

On behalf of:



of the Federal Republic of Germany

Guidelines on results-based project/programme planning and monitoring in the International Climate Initiative (IKI)

Short title: Guidelines on project/programme planning and monitoring

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Glossary

Action indicators

Generic term for those IKI standard indicators, which capture direct project/programme results regarding the mitigation of GHG-emissions, adaptation to climate change and the conservation of biological diversity.

The three action indicators defined by the IKI measure the reduction of 'GHG-emissions in tonnes of carbon dioxide equivalent (t CO_{2eq})' (esp. for mitigation and forest conservation/REDD+ projects/programmes), the 'number of people supported' (for adaptation, forest conservation/REDD+ and biodiversity projects/programmes) and the 'area of ecosystems (in ha) improved or protected by project/programme measures' (esp. for forest conservation/REDD+ and biodiversity projects/programmes). Notably, the action indicators are distinct from the capacity indicators, which capture direct results in the development of respective capacities (see glossary: Capacity indicators).

Adaptive capacity

Goal dimension of IKI projects/programmes which covers the development of capacities to adapt to climate change. A project/programme provides support to a country's adaptive capacity, where it contributes at the individual, organisational or societal level to increasing or developing this country's ability to adapt to climate change and climate variability.

Additionality

Without the project/programme, corresponding measures in the goal dimensions of emissions reduction, adaptation and biodiversity conservation would not have been conducted.

Baseline

A baseline serves as a reference value for an indicator. Comparing the value of the indicator with the baseline reveals the changes achieved by the project/programme. The baseline may either reflect the state of the indicator at the start of the project/programme or the expected state if no project/programme were to be implemented ('business-as-usual'), or a combination of the two.

Biological diversity/biodiversity

Biodiversity encompasses life existing on earth in all its variety. The term includes the different forms of life (species of animals, plants and microorganisms), the different habitats, in which these species live (ecosystems, such as coasts, forests, waters), and genetic diversity within the species (e.g. varieties and breeds of wild and domestic species), as well as the variety of interrelations between these three levels just described.

Capacity indicators

Generic term for those IKI standard indicators, which are directed at project/programme results regarding the improvement of capacities, meaning the abilities to reduce GHG emissions, to adapt to climate change and/or to conserve biological diversity.

The three capacity indicators defined by the IKI capture the number 1) of new/improved political frameworks, 2) of new/improved institutions or processes and 3) of new/improved methods or instruments. Notably, the capacity indicators are distinct from the action indicators, which capture direct results in the goal dimensions (see glossary: Action indicators).

Co-benefits

Contributions by a project/programme to sustainable social and economic development, and to the improvement or preservation of environmental quality, which are not central to the project's/programme's intended results and are, hence, not explicitly monitored. They are, so to speak, positive by-products of the project/programme. Possible examples include increases in income, improved social protection, or the reduction of air pollution. Marginal contributions to IKI goals can also be counted as co-benefits, if an explicit monitoring of them is too demanding.

Direct biodiversity conservation

Goal dimension of IKI projects/programmes covering direct contributions to reducing risks and threats to biological diversity, and, thus, contributions to its protection and long-term conservation.

Direct reduction of vulnerability (Adaptation Action)

Goal dimension of IKI projects/programmes covering the direct contributions to reducing the risks and impacts of climate change, i.e. the adaptation to climate change.

Gantt chart

Project/programme planning instrument for scheduling the implementation of activities as well as the attainment of milestones, outputs and outcome.

Goal dimensions of IKI projects/programmes

The IKI goals can be broadly divided into emissions reduction, adaptation and biological diversity. At the next level, these can be organised into six goal dimensions, which cover the typical target contributions of IKI projects/programmes. They identify, respectively, whether the focus of the outcome is on direct implementation of measures ('actions') or on the development of capacities ('capacities'). Hence, the IKI's six goal dimensions are: GHG mitigation, mitigative capacity, direct reduction of vulnerability, adaptive capacity, biodiversity conservation, and capacity to conserve biodiversity. The IKI's annual funding information further specifies these goals.

Greenhouse gas (GHG) reduction/mitigation

This Goal dimension of IKI projects/programmes encompasses the reduction of emissions of the greenhouse gases carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs) and sulphur hexafluoride (SF₆). These are generally to be specified in CO₂-equivalent tonnes.

Impact (long-term result)

Long-term results (impacts) are expected effects, which cannot be traced back solely to the project/programme but are owed also to external causes (e.g. decisions on a higher political level or activities by other donors). The term is based on the intervention logic of the OECD. Against the background of the goals of the IKI, this impact relates to climate protection in form of emissions reduction or adaptation to climate change, and to the conservation of biological diversity. Given the causal chain from project/programme activities to impacts is very long, there is generally no requirement to quantify this impact and equip it with indicators.

Implementation partners

Implementation partners are organisations, political institutions or companies that directly and in a coordinated manner contribute to achieving the overarching project/programme goal and specific goals (outcome and outputs). Institutions can be both political partners and implementation partners at the same time.

Leakage

In some cases, a project/programme unfolds positive results within the previously stipulated system boundaries, say by leading to reductions in GHG emissions, yet at the same time it has converse effects outside the system boundaries, where emissions increase. Such spatial or temporal displacement effects are called 'leakages' and have to be addressed, and where possible controlled for, in project/programme planning.

Means of verification (of sources for indicators)

An appropriate source for an indicator including a concrete means of verification is determined in the project/programme planning phase and provides the basis for the data that is to be reported for the indicator and for its verification.

Milestone

A defined interim result on the basis of which it can be traced whether intended effects will occur on schedule and in adequate quality or whether additional intervention is needed in order to achieve the goals in due time.

Mitigative capacity	This goal dimension of IKI projects/programmes describes a project's/programme's contribution to increasing a country's capacity to reduce greenhouse gas emissions, or to protect or expand natural (carbon) sinks. This can be at the individual, organisational or societal level of the country.
Multiplier effect	The multiplier effect or scaling-up potential describes the possibility to expand a project's/programme's developed solutions, methods and instruments to other regions, sectors or target groups.
OECD-DAC 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	The actual goal of the project/programme, i.e. the intended changes related to mitigation of climate change, adaptation and conservation of biological diversity that can be directly causally attributed to the project/programme. In any case this also comprises the process of change that intermediaries and target groups go through when they make use of the outputs.
Outputs	Products, goods, services and sets of regulations/standards, as well as their use by the partners and target group, which have arisen as a result of project/programme activities.
Political partner	Political partners are supporters of the project/programme, who ensure that it is mainstreamed in the target country or region. Institutions can be both political partners and implementation partners at the same time.
Project/programme-specific indicators	Project/programme-specific indicators serve as binding benchmarks for measuring goal attainment and, hence, project/programme success. In contrast to standard indicators, the project/programme-specific indicators are not predefined by the IKI. They specify the outcomes and outputs of the respective project/programme.
Replicability	Replicability denotes the possibility and perspective of imitation and application of developed methods, instruments and techniques in other regions or by other actors.

Result	Denotes a change that is brought about by the IKI project/programme. Results may be intended or unintended, expected or unexpected, positive or negative. The outcome is an intended, positive result.
Results-based monitoring	Regular and systematic observation and documentation of project/programme progress and effects based on the project/programme-specific indicators and the standard indicators. The project's/programme's success can, therefore, be measured based on (1) what has been done (monitoring of activities and outputs) and (2) what changes have been caused by what has been done (outputs, outcomes and impact).
Results chain	The results chain derives plausible hypotheses on the causal relationship between outputs, outcome and impact and informs the project's/programme's intervention logic. Its underlying assumptions should also be monitored to make sure they are correct.
Scope	Potential and rather long-term results (also beyond project/programme time frame) of capacity-building measures usually situated on impact-level, meaning in terms of GHG emission reduction, adaptation and biological diversity. The scope is reported for the three IKI capacity indicators (see also p. 70).
Safeguards	Ecological and social principles, (minimum) standards and criteria for project/programme planning and implementation.
SMARTness	The acronym SMART includes five criteria, which a good indicator has to fulfil, in order to ensure its function as a monitoring-instrument: It has to be s pecifically (unambiguously) formulated, m easurable, a chievable, r elevant, as well as t ime-bound (compare: Chapters A.V and B.I.2).
Standard indicators	Standard indicators (see also: action indicators and capacity indicators) is the term for the six predefined quantitative indicators for IKI projects/programmes, which capture selected results of all projects/programmes in order to be aggregated across the entire IKI programme.
System boundaries	Temporal or spatial system boundaries define the control zone that is directly monitored by the project/programme. Events that lie beyond the system boundaries may still be affected by project/programme outputs but can no longer be fully controlled by or be causally attributed to the project/programme.

Target group

Individuals and social and institutional bodies that the project/programme is meant to reach, or which comprise the focus of the outputs and outcome.

Work package

Work packages bring together multiple activities that are typically focused on a common output. They serve to enhance the structuring of project/programme plans and clarify the results chain in project/programme proposals.

A. Notes on the formulation of goals and indicators, and on monitoring across all funding areas

I. The monitoring and reporting system of the International Climate Initiative (IKI)

The **monitoring and reporting system** of the IKI of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) **aims to support effectiveness and learning of IKI projects/programmes**. The prerequisite for the success of any project/programme is the orientation towards verifiable goals and regular reviewing of project/programme progress and the achievement of objectives.

Results-based monitoring lays the foundation for project/programme evaluation and for accountability vis-à-vis contractors and project/programme partners. Furthermore, it is the only way that strategies for climate change mitigation, adaptation and biodiversity conservation can be improved. This applies equally in the context of the further development of the monitoring, reporting and verification (MRV) of contributions to emission reduction and adaptation. Results-based monitoring serves as the basis for a learning process. It helps recognise whether the goals that have been set can be attained using the chosen procedure and specified activities, and which unintended indirect effects may be triggered by the project/programme. Monitoring thus allows project/programme steering: it helps to identify strengths and weaknesses in our own work and to constantly adjust the course.

The IKI **monitoring and reporting** system is based on the concepts and experiences of the **United Nations Framework Convention on Climate Change (UNFCCC)** and of the **Convention on Biological Diversity (CBD)**, including the Green Climate Fund, on **Organisation for Economic Co-operation and Development (OECD)** standards, and on the requirements of German funding legislation. The monitoring and reporting system comprises:

- at the level of individual projects/programmes: **guidelines on the formulation of goals and indicators promoting results-orientation** (SMARTness, formulation of indicators at the outcome level and for the outputs);
- at the level of individual projects/programmes: **reporting requirements for applicants (annual financial statements and status reports** which provide information on the progress towards achieving goals and measures; **final report**, which reports on the attainment of goals and the respective indicators and implemented activities);
- at the level of the overall IKI funding programme, effective as of 2015: fundamental **expansion** of the IKI monitoring system through the collection of information on aggregated results of the overall IKI programme based on a **small number of standard indicators** that project/programme implementers are required to use¹.
- at the level of the overall IKI funding programme: An accompanying performance review of the entire IKI programme according to the requirements of national funding legislation (control of achievement of objectives, control of results and control of economic use of funding), which is supported by evaluations of the complete IKI programme.

¹ The standard indicators are, where possible, compatible with the core indicators of the Green Climate Fund (GCF) (as of 2014), the Strategic Plan of the CBD, and the Aichi Targets, as well as the results frameworks of the Climate Investment Funds (CIFs) and the Global Environment Facility (GEF). Furthermore, the formulation of standard indicators incorporates work derived from a [project/programme on behalf of the UBA 2011-2013 by a consortium of the organisations Germanwatch e.V., Ecofys GmbH and Wuppertal Institute for Climate Environment and Energy](#). The consortium developed and tested the manageability of methods, indicators and procedures for monitoring and reporting at the project/programme and programme level for the IKI. In formulating the biodiversity indicator, results gathered in a [project/programme commissioned by the German Federal Agency for Nature Conservation \(BfN\) and implemented by the United Nations Environment Programme's World Conservation Monitoring Centre \(UNEP-WCMC\)](#) (Project/programme term 2011-2014) were also taken into account.

The monitoring system accommodates the broad spectrum of implementers and the diversity of issues across the four funding areas by taking into account the input, methods and processes by the implementers themselves as far as possible.

II. How to read the guidelines

These guidelines include information on the formulation of goals and indicators, on continuous monitoring of IKI projects/programmes, and on reporting.

Chapter A of these guidelines is directed towards all IKI project/programme implementers. It provides a description of the **fundamentals** of results-oriented project/programme planning and **requirements for the formulation of goals and indicators**. In addition to **project/programme-specific indicators**, all projects/programmes must also report on generic **standard indicators**. The standardised collection of information enables, above all, the assessment and communication of the results of the overall IKI programme. The use of standard indicators is likewise explained in Chapter A. **Indicator Guidance Sheets (IGS)**, which provide further information about each standard indicator, are attached to this explanation (see chapter D).

Chapter B contains information on **filling out the project/programme proposal (including the Gantt chart in Annex 4) and notes on reporting in interim reports and final reports** based on **examples**.

Chapter C of the explanation is directed specifically at project/programme implementers in **the individual funding areas**. Under Part I of this chapter, the specifics of funding area I 'GHG mitigation' are described. Part II is focused on applicants for projects/programmes in funding area II 'Adaptation to the impacts of climate change'. Part III focuses on applicants for projects/programmes in funding area III 'Conservation and sustainable use of natural carbon sinks/REDD+' and Part IV on applicants for projects/programmes in funding area IV 'Biological diversity'. For most projects/programmes, there is only a need to pay attention to the general explanation (Chapter A) and its illustration (Chapter B) and the information on the respective funding area (Chapter C) for the individual project/programme. There are, however, also projects/programmes that have goals falling within more than one funding area and, for example, contribute to both climate change adaptation and greenhouse gas reductions. For such projects/programmes, the specific information in Chapter C must be considered for multiple funding areas.

The **glossary** at the beginning of this guideline document defines the most important terms for the IKI to clarify their usage and meaning.

III. Goals, goal dimensions of IKI projects/programmes, Co-Benefits and safeguards

1. Goals and goal dimensions of IKI projects/programmes

The International Climate Initiative (IKI) supports projects/programmes 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**. In order to help attain these four goals, the IKI funds direct measures aimed at these goals, as well as measures to increase respective capacities, as these serve as an essential foundation for long-term goal attainment. The projects/programmes should be ambitious, transformative and/or innovative. The goals are formalised in regularly published **funding information documents** (see www.international-climate-initiative.com).

Emission reductions can be achieved by the project/programme through both direct reductions of greenhouse gas emissions (**GHG mitigation** for short), as well as through increasing mitigative capacities. **Direct reductions** arise, for example, in projects/programmes piloting the introduction of renewable energies and/or the implementation of energy efficiency measures. Within the funding area of '**Conservation and sustainable use of natural carbon sinks/REDD+**', these could, for instance, be results-based payments. **Increasing mitigative capacity** encompasses, for example, the development and adoption of renewable energy laws that drive the expansion and usage of renewable energies (additional information in Part B.III, pp. Fehler! Textmarke nicht definiert. and C.III, pp. 44).

Adaptation to the impacts of climate change can, firstly, be carried out by implementing measures for a **direct reduction of vulnerability** that lead to a greater degree of adaptation in certain sectors (for example for the agricultural sector by expanding water storage capacities in regions affected by drought). Secondly, adaptation can be achieved by **increasing the adaptive capacity** of the population or of certain groups, i.e. increase their ability to develop and implement adaptation strategies themselves. Examples include the provision and systematisation of information about impacts of climate change or the use of such information to build risk management capacities (additional information in Part C.II, pp. 40).

Conservation of biological diversity encompasses both projects/programmes designed to conserve bio- diversity directly and projects/programmes designed to build capacity for biodiversity conservation. **Direct contributions to conserving biodiversity** 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. In general, the IKI goal dimension 'conservation of biological diversity' puts emphasis on a) the protection of biological diversity, b) the restoration of degraded ecosystems and c) the sustainable use of biological resources. The elements of the Strategic Plan for Biodiversity 2011–2020 of the Convention on Biological Diversity provide a framework for action in relation to biodiversity conservation (additional information in Part C.IV, p. 49).

These goals and approaches of the IKI's funding programme can be classified into six different **goal dimensions**, which comprise the typical contributions of IKI projects/programmes. They describe whether the measures have direct impacts on GHG mitigation, adaptation and conservation of biological diversity ('actions'), or whether the direct impact is seen in the development of corresponding capacities ('capacities'):

- direct reduction of greenhouse gas emissions (GHG mitigation)
- increase in mitigative capacity
- direct reduction of vulnerability
- increase in adaptive capacity
- biodiversity conservation
- increase in the capacity to conserve biodiversity.

