



Bundesministerium  
für Umwelt, Naturschutz  
und nukleare Sicherheit

INTERNATIONALE KLIMASCHUTZINITIATIVE (IKI)



## **IKI Thematic Selection Procedure 2020**

### **FUNDING PRIORITIES**

**Funding Priorities for projects within the  
International Climate Initiative (IKI) of the Federal  
Ministry for the Environment, Nature Conservation  
and Nuclear Safety (BMU)**

*Published: 11<sup>th</sup> November 2020, updated 21<sup>st</sup> December 2020 (pg. 2, funding priority 1)*

## Table of Contents

1. Developing opportunities: climate-compatible economic policy perspectives as a driver for more ambitious NDCs	1
2. Developing skills and ideas: establishing an educational landscape on the issue of climate action	3
3. Support for national development banks – as a driver for investments in climate action, in particular in sustainable urban infrastructure	5
4. Climate-conscious energy transition in the building sector with a focus on heating and cooling	7
5. Climate action in maritime transport	9
6. Beyond borders: climate-conscious economic development in Eastern Partnership countries in the context of the EU Green Deal	10
7. Climate/water nexus: integrated water resource management in West and Central Africa	12
8. Combating desertification: traditional and sustainable land use concepts in open land ecosystems	14
9. Bonn Challenge: Innovative approaches to regional seed supply	16
10. Pandemic preparedness: natural protective barriers between humans and animals by expanding, linking and improving protected areas	18
11. From pilot to application: expanding climate-conscious and biodiversity-friendly land use and production in fishing, agriculture and forestry	20
12. Shifting the trillions – innovative approaches to leveraging and redirecting private sector capital for climate financing	22
13. Biodiversity-friendly and climate-conscious financial systems in response to COVID-19	23

**1. Developing opportunities: climate-compatible economic policy perspectives as a driver for more ambitious NDCs**

<p>Introduction</p>	<p>Under the Paris Agreement, member states must submit improved nationally determined contributions (NDCs) every five years. Meeting Paris Agreement targets can only be achieved through increasingly ambitious NDCs.</p> <p>One reason climate targets in many countries have thus far proved insufficient lies in the fact that specific perspectives on economic development as part of a climate-neutral economy are often overlooked. Economic pioneers seeking a shift to greenhouse gas neutrality, and who act as political advocates for ambitious climate policy, are often missing from the equation. Creating a positive climate action agenda and generating investment opportunities for economic actors and relevant ministries is therefore a key factor in ambitiously implementing and redefining the NDC concept.</p>
<p>Project content</p>	<p>The aim should be bolstering national advocates of a climate-neutral economy and opening up opportunities for relevant economic actors, thereby aiding cooperating countries in ambitiously implementing and redefining NDCs on the path toward greenhouse gas neutrality. Depending on what is needed, the project should include the following activities, among others:</p> <ul style="list-style-type: none"> <li>• Support from one or two relevant partner ministries/planning bodies (ministries of economics, planning, finance or sector-specific ministries) in identifying sectors with potential for strong economic growth during the shift to climate neutrality. The sector/ministry selected should be country-specific and based on the conditions and potential in the selected cooperation countries. Depending on the situation at the outset, support should be given to developing or improving smart climate strategies/action plans/programmes/policies (if necessary, based on existing plans) in the chosen sectors.</li> <li>• Support from the relevant entities (ministries, planning bodies, etc.) in minimising barriers to investment by developing/implementing fiscal and structural policy incentives, reforms, funding programmes (start-up support, if appropriate) and financial instruments, also as part of COVID-19 economic stimulus packages. Relevant actors (e.g. financial actors, trade associations, businesses/start-ups) should be included in the proposal development process via multi-stakeholder forums.</li> <li>• In cooperation with the actors involved in multi-stakeholder forums, priority measures for implementing smart climate plans are identified and project proposals primed for financing are developed on that basis, in particular by private sector actors. These project proposals should accommodate the NDC in question and are followed up on together with the partner ministry and economic actors.</li> <li>• In the process, identifying sources of investment for the implementation of the project proposals plays a key role, especially sources from the private and financial sectors and, where appropriate, planning bodies. This should</li> </ul>

	<p>take into account the identification of public and private sources of financing, opportunities for leveraging private capital and promising international cooperation.</p> <ul style="list-style-type: none"> <li>• The economic perspectives and investment opportunities that have been developed should form the basis for more ambitious approaches in 2025 and should feed the NDC process, e.g. through stakeholder consultations. The project should include collaboration with and involvement of ministries for the environment/climate.</li> </ul> <p>Including interested businesses in UNFCCC Global Climate Action Agenda activities and those of the associated Global Climate Action Portal can generate a multiplier effect.</p>
Regions/ countries	<p>Section 5 of the funding information applies (Requirements for selecting cooperation countries/regions). In addition, the project should target three to five mid-level emitters that are the focus of ambitious agendas by planning, finance and environment ministries. Countries where specific regions play a pioneering role are given special consideration due to their multiplier potential. Implementation should be coordinated with the NDC Partnership &amp; 2050 Pathways Platform.</p>
Funding volume	15 to 20 million euros

