



The
Federal Government



IKI Thematic Call 2022

**[Joint] funding announcement for the selection of projects
under the International Climate Initiative (IKI)**

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1 Important note

Funding or commissioning within the framework of the International Climate Initiative (IKI) is preceded by an ideas competition. Participation in the ideas competition is open to German and international grant recipients as well as to contractors in the form of implementing organisations of the German Federal Government.

In general, projects implemented by organisations based in Germany or abroad receive funding through grants. The basis for this is set out in this funding announcement.

Information for implementing organisations of the German Federal Government on how to participate in this ideas competition is provided in a separate document ([see here](#)).

2 Funding objective, purpose of funding, legal basis

2.1 Preface

The Federal Government of Germany restructured the tasks of its ministries at the beginning of this legislative period. Climate issues of course are high on the agenda of the new German Government, and the task of its implementation has been given to several governmental entities.

Since 2022, in the course of this restructuring, the International Climate Initiative (IKI) has been located at the German Federal Ministry for Economic Affairs and Climate Action (BMWK). The funding programme is implemented jointly with the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) and the German Federal Foreign Office (AA).

All three ministries have their own focal points and areas of expertise. The four major funding areas of the IKI will be retained – as will the funding calls and the integrative project approaches. Also, the IKI Office of Zukunft – Umwelt – Gesellschaft (ZUG) gGmbH continues to support the IKI as project management agency.

This IKI Thematic Call 2022 is the first joint IKI ideas competition organised by the BMWK, the BMUV and the AA. The three ministries are contributing their respective expertise to the 2022 Thematic Call in order to jointly advance international climate action and biodiversity conservation.

This funding announcement describes the object of funding and the criteria for project selection and implementation as well as the procedure for this Thematic Call.

2.2 Funding objective and purpose

With the International Climate Initiative (IKI), Germany fulfils part of its financial commitments under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement (PA - adopted by the “Act on the Paris Agreement of 12 December 2015” of 28 September 2016) as well as the Convention on Biological Diversity (CBD).

The IKI is a central building block for Germany’s international financing measures for climate action, adaptation to the impacts of climate change and biodiversity conservation in emerging and developing countries. In order to achieve the goal of limiting global warming to 1.5°C, all countries in the world must achieve a transformation towards CO₂-neutral societies. For this, the developing and emerging countries need extensive support from industrialised countries. The IKI therefore provides targeted support for developing and emerging countries to achieve the transformation towards a CO₂-neutral economy. The core of the IKI is to contribute to the implementation and further development of the Nationally Determined Contributions (NDCs), the National Adaptation Plans (NAPs) and the National Biodiversity Strategies and Action Plans (NBSAPs).

By systematically integrating a gender dimension into all areas of work, processes and project management, the IKI fulfils both national and international commitments. These include the 2030 Agenda with the Sustainable Development Goals (SDGs) as well as the gender action plans of the Framework Convention on Climate Change (UNFCCC, Enhanced Lima Work Programme on Gender) and the Convention on Biological Diversity (CBD, Gender Plan of Action). In addition, the IKI is guided by the Paris Agreement, which calls on contributing countries to promote gender justice and women’s empowerment in all climate action measures.

Through the thematic funding programme, the IKI primarily funds large-volume projects in order to accelerate the transformation towards a sustainable and low-emission economic and supply structure. In particular, the following overarching goals are pursued:

- The legal framework at the national and sub-national level in partner countries is designed to strengthen emission reduction, adaptation and biodiversity conservation as well as the implementation of this across sectors.
- The governments of partner countries have conducted appropriate ambition raising of climate and biodiversity contributions in NDCs, NAPs, NBSAPs, and/or long-term strategies (LTSs).
- The IKI makes medium-term contributions to both direct and indirect emission reductions in partner countries.
- People affected by climate change in IKI partner countries are supported in their adaptation to the impacts of climate change.
- Ecosystems in IKI partner countries, including coasts and marine areas, are subject to improved conservation practices and sustainable use.
- The IKI leverages its invested funds to finance climate and biodiversity measures from the public and private sector.

Taking into account the aforementioned overarching goals, the thematic funding programme funds projects that address specific obstacles in implementing the NDCs, NAPs, and NBSAPs of the partner countries.

2.3 Legal basis

The Federal Government of Germany shall award grants in accordance with the provisions of this funding announcement, Sections 23 and 44 of the Federal Budget Code (Bundeshaushaltsordnung, BHO) and the Administrative Regulations (Verwaltungsvorschriften, VV) issued in connection with this as well as the “Guidelines for Grant Applications on an Expenditure Basis (Antrag auf Gewährung einer Zuwendung auf Ausgabenbasis, AZA)”. There is no entitlement to a grant. Rather, the granting authority decides based on its dutiful discretion within the framework of the budgetary resources available.

