation to the impacts of climate change**, **conservation and sustainable use of natural carbon sinks/REDD+**, and/or **conserving biological diversity**. IKI funds both activities that lead to these goals directly, as well as measures that build and enhance the wider enabling environments.

One of the IKI's central goals, **emissions reductions**, can be achieved in a myriad of ways, some direct, some indirect. Direct reductions happen, for example, in projects piloting the introduction of renewable energy technologies and/or new energy efficiency measures. Within the IKI Funding Area of 'Conservation and sustainable use of natural carbon sinks/REDD+', these could, for instance, be projects piloting results-based payments. Some projects, on the other hand, choose to focus on building the mitigative capacity of systems or key actors. This encompasses, for example, the development and adoption of renewable energy laws that drive the expansion and usage of renewable energies.

When it comes to **climate change adaptation**, some IKI-funded measures will help institutions and people adapt to climate change directly and in the short term (for example, by piloting trainings for smallholder farmers and local enterprises on how to improve water storage in their region). Other adaptation-focussed measures will act in more indirect ways, opening up pathways to larger-scale adaptation in the long-term (for example, by developing curricula for water storage trainings or developing databases on water scarcity metrics for national ministries).

Conservation of biological diversity encompasses both projects designed to conserve bio-diversity directly and in the short term and projects designed to build capacity for long-term biodiversity conservation. **Direct biodiversity conservation** may involve, for instance, the designation and effective management of protected areas. **Building capacity to conserve biodiversity** may involve, for instance, the development of national biodiversity strategies, which – when implemented – have the potential to protect biodiversity at scale and in the long run. In general, the IKI puts emphasis on a) the protection of biological diversity, b) the restoration of degraded ecosystems, and c) the sustainable use of biological resources.

Co-benefits

In addition to specific project goals, IKI-projects might have **the potential to achieve positive effects for the environment, society or economy that go beyond the goals above.** The IKI considers these **co-benefits**. Examples of co-benefits are an increase in people's income, a reduction in airborne pollutants or a reduction of rural-urban migration brought about by climate and biodiversity action. Noting these co-benefits does not merely mean registering positive effects more or less randomly; instead, the effects of the IKI project on the general social, economic, and environmental context must be anticipated and specified in advance of the project. The project proposal and the regular reporting need to

reflect on them. Where this strengthens the project strategy, co-benefits should form part of the results logic and assumptions.

Gender in IKI projects

The IKI expects all IKI projects to work in a gender-responsive if not gender-transformative manner (see also the IKI's Gender Strategy for more information). As such, projects should at least be designed in a way that recognises and addresses the different needs and realities of women, men and all other genders such as non-binary or gender-fluid persons (i.e. gender-responsive design). If possible, IKI projects should include components that address the root causes of gender-based discrimination (i.e. gender-transformative components). Likewise, IKI projects should actively promote the elimination of discrimination against socially, culturally, geographically, politically, legally, religiously, economically or otherwise disadvantaged groups within the framework of their activities and should recognise and address potential intersections between these systems of discrimination.

Environmental and social safeguards within the IKI

All IKI implementing organisations are obliged to comply with the IKI Safeguards Policy and the environmental and social safeguard standards of the Green Climate Fund (Interim IFC Performance Standards on Environmental and Social Sustainability). The aim of the IKI Safeguards is to prevent potential negative environmental and social impacts caused by IKI project activities.

Following IFC Performance Standards (PS) have to be complied with:

- Labour and Working Conditions (PS 2)
- Resource Efficiency and Pollution Prevention (PS 3)
- Community Health, Safety and Security (PS 4)
- Land Acquisition and Involuntary Resettlement (PS 5)
- Biodiversity Conservation and Sustainable Management of Living Natural Resources (PS 6)
- Indigenous People and marginalised groups (PS 7)
- Cultural Heritage (PS 8)

Performance Standard 1 (Risk Management) is not applied to all IKI projects.

Annual (interim) and final project reporting

Within the context of IKI reporting, the interim and final reports form the basis for accountability between the IKI and the implementing organisations of IKI projects. It is an opportunity for you to outline project progress according to agreed indicators and milestones (and beyond). The corresponding forms are to be used for this. In addition, developing an own and sound results logic ideally during the planning stage of the IKI project can further support good monitoring and can be used as an adjustment / steering tool throughout the project. The results logic can but not necessarily need to be provided to ZUG gGmbH.

Interim reports are to be submitted each year by April 30. The final report also assesses goal attainment based on project-specific and Standard Indicators. Final reports are to be submitted no later than six months after the project concludes. You as the project implementer are responsible for determining and carrying out appropriate quality assurance, e.g. by verifying that the reported data is plausible and accurate.

Remember to store any underlying data that feeds into your reporting to ZUG gGmbH for twice the project duration, or at least five years.

IKI Evaluations

For IKI joint projects, regular monitoring is complemented by and feeds into evaluations conducted and commissioned centrally by ZUG gGmbH. All joint projects will have a **mid-term evaluation** at strategically important points in time, focused on learning and improving, as well as a **final review** that takes stock of what the project has achieved. IKI joint projects may also be informed at an early stage that they were selected for more in-depth **impact evaluations**. ZUG gGmbH endorses a participatory approach to integrate the needs of involved stakeholders and to thus create useful evaluations / learning aspects. In all cases, the implementing consortia will be consulted for more detailed evaluation planning during the inception phase and throughout early implementation, so that appropriate evaluation timelines are set and genuinely useful questions are being asked.

Finally, IKI joint projects and other IKI projects might be included in **strategic evaluations** that address overarching strategic questions that cut across the IKI portfolio.

3.1 Requirements for IKI projects at a glance

General requirements for project planning and monitoring apply to all IKI projects. The requirements should not only provide orientation but also allow for common standards of projects across the IKI portfolio. The following graph and info box provide a concise overview of required elements and processes for an IKI results logic:

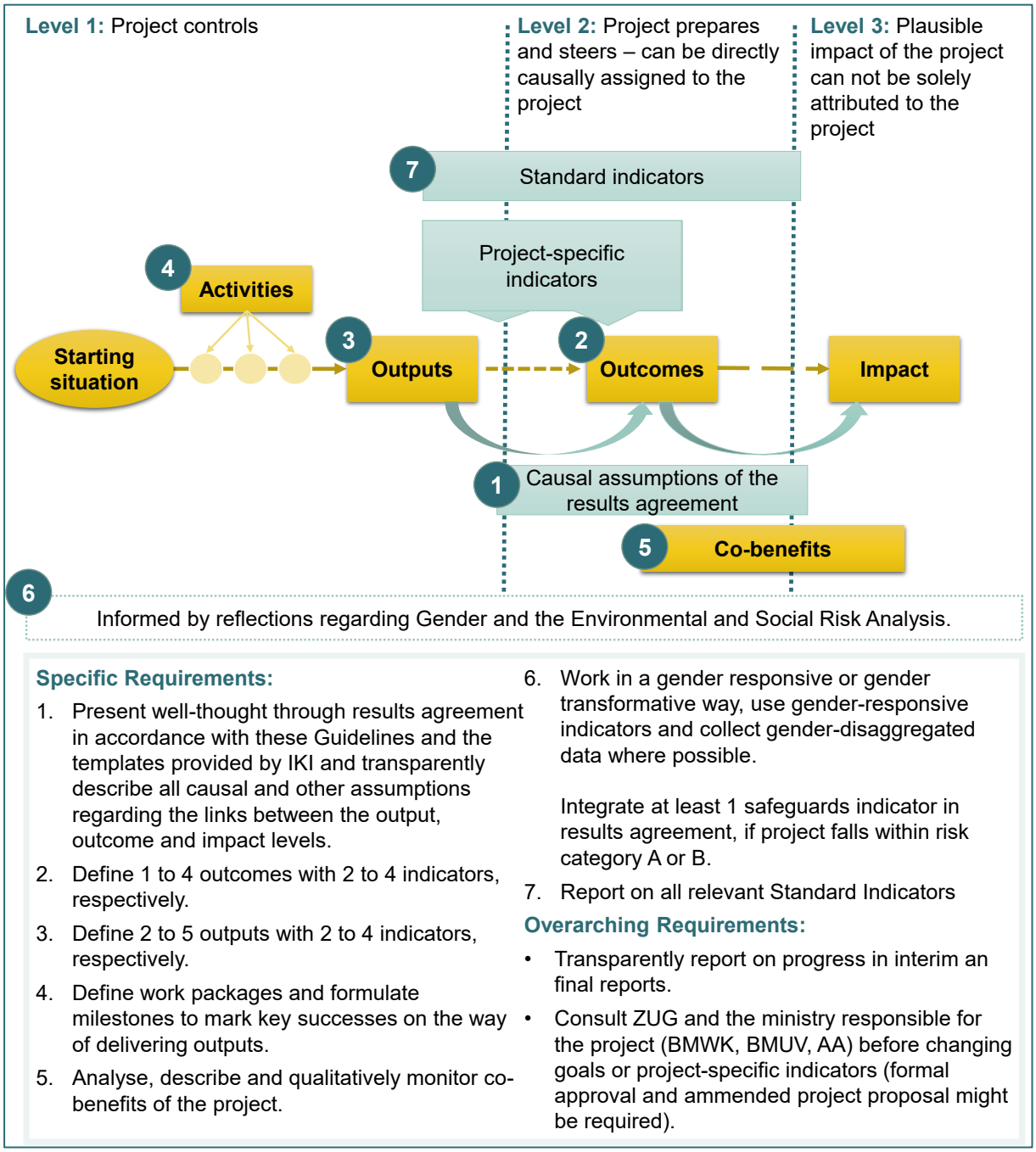

Figure 1 Requirements for IKI projects at a glance

4 Planning, managing and reporting with results in mind

4.1 Using your results logic and agreement to make your IKI project proposal more results-focused

Terminology

Results Logic:

Especially multi-stakeholder projects with diverse components, which most IKI projects are, don't follow a linear, chain-like, approach to achieve changes. Therefore, only the term results logic (instead of results chain) is used to better capture this complexity. The results logic is the explanation of why and how the project intends to achieve which goals. In other words, it is the contextual and complex explanation, including underlying assumptions, of how you think change will happen on different levels (output, outcome, impact) through project activities/measures.

Results framework:

The results framework is the simple table format used in the IKI proposal template in which you list the goals on impact, outcome and output level, plus the related indicators. It is thus a synthesised overview of your results logic that does not include the explanations, underlying assumptions and all detailed measures of your results logic. It is more simplified than your results logic but, importantly, should nevertheless be coherent. The objectives and indicators listed in your results framework transparently outline what you seek to achieve with the IKI funding and will therefore be the basis for your reporting during implementation.

The ambitious long-term change that IKI projects seek to achieve as well as the medium- and short-term changes necessary to get there are reflected in your project's results logic and synthesised in the results framework that follow the OECD's results levels.

The reality of IKI projects will be much messier than what you will present in your results logic and results framework in the project proposal. They are nevertheless a useful tool to clarify the ultimate purpose of your project, agree on objectives and the way to fulfilling them. They can help to track progress towards your goals and provides the opportunity to make timely adjustments if needed.

The project results logic can be divided into **three levels**:

Level 1: **Your project's intervention level**, where the activities and outputs are located. These are implemented and achieved directly by your project; their attainment can be controlled by the project itself to a large extent. Importantly, a project is always a joint effort made alongside partners and target groups. Therefore, the IKI uses a definition of outputs that does not end with the creation of products and services but also incorporates their immediate uptake by partners or target groups, as long as this is verifiable. Outputs outlined in the project proposal should be linked to **work packages**. Work packages are comprised of multiple activities, which usually correspond to a single output.

Activities are processes carried out by a project to create products and services to be used by target groups that are termed **Outputs**. These, in turn, are the prerequisite for achieving **Outcome(s)**.

Level 2: **Your project's contribution and influence level**, including Outcome(s). This level describes the intended effects of your project on the target group. Outcome(s) are, therefore, considerably affected by and achieved through the participation of target groups and intermediaries. Your project is not able to exercise complete control over the behaviour of intermediaries and target groups, and, consequently, cannot fully control the achievement of outcome(s). It can, however, work towards outcomes, anticipating roadblocks and managing and adjusting activities accordingly.

Level 3: **Your project's impact**. The **Impact** of an IKI project is usually the long-term and large-scale emissions reduction, climate change adaptation and conservation of biological diversity, to which IKI projects contribute. It should be possible to plausibly deduce how your project contributed to this impact. Since the results logic linking project activities to the impact is very long, there is generally no requirement to quantify these effects or equip them with indicators at the impact level.

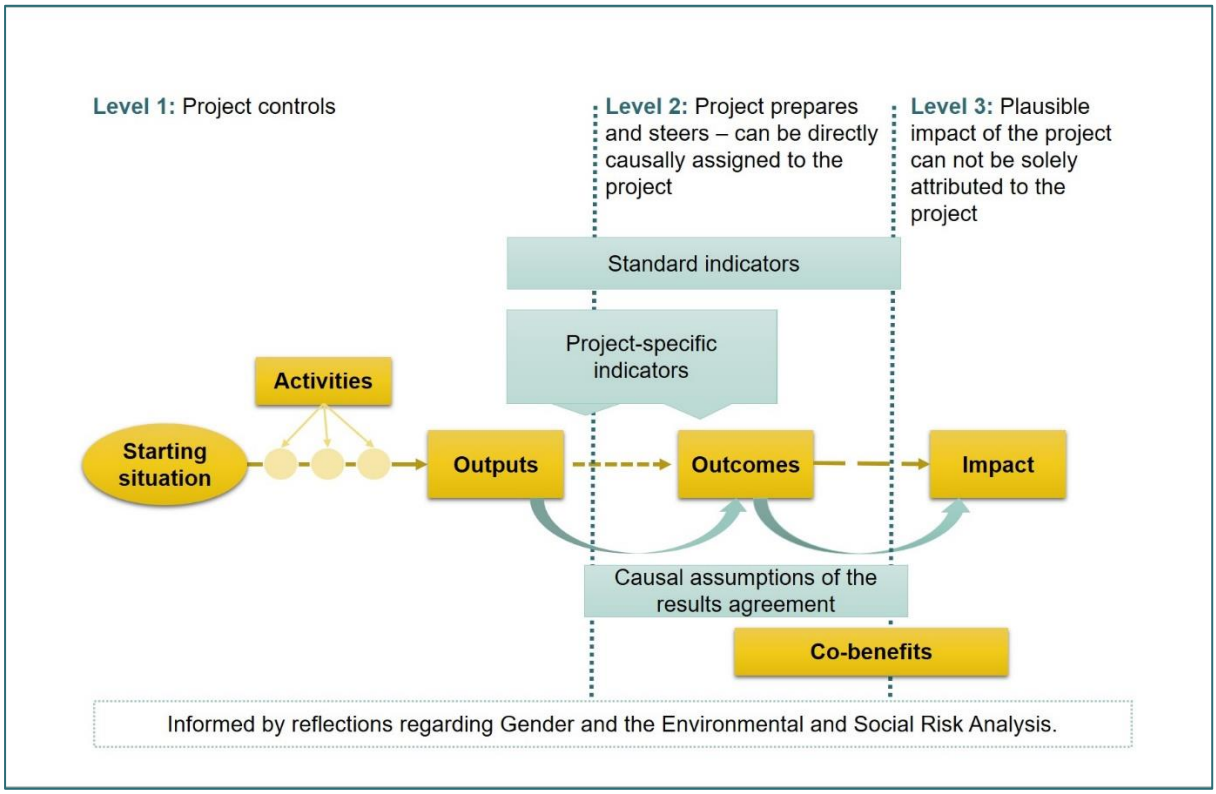

Figure 2 Central components of the IKI results logic

The results logic should help your project to make transparent what you intend to achieve and how. It provides participating actors with a clear perspective and all interested parties with an idea of what can be expected from the project. In defining your results logic, it is crucial to not only define activities and goals on output, outcome and impact level but to also to reflect on the **causal assumptions** underlying your projects results logic. You should

make transparent why you think doing A will lead to B and what contextual factors will help or hinder progress as well as any other assumptions that are necessary to understand the your project. In doing so, you should especially reflect on the relationship between outputs, outcome(s) and impacts. The purpose of identifying these assumptions is to be able to test and monitor them during project implementation. Thereby, you can manage your project more effectively and make adjustments. Where assumptions turn out to have been false, your management needs to consider this in planning and decision-making.

Furthermore, your project also needs to anticipate or plan for and report on **co-benefits** – positive development as well as climate and biodiversity outcomes. Examples of possible co-benefits in the different IKI funding areas can be found in Chapter 5.

Outcomes and outputs within your result agreement:

IKI projects can set between one to four outcome(s) that should all significantly contribute to the intended impacts. As a rule of thumb, IKI projects usually intend to deliver two to five outputs to achieve their outcome(s).

4.2 Defining project-specific indicators

Once your results logic and included outputs, outcomes and impacts are set, you need to define indicators that measure the progress towards reaching your objectives. Within the IKI, project-specific indicators serve as a **means for assessing progress towards achieving goals on output and outcome level and, hence, the success of the IKI project**. The indicators of your project should reflect the substance of the objectives. You will need to list the outputs, outcomes and impacts along with the indicators on output and outcome level in the results framework in your project proposal.

We encourage you to carefully design indicators to meaningfully measure progress within your project but also to provide information that is relevant for your project steering. In their entirety, the chosen indicators should provide an accurate window into your project's priorities and ambition at different levels. This implies that even within the same output, your selected indicators should depict a hierarchy of expected changes (from less to more ambitious ones), including both numerical (i.e. quantitative) as well as narrative (i.e. qualitative) expressions of your project's ambitions. **As a rule of thumb, the description of Outputs and their indicators should not just include the quality and quantity of products and services offered by the project, but also capture the extent to which an initial uptake by project target groups has occurred.**

You should develop as many indicators as are needed to monitor the output/ outcome adequately. As a rule of thumb, you should consider two to four indicators per objective. In order to reduce potential bias and improve available data on respective output or outcome, it is recommended that you choose a variety of different sources of verification, such as key informant interviews, case studies, tracer studies etc., encompassing the views of different stakeholders (triangulation). The total number of indicators and their sources should remain within what is cost-effective and manageable for your project. You can find guidance on goals and indicators for the different IKI Funding Area here.

Project-specific indicators within your results framework

Per outcome / output you should define two to four project-specific indicators.

Similar to the examples of indicators in this document, project-specific indicators should be neutral, that is, their wording should not refer to project targets (e.g. by using specific numbers or words such as reduce) but rather provide criteria with which to assess progress. Neutral indicators might refer to, for instance, “percentage of”, “number of” or “description of”. The baselines and targets are used to specify starting points and the project’s specific ambition.

Your project-specific indicators on output and outcome level should ideally meet the SMART criteria listed below. The SMART criteria provide an important guideline for distinguishing between more and less useful indicators. If more suitable in the case of your project you can also apply CREAM or SPICED criteria to ensure high quality of your indicators.

Criteria for SMART indicators

Indicators for outcomes and outputs should meet the following criteria:

Specific: defined unambiguously and precisely.

Measurable*:* possible to verify with information

Achievable*:* it should be possible to reach the target set in the indicator with the available resources and under the prevailing conditions (keeping in mind, however, that it is the result (here output or outcome) that is to be "achieved”, not the indicator itself).

Relevant: the information provided by the indicator should be of relevance to outcomes and outputs.

Time-bound: equipped with a timeframe and achieved no later than by the end of the project.

Once you developed all your indicators, please list project-specific indicators in the project proposal and particularly the results framework, including associated **targets**. To assess your project’s progress, the project goals, i.e. the outputs and the outcomes, it can be useful to compare ongoing results to starting conditions. For this purpose, you should consider defining a **baseline value** for all indicators. The baseline data and targets are included in the project proposal and should refer to the prevailing situation before the start of project activities. In the course of project implementation, you will be required to report against the indicators in the interim and final reports.

Revising outcomes, outputs and project-specific indicators during implementation

If you have grounds to revise either the goals (outcomes and outputs) that were defined before the start of the project or those project-specific indicators that contribute to goal attainment, you first require approval from the ministry responsible for the project. Please submit a corresponding formal request to ZUG gGmbH. These changes should be meaningful in that they adequately measure progress towards your goal and benefit implementation. Therefore, you should not adjust indicator targets during project implementation just so you are able to achieve them. Rather, the IKI is interested in learning about what factors contributed to targets not achieved or significantly over-achieved.

Beyond measuring your outcome and output goals, the IKI wants to ensure that safeguards measures are properly integrated into project planning, implementation and

monitoring of IKI projects to prevent negative impacts of IKI projects. Therefore, IKI projects with the risk category A or B thus need to:

- **Integrate safeguard measures in work packages**: Please describe the safeguards measures addressing the most serious risks in the work package where the risks are most likely to occur.
- **Develop safeguards indicators for project monitoring**: There needs to be at least one safeguards indicator. The safeguards-related indicator has to address the most serious social or environmental risk(s) identified in the environmental and social risk analysis. The safeguards indicator should be SMART and measure whether anticipated negative effects occurred and/or whether safeguards measures had a positive effect (see IKI Safeguards Policy, chapter 4).

Aside from your own chosen indicators, your project also needs to report on all **relevant Standard Indicators** (see Chapter 6)**.** In doing so, **you are free to also use Standard Indicators as project-specific indicators** where appropriate.

4.2.1 Example of a results framework

Impact(s)

- Consumption related GHG emissions are reduced.
- Overexploitation of oceans and forests in region XY is halted.
- Sustainable consumption and production practices are widely adopted in region XY.

Outcome Level:

Outcome I	Outcome II	Outcome III
National state actors across the four target countries enact policies and instruments that support and incentivise sustainable consumption and production via Type 1 Ecolabels and sustainable public procurement (SPP) as part of wider environmentally friendly consumption and development pathways.	Representatives of ministries and public authorities in partner countries as well as regional policy networks promote the use of SPP and Type 1 ecolabels	Public procurement entities, SMEs, and industry associations are capable and willing to enact strong ecolabelling practices in production
Ind. O.I.1: Number and description of national or subnational development strategies that have included at least one SPP or Ecolabel reference, with significant input of the IKI project	Ind. O.II.1: Number of official national roadmaps/implementation plans to make SPP mandatory that have been approved by relevant authorities	Ind. O.III.1: Number of industry associations or Chambers of Commerce that take up awareness-raising elements related to Type-1 ecolabels in their support of member enterprises
Ind. O.I.2: Number and description of partner countries in which public procurement entities report inclusion of climate, biodiversity or resource conservation criteria based on Type-1 ecolabels for 5 products & services in public tenders	Ind. O.II.2: Number and description of target countries in which policy stakeholders are reporting their progress on SPP using the SPP Index Methodology	Ind. O.III.2: Number and percentage of public procurement entities representatives participating in training sessions that report instances of putting learning into practice six months after the training
Ind. O.I.3: Number of small and medium enterprises (SMEs) that offer products and services that are certified Type-1 Ecolabel, disaggregated by women-led enterprises		

Output Level:

Output I: topic	Output II: topic	Output III: topic	Output IV: topic

More ambitious Type -1 ecolabels are available for use by national and regional ecolabelling stakeholders.	Policy proposals for type 1 ecolabels and SPP are developed and communicated to policy-makers in target countries.	Pilot measures are implemented to demonstrate feasibility of ambitious ecolabelling for various stakeholder groups.	Global and regional knowledge exchange is promoted on SPP and Type-1 ecolabels.
Ind. I.1: Number of new or revised Type-1 ecolabel sustainability criteria for climate- biodiversity- or resource-relevant product groups developed through participatory approaches with consideration of gender aspects	Ind. II.1: Number and description of public procurement entities that have engaged with the project's policy and legal guidance	Ind. III.1: Number of pilot measures demonstrating feasibility	Ind. IV.1: Number of good practices on EL or SPP shared through regional / global networking initiatives
Ind. I.2: Number and description of project events convening key SPP policy actors in each partner country	Ind. II.2: Number and percentage of public procurement representatives participating in trainings that rate content useful for their work (disaggregated by gender)	Ind. III.2: Number of stakeholder groups per target country engaging with the results of pilot measures that use Type-1 EL criteria in SPP tenders	Ind. IV.2: Number and percentage of global conference participant respondents (disaggregated by gender and sector) that rate the conference positively in terms of professional network development
Ind. I.3: Number and description of high-level strategy documents on which the project has communicated targeted input to policy-makers		Ind. III.3: Number of private sector firms reached by project awareness raising campaigns on the benefits of sustainable production and consumption in each target country	Ind. IV.3: Number of entities (from non-target countries) which request support from the project to apply good practices shared through regional/ global networking

Safeguards indicator(s) (if environmental and social risk category A or B): Wording of Safeguards-related indicator(s)

Environmental or social risk to be monitored and work packages, where risk occurs:

4.2.2 Examples of project-specific and safeguards indicators

This section provides examples and guidance on project-specific and safeguards indicators. It provides examples of SMART indicators at outcome and output level.