**2. Developing skills and ideas: establishing an educational landscape on the issue of climate action**

<p>Introduction</p>	<p>Crafting more ambitious nationally determined contributions (NDC) and long-term strategies (LTS) and ensuring their implementation strongly depends on the availability of qualified workers in a wide range of occupational fields. The education sector and country-specific general and vocational education systems therefore play a key role in climate action. They are part of the <u>Action for Climate Empowerment</u> (ACE) measures to implement Article 6 of the United National Framework Convention on Climate Change (UNFCCC) and Article 12 of the Paris Agreement. Targeted education and training are the only way to raise broad awareness for climate change mitigation. This makes them absolutely key to ensuring the transition to climate neutrality and competitive economies and societies. Climate change has and will continue to trigger changes in jobs and job specifications, and new skills and qualifications are needed. Education systems must be designed to ensure the necessary conditions for expanding vocational education and training opportunities in sectors key to climate change mitigation, and to facilitate the balance of supply and demand while avoiding a labour shortage.</p>
<p>Project content</p>	<p>This funding priority is directed at projects that develop and implement an educational concept around the issue of climate action (climate change mitigation) to train and educate specialists at multiple levels in a target country/ cooperation country. The purpose of integrating climate education into existing education systems and establishing a vertical presence is to establish sustainable, long-term educational opportunities that significantly contribute to the transition to a low-carbon economy and society. Projects should reflect the following substantive aspects in particular:</p> <ul style="list-style-type: none"> <li>• The focus should be on creating multi-dimensional, interdisciplinary and occupation-specific educational structures and establishing the conditions necessary for them to succeed.</li> <li>• The project’s main components should include both formal and non-formal learning processes for education and training. The project should be developed in close cooperation with education stakeholders and should take advantage of potential public-private partnerships. In addition, it should address educational target groups that have thus far not been adequately addressed.</li> <li>• Priority should be given the educational concept’s learning processes aligning with the following educational pathways: school, vocational, academic and non-formal education and training.</li> <li>• To ensure long-term integration of the educational concept in the national system, a country-specific approach should be taken to anchoring learning processes, including (core) curricula, degree programmes, fields of study, training regulations, options for recognising qualifications and knowledge platforms.</li> </ul>

	<ul style="list-style-type: none"> <li>• In terms of content, the educational concept should focus on the qualification of skilled workers in one or more relevant climate action (climate change mitigation) sectors, in particular energy, industry, infrastructure, land use, mobility, and urban development.</li> <li>• On its face, the project should seek to functionally pool and develop existing educational structures as well as increase quality and capacity. If necessary, the educational concept may be further bolstered by establishing educational institutions or providers.</li> <li>• In addition, the project (in its final phase) should develop an approach to possibly transfer the educational concept for application in other countries in that region. Construction measures do not fall within the scope of the project.</li> </ul>
Impact assessment	Separately commissioned impact assessments will flank the entire project throughout the project's duration. To this end, an external assessment team will already accompany the drafting of the project proposal during the preparatory phase. The aim of this impact evaluation is to provide indications for the further design of the project, to demonstrate the impact of an approach directed at the educational landscape as objectively as possible, and to subsequently examine the transferability of the approach to other countries.
Regions/countries	Contrary to Section 5 of the funding information (Requirements for selecting cooperation countries/regions), the following applies: By way of exception, this funding approach is only open for a bilateral project approach. The ideal cooperation country is one with ambitious climate change mitigation goals in its NDCs and/or has high mitigation potential and/or is facing a major threat from the impacts of climate change.
Funding volume	15 to 20 million euros

**3. Support for national development banks – as a driver for investments in climate action, in particular in sustainable urban infrastructure**

<p>Introduction</p>	<p>Increasing urbanisation is augmenting the already significant demand for financing for climate-conscious urban infrastructure to meet Paris Agreement targets. This financing gap totals more than one trillion USD per year<sup>1</sup>. Moreover, cities are the primary victims of the coronavirus pandemic (90% of COVID-19 cases are in cities). Most COVID-19 recovery programmes focus on the urban context (see the COVID-19 Recovery Report for the Coalition of Finance Ministers for Climate Action). National development banks (NDB) play a key role in steering and providing financing. NDBs have very high financing capacity (estimated at least five times the volume of multilateral development banks (MDB)). Some 70% of NDBs are in low and middle income countries<sup>2</sup> and offer a range of specific benefits, including local currency financing and knowledge of specific national markets. They therefore play an important role in implementing national policies, including climate policies and COVID-19 recovery programmes.</p> <p>However, there are a number of institutional and financial barriers preventing NDBs in emerging and developing countries from reaching their full potential, in particular in terms of financing urban infrastructure. Depending on the NDB, this includes a lack of capacity and resources to identify, assess and support climate-conscious urban projects, a lack of capacity to mainstream climate into the portfolio, insufficient mandates, limited access to international concessional funding, and more<sup>3</sup>. This is one reason why the OECD Financing Climate Futures study recommends “empowering NDBs to play a greater role in transforming climate action.”<sup>4</sup></p>
<p>Project content</p>	<p>This funding priority aims to <u>significantly</u> bolster the strategic role of NDBs in infrastructure development with a special focus on urban areas and NDC implementation in terms of mitigation and adaptation. In addition to the focus on urban infrastructure, the role of NDBs as financiers for climate action should also be consolidated overall.</p> <p>This funding priority aims to cover the following aspects:</p> <ul style="list-style-type: none"> <li>• Optimising NDB guidelines and capacities to develop ambitious, climate-conscious projects (including opportunities for NDBs to support cities and other actors in developing these projects)</li> <li>• Increasing the volume and therefore the breadth of NDB portfolios for funding climate-conscious urban infrastructure and climate-smart infrastructure investments overall</li> </ul> <p>Proposed projects should therefore work in close cooperation with NDBs, for example to:</p> <ul style="list-style-type: none"> <li>• boost capacity and resources within NDBs for their own project development and support cities in doing the same</li> </ul>