In general, projects implemented by organisations based in Germany and abroad receive funding through grants.

In the case of grants to foreign implementing organisations, regulations corresponding to the General Ancillary Provisions on Grants for the Promotion of Projects (Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung, ANBest-P) become part of a private-law contract (sample grant agreement will be provided on the [IKI website](#)). Where grants are issued to multilateral development banks and international intergovernmental organisations, the model agreements negotiated with the Federal Republic of Germany shall apply.

If it is proven that funding requirements have not been met, the IKI reserves the right to withdraw from the grant agreement and reclaim the grant in accordance with the legal provisions.

3 Object of funding

The IKI finances climate, adaptation and biodiversity projects exclusively in ODA¹-eligible countries. The aim is to fund projects that pursue holistic approaches across multiple levels and, above all, demonstrate how to practically implement climate action, adaptation and biodiversity conservation (including policy advice, capacity building, technological cooperation, investment, and local implementation in particular). This Thematic Call addresses the present challenges in climate action, adaptation and biodiversity conservation that are currently arising in the context of international climate and biodiversity negotiations. For these challenges, the below mentioned thematic priorities with the respective objectives are defined. For these, project outlines can be submitted. Depending on the thematic priority, the funding volume per project can range from 10 to 20 million EUR.

3.1 Thematic priorities

Funding is available for project concepts that fall under one of the 12 thematic priorities and that make major contributions to achieving the respective objectives of the thematic priority. The following thematic priorities can be selected (lead federal ministry is indicated in brackets):

1. Net Zero by 2050 without fossil fuels: The role of gas in the decarbonisation of the energy sector (BMWK)
2. Divestment strategies and other innovative approaches to redirect private and public financial flows into climate-friendly alternatives (BMWK)
3. Agri-photovoltaics – promotion of photovoltaic expansion on agricultural land (BMWK)
4. Climate-friendly continued use and re-use of former power plant sites (BMWK)
5. NDC implementation through sector coupling (BMWK)
6. Climate-neutral regional development through environmentally sound raw material extraction and processing in the countries of the SADC region (BMUV)
7. Protecting freshwater resources for increased climate resilience in the Pacific Islands (BMUV)
8. Deforestation-free supply chains of agricultural raw materials (BMUV)
9. Effective biodiversity and climate action through the promotion of sustainable public incentive systems (BMUV)
10. Prevention and reduction of the negative impacts of invasive alien species on island ecosystems and their services (BMUV)
11. Strategic communication and the raising of awareness of the importance of biodiversity (BMUV)
12. Strengthening the resilience of Pacific Island states against climate-related loss and damage (Federal Foreign Office)

The thematic priorities are explained in detail in a separate document ([see here](#)).

¹ ODA (Official Development Aid) is an internationally recognised measure of public development performance agreed in the OECD Development Assistance Committee (DAC). Only services to countries included in the DAC country list are eligible for ODA. The country list is regularly revised by the DAC ([Link here](#)).

4 Implementing organisations

4.1 Requirements for consortia

Applicants for funding must **apply as a consortium** (i.e. as an association comprised of at least two organisations). When establishing a consortium, it should be taken into account that the coordination effort increases considerably with the number of consortium members. For this reason bilateral projects are to be carried out by a maximum of three consortium partners and regional or global projects are to be implemented by a maximum of six consortium partners. The consortia must each designate a lead organisation. Wherever possible, organisations from the partner country or from other ODA-eligible countries should be involved in the project as part of the consortium or as subcontractors (see [Local Content Criterion](#)).

The lead organisation becomes the sole contracting or agreement partner of the IKI. It is the sole recipient of direct payments from the IKI and is responsible for the budgetary implementation of the project as well as its reporting system. The forwarding of grants to consortium partners is based on subgrant agreements, which the lead organisation concludes with each consortium partner individually. A cooperation agreement should also be concluded with all consortium partners (see information sheet in [Annex II](#)). As far as possible, the main features of the cooperation agreement should already be agreed upon between the implementing organisations when drafting the project outline.

As a rule, the lead organisation is obliged to review the project progress of its consortium partners over the entire project duration. The type and scope of this inspection as well as the possible obligation to submit inspection notes are regulated in the contracts or grant award documents depending on the underlying legal relationship between the funding agency and the recipient.

The lead organisation must prove its **access to the stakeholders relevant for the project** in the respective partner country directly or via the consortium partners. Projects should ideally focus on diversity in the consortium and subcontractors in order to better involve target groups and other actors and increase the sustainability of the project. In line with the [IKI Gender Strategy](#), local organisations working for social and gender justice in the context of climate and biodiversity should ideally be involved. The involvement of these organisations should ensure gender-responsive and inclusive as well as, where possible, gender-transformative project planning and implementation.

