The Federal Government

IKI INTERNATIONAL CLIMATE INITIATIVE

IKI Thematic Call 2022

Thematic Priorities

for the selection of projects under the International Climate Initiative (IKI)

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1. Net Zero by 2050 without fossil fuels: The role of gas in the decarbonisation of the energy sector

Initial situation/problem	While the high climate impact of coal use is at least recognised internationally, natural gas is often still considered 'clean' and understood as a 'bridge'. Investments in natural gas infrastructure and the development of new fields will therefore continue worldwide. These decades-long projects are diametrically opposed to climate targets, prone to financial risks (stranded assets) and tie up resources that are urgently needed for expanding renewable energies as well as investments in energy savings. The problem particularly concerns the energy sector, which accounts for a significant part of global gas demand and is supposed to enable the decarbonisation of other end-use sectors (especially transport and buildings). There is often a lack of knowledge and understanding among many partner governments and stakeholders to assess the role of natural gas in providing reliable and flexible electricity in line with the 1.5 degree target and avoiding lock-in effects. Questions about technical (e.g. grid stability without gas, repurposing of gas infrastructure), economic (e.g. trade economics), and political (e.g. geopolitics, climate policy) challenges often remain unresolved.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching goal: - The energy sector is decarbonised in line with the Paris Agreement and limiting global warming to 1.5°C. To this end, the envisioned project should work toward the following objectives: <u>Essential project objectives:</u> - Decision-makers implement evidence-based policies to prevent phasing-in or (prospective) phasing-out fossil fuels, especially natural gas. - The energy sector in the partner country provides renewable and inexpensive energy in a reliable and flexible way. - The financial system is increasingly oriented towards sustainability and climate action. - A nationally and internationally well-connected "expert community" supports policymakers by providing qualified advice and cooperation. <u>Possible further project objectives:</u> - The partner country / the partner countries use political incentive systems (legal frameworks, market-based incentives) to implement the transformation process. - Efficient demand side management / load management reduces the need for base-load capable fossil power plants. - The social acceptance (by civilians and businesses, among others) of the transformation process towards renewable energies is strengthened. - A sufficiently large and well-trained pool of skilled workers with a balanced gender ratio is available to implement the energy transition. It is particularly welcomed if quantifiable CO2-saving potentials result from specific project activities.

	<u>Possible contribution of the project to gender justice:</u> - Gender equality and inclusion of disadvantaged groups is actively promoted.
Possible target groups/sectors of the project	- Political decision-makers (national / regional) - Private sector, especially energy companies and grid operators - Professionals in the energy sector - Financial institutions - Science (universities, research institutions, think tanks) - NGOs, civilian population
Project components/content of the project	Among other things, project components for the development and implementation of action-oriented road maps (phase-out scenarios, including analysis on barriers and phase-out date) as well as analytical and advisory measures for transformation-promoting framework legislation are particularly welcomed. Furthermore, the development of financing mechanisms in the context of green/sustainable/gender-smart finance for renewable energies and/or transformative finance for phase-out or transformation processes (e.g. through blended finance approaches and the involvement of philanthropic donors) is desirable. In addition, the development of resources for knowledge transfer and training offers such as basic training, advanced training, and retraining offers in climate action and energy transition-relevant occupational branches is conceivable as a further project component. The demonstration of business ideas and technologies as well as the scaling up of successfully piloted approaches is welcomed. Existing initiatives of the German government such as energy and climate partnerships and international initiatives (e.g. the Renewable Energy for Latin America and the Caribbean Initiative (RELAC), the Global Power System Transformation Consortium (GPST), the Beyond Oil and Gas Alliance (BOGA), and the South East Asia Energy Transition Partnership (SEA ETP)) and also - where relevant - coordination mechanisms such as the NDC partnership should be considered. Regarding investments as well as the implementation of business ideas and technologies to be used, companies, technology providers, and financial institutions that follow the most ambitious sustainability and quality standards possible should be engaged. If Just Energy Transition Partnerships (JETPs) are planned in the project countries, the project should support these.
Regions/ countries	The envisioned project follows a bilateral or regional approach with 1–3 ODA countries in Asia (e.g. Indonesia, Thailand, Vietnam, Philippines) or Latin America (e.g. Argentina, Bolivia, Mexico, Peru).
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Ministry for Economic Affairs and Climate Action (BMWK)

2. Divestment strategies and other innovative approaches to redirect private and public financial flows into climate-friendly alternatives

Initial situation/problem	A fundamental redirection of private and public finance is necessary in order to meet the objectives of the Paris Agreement and to drive and finance global decarbonisation. The phase-out of direct and indirect financing (especially through subsidies for fossil fuels) and the expansion of investments in climate-friendly technologies (especially in renewable energies (RE)) as well as energy efficiency measures are elementary components for transforming the financial sector and, in particular, the energy and mobility sectors. This issue has become even more acute because the 1.5°C target can only be achieved if energy supply security is accompanied by a shift away from coal, oil and gas in the medium to long term. In this regard, carbon pricing approaches and market mechanisms can play a decisive role – both as a push factor away from fossil investments and as a pull factor towards financing climate-friendly alternatives. In addition, the cooperative mechanisms under Article 6 of the Paris Agreement can play a crucial role in unlocking investments in climate protection. However, there is often a lack of knowledge, capacity and implementation structure as to which instruments are effective for this purpose in the own national context.
Intended effects of the project sought	The project sought should contribute to the following overall objective: (1) Partner countries end up public (direct and indirect) and private financing of fossil fuels, in particular through divestment and carbon market approaches (2) Partner countries channel corresponding financial flows into climate-friendly investments To this end, the project should work towards one or more of the following objectives: - The policy frameworks (including policies, strategies and laws) promote divestment. - Specific instruments and incentive systems (e.g. green budgeting, taxonomy and adaptations to capital requirements for financial institutions) will be established and used to (1) phase out public and private financing of fossil fuels and (2) redirect freed-up financial flows towards investments in climate-friendly technologies. - Concrete instruments (e.g. utilisation of market mechanisms, including the voluntary carbon market in combination with risk-reducing climate finance measures) are used to promote private and public investments in sustainable alternatives. - Private and public investments in sustainable alternatives are increasing. - Aspects for strengthening climate resilience are taken into account. <u>Possible contribution of the project to gender justice:</u> - The promotion of gender equality is embedded as an important decision-making criterion in the strategies for redirecting financial flows towards climate-friendly investments.