<sup>1</sup> Ehtisham Ahmad et al. 2019, Scaling up investment for sustainable urban infrastructure: A guide to national and subnational reform. Coalition for Urban Transitions

<sup>2</sup> Conway et al. 2020, Enhancing the Role of National Development Banks in Supporting Climate-Smart Urban Infrastructure

<sup>3</sup> Conway et al. 2020, Enhancing the Role of National Development Banks in Supporting Climate-Smart Urban Infrastructure

<sup>4</sup> OECD/The World Bank/UN Environment, 2018. Financing Climate Futures: Rethinking Infrastructure. Paris: OECD.

	<ul style="list-style-type: none"> <li>• develop financial products with cities (e.g. green bonds, pooled lending)</li> <li>• increase the ability and willingness to work in close cooperation with other actors on key policy frameworks (e.g. NDCs, urban planning, etc.)</li> </ul> <p>In addition, projects should also work with national and local governments to:</p> <ul style="list-style-type: none"> <li>• optimise underlying conditions for NDBs for climate-friendly infrastructure (e.g. mandates, funding)</li> <li>• scale up NDB involvement in relevant planning (NDCs, COVID-19 recovery, etc.)</li> </ul> <p>Furthermore, projects should also improve the international cooperation of NDBs, for example by:</p> <ul style="list-style-type: none"> <li>• fostering exchange among NDBs as a learning experience</li> <li>• facilitating increased NDB cooperation with international financial institutions (IFI) and international climate funds to enhance ambition and co-financing; dovetailing this international cooperation with relevant existing networks, including the Cities Climate Finance Leadership Alliance (CCFLA), International Development Finance Club (IDFC) and World Federation of Development Finance Institutions (WDFI) dovetailing with other IKI initiatives, including Leadership for Urban Climate Investments (LUCI) and the Cities Climate Finance Gap Fund</li> </ul> <p>This funding priority’s activities are expected to also improve various conditions for NDBs, including making NDB environmental and social standards more stringent (in line with international standards), improving NDB capacity to provide catalytic co-financing (including private and international actors, including international climate funds) and better financial supervision conditions for NDBs in terms of smart climate infrastructure investments. Preference will be given to projects that take into account CCFLA work on NDBs</p> <p><a href="https://www.citiesclimatefinance.org/enabling-frameworks-action-group/">https://www.citiesclimatefinance.org/enabling-frameworks-action-group/</a></p>
Regions/ countries	Contrary to Section 5 of the funding information (Requirements for selecting cooperation countries/regions), the following applies: this funding priority is open to both global and regional project approaches.
Funding volume	15 to 20 million euros



#### 4. Climate-conscious energy transition in the building sector with a focus on heating and cooling

Introduction	<p>The building sector (including building materials and construction) currently accounts for almost 40% of energy-related emissions worldwide. A rapidly expanding middle class with a growing demand for space and comfort in emerging markets in Asia and Latin America is driving a boom in new construction and modernisation. This is reflected in a sharp increase in demand for energy. Indeed, the energy required to cool rooms or buildings exhibits the highest rates of growth. For example, electricity consumption for air conditioning is predicted to account for approximately 30% of peak electricity demand in Southeast Asia by 2040.</p> <p>To achieve the planned decarbonisation targets, it is therefore crucial to lay the foundations today in sectors as long-lived as the building sector to prevent a lock-in effect with inadequate energy standards. Depending on the context, several aspects are relevant here, for example sustainable neighbourhood and cooling concepts that avoid the need for air conditioning as far as possible or place demands on the cooling technology used, including opting for a natural cooling agent; construction measures that take into account the carbon footprint of building materials used and any extreme weather events or changes to the climate that may occur; sustainable and efficient solutions for hot water supply, air conditioning and heating, etc.</p> <p>Beyond directly and indirectly reducing emissions, appropriate building and neighbourhood concepts can be combined with approaches to adapt to the impacts of climate change. While the need for action and socioeconomic co-benefits of energy optimisation are widely known, there is a lack of specificity and implementation. The majority of national and sub-national governments have not formulated emission reduction targets or corresponding strategies for the building sector, and have yet to establish (public) funding instruments or introduce regulatory incentives. This is where the project should start, because effective government efficiency programmes in the building sector can not only help reduce energy demand and implement the Paris Agreement, they are also important building blocks for green recovery and achieving the Sustainable Development Goals (SDGs). At the same time, it can be used to flank the upcoming implementation of the Kigali Amendment to the Montreal Protocol.</p>
Project content	<p>Depending on local needs, the project should support a number of cooperation countries with a rapidly growing middle class in establishing or expanding an effective, ambitious and broad-based energy efficiency policy in the building sector, with special attention paid to cooling. The aim is to fortify incentive structures and technical capacity and contribute to the global discussion on climate and energy policy with other countries and initiatives. Projects should focus on technical and political cooperation, preferably in concrete cooperation</p>