The **roles and responsibilities within the consortium** must be clearly presented and reflect the strengths of the individual consortium partners. Roles and responsibilities should also be distributed in the sense of a sustainable anchoring of the project in the partner country/region. Accordingly, roles in the implementation should be assigned to local organisations wherever possible. The total budget must be divided clearly and appropriately between the implementing organisations and subcontractors. Subcontracting is permitted if it is proven to be economically viable. The locally applicable public procurement laws must be applied.

4.2 Requirements for all implementing organisations

Eligible organisations

The following institutions are welcome to apply:

- Non-governmental organisations,
- universities and research institutions,
- international intergovernmental organisations and institutions (such as development banks),
- organisations and programmes of the United Nations, as well as
- commercial enterprises.

Governments in the partner countries are not eligible to apply for IKI funding.

Information for German federal implementing organisations on how to participate in this ideas competition is provided in a separate document ([see here](#)).

Expertise and experience

The lead organisation and consortium partners must have the **technical competence, administrative capacity and management competence necessary** to plan and implement the project.

4.3 Requirements for the lead organisation

Turnover criterion

The average annual IKI project funding volume shall not exceed the average annual turnover of the lead organisation measured over the last three financial years; this shall be substantiated by certified annual accounts.

Professional experience and regional expertise

The lead organisation must have been implementing international cooperation projects in the respective thematic area in ODA countries for at least five years. The lead implementing organisation should also have experience in the respective target region. The lead organisation must demonstrate this professional experience and regional expertise via references in the project outline.

5 Type, scope and amount of the grant

5.1 Type of the grant

For the implementation of the projects, grants may be awarded as non-repayable subsidies on an expenditure basis within the framework of project funding. **Cost-based grants to the lead organisation are excluded** because a transfer here is not permissible under subsidy law. However, implementing organisations that are the final recipients of grants have the possibility to receive funding on a cost basis within the framework of a referral (applicable only for organisations with headquarters in Germany).

5.2 Amount and duration of the grant

Duration of the grant

The maximum duration of funding is eight years. A minimum duration is not specified.

Amount of the grant

The funding volume provided by the IKI is **10 million to a maximum of 20 million EUR** per project. The specifications on the funding volumes defined in the thematic priorities apply.

5.3 Type of financing

Financing is usually provided as partial financing.

The grant recipients shall contribute appropriately to the financing of the purpose to be promoted, taking into account their financial strength. Which amount of own funds is appropriate can be decided only on a case-by-case basis. Overall, it must be demonstrated that the project financing can be secured based on the planned funding, own funds, and, if necessary, further third-party funds. Furthermore, cooperation with projects financed by other funding organisations is conceivable.

Projects should **contribute to mobilising private finance** – either by directly mobilising private sector capital or by supporting conditions for private sector investments in the climate and biodiversity sectors.

5.4 Eligible expenses

IKI funding is permitted only if the implementation of the project that forms the subject of the funding application would not be possible without public funding (**principle of subsidiarity**). Furthermore, projects can be funded only if the project has not yet started at the time of application.

All expenses required to meet the objectives of the project through sound, cost-effective financial management is eligible for funding. **Efficient expenditure** and the **economical use of funds** must be demonstrated during implementation.

With the **IKI exclusion criteria**, certain activities that are considered too risky for the environment and people are excluded from funding without exception (see [IKI exclusion criteria](#)).

6 Other grant or funding regulations

Sections 48 to 49a of the Administrative Procedure Act (Verwaltungsverfahrensgesetz, VwVfG), Sections 23 and 44 of the Federal Budget Code (Bundeshaushaltsordnung, BHO), and the general administrative regulations issued in this regard shall apply to the approval, payment, and accounting of the grant as well as to the proof and examination of its use and, if necessary, the revocation of the grant award document and the reclaiming of the grant awarded.

The Federal Audit Office of Germany is entitled to audit in accordance with Sections 91, 100 BHO (Bundeshaushaltsordnung).

Upon request, the federal ministry responsible or its authorised representatives must be provided with the necessary information and be permitted to inspect and audit the records, data, and documents relating to the project. Implementing organisations must agree that the federal ministry responsible or its authorised representatives may disclose the name of the funded organisation as well as the funding purpose as part of its public relations work.

In order to enable electronic processing, it must be ensured in advance that there is a possibility of legally secure electronic drawing and delivery of funding documents.

Evaluation and transparency

All projects selected through this procedure will be subject to an external interim evaluation and a final evaluation. Selected projects are also reviewed as part of an impact assessment or cross-project strategic evaluation. Implementing organisations are required to provide the necessary data and information for this purpose. The findings of these evaluations will be published on the IKI website, taking into account all data protection concerns.