Furthermore, it gives an overview of the most common challenges you might encounter when trying to develop useful project-specific indicators for different project components with hard-to-measure objectives and solutions that are tailored and adapted to the specific context.

Finally, it offers ideas on different kinds of safeguards-related indicators.

Example of a SMART outcome indicator

<table>
<tr><td colspan="2"><u>Outcome: NAMAs on transportation in line with country x's national mitigation targets have been successfully implemented by the end of 2023.</u></td></tr>
<tr><td>NON-SMART indicator:</td><td>SMART indicator:</td></tr>
<tr><td><u>'Specific' criterion: not met</u>

The transportation sector's mitigation potential is increased.

The indicator must be clearly and precisely defined, and the outcome must be appropriately reflected. In this case, the information is imprecise because it is not possible to determine the baseline and target in terms of the 'transportation sector's mitigation potential'. It is not clear what the intended change is.</td><td rowspan="3">Number and description of NAMAs that have been developed for the transportation sector in cooperation with partners by Q4/2023.

Baseline: 0

Target: 3

Means of verification: Availability of three developed NAMAs, testimonies on contribution of the IKI project

Note: Providing the number and description of what has been achieved combines the advantages of quantitative and qualitative indicators. It goes beyond merely reporting figures and</td></tr>
<tr><td><u>'Measurable' criterion: not met</u>

By 02/2023, support to NAMAs in the transportation sector has increased the buy-in of government stakeholders.

The indicator must be clear about what it is that is being either counted, measured, described or observed. Note the term measurement also includes qualitative analysis, expressed as case studies, document reviews, media analysis etc. – projects do not need to limit themselves to numbers. The proposed indicator is not measurable because key terms are subjective and ill-defined ("buy-in") and the overall indicator is hard to verify or falsify.</td></tr>
<tr><td><u>'Achievable' criterion: not met</u>

Number and description of NAMAs that have been developed for the transportation sector in cooperation with partners by Q4/2023.

Baseline: 0 Target: 10

Set targets should be ambitious yet realistic, drawing on prior analysis of the country setting and enabling environment, given the resources and mandate of the project.</td></tr>
<tr><td><u>'Relevance' criterion: not met</u></td><td></td></tr>
</table>

By 02/2022, data on GHG emissions in the transportation sector will be collected and assessed with regard to their mitigation potential. The indicator should provide relevant information with regard to achieving the outcome. In this case, the indicator is related to activities that are needed for the preparation and development of a NAMA, and would, therefore, be more appropriate for measuring results at the output level.	includes descriptive and analytical narrative around the scale of change and the project's contribution to complex changes, such as improved policies.
'Time-bound' criterion: **not met** *Number and description of NAMAs that have been developed for the transportation sector in cooperation with partners.* The indicator should clearly define by when the target should be achieved. This is not the case here.	

Example of a SMART output indicator	
Output: Project studies demonstrating the value of services provided by ecosystems have reached key decision-makers involved in a given national policy process.	
NON-SMART indicator	SMART indicator
‘Specific’ criterion: **not met** *Percentage of political actors that refer to project studies on biodiversity conservation in their planning processes.* Without clearly defining the target group of political actors in advance, this indicator remains non-specific. In this case, a percentage is difficult to match to a baseline or target, since the decision of which actors to count is unclear and/or arbitrary.	***Number and percentage** of national governmental and non-governmental organisations involved in a specific biodiversity policy roundtable requesting results of project studies, **by 10/2018*** **Baseline:** 0 organisations **Target**: 5 organisations, including at least 2 governmental organisations **Means of verification**: Workshop reports and testimonies from participants
‘Measurable’ criterion: **not met** *Governmental and non-governmental organisations (NGOs) are satisfied with results provided by project studies that will inform national policy.* It is not clear what the benchmark for success is and how it can be observed and measured.	
‘Achievable’ criterion: **not met** ***Number** of national governmental and non-governmental organisations that include biodiversity information generated by the project in their strategy discussions.* Baseline: 0 organisations Target: 20 organisations, including 5 governmental organisations Targets should be based on contextual and stakeholder analyses as well as available project resources. Although ambitious project objectives are desirable, ambitious targets should be in tune with the project’s capabilities and context.	
‘Relevance’ criterion: **not met** *% of threatened flagship species in the region no longer listed as endangered or critically endangered by 2022.* This indicator is not directly relevant for the output described here, since the goal is primarily focused on the political process. The populations of flagship species, however, may be included as a relevant indicator elsewhere in the project – potentially at the outcome level.	
‘Time-bound’ criterion: **not met**	

Number and percentage *of national governmental and non-governmental organisations involved in a specific biodiversity policy roundtable requesting results of project studies* The achievement of the targeted output can be monitored more effectively if an end date is set.	

Advice on indicators if your project develops the capacity of institutions or stakeholder groups

Common challenges observed	Recommended alternative
The implementer chooses an indicator counting the number of training participants and number of participants providing positive feedback simultaneously. *Example 1: 60 ministry advisors were trained and gave positive feedback on the training* Often, capacity development indicators remain vague and do not provide any basis for measurement. *Example 1: Staff and managers of targeted political agencies have the capacity to manage the implementation of the strategic plan.* Problem: These indicators do not provide useful information on whether the capacity development measure reached the right people, was of high enough relevance and quality and whether it changed the capacity of participants.	Setting several indicators covering a range of changes (from immediate feedback from trainees to actual uptake of capacity development contents). <u>Examples at output level:</u> Example 1: *Number and percentage of training participants (disaggregated by gender and sector) who rate the quality of training 8 or above on a 1 – 10 point scale after the training.* Example 2: *Number and percentage of NGO leaders (disaggregated by gender and sector) who – 3 to 6 months after participating in project trainings – confirm that their new knowledge/skills are useful in their work** *Note: While Example 2 is slightly beyond the control of the project, it still provides a valuable benchmark for capacity development outputs – the individual uptake captured here does not yet translate into wider structural or institutional changes envisaged at the outcome level. <u>Widely used monitoring methodologies, tools and concepts include:</u> KAP surveys, tracer studies, feedback forms, Outcome Mapping, the Kirkpatrick Model Note: For individual level capacity development, you should disaggregate data by gender and other social categories as relevant in the specific context.

Advice on indicators if your project provides policy advice or research evidence

Common challenges observed	Recommended alternative
Output and outcome indicators in the realm of policy advice at times merely reflect the number of produced studies, tools, pilots or	You should first of all be very clear about your specific objectives in terms of policy influencing – e.g. are you seeking to change

recommendations. Sometimes these do not even specify the intended users of the products and services.

Example of outcome indicators:

By 06/2023 recommendations on how to integrate a stronger social and environmental focus into decision-making processes have been developed.

By 06/2023, the application of tool x in the region of x has been successfully piloted.

Problem: While a lot of work might have gone into developing pilots, recommendations and studies, this does not reflect quality, relevance, reception and/or uptake by stakeholders.

the content of policies, the procedure of policy-making processes (e.g. enabling the participation of excluded groups) or to raise awareness of an issue among key change agents? This is essential before contemplating appropriate indicators.

The indicator should reflect the relevance/quality of outputs as well as immediate uptake by intended users (usually decision-makers in the private, public or third sectors, as well as academia). They should reveal the extent to which policy advice has reached and can be used by the intended people.

Example at outcome level:

Number and description of project countries, in which national and sectoral policy-makers have integrated the project's recommendations into policy revision processes by 06/2023

Number of local stakeholders, (policy-makers, private sector, civil society organisations) in the five pilot cities, who have formally committed to contribute resources (financial, labour, material, organisational) to jointly agreed decarbonisation initiatives by 06/2023

Volume of financial resources formally committed by private sector actors to jointly agreed decarbonisation initiatives by 06/2023

Widely used monitoring methodologies and tools include:

Key informant interviews, user surveys, media or citation analysis, case studies, Outcome Mapping, uptake logs

Advice on indicators if your project seeks to strengthen stakeholder coordination and networks

Common challenges observed	Recommended alternative
Implementers commonly try to count how often committees, forums or stakeholders have met in the course of a project, as a	Again, where you have a clear idea of the purpose and aim of coordination activities (e.g. to expose stakeholders to new and

proxy for strengthened stakeholder coordination and collaboration.

Example: *national representatives of ministries regularly attend strategic platforms on biodiversity protection*

Problem: Often, these meetings and events are funded by projects themselves, and indicators tell us little about how likely the exchange is to carry on beyond the end of the project. Baselines are often set at 0, disregarding pre-existing relationships between the stakeholders the project purports to bring together.

relevant evidence, to build personal or institutional relationships, to create a critical mass of actors who can have more influence when speaking with one voice), useful indicators tend to follow, and vice versa.

<u>Examples at output level:</u>

*Number and percentage of organisations engaging with the network X at progressive levels of engagement, from level 1 to 3**

*Note: in this case you need to insert a description of the different levels

Number and percentage of meeting participants who report exposure new concepts and/or follow-up exchanges with new contacts, following the event

Examples of safeguards-related indicators within the result logic
Example Labour and Working Conditions
Safeguards risks can range from non-compliance with national labour laws, negligence of health and safety regulations to child labour or forced labour.
Safeguards indicators to ensure that project activities avoid, minimise and mitigate adverse impacts could be: • # of serious injuries, accidents or even deaths caused by non-compliance with health & safety standards at the workplace (target value: 0, source: monitoring system of the employer or implementing organisation) • # of justified complaints filed through a complaint mechanism for workers (target value: 0; source: complaint mechanism) • # of cases of suspected child labour / forced labour during unannounced inspections of the workplace (by implementing organisation / by state authority / etc.) (target value: 0, source: inspection reports) • % of contractors of a project who legally committed to respect national labour legislation (target value: x%, source: contracts) • % of justified complaints that were resolved through mediation of the complaints mechanism (target value: x%, source: complaint mechanism) • functioning monitoring system established that reports annually to ensure compliance with health and safety standards (target value: 1 monitoring system, source: annual reports)
Example Land Acquisition and Involuntary Resettlement
Safeguards risks can refer to negative social or economic impacts due to restricted access to land or resources or due to resettlement.
Safeguards indicators to trace the effects of project activities could be: • # of resettled households that claim that their (physical/economic) resettlement has had a negative impact on household income (target value: 0, verification: survey among resettled households) • % of affected households that have accepted alternative income opportunities as part of a Livelihood Restoration Plan • % of affected households that have accepted adequate financial compensation for economic/physical resettlement as part of a Resettlement Action Plan • % of affected households that have accepted adequate alternative housing for economic/physical resettlement as part of a Resettlement Action Plan

4.3 Work packages, activities, and milestones

In addition to selecting suitable indicators, project proposals also design so-called **work packages** for each output, describing the activities that are planned to achieve the output. These planned activities describe in detail *how* the outputs will be delivered. The underlying results logic should become clear.

It usually makes sense to develop a work package for each output (see example). It is, however, also possible for multiple work packages to feed into a single output, or for a single work package to relate to multiple outputs. In such cases, you should clearly indicate the connections between outputs and work packages.

The duration (including end dates) for all planned activities must be illustrated in a Gantt Chart (Annex 4 of the proposal template, see next section for further information). Consistent numbering of work packages and the associated activities makes it easier to monitor progress.

Example of a work package for an output

Output I: The value and services provided by ecosystems are fed into national policies and planning processes at relevant ministries.

Indicators for Output I

Indicator I.1:

Number of national governmental and non-governmental organisations involved in a specific biodiversity policy roundtable with whom the project has discussed findings of the research, by 10/2018

Unit	Baseline	Target
Number of national governmental and non-governmental organisations	0	5 organisations, including at least 2 governmental organisations by 10/2018

Data sources, methods and sources of verification:

Meeting minutes and attendance lists, reports and strategy papers from: environment ministry, agriculture ministry, finance ministry, Global Forest Alliance (...) that explicitly refer to the project database.

Work package 1 (WP I): development and dissemination of the biodiversity database

The activities in this example are roughly sketched out. The level of detail in project proposals should go beyond this in order to adequately represent the project.

Activity I.1: Data collection/supplementation on biodiversity in the region

Activity I.2: Creation of the biodiversity database and test phase

Activity I.3: Publicity work and networking: presentations and discussions about the database with political and civil society actors

Activity I.4: Training on the use and maintenance of the database

Milestone I.1: Launch event (round table) to present the biodiversity database generated by the project in 05/2016."

Within the work packages themselves, it is generally expected of projects to set **milestones for activities**. Milestones establish a connection between activities and outputs by indicating key successes on the path to goal attainment, thereby providing early feedback as to whether implementation is on track. At the same time, milestones provide a clearer structure for reporting on activities.

To some degree, it is up to you as the implementer to decide whether to develop a separate indicator for an important interim result, or whether a milestone is used within the work package for this purpose. In any case, projects must be designed in a way that ensures project success can be continually assessed either through detailed indicators, or through a combination of indicators and milestones.

4.3.1 Practical notes on completing the Gantt Chart in the Project Proposal

This part of the proposal sets out a timeline for implementation as well as progress towards milestones, outputs and outcomes. Outputs, activities as well as milestones described must be inserted in the chart, including their duration and/or date of achievement. Outcomes do not require a timeline.

If there are more than three specific project goals or more than three activities per specific goal, the form can be expanded manually.

An example of a project Gantt chart is displayed below:

Annex 2 - Gantt chart on the project	
Project title	Conservation of biological diversity in the Gulf of Land X
Project number	15_IV_000_XXX_X_Gulf_Biodiversity

Color coding
Outcome (overarching project goal)
Time frame output (specific project goal)
Time frame activity
Milestones (the definition of milestones is

	year	2015				2016				2017			
	Goals and activities	**1st quarter**	**2nd quarter**	**3rd quarter**	**4th quarter**	**1st quarter**	**2nd quarter**	**3rd quarter**	**4th quarter**	**1st quarter**	**2nd quarter**	**3rd quarter**	**4th quarter**
Outcome	Effective protection measures for marine and coastal ecosystems in the Gulf of Land X are coordinated and implemented by key actors												
Output I	Protected areas in the region achieve cooperation in the form of a strategic alliance of competent protected area authorities												
Activity I.1	Training of staff												
Activity I.2	Workshops for exchange of experiences are offered												
Activity I.3	Conducting impact analyses and standardisation of the biodiversity monitoring systems												
Activity I.4	Establishing conditions for the formation of an alliance of protected area authorities, i.e. equipment is made available, the administrative centre is expanded into a training institute, an operational plan is adopted and implemented												
…													
Milestone I.1.	-												
Milestone I.2	-												
…													
Output II	Models of biodiversity conservation and of the sustainable use of marine resources are developed and disseminated across the protected areas and surrounding zones												
Activity II.1	Conducting analyses and systematisations on issues of restoration, tourism, sustainable fisheries and alternative sources of income												
Activity II.2	Identification of success factors, assessing transferability												
Activity II.3	Creation of specialised units within administrative offices and integration into development strategies												
…													
Milestone II.1.	Models of biodiversity conservation and sutainable resource use are approved by scientifc advisory body												
Milestone II.2	-												
…													
Output III	Key actors in the region agree on a shared vision and activities required for effective conservation and sustainable use of ecosystems												
Activity III.1	Training of protected area authorities on advisory and negotiation processes in 6 workshops												
Activity III.2	Development and implementation of participatory and consultative processes at the municipal level												
Activity III.3	Preparation of zonation plans for marine areas in coordination with fisheries authorities												
Activity III.4	Facilitation of the development of a shared vision by the protected area, fisheries and tourism authorities												
…													
Milestone III.1.	Kick-off workshop for the consulation process for the shared vision completed												
Milestone III.2	-												
…													

Figure 3 Example of a Gantt Chart

4.4 Cross-cutting topics for project planning, implementation and reporting

4.4.1 Environmental and social risk analyses

IKI implementing organisations need to provide an environmental and social risk analysis in **chapter 5** of the project proposal. This serves to understand the environmental and social risks potentially caused by the project and to develop adequate safeguard measures. Please read the IKI Safeguards Policy and IKI Safeguards carefully before completing chapter 5

Stakeholder engagement forms part of the environmental and social risk analysis and serves to integrate the views and concerns of project-affected people and interested parties into the risk analysis and development of safeguards measures (IKI Safeguards Policy, chapter 9).

All projects need to conduct a stakeholder analysis during project preparation and based thereon develop their stakeholder engagement approach. If you want to know what kind of stakeholder engagement would fit your project, please consult the publication "Meaningful Stakeholder Engagement" by the MFI Working Group on Environmental and Social Safeguards.

We ask you to provide as detailed information as possible regarding the probability of the risk and the magnitude of potential negative impact in terms of concrete numbers of people or hectares of land affected. We also encourage you to be as specific as possible in terms of description of project-affected people and any other details relevant for a proper understanding of risks associated to the project (see IKI Safeguards Policy, chapter 6).

The risk analysis includes:

- A risk analysis of project activities for IFC Performance Standards 2-8 and risk categorisation for each IFC Performance Standard from A (high risk) to C (low risk) (or n/a),
- An overall risk categorisation for the IKI project from A (high risk) to C (low risk),
- Stakeholder engagement to inform the environmental and social risk analysis and safeguards measures,
- Appropriate safeguards measures to avoid, minimise or mitigate potential negative impacts and
- Objectives for each safeguards measure, which can be measured.

The **risk categories** are:

- **A** – Activities with **high** adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.
- **B** – Activities with **moderate** adverse environmental or social risks and/or impacts that are few in number, largely reversible, and generally site-specific.
- **C** – Activities with **low** adverse environmental or social risks and/or impacts.
- **N/A** – Activities with **no** adverse environmental or social risk and/or impact.

For guidance on risk categorisation, please consult IKI Safeguards Policy chapter 3. You will first conduct a risk categorisation for each IFC Performance Standard. The **risk category** for the entire IKI project then corresponds to the **highest risk category** identified among all Performance Standards (IKI Safeguards Policy, chapter 3).

When identifying the risk category, the **probability** of the negative impact and following aspects should be taken into account:

- **Scale** (i.e. number of affected people, hectare) and **intensity** (i.e. degree of marginalisation of vulnerable groups, e.g. degree of restriction of water access) of the (potential) impacts/disturbances;
- **Frequency/recurrence** of the (potential) impacts/disturbances (place, duration, timing);
- **Sensibility/vulnerability** of affected people, groups, species or habitats (in light of their adaptation capacities) and

- **Irreversibility** of changes (whether original conditions can be restored, after the impacts/disturbances have materialised).

Projects with **risk category A or B** have to integrate at least one **safeguards indicator** in the results matrix and describe the most relevant **safeguards measures** in the corresponding work packages. Integration of safeguards measures in the work packages is encouraged for all projects.

The risk category can change over time due to changes in project context or new project activities. In these cases, the environmental and social risk analysis and project management has to be adapted accordingly (Safeguards Policy, Chapter 3.4, 6.3).

Violations of the IKI Safeguards Standards have to be communicated within 72 hours to the responsible IKI project manager and adequate solutions found (Safeguards Policy, chapter 7).

4.4.2 Topics covered in the environmental and social risk analysis

The environmental and social risk analysis has to cover all IKI Safeguards Standards. The guiding questions in Annex 1 of this document will also help you to assess risks for each IKI Safeguards Standard. Below you will find a brief summary of the Safeguards Standards (IFC Performance Standards) 2-8 to familiarise yourself with all aspects.

Performance Standard 2: Labour and Working Conditions

This performance standard requires the project to promote fair working conditions, non-discrimination, and equal opportunities as well as the health and protection of employees. Child labour and forced labour must be prevented. Compliance with national employment and labour laws as well as international labour standards set out by the International Labour Organisation (ILO) must be guaranteed. This applies to direct workers, contracted workers and supply chain workers.

Performance Standard 3: Resource Efficiency and Pollution Prevention

This performance standard requires the project to avoid or minimise any negative impact on human health and the environment as much as possible. This particularly applies to the pollution of air, water and soil as well as the emission of greenhouse gases (GHG). The project also commits to promoting the sustainable use of resources.

Performance Standard 4: Community Health, Safety, and Security

This performance standard requires the project to eliminate or minimise potential risks to the health, safety and security of the affected population that may result from project activities or project infrastructure. Relevant international and regional human rights agreements must be respected. This must particularly be taken into account in conflict or post-conflict areas.

Performance Standard 5: Land Acquisition and Involuntary Resettlement

The project is required to eliminate or minimise negative social and economic consequences that may result from land acquisition or land use restrictions. Resettlement includes physical relocation (moving to another place, loss of housing) and economic relocation (loss of income or assets). Projects involving forced resettlement are not funded by the IKI. If voluntary resettlement is unavoidable, it must be ensured that there is at least no deterioration and if possible an improvement of living conditions. It must be guaranteed that

voluntary resettlement is truly voluntary, e.g. through a well-documented, inclusive consultation process. The consent of a village council is not sufficient.

Performance Standard 6: Biodiversity Conservation and Living Natural Resources

This performance standard requires the project to protect or sustainably use biodiversity and ecosystem services and to promote the sustainable management of biological resources and the integration of conservation and development priorities. The avoidance hierarchy applies: Priority is given to preventing negative impacts on biodiversity and ecosystem services. If the negative impacts are not completely avoidable, they must be minimised as far as possible or restored within the scope of the project. Project activities that require biodiversity offsets due to their significant negative impacts on biodiversity and ecosystem services are not supported by the IKI. The introduction of invasive alien species is also not permissible under the IKI.

Performance Standard 7: Indigenous Peoples and marginalised groups

The project is required to eliminate or minimise potential negative consequences for affected indigenous or other marginalised groups with regard to their rights, their access to or use of land or resources, and their cultural identity in areas inhabited or used by them. The human rights and dignity of the affected groups must be respected. For project measures that could potentially have a direct negative impact on the rights, use or access to traditionally used land, FPIC must be obtained from the affected groups before the start of any such project measures. Ongoing participation and consultation of these groups must be ensured during the project.

Performance Standard 8: Cultural Heritage

This performance standard requires the project to protect and preserve cultural heritage and to ensure the fair distribution of benefits that may arise from the usage of cultural heritage.

4.4.3 Gender-sensitive monitoring

Remedying imbalances, preventing unjust treatment and empowering marginalised groups requires reflection and good information. At the planning stage, you should therefore already carefully analyse dynamics of social exclusion and multiple forms of (overlapping) discrimination on the basis among others of gender or sexual identity, age, ethnicity, religion, socio-economic status or ability within your project area. In doing so, we encourage you to reflect on:

- The different needs of groups affected by your project;
- The extent to which groups are able to shape and participate in the project;
- Who is or is not benefitting from project implementation.

The analysis should inform your project planning, managing and implementation: At a minimum, you should ensure that your project remedies any level of exclusion within your project through distinct measures.

Furthermore, you should also ensure that gender is integrated in your monitoring processes through the following aspects:

- Integrate gender in your outcome and output objectives as well as work packages where appropriate
- Use gender-responsive indicators, where possible

- Collect gender-disaggregated data, where possible
- Enable broader participation in project planning, implementation, monitoring and evaluation

Gender in outcome(s), outputs and work packages

Your analysis regarding gender should inform your project planning and implementation. Ideally, gender is mainstreamed across your results logic incl. outcome(s) and outputs as well as your work packages. As such, gender should ideally not be treated as another add-on but project specific goals and outputs within your intervention area should have a gender dimension where feasible. For instance, one outcome objective could include a gender dimension or an output could centre on promoting gender justice. Your measures of promoting gender justice and combatting existing forms of discrimination can also become visible in your work packages, where relevant.

Using gender-responsive indicators

Wherever possible, you should use project-specific indicators that capture gender-differentiated outcome(s) and outputs. That is, indicators should measure the quality and effects of project measures tackling gender inequality. If your outcome and output objectives include an explicit gender dimension, the indicators should equally reflect and measure this in a meaningful way. If for instance your project provides policy advice on adaptation and in doing so promotes gender justice, you could monitor the uptake of the policy advice in partner policies not only with regards to adaptation but also with regards to whether a gender / social inclusion dimension was introduced to these policies.

