



24 March 2015

Information on support for projects under the International Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety

1. Introduction

The international community has the task and goal of at least containing global climate change. In order to **limit global warming to 2°C**, it will be essential to as a minimum halve global greenhouse gas emissions by the middle of this century. In the same vein, the advancing loss of biological diversity is presenting an ever greater threat to human livelihoods. This situation prompted the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) to launch the **International Climate Initiative** (*Internationale Klimaschutzinitiative*, IKI) in 2008. The Initiative strengthens Germany's bilateral cooperation with developing, newly industrialising and transition countries in the fields of climate protection and biodiversity conservation, and **supports the ongoing negotiation process for a comprehensive global climate agreement under the umbrella of the United Nations Framework Convention on Climate Change (UNFCCC)**. The International Climate Initiative contributes decisively to ensuring that Germany meets its international commitments with regard to climate and biodiversity financing now and in the future.

The International Climate Initiative supports **climate change and biodiversity conservation projects in developing, newly industrialising and transition countries** ('partner countries') in a manner consistent with the Federal Government's existing international, multilateral and bilateral cooperation. IKI projects are to be ambitious: transformative and/or innovative.

The projects are geared to the needs of the partner countries and support them in climate change mitigation, especially in **reducing greenhouse gases, building capacity to adapt** to the impacts of climate change and conserving and making sustainable use of forests and other ecosystems (carbon sinks), in particular **REDD+**. The International Climate Initiative thereby also promotes the implementation of the resolutions of the Conference of the Parties to the UNFCCC (www.unfccc.int). Ambitious action on climate change is also promoted in line with the work plan on intensifying the efforts of the [Ad Hoc Working Group on the Durban Platform for Enhanced Action \(ADP\)](#). This helps to **forge consensus on an ambitious, comprehensive and binding climate agreement**. With a view to the 2015 United Nations climate agreement, one priority is to assist partner countries throughout the process of formulating and concretising their **mitigation contributions** and establishing suitable national conditions for the effective realisation of such contributions. Effective measurement, reporting and verification (MRV) systems that ensure transparency at national and international level and thereby build trust are a key element in the review of joint efforts to remain within the global 2°C limit.



The ongoing loss of biological diversity presents a further global challenge. The IKI helps partner countries **implement the Strategic Plan 2011-2020 of the Convention on Biological Diversity (CBD)** (<https://www.cbd.int/sp/>). The main concern of the International Climate Initiative in this regard is to **effectively and sustainably promote the attainment of the Aichi Targets established by the Strategic Plan**. Projects are to tie into the biodiversity strategies of partner countries in the most effective manner and will complement other ongoing national and international activities.

Furthermore, it is the goal of the IKI to create as many synergies as possible between climate protection and biodiversity conservation.

This document describes the procedure and criteria for the **selection of projects that can receive funding from 2016**. Funding for projects under the International Climate Initiative is granted on the basis of the administrative provisions in Articles 23, 44 of the Federal Budget Code (Bundeshaushaltsordnung, BHO), Articles 48 to 49a of the Law on Administrative Proceedings (Verwaltungsverfahrensgesetz, VwVfG) and other collateral clauses (see Section 6). There is no legal claim to funding. The decision to approve support is taken by the BMUB after due assessment of the circumstances in the framework of the available budget funds.



2. Object of support

In the current project selection round, the International Climate Initiative will focus on consolidation of the existing portfolio in both thematic and regional terms. The interactive world map on the IKI website provides an overview of projects (<http://www.international-climate-initiative.com/en/projects/projects/>). In **support areas I to III**, the IKI will therefore be geared even more closely to **fostering transformation processes** that move economies onto a low-carbon path and make countries resilient to climate change. The emphasis will be on supporting activities that serve to implement the decisions adopted in the UN climate process. In particular, countries are to be assisted in pledging and implementing additional emission cuts before 2020. The IKI thus also promotes multilateral climate initiatives such as the International Partnership on Mitigation and MRV (<http://www.mitigationpartnership.net/>). In **support area IV**, a key criterion for funding eligibility is the implementation of selected goals of the Strategic Plan 2011-2020 of the CBD.