The federal ministry responsible publishes comprehensive project information on ongoing and newly committed IKI projects from climate and biodiversity conservation on a quarterly basis in accordance with the **IATI standard** (see also: [IATI data](#)). The implementing organisations must agree that the federal ministry responsible or its agents may submit project-specific information to the IATI platform as part of their reporting.

Dealing with emission certificates

In order to ensure the additionality of greenhouse gas reductions and the German climate finance contribution, emission reductions achieved through IKI funds may not generate emission certificates or other emission credits tradable for the compliance market – either during or after the project duration.

In order to ensure a clear separation between climate finance and the compliance market, emission credits can be generated under the following conditions:

- IKI-funded projects may include in their objectives the development of conceptual pilot projects for mitigation activities under Art. 6 Paris Agreement; however, the projects must be implemented through other funding sources.
- If IKI funds are used for start-up financing for Art. 6 projects, the reduction certificates resulting from these funds must be set aside.
- Emission credits that can be used only in the non-compliance market (i.e. neither under the Paris Agreement nor CORSIA²) can be generated in IKI-funded projects provided they comply with the IKI guidelines for this purpose; qualitatively, they must be based on Gold Standard requirements and demonstrably be used for the sustainable financing of climate action projects in agriculture, forestry and land use.

² Carbon Offsetting and Reduction Scheme for International Aviation ([CORISA](#))

IKI complaints mechanism

[The independent complaints mechanism of the IKI](#) is designed to enable people who suffer (potentially) negative social and/or environmental consequences from IKI projects or who wish to report the improper use of funds, to voice their complaints, and seek redress. The IKI implementing organisations are obliged to publicise this complaint option in an appropriate manner among their target groups as well as affected target groups in the project area as part of their project implementation and to cooperate in the event of possible investigations.

Carrying out a gender analysis

In the second selection phase, a gender analysis carried out according to the minimum standards of the IKI must be submitted for all projects accordingly. For projects with a preparation phase, the gender analysis should be carried out during this phase; for all other projects, this should be carried out within the first six months of the start of the project.

7 Procedure

The procedure for selecting projects takes place in two phases: the outline phase and the proposal phase. Participation in the ideas competition as part of the outline phase is open to German and international grant recipients as well as to contractors in the form of implementing organisations of the German Federal Government. However, the latter cannot apply for funding in the form of grants. Information for federal implementing organisations on how to participate in this ideas competition is provided in a separate document ([see here](#)).

7.1 Submission of project outlines and online seminar

Deadline and documents

The project outline must be submitted **in due time** in English based on the IKI outline form exclusively via the [IKI online platform](#). The following deadline shall apply: 21st February 2023. For this Thematic Call, only project outlines received in due time via the online platform by 11:59 p.m. (CET) on the last day of submissions will be considered.

The project outline consists of the following documents:

1. Outline form to fill in on the [IKI online platform](#)
2. Project concept (max. five pages) as a .pdf document of the completed template ([for further information, see here](#))
3. Organisational chart explaining the consortium structure.

Additional documents submitted (e.g. draft cooperation agreement) are not decisive for the selection process.

Online seminar

On 29th November and 30th November 2022 the IKI will organise an online seminar in order to give interested organisations an idea of what makes a good outline. In addition, in-depth information about the selection process and the further procedure will be provided. More information will be published on the IKI website in due course.

7.2 Outline phase

The outlines are selected within the framework of a selection process based on selection criteria. Selection criteria are subdivided into minimum requirements and assessment criteria. If the minimum requirements are not fulfilled, the outline is automatically excluded. On the other hand, the assessment criteria serve as the basis for the assessment in different weightings ([see Annex I](#)).

The federal ministry responsible makes a pre-selection of promising project outlines from all submissions that meet the minimum requirements. These will be reviewed in detail using the formal and technical assessment criteria described in the funding announcement. Based on the results of the detailed assessment, its own technical evaluation, and the budgetary resources available, the federal ministry responsible shall decide which outlines will be pursued in the second phase of the procedure. As a rule, one to a maximum of two outlines per funding priority will be selected.

7.3 Proposal phase

The procedure for the proposal phase described below is aimed at lead organisations that apply for funding in the form of a grant via a project proposal after successful completion of the outline phase. German federal implementing organisations that participated in the ideas competition are

not required to submit a project proposal. Instead, these organisations can be commissioned on the basis of a performance specification and a tender provided that there is sufficient interest on the part of the German Federal Government.

Submission of formal funding proposals and decision-making procedures

At the beginning of the proposal phase, all lead organisations of the selected outlines will be informed in writing about the outcome of the assessment and, in the case of success, invited to submit a detailed project proposal. The relevant provisions and sample templates are provided and can be found on the [IKI website](#).

Preparation phase

Depending on the necessity, a preparation phase is recommended for the preparation of the full project proposal in order to optimally align the project with the local needs together with relevant actors. The findings from this preparation phase should then serve to improve the quality of the project proposal to be submitted and reduce follow-up questions during the subsequent process.

