



IKI Thematic Call 2024

Thematic Priorities

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

Published: 18 November 2024



Table of contents

1.	and mobilisation of private capital1
2.	Building energy efficiency: Business models for scaling energy efficiency measures3
3.	Climate-friendly transport: Support of partner countries in the creation of foundations, strategies and specific approaches for climate action and the energy transition in transport5
4.	Scaling innovative financing solutions for the decarbonisation of energy-intensive industries \dots 7
5.	Development and implementation of innovative financing models and programmes for the sustainable conservation of primary forests and the restoration of semi-natural forests9
6.	Conservation, sustainable management and restoration of critical wetlands for biodiversity and climate action11
7.	From Blue Carbon to Blue Value - locally-led approaches for coastal marine ecosystem services
8.	Building climate resilience through protecting vulnerable watersheds in South America15
9.	Enhancing climate resilience to prevent conflict and sustain peace17

1. Promotion of cooperative approaches to the implementation of Art. 6: Removal activities and mobilisation of private capital

Initial situation/ problem

In the next decade, it will be essential to establish technical and natural carbon sinks in order to offset the unavoidable residual emissions to achieve net climate neutrality worldwide. The voluntary carbon market (VCM) can help to mobilise private funds for the necessary financing of these climate protection measures. For example, companies that have defined targets according to the Science Based Targets initiative (SBTi) must at least offset their residual emissions with carbon dioxide removals (CDR). More than 5,000 companies worldwide have defined voluntary climate targets.

However, removal projects (technical and natural sinks) still pose major challenges internationally with regard to the following demanding aspects of implementation: monitoring, reporting, and verification (MRV); in relation to leakage effects; permanence; additionality; reporting of carbon sequestration in national greenhouse gas (GHG) inventories and possible negative impacts in other target areas (e.g. energy efficiency, biodiversity, ambitious landscape planning); as well as complex stakeholder participation processes. In addition, the priority of GHG reduction efforts over offsetting emissions must always be maintained.

The implementation of such projects usually has a long lead time. The market must therefore be prepared now in order to meet the expected high demand for this type of project.

For this, it is necessary to develop high-quality and high-integrity methodologies for removal activities. The EU Carbon Removal Certification Framework (CRCF) Regulation is currently developing methodologies for sink activities within the EU.

Intended effects of the envisioned project

The envisioned project should contribute to the following overarching goal: Natural and/or technical carbon sinks have been established and expanded.

To this end, the envisioned project should work toward the following goals: Absolutely necessary project goals:

- Implementation of high-quality and high-integrity removal projects for instance at least according to the CRCF Regulation standard for technical sinks and Guidance Article 6.4 for natural sinks.
- Development of high-quality methodologies for removal activities, taking into account the framework conditions of the Paris Agreement (PA). To this end, it should also be examined which existing methodologies (e.g. from the Clean Development Mechanism (CDM), VCM or CRCF Regulation) can be used or built upon. Depending on the activity, it is important that the methodology clearly distinguishes between CO₂ reductions and CO₂ removal.
- Authorities and national experts have strengthened knowledge and capacities.
- Private capital is catalysed or mobilised via the voluntary carbon market.

- Project activities have revealed additional mitigation potential.
- Biodiversity is increasingly protected through activities in the partner countries.
- The envisioned project should focus on the inclusion of all genders from the national to the local level. Important measures here include gender-inclusive decision-making and capacity development measures as well as the involvement of women-led organisations and/or private sector companies.

Possible target groups/sectors of the project	 Target sectors: depending on the country of implementation. For technical sinks: Sectors in accordance with CRCF category for permanent removals. For natural sinks: Sectors in accordance with Guidance Article 6.4 and CRCF (Carbon Farming). Companies in Germany or in the partner countries with an interest in high-quality Article 6 Removal Certificates. National governments and authorities. Landowners and land users.
Project components/content of the project	Projects that offer implementation support for removal projects, ideally at least based on the CRCF Regulation standard/ Guidance Article 6.4, thereby building the capacities of authorities and national experts are welcomed. For the implementation of the projects, it is important that high-quality and high-integrity methodologies for removal activities are developed, taking into account the framework conditions of the PA. To this end, the existing methodologies (e.g. from the CDM or VCM, ideally the CRCF Regulation or Guidance Article 6.4) that can be used or built upon should also be examined. The projects should focus on approaches for active carbon sequestration/removal and pilot high-quality measures with a high investment impact (no "avoidance" projects). The projects should also be implemented in close cooperation with local organisations in the partner countries. Furthermore, projects that offer to match the removal pilot projects with German, European, and/or local companies in the host country in order to scale up the specific implementation of the projects with private funds are welcomed. In addition, components that include outreach to countries with comparable framework conditions are desirable, e.g. in the form of exchange formats and/or the development of technical manuals. A key criterion for the selection of project activities is therefore the transferability of the approaches and results, particularly to IKI priority countries. The projects should also generate co-benefits in the adaptation to the impacts of climate change and promote biodiversity and the Sustainable Development Goals (SDGs).
Regions/ countries	The envisioned project should take a regional approach and be implemented in 2–5 ODA-eligible countries, for example in sub-Saharan Africa. Outreach or upscaling to countries with comparable framework conditions, including IKI priority countries
Funding volume	is possible and desirable (outreach may be global).
Funding volume	Min. EUR 15 to max. 20 million.
Lead federal ministry	Federal Ministry for Economic Affairs and Climate Action (BMWK)