Possible target groups/sectors of the project	- Actors in the financial sector such as public and private banks and institutional investors (i.e. insurance companies, pension funds) - Actors in the sectors affected by decarbonisation (e.g. energy, mobility, and industry) - Policy makers (national/regional) - Ministries of finance/energy/climate as well as other relevant regulatory authorities - Other actors in the (voluntary) carbon market
Project components/content of the project	Projects should ideally include analysis and advice on strategies to redirect public and private financial flows away from fossil fuels as well as the development of instruments and advisory services to mobilise public and private finance in order to promote climate-friendly investments. Private and public investments should comply with the IFC Performance Standards on Environmental and Social Sustainability or comparable standardised sustainability assessments for investments. In addition, capacity and knowledge building as well as raising of awareness and initiating activities to implement divestment measures are desirable project components. The development and implementation of country-specific strategies and measures to promote RE as well as other transformative technologies and societal approaches, taking into account market mechanisms, will also be supported. The reduction of barriers concerning the implementation of investments in climate-friendly (energy) measures as well as networking of relevant actors, establishment of partnerships and dialogues (e.g. in the context of global initiatives and peer-to-peer learning) should also be considered as a project objective. Where relevant, existing coordination mechanisms such as the NDC partnership should be taken into account.
Regions/ countries	This funding priority is open to global and regional projects in ODA countries that have a strong exposure to the financing of fossil fuels. The implementation of the project should focus on 1–3 countries. If regional energy connections exist, a regional component should be integrated.
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Ministry for Economic Affairs and Climate Action (BMWK)

3. Agri-photovoltaics – promotion of photovoltaic expansion on agricultural land

Initial situation/problem	In many developing and emerging economies, there are competing uses between agriculture and land-intensive photovoltaics. Agriculture limits the land available for photovoltaic expansion, thereby creating regional conflicts. Considerable progress in the development of agri-photovoltaics (Agri-PV) makes it possible to cultivate fields and generate electricity at the same time, thereby making a major contribution to food security and the local energy transition. Agri-PV can thus reduce dependencies of countries that currently rely on energy and food imports. In addition, dual use of the land contributes to reducing risk of loss of earnings as a result of increasingly occurring extreme weather events and the associated crop failures. However, in many countries, there is currently a lack of specific regulatory frameworks and implementation strategies as well as incentive and financing systems for rapid Agri-PV expansion.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching goal: - The nationwide expansion of Agri-PV in the partner country promotes the energy transition and secures the food supply. To this end, the envisioned project should work toward the following objectives: <u>Essential project objectives:</u> - Local and greenhouse gas neutral power generation with Agri-PV is established in the project areas. - Farmers and rural population groups receive additional and reliable income from the generation of electricity. - Farmers and rural population groups accept the energy transition and its implementation. - Low-threshold financing mechanisms for the further expansion of agri-PV systems have been established. <u>Possible further project objectives:</u> - Farmers and rural populations increase food production and show increased resilience to climate-related increases in crop failure. - Farmers are trained in climate-resilient cultivation methods and implement them on their farmland. Rural population groups are given new employment opportunities in the form of technical support for the installations. - The regulatory framework in the partner country favours the simultaneous use of land for arable farming and renewable power generation. It would be particularly welcomed if quantifiable savings potentials were to result from specific project activities.

	<u>Possible contribution of the project to gender justice:</u> - Women and disadvantaged people diversify their income through capacity development and employment opportunities in the technical sector (plant installation, maintenance). - Female-headed households and companies are involved in and benefit from the implementation of Agri-PV measures.
Possible target groups/sectors of the project	- Farmers in the partner country - Rural population and their interest groups, especially also in relation to new value chains (electro-technical installation, maintenance and cleaning, training) - Private sector (technology providers, project development, financial institutions) - Government and administration
Project components/content of the project	The piloting of Agri-PV systems in different contexts is desirable: regions, soils, cultivation methods and varieties, PV module types with different orientations (south, east-west, vertical, horizontal, or inclined). The development of long-term financing mechanisms (blended finance, micro credits, impact investment) is particularly desirable for the further expansion of Agri-PV systems. In this context, the construction of pilot plants can also be used to research dual use (i.e. the quantification of crop yields and electricity generation). The piloting should be accompanied by capacity building of regional agricultural stakeholders and energy industry actors (including network companies). A gender-differentiated analysis of the obstacles to rapid Agri-PV expansion (framework conditions, land conflicts, incentive systems, investment and financing needs, reduced agricultural income) and the development of a gender-responsive roadmap for the implementation of a national/regional Agri-PV strategy are particularly welcomed. Building on this, it is conceivable to build the capacity of local and national stakeholders to implement policy incentive schemes (legal frameworks, market-based incentives) to promote Agri-PV. Empowering decision-makers (political and regulatory authorities and interest groups) can also lead to a revision of regulatory frameworks designed for the use of land exclusively for arable farming or power generation. Regarding investments as well as the implementation of business ideas and technologies to be used, companies, technology providers, and financial institutions that follow the most ambitious sustainability and quality standards possible should be engaged. Where relevant, existing coordination mechanisms such as the NDC partnerships, energy partnerships, and funding projects should be taken into account.
Regions/ countries	The envisioned project should be implemented bilaterally in an ODA country in Asia – especially India, Thailand, Vietnam, and Indonesia. Alternatively, a bilateral project in an ODA country in Africa or Latin America is also possible provided it offers added value for the energy transition in the national context.
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Ministry for Economic Affairs and Climate Action (BMWK)