A preparation phase is particularly recommended if:

- the implementing organisation has no direct experience in implementing IKI projects;
- project regions for local measures must be defined together with the partner countries;
- a long-term project cooperation in the proposed consortium with the selected local partners has not yet taken place;
- the success of the project is particularly dependent on a cross-sectoral connection in the partner countries and the participation of local actors.

In the project outline, implementing organisations must explain why a preparation phase is necessary or not necessary for the preparation of the project proposal. The expenses involved in the preparation phase are eligible as part of the overall project and reduce the budget of the implementation phase accordingly. The duration of the preparation phase does not reduce the maximum duration of funding of the actual project. This means that the duration of the preparation phase is estimated in addition to the maximum duration of funding of eight years (see [4.2 “Duration of the grant”](#)). The period and activities of the preparation phase must be clearly distinguished from the period and activities of the actual project (implementation phase). During the preparation phase, only measures of a preparatory nature are funded; measures to implement project objectives of the implementation phase are not yet funded during this period.

For the implementation of a preparation phase, the lead organisation must submit a project proposal at the beginning of the second phase. The relevant provisions and model templates will be made available electronically at the beginning of the proposal phase.

The preparation phase can take up to nine months. Once the detailed project proposal has been received, it is finally reviewed by the IKI Office of ZUG and the federal ministry responsible, and funding is granted if the review result is positive.

7.4 Involving a project management agency

The IKI Office of Zukunft-Umwelt-Gesellschaft (ZUG) gGmbH is responsible for supervising the funding project and handling the initiation formalities (see [No. 7.3. Contact of project management agency](#)).

8 Formal and technical requirements for project outlines

8.1 Partner countries/regions

ODA-eligibility and number of partner countries

All partner countries must be ODA-eligible by the deadline for submission of the project outline ([List of ODA-eligible countries](#)). The number of countries addressed in the project outline should be limited to five in order to ensure that a tangible impact can be achieved in individual countries.

Regional approach

In the respective thematic priority, the country setting is partly further specified. In this case, the project outline submitted must match the country setting listed in the thematic priority. If the country setting is not further specified in the thematic priority, the following principles apply: For regional projects, the countries included in the respective geographical region do not necessarily have to be neighbouring countries. Bilateral projects are permitted but must have a regional impact. Global projects that cover more than one geographical region are eligible only in exceptional cases and where [separate] justification of added value is provided. In any case, the geographical approach of the project outline (regional/bilateral/global) must be appropriate and clearly documented. The desired country setting must be defined in the project outline.

Connectivity/avoidance of double funding

To take advantage of synergies and avoid double funding, **references to other funding instruments and priorities** must be taken into account with respect to planned, ongoing, and previous funding measures offered by the German Government and the European Union as well as national and international funding organisations. The more similar a planned project is to an ongoing/completed project in terms of its objectives, target groups, measures, and specific products, the more precise this distinction or affiliation should be.

8.2 Technical requirements for project outlines

Project concept

To present the project idea, a project concept must be submitted together with the project outline (see also [Deadlines and Documents](#)). The project concept addresses the classification of the project idea with reference to the overarching objective of the Thematic Call and the selected thematic priority. The project concept serves as a detailed description of the country selection and the initial situation on site, the envisaged project planning and theory of change, and the formulation of the target groups. In addition, explanations on the implementation of at least a gender-responsive approach as well as on local content, innovation, and transformation are part of the project concept.

The project concept may not exceed five pages and must be written in 11 pt Arial font. The template to be used for the project concept is available on the [IKI online platform](#).

The requirements for the project outline and the project concept are listed below:

Thematic fit

The project outline must **align with the chosen thematic priority**.

Climate and biodiversity relevance

Projects should help the partner countries in meeting the targets of the Paris Agreement and/or the CBD. The project outline should clearly demonstrate how the planned project activities contribute to the implementation or further development of the NDCs, the NAP process, or the NBSAPs.

SDGs

Projects should pursue a holistic approach in line with the 2030 Agenda and should take into account all relevant Sustainable Development Goals (SDGs) of the UN as well as possible conflicting goals. In particular, consistent consideration should be given to life cycle assessment methodology (i.e. the holistic management of resources, chemicals, and waste) in order to satisfy the transformative approach of the 2030 Agenda to achieving greater sustainability.

Target groups

The project concept should clearly list all target groups relevant to the project and clearly explain how the planned project activities can make a specific and visible contribution to solving current challenges for the target groups. The list of relevant target groups is gender-disaggregated and, if necessary, broken down according to other factors relevant in the project context (e.g. age, socio-economic position, and indigenous status). It must also be outlined how knowledge transfer to these actors is to take place.