Gender-disaggregated data

Wherever possible, you should collect gender-disaggregated data for headcount indicators (e.g. number of training participants disaggregated by gender, number of beneficiary households disaggregated by indicated gender of heads of household). As opposed to sex-disaggregated data, gender-disaggregated data focuses on capturing a person's self-identified gender rather than their biological sex. It goes beyond categories such as female and male and is inclusive of gender nonconforming people (e.g. transgender, gender queer, non-binary or gender-fluid persons) that do not fall within these binary categories.

In doing so, the following basic principles should be respected:

- **Do No Harm:** you should seek to collect gender-disaggregated data of all genders (beyond female / male) where it is possible and appropriate to do so without putting any person and particularly gender nonconforming people at risk. This requires that a person's responses are treated with confidentiality and that data collectors are sensitised and respectful towards people of any gender.
- **Self-identification and determination:** if you offer the opportunity for people to indicate their gender, it is crucial that you allow them to freely express their gender and do not put their response into question. What counts is a person's self-identification and not how this person's gender might be read or interpreted by someone else.

In practice, gender-disaggregated data collection can be designed in the following ways:

- **Open-ended questions:** Design questions on a person's gender in attendance forms or surveys as an open-ended question without pre-defined categories. This provides maximum freedom for people to indicate their gender identity.
- **Questions with pre-defined response categories:** In surveys or forms where you have pre-defined response categories, include categories that go beyond female and male. For instance, a survey could have the response options "female", "male", "other" (incl. an open text field), "No answer". Ensure that the categories chosen are adapted to your country and cultural context. Always allow people not to answer the question if they prefer to do so.

In case it is not possible to collect gender-disaggregated data on all genders (incl. non-normative genders) without putting people at risk, you should at a minimum collect data on the categories female and male and include the option not to respond to the question.

Participation in project planning, implementation monitoring and evaluation:

Finally, you should scrutinise who is shaping the project and who provides data for monitoring and evaluation. In doing so, please openly reflect on whose opinions are being valued and documented when planning and implementing your project or when collecting evidence on project progress. Please further consider whether there are opportunities to shift or widen the circle of those whose feedback is included and use those opportunities wherever they arise. In being more participatory in the design of the project and in creating space for voices of groups and people that might otherwise not be heard, you can ensure that the projects is tailored to differing needs among the target group and also foster motivation to work with the project towards achievement the jointly agreed upon goals.

5 Methodological guidance on goals and indicators in the four IKI funding areas

5.1 Funding Area I GHG mitigation

Introductory Information

Within the climate change mitigation Funding Area I, the IKI supports partner countries on their pathway to sustainable and low-emissions transformations. Projects in this Funding Area target emission reductions and are primarily focused on the development and implementation of:

- Nationally Determined Contributions (NDCs);
- Long-Term Low Greenhouse Gas Emission Development Strategies or short: Long-Term Strategies (LTS);
- Green Economy/Green Growth strategies and approaches;
- Nationally Appropriate Mitigation Actions (NAMAs);
- Systems for monitoring, reporting and verifying (MRV) greenhouse gas emissions or transparency systems;
- Projects in the areas of renewable energy, energy efficiency, reducing extremely climate-damaging fluorinated greenhouse gases (F-gases), sustainable mobility and urban planning, climate and resource-friendly recycling and waste management, sustainable production and consumption (SCP);
- Strengthened climate finance mechanisms.

LTS, NDCs, Green Economy approaches and NAMAs support sustainable and ambitious mitigation efforts of developing countries as key instruments derived from negotiations under the United Nations Framework Convention on Climate Change (UNFCCC). Effective mitigation efforts are urgently needed if countries are to limit global warming to well below 2°C or ideally 1.5°C, as agreed upon in the Paris Agreement, signed in 2015. Since the start of international climate negotiations, an important issue has been how to MRV reductions in greenhouse gas emissions. In addition to the development of MRV systems in partner countries, the IKI supports countries in their efforts to plan and implement mitigation activities that should be MRV-able under a future international climate agreement.

Depending on your partner country's needs, your project can be focused more on direct GHG mitigation (for instance in pilot projects or through supporting financing models for direct investment by the private sector), and/or on supporting the partner country to improve its own mitigation capacities.

Reduction of greenhouse gas emissions

If projects (co-)finance or technically support the implementation of concrete measures for emissions reductions, GHG emissions reduced are an important indicator of project success. They must therefore monitor achieved GHG emissions reductions within their project's results framework and report on Standard Indicator 1 – Mitigation.

The guidance sheet on Standard Indicator 1 – Mitigation includes helpful methodological guidance on estimating projects' direct or indirect GHG emissions reductions. Additional guidelines and webinars estimation GHG reductions / carbon stock enhancements are made available on the IKI website.

Increase in mitigative capacity

Most IKI projects aim to support stakeholders in partner countries in enacting structural changes enabling GHG emissions reductions at scale. There is a plethora of options in pursuit of this goal.

By developing and improving technical and institutional capacities as well as legal and financial frameworks in relation to GHG mitigation, it is possible to achieve considerable emission reductions even if the outcome(s) cannot be solely attributed to the project. This includes, for instance, the design and/or adoption of a law promoting renewable energies or the establishment of a national MRV system. The IKI contributes to longer-term emissions reductions by shaping policies, institutions and methods to help key stakeholders progress on a climate-sensitive development path.

When monitoring progress in mitigation capacities, the first step is to define the specific **system boundaries**, i.e. describe in advance the spatial, sectoral, and temporal boundaries within which the project activities should develop capacities within the target country.

The **baseline** is to be set prior to the start of project activities and describes the mitigative capacities that exist at the outset of the project for the specific stakeholder group the project is targeting. For instance, if a partner country is supported on the development of an MRV system for a certain sector, a baseline may describe whether a data collection and reporting system exists at the outset of the project and if so, which quality the collected data currently has or how it is used. Depending on the indicator, the baseline can be zero, though this needs to be decided on a case-by-case basis.

Further, a target value must be set that describes the extent to which mitigative capacities can realistically be improved by the end of the project. In this example, it would mean determining *ex ante* the reliability and quality of the MRV system that shall be developed by the end of the project. Project targets can be described quantitatively or qualitatively.

Potential methods for data collection include surveys, group discussions and capacity assessments (see, among others, *The GIZ sourcebook for climate-specific monitoring in the context of international cooperation, Eschborn 2013*) as well as the analysis of relevant documents.

Co-benefits

In addition to climate-relevant project goals (outcome(s) and outputs), project implementers are encouraged to consider the co-benefits of their projects in planning, monitoring and reporting. Co-benefits refer to positive social, environmental and economic effects for citizens of recipient countries. Examples of co-benefits within the 'GHG mitigation' Funding Area include:

Social:	Reduced dependency of households on fossil fuels
	Increased incomes due to project activities

Environmental:	Improved air quality (and therefore also health conditions)
	Prevented logging due to substitution of firewood
Economic:	Technology transfer/access to innovative technical equipment
	Reduced fuel costs

5.2 Funding Area II Adaptation to the impacts of climate change

Introductory information

The Intergovernmental Panel on Climate Change (IPCC) defines adaptation as "the process of adjustment to actual or expected **climate** and its effects, in order to moderate harm or exploit beneficial opportunities".

The IKI supports the implementation of Article 7 of the Paris Agreement by supporting countries in their efforts towards climate-resilient development and adaptation, highlighting

> *"that adaptation action should follow a country-driven, gender-responsive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems, and should be based on and guided by the best available science and, as appropriate, traditional knowledge, knowledge of indigenous peoples and local knowledge systems, with a view to integrating adaptation into relevant socioeconomic and environmental policies and actions, where appropriate"*

In addition to the Paris Agreement and the Convention for Biological Diversity (CBD), guiding frameworks and agreements for this IKI Funding Area are the UNFCCC *Nairobi Work Programme on Impacts, Vulnerability and Adaptation to Climate Change*, the *Sendai Framework for Disaster Risk Reduction* as well as the *Cancún Agreements on adaptation to climate*. To ensure long-term effectiveness, it is important to embed and align adaptation projects with the national context of the respective project country and to increase policy coherence across different actors, activities and sector policies. Increasingly, work in this area focusses on (multilevel) long-term adaptation strategies (e.g. National Adaptation Plans, NAPs).

For projects in Funding Area II 'Adaptation to the impacts of climate change', the intended impacts generally comprise either direct reduction of vulnerability or indirect reduction through enhanced adaptive capacity:

Reduction of vulnerability

One way to describe resilience is "capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways

that maintain their essential function, identity and structure while also maintaining the capacity for adaptation, learning and transformation"[2].

Monitoring adaptation projects that aim at strengthening resilience and rather direct and short-term impacts often involves challenges including **setting a baseline, verification of additionality and of medium and long-term results**.

Determining anticipated climatic changes and their consequences (baseline)

Most IKI projects set out an analysis of context-specific climate vulnerability in order to determine the adverse effects of climate change in the respective country/region, to select the exact project region and target group and to develop measures to mitigate these risks. Such assessments are often based on the climate change projections outlined by the IPCC or regional models. Local observational data can be helpful as well.

Baselines and targets have to be set for each indicator. The results of vulnerability and climate impact assessments then inform the setting of indicators, activities and milestones.

Verification of additionality

Additionality determines if a proposed activity will have a measurable positive effect compared to the reference scenario based upon provided assessments. How this is supposed to happen can be illustrated with the use of result chains. Here, one must consider the multiple (non-climatic) factors that influence the vulnerability of societies. Complex interdependencies may arise, where climatic and non-climatic factors are contingent upon or exacerbate each other.

Verification of medium and long-term results

The effectiveness of some adaptation projects can at times only be assessed when an actual climate change-induced event occurs (e.g. increasingly intense droughts). An assessment of the **probability of these occurrences** often constitutes an integral part of project preparation (e.g. vulnerability, risk or climate impact analysis). However, measures and results should also be verifiable in case such events do not occur. Therefore, indicators **should not relate exclusively to the occurrence of damage**, but also to the successful testing, refinement and maintenance of an instrument or protective mechanism introduced by the project, or knowledge gained by it.

For instance, to verify the effectiveness of early warning systems in the absence of storms, a possible indicator could be *'x early warning systems for hurricanes are being used and maintained by y'*. Another example is *'bi-annual alert exercises are carried out by the local government without support from the project'*.

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[2] See Summary for Policymakers of the Fifth IPCC Assessment Report (2018), retrievable on https://www.ipcc.ch/site/assets/uploads/2018/02/ar5_wgII_spm_en.pdf

Increase in adaptive capacities

Adaptive capacities can be defined as the "ability of systems, institutions, humans and other organisms to adjust to potential damage, to take advantage of opportunities, or to respond to consequences". These abilities can, for instance, refer to the accessibility of climate information, the capacity to use it, mainstreaming and coordination capacities, and risk management capacities.

Projects contributing to this goal often focus on the transfer of knowledge e.g. on *Ecosystem-based Adaptation* (EbA), or support the development of sectoral adaptation strategies that bring about direct reductions in vulnerability in the course of their implementation. In such cases, stakeholder and target group analysis might be more suitable than conducting a vulnerability analysis.

Co-benefits

Adaptation aims to reduce negative impacts on people caused by climate change. Sustainable management, conservation and restoration of ecosystems can be part of an overall adaptation strategy, which might create multiple social, economic and cultural **co-benefits** for local communities. Since some measures address several climate hazards simultaneously, they tend to achieve a number of **co-benefits,** which do not primarily or only indirectly cause a reduction in vulnerability. Instances are positive effects on the income of target groups, conservation of valuable habitats through ecosystem-based adaptation and improved health because of increased access to clean water.

It is not always possible to distinguish precisely between co-benefits and successful adaptation to the impacts of climate change.

5.3 Funding Area III Conservation, restoration and sustainable use of natural carbon sinks with a focus on reducing emissions from deforestation and forest degradation (REDD+)

Introductory information

This Funding Area supports projects that target the conservation, restoration and sustainable use of natural carbon sinks especially of forests (as well as ecosystems such as wetlands and savannahs). With the specific case of REDD+, the IKI supports the efforts of partner countries in reducing emissions from deforestation and forest degradation as well as CO_2 sequestration through the restoration and sustainable management of forests. Activities in this Funding Area are envisaged to create and strengthen important synergies between climate- and biodiversity protection. The selection decision takes into account how well proposed activities support the Nationally Determined Contributions (NDCs). Moreover, the planned projects should outline how they intend to support the partner countries in meeting the UNFCCC requirements, e.g. for accessing results-based REDD+ finance. In addition, a broad stakeholder support at all levels (especially via the involvement of Indigenous Peoples and Local Communities, where appropriate and necessary) is crucial for the success of projects in this Funding Area. IKI projects should equally seek to ensure the permanence and additionality of emission reductions and carbon stock enhancement and to prevent the shift

of emissions (leakage) to other regions or sectors. The thematic focus of Funding Area III lies on projects that support the on-the-ground implementation of ambitious national policies for conservation, restoration and sustainable use of natural carbon sinks (including REDD+), mainly via:

- **Sustainable business models:** Development and implementation of environmentally friendly, economically attractive and socially acceptable business and financing models (especially in cooperation with the private sector) that support deforestation-free products, sustainable low-carbon value and supply chains and the restoration of forests and forest-like structures at the landscape level.
- **Restoration:** Approaches for large-scale ecological restoration of degraded lands and forests, with the use of native species to contribute significantly to carbon sequestration and the conservation of biodiversity - reaching the goals of the Bonn Challenge.
- **Results-based financing:** Projects that support the access of programmes to results-based payments and help implement associated enabling conditions. This includes, in particular, helping national and sub-national stakeholders to obtain effective and efficient access to ex-ante financing for programmes that target the verifiable reduction of deforestation drivers and their emissions.
- **Robust data systems:** Development, implementation and consolidation of MRV systems, Forest Reference (Emission) Levels and Safeguard Information Systems (SIS) that are organised at national level or integrated into national policy. These systems need to be implementation-oriented; as far as possible, they should also cover restoration/rehabilitation and be compatible with results-based financing of REDD+ systems.

Projects in Funding Area III that involve on-the-ground implementation in a specific area often constitute a direct contribution to climate change mitigation (either through emission reductions and/or carbon stock enhancement), particularly if these projects implement practical REDD+ measures (or other emission reduction measures).

Improvements in mitigative capacity are primarily addressed by projects focused on building political and technical capacities at national and regional levels. Mitigative capacity is relevant for most of the IKI projects working on conservation, restoration and sustainable use of natural carbon sinks. Multi-level projects will usually address both direct reductions of greenhouse gas emissions and mitigative capacity development.

Reduction of greenhouse gas emissions and carbon stock enhancement

If projects (co-)finance or technically support the implementation of concrete measures for emissions reductions and / or carbon stock enhancements, GHG emissions reduced / carbon stocks enhanced are an important indicator of project success. They must therefore monitor achieved GHG emissions reductions / carbon stock enhancement within their project's results framework and report on Standard Indicator 1 – Mitigation.

The guidance sheet on Standard Indicator 1 – Mitigation includes helpful methodological guidance on estimating projects' direct or indirect GHG emissions reductions / carbon stock enhancements. Additional guidelines and webinars estimation GHG reductions / carbon stock enhancements are made available on the IKI website.

Increase in mitigative capacity

Most IKI projects in this Funding Area focus on increasing mitigative capacity. Developing and emerging countries should be supported to meet the requirements set by the UNFCCC for instance for accessing results-based REDD+ finance, as defined in the Warsaw Framework for REDD+. The requirements for each country include: (a) a national strategy or an action plan, (b) a national- or sub-national forest reference (emission) level, (c) a robust and transparent national forest monitoring system as well as (d) a transparent safeguard information system (SIS).

The following list contains **factors** that contribute to the success of projects in Funding Area III and should, therefore, be considered when developing outputs and indicators. Due to the limited duration and the different emphasis of IKI projects, it is not realistic or sensible to comprehensively address all factors at once, but the list can still aid structured project planning and the selection of indicators.

(a) National strategy or action plan:

- Embedding or strengthening of REDD+ in national and sub-national policies and laws (regulatory or legal frameworks, strategies, inter-sectoral policy coordination, etc.).
- Support of REDD+ action plans via transparent participatory planning and consultation processes with particular attention to marginalised groups such as indigenous communities; clearly defined areas of accountability and responsibility at all relevant policy and implementation levels as well as linkage to concrete funding sources and instruments.

(b) National or sub-national forest reference (emissions) level (REL/FREL):

- Creation of transparent and independently verifiable databases for the calculation of REL/FREL based on national historical deforestation trends.
- Orientation of national and sub-national REL/FREL towards tested methodological guidelines (especially the FCPF and REM).
- Compatibility with national climate plans (NDCs), in particular to increase the level of ambition (“Stocktake”) in the medium term.

(c) Robust and transparent national forest monitoring system:

- Development, implementation and capacity building for MRV systems according to IPCC guidelines. This is relevant for data collection, data processing, reporting, interpretation and documentation.

(d) Transparent safeguard information system (SIS):

- Development, implementation and capacity building towards monitoring the socio-economic and ecological impacts of REDD+ at national level.
- Creation of participatory elements in the SIS such as a Grievance Redress Mechanism.

The project-specific indicators in turn should, to the greatest possible extent, reflect a qualitative increase in capacities.

Co-benefits

In Funding Area III, the consideration of social, economic and environmental aspects is crucial. This holds for the long-term success of REDD+, to which IKI projects should make contributions. The following must be considered:

- **Social and economic factors:** The indirect drivers of deforestation, such as poverty or the absence of clear land-use and ownership rights, must be reduced by project activities tailored to specific target groups. In addition to avoiding potentially negative social effects associated with REDD+ activities, your project should also improve the social situation of local stakeholders, e.g. through income-generating activities. Projects should also contribute to strengthening the rights of marginalised groups, for example by securing land titles for indigenous groups.
- **Environmental factors:** Considering how to conserve ecosystems and associated services is crucial for the local relevance and international acceptance of REDD+ projects. Projects can contribute to biodiversity conservation by selecting appropriate project areas and methodologies.

As co-benefits are key to the success of IKI projects within Funding Area III, they should be considered in project planning, monitoring and reporting, and ideally should be operationalised through indicators. Please also involve relevant stakeholders when reviewing the achievement of co-benefits.

5.4 Funding Area IV Biological Diversity

Introductory information

Funding Area IV supports the international community and developing and emerging countries to implement the Strategic Plan of the Convention on Biological Diversity (CBD) with the goal of halting the dramatic global loss of biological diversity. A basic framework for projects in Funding Area IV is provided by the Aichi Biodiversity Targets, which are summarised in the Strategic Plan 2011-2020 of the CBD as the overarching political framework for the implementation of the Convention, as well as by the respective national strategies for the conservation of biological diversity and action plans (NBSAPs) and the strategies for the mobilisation of resources. These should be considered in the development of projects.

As in the other Funding Areas, projects in Funding Area IV can either make a direct contribution to the conservation of biological diversity or contribute to capacities (the social, political, legal or institutional conditions), which, in turn, bolster the protection and sustainable use of biodiversity. Many projects contribute to both types of goals.

Contribution to biodiversity conservation

Projects may be designed to designate, expand or consolidate protected areas. In addition to the spatial expansion of protected areas, the quality of protection is a major concern. In this regard, the effectiveness of protected area management is becoming increasingly important, and there should be regular monitoring and reporting of this in projects using appropriate tracking tools like the Protected Areas Management Tool (METT).

Further examples of relevant measures include the restoration of ecosystems, the safeguarding and sustainable use of ecosystem services, or any other effective biodiversity strategies in line with the goals of the CBD Strategic Plan 2011-2020.

To measure the actual results of such a project, the 11th Conference of the Parties to the CBD adopted a helpful list of indicators for the Strategic Plan 2011-2020. Furthermore, the Biodiversity Indicators Partnership supported by the CBD provides a global forum on biodiversity indicators. In 2014, the Federal Ministry of the Environment (BMU, now BMUV) was supported by the World Conservation Monitoring Centre (WCMC) of the United Nations Environment Programme (UNEP) in developing proposals for indicators to measure the contribution of the IKI and other biodiversity projects to selected Aichi Targets.

In general, Funding Area IV is open to a wide variety of different project activities. Typical indicators for the two important thematic areas of protected areas and ecosystem services measure for instance:

Protected areas:

- Expansion of the protected area
- Improvement of management effectiveness (e.g. METT)
- Decrease in the level of deforestation at the borders of the protected area
- Decrease in the level of threat to selected species or habitat types
- Improvements in the distribution of biological diversity and respective trends (diversity of species, number and abundance of endangered/red-listed species, spatial spread of species and habitat types, connectivity of habitats)

Ecosystem services

- Conservation or improvement of a particular ecosystem service
- A compensation mechanism for ecosystem services established by the project

The project must further **address spatial and temporal displacement effects**. The project proposal should illustrate how the project intends to avoid displacement effects on neighbouring (reference) regions and thereby achieve positive outcome(s) at the national level. If an ecosystem is threatened, for instance, by the collection of firewood, then placing the area under protection would likely simply shift this problem into a neighbouring region. Simultaneously introducing alternative energy sources or high-efficiency stoves for cooking meals could help avoid pure displacement.

Overall, activities aimed at avoiding or reducing displacement effects are characterised by their **focus on eliminating drivers of the destruction of biological diversity**. This includes, for example, the introduction of alternative forms of land use that replace destructive former land practices.

Increase in the capacity to conserve biodiversity

This goal includes, for instance, the development and effective implementation of national strategies and action plans for biological diversity, the inclusion of biological diversity in national planning processes, its mainstreaming in other sectors, the expansion or dissemination of scientific findings, the establishment of knowledge networks and the participation of specific groups (e.g. indigenous groups).

The results logics of capacity development measures are typically very long. Due to their structural nature, capacity development measures are, however, an important lever to achieve results at scale. Appropriate methods of data collection may include analysis of documents (e.g. planning documents, budget plans, directives, regulation, political programmes, action plans, annual reports, legal texts etc.) or surveys (e.g. on the knowledge base and equipment in institutions and networks, on institutional changes or the application of new methods).

Co-benefits

Socio-economic effects are crucial to the long-term success of biodiversity conservation and should therefore be considered in the project proposal as well as subsequent reporting.

Within this IKI Funding Area, you should also aim for positive effects on the incomes and livelihoods of participating groups, on land use and property rights and increased participation by indigenous and marginalised communities. In some cases considerable environmental benefits are to be expected in terms of ecosystem services (e.g. improved water access and water quality due to vegetation/ground cover).

6 IKI Standard Indicators

Since 2015, the Standard Indicators have been the IKI's instrument to produce aggregate headline figures on results across a diverse range of projects in all its funding areas. The IKI publishes these figures in its annual reports and uses them for official national and international reporting by the German Federal Government.

Based on experience, the IKI revised the Standard Indicators in 2021. The table below provides an overview of the updated list of Standard Indicators. The vast majority of projects submitting their first interim report from 2022 onwards will use these (see below for a more detailed elaboration of which projects will use these indicators).

List of Standard Indicators[3]

Standard Indicators	Description	Units (definitions further below)
SI 1 - Mitigation	GHG emissions reduced or carbon stocks enhanced directly or indirectly by project measures	Direct effects of financial investments / tonnes $CO_{2\,eq}$
		Indirect effects of technical assistance / tonnes $CO_{2\,eq}$
		Contribution to increased mitigation potential of policies
SI 2 – Ecosystems	Area of ecosystems with improved conservation and sustainable use due to project measures	Area / hectare
SI 3 – Adaptation	Number of people supported by projects to better adapt to the effects of climate change	Number of people directly supported
		Number of people indirectly supported
SI 4 – Capacity People	Number of people directly supported by IKI projects through networking and training to address climate change and/or to conserve biodiversity	Number of people
SI 5 – Leveraged Finance	Volume of private and/or public finance leveraged for climate action or biodiversity purposes in EUR	Mobilised Private Finance / EUR
		Mobilised Public Finance / EUR

[3] For further information on the previous set of Standard Indicator please consult the previous versions of the IKI Project Planning and Monitoring Guidelines.