4. Climate-friendly continued use and re-use of former power plant sites

Initial situation/problem	In many countries, the use of coal for energy is predominant. Developing and emerging countries account for up to 80% of global coal consumption. Coal-fired power plants and associated infrastructure, including coal mining, produce considerable greenhouse gas emissions. A shift away from coal use is thus a prerequisite for achieving international greenhouse gas emission reduction targets. However, for many developing and emerging countries, the phasing out of coal use is particularly difficult for economic reasons, especially if coal-fired power plants are relatively young and play an important role in a stable energy supply. The power plant sites are also developed as energy infrastructure sites. At the same time, the coal industry also offers employment opportunities, especially in developing countries, in regions where there are often few alternatives. In many countries, an accelerated, socially just energy transition can succeed only if new concepts for a young fossil infrastructure are developed for possible re-use and continued use that is aligned with the climate objectives and the objectives of the energy transition.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching goal: - An accelerated yet socially just phase-out of relatively young coal infrastructure promotes GHG reductions in the energy sector and supports the transformation towards a RE-based energy system. To this end, the envisioned project should work toward the following objectives: <u>Essential project objectives:</u> - Partner countries pursue an environmentally and socially sound approach to dismantling or converting coal-fired power plant sites with a view to phasing out the use of coal in the energy sector. - Opportunities for the re-use of coal-fired power plant sites with a focus on concepts that are as cost-effective as possible and environmentally and socially compatible have been developed and their feasibility proven (e.g. through demonstration projects). - The project will make a substantial contribution to the success of the energy transition towards an efficient and flexible energy system based solely on renewable energies. - In particular, the aim is to contribute to improving the flexibility of the energy supply in order to facilitate the integration of RE and ensure the stability of the energy supply. - Technical and regulatory framework conditions for the system integration of renewable energies have been created. - The support of a sustainable and future-oriented, socially just structural development, safeguarding of employment (including education and training with active promotion of gender justice), and the inclusion of disadvantaged groups.

	<u>Possible further project objectives:</u> - Power plant operators and employees (with a focus on women and other disadvantaged groups) have access to alternative business models and sources of income (e.g. in the renewable energy or efficiency sectors). Quantifiable GHG savings and energy efficiency potentials should ideally result from specific project activities.
Possible target groups/sectors of the project	- Power plant operating companies (public and private sector) - Grid operators - Technical personnel of the coal-fired power plants and surrounding population groups - Industrial and energy companies (technology providers, project developers) as well as financial actors – especially with regard to possible new investment opportunities in the re-use concept - Governments
Project components/content of the project	In order to achieve the objectives set out, the first step is to discuss potential power plant sites for further development in a participatory manner with the relevant stakeholders (e.g. politics, power plant operators, grid operators, local population, civil society, and science). Site-dependent analyses (e.g. system simulations) of the various technological alternatives (e.g. re-use as an energy storage site for the provision of system services, RE site) should serve as a basis for the development of subsequent use concepts. The basis of the discussion is the goal of a greenhouse gas-neutral, fully decarbonised energy sector based on the use of renewable energies. Furthermore, together with the relevant stakeholders from politics and the regulatory authorities, it is to be worked out how the regulatory framework conditions, including market-based incentive systems, must be set so that the further development of power plant locations becomes an attractive business model for power plant operators. A further step is the implementation of the concepts by closely involving the relevant partners and, if necessary, finding financing solutions for the various measures. The concepts are to develop technologies based on a pilot that demonstrates their effectiveness. Regarding investments as well as the implementation of business ideas and technologies to be used, companies, technology providers, and financial institutions that follow the most ambitious sustainability and quality standards possible should be engaged. In order to ensure the rights and working conditions of the workers at the coal-fired power plant sites during further development, the project activities are to be aligned with the ILO Guidelines for Just Transition. Where relevant, existing coordination mechanisms such as the NDC partnership and the energy partnerships as well as other projects to retrofit and further develop power plant sites should be taken into account.
Regions/ countries	The envisioned project should be implemented bilaterally in an ODA country in Asia – especially India, Vietnam, or Indonesia. Alternatively, a bilateral project in an ODA country in Africa or Latin America is also possible.
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Ministry for Economic Affairs and Climate Action