Political backing

The successful implementation of the projects requires the explicit interest of the governments of the partner countries in cooperating with the Federal Republic of Germany on climate action and biodiversity conservation. In the outline phase, an initial assessment is made with regard to political support.

To that end, the project outline must clearly explain how planned project activities correspond to the priorities of the respective partner country and will be supported by the governments of the partner countries involved if implemented.

However, no letters of support from the governments of the partner countries need to be submitted as part of the outline phase. The political backing is to be ensured by the implementing organisation together with the responsible federal ministry.

Planned project activities must take into account the respective **political, economic, cultural, and legal framework conditions** in the partner countries/regions and must align with national/regional policies (including those beyond NDCs/NBSAPs/NAPs). This also applies to national gender justice strategies, especially if the main or important secondary objective of the project is to promote gender justice.

Local Content Criterion

IKI projects are expected to implement at least 50% of the funding through local actors in the partner countries regions. Local actors are implementing organisations of the consortium as well as subcontractors that have their own legal personality according to the applicable national law of the partner country or, in the case of regional organisations, focus their activities on the respective project region (for more information, see [Annex 3 Classification as "local" organisations](#)).

Beyond the implementation of funding, the project aims to use and/or further develop professional and administrative expertise of local organisations. Close cooperation with local organisations is intended to contribute to the local anchoring of capacity development on site and the sustainability of projects. For more information, see [How the International Climate Initiative \(IKI\) strengthens the local embedding of projects](#).

Ambition, transformation and innovation

The project must pursue **ambitious goals** in the respective country and sector context and be designed to achieve **measurable results**. IKI-funded projects should contribute to the social and economic transformation towards a greenhouse gas-neutral and gender-balanced society as well as a way of life that respects the physical limits of our planet. **Transformative change** is far-reaching and brings about profound changes across all levels of society (i.e. environmental, economic and social).

The **transformative character** of the project concept must be demonstrated by several or all of the following aspects:

- **Ambition:** The project will achieve and document a substantial and measurable improvement compared with a business-as-usual trajectory.
The outline must demonstrate how the project is embedded in and supports existing carbon neutral and/or biodiversity conservation development initiatives in the partner country from a regional and/or global perspective.
- **Change:** The project should bring about systemic and/or behavioural changes in decision-makers or a considerable number of individuals or institutions. The steps required to achieve this should be as irreversible as possible (creating “positive path dependencies” – for example, through the large-scale development of climate-friendly infrastructure or entry into force of new legal frameworks).
- **Model potential:** The project works transparently, is replicable through suitable public documentation, and evolves to have a scalable impact in other countries/regions and/or similar sectors.

The IKI promotes **innovative** approaches that offer new or partially new solutions to the challenges of mitigating climate change and biodiversity conservation. A high level of innovation is characterised by a clear distinction from the previous state of knowledge or the state of technological solutions. In this context, “innovative” means any technological, methodological, or social measure that has not been applied in the project region before or not in the same form.

Project planning

Projects must demonstrate the quality of their solutions by applying a theory of change that contributes to the overarching goals of the IKI and follows the methodological guidelines of the Organisation for Economic Co-operation and Development (OECD) (see [Guidelines on Project Planning and Monitoring in the International Climate Initiative](#)). The presentation of the results chain should be plausible in the respective context and offer a sufficiently ambitious, realistic and detailed solution to the initial problem.

Stabilisation of the project effects after the end of the funding (exit strategy)

The project outline must show how the project activities contribute to the **continuation or maintenance of funded activities and results by local actors after the end of the IKI funding**. Reference can also be made to the chosen consortium structure. During the last two years of the project duration, activities must focus on ensuring this (“**exit strategy**”). An increase in funding at or after the end of the project is generally not envisaged.

Climate neutrality

The IKI supports measures to reduce emissions from business trips (e.g. by using video conferencing). Implementing organisations are required to **conduct project activities and investments using project funds in a manner that is as climate-neutral, resource efficient, and environmentally friendly as possible**. If business trips are unavoidable, they may be eligible for

compensation. When selecting offset projects, emphasis should be placed on high-quality certificates (see [Voluntary CO2 offsetting through climate protection projects](#)).

Environmental and social standards

Systematically taking into account environmental and social standards within the IKI aims to prevent IKI projects from negatively impacting people and the environment. The IKI implementing organisations are expected to comply with the [IKI Safeguards Policy](#) and the Safeguards Standards of the Green Climate Fund (currently [IFC Performance Standards](#)). Possible environmental and social risks and planned safeguards measures must be outlined in the project outline. The risk category does not affect the project selection process as long as the safeguards measures are in line with the risk.

