



Federal Ministry  
for the Environment, Nature Conservation  
and Nuclear Safety

INTERNATIONALE KLIMASCHUTZINITIATIVE (IKI)



## **IKI Thematic Selection Procedure 2019 (2.0)**

**Information on funding programmes within the International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)**

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## **Information on funding programmes within the International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)**

The International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) finances climate and biodiversity programmes in ODA-eligible states<sup>1</sup>. It supports programmes on policy advice, capacity building, technology cooperation and investment as well as the implementation of policies and strategies. The selection procedure consists of two stages (Stage 1: Submission of a programme outline; Stage 2: Submission of the complete programme proposal following the call for proposals).

### **1. The objectives of the IKI**

The IKI's main objectives are climate protection and the conservation of biodiversity within the context of the respective international agreements. The IKI mainly supports partner countries in the implementation and further development of the Nationally Determined Contributions (NDCs) anchored in the Paris Agreement. The signatory states of the Paris Agreement define their climate protection and adaptation targets in the NDCs, up to and including 2030.

In the field of biodiversity, the IKI supports partner countries in their efforts to achieve the goals of the CBD (Convention on Biological Diversity) to address the dramatic global loss of our natural resources. IKI's funding measures aim to contribute to the specific implementation of the Aichi goals of the CBD's 2011-2020 Strategic Plan and the goals of the future global framework for biological diversity for the years after 2020. Activities are derived in particular from the CBD guidelines and the NBSAPs (National Biodiversity Strategies and Action Plans).

The 2030 Agenda for Sustainable Development adopted by the United Nations in 2015 with its 17 SDGs (Sustainable Development Goals) forms a global framework for climate protection and biodiversity conservation that goes beyond the two conventions (UNFCCC and CBD).

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<sup>1</sup> ODA (Official Development Assistance) is an internationally-recognised indicator adopted by the OECD Development Committee (DAC) for recording public development services. Funds paid to countries only qualify as ODA if the recipient is listed as a developing country in the relevant DAC list. The list of countries is revised every three years by the DAC.

## 2. Funding priorities

The programmes apply for one of the 13 thematic funding priorities:

1. Bringing financial flows into line with climate change goals – implementation of Article 2, para. (1)(c) of the Paris Agreement
2. Capacity building to meet the transparency requirements of the Paris Agreement
3. Digitalisation of transportation in Asian or Latin American urban areas
4. Alternatives to new fossil energy infrastructure, in particular to coal-fired power generation
5. Energy efficiency in the fields of industrial and production facilities, trade and commerce
6. Strategic use of cooperative approaches under Article 6 of the Paris Agreement.
7. Establishing climate-friendly and biodiversity-friendly product standards and consumption methods
8. Upscaling, mainstreaming and implementation of *community-based adaptation*
9. Activities at the UN Decade for the restoration of ecosystems, with the focus on forests
10. Conservation and restoration of peatland ecosystems
11. Protection of terrestrial and marine biodiversity
12. Protection of pollinator and insect diversity
13. Capacity building for the implementation of the work programmes of the World Biodiversity Council (IPBES)

## 3. Requirements for programmes

This chapter sets out general technical criteria according to which programmes are selected and/or which are relevant for the programme implementation:

### Transformation

The transformative nature of the programme concept should be reflected in several or all of the following aspects:

- The programme achieves a substantial and measurable improvement compared to a business-as-usual scenario (programme ambition).
- The programme brings about system changes and/or behavioural changes of decision makers or a significant number of individuals or institutions.

- The programme initiates steps towards climate-friendly development that are either irreversible or very difficult to reverse (creation of “positive path dependencies”, e.g. by building climate-friendly infrastructure at scale).
- The programme can be replicated in other countries/regions and/or other sectors, enabling successful effects to be achieved beyond the framework of the programme.

### Innovation

The IKI funds innovative approaches that offer new or partially-new solutions for the challenges of climate and biodiversity protection.

### Synergies with other programmes and activities

In order to make full use of synergies and avoid double funding links to other funding instruments and sections, to current and previous funding measures of the German Federal Government, the European Union and further national and international donors should be reviewed. The more a planned programme resembles an ongoing or completed programme in its goals, target groups, measures and specific products, the more precise the delimitation or link to this programme should be set out.