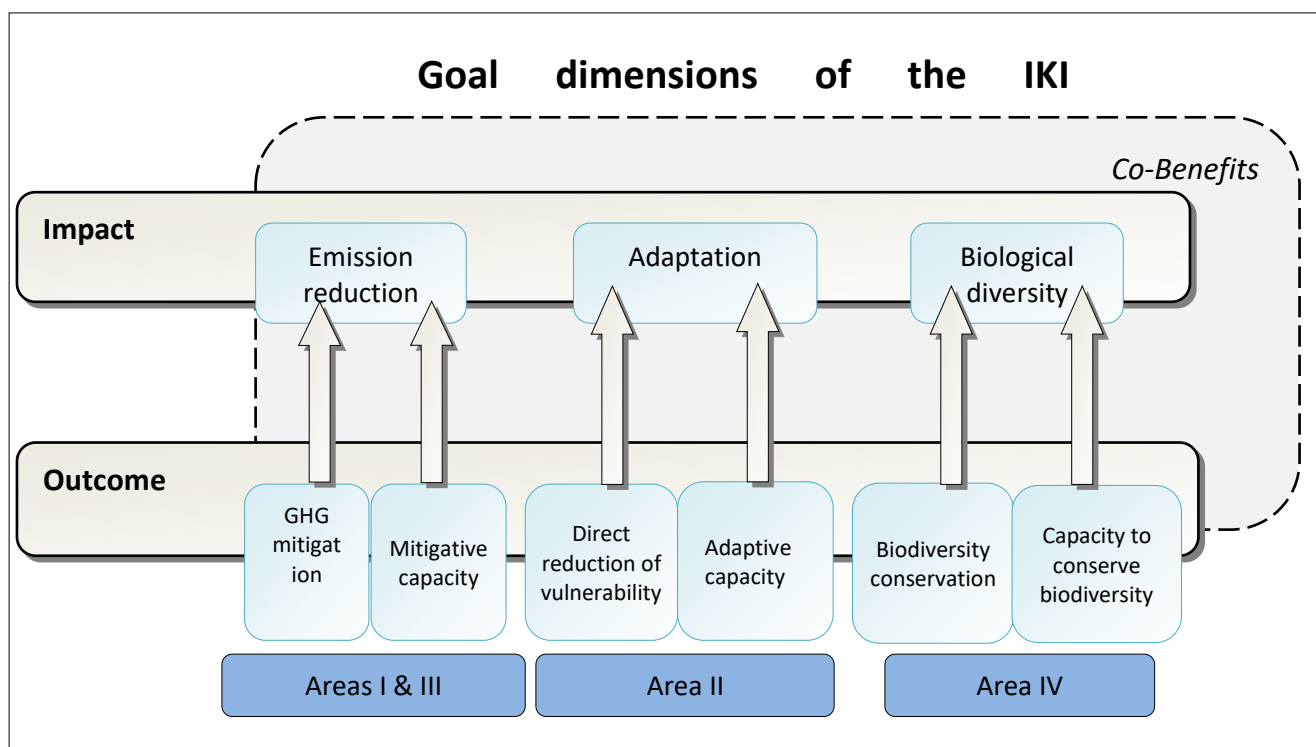


Fig. 1: Overview of the IKI goal dimensions²

2. Co-benefits

In addition, many projects/programmes have a **large potential to achieve positive effects for the environment, society or economy that go beyond the defined goals or the IKI goal system**. The IKI considers these to be **co-benefits**. Examples of co-benefits are an increase in income, the abatement of airborne pollutants or a reduction of rural-urban migration. For simplicity's sake, small-scale contributions to IKI goals, for which explicit monitoring would be too time-consuming, can also be counted in this category. In any case, every IKI project/programme must report on co-benefits. Noting these co-benefits do not merely mean registering positive effects more or less randomly; instead, the effects of the IKI project/programme on the general social, economic and environmental context must be analysed and specified in advance of the project/programme. The project/programme proposal and the regular reporting need to reflect on them. It is, however, not necessary to draw up a separate results chain for the co-benefits (also see specific information in Parts I-IV of Chapter C).

3. Safeguards

Furthermore, **potentially negative social or environmental impacts** of project/programme activities, such as negative impacts on marginalized groups or ecosystems, shall be avoided. IKI implementing organizations are obliged to adhere to GCF **environmental and social safeguards** (interim IFC Performance Standards). Performance Standard 1 is not applicable in the context of the International Climate Initiative (IKI). The overall suggested risk category should be based on a **screening of all Performance Standards**.

By adhering to the different standards, the project/programme is obliged:

² The use of the terms 'outcome' and 'impact' is clarified in the subsequent section.

- to promote non-discrimination, equal opportunities and safe working conditions for all workers as well as to avoid forced labour. This applies to direct workers, contracted workers and supply chain workers. *(IFC-Standard 2 “Labour”)*
- to avoid or as far as possible minimise negative impacts for human health and the environment. In particular, this includes air, soil and water pollution, the emission of greenhouse gases and the use of non-renewable resources. The sustainable use of resources will be supported. *(IFC-Standard 3 “Resource Efficiency”)*
- to avoid or at least reduce possible health risks as well as safety/ security risks for the local/affected population which could result from project/programme-related activities, project/programme equipment and project/programme-related infrastructure. Compliance with relevant international and regional human rights accords is required. This is particularly relevant in conflict and post-conflict settings. *(IFC-Standard 4 “Community”)*
- to minimise negative social and economic impacts resulting from land acquisition or restriction of land use as well as to prevent involuntary resettlements as part of the project/programme. If voluntary resettlement cannot be avoided, relevant project/programme activities have to be implemented which ensure that living conditions at least do not deteriorate and ideally improve due to the resettlement. *(IFC-Standard 5 “Land Resettlement”)*
- to protect biodiversity, to use ecosystems sustainably, to support the sustainable management of biological resources and to promote the integration of nature conservation and development priorities. Avoiding negative impacts for biodiversity and ecosystem services are a priority. If negative impacts cannot be completely avoided, they have to be minimised or ecosystems have to be restored as far as possible. Project/programme activities with a significant negative impact for biodiversity and ecosystem services requiring biodiversity offsets, are not permitted in the IKI. *(IFC-Standard 6 “Biodiversity”)*
- to minimise potentially negative impacts for indigenous people and other marginalised local groups in their respective territories with regard to their rights, their cultural identity as well as access to and use of land and resources. Project/programme activities, which have the potential to have a direct negative impact on the rights and/or the access to and use of traditional land require free, prior and informed consent by the affected groups before the project/programme can start. During the project/programme duration, a continuous participation of and consultation with these groups should be guaranteed. *(IFC-Standard 7 “Indigenous People”)*
- to protect and conserve cultural heritage and to promote equitable sharing of cultural heritage benefits. *(IFC-Standard 8 “Cultural Heritage”)*

The assessment results should be documented in Annex 2. If necessary, appropriate risk mitigation, monitoring and management instruments should be included in the project/programme concept (e.g. indicators or activities such as a desk study elaborating on potential risk or a safeguards-planning workshop).

Implementing organizations without internal safeguards expertise (such as an institutional safeguards unit) can receive support for the assessment of safeguard risks (please contact the IKI Secretariat at iki-secretariat@z-u-g.org). High-risk projects/programmes and – in exceptional cases – medium risk projects/programmes may also be eligible to apply for a preliminary project/programme phase (e.g. study, scoping mission). Taking into account social and environmental safeguards in the project/programme planning phase may require an extension of the deadline for the submission of the project/programme proposal. Please get in direct contact with the IKI Secretariat for further information.

Any changes to the significance of risk for each Performance Standard and/or the overall risk category during project/programme implementation have to be communicated immediately.

IV. Results-based project/programme planning

The planning of IKI projects/programmes is based on the results chain as defined by the OECD. This assumes that the **activities**³ carried out by a project/programme create products, goods, services or sets of regulations/standards and potentially resulting changes⁴ that are termed **outputs** (specific project/programme goals) in the IKI. These, in turn, are the prerequisite for achieving the **outcome** (overarching project/programme goal). The outcome describes a change at the level of the target groups that has been made possible by the project/programme and can verifiably be attributed to it. The **impact** (long-term result) of an IKI project/programme is the contribution made to climate protection in form of the mitigation of emissions, adaptation to the impacts of climate change, or the conservation of biological diversity.

The following diagram depicts the results chain, drawing on OECD terminology. The grey arrows represent the **hypotheses** that link the various levels. These hypotheses are assumptions as to how and under what conditions activities contribute to the outputs and these, in turn, to the outcome, which then, respectively, unfolds its long-term impact. The hypotheses made in course of the results chain should be realistic from the beginning and should be checked at regular intervals during the IKI project/programme to ensure that they are correct.

As depicted in the diagram (Fig. 2), the outputs and the outcome have to be specified by indicators. It, furthermore, shows that the IKI uses both **project/programme-specific indicators**, i.e. indicators selected individually by each project/programme, and **standard indicators**, which can potentially be aggregated across the entire programme (cf. section A.V, pp. 18). Co-benefits (see below) complete this range of results.

³ Official terminology of the OECD.

⁴ Outputs - The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes". (OECD definition as of 2009).

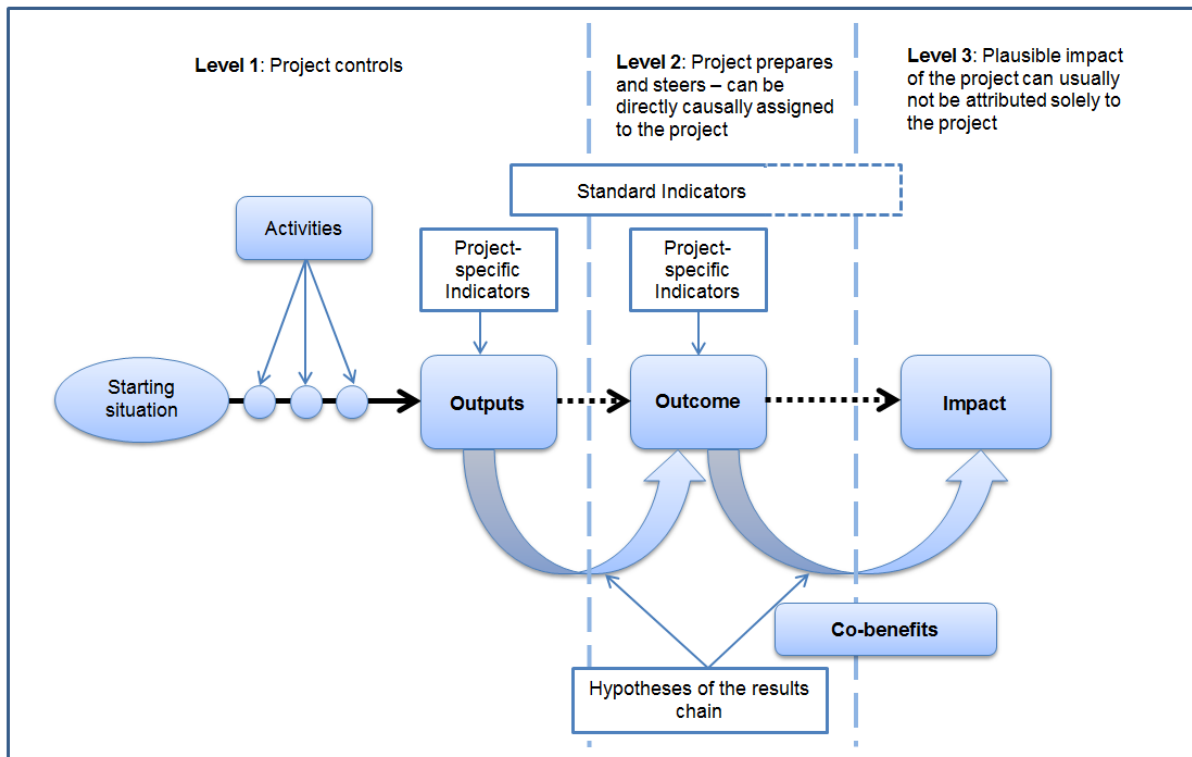


Fig. 2: Graphical representation of OECD results chain including standard indicators

The project/programme can thus be divided into three levels:

Level 1 is the project's/programme's direct intervention level, where the activities and outputs are located. These are implemented and achieved directly by the project/programme, and, therefore, their attainment can be controlled by the project/programme to a large extent. Importantly, a project/programme is always a joint effort together with partners and target groups. Therefore, the IKI uses a definition of outputs that does not end solely with the creation of products, goods, services or regulations, but rather incorporate their use by the partners or target groups, as long as this is still highly verifiable and remains on the level of the 'means to an end'. Otherwise, the changes at the level of the target groups should be subsumed under the outcome and captured by corresponding indicators. Outputs should be equipped in the project/programme proposal with **work packages** which clearly demonstrate how activities link to the achievement of outputs, as implied in the results chain. Work packages are comprised of multiple activities, which usually correspond to a single output and/or which share logical working contexts.

The outcome is located on *level 2*. This level describes the intended effects of the project/programme on its environment, in other words especially on the target group. The outcome is, therefore, considerably affected by and achieved through the participation of target groups and intermediaries. The project/programme is not able to exercise complete control over the behaviour of intermediaries and target groups, and, consequently, cannot fully control the achievement of the outcome. It can, however, prepare for the outcome and steer towards it. Further, it can be plausibly demonstrated that the activities and outputs – meaning the products, goods, services and sets of regulations/standards produced by the project/programme – contribute to the attainment of the outcome.

The impact is located on *level 3*. It should be possible to plausibly deduce how the IKI project/programme contributed to this impact. However, it cannot be assumed that the impact is brought about solely by the IKI project/programme. Since the results chain from

project/programme activities to the impact is very long, there is generally no requirement to quantify these effects or equip them with indicators⁵.

When applying this OECD logic to project/programme planning, it should be kept in mind that although the outputs are placed hierarchically below the outcome and are more firmly within the project's/programme's control zone, they should, nevertheless, not entirely ignore interactions with a potential target group. A formulation of outputs that goes beyond the simple provisioning of services (e.g. studies, databases, mapping, management plans) to also incorporate the use of these services is welcomed. Since every project/programme only formulates a single outcome, which builds fundamentally on the outputs, it is not desirable for the reactions by the target group to be taken into account at the outcome level only.

Besides the formulation of precise indicators, project/programme proposals should develop for each output so-called "work packages", wherein planned activities for achieving the goal are set out. These planned activities should describe with an appropriate level of detail, how the outputs are to be achieved. The underlying results chain should be made very clear.

An example of this type of results chain is found in section B.I.1 (p.233).

⁵ In regard to the standard indicators, however, there is the option of partially recording the impact of capacity development.

V. Formulation of goals and indicators at the project/programme level

The goal system of an IKI project/programme should be formulated in such a way that **goals are ambitious, yet achievable and verifiable**. For this reason, IKI projects/programmes formulate indicators for the outcome and the outputs in accordance with the SMART criteria (see box below).

Every project/programme works towards a **goal**. This provides participating actors with a clear perspective and all interested parties with an idea of what can be expected from the project/programme. In order to measure progress towards achieving the goal, indicators must be used. Indicators serve as a **binding measure for assessing progress towards achieving the goal and, hence, the success of the IKI project/programme**. Indicators should reflect the content of the goals and, in most cases, extend beyond these in terms of the level of detail. The indicators for the outcome and the project/programme outputs are formulated in accordance with the SMART criteria (see Box). Examples of the formulation of SMART indicators can be found in section B.1.2, p. 24.

Criteria for SMART indicators

Indicators for the outcome and outputs must meet the following criteria:

specific, i.e. defined unambiguously and precisely.

measurable, i.e. provide measurement constructs (quantitative measures or descriptions of qualitative conditions) and methods of data collection/sources of verification.

achievable, i.e. it should be possible to reach the target value of 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, i.e. the information provided by the indicator should be of relevance to describing the outcome and outputs.

time-bound, i.e. equipped with a timeframe and achieved no later than by the end of the project/programme.

In order to ensure meaningful reporting on the selected indicators and, thus, on project/programme success, the target values must be clearly described in terms of a timeframe and project/programme boundaries. In this context, project/programme boundaries refer to, for example, the limited region within a country where the project/programme activities are meant to have a direct impact.

Note: Changes to defined goals (outcome and outputs) and project/programme-specific indicators after the project/programme has started do require prior approval by the Federal Ministry for the Environment. A corresponding request needs to be submitted to the Secretariat of the International Climate Initiative (IKI Secretariat).

1. Project/programme-specific indicators

At least two project/programme-specific indicators have to be developed for the outcome and an appropriate number of project/programme specific indicators (as a rule at least two) for each output, all of which should fulfil the SMART criteria listed above. In order to reduce potential bias and increase the validating character of indicators for their respective output or outcome,

it is recommended to choose a variety of different sources of verification, such as interviews, documentation, field studies (triangulation). The total number of indicators and their sources should be selected with respect to the manageability of monitoring and reporting. In contrast to the IKI standard indicators (described below in section A.V.2, pp.19), the project/programme-specific indicators should be specifically designed to fit the project/programme concept.

The project/programme-specific indicators need to be listed in the project/programme proposal under 4.2.4 and 4.2.5. **Target values** should be provided for each indicator used. In order to evaluate the project's/programme's success, the project/programme goals, i.e. the outputs and the outcome, need to be compared with the starting conditions. For this purpose, a **baseline** needs to be established for all of the indicators. The baseline can be constituted by either the state of the indicators at the outset of the project/programme, the expected conditions that would prevail in the absence of the project/programme ("business-as-usual"), such as in case of avoided deforestation, or by some combination of the two. The baseline data and the concrete target values for the project/programme-specific indicators are generally provided together with the project/programme proposal.

Additional information on these issues can be found in Chapter C (Part I-IV) within the specific descriptions regarding the respective funding areas.

In the course of project/programme implementation, developments related to the project/programme-specific indicators must be regularly reported in the interim and final reports (see Chapter B.III, p. 34).

2. *Standard indicators*

In addition to the project/programme-specific indicators (see section A.V.1 above), every project/programme should report on IKI-wide standardised indicators. The collected information makes it possible to aggregate the impacts of the overall IKI programme and communicate them externally.

The standard indicators make no claim **to fully cover all effects of a project/programme or its success in goal attainment** – this is primarily ensured by the project/programme-specific indicators. Instead, the standard indicators are meant to allow a summary of selected effects that a considerable portion of IKI projects/programmes are aiming to achieve. This means that, irrespective of the standard indicators, **every project/programme should continue to follow its own context-specific goals and methodological approaches and not necessarily strive to achieve the greatest possible contribution in terms of the 'units' of the standard indicators.**

Six standard indicators are used in the IKI.

The three **action indicators** capture direct effects of project/programme activities that are an immediate result of project/programme measures (through the implementing organisation or its partners). Thus, these are measures that directly reduce greenhouse gas emissions, support people in adapting to climate change or directly improve and/or protect ecosystem surface areas.