5. NDC implementation through sector coupling

Initial situation/problem/	Nationally determined contributions (NDCs) are shaped by sectoral targets in most countries, and the implementation of these is accordingly primarily sectoral (i.e. largely isolated in the respective sectors). The potential for increasing efficiency and reducing emissions that lies in sector coupling is thus not being harnessed. The focus here is on linking the central consumption sectors, i.e. industry, transport, and buildings with energy generation (primarily electricity). Hitherto, developing and emerging countries often lack the policies, expertise, coordination mechanisms, and funding required for sector coupling. However, achieving fully decarbonised economic structures will depend on cross-sectoral interaction that pursues linkage, coordination, and holistic (whole-of-economy) approaches.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching goal: - Sector coupling is already implemented in the partner country (at least in sub-areas), is financed in the long term, and delivers far-reaching greenhouse gas (GHG) reductions. To this end, the envisioned project should work toward one or more of the following objectives: - The partner government and actors from the private sector (e.g. energy companies and network operators as well as decision-makers from the industry, transport, and building sectors) implement measures for sector coupling in a competent manner; - Private and public investments in sector coupling are secured and scaled across institutions; - Public administration uses relevant sector coupling expertise for coherent and cross-sectoral NDC implementation planning; - Coordination and cooperation between sectors – at the policy, administrative, and private sector level – is strengthened to the extent needed for effective sector coupling; - The national regulatory framework promotes and incentivises decarbonisation across sectors and infrastructures Quantifiable GHG savings should ideally result from the project activities. <u>Possible contribution of the project to gender justice:</u> - Business models and financing instruments for sector coupling are implemented in a gender-smart way. - Women are increasingly involved in the development of regulatory frameworks for the decarbonisation across sectors and infrastructures and are increasingly taking leading roles in this.
Possible target groups/sectors of the project	- Relevant sector ministries as well as ministries of climate, planning, and finance in the target country (if applicable); financial institutions, investors, cooperatives, and companies in selected sectors; - Potentially electricity, heat, transport, industry, and building sector.

Project components/content of the project	Project components for close support in the planning and implementation of measures for sector coupling as well as analyses and advice on (regulatory) framework conditions favourable to this – especially on energy, building, industry, and environmental standards – are particularly welcomed. In addition and as needed, targeted technical expertise on sector coupling should be promoted (e.g. through cooperation with scientific institutions). Equally important is the development of financing instruments and economic incentives for private and/or public investments in sector coupling, especially the development of projects and project pipelines that are ready for financing. There will be strong support for project components to support inter-ministerial coordination and participation processes. Existing coordination mechanisms (e.g. the NDC partnership) should be taken into account. Furthermore, it is conceivable to promote the social acceptance of approaches to sector coupling (e.g. by supporting energy communities). It would also be possible to include support for the use and integration of decentralised energy sources in the project. The implementation of components for efficient operation and the digitalisation of sector coupling (e.g. by promoting innovative information and communication technologies or ideas on how different infrastructures can be efficiently interconnected through AI) are equally possible. The scaling of approaches that have already been successfully piloted is explicitly welcomed. Measures for the sector coupling of power plants that are operated with fossil fuels or nuclear energy are not desired within this funding priority.
Regions/ countries	The envisioned project should focus on bilateral implementation (i.e. in an ODA country). If appropriate, individual project activities can pursue cross-border approaches.
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Ministry for Economic Affairs and Climate Action (BMWK)

6. Climate-neutral regional development through environmentally sound raw material extraction and processing in the countries of the SADC region

Initial situation/problem	Fossil, mineral, and metallic raw materials are important components of many everyday products. In particular metallic raw materials play a significant role in technologies that make an important contribution to climate protection and the energy transition, e.g. PV modules or batteries. However, the worldwide increase in the demand for raw materials is accompanied by massive local and global environmental impacts at all stages of the value chain. It also impacts the health of the local population and leads to increased potential for social conflict in the mining regions. Approx. 30% of global mineral reserves (including coltan, cobalt, platinum, gold and copper) are found in Sub-Saharan Africa. Therefore, the extraction of non-renewable raw materials plays a central role in the region and especially in the countries of the Southern African Development Community (SADC), Africa's largest and economically strongest regional organisation. Rising global demand for raw materials is leading to considerable foreign investment on the continent as well as increasing exports. Both are key factors for the economic development of the region. However, there is currently a lack of environmental and social standards, implementation strategies as well as incentive and financing systems for resource-efficient, low-emission, and circular raw material extraction and processing.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching goal: - Raw material extraction and processing in the SADC region is done in a circular, low-emission, and environmentally and socially responsible manner. To this end, the envisioned project should work toward the following objectives: <u>Essential project objectives:</u> - The regional organisation SADC as well as its member states have developed specific implementation strategies for circular, low-emission, and environmentally and socially responsible raw material extraction and processing. - Pilot projects on nexus approaches lead to a climate-friendly use of raw materials, water, and land as well as to the protection and promotion of biodiversity. - Measures, business models and financing instruments for sustainable and environmentally/climate-friendly raw material extraction and processing materials were piloted in cooperation with companies. - Local and regional value chains and material cycles are carried out in a resource-conserving and climate-friendly manner. - National and local regulatory bodies and monitoring authorities for climate and environmental protection as well as climate and environmental policy instruments (including standards) have been established and strengthened. - Climate-relevant emissions and environmental pollution caused by raw material extraction and processing are considerably reduced.