	<p>with financing institutions, and support for the following should be constructively combined:</p> <ul style="list-style-type: none"> <li>• embedding building efficiency in climate policy strategies and processes (e.g. sector-specific targets for NDCs and LTS, implementation plans, MRV, ETS systems);</li> <li>• legislative activities, in particular framework legislation, e.g. energy, building and environmental standards (including for relevant building materials, construction measures, adaptation to the impacts of climate change, use of efficient (cooling) technologies/applications, including natural cooling agents, etc.), sector strategies, economic stimulus programmes;</li> <li>• public (financial) funding instruments for rolling out energy modernisation or energy efficient new private and public building construction, for cooling concepts (for new and existing buildings) and for neighbourhood-based approaches.</li> <li>• professional qualifications at existing institutions, in particular for (prospective) skilled workers, e.g. on political, technical, planning and financial aspects of energy efficiency and decarbonisation options (e.g. highly efficient building and neighbourhood design, sustainable building materials, adaptation to the impacts of climate change, natural cooling agents, etc.);</li> <li>• raising awareness and increased engagement from stakeholders from national and sub-national politics, public authorities, professional associations, financial institutions and the private sector, academia/specialist institutions, but also civil society and the media;</li> <li>• global networking to exchange expertise, e.g. participation in relevant global initiatives, in particular Global ABC, CCAC, networking with global multipliers and international investors.</li> </ul>
Regions/ countries	Section 5 of the funding information applies (Requirements for selecting cooperation countries/regions). In addition, this funding priority is open to countries (in particular emerging nations) in South and Southeast Asia and Latin America, where the building sector and cooling account for a significant proportion of greenhouse gas emissions.
Funding volume	15 to 20 million euros

## 5. Climate action in maritime transport

Introduction	<p>The amount of anthropogenic greenhouse gas (GHG) emitted by the maritime industry as a share of the total increased from 2.76% in 2012 to 2.89% in 2018 (Fourth IMO GHG Study, 2020). This means that the maritime transport sector produces more GHG emissions than Germany, the sixth largest GHG emitter worldwide. The International Maritime Organization adopted a strategy to reduce GHG in 2018. Ambitiously designed, the strategy states that GHG emissions from international maritime transport must be reduced by 70 to 100% by 2050 (compared to 2008 levels) to ensure maritime transport also follows a GHG mitigation trajectory that falls well under the 2 or 1.5-degree temperature target set out in the Paris Agreement. Emerging and developing countries, especially least developed countries (LDC) and small island developing states (SIDS) need support to meet these ambitious mitigation targets. Maritime transport accounts for a large percentage of national GHG emissions in these countries. At the same time, there is great reliance on international maritime transport to meet the needs of the population, which often represents a high cost factor. Measures for climate protection in maritime transport can create synergies to reduce GHG emissions and help lower supply costs. The IMO needs take greater account of the special interests of target countries.</p>
Project content	<p>This funding priority aims at reducing GHG emissions generated by the maritime transport industry, ideally offering support on the following aspects:</p> <ul style="list-style-type: none"> <li>• The primary focus lies in developing and implementing innovative technical measures, e.g. energy efficiency measures or alternative propulsion systems for national maritime transport and, if possible, parts of international maritime transport from, to and between cooperation countries. In addition, the project will examine and implement operational measures, such as measures to optimise logistics and operating processes or avoidance strategies.</li> <li>• The project should quantify the national GHG reductions to be achieved by specifically applying innovative technical and operational measures to include them with nationally determined contributions (NDC) under the Paris Agreement. Developing policy frameworks, in particular national action plans as a measure under the IMO, will also help anchor GHG reduction targets in maritime transport and ensure their implementation.</li> <li>• The project should support partners in developing climate protection measures in maritime transport at the international level within the IMO and through cooperation at the regional level, in particular with improved participation in IMO negotiations and by giving greater consideration to the interests of cooperation countries, e.g. by conducting targeted studies or impact assessments of measures being proposed.</li> </ul>
Regions/ countries	<p>Section 5 of the funding information applies. Least developed countries (LDC) and small island developing states (SIDS) are particularly welcome.</p>
Funding volume	<p>15 to 20 million euros</p>

## 6. Beyond borders: climate-conscious economic development in Eastern Partnership countries in the context of the EU Green Deal

Introduction	<p>The Eastern Partnership provides the EU’s eastern neighbours – specifically Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine – with their own policy framework to shift towards EU values and standards. At a bilateral level, treaties of association or enhanced partnership agreements have been concluded with individual countries.</p> <p>The EU Green Deal will not only play a key role in determining and further developing future climate and environmental policy in the EU, but will also have a major impact on economic relations with the EU’s neighbouring countries. This is particularly true for Eastern Partnership countries, which are required to adapt and adopt the more stringent climate and environmental policy regulations developed as part of the Green Deal into national law under the EU <i>acquis communautaire</i>. It will be crucial for every Eastern Partnership country to anticipate significant changes in EU sales markets at an early stage and to offer support to affected industries or economic sectors at an early stage as well so they may properly prepare themselves. Relevant developments in this respect include the fact that demand within the EU will shift from fossil fuels to renewable energy sources, that more stringent climate and environmental standards in the EU will also impact supply chains outside the EU, and that demand for goods produced in a climate-conscious, environmentally friendly manner will increase.</p>
Project content	<p>This funding priority aims to support Eastern Partnership countries in the context of the EU Green Deal, to provide incentives for expanding climate-conscious, environmentally friendly production processes to boost competitiveness and achieve significant long-term emissions reductions. Depending on the needs of partner countries, the project should take account of the following aspects:</p> <ul style="list-style-type: none"> <li>• Developing concepts and action plans in all cooperation countries that demonstrate how key economic sectors can be given momentum, that take into account the changed or changing conditions with respect to the EU Green Deal and that promote transformation processes (e.g. the introduction of production standards, fiscal/policy instruments and the adaptation of legal framework conditions).</li> <li>• Developing sector-specific concepts and measures with scalability potential in selected sectors (e.g. industry, agriculture), taking into account value chains, in support of a shift towards a green, and low-carbon economy.</li> <li>• Developing financing programmes and instruments involving banks and the private sector to implement appropriate policies and measures.</li> <li>• Compiling regional specifics and challenges and drafting recommendations for action in terms of upscaling and out-scaling.</li> <li>• Developing approaches and programmes to exploit opportunities under the EU Green Deal and COVID response packages to promote the shift towards green, low-carbon economies in the region.</li> </ul>