The three **capacity indicators**, on the other hand, capture important contributions of a project/programme in capacity-building, with long-term and also indirect effects that could lead to results in the parameters above. The capacity indicators first take into account the number of policies, institutions and methods to which the project/programme makes significant

contributions. Additionally, they provide the possibility to specify their long-term impacts on greenhouse gas emissions, people and ecosystems.

Detailed information on the application of these indicators can be found in the so called "Indicator Guidance Sheets" (Chapter D, pp. 50) attached to this guideline document. The information made available there supports the selection of suitable standard indicators and targets during the project/programme proposal stage. At the same time, useful information for preparing interim and final reports is provided.

By definition, the standard indicators are very generic. It is possible and desirable that the **same issue is covered by a detailed project/programme-specific indicator as well as by at least one of the standard indicators**. For example, a project/programme-specific outcome indicator could be: *At least 3 sector strategies for the socio-economic development of country X in sectors vulnerable to climate change integrate analyses of the vulnerabilities and strategic action plans to reinforce resilience to climate change*. At the same time, the CP standard indicator would be used: *No. [3] of new or improved policy frameworks developed to address climate change and/or conserve biodiversity*. In the details on the standard indicators in the project/programme proposal, reference should be made to the project/programme specific indicators, outputs or activities (e.g. via cf. Indicator II.3) in order to justify the choice and target value of the standard indicator.

In the course of developing the project/programme proposal, the applicant checks which standard indicators are applicable to the proposed project/programme. A project/programme should apply all standard indicators to which it makes significant contributions. Hence, depending on the specific project/programme, the number of standard indicators used will be between 1 and 6. As outlined above, it is not about applying a maximum number of standard indicators or about setting high target values (they do not make a project/programme better or worse), but projects/programmes should choose indicators and values which are actually relevant and realistic in the context of the project/programme conception at hand. However, in case none of the standard indicators seems applicable, this has to be checked with the IKI Secretariat during the project/programme proposal phase.

The selected standard indicators need to be listed in the project/programme proposal under section 4.2.6. For each standard indicator utilised, a target value (latest at the end of the project/programme) must be provided and clearly justified. In case it proves impossible to provide target values during the project/programme planning phase, consent may be granted in the project/programme proposal phase to submit these values later together with the first interim report⁶.

A baseline is not requested for the standard indicators, since it only covers changes caused by the project/programme and as such has a defined initial value of zero. Baseline considerations used in defining the target value should never the less be documented in the free text field below the target value ("Justification"). All of this has no influence on the baseline inquiry for project/programme-specific indicators whose logic still applies (see pp.15).

⁶ In the case of the CO₂ indicator, it can make sense for some projects/programmes to provide additional estimated values that extend beyond the project/programme term. This is the case, for example, with investments in plants generating electricity from renewable energies, where the majority of emission reductions are only attained over the course of the investment's lifespan (e.g. 20 years) and, therefore, extend far beyond the supported project/programme term (e.g. 4 years), while at the same time being subject to relatively precise forecasts. These estimated values should be included under the project/programme proposal section 4.2.6 as 'Target goal for the total lifetime of the measure' (see IGS).

Note: Contrary to the project/programme-specific goals/indicators, an adjustment of the target values for the standard indicators in the course of the project/programme does not require the approval of the BMU. Therefore, such requests should not be submitted via the IKI Secretariat to the BMU. It is sufficient to inform about changes of the target values for the standard indicators with appropriate justification within the interim report.

Further differentiation of the standard indicators

Further information is collected for some of the standard indicators (see Chapter 'Further differentiation of the indicators' in the respective IGS) in order to increase their informational content and to allow for differentiated assessment. This concerns the **level** at which the project/programme or measure described in the standard indicator will have an impact, the target group in terms of **gender**, the **actors**, and the **ecosystem-improving measures**. This additional information for the respective standard indicators should also be provided under Section 4.2.6 of the project/programme proposal:

Level

For the capacity indicators (C1-C3), the IKI differentiates four levels: *global/regional*, *national*, *subnational* and *local*. "Global/regional" refers to project/programme goals (tools, structures/processes or policy frameworks) that are applied beyond the national level (i.e. in a group of at least two countries). This could typically be the case for projects/programmes (Global projects/programmes) that are active in many countries during the project/programme duration. Equally, it could also be the case for the impacts of project/programme-goals in one implementing country that are however felt in many countries after the project/programme is completed. "National" refers to projects/programmes goals that are to be achieved within a country at national level. "Subnational" accounts for project/programme goals that focus on the state-level (in federal systems) or as the case may be on other policy units below the national state (provinces, districts, etc.). "Local" refers to the smallest impact-sphere of goals at the level of municipalities. It also includes goals that could be achieved by many communities as long as they are not extended to the sub-national policy level. Cities are also included here.

Gender

Since project/programme objectives could partially have different impacts on men and women, it is useful to provide differentiated information on the impacts of the project/programme according to gender. This differentiation takes place in the case of the standard indicator AP ("People Supported").

Actors

The actors/stakeholder should be included here for whom new/improved methods could be applied (CM) - or as the case may be, for whom institutionalised structures or processes have been created (CI). In this regard, it can be differentiated between public, private and civil-societal organisations, institutions or persons.

Ecosystem-improving measures

Regarding the specification of ecosystem-improving measures for the standard indicator AE (Area), the choice should cover forest as well as biodiversity protection. The most accurate term should be selected for each measure. Multiple entries are desired if several measures have been carried out.

The scope of capacity measures

For capacity indicators in particular, the **scope** of the capacity measures described in the indicator (policies, institutions, methods) is noted. This information is not required if no indication of the expected scope exists. If necessary, it should be adjusted as the

project/programme progresses with increasing level of information. It is explicitly not a value on which the degree of goals attained should be measured. The scope represents the impacts of the capacity built by the project/programme at the impact level: If the capacities that were built up during the project/programme and which are captured using the capacity indicator have been successfully strengthened, this can also lead, over the long term, to other effects at impact level regarding direct greenhouse gas mitigation, number of people affected and conservation of biodiversity. For this to play out, however, additional conditions/contributions are necessary (e.g. successful implementation of a policy). If, for example, an emission mitigation strategy is supported for the building sector, the standard indicator 'Capacity Policies': (CP) can be applied. Vitrally, the real mitigation potential of these improved capacities is likely to be realised only over the long term: In the course of the implementation of the mitigation strategy, including the widespread use of insulation of buildings, emissions will be avoided. Similarly, capacity-building measures aimed at building up an early-warning system for disasters (where the Capacity Institutions (CI) standard indicator can be applied) may only succeed in achieving the effect of reduced vulnerability at the target group level following the conclusion of the project/programme and through commitments by additional actors. In such cases, the estimated scope of increased capacities is to be noted (under 4.2.6 in the project/programme proposal). This applies to all three capacity indicators, for which estimates of the scope in terms of the extent of the greenhouse gas mitigation (in tCO_{2eq}), number of individuals affected, and the area of enhanced ecosystems (in ha) should be given, where appropriate. It is not necessary to undertake additional data collection activities to assess the scope; the reported number should be based on existing data, those that were already collected for other purposes by the project/programme (such as Regulatory Impact Analysis (see OECD), or corresponding calculations as part of a NAMA planning process).

Depending on the funding area, methodological requirements should be taken into account when using standard indicators (for example, with regard to issues of additionality and displacement effects), which are explained in the funding area-specific Chapters (C I-IV) and, in some cases, go beyond the information in the IGS.

In the course of project/programme implementation, developments related to the standard indicators must be regularly reported in the interim and final reports (see Chapter B.III, p. 344).

B. Practical notes on completing the project/programme proposal (including Annex 4 Gantt chart) and on reporting

I. Project/programme proposal

This section gives a number of illustrative examples that can be helpful for formulating project/programme proposals, and in particular for conceptualising the results chain, identifying and defining goals and indicators, and selecting standard indicators. These are by no means exhaustive, and are classified here according to key terms and frequently asked questions.

Cf. Section 4.2 of the project/programme

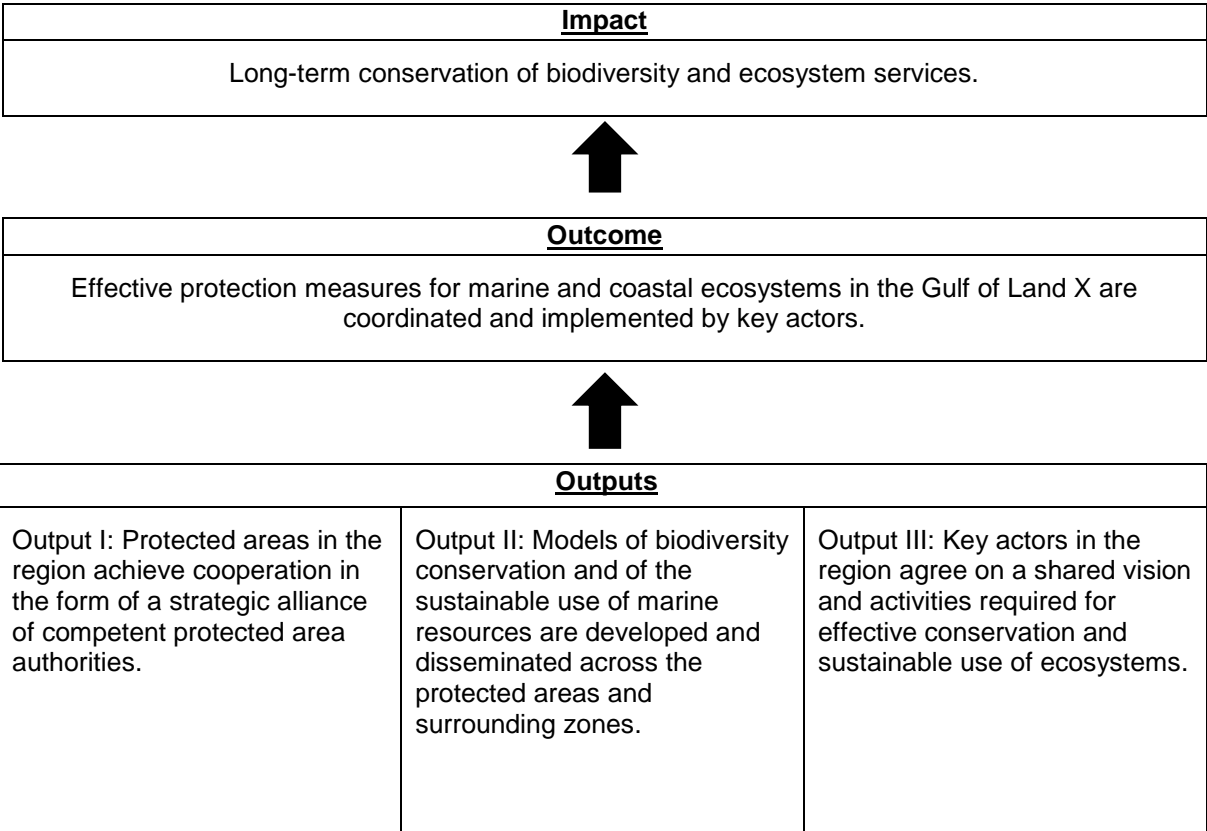
1. Results chain

The following example illustrates how the OECD results chain (cf. Figure 2, p. 15) can be applied in project/programme planning. When designing a project/programme proposal it is crucially important to incorporate the causal relationships between the outputs, outcome and impact.

Example: Conservation of biological diversity (funding area IV) in the Gulf of Land X

Context:

The high levels of biodiversity in the Gulf of Land X are being increasingly damaged by major tourism projects/programmes, and overfishing of marine resources. There is insufficient coordination among protection measures, and they tend to be unsustainable.



Activities (roughly outlined in this example):

Work package I (WP I): Capacities and networking of protected area authorities are increased

A I.1 Training of staff on protected area management and the use of associated tools

A I.2 Offering workshops for exchange of experiences

A I.3. Conducting impact analyses and standardisation of the biodiversity monitoring systems

A 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

Work package II (WP II): An upscaling strategy for successful approaches is implemented

A II.1 Conducting analyses and systematisations on issues of restoration, tourism, sustainable fisheries and alternative sources of income

A II.2 Identification of success factors, assessing transferability

A II.3 Creation of specialised units within administrative offices and integration into development strategies

Work package III (WP III): A network and vision of key actors is supported

A III.1 Training of protected area authorities on advisory and negotiation processes in 6 workshops

A III.2 Development and implementation of participatory and consultative processes at the municipal level

A III.3 Preparation of zonation plans for marine areas in coordination with fisheries authorities

A III.4 Facilitation of the development of a shared vision by the protected area, fisheries and tourism authorities

Cf: Section 4.2.3 of the project/programme

Results chain:

In order to achieve long-term protection of biodiversity in the Gulf (impact), key actors (incl. protected area authorities, ministries of tourism and fisheries) have to coordinate and implement effective marine and coastal area protection measures (outcome). This process will be facilitated through the establishment of a protected area alliance that exchanges, develops and shares successful models (best practices) associated with the protection of ecosystems (outputs I and II). In addition, it requires a shared vision by the key actors (among others, the protected area, tourism and fisheries authorities) on how to secure ecosystems and their services in the region (output III).

Cf: Section 4.3.6 of the project/programme

Co-benefits:

The promotion and up-scaling of numerous innovative and successful projects/programmes on the conservation and sustainable use of natural resources in the region generates an alternative source of income for local communities. The estimated number of people, who will potentially benefit from this, amounts to at least 300 people, who can be employed in pilot measures on sustainable fisheries and ecotourism. The actual changes in incomes will be taken into account in the interim and final reports,

2. Indicators: SMARTness

In order to formulate indicators that allow measuring a project's/programme's progress towards achieving its outputs and outcome, the SMART criteria provide an important guideline for distinguishing between more and less useful indicators. In order for an indicator to fulfil its function as a monitoring instrument, it must be **specific** (unambiguously formulated), **measurable**, **achievable** and **relevant**, as well as **time-bound**.

The following two examples of SMART indicators illustrate which pitfalls exist when formulating indicators based on these criteria.

Example: SMART outcome indicator

Outcome: Country X contributes (through the implementation of NAMAs) in the transportation sector to achieving its national mitigation targets.	
NON-SMART indicator formulation:	SMART indicator formulation
<p>'Specific' criterion: not met <i>The transportation sector's mitigation potential is increased.</i></p> <p>The indicator must be clearly and precisely defined, and the outcome must be appropriately represented. In this case, the information is imprecise, because it is not possible to determine the baseline and target value in terms of the 'transportation sector's mitigation potential'. It is not clear what the intended change is, and therefore the change is also not measurable.</p>	<p>By 02/17, 3 NAMAs have been developed for the transportation sector in cooperation with partners.</p> <p>Baseline: 0</p> <p>Target: 3</p> <p>Source of verification: Availability of three developed NAMAs</p>
<p>'Measurable' criterion: not met <i>By 02/17, several NAMAs have been developed for the transportation sector.</i></p> <p>The indicator must provide a measurement criterion (e.g. number) and sources of verification. The proposed indicator is not measurable, because the description 'several' is subjective and no concrete value is given. In addition, no reference value is given against which to measure change.</p>	
<p>'Achievable' criterion: not met <i>By 12/15, 10 NAMAs have been developed for the transportation sector.</i></p> <p>When determining, the target levels at the outset of the project/programme, the local conditions should be assessed in terms of what target could realistically be achieved within the context of the project/programme with the available resources. Even though ambitious project/programme goals are generally viewed positively, demanding targets should be formulated in relation to the project's/programme's capacity and the local conditions.</p>	
<p>'Relevance' criterion: not met <i>By 02/17 data on GHG emissions in the transportation sector will be collected and assessed with regard to the mitigation potential.</i></p> <p>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.</p>	
<p>'Time-bound' criterion: not met <i>Three NAMAs have been developed for the transportation sector in cooperation with partners.</i></p> <p>The indicator should clearly define the time by which the target value should be achieved. This is not the case here.</p>	

Example: SMART output indicator

Output:	
The value and services provided by ecosystems are considered by ministries in national policies and planning processes.	
NON-SMART indicator formulation:	SMART indicator formulation
<p>'Specific' criterion: not met <i>Percentage of political actors that include information on biodiversity conservation in their planning processes.</i></p> <p>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 value, since the decision of which actors to count is unclear and/or arbitrary.</p>	<p>Number of national governmental and non-governmental organisations that, by 10/2018, include biodiversity information generated by the project/programme in their strategy papers or reports.</p> <p>Baseline: 0 organisations</p> <p>Target value: 5 organisations, including at least 2 governmental organisations</p> <p>Source of verification: Reports and strategy papers from: environment ministry, agriculture ministry, finance ministry, Global Forest Alliance (...) that explicitly refer to the project/programme database.</p>
<p>'Measurable' criterion: not met <i>Number of governmental and non-governmental organisations (NGOs) that include relevant information on biodiversity conservation in their planning processes.</i></p> <p>Due to the evaluative formulation of this indicator ('relevant information on biodiversity conservation'), this indicator is not measurable. Even using expert interviews, this indicator would remain highly subjective.</p>	
<p>'Achievable' criterion: not met <i>Number of national governmental and non-governmental organisations that include biodiversity information generated by the project/programme in their strategy papers or reports.</i> Baseline: 0 organisations Target value: 10 organisations, including 5 governmental organisations</p> <p>The determination of the targets values at the beginning of the project/programme should be estimated based on the framework conditions on site and on the number of target values that could realistically be achieved with the available resources. Although ambitious project/programme objectives are basically assessed positively, demanding targets should be set in proportion to the project's/programme's performance capabilities and to the framework conditions on site.</p>	
<p>'Relevance' criterion: not met <i>There has been an increase of at least a 5% in the populations of three threatened flagship species in the region.</i></p> <p>This indicator is not directly relevant for the output described here, since the goal formulation is primarily focused on the political process. The populations of flagship species, however, may be included as a relevant indicator elsewhere in the project/programme – potentially at the outcome level.</p>	
<p>'Time-bound' criterion: not met <i>Number of national governmental and non-governmental organisations that include biodiversity information generated by the project/programme.</i></p> <p>The achievement of the targeted output can only be monitored if an end date is set.</p>	

3. Work packages/activities/milestones

In addition to the formulation of suitable indicators, project/programme proposals also design a so-called ‘**work package**’ for each output, describing the activities that are planned to achieve the goal. These planned activities describe in an appropriate level of detail *how* the outputs can be achieved. The underlying results chain should, hence, become clear.