	Possible further project objectives: - Best practice projects e.g. on "minimally invasive" circular mining (e.g. open pit, underground, residue transfer, renaturation, water efficiency, and EbA approaches) have initiated new business models and ways of working. - Exchange between countries through a regional platform promotes environmental and social frameworks through knowledge building and best practice. Quantifiable potential to reduce CO2-emissions from specific project activities are particularly welcomed. Possible contribution of the project to gender justice: - Along the entire value chain, measures to promote income opportunities, enterprise, and knowledge building for women and/or LGBTIQIA+ will be implemented - In the mining sector, approaches to prevent gender-based violence will be implemented, particularly in resource extraction.
Possible target groups/sectors of the project	- The Southern African Development Community (SADC), as well as governments of the SADC region and other political actors - Environmental and mining authorities (National and local regulatory bodies and monitoring authorities) - (extractive industries) companies and associations (including small-scale mining) - Trade unions - Regional (and international) financial institutions - Consumers and the communities affected - Women (security, gender equality)
Project components/content of the project	Project components for building and strengthening regional expertise and governance as well as for developing and implementing environmental and social standards are particularly welcomed. Furthermore, the development of strategies for the involvement of the local population (with special consideration of women) in planning, approval, and monitoring is desirable. The demonstration of financing models for circular business ideas and best-available technologies as well as scaling up successfully piloted approaches for climate-friendly local and regional value chains and material cycles are desired. In addition, a monitoring system in line with current international standards for greenhouse gases, water, and raw materials should be expanded to identify quantifiable saving potentials. Existing coordination mechanisms (e.g. the NDC partnership) should be taken into account. An additional project component could be the development of basic training, advanced training, and retraining opportunities.
Regions/ countries	The envisioned project should take a regional approach and be implemented in up to five ODA countries in the SADC region
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)

7. Protecting freshwater resources for increased climate resilience in the Pacific Islands

Initial situation/problem	Climate change causes seasonally longer periods of drought and/or heavy rainfall in many Small Island Development States (SIDS) of the Pacific Islands. Climate change-related challenges such as sea level rise, coastal erosion, flooding, and salinisation pose a fundamental threat to already scarce freshwater resources on the affected islands. At the same time, the resilience of existing water supply systems is mostly low, which fundamentally endangers the region's water security. Vulnerable groups are particularly affected by the impacts of climate change on water resources; for example, they are structurally disadvantaged because of their gender, age, and/or affiliation to an indigenous group. They are also the ones who are often excluded from decisions on the use and management of natural resources or in infrastructure-related decisions.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching goal: - Freshwater resources in selected Pacific Island Countries are sustainably protected, and water supply (especially for vulnerable groups) is strengthened and climate-resilient so that it can cope with drought, extreme rainfall, and other impacts of climate change. To this end, the envisioned project should work toward the following objectives: <u>Essential project objectives:</u> - Decision-makers and actors in relevant sectors at the local, regional, and national levels implement priority measures for water supply/drinking water production and sanitation as well as for the protection of freshwater resources of particularly vulnerable island communities, taking into account traditional knowledge of resource management. - Water security and water-based climate resilience are considered in local, regional, and national adaptation plans, and the necessary funding for implementation has been mobilised. <u>Possible further project objectives:</u> - Relevant professionals are enabled to collect, analyse, monitor, and use meteorological and hydrological data in a professional manner. - Selected measures/aspects of regional water-related frameworks have been implemented. - Sustainable access to drinking water is improving – especially for disadvantaged groups. <u>Possible contribution of the project to gender justice:</u> As key actors in water use, women and LGBTQIA+ persons are promoted in the planning and implementation of measures at the community level and strengthened in their role as experts and decision makers. This may include the following components: Capacity building and/or network building for female or LGBTQIA+ professionals in water management; integration of gender-responsive approaches in water resources management, awareness-raising of classical/traditional decision-making structures on issues of gender justice and de-marginalisation.

Possible target groups/sectors of the project	- Vulnerable groups who are structurally disadvantaged (e.g. because of their gender, age, place of residence, or affiliation to an indigenous group) - Political decision-makers (local, national, regional) - Actors in sectors relevant to freshwater protection and use - Actors in coastal protection and disaster management - Universities and research institutes
Project components/content of the project	The focus of the envisioned project is on the implementation of adaptation measures in water supply and sanitation as well as the protection of freshwater resources. This implementation focus should be visibly reflected in the project's budget allocation. Measures to ensure long-term climate-resilient freshwater supply (e.g. through efficient and sustainable use of rainwater and groundwater) and waste water disposal (e.g. through ecosystem- and nature-based waste water reuse) are particularly targeted. Furthermore, the envisioned project should support the integration of water aspects into local, regional, and national adaptation planning and Nationally Determined Contributions (NDCs) and, where appropriate, into relevant sector strategies (e.g. agriculture). Existing coordination mechanisms (e.g. the NDC partnership) should be taken into account. This includes the mobilisation of additional funding to work towards upscaling, replication of project results, and implementation of further water measures identified in adaptation plans. It is also conceivable to include the development and expansion of hydrological and meteorological measurement, monitoring, and modelling capacities and support for the implementation of regional water-related frameworks. Project components involving seawater desalination plants are not desired in connection with this funding priority.
Regions/ countries	The envisioned project is to be implemented in two to three Pacific SIDS. Countries that are particularly affected by climate change impacts and that are Least Developed Countries (LDCs) and/or lower-middle income countries (World Bank classification) should be chosen.
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)