Strengthening international climate and biodiversity finance is a pivotal issue for the IKI. Mechanisms to mobilise additional funding, in particular private investment, and the promotion of sustainable business models for climate protection and biodiversity conservation measures are therefore a key cross-cutting theme in all areas of support (see Section 2.5.1 below).

Funding can be granted to activities in the fields of policy advice, capacity building, technology cooperation and investment, and the concrete implementation of policies, strategies and approaches. Project selection is guided by the criteria set out in Section 7.3. Projects must be relevant to one or more of the thematic priorities presented below. Another important goal is to maximise synergies between the fields of climate protection and biodiversity conservation. When assessing submissions, particular attention will be given to projects that have the maximum potential to exert transformative effects and raise the level of ambition in partner countries.

The primary level of intervention is the national level. Subnational and multi-country schemes will also be funded if they are embedded consistently in national strategies and policies and verifiably serve to implement those.

In four support areas the IKI focuses on the following **thematic priorities**:



2.1. Support area I: Mitigation

In this area the objective is to support partner countries in preparing and conducting actions that make a significant contribution to the prevention of greenhouse gas (GHG) emissions. This shall help to enable partner countries to adopt mitigation targets under a **2015 climate agreement** ('**intended nationally determined contributions**' in a first step) and to underpin and implement these through national mitigation measures (cross-cutting or in individual sectors). Partner countries will also be supported in identifying and implementing **additional emissions reductions pre-2020**. Particular emphasis is placed on promoting coherence between climate and sectoral policies.

IKI funding in the area of mitigation is guided by a synoptic consideration of the following instruments, sectors and support approaches.

a) It is targeted at the following **climate policy instruments**:

- Support for partner countries in the development and implementation of **cross-sectoral, long-term mitigation strategies (Low-Carbon Development Strategies, LCDSs)**. LCDSs create a structured guiding framework for climate policy, from which aggregated mitigation contributions result and sectoral actions can be derived. LCDSs supplement or concretise existing or planned national strategies. With a prioritisation of low-carbon development in this context, IKI funding can also be used to promote the development and implementation of Green Economy strategies and actions to link national climate policy with relevant sector policies (particularly those aiming to increase coherence between climate and energy policy).
- Support for the **development and implementation of sectoral mitigation measures** (especially Nationally Appropriate Mitigation Actions, **NAMAs**). The key aspect here is the **orientation to implementation**, i.e. 'readiness', 'bankability'. Priority sectors for the current project selection round are listed further below. Eligible projects in this field thus go beyond the identification of tangible mitigation actions and the creation of institutional, legal, political and human-resource structures for their implementation. Eligible projects give particular attention to setting up financing mechanisms and tapping sources of finance at national, international and private-sector level. It is highly advisable to involve finance-sector actors at an early stage. To the extent that public funding is deployed, this should catalyse transformation towards a low-carbon development pathway by utilising innovative financing mechanisms.
- **Promoting the global carbon market**: IKI support in this field goes to activities that develop and put in place national and subnational emissions trading systems, and to viable, environmentally sound market mechanisms to support raising the level of ambition as well as the international negotiations. Support also goes to activities that seek to harmonise and link emissions trading systems, and to those that link



emissions trading systems with market mechanisms. Particular attention is given to integrating carbon market mechanisms within national climate strategies and fostering private sector involvement.