2. Building energy efficiency: Business models for scaling energy efficiency measures

Initial situation/problem

Energy efficiency (EnEff) is one of the two pillars of the energy transition. It offers a more efficient use of energy and potential cost savings. Successful implementation measures must be quickly scaled up in order to double the rate of energy efficiency improvement to over 4% per year in this decade (global EnEff target). In the building sector, ambitious EnEff measures are associated with particular challenges such as high costs, a lack of incentives, complex processes, and a heterogeneous building stock as well as a lack of funding, consultancy, market providers, and qualified specialists. Improved framework conditions and financing instruments are therefore necessary in order to establish effective business models and implement extensive measures on a large scale.

Intended effects of the envisioned project

The envisioned project should contribute to the following overarching goal:

- In the building sector, GHG emissions are significantly reduced by a functioning EnEff market and innovative business models, and increase of the efficiency rate, thereby contributing to the global EnEff doubling target.

To this end, the envisioned project should work toward the following goals:

Absolutely necessary project goals:

- Serial measures (i.e. the implementation of individual measures or several measures on an industrial scale, e.g. for reducing cooling or electricity consumption and insulating the building envelope) or prefabricated solutions are developed in new or existing buildings.
- Energy service companies (ESCOs) are strengthened and/or their core instruments (contracting, large-scale tenders, catalogue of standardised measures, aggregation of smaller measures, one-stop shops) are used.

Possible further project goals: (at least 1–2 should be pursued):

- Incentives for EnEff investments and innovative business models have been established (e.g. by setting regulatory requirements, strengthening public funding, imposing EnEff obligations on energy suppliers and building owners, redirecting energy consumption subsidies for the building sector into EnEff subsidies, embedding serial measures in public tenders, and shifting the focus to a socially just funding of measures).
- Innovative de-risking and blended financial instruments for scaling EnEff have been developed. The involvement of local banks and loan refinancing by development banks, the development of standardised EnEff loans, and certified audits of implementation measures are addressed.
- Sustainable business models have been established, and initial measures have been piloted. Marginalised groups and women benefit from low energy consumption and costs and are strengthened as implementation actors. Gender-transformative approaches are particularly welcome.
- The project aims to improve the quality of the implementation of EnEff measures.
- New approaches to data collection on material flows, GHG saving, and recycling potentials (e.g. via AI) are developed.
- The value chain for the building materials under consideration is designed to be more climate-friendly through life cycle approaches.

The project must demonstrate quantifiable GHG savings potential from specific project activities. Pilot projects should strive for an ambitious reduction effect, and a quantified CO_2 target should be anchored in the results chain. It is also desirable

	for projects to involve the technical expertise of companies and mobilise private funding.
Possible target groups/sectors of the project	 Utilities/energy service providers (ESCOs) National governments, authorities, municipalities Companies in the building sector: Component manufacturers, trades, owners, tenants, consultants, start-ups Banks with a particular focus on local banks and development banks for refinancing local banks Target sectors: New construction and/or existing buildings. In addition to private sector players, the project must target public buildings and/or social housing.
Project components/conte nt of the project	The project aims to support actors in establishing a functioning EnEff market and thus enabling measurable increases in efficiency. To this end, ambitious framework conditions are to be created in the partner country to strengthen the business models for scaling up EnEff measures. The development of ESCOs, large-scale tenders, and innovative financial instruments and/or the scaling of capacity building in conjunction with financial instruments must be addressed. Large-scale EnEff tenders and the corresponding capacity building of planners and tradespeople can be developed, and the bundling potentials of larger properties can be harnessed in the project concept. It is necessary that companies and/or industry associations from the target sector should either be part of the consortium with a corresponding contribution of financial resources, or otherwise participate financially in the concrete implementation and, above all, scaling of project activities and objectives. The project design should also include investment measures as well as piloting or incentive instruments to an appropriate extent. The project can support ambitious EnEff measures together with the integration of renewable energies (RE) or renewable district heating and/or district cooling systems in the building sector. The potential of biodiversity-friendly building greening (green roofs/façades) as a supplement or alternative to possible RE integration is also welcomed. When selecting materials, sustainability aspects, including embodied carbon, should be taken into account.
Regions/ countries	The envisioned project should take a bilateral approach (or max. two countries from the same region) and be implemented in an ODA-eligible country, for example an IKI priority country.
Funding volume	Min. EUR 15 to max. 20 million.
Lead federal ministry	Federal Ministry for Economic Affairs and Climate Action (BMWK)

3. Climate-friendly transport: Support of partner countries in the creation of foundations, strategies and specific approaches for climate action and the energy transition in transport

Initial situation/problem

The transport sector accounts for around one quarter of global energy-related greenhouse gas emissions. Transport is more dependent on fossil energy sources than any other sector.