		Catalysed Private Finance / EUR
		Catalysed Public Finance / EUR

6.1 Provisions for IKI projects

Selection of Standard Indicators

Since the Standard Indicators cover various themes, IKI projects do not need to report on all of them. Instead, **your project should report on all Standard Indicators for which it produces results and are therefore relevant to the project**. For instance, if your project sets up a credit line for homeowners to finance climate-proofing of housing it should report to SI 5 – Leveraged Finance, since it will mobilise finance from the homeowners. It should also report on SI 3 – Adaptation, since it directly supports people in adapting to climate change. A large number of Standard Indicators chosen does not make for a better project. In fact, some very effective projects may only be able to report on one of the Standard Indicators – this does not detract from their potential value.

When giving details on the selected Standard Indicators in the project proposal, reference should be made to project-specific indicators, outputs or activities to justify the choice and target set for the Standard Indicator.

While IKI projects generally select Standard Indicators as part of their project proposals, the Standard Indicators your project reports on might change in the course of the project. For instance, if your project receives additional funding for new project components that directly contribute to effects monitored through a Standard Indicator, your project should also start reporting on this Standard Indicator.

Adjustments of planned targets for Standard Indicators

Targets for the Standard Indicators may be adjusted in the course of the project without the approval of the ministry responsible for the project. Adjustments are reported as part of the annual interim reports.

Linking the Standard Indicators to project-based monitoring

The Standard Indicators are complementary to your project-specific indicators. They are no instrument for steering and make no claim to fully cover all effects and accomplishments of a project. They merely describe some aspects of a project's achievements but are not used by the IKI for evaluative purposes. Nevertheless, it is possible and desirable for some goals to be covered by both a project-specific indicator as well as by at least one of the Standard Indicators. In these cases, you can choose to include a Standard Indicator in your own results framework as part of your project-specific indicators.

General reporting requirements

IKI projects need to report on all relevant indicators in their annual interim reports as well as the final report. **To this end, please closely consult the guidance sheets for the respective indicators, follow the instructions in the standard IKI reporting templates and provide all information using the Standard Indicator Report (Excel Tool)**.

Reporting on the indicators comprises setting planned targets (i.e. target values), reporting annual progress and the cumulative progress achieved by the project thus far. It also includes further disaggregation of data. Projects are encouraged to provide disaggregated data wherever possible. In case your project is not able to provide disaggregated data, please provide a brief justification.

In reporting, please ensure that your project provides substantiated numbers that provide a realistic but cautious record of your project's contributions. While the IKI encourages projects to adopt realistic objectives, the IKI thereby aims at decreasing the risk of reporting inflated figures. Therefore, target estimates should be grounded in conservative assumptions on an intervention's effects rather than on best-case scenarios. For instance, in relation to SI 4 Capacity People, projects should only count people that are likely to draw benefits from their participation in training formats and networking events.

In the same vein, if IKI projects receive funding from multiple donors, only those numbers should be reported that can be attributed to IKI funds.

Does our project need to report on the updated set of Standard Indicators?

The IKI aims to fully transition to this set of Standard Indicators as quickly as possible without placing undue burden on ongoing IKI projects.

All IKI projects with a project proposal containing the updated set of Standard Indicators should also report on these updated indicators (*e.g. SI 1 – Mitigation, SI 4 – Capacity People*). Some ongoing IKI projects with proposals containing the previous set of Standard Indicators *(e.g. Action Mitigation, Action People, and Capacity Policy*) are required to transition to the updated Standard Indicators. Others can continue to report on the previous set[4] or voluntarily switch to the updated set. Please refer to the table below to determine what provisions apply to your project:

Scenario	Implications of the Standard Indicator update
Scenario 1: Projects at approval or early implementation stage with project proposals containing previous set of Standard Indicators	Will transition to the new indicators, setting targets and – where applicable – reporting initial progress on applicable new Standard Indicators for the first
▪ Already submitted OR is currently developing a project proposal containing the old set of Standard Indicators	

[4] Guidance on the previous set of Standard Indicators can be found in versions of these Guidelines on Project Planning and Monitoring from April 2021 or older. In case you do not have a copy of these Guidelines, you can request them at the IKI Standard Indicator Helpdesk.

▪ Has not yet submitted an interim report as of January 2022	time in their upcoming interim report.
Scenario 2: Ongoing projects with proposal amendments	
▪ Submitted an amended request (e.g. for a project extension) after last interim report that contains a revised project proposal with the updated set of Standard Indicators	
Scenario 3: Ongoing projects without recent proposal amendments	Keep reporting on the old Action Indicators, if the project contributes to these. There is no need to keep reporting on the Capacity Indicators. These projects are free to transition to the new Standard Indicators and select those that apply to them.
▪ Submitted interim reports in reference to their currently approved project proposal in the previous year(s) ▪ The project proposal contains the previous set of Standard Indicators	
Scenario 4: Long-running IKI projects (starting prior to 2015)	No need to report on Standard Indicators.
▪ Has a starting date predating 2015 and has never reported on Standard Indicators	

Quality assurance

To provide an accurate portrayal of output and outcome level results across the portfolio, all project-level reporting on the IKI Standard Indicators needs to be in line with the indicator guidance sheets presented below. Furthermore, projects need to ensure the quality of the data reported on the Standard Indicators. The project's monitoring and evaluation officer, external consultants or operational staff can assume a quality assurance function.

IKI staff will check the data reported by your project for plausibility. In doing so, IKI projects might be asked to submit further documentation on reported data. A more detailed appraisal will take place for a selection of projects as part of mid-term evaluations or studies. The IKI will only include plausible data in its external reporting.

Any questions?

IKI projects are welcome to reach out to the IKI Standard Indicator Helpdesk at **iki-si-helpdesk@z-u-g.org**

6.2 Guidance sheets for the Standard Indicators

6.2.1 Standard Indicator 1 – Mitigation

SI 1 - Mitigation	GHG emissions reduced or carbon stocks enhanced directly or indirectly by project measures
Unit	Tonnes of carbon dioxide equivalent (t $CO_{2\,eq}$)
Rationale / Purpose	This Standard Indicator captures the extent of climate change mitigation (greenhouse gas (GHG) emissions reductions and carbon stock enhancement)[5] that results from IKI project activities during project implementation and over the technology / mitigation measure lifetime. The level of mitigation is the net change in GHG emissions/carbon stocks brought about by IKI projects as compared to a baseline scenario (i.e. level of GHG emissions/carbon stocks expected without the intervention). The Standard Indicator also captures qualitative information related to potential long-term mitigation impacts of enhanced policy frameworks. More specifically, the indicator captures data in three categories: • Direct mitigation: GHG emission reduction / carbon stock enhancement through **financing** of mitigation measures • Indirect mitigation: GHG emission reduction / carbon stock enhancement through **technical support** of mitigation measures • Enhanced policy frameworks: Long-term mitigation impact through enhanced **policy frameworks** The IKI does not aggregate data across these three categories but will instead generate three different figures on: • Tonnes of $CO_{2\,eq}$ reduced, avoided or sequestered directly, during the project duration and over the technology / mitigation measure lifetime (reported until 2030, 2040 and 2050) • Tonnes of $CO_{2\,eq}$ reduced, avoided or sequestered indirectly, during the project duration and over the technology / mitigation measure lifetime (reported until 2030, 2040 and 2050) • Number of IKI projects which through effective policy and planning support contributed to prospective emissions reduction/carbon stock enhancement at scale In addition, the IKI distinguishes between planned target estimates (ex-ante), actually achieved emissions reductions / carbon stock enhancements during project implementation (ex-post) and the overall mitigation over the technology / mitigation measure lifetime until 2030, 2040 and 2050. The IKI reports these figures separately to be transparent on figures that represent ex-post estimations and ex-ante estimations (see Figure 4 below for a visual representation).

[5] The term "greenhouse gases" here refers to greenhouse gases covered under the Paris Agreement. These are Carbon Dioxide (CO_2), Methane (CH_4), Nitrous oxide (N_2O) as well as the fluorinated gases (F-Gases) Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur Hexafluoride (SF_6) and Nitrogen Trifluoride (NF_3).

	In line with the UNFCCC's Common Reporting Framework, IKI projects can lead to GHG emission reductions / carbon stock enhancements through mitigation measures in multiple sectors.[6]. These include energy, buildings, transport, Agriculture, Forestry and Land Use (AFOLU) (incl. REDD+ activities), as well as other relevant sectors such as waste or industrial processes and product use.
Definition: Direct mitigation	**Direct mitigation:** GHG emission reduction / carbon stock enhancement through financing of mitigation measures Direct GHG emission reduction / carbon stock enhancement refers to the amount of $CO_{2\ eq}$ reduced, avoided or sequestered immediately through mitigation measures that are (partly) financed by the IKI project or measures. <u>Pathway to direct mitigation</u> IKI Project (co-) finances implementation → Immediate mitigation measure is implemented with IKI (partly) funds (potentially in cooperation with others) → Emissions are reduced Direct GHG emission reduction / carbon stock enhancement effects might occur and be observed during the implementation of IKI projects. In addition, mitigation effects resulting from these direct mitigation measures might continue to occur after the project has ended (i.e. estimates over the entire technology / mitigation measure lifetime (reported until 2030, 2040 and 2050)). Please provide separate estimates for these in the respective sheets for Standard Indicator 1 in the IKI Standard Indicator Report (Excel Tool). Examples include: • **On-the-ground piloting or demonstration components of IKI projects**, such as the construction of more energy-efficient pilot power plants or the testing of the substitution of hydrofluorocarbons (HFC) with natural refrigerants for air conditioning. • **Use of financial mechanisms** such as guarantees, shares in collective investment vehicles, co-financing, direct investment, syndicated loans or credit lines for immediate (physical) mitigation measures. • **Development and financing of an app** that demonstrably changes the behaviour of small business owners to help them transition to low-carbon practices. • **Project activities resulting in lower-carbon use** of terrestrial, marine and freshwater ecosystems that (incl. e.g. reforestation activities, reduction of deforestation and forest degradation or sustainable forest management, restoration of degraded peatlands and organic soils as well as restoration of coastal and marine ecosystems such as mangroves or seagrass meadows).

[6] See also UNFCCC common reporting framework on GHG data, accessible under: https://unfccc.int/process-and-meetings/transparency-and-reporting/reporting-and-review-under-the-convention/greenhouse-gas-inventories-annex-i-parties/reporting-requirements

	• **Other**
Definition: Indirect mitigation	**Indirect mitigation:** GHG emission reduction / carbon stock enhancement through technical support of mitigation measures Indirect GHG emission reduction / carbon stock enhancement refers to an amount of $CO_{2\,eq}$ reduced, avoided or sequestered with the help of IKI-funded technical assistance or capacity development measures. This includes cases where a physical mitigation measure was financed by an actor other than the IKI (e.g. a city government in a partner country) but where the IKI delivers crucial technical implementation support. <u>Pathway to indirect mitigation</u> Indirect GHG emission reduction / carbon stock enhancement effects might occur and be observed during the implementation of the IKI projects. In addition, mitigation effects resulting from mitigation measures for which the project provided technical assistance continue to occur after the project has ended (i.e. estimates over the entire technology / mitigation measure lifetime (reported until 2030, 2040 and 2050)). Please provide separate estimates for these in the respective sheets for Standard Indicator 1 in the IKI Standard Indicator Report (Excel Tool). Examples include: • **Technical capacity development for the scaling of pilots**: The IKI project funded the construction of a more energy-efficient power plant and reports $CO_{2\,eq}$ reductions as a directly mitigated amount to the IKI. The national government of the partner country then decides to replicate the successful power plant model in other provinces of the country, with the IKI providing technical capacity development along with additional technical support for government officials in charge of the roll-out and thereby, assist the construction of additional power plants. If the power plant construction is underway or completed by the end of the project, the amount of $CO_{2\,eq}$ thus mitigated at the other government-funded power plants can be reported as indirect mitigation. • **Implementation of community forest management plans that translate into protected forest areas**: A precondition for this case to be relevant for this Standard Indicator is that IKI's technical assistance not only focuses on the development but also implementation of these plans; that the implementation of management measures that have effects on the sequestration funded and headed by partners is underway by the end of the project and that a plausible estimate of achieved emissions avoidance can be provided. If the IKI project focused on the development of plans only, this should only be captured under the category "Long-term mitigation impact through enhanced policy frameworks". • **Improved land or marine management status:** The IKI project, alongside partners, draws up and submits an application on behalf of the partner country for a natural reserve area to be recognised as an IUCN Protected Area. They also

	provide capacity development and equipment to park authorities to enable them to enforce regulations. Another donor has committed to continuing conservation measures for another six years. Through these measures, forests are used more sustainably and it is projected that a tangible amount of $CO_{2\ eq}$ will be conserved in the near- and medium-term. • **Short-term removal of regulatory barriers triggering observable mitigation effects during the project duration:** The IKI project, alongside partners, removes a technical regulatory barrier that prevents further emissions reductions / carbon stock enhancements. An example is changing the installed renewable energy capacity allowed to be connected to the energy grid. If this barrier removal leads to the implementation of concrete physical mitigation measures during project implementation, emissions reductions / carbon stock enhancements of these measures can be reported here. If this is not the case, the support to regulatory frameworks should be captured under the category "Long-term mitigation impact through enhanced policy frameworks". • **Other** Examples do not include: • **Support on drawing up legislation on sustainable forest management:** This would be considered too long-term and indirect a mitigation measure to be included in this Standard Indicator. Also, the contribution of other actors is likely to be sizable and difficult to quantify. If, however, the project made a verifiable contribution to the new piece of legislation, this would be captured in the third category (emissions reduced through policy advances). • **Public awareness-raising measures:** While enhanced public awareness is a crucial step along societies' pathway to carbon neutrality, similarly to the previous example, reduced emissions are too many steps removed from this outcome. This type of change should be tracked through project-specific indicators only. • **Capacity development on MRV systems**: Enhanced capacity to conduct MRV is too many steps removed from tangible emissions reductions and should therefore not be counted here. However, the project will be able to report the number of people whose MRV capacity was enhanced under the Standard Indicator *Capacity People*.
Definition: Enhanced policy frameworks	**Enhanced policy frameworks:** Long-term mitigation impact through enhanced policy frameworks This category captures substantial contributions of IKI projects to new or improved policies, strategies or plans that are expected to lead to substantial long-term mitigation impacts in the future if they are fully implemented. In order to report on this category projects need to plausibly contribute to an improvement in policy frameworks that increases the potential long-term mitigation impact of the policy. This can be achieved through more ambitious but realistic targets or through increasing the feasibility of implementing the policy framework. Policy frameworks are understood here as comprising any public policies, strategies, public incentive schemes, plans, laws, acts, degrees or regulations on the regional, national or subnational level that specifically aim to lower GHG emissions and include quantitative targets to this end. In contrast to the other categories "GHG emissions reductions/carbon stock enhancements through financing of mitigation measures (direct)" and "GHG emissions reductions/carbon stock enhancements through technical support (indirect)", contributions of projects are not

quantified in terms of amount of $CO_{2\,eq}$ reduced, avoided or sequestered. While projects can report official mitigation targets as included in the policy framework, this supplementary information is not used to make claims on projected future emissions reductions / carbon stock enhancements and will thus not be aggregated across IKI projects. Rather the information will be used in making sense of the IKI's mitigation and policy support work.

Pathway to increased mitigation potential in policies

Examples include:

- **Technical support on the development / revision of** Nationally Determined Contributions **(NDCs)** or Long-Term Low Greenhouse Gas Emission Development Strategies **(LT-LEDS)**;
- **Development of sectoral policies / strategies** which will establish incentives or access to services for renewable energy and energy efficiency;
- **Development of sectoral policies / strategies** which will lead to a tangible curbing of drivers of deforestation or more ambitious industry standards that will lower emissions;
- **Development of subnational net-zero emissions action plans**;
- **Roadmaps for policies** supporting low-emission pathways.
- **Other**

Overview of methodology and reporting requirements

The indicator requires projects to monitor direct and indirect effects as well as contributions to enhanced policy frameworks that might lead to long-term mitigation impacts.

The methodology differs depending on the category on which projects report:

Direct mitigation & Indirect mitigation

Introduction

The basic calculation, although it might vary by project type, is generally based on the comparison of the emissions under the baseline and the project scenario. If relevant, projects further need to account for any leakage emissions. Projects should develop the scenarios following these basic steps:

1. Determine baseline emissions (=$emissions_{ref}$) and/or baseline carbon stocks (=carbon $stocks_{ref}$)
2. Determine net change in activity level or fuel consumption resulting from the project activity [unit e.g. TJ] --> [a]
3. Determine specific emission factor related to the project activity [unit e.g. t $CO_{2eq.}$/TJ] -->[b]

	4. Calculating expected GHG emissions until the end of the project by multiplication of [a] and [b] [unit t $CO_{2\ eq}$) (=$emissions_{proj}$). Calculating expected carbon stock enhancement until the ed of the project by considering activity impact on carbon stocks. 5. Determine any relevant leakage emissions resulting from the project (=$emissions_{leak}$) 6. Calculating emission reduction = $emissions_{ref}$ - $emissions_{proj}$ – $emissions_{leak}$. Calculating carbon stock enhancement = carbon $stock_{pro}$ – carbon $stock_{ref}$ **Determining the planned target estimate: Baseline, project and leakage emissions** *Baseline scenario:* Projects need to calculate or elaborate on baseline emissions/carbon stocks based on a chosen baseline scenario according to established international standards. As per the GHG Protocol, "there are three generic possibilities for the baseline scenario: • Implementation of the same technologies or practices used in the project activity; • Implementation of a *baseline candidate*; or • The continuation of current activities, technologies or practices that, where relevant, provide the same type, quality, and quantity or product or service as the project activities"[7] Projects should select a baseline emissions scenario that they deem most realistic. When in doubt, projects should opt for the more conservative scenario. If baseline assumptions need to be adjusted due to new developments or knowledge, projects can do so in the course of the project. Adjustments should be taken to avoid over- or underestimation of mitigation effects. *Project scenario:* Projects should determine the actual GHG emitted/carbon stock achieved by the mitigation measure (e.g. technology, change in land use). In doing so, they must describe and quantify the proposed technology/intervention (i.e. unit) in its technical parameters such as size, volume, lifetime and its operational output (e.g. number of kWh produced per year, development of efficiency and replacements throughout the lifetime). *Leakage emissions:* Projects should determine leakage emissions as required by the methodology applied for estimating GHG emissions reductions / carbon stock enhancements (see below for recommended methodologies). Leakage emissions are "an unintended change caused by the project activity in GHG emissions, removals, or storage associated with a GHG source or sink."[8] As per the GHG protocol, they typically fall into two categories: • "One-time effects- Changes in GHG emissions associated with the construction, installation, and establishment or the decommissioning and termination of the project activity.

[7] World Resources Institute & World Business Council for Sustainable Development (2003). "The GHG Protocol Project Accounting", p.12., accessible on https://ghgprotocol.org/sites/default/files/standards/ghg_project_accounting.pdf

[8] World Resources Institute & World Business Council for Sustainable Development (2003). "The GHG Protocol Project Accounting", pp.11-12., accessible on https://ghgprotocol.org/sites/default/files/standards/ghg_project_accounting.pdf

	• Upstream and downstream effects – "Recurring changes in GHG emissions associated with inputs to the project activity (upstream) or products from the project activity (downstream), relative to baseline emissions."[9] Leakage emissions and permanence issues need to be accounted for particularly in the case of AFOLU projects (incl. REDD+ projects). An orientation on the methodologies established under the Verified Carbon Standard (Verra) is recommended, where guidance beyond the IPCC and CDM is required by the project **Data sources and methodologies** Projects should use those data sources that have the highest level of accuracy and are available and feasible within the project context (see list below). Possible data sources include: 1. Project specific measurements (e.g. for piloted technologies) 2. Project specific calculations (using methods laid out below) 3. National inventories 4. International data sources (e.g. IEA data sets) 5. Standard measurements using established methodologies Project-specific measurements are considered most accurate, followed by project specific calculations. If project specific measurements or calculations are not possible, projects should provide reasons why other data sources were chosen. All chosen data sources and methodologies to determine emission reductions (incl. the baseline assumptions and emission factors) need to be consistent with international standards. Therefore, one of the following methodologies or equivalent should be used: • IPCC 2006 Guidelines for National Greenhouse Gas Inventories and their refinement from 2019 (strongly advised) • Greenhouse Gas Protocol Standards (particularly relevant is the Project Accounting Standard and to a lesser extent the Policy and Action Standard) • Clean Development Mechanism (CDM) methodologies (also relevant for REDD+) • Methodologies adopted under the Mechanism established by Article 6, Paragraph 4, of the Paris Agreement • Methodologies provided by recognized Voluntary Carbon Market Standards such as the Gold Standard or Verified Carbon Standard under Verra • EX-Ante Carbon-balance Tool (EX-ACT) from FAO (relevant for activities in the AFOLU sector) Please consult the list at the end of this guidance sheet for further resources or visit the IKI website for additional guidance on estimating direct / indirect mitigation of mitigation measures in the sectors energy, transport, buildings and AFOLU.

[9] Ibid.

	For converting other GHG into $CO_{2\,eq}$ please use the Global Warming Potential (GWP) 100 values from the IPCC Fifth Assessment Report, Table 8.A.1[10]. For suitable emission factors, please consult the methodology applied in your project or the following sources: • IPCC Emission Factor Database • IEA Emission Factors • Harmonized IFI Default Grid Factors • IGES List of Grid Emission Factors **Reporting** Projects report on the indicator using the Standard Indicator Report (Excel Tool) provided by the IKI. Projects should provide planned target estimates and – where possible - further background information in their project proposal. Projects will report on actual achievements as part of the annual reporting of IKI projects. Projects need to report the following for direct and indirect mitigation effects: • **Planned target estimate** of GHG emissions to be reduced or carbon stocks enhanced (in tonnes of $CO_{2\,eq}$) within the duration of the project (ex-ante estimate): To be submitted as early as possible (with project proposal or first interim report). Adjustments during project implementation can be made and have to be reported in interim reports. • **Achieved value (cumulative)** of GHG emissions reduced or carbon stocks enhanced over project duration to date (ex-post estimate) and achieved value (annual) of GHG emissions reduced or carbon stocks enhanced (in tonnes of $CO_{2eq;}$) in a given reporting year (ex-post estimate) To be reported annually within interim and final reports. • **Overall mitigation over technology / mitigation measure lifetime** until 2030, 2040, 2050 in tonnes of $CO_{2\,eq}$ expected (ex-ante estimate (incl. partly ex-post for cumulative achieved over project duration)): To be submitted based on project-specific calculations and estimates, where this is feasible, as early as possible (with project proposal or first interim report). Estimations should be reviewed annually and adjusted where necessary in light of project implementation in interim and final reports.

[10] See http://www.climatechange2013.org/images/report/WG1AR5_Chapter08_FINAL.pdf for information.

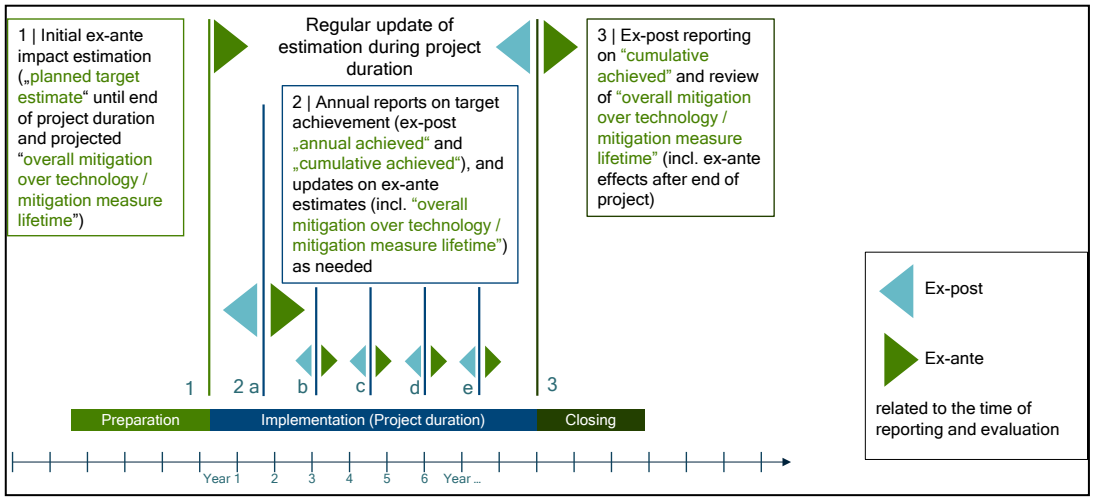

Figure 4 Reporting on GHG emissions reductions / carbon stock enhancement in the course of the project

Projects are asked to report on the data sources, methodology (incl. any underlying assumptions and emission factors) and means of verification used. For direct and indirect mitigation effects, the Standard Indicator Report (Excel Tool) requires projects to describe their assumptions and lay out their calculations in detail. The IKI might approach projects to gain further insights into the methodology used and data reported. Projects should therefore keep records of methodological notes as well as any documentation substantiating the reported data.