- **Measurement, reporting and verification (MRV):** The transparency of mitigation contributions is a prime concern of international climate policy. The IKI therefore supports the establishment of stringent national and cross-sectoral MRV systems and the establishment of national registers to trial greenhouse gas accounting rules. This includes, among other things, building the capacity of national MRV experts to produce national GHG emissions inventories, national reporting to the UNFCCC, and related advice for institutional capacity-building. Support is also given to the application of standards and methodologies for the measurement of goal attainment for various types of mitigation targets, and the preparation of national registers.

b) Priority sectors in the area of mitigation are:

- **Sustainable consumption and production patterns (SCP)**
The IKI supports the introduction of low-carbon patterns of consumption by developing information systems and promoting low-carbon public procurement. Actions to introduce and utilise low-carbon standards for products and services are also eligible for support, along with measures in the field of sustainable tourism. The 10 Year Framework of Programmes on Sustainable Consumption and Production adopted in Rio in 2012 provides a guiding framework.
- **Renewable energies/energy efficiency**
According to the Intergovernmental Panel on Climate Change (IPCC) , global electricity generation will need to be decarbonised by 2050 if global warming is to be limited to less than 2°C. If current trends continue, it will not be possible to achieve this objective. IKI support therefore seeks to promote transition by developing low-emission and sustainable energy sectors in partner countries. The main aim is to create an enabling environment on both the supply and the demand side.

Funding is available primarily for **actions** that promote the transition to a decarbonised economy. At the strategic level, this includes measures that focus on developing expansion objectives and implementing strategies (e.g. road maps), integrating energy issues into climate change mitigation strategies and vice-versa, improving the availability of data (particularly on energy efficiency potential), and establishing more supportive regulatory frameworks and identifying regulatory needs. Further emphasis is placed on removing barriers to investment and promoting the expansion of renewable energy and energy efficiency technologies. Activities undertaken here include measures to mobilise investment, move away from misdirected incentives such as fossil energy subsidies, and evaluate and further develop funding mechanisms (see (c) below and section 2.5.1).



Priority areas in the current round of project selection are: energy efficiency on the demand side (buildings, industry, water supply and wastewater treatment). In view of the significant potential for improving energy efficiency in buildings (thermal insulation of the building envelope; improvement of building services engineering and building management), support is available for activities that aim to facilitate the integration of energy efficiency measures into construction and refurbishment projects (e.g. energy standards and funding instruments). Sustainable energy production (in terms of renewables this primarily means the use of wind, solar and biomass from organic secondary resources as energy sources, along with the integration of these energy sources into the energy system and the development of appropriate storage solutions), combined heat and power (CHP) and combined heat, power and cooling (CHPC) are further areas of focus.

- **Mobility/transport**

The purpose of support in this field is to develop climate protection strategies and plans for the transport sector in partner countries and to foster their implementation in order to curb the mounting transport-related GHG emissions in developing and newly industrialising countries. Key approaches here include preventing traffic and shifting the modal split (which can also be pursued in the context of sustainable urban development, see 2.5.2), improving the efficiency of the modes and means of transport, and decarbonising the energy sources used in the transport sector. Projects supported in these fields should, wherever possible, deliver environmental co-benefits in terms of air pollution control, noise control and the conservation of other resources.

- **Closed cycle waste management**

The establishment of waste management structures is eligible for support in order to tap the mitigation potential in the waste management sector. The goal here is to ensure that less waste – and especially biodegradable waste and waste containing recoverable secondary resources – is consigned to landfill. Actions centre on segregated collection and recovery of the materials and energy contained in wastes. Integrated approaches that address the national policy level and other relevant stakeholders (industry, population, informal sector) are particularly eligible for support.

- **Resource efficiency**

Projects which, with a focus on climate change mitigation (GHG emissions reduction), promote the transition to a resource-efficient, closed-loop economy are eligible for support. In particular this relates to resource and energy savings achieved throughout the industrial value chain by means of resource-efficient production processes (including those achieved through the use of integrated avoidance concepts and state-of-the-art technologies). This sector also includes projects that mitigate the adverse environmental effects of GHG emissions resulting from resource extraction (energy intensity of resource extraction and refining, degradation of CO₂ sinks by extraction sites and associated new



infrastructure) by improving the environmental and social standards applicable to primary extraction and criticality evaluation systems and ensuring these standards incorporate environmental considerations.