### IKI safeguards

During implementation, the programmes must take into account the IKI safeguards developed along the lines of the IFC Performance Standards. The IKI Safeguard approach ensures that risks are foreseen well in advance and efficiently managed. The approach is subject to universal guiding principles, such as compliance with human rights. The design of the programmes requires a comprehensive risk assessment and the development of strategies to deal with potential risks. The relevant risks and strategies must be described as precisely as possible in the programme outline.

### Result-based monitoring

Results output/ outcome/ impact and effectiveness of the programmes must be verifiable and must be oriented on the results logic of the Organisation for Economic Cooperation and Development (OECD) (see [Guidelines on results-based project/programme planning and monitoring](#)). Indicators must be specific, measurable, achievable, relevant and time-bound (SMART).

### Gender mainstreaming and participation

The IKI's policy is an integral approach to promoting equal opportunities for women and men. Participatory and supportive elements of other disadvantaged population groups (e.g. youth, indigenous groups) are also desirable.

### Transparency

Information on current and newly-approved programmes in the field of climate and biodiversity protection is published in accordance with the International Aid Transparency Initiative (IATI) standard (cf. [IATI Data](#)). Programme-related knowledge must be comprehensibly documented and made available.

### Sustainability of the programme results

The programme concept must demonstrate how the programme activities contribute to ensuring that funded activities and results are continued or maintained after the end of the IKI funding period. In the last two years of the programme's term, activities must focus on ensuring the sustainability of the programme ("exit strategy"). An increase in the programme funding is not envisaged.

### Evaluation

The effectiveness of the programmes is evaluated externally. Implementing organisations are obliged to provide the necessary data for this purpose.

## 4. Partner countries and regions

The following criteria must be taken into account when selecting partner countries:

- All partner countries must be ODA-eligible on the deadline for submission of the programme outline (cf. [List of ODA-eligible countries](#)).
- The country profile is partially further specified in the thematic funding priority.
- If the country profile is not specified in the funding priority, the rule that regional programmes are preferred shall apply. In the case of regional programmes, the countries in the relevant geographical region do not necessarily have to be geographical neighbours. Bilateral programmes are possible but they must have a regional dimension. Global programmes

covering more than one geographical region are eligible only in exceptional cases and must offer a justified added value.

In order to implement the programmes, the governments of the partner countries must have an explicit interest in cooperating with the Federal Republic of Germany on climate protection or biodiversity preservation. In the first selection stage, an initial assessment must be made with regard to political support and a contact/reference person in the government of the partner country (political partner) must be indicated. In the second selection stage, political acceptance must be ensured by the implementing organisation together with the BMU.

## 5. Requirements for implementing organisations

The following institutions may apply: Non-governmental organisations, business enterprises, universities and research institutions from Germany and abroad, implementing organisations of the Federal Republic of Germany, institutions in the partner countries (including accredited national implementation organisations in international or multilateral organisations), as well as multilateral organisations and institutions such as development banks and United Nations organisations and programmes.

One prerequisite for funding is the application as a consortium, i.e. an association of at least two organisations. In justified individual cases, programmes with a volume of less than 7 million EUR may also be implemented by only one organisation. Consortia must each designate an implementing organisation with primary responsibility. The organisation which is primarily responsible is designated as the sole contractual or agreement partner of the BMU. It is the exclusive recipient of direct payments from the BMU and is responsible for the budgetary implementation of the programme. Subcontracting is permitted in case of proven economic viability. A cooperation agreement with all other implementing organisations must be concluded (see information sheet in Annex II); this cooperation agreement should – as far as possible - already form part of the application in the outline procedure.

The implementing organisation primarily responsible must meet the following criteria:

- Together with local partners, it must have implemented programmes in the field of international cooperation and in the relevant thematic field for at least five years.

- The annual BMU programme funding volume may not exceed the annual turnover of the primarily responsible implementing organisation, measured against the last three financial years (to be shown).
- The implementing organisation primarily responsible must present its access to the relevant stakeholders in the partner country.

The suitability of the consortium will also be assessed according to the following criteria:

- a. Suitability of the main implementing organisation responsible (technical, administrative and management competences)
- b. Suitability of the other implementing organisations (technical and administrative competences)
- c. Consistency of the distribution of roles and responsibilities within the consortium

## 6. Type, scope and duration of funding

### Funding necessity

Funding by IKI is only possible, if the implementation of the proposed programme is not possible without the use of public funds.