At the same time the transport sector is growing strongly in many IKI partner countries – transport services are increasing rapidly in connection with economic development and rising prosperity. However, the noise and pollution-related consequences of established transport systems are distributed extremely unequally in social and gender-specific terms. This applies to both passenger and freight transport.

Despite this fact, transport has played a minor role in the nationally determined contributions (NDCs) of most of the partner countries of the IKI. Specific goals, suitable instruments, and concrete measures have not yet been sufficiently formulated for this sector. A systematic survey of transport and transport-related emissions is thus often not possible. Because of the lack of transport and emissions modelling, it is not possible to determine which local approaches and measures would be particularly effective when it comes to limiting greenhouse gas emissions and initiating the shift from fossil energy sources.

Intended effects of the envisioned project

The envisioned project should contribute to the following overarching goal:

The foundations, strategies, and specific approaches for climate action and energy transition in transport have been created in the partner countries, especially those with a high level of motorisation that is already growing or can be expected to grow strongly. The focus is on the energy transition in transport.

To this end, the envisioned project should work toward the following goals:

Absolutely necessary project goals:

- In the partner countries, MRV systems have been established and are used to determine and assess transport-related emissions.
- Based on this, the energy transition is initially anchored as a component of climate action in the transport sector at the policy level, including in the NDC and long-term strategy (LTS).
- Substantial, well-founded, inclusive, gender-equitable, and targeted reduction concepts for the transport sector have been developed, are in force, and support the achievement of the reduction targets.
- Through piloting, concrete measures for climate action and the energy transition in transport are tested in local contexts and contribute to successful multi-level governance in the partner countries.

- It is particularly welcome if gender-transformative or explicit gender justice goals are pursued in the context of the project and are anchored in the results chain at the output and (if applicable) outcome level.
- In addition, quantifiable savings potential from specific project activities is particularly desirable.
- Furthermore, the technical expertise of private companies and the mobilization of private funds from international and local investors is particularly welcomed.

Possible target groups/sectors of the project	 National and, where appropriate, sub-national governments and authorities Private sector (e.g. transport companies, infrastructure providers, private investors, energy companies, vehicle manufacturers) Civil society and research with preferential participation of women, TIN¹, and marginalised groups, international partnerships Financial backers
Project components/content of the project	The focus of the envisioned project is the context-specific initiation of an energy transition in transport. This can include, for example, the development of a robust assessment and modelling of transport and transport emissions (creation of MRV-capable databases) and capacity building for the data-based determination of reduction measures in transport and their embedding in a net-zero strategy for the transport sector (which may have to be developed). Data on the existing power supply can supplement the data basis. If these prerequisites already exist in the partner country, the project should focus more strongly on initiating a propulsion and energy transition in transport. In the interests of efficient and sustainable sector coupling, an integrated approach with the energy system is to be taken and efforts made to develop instruments and implement/pilot specific measures in passenger and/or freight transport. Existing coordination and planning mechanisms in the respective country context (e.g. those of the NDC Partnership) should be taken into account. Project concepts also highlight possible co-benefits in the adaptation of the transport sector to the impacts of climate change. They also take into account in their results chain the context-dependent role of young people in the transport transition and provide for the possible participation and support of young people.
Regions/ countries	The envisioned project should take a bilateral or regional approach and be implemented in up to three ODA-eligible countries, in particular in countries with rapidly growing motorisation, in countries with a spill-over effect and/or quantitatively high reduction potential. Regional approaches should be taken only insofar as synergies can be demonstrably formed, because countries are dealing with the same issues under similar basic regional conditions. When selecting partner countries, special consideration should be given to the IKI priority countries as well as Just Energy Transition Partnership (JETP) countries.
Funding volume	Min. EUR 15 to max. 20 million.
Lead federal ministry	Federal Ministry for Economic Affairs and Climate Action (BMWK)

 $^{\rm 1}\,\mbox{The}$ abbreviation stands for trans, inter, and non-binary people.