It usually makes sense to formulate a work package for each output (see example). It is, however, also possible for multiple work packages to be formulated for a single output, or for a work package to relate to multiple outputs. In such cases, the connections between outputs and work packages should be clearly indicated. The role in the course of the chain of results should be evident here.

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

Example: work package for an output

<p>Output I: The value and services provided by ecosystems are taken into account in national policies and planning processes in relevant ministries.</p>		
<p>Indicators for Output I</p>		
<p>Indicator I.1: Number of national governmental and non-governmental organisations that, by 10/2018, include biodiversity information generated by the project/programme in their strategy papers or reports.</p>		
<p>Unit <i>Number of national governmental and non-governmental organisations</i></p>	<p>Baseline at outset of project/programme 0</p>	<p>Target value 5 organisations, including at least 2 governmental organisations by 10/2018</p>
<p>Data sources, methods and sources of verification: <i>Reports and strategy papers from: environment ministry, agriculture ministry, finance ministry, Global Forest Alliance (...) that explicitly refer to the project/programme database.</i></p>		

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

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

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/programme in 05/2016.”

Within the work packages themselves, it makes sense and is generally expected of projects/programmes to formulate **milestones** in addition to the activities. Milestones establish a connection between activities and outputs by indicating key successes along the pathway to goal attainment, thereby giving an early feedback as to whether the implementation is on the right track. Milestones, therefore, have similarities to indicators. At the same time, milestones provide a structure for reporting on activities that enables them to be presented more succinctly.

It is a matter for discretion whether it makes more sense to set up a separate indicator for an important interim outcome, or whether a milestone is used within the work package for this purpose. In any case, projects/programmes must be designed so as to ensure that project/programme success can be continually assessed either through detailed indicators that are not only terminated at the end of the project/programme, or through a combination of indicators and milestones.

Milestones are also particularly helpful for project/programme management, because, early on, they inform about the course of the project/programme and, hence, allow a reflection on and potentially redirection of the implementation strategy. Milestones are exceptionally useful to supplement those indicators, which are results-oriented and terminated at the end of the project's/programme's duration.

Cf: Section 4.2.6 of the project/programme

4. Standard indicators

In addition to the project/programme-specific indicators that are tailored to the outcome and outputs, each project/programme also selects those IKI standard indicators, on which it can meaningfully report. The standard indicators are formulated in such a way that they can typically reflect (parts of the) results of each project/programme.

The standard indicators can (must not) be similar or congruent with an project/programme-specific indicator already presented. In every case, **it is essential to justify the applicability and target value of each standard indicator selected**. To this regard, it is necessary to make reference to relevant activities in the project/programme concept, or if appropriate to relevant project/programme-specific indicators.

For the standard indicators, baselines are deliberately not noted, since these baselines that measure the current project/programme envisaged changes for the standard indicators, are zero per definition. Baseline or business-as-usual considerations that play a role in calculating the value could be disclosed in the justification of the target value.

Vitaly, standard indicators can also (if applicable) **be applied cross-sectorally**. This means, for instance, that if an adaptation project/programme (funding area II) verifiably improves or protects an ecosystem, say through mangrove rehabilitation within a coastal zone management plan this should also be shown in the corresponding standard indicators (see the example from funding area II below).

In the following section, two examples of projects/programmes are outlined, and the appropriate standard indicators are identified.

Example from funding area I ‘GHG-mitigation’

The project/programme supports the establishment of a comprehensive national reporting system for the mitigation of greenhouse gas emissions and thereby promotes capacity development for greenhouse gas inventories and measurement, reporting and verification (MRV) in country X

Appropriate standard indicators

CM No. of new or improved methodological tools developed to address climate change and conserve biodiversity

Unit	Target value: End of project/programme
Number of methods	2 Level: <input type="checkbox"/> global/regional <input checked="" type="checkbox"/> national <input type="checkbox"/> sub-national <input type="checkbox"/> local Applying actor: <input checked="" type="checkbox"/> public <input type="checkbox"/> private sector <input type="checkbox"/> civil society
<p>Please (1) state the <u>rationale</u> for the applicability of the standard indicator and the target value (at the end of project/programme), the (2) possible means of <u>verification</u>, as well as (3) <u>a list of the methodological tools including their corresponding levels and applying actors</u>:</p> <p>(1) Justification: <i>Development of <u>a tool for the inventory of national GHG emissions</u> (cf. Indicator/Activity X.Y) and an <u>improvement of the existing database</u> for the creation of national GHG inventories (cf. Indicator X.Y).</i></p> <p>(2) Verification: <i>Publications on the project/programme home page or announcements in newspapers, revised manual</i></p> <p>(3) Methodological tools including levels and applying actors:</p> <ul style="list-style-type: none"> • <i>A tool for the inventory of national GHG emissions (National level and Public)</i> • <i>Improvement of the existing database for the creation of national GHG inventories (National and Public)</i> 	
<p>Estimating the scope of the methods/instruments:</p> <p><input type="checkbox"/> Greenhouse gases reduced/avoided: xx [t CO_{2eq.}] by 20xx⁷</p> <p><input checked="" type="checkbox"/> Individuals supported: 300 [number] by 2020</p> <p><input type="checkbox"/> Area of ecosystems improved/protected: xx [ha] by 20xx</p> <p>Justification of the scope and target values: <i>Derived from the number of tools downloaded (200 downloads) as well as the application through an estimated number of persons (100). Caution: duplications of persons concerned are likely.</i></p>	

⁷ For the example at hand it is likely that an estimation of GHG-mitigation as a result of the new or improved methodological tool is hardly possible. However, if, for instance, the developed tool serves as the basis for the introduction of an emissions trading system, this would make it possible to provide a figure for the estimated GHG-mitigation by the year x and should, correspondingly, be noted here.

CI No. of new or improved institutionalised structures or processes to address climate change and conserve biodiversity

Unit	Target value: End of project/programme
Number of structures/processes	1 Level: <input type="checkbox"/> global/regional <input checked="" type="checkbox"/> national <input type="checkbox"/> sub-national <input type="checkbox"/> local Applying actor: <input checked="" type="checkbox"/> public <input checked="" type="checkbox"/> private sector <input checked="" type="checkbox"/> civil society
<p>Please (1) state the <u>rationale</u> for the applicability of the standard indicator and the target value (at the end of project/programme), the (2) possible means of <u>verification</u>, as well as (3) <u>a list of the institutionalized structures or processes including their corresponding levels and applying actors</u>:</p> <p>(1) Justification: <i>Creation of an <u>inter-ministerial working group</u> “ GHG- Reporting” which controls or coordinates all reporting activities (cf. Indicator II. 1) and the establishment of a Go-To-Source knowledge platform on GHG-reporting (cf. Indicator III. 1).</i></p> <p>(2) Verification: <i>Organigram of the new structure with responsibilities as well as the website and ministerial decree for establishing the platform.</i></p> <p>(3) Structures or processes including levels and applying actors: <i>The working group operates with public actors at national level. The knowledge platform operates at national level with public, private and civil society actors.</i></p>	
<p>Estimated scope of the structures/processes:</p> <p><input type="checkbox"/> Greenhouse gases reduced/avoided: xx [t CO_{2eq}.] by 20xx⁸</p> <p><input checked="" type="checkbox"/> Individuals supported: 1020 [number] by 2030</p> <p><input type="checkbox"/> Area of ecosystems improved/protected: xx [ha] by 20xx</p> <p>Justification of the scope and target value: <i>The working group consists of 20 persons and we expect at least 1000 downloads of the knowledge products made available via the platform from public, private and civil society actors active in the scene. The estimate is conservative and is based on similar platforms established in other partner countries and as such will be updated in the course of the project/programme.</i></p>	

Example from funding area II ‘adaptation to the impacts of climate change’

The project/programme supports the government of country X with its adaptation pilot programme in 3 provinces. Besides the development of adaptation strategies, trials and implementations of adaptation measures are carried out in the communities.

Appropriate standard indicators

AP (Action People) No. of people directly supported by the project/programme to adapt to climate change or to conserve ecosystems

Unit	Target value: End of project/programme

⁸ For the example at hand it is likely that an estimation of GHG-mitigation as a result of the new or improved institutionalised structures or processes is hardly possible. However, if, for instance, the developed structures and processes serve as the basis for the introduction of an emissions trading system, this would make it possible to provide a figure for the estimated GHG-mitigation by the year x and should, correspondingly, be noted here.

Number of people	6,500
Proportion of women in %	50%
<p>Please (1) state the <u>rationale</u> for the applicability of the standard indicator and the target value (at the end of the project/programme) as well as (2) the possible means of <u>verification</u>:</p> <p>(1) Justification: <i>Each (approx. 700-900) participant in project/programme measures (trainings on sustainable land use management; cf. activity X.X) in each of the 8 pilot communities.</i></p> <p>(2) Verification: <i>List of attendants and evaluation documents for the trainings</i></p>	

AE (Action Ecosystems): Surface area of ecosystems improved or protected as a result of project/programme measures

Unit	Target value: End of project/programme
ha	500
km (coast)	25 (to be filled only by projects/programmes related to coasts)
<p>Please (1) state the <u>rationale</u> for the applicability of the standard indicator and the target value (at the end of the project/programme) as well as (2) the possible means of <u>verification</u>:</p> <p>(1) Justification: <i>Protection and partial afforestation of a 200 m mangrove belt along an approximately 25 km coast (500 ha) (cf. activity X.Y)</i></p> <p>(2) Verification: <i>Documentation of afforestation measures</i></p>	

Specify the ecosystem-specific measures of the project/programme as follows: (multiple checks are possible)

- Ecosystem restoration
- Establishment or extension of a protected area
- Improving the management of a protected area
- Afforestation
- Reduced deforestation
- others:

For measures on protected areas, please specify the type of protected areas according to the IUCN criteria as follows:

- Strict Nature Reserve
- Wilderness Area
- National Park
- Natural Monument
- Habitat/Species Management Area
- Protected Landscape/Seascape
- Managed Resource Protected Area

Capacity indicators

CP (Capacity Policies): Number of new or improved political framework conditions for combating climate change and or the conservation of biological diversity.

Unit	Target value: End of project/programme
Number of political frameworks	9
<p>Level:</p> <p><input type="checkbox"/> global/regional <input type="checkbox"/> national <input checked="" type="checkbox"/> sub-national <input checked="" type="checkbox"/> local</p>	

Please (1) state the rationale for the applicability of the standard indicator and the target value (at the end of project/programme), the (2) possible means of verification, as well as (3) a list of the policy frameworks including their corresponding levels:

(1) Justification: *An adaptation strategy for each of the provinces A, B and C will be created (cf. output indicator X). Local land use plans will be developed in 6 pilot communities (cf. output indicator X).*

(2) Verification: *Publication of adaptation strategies; publication of land use plans*

(3) Policy frameworks including the levels:

- *Subnational: Adaptation strategies for the provinces A, B and C will be established (3 sub-national political frameworks)*
- *Local: In addition, local land use plans will be established in 6 of the pilot communities (6 local political frameworks)*

Estimating the scope of the policy framework(s):

GHG emissions, to be reduced/avoided: [t CO₂eq.] by 20 [Jahr]

Individuals reached: 200,000 [number] by 2021

Area of ecosystems to be improved/protected: [ha] by 20 [Jahr]

Justification of the scope and target value:

The scope of the adaptation strategy for the output X comprises of all inhabitants in the provinces A, B and C (200,000). This also includes the inhabitants of the pilot communities and as such they are not additionally listed.

II. Practical notes on completing Annex 4 (Gantt chart)

The form contained in Annex 4 – ‘Gantt chart on the project/programme schedule’ serves as an instrument for developing a timeline for implementation of activities as well as progress towards milestones, outputs and outcomes. Outputs, indicators, activities as well as milestones formulated within the project/programme proposal under 4.2.5 must be inserted in the chart and their duration and/or date of achievement must be presented. The outcome does not need to be equipped with a timeline.

If there are more than three specific project/programme goals or more than three activities per specific goal, the Annex 4 form can be manually be expanded.

An example of a project/programme Gantt chart is displayed below:

Annex 2 - Gantt chart on													
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)													
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 sustainable resource use are approved by scientific 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 consultation process for the shared vision completed												
Milestone III.2	-												
...													

III. Practical notes on annual and final reporting

Within the context of IKI reporting, the interim and final reports form the general basis for monitoring project/programme success. In this respect information on how the indicators progress is explicitly requested. The corresponding forms are to be used for this.

The annual reporting of the current progress towards achieving the goals based on the project/programme-specific and standard indicators is carried out in the interim reports. Interim reports are to be submitted each year by April 30.

The final report evaluates goal attainment based on the project/programme-specific and standard indicators, including the estimated scope of capacities developed using the relevant capacity indicators. Final reports are to be submitted no later than six months after the project/programme concludes.

The setting of baselines, target values and the actual results achieved by the project/programme must all be transparently indicated by the implementer of the project/programme. Information must be clearly stated in the project/programme proposal as well as the interim and final reports regarding any assumptions made as well as the methods, data and sources of verification being used.

The implementer of the project/programme is responsible for determining and carrying out appropriate quality assurance, e.g. by verifying the reported data in terms of plausibility.

The data underlying the reporting to the IKI Secretariat is to be kept in a suitable form for twice the project/programme duration, or for at least five years.

C. Notes on formulating goals and indicators in the funding areas

The information below is intended as methodological guidance on designing projects/programmes within the individual funding areas. It is equally relevant to the development of project/programme-specific indicators and the application of standard indicators.

An introductory chapter precedes each funding area and gives background information on the overarching international climate context. This is followed by chapters on the specific goal dimensions. As outlined in chapter A, each funding area is subdivided in two goal dimensions: one for programmes with a direct impact (e.g. direct GHG mitigation) and one that focuses on the development of corresponding capacities (e.g. increase in mitigative capacity). A chapter on the specific co-benefits closes each section.

In addition, the Indicator Guidance Sheets (IGS) provide detailed methodological information across all funding areas on the application of the standard indicators (Chapter D, pp.50).

I. Notes on the funding area I 'GHG mitigation'

1. *Introductory Information*

Within the 'GHG mitigation' funding area, the IKI supports partner countries in transforming to a sustainable and low-emissions economic structure. With accompanying knowledge transfer and technology cooperation, policy advice and investment activities, IKI partners can develop and implement appropriate methods and instruments for transformation processes.

Within this context, projects/programmes in this funding area are primarily focused on the development/implementation of:

- Low carbon development strategies (LCDS)
- nationally appropriate mitigation actions (NAMAs) and
- systems for monitoring, reporting and verifying (MRV) greenhouse gas emissions and mitigation actions

LCDS and NAMAs support sustainable and ambitious mitigation efforts by developing countries (e.g. in the framework of the NDCs), and are key instruments derived from negotiations under the United Nations Framework Convention on Climate Change (UNFCCC). Since the start of international climate negotiations, an important issue has been how to monitor, report and verify (MRV) reductions in greenhouse gas emissions. In addition to the development of MRV systems in the partner countries, IKI provides targeted support to projects/programmes that support countries to plan and implement mitigation activities that should be MRV capable under a future international climate agreement.

Emission reductions can be directly achieved or supported by a diverse range of activities. It is important to enshrine the activities within the respective national context of the partner country, i.e. integration into the partner country's mitigation strategies. Depending on the partner country's needs, the project/programme plan can be focused more on direct GHG mitigation (for instance in demonstration projects/programmes or through supporting financing models for direct investment from the private sector), and/or on supporting the partner country to improve its own mitigation capacities.

Additional information on the current focal areas can be found on the IKI homepage.

2. *Goal dimension: 'Direct mitigation of greenhouse gas emissions'*

2.1 *Basic requirements*

When calculating direct mitigation of greenhouse gas emissions (GHG mitigation), consideration should be given to all emissions within the project's/programme's system boundaries. These system boundaries should be clearly defined in advance and should not change over the course of the project/programme.

In order to calculate the achieved GHG mitigation, it is necessary to set a baseline. This baseline indicates the hypothetical level of GHG emissions if the project/programme were not to be implemented (e.g. how much GHG would be emitted if electricity continues to be produced with a diesel generator instead of with a wind turbine). The baseline emissions do not have to be consistently uniform. Thus, the baseline can vary due to changes that cannot be traced back to the project/programme (e.g. adaptation to the volume of electricity generated and/or efficiency gains).

In some cases, the project/programme can reduce emissions within the defined system boundaries but lead to an increase in emissions outside these boundaries. This effect is referred to as 'leakage' and must be taken into account when determining the achieved emissions reductions.

Additional information on setting system boundaries, the baseline and leakage can be found e.g. in the GHG protocol⁹ and the CDM methodologies handbook¹⁰.

In addition to the baseline, the target value also needs to be indicated (calculated), i.e. the amount of GHG in tonnes of CO₂ equivalent that will be reduced or avoided by the end of the project/programme. The attainment of this target is to be verified annually as well as upon conclusion of the project/programme based on the indicators. Since an investment project/programme typically only achieves its emissions reductions towards the end of the project/programme or even later, in such cases the emissions reductions beyond the end of the project/programme are also to be indicated. These should be based on estimated values for the complete, planned operating time of the investment.