Adjustments for pro-rata share for <u>direct mitigation</u>

If the project receives funds from other donors, funds or climate / biodiversity programmes, the project should estimate the share of reduced emissions / carbon stock enhancements that accrue from IKI support. To illustrate, if a project reduced 100 tonnes of $CO_{2\ eq}$ using 40 % IKI funds to finance mitigation measures and 60% funds from a different donor, it should only report 40 tonnes of $CO_{2\ eq}$ within the indicator.

Avoiding double-counting

Notably, if projects report both on direct and indirect effects, they need to ensure to avoid double-counting. If, for instance, direct mitigation effects result from financial support measures that also include technical support measures, mitigation effects should only be reported in the category “GHG emission reduction / carbon stock enhancement through financing of mitigation measures (direct)”.

Enhanced policy frameworks

Introduction

IKI projects need to report which policy frameworks they address and how they contribute to strengthening the mitigation potential of these policies.

They are also asked to provide information on the extent to which a new or improved policy is expected to lower emissions where this data is readily available. They are not required to provide their own calculations to report projected emissions figures in this category.

In cases where the IKI contributes to overarching national mitigation policies and plans (e.g. in relation to the UNFCCC, CBD, Initiative 20x20, Bonn Challenge, FLR 100, NAMAs, NDCs,

	NAPs), the GHG reduction target contained therein may be reported as the potential for future GHG mitigation. See below for more details. **Data sources** Data sources include the draft policy frameworks and any documentation that provides evidence or at least plausible indication for the contribution of project measures to increased mitigation potential of these policy frameworks (e.g. testimonies of key decision-makers, media reports, key informant interviews, document analysis). **Determining the planned target estimate: Baseline, project and leakage emissions** Projects are not required to determine a planned target estimate in reference to a quantitative baseline scenario for this category. However, projects need to assess the baseline situation in qualitative terms. This is necessary for determining in what ways the project contributed to an increased mitigation potential of a given policy framework. **Reporting** Projects report on the indicator using the Standard Indicator Excel Reporting Tool provided by the IKI. Projects need to report the following: • **Expected contributions to policies** (i.e. Does the project aim at enhancing the mitigation potential of policy frameworks? If so, how?) To be reported initially in project proposal. • **Qualitative description of project contributions to strengthening policy frameworks**' mitigation potential incl. status of the policy To be reported annually within interim and final reports. • If available, **planned GHG reductions / carbon stock enhancement** as indicated within the respective policy framework To be reported annually within interim and final reports.
Data disaggregation & further differentiation	**Categories of effects:** Projects need to provide disaggregated data for the following categories: • Direct mitigation • Indirect mitigation • Enhanced policy frameworks **For direct and indirect mitigation: separate reporting of ex-ante and ex-post values** For direct and indirect mitigation, projects need to strictly differentiate between planned target estimates (ex-ante estimates at the beginning of the project), effects that arose during the project's funding period (ex-post estimates reported as the achieved value (cumulative) and overall mitigation over the entire technology / mitigation measure lifetime. The latter is the sum of mitigation effects achieved until the end of project (ex-post estimates reported under cumulative achieved), as well as projected further mitigation effects that are expected to be achieved after the project has ended in the remainder of the technology / mitigation measure lifetime (ex-ante estimate) (see Figure 4 above).
Step-by-step guidance for	To get started, please open the **Standard Indicator Report (Excel Tool)**, where you may enter all the information mentioned in this guidance.

IKI projects on SI 1: Mitigation	**Step 1: Verifying that the IKI project can report on this indicator** Projects should report against the indicator if all of the following questions can be responded to with "Yes": 1. Are contributions to mitigation central objectives at the project's outcome or output level? Projects that do not expect to make a contribution to GHG reduction / carbon stock enhancement should not report against the indicator. 2. Do contributions to mitigation fall within any of the three reporting categories defined above: direct / indirect mitigation / potential future GHG emission reductions/carbon stock enhancement through enhanced policy frameworks? Effects of projects need to correspond to the levels as defined above. Notably, the following measures or activities **do not** fall under any of the three reporting levels: • Development / improvement of systems of measurement, reporting and verification (MRV) and capacity development in this field • Capacity development and training supporting partners' mitigation capacity that does not directly translate into the implementation of mitigation action by partners and thereby quantifiable mitigation effects • Support of projects to development and improvement of policy frameworks that is not primarily aimed at increasing the mitigation potential of these frameworks • Support to policy statements, policy discourse, agenda-setting • Early draft policies that are not (close to) being adopted by the end of the project **Step 2: Defining planned target estimate and integrating the indicator into the project's monitoring system** Projects should assess the baseline situation and calculate or estimate the target levels of emission reduction in line with the methodology outlined above. For direct and indirect mitigation, this might require calculations. Project should use the Standard Indicator Report (Excel Tool) made available to them to present their calculations and underlying assumptions. For contributions to mitigation policies, qualitative assessments of the projects are required that help to establish whether the project has had a role in increasing the mitigation potential of policy frameworks. All planned target estimates should be submitted with the first interim report. If necessary, planned targets can be adjusted in the course of the project. Within this Standard Indicator 1, projects can adjust planned targets by adjusting their baseline and project scenario, if e.g. the originally planned mitigation measure is smaller than originally planned for. Projects can adapt their estimations in the IKI Standard Indicator Report (Excel Tool) in the respective sheets for SI 1 Mitigation, must flag these changes in sheet "Basic Data" and hand in the updated version with the interim report. Projects must integrate the indicator in their project-based monitoring systems. If appropriate, projects are encouraged to use Standard Indicators as part of their project-specific indicators. To this end, the project should determine a methodology to monitor the indicator. The IKI encourages projects to consult IKI reporting templates at this early stage to ensure that projects collect all required data. **Step 3: Continuous monitoring and reporting**

	Projects should monitor this indicator in line with the provisions set out in these guidelines. To this end, they should ensure that GHG emissions reduced / carbon stocks enhanced are reported in line with the definitions of direct and indirect effects. In collecting data, projects should NOT report the GHG emissions reduced / carbon stocks enhanced in the following cases: • Do *not* report GHG emissions / carbon stock enhancements as annual or cumulative achieved values, if these effects have not occurred yet. • Do *not* report GHG emissions / carbon stock enhancements if these effects cannot be plausibly linked back to project measures. Within annual interim reports, projects should report annual and cumulative figures on direct and indirect mitigation effects achieved during the project's duration. In addition, they should report direct and indirect mitigation effects over the entire technology / mitigation measure lifetime (incl. after the end of the project) and provide further supporting information as requested in the Standard Indicator Report (Excel Tool). Within the final report, projects should double-check the values (cumulative) for direct and indirect GHG emissions reduction / carbon stocks enhancement achieved during the project's duration. Baseline assumptions and calculations might change in the course of projects. Technological advances and contextual changes might make baseline scenarios more favourable to a low-emission pathway. If this is the case, projects should make adjustments to the baseline scenario calculations to ensure that effects are not overestimated (or underestimated). If necessary, projects should adjust assumptions regarding mitigation effects arising over the entire technology / mitigation measure lifetime including after the end of the projects' duration.
Latest revision	June 2023: • Editorial changes to updated guidelines introduced in January 2022; • Adjustments to guidance to better capture carbon stock enhancements; • Additional references to guidance documents and tools.
Other relevant information	The following contains a list of additional resources projects can consult. Please note that additional sector guidance (incl. recordings of webinars) is available on the IKI website). **Mitigation Activities** • IPCC 2006 Guidelines: http://www.ipcc-nggip.iges.or.jp/public/2006gl/index.html • IPCC 2019 Refinement to the IPCC 2006 Guidelines: https://www.ipcc-nggip.iges.or.jp/public/2019rf/index.html • Project Protocol and Sector Toolsets by the GHG protocol: http://www.ghgprotocol.org & https://ghgprotocol.org/calculation-tools-and-guidance • CDM methodologies and CDM Methodology Booklet: http://cdm.unfccc.int/methodologies/index.html • Gold Standard methodologies: https://www.goldstandard.org/project-developers/standard-documents

	• Verified Carbon Standard methodologies: https://verra.org/programs/verified-carbon-standard/ • Manual for calculating GHG benefits of GEF projects: Energy efficiency and renewable energy projects: https://www.thegef.org/council-meeting-documents/manual-calculating-ghg-benefits-gef-projects-energy-efficiency-and • Manual for calculating GHG benefits of GEF transportation projects: https://www.thegef.org/publications/manual-calculating-ghg-benefits-gef-transportation-projects • Resources for the FAO EX-Ante Cabon-balance Tool (EX-ACT): https://www.fao.org/in-action/epic/ex-act-tool/suite-of-tools/ex-act/en/ **AFOLU (incl. REDD+) Activities** • IPCC 2003: Good Practice Guidance for Land Use, Land-Use Change and Forestry, to be found on: http://www.ipcc-nggip.iges.or.jp/public/gpglulucf/gpglulucf.htm • IPCC 2006: Guidelines for National Greenhouse Gas Inventories Volume 4, Agriculture, Forestry and Other Land Use, to be found on: http://www.ipcc-nggip.iges.or.jp/public/2006gl/vol4.html • IPCC 2019: Refinement to the IPCC 2006 Guidelines: https://www.ipcc-nggip.iges.or.jp/public/2019rf/index.html • Verified Carbon Standard: http://www.v-c-s.org/ • CDM methodologies and CDM Methodology Booklet: http://cdm.unfccc.int/methodologies/index.html **Sources for emission factors** • IPCC Emission Factor Database: https://www.ipcc-nggip.iges.or.jp/EFDB/main.php • IEA Emission Factors: https://www.iea.org/data-and-statistics/data-product/emissions-factors-2021 • Harmonized IFI Default Grid Factors: https://unfccc.int/climate-action/sectoral-engagement/ifis-harmonization-of-standards-for-ghg-accounting/ifi-twg-list-of-methodologies • IGES List of Grid Emission Factors: https://www.iges.or.jp/en/pub/list-grid-emission-factor/en

6.2.2 Standard Indicator 2 – Ecosystems

SI 2 - Ecosystems	Area of ecosystems with improved conservation and sustainable use due to project measures
Unit	Hectare (ha)* **Complementary information on km of coastline and ha of marine areas protected or sustainably used is required of relevant projects (see also below)*
Rationale / Purpose	This Standard Indicator captures the achieved expansion of marine, coastal, freshwater and terrestrial ecosystems. While it does not measure the quality of improvements, it stipulates clear qualitative criteria for the area that is to be included. Therefore, the reported area for the indicator does not per se correspond to the entire target region of the project but only to those areas of ecosystems for which an improvement in conservation or sustainable use has been achieved through project measures.
Definitions	**Direct project effects** For the purpose of this indicator, direct project effects are understood as increases in the quality of use or protection of a specific area of ecosystems caused by the implementation of project activities and the delivery of outputs with partners. Improvements include the maintenance of the quality of a specific area of ecosystems, if it can be proven that the quality would have declined without the project intervention. For areas to be reported here, changes in quality need to be observable and verifiable and they need to occur during the course of the project. For instance, the development of a management plan or training of staff managing a certain protected area is not sufficient per se to report this protected area here. At the least, there needs to be evidence of an improvement in the management of an area and ideally, prove that the quality of the ecosystem has improved. One notable exception is the establishment, expansion or safeguarding of a protected area. While the safeguarding or increase in the quality of the ecosystem will most likely occur sometime after its designation, the measure is seen as creating a strong pathway for an increase in quality in the future. Consequently, the formal designation / expansion of a projected area can be reported here. The following examples of project measures illustrate possible pathways for safeguarding or increasing the quality of ecosystems as captured in this indicator: • The establishment or expansion of a protected area • Effective management of protected areas, buffer zones or corridors (as well as other effective area-based conservation measures and sustainable land management) • Sustainable management of areas under agricultural, aquaculture, fisheries, infrastructural and other extractive use • Avoided or reduced deforestation and forest degradation, as well as other REDD+ activities like the conservation and enhancement of forest carbon stocks restoration and sustainable forest management

	• Restoration measures in other important ecosystems like peatlands, coral reefs, seagrass and wetlands Micro-finance projects: If the IKI-project funds other projects through micro-finance schemes that achieve benefits similar to the ones listed above, these results are also covered by this indicator. **Improvement** Improvement of an area of an ecosystem is understood as a positive change compared to the initial or business-as-usual scenario brought about with contributions from the project in cooperation with its partners. The following positive changes in ecosystems are understood as examples of improvements that are covered by this indicator: *For all ecosystems:* • Restoration of area previously degraded, damaged or destroyed • Conservation of an area which would otherwise have been degraded, damaged or destroyed (improvement compared to baseline of 'business-as-usual') • Achievement of an official protection status[11] for a specific area • Improvement of the management of a conserved area or area under sustainable use *In addition, for forests:* • Conversion of area into forest by reforestation • Avoided deforestation and forest degradation within an area **Conservation** Conservation is defined as "the protection, care, management and maintenance of ecosystems, habitats, wildlife species and populations, within or outside of their natural environments, in order to safeguard the natural conditions for their long-term permanence."[12] As such, conservation efforts include the protection of areas, the implementation of other effective area-based conservation measures and the use of effective ecosystem management practices. **Protected area**

[11] Protected areas are defined along the IUCN Protected Areas Categories. For more information see: http://www.iucn.org/about/work/programmes/gpap_home/gpap_quality/gpap_pacategories

[12] IUCN Glossary, in updated version from 2021

	Protected areas are classified according to the official IUCN Protected Areas Categories[13], which differentiate areas according to their management objective (see also section on data disaggregation & further differentiation). **Areas under "Other Effective Area-based Conservation Measures" (OECM)** "A geographically defined area other than a protected area, which is governed and managed in ways that achieve positive and sustained long-term outcomes for the in situ conservation of biodiversity with associated ecosystem functions and services and, where applicable, cultural, spiritual, socio–economic, and other locally relevant values are also conserved (IUCN-WCPA, 2019)." [14] **Sustainable use** "Sustainable use" means the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations." (CBD, Article 2)
Overview of methodology and reporting requirements	The indicator requires projects to monitor and report the area of ecosystems (in ha) or the length of coastline (in km) with improved conservation and sustainable use due to project measures. Projects can freely choose the most appropriate methodology and means of verification. In doing so, projects should avoid double-counting. E.g. if an area of an ecosystem receives more than one measure of support by the project, it should only be counted once. **Data sources** The choice of data sources is at the discretion of the projects. However, official data is desirable. Area estimates could be based on, but are not limited to: • evaluations of maps • remote sensing images and ground truthing • area surveys • forest operation and management plans, protected area statistics and other official documents • baseline & endline calculations **Baseline** The indicator does not require a quantitative baseline. At project planning stage, projects should qualitatively assess the likely business-as-usual trajectory (BAU scenario) without project intervention regarding the quality of ecosystems within the targeted area. Based on this analysis, projects are asked to determine whether

[13] For more information see http://www.iucn.org/about/work/programmes/gpap_home/gpap_quality/gpap_pacategories/ and

Guidelines for applying the IUCN protected area management categories to marine protected areas (PAG-019-2nd ed.-En.pdf (iucn.org)

[14] https://www.iucn.org/sites/dev/files/iucn-glossary-of-definitions_en_2021.05.pdf

	the project indeed contributed to an improvement of the conservation and sustainable use of the target areas. **Reporting** Projects need to report on the indicator using the Standard Indicator Report (Excel Tool) provided by the IKI. Projects should provide estimates on planned targets and where possible further background information in their project proposal. As part of their interim reporting, projects need to annually report on: • **Planned target value:** total area of ecosystems with improved conservation and sustainable use through project measures expected to be reached by end of project • **Achieved value (per annum):** area of ecosystems with improved conservation through project measures achieved within the reporting year. Areas should only be reported once to ensure that the sum of achieved values in different reporting years equals the cumulative total achieved by the project. • **Achieved value (cumulative):** area of ecosystems with improved conservation and sustainable use through contribution of project measures achieved since start of the project until the end of the reporting year Furthermore, projects need to transparently report on the data sources, methodology (incl. any underlying assumptions) and means of verification used. The IKI might approach projects to gain further insights into the methodology used and data reported. Projects should therefore keep records of methodological notes as well as any documentation substantiating the reported data. **Adjustments for pro-rata share** If the project receives funds from other donors, funds or programmes, the project should estimate the share of ha of improved ecosystems that accrue from IKI support. To illustrate, if a project protected 100 ha of land using 40 % IKI funds to finance support measures and 60% funds from a different donor, it should only report 40 ha within the indicator.
Data disaggregation & further differentiation	Projects should disaggregate the area with improved conservation and sustainable use along the following criteria: • Broad classification of ecosystems • Area categorisation • Type of implemented measures **Broad classification of ecosystems** Projects should provide information on how much improved ecosystem is terrestrial or marine / coastal: • Ha terrestrial ecosystems (incl. freshwater) • Ha marine and coastal ecosystems • Km of coastline **Area categorisation**

	<u>Types of Protected Area</u> If applicable, projects should indicate the number of ha pertaining to IUCN Protected Areas Categories: Ha classified as: • Ia Strict Nature Reserve • Ib Wilderness Area • II National Park • III Natural Monument or Feature • IV Habitat/Species Management Area • V Protected Landscape/ Seascape • VI Protected area with sustainable use of natural resources For knowledge management purposes, projects should further report the official WDPA-IDs of all IUCN Protected Areas the projects work with, if available in the World Database on Protected Areas. <u>Areas under OECM</u> Projects should further indicate the areas under OECM: • Ha under OECM For knowledge management purposes, they should further report the official WDPA-IDs of areas under OECM the projects work with, if available in the World Database on Protected Areas. <u>Territory of indigenous peoples and local communities</u> Projects should indicate if any of the reported areas constitute territories of indigenous peoples and local communities, in the form of a “yes/no” checkbox, and, if applicable, provide information on the size of that area, for instance if officially registered or nationally recognised. <u>Further formally designated areas</u> In addition to areas under OECM and Protected Areas as defined by IUCN, projects should indicate whether they are contributing to the conservation of areas that fall under any of the following categories: • Ha of UNESCO Biosphere Reserves • Ha of UNESCO World Heritage Sites (only natural sites and mixed sites) • Ha of Ramsar Sites For knowledge management purposes, projects should further provide the official names as indicated on the respective databases. **Type of implemented measures** Projects should provide further information on the measures used for improving / protecting areas of ecosystems: • Restoration of ecosystems

	• Conservation of ecosystems • Protected area established or extended • Management of conserved area / area under sustainable use improved • Reforestation • Avoided deforestation • Other (please specify)
Step-by-step guidance for projects on SI 2: Ecosystems	To get started, please open the **Standard Indicator Report (Excel Tool)**, where you may enter all the information mentioned in this guidance. **Step 1: Verifying that the IKI project can report on this indicator:** Project can report against the indicator if all of the following questions can be responded to with "Yes": 1. *Does the project together with partners contribute to a substantial improvement of ecosystems through project measures "on the ground"?* Projects should report against this indicator if they make meaningful contributions to the safeguarding / improving of specific ecosystems. The improvements regarding the ecosystems need to be observable. Projects that work solely on the policy level by e.g. supporting national policies to improve framework conditions for ecosystems, should not report against this indicator. In addition, projects that support institutional capacity development and might thereby contribute to improvements of ecosystems after the projects have ended should not report against this indicator. 2. *Are effects on the improvements of ecosystem likely to be achieved in the course of the project?* Projects should only report improvements caused by project measures during the project's duration. For instance, if a project establishes a financing instrument (e.g. lines of credit) that will only lead to improvements of ecosystems after the project has ended, the project cannot report against this indicator. Similarly, if the project develops management plans for an area but these plans are not implemented by the end of the project, the respective areas should not be reported here. The same applies to projects that train people in charge of management. A change in the quality of management of the specific area needs to be observable before reporting on this indicator. 3. *Do project measures target specific geographical areas?* The project needs to be able to report the total number of ha protected or improved through project measures. This area is not necessarily identical to the project's target region. **Step 2: Defining planned target and integrating the indicator into the project's monitoring system:** Projects should qualitatively assess the baseline situation and establish a counterfactual baseline of what would happen in terms of targeted ecosystems without the IKI project, to determine additionality of the project. For instance, if ecosystems already have protected status and IKI project measures do not

	lead to significant improvements of the same land, the area cannot be reported under this indicator. Projects should then set a quantitative target for the total area of ecosystems for which the project seeks to improve conservation at the project planning stage. If necessary, the target can be adjusted in the course of the project. Projects should integrate the indicator in their monitoring systems. If appropriate for their project design and objectives, projects are encouraged to use Standard Indicators as part of their project-specific indicators. To this end, the project should determine a methodology to monitor the indicator. The IKI encourages projects to consult IKI reporting templates at this early stage to ensure that projects collect all required data. Remember that targets and actuals should refer to the pro-rata share of how many ha ecosystem were protected relative to the financial contribution of other donors co-funding the same measures. **Step 3: Continuous monitoring and reporting** Projects should monitor this indicator in line with the provisions set out in these guidelines. To this end, they should ensure project measures lead to an improvement of conservation of the area of ecosystems in line with the definitions above. In collecting data, projects should ensure to NOT count the ha of area of ecosystem in the following cases: • Do *not* count ha of areas of ecosystems where the project did not lead to improved conservation and sustainable use even if the project implements measures within that area or that area falls within the accounting area of the project. • Do *not* count ha of areas of ecosystems for which the project developed strategies for improved conservation and sustainable use with its partners, but the strategies are not implemented in the course of the project. • Do *not* count the same area of ecosystem twice within the reported hectares, even if it is e.g. a protected area under IUCN as well as a UNESCO Biosphere Reserve or if the project promotes conservation or sustainable use through multiple supportive measures in one area. Projects should disaggregate data and report achieved values (cumulative; per annum) along with further supporting information as part of the general reporting requirements of the IKI. In the final report, projects should double-check that the area reported in the final report under “achieved value (cumulative)” is indeed subject to improved conservation. Projects should provide a short qualitative description of the nature of this improvement.
Latest revision	January 2022: • Rephrasing of indicator • Adaptations of existing categories for disaggregation and introduction of new categories for disaggregation

Other relevant information	**Word Database on Protected Areas**: • https://www.iucn.org/theme/protected-areas/our-work/quality-and-effectiveness/world-database-protected-areas-wdpa • https://www.protectedplanet.net/en/thematic-areas/wdpa?tab=WDPA **UNESCO Biosphere Reserves:** • https://en.unesco.org/biosphere **UNESCO World Heritage Sites:** • https://whc.unesco.org/en/list/ **IUCN Protected Areas:** • http://www.iucn.org/about/work/programmes/gpap_home/gpap_quality/gpap_pacategories/ • Guidelines for applying the IUCN protected area management categories to marine protected areas (PAG-019-2nd ed.-En.pdf (iucn.org) **Ramsar Sites:** • https://www.ramsar.org/

6.2.3 Standard Indicator 3 – Adaptation

SI 3 - Adaptation	Number of people supported by projects to better adapt to the effects of climate change
Unit	Number of people
Rationale / Purpose	This Standard Indicator captures the reach of IKI projects' adaptation efforts among the general population in the projects' areas of implementation. In line with methodologies used by UK ICF, the Adaptation Fund[15] and others, it captures the number of people who receive direct or indirect support through the project's adaptation measures to enhance their individual adaptive capacity. Notably, it does not provide information on whether the support has actually increased people's resilience. In other words, this is an output indicator that counts the number of people receiving support without measuring the effects of this support on individual adaptive capacity. Also, it does not capture institutional capacity development to improve administrative / policy action on adaptation. As such, training provided to policymakers is not captured in this indicator but rather in Standard Indicator 4 – Capacity People.
Definitions	**People directly or indirectly supported:** The indicator differentiates between people directly and people indirectly supported to strengthen their individual adaptive capacities and assets. People are **directly supported through the project's adaptation measures** if the project addresses them with particular support tailored to them (i.e. support is provided to a selection of individuals / households aware of this support) and if this support is of high intensity (i.e. potentially substantial effect on their individual assets and capabilities). Examples include, but are not limited to, people receiving the following forms of support or a combination of these: • **People receiving cash transfers or equipment** to safeguard livelihoods • **Households** benefitting from climate-proofing of houses • **People participating in training and other capacity-sharing initiatives** on e.g. interpretation of climate forecasting data and identifying adjustments in behaviour that would help to cope with different scenarios • **Participants of re-training initiatives** whose livelihoods are threatened by climate change • **Farmers** receiving crop insurance • Others