Gender strategy

In order to address the interactions between climate change, biodiversity loss and gender, achieving gender justice is central to the IKI ([IKI Gender Strategy](#)). To this end, IKI projects are to be aligned with concrete measures in such a way that gender-based disadvantages and discrimination are reduced. A targeted consideration of existing gender relations should result in a better contribution to climate protection and adaptation to the impacts of climate change as well as the conservation of biodiversity. Based on this, the IKI promotes projects with at least gender-responsive project planning and supports, in particular, projects that adopt a gender-transformative approach.

Similarly, IKI projects should contribute to overcoming social, cultural, geographical, political, legal, religious, racial, ableist, and/or economic discrimination and disadvantage in their project activities.

8.3 Contact of project management agency

IKI Office of Zukunft – Umwelt – Gesellschaft (ZUG) gGmbH
Stresemannstrasse 69–71
10963 Berlin

Email: IKI-Office@z-u-g.org
Tel.: +49 30700181222

For telephone consultation hours, see the [IKI website](#).

Berlin, 1st November 2022

For the German Federal Government
represented by the

Federal Ministry for Economic Affairs and Climate Action
Dr. Phillip Behrens

Annex 1: IKI selection criteria

The projects are assessed and selected by the respective ministries according to the following selection criteria:

Criteria		Explanations
! - Minimum requirements		
Both the minimum requirements and the assessment criteria are used to assess the outlines submitted. All minimum requirements which, if not met, will lead to the exclusion of the project outline from the selection process are marked with a “!”.		
Formal eligibility of the project concept		
Funding requirements		
1	!	Submission in due time via online platform The project outline was submitted in due time and via the IKI online platform .
2	!	Completeness of the documents The documentation submitted was complete.
3	!	Need for funding There is a need for funding.
4	!	No early start of measures The project implementation has not yet started before the submission of the outline.
5	!	Exclusion criteria The project does not provide for any activities that are excluded from funding in accordance with the IKI exclusion criteria .
Duration and amount of funding		
6	!	Funding volume The funding volume proposed in the project outline is in line with the specifications of the respective thematic priority.
7	!	Project duration The maximum duration of funding is eight years.
Project funding		
8		Own funds The financial contributions of the lead organisation as well as the amount of additional funding resources (co-financing) are clear and appropriate.
9		Private sector mobilisation The project should contribute to mobilising private sector funding.
Choice of partner country / countries		
10	!	ODA-eligible countries The partner countries are on the list of ODA-eligible countries at the time the outline is submitted.
11	!	Country setting There is consistency with the country setting specified for the thematic priority.
12		Appropriate geographical approach The geographical approach of the project outline (regional/bilateral/global) is clearly justified.

13		Number of partner countries	The number of countries addressed in the project outline is limited to five in order to ensure that a tangible impact can be achieved in individual countries.
Technical eligibility of the project concept			
14	!	Objective of the thematic priority	The planned project is technically suitable for achieving the specific objectives of the respective thematic priority.
Implementation context			
15		Relevance for the implementation of the NDCs/NBSAPs/NAPs	The planned project makes a relevant contribution to the implementation of NDCs/NAPs/NBSAPs.
16		Connectivity with national/regional policies	The planned project ties in with specific underlying political and legal framework as well as policies and priorities in the respective region/country.
17		Relevance for implementing the Sustainable Development Goals (SDG) of the UN	The planned project follows the comprehensive approach of the 2030 Agenda and takes into account all applicable SDGs. Possible conflicting goals are taken into consideration.
18		Political backing	The project outline indicates that the government of the partner country generally supports the planned project activities. Political letters of support are not relevant to the selection process in the outline phase. However, final project approval/commissioning is possible only with successful political endorsement.
19		Linking to the project/funding landscape	The planned project ties in with the existing local project landscape/funding landscape.
Project planning			
20		Theory of change/results chain	The project outline demonstrates the quality of its problem-solving approach by applying the OECD results chain (see Guidelines on Project Planning and Monitoring in the International Climate Initiative). At least gender-responsive approaches are anchored in the theory of change.
21		Ambition and measurability	The planned project has ambitious goals for the respective project context and is designed for measurable results. The targeted consideration of gender justice in the context of project planning is positively assessed.
22		Transformation	The project aims to bring about systemic and/or behavioural changes in decision-makers or a considerable number of individuals or institutions.
23		Innovation	The planned project offers an innovative solution for a specific region.
24		Environmental and social risks, possible safeguard measures	Possible environmental and social risks as well as possible safeguards measures are presented in a comprehensible and appropriate manner. The commitment to comply with the Safeguards Standards is a funding requirement.
25		Implementation of the IKI gender strategy	The project concept includes approaches to reduce gender-based discrimination as well as empower women and marginalised groups and promote gender justice in the context of the project objectives and sectors.