- **F-gases**

In view of the considerable impact of fluorinated greenhouse gases (F-gases) on the climate it is particularly important to disseminate alternatives in order to prevent technologies with high radiative forcing effects being adopted from the outset, and to promote emissions reduction measures in this field focusing on: refrigeration applications, air-conditioning, foam production and use, and fluorinated GHG disposal.

c) The following **approaches** are particularly **eligible for support**:

- **Conceptual design and implementation of policy programmes and mechanisms**, be they cross-sectoral or in selected sectors, with a view to tapping GHG reduction potential (regulatory policy; investment promotion and market incentives; technical standards). In this context, actions helping to arrive at national consensus (e.g. multi-stakeholder workshops) or to develop analytical and advisory capacity are also eligible for support.
- **Capacity-building** in public institutions with the goal of shaping, implementing and measuring the results of policies and promotion instruments (methodologies; indicators; standards).
- Development of specific **promotion mechanisms** to mobilise the financial market, private investment and sustainable business models (e.g. tendering; equity and venture capital funds; crowdfunding). In this context, existing promotion programmes should be evaluated in order to identify weaknesses and potential for improvement.
- **Capacity-building among private-sector actors** (industry, crafts, banks, investors, technology networks) and elaboration of specific **consultancy approaches** as well as **financing and business models** (see also Section 2.5, Financing instruments).
- Advice on, demonstration of and dissemination of **technical innovations**, including the communication of best practices. In this context, the suitability of specific technologies can be demonstrated in pilots, whereby particular account needs to be taken of the technical, economic and climatic conditions prevailing in partner countries.



2.2. Support area II: Adaptation to climate change

The international community has agreed to assist developing countries in their efforts to adapt to climate change. Such adaptation presents a challenge to these countries already. It is to be expected that climate risks will continue to mount even if ambitious mitigation action is taken worldwide. In the area of adaptation, the International Climate Initiative aims to **boost adaptive capacity in regions which are highly vulnerable to the impacts of climate change**.

The IKI supports

- The development and implementation of regional and national **adaptation strategies**, notably NAPs (National Adaptation Plans) and NAPAs (National Adaptation Programmes of Action). In this context, the IKI can also support the development and implementation of green economy strategies and of (sub)national and transnational sustainable urban development initiatives (see 2.5.2).
- **Ecosystem-based adaptation (EbA)** in water and land-use management (including coastal and marine areas). In general, projects implementing EbA measures should include cost-benefit analyses, comparing EbA in relation to 'grey' measures. A particular focus can also be placed on the interplay among sectors (especially water, energy and food), on maintenance of the functions of the ecosystems linked directly to the hydrological regime (water catchment management), and on strengthening resilience to climate-related extreme events.
- **Management of climate risks**, especially development and roll-out of insurance solutions and other sustainable and target-group oriented climate risk management mechanisms, designed as elements of a comprehensive risk management approach.

The IKI also supports combinations of the above.

Within these thematic areas, priority should be given to the following **elements**:

- Pilot measures for implementation and their integration into cross-sectoral initiatives to foster the exchange of experience and to link up measures;
- Closing important knowledge gaps;
- Monitoring and evaluating adaptation measures in order to generate support tools for decision-makers;
- Developing climate information systems (possibly differentiated according to type of settlement structure – urban/rural), especially in order to utilise adaptation-related knowledge in science and policy-making.



2.3. Support area III: Conservation and sustainable use of natural carbon sinks / REDD+

In the support area 'Conservation and sustainable use of natural carbon sinks / REDD+', it is particularly important to ensure that synergies between climate policy and biodiversity policy are fully exploited and that successful approaches are rolled out. Not only are forests the most significant terrestrial carbon reservoirs, they also provide habitat for a large proportion of the world's terrestrial biodiversity. Forest ecosystems are considered to be of central importance to efforts to adapt to climate change, with each additional loss of habitat, species and genetic diversity further diminishing adaptive capacity. Support is provided for approaches that aim to permanently reduce emissions through REDD+ (Reducing Emissions from Deforestation and Degradation and the Enhancement of Carbon Stocks). These approaches should be financially and socially sustainable, based on broad societal support, and designed to promote the participation of local communities and indigenous peoples.