2.2. Methodological notes

The calculation of the baseline (emissions_{ref}) and the project/programme target value (emissions_{proj}) should – as far as possible – be based on the same method. The IPCC Guidelines 2006¹¹ should be used as a basis for this.

Generally, the avoided GHG emissions are calculated by subtracting the predicted project/programme target value (emissions_{proj}) from the baseline emissions (emissions_{ref}):

$$\text{Avoided emissions} = \text{emissions}_{\text{ref}} - \text{emissions}_{\text{proj}} \quad [1]$$

Most of the projects/programmes within the ‘direct GHG mitigation’ goal dimension deal with the mitigation or avoidance of GHG emissions caused by the burning of fossil fuels. This is particularly the case for the electricity and heating sector, as well as for the transportation and industrial sectors. In these cases, the reduced/avoided emissions can be calculated as follows and subsequently inserted into the general formula [1]:

- Determining baseline emissions (emissions_{ref})
- Determining the net change in the rate of fuels used for heating and for propellants caused by the project/programme [example of unit: TJ] → [a]
- Determining the corresponding specific emission factors [example of unit: t CO_{2eq}/TJ] → [b]
- Calculating the expected GHG emissions (project/programme target value = emissions_{proj}) by multiplying [a] and [b] [unit: t CO_{2eq}]

The IPCC Guidelines 2006 that were already mentioned above provide basic help in determining GHG emissions. The guidelines provide support across three levels of detail – from the so-called Tier 1 (the standard or default method) to Tier 3 (the most detailed method). Information is provided on emission factors, rates of usage and other parameters. The accuracy and precision of the estimates increases from Tier 1 to Tier 3.

Additional information on calculation methods, for example methane reductions in the waste sector, can be found in the GHG protocol and the CDM methodologies handbook, among others. The Global Environment Facility provides additional information in regard to renewable energies, energy efficiency and transportation.¹²

3. Goal dimension: ‘Increase in mitigative capacity’

Projects/programmes frequently implement capacity building activities aimed at supporting partner countries to achieve structural changes regarding the mitigation or avoidance of GHG

⁹ Available at: <http://www.ghgprotocol.org>

¹⁰ Available at: <http://cdm.unfccc.int/methodologies/index.html>

¹¹ Available at: <http://www.ipcc-nggip.iges.or.jp/public/2006gl/index.html>

¹² Available at: www.thegef.org

emissions. The capacity to independently mitigate greenhouse gas emissions and, therefore, contribute to international climate negotiations can be strengthened in many ways.

By developing technical and institutional capacities as well as creating and/or improving legal and financial frameworks in relation to GHG mitigation, it is possible to achieve considerable emission reductions even if the contribution cannot be directly attributed to the project/programme over the short term. This includes, for instance, the preparation and/or adoption of a law promoting renewable energies or by supporting the establishment of a national MRV system.

The special challenge faced by projects/programmes aimed at the goal dimension 'increase in mitigative capacity' is that the improvements of mitigative capacity over the medium or long term can lead to emissions reductions. There is not, however, any certainty that this will be the case. Therefore, projects/programmes should be developed in the planning phase in such a way that the increase in mitigative capacity will very probably lead to successful emissions reductions.

3.1 Basic requirements

If the project/programme activities are directly focused on developing the capacity to independently mitigate greenhouse gas emissions, the direct result¹³ is typically evident in improvements to the institutional and legal conditions, for example when supporting the partner government of the target country to develop and implement an MRV system.

Basically, the same requirements exist for monitoring the direct results within the 'increase in mitigative capacity' goal dimension as for direct GHG mitigation.

The first step is to define the specific **system boundaries**, i.e. describe in advance the spatial and temporal boundaries within which the project/programme activities should develop capacities within the target country.

The **baseline** is to be set prior to the start of the project/programme. The baseline describes the hypothetical developments in terms of capacity to independently achieve GHG mitigation without the project/programme. The objective is, therefore, to define the mitigative capacities that already exist at the outset of the project/programme within the area the project/programme is targeting. For instance, if a partner country is supported towards the (further) development of an MRV system for a certain sector, it would need to be determined, whether a data collection and reporting system already exists at the outset of the project/programme and if so, which quality the collected data currently has. Depending on how the indicator is formulated, the baseline can also be zero. This is the case, for example, when the only thing being measured is improvements in capacity based on the activities supported by the project/programme.

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/programme. 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/programme. (Example: an MRV system is established for NAMAs in the housing sector by the end of the project/programme). Project/programme goals can be described quantitatively and/or qualitatively.

Note: The capacity indicators (three of the six standard indicators) are primarily focused on quantitatively measuring the results of the activities to increase mitigative capacities, i.e. the number of new or improved institutions, political frameworks or methods is identified. This is related to the goal of the standard indicators, namely to present an aggregate of effects at the

¹³ A distinction should be made here for indirect GHG mitigation that can result from increased mitigative capacity (c.f. Chapter B.I.4 for further explanations of scope)

programme level. The project/programme-specific indicators in turn should also, to the greatest possible extent, reflect the qualitative dimension in the increase in capacities.

The development of project/programme-specific indicators should also cover the spectrum of project/programme-specific results and not necessarily be classified into the categories of institutions, frameworks and methods.

3.2 Methodological notes

Stringent project/programme planning is important for projects/programmes in the 'increase in mitigative capacity' goal dimension, focusing on the results chain (i.e. the assumptions on how the outputs lead to an outcome and that this in turn leads to an impact) before and during the project/programme implementation.

To determine the baseline, secondary or primary data can be used. Available data should only be used if it is tenable and does not impair the measurement of the results. At the same time, it should be appropriate for measuring the baseline values for the respective indicators. If primary data needs to be collected within the context of the project/programme, the costs and benefits of quantitative and qualitative methods should be compared. Potential qualitative methods include surveys, group discussions and capacity assessments (see, among others, [UNDP Practice Note on Capacity Assessment](#), 2008; 'Monitoring Guidelines of Capacity Development in Global Environment Facility Projects', Global Support Programme, Bureau for Development Policy, United Nations Development Programme, New York, USA, 2010; *Climate results, The GIZ sourcebook for climate-specific monitoring in the context of international cooperation, Eschborn 2011*)¹⁴ as well as the analysis of relevant documents. Quantitative methods include, for example, simply counting the number of observed events (X MRV instruments were developed by the end of the project/programme) or conducting surveys with standardised questionnaires.

4. Co-benefits

In addition to paying special attention to climate-relevant project/programme goals (outcome and outputs), the project/programme implementers are encouraged to also consider the co-benefits of their projects/programmes. This refers to the planning phase (under 4.3.6 in the project/programme proposal) as well as monitoring and reporting. Co-benefits can have social, environmental and economic effects. Examples of co-benefits within the 'GHG mitigation' funding area include:

Social:	Reduced dependency on fossil fuels Increased incomes due to project/programme 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

¹⁴Available at: http://mitigationpartnership.net/sites/default/files/klimawirkungen_engl_I3_3.pdf

II. Notes on funding area II ‘Adaptation to the impacts of climate change’

1. *Introductory information*

A variety of activities can support adaptation to climate variability and climate change. The development of tailor-made project/programme activities for specific conditions in a certain region or for the needs of certain target groups is driven by the question of how much the project/programme can contribute to concrete change. This can be a direct change in a country’s adaptive potential; a change in a society’s adaptive capacity; a positive change in the form of reduced vulnerability of local communities to the negative impacts of climate change; or a change in political decision-making and the capacities of governments to proactively counteract climate change-related pressures. For this reason, an important starting point for everyone preparing a project/programme proposal is to identify the project’s/programme’s intended results.

The IKI strives to support the implementation of article 7 of the Paris Agreement¹⁵ by supporting developing countries in their efforts towards climate-resilient development and adaptation. There is a growing body of publicly available information on adaptation to climate change, for example on the website of the UNFCCC Nairobi Work Programme on Impacts, Vulnerability and Adaptation to Climate Change¹⁶. In addition, the Cancún Agreements on adaptation to climate change provide a useful overview by identifying different fields of activity (see UNFCCC, 2010)¹⁷.

Regarding long-term effectiveness, it is important that adaptation projects/programmes be embedded within and/or connected to the national context of the respective project/programme country. This is an important factor for increasing the policy coherence of different activities and sector policies. An increasingly heavy focus is being placed on long-term and comprehensive planning of adaptation strategies in developing countries¹⁸.

The IKI provides support for the development and implementation of regional and national **adaptation strategies**, including national adaptation plans (NAPs) and initiatives aimed at sustainable urban development, **ecosystem-based adaptation (EbA)** and **management of climate risks**, especially the development and implementation of insurance solutions.

The priorities of IKI within the funding area of adaptation can vary from year to year. Therefore, it is advisable to use the most up-to-date support information on the IKI website. Despite these priorities, IKI is also open to innovative proposals as long as these clearly contribute to adaptation to climate change.

Monitoring information serves to promote learning and exchange about innovations. This is particularly important for adaptation measures since this is still a new field. Monitoring can contribute to learning processes by generating information about what works (and what does

¹⁵ The Paris Agreement from 2015 is available at:

http://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf

¹⁶ Available at: <https://unfccc.int/nwp>

¹⁷ The Cancún Agreements on climate change were adopted by more than 190 states during the UN climate negotiations in 2010, and established an important framework for international cooperation on the impacts of climate change.

¹⁸ It was agreed within the context of the UNFCCC to provide more support, particularly to least developed countries (LDCs) towards the formulation and implementation of national adaptation plans. General guidelines for this process were finalised during COP17 building on the Cancún Agreements (cf. UNFCCC, 2011). Nevertheless, the range and limitations of these existing strategies should not undermine the potential to propose projects/programmes that depart from these strategies yet aim to generate significant adaptation advantages for a specific target group.

not work, as the case may be). These types of learning experiences should be shared with the IKI through the reporting processes.

For projects/programmes within funding area II 'Adaptation to the impacts of climate change', the intended effects can be classified across the outcome or output levels into the two goal dimensions of 'direct reduction of vulnerability' and 'increase in adaptive capacities', which will be described in the following section. Many projects/programmes will contribute to both the 'direct reduction of vulnerability' and the 'adaptive capacities' goal dimension.

2. Goal dimension: 'Direct reduction of vulnerability'

Project/programme goals should be classified under the goal dimension 'direct reduction of vulnerability' if direct contributions are made to reducing risk and/or the expected impacts of climate change. Within the agricultural sector, this would include, for instance, a project/programme on building up reservoir capacities during the dry season of affected regions.

2.1 Methodological notes

The monitoring of adaptation projects/programmes is characterised by several challenges. Three of these challenges (setting a baseline, verification of additionality, and verification of medium and long-term results) are presented here so that these can be taken into account during project/programme planning and the formulation of indicators.

2.1.1 Determination of anticipated climatic changes and their consequences (baseline)

The impacts of climate change must be observed and appraised – at least qualitatively – prior to conducting an adaptation project/programme. This requires the consideration or performance of vulnerability or climate impact assessments or the inspection of existing assessments, i.e. appraisals of the impacts of (anticipated) climatic changes upon the affected region, economic activities and social groups. Such assessments should be based on the climate change projections outlined in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), or on projections available from regional models. If local observational data are available, they can be used as well.

Every IKI project/programme must set out which climate change impacts it targets and which strategies or capacities are needed to mitigate the adverse effects of climate change. This 'adaptation hypothesis' must continue to be reviewed during project/programme implementation, i.e. it must be ascertained whether and how certain capacities are contributing to prepare for climate change and whether risks are being addressed effectively. Despite scientific advances, climatic developments continue to be characterised by uncertainties. It is, therefore possible, that assumptions related to climate variability will change over the course of the project/programme and that the reference scenario will need to be adjusted accordingly.

When developing indicators, the baseline value should be identified for each indicator. The results of the vulnerability and climate impact assessments can form an appropriate basis for this process. Each indicator must also include a target value that should be achieved by the end of the project/programme. Within the goal dimension of 'direct reduction of vulnerability', the indicators should represent the reduction in vulnerability.

2.1.2 Verification of additionality

Verification of the additionality of measures is important for IKI projects/programmes. Adaptation projects/programmes often resemble projects/programmes that would have already been worthwhile (for instance for efficiency reasons) before any pressure to adapt became apparent and were thus already being conducted to some extent. The necessity of the adaptation measure should, therefore, be explicitly described within the context of the results chain. Attention should also be paid in this regard to the multiple (non-climatic) factors that influence the vulnerability of societies. Complex interdependencies often arise, by which climatic and non-climatic factors are contingent upon one another or exacerbate each other.

2.1.3 Verification of medium and long-term results

Whether adaptation projects/programmes are successful or not, often only becomes apparent when climatic changes actually occur (e.g. increasingly intense hurricanes). This presents, first of all, a need to **state the probability of occurrence** of the anticipated climatic change (vulnerability, risk or climate impact analysis). Secondly, it means that 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/programme or knowledge gained by it. For instance, the effectiveness of early warning systems can only actually be verified if storm events occur more frequently. As this is probably not possible during the term of the project/programme, a possible indicator could be 'x early warning systems for hurricanes are operational at the site and are being used and maintained'. A further indicator could be; 'a biannual training on the functioning of the early warning system is performed and alert exercises are carried out'.

To verify indicators of goal attainment in the goal dimension 'direct reduction of vulnerability', ideally a series of completed vulnerability, risk or climate impact analyses will be available. When projects/programmes have shorter terms, the costs of conducting repeated analyses designed to verify project/programme effectiveness will often not be justifiable. Moreover, such analyses are often not sufficiently sensitive to capture changes rapidly and across large geographical scales. Recourse should, therefore, be taken to already existing analyses wherever possible. If this is not possible and only a plausible estimate of the situation can be performed, the reasons for this must be supplied the IKI Secretariat.

3. Goal dimension: 'Increase in adaptive capacities'

Project/programme goals should be classified under the 'increase in adaptive capacities' goal dimension if they expand the problem-solving capacities needed to prepare for and overcome the impacts of climate change. Adaptive capacities include, for instance, accessibility of climate information and the capacity to use it, mainstreaming and coordination capacities, and risk management capacities. These can be strengthened at the individual, organisational or systems level.

3.1 Methodological notes

It is often not possible that projects/programmes in the goal dimension 'increase in adaptive capacities' lead to direct and measurable reductions in vulnerability. Projects/programmes can, for instance, be focused on the transfer of knowledge regarding approaches to ecosystem-based adaptation as well as overall exchange of experience or may support the development of sectoral adaptation strategies that will only bring about direct reductions in vulnerability in

the course of their implementation. In such cases, there is no requirement to conduct vulnerability analyses.

In the case of adaptation projects/programmes focused on capacity development, it is particularly important to establish consistent project/programme plans with a coherent results chain in order to render the successes of the project/programme measurable. The increase in adaptive capacities can be measured using both quantitative and qualitative indicators. In this case, as above, the baseline conditions and target value should be given in order to enable clear assessment of the degree to which goals have been met. The type of methodology that is most appropriate is heavily dependent on the project/programme plan but may include surveys (e.g. knowledge base and equipment in institutions), analysis of documents (e.g. legal texts) and capacity assessments.

Note: The capacity indicators (three of the six standard indicators) are primarily focused on measuring the quantitative dimension of the results of activities for improving adaptive capacities, i.e. the number of institutions, frameworks and methods that have been established or improved. This is related to the goal of the standard indicators, namely to present an aggregate of effects at the programme level. **The project/programme-specific indicators in turn should also, to the greatest possible extent, reflect the qualitative dimension in the increase in capacities.** They are meant to cover project/programme-specific impacts and do not necessarily need to be classified into the categories of institutions, frameworks and methods.

Some existing monitoring systems can provide orientation for the monitoring of adaptation projects/programmes. These include the systems maintained by the (GEF), the [Adaptation Fund](#) and the Results Framework of the [Pilot Program for Climate Resilience \(PPCR\)](#) and the [World Resources Institute](#) (on behalf of BMZ). Useful information can also be found in GIZ publications on [monitoring of adaptation project](#) and the use of [vulnerability assessments for monitoring](#).

4. Co-benefits

The ultimate manifestation of adaptation is success in safeguarding environmental, economic and social objectives, in spite of climate change. It is, therefore, not always possible to distinguish precisely between co-benefits and the results related to adaptation to the impacts of climate change, i.e. to increased adaptive capacity and the implementation of measures for the direct reduction of vulnerability. The contributions made by the IKI project/programme that safeguard or improve the living conditions of particularly vulnerable people that are not listed under any of the goal dimensions should, however, be separately listed under the co-benefits (under 4.3.6 in the project/programme proposal). This is particularly the case for ecological, social and economic impacts that do not primarily – or only indirectly – cause a reduction in vulnerability. These could, for instance, include positive effects on the income levels of the target groups due to project/programme activities, the conservation of valuable habitats through ecosystem-based adaptation or improved health conditions as a result of increased access to clean water.

III. Notes on funding area III 'Conservation, restoration and sustainable use of natural carbon sinks'

1. Introductory information

In this funding area, support is provided for projects/programmes that target the conservation, restoration and sustainable use of natural carbon sinks especially of forests (as well as ecosystems such as wetlands and savannahs). Within the context of REDD+, the IKI supports the efforts of partner countries in reducing emissions from deforestation and degradation as well as CO₂ sequestration through the restoration and sustainable management of forests. Through activities in this funding area, important synergies between climate- and biodiversity protection can be created and strengthened. The selection decision takes account of whether proposed activities are suitable for supporting the Nationally Determined Contributions (NDCs). Moreover, the planned projects/programmes should outline how they intend to support the partner countries in meeting the UNFCCC requirements for accessing results-based REDD+ finance. In addition, a broad stakeholder support at all levels (especially via the involvement of local/indigenous communities, where appropriate and necessary) is crucial for the success of projects/programmes in this funding area. IKI projects/programmes should equally seek to ensure the permanence and additionality of emission reductions and to prevent the shift of emissions (leakage) to other regions or sectors. The thematic focus of funding area III lies on projects/programmes that support the practical implementation of ambitious national REDD+ policies, 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/programmes that support the access of programmes to results-based payments and help implement associated framework 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.
- **Strengthening 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.