Regions/ countries	Section 5 of the funding information applies (Requirements for selecting cooperation countries/regions). This funding priority is open exclusively to these Eastern Partnership countries: Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine.
Funding volume	15 to 20 million euros

## 7. Climate/water nexus: integrated water resource management in West and Central Africa

Introduction	<p>The West and Central African regions have already been particularly hard hit by the impacts of climate change. Projections show that an above-average increase in temperatures, changes in precipitation patterns and more frequent and more intense extreme weather events are likely to occur in the future. Furthermore, anthropogenic pressures such as population growth, urbanisation, increasing standards of living and inadequate land use practices exert an additional strain on water and land resources. Surface water, groundwater and soil moisture form the basis of essential ecosystem services, including food security, energy supply, carbon storage and natural pollutant management. In turn, sustainable land use and the conservation of aquatic and terrestrial ecosystems are key in helping to conserve water resources.</p> <p>Integrated, sustainable management of water resources is a pivotal means of adapting to the impacts of climate change. However, water management can also play an important role in reducing greenhouse gases, e.g. as an alternative energy source or as a prerequisite for low-emission land use.</p>
Project content	<p>This funding priority aims to bolster integrated water resource management (IWRM) in the neighbouring states of a select cross-border river basin in West or Central Africa. IWRM should be used to impact both adaptations to the impacts of climate change and emissions reduction. In addition, as interdisciplinary issues, climate and biodiversity should be rooted more firmly in the water/food/energy nexus. In particular, the project should contribute to the following:</p> <ul style="list-style-type: none"> <li>• Strengthening cross-border and cross-sectoral cooperation in identifying and implementing water-related measures to mitigate and adapt to climate change (including disaster risk reduction). Special consideration should be given to priorities stated in the documents for nationally determined contributions (NDC) and national adaptation plans, and, where appropriate, new incentives to act should be clarified for these documents. In addition, projects must consider the co-benefits and trade-offs between climate-sensitive water management and national development goals.</li> <li>• Supporting adapted water management concepts at the regional, national and local level, with special attention paid to specific user needs (especially those of women and other vulnerable groups), existing financial and institutional capacities and the interactions between the water cycle, ecosystems and climate.</li> <li>• Protecting resources and avoiding conflicts of use by establishing a legal basis for decision-making, efficient regulatory instruments, mediation mechanisms and the use of human rights-based approaches.</li> <li>• Establishing instruments to make decisions on the basis of evidence, early warning and forecasting systems as well as capacity building to ensure their long-term use. Decision-makers should be empowered to develop evidence-based water management and land use plans with participatory</li> </ul>

	<p>and cross-sectoral approaches, and to use reliable data in relevant policy and strategy documents (including national adaptation plans and NDCs).</p> <ul style="list-style-type: none"> <li>• Examining cooperation potential with the private sector for the cost-efficient, user-friendly collection, management and monitoring of relevant data and dissemination of information to relevant user groups.</li> </ul> <p>The project should aim to contribute to the implementation of the Paris Agreement, the UN 2030 Agenda for Sustainable Development, the UN’s Decade for Action on Water and Decade for Ecosystem Restoration, the Ramsar Convention, the Convention on Biological Diversity, the Sendai Framework for Disaster Risk Reduction 2015–2030, the New Urban Agenda and the African Union’s Agenda 2063. It is essential that projects involve the river basin commissions responsible for the river basin in question, national and local governments and administrations, and user groups. Furthermore, projects should seek cooperation with relevant regional organisations, research institutions and the private sector.</p>
Regions/ countries	Contrary to Section 5 of the funding information (Requirements for selecting cooperation countries/regions), the regional approach applies. This funding priority is focused on neighbouring states with a cross-border river basin in sub-Saharan Africa, ideally in West or Central Africa.
Funding volume	15 to 20 million euros