The main priorities of the current round of selection in support area III are:

- **Restoration:** The ecological restoration of degraded land and forests using native species contributes significantly to carbon sequestration and the conservation of biodiversity.
- **Financing:** This includes strategies for effectively combining private and public and national and international funding streams to ensure sustainable support for REDD+. Support is also available for business and funding models that contribute to climate change mitigation in the land use sector, promote deforestation-free products and sustainable value chains, and aim to counteract the factors driving deforestation.
- **Benefit sharing systems:** If the benefits from REDD+ are to be equitably shared, an efficient and effective distribution system is required that strikes a balance between forest conservation and sustainable use. For this to be achieved, forest ownership and land use rights must be clarified and appropriately transferred, social and environmental protection regulations must be complied with, decentralised decision-making structures must be strengthened, and interest groups must be brought on board in a targeted manner. This imposes specific demands on benefit sharing systems with regard to transparency, accountability and conflict resolution.



2.4. Support area IV: Biodiversity

The Convention on Biological Diversity (CBD) provides the global framework for the conservation and sustainable use of biodiversity. With the **Strategic Plan 2011-2020** and its **20 Aichi Targets**, the parties to the convention have adopted a highly ambitious roadmap towards halting the loss of biological diversity (ecosystems, species and genetic diversity) worldwide. The IKI seeks to assist implementation of the Strategic Plan in the partner countries in a tangible and effective manner. Support measures should be derived as far as possible from the National Biodiversity Strategies and Action Plans (NBSAPs) and resource mobilisation strategies, and should promote their implementation; they should also complement existing programmes/projects and other implementation activities at national, regional and international level. A special focus is placed on mainstreaming approaches. In this regard, strategic partners operating in other sectors (agriculture, forestry, financial services, business and industry, etc.) should be involved from the planning stage onwards.

For the 2016 selection round, IKI support will focus in particular on projects designed to address the following:

- **Raising awareness** of the value of biological diversity and the steps that can be taken to conserve, restore and use it sustainably (cf. **Aichi Target 1**);
- **Integrating biodiversity into sector policies and political planning processes** (cf. **Aichi Target 2**), including projects aiming to **address the underlying causes** of biodiversity loss;
- **Eliminating or reforming incentives that are harmful to biodiversity and creating positive economic incentives** for the conservation of biodiversity (cf. **Aichi Target 3**);
- **Increasing biodiversity on agricultural land** and promoting the use of agricultural production methods that foster greater biodiversity (cf. **Aichi Target 7**);
- Promoting the integral implementation of the **CBD Programme of Work on Protected Areas (terrestrial and marine)** (cf. **Aichi Target 11**); here, particular attention is paid to protecting the interests of local and indigenous communities and supporting the process of identifying and maintaining Ecologically and Biologically Significant Areas (EBSAs), including the high seas;
- Actions to **connect and restore ecosystems**, taking an integrated planning or landscape-level approach (cf. **Aichi Targets 14 and 15**).
- Projects that support capacity building in the context of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (**IPBES**).



2.5. Cross-cutting themes:

2.5.1 Financing instruments for climate change mitigation and biodiversity conservation

Public-sector climate and biodiversity finance is a component of the financing of mitigation, adaptation and biodiversity actions. Funds should be deployed in such a way that they mobilise private-sector investment with an impact that is as transformative as possible. The IKI therefore promotes the following across all support areas:

- **Mechanisms to mobilise** private investment in mitigation and biodiversity actions, or low-carbon and sustainable **business models**, both with or without direct involvement of the financial market. Mechanisms should build upon a clear analysis of the barriers to private investment in mitigation actions in the target country, in order to exclude free rider effects and create sustained incentives for such investment. This includes, among other things, mechanisms enhancing access to or mobilising seed and risk capital as well as instruments to cover, reduce or diversify risk.
- Capacity building for broader-scale **support mechanisms and structures**; public-private partnership arrangements to catalyse investment.
- Needs-driven **capacity building** in particular in financial institutions for the development and implementation of sustainable financial products or processes that are designed to promote investment in climate change mitigation or biodiversity conservation. To the extent required by the financial market situation in target countries, technical consultancy can be combined with refinancing mechanisms or with mechanisms providing financial security for investments in actions/technologies.