4. Scaling innovative financing solutions for the decarbonisation of energy-intensive industries

Initial situation/problem	The energy-intensive basic industries are among the largest CO ₂ emitters worldwide with the steel and cement industries accounting for 14–16% of CO ₂ emissions. Because there are also process emissions, a switch to renewable energies alone is not enough to achieve complete decarbonisation. The development and implementation of climate-friendly technologies is often both costly and technically demanding. The energy-intensive basic industries are capital-intensive with plants and production facilities that often have life cycles spanning decades. Decarbonisation requires investment in new technologies, some of which are not yet commercially available and are subject to sales uncertainties. This risk is exacerbated by an unpredictable regulatory environment and, in some cases, a lack of infrastructure. Financial institutions are reluctant to grant loans because of the increased project risks. The rapid mobilisation of investments is one of the main challenges for accelerating the decarbonisation of industry. A stable regulatory framework plays a role here – as does support from the public sector to minimise risks.
Intended effects of	The envisioned project should contribute to the following overarching goal:
the envisioned	- The project contributes to the decarbonisation of energy-intensive basic
project	industries (e.g. steel and cement) in the partner country/countries.
	 To this end, the envisioned project should work toward the following goals: Absolutely necessary project goals: The project enables private sector investment and mobilises financial resources for the decarbonisation of industry. Relevant actors gain access to funding opportunities in order to be able to implement appropriate measures. In cooperation with the private sector, the project contributes to the establishment of business models for deep decarbonisation. The project contributes to the further development of political framework conditions and the mobilisation of investments. Sustainable, (nearly) GHG-neutral processes in energy-intensive industries have been successfully piloted with quantifiable savings potential, and their technological feasibility has been demonstrated. The project approach is scalable and can be replicated in other national/regional contexts.
	Possible further project goals: - The project contributes to improving the data basis for the decarbonisation of energy-intensive industries in the partner country/countries. In particular, the synergetic potentials of coupling the processes and energetic procedures of industrial sites (e.g. integrated production sites) are taken into account.
Possible target	- Industry associations, chambers of industry and commerce
groups/sectors of the	 Private sector, especially companies in the steel and cement industry Financial institutions
project	- Financial institutions - National governments
	- Universities, training centres

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countries and i	nvisioned project takes a bilateral or regional approach (up to three countries) s implemented in ODA-eligible countries. The partner country must be a per of the Climate Club (reference date: deadline for submission). IKI priority tries are given special consideration.
	EUR 15 to max. 20 million
	ral Ministry for Economic Affairs and Climate Action (BMWK)

Development and implementation of innovative financing models and programmes for the sustainable conservation of primary forests and the restoration of semi-natural forests

Initial situation/problem

Forest ecosystems are an important basis for life on earth and, in many regions of the Global South, a key income and development factor that is highly important in local value creation chains. Advancing global deforestation is threatening the diverse ecosystem services provided by forest landscapes and thus the livelihoods of forest-dependent communities. This downwards spiral is a major driver of the climate and biodiversity crises. Financing measures to conserve primary forests and the restoration and sustainable use of semi-natural forests is a major challenge in view of the economic land-use pressure. Public funding alone is not enough to cover the major financing requirements for implementing the Kunming-Montreal Global Biodiversity Framework (GBF) and PA.

Additional mobilisation of private capital and the engagement of the private sector is required. However, scalable and replicable financing instruments as well as models and programmes for the conservation and restoration of forests are still largely lacking. Current forest climate finance instruments are generally based on the UNFCCC processes and focus on the climate impact of the measures. Nature and biodiversity-related aspects (e.g. the conservation of primary forests and the restoration of near-natural forests with high ecological integrity and diverse ecosystem services) are not yet or only insufficiently reflected in those financing approaches and do not have a broad impact. Public and private institutions also lack the capacity to develop and implement innovative financing approaches in line with local value chains and the needs of local actors.

Intended effects of the envisioned project

The project contributes to the following overarching goal:

Sustainable financing instruments, models, and programmes support the
effective conservation of primary forests and the restoration of semi-natural
forests at the landscape level, and contribute to the achievement of national
climate (NDCs) and biodiversity targets.

To this end, the envisioned project should work toward the following goals:

Absolutely necessary project goals:

- Local economic actors, indigenous peoples and local communities (IPLC), women, and young people have improved access to a pool of sustainable financing instruments, models, and programmes to support deforestation-free livelihoods with a focus on high environmental integrity.
- Financial actors (international financial institutions/ IFIs, banks, insurance companies) are integrating aspects for the conservation of semi-natural and primary forests into their portfolios and offering new products and financial incentives for the conservation and restoration of forests.
- The piloted and evaluated financing instruments, models, and programmes demonstrably contribute to the conservation of primary forests and the restoration of near-natural forests in specific project landscapes and contribute to local value creation.
- Private capital has been mobilised, and the private sector has been activated and is committed to specific measures for the conservation and biodiversityfriendly restoration of forests.