**8. Combating desertification: traditional and sustainable land use concepts in open land ecosystems**

<p>Introduction</p>	<p>24% of productive land area worldwide is threatened by soil degradation and erosion. Soil degradation therefore represents a global challenge that should also be included at the forefront of international efforts as part of the UN Decade of Ecosystem Restoration. Increasing desertification and degradation are causing soil worldwide to lose its potential in terms of its ecosystem services. Arid, open land systems with low rainfall and high pressure for land use are particularly badly affected (e.g. the Sahel region, Madagascar, West Asia, South Asia). The unsustainable use of these landscapes leads to degradation phenomena, impairing their function as carbon stores. There is a risk of further intensification of these trends as climate change progresses. Soil degradation also leads to a sharp decline in biodiversity, causing ecosystems to lose their resilience and functionality. Worldwide, some 2.2 billion land users in agricultural and pastoral systems depend on the ecosystem services provided by soil. To counteract desertification and soil degradation, sustainable land use concepts and nature-based solutions that incorporate traditional knowledge are urgently needed to ensure ecosystems, biodiversity and food security are preserved in the long term. In the long term, preventing soil degradation offers a clear economic advantage compared to doing nothing, and may defuse land use conflicts.</p>
<p>Project content</p>	<p>In light of this, this funding priority aims to implement, improve and disseminate nature-based approaches adapted specifically to the project location and underlying social conditions to prevent soil degradation in open land systems in arid, semi-arid and dry sub-humid regions. The approaches taken should be scalable, participatory and holistic. Applying and scaling sustainable, traditional land use concepts should foster cross-sectoral effects on biodiversity, climate change mitigation and sustainable, resilient development (especially with respect to SDG 15.3 Land Degradation Neutrality).</p> <p>This funding priority supports the development and implementation of adapted agricultural and/or grazing practices that lead to a reduction in soil degradation. Projects should consider the following aspects:</p> <ul style="list-style-type: none"> <li>• Promotion of societal and/or technologically innovative sustainable land use practices</li> <li>• Integrating the agricultural or grazing practices being promoted into existing and established land use approaches</li> <li>• Consideration of aspects of mitigation and adaptation to climate change, support for biodiversity conservation and the use of native species and/or locally suitable crops</li> <li>• Ensuring benefits for local stakeholders (in line with general prosperity criteria/SDGs, e.g. poverty reduction) and creating ownership, e.g. through participatory, bottom-up approaches that take traditional knowledge into account (as part of the TEEB approach, e.g. through agricultural resilience)</li> <li>• Ensuring the long-term adaptability of projects, e.g. through adaptive management</li> </ul>



	<ul style="list-style-type: none"> <li>• Sustainably anchoring and scaling approaches through cross-sector networking and improving underlying conditions (e.g. institutional, legal, organisational, financial) and/or specific policy approaches that promote the reduction of soil degradation (linked to existing national goals, if any).</li> <li>• Ensuring transformation potential and multiplying effects by focusing on approaches with a low technological barrier</li> <li>• Capacity building (e.g. training for land users or promoting established structures, e.g. land use cooperatives) involving all relevant actors (including municipalities, local authorities) and through educational and public relations work</li> </ul> <p>Depending on the project approach, further developing and disseminating existing monitoring methods, e.g. promoting instruments and indicators for determining the success of soil protection measures and providing the information gleaned to decision-makers and other stakeholders, e.g. in the form of soil maps.</p>
Regions/ countries	Section 5 of the funding information applies (Requirements for selecting cooperation countries/regions). Possible cooperation regions must be arid, semi-arid and/or dry sub-humid regions with arable and/or pastoral open land systems in Africa (including Madagascar), West or South Asia.
Funding volume	15 to 20 million euros

## 9. Bonn Challenge: Innovative approaches to regional seed supply

Introduction	<p>Re-establishing degraded forests as part of the Bonn Challenge and the UN Decade on Ecosystem Restoration (2021 to 2030) requires high-quality seeds from native tree species and their availability. In addition, the provision of planting material requires efficient, innovative, flexible systems that support broad societal participation as part of broad-based activities under the banner of the UN Decade. High-quality seeds increases growth rates, yields and income, and helps conserve biodiversity and with adapting to the impacts of climate change. However, many seed centres operating nationally lack the capacity to identify and protect suitable locations, as well as the capacity to store, propagate and distribute high-quality native seeds and to specifically promote seeds that are resilient to climate change. In addition, seed centres are often reliant on public funding, which is why it is necessary to draw more on the knowledge of local and indigenous communities and involve the private sector, civil society and academia in restoring degraded forest ecosystems.</p>
Project content	<p>The project should aim to support the implementation of the Bonn Challenge by providing an adequate supply of high-quality native seeds to establish a demand-based, decentralised distribution and seed stock supply system. This should ensure large areas and different locations are planted in a natural, sustainable manner such that they are self-regenerative, illustrate a high level of biodiversity and are resistant to climate change. Projects should implement several of the following measures:</p> <p>At the national/sub-national level:</p> <ul style="list-style-type: none"> <li>• Support for governments/forestry authorities in developing strategies to provide native seeds and to establish seed quality requirements. In particular, existing seed centres and nurseries should be consolidated and better integrated with the aim of achieving significant growth in the supply of seeds and plants</li> <li>• Capacity building at existing seed centres to identify suitable seed sources, parental lines<sup>5</sup>, harvesting methods, seed storage, vegetative and generative propagation and breeding methods and setting up testing sites for site simulation</li> <li>• Developing innovative business models that include the private sector and social groups in the production and distribution of seeds</li> </ul> <p>At the regional level:</p> <ul style="list-style-type: none"> <li>• Fostering international cooperation for the provision of native seeds, especially where biomes extend beyond national borders</li> <li>• Fostering strategic cooperation using South-South approaches</li> <li>• Fostering cross-border knowledge exchange and capacity building</li> <li>• Support for establishing and expanding regional seed banks</li> </ul>