2.5.2 Sustainable urban development

The United Nations forecasts that the number of people living in cities in emerging and developing countries will almost double by 2050, rising from almost 3 billion to over 5 billion. More than 60% of the land expected for urban development between now and 2030 is as yet unpopulated. The urbanisation process has hugely significant ramifications on sustainable development, in particular on climate change and biodiversity. Cities are responsible for a large proportion of greenhouse gas emissions, but, at the same time, they are also particularly vulnerable to the impacts of climate change. Functioning urban ecosystems are essential to the well-being of urban populations. Cities also harbour immense potential for reducing emissions, increasing resource efficiency, improving the state of the environment and achieving green growth.

Against this backdrop, the IKI supports sustainable urban development across a range of sectors. This support primarily comprises the following measures:

- Sustainable urban development initiatives focusing on low-emission development and/or adaptation (particularly the development and



implementation of cross-sectoral climate protection strategies/LCDS and adaptation strategies/NAPs and NAPAs).

- Multi-stakeholder dialogues conducted with the aim of developing strategies for low-carbon and sustainable urbanisation. The ultimate objective here is to ensure that urban development is carried out in a way which uses energy, space and resources sparingly.
- Design and planning of disaster risk reduction measures (including measures to reduce the risks associated with floods, heatwaves and storms).

The IKI intervenes primarily at the national level; subnational and transnational approaches must be coherently integrated into national strategies and policies.



3. Project organisation and project partners

The International Climate Initiative is open to a broad range of participants from Germany and abroad. It supports projects carried out in partner countries by German federal implementing agencies, NGOs, business enterprises, universities and research institutes based in Germany and abroad, and by international and multinational organisations and institutions, e.g. development banks and United Nations bodies and programmes.

Projects conducted by organisations/institutions based in Germany and abroad are supported via grants. Projects conducted by German federal implementing agencies are commissioned pursuant to the terms and conditions applicable to these agencies. With regard to funding for institutions based abroad, sections 3 to 7 of this document apply.

Projects can also be implemented jointly by more than one organisation/institution. In the case of joint projects, cooperation must be regulated in a cooperation agreement with all implementing actors, and a project leader should be appointed. The cooperation agreement must be submitted in the second step of the application procedure (see Section 7.2) and contain the legally binding signatures of all implementing actors.

The grant recipient is expected to have project-related expertise and experience of the target region. Grant recipients must demonstrate relevant expertise and, as a rule, prove that for at least three years they have continuously implemented international cooperation projects jointly with partners in the region, or that they have been successfully involved in project-related activities for at least three years. Implementing actors must be able to undertake qualified planning and cost-effective implementation of projects, and to monitor projects and render account for them, if necessary in collaboration with the partners or subcontractors directly involved in the implementation.

Specific monitoring of the projects is expected. Project planning and monitoring of the projects should be based on the results framework developed by the Organisation for Economic Cooperation and Development (OECD).

The grant recipient must be capable of providing suitable human resources for the technical and administrative implementation of the project. The level of the planned, average annual BMUB funding volume should not exceed the average annual turnover of the grant recipient's last three commercial years. The average annual funding volume follows from the planned total BMUB funding volume and the planned project duration as stated in the project outline.



4. Prerequisites for support

Support depends on the project's design being suited to making a substantial contribution to achieving the International Climate Initiative's goals and priorities as defined in Section 2.