Project/programmes in funding area III that involve on-the-ground implementation in a specific area often constitute a 'direct contribution to GHG mitigation' goal dimension, particularly if these project/programmes implement practical REDD+ measures (or other emission reduction measures).

The 'increase in mitigative capacity' goal dimension is primarily addressed by project/programmes focused on building political and technical capacities. Most of these projects/programmes are primarily active at the national or regional level. This dimension is relevant for most of the IKI projects/programmes working on REDD+.

Especially for multi-level projects/programmes exists the possibility that both goal dimensions listed here will be addressed.

2. Goal dimension: 'Direct contribution to GHG mitigation'

2.1 Basic requirements

When calculating GHG mitigation, consideration should be given to all emissions within the project's/programme's **system boundaries**. These system boundaries should be clearly defined in advance and should not change over the course of the project/programme.

To calculate the achieved GHG mitigation, it is necessary to set a **baseline**. This baseline indicates the hypothetical level of GHG emissions if the project/programme were not to be implemented (e.g. how much GHGs would be emitted if the conventional land use practice would have been continued). The baseline emissions do not have to be consistently uniform. Thus, the baseline can vary due to changes that cannot be traced back to the project/programme (e.g. changes in land use pressure).

In some cases, the project/programme can reduce emissions within the defined system boundaries but lead to an increase in emissions outside these boundaries. This effect is referred to as '**leakage**' and must be taken into account when determining the achieved emissions reductions.

In addition to the baseline, the **target value** also needs to be indicated (calculated), i.e. the amount of GHG in tonnes of CO₂ equivalent that will be reduced or avoided by the end of the project/programme. The attainment of this target is to be verified annually as well as upon conclusion of the project/programme based on the indicators.

IKI projects/programmes in funding area III that reduce greenhouse gas emissions directly through their activities (i.e. operate in the 'GHG mitigation' goal dimension) must additionally show prove of how the permanence of emission reductions or sequestrations will be ensured in the long term (e.g. via medium-term management concepts for protected forest areas).

Moreover, specific guidelines (jointly developed by the Federal Ministry of Environment 'BMU' and the environmental and development organisation 'Germanwatch') apply to IKI projects/programmes in funding area III that envisage the generation of CO₂ certificates for the voluntary carbon market. These guidelines are published on the IKI homepage and can be found [here](#).

2.2 Methodological notes

The anticipated developments within the project/programme area for the two following scenarios should be quantified schematically in the project/programme proposal and then in detail over the course of the project/programme:

- i. Development of GHG emissions (in tCO₂-equivalent) without project/programme activities (baseline)
- ii. Development of GHG emissions (in tCO₂-equivalent) with project/programme activities (project/programme target value)

The determination of both the baseline (emissions_{ref}) and the project/programme target value (emissions_{proj}) should - as far as possible - be based on the same calculation method. The IPCC Guidelines of 2006¹⁹ should be used in this endeavour. Basically, the avoided GHG emissions are calculated by deducting the project/programme target value (emissions_{proj}) from the baseline emissions (emissions_{ref}): Avoided emissions = emissions_{ref} - emissions_{proj}

¹⁹ Available at: <http://www.ipcc-nggip.iges.or.jp/public/2006gl/index.html>

The methods envisaged to provide such proof should be described clearly, and the additionality of the envisaged activities set out plausibly in terms of their mitigation effect. In addition to the GHG mitigation scenarios, GHG monitoring is also to be envisaged during the project/programme to document the reduction of emissions (performance) to be achieved during the project/programme. Non-CO₂ emissions only need to be considered, if they represent a significant source of emissions. In this regard the calculation of such emissions based on established IPCC emission factors is sufficient for monitoring purposes.

Projects/programmes should monitor any **displacement (leakage)** of emissions from deforestation and forest degradation and should take preventive action to reduce the risk of leakage. The project/programme proposal must clearly set out how leakage will be monitored by measuring changes in forest cover and forest conditions within the neighbouring (reference) regions. The project/programme proposal should outline which appropriate measures for addressing leakage will be applied to reduce the drivers of deforestation.

The project/programme proposal should also explain how the **risk of non-permanence** will be monitored and how it can be reduced by preventive action. As is the case with leakage, it is essential to conduct precise analyses of the drivers of deforestation and to examine incentive mechanisms carefully to safeguard the permanence of emissions reductions. Instruments such as certification and the establishment of participatory and transparent monitoring systems can be a sensible means to achieve this goal.

When developing or applying methodologies for GHG reduction scenarios and monitoring as well as addressing leakage and non-permanence, projects/programmes in funding area III should be orientated towards the guidelines developed by the BMU, destined for projects/programmes that generate CO₂ certificates for the voluntary market (see link on previous page).

3. Goal dimension: 'Increase in mitigative capacity'

3.1 Basic requirements

Most IKI projects/programmes in the funding area "Conservation, restoration and sustainable use of natural carbon sinks" focus on the goal dimension 'Increase in mitigative capacity'. Developing and emerging countries should be supported (especially via capacity building) to meet the requirements set by the UNFCCC 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).

3.2 Methodological notes

The following list contains **factors**, sorted according to these requirements that contribute to the success of project/programmes in funding area III and should, therefore, be considered when formulating outputs and indicators. Due to the limited duration and the different emphases of project/programmes within funding area III, it is neither realistic nor sensible to comprehensively address all factors at once. The purpose of the following list is rather to help towards a structured planning of the project/programme focus and selection of indicators, when preparing the project/programme proposal.

(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 like indigenous communities; clearly defined areas of accountability and responsibilities 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 data bases 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 (NDC's), 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 the components of 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

Note: The capacity indicators (three of the six standard indicators) are primarily focused on measuring the quantitative dimension of the results of REDD+ capacity measures, i.e. the number of new or improved institutions, frameworks and methods. This is related to the goal of the standard indicators, namely to present an aggregate of effects at the programme level.

The project/programme-specific indicators in turn should, to the greatest possible extent, reflect the qualitative dimension in the increase in capacities. They are meant to cover project/programme-specific impacts and do not necessarily need to be classified into the categories of institutions, frameworks and methods.

4. 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+, where IKI projects/programmes should generate positive 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/programme activities tailored to specific target groups. In addition to avoiding potentially negative social effects associated with REDD+ activities, the project/programme should also improve the social situation of the local stakeholders, e.g. through income-generating activities. Projects/programmes should also contribute to strengthening the rights of marginalised groups, for example by securing land titles for indigenous groups.

- Environmental factors: The conservation of ecosystems and their services must be considered in order to guarantee the local relevance and international acceptance of REDD+ projects/programmes. The projects/programmes can positively contribute to biodiversity conservation by selecting appropriate project/programme areas and methodologies.

As co-benefits are key to the success of IKI projects/programmes within funding area III, they should be considered in project/programme planning, monitoring and reporting, and ideally should be operationalised by assigning indicators to them. Furthermore, it is advisable to involve relevant stakeholders when reviewing the achievement of co-benefits.

IV. Notes on funding area IV 'Biological diversity'

1. *Introductory information*

Biodiversity encompasses life existing on earth in all its variety. The term includes the different forms of life (species of animals, plants and microorganisms), the different habitats, in which these species live (ecosystems, such as coasts, forests, waters), and genetic diversity within the species (e.g. varieties and breeds of wild and domestic species), as well as the variety of interrelations between these three levels just described.

Funding area IV, 'Biological diversity', 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/programmes 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/programmes.

Additional information about the current focal issues in funding area IV is available on the IKI homepage under 'Information on support IKI selection procedure'. The thematic priorities of the IKI in the funding area 'Biological diversity' may vary from year to year. For this reason, it is advised to consult the updated funding information on the IKI website. Notwithstanding this set of priorities, the IKI is also open to innovative proposals as long as these clearly contribute to the conservation of biological diversity.

As in the other funding areas, projects/programmes in funding area IV 'Biological diversity' can be classified across the outcome or output level into two goal dimensions depending on whether they make a direct contribution to the conservation of biological diversity or whether they increase capacities in the sense of improving the societal, political, legal or institutional conditions, which, in turn, have positive effects on the protection and sustainable use of biodiversity. Many projects/programmes contribute to both the goal dimensions of 'direct contribution to biodiversity conservation' and to 'increase in the capacity to conserve biodiversity'.

The following section provides specific methodological information regarding both of these goal dimensions. In addition, general methodological information is provided in this explanation on project/programme-specific indicators that can be used for carefully setting a baseline and formulating a target value for each indicator.

2. *Goal dimension: 'Direct contribution to biodiversity conservation'*

2.1 *Basic requirements*

An IKI project/programme is to be assigned to the 'Direct contribution to biodiversity conservation' goal dimension if it makes direct contributions to conserving biodiversity. In the field of 'protected areas', for instance, this could be a project/programme designed to designate, expand or consolidate protected areas or national/regional systems of 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 the protected area management is becoming increasingly important, and there should be regular monitoring and reporting of this in

projects/programmes using appropriate tracking tools like the Protected Areas Management Tool (METT)²⁰

Further examples of focal areas within the goal dimension of 'direct contribution to biodiversity conservation' include the restoration of ecosystems, the safeguarding and sustainable use of ecosystem services, or any other implementation of effective biodiversity strategies in line with the goals of the CBD Strategic Plan 2011-2020.

2.2. Methodological notes

To measure the actual results of a project/programme concerning the conservation of biological diversity, project/programme proposals must develop sensible (quantitative or qualitative) indicators, and subsequently use these in their reporting.

The CBD website provides valuable assistance for the funding area of 'Biological diversity'. During the 11th Conference of the Parties to the CBD, a list of indicators was adopted for the Strategic Plan 2011-2020, which is now available as an online database²¹. Furthermore, the Biodiversity Indicators Partnership²² supported by the CBD provides a global forum for exchange regarding biodiversity indicators and provides specific support in the formulation of context-specific indicators²³. In 2014, the BMU 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 IKI and other biodiversity projects/programmes towards achieving selected Aichi Targets. The results provide a wealth of potential indicators²⁴.

In general, funding area IV is open to a wide variety of different project/programme 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 selective 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/programme

When selecting an indicator, it must be ensured that this indicator is suitable of measuring results from project/programme activities **within the duration** of the project/programme and at an adequate cost. It also depends on the availability of external sources, whether an indicator is measurable. An analysis of the level of threat (to a species or an ecosystem), for

²⁰ cf: Stolton, S.; Hockings, M.; Dudley, N.; MacKinnon, K. and Whitten, T. (2003). *Reporting progress in protected areas : a site-level management effectiveness tracking tool*. Washington, DC: World Bank. Available at: <http://documents.worldbank.org/curated/en/2003/05/6065855/reporting-progress-protected-areas-site-level-management-effectiveness-tracking-tool>

²¹ Available at: <http://www.cbd.int/sp/indicators/>

²² Available at: <http://www.bipindicators.net/>

²³ Among others, through regional Biodiversity Indicator Facilitators. Additional information and contacts also available at: <http://www.bipindicators.net>

²⁴ Available at: <http://www.bfn.de/fileadmin/BfN/service/Dokumente/skripten/skript387.pdf>

instance, is often only sensible, where precise baselines are already available at the start of the project/programme. Only reliable baselines allow the changes caused by the project/programme to be traced over time.

In any case, the chosen indicators must be SMART, meaning specifically (unambiguously) formulated, achievable, relevant and time-bound (compare Chapters A.V and B.I.2).

To avoid that negative effects on biological diversity are merely displaced due to the project/programme rather than prevented, the project/programme must further **address spatial and temporal displacement effects**. The project/programme proposal must plausibly illustrate how the project/programme avoids displacement effects on neighbouring (reference) regions and thereby achieves positive effect 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 to 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.

3. Goal dimension: 'Increase in the capacity to conserve biodiversity'

3.1 Basic requirements

An IKI project/programme should be classified under the goal dimension 'increase in the capacities to conserve biological diversity' if it develops or improves capacities to conserve biological diversity. This goal dimension 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 improvement or expansion of scientific findings, the establishment of knowledge networks and the promotion of the participation by specific societal groups (e.g. indigenous groups).

The results chains of capacity building measures are typically very long. Due to their structural nature, they are, nevertheless, an important lever to achieve results with a large scope. In this context the capacity building measures regarding, for example, the attempt to capture the value of ecosystem services and integrate them in political planning processes are relevant. The approach of the initiative 'The Economics of Ecosystems and Biodiversity' (TEEB), which aims to systematically incorporate the value of ecosystem services in decision-making processes, has thus far only been reflected to a limited extent in the development and implementation of policy.

There is a need for tested, applicable methodologies, political structures and economic and fiscal mechanisms, as well as for a structured dialogue among different government institutions and for inter-sectoral and public-private partnerships. Projects/programmes can provide targeted support towards meeting this need. Political and legal frameworks carry great importance for such projects/programmes, for instance regarding land rights issues, and must therefore be carefully considered when designing projects/programmes.

3.2 Methodological notes

To ensure that the successes of the project/programme in terms of capacity development are measurable, it is important to have consistent project/programme planning with a coherent underlying chain of results. The direct effect on the increase in capacities should first be measured with meaningful indicators. The same general information is applicable here as in the previous sections A and B. 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). In addition, the anticipated medium and long-term effects of the improved capacities on the conservation of biological diversity and on the target group should be clearly explained in the results chain.

Note: The capacity standard indicators are primarily focused on measuring the quantitative dimension of the results of activities to develop capacities to conserve biological diversity, i.e. the number of new or improved institutions, frameworks and methods will be measured. This is related to the goal of the standard indicators, namely to present an aggregate of effects at the programme level.

The project/programme-specific indicators in turn should, to the greatest possible extent, reflect the qualitative dimension in the increase in capacities. They are meant to cover project/programme-specific impacts and do not necessarily need to be classified into the categories of institutions, frameworks and methods.

4. Co-benefits

The consideration of socio-economic effects is of decisive importance to the long-term success of biodiversity conservation and should therefore be considered in the project/programme proposal as well as subsequent reporting.

Within the IKI funding area 'biological diversity' special attention should be paid to including positive effects on the incomes and livelihoods of participating groups, as well as to positive effects on land use and ownership rights and increased participation by indigenous and marginalised communities. Furthermore, in some cases considerable environmental effects are to be expected in terms of ecosystem services (e.g. improved water access and water quality due to vegetation/ground cover).

D. Indicator Guidance Sheets for the IKI standard indicators

Emission (greenhouse gas) reduction / Carbon sequestration (AM)	
Standard indicator	<i>GHG emission reduced or carbon stocks enhanced in project/programme area</i>
Measuring unit	Tonnes of carbon dioxide equivalent (t CO ₂ eq)
Definition	This indicator aims to capture the absolute volume of greenhouse gas emissions reduced / carbon stocks enhanced compared to a baseline directly attributable to mitigation or REDD+ activities.
Typical project/programme types (examples)	<p>Typical projects/programmes activities covered by this indicator aim at either clearly defined activities/projects/programmes (such as demonstration projects/programmes) or direct investments, e.g.:</p> <ul style="list-style-type: none"> • the substitution of fossil fuels by renewable energies (e.g. in the power and/or heat sector, transport sector) • the substitution of fossil-fuel-based public transport units by electric public transport, • the improvement of energy efficiency in electricity consumption (e.g. refrigeration, lighting, heating etc.), • the substitution of HFC by use of natural refrigerants for air conditioning or • the reuse of sewage and organic waste to produce electricity and/or heat. <p>REDD+ Activities typically comprise pilot projects/programmes for:</p> <ul style="list-style-type: none"> • all kinds of project/programme activities resulting in direct land use change of a specific area through mitigation of carbon emission or carbon sequestration such as afforestation/reforestation activities, reduction of deforestation and forest degradation or sustainable forest management <p>The impact of micro-finance projects/programmes that directly contribute to the implementation of the listed activities within the project/programme duration should equally be covered by this indicator.</p> <p>This standard indicator does not apply to Mitigation and REDD+ projects/programmes, which focus on capacity building and, hence, potentially lead to emission reductions in the longer term and in an indirect manner e.g.</p> <ul style="list-style-type: none"> • contributing to the establishment of better framework conditions for renewable energies or energy efficiency • activities that lead to the increase of emission reduction capacity (REDD+ readiness activities (phase I and II), including measures to reduce large-scale drivers of deforestation • the establishment of finance instruments (e.g. lines of credit) through which the deployment of direct effects in emission reductions during the project/programme duration are not expected