Target groups			
26		Knowledge transfer to target groups	The project outline clearly describes the knowledge transfer to the relevant target groups.
Verification and replicability of the project results			
27		Exit strategy	The project outline indicates how project activities contribute to ensuring that funded activities and outcomes continue or are maintained once the IKI funding ends (exit strategy).
28		Replicability	The planned project can be replicated in other countries/regions and/or in other sectors.
Eligibility of implementing organisations			
Eligibility of the consortium			
29	!	Application as consortium	The project outline provides for an application as a consortium (i.e. an association of at least two organisations).
30		50% rule	As far as possible, 50% of the funding will be implemented by actors classified as local organisations (see Annex 3: Classification as “local” organisations)
31		Appropriate distribution of roles and tasks	The roles and tasks within the consortium are clearly and appropriately assigned.
32		Appropriate budget allocation	The total budget allocation between the implementing organisations is documented and appropriate.
Eligibility of implementing organisations			
33		Technical eligibility and qualification of all implementing organisations	The lead organisation and consortium partners have the necessary technical and administrative eligibility as well as management competence to implement and coordinate the planned project activities.
34		Access to relevant stakeholders	The lead organisation presents its access to the stakeholders in the partner country relevant to the project in a comprehensible way – either directly or via the consortium partners.
Formal eligibility of the lead organisation			
35	!	Legal form of lead organisation	The lead organisation has an appropriate legal form
36	!	Turnover criterion	The lead organisation meets the turnover criterion.
37	!	Expenditure based accounting	The accounting of the lead organisation is done on an expenditure basis (applicable for organisations with headquarters in Germany).
Technical eligibility of the lead organisation			
38		Experience in international cooperation	The lead organisation has at least five years of experience in thematically relevant project implementation in ODA countries.
39		Regional expertise	The lead organisation should have experience in the chosen target region.

Annex 2: Cooperation agreement

Applicants for funding must apply as a consortium (i.e. as an association comprised of at least two organisations). The consortia must designate a lead organisation.

The lead organisation becomes the sole contracting or agreement partner of the IKI. It is the sole recipient of direct payments from the IKI and is responsible for the budgetary implementation of the project as well as its reporting system. A cooperation agreement should be concluded with all consortium partners and attached to the full proposal. As far as possible, the main features of the cooperation agreement should be agreed between the consortium partners when the project outline is prepared. The agreement supplements the underlying arrangements for the funding between the consortium partners and may not contain any agreements or arrangements to the contrary.

The consortium partners maintain full responsibility for the cooperation agreement and should seek legal advice if necessary. No legal advice, liability, and/or review of content is provided by the federal ministry responsible or the IKI Office of ZUG.

Before a funding decision is made, evidence of a basic agreement between the implementing organisations on at least the following points must be provided:

- Lead organisation
- Other implementing organisations (legal status, headquarters, representative authority)
- Duration, work schedule, and clear division of responsibilities in other implementing organisations

In addition, the following aspects should be coordinated within the framework of the cooperation agreement:

- Reporting and information obligations in the consortium
- Liability of the consortium partners
- Rights of use and copyrights
- Dealing with changes along the project duration
- Visibility of the consortium partners
- Procedures for settling internal disputes (e.g. the use of mediation)

Annex 3: Classification as “local” organisations

For local organisations in the consortium or as subcontractors:

- (1) Local organisations must have their own legal personality according to the respective national law in force in the partner country.
- (2) Partner ministries and authorities are generally excluded from funding.

The following applies to national and regional offices of international organisations:

- (1) Offices must be registered in a partner country and pay taxes there.
- (2) The national or regional office can make independent decisions and is largely independent of instructions from the “umbrella organisation” in the operational design and implementation of project funds.

International organisations that do not meet these criteria cannot count their project budget share as local content – even if national personnel is employed in the project. Therefore, national offices of international multilateral organisations (e.g. UN agencies), the GIZ or the KfW, embassies of other countries, or national offices of other bilateral donor countries do not count as local content.

The following applies to regional organisations such as regional development banks, regional associations of states / economic communities:

- (1) The organisation is based in a country of the region in which the IKI project is implemented and focuses activities on the partner countries.
- (2) At least one of the partner countries is part of this region.
- (3) National partner institutions are involved in the implementation at the country level.
- (4) For banks and networks: Partner countries are members of the regional bank or network.

In justified exceptions, IKI projects may deviate from the target of 50%:

- (1) In the spirit of promoting South-South exchange, there may be an exception to the 50% rule if a substantial part of the project budget is implemented by organisations from the Global South that are not registered in the partner country or region.
- (2) Projects may deviate from the 50% rule if they can plausibly justify that the local content requirement is not possible because of specific country or subject contexts and/or represents a high obstacle to the effectiveness and implementation of the project or there are other reasons inherent in the specific project constellation.

It shall be decided on a case-by-case basis whether exceptions are permissible. Even in the case of exceptions, the local content should be as high as possible.

For more information, see [How the International Climate Initiative \(IKI\) strengthens the local embedding of projects](#).