8. Deforestation-free supply chains of agricultural commodities

Initial situation/problem	Global deforestation is a major driver of the climate and biodiversity crises. Approximately 90% of global deforestation is due to the expansion of agricultural land. The EU imports approx. 16% of the agricultural commodities grown on this deforested land, of which Germany has the largest share. The EU and Germany are addressing the problem with new regulations, in particular the EU regulation for deforestation-free supply chains. The aim is to make such supply chains sustainable and deforestation-free that currently still contribute to deforestation in producer countries because of the demand in the target markets of the EU. For scalable implementation of the new EU legislation, promising approaches of deforestation-free production methods in producer countries need to be further promoted beyond small-scale best practices. Otherwise, there is a risk that agricultural commodities will increasingly be exported to less regulated markets.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching goal: - Deforestation-free supply chains for agricultural commodities that address the link between European and German resource needs and deforestation in other parts of the world are established in the partner countries and contribute to forest conservation, natural climate action and forest landscape restoration (FLR). Agricultural commodity supply chains and related marketing structures in the EU are transparent, sustainable and human rights compliant. To this end, the envisioned project should work towards the following objectives: - Actors in partner countries and along supply chains can comply with the changing regulatory framework and requirements and have access to EU markets. - New approaches to transparency and traceability along the supply chain demonstrate sustainable and deforestation-free production. - The mobilisation of private capital through established and new financial products and funds as well as private sector innovations in the area of deforestation-free supply chains create incentives for sustainable production methods, improve market access for producers, and provide starting points for scaling up the project results. - Degraded forest landscapes are widely restored in combination with sustainable land use. <u>Possible contribution of the project to gender justice:</u> - Supply chains in which women and indigenous peoples play a role as producers or processors are given special consideration in order to improve their income opportunities and working conditions.

Possible target groups/sectors of the project	- Smallholders and cooperatives, women-led or LGBTQIA+ cooperatives and groups, indigenous groups - Small and medium-sized enterprises in agricultural production - Intermediaries for agricultural commodities - Certification companies - NGOs in the area of forest protection, FLR, and supply chains - Representatives of EU civil society or public procurement bodies of EU countries at the end of supply chains
Project components/content of the project	The project measures support the various target groups – in particular, local and indigenous land users – in implementing the EU requirements for deforestation-free supply chains. Possible project components here include: Organisational development, compliance with regulations as well as corporate and product due diligence. Furthermore, approaches that, in conjunction with deforestation-free production, contribute to forest protection and its monitoring as well as to restoring the functionality of forest landscapes and agricultural land are welcomed. The cooperation with the private sector and the mobilisation of private capital through the project creates the basis for scaling the project impacts. This can be achieved through developing business models and financing mechanisms as well as public-private partnerships and traceability methods. The development of frameworks and capacities to meet the new requirements through EU legislation will be supported by the project at local and national level as well as along the supply chain. Project components for policy advice and capacity development are conceivable here.
Regions/ countries	Projects with a regional or bilateral focus in up to five ODA countries in Sub-Saharan Africa or Latin America or South-East Asia that are an important source of agricultural commodities for the EU.
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)

9. Effective biodiversity and climate action through the promotion of sustainable public incentive systems

Initial situation/problem	Biodiversity and climate-friendly public incentive schemes are key catalysts on the path to a sustainable transformation of our social and economic systems worldwide. However, states continue to promote environmentally harmful, emissions- and resource -intensive industries and business models in various ways. Such incentive schemes are not in line with the objectives of the Paris Agreement (Art. 2.1c), the Convention on Biological Diversity (CBD), and the 2030 Agenda. Sustainable incentive systems are an opportunity to create fair market competition for biodiversity and climate action and to charge environmental costs to polluters, forcing them to adapt their activities accordingly. However, environmental ministries often have little influence on economic, tax, and budgetary policies. Nevertheless, awareness for the need for fundamental change is increasing: Ministries for finance, planning, and economics are increasingly recognising the importance of natural capital as well as the negative impact of environmentally damaging activities on medium and long-term socio-economic development. However, there is still a lack of success stories and established methods, as well as the dissemination of good practices for green revenue and expenditure policy approaches.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching goal: - Partner countries reduce environmentally and climate damaging subsidies and implement biodiversity- and climate-friendly incentive systems. To this end, the envisioned project should work toward the following objectives: <u>Essential project objectives:</u> - The impact of biodiversity- and climate-damaging subsidies and the importance of natural capital are recognised by policy makers and integrated into the design of state tax and expenditure policies. - Partner countries have biodiversity- and climate-friendly public incentive systems and implement them in relevant sectors (e.g. agriculture and forestry, water/waste water and fisheries, energy/fossil fuels). - Relevant actors are aware of the necessity and potential of biodiversity- and climate-friendly green revenue and expenditure policies, have the necessary capacities, and implement successful examples (good practices). <u>Possible further project objectives:</u> - Affected sectors of the economy and society are increasingly redirecting their investments into nature-positive areas because of the reduction of biodiversity- and climate-damaging subsidies and the growing number of green revenue and expenditure policies. - Pioneering countries for green revenue and expenditure policies contribute to mainstreaming and actively support the issue in international fora, including CBD processes and with regards to Article 2.1c of the Paris Agreement.

	<u>Possible contribution of the project to gender justice:</u> - The promotion of biodiversity- and climate-friendly public incentive systems should aim for a gender-transformative effect by avoiding gender-specific negative impacts and promoting potentials for strengthening gender justice (e.g. by mainstreaming gender budgeting approaches).
Possible target groups/sectors of the project	- Ministries of finance, planning, economy and/or development, in close cooperation with other relevant ministries (e.g. environment, agriculture, fisheries, infrastructure, industry, and women's/family affairs) - Private sector (companies in the sectors concerned, including producers at local level with special attention to women, LGBTQIA+ and indigenous groups, national chambers of industry and/or commerce, and other sectoral associations)
Project components/content of the project	Project components such as the implementation of biodiversity- and climate-friendly public incentive systems as well as the systematisation and further development of existing approaches and methods are required. Close and long-term (seven to eight years) support of the selected countries through advisory services and capacity development of relevant sectoral ministries, strengthening of interministerial cooperation and policy coherence, as well as support for the exchange of experience at the national and international level are desirable. In addition, support partner countries in actively engaging on the issue in international bodies, including the CBD and UNFCCC. Existing coordination mechanisms and relevant forums should be taken into account.
Regions/ countries	The focus should be on three to five selected pioneer countries (ODA countries) that have signalled a high level of political interest and may have already developed initial analyses and initiatives for implementing biodiversity- and climate-positive incentive systems (including for reducing environmentally harmful subsidies). The funding priority is therefore exceptionally open to global proposals as well.
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)