[15] See e.g. https://www.adaptation-fund.org/wp-content/uploads/2015/01/AF%20Core%20Indicator%20Methodologies.pdf, Methodology Note for UK ICF by Climate Change Compass and HM Government (2018) on "KPI 1 Number of people supported to better adapt to the effects of climate change as a result of ICF"

	All people within a household are counted as directly supported if high intensity support is provided at household level (e.g. climate-proofing of houses, cash transfers), or if support to individuals will plausibly benefit the entire household. People are considered **indirectly supported** if they receive support of medium intensity, regardless of whether they are specifically and directly addressed by the project. Medium intensity support includes but is not limited to the following examples: • **Individuals who gain access to information services** such as seasonal climate forecasting or harvest tips (without being offered and using additional services) • **People in communities receiving climate-modelled early flood warnings** or warnings for extreme weather events by app or text • **Residents within the catchment area** of structural flood defences • **Horizontal scaling**: after learning of the success of an IKI pilot, a municipality decides to fund and implement similar climate-proofing measures for at-risk housing and receives technical support from the project. Residents who benefit from these measures would be counted as people indirectly supported. • Others **People are not counted** if they receive support of low intensity (i.e. their adaptive capacities might only be affected in the long-run and to a limited extent). For example, being residents of an administrative area for which an adaptation-relevant policy or plan is being developed with project support or of areas governed by institutions / policy-makers receiving capacity development support. In this sense, projects should not count decision-makers or public officials who they supported through training or other measures to improve policymaking or administrative action on adaptation in this indicator.
	Support: Support is understood here as assistance by the projects with the explicit objective of providing services and support that can be used by people to better cope with the effects of climate change. This support can come in varying forms. It can focus on supporting individuals to further strengthen their adaptive capacity (see also below). It can also focus on improving structural defences against effects of climate change such as e.g. the modification of built and natural infrastructure, building of flood defences, slope anchorage, greening of roofs and walls and other measures within settlement areas. Forms of support can vary. Examples include: • **Capacity development schemes** addressing important individual adaptive capacity needs • **The provision of cash transfers**, agricultural inputs, equipment • **Insurance schemes** • **Climate services and information** • The implementation of **participatory research and participatory risk assessments** in communities • **Provision of access to value chains** and markets • Other
	Adaptation:

	Adaptation is understood in line with the Intergovernmental Panel on Climate Change (IPCC) as "the process of adjustment to actual or expected **climate** and its effects, in order to moderate harm or exploit beneficial opportunities"[16]. Adaptive capacities can be defined as the "ability of systems, **institutions**, humans and other organisms to adjust to potential damage, to take advantage of opportunities, or to respond to consequences".[17] These abilities can, for instance, be enhanced through improved accessibility of climate information, the capacity to use it, mainstreaming and coordination capacities, and risk management capacities.
Overview of methodology and reporting requirements	The indicator requires projects to monitor the absolute number of people supported disaggregated by category (directly / indirectly supported), gender as well as whether they identify as members of indigenous peoples and local communities. **Data collection at individual or household level** Projects can collect data at the level of individuals or households. Where data is collected at household level, data needs to be converted to the absolute number of people reached. To this end, projects should use standard multipliers used in national census or household surveys. Projects might support some people directly and others indirectly. In this case, projects should report on both levels individually. Generally, projects need to ensure that they avoid double counting within achieved cumulative totals: Individuals should not be counted twice within the "achieved value (cumulative" of either number of people directly supported or number of people indirectly supported. Please note that individuals can count towards both the cumulative number of people supported directly and people supported indirectly, if they are reached through project measures falling under both categories. For example, an individual might participate in training measures (direct support) and live in a catchment area for which flood defence mechanisms were built (indirect support). Projects need to ensure appropriate quality assurance of the data and document their methodology for monitoring this indicator. **Data sources** Projects should monitor people supported directly based on project records (e.g. service user lists, attendance sheets) or surveys. Projects should monitor people supported indirectly in the same way if they provide medium intensity support at individual or household level and their records therefore provide information on the number of individuals the project worked with. In cases where projects provide structural support to entire communities / administrative areas (such as building structural defences against effects of climate change), projects may draw on official and up-to-date census data to determine the number of individuals that might indirectly benefit from this support. **Baseline** As the indicator captures people supported through project measures, no baseline is required.

[16] See IPCC Glossary

[17] Millennium Ecosystem Assessment (MEA), (2005): *Ecosystems and Human Well-being: Current States and Trends. Findings of the Condition and Trends Working Group*, pp. 893–900.

	Reporting Projects need to report on the indicator using the Standard Indicator Report (Excel Tool) provided by the IKI. Projects should provide target estimates and – where possible – further background information in their project proposal. As part of their interim reporting, projects need to annually report on: • **Planned target value:** number of people to be reached directly and indirectly by project measures by end of project. • **Achieved value (per annum):** number of people directly and/or indirectly supported in the respective reporting year. • **Achieved value (cumulative):** total number of people directly/indirectly supported from project start until end of the reporting period. The cumulative total of number of people directly/indirectly supported respectively ("achieved value (cumulative)") could be lower than the sum of annual totals. Projects should ensure that each individual is only counted once within the "achieved value (cumulative)" but can be counted for every year in which this individual receives support. Furthermore, projects need to transparently report on the data sources, methodology (incl. any underlying assumptions) and means of verification used. The IKI might approach projects to gain further insights into the methodology used and data reported. Projects should therefore keep records of methodologies as well as any documentation substantiating the reported data. **Adjustments for pro-rata share** If the project receives funds from other donors, funds or climate / biodiversity programmes, the project should estimate the share of people directly supported targeted by support that can be attributed to the IKI. To illustrate, if a project supports 100 people directly and uses 40 % of IKI funds to finance support measures and 60 % of funds from a different donor, it should only report 40 people within the indicator. Please round to the nearest integer.
Data disaggregation and further differentiation	**People reached:** Projects should disaggregate the number of people reached according to: • Number of people directly supported • Number of people indirectly supported The absolute number of people directly supported should be disaggregated according to gender and whether people identify as members of indigenous peoples and local communities. **Gender:** Projects should report absolute numbers along the following categories: • Number of people directly supported identifying as female [F] • Number of people directly supported identifying as male [M] • Number of people directly supported identifying as other [X] (incl. but not limited to non-binary, transgender, gender-fluid, agender, pangender) • Number of people directly supported who did not indicate gender (e.g. data was collected at household level, individuals did not provide an answer)

	Projects should not provide estimates but cross-checked absolute numbers. **"Indigenous peoples and local communities"[18]:** If possible, the project should further indicate the number of people reached who identify as part of indigenous peoples and local communities.
Step-by-step guidance for projects on SI 3: Adaptation	To get started, please open the **Standard Indicator Report (Excel Tool)**, where you may enter all the information mentioned in this guidance. **Step 1: Verifying that the IKI project can report on this indicator** Project should report against the indicator if all of the following questions can be responded to with "Yes": 1. *Does the project specifically aim at supporting people to adapt to climate change?* Projects should only report on the indicator if support for adaptation at the level different stakeholder groups constitutes an important component of the project. 2. *Does the project aim to produce tangible effects for the people it seeks to support before it ends?* People should only be counted towards this indicator if they receive tangible support. In this sense, support measures need to be in place and available to be used by the people it is intended for. Ideally, they have an immediate effect on their adaptive capacities (see examples above). Projects should not report on this indicator if their work at the institutional level or capacity development of decision-makers or public officials does not lead to tangible effects on adaptive capacities among people from the general population during the project (i.e. because decision-makers have not adapted their behaviour or implemented support measures benefitting the general population). In most cases, projects that support strategy and policy development can consequently not report on this indicator. Also, projects cannot report the number of e.g. public officials trained on adaptation policy in this indicator. Please note: This focus on relatively short-term effects does not detract from the value of policy advice and the development of strategies and plans. The impact of the latter simply tends to be too nuanced and complex to be easily captured by this Standard Indicator.

[18] There is no universally accepted definition of "indigenous peoples". Consequently, the term "indigenous peoples and local communities" is used in line with the IFC Performance Standards generically, "to refer to a distinct social and cultural group possessing the following characteristics in varying degrees:

- self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture; or
- a distinct language or dialect, often different from the official language or languages of the country or region in which they reside."

See IFC, 2012, Guidance Note 7 – Indigenous Peoples accessible on https://www.ifc.org/wps/wcm/connect/9baef8f6-9bd9-4d95-a595-7373059081d4/GN7_English_2012.pdf?MOD=AJPERES&CVID=mRQk089

	Step 2: Defining planned target values and integrating the indicator into the project's monitoring systems Projects should set planned target values at the beginning for the total number of people it seeks to support directly or indirectly. These targets are to be provided with the project proposal and may be adapted during the project if necessary. Projects should integrate the indicator in their project monitoring systems. If appropriate to their project design and objectives, projects are encouraged to use Standard Indicators as part of their project-specific indicators. To this end, the project should determine a methodology to monitor the indicator. The IKI encourages projects to consult IKI reporting templates at this early stage to ensure that projects collect all required data. Remember that target and achieved values should refer to the pro-rata share of how many people are being supported relative to the financial contribution of other donors co-funding the same measures. **Step 3: Continuous monitoring and reporting** Projects should monitor this indicator in line with the provisions set out in these guidelines. To this end, they should ensure that persons are classified according to the definitions of people directly (targeted and high intensity support) and indirectly supported (targeted or not targeted and medium intensity support). In collecting data, projects should NOT count the following individuals: • Within the cumulative total of people either directly or indirectly supported (achieved value (cumulative), do *not* count any individual more than once, even if the project supports this person in more than one way or over consecutive years. In cases where individuals cannot be tracked across support measures, please provide a conservative adjusted estimate of the total number of people reached through direct or indirect support measures. • Do *not* count any individual who does not fall within the definition people directly or indirectly supported. • Do *not* count individuals that were supported through project components that are not related to adaptation Projects should disaggregate data and report achieved values (cumulative; per annum) along with further supporting information as part of their annual interim and final reporting.
Latest revision	January 2022 • Widening of scope to people indirectly supported by the project • Focusing on Adaptation
Other relevant information	/

6.2.4 Standard Indicator 4 – Capacity People

SI 4 – Capacity people	Number of people directly supported by IKI projects through networking and training to address climate change or to conserve biodiversity
Unit	Number of people
Rationale / Purpose	This Standard Indicator captures the participants of projects' capacity development measures in the field of (on-the-job) training and networking opportunities. This includes any persons receiving direct support through training or networking including among others public officials, representatives of private sector and civil society organisations, researchers, practitioners and the general public.
Definitions	**Direct support:** Direct support is understood here as direct assistance by the project's training and networking measures aimed at benefitting people in their personal or professional capability to address climate change or the conservation of biodiversity.
	Formal training (off-the-job): This includes technical and vocational education and training (TVET) or higher education, as well as project-specific training offers for various target groups. The training offers can take different forms such as accredited training programmes, training of trainers, blended learning courses, repeated thematic trainings or study trips initiated and run by the project and its partners and one-off in-depth courses that last for at least half a day or longer. The training should be based on a capacity development concept, learning objectives and a clear scope and target group.
	On-the-job training: On-the-job training is understood as continuous practical training of individuals in their workplace with the aim of sharing knowledge, skills and developing professional capacities. To this end, projects provide continuous guidance over an extended period of time through designating advisors to individuals or teams to be transfer knowledge and skills. These advisors might assume mentorship roles for the people trained and, ideally, define joint learning objectives and work plans with the people whose capacities are sought to be strengthened. Thereby, on-the-job training is understood as going beyond informal learning that occurs in daily interactions between practitioners, civil servants, project staff or consultants in day-to-day work.
	Networking: Support provided in the form of networking aims at assisting people in building their professional and personal networks to strengthen peer learning, professional exchange and cooperation to address climate change or protect biodiversity. The support can take the form of institutionalised professional networks, the setting-up of exchange and peer-learning platforms or cross-sectoral partnerships. For the purposes of this indicator, networking should bring about capacity development effects for the people involved that is likely to strengthen action to combat climate change and protect biodiversity.
	Accredited training programme:

	One type of formal training are accredited training programmes. An accredited training programme is understood as a programme that leads to a formal qualification of an individual such as an advanced diploma, degree or certificate that is recognised beyond the training organisation in a distinct professional field or at the national level. Typical examples included university degrees, formal technical and vocational education and training (TVET) and recognised professional qualifications.
Overview of methodology and reporting requirements	The indicator requires projects to monitor the absolute number of people supported by IKI projects through networking or training disaggregated by gender, type of actor as well as belonging to indigenous peoples and local communities, along with further categories (see below). Projects need to collect data at the level of individuals and ensure appropriate data management to prevent or at least minimise double counting. **Data sources** Projects should monitor the number of individuals based on project records (e.g. stakeholder lists, attendance sheets) or surveys. **Baseline** As the indicator captures people supported through project measures, no baseline is required. **Reporting** Projects need to report on the indicator using the Standard Indicator Report (Excel Tool) provided by the IKI. Projects should provide target estimates and where possible further background information in their project proposal. As part of their interim reporting, projects need to annually report on: • **Planned target value:** number of people to be supported through networking and training by project measures by end of project • **Achieved value (per annum):** number of people supported through networking and training by project measures in the respective reporting year • **Achieved value (cumulative):** number of people supported through networking and training by project measures from project start until end of the reporting period. The cumulative total of number of people supported ("achieved value (cumulative)") could be lower than the sum of annual totals. Projects should ensure that each individual is only counted once within the "achieved value (cumulative)" but can be counted for every year in which this individual receives support. Furthermore, projects need to report on the data sources, methodology (incl. any underlying assumptions) and means of verification used. The IKI might approach projects to gain further insights into the methodology used and data reported. Projects should therefore keep records of methodology as well as any documentation substantiating the reported data. **Adjustments for pro-rata share** If the project receives funds from other donors, funds or climate / biodiversity programmes, the project should estimate the share of people supported that can be attributed to the IKI. To illustrate, if a project provides support for a total of 100 people and uses 40 % of IKI funds to finance support measures and 60 % of funds from a different donor, it should only report 40 people within the indicator.

Data disaggregation and further differentiation	**People reached:** The absolute number of people supported should be disaggregated according to gender, type of actor and whether they self-identify as members of indigenous peoples and local communities. **Gender:** Projects should report on: • Number of people supported identifying as female [F] • Number of people supported identifying as male [M] • Number of people supported identifying as other [X] (incl. but not limited to non-binary, transgender, gender-fluid, agender, pangender) • Number of people supported who did not indicate gender (e.g. data was collected at household level, individuals did not provide an answer) **Type of actors** Projects should report: • Number of public officials • Number of civil society representatives • Number of private sector actors (e.g. representatives of SMEs, companies, market-oriented smallholder farmers) • Number of private citizens (e.g. community members, private households, subsistence farmers) **"Indigenous peoples and local communities"[19]:** If possible, the project should further indicate the number of people supported who identify as part of indigenous peoples and local communities: • Number of people supported identifying indigenous peoples and local communities.

[19] There is no universally accepted definition of "indigenous peoples". Consequently, the term "indigenous peoples and local communities" is used in line with the IFC Performance Standards generically, "to refer to a distinct social and cultural group possessing the following characteristics in varying degrees:

- self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture; or
- a distinct language or dialect, often different from the official language or languages of the country or region in which they reside."

See IFC, 2012, Guidance Note 7 – Indigenous Peoples accessible on https://www.ifc.org/wps/wcm/connect/9baef8f6-9bd9-4d95-a595-7373059081d4/GN7_English_2012.pdf?MOD=AJPERES&CVID=mRQk089

	Content of capacity development measures: Projects should report on the number of people trained or supported to strengthen cooperation in relation to: • Biodiversity • REDD+ • Mitigation • Adaptation • Other (please specify) In case a specific capacity development measure covers multiple topics, allocations of multiple topics to one person are possible. Therefore, the number of people indicated per topic might exceed the overall number of people reached.
	Format of capacity development measures Due to their potential to provide capacity development effects beyond the duration of IKI projects, projects should indicate if capacity development measures include the following: • Training of trainers / multipliers (incl. numbers of multipliers trained) • Accredited training programmes developed or improved by the project (incl. brief description of the programme & number of participants who finished the programme) • Formal (professional) networks / exchange platform developed or improved by the project (incl. brief description of the network / exchange platform)
Step-by-step guidance for projects on SI 4 – Capacity People	To get started, please open the **Standard Indicator Report (Excel Tool)**, where you may enter all the information mentioned in this guidance. **Step 1: Verifying that the IKI project can report on this indicator** Projects can report against the indicator if all of the following questions can be responded to with "Yes": 1. *Does the project provide measures that primarily aim at capacity development of participants?* The indicator aims to capture the reach of measures that have as their primary objective the capacity development of participants Participants of workshops and work meetings that are not focused on capacity development should not be reported in this indicator. These include but are not limited to steering committee meetings or coordination meetings driving project implementation. Furthermore, meetings that have only a minor capacity development component should not be reported in this indicator. As a rule, projects should not report participants of consultations with partners, conferences, meetings to consult on strategy papers, one-off short webinars or input lunches, information events and formal gatherings and functions among others. 2. *Do capacity development measures fall within the three categories "Formal training", "On-the-job training" and "networking" as defined above?*

	Projects should consult the definitions above to ensure that capacity development measures qualify for reporting in this indicator. **Step 2: Defining planned target value and integrating the indicator into the project's monitoring systems** Projects should set a planned target value at the beginning that indicates the total number of people it seeks to support through training and / or networking measures. This target is to be provided with the project proposal and can be adapted during the project if necessary. Remember that target and achieved values should refer to the pro-rata share of how many individuals had access to training and networking relative to the financial contribution of other donors co-funding the same measures. **Step 3: Continuous monitoring and reporting** Projects should monitor this indicator in line with the provisions set out in these guidelines. In collecting data, projects should NOT count the following individuals: • As part of the cumulative number of people reached (achieved value (cumuluative)), do *not* count any individual more than once, even if the project supports this person in more than one way or if a person is supported over consecutive years. In cases where individual participants cannot be tracked across support measures, please provide a conservative adjusted estimate of the total number of people reached. • Do *not* count individuals who have merely received information or attended one-off events with a minor focus on capacity development. Projects should disaggregate data along the categories introduced in this guideline and report achieved values (cumulative; per annum) along with further supporting information as part of the general reporting requirements of the IKI.
Latest revision	January 2022 • Newly introduced
Other relevant information	/

6.2.6 Standard Indicator 5 – Leveraged Finance

SI 5 – Leveraged finance	Volume of private and/or public finance leveraged for climate action or biodiversity purposes
Unit	EUR
Rationale / Purpose	This indicator aims to capture the amount of private and/or public capital made available for climate and biodiversity action, resulting directly (i.e. mobilised finance) and indirectly (i.e. catalysed finance) from the IKI's range of climate finance measures. It is relevant for projects that pursue private and public finance mobilisation and/or catalysation for climate and biodiversity action as an explicit primary objective. Aggregated results from IKI projects on the amount of private finance mobilised will be used for European and international official reporting purposes. For transparency in reporting, the IKI does not aggregate mobilised and catalysed finance.
Definitions	**Public finance:** According to the OECD, public finance is defined as "transactions […] undertaken by central, state or local government agencies at their own risk and responsibility, regardless of whether these agencies have raised the funds through taxation or through borrowing from the private sector. This includes transactions by public corporations i.e. corporations over which the government secures control by owning more than half of the voting equity securities or otherwise controlling more than half of the equity holders' voting power; or through special legislation empowering the government to determine corporate policy or to appoint directors". [20]
	Private finance: Private finance includes all transactions that are not classified as public in accordance with the OECD definition above. This includes but is not limited to transactions undertaken by banks, enterprises, pension funds, NGOs, charitable trusts, foundations as well as further private sources.
	Leveraged: Volume of public or private finance leveraged is the overarching term used for all finance that is either mobilised or catalysed through the IKI project.
	Mobilisation: The mobilisation of finance is understood as other funds leveraged directly by the IKI project through the use of financial mechanisms / financial contributions.

[20] See https://one.oecd.org/document/DCD/DAC/STAT(2018)9/FINAL/en/pdf

	Based on the OECD's DAC methodologies on mobilisation[21], the mobilisation of private and/or public finance can be reported for the following mechanisms: • Guarantees • Syndicated loans • Shares in collective investment vehicles • Direct investment in companies • Simple co-financing arrangements • Credit lines The following examples illustrate some potential pathways of mobilisation: • **Shares in collective investment vehicles**: An IKI project invests in a fund for climate change and / or biodiversity purposes. Due to this investment, other donors / private investors invest in the fund. • **Simple co-financing arrangement:** An IKI project provides co-financing to the climate-friendly renovation of buildings. Due to this co-financing offer, the owners decide to renovate these buildings and contribute the remaining investment amount. Ideally, this investment occurs before the end of the project - however, if a formal commitment has been made prior to the end of the project and payments are made later, this is still considered mobilised finance.
	Catalysation: The catalysation of finance is understood as other funds leveraged indirectly by the IKI project through the use of technical assistance and / or capacity development measures. The technical assistance measures implemented by the project must be clearly linked to the investments made. Examples of such technical assistance measures include but are not limited to: • Supporting companies / projects in financing. • Providing specific evidence to investors (e.g. demonstration projects, feasibility studies) • Improving finance readiness (e.g. capacity development of key actors and institutions, development of project pipelines, development of financial instruments) • Providing specific policy advice The following examples illustrate some potential pathways of catalysation: • An IKI project conducts feasibility studies of climate-friendly infrastructure projects. Due to the results of the feasibility studies, other actors decide to invest in the project.

[21] See https://one.oecd.org/document/DCD/DAC/STAT(2020)44/ADD1/FINAL/en/pdf

	• An IKI project provides training for the development of financing instruments to a financial institution. Due to the support given by the IKI project, the financial institution sets up a financing mechanism (i.e. credit lines) funding projects for climate change or biodiversity purposes.
Overview of methodology and reporting requirements	The indicator requires projects to monitor the amount of financing (in EUR) leveraged by projects for climate change or biodiversity purposes. Projects collect data on the level of individual investments that were either mobilised through financial mechanisms listed above or catalysed through technical assistance / capacity development measures. **Currency conversion** When determining the level of mobilised or catalysed funding committed, for each investment, the respective currency needs to be converted to EUR using the European Central Bank's Currency Conversion Tool. The date of conversion should be the date of commitment (when a firm formal obligation has been issued). We recommend converting to EUR before separating out the amount attributed to the project. That is, attribution calculations should be based on figures already converted to EUR. **Specific requirements for mobilisation of finance:** For the planned target and achieved values of mobilised private and public finance, implementing organisations should assess both causality assumptions (what is the causal link between the mobilisation and IKI measures, including the business-as-usual scenario, also referred to as additionality) as well as attribution (the extent to which the mobilised finance was due to the IKI-funded intervention). With regards to causality assumptions, projects need to quantify all financial contributions for climate change or biodiversity purposes made by others and need to ensure that these can be linked back to financial mechanisms used by the project. In practice, this means the additional funds would not have been committed to climate change purposes or would have been spent on a less ambitious or impactful climate project. As a rule, finances are mobilised (i.e. effect) after the project has employed a specific finance mechanism (i.e. cause). Projects can find mechanism-specific information on additionality in the OECD's DAC methodologies on mobilisation. Projects need to calculate the shares of mobilisation attributable to IKI. For this, they need to ensure that they collate the date and volume of financial contributions of the IKI as well as all other actors. For determining the IKI shares of mobilisation (private or public), projects need to account for all other public actors involved in mobilisation. At the most basic level, the attribution is then calculated based on the following steps: 1. Quantify the amount of IKI funds invested into a mobilisation mechanism 2. Quantify all other public investments to the same or linked mobilisation mechanisms 3. Calculate the IKI share of all public investments that contributed to the mobilisation and calculate the pro-rata share of the mobilised investment that can be attributed to the IKI For instance, if the contribution of the IKI project amounts to 20% of the total financial contributions, only 20 % of funding mobilised can be attributed to the IKI. To avoid double-counting, projects should only report the amount of finance mobilised that can be attributed to them.