	<p>These types of projects/programmes would use the standard indicators CP, CM, and CI, measuring effects with regard to tools, institutions and framework conditions.</p>
<p>Justification and sources for verification</p>	<p>The <i>justification</i> should provide necessary details, so that the application of the standard indicator in the project/programme context is understandable (<i>what</i> is measured?). Here, the standard indicator should be linked to outputs/work packages and the project/programme context.</p> <p>Among the sources for <i>verification</i>, data sources, data collection and measuring methods should be presented in case they need explanation. Justification and verification sources (<i>how</i> is it measured?).</p> <p>To capture the effects of mitigation activities, several agreed and tested methodologies and data are available by now.</p> <p>To ensure a high degree of accuracy the following hierarchy of data sources should be used. The project/programme applicant should thereby try to use the data sources with the highest hierarchy (i.e. project/programme specific measurements) and reason why, if he decides to choose those with lower priority, highlighting why other sources were not appropriate.</p> <ul style="list-style-type: none"> • Project/programme specific measurements • Project/programme specific calculations (using methods laid out below) • National inventories • International data sources (e.g. IEA data sets) • Standard values provided by methodologies (see below) <p>Emission reductions will have to be determined on a project/programme basis. The basic calculation, although it might vary depending on the project/programme type, in general is based on the two emission scenarios, baseline and a project/programme scenario, that you are supposed to develop and that follows the basic steps:</p> <ul style="list-style-type: none"> • Determination of the baseline emissions (=emissions_{ref}) • Determination of the net change in activity level or fuel consumption resulting from the project/programme activity [unit e.g. TJ] --> [a] • Determination of the specific emission factor related to the project/programme activity [unit e.g. t CO_{2eq}/TJ] --> [b] • Calculation of expected GHG emissions by multiplication of [a] and [b] [unit t CO_{2 eq.}](=emissions_{proj}) <p>Emission reduction = emissions_{ref} - emissions_{proj}</p> <p>While it is at your discretion to choose a suitable methodology, calculations to determine the emission reductions, especially with regard to baseline assumptions, emission factors should be based on internationally established standards.</p> <p>For mitigation activities we propose using the IPCC 2006 guidelines.</p> <p>Under certain conditions other methodologies (e.g. methods/guidelines already used by the project/programme developer) could be applied, e.g.:</p>

	<ul style="list-style-type: none"> • GHG protocol • CDM methodologies • manuals of the Global Environmental Facility <p>For REDD+ activities, please refer to IPCC 2003 and 2006 guidelines and CDM A/R methodologies.</p> <p>In the case of REDD+ one must take specific account of leakage and permanence issues. An orientation at the methodologies established under the Verified Carbon Standard (VCS) is recommended, where guidance beyond the IPCC and CDM is required by the project/programme.</p> <p>Additional information on the long-term effects of the project/programme should be provided (see further details under 'Documentation and Reporting') based on project/programme specific calculations and estimates.</p>
<p>Documentation and Reporting</p>	<p>Please refer to the data sources, methodologies and means of verification used. The planned and achieved values for this standard indicator should be reported as indicated below. In particular, please provide:</p> <ul style="list-style-type: none"> - The planned target value of GHG emissions to be reduced or carbon stocks enhanced (in tonnes of CO_{2eq}) within the duration of the project/programme has to be reported at the stage of project/programme planning in the project/programme proposal. (Calculation of the planned target value: project/programme-specific projection minus project/programme-specific baseline). - The annual achieved value of GHG emissions reduced or carbon stocks enhanced (in tonnes of CO_{2eq}) is to be reported annually in the <u>Interim Report</u>. The cumulative value since the beginning of the project/programme is to be reported annually in the <u>Interim Report</u> as well as in the <u>Final Report</u>. <p>Please note that the relevant timeframe for monitoring is only restricted to the funding period; in addition, estimates of long-term effects are captured separately (see below). In the case of investments in mitigation activities e.g. building of wind energy capacity, this would mean that the monitoring will not comprise the whole lifetime of the investment but only emission reductions realised while the funding period. In the case of REDD+ activities the monitoring will only capture the volume of greenhouse gas emissions saved or avoided through measures during the funding period.</p> <p>Further information on the scope/reach of the project/programme/activity: an estimation of long-term effects in terms of expected emission reductions in tonnes of CO₂ equivalents beyond the funding period due to the further lifetime of the GHG abatement investments (mitigation) and the permanence of carbon stocks (REDD+) is to be given at the stage of project/programme planning in the project/programme proposal and to be updated in the Interim Reports and Final Report.</p>
<p>References</p>	<p>Mitigation Activities</p> <ul style="list-style-type: none"> • IPCC 2006 guidelines: http://www.ipcc-nggip.iges.or.jp/public/2006gl/index.html

- Project/programme Protocol and Sector Toolsets by the GHG protocol: <http://www.ghgprotocol.org/>
- CDM methodologies and CDM Methodology Booklet: <http://cdm.unfccc.int/methodologies/index.html>
- Manual for calculation GHG benefits of GEF projects/programmes: Energy efficiency and renewable energy projects/programmes: <http://www.thegef.org/gef/node/313>
- Manual for calculating greenhouse gas benefits for global environment facility transportation projects/programmes: http://www.thegef.org/gef/GEF_C39_Inf.16_Manual_Greenhouse_Gas_Benefits

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/gpplulucf/gpplulucf.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>
- Verified Carbon Standard: <http://www.v-c-s.org/>
- CDM methodologies and CDM Methodology Booklet: <http://cdm.unfccc.int/methodologies/index.html>

People directly supported to adapt to climate change or to conserve ecosystems (AP)	
Standard indicator	<i>No. of people directly supported by the project/programme to adapt to climate change or to conserve ecosystems</i>
Measuring unit	No. of people
Definition	<p>This indicator aims to capture the number of people who were directly supported by measures of the project/programme.</p> <p>'Directly supported' is defined here as participating in measures or receiving assistance by the project/programme. This indicator captures e.g. the participation in trainings/workshops, the use of new methods (like improved agricultural practices), the beneficiaries from benefit sharing schemes in the context of REDD+, inclusion into early warning systems and others. The indicator covers the people <i>directly</i> supported in the sense that they are targeted directly by the project/programme (i.e. with resources of the project/programme; including financial/in-kind-contributions and co-financing by project/programme partners). The attribution to the project/programme should be obvious.</p>
Further differentiation of the indicator	Gender: Please provide the number of people disaggregated by gender. If this is not possible, please explain why.
Typical project/programme activities (examples)	<p>Typical projects/programmes activities covered by this indicator aim at:</p> <ul style="list-style-type: none"> • adapting farming/fishing/forestry practices • developing and distributing crop insurances • establishing early warning system • participation in result-based payment and payment for ecosystem services schemes • small scale or/and community-run biodiversity enterprises • awareness campaigns/environmental education for example like training on ecosystem conservation or on adaptation to climate change • co-management of protected areas • the impact of micro-finance projects/programmes that directly contribute to the implementation of the listed activities during the project/programme duration should be covered by this indicator. <p>This does not include:</p> <ul style="list-style-type: none"> • Activities relating to institutional capacities, policies etc. are usually covered by the capacity indicators CP, CI and CM, hence the (indirect) beneficiaries e.g. of a policy framework or subsidy scheme of the government are not counted here. • The establishment of finance instruments (e.g. lines of credit) through which it is not expected that people are to be supported during the project/programme duration. • Support to people which does not address climate change or biodiversity, e.g. economic or health related benefits are

	<p>considered co-benefits and should not be counted under this indicator.</p>
<p>Justification and means of verification</p>	<p>The <i>justification</i> should provide necessary details, so that the application of the standard indicator in the project/programme context is understandable (what is measured?). Here, the standard indicator should be linked to outputs/work packages and the project/programme context.</p> <p>Among the sources for <i>verification</i>, data sources, data collection and measuring methods should be presented in case they need explanation. Justification and verification sources (how is it measured?).</p> <p>The choice of data sources and means of verification, data collection and methodologies are at the discretion of the project/programme implementer.</p> <p>Usually the project's/programme's monitoring system will be able to provide the number of direct beneficiaries. In some cases, surveys might be needed.</p> <p>All household members which were directly supported by the project/programme should be counted.</p>
<p>Documentation and Reporting</p>	<p>Please refer to the data sources, methodologies and means of verification used. The planned and achieved values for this standard indicator should be reported as indicated below. In particular, please provide:</p> <ul style="list-style-type: none"> - The planned target value for the total number of people directly supported within the duration of the project/programme has to be reported at the stage of project/programme planning in the <u>project/programme proposal</u>. (calculation of the planned target value: project/programme-specific projection minus project/programme-specific baseline) - The cumulated achieved value on the actual number of people directly supported is to be reported annually in the <u>Interim Report</u> as well as in the <u>Final Report</u>.

Area of improved or protected ecosystems (AE)	
Indicator	<i>Area of ecosystems improved or protected by project/programme measures</i>
Measuring unit	Hectare (ha) Please note specific requirements for coastal projects/programmes in the section 'further differentiation'
Definition	<p>This standard indicator aims to capture the spatial scope of direct project/programme benefits for marine and terrestrial ecosystems. While it does not measure the quality of benefits, it stipulates clear qualitative criteria for the area that is to be included.</p> <p>Hence, the reported area for the indicator does not simply equal the accounting area of the project/programme. The indicator includes only the area, for which project/programme measures have resulted in one of the following improvements:</p> <p><i>For all ecosystems:</i></p> <ul style="list-style-type: none"> • Area <i>restored</i> which had previously been degraded, damaged or destroyed (including area in enhanced forest condition due to reforestation) • Area in <i>conserved</i> condition, which would otherwise have been degraded, damaged or destroyed (indirect measure, compared to baseline of 'business as usual') • Additional area for which <i>protection status</i>²⁵ has been achieved • Improvement of the management of a protected area which leads to an improved state of the ecosystem <p><i>In addition, for forests:</i></p> <ul style="list-style-type: none"> • Area newly converted into forest by <i>afforestation</i> • Area of avoided <i>deforestation and forest degradation</i> (indirect measure, compared to baseline of 'business as usual')
Further differentiation of the indicator	<p>In addition, please report further details on the areas protected or improved by the project/programme. In particular:</p> <ol style="list-style-type: none"> 1) Measures <ol style="list-style-type: none"> a) Restoration of ecosystems b) Protected area established or extended c) Management for protected area improved d) Afforestation e) Avoided deforestation f) Other (please specify)

²⁵ Protected areas are defined as including all of the IUCN Protected Areas Categories, namely: strict nature reserve, wilderness area, national park, natural monument or feature, habitat/species management area, protected landscape/seascape and protected area with sustainable use of natural resources. For more information see: http://www.iucn.org/about/work/programmes/gpap_home/gpap_quality/gpap_pacategories/.

	<p>2) Type of protected area²⁶ (where applicable):</p> <ol style="list-style-type: none"> a) Strict Nature Reserve b) Wilderness Area c) National Park d) Natural Monument or Feature e) Habitat/Species Management Area f) Protected Landscape/ Seascape g) Protected area with sustainable use of natural resources <p>3) For coastal projects/programmes: km of coastline protected (in addition to the area in ha: i.e. the two-dimensional space directly benefiting from project/programme measures, e.g. the reforestation of mangroves)</p>
<p>Typical project/programme activities (examples)</p>	<p>Typical project/programme activities covered by this indicator aim at:</p> <ul style="list-style-type: none"> • The establishment or expansion of a protected area • Management of protected areas • REDD+ activities – including avoided deforestation and forest degradation, as well as measures for afforestation, reforestation and sustainable forest management • Conservation, reforestation or afforestation of mangrove ecosystems • The impact of micro-finance projects/programmes that directly lead to the implementation of the listed activities within the project/programme duration, should be covered by this indicator. <p>This does not include:</p> <ul style="list-style-type: none"> • Activities relating only to institutional capacities and policies to protect ecosystems are covered by the capacity indicators CP, CI, CM. • The establishment of finance instruments (lines of credit), through which it is not expected that ecosystems are improved within the project/programme duration.
<p>Justification and means of verification</p>	<p>The <i>justification</i> should provide necessary details, so that the application of the standard indicator in the project/programme context is understandable (what is measured?). Here, the standard indicator should be linked to outputs/work packages and the project/programme context.</p> <p>Among the sources for <i>verification</i>, data sources, data collection and measuring methods should be presented in case they need explanation (how is it measured?).</p>

²⁶ According to IUCN criteria. For more information see: http://www.iucn.org/about/work/programmes/gpap_home/gpap_quality/gpap_pacategories/.

	<p>The choice of data sources and means of verification, data collection and methodologies are at the discretion of the project/programme implementer.</p> <p>Area measures could be based on, but are not limited to:</p> <p>Evaluations of maps, remote sensing images, area surveys, ground truthing, forest operation and management plans; baseline calculations; official documents, protected area statistics etc.</p> <p>Detailed proof of success, say in terms of indicators on flagship species in restored habitats, is not required for the standard indicator. You are welcome to use the project/programme specific indicators to capture these further qualitative aspects.</p>
<p>Documentation and Reporting</p>	<p>Please refer to the data sources, methodologies and means of verification used. The planned and achieved values for this standard indicator should be reported as indicated below. In particular, please provide:</p> <ul style="list-style-type: none"> - The planned target value for the total area of ecosystems improved or protected by project/programme measures within the duration of the project/programme must be reported at the stage of project/programme planning in the <u>project/programme proposal</u> (calculation of the planned target value: project/programme-specific projection minus project/programme-specific baseline). - The cumulated achieved value on the actual accomplished area of ecosystems improved or protected by project/programme measures is to be reported annually in the <u>Interim Report</u> as well as in the <u>Final Report</u>.

Policy frameworks (CP)	
Standard indicator	<i>No. of new or improved policy frameworks developed to address climate change and/or conserve biodiversity</i>
Measuring unit	No. of policy frameworks
Definition	<p>This indicator aims to capture the contribution of the project/programme to the development of new public policy and legal frameworks and/or to the improvement of existing policy frameworks to address climate change and/or to conserve biodiversity. Thereby, it measures the number of policy frameworks being developed or improved.</p> <p>Policy frameworks are defined as a set of goals or objectives explicitly articulated and pursued by political systems, including strategies and plans to achieve them. In this sense, the definition of policy frameworks includes the following policy documents:</p> <ul style="list-style-type: none"> • Specific policy statements • strategy documents • development plans • action plans • laws, acts and decrees <p>This indicator covers only policy frameworks by institutionalised global, national, subnational and local governance structures, i.e. internal company policies would not be counted here.</p> <p>Improvements are defined here as notable changes to ‘the business as usual’ that would have prevailed without the project/programme. They entail all changes with observable beneficial effects for the planning and implementation of climate and/or biodiversity action. Thus, the indicator measures that the policy/strategy/plan addresses climate change and/or conserves biodiversity in a more systematic, thorough way compared to the situation before. This can happen through a variety of means as described in ‘Typical project/programme activities’.</p> <p>The adjustment of existing, or the development of new policy frameworks, is important and, if successful, can trigger comprehensive and sustainable changes with regard to addressing biodiversity loss, climate change mitigation and/or adaptation. In this sense, new or improved policy frameworks covered by the indicator should aim at:</p> <ul style="list-style-type: none"> • creating enabling conditions for the reduction of greenhouse gas emissions, climate resilient development and the conservation of ecosystems and biodiversity • removing barriers which constrain the progress towards these objectives. <p>In many cases the project/programme can provide support and advice in formulating and reviewing policies. But the approval of a policy by the government is in most cases outside of the project/programme boundary. Therefore, a significant contribution by the project/programme to the policy framework is counted here, whereas a direct attribution</p>

	<p>of a formally approved policy to the project/programme will not be possible in most cases.</p> <p>The policy frameworks should be approved by relevant actors in the country or in a final stage ready for approval or implementation.</p>
<p>Further differentiation of the indicator</p>	<p>Please provide the following additional information on the policy framework:</p> <ul style="list-style-type: none"> Specify the level (as global, national, subnational, local, cf. Chapter A.III.2) on which the policy framework applies.
<p>Typical project/programme activities (examples)</p>	<p>Typical project/programme activities covered by this indicator aim at:</p> <ul style="list-style-type: none"> integration/mainstreaming of climate change and/or biodiversity aspects into policy frameworks and plans on different levels (e.g. conceptual approaches, climate/biodiversity policy instruments, sector specific management plans) development of new legislation to address aspects of climate change and/or biodiversity conservation (e.g. new directives, bills, draft-laws and laws addressing climate change/biodiversity like ‘feed-in-tariff-law’, ‘energy-efficiency directive’ etc.) development and/or revision of national climate change and/or biodiversity strategies or action plans (e.g. land management plans, low carbon/climate-resilient development plans, risk reduction strategies, implementation plans, NBSAPs) development of NAMAs (e.g. sector specific NAMAs) the preparation of regulations and laws for the establishment or expansion of protected areas <p>This does not include:</p> <ul style="list-style-type: none"> early immature drafts of policy frameworks mere preparative activities such as workshops, trainings, political analysis/policy briefs, round tables etc. agreements, commitments or MoUs for improved cooperation between institutions networks, coordination structures or knowledge exchange platforms inter-institutional agreements (in cases where activities focus on better institutional cooperation check whether the indicator CI could be applied) best practice analyses

<p>Justification and means of verification</p>	<p>The <i>justification</i> should provide necessary details, so that the application of the standard indicator in the project/programme context is understandable (what is being measured?). Here, the standard indicator should be linked to outputs/work packages and the project/programme context.</p> <p>Among the sources for <i>verification</i>, data sources, data collection and measuring methods should be presented in case they need explanation. Justification and verification sources (how is it measured?).</p> <p>The policy document(s) (and additional information such as process documentation, annual reports of policies and/or institutions, analysis of reports/documents mentioning the respective policies etc.) which has/have been supported directly through the project/programme have to be analysed. A comparison between the situations before and after the policy framework existed (in case of a new policy framework) or between the old and the new version of the policy framework (in case of improving existing ones) should be conducted.</p> <p>Additional information on the scope/reach in terms of estimated effects of the policy on CO₂ emissions, adaptation and ecosystem conservation (see 'Reporting and Documentation') should be based on existing sources and estimates, such as feasibility studies, policy impact assessments or evaluations.</p>
<p>Documentation and Reporting</p>	<p>Please refer to the data sources, methodologies and means of verification used. The current, planned and achieved values for this standard indicator should be reported as indicated below. In particular, please provide:</p> <ul style="list-style-type: none"> - The planned target value for the total number of new or improved policies within the duration of the project/programme has to be reported at the stage of project/programme planning in the project/programme proposal. (calculation of the planned target value: project/programme specific projection minus project/programme specific baseline) - The cumulated achieved value on the actually accomplished number of new or improved policies is to be reported annually in the <u>Interim Report</u> as well as in the <u>Final Report</u>. - Further information on the scope/reach of the policy, including information on the time period considered, is to be given at the stage of project/programme planning in the <u>project/programme proposal</u> and to be updated in the <u>Final Report</u>. This information should be based on available information, and can thus only be provided where available, e.g. through feasibility studies, policy impact assessments etc. Where appropriate the following specifications of the scope can be provided: <ul style="list-style-type: none"> a) estimated emission reductions in tonnes of CO₂ equivalents as an effect of the policy b) the estimated number of people reached as an effect of the policy c) the estimated area of ecosystems improved/protected (in hectare) as an effect of the policy