Projects applying for support must be based on the strategies and policies of the respective partner countries and take account of existing programmes and structures. Project proposals should be oriented to the needs of target countries, based upon a gap analysis, in order to advance the countries' specific climate protection efforts in the best possible way.

The **governments of the partner countries must express an explicit interest** in the project. This is a prerequisite to project implementation and must be verified in the second stage of the selection procedure. In the first stage of the selection procedure (project outline), an initial appraisal of the political support for the project idea should be made; a possible contact/reference person in the government of the partner country (political partner institution) is to be named.

On principle, projects must be implemented **in cooperation with national, local or regional partners** in order that the project is anchored in the target region. Envisaged partners are already to be named in the first stage of the selection procedure (project outline).

In addition, projects will be considered for funding only if they have clearly defined goals which can be achieved and verified within the project duration (using the OECD results framework, <http://www.oecd.org/dac/evaluation/publicationsanddocuments.htm>). The projects must not have been already started and the duration should not be more than six years.

Support by the International Climate Initiative is provided only if implementation of the proposed project is impossible without public funding.

In order to fully exploit synergies and prevent duplication of funding, relations to other instruments or areas of support, to ongoing or earlier funding measures of the Federal German Government, the German federal states (*Länder*) or the European Union or to any international measures (bilateral/multilateral) must be disclosed and their relevance for the proposed project explained. The closer the proposed project is in its goals, target groups, activities and concrete outcomes to a concluded/ongoing project, the more precisely the demarcation from or linkage with such a project needs to be presented. Project outlines must indicate intended or previously approved support from third parties for the proposed project, specifying the support donor(s) and the specific amount(s) of funding. Proof of intended or approved support must be provided in the second stage of the selection procedure at the latest (see chapter 7.2).

In order to ensure the additionality of greenhouse gas reduction and of the



German contribution to international climate finance, no emissions certificates or other emissions credits generated by IKI projects may be traded either during or after the project term. For this reason, funding resulting from the sale of such emissions permits or credits may not be accounted for in the overall financing of IKI-supported projects. However, this does not apply to emissions credits within the non-compliance market, insofar as they comply with the relevant IKI guidelines¹ and are demonstrably being used to ensure the sustainable funding of climate protection projects in the fields of agriculture, forestry or land use.

5. Type, extent and amount of the grants

Support can be granted for all costs or expenditures which are necessary in line with the principles of sound financial management to achieve the project goal, insofar as it is not possible to achieve this goal without this support.

It is generally a condition for approval of a grant that the applicant makes an appropriate contribution and that additional funding is mobilised to meet the eligible expenditure or costs.

The efficiency of the expenditures and costs and the economical use of the funds must be demonstrated.

The support granted must promote sustainable development in the partner countries. It is not intended to give the grant recipient an economic advantage.

The funded projects must meet the criteria for recognition as Official Development Assistance (ODA).

6. Other terms/grant conditions

The following collateral clauses are a component of the grant decisions:

- for expenditure-based grants, the general collateral clauses for grants to support projects (*Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung*) ([ANBest-P](#))
- for cost-based grants, the general collateral clauses for cost-based grants to support projects (*Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung auf Kostenbasis*) ([ANBest-P-Kosten](#))

In the case of contracts with foreign grant recipients, collateral clauses corresponding to the ANBest-P or the ANBest-P-Kosten will become part of the contract.

¹ Note: These guidelines are currently being drawn up and will be available on the IKI website – <http://www.international-climate-initiative.com/en/> – from July 2015.



7. Decision-making procedure

7.1. Involvement of a Programme Office

The BMUB has commissioned the Programme Office of the International Climate Initiative (*Programme Office*) to manage the funding programme.

Programmbüro Internationale Klimaschutzinitiative
Potsdamer Platz 10
D-10785 Berlin
Germany

E-mail: programmbuero@programmbuero-klima.de

7.2. Selection procedure

Selection is based on a two-stage procedure.