	Attribution methods can be more complex depending on the mobilisation mechanisms (see e.g. syndicated loans, credit lines, collective investment vehicles). Information on how to calculate IKI shares in these cases can be found in the IKI Standard Indicator Report (Excel Tool). Also, the OECD's DAC methodologies on mobilisation include detailed explanations on how to attribute mobilisation to individual donors (incl. examples) for each of the mobilisation mechanism. Projects must ensure that they calculate figures accordingly. The OECD's DAC methodologies on mobilisation can be accessed at https://one.oecd.org/document/DCD/DAC/STAT(2020)44/ADD1/FINAL/en/pdf . Please note: The DAC methodologies on mobilisation focus on private mobilisation by official (i.e. public) actors, since only private mobilisation is reported and aggregated internationally. This Standard Indicator captures public as well as private mobilisation. IKI projects must apply the same attribution methods for private and public mobilisation. **Specific requirements for catalysation of finance:** Projects should only report on the amount of finance catalysed if they can establish a plausible and immediate link between the project's technical assistance measures and the subsequent financial contributions of other donors. Means of verification may include letters of intent, testimonies by stakeholders, evaluation evidence or just a plausible description of the sequence of events and the role of the context. Catalysation will require more qualitative rationalisation by the project than mobilisation. For any finance that was catalysed for climate and biodiversity action, it is therefore key for the implementing organisation to demonstrate the causal links between their original activity, intermediary outcomes and the private and/or public amount eventually catalysed for climate and biodiversity action. To determine the extent of the contribution of projects to the leveraged finance, projects are required to provide a brief qualitative assessment of their role in leveraging the finance. **Data sources** Projects should monitor the investments of private / public sources through records of commitments and disbursements. The data sources will vary across individual projects. **Baseline (description of a plausible counterfactual)** In order to determine how important a cause the IKI project was to a given leveraged investment, projects will need to estimate how much funding would have been committed without IKI's leveraging attempts. This is the business-as-usual baseline. A variety of data sources may be used to estimate and make sense of a plausible BAU scenario. The leveraged amount will need to reflect this scenario (that is, the overall amount committed will need to deduct the amount under the BAU scenario to arrive at the amount that was "caused" by the IKI measures. **Time period** Projects should collect data for the entire project duration. **Reporting** Projects need to report on the indicator using the Standard Indicator Report (Excel Tool) and submit this alongside their annual interim report. Projects should provide target estimates – and where possible further background information – in their project proposal. Projects need to annually report on: • **(Adjusted) planned target value:** volume of public / private finance to be mobilised or catalysed by project measures by end of project

	• **Achieved value (per annum):** volume of public / private finance to be mobilised or catalysed within the 12 months that make up the respective reporting period. • **Achieved value (cumulative):** volume of public / private finance mobilised or catalysed by project measures from project start until end of the reporting period Note that achieved values are calculated automatically based on the information provided by projects in the IKI Standard Indicator Report (Excel Tool). Furthermore, projects need to make transparent the data sources, methodology (incl. any underlying assumptions) and means of verification used. The IKI might approach projects to gain further insights into the methodology used and data reported. Projects should therefore keep records of methodology as well as any documentation substantiating the reported data.
Data disaggregation and further differentiation	**Mobilisation and catalysation of finance:** Projects need to differentiate their reporting according to mobilisation and catalysation. **Source of finance:** Projects should provide a disaggregation of: • Amounts of public finance • Amounts of private finance
Step-by-step guidance for projects on SI 5 – Leveraged Finance	To get started, please open the **Standard Indicator Report (Excel Tool)**, where you may enter all the information mentioned in this guidance. **Step 1: Verifying that the IKI project can report on this indicator:** A project can report on the indicator if it answers the following questions with "Yes": 1. *Does the project explicitly aim at leveraging finances for climate change or biodiversity purposes?* Projects that do not aim at leveraging additional finances for climate change or biodiversity purposes should likely not report on this indicator. The mobilisation / catalysation of additional finance should be a specific aim of work packages or outputs and should therefore be apparent in the projects' results frameworks. 2. *Does the project mobilise or catalyse finance through its activities?* Projects should consult the definitions in these guidelines to determine whether the project is likely to lead to the mobilisation or catalysation of finances. If the causal link between the project and leveraged finance involves too many steps and the envisioned change is therefore far removed from the project activity, please do not report on this indicator. For **mobilisation**, projects should consider the following questions: • Does the mobilisation mechanism fall within the mechanism included in the OECD's DAC methodologies on mobilisation? • Does the project contribute financially to e.g. climate or biodiversity funds, or climate / biodiversity projects? • Do these financial contributions cause other actors to invest in the funds / projects?

- Can these additional investments from actors therefore be attributed fully or partially to the project's financial contributions?

For **catalysation**, projects should consider the following questions:

- Do the project's technical assistance measures directly facilitate the leveraging of additional funds from other actors for climate change or biodiversity purposes?
- Do these technical assistance measures cause other actors to invest in climate or biodiversity action?
- Can these additional investments from actors be attributed to the project's technical assistance measures?

Step 2: Defining planned target values and integrating the indicator into the project's monitoring systems:

Projects should set a planned target values at the beginning that indicate the total amount of private and / or public finance that the project seeks to mobilise and /or catalyse throughout its duration. These targets are to be provided with the project proposal and can be adapted in the course of the project if necessary.

Projects should integrate the indicator in their monitoring systems. If appropriate to their project design and objectives, projects are encouraged to use Standard Indicators as part of their project-specific indicators.

To this end, the project should determine which methodology to use to monitor the indicator. The IKI encourages projects to consult IKI reporting templates at this early stage to ensure that projects collect all required data.

Step 3: Continuous monitoring and reporting

Projects should monitor this indicator in line with the provisions set out in these guidelines.

It should be noted that in the case of the mobilisation of finances, projects need to ensure that the volume reported in this indicator reflects respective contribution of the IKI project. Hence, if e.g. pooled funding from the IKI project along with funding from other actors causes the mobilisation of additional funds, the project can only report the proportion of these mobilised funds that can be attributed to IKI financial contributions. For calculating the mobilisation that can be attributed to the IKI, projects need to run calculations as set out in the OECD's DAC methodologies on mobilisation.

In collecting data, projects should NOT include the following amounts in their reported amounts:

- Do *not* count co-financing or in-kind contributions of partners or the consortium that are provided for implementing project activities (e.g. co-funding of workshops or pilot projects conducted by the project).
- For mobilised finance:
  - Do *not* count contributions of other investors that have occurred prior to the use of financial mechanisms by the IKI projects and can consequently not be attributed to the project.
  - Do *not* count full volumes of finance mobilised, if these are only partially attributable to the project's financial mechanisms.

	• For catalysed finance: ○ Do *not* count funding catalysed if it cannot be plausibly connected to projects' technical assistance measures. To illustrate with an example, the running of a fund's secretariat *per se* does not qualify as catalysation for any contributions of the fund. There needs to be a clear link between services provided by the project and additional contributions made to the fund. Projects should disaggregate data along the categories introduced in this guideline and report achieved values (cumulative; per annum) along with further supporting information as part of the general reporting requirements of the IKI.
Latest revision	July 2023 • Clarifications on mobilisation and attribution methods January 2022 • Newly introduced
Other relevant information	OECD, 2020. DAC methodologies for measuring the amounts mobilised from the private sector by official development finance interventions (draft). https://one.oecd.org/document/DCD/DAC/STAT(2020)44/ADD1/FINAL/en/pdf

7 Classification of projects

As part of the project proposal and – if applicable – any amendment request, IKI projects need to indicate which OECD-DAC policy markers (incl. Rio markers) and CRS purpose codes best classify their projects. Since IKI funds are Official Development Assistance (ODA), the programme requires this information for official statistical reporting to the OECD's Donor Assistance Committee (DAC). Beyond official reporting, the markers and CRS codes are useful instruments to track the mainstreaming of important crosscutting issues, such as gender equality, and the sectoral orientation within the portfolio.

The following chapter provides an introduction to and an overview of the provisions on the OECD-DAC policy markers and CRS purpose codes.

7.1 Selecting OECD-DAC policy markers (incl. Rio markers)

The OECD uses the DAC policy markers including the Rio markers to track the contributions of member state's official development measures to certain crosscutting policy objectives. As the policy markers should give insight into the mainstreaming of certain objectives across the different sectors, projects can have more than one policy markers.

The complete list of policy markers used in the OECD-DAC are:

Rio markers*:	1. Climate change mitigation (KLM) 2. Climate change adaptation (KLA) 3. Biodiversity (BTR) 4. Desertification (DES)
Policy markers*:	5. Gender equality (GG) 6. Democratic and Inclusive Governance (DIG) 7. Aid to environment (UR) 8. Disaster risk reduction (DRR) 9. Disability** 10. Nutrition** 11. Contributions to reproductive, maternal, new-born and child health (RMNCH)** 12. Trade development (TD)**

**Please note that abbreviations noted behind each markers are the common German abbreviations used.*

*** These markers will most likely not constitute important objectives of the majority of IKI projects. Nevertheless, they are included in these Guidelines as they might constitute important secondary objectives for some IKI projects.*

Each policy marker can get a score of 0, 1 or 2:

(0) Not targeted: A score of 0 means that the respective policy objective is not significantly targeted by a certain measure. As such, the measure / intervention might not consider it at all or might only address it to a minor or even negligible extent (e.g. Even though a measure addresses it through some activities, it is not an important part of the objectives and overall results logic).

(1) Significant objective: A score of 1 means that while a policy objective is a significant goal of a measure, the measure would nevertheless have taken place without this objective.

(2) Principal objective: A score of 2 means that a policy objective is the main goal of and reason for a measure. As such, the measure would not have taken place without this objective.

How to select policy and Rio markers

Within the project preparation phase and in cases of significant adjustments during implementation, IKI projects need to screen the list of policy and Rio markers and determine which markers represent significant or principal objectives of their projects. To this end, projects need to ensure that they meet the eligibility criteria for these markers (see Figure and description of individual markers below)

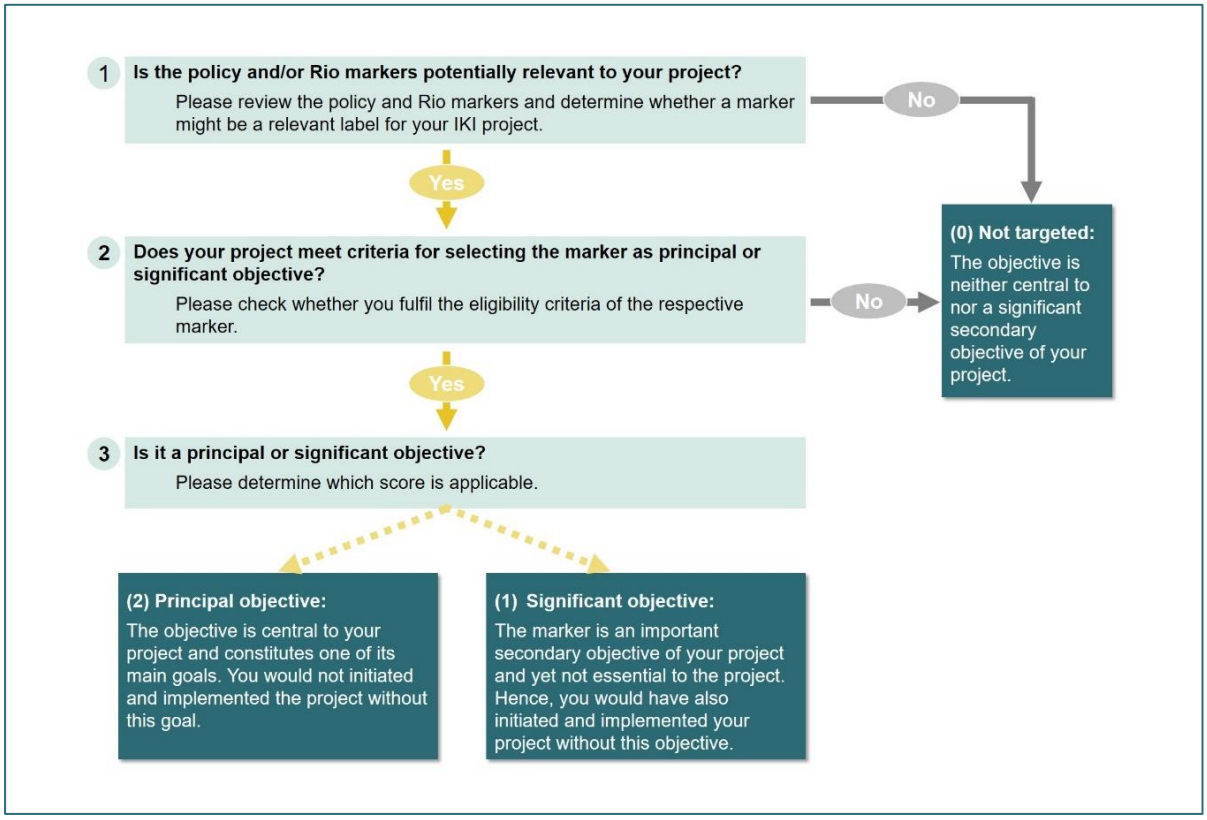

Figure 4 Steps towards selecting policy and Rio markers

Please note:

When to set the markers: Markers need to be submitted as soon as you receive any IKI funds for project preparation or implementation. Please chose the appropriate markers in the preparation phase and include them in your final project proposal. If your IKI project undergoes larger adaptations during implementation, such as adding new components, you can make any necessary updates to your selection of policy / Rio markers in your amendment request.

Choosing multiple markers: In some cases, your project might have more than one principal and / or significant objective. This is fine as long as your project meets the eligibility criteria of the markers and the combinations of markers best reflects the thematic orientation of your project. At the same time, please be aware that the number of markers accorded to your project is in no way a mark of the quality of the project concept or its thematic orientation.

Ensuring that the combination of markers makes sense: Please also make sure that the combination of your markers makes sense and is in accordance with the requirements of the IKI: Climate change adaptation (KLA) and climate change mitigation (KLM): As the IKI is a climate finance instrument, the sum of those markers needs to equal 2 for every project. This also holds true for IKI projects with a focus on biodiversity. In most cases, IKI projects will also have Aid to Environment (UR) as a principal objective (2) (please see information on the marker for further information).

Overview of eligibility criteria for each policy and Rio marker

The eligibility criteria for each Rio and policy marker are presented in the following sub-chapters. The eligibility criteria correspond with official provision of the OECD-DAC.[22]

[22] The following sources where consulted to summarise the eligibility criteria for the Rio and policy markers in this document:

- DAC Working Party on Development Finance Statistics (2021). Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire. Annexes – module D and E. DCD/DAC/STAT(2020)44/ADD2/FINAL. Available on: https://one.oecd.org/document/DCD/DAC/STAT(2020)44/ADD2/FINAL/en/pdf
- OECD-DAC (n.d.). OECD-DAC Rio Markers for Climate: Handbook. Available on: https://www.oecd.org/dac/environment-development/Revised%20climate%20marker%20handbook_FINAL.pdf
- OECD-DAC Network on Gender Equality (Gendernet) (2016). Handbook on the OECD-DAC Gender Equality Policy Marker. Available on: https://www.oecd.org/dac/gender-development/Handbook-OECD-DAC-Gender-Equality-Policy-Marker.pdf
- GIZ (2014). The Policy Marker System. DAC Markers, BMZ Markers. Available on: https://www.oecd.org/dac/gender-development/BMZ%202014%20The%20Policy%20Marker%20System.%20DACBMZ%20Markers.%20Guidelines.%20EN.pdf
- DAC Working Party on Development Finance Statistics (2020). The OECD-DAC policy marker on the inclusion and empowerment of persons with disabilities. Handbook for data reporters and users. DCD/DAC/STAT(2020)48. Available on: https://one.oecd.org/document/DCD/DAC/STAT(2020)48/en/pdf
- DAC Working Party on Development Finance Statistics (2020). The OECD-DAC policy marker on nutrition. Handbook for data reporters and users. DCD/DAC/STAT(2020)46. Available on: https://scalingupnutrition.org/wp-content/uploads/2020/12/OECD_PolicyMarkerNutrition.pdf
- Internal guidelines on policy and Rio markers used in German Development Cooperation and formulated by the Federal Ministry of Economic Cooperation and Development

7.1.1 Rio marker: Climate Change Mitigation (KLM)

DEFINITION / ELIGIBILITY CRITERIA
 	
Is the marker relevant to the project (i.e. a principal or significant objective)?
	Climate change mitigation is a principal (KLM 2) or significant objective (KLM 1), if your project aims at Greenhouse gas (GHG) mitigation and/or carbon stock enhancement.
	
	Climate change mitigation as principal objective (KLM 2) applies if:
	• Your project directly and explicitly aims at contributing to mitigation. This must be clearly visible in the project's results framework (ideally at outcome and output level) and the activity documentation. The project can pursue one or more of the following pathways:
	  ○ Reduction of anthropogenic GHG emissions and reservoirs;
	  ○ Protection and / or enhancement of GHG sinks;
	  ○ Integration of climate change concerns with the partner countries' development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research;
	  ○ Support to partner countries' efforts to meet their obligations under the United Nations Framework Convention on Climate Change.
	
	Climate change mitigation as significant objective (KLM 1) applies if:
	• Your project makes significant contributions to climate change mitigation but does not primarily aim at mitigation. Contributions can be made through any of the pathways named above and should be visible in the activities.

COHERENCE WITH CRS CODES	/
SPECIFICATIONS FOR IKI	As the IKI is a climate finance instrument, the climate change adaptation (KLA) and climate change mitigation marker (KLM) must always equal 2. Hence, the following three combinations are possible: • KLA 1 & KLM 1: Climate change mitigation and adaptation are significant objectives. • KLM 2 & KLA 0: Climate change mitigation is the principal objective. • KLA 2 & KLM 0: Climate change adaptation is the principal objective. Please pick the combination that reflects your project with most accuracy.

7.1.2 Rio marker: Climate Change Adaptation (KLA)

DEFINITION / ELIGIBILITY CRITERIA Is the marker relevant to the project (i.e. a principal or significant objective)?	Climate change adaptation is a principal (KLA 2) or significant objective (KLA 1), if your project aims at maintaining or increasing the adaptive capacities and resilience within the partner countries against the effects of climate change. Your project can aim at promoting adaptation through a range of different pathways. These include and are not limited to (institutional) capacity development with a focus on adaptation, policy work, planning and implementation of adaptation measures and / or information and knowledge generation. **Climate change adaptation as principal objective (KLA 2) applies if:**

	• Climate change adaptation is the main objective of your project. You would have not initiated or implemented the project without the aim of supporting the adaptation to the effects of climate change. This should be clearly visible in the results framework (ideally on outcome level) and the activity documentation. • Your project has planned concrete work packages or outputs aimed at increasing resilience of people or nature to effects of climate change. This can include measures aimed at directly increasing the adaptive capacity as well as measures aimed at indirectly increasing adaptive capacity through e.g. policy support or institutional capacity development. **Climate change adaptation as significant objective (KLA 1) applies if:** • Adaptation to the effects of climate change is an important secondary objective and this is clearly visible in your projects' results framework and activities. • Your project has planned concrete work packages or outputs aimed at increasing resilience of people or nature to effects of climate change. This can include measures aimed at directly increasing the adaptive capacity as well as measures aimed at indirectly increasing adaptive capacity through e.g. policy support or institutional capacity development.
COHERENCE WITH CRS CODES	/
SPECIFICATIONS FOR IKI	As the IKI is a climate finance instrument, the climate change adaptation (KLA) and climate change mitigation marker (KLM) must always equal 2. Hence, the following three combinations are possible: • KLA 1 & KLM 1: Climate change mitigation and adaptation are significant objectives. • KLM 2 & KLA 0: Climate change mitigation is the principal objective. • KLA 2 & KLM 0: Climate change adaptation is the principal objective. Please pick the combination that reflects your project with most accuracy.

7.1.3 Rio marker: Biodiversity (BTR)

DEFINITION / ELIGIBILITY CRITERIA Is the marker relevant to the project (i.e. a principal or significant objective)?	The policy marker biodiversity is a principal (BTR 2) or a significant (BTR 1) objective of your project, if the project promotes at least one of the three objectives of the Convention on Biological Diversity (CBD) outlined in Article 1: • Conservation of biological diversity • Sustainable use of its components • Fair and equitable sharing of the benefits arising out of the utilisation of genetic resources **Biodiversity as principal objective (BTR 2) applies if:** • Your project aims at mainly or fully contributing to promoting the objectives of the CBD and the project would not have been undertaken without this aim.

	• The intended contributions to CBD objectives is visible in the formulation of the Outcome objectives and/or the outcome indicators. **Biodiversity as significant objective (BTR 1) applies if:** • Your project contributes significantly to the objectives of the CBD even though this is not the main project objective. On outcome level, at least one indicator needs to illustrate and measure this contribution. Please note that BTR 1 or 2 markers do not apply to your project, if the contributions to the CBD objectives are indirect (i.e. long results logic). They also do not apply to your project, if your project solely intends to avoid damages or negative effects on biological diversity resulting from project activities or offers compensation schemes for encroachments into nature or biological diversity.
COHERENCE WITH CRS CODES	As a rule, you should select Biodiversity as principal objective (BTR-2), if the CRS Code 41030 Biodiversity is the main applicable code for your project. Please note: In case you use multiple CRS codes, please do not automatically apply the marker but ensure that you fulfil all eligibility criteria.
SPECIFICATIONS FOR IKI	Please note that the Biodiversity marker is independent of the Rio markers in the IKI on climate change mitigation and adaptation. Even if your project has Biodiversity as principal or significant objective, you need to select the marker "climate change mitigation" or "adaptation as principal objective" (KLM 2 <u>or</u> KLA 2) or select both as significant objectives (KLA 1 <u>and</u> KLM 1).

7.1.4 Rio marker: Desertification (DES)

DEFINITION / ELIGIBILITY CRITERIA
 	
Is the marker relevant to the project (i.e. a principal or significant objective)?
	The policy marker desertification is a principal (DES 2) or a significant (DES 1) objective of your project, if your project aims at combating desertification or mitigating the effects of drought in dry areas (i.e. arid, semi-arid or dry sub-humid) through any of the following measures:
	• Prevention of land degradation;
	• Reduction of land degradation;
	• Rehabilitation of partly degraded land or reclamation of desertified land.
	
	Desertification as principal objective (DES 2) applies if:
	• Your project primarily aims at combating desertification and / or land degradation on drylands or drought-prone areas through any of the following pathways:
	  ○ Protection or enhancement of dryland ecosystems or remediation of existing environmental damage;
	  ○ Integration of desertification concerns with recipient countries' development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research;
	  ○ Support for developing countries' efforts to meet their obligations under the Convention on Combating Desertification.
	
	Desertification as significant objective (DES 1) applies if:

	• Your project contributes significantly to the combating desertification and / or land degradation on drylands or drought-prone areas through any of the pathways above, even though this is not the main project objective.
COHERENCE WITH CRS CODES	/
SPECIFICATIONS FOR IKI	Please note that the Desertification marker is independent of the Rio markers in the IKI on climate change mitigation and adaptation. Even if your project has Desertification as principal or significant objective, you need to select the marker "climate change mitigation" or "adaptation as principal objective" (KLM 2 or KLA 2) or select both as significant objectives (KLA 1 and KLM 1).

7.1.5 Policy marker: Aid to environment (UR)

DEFINITION / ELIGIBILITY CRITERIA Is the marker relevant to the project (i.e. a principal or significant objective)?	The policy marker Aid to environment (1 or 2) applies to your project if your project aims to contribute to the improvement of the physical or biological environment within the partner country, project area or for the target group. It also applies to capacity development projects that aim to increase the institutional or staff capacity for mainstreaming environmental protection / environmental concerns in various policy areas. **Aid to environment as principal objective (UR 2) applies if:** • Your project has as its main objective to protect or improve the environment and / or to remedying environmental damage. It would not have been initiated or implemented without the objective. This should be clearly visible in the results framework and activity documentation. • Your project has planned concrete work packages or outputs aimed at environmental protection / remedying environmental degradation and / or contributing to improved environmental policy or the improved capacities of environmental agencies in the partner country. **Aid to environment as significant objective (UR 1) applies if:** • Environmental protection is an important secondary objective and this is visible in your projects' results framework and activity documentation. • Your project has planned concrete work packages or outputs aimed at environmental protection / remedying environmental degradation and / or contributing to improved environmental policy or the improved capacities of environmental agencies in the partner country. Your project cannot select Aid to environment as principal or significant objective, if it solely seeks to mitigate potential negative environmental effects of project activities.