### Amount of funding

The funding volume provided by the BMU per programme amounts to between 15 million EUR and -20 million EUR. In the case of thematic funding priorities related to biodiversity, the exception rule applies that programmes are funded to amounts between 5 million and 20 million EUR. In the case of funding priority 7, "Climate and biodiversity-friendly products", the funding volume is limited to between 5 million and 10 million EUR. The funding volume for funding priority 13 "Capacity building for the implementation of the work programmes of the World Biodiversity Council (IPBES)" is limited to 5 million to 8 million EUR. Any shortfall in funding volume results in exclusion.

### Funding period

The maximum duration of the programme is 8 years.

### Implementing organisations' own participation and own contributions

As a rule, implementing organisations' own appropriate participation and contributions are a prerequisite for funding. The mobilisation of additional financial resources to finance eligible expenditure is welcomed. Cooperation with programmes financed by other donors is also conceivable.

### Start of programme implementation

Programmes may not have already started implementing their activities at the time of application. Evidence of intended or already-approved third-party funding for the proposed programme must be provided together with information on the relevant funding organisation and the relevant and specific funding amount.

### Integration of local stakeholders

Consortia are expected to implement 50% of their funding through national stakeholders in the partner countries. In this respect, national stakeholders are implementing organisations and subcontractors which have an official legal status under the applicable national law. Political partners have to be excluded if this would result in budget support.

### Economic efficiency

Eligible for funding are all those expenditures which are both necessary for the realisation of the programme objective and implemented in accordance with the principles of sound financial management and budgetary rigour. Evidence of expenditure efficiency and the economical use of funds must be provided during implementation. Grants to the primarily responsible implementing organisation on a cost basis are not envisaged, since forwarding is not permitted in this respect. Implementing organisations not forwarding grants within this programme may however be funded in the context of a transfer on a cost basis.

### Climate neutrality of programme activities

The BMU advocates measures to reduce emissions from business trips (e.g. through video conferencing). The implementing organisations are obliged to carry out programme activities and investments from programme funds in a as climate-neutral, resource-efficient and environmentally-friendly manner as possible. Business trips are also eligible for compensation if

they cannot be avoided. When selecting compensation projects, value should be placed on high-quality certificates (more information can be found [here](#) and in the guidebook entitled “[Freiwillige CO2-Kompensation durch Klimaschutzprojekte](#)“, currently only available in German).

### Emission certificates

In order to ensure an additional greenhouse gas reduction and the German contribution to climate financing, emission certificates or other emission credits generated by IKI programmes may not be traded either during or after the programme period. For this reason, financing contributions from the sale of such emission certificates or other emission credits may not be included in the overall financing of programmes funded by the IKI. Exceptions here are emission credits on the non-compliance market, if these comply with the guidelines of the IKI provided for this purpose and it can be shown that they are demonstrably used for the sustainable financing of climate protection programmes in the agriculture, forestry and/or land use sectors.

### Exclusion from funding

Luxury goods, environmentally-harmful and military goods (incl. firearms), technologies and installations or services oriented on such purposes are excluded from any funding without exception.

## 7. Regulations on grants

Programmes by stakeholders from Germany and abroad are supported by grants. Sections 48 to 49a of the Administrative Procedure Act (VwVfG) and the General Auxiliary Provisions for Grants for Project Support (ANBest-P) apply to the implementation of the IKI funding measures.

In the case of grants to foreign implementing organisations, regulations that are equivalent to the ANBest-P shall become part of the funding agreement.

The model agreements negotiated in each case with the Federal Republic of Germany shall apply to grants to multilateral development banks and United Nations agencies and programmes.

Programmes of implementing organisations of the Federal Republic of Germany shall be funded in accordance with the terms and conditions applicable to such organisations.

The auditing rights of the Federal Court of Audit result from sections 91 and 100 of the German Federal Budget Code (BHO). On request, the BMU or its representatives shall be provided with all necessary information and shall be allowed to inspect books, documents and audits relating to the

programme. In its funding application, the applicant must agree that the BMU or its representatives may disclose the name of the funded organisation and the purpose of the grant as part of its public relations work.

In case of concrete evidence of non-compliance with the funding eligibility requirements the grant notification can be cancelled in accordance with the statutory provisions and the funds can be reclaimed. There is no entitlement to a grant or the amount of funding applied for in each case. Rather, the BMU makes a decision on the basis of dutiful judgement within the framework of the budget funds available to it.

## 8. Selection process

The Zukunft-Umwelt-Gesellschaft (ZUG) gGmbH has been commissioned by BMU to manage the funding programme and process the application formalities.