	Possible further project goals: - Institutional (e.g. ministries, local research information systems) and technical capacities for scaling up the piloted measures have been increased, and corresponding guidance and a toolbox have been developed.
Possible target groups/sectors of the project	 Local and indigenous communities, cooperatives, women, and young people Local or regional economic actors and companies Local, national, and international civil society (NGOs, associations) State actors and decision-makers as well as local administrations and scientific institutions Finance and insurance industry, (regional) and national development banks Philanthropists.
Project components/content of the project	Strengthening the expertise and skills of economic actors and IPLCs to tap into new sources of financing and working with international, regional, and local financial actors helps to mobilise private funds and activate the private sector. Further information on the mechanisms of mobilisation can be found in the funding announcement (see Chapter 10.2 Technical requirements for the project outlines as well as the Provisions of the Organisation for Economic Co-operation and Development (OECD) (Annex 6) of the funding announcement). Scalable and replicable financing instruments, models and programmes (e.g. sustainable loans, blended finance, payments for ecosystem services, nature equity, and credits) can be established to provide financing opportunities for deforestation-free production methods in local value chains. Piloting contributes to the conservation and restoration of forests and forest landscapes with high ecological integrity. The private sector is activated, private funds are mobilised, and, if necessary, leveraged by public funds. Piloting takes place in specific project landscapes (landscape approach) and is orientated towards local needs and challenges. The project focuses on an integrative approach to the conservation of primary forests and the restoration of near-natural forests in neighbouring areas. Sustainable local value chains are supported through the provision of sustainable financing and insurance instruments. The participation of all genders and IPLCs is encouraged in all measures and decision-making processes in order to ensure that the project has a socially and gender-equitable effect. During conceptualisation and piloting, special consideration will be given to IPLCs and women, and all groups of actors will be addressed and involved in decision-making processes and investments on an equal footing.
Regions/ countries	The envisioned project should pursue a bilateral or regional approach and be implemented in up to three ODA-eligible countries in Central America and SICA, Central Africa, or South-east Asia.
Funding volume	Min. EUR 15 to max. 20 million.
Lead federal ministry	German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)

6. Conservation, sustainable management and restoration of critical wetlands for biodiversity and climate action

Initial situation/problem	Wetlands are important habitats for many animal and plant species and are essential for human well-being because of their diverse ecosystem services. According to the Ramsar definition, wetlands include lakes, rivers, peatlands, salt and seagrass meadows, coral reefs, and mangroves. Under the Ramsar Convention, 172 signatory states have committed themselves to conserving these valuable ecosystems – for example, by designating wetlands of international importance (Ramsar sites) to be conserved in their territories. Nevertheless, wetlands have so far received insufficient attention in research, policy, and practice. More than 85 percent of the world's wetlands have been lost in the last 300 years. In particular, freshwater ecosystems (e.g. lakes and rivers) show the highest rates of decline because of changes in land use, pollution, climate change, and invasive alien species. The conservation and restoration of these ecosystems have great potential for synergies between climate and biodiversity conservation and the achievement of the UN Sustainable Development Goals.
Intended effects of	The envisioned project should contribute to the following overarching goal:
the envisioned project	 Wetlands in African countries are protected and restored, used sustainably, and provide their ecosystem services. In this way, they contribute to the conservation of biodiversity, Nature-based Solutions, and sustainable livelihoods of the local population.
	To this end, the envisioned project should work toward the following goals:
	 Absolutely necessary project goals: The ecosystem-based management of wetlands has been improved. Degraded wetlands have been restored or are in a better ecological condition. The local population benefits from sustainable income opportunities.
	Possible further project goals: - The knowledge base, monitoring and reporting on wetlands have been improved. - Awareness of the importance of wetlands and the exchange of experiences
	have been strengthened, and relevant competencies have been developed. The importance of wetlands and measures to conserve them are included in relevant legal regulations and political strategies, plans and programmes, and suitable policy instruments have been developed. Partnerships and instruments for the long-term financing of wetlands and the
	involvement of the private sector have been developed and implemented.
Possible target groups/sectors of the project	 Possible target groups: Civil society organisations, government agencies, research institutes, the private sector, educational institutions, multipliers, land users, and the local population, especially women, young people and indigenous peoples and local communities (IPLCs) Possible sectors: Water, energy, mining, agriculture, planning, tourism, urban development, infrastructure, industry, forestry, aquaculture, and fishery
Project	The project should work on wetlands in the sense of the Ramsar definition and/or
components/content	focus on selected wetland categories. In addition, the watersheds of wetlands and
of the project	their connectivity as well as habitats with endangered animal and plant species
	should be taken into account. By promoting integrated, ecosystem-based
	management, ecological, social, and economic interests are harmonised.
	Restoration measures are piloted and/or scaled, and, where possible, managed locally. The project also aims to identify sustainable income-generating measures.