10. Prevention and reduction of the negative impacts of invasive alien species on island ecosystems and their services

Initial situation/problem	Invasive alien species (IAS) are one of the top five drivers of biodiversity loss worldwide according to the Intergovernmental Platform on Biodiversity and Ecosystem Services IPBES. IAS affect not only ecosystems but also food security, human health, and economic activities. Because IAS can have negative impacts on ecosystem resilience and services such as carbon storage capacity, the prevention and control of their spread generally contribute to climate change mitigation and adaptation. Through various interactions, advancing climate change effects additionally increase the risk of biological invasions. Island ecosystems are particularly vulnerable because they are sensitive to change and are home to a high proportion of endemic species. The effective prevention, control, and early elimination of IAS are therefore of great importance.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching objectives: - Insular terrestrial and coastal ecosystems with high biodiversity relevance are restored, their resilience is strengthened, and their ecosystem services are secured in the long term. - The negative impacts of invasive alien species on these ecosystems are reduced or avoided. To this end, the envisioned project should work toward the following objectives: <u>Essential project objectives:</u> - Prevention: Actors develop and implement measures to prevent the introduction and spread of invasive alien species. - Management: Actors implement ecosystem-friendly and socially responsible measures to control and, if necessary, eliminate IAS and subsequently restore the affected ecosystems. <u>Possible further project objectives:</u> - Decision makers, affected populations, and the wider public are aware of vulnerability caused by IAS and support prevention and management measures. - Decision makers and other actors at the national, regional, and global level exchange experiences and promising approaches to IAS prevention and control. - Human, institutional, and technical capacities to address IAS have been built up. - Measures to prevent and control IAS are incorporated in the policy frameworks of various sectors. <u>Possible contribution of the project to gender justice:</u> - The selection of target areas and the implementation of measures to manage or combat IAS are carried out, taking into account gender-specific differences in the use of ecosystems and their services and compensation for any loss of income.

	- Gender equitable participation of all genders in decision making for prevention and management measures is ensured.
Possible target groups/sectors of the project	- Relevant authorities (e.g. customs, agriculture, environment, health) - Private sector (including energy, agriculture, tourism, fishery) - Affected populations (especially vulnerable groups such as indigenous peoples and local communities as well as youth) - Civil society groups advocating sustainable resource management
Project components/content of the project	The project will take an integrated approach and contribute to climate change mitigation and/or adaptation to reduce or prevent the negative impacts of invasive alien species on island ecosystems and their services. The project should ideally involve indigenous peoples and local communities as well as their knowledge in the development and implementation of project activities for preventing and managing IAS and for restoring ecosystems. All measures for the management and elimination of IAS must be ecosystem-friendly and socially responsible and have a reasonable cost-benefit ratio. Project components should be designed in such a way that they do not reproduce existing inequalities based on gender, group membership, or other factors, but rather counteract them. As a minimum, it should be ensured that IAS prevention or management measures do not have a negative gender impact. Pure policy advisory projects are not funded.
Regions/countries	The project should follow a regional or bilateral approach and be implemented in island ecosystems in up to five ODA countries. These islands should have a high biodiversity relevance.
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)

11. Strategic communication and awareness raising for the importance of biodiversity

Initial situation/problem	In the context of the biodiversity and climate crises, knowledge and awareness of the importance of biological diversity for people are important levers for transformative change. Although understanding of the value of biodiversity has increased in the recent past, it is not yet sufficiently anchored in society at large and among political and economic decision makers. Interactions between biodiversity and other societal challenges such as climate change and conflicts over limited natural resources can be difficult to communicate. The COVID-19 pandemic has once again highlighted the need to increase knowledge and awareness of the links between biodiversity, climate change, health, and zoonotic risks. The draft for the new post-2020 Global Biodiversity Framework (GBF) therefore emphasises the need for improved knowledge, awareness, and appreciation of biological diversity (including the knowledge of indigenous groups and local communities) for biodiversity conservation.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching goal: - Increased knowledge and awareness at the level of society as a whole and among political and economic decision makers of the need for rapid action to preserve the natural foundations of life, provides the basis for an integrated approach to tackle the biodiversity and climate crises. To this end, the envisioned project should work toward the following objectives: <u>Essential project objectives:</u> - Selected target groups are made aware of the importance of biological diversity and in addition, the knowledge and awareness of the need to protect and sustainably use biodiversity, as well as the connection between the biodiversity and climate crises and the associated nature-based solutions, are also anchored among the actors of different target groups. - Actors from various target groups are aware of the need for rapid action to preserve the natural foundations of life and are willing to actively engage. - Concepts and methods to bring about concrete, biodiversity-positive changes in behaviour and decision making have been developed and implemented. <u>Possible further project objectives:</u> - Indigenous and local knowledge is taken into account in measures to promote awareness about biodiversity. - Media landscapes adopt the campaign information and education systems implement them in teaching. <u>Possible contribution of the project to gender justice:</u> - Information campaigns and educational programmes take gender-specific approaches to promoting knowledge, awareness and appreciation of biodiversity.