In the **first stage, informative project outlines** in German or English must be prepared on the basis of the **IKI-template for project outlines** (version 7.0) – to be found at <http://www.international-climate-initiative.com/en/project-promotion/selection-procedure/> – and submitted to the Programme Office as excel-files (xlsx or xls file format), only via e-mail (see section 7.1 for e-mail address). The outlines must not exceed six pages, plus the annexes provided in the template. The following deadline applies:

For the **2016 selection procedure** (planned project start in 2016 at the earliest), project outlines must be submitted to the Programme Office by **1 June 2015, 24:00 (Central European Time, CET)**.

Project outlines which are received after the deadline (1 June 2015, 24:00 CET), do not satisfy the format requirements, are incomplete or were not submitted by the designated means will not be considered for the subsequent selection procedure.

All project outlines that have been submitted in full by the deadline will be collected by the Programme Office and evaluated by the BMUB. The BMUB pre-selects promising project outlines in line with the available budgetary resources, considering coherence with foreign and development policy. The applicants will be informed in writing of the result of the evaluation.

If the project outlines are promising, the organisations/institutions concerned will be requested in writing to submit a **formal application for support (second stage)**. The BMUB will then decide on this application in a final review. The relevant terms and application templates to be taken into consideration –



including the requirements concerning monitoring and safeguards – will be provided after conclusion of the first stage.

7.3. Selection criteria

The submitted project outlines will be evaluated and selected by the BMUB according to the following conditions and criteria:

Aptitude of submitter:

- The preconditions stated in Section 3 for suitability as a project organisation and project partner (notably: competence, capacity, experience, networking, orderly business management of submitter and of the submitter's partners).

Target region:

- **Role of the partner country** in the context of the international negotiations on climate change mitigation – or, in the case of area IV, on biodiversity – and the country's interest in cooperating with Germany on climate change or biodiversity.
- **ODA eligibility** of the supported measure.
- Key countries and regions are
 - in **area I (mitigation)** countries with high potential for greenhouse gas reduction, especially newly industrialising countries, middle-income countries (<http://data.worldbank.org/about/country-classifications>) and transition countries; policy advice projects are preferred in the particularly advanced newly industrialising countries;
 - in **area II (adaptation)** vulnerable countries and regions;
 - in **area III (carbon sinks/REDD+)** countries and regions that are particularly relevant with a view to carbon storage and biodiversity;
 - in **area IV (biodiversity)** countries and regions with a particularly high/rich biodiversity and/or visible commitment to the CBD objectives;

with due regard to the intended consolidation of the existing IKI portfolio in both thematic and regional terms. Information on previous bilateral cooperation with individual countries in the context of the International Climate Initiative can be found on the portfolio page of the IKI website: <http://www.international-climate-initiative.com/en/about-the-iki/project-portfolio/>



Suitability of project:

- General alignment with one or more of the **thematic priorities of the International Climate Initiative** (see sections 2.1 to 2.5.2); in addition to projects that are directly geared towards the priorities set out for the specific support areas, funding can also be provided to projects that combine the priorities of the individual support areas in an innovative way.
- Transformative impact, level of ambition, innovation potential (technological, economic, methodological, institutional)
- Sustainability of project outcomes and replicability of the concept and/or results
- Contribution to international climate cooperation, in particular in the context of the UN climate negotiations through support for implementation of the resolutions of the Conferences of the Parties to the UNFCCC (www.unfccc.int), the climate-related negotiations conducted within the framework of the [Montreal Protocol](#) and/or contribution to international cooperation in the context of the CBD processes through support for implementation of the [CBD Strategic Plan 2011-2020](#)
- Contribution to the creation of enabling political conditions in the partner country
- Coherence with and integration into national and/or regional/transnational strategies, international cooperation and synergies with other projects and sectors
- Contribution to economic and social development in the partner country
- Contribution to bilateral cooperation on climate and environment
- Solidity of the concept, quality of presentation and of the anticipated project management and monitoring
- Amount of self-financing and third-party financing
- Appropriateness, effectiveness and efficiency of the use of funds