	It is desired that the project will address the links between climate change, biodiversity, and wetlands and promotes synergies. With regard to Nature-based Solutions, the potential of wetlands as natural carbon sinks as well as for adaptation to the impacts of climate change is to be assessed, utilised, and promoted. Different levels from local to global should be adequately integrated into the measures. A whole-of-society approach and in particular the participation of women, young people, indigenous peoples and local communities (IPLCs) is to be promoted. Regional cooperation should also be strengthened in the case of transnational wetlands and watersheds. The measures and results should be incorporated into relevant conventions, policies (e.g. NDC, NAP, and NBSAP), strategies, and initiatives, such as the Ramsar Convention, the UN Decade on Ecosystem Restoration, the Freshwater Challenge and existing projects.
Regions/	The envisioned project should take a bilateral or regional approach and be
countries	implemented in up to three ODA-eligible countries in Africa.
Funding volume	Min. EUR 5 to max. 10 million.
Lead federal ministry	German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)

7. From Blue Carbon to Blue Value - locally-led approaches for coastal marine ecosystem services

Initial situation/problem

Projects to valorise the ecosystem services of seagrass meadows, coral reefs and mangroves as well as, building on this, to finance their conservation, often focus very narrowly on monetising their function as carbon sinks. This approach is particularly unsuitable for small-scale areas, as they are often unprofitable and associated with high administrative hurdles. The focus on blue carbon also neglects the many important ecological functions of these ecosystems, such as biodiversity conservation, ecosystem-based disaster risk reduction and coastal protection in general. The cultural, regulatory, and spiritual dimensions as well as the local context of the resident communities have also not been taken into account in previous financing projects.

Indigenous peoples and local communities (IPLCs) play a crucial role in the conservation and management of seagrass, coral, and mangrove ecosystems through traditional knowledge and best practices for the sustainable use of these resources. Nevertheless, they are often insufficiently involved in the development and implementation of valuation, financing, conservation and management approaches. Target 1 and Target 3 of the Global Biodiversity Framework (GBF) explicitly state the need to consider the rights and territories of IPLCs. It is therefore crucial to actively involve IPLCs in relevant decision-making and implementation processes and to ensure that their rights and interests are adequately considered.

Intended effects of the envisioned project

The envisioned project should contribute to the following overarching goal:

 IPLC-led approaches for the valorisation, conservation, sustainable use and management of seagrass beds, coral reefs and mangroves based on their diverse ecosystem services contribute to long-term global biodiversity protection and climate action.

To this end, the envisioned project should work toward the following goals:

Absolutely necessary project goals:

- The assessment of the diverse benefits of seagrass, coral and mangrove ecosystem services is implemented by IPLCs and competent authorities and reflects their value perceptions.
- Socio-ecological and gender-equitable financing approaches ensure the conservation of diverse, locally relevant seagrass, coral and mangrove ecosystem services.
- Gender-responsive approaches for the conservation, sustainable use and management of seagrass, coral and mangrove ecosystems have been developed and are being implemented by IPLCs, considering their diverse ecosystem services and their significance for IPLCs.
- Marine coastal management plans and policies at the local level are developed in partnership-based decision-making processes between IPLCs and national, regional and local governments and administrations, are jointly implemented and integrate measures for ecosystem service conservation and climate change adaption.

Possible further project goals:

 National marine management policies recognise the diverse values of seagrass, coral and mangrove ecosystem services, and incentivise and enable financing through the private sector.

Possible target groups/sectors of the project	 Ecological networks between seagrass, coral and mangrove ecosystems provide migration corridors, spawning and breeding grounds for marine species. Valorisation approaches for seagrass, coral and mangrove ecosystem services take into account interactions between these and other ecosystems and establish their holistic conservation and sustainable cultivation. IPLCs Women, girls, and young people Private sector (e.g. tourism sector, fisheries associations)
project	 Science and educational institutions Civil society organisations Political decision-makers (local, regional, national)
Project components/content of the project	The envisioned project raises awareness of the diversity of coastal ecosystem services and fosters greater consideration of the values, knowledge, interests and rights of IPLCs in financing, conservation, and sustainable use. A project design that actively involves IPLCs in development and implementation is particularly desirable. Participatory mapping of the ecosystem services of seagrass meadows, coral reefs and mangroves that are most valuable to IPLCs should form the basis for project activities related to financing, management and sustainable use. In order to fulfil the requirements of the GBF, a monitoring system supported by IPLCs and linked to the national biodiversity system should be established to monitor the effectiveness of conservation and management for biodiversity and other seagrass, coral and mangrove ecosystem services. Financing and sustainable use approaches should prioritize investments in locally managed nature conservation projects to preserve a wide range of ecosystem services. Where possible, existing financing mechanisms should be used, whereby approaches to biodiversity offsetting or the reduction of biodiversity in favour of increased carbon storage are excluded. Projects that incorporate the expertise of private companies in the development of new sources of financing and mobilise private funds from international and local investors in accordance with the OECD methodology are particularly welcome. The influence of IPLCs on the development as well as their ownership and long-term support for the implementation of management plans should be strengthened by incorporating local values and knowledge. The context-sensitive inclusion of other marginalised groups in addition to IPLCs must be ensured. Applications from consortia with IPLC organisations are particularly welcome.
Regions/ countries	A bilateral or regional approach is to be pursued and implemented in up to three ODA-eligible countries with significant occurrences of the ecosystems mentioned. The occurrences of seagrass meadows are particularly relevant for the selection. The regional approach should enhance synergies and the connectivity of ecosystems.
Funding volume	Min. EUR 5 to max. 15 million.
Lead federal ministry	German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)