Institutionalised structures and processes (CI)	
Standard indicator	<i>No. of new or improved institutionalised structures or processes to address climate change and conserve biodiversity</i>
Measuring unit	No. of structures / processes
Definition	<p>This indicator measures the contribution of the project/programme to the development of new institutionalised structures and processes and/or to the improvement of existing structures and processes to address climate change and conserve biodiversity. This may also include the integration of climate change issues into structures which have not addressed climate change.</p> <p>Institutionalised structures and processes are defined as follows,</p> <ul style="list-style-type: none"> • public or private networks, coordination and management structures, knowledge exchange platforms and processes within institutions • improving coordinated decision making, implementation, planning and knowledge transfer by making it more efficient/ more appropriate <p>The central feature of this indicator is the institutionalisation. This means that the structures and processes get a systematic and permanent role, which also exists beyond the project/programme duration.</p> <p>Improvements are defined here as steps taken in order to achieve meaningful changes in contrary to the conditions that will prevail without the project/programme activities. They entail observable beneficial effects (e.g. more systematic, facilitation) for the coordination, regulation, decision-making or implementation for addressing biodiversity loss, climate change mitigation and/or adaptation of climate and biodiversity action, compared to the situation before. This can happen through a variety of means as described in ‘Typical project/programme activities’.</p>
Further differentiation of the indicator	<p>Please provide the following additional information on the institutionalised structures:</p> <ul style="list-style-type: none"> • Classify the type of the actor, for whom institutionalised structures or processes were developed or improved (as public, private sector or civil society). • Specify the level (as global/regional, national, subnational, local) on which the institutionalised structures or processes are located.
Typical project/programme activities	<p>Typical project/programme activities covered by this indicator aim at:</p> <ul style="list-style-type: none"> • Building and improving networks: political and institutionalised strategy and policy dialogue, regular exchange of knowledge or experiences (round tables, working groups), permanent networks with ministries, enterprises and universities, Agreements (e.g. clearly defined cooperation agreements) for improved cooperation between institutions, agreements and commitments for improved cooperation between institutions

	<ul style="list-style-type: none"> • Establishing and improving coordination structures: assigning and clarifying climate change related responsibilities; setting up coordination processes (e.g. inter-ministerial committees, commissions for supporting, coordinating and monitoring climate action plans), setting up structures (e.g. for registration, coordination and governance of climate-related activities) • Building institutional structures for exchange between people, establishment of Co-Management Groups of Protected areas, internal procedures of institutions (e.g. climate proofing/ climate audits/ climate standards of internal and external procedures such as procurement, value chain management etc.; Best-Practice analyses) • Establishment of certification programmes like Eco-label, institutionalised education and training programmes. <p>This does not include</p> <ul style="list-style-type: none"> • Mere preparative activities which do not take place on an institutionalised and regular basis, e.g. single workshops • Improvement or development of policy frameworks (action plans, strategy documents, drafts and decrees which are typically covered by indicator CP) • Development of methodological tools such as MRV systems, emission inventories, software/web-based knowledge platforms and databases (which are typical activities covered by indicator CM); however, institutional capacities to support such actions are included <p>In distinction to indicator CP please note that CI is aiming structures, networks and coordination and CP is aiming at action plans, strategies, policies</p>
<p>Justification and means of verification</p>	<p>The justification should provide necessary details, so that the application of the standard indicator in the project/programme context is understandable (what is being measured?). Here, the standard indicator should be linked to outputs/work packages and the project/programme context.</p> <p>Among the sources for verification, data sources, data collection and measuring methods should be presented in case they need explanation. Justification and verification sources (how is it measured?).</p> <p>A comparison between the situation before the institutional process or structure existed (in case of new processes) or between the old and the new mode (in case of improving existing ones) should be conducted.</p> <p>The means of data collection is at the discretion of the project/programme implementer. It could be based on, but is not limited to: Use of process documentation, annual reports of institutions, etc.</p> <p>Additional information on the scope/reach in terms of estimated effects of the improved structures or processes on CO₂ emissions, people supported and ecosystem conservation (see 'Reporting and Documentation') should be based on existing sources and estimates,</p>

	such as feasibility studies, internal estimates/calculations of the institution on GHG emission potential of changes to a process/structure.
Documentation and Reporting	<p>Please refer to the data sources, methodologies and means of verification used. The planned and achieved values for this standard indicator should be reported as indicated below. In particular, please provide:</p> <ul style="list-style-type: none"> - The planned target value for the total number of new or improved institutionalised structures or processes within the duration of the project/programme must be reported at the stage of project/programme planning in the <u>project/programme proposal</u>. (calculation of the planned target value: project/programme-specific projection minus project/programme specific baseline) - The cumulated achieved value on the actually accomplished number of new or improved institutionalised structures or processes is to be reported annually in the <u>Interim Report</u> as well as in the <u>Final Report</u>. - Further information on the scope/reach of the respective process/structure, including information on the time period considered, is to be given at the stage of project/programme planning in the <u>project/programme proposal</u> and to be updated in the <u>Final Report</u>. This information should be based on available information, and can thus only be provided where available, e.g. through feasibility studies, internal estimates/calculations of the institution on GHG emission potential of changes to a process/structure etc. Where appropriate the following specifications of the scope can be provided: <ul style="list-style-type: none"> a) Estimated emission reductions in tonnes of CO₂ equivalents as an effect of the tool b) Estimated number of people reached as an effect of the process/structure c) Estimated area of ecosystems improved/protected (in hectare) as an effect of the process/structure.

Methodological tools (CM)	
Standard indicator	<i>No. of new or improved methodological tools developed to address climate change and conserve biodiversity</i>
Measuring unit	No. of methodological tools
Definition	<p>This indicator measures the contribution of the project/programme activities to the development of a new or improvement of an existing tool to address climate change and conserve biodiversity.</p> <p>A methodological tool is defined as a widely applicable instrument which is used for the specific purpose to generate and improve knowledge about climate mitigation, adaptation, REDD+ or biodiversity, by making relevant information accessible. The Tool should be developed in such a way that it is directly and repeatedly applicable. In that sense the definition of a tool would include: computer-based applications or databases, as well as multi-applicable data collection- and teaching methods.</p> <p>For each case, the number of developed methods is taken into consideration for the standard indicator rather than their number of applications. This means for example that, if a method is developed which can be later applied in seven countries, its target value will be CM 1. A higher target value is only appropriate if indeed, different adjusted nationally-significant methods were developed.</p> <p>Improvements are defined here as notable changes to an existing tool 'the business as usual' that would have prevailed without the project/programme. They entail all changes to the former version of the tool with observable beneficial effects to generate and improve knowledge about climate change and biodiversity.</p> <p>The tools that are being covered by this definition should therefore be oriented to the following specific goals:</p> <ul style="list-style-type: none"> • Increasing the availability, reliability and comprehensiveness of information on mitigation, adaptation, REDD+ or biodiversity thereby improving the basis for decision making and climate action • Increasing the access to information for the public
Further differentiation of the indicator	<p>Please provide the following additional information on the methodological tool:</p> <ul style="list-style-type: none"> • Classify the type of the actor, who is intended to apply the new or improved methodological tools (as public, private sector or civil society). • Specify the level (as global/regional, national, subnational, local) on which the methodological tool can be applied.

<p>Typical project/programme types (examples)</p>	<p>Typical activities include those related to the development of</p> <ul style="list-style-type: none"> • The collection and harnessing of data - e.g. in the form of databases for GHG emissions, CO₂ sequestration potential, emission inventories etc. Likewise, meteorological databases, datasets on climate impacts, adaptation measures, forest, biomass and systems for continuous mapping of forest types. • The development of methods such as procedures required for determining standardised baselines • The development of structured procedures and systems as well as early warning systems, MRV systems used to monitor, report and verify the implementation of nationally appropriate mitigation actions (NAMAs). • Multi-applicable teaching methods in the form of new curricula and teaching material or webinars on climate change and biodiversity protection themes. • Guidelines that find multiple applications outside the project/programme context (e.g. Guidelines for calculating GHG emissions from the waste sector in Annex I countries”) <p>This does not include:</p> <ul style="list-style-type: none"> • Mere application of already existing tools/methods. • Mere concepts or any preparing activities for data collection, analysis, one-time reports as well as workshops or trainings, • Evaluation reports, study/knowledge products (e.g. baseline study, sector study) or manuals/technical concepts • Land use plans, plans for a low-carbon or climate resilient development, risk reduction strategies, information strategies (typically covered by the CP indicator) • Technology needs assessment, Vulnerability and climate impact assessments, Feasibility assessments, Development of implementation proposals, standard mechanisms for project/programme selection, forest rehabilitation opportunity maps • Guidelines that are only meant for project/programme internal usage and do not find multiple applications outside the project/programme context.
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<p>Justification and means of verification</p>	<p>The <i>justification</i> should provide necessary details, so that the application of the standard indicator in the project/programme context is understandable (what is measured?). Here, the standard indicator should be linked to outputs/work packages and the project/programme context.</p> <p>Among the sources for <i>verification</i>, data sources, data collection and measuring methods should be presented in case they need explanation. Justification and verification sources (how is it measured?).</p> <p>Analysis of the tool which has been developed or improved through the project/programme. A comparison between the situation before and after the tool existed (in case of new tool) or between the old and the new version of the tool (in case of improving existing ones) should be conducted.</p> <p>In addition, provide information about the providence of data used and their reliability.</p> <p>Please state to what extent the tool is suitable to generate and improve knowledge on climate change and biodiversity and thereby provides a better base for decision making. In addition, the testimonial of a user of the tool would be useful.</p> <p>Additional information on the scope/reach in terms of estimated effects of the policy on CO₂ emissions, adaptation and ecosystem conservation (see 'Reporting and Documentation') should be based on existing sources and estimates, such as feasibility studies, policy impact assessments or evaluations.</p>
<p>Documentation and Reporting</p>	<p>Please refer to the data sources, methodologies and means of verification used. The planned and achieved values for this standard indicator should be reported as indicated below. In particular, please provide:</p> <ul style="list-style-type: none"> - The planned target value for the total number of new or improved methodological tools within the duration of the project/programme has to be reported at the stage of project/programme planning in the <u>project/programme proposal</u>. (calculation of the planned target value: project/programme-specific projection minus project/programme-specific baseline) - The cumulated achieved value on the actually accomplished number of new or improved methodological tools is to be reported annually in the Interim Report as well as in the <u>Final Report</u>. - Further information on the scope/reach of the respective tool, including information on the time period considered, is to be given at the stage of project/programme planning in the <u>project/programme proposal</u> and to be updated in the <u>Final Report</u>. This information should be based on available information, and can thus only be provided where available, e.g. through feasibility studies, internal estimates/calculations

	<p>of the institution on GHG emission potential of changes to a process/structure etc. Where appropriate the following specifications of the scope can be provided:</p> <p>a) Estimated emission reductions in tonnes of CO₂ equivalents as an effect of the tool</p> <p>b) Estimated number of people reached as an effect of the tool</p> <p>c) Estimated area of ecosystems improved/protected (in hectare) as an effect of tool.</p>
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Guidance on estimating the scope of Capacity Indicators

In view of the fact that the scope does not represent a set of values against which the degree of achievement of project/programme goals can be measured, it is rather important to provide a **plausible explanation** (justification) for the scope selected and its target value. According to point 4.2.6 of the project/programme proposal form, the scope of capacity indicators is requested in three **impact categories**:

- Greenhouse gases reduced/avoided: [t CO_{2eq.}] by 20 [Year]
- Individuals reached: [number] by 20 [Year]
- Area of ecosystems improved/protected: [ha] by 20 [Year]

Although in some cases well-founded estimates of the scope are only possible towards the end of the project/programme, well-founded estimates often equally exist in advance (e.g. based on studies/policy impact assessments etc.). It is thus desirable to select one or several dimensions of the scope already in the project/programme-planning phase, to set their target value and to briefly justify them causally. The **selection, setting and justification** of the scope and its target values should be oriented as far as possible on the following points and examples:

Selection of scope category ()

- **Project's/programme's contribution** to achieving one or more of the above impact categories: The contribution must be clear and can often be easily derived from the rationale for applying the standard indicator. The following examples should serve as orientation for selecting the scope categories of standard indicators:
 - If a project/programme develops adaptation strategies in country X, the scope category " Individuals reached" can be selected.
 - If a project/programme develops forest management plans for community forests, the scope category " Area of ecosystems improved/protected" can be selected.
 - If low emission strategies are developed as part of a country's NDC review process, the scope category " Greenhouse gases reduced/avoided" can be selected.

Setting the target value (XY tCO_{2eq}/Individuals/ha by 20XY)

- **Corresponding level** (global/regional, national, subnational, local) of new or improved policies/institutions/methods (especially for Capacity Policy - CP): It is important to make a distinction here between the *policy application level* (global/regional, national, subnational and local) and the *impact level* (target group).
 - For example, if a project/programme contributes to the adoption of a coastal and mangrove ecosystem protection law at the national level of a country, the

- target value (individuals reached) should not cover the entire population (*policy application level*) of the country but should include the proportion of the population living in coastal and mangrove areas (*impact level*).
- If a project/programme contributes to the development of an MRV system (typical for Capacity Methods - CM) for forest monitoring at national level, the target value (area of ecosystems improved/protected) can be set to cover the entire forest area of the country.
 - **Applying actors** for the new or improved institutionalised structures/processes and methods: Once the level of the capacity institution or capacity method has been determined, it is necessary to find out which actors are connected (applying actors) with the institutionalised structures/processes and methodological tools.
 - For example, if by decree a task force/working group/consultative body – with a permanent role²⁷ – is established in an institution (e.g. Ministry) on NDC matters (typical for Capacity Institutions - CI), the target value (individuals) can be limited only to the members of the above structures (national level and public actors).
 - However, if a system for recording/monitoring fine dust pollution at sub-national level is developed (typical for CM), the target value (Individuals) should take into account not only the persons involved in the development and implementation of the system, but also the entire population of the country's cities with fine dust pollution.
 - Already **existing goals** laid down in national documents, strategies, action plans, commitments, development plans, etc.: The IKI funds projects/programmes in many countries that have already existing goals/targets (e.g. under the UNFCCC, CBD, Initiative 20x20, Bonn Challenge, FLR 100, NAMA'S, NDC, NAPs,) which fall within the impact categories requested under the standard indicators. Depending on the objectives of the project/programme, the target values for the scope can be set and justified based on the targets defined by these countries.
 - For example, if a project/programme contributes to the revision or optimisation of a partner country's NDC with respect to monitoring and reporting on GHG emissions (typically covered under CP), the GHG reduction target contained therein could be taken into account in setting the target value for the scope (GHG emissions).
 - If a project/programme develops a tool (CM) to measure the progress of forest restoration measures in a country that has set itself restoration targets under the Bonn Challenge or the 20x20 initiative, one could set its commitment target (xy ha) as the target value (area of ecosystems) for the scope.

Justification of the scope and target value

The selection of the scope and determination of the target value should be briefly and causally justified. The aim here is to disclose or make comprehensible the underlying assumptions/parameters and calculation basis considered for estimating the target value. Contrary to the action indicators, complex baselines do not have to be established here. Rather, more emphasis should be laid on the traceability of the target values. For example, the target value (individuals) can be justified based on official population statistics, the members of a network, the number of online downloads/access of a method, etc. The target value (GHG emissions or area of ecosystems) can also be based on NDCs, NAMAs, target values of some project/programme-specific indicators and other national development plans of the partner countries. **It is very important to note that an unjustified scope and target value has as much value as no scope and target value.**

²⁷ Its existence should not be limited to the project/programme timeframe

It is therefore not enough to check the box for an impact category of the scope and provide a target value without justifying the choices accordingly.

FAQs on the scope and target value

Do all impact categories of the scope have to be selected, their targets values set and justified?

No, only the impact categories to which the project/programme makes a significant contribution should be selected.

The scope and associated target value of a capacity indicator cannot be estimated/determined. Can they be omitted?

In justified cases, the scope may be omitted. For example, in the case of projects/programmes that do not implement concrete measures or work without a country reference (for example, in the case of studies). Otherwise, advice should be sought from the project/programme contact person during the review process. If after the consultation, it is still not possible to determine a scope for the standard indicator, an appropriate explanation for the non-existence of the scope must be entered under the section "Rationale for the scope and target value".

Is it also possible to select the scope and the target value at a later date?

It is not desirable. However, exceptions are possible in justified cases. For example, in some cases the pilot regions can only be selected during the course of the project/programme implementation phase and as such, the scope can only be determined or transmitted subsequently (usually together with the interim report).

The target value for the scope should be estimated as far as possible (also) beyond the duration of the project/programme (up to 20XY). Is there an upper limit for the time horizon?

No, it is left to each project/programme to define a suitable time horizon for the target value of the scope. The aim here is not to set the target value as far as possible into the future, but rather to take into account the project's/programme's long-term effects as well as those that may set-in even after the regular project/programme duration. The time horizon must be realistic.

Can the target values of the scope be adjusted during the course of the project/programme?

Yes, this is possible and desired in order to improve the validity of the figures. An adjustment of the target values does not require the approval of the BMU. However, it must be plausibly justified within the framework of the interim report.