<sup>5</sup> See the German Forest Propagation Act (Forstvermehrungsgutgesetz [FoVG]), Section 3(d): <https://www.gesetze-im-internet.de/fovg/BJNR165800002.html>

	<ul style="list-style-type: none"> <li>• Support for research to analyse future site requirements in the context of adapting nature-based forests to climate change</li> </ul>
Regions/ countries	Section 5 of the funding information applies (Requirements for selecting cooperation countries/regions).
Funding volume	15 to 20 million euros

**10. Pandemic preparedness: natural protective barriers between humans and animals by expanding, linking and improving protected areas**

<p>Introduction</p>	<p>The biodiversity and climate crises poses a direct threat to human existence. The COVID-19 pandemic has highlighted that the conservation of natural habitats is of paramount importance in reducing the risk of future disease transmission from animals to humans – an approach that considers nature a guarantor of human health. However, increasing changes in land use worldwide are continuing to lead to the degradation or destruction of entire ecosystems. This, in turn, leads to species loss and the reduction of natural habitats on land and in our oceans, the depletion of natural carbon stocks and causes nature to be less resilient towards the impacts of climate change. More action is needed to promote ecosystem integrity by establishing protected areas and (re-)connecting habitats to effectively safeguard biodiversity, prevent future pandemics and facilitate sustainable development.</p>
<p>Project content</p>	<p>To help prevent future transmission of diseases from animals to humans (zoonosis) this funding priority seeks projects focusing on expansion and linkage of effectively and fairly managed protected areas as well as other effective area-based conservation measures (OECM) in terrestrial and marine ecosystems. Establishing and managing coherent networks of protected areas requires stable, diversified partnerships and financing mechanisms. Among other things, this requires cross-sectoral strategies and action plans. This funding priority is seeking projects offering a transformative contribution to the objectives anticipated for protected areas as part of the post-2020 global biodiversity framework.</p> <p>Depending on the needs and interests of cooperation countries/regions, projects should address several of the following:</p> <ul style="list-style-type: none"> <li>• Establishing and expanding protected area networks that gain broad acceptance by the local population through effective, integrated, participative management, innovative financing models, sustainable use and at the same time strengthen its resilience</li> <li>• Improving habitat connectivity by intelligently linking existing protected areas and designating new ones, with OECMs forming a key project component. Of particular importance hereby are approaches and measures that achieve a high standard of management quality for these areas, thereby ensuring long-term biodiversity conservation.</li> <li>• Improving the capacities of national and sub-national actors in cooperation countries to implement appropriate cross-sectoral strategies for large-scale terrestrial and marine protection schemes in line with post-2020 global biodiversity framework objectives.</li> <li>• Implementing effective, sustainable monitoring by creating and strengthening the necessary partnerships and technical, institutional and financial capacities.</li> </ul> <p>Optimising knowledge management, with the aim of preventing future pandemics.</p>

Regions/ countries	Contrary to Section 5 of the funding information (Requirements for selecting cooperation countries/regions), the following applies: this project proposal is equally open to both bilateral and regional project proposals. Bilateral projects must have a regional impact (see Section 5 of the Funding Information document).
Funding volume	5 to 20 million euros

**11. From pilot to application: expanding climate-conscious and biodiversity-friendly land use and production in fishing, agriculture and forestry**

<p>Introduction</p>	<p>The current COVID-19 pandemic illustrates the link between human health and the health of animals and natural ecosystems. Looking to the future, one particular challenge will be to establish resilient, sustainable usage practices and production systems to reduce the risk of animal-human disease transmission (zoonosis) and possible pandemics. These must enable socio-cultural development and meet the needs of the local population, while also facilitating the conservation of natural habitats, and habitats for species to refuge. Land use changes are the main drivers of biodiversity loss and ecosystem destruction globally. There is a constant increase of stress on natural resources in the primary sectors of agriculture, forestry and fishing. Thus far, various large scale measures for more environmentally friendly production and sustainable use in the primary sector and related strategies have received insufficient support from policy-makers and the market. Promising approaches often do not pass the pilot stage, or only end up serving niche markets. The level of awareness of sustainable forms of agriculture needed in this context is also lacking, both among producers and consumers. Cross-sectoral reforms in agricultural-, forestry- and fishing policies are needed to effectively change unsustainable land use practices. Policy makers, economic actors as well as consumers themselves must be involved in these change processes. Support is needed for raising awareness of more sustainable consumption patterns that avoid future pandemics.</p>
<p>Project content</p>	<p>This funding priority aims to promote transformative change in the primary sector by encouraging the implementation of sustainable biodiversity and climate-conscious practices on the ground. The goal is to develop and implement coherent, cross-sectoral policies, technical/specialist approaches and possible solution in cooperation with stakeholders coming from policy, business and civil society. Projects should foster a stronger appreciation of environmentally friendly production-systems, holistically taking into account not only production but also distribution and consumption.</p> <p>This funding priority focuses on the following:</p> <ul style="list-style-type: none"> <li>• Analysing existing forms of production and consumption in selected primary sectors</li> <li>• Identifying relevant biodiversity and climate-conscious alternatives based on practical examples</li> <li>• Creating scenarios that make maximum use of existing databases and pilot projects that have already been tested</li> <li>• Developing and implementing interdisciplinary and coherent specialist/technical and policy-based solutions on a large scale for more sustainable production in primary sectors, taking into account the “One Health Approach”</li> <li>• Measures for raising awareness about the need for more sustainable consumption patterns</li> </ul>