8. Building climate resilience through protecting vulnerable watersheds in South America

Initial situation/problem

Climate change has a major impact on the availability of water resources worldwide. With its rich biodiversity, South America is particularly vulnerable to alterations in the water cycle, changes in water availability and quality as well as extreme weather events. At the same time, population growth and changes in land use are increasing the pressure on water and land resources. In this context, water and ecosystems with an intact water regime play a central role both in the adaptation to the impacts of climate change and as natural carbon sinks. This is reflected in the NAPs, NDCs and NBSAPs of South American countries and is also evident in the negotiations on the Global Goal on Adaptation (GGA). In these, climate-resilient water security is identified as a key issue.

Interlinking the fields of water security and ecosystem health at the policy and implementation levels can maintain and/or restore healthy ecosystems and their services (e.g. protection against extreme weather events and freshwater storage). To this end, ecosystem-based approaches should be strengthened and combined with integrated water resource management approaches².

This will contribute to greater climate resilience of people and ecosystems, strengthen the operationalisation of the GGA, and promote the mainstreaming of water in climate, environmental, and biodiversity agendas.

Intended effects of the envisioned project

The envisioned project should contribute to the following overarching goal:

- The combination of approaches and measures from the Integrated Water Resources Management (IWRM) and Ecosystem-based Adaptation (EbA) strengthens the climate resilience of people and ecosystems in line with the GGA and contributes to maintaining the climate mitigation potential of natural ecosystems in vulnerable watersheds in South America.

To this end, the envisioned project should work toward the following goals: Absolutely necessary project goals:

- The potential of combined IWRM and EbA measures is recognised by relevant stakeholders and is incorporated into adaptation plans and strategies at the local, national, and regional level in line with the objectives of national climate and biodiversity strategies (NAP, NDC, and NBSAP).
- The implementation of combined IWRM and EbA measures ensures the provision of water-related ecosystem services and promotes resilient livelihood options that secure income sources for local land users without jeopardising ecosystem functionality.
- Coordination between relevant stakeholders in the water, climate, and biodiversity sectors is institutionally strengthened at the watershed level. Local and/or indigenous groups and their knowledge are involved, taking into account relevant safeguards standards.

- A dialogue on strengthening the integration of IWRM and EbA approaches is taking place, which has a regional impact beyond the direct partner countries of the project and promotes South-South exchange.
- Demand-oriented Monitoring, Evaluation and Learning (MEL) systems for water and ecosystem-based adaptation measures are established or expanded in line

² The BMUV-funded publication "<u>Integrating EbA and IWRM for climate-resilient water management</u>" provides guidance on the conceptual understanding of Ecosystem-based Adaptation (EbA) and Integrated Water Resources Management (IWRM) as well as the combination of both approaches.

	with the GGA. Institutional capacities for a sustainable anchoring and harmonisation with other systems are strengthened.
Possible target groups/sectors of the project	 Stakeholders in the water sector (e.g. river basin commissions, water user associations) and other relevant sectors Local population (e.g. land users, IPLCs) Political decision-makers (local, regional, national, global) Civil society and the private sector Science and educational facilities
Project components/content of the project	The envisioned project aims to increase the awareness of relevant stakeholders for combined IWRM and EbA approaches and to strengthen corresponding capacities. Coordination mechanisms across levels, sectors, and stakeholders should be improved so that inclusive alliances for the promotion of ecosystem-based solutions within vulnerable watersheds are created that emphasise the link between climate, water, and biodiversity. Existing coordination and planning mechanisms should be taken into account. The project is also intended to work towards anchoring water more firmly in adaptation planning and in relevant sector strategies. In addition, combined IWRM and EbA measures that stabilise the water regime of ecosystems and promote sustainable livelihood options should be implemented (e.g. protective measures for natural freshwater reservoirs threatened by climate change and pollution). The latter can be facilitated by the participatory development of innovative incentive and financing mechanisms (e.g. payments for watershed services), taking into account relevant safeguards standards. It is also desirable for the project to promote sustainably anchored MEL systems in order to contribute to the operationalisation of the GGA.
Regions/ countries	The envisioned project should take a regional approach and be implemented in three to five ODA-eligible countries in South America (see <u>UNSTATS classification</u>). The country setting should include at least one IKI priority country (Brazil, Colombia, and/or Peru). As part of the project's networking and dialogue activities, the inclusion of further countries in the region beyond the project's direct partner countries is desirable.
Funding volume	Min. EUR 15 to max. 20 million.
Lead federal ministry	German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)