Possible target groups/sectors of the project	<u>Possible target groups:</u> - Broad population groups with people and representatives from different educational contexts, genders, age groups, and cultural contexts with special attention to vulnerable groups such as indigenous peoples as well as local communities and youth. - Selected representatives from politics, business, education, and science – in particular groups with knowledge gaps regarding biodiversity – in order to increase the effectiveness of the new global framework for biodiversity for the period after 2020. <u>Possible sectors:</u> - Education and vocational training, urban development, transport, industry and private sector, mining, health, and finance as well as agriculture, forestry, and fishery.
Project components/content of the project	After a pilot phase, target group-specific awareness and information campaigns as well as educational offers will be implemented on a large scale. Both analogue and digital approaches are appropriate, ideally complementing each other. The concepts of these offers or campaigns should convey the connections between climate change, biodiversity, health, and zoonotic risks as well as possible solutions. Diverse sectors are to be addressed with target group-specific, engaging, and positive approaches. Instead of broad-based public relations work, communication and awareness-raising measures should be designed in an innovative and target group-oriented manner (e.g. gender-specific). Relevant social groups should be engaged in a participatory manner, taking their cultural diversity and socio-economic situation into account. The project should ideally promote biodiversity-sensitive action in areas where ambitions to promote biodiversity conservation have so far been little developed. The developed concepts are to be implemented on a pilot basis in several contexts worldwide with the aim of achieving specific biodiversity-positive changes in these areas through successful strategic communication. Following the successful implementation at the pilot locations, a strategy for transferring the concepts to other locations will be developed.
Regions/countries	Global projects with piloting in three to five ODA countries.
Funding volume	EUR 10–15 million
Lead federal ministry	Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)

12. Strengthening the resilience of Pacific Island states against climate-related loss and damage

Initial situation/problem	The Pacific Island Developing States are existentially affected by the climate crisis, related disasters and extreme weather events as well as slow-onset climate change-related changes such as rising sea levels. Climate change is already causing considerable monetary and non-monetary loss and damage to nature and people, thereby driving resettlement and (internal) migration and endangering cultural heritage. At the same time, many island states do not have the necessary adaptation, preparedness, and coping capacities or are already reaching the limits of technically feasible adaptation. The impacts of climate change are particularly felt by the local population and especially by vulnerable groups who are particularly affected, for instance as a result of their gender, age, and/or affiliation to indigenous groups.
Intended effects of the envisioned project	The envisioned project should contribute to the following overarching goal: - The resilience of Pacific island countries against climate-related loss and damage, including non-monetary damages, has been strengthened. To this end, the envisioned project should work toward the following objectives: <u>Essential project objectives:</u> - Regional cooperation on the topics of managing loss and damage and green resilient reconstruction has been strengthened. - Regional and local competencies and capacities for strengthening resilience and dealing with climate risks are strengthened. - Policy frameworks have been (further) developed and strengthened to provide an appropriate framework for managing monetary and non-monetary (e.g. cultural) climate-related loss and damage. - Regional and local strategies for coping with non-monetary loss and damage (e.g. climate change-related mobility, preservation of culture and cultural heritage) are (further) developed and implemented. - Stakeholders implement community-based projects to strengthen resilience and greener reconstruction following disasters – ideally also contributing to the development of additional, resilient income opportunities for the local population. <u>Possible further project objectives:</u> - Additional financial resources to minimise and cope with climate-related loss and damage have been mobilised (e.g. through innovative financing instruments). - Gender-differentiated analyses of climate-related risks as well as the impacts of climate change on the affected population have been prepared. - Early warning systems to minimise climate-related loss and damage have been established or strengthened at the local, regional, and national level.

	Possible contribution of the project to gender justice: - Women and/or LGBTQIA+ persons are promoted as key actors in the planning and implementation of resilience projects at the community level and empowered in their role as knowledge and decision makers. - Gender mainstreaming into policy frameworks to promote resilience against climate-related extreme weather events and loss and damage.
Possible target groups/sectors of the project	- Political decision-makers (local, national, regional) - Vulnerable groups who are particularly affected, for instance as a result of their gender, age and/or affiliation to indigenous groups - Regional organisations and forums - Companies and economic actors
Project components/content of the project	The focus of the envisioned project is on strengthening the resilience of Pacific island states in dealing with loss and damage. To this end, regional cooperation for the prevention and management of climate change-related effects (including non-monetary damages) is to be strengthened, and existing strategies and plans are to be implemented and updated where necessary. Specific community-based projects for increasing resilience and for greener reconstruction following disasters in core countries, which ideally contribute to the development of additional green and resilient income opportunities for the local population in the sense of a climate change-resilient "Blue Ocean Economy", are particularly welcome. Furthermore, project components that support the integration of climate resilience aspects into local, national, and regional strategy, planning, and legislative processes, including NDCs and NAPs, are desirable. Where possible, the project results should be fed into national and/or regional forums and thus be further disseminated. The mobilisation of additional financial resources (e.g. through innovative financial instruments) and a gender-differentiated approach are appreciated. In order to prevent and minimise loss and damage, early warning systems can also be promoted. Overall, it should be ensured that the project is demand-driven and context-specific and allows for participatory elaboration, taking into account existing international and regional cooperation mechanisms and initiatives (e.g. Global Shield, the NDC partnership, and the NAP Global Network) and creating synergies where possible.
Regions/ countries	The envisioned project is to be implemented in two to four Pacific Island Developing States. Countries that are particularly vulnerable to the impacts of climate change should be chosen.
Funding volume	EUR 15–20 million
Lead federal ministry	Federal Foreign Office