	<ul style="list-style-type: none"> <li>• Improving the understanding of human- nature dependence</li> </ul>
Regions/ countries	Contrary to Section 5 of the funding information (Requirements for selecting cooperation countries/regions), the following applies: this project proposal is equally open to both bilateral and regional project proposals. Bilateral projects must have a regional impact (see Section 5 of the Funding Information document).
Funding volume	5 to 20 million euros

## 12. Shifting the trillions – innovative approaches to leveraging and redirecting private sector capital for climate financing

Introduction	<p>Public funds alone will not be sufficient to provide the resources necessary to meet climate financial targets in order to meet the ambitious goals of the Paris Agreement. Developed countries have pledged to provide 100 billion USD annually from public and private sources in 2020 and through 2025 to combat climate change and its impacts in developing countries. Mobilisation of private financial resources for climate action has thus far been insufficient. In addition, the global coronavirus pandemic and its impacts are complicating the availability of financial resources and financial market activities.</p> <p>Goal-oriented new approaches are needed to overcome these challenges and to mobilise more private capital for climate action. Key actors of the private sector of the Global South such as central banks, equity holders national development banks as well as private shareholders have received less attention in the overall discussion on Climate finance and, thus, have to play a more active role. One of the most effective, centralised instruments for directly mobilising private capital is known as “waterfall funds”, where the public sector bears the initial risk of default. By contrast, other financial vehicles that fall under the category of blended finance or other innovative public/private financing structures with similar efficacy have received almost no discussion at this point, nor have they been applied. In addition, possible efforts beyond this to redirect private sector investment into green financial products have yet to be sufficiently implemented.</p>
Project content	<p>This funding priority aims to directly mobilise private sector capital to make it available for climate-conscious investments. Depending on the needs of cooperation countries/regions, the project should take account of the following aspects:</p> <ul style="list-style-type: none"> <li>• Piloting innovative, transformative financing instruments, blended finance vehicles and scaling existing innovative instruments that generate a high rate of private capital mobilisation</li> <li>• Involving sectors that have been insufficiently addressed thus far (e.g. forest restoration, sustainable transport, sustainable agricultural and forestry business models, etc.)</li> <li>• Including central banks and/or (national) development banks and/or private local banks in the process to strengthen their role in mobilising the private sector, where appropriate through capacity building</li> <li>• Establishing networks, partnerships and dialogues with central and/or local private sector actors</li> </ul>
Regions/ countries	Section 12 of the funding information applies (Requirements and procedure for funding priorities 12 and 13).
Funding volume	Up to 30 million euros



**13. Biodiversity-friendly and climate-conscious financial systems in response to COVID-19**

<p>Introduction</p>	<p>The COVID-19 pandemic and its global health, economic and social impacts have once again impressively demonstrated the high value of biodiversity and ecosystem services. Seemingly invisible and available in unlimited quantities, they represent the fundamental basis for our well-being and our economy. More than half of the world’s gross domestic product directly or indirectly depends on nature. For example, the World Economic Forum’s Global Risks Report 2020 has identified the climate crisis and the continuing loss of biodiversity as one of the world’s five greatest risks. Reconstruction following the COVID-19 pandemic and the economic stimulus packages offered can only succeed in the long term if they focus on people, nature and climate, as well as the initial causes of the pandemic. The financial market plays a crucial role here. While the financial sector seems increasingly willing to recognise and take into account climate risks, business and financial market actors have little understanding of the business risks involved in biodiversity loss, let alone a good awareness of the global economic and social impacts of current land use practices and trends. Among other things, this is due to the complexity of the issue, lacking or inadequate framework conditions, limited data a lack of uniform standards and capacities as well as instruments and models to measure and assess biodiversity risks.</p>
<p>Project content</p>	<p>This funding priority aims to embed biodiversity and ecosystem services in the financial market’s business practices. Successful implementation in selected cooperation countries should contribute to a paradigm shift and a transformative movement within the financial market that extends beyond the work being done in individual cooperation countries. Ambitious, transformative project proposals are therefore sought to fully develop the financial sector’s potential as a guardian of nature. Depending on the needs of cooperation countries/regions, the project should take account of several of the following aspects:</p> <ul style="list-style-type: none"> <li>• Consolidating capacity and knowledge in relevant financial sector actors (ministries, supervisory authorities, banks, insurance companies, rating agencies, businesses, etc.) regarding opportunities to take action while being mindful of biodiversity and climate issues, as well as regarding the impacts, risks and costs of biodiversity loss</li> <li>• Improving the policy and regulatory framework to include consideration of biodiversity in the financial market</li> <li>• Developing and applying instruments, guidelines and standards for measuring and assessing risks to biodiversity and investment management.</li> <li>• Supporting the development and application of standards for transparent, uniform financial reporting regarding biodiversity</li> <li>• Developing and piloting innovative financial products to positively impact biodiversity conservation and the sustainable use of biodiversity</li> <li>• Building new partnerships, engaging in discussions and actively participating in existing initiatives and networks (e.g. the Task Force for Nature-related Financial Disclosures (TNFD))</li> </ul>

Regions/ countries	Section 12 of the funding information applies (Requirements and procedure for funding priorities 12 and 13). The countries to be chosen (approximately three to four countries) should demonstrate a high level of interest in the issue (including ownership of relevant actors in the financial sector in question) and have the potential to have a regional impact.
Funding volume	Up to 30 million euros