COHERENCE WITH CRS CODES	If your project uses the CRS codes 41010 “Environmental policy and administrative management”, 41020 “Biosphere protection”, 41030 “Biodiversity”, 41040 “Site preservation”, 41081 “Environmental education/training” or 41082 “Environmental research”, the project should use the UR 2 marker. In case you use multiple CRS codes (including codes not listed above), please do not automatically apply the marker but ensure that you fulfil all eligibility criteria.
SPECIFICATIONS FOR IKI	Please note that it is very likely that IKI projects will have Aid to the environment (UR) as principal objective (2). In some instances, UR 2 might not be applicable. For instance, if an IKI project is focused on adaptation and is constructing flood defences, the project might not necessarily qualify for UR 2 but might have Aid to environment as significant objective (UR 1) or might not target it at all (UR 0). In these cases, please justify why UR 2 is not applicable to your project.

7.1.6 Policy marker: Gender equality (GG)

DEFINITION / ELIGIBILITY CRITERIA
 	
Is the marker relevant to the project (i.e. a principal or significant objective)?
	The policy marker Gender equality (1 or 2) applies to your project, if your project explicitly aims at combating gender-based discrimination and / or promotes gender equality within its area of intervention.
	
	Gender equality as principal objective (GG 2) applies if:
	
	• Gender equality is the main objective of your project. Consequently, gender equality is fundamental in its design and expected results of the project and explicitly visible in the project’s results framework.
	
	• The project fulfils **all** of the following (minimum) criteria:
	  ○ The project has conducted a gender analysis as part of its planning and preparation.
	  ○ Results of this gender analysis have informed the project’s design (e.g. visible through distinct work packages or activities) and the project adopts a “do no harm approach”.
	  ○ The main ambition of the project on outcome level is to advance gender equality and / or women’s empowerment.
	  ○ The results framework measures progress towards this outcome and relevant output objectives through gender-specific indicators.
	  ○ Data and indicators are disaggregated by gender in all applicable instances.
	
	Gender equality as significant objective (GG 1) applies if:
	• Your project aims at promoting gender equality as an important and deliberate objective and is explicitly included in the project’s results framework, even though it is not the principal reason for initiating / implementing the project. The project is designed to have a positive impact on gender equality, reducing gender discrimination, or meeting gender- specific needs.
	• The project fulfils **all** of the following criteria:

	○ The project has conducted a gender analysis as part of its planning and preparation. ○ Results of this gender analysis have informed the project's design (e.g. visible through distinct work packages or activities) and the project adopts a "do no harm approach". ○ Advancing gender equality and / or women's empowerment should be an explicit objective within the project's results framework on outcome and/or output level. ○ The results framework measures progress towards gender-specific objectives through at least one gender-specific indicator. ○ Data and indicators are disaggregated by gender in all applicable instances. Please note that IKI projects need to conduct a gender analysis, when stated in the project proposal. If the measures taken by your project after this analysis do not go beyond a "do no harm" approach[23], the marker should be set at "not targeted" (GG 0). Similarly, your project does not qualify for the Gender equality marker if its activities (such as training courses, skills programmes and others) should be conducted with equal participation of all genders (without an aim to address gender-specific barriers) or where activities incidentally happen to reach more women and gender minorities than men. An explicit aim to promote equality and dismantle gender-specific barriers beyond "do no harm" that is backed by concrete measures is necessary.
COHERENCE WITH CRS CODES	/
SPECIFICATIONS FOR IKI	Please note that the policy marker has gained in importance within the IKI through the publication of the IKI Gender Strategy. The IKI highly welcomes projects that fulfil the criteria for a GG 1 or GG 2 marker.

7.1.7 Policy marker: Disaster Risk Reduction (DRR)

DEFINITION / ELIGIBILITY CRITERIA Is the marker relevant to the project (i.e. a principal or significant objective)?	The policy marker Disaster Risk Reduction (DRR) (1 or 2) applies to your project, if your project promotes the goal and global targets of the Sendai Framework to achieve substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries. Thereby your project should contribute to the prevention of new disaster risk; the reduction of existing disaster risk; and/or the strengthening of resilience. Examples of activities include among others:

[23] The IKI understands a "do no harm approach" in relation to gender as ensuring that projects do not unintentionally exacerbate forms of gender-based discrimination and forms of gender-based violence through their activities.

	• Development, testing and introduction of agricultural practices / techniques that are more resilient to disasters and climate variability in farming and plant breeding;
	• Introduction of forest systems to reduce vulnerability to landslides, flooding and natural hazards;
	• Mangrove preservation and afforestation to improve a coastal community's resilience to disasters;
	• Environmental policy, laws, regulations, planning and programmes, and institutional capacity development that integrates disaster risk reduction;
	• Support to, development and use of approaches and methods for assessment, valuation and sustaining of ecosystem services in managing disaster risk.
	
	Disaster Risk Reduction as principal objective (DRR 2) applies if:
	
	• Your project directly and explicitly contributes to one or more of the four Priorities of Action of the Sendai Framework (see below) and thereby has as its main objective to build resilience:
	  ○ Priority 1: Understanding disaster risk.
	  ○ Priority 2: Strengthening disaster risk governance to manage disaster risk.
	  ○ Priority 3: Investing in disaster risk reduction for resilience.
	  ○ Priority 4: Enhancing disaster preparedness for effective response and to "Build Back Better" in recovery, rehabilitation and reconstruction.
	• The focus on promoting resilience is clearly visible in the project's results framework and activity documentation.
	
	Disaster Risk Reduction as significant objective (DRR 1) applies if:
	
	• Disaster risk reduction (incl. building of resilience) is an important secondary objective of your project.
	• The objective is visible in the project's results framework and activity documentation.
	
	Additional examples and guidance can be found here: https://one.oecd.org/document/DCD/DAC/STAT(2020)44/ADD2/FINAL/en/pdf

COHERENCE WITH CRS CODES	If your project uses one of the following CRS codes it should be assigned DRR 2: 43060 Disaster Risk Reduction; 74020 Multi-hazard response preparedness. In case you use multiple CRS codes (including codes not listed above), please do not automatically apply the marker but ensure that you fulfil all eligibility criteria.
SPECIFICATIONS FOR IKI	/

7.1.8 Policy marker: Democratic and Inclusive Governance (DIG)

DEFINITION / ELIGIBILITY CRITERIA	The policy marker Democratic and Inclusive Governance (DIG) (1 or 2) applies to your project, if your project intends to enhance fundamental elements of democratic and inclusive governance.

Is the marker relevant to the project (i.e. a principal or significant objective)?	Projects should thereby contain specific measures to promote one or several of the following governance aspects: • **Participatory development:** Promotion of inclusive participation and equal representation of citizens in decision-making processes; support for institutions to improve the scope and quality of providing and/or making use of public goods and services. This includes efforts to improve participation of marginalised groups in accordance with the principle of *leaving no-one behind.* • **Democratisation:** Promotion of horizontal and vertical accountability. This includes efforts to improve reciprocal control of state entities, legitimate and credible elections, support to elected bodies, citizen engagement and media. • **Good governance:** Efforts to uphold the rule of law, improve transparency in the public sector as well as to combat corruption and illicit financial flows. • **Human** rights**:** Efforts to strengthen respect and protection of among others internationally agreed upon civic and political rights, such as the right to security and peace, the right to freedom of expression and assembly. It also covers human-rights-based approaches that seek to e.g. expand social services. **Democratic** and **Inclusive Governance as principal objective (DIG 2) applies if:** • Your project has as its main objective to promote democratic and inclusive governance. It would not have been initiated or implemented without this objective. This should be clearly visible in the results framework and activity documentation. • Your project has planned concrete work packages or outputs aimed at promoting one or more of the above-mentioned governance aspects. **Democratic and Inclusive Governance as significant objective (DIG 1) applies if:** • Democratic and inclusive governance is an important secondary objective and this is visible in your projects' results framework and activity documentation. • Your project has planned concrete work packages or outputs aimed at promoting one or more of the above-mentioned governance aspects.
COHERENCE WITH CRS CODES	/
SPECIFICATIONS FOR IKI	/

7.1.9 Policy marker: Disability

DEFINITION / ELIGIBILITY CRITERIA Is the marker relevant to the project (i.e. a principal or significant objective)?	Your project is classified as being inclusive of persons with disabilities (1 or 2) if: • It aims at ensuring that persons with disabilities are included and able to share the benefits on an equal basis to persons without disabilities; or • It contributes to promoting, protecting or ensuring the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and promote respect for their inherent dignity in line with Art. 1 of the Convention on the Rights of Persons with Disabilities; or • If it supports the ratification, implementation and / or monitoring of the Convention on the Rights of Persons with Disabilities. Your project needs to implement measures that contribute to: • The promotion and protection of the equal enjoyment of all human rights by all persons with disabilities, and respect for their inherent dignity (CRPD Art. 1). • The safeguarding of empowerment and accessibility for persons with disabilities to the physical, social, economic and cultural environment, to health and education and to information and communication. • The promotion of social, economic or political inclusion of persons with disabilities; or development or strengthening of policies, legislation or institutions in support of effective participation in society of persons with disabilities and/or their representative organisations. **Inclusion and Empowerment of Persons with Disabilities as a principal objective (2) applies if:** • Strengthening the inclusion and empowerment of people with disabilities is the principal objective of the project and your project would not have been undertaken without this objective. • This focus is visible in your project's results framework and activity documentation. • Your project implements concrete measures aimed at promoting the inclusion and empowerment of persons with disabilities (see list above). **Inclusion and Empowerment of Persons with Disabilities as a significant objective (2) applies if:** • Strengthening the inclusion and empowerment of people with disabilities is an important secondary objective of your project. • This focus is visible in your project's results framework and activity documentation. • Your project implements concrete measures aimed at promoting the inclusion and empowerment of persons with disabilities (see list above).
COHERENCE WITH CRS CODES	/

SPECIFICATIONS FOR IKI	Please note that this policy marker will most likely not be a principal objective for most IKI projects.

7.1.10 Policy marker: Nutrition

DEFINITION / ELIGIBILITY CRITERIA Is the marker relevant to the project (i.e. a principal or significant objective)?	The policy marker Nutrition (1 or 2) might be applicable to your project, if your project aims at addressing the immediate and underlying determinants of malnutrition. Projects in various sectors such as WASH, maternal health or agriculture might qualify for the marker. Typical activities include among others work on strengthening policy frameworks on nutrition, promoting access to nutrition of women and children, improving access to a more diversified nutritional diets and foods, promoting access of smallholder farmers to markets with the aim of promoting the availability and affordability of nutritious foods. **Nutrition as principal objective (Nutrition 2) applies if:** • Nutrition (incl. combatting malnutrition) is the principal objective of the project and your project would not have been undertaken without this objective. • Your project contributes to a nutrition-sensitive outcome (incl. among others improved access to nutrition, improved governance of nutrition, increased nutrition-sensitive legislation, increased scientific research with nutrition objectives)[24]. • This is clearly visible in your project's results framework through nutrition specific objectives on output level and respective indicators. Furthermore, it is clearly visible in your planned activities. **Nutrition as significant objective (Nutrition 1) applies if:** • Nutrition (incl. combatting malnutrition) is an important secondary objective of your project but not fundamental to its design and expected results. • Your project contributes to a nutrition-sensitive outcome. • Your project's results framework includes nutrition-specific objectives or indicators as well as relevant activities.
COHERENCE WITH CRS CODES	If your project uses the CRS code 12240 Basic nutrition, indicate Nutrition as principal objective (Nutrition 2). In case you use multiple CRS codes, please do not automatically apply the marker but ensure that you fulfil all eligibility criteria.
SPECIFICATIONS FOR IKI	Please note that this policy marker will most likely not be a principal objective for most IKI projects.

[24] Further examples of nutrition-sensitive outputs can be found in: DAC Working Party on Development Finance Statistics (2020). The OECD-DAC policy marker on nutrition. Handbook for data reporters and users. DCD/DAC/STAT(2020)46. Available on: https://scalingupnutrition.org/wp-content/uploads/2020/12/OECD_PolicyMarkerNutrition.pdf

7.1.11 Policy marker: Contributions to reproductive, maternal, newborn and child health (RMNCH)

DEFINITION / ELIGIBILITY CRITERIA Is the marker relevant to the project (i.e. a principal or significant objective)?	The policy marker RMNCH applies to your project (1 or 2), if a certain proportion of project funds is dedicated to contributing to reproductive, maternal, newborn and child health. Your project's activities can be seen as making a contribution to RMNCH if they: • Contribute directly to improving the health of mothers and children; • Serve to improve women's and children's access to basic health measures; • Strengthen health systems with the aim of improving access to and the provision of health services specific to RMNCH; • Have the objective of training health care professionals with reference to RMNCH. **Reproductive, maternal, newborn and child health as principal objective (RMNCH 2) applies if:** • More than 85% of your project's resources are allocated to the improvement of reproductive, maternal, new-born and child health (in line with the potential contributions listed above). **Reproductive, maternal, newborn and child health as significant objective (RMNCH 1) applies if:** • Between 15% to 85% of your project's resources are allocated to the improvement of reproductive, maternal, newborn and child health (in line with the potential contributions listed above).
COHERENCE WITH CRS CODES	/
SPECIFICATIONS FOR IKI	Please note that this policy marker will most likely not be relevant for the majority of IKI projects.

7.1.12 Policy marker: Trade development (TD)

DEFINITION / ELIGIBILITY CRITERIA Is the marker relevant to the project (i.e. a principal or significant objective)?	The policy marker Trade development (TD) applies to your project (1 or 2), if your project has one of the following objectives: • Formulation and implementation of a trade development strategy in the partner country and creation of an enabling environment for increasing the volume and value-added of exports, diversifying export products and markets and increasing foreign investments to generate jobs and trade. • Stimulation of cross-border trade of domestic firms and promotion of investments in trade-oriented industries. **Trade development as principal objective (TD 2) applies if:**

	• The promotion of trade development through strengthening productive capacities (see above) is the principal objective of the project and your project would not have been undertaken without this objective. • This is clearly visible in your project's results framework on the level of impacts, outcomes, outputs and activities. **Trade development as significant objective (TD 1) applies if:** • The promotion of trade development through strengthening productive capacities (see above) is an important secondary objective of your project. • This is clearly visible in your project's results framework.
COHERENCE WITH CRS CODES	Your project can only apply the Trade development marker (TD 1 or 2), if it uses one of the following CRS codes: 2040xx Banking and financial services; 25010 Business support services and institutions; 311xx Agriculture; 312xx Forestry; 313xx Fishing; 321xx Industry; 322xx Mineral resources and mining and 33210 Tourism. If your project uses the CRS code 25010 Business support services and institution, it should also select the TD 2 marker. In case you use multiple CRS codes, please do not automatically apply the marker but ensure that you fulfil all eligibility criteria.
SPECIFICATIONS FOR IKI	Please note that this policy marker will most likely not be relevant for the majority of IKI projects.

7.2 Selecting CRS Purpose Codes

CRS Purpose Codes are 5-digit codes that provide information on the "sector of destination" of a specific measure or financial contribution. They are complementary to the Policy and Rio markers and offer more insights regarding the project's thematic orientation. Projects can choose up to four CRS Purpose codes to describe which in which sectors they seek to promote changes. Since OECD-DAC uses the codes to determine the amount of official development assistance that flows into a certain sector, projects need to indicate the amount of project funds that can be allocated to a certain code.

IKI projects should follow these steps to determine the CRS Purpose Codes:

> **Step 1:** Please consider the full list of codes and respective explanations[25] and ask yourself the following question: *In what specific economic or social area in the partner country / countries does our project seek to promote change?*

[25] You can find the official CRS Purpose Codes List here: https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/dacandcrscodelists.htm

Please note that the sectors do not refer to the type of goods or services produced by the project. Instead, please choose those sectors in which these goods and services contribute to changes.

Step 2: Choose between one and four codes that (in combination) best reflect your project.

- **If you select one code:** Please indicate that a 100% of project funds can count towards this code.
- **If you select more than one code (max. four):** Please estimate what proportion of funds can be allocated to each code. Please note that the sum of all percentage of funds for your project always needs to be 100% and individual codes cannot receive less than 1% of funds. Please also ensure that you select one primary code that receives the largest allocation of funds (in full percentage points) and then rank the other codes descending order of importance (indicated by the percentage of funds).[26]

Step 3: Ensure that the combination of CRS Purpose Codes and policy / Rio markers makes sense and fulfils all requirements. The selection of some CRS Purpose Codes makes it necessary for you to select a respective marker:

If you chose the following CRS Codes,	… you need to select the following marker.
41010 Environmental policy and administrative management	UR 2: Aid to environment as principal objective
41082 Environmental research	UR 2: Aid to environment as principal objective
41030 Biodiversity	BTR 2: Biodiversity as principal objective

Please note:

When to select CRS Purpose Codes: CRS Purpose Codes need to be submitted as soon as you receive any IKI funds for project preparation or implementation. Please chose the appropriate codes in the preparation phase and include them in your final project proposal. If your IKI project undergoes larger adaptations during implementation, such as adding new components, you can make any necessary updates to your selection of codes. Please note that this can also include reviewing the allocation of project funds to the respective Codes.

How to best manoeuvre the long list of codes: The list of codes is relevant for all activities that fall within international cooperation and are considered Official Development Assistance. The majority of codes will most likely not be relevant to your IKI project. To assist you in choosing codes, we recommend that you first consult the DAC 5 Code which is a certain category of code (e.g. 230 Energy; 410 General Environment Protection; 310 Agriculture, Forestry, Fishing). The three respective digits will always be the first in three digits in codes

[26] Equal percentages cannot be allocated to all selected codes. It is not possible to select four purpose codes and indicate that they each account for 25% of project funds. Consequently, you need to always select one code accounting for a larger share of funds than the others.

falling within those categories. In addition, find some codes below that might be especially relevant for IKI projects:

41010 Environmental policy and administrative management

41020 Biosphere protection

41030 Biodiversity

23110 Energy policy and administrative management

23183 Energy conservation and demand-side efficiency

32174 Clean cooking appliances manufacturing

31219 Forestry policy and administrative management

31220 Forestry development

31291 Forestry services

7.3 Selecting Team Europe Initiatives

Team Europe Initiatives (TEI) were initiated in 2021 as an instrument for coordination and joint programming of international cooperation efforts among the European Commission, other European Institutions and the European Union member states. Together these are referred to Team Europe members. Each TEI provides a strategic framework for Team Europe members to jointly work on select objectives and topics with partners in particular regions, countries or globally.

So far a total of 165 TEIs have been formulated that fall within one or more of the following thematic priorities:

1. Governance, Peace and Security,
2. Green Deal,
3. Human Development,
4. Migration Partnerships,
5. Science, Technology, Innovation and Digital,
6. Sustainable growth and jobs.

About three quarters of the TEIs are bilateral initiatives followed by regional initiatives (about 30 TEIs) and global initiatives (about 4 TEIs). For more information see the Team Europe Initiative Dashboard.

All Team Europe members (incl. Germany and thus also the IKI) need to report which TEIs their international cooperation measures significantly contribute to. Consequently, IKI projects also need to assess their relevance for Team Europe Initiatives.

In screening and (potentially) selecting a relevant Team Europe Initiative IKI projects should consider the following:

- Each IKI project can select a maximum of one Team Europe Initiative to which it contributes within the project proposal.

- An IKI project can select a respective TEI Code, if it significantly contributes to the objectives of the TEI and this contribution is clearly visible in the projects outcome(s) and outputs. The project also needs to be implemented in the country or region that is covered by the respective TEI.
- To determine whether or not the project contributes to a Team Europe Initiative, screen the list of Team Europe Initiatives and review the information provided on these initiatives on the Team Europe Website.

  Depending on the geographic orientation of the project, projects should go about the screening differently:

  - For bilateral projects: first screen TEIs for the respective country of implementation. If no applicable code exists, please review regional TEIs that geographically fit with the country of implementation. If the project does not contribute significantly to any of these TEIs, please select “Not applicable” in the project proposal. Otherwise select the applicable TEI code.
  - For projects with two or three countries of implementation: first screen regional / global TEIs. If not relevant review bilateral TEIs for the countries of implementation. If the project contributes to one of these TEIs significantly, the respective code should be selected. If the project does not contribute significantly to any of these TEIs, please select “Not applicable” in the project proposal. Otherwise select the applicable TEI code.
  - For projects with four or more countries of implementation: first screen regional / global TEIs. If not applicable, screen bilateral TEIs for the countries of implementation. If the project contributes significantly to one or more of these TEIs, please select the general TEI Code “TEI000”. If the project does not contribute significantly to any of these TEIs, please select “Not applicable” in the project proposal. Otherwise select the applicable TEI code.

A list of all TEI codes including links to their respective pages within the TEI tracker can be found under the following link: https://www.international-climate-initiative.com/en/about-iki/impact-and-learning/tei-codes/

8 Annex A: Guiding Questions for the environmental and social risk analysis

Performance Standard 2: Labour and Working Conditions

Might the project possibly…

- cause workers' rights to be violated (working hours, wages, healthy and safe working environment, right to association of workers or to unionise, according to national legislation and international labour standards)?
- tolerate or promote discrimination or impede equal opportunity?
- permit child labour, which is illegal, dangerous or endangers the child's right to an education?
- permit or facilitate forced labour (work carried out under threat of violence or punishment)?

Performance Standard 3: Resource Efficiency and Pollution Prevention

Might the project possibly…

- result in energy, water and other resources being used inefficiently?
- not apply technically / financially feasible methods for more efficient use of resources (according to Good International Industry Practices)?
- emit a high amount of GHG emissions?
- produce hazardous or non-hazardous waste and/or not apply technically and financially feasible measures for pollution prevention (according to Good International Industry Practices)?
- result in hazardous materials being used?
- result in pesticides being used?

Performance Standard 4: Community Health, Safety, and Security

Might the project possibly…

- cause risks to the health and safety of the affected population, for example because Good International Industry Practice (GIIP) is not (sufficiently) taken into account in infrastructure projects or the population is exposed to hazardous materials?
- cause conflicts with, or human rights abuses by, security personnel or park rangers?
- expose the affected population to communicable diseases by project workers (including indirect and supply chain workers)?
- expose the affected population to water-based diseases?

Performance Standard 5: Land Acquisition and Involuntary Resettlement

Might the project possibly…

- directly or indirectly disadvantage the affected population in their access to land, the use of land or their property rights through project activities or land acquisition?

- increase the risk of resettlement? Here, the possibility of the project exerting economic or social pressure on these groups to resettle must also be taken into account.
- cause voluntary resettlements as part of the project that result in a deterioration of the overall conditions for the persons concerned? The project should ensure that voluntary resettlement only takes place if it is absolutely necessary and if fair and appropriate compensation is provided.

Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

Might the project possibly…

- transform or negatively affect natural habitats or critical habitats (habitat conversion, degradation, fragmentation)
- implement activities in protected areas or internationally recognised areas? (UNESCO World Cultural Heritage, UNESCO Biosphere Reserve, Ramsar Sites)
- introduce new alien species that are not yet established in the country or region?
- negatively impact the access to ecosystem services for local communities?
- purchase primary products that are produced in regions where the risk of significant transformation of natural or critical ecosystems is high?

Performance Standard 7: Indigenous People and Marginalised Groups

Might the project possibly…

- negatively influence the formal or customary rights of indigenous or marginalised local groups through its activities?
- have a negative impact on the cultural identity and traditional way of life of these groups through its activities?
- risk not sufficiently consulting indigenous or marginalised groups regarding planned measures that may have an effect as mentioned above?

Performance Standard 8: Cultural Heritage

Might the project possibly…

- negatively impact cultural goods or a limitation of access to cultural goods for local communities?
- result in a commercial usage of cultural heritage (e.g. traditional knowledge, innovations, local practices)?