9. Enhancing climate resilience to prevent conflict and sustain peace

Initial situation/problem

In fragile and conflict-affected contexts, climate impacts such as extreme heat, droughts, and flooding already pose additional threats to peace and security. If livelihoods or access to vital natural resources are affected due to climate change, social tensions can arise or intensify and pose additional risks to sustaining local peace. Today, non-state armed groups are utilising climate-related emergencies for their recruitment strategies. Moreover, climate change is intensifying conflicts over vital natural resources and the use of ecosystem services. Migration can serve as an adaptation strategy in the context of climate change but can also lead to tensions with host communities.

Climate change impacts are projected to become even more serious as global warming progresses. Participatory, inclusive, and sustainable local climate adaptation measures can have a peace-promoting and crisis-preventing effects if they also address the root causes of conflict and fragility. The participation of women and marginalised groups in planning, implementation, and monitoring contributes decisively to the sustainability of the measures.

Intended effects of the envisioned project

The envisioned project should contribute to the following overarching goal:

 Peace-promoting adaptation measures strengthen the resilience of ecosystems and vulnerable communities to climate impacts and minimise the causes of conflict and fragility.

To this end, the envisioned project should work toward the following goals: Absolutely necessary project goals:

- Context-specific adaptation measures contribute to the promotion of peace by increasing the resilience of socio-ecological systems to climate impacts and supporting the implementation of peace processes and/or agreements in this regard. Conflict resolution mechanisms at the local, national, and/or intergovernmental level serve to peacefully resolve conflicts and make a longterm contribution to conflict prevention.
- The planned measures strengthen social and political framework conditions (e.g. political participation processes, governance structures and capacities) that address the structural causes of conflict and climate change vulnerability.
- The adaptation measures to strengthen resilient communities are planned and implemented in a conflict-sensitive manner. All genders and vulnerable groups are included, and their rights, representation, and access to resources are strengthened at all levels.
- Peace-promoting climate adaptation measures are anchored in local, regional, or national plans and policy frameworks, and access to funding sources for their implementation has been expanded.

- Conflict-relevant natural resources are used in an inclusive, sustainable, conflict-sensitive, and peace-promoting manner. Environmental and social standards are observed and impacts on biodiversity are taken into account.
- Women and marginalised groups are strengthened as change agents in climate change adaptation and conflict resolution.

Possible target groups/sectors of the project Project components/content of the project	 Primary producers (e.g. in agriculture, livestock farming and fisheries) and user groups of ecosystem services Local communities that have come together through peace processes or have potential for convergence; Relevant local, sub-national, and/or national authorities, institutions, and governments as well as regional organisations Civil society organisations Relevant local and/or national (non-) state security actors The envisioned project should plan and implement measures for adaptation to climate change, the promotion of peace, and the prevention of conflicts in an integrated approach. The project develops these measures based on a conflict-sensitive analysis of the conflict potential and dynamics as well as their interactions
	with climate change. Project components that a) maintain or restore vital ecosystem services through the implementation of ecosystem-based adaptation (EbA) measures, b) promote inclusive and sustainable resource management, and c) establish or support peace-promoting structures, are particularly desirable. Other important components include the gender-inclusive identification of needs and priorities, the fair participation in and shaping of (political) decision-making processes, the adoption of capacity development measures (e.g. for the inclusion of civil peacebuilding instruments in ecosystem-based adaptation measures), the promotion of change agents in underrepresented groups, and the inclusion of women-led organisations and/or companies. In addition, the envisioned project should develop conflict and problem-solving mechanisms (e.g. dialogue processes, dialogue platforms, peace mediation) and/or tie in with existing mechanisms and strengthen them in relation to climate risks and their potential effects on conflict dynamics. Furthermore, the technical capacities of local, national, or regional actors to implement and finance peace-promoting adaptation measures are to be strengthened. Moreover, replicable approaches for the sustainable financing of local, peace-promoting adaptation measures can be developed and piloted. Where possible, the project harnesses linkages with projects in the Humanitarian-Development-Peace Nexus in order to utilise the potential for synergy.
Regions/ countries	The project can be implemented either bilaterally or regionally in up to three ODA-eligible countries in Africa. Cross-border projects are welcomed.
Funding volume	Min. EUR 15 to max. 20 million.
Lead federal ministry	German Federal Foreign Office