The IKI selection procedure consists of two stages. In the first stage of the procedure, English-language programme outlines based on the IKI outline form are submitted exclusively on the online platform. The following deadline shall apply: **2<sup>nd</sup> April 2020**. For this selection procedure (scheduled programme start: 3<sup>rd</sup> quarter of 2020 at the earliest) only programme outlines received by 11:59 pm (Central European Time, CET) on the online platform will be considered. A pre-selection of promising programme outlines from all the programme outlines that fulfil the mandatory requirements is carried out by BMU. These programmes are externally assessed on the basis of the formal and technical criteria described in the funding information documentation. Based on the results of the assessment, its own technical evaluation and the available budget funds, a decision is made by BMU as to which outlines will be further pursued in the second stage of the procedure.

During the second stage, all implementing organisations primarily responsible for the submission of programme outlines will be informed of the outcome of the evaluation in writing. The main implementing organisations responsible for the successful programme outlines will be invited to submit a detailed programme proposal. It is possible to apply for an appraisal mission in advance. This enables the programme to be optimally tailored to local needs together with the partners. The results obtained should improve the quality of the programme proposal to be submitted and should minimise enquiries during the application and approval processes. At the latest, the programme proposal should be available eight months after the request or eight months after the approval of the appraisal mission. The documentation pertaining to the appraisal mission must also be provided. The relevant provisions and templates shall be made available in writing at the end of the first stage of the procedure.

## Annex I IKI selection criteria

The programmes are evaluated and selected by BMU pursuant to the following requirements:

### Exclusion criteria:

- No timely submission on the online platform
- No need for funding
- Not classified as an ODA-eligible country
- No conformity with the thematic funding priority
- Amount of funding too high or too low
- Funding period over 8 years
- Programme implementation already started before programme outline submission
- No links to national/regional policies
- Lack of official political support from partner countries
- No results-based monitoring applied (output, outcome, impact)
- Violation of the requirements for emission certificates
- Funding of excluded programme activities, goods or services
- Non-consideration of the IKI safeguards

### Criteria for a coherent and convincing programme:

- The programme has ambitious goals and is designed to deliver measurable results.
- The programme offers a new approach or a completely new solution for a region.
- The programme is linked to the local implementation landscape.
- The programme strengthens disadvantaged population groups and promotes equal opportunities for women and men.
- The programme responds to the question of how the programme's results are to be maintained and developed after the end of the funding period.
- Among the implementing organisations, the distribution of tasks and roles and the allocation of the overall budget are consistent.
- The implementing organisations' own financial participation and own contributions, as well as the sum of additional financial resources (co-financing) are appropriate.
- The proportion of funding subsidies allocated to national organisations of the partners is appropriate.

## Annex II: Cooperation agreement

A consortium within the meaning of this funding information documentation is an association of several, legally and economically-independent institutions/organisations formed for the time-limited execution of an agreed business purpose. At least two institutions/organisations from Germany and abroad (non-governmental organisations, business enterprises, universities, research institutions, implementing organisations, development banks, organisations/programmes of the United Nations) work together in a consortium with the purpose of implementing a joint IKI programme. Excluded from this is an exchange of services with third parties in a contractual relationship (subcontract).

The successful implementation of a programme requires trusting cooperation and fair treatment between the programme partners. The framework conditions for cooperation (i.e. the rights and obligations) are regulated by the programme partners in an internal agreement ("cooperation agreement"). At the same time, the programme partners shall designate an implementing organisation which is primarily responsible for the internal organisation and external representation of the consortium and which is selected with the unanimous agreement of all the other implementing organisations.

The implementing organisations' cooperation agreement on the nature and distribution of tasks in the joint programme must be submitted with the programme proposal in stage 2. The agreement supplements the programme partners' regulations on which the funding is based and may not contain any agreements or regulations to the contrary.

The programme partners remain fully responsible for the cooperation agreement and should seek legal advice where necessary. Legal advice, liability and/or examination of content by BMU or the ZUG will not be provided.

Before a funding decision is taken, the programme partners must prove that they have reached agreement in principle on at least the following points:

- Implementing organisation primarily responsible
- Other implementing organisations (legal form, place of business, right of representation)
- Duration, work plan and clear distribution of tasks between the other implementing organisations

In addition, the implementing organisations should reach an agreement on the following points:

- reporting and information obligations in the consortium
- liability of the programme partners
- rights of use and copyrights
- dealing with changes during the programme period
- visibility of the programme partners
- procedures for the settlement of internal disputes, e.g